

FY14 Compact and Budget Planning Guidelines -- Supplemental

Academic Units

February 21, 2013

**2012-13 and 2013-14 tuition forecasting
information and materials due**

1. Assumptions and Methodology

The attribution of tuition revenue will remain the same as previous years with 75% of the revenue delivered to the unit that teaches the course and 25% of the revenue delivered to the unit where the student taking the course is enrolled. Resource Responsibility Centers (RRCs) are asked to review the centrally developed tuition revenue estimates and then either accept them or revise them based upon their own intersession/summer session, and regular session tuition revenue estimates for FY14 using the following information.

The FY13 projection model uses actual tuition attribution for FY10, FY11, and FY12. The projection model looks at the average proportion of Fall + Spring tuition from UM-Reports tuition attribution reports against the fiscal end total EFS ledger tuition recorded for each college/campus, for each of the last three years. This proportion is identified in column D in Table 1 below, and represents the 3 year average proportion of total tuition revenue generated in the Fall + Spring semester, by unit. The FY13 projections assume that for each campus and college the Fall 2012 and Spring 2013 revenue will be the same percentage of the FY13 total as the average proportion of the past three fiscal years. The estimate may have changed modestly from what was included in the Academic Unit Budget Planning Guidelines distributed in January due to the inclusion of spring tuition information.

The projection for FY14 is based on several rate assumptions. The most prominent variables in the FY14 tuition revenue modeling include:

- Undergraduate rates for in-state and reciprocity students will not increase. This assumes a successful result of this part of the biennial legislative request.
- Undergraduate rates for non-resident/non-reciprocity students, including international students, will increase by \$1000 per student per year on all campuses.
- Graduate and professional rates will increase 3%.

The model also assumes there will be no change from FY13 in head count enrollment or average student credit loads. These estimates are on Table 2, below. Additional detail on tuition rate increase assumptions and modification of these estimates follow Table 2. Finally, though we are asking units to assume a 0% rate increase for undergraduate students paying the resident tuition rate, we are also asking units to confirm what a 3% increase on these students would generate should that option need to be considered. These data are presented on Table 3.

Questions on these projections can be addressed to Lincoln Kallsen (612-626-9518, kalls001@umn.edu)

TABLE 1: FY13 Tuition Projection from Fall final and Spring preliminary data								
		A	B	C	D	E=C/D	F	G
		Fall 2012 Final	Spring 2013 Preliminary (2nd week)	TOTAL	Factor	FY13 Projected	FY 13 Budgeted	Variance
UMC	Crookston Campus	\$ 7,858,333	\$ 7,635,721	\$15,494,054	0.936	\$16,556,978	\$15,279,637	\$1,277,341
UMD	Duluth Campus	\$56,844,512	\$52,293,286	\$109,137,798	0.953	\$114,525,369	\$117,487,904	\$ (2,962,535)
UMM	Morris Campus	\$ 8,738,942	\$ 8,241,283	\$16,980,225	0.971	\$17,492,170	\$17,547,729	\$ (55,559)
UMR	Rochester Campus	\$2,686,008	\$2,454,388	\$5,140,396	0.952	\$5,397,284	\$ 5,821,466	\$ (424,182)
AHCSH	AHC Shared	\$2,415,097	\$2,214,073	\$ 4,629,170	0.818	\$ 5,656,702	\$5,748,107	\$ (91,405)
CBS	Biological Sciences	\$10,906,779	\$10,355,699	\$21,262,478	0.988	\$21,514,116	\$21,000,000	\$514,116
CCE	Continuing Education	\$6,180,044	\$ 6,170,704	\$12,350,748	0.838	\$14,742,358	\$14,826,210	\$ (83,852)
CEHD	Education & Human Development	\$28,873,463	\$27,962,016	\$56,835,479	0.898	\$63,285,726	\$61,606,443	\$1,679,283
CFANS	Food, Ag & Nat Res Sci.	\$13,888,578	\$12,554,203	\$26,442,781	0.981	\$26,948,858	\$24,558,533	\$2,390,325
CLA	Liberal Arts	\$87,212,566	\$82,678,902	\$169,891,468	0.955	\$177,901,891	\$177,335,379	\$566,512
CSENG	Science and Engineering	\$58,226,069	\$50,805,893	\$109,031,962	0.956	\$114,016,016	\$113,828,706	\$187,310
CSOM	Carlson School of Management	\$32,145,044	\$31,475,031	\$63,620,075	0.928	\$68,535,860	\$67,395,742	\$1,140,118
DENT	Dentistry	\$8,139,742	\$8,298,753	\$16,438,495	0.804	\$20,446,617	\$19,200,000	\$1,246,617
DESGN	Design	\$9,273,770	\$8,248,900	\$17,522,670	0.983	\$17,822,820	\$17,725,911	\$ 96,909
GPSTR	Global Programs & Strategy All.	\$56,071	\$ 72,698	\$128,769	1.000	\$128,769	\$136,658	\$ (7,889)
GRAD	Graduate School	\$268,665	\$232,483	\$501,148	0.960	\$ 522,029	\$552,134	\$ (30,105)
HHH	Humphrey School of Public Affairs	\$3,774,959	\$3,494,021	\$7,268,980	0.954	\$7,615,700	\$6,659,187	\$956,513
HLSCI	Health Sciences	\$152,457	\$ 86,421	\$238,878	1.000	\$238,878	\$ -	\$ 238,878
LAW	Law School	\$15,561,137	\$14,519,756	\$30,080,893	0.973	\$30,907,534	\$31,795,929	\$ (888,395)
MED	Medical School	\$16,714,029	\$16,464,076	\$33,178,105	0.768	\$43,196,845	\$43,967,532	\$ (770,687)
NURSG	Nursing	\$5,194,065	\$4,460,361	\$9,654,426	0.863	\$11,192,719	\$11,030,955	\$161,764
PHARM	Pharmacy	\$9,413,672	\$9,560,344	\$18,974,016	0.902	\$21,034,598	\$20,826,266	\$208,332
PUBHL	Public Health	\$7,847,987	\$7,847,184	\$15,695,171	0.875	\$17,930,753	\$18,701,267	\$ (770,514)
UEDUC	VP Undergraduate	\$474,630	\$382,825	\$857,455	1.000	\$857,455	\$872,785	\$ (15,330)
VETMD	Veterinary Medicine	\$7,566,730	\$7,812,674	\$15,379,404	0.910	\$16,899,816	\$ 16,580,000	\$319,816
	Multi-institutional	\$65,996	\$ 70,137	\$136,133				
	ALL UNIVERSITY	\$400,479,345	\$376,391,832	\$776,871,177		\$835,367,863	\$830,484,480	\$4,883,383

TABLE 2: FY14 Tuition Projection							
		A	B	C	D	E=B+C+D	F=E-A
		FY13 Projected (From Table 1)	FY14 UG Resident/ Reciprocity @ 0%	FY14 UG NRNR + international @ +\$1000 (\$500/semester)	FY14 Grad/Prof @ + 3%	FY14 Total Tuition Projection	Projected Revenue Increase over FY13
UMC	Crookston Campus	\$16,556,978	\$12,318,777	\$4,550,665		\$16,869,442	\$312,464
UMD	Duluth Campus	\$114,525,369	\$101,779,907	\$5,372,447	\$ 7,707,446	\$114,859,800	\$334,431
UMM	Morris Campus	\$17,492,170	\$14,363,593	\$3,385,598		\$17,749,191	\$257,021
UMR	Rochester Campus	\$5,397,284	\$4,122,614	\$ 682,912	\$657,954	\$5,463,481	\$66,197
AHCSH	AHC Shared	\$5,656,702	\$1,685,424	\$134,677	\$3,961,399	\$5,781,501	\$124,799
CBS	Biological Sciences	\$21,514,116	\$15,176,107	\$3,584,422	\$3,005,811	\$21,766,340	\$252,224
CCE	Continuing Education	\$14,742,358	\$9,801,755	\$2,789,304	\$2,310,382	\$14,901,442	\$159,084
CEHD	Education & Human Development	\$63,285,726	\$30,510,623	\$6,331,747	\$27,575,958	\$64,418,328	\$1,132,602
CFANS	Food, Ag & Nat Res Sci.	\$26,948,858	\$ 16,145,078	\$4,112,503	\$7,086,770	\$27,344,350	\$ 395,492
CLA	Liberal Arts	\$177,901,891	\$121,391,713	\$37,507,380	\$21,558,720	\$180,457,813	\$2,555,922
CSENG	Science and Engineering	\$114,016,016	\$60,620,318	\$24,554,514	\$31,064,897	\$116,239,730	\$2,223,714
CSOM	Carlson School of Management	\$68,535,860	\$ 20,918,785	\$7,311,864	\$41,929,228	\$ 70,159,876	\$1,624,016
DENT	Dentistry	\$20,446,617	\$644,255	\$ 70,294	\$ 20,327,251	\$21,041,799	\$595,182
DESGN	Design	\$17,822,820	\$ 10,297,771	\$2,582,040	\$5,236,696	\$18,116,507	\$293,687
GPSTR	Global Programs & Strategy All.	\$128,769			\$132,632	\$132,632	\$3,863
GRAD	Graduate School	\$522,029	\$11,959	\$10,413	\$ 515,235	\$537,607	\$15,578
HHH	Humphrey School of Public Affairs	\$7,615,700	\$653,901	\$197,570	\$ 6,977,973	\$ 7,829,444	\$213,744
HLSCI	Health Sciences	\$238,878	\$209,493	\$31,088		\$ 240,581	\$ 1,703
LAW	Law School	\$30,907,534			\$31,843,083	\$31,843,083	\$ 935,549
MED	Medical School	\$43,196,845	\$ 6,296,907	\$1,001,071	\$37,025,899	\$44,323,877	\$1,127,032
NURSG	Nursing	\$11,192,719	\$3,997,583	\$219,819	\$7,191,152	\$11,408,554	\$215,835
PHARM	Pharmacy	\$21,034,598	\$1,519,222	\$206,648	\$19,875,520	\$21,601,390	\$566,792
PUBHL	Public Health	\$17,930,753	\$1,787,627	\$ 368,160	\$16,258,705	\$18,414,493	\$483,740
UEDUC	VP Undergraduate Education	\$857,455	\$ 670,212	\$ 198,104		\$ 868,316	\$10,861
VETMD	Veterinary Medicine	\$16,899,816	\$ 614,721	\$80,408	\$16,696,014	\$17,391,143	\$491,327
	ALL UNIVERSITY	\$835,367,861	\$435,538,346	\$105,283,648	\$308,938,725	\$849,760,718	\$14,392,857

Table 3: FY14 Tuition Projection - UG rate variation		A	B	C
		FY14 UG Resident/ Reciprocity @ 0%	FY14 UG Resident/ Reciprocity @3%	Variance
UMC	Crookston Campus	\$ 12,318,777	\$ 12,688,341	\$ 369,563
UMD	Duluth Campus	\$101,779,907	\$104,833,304	\$ 3,053,397
UMM	Morris Campus	\$ 14,363,593	\$ 14,794,501	\$ 430,908
UMR	Rochester Campus*	\$ 4,122,614	\$ 4,246,293	\$ 123,678
AHCSH	AHC Shared	\$ 1,685,424	\$ 1,735,987	\$ 50,563
CBS	Biological Sciences	\$ 15,176,107	\$ 15,631,390	\$ 455,283
CCE	Continuing Education	\$ 9,801,755	\$ 10,095,808	\$ 294,053
CEHD	Education & Human Development	\$ 30,510,623	\$ 31,425,942	\$ 915,319
CFANS	Food, Ag & Nat Res Sci.	\$ 16,145,078	\$ 16,629,430	\$ 484,352
CLA	Liberal Arts	\$121,391,713	\$125,033,465	\$ 3,641,751
CSENG	Science and Engineering	\$ 60,620,318	\$ 62,438,928	\$ 1,818,610
CSOM	Carlson School of Management	\$ 20,918,785	\$ 21,546,348	\$ 627,564
DENT	Dentistry	\$ 644,255	\$ 663,582	\$ 19,328
DESGN	Design	\$ 10,297,771	\$10,606,704	\$ 308,933
GPSTR	Global Programs & Strategy All.			
GRAD	Graduate School	\$ 11,959	\$ 12,317	\$ 359
HHH	Humphrey School of Public Affairs	\$ 653,901	\$ 673,518	\$ 19,617
HLSCI	Health Sciences	\$ 209,493	\$ 215,778	\$ 6,285
LAW	Law School			
MED	Medical School	\$ 6,296,907	\$ 6,485,814	\$ 188,907
NURSG	Nursing	\$ 3,997,583	\$ 4,117,510	\$ 119,927
PHARM	Pharmacy	\$ 1,519,222	\$ 1,564,799	\$ 45,577
PUBHL	Public Health	\$ 1,787,627	\$ 1,841,256	\$ 53,629
UEDUC	VP Undergraduate Education	\$ 670,212	\$ 690,318	\$ 20,106
VETMD	Veterinary Medicine	\$ 614,721	\$ 633,163	\$ 18,442
	ALL UNIVERSITY	\$435,538,346	\$448,604,496	\$ 13,066,150

2. Analyzing and Modifying the Tuition Estimates for FY 14

There are two main areas of analysis that must be considered when determining the FY14 revenue estimate:

- Rate changes from FY13 to FY14, and
- Enrollment changes from FY13 to FY14

A) Rate changes from FY13 to FY14

For Twin Cities undergraduate programs, there is no collegiate discretion in setting the tuition rate. Current Board of Regents tuition policy has each campus at a single undergraduate rate, allowing for Board approved collegiate tuition surcharges. As in the past, the Crookston, Duluth, Morris, and Rochester campuses and graduate and professional programs may propose tuition

plans for consideration that deviate from the proposed increases for programmatic reasons (e.g., market factors). Such proposals will be reviewed on an individual basis.

In this initial assumption set, one important change is the introduction or re-introduction of differential resident/non-resident tuition rates on the Crookston, Morris, and Rochester campuses. We will want to specifically discuss the impact of this proposed change with those campuses during the budget compact process.

Additionally, there will be a proposal for a \$125 per semester/\$250 per year surcharge fee for undergraduate international students. This surcharge would be a separate fee above and beyond any currently collected fees. On the Twin Cities campus this is being contemplated as a fee collected by the Provost Office with resources being distributed throughout the Twin Cities campus in support of international undergraduates, and thus is not and should not be included in tuition forecasts for FY14. However we are using this section to collect information from the Crookston, Duluth, Morris, and Rochester campuses to understand if there are concerns or consequences for establishing this fee on system campuses.

For clarity, the following changes by campus were assumed (NRNR = Non-resident, non-reciprocity):

Undergraduate				
	2012-13	2013-14	Change	%
Twin Cities				
Resident & Reciprocity	\$ 12,060	\$ 12,060	\$ -	0.0%
NRNR	\$ 17,310	\$ 18,310	\$ 1,000	5.8%
International	\$ 17,310	\$ 18,310	\$ 1,000	5.8%
Duluth				
Resident & Reciprocity	\$ 11,720	\$ 11,720	\$ -	0.0%
NRNR	\$ 14,385	\$ 15,385	\$ 1,000	7.0%
International	\$ 14,385	\$ 15,385	\$ 1,000	7.0%
Morris				
Resident & Reciprocity	\$ 11,720	\$ 11,720	\$ -	0.0%
NRNR	\$ 11,720	\$ 12,720	\$ 1,000	8.5%
International	\$ 11,720	\$ 12,720	\$ 1,000	8.5%
Crookston				
Resident & Reciprocity	\$ 10,030	\$ 10,030	\$ -	0.0%
NRNR	\$ 10,030	\$ 11,030	\$ 1,000	10.0%
International	\$ 10,030	\$ 11,030	\$ 1,000	10.0%
Rochester				
Resident & Reciprocity	\$ 11,720	\$ 11,720	\$ -	0.0%
NRNR	\$ 11,720	\$ 12,720	\$ 1,000	8.5%
International	\$ 11,720	\$ 12,720	\$ 1,000	8.5%
Graduate				
Resident & Reciprocity	\$ 14,570	\$ 15,007	\$ 437	3.0%
NRNR	\$ 22,320	\$ 22,990	\$ 670	3.0%
International	\$ 22,320	\$ 22,990	\$ 670	3.0%

Special note on the graduate tuition rates: Those programs moving from the Graduate School that were under a single Graduate General Programs tuition rate will remain so for FY14, just as they have in the past. For those programs, there is no collegiate discretion in setting the tuition rate in FY14.

B) Enrollment Changes from FY13 to FY14

Twenty-five percent of a student's tuition and University fee is attributed to that student's college of enrollment. Therefore, it is important that individuals within a college with responsibility for enrollment management communicate very closely with those individuals within a college with responsibility for estimating tuition revenue. Since colleges often provide instruction for students in other colleges, it is also important to be aware of possible enrollment changes in other colleges that may affect instructional demand and tuition revenue. In developing estimates in Table 2, stable enrollment was assumed.

3. Budget Response

For this budget submittal, complete Figure 1 to indicate your estimated tuition revenue for FY14. (Intersession/summer session and regular sessions). The response should be prepared to indicate whether or not you agree with the estimates that appear on Tables 1, 2 and 3 for FY13 and FY14, and if not, present alternative estimates and include all relevant assumptions and rationale. Units that have already had their compact/budget meetings, should submit Figure 1 as soon as possible, and follow-up will proceed as necessary.

It is very important to clearly identify the variables that contribute to the estimated change in tuition revenue. (See figure 1 below for details on the type of specific issues and questions that need to be addressed in the response.) Tuition revenue increases for FY14 in table 2 above have been factored in to the overall budget balancing framework for FY14, so if the estimates are lowered from what appears in table 2, that creates a budget challenge for the institution.

As these estimates are analyzed, you will be contacted for any necessary clarifications.

Figure 1

FY14 Tuition Revenue Estimate – Response

Please use the following format to submit a tuition revenue estimate for FY13.

Budget Office Estimates:

Enter the amounts from

Tables 1 and 2 above	FY13 Tuition	FY14 Tuition
	\$	\$

Unit Estimates:

Either equal to Budget

Office or Revised	\$	\$
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From Table 3:

Budget Office estimate for FY14 undergraduate resident/reciprocity tuition @ 3%:

Unit estimate for FY14 undergraduate resident/reciprocity tuition @ 3%:

If your unit agrees with the Budget Office estimates, it will be understood that you are anticipating no change in enrollment, and all increased revenues are due to the rate increases detailed in the instructions.

If you revise the Budget Office estimates for either year, please include all assumptions incorporated into the revised estimate.

- Itemize the variables involved in changing the estimate for FY13 – (\$x due to anticipated larger drop off in spring, \$x due to anticipated increase in summer session etc. – whatever those variables might be for your unit)
- Itemize the changes in your estimates of revenue from FY13 to FY14
 - \$x due to rate increases detailed in the instructions on stable/current enrollments and credit hours
 - \$x due to an additional x% rate increase on stable/current enrollments and credit hours
 - \$x due to increase in enrollment of X
 - (\$x) due to drop off in enrollment in program Y etc.
- Include any supporting schedules necessary to explain the change in estimate
- The Budget Office needs to fully understand the change in the tuition estimate in order to treat it as intended in the overall University budget framework, so explain the change in revenue as explicitly as possible

- System campuses – please clearly describe your proposal regarding NRNR rates – if the proposal differs from the rates indicated in the table above, provide a rationale and the corresponding revenue impact of that proposal.
- System campuses – please describe the impact, if any, of an additional \$125 per semester fee on international undergraduate students on your campus, and describe proposed uses of the new resources in support of international students.

FY13 Estimates: If the FY13 estimated revenue exceeds what was budgeted and planned for, please explain how that additional income was used, in part, to generate the increase, or how it is being used in your current year expenditure plans on a recurring or nonrecurring basis.

Conversely, if the FY13 revenue estimate is less than what was included in the budget, explain how that difference is being accommodated – through expenditures reductions, other revenue increases or balances to bridge to next year.