ASSESSMENTS IN THE SHARED RESPONSIBILITY BUDGET MODEL

Assessments are dependent on both the source of the resources and the mechanism by which the resource is integrated into the Shared Responsibility Budget Model (SRBM). Some resources are assessed prior to the allocation to the units; whereas others are assessed after the allocation to units.

ASSESSMENTS PRIOR TO THE ALLOCATION TO THE UNIT

Resources that are assessed prior to the allocation to colleges or units include F&A recovery and differential tuition.

F&A RECOVERY

F&A recovery is assessed prior to the allocation to the college/unit, as a portion of the total F&A recovery is distributed to administrative units. Colleges receive a percentage of their overall recovery of F&A costs, known as Returned Overhead (ROH). The percentage returned varies by college and ranges from 26% to 42%.

DIFFERENTIAL TUITION

Per the Differential Tuition Guidance Document, gross differential revenues are assessed 10% to augment the need-based institutional financial aid pool. Colleges with differential tuition estimate their gross differential, which is shown on the differential tab of the SRBM. This tab reduces the total differential tuition by 10%. The differential tuition estimate on the Framework tab of the SRBM is the gross differential less the 10% withheld for institutionally administered financial aid. Differential tuition estimates are reconciled with actual differential tuition at the end of each fiscal year and settled (up or down) each academic year for each college.

ASSESSMENTS AFTER RESOURCES ARE ALLOCATED TO THE UNIT

The SRBM has three assessments that come after the resource is allocated to the units: (1) dedicated resources assessment, (2) block funding assessment, and (3) academic productivity assessment.

(1) DEDICATED RESOURCES ASSESSMENT

Each unit receives its dedicated resources, which encompasses legislative earmarks, sales and service revenues, course fees, differential tuition, and dedicated student fees. Except for Veterinary Medicine and Pharmacy (see block funding assessment below) these dedicated resources are assessed at the following rates for all other colleges, centers and institutes, and central administrative units, also referred to as service and support units, e.g. Enrollment Management, Finance & Admin, Student Affairs, General Council.

<table>
<thead>
<tr>
<th>Dedicated Resource</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted State Funding</td>
<td>7.4%</td>
</tr>
<tr>
<td>Fees, Sales, &amp; Services</td>
<td>7.4%</td>
</tr>
<tr>
<td>Endowment Match</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

The dedicated resource assessment was developed in acknowledgment of and to recognize that there are overhead costs in administering these funds, even for funds that are considered ‘pass-throughs’. 
(2) BLOCK FUNDING ASSESSMENT

Veterinary Medicine and Pharmacy are excluded from the dedicated resources assessment (see above) and the academic productivity assessment (see below).

As part of the block funding model, these two colleges have a 10% assessment for overhead costs, which are assessed on the following resources:

- Targeted State Funding
- Block Funding (Student Success and Complementation Model (SSCM) estimate)
- Gross Professional Tuition (including Pharmacy’s non-professional tuition estimate)
- Fees, Sales, and Services
- Endowment Match

(3) ACADEMIC PRODUCTIVITY ASSESSMENT

All remaining revenues that have not been earmarked as a dedicated resource to a specific unit are distributed to colleges, except Veterinary Medicine and Pharmacy, based on the productivity metrics. The academic productivity assessment recognizes that the work of colleges is enabled through central administrative services and supported by resources held in institutional management (IM) that benefit the entire university. The academic productivity assessment is also used to provide strategic allocations to the academic units.

The resources allocated through the Academic Productivity metrics are subject to the productivity assessment.

<table>
<thead>
<tr>
<th>Academic Productivity Metric</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Hour Delivery</td>
<td>55%</td>
</tr>
<tr>
<td>Service Incentive</td>
<td>55%</td>
</tr>
<tr>
<td>Ecampus Incentive</td>
<td>55%</td>
</tr>
<tr>
<td>Degree Completions</td>
<td>55%</td>
</tr>
<tr>
<td>Strategic Populations</td>
<td>55%</td>
</tr>
</tbody>
</table>

WHAT DOES ACADEMIC PRODUCTIVITY ASSESSMENT COVER?

The productivity assessment is allocated to fund central administrative units, institutional management, and strategic allocations to the academic units.

The central administrative units comprise the service, support, and management units that support university operations. This includes the Executive Offices, Provost Office, Enrollment Management, Graduate School Administration, Student Affairs, Finance & Administration, and more.

Some resources are budgeted centrally in institutional management that benefit the entire university, such as debt service commitments, contracts with the Foundation, and charges paid to the city. IM also includes contingency funds for revenue shortfalls or unexpected costs.

Strategic allocations to academic units include strategic and mission recurring allocations, Provost bridge funding, and other non-recurring support as decided by leadership.
HOW IS THE ACADEMIC PRODUCTIVITY ASSESSMENT CALCULATED?

The first step in calculating the productivity assessment is to determine the Academic Productivity Resources (these are all the revenues that have been pushed out to the colleges via the productivity metrics). The Academic Productivity Resources are calculated by subtracting the dedicated resources from the total projected revenue.

\[
\text{Academic Productivity Resources} = \text{Total Projected Revenue} - \text{Dedicated Resources}
\]

Since all the available resources are pushed out to the colleges a productivity assessment is used to allocate resources to central administrative units (AU), institutional management (IM), and for strategic allocations (SA) to the academic units.

The resources needed for these three areas is totaled to determine the ‘Resources Needed’ minus the resources already assessed via the dedicated resources assessment (DRA) and the block funding assessment (BFA).

\[
\text{Resources Needed} = \text{AU} + \text{IM} + \text{SA} - \text{DRA} - \text{BFA}
\]

The productivity assessment rate calculation is as follows:

\[
\text{Productivity Assessment} = \frac{\text{Resources Needed}}{\text{Academic Productivity Resources}}
\]

Since the productivity assessment rate calculation is dependent on the total resources needed and the available academic productivity resources, the rate could vary from year to year. Therefore, a maximum productivity assessment of 55% was selected to provide colleges with some stability when projecting future years. The rate will be periodically reviewed to ensure it remains appropriate.

WHY DO UNITS HAVE DIFFERENT EFFECTIVE ASSESSMENT RATES?

Units have a different mix of resources that are assessed at different rates or at different points in the allocation process, which results in effective assessment rates that vary from college to college.