Working Paper, v1 March 2016

Incentive-Based Budget Model

Scope of Revenues, Phase 1

This working paper provides a high level summary of the issues discussed by the Committee while working towards making a recommendation on the allocation of graduate tuition and fee revenue. The recommendations outlined in this paper are a starting point for developing a proposed initial budget model. The working paper will continue to be revised throughout the process. If you have any questions or comments you would like to share, you may email broncobudget@boisestate.edu and visit <http://vpfa.boisestate.edu/budget-and-planning/bronco-budget-2-0-new-budget-model/>.

The Committee weighed the merits of achieving an all funds budget against the added complexity and effort required to integrate all sources of funds. The initial scope is intended to be a phase 1 scope with a longer term goal of incorporating all revenue sources into the budget model.

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| **Sources of Funds** | **Include / Exclude** | **Rationale for Excluding** |
| Tuition | Include |  |
| Mandatory Student Fees\* | Include |  |
| Other Instructional Fees | Include |  |
| Grants and Contracts | Exclude | Expenditures are restricted in use and difficult to project. There is little initial value in budgeting centrally as part of the overall annual budget process. |
| Indirect Cost Recovery | Include |  |
| Private (Foundation) Gifts | Exclude | Expenditures are restricted in use and processes / systems are not set up to easily incorporate into the university annual budget process. Additional discussion is necessary regarding how the availability of private funds should inform budget decisions. |
| Sales and Service | Include |  |
| Auxiliary Revenue | Include |  |
| Other Operating Revenue | Include |  |
| General State Appropriations | Include |  |
| Federal / State Financial Aid | Exclude (Include as Tuition) | Tuition revenue will be allocated as tuition regardless of whether it is recorded in the financial statements as tuition or as federal / state grants (e.g. Pell).  |
| Net Investment Income | Include |  |
| Other Non-Operating Revenue | Exclude | Other non-operating revenues are sporadic, difficult to project, and associated with non-operational transactions such as legal settlements and university debt. |
| Internal Chargebacks | Include | Although not specifically a revenue, the appropriateness of departments charging other university departments and the amount of revenue received from these charges should be considered as part of the budget process. |
| Capital Appropriations | Exclude | Capital appropriations are for specific capital projects and are appropriated separately from the university’s operating budget. There is little value in including them in the budget.  |

\* The Committee recommends that the current methodology for determining and distribution mandatory student fees be reviewed.