University Budget Committee
April 21, 2021
3:00 – 5:00 PM
UH 004/Zoom

1. Student Credit Hour Estimates

Paul showed a chart that represents Student Credit Hours (SCH's) by college 2010 vs. 2022. In 2010, Humanities & Sciences (H&S) represented half of all SCH's. Next year we are projecting a reduction in the number of SCH's accounted for by H&S. SCH's from other colleges are contributing to a larger portion of the overall total moving into 2022. Some of this can be accounted for by programmatic changes, but a majority of it is program growth. Paul then showed the data comparing Annual Year (AY) 20 and AY21 for student credit hours. This year we saw a decrease of about 8%, but the current estimate for Fiscal Year (FY) 22 is showing a slight uptick of 2%. Overall, right now, AY22 is looking like it is going to have a positive impact for UM.

2. Budget Allocation Model

The new budget allocation model will not be fully implemented until 2023, but Paul shared the model if we were to use it for the upcoming year to show to the committee an example of how it works. Overall, the model takes net tuition revenue plus appropriation revenue and then allocates to schools and colleges based on student credit hours, majors and other factors. As a whole, this allocation model is designed to assist UM in creating the appropriate balance of activities across campus to deliver the appropriate totality of services.

3. Cost Escalations by Department

Stacey shared a spreadsheet that shows the old way of allocating money to schools and colleges which is called the Base Plus Model. It starts with the previous year's budget, then you separate the operating a labor portions at the org 3 level. From these allocation numbers, administration is going to determine how to spend the recovery money from the federal government to cover some of the overage we are going to experience. UM needs to get to a point where the revenue coming in at least covers the estimated expenses plus cost escalations to have a sustainable future.