

# **SUMMER TERM BUDGET MODEL & POLICY RECOMMENDATIONS**

Summer Term Committee

Report to Sarah Mangelsdorf,  
Provost and Vice Chancellor for Academic Affairs

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## EXECUTIVE SUMMARY

UW-Madison's Summer Term fiscal model is outdated. It lacks agility to address student needs, and lags behind peers in terms of innovation and revenue generation. The Summer Term committee determined the status quo is unacceptable. The committee is pleased to present this report summarizing recommendations for an improved budget model that will better meet student needs and contribute to the financial stability of the University.

The proposed budget model would create incentives for schools and colleges to increase revenue, control costs, and adjust summer offerings to meet student demand. Under this model, schools and colleges will:

- Receive all tuition revenue generated from summer instruction;
- Contribute a share of the baseline revenue to central campus;
- Retain 80 percent of new revenue generated above the baseline.

The committee is also putting forward several immediate and long-term policy recommendations to strengthen Summer Term operations.

### Immediate Recommendations:

- Establish implementation committee
- Create minimum enrollment policies
- Modify academic calendar

### Long-Term Recommendations:

- Evaluate summer compensation practices
- Adopt per-credit summer tuition rate
- Attract new student audiences
- Revise faculty policies
- Clarify Summer Dean role

The proposed budget model and policy recommendations build upon Summer Term's longstanding and unique role in the University as an opportunity for students, faculty, and the institution itself to experiment, test new ideas, innovate, and reach new audiences. The proposed recommendations strike a careful balance between stability and change avoiding unnecessary disruptions to historic practice.

In an era of decreased funding, emerging technologies, and increased global competition, the University of Wisconsin-Madison must question old assumptions and embrace its leadership role among 21<sup>st</sup> century institutions of higher education. Repositioning Summer Term is a place to start.

## OVERVIEW

This report summarizes the Summer Term Committee's key findings and recommendations. Following a thorough, deliberative examination of options, the committee recommends both a new budget model that would spur growth and corresponding policy changes affecting summer instruction.

### Background

The Summer Term Committee was created in response to a convergence of challenges and opportunities:

- School and college Summer Term budget allocations remained static over many years, without regard to the scope of their summer instructional activity. When schools or colleges expanded summer offerings and generated additional tuition, their budget allocations remained unchanged. Likewise, schools or colleges that curtailed summer programming saw no corresponding budget reduction.
- A new campus budget model was proposed in fall 2014 by a committee appointed by Chancellor Rebecca Blank and the University Committee. That committee concluded that Summer Term activity was outside the scope of their charge, but recommended that another group focus on a review of Summer Term.
- Reductions in state funding and fluctuating revenue streams create additional challenges. At this critical juncture, the institution must evaluate its practices, with an eye toward better serving students, reaching new audiences, and earning revenue. Summer Term is such an opportunity.

In December 2014, Provost Sarah Mangelsdorf created the Summer Term Committee to:

- Develop a summer budget model that would incentivize new instructional activity;
- Improve the level of transparency in the funding allocation process; and
- Identify summer session policies that required review.

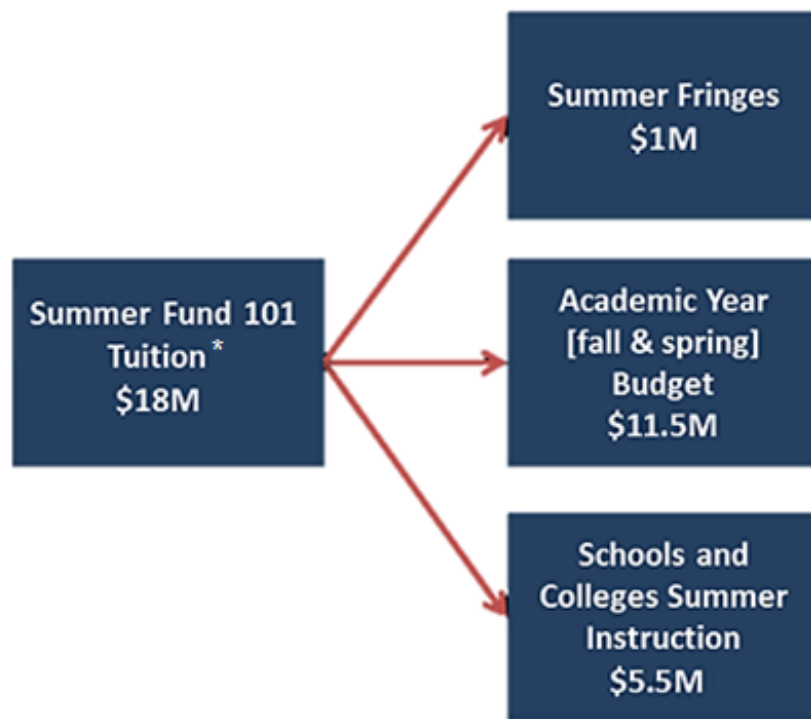
The committee met from January through May 2015, studying the complexities of the summer budget, benchmarking peer institutions, and formulating recommendations. See Appendices 1, 2, and 3 for the complete committee charge, membership, and meeting dates.

### Current State

Summer Term is an integral part of UW-Madison. Summer 2015 will mark 130 years of summer programming on our campus. In its current state, Summer Term functions somewhat separately from the traditional academic year. The faculty contract structure is one reason. Many faculty members hold academic year, 39-week contracts, spanning from late August to May. Summer instruction has become a fundamental part of the University – thousands of students rely on it for timely degree progression, some majors have built in required summer instruction – yet the funds used to compensate most faculty for their summer work have always been managed separately from the academic year.

Today, Summer Term is more than a self-supporting operation. Summer tuition revenue fully funds summer instructional expenses and supplements school and college budgets for the remaining academic year.

Approximately 36% of revenue from Summer Term is used for summer expenses (instructor salaries, supplies, fringes). The remaining 64% of summer revenue is reinvested into the academic year base budgets. Resources are allocated based largely on historical precedent.



\*Non-pooled tuition is excluded

Figure 1. – Summer 2014 Funds Flow

The current summer structure is a hybrid model, combining centralized and decentralized elements. The Division of Continuing Studies provides central coordination, manages the \$5.5 million summer instructional budget, provides administrative oversight, and offers a full range of marketing support. Each school and college appoints a Summer Dean who collaborates with their academic departments to determine which courses will be taught. Schools and colleges develop and maintain summer employment contracts with instructors who are paid with Summer Term funds. Schools and colleges have discretion over the summer allocation they receive from the Division of Continuing Studies.

## Trends

### *Enrollment Trends*

Summer Term activity – head count and credit hours – has remained flat for a number of years. While head count increased by 365 students (+3%) from 2013 to 2014, it has decreased by 130 (-1%) over ten years. Similarly, total credits for the Summer Term increased by 1,751 from 2013 to 2014 (+3%), but the ten-year trend shows a decrease of 346 (-1%).

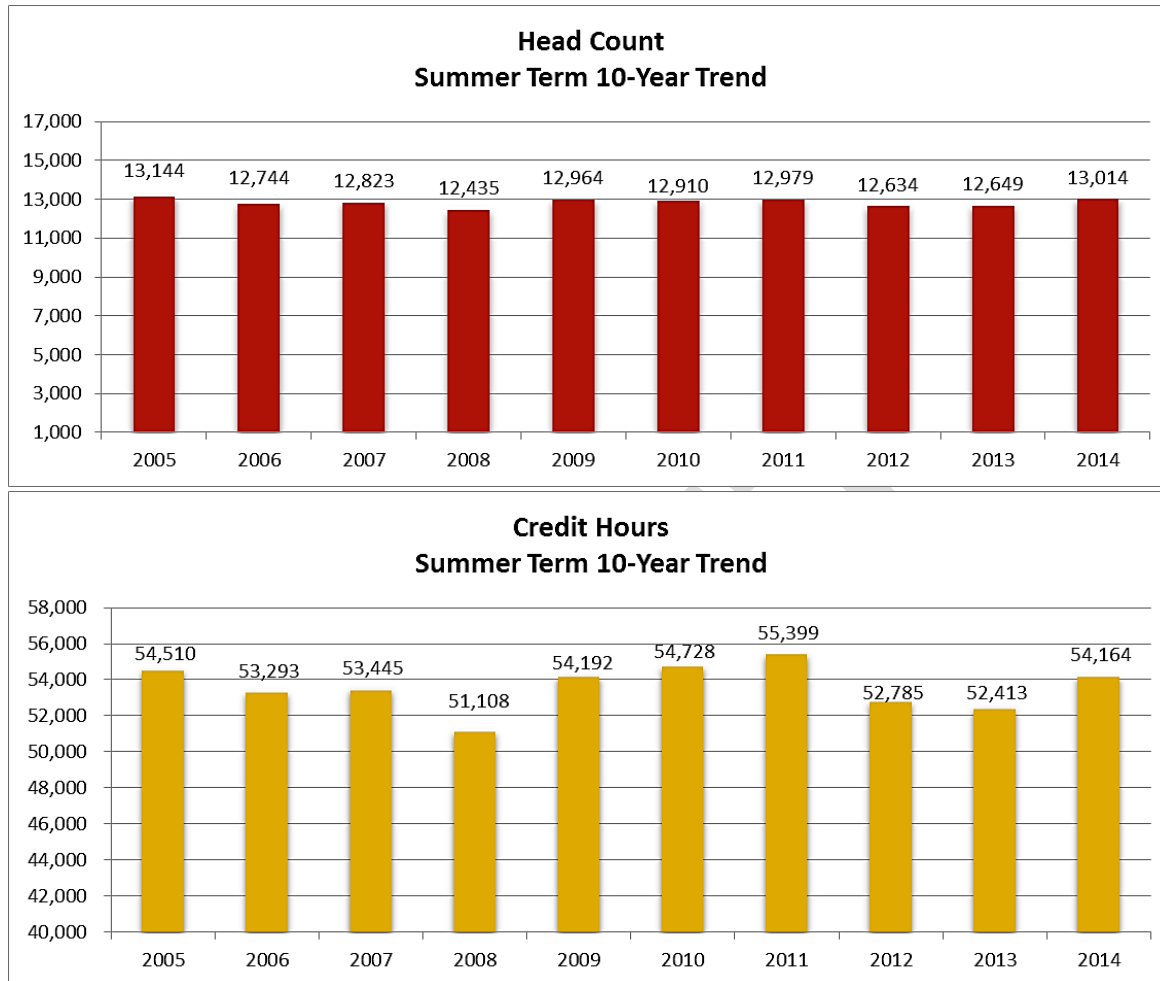


Figure 2. – Head Count and Credit Hours

*Online Enrollment Trends*

While course enrollments grew modestly in 2014 from the previous two years, online course enrollments grew markedly. UW-Madison’s total online summer enrollments were 1,564 in 2012 and 2,846 in 2014, growing by 82% in three years. Expecting this trend to continue, the Division of Continuing Studies, in collaboration with several campus units, has developed a suite of learning modules and tools that prepare faculty and students for accelerated online learning and create the appropriate conditions for active learning and engagement. This effort also aligns with Educational Innovation’s goal to enable pervasive active learning to improve the student experience <https://edinnovation.wisc.edu/>.

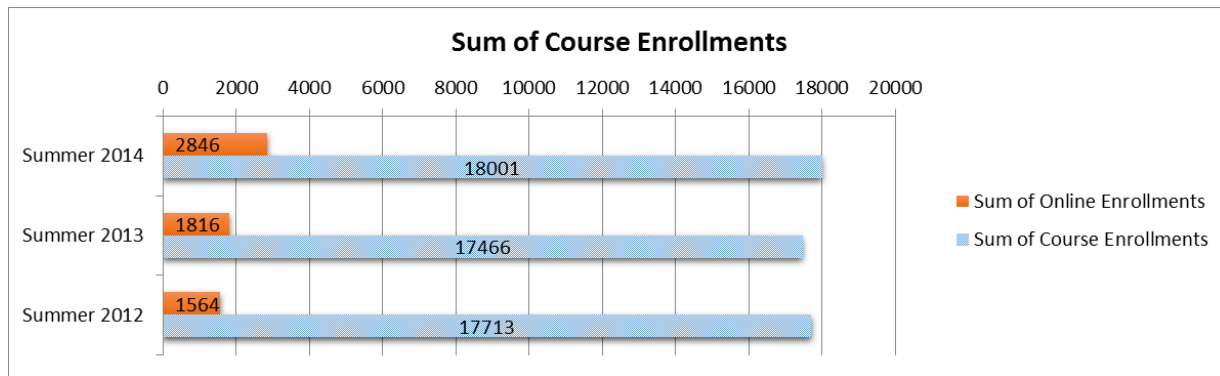


Figure 3. – Course Enrollments

### *National Trends*

Examining information from the national Joint Statistical Report of Summer Sessions, the Association of University Summer Sessions, the North American Association of Summer Sessions, and the North Central Conference on Summer Sessions, the committee identified three notable trends:

- Universities see Summer Term as a **new source of revenue**;
- **New modalities** of instruction are one key to enrollment growth; and
- **New audiences**, particularly visiting international students, are another key element.

The proposed new budget model aligns with these directions by promoting enrollment growth, generating revenue, and upholding responsible stewardship.

### *Opportunities for Growth*

With the flexibility of a new summer budget model, schools and colleges will have new incentives to offer high-demand courses that serve our current student population, as well as visiting audiences such as visiting international student cohorts and students attending another university.

Offering a strategic array of online courses in the summer will also meet the needs of our current and new student populations. According to a recent survey of summer online students at UW-Madison conducted by the Division of Continuing Studies, over 70% of students cited schedule flexibility as a reason for enrolling in their online course. Approximately 40% cited that they were not on or near campus as a reason.

### **Benchmarking**

To help provide a framework for thinking about activity-driven alternatives, the committee reviewed a range of summer models used by universities similar to UW-Madison in size, complexity, and mission. The list of institutions reviewed and a summary of findings is in Appendix 4.

A key metric used in the committee’s analysis of these institutions was a comparison of fall and summer head count and credit hours, which is a standard national measure of success. As an example, Michigan State’s summer 2014 undergraduate head count was 48% of their fall 2013 undergraduate head count. UW-Madison’s was 21%.

Institutions that have high summer enrollment as a percent of fall enrollment also have budget models that distribute funds in relation to summer activity.

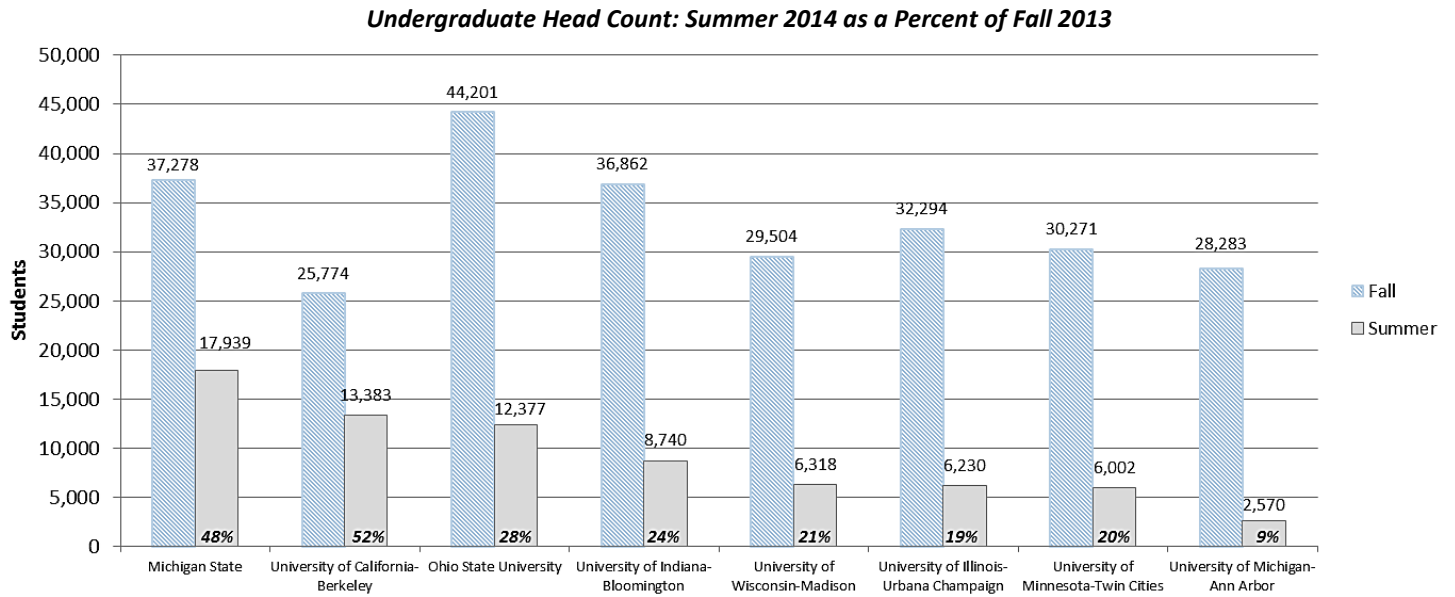


Figure 4. – Comparison of Head Count at Peer Institutions



## RECOMMENDATIONS

The Summer Term committee deliberated about the summer budget model as well as several policy issues. As a result of this work, the committee is putting forward a series of immediate and long-term recommendations. Most important, is the adoption of a new summer budget model that incentivizes new instructional endeavors and allocates resources based on activity.

Other immediate recommendations include creating a subcommittee to implement the budget model for 2016, establishing school or college minimum enrollment policies, and exploring modifications to the academic calendar.

Long-term, the committee recommends further exploring appropriate ways to incentivize summer instructors, moving to a per-credit tuition rate, revising faculty polices, and clarifying the role of school or college Summer Deans.

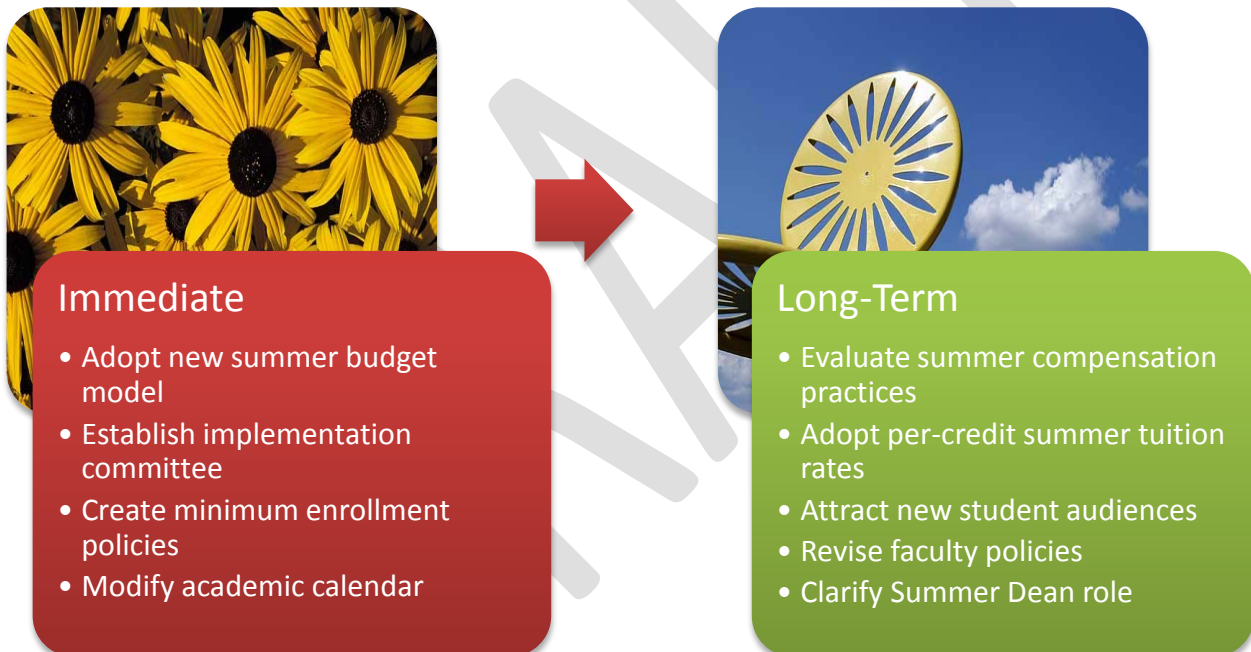


Figure 5. – Committee Recommendations Overview

## IMMEDIATE RECOMMENDATIONS

### Recommendation #1: Adopt New Summer Budget Model

**UW-Madison should implement a new Summer Term budget model in 2016 that incentivizes schools and colleges to offer more courses that support degree progression, attract new audiences, and better manage costs.**

To arrive at this recommendation, the Summer Term committee addressed many factors:

1. In its current state, Summer Term generates approximately \$11.5 million that is distributed to academic year base budgets for the schools and colleges. The committee does not recommend a change to this practice at this time.
2. Although the committee did not want to create insurmountable challenges for schools and colleges due to changes in Summer Term revenue distribution, moderate changes are necessary to align budgets with instructional activity.
3. Members agreed that a new summer budget model will address the allocation of resources to schools and colleges, but not resource allocation within the schools and colleges. Those decisions are left to the respective deans.

### Current Model

In the current model, central campus receives all summer tuition revenue (currently \$18M). To support summer instruction, central campus provides general summer 101 funds to the Division of Continuing Studies, which allocates 101 fund dollars to schools and colleges (currently \$5.5M). Fringe costs on summer salaries are paid through the campus fringe pool (currently \$1M in actual fringes). The amount of revenue remaining after allocations and fringes (currently \$11.5M) is used by campus to support the academic year budget. Allocations from the Division of Continuing Studies to schools and colleges change very little from year to year, and these changes are *not* closely related to the amount of revenue generated by each college. Any unused portion of a school or college's allocation reverts to the Division of Continuing Studies or central campus.

The current model provides little incentive for schools and colleges to increase credit offerings or reduce costs.

Allocations do not increase with credits or additional revenue, so schools and colleges that lack the means to hire additional instructors may have no way to generate new credits. Because schools and colleges receive none of the revenue from new credits offered, they have no incentive to develop new courses.

With all unused allocations reverting to the Division of Continuing Studies or central campus, schools and colleges have a strong incentive to spend their entire allocation, but little motivation to hold down costs per credit. Consequently, course offerings may reflect the individual preferences of faculty members without sufficient attention to the needs of students, so low enrollment is a perpetual problem.

## Proposed Model

The proposed model incentivizes revenue growth and rewards cost control. Schools and colleges will take a much greater role in evaluating student demand and assessing the return on investment of summer courses.

In its most basic form, the proposed model can be described in the following way:

*Schools and colleges will receive all the tuition revenue generated from summer instruction. Schools and colleges will pay a large share of baseline revenue (revenue generated by baseline credits, defined below) to central campus to maintain support for the academic year budget. Colleges will retain the remaining share of baseline revenue in lieu of allocations from the Division of Continuing Studies. **New incremental summer revenue** (revenue generated by credits above the baseline) will be distributed with 80% to the school or college, 10% to central campus, and 10% to the Division of Continuing Studies. Schools and colleges are responsible for paying all costs. The summer budget model will operate on a non-pooled 131 fund, so colleges are responsible for paying fringe expenses in addition to salary.*

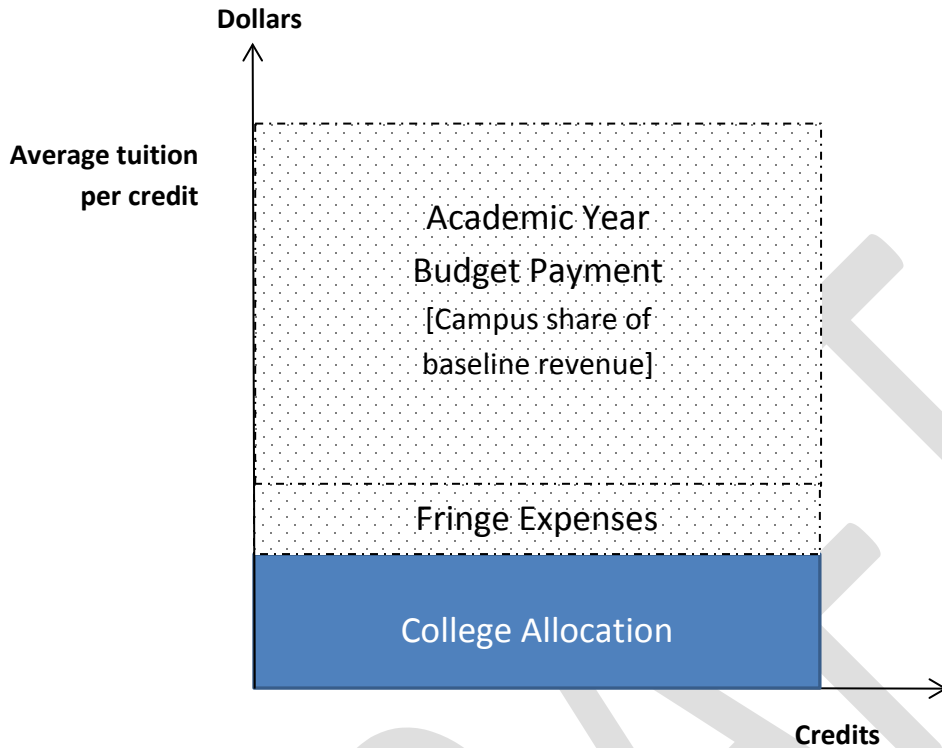
Main components of the proposed model:

1. **Revenue Distribution:** Revenue will be distributed to schools and colleges based on tuition activity.
2. **Baseline Revenue:** Revenue generated under the current model. This is used to establish the school and college share of the Academic Year Budget Payment.
3. **Academic Year Budget Payment:** The current practice of using summer revenue to supplement UW-Madison's academic year budget will be maintained. Each school and college will pay a large share of its baseline revenue, called the Academic Year Budget Payment, to provide funds for the academic year budget.
4. **New Revenue:** Schools and colleges will retain 80% of tuition generated through new summer growth.
5. **Instructional Costs:** Schools and colleges will control all summer instructional costs paying both instructional costs and fringe expenses.

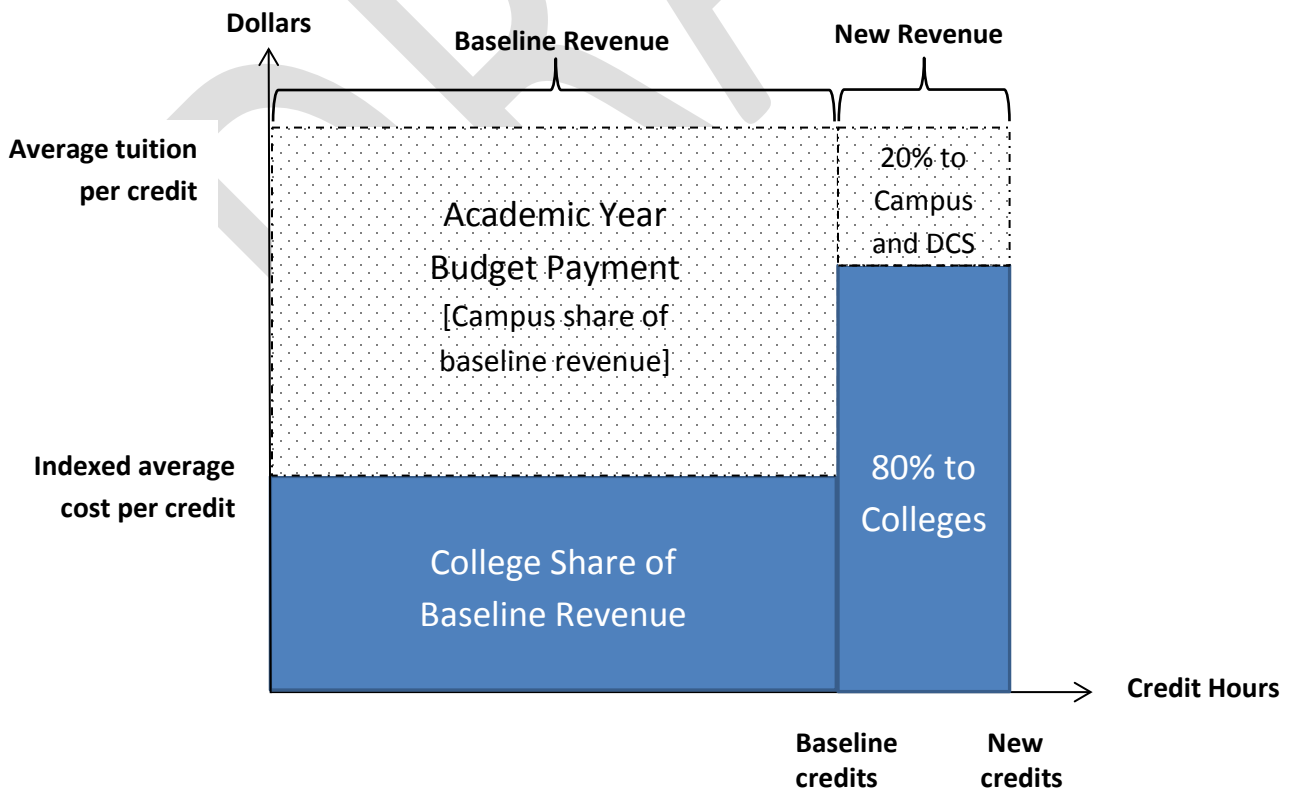
The following graphs and chart (Figure 6 and Table 1) compare the current and proposed summer budget models. These are followed by a description of each component.

Figure 6. - Graphic Representations of Revenue Distribution

Current Model



Proposed Model



**Table 1. - Model Comparison**

	<b>Current Model</b>	<b>Proposed Model</b>
<b>Revenue Distribution</b>	A school or college received an allocation that did not reflect activity	A school or college receives all tuition revenue it generates
<b>Baseline Revenue</b>	NA	Represents the revenue that would be received under the current model, without the expansion of credits anticipated under the proposed model
<b>Academic Year Budget Payment</b>	Central campus managed all funds except school or college allocations	Annual payment will be made to central campus to provide funds for academic year budget
<b>New Revenue</b>	100% to campus; very little new revenue	Revenue above baseline revenue. 80% to school or college, 10% to central campus, 10% to DCS
<b>Instructional Costs</b>	Salary costs paid by school or college using its allocation; Fringe paid by central campus	Salary and fringe costs paid by school or college using revenue available after the Academic Year Budget Payment and 20% tax on new revenue
<b>Fund</b>	General summer fund (A93 101)	Non-pooled summer fund (A93 131)
<b>Summer Dean Responsibility</b>	Select summer course offerings and distribute allocation for a school or college	Increased role in assessing the return on investment of summer offerings, managing costs, identifying new course offerings for a school or college

## Revenue Distribution – Paid Pooled Tuition

In the proposed model, schools and colleges will receive the summer tuition they generate. The committee explored a variety of metrics to distribute revenue including credit hours, paid pooled credit hours, and paid pooled tuition. The committee ultimately selected **paid pooled tuition** as the metric because it is the most accurate measure of growth available.

Paid pooled tuition is net tuition paid (assessed minus waived) and it is part of the overall tuition pool. When the decision was made to use paid pooled tuition, the committee made the following recommendations on how to calculate the metric:

- The paid pooled tuition in the summer should be calculated solely on the academic unit that offered the courses in which the student was enrolled on the session census date.
- The allocation is based on the UDDS of the course subject's academic owner. The credits-follow-instructor metrics are not available in the summer, so this methodology differs from the academic year model.
- The Division of Continuing Studies will attribute revenue in cross-listed courses to the department that incurred the cost of instruction.

The following is not paid pooled tuition:

- Tuition for students in non-pooled programs
- Tuition for students who are studying abroad
- Tuition differentials paid by undergraduates in Business and Engineering
- The additional tuition paid by Minnesota residents above the Wisconsin resident portion of their tuition assessment
- Revenue from non-credit courses

As noted, the committee also considered credit hours and paid pooled credit hours as alternative metrics. If the model used all credit hours generated in the summer, it would include a significant number of unpaid credit hours. Unpaid credit hours are generated mostly through independent study among Ph.D. (research) graduate students in which their tuition is waived based on their spring or summer appointments to graduate student positions (Teaching Assistants, Research Assistants, Project/Program Assistants). Those credits do not generate tuition revenue for the institution and there are no direct summer salary expenses associated with those credits.

Paid pooled credit hours are those in which some amount is paid for the credit hour by students who paid tuition to the overall tuition pool. The value of a credit hour varies dramatically due to different tuition rates for residents and non-residents, student careers (e.g., undergraduate, graduate, etc.), the tuition plateau, and situations where a student may not pay tuition (e.g., tuition waivers, etc.). Therefore, it is possible that the number of paid pooled credit hours in a school or college could increase, yet the total revenue could remain flat or decline.

**Baseline Revenue**

In the proposed model, a baseline of historic activity must be established. Conceptually, baseline revenue represents the revenue that campus would have received under the old model, without the expansion of credits anticipated under the new model. For purposes of calculating the baseline, which will be based on paid pooled tuition, the committee decided multi-year data should be used. The committee recommends averaging the data for the prior two years, with both years weighted equally. See Appendix 4.

**EXAMPLE**

	<u>Baseline*</u>	<u>Actual Revenue</u>
<b>UW-Madison</b>	\$18,000,000	\$19,000,000
<b>College A</b>	\$1,585,000	\$1,600,000

*\*Avg. paid pooled tuition for prior two years*

In this example, the Baseline for UW-Madison is \$18,000,000. This is an average of paid pooled tuition for the prior two years. For College A, \$1,585,000 is its Baseline. The Actual Revenue is the hypothetical revenue UW-Madison and College A earn in the first year of implementing the model.

Going forward, baseline revenue will need to be recomputed. Baseline revenue may change if UW-Madison makes a formal request for additional budget authority from UW System for any of following reasons: (1) tuition rates increase, (2) composition of resident and non-resident students changes, and/or (3) undergraduate student enrollment increases due to strategic efforts. Also important, while paid pooled credit hours will not be the metric used to distribute summer revenue, it will be necessary for computing baseline revenue going forward if there are tuition changes that affect some types of students (i.e., non-residents) and not others. The precise formula for baseline revenue will be developed by the campus budget office in consultation with the Summer Term Implementation Committee.

**Academic Year Budget Payment**

To maintain the large subsidy that Summer Term provides for UW-Madison’s academic year budget, schools and colleges will be responsible for an Academic Year Budget Payment on baseline activity in the new model.

In its current state, the Academic Year Budget Payment is essentially all the summer tuition revenue generated minus the funds used to pay summer salary and fringe expenses to teach summer courses.

The committee deliberated at length over the calculation of the payment. Stated another way, the committee spent time determining the central campus and school/college share of the baseline revenue. Conceptually, the Academic Year Budget Payment will be calculated by taking the UW-Madison baseline revenue and subtracting the historic allocations and associated fringe expenses. The remainder is the total Academic Year Budget Payment owed collectively by schools and colleges.

Three percent will be added to the Academic Year Budget Payment for the Division of Continuing Studies to manage Summer Term and support the summer marketing and online course development efforts on behalf of the schools and colleges. This replaces the historic allocation the Division of Continuing Studies receives in the current model.

Collectively, schools and colleges will pay the full Academic Year Budget Payment. The amount each school or college contributes to the payment could be accomplished in two ways. One option is to have all colleges pay the same flat rate. Another option is to vary these rates across colleges so that each college’s share will (at least initially) more closely match its allocation from the Division of Continuing Studies under the old model. Some colleges rely heavily on their current historic allocation to generate tuition, whereas other colleges rely little on their Summer Term allocation to generate revenue. Therefore, in transition to the new model, the committee felt a 50% weighted average of the flat rate and the allocation rate was appropriate for the first year of implementation. The flat rate is the entire Academic Year Budget Payment as a percent of total paid pooled tuition baseline. The allocation rate is a college’s historic allocation as a percent of the college’s total paid pooled tuition baseline ( $1 - (\text{college’s historical allocation}/\text{college’s baseline revenue})$ ).

**EXAMPLE**

	<u>Baseline*</u>	<u>Flat Rate</u>	<u>Allocation Rate**</u>	<u>50% Weighted Avg</u>	<u>Ac Yr Budget Payment</u>
<b>College A</b>	\$1,585,000	66%	56%	61%	\$966,850
<b>College B</b>	\$500,000	66%	73%	70%	\$350,000

*\*Avg. paid pooled tuition for prior two years*  
*\*\*Historic allocation for College A is \$700,000 and for College B is \$135,000*

The intent of the new model is to allocate resources based on instructional activity through the metric of paid pooled tuition, not on historic precedent. Arguably, the use of the allocation rate penalizes colleges that have historically made more efficient use of summer resources (generating more revenue per allocation). For this reason, after one full year of implementation, the committee recommends that the use of the allocation rate to determine individual college’s Academic Year Budget Payment be reviewed.

**New Revenue and Total College Funds**

Unlike current practice, this proposed model gives schools and colleges an incentive to grow summer activity. Colleges receive 80% of new revenue they generate. Ten percent is distributed to central campus and 10% is distributed to the Division of Continuing Studies. The Division of Continuing Studies will use the funds to promote innovation and new initiatives in the summer in collaboration with schools and colleges.

New revenue will be calculated by subtracting a college’s baseline revenue by its actual revenue in a given year.

The total funds received by a college, Total College Funds, are then calculated by taking Actual Revenue minus the Academic Year Budget Payment minus the 20% Tax on New Revenue.



**EXAMPLE**

	<u>Baseline*</u>	<u>Actual Revenue</u>	<u>Ac Yr Budget Payment</u>	<u>New Revenue</u>	<u>20% Tax on New Revenue</u>	<u>Total College Funds</u>
<b>College A</b>	\$1,585,000	\$1,600,000	\$966,850	\$15,000	\$3,000	\$630,150
<b>College B</b>	\$500,000	\$530,000	\$350,000	\$30,000	\$6,000	\$174,000

*\*Avg. paid pooled tuition for prior two years*

For the first year, should an individual college fall below its baseline, it will receive a loss adjustment. This will not impact other schools and colleges, as long as, collectively, schools and colleges are above the baseline. Twenty percent of the individual college’s loss will be adjusted using central campus and the Division of Continuing Studies’ share of new revenue funds (the 20% of new revenue allocated to central campus and the Division of Continuing Studies). The loss adjustment is available in the first year to mitigate challenges colleges may face as they transition to the new model. The implementation committee will evaluate the use of the loss adjustment beyond the first year.

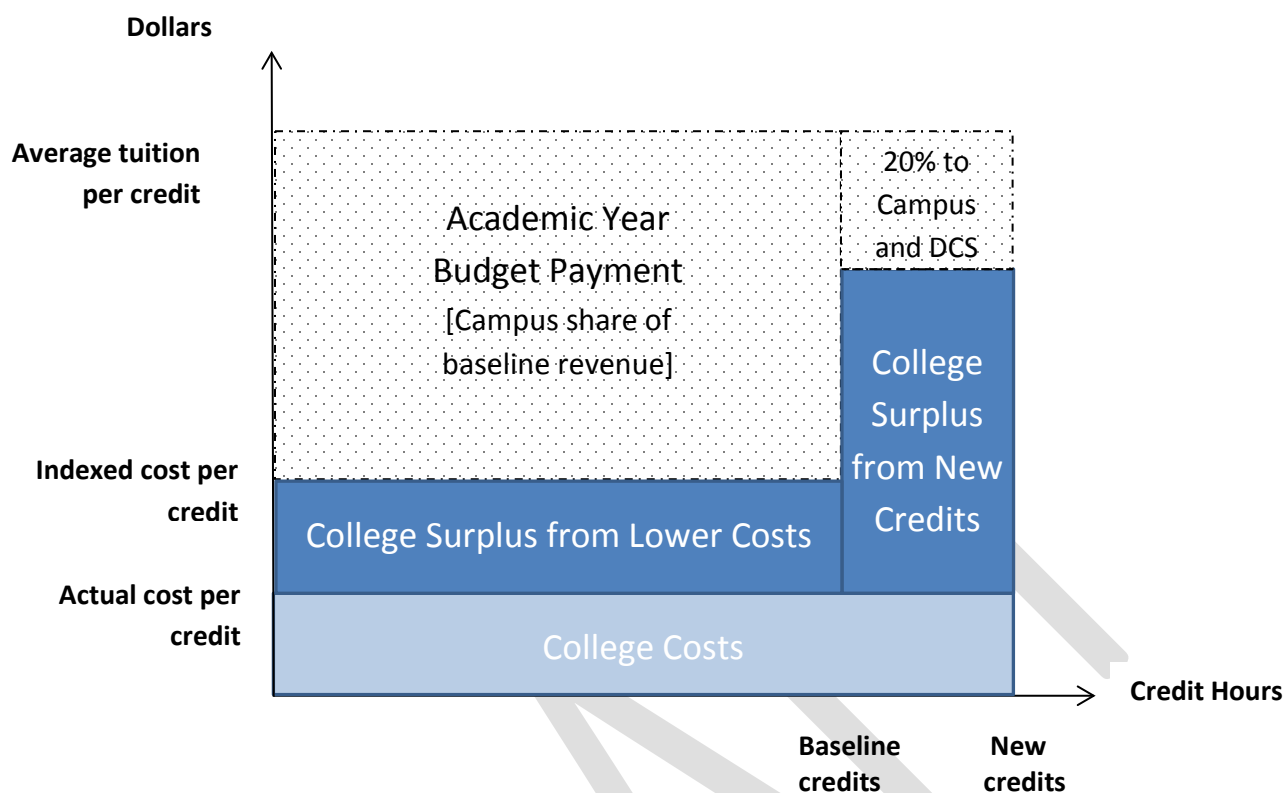
In the unlikely event that collectively schools and colleges fall below the baseline, less than 20% of the individual college’s losses will be adjusted. Adjustments are permitted to the extent they can be afforded to ensure central campus and the Division of Continuing Studies receive non-negative shares of new revenue.

**Instructional Costs & Non-Pooled Structure**

In the new model, schools and colleges will have greater control over the costs they incur. Schools and colleges will pay salary expenses as was done in the past, but now they will also pay fringe expenses. In the model, the Academic Year Budget Payment and the historic allocation values have all been changed to reflect what schools and colleges would have received if they had been responsible for fringe expenses.

In contrast to the current model, the proposed model provides schools and colleges with strong incentives to reduce costs. Figure 7 illustrates the case where a school or college’s actual costs per credit is below the indexed cost per credit. After paying costs (actual cost per credit \* actual credits), the college receives a surplus through both cost reduction (assuming actual cost per credit is below indexed cost per credit) and credit expansion (assuming actual credits are above baseline credits).

**Figure 7. – Graphic Representation of Cost Reduction**



Previously, Summer Term operated on UW-Madison’s general summer fund A93 101. It will now be moved to a non-pooled fund. Summer non-pooled activity will be a modified version of other non-pooled (fund 131) activity on campus. There will be a 10% assessment by central campus on the new revenue of summer funds, in addition to the large Academic Year Budget Payment. Several implementation details must be worked out but the non-pooled summer activity may operate through the established Summer Term infrastructure of A93, changing those accounts from A93 101 accounts to A93 131 accounts.

**Roles and Responsibilities**

The Division of Continuing Studies will continue to provide central coordination of Summer Term, with responsibility for implementing the proposed budget model. Schools and colleges will have new incentives to grow their Summer Term activity which will require adjustments in the course selection process. Additionally, schools and colleges will be responsible for the distribution of funds to departments.

**Division of Continuing Studies**

Administrative responsibilities:

- Manage the new budget model
- Invest in and implement new strategic initiatives using new revenue (e.g., online summer courses, summer business institute, etc.)
- Provide oversight on implementing summer policies

- Lead cross-campus summer online course development process
- Track and communicate enrollment patterns and other relevant summer data in collaboration with Academic Planning and Institutional Research and the Office of the Registrar
- Administer need-based summer scholarship program
- Monitor national summer trends

Marketing responsibilities:

- Communicate and market Summer Term to UW-Madison students and new audiences
- Support schools and colleges with their summer marketing efforts
- Identify untapped prospective Summer Term students
- Conduct market research on student needs and preferences

### **Schools and Colleges**

- Select courses and instructors for summer
- Use Summer Term finance tools (to be developed) to determine costs and expected revenue at the college, department and course level
- Enforce course enrollment minimums, to be set by the school or college (Recommendation #3)
- Identify strategic summer initiatives for the school or college
- Manage summer employment contracts

### **Recommendation #2: Establish Implementation Committee**

**The committee recommends the formation of a subcommittee to create the implementation plans and tools for summer 2016 and to begin to immediately address topics that will have implications for subsequent iterations of the model as it matures.**

Although the proposed budget model outlines a framework for the implementation of a new activity-driven summer budget model, much work remains to be done. The committee recognizes the transition to the new model will generate a need for further refinement by the implementation subcommittee and campus leadership of any unintended consequences.

The committee looks forward to working with Provost Mangelsdorf on implementing our recommendations for a new summer budget model with the UW-Madison community.

### **First-Year Implementation Tasks**

- Course, department and college-level revenue and enrollment data
- Summer budgeting tools for schools, colleges, and departments
- Communication and training plan
- Transition from pooled to non-pooled structure
- Other

### Proposed Long-Term Considerations

- Calculation of institutional baseline
- Calculation of individual school and college Academic Year Budget Payments (i.e., continued use of allocation rate)
- Evaluation of loss adjustments beyond the first year
- Participation of graduate-level professional programs in the summer budget model (graduate-level professional program representation needed)
- Structural compensation changes for summer instruction
- Other

### **Recommendation #3: Create Minimum Enrollment Policies**

**The committee recommends that each school and college implement and enforce a minimum enrollment policy.**

The proposed budget model requires schools and colleges to track instructional expenses relative to revenue. This change will necessitate the monitoring of course enrollment at the college level. Rather than an institution-level policy, the committee recommends that each school and college implement and enforce a policy that is appropriate for their curriculum array. It should be noted that the new budget model will help mitigate the number of low enrollment courses being taught because schools and colleges will have better incentives to reduce costs.

### **Recommendation #4: Modify Academic Calendar**

**The committee recommends an evaluation of the academic calendar structure to determine the feasibility of including a 4-week May term.**

The Summer Term committee explored whether changes to the academic calendar would have any positive benefits for summer instruction. Different options were modeled including: (1) starting spring semester one week earlier and ending one week earlier, (2) starting spring semester one week earlier and shortening the term one week, and (3) changing the fall and spring terms to 15 weeks of instruction.

The extra week in May could benefit our degree-seeking students who could more easily complete a three or four-week course by late May/ early June and still have nearly a full summer to return home, participate in internships, participate in study abroad, or work. Faculty might be more willing to teach earlier in the summer session and have the remainder of the summer available for research and other activities.

The popular 8-week general summer session should not begin in early June as it would prohibit opportunities to explore enrolling new students, such as first-year students in target programs, or advanced and recently graduated high school students. There will also be a gap between the major 3-week and 8-week sessions. This creates potential housing issues that would need to be addressed.

## **LONG-TERM RECOMMENDATIONS**

### **Recommendation #5: Evaluate Summer Compensation Practices**

**Further evaluation of Summer Term compensation practices is recommended.**

In the spirit of developing incentives for instructors teaching summer courses, the committee explored various summer compensation policies and practices. The committee concluded that under current policies, schools and colleges already have the flexibility to draft summer appointment documentation that includes an appointment contingency based on course enrollment at a certain point in time (i.e., if a course does not have 15 students enrolled four weeks prior to the start of the course, the appointment could be cancelled or instructor pay could be reduced). This also provides flexibility to schools and colleges to adjust compensation to reflect workload where critical courses do not meet enrollment minimum standards but are necessary for degree progression.

A common practice in Summer Term is to pay instructors one-ninth of their academic year salary for four weeks of service. The committee explored compensation variations. UW-Madison policy states that instructors on 9-month academic year contracts cannot earn more than eight ninths of their salary over a three-year period. See Appendix 6. A sub-set of the committee held an initial meeting with the Office of Human Resources and recommends continuing to work with this office to explore appropriate ways to incentivize instructors or department chairs who oversee high enrollment courses while staying within the eight ninths policy.

### **Recommendation #6: Adopt Per-Credit Summer Tuition Rate**

**The committee supports moving to a per-credit tuition rate in the summer and recommends a review of the current plateau tuition structure.**

The committee discussed, at length, the variability in per-credit tuition rates. The value of a credit hour varies due to different tuition rates for residents and non-residents, student careers (e.g., undergraduate, graduate, etc.), and the tuition plateau.

Ten percent of students taking summer courses are taking credits at no additional cost in the tuition plateau (7, 8, 9 credits at the undergraduate level; 5, 6, 7 credits at the graduate level). Based on initial analysis, a per-credit rate would generate approximately \$1-\$1.5 million annually, assuming no change in enrollment patterns.

Six UW System schools have received Board of Regents approval to charge a per-credit graduate tuition rate. These institutions are UW-Eau Claire, UW-Green Bay, UW-Oshkosh, UW-Platteville, UW-River Falls, and UW-Superior. A seventh institution, UW-Stout, charges per-credit for all types of student careers (e.g., undergraduate, graduate, etc.) during the fall, spring and summer terms.

While the committee supports removing the plateau and moving to a per-credit tuition rate in the summer, the committee reached the conclusion that this is not currently possible due to State and UW System policies. If new flexibilities emerge, UW-Madison should explore a per-credit tuition rate.

#### **Recommendation #7: Attract New Student Audiences**

**Growth in Summer Term requires an increase in credit hour generation. UW-Madison needs a multi-pronged approach to increase enrollment among current degree-seeking UW-Madison students, as well as new non-degree visiting students.**

A specific audience the committee discussed was first-year students. The ability of first-year students to enroll in courses the summer before their fall semester is only permitted in rare situations. The committee recommends that in select situations these practices be reviewed. While the committee recognized that there are pedagogical and risk management factors to consider, there are also possible benefits to students beginning their college career a summer early when a school, college, or program can ensure appropriate support for students.

The committee also discussed growing enrollment among high schools students, students visiting from another university, and visiting international students. The committee encourages growth in new non-degree visiting students. It expects the Division of Continuing Studies to collaborate with schools and colleges to package and market summer offerings to these audiences.

#### **Recommendation #8: Revise Faculty Policies (FPP: Chapter 11)**

**The committee recommends revising Chapter 11 of the Faculty Policies and Procedures, titled “Summer Session.”**

Chapter 11 contains outdated information and other details need to be revised to align with practice. See Appendix 7.

#### **Recommendation #9: Clarify Summer Dean Role**

**The committee recommends the Summer Dean role be clarified.**

Currently, each school and college appoints a Summer Dean who collaborates with their academic departments to determine which courses will be taught. The committee’s proposed budget model will require Summer Deans to have an expanded role in managing Summer Term for their school or college. There will be increased responsibility in assessing the return on investment of summer course offerings, managing costs, and identifying new course offerings. The committee recommends that the Division of Continuing Studies, in collaboration with schools and colleges, clarify this role.

## **APPENDIX 1: COMMITTEE CHARGE**

### **Summer Term Committee Charge December 23, 2014**

The Division of Continuing Studies, in its role to provide coordination of Summer Term, has made incremental changes to improve course offerings for students and act as responsible stewards of summer resources. The current Summer Term structure provides few incentives to engage academic units in holistic curriculum planning, maximize course capacity, and teach new, high enrollment summer courses. With enhancements, student enrollment and revenue could grow more quickly than is possible within the current confines of the Summer Term. A cross-campus committee is needed to develop recommendations to better utilize the Summer Term.

The charge of this committee is to:

- a. Gather information on Summer Term practices from selected peer institutions. This includes learning about their current models; understanding the challenges they faced during implementation; and describing the best practices that are aligned with UW-Madison's operation environment
- b. Document the current UW-Madison summer budget model landscape and its interdependencies with the academic year budget, including relevant policies, such as policies on low enrollment courses and more uniform pay scales for instruction
- c. Develop options for an alternative summer budget model that has a transparent allocation process, encourages growth in revenue, and aligns with the academic year budget model
- d. Identify policies regarding Summer Term that may require review under a new summer model
- e. Submit a final report to the Provost by May 31, 2015

Once recommendations are identified, there will be an opportunity to engage in broader conversations across campus with campus governance groups and other stakeholders.

## **APPENDIX 2: COMMITTEE MEMBERS**

Jeffrey Russell, Vice Provost for Lifelong Learning, Dean, Division of Continuing Studies, Committee Chair

James “Jake” Blanchard, Senior Associate Dean, College of Engineering

Larry “Chip” Hunter, Associate Dean, Wisconsin School of Business

Jocelyn Milner, Director, Academic Planning and Institutional Research

James Montgomery, Associate Dean, College of Letters & Science

Timothy Norris, Associate Vice Chancellor, Madison Budget Office

David Rosenthal, Associate Dean, School of Education

John Karl Scholz, Dean, College of Letters & Science

Staff:

Sarah Barber, Assistant Dean, Division of Continuing Studies

Clare Huhn, Senior Policy and Planning Analyst, Academic Planning and Institutional Research

Laura Ingram, Associate Dean, Division of Continuing Studies

Keri Johnson, Special Projects Coordinator, Division of Continuing Studies

Scott Owczarek, Registrar, Office of the Registrar



### **APPENDIX 3: COMMITTEE MEETING SCHEDULE**

Thursday, January 29, 2015, 9:30-10:45 a.m.

Thursday, February 19, 2015, 9:30-10:45 a.m.

Thursday, March 12, 2015, 9:30-10:45 a.m.

Thursday, April 23, 2015, 9:30-10:45 a.m.

Friday, May 8, 2015, 9:30-10:45 a.m.

Friday, May 22, 2015, 9:30-10:45 a.m.

Friday, May 29, 2015, 9:00-10:00 a.m.

Sub-committee meeting with Office of Human Resources: Friday, May 8, 2015, 8:30-9:30 a.m.

All meetings held at 21 North Park Street.

DRAFT

## APPENDIX 4: BENCHMARKING ANALYSIS

### LIST OF INSTITUTIONS AND MODELS

	Undergraduate Model	Notes
<b>Michigan State University</b>	<p>Online/hybrid/off-campus courses: select either revenue sharing which is 75% to department and 25% to Provost Office, or receive funds to cover instructional costs of the course</p> <p>On-campus courses: apply for funds to cover instructional costs; no revenue share</p>	3 administrative units support summer. Budget Office administers revenue sharing activity, Provost Office distributes budget for on-campus courses, Registrar's Office manages off-campus courses and all marketing.
<b>University of California-Berkeley</b>	<p>Instructional costs of each course paid, then departments receive:</p> <p>(1) \$1,500 for every section that meets enrollment target, (2) \$25 for every credit hour generated, and (3) 25% of net profit for every section.</p>	\$42 million in summer tuition revenue and 16,000 students. (UW-Madison generates \$18 million in revenue and 13,000 students).
<b>Ohio State University</b>	RCM model with revenue and taxes based on annual cycle. Summer is not budgeted separately. Undergraduate tuition and state funds pooled and distributed using 60/40 model. 60% based on credit hours generated by school of instruction. 40% based on weight cost of instruction.	Students may take up to 3 credits at no cost during the May session (this is under review).
<b>University of Minnesota-Twin-Cities</b>	RCM for fall, spring and summer. 75% of revenue to the unit of instruction and 25% to the student's primary program.	All schools/colleges are charged their proportionate share (weighted headcount of faculty and students) to fund support units.
<b>University of Indiana-Bloomington</b>	RCM model. Undergraduate tuition is pooled and allocated without regard to residency status. 100% allocated to school of instruction. School of instructions pays a small financial aid tax.	<p>Units are taxed to fund support units and Chancellor fund.</p> <p>Discounted summer tuition by 25% with little success. Portion of undergraduate summer tuition revenue earmarked for summer financial aid.</p>
<b>University of Michigan-Ann Arbor</b>	50% of revenue to unit of instruction and 50% to unit of enrollment for undergraduate students.	<p>Units pay a set of expenditure taxes to central campus.</p> <p>Minimal summer activity.</p>
<b>University of Illinois-Urbana Champaign</b>	<p>Undergraduate tuition distribution for face-to-face courses based on each school/college's share of instructional units relative to other units.</p> <p>Online courses: revenue sharing with 70% to department, 30% to central</p>	If 55% of instructional units are taught in a college, then college receives 55% of base tuition. "Piece of the pie" model.

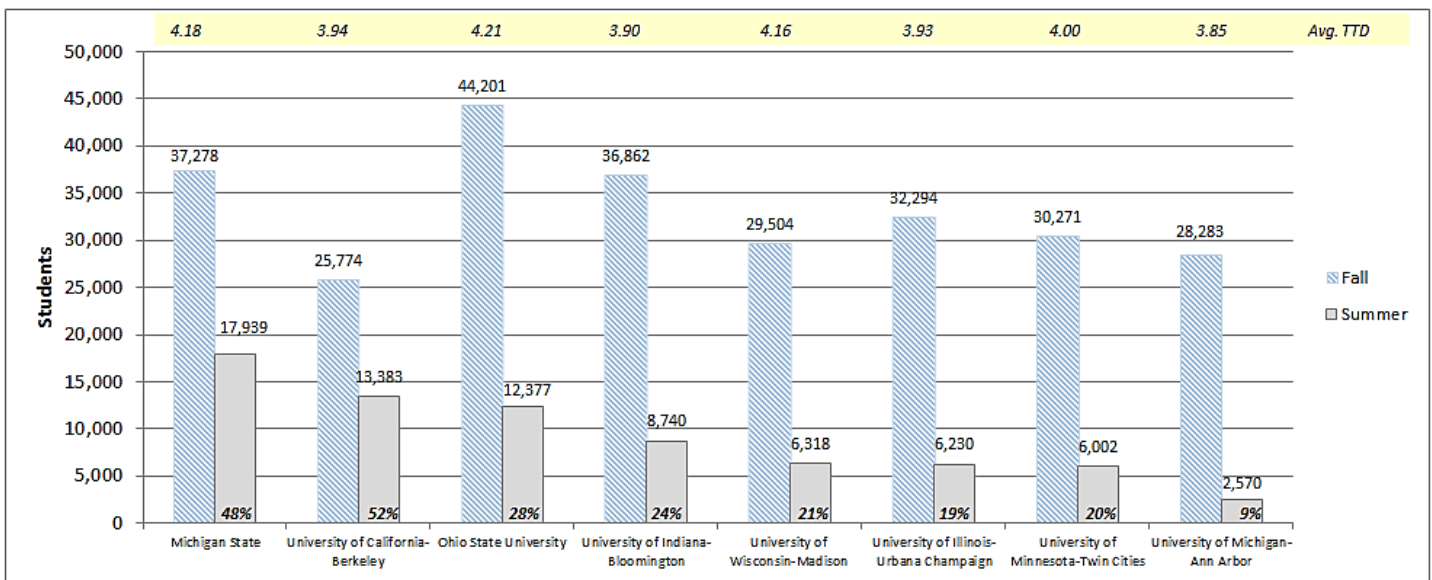
## KEY DATA AND FIGURES

### Head Count & Time to Degree

Of the 8 institutions reviewed, UW-Madison was ranked 5<sup>th</sup> in summer 2014 undergraduate head count as a percent of fall 2013 undergraduate head count. The top four institutions, Michigan State, California-Berkeley, Ohio State, and Indiana-Bloomington have models that distribute funds in relation to summer activity.

At this time, the impact summer enrollment has on time to degree is uncertain. However, this may be because it takes several years to see any changes in this type of metric. UW-Madison is ranked 6<sup>th</sup> in average time to degree.

### ***Undergraduate Head Count: Summer 2014 as a Percent of Fall 2013***

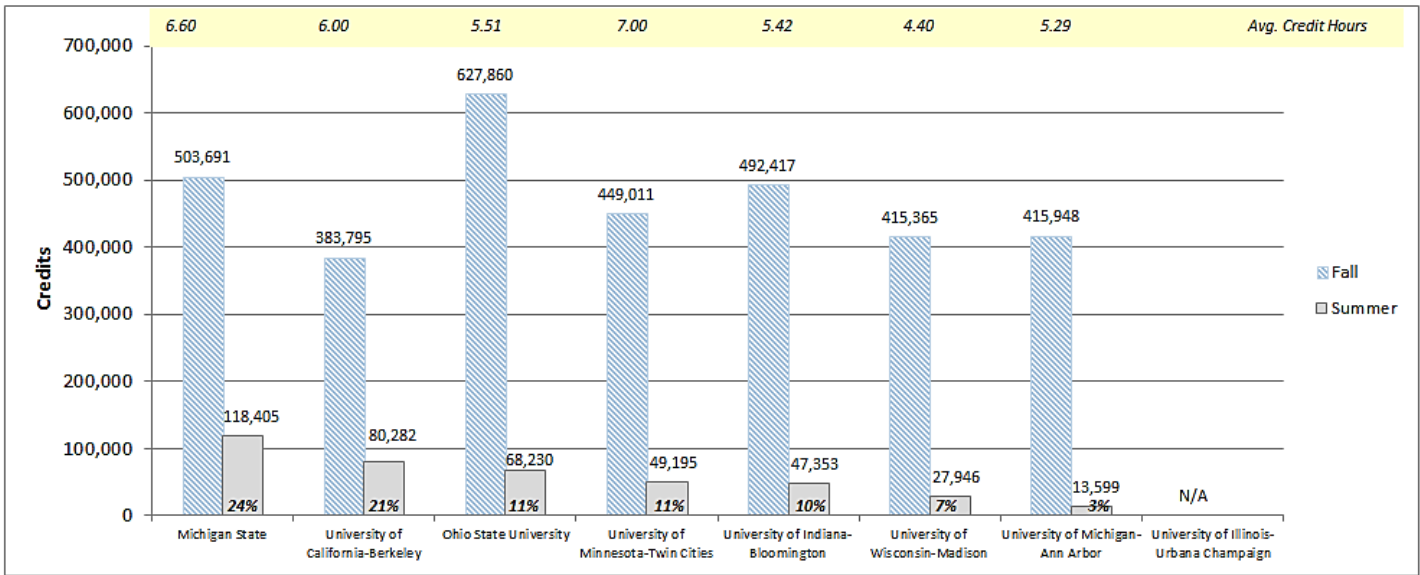


### Credit Hours

UW-Madison was ranked 6<sup>th</sup> in summer 2014 undergraduate credit hours as a percent of fall 2013 undergraduate credit hours. The top three institutions are the same whether using credit hours or head count as the metric.

UW-Madison has the lowest average of credit hours taken by undergraduates of the institutions reviewed. All other institutions have average undergraduate credit hour values between 5.00-7.00, whereas UW-Madison's is 4.40.

**Undergraduate Credit Hours Generated: Summer 2014 as a Percent of Fall 2013**



**Online Growth**

Michigan State is considered a “stand out” in their online growth for summer. They grew by 9,535 undergraduate online summer enrollments over 5 years (12,304 in 2010 to 21,839 in 2014).

By comparison, UW-Madison’s *total* online summer enrollments were 1,564 in 2012 and 2,846 in 2014 (growth of 1,282 enrollments).

While Michigan State’s online growth is large, they acknowledged there is no strategic approach across the institution to grow online enrollments. Rather, the growth was fueled by their revenue model and department interest. They created an incentive structure and the select departments responded.

**Michigan State Summer 2014 High Enrollment Online Courses**

Course name	# of students	# of sections
Introduction to Wine	351	1
Health Psychology	344	2
Principles of Packaging	315	1
Introduction to Microeconomics	324	2
Introduction to Psychology	290	2
Introduction to Physics I	277	2
Introduction to Physics II	256	2
Personal Finance	218	2
Economics of Sports	215	2
Introduction to Macroeconomics	205	2

**APPENDIX 5: PAID POOLED TUITION BASELINE**

**80/20  
Total Paid  
Tuition Revenue**

Unit	2013	2014	1:1 Average	Weighted	Weighted
				Average	Average
				2013	2014
L&S	\$8,712,613	\$8,444,493	\$8,578,553	\$8,623,240	\$8,533,866
EDU	\$1,566,997	\$1,556,609	\$1,561,803	\$1,563,534	\$1,560,072
BUS	\$846,852	\$941,972	\$894,412	\$878,559	\$910,265
EGR	\$1,816,099	\$1,890,162	\$1,853,131	\$1,840,787	\$1,865,474
MED	\$1,622,962	\$1,669,484	\$1,646,223	\$1,638,469	\$1,653,977
SOHE	\$495,252	\$534,768	\$515,010	\$508,424	\$521,596
ALS	\$1,233,551	\$1,216,678	\$1,225,115	\$1,227,927	\$1,222,302
LAW	\$351,931	\$264,629	\$308,280	\$322,830	\$293,730
NUR	\$168,603	\$188,617	\$178,610	\$175,274	\$181,946
IES	\$101,460	\$98,680	\$100,070	\$100,533	\$99,607
PHM	\$902,574	\$1,056,555	\$979,565	\$953,901	\$1,005,228
VET MED	\$53,963	\$20,379	\$37,171	\$42,768	\$31,574
DCS <sup>2</sup>	\$220,924	\$178,979	\$199,952	\$206,942	\$192,961
<b>Total</b>	<b>\$18,093,781</b>	<b>\$18,062,005</b>	<b>\$18,077,893</b>	<b>\$18,083,189</b>	<b>\$18,072,597</b>

**100/0  
Total Paid  
Tuition Revenue**

Unit	2013	2014	1:1 Average	Weighted	Weighted
				Average	Average
				2013	2014
L&S	\$9,126,634	\$8,809,420	\$8,968,027	\$9,020,896	\$8,915,158
EDU	\$1,664,420	\$1,579,991	\$1,622,206	\$1,636,277	\$1,608,134
BUS	\$903,094	\$1,002,860	\$952,977	\$936,349	\$969,605
EGR	\$1,472,754	\$1,705,204	\$1,588,979	\$1,550,237	\$1,627,721
MED	\$1,820,296	\$1,782,404	\$1,801,350	\$1,807,665	\$1,795,035
SOHE	\$470,659	\$527,257	\$498,958	\$489,525	\$508,391
ALS	\$958,182	\$1,028,263	\$993,223	\$981,542	\$1,004,903
LAW	\$371,599	\$264,073	\$317,836	\$335,757	\$299,915
NUR	\$136,987	\$167,367	\$152,177	\$147,114	\$157,240
IES	\$97,456	\$116,886	\$107,171	\$103,933	\$110,409
PHM	\$1,045,981	\$1,053,934	\$1,049,608	\$1,048,399	\$1,050,816
VET MED	\$25,715	\$22,028	\$23,872	\$24,486	\$23,257
DCS <sup>2</sup>					
<b>Total</b>	<b>\$18,093,777</b>	<b>\$18,058,987</b>	<b>\$18,076,382</b>	<b>\$18,082,180</b>	<b>\$18,070,584</b>

## APPENDIX 6: UNCLASSIFIED PERSONNEL POLICIES AND PROCEDURES – CHAPTER 11.02

### Chapter 11 Maximum Levels of Appointments & Summer Session Appointments

#### 11.02 Summer Appointments for Faculty, Academic Staff, and Limited Appointees on C-Basis

##### POLICY

##### **Prior Approval of Summer Appointments**

All summer work performed by C-basis faculty, academic staff and limited appointees requires prior approval by the individual's appointing unit.

The Board of Regents requires that any faculty, academic staff, or limited appointee on an academic year (9-month) appointment receiving more than 2/9th salary during a summer appointment must obtain prior approval from the Dean or Director designee. For academic units, the department chair can serve as the designee.

It is the policy of UW-Madison that any faculty, academic staff, or limited appointee on an academic year (9-month) appointment may not exceed eight months summer salary over any three-year period.

##### **EXAMPLE:**

2010 = 2/9

2011 = 3/9

2012 = 2.27/9

2013 = 2.50/9

2014 = 3/9

2009 + 2010 + 2011 = 7.27/9

2010 + 2011 + 2012 = 7.77/9 --- Therefore, 2014 summer

2011 + 2012 + 2013 = 7.77/9 appointment may not

2012 + 2013 + 2014 = exceed 2.50/9.

##### **Payment Limitations for Summer Appointments**

1. Faculty, academic staff, and limited appointees on an academic year (9-month) appointment are typically ineligible to earn additional overload payments during any summer they earn 3/9ths summer salary. Requests for exception to this policy require prior approval of the Academic Personnel Office.
2. The combination of summer "ninths" salary earned by faculty, academic staff, and limited appointees on an academic year (9-month) appointment, plus any overloads earned during summer typically may not exceed 3/9ths salary during any one summer. The 8/9ths policy also applies (see 3. below). Requests for exception to this policy require prior approval of the Academic Personnel Office.

3. The maximum summer "ninths" salary, plus summer overload payments earned by faculty, academic staff, and limited appointees on an academic year (9-month) appointment may not exceed eight months summer salary over any three-year period. Requests for exception to this policy require prior approval of the Provost.

EXAMPLE: 2/9ths + 3/9ths + 2.5/9ths + 1/2 month salary overload payment during one summer only = maximum 8/9ths summer salary allowed over a three-year period.

#### **PROCEDURE**

Prior written approval is required for all C-basis faculty, academic staff, and limited appointees working in the summer. Each division may establish its own form of documentation (e.g., letter of offer, memorandum of agreement, form, etc.), but the documentation used must include the appointment dates, the FTE/percent, and the type of work to be performed. If the employee is teaching, the course number/s should be provided. If the employee is doing research, there should be a brief description of the duties or one or more funding source/s should be identified.

The HRS Easy Access to Reporting Tools (HEART) can be utilized by all divisions and provides a number of reports and forms that can be useful for tracking and documenting approvals for summer employment. Access to the HEART tool can be received by contacting the College of Engineering. The link to the HEART tool is found here: [https://coetools.engr.wisc.edu/heart/reports/2Ninths\\_Select.php](https://coetools.engr.wisc.edu/heart/reports/2Ninths_Select.php)

#### **REFERENCE**

For more detailed information, consult [ACPS #4](#).

## APPENDIX 7: FACULTY POLICIES AND PROCEDURES: CHAPTER 11

### FACULTY POLICIES AND PROCEDURES UNIVERSITY OF WISCONSIN-MADISON

(As approved by the Faculty Senate on 15 May 1978,  
with subsequent amendments as of 6 October 2014)

#### CHAPTER 11

#### SUMMER SESSION

[11.01. Summer Sessions](#)

[11.02. Summer Session Administration](#)

[11.03. Summer Session Compensation](#)

[11.04. Deferral of Summer Session Compensation](#)

##### 11.01. SUMMER SESSIONS.

There shall be summer sessions of such lengths as may be approved by the chancellor.

##### 11.02. SUMMER SESSION ADMINISTRATION.

The director of the summer sessions is appointed by the chancellor and acts as the general coordinating officer, with specific responsibility for publications related to the summer sessions.

After the educational programming has been effected by the departments and the college deans, the deans submit programs and budgets to the chancellor through the director. After the budget has been approved, appointments and payrolls are administered by the departments in the same manner as during the regular academic year.

##### 11.03. SUMMER SESSION COMPENSATION.

For full service in a summer session rendered by a member of the faculty, the compensation shall be at the rate of one-ninth of the previous academic year's salary for each four weeks of service. Compensation for part-time service shall be appropriately prorated.

##### 11.04. DEFERRAL OF SUMMER SESSION COMPENSATION.



By depositing salaries, earned by teaching in the summer sessions, in the Summer Sessions Deposits of the University Trust Funds, members of the university faculty (as defined in [1.02.](#)) may defer compensation for that session(s) to a later academic term during which they have no other university compensation; however, deferred compensation under this program may not be taken in summer.

For full service in summer sessions, in lieu of money compensation, members of the university faculty may be paid full salary at some future time at the rate of one semester's salary for teaching twelve weeks in summer sessions, and one academic year's salary for teaching twenty-four weeks in summer sessions.

Participation in the accumulated-leave program is available only to university faculty on academic year appointments.

At the close of each summer session(s), those faculty members who are eligible to make deposits may endorse their checks and deliver them to the university trust officer for deposit in the Summer Sessions Account.

Twelve weeks of summer salary is the maximum that may be deposited in any one year. The maximum amount of summer salary deposits which may be accumulated at any one time by any one individual is twenty-four weeks.

A semester's payment under this program may occur only once in three years; a year's payment only once in six years. The one year's deferred compensation earned under this plan must be utilized within five years.

Faculty members may, upon due notice in writing, withdraw their deposits in cash, thus canceling their deferred compensation credit. In the event that they have several deposits and desire to withdraw only a part of them, the deposits will be paid in the order of their age, the oldest deposit being paid first.

It is not the policy of the university to pay deferred compensation when the deferral period is to be used for teaching elsewhere or for engaging in other salaried occupations.

When faculty members retire, die, or withdraw their deposits before using accumulated credits, they or their estates shall receive the amount of salary deposited at the time the summer work was done, plus interest.

Deposits made prior to 1961 are subject to the rules as they appear in the 1960 Laws and Regulations Governing The University of Wisconsin. Deposits made between 1961 and June 30, 1967, are subject to the revised regulations approved by the Board of Regents December 9, 1960. Deposits made on or after July 1, 1968, are subject to the revised regulations approved by the Board of Regents on March 15, 1968, and deposits made after July 1, 1978, are subject to the provisions of these rules.

## APPENDIX 8: GLOSSARY OF TERMS

**50% Weighted Average:** Rate used to calculate individual schools and college's Academic Year Budget Payment. This is as 50/50 weighting of the flat rate and allocation rate for the initial year of the new model.

**A93 101:** UW-Madison's general summer fund.

**A 93 131:** Proposed non-pooled activity-based summer fund.

**Academic Year Budget Payment (campus share of baseline revenue):** Annual payment will be made to central campus to provide funds for academic year budget. In the proposed model, this is calculated by taking baseline revenue minus the historic allocations and associated fringe expenses.

**Actual Revenue:** Hypothetical total revenue generated by a college when the model is implemented.

**Allocation Rate:** Half of the 50% weighted average calculation. Calculation:  $1 - (\text{college's historical allocation}) / (\text{college's baseline revenue})$ .

**Baseline Revenue:** Revenue generated under the current model. Represents the revenue that would have received under the current model, without the expansion of credits anticipated under the proposed model.

**College Allocation:** Funds received by a college in the current model to pay summer salaries for instructors.

**College Share of Baseline Revenue:** Revenue generated by a school or college on baseline activity minus the Academic Year Budget Payment. In proposed model, the college share of baseline revenue is in lieu of a historic allocation.

**Flat Rate:** Half of the 50% weighted average calculation. Calculation:  $1 - (\text{sum of historical allocation}) / (\text{sum of baseline revenue})$ .

**Fringe Expenses:** The costs of benefits (e.g., healthcare, retirement, etc.) for each individual faculty, staff, and student employed to teach in the summer. In the proposed model, actual fringe rates will be charged.

**Instructional Costs:** Salary and fringe expenses for summer instruction.

**Loss Adjustment:** Relief provided to school or college that falls below its baseline in the first year of implementation. Funded by the central campus and Division of Continuing Studies portion of new revenue.

**New Revenue:** Revenue above baseline revenue. 80% to school or college, 10% to central campus, 10% to Division of Continuing Studies. Calculation: Actual revenue – baseline revenue.

## **APPENDIX 8: GLOSSARY OF TERMS (cont.)**

**Non-Pooled Summer Fund:** Proposed structure for new summer budget model allowing schools and colleges to receive all the tuition revenue generated from summer their respective summer courses. Schools and colleges are responsible for paying fringe expenses in addition to salary.

**Paid Pooled Tuition:** This is the currency used to distribute revenue in the new model and the metric used to establish baseline revenue. It is net tuition paid (assessed minus waived) that is part of the overall tuition pool. In the proposed summer budget model it is calculated solely on the academic unit that offered the courses in which the student was enrolled on the session census date. The allocation is based on the UDDS of the course subject's academic owner. Tuition for students in non-pooled programs and for students who are studying abroad is excluded, as are tuition differentials paid by undergraduates in Business and Engineering. For Minnesota residents, only the Wisconsin resident portion of their tuition assessment is included. Paid pooled tuition for a cross-listed course is attributed to the subject area that incurred the cost of instruction for the course.

**Revenue Distribution:** This is the way schools and colleges receive funds for summer instruction. In the proposed model, revenue will be distributed based on paid pooled tuition.

**Total College Funds:** Revenue available to a school or college to pay all summer instructional costs as well as use for other school or college activity. Calculation: Actual revenue – academic year budget payment – 20% tax on new revenue