

Tuition Distribution Model

The University of Alaska Fairbanks has developed a new tuition distribution model envisioned to be implemented in FY10. This model was developed in conformance with UAF budget principles calling for maximizing distribution of budgetary authority and control.

Key Elements

1. Each main campus school and college would receive 60% of the tuition generated by the courses they deliver. Regular tuition would be distributed at the point the student registers. Nonresident tuition surcharge revenue would be distributed at the same percentage on a manual basis once in the Fall semester and once in the Spring semester.
2. For FY10 the budgets of the main campus schools and colleges would be adjusted as follows;
 - a. Tuition budget would be created in an amount equal to projected FY10 tuition revenue. The amount would be estimated based upon FY09 credit hour production and FY09 tuition rates.
 - b. Existing guaranteed tuition budgets would be eliminated.
 - c. School and college general fund budgets would be adjusted based upon the differential between FY09 guaranteed tuition and FY10 estimated tuition. These adjustments would be made to help ensure there is no direct financial impact resulting from the implementation of the new model. For example, general fund would be increased to the extent the guaranteed tuition a college received in FY09 is higher than FY10 projected tuition. To the extent a colleges estimated FY10 tuition is greater than the guaranteed tuition it received in FY09, its general fund would be reduced.
3. 40% of tuition generated by main campus schools and colleges would be distributed to central accounts. This tuition would be used for the following purposes among others;
 - a. Student Enrollment Services, Provost's Operations and related Administrative Services
 - b. Tuition waivers
 - c. Risk assessments
 - d. Strategic initiatives
 - e. Reserves
 - f. Debt services
4. CDE, Summer Sessions and the Community Campuses would continue to receive 100% of the tuition generated by the courses they deliver or coordinate.
5. The affects of the new model would be closely monitored throughout the course of FY10. Adjustments would be made as determined appropriate by the Vice Chancellor for Administrative Services.

Key Benefits

1. Schools and colleges would realize the impact of their activities in the period they occur. Regular tuition revenue would be directly posted to school and college accounts as students register in their courses. As enrollment increases, so would the revenue received by the school.
2. Schools and colleges would directly realize the impact of changes in tuition rates.
3. Schools and colleges would have clarity concerning the amount of tuition they receive.