



RESOLUTION

concerning

TUITION AND GENERAL FUND DISTRIBUTION
METHODOLOGY

December 13, 1996

WHEREAS, Pursuant to the provisions of Section 10a-89(a) of the Connecticut general statutes, "...the board of trustees shall establish an equitable policy for allocation of appropriations from general revenues of the state and tuition revenue deposited in the Connecticut State University System Operating fund...", and

WHEREAS, Over the past two decades, general funds appropriated to the Connecticut State University system have been distributed on a historical basis with adjustments to institution base amounts as new facilities came on line or new positions were funded, and

WHEREAS, From FY1992 until FY1995, tuition allocations to the campuses were made based upon a percentage increase to the prior year's allocation across the system, and

WHEREAS, In May 1995, by Board Resolution 95-51, the Board of Trustees for the Connecticut State University System established a new methodology for the allocation of (a) tuition, and (b) General Fund revenues appropriated to the Connecticut State University System, which provides for the distribution of funds on a more equitable basis, provides a small funding pool from which universities can be recognized for the achievement of institutional goals, and finally, allocates tuition and general funds on a rational principle by allocating tuition on the basis of tuition revenues and general fund dollars on the basis of full-time student headcounts for which state funds are provided, and

WHEREAS, The universities have requested that the Board consider some modifications to the methodology specified in Board Resolution 95-51 because of issues which were not addressed during the development of that model, and

WHEREAS, Staff has reviewed these issues and after discussions with the universities has developed recommendations regarding the base year for revenue and enrollments used in the tuition and General Fund distribution calculations, excess tuition revenues, tuition waivers, and additional costs associated with maintaining a second campus, therefore be it

RESOLVED, That Board resolution 95-51 is rescinded, and be it further

RESOLVED, That effective for FY1997-98, tuition and the general fund appropriation shall be distributed on the basis of the principles described below :

General Fund Allocation

- 1) The available funds less the base amount provided for system office activities will be allocated on the basis of the full-time headcount as projected for the budget year. During the fourth quarter of the budget year, a recalculation of the General Fund allocation would be made based upon actual full-time headcount enrollments for the academic year, and the original allocations shall be adjusted as appropriate.
- 2) The allocation to the system office is based upon the current allocation to the system office and is increased or decreased annually based upon the percentage change in general fund appropriations provided to the Connecticut State University System.

Tuition Fund Allocation

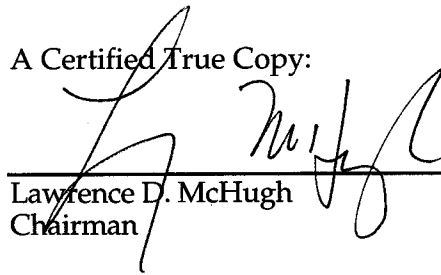
- 1) 70% of projected tuition revenues (net of tuition waivers) for the budget year will be distributed among the universities based upon tuition revenues for each university as projected for the budget year. During the fourth quarter of the budget year, a recalculation of the tuition allocation shall be made based upon actual revenues realized during the year and the original allocations shall be adjusted as appropriate.
- 2) Of the remaining 30% of the tuition revenue, one-half (15% of the total projected tuition revenue) will be distributed to the universities for financial aid as CSU grants.
- 3) Part of the remaining tuition revenue will be allocated for systemwide and system office activities, to be determined by the Trustees for the budget year. The FY1996-97 tuition allocation for systemwide and system office activities will serve as the baseline amount. Increases or decreases to the base tuition allocation will be contingent upon determination by the Board of Trustees.
- 4) The unallocated balance of the projected tuition revenue may be distributed to the universities to recognize achievement of programmatic goals established by the Trustees in consultation with the universities. The Board of Trustees will determine the awarding of these funds. Should the Board not distribute all the unallocated balance to achieve programmatic goals as provided in this subdivision, the remainder shall be distributed according to the provision of subdivision 1, and be it further

RESOLVED, That the new allocation methodology be implemented over a period of 10 years beginning in FY1995-96 to minimize the impact of the significant shift of funds among the universities that are caused by the implementation of the new model, and be it further

RESOLVED, That actual tuition revenues realized during the budget year in excess of projections be retained by the universities on the following basis:

The Chancellor, in conjunction with the University Presidents, shall set enrollment goals and revenue targets for the budget year. Universities exceeding their revenue targets shall retain 90% of the additional revenue. The fourth quarter tuition allocation of the institution exceeding the goal shall be adjusted upward as appropriate. The remaining 10% of excess tuition revenues shall be added to the systemwide reserve account to be used to assist with systemwide problems or initiatives. The 10% transfer to the systemwide reserve account would be based upon revenue earned under accrual accounting procedures as opposed to cash receipts.

A Certified True Copy:



Lawrence D. McHugh
Chairman