



THE UNIVERSITY OF ARIZONA

Graduate College

RCM2 & Grad Programs

Note: This information has been reviewed by the Provost's office and approved, but it is not final and so should not be treated as definitive. The model may change before implementation.

I can't say this loudly enough!

- The model below is about funds flow to the RC unit. ***That's the college, not the department!!***
- Ultimately the way that funds flow to the department are at the discretion of the dean of the college and should not follow this model directly.
 - The provost's office recognizes that small departments are too small to survive under direct funds flow models and that subventions at the college level must occur.
 - All of the Dean's offices have been asked to provide a model of internal governance that will discuss how funds will be distributed within the RC unit (College).

Don't assume that funds
flow directly to the
departments. They do not.

Why values are important

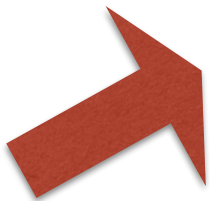
- RCM is just an accounting model. In and of itself it has no values, no winners, no losers, no biases.
 - What it does do is provide transparency over how funds flow through the University.
- **What matters** is what decision-makers do with that information!
 - A guiding set of values is an important part of implementation because it helps remind us of how college money should be used.

Values and Principles

- Graduate decision-making should:
 - Be consistent with the mission and goals of the University and College Strategic Plans
 - Incentivize work that promotes interdisciplinary, diversity and academic excellence
 - Be mission driven and not revenue driven
 - Take an institutional view rather than one of partisan advocacy
 - Allow for cross-subsidization among programs and Responsibility Centers:
 - mission critical units that do not generate large amounts of revenue are nevertheless valuable and should be supported.
 - The allowance for cross-subsidization should be balanced however, by implementation of equitable structures that do not promote disparities in workload and compensation
 - Enable cooperation and collaborative engagement at the central level and the local level

Values and Principles

- **Most importantly:** Decision making should incentivize higher quality graduate programs, innovation, flexibility, effectiveness, and equitable resource allocation.
 - ***As measured through mission-driven metrics:*** Completion rates, degrees awarded, time to degree, faculty and student productivity, student placements, etc.



Success of College Management under RCM is evaluated here

Governance

- Each academic year a subset of members from the University Graduate Council issue a report to the Graduate Dean and Provost about the performance of each college with respect to graduate education. The Committee will report on each graduate program according to standard metrics: *Time to Degree, diversity, completion etc.* The Graduate Council should monitor course duplication and any other activities that undermine the university's graduate mission.

Types of Student Support & Tuition

Graduate Tuition Scholarships (GTS)

- **Centralized GC administered GTS** will be funded through the central tax on all university revenue (except revenue from course and mandatory fees). [AC: These are CASH that flows to the RCU and are for centralized programs and diversity. They add to the college base.]
- **RC waivers:** RCUs bear the cost of RC waivers (GTS currently allocated to colleges). Note that these are not line items in budgets, but are rolled into net tuition revenues [AC: these aren't cash, but are foregone revenue, so the SBS dean gets to decide how much revenue he foregoes in order to support grad education.]

Grad College Matching GTS

- If the training grant is entirely localized under a *single college*, then that college takes on full responsibility for tuition coverage in the form of RC waivers.
- If the training grant covers *multiple colleges*, then the tuition coverage should come from a negotiated partnership using RC waivers from each of the partnering colleges supplemented by Grad College GTS awards.
- If the program is an initiative from the *central administration*, then Grad College GTS covers the entire award (e.g. University Fellows, Coverdell Fellows, GIDP fellowships, etc.)
- Grad College GTS commitments will be for *a fixed cash amount*, determined at the time of grant award and will not float with tuition. Any changes in tuition above that amount will have to be absorbed locally.
- All current matching awards will be honored. But upon grant and program renewal, the above principles will be used.

GA Tuition Remission

- GA tuition remission counts as cash in the system.
- For most GTA positions, however, this is a cash-in/cash-out transaction, so it is functionally equivalent to an RC waiver .
 - GTA remission payments typically come from net tuition revenues and are shouldered by the college. (Again in most cases this ends up being a cash-in/cash-out and results in a wash). Payment comes from the college but is returned to the college. This kind of remission is untaxed.
 - GRA remission payments typically come from Grants (or similar sources). This kind of remission is taxed.
- GA tuition will no longer be part of the ERE pool rate as of July 1, 2015 and *will be directly billed*.

Grad College Fellowships

- These are not part of the RCM tuition flow modeling because they are payments directly to the students. If students use these funds to pay their tuition then, it flows just like other cash payment of tuition.

Taxation

- Centralized Admin Costs are covered by a ~30% tax on revenues from **all** sources (not just tuition).
- Among the many things covered by the tax:
 - Costs of running the GIDPs, including student funding.
 - Grad College centralized GTS (but not RC waivers)
- Not covered by the Tax
 - Most day-to-day ops and salaries in the Grad College (paid for by Application fees)
 - Graduate College Fellowships (GCF) (paid for by a variety of sources, including ICR, Regents Set Aside, Foundation accounts and other external sources)

Taxation

- Central tax rate on Grad Tuition is taxed at a lower rate (~12%) than UGs. [AC This means that grad students bring in more revenue to academic colleges on a per student basis]
- GTA tuition remission is not taxed. (GRA remission is taxed if the source of funds is UA external, such as grants.)
- RC Waivers, and GC-GTS with the relevant types of funding sources are not taxed.

Taxation

- Why is GRA tuition taxed but GTA and GTS/RC waiver money tuition is not?
 - We tax at the source of funds. The money that pays GTA and GTS/RC waivers **has already been taxed** when it entered the system (for example, through Undergrad tuition revenue)
 - GRA tuition, by contrast is entering the system for the first time when the GRA's tuition is being paid. Note this is taxed at the lower rate than the UG tuition revenue that pays GTA tuition.
 - The funds that pay both kinds of remission are, in fact, taxed. They're just taxed at different times.
 - We do not double tax tuition revenue!

Revenue Distribution

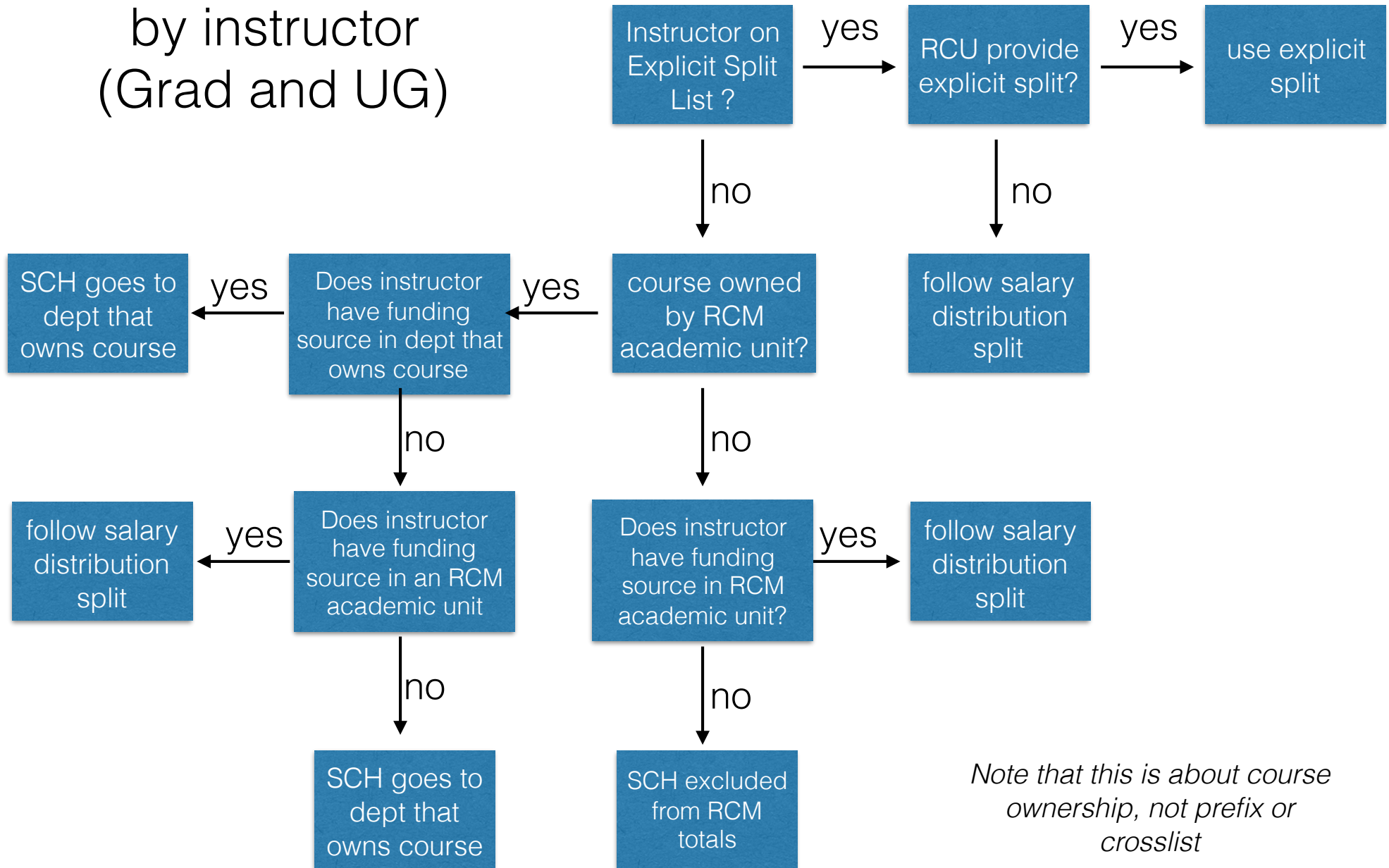
- Graduate tuition is split between the RCU of enrollment and the RCU of instruction.
 - 75% to college of enrollment,
 - 25% to college of instruction
- GIDPs: 100% goes to college of instruction.

Revenue Distribution

- Graduate allocations are not weighted (as a consequence of being done on a student-by-student basis)
- Grad is not based on a multi-year averages (unlike UG). It is actual year-to-year.

now some nitty gritty

SCH Flow Decision Tree by instructor (Grad and UG)



By Student

- UG SCH is pooled and then redistributed by a formula based on course and program enrollments. It is insensitive to the source of tuition (in vs. out of state, fellowship/scholarship, etc.)
- Grad Student SCH is not pooled. *Instead every grad student's tuition revenue is individually distributed in the system according to an individual formula* which is sensitive to the sources of funds and the kind of student (e.g. GIDP or not)

Cross Career Flow

- This affects a very small number of students.
- **Grad Students** taking UG courses: Tuition and SCH follow Grad model
- **UG students** taking Grad courses: Tuition and SCH follow UG model.
- **Accelerated Masters (AMP)**
 - Pre-bachelors: Tuition and SCH follow UG model,
 - Post-bachelors: Tuition & SCH follow the Grad model.

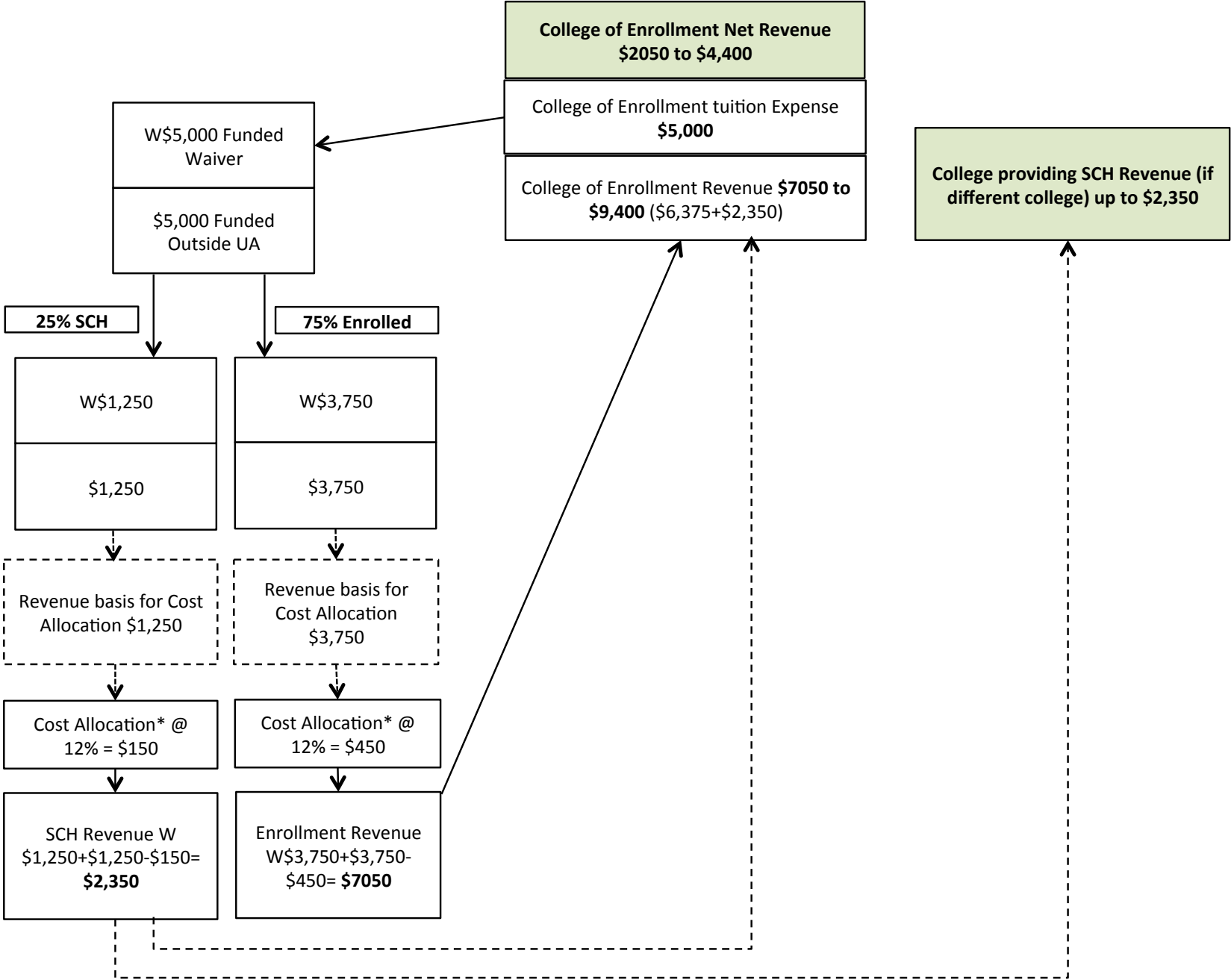
Grad Programs with Differential Tuition or Program Fees

- Distribution of program fee goes 100% to college owning the fee or differential tuition, but they have the same taxation model as Grad.

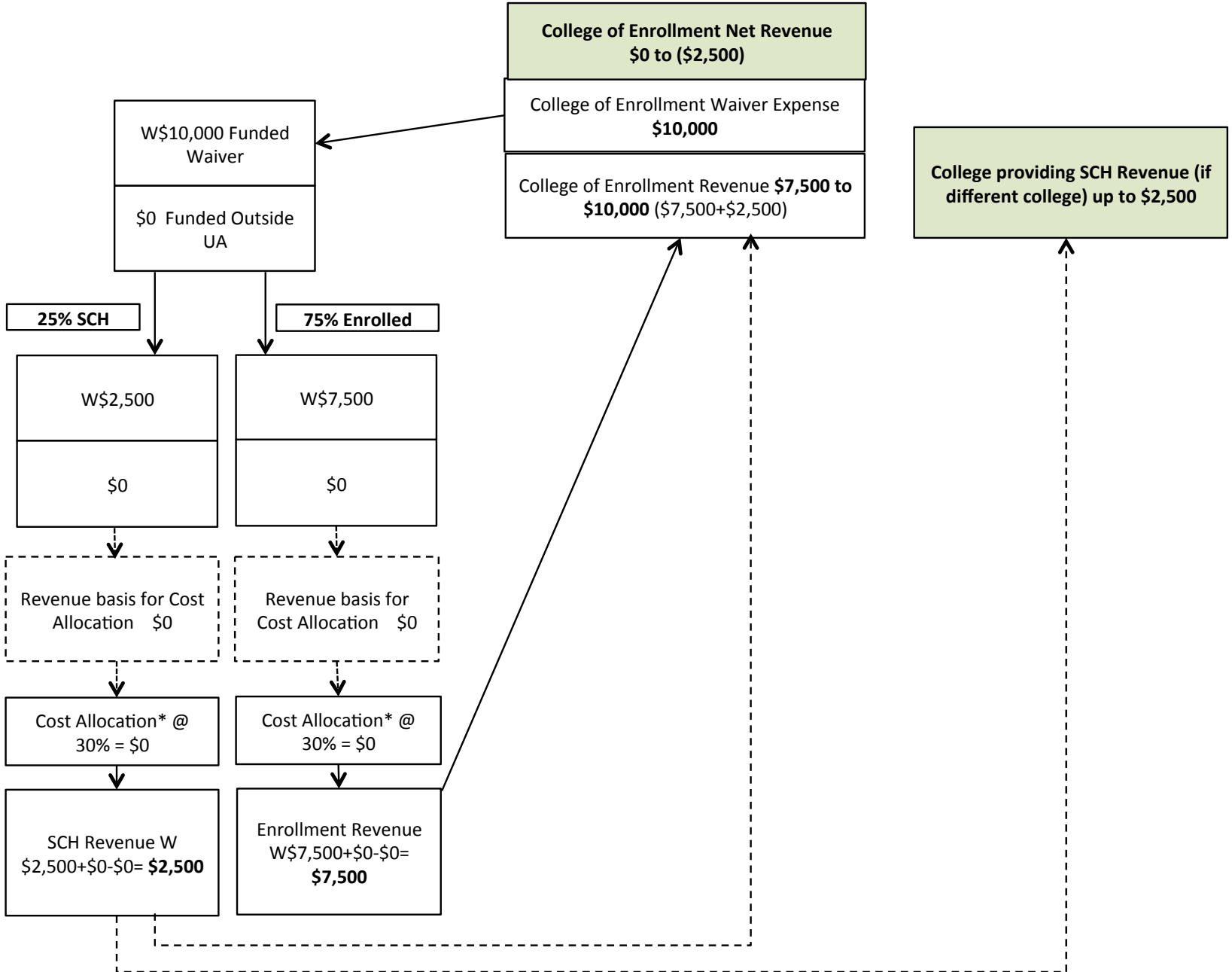
some example students

Keep in mind that every student will be different based upon what their funding sources are, where they are enrolled and where they take their courses. These are just some idealized models to demonstrate how the basic principles of tuition-flow work for grad students.

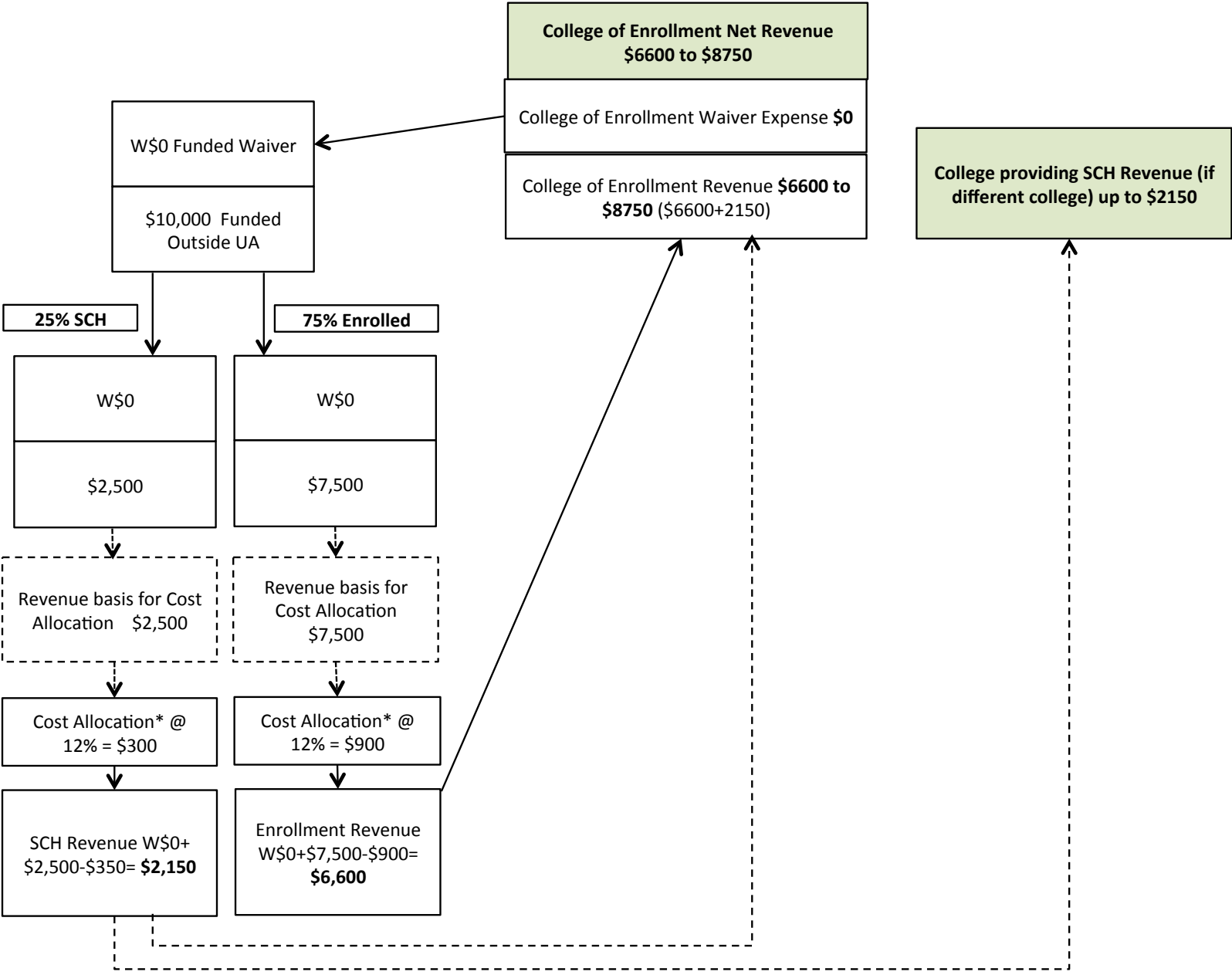
Scenario 1: 50% Remission/Waiver (e.g. RC waiver or .25GTA) & 50% external funds (e.g. .25FTE grant-funded GRA, or external scholarship)



Scenario 2: 100% Remission/Waiver (e.g. instate RC waiver or .5 GTA) (assuming in-state tuition)



Scenario 3: 100% External funds (e.g. .5 grant funded GRA, Scholarship, Self-pay)



Scenario 4: GDP student with 100% Remission/Waiver (e.g. instate GTS or .5GTA) (assuming in-state tuition)

