The University of Tennessee at Chattanooga
Proposed Summer School Model
Summer 2016

The University of Tennessee at Chattanooga is committed to the growth of its summer school program in order to maximize class offerings, increase student progression, and grow graduation rates. In order to successfully meet all of these objectives, the following multifaceted model is being proposed:

Base Budget Inflation Adjustment – In FY 2015, the University increased the summer school base budgets within each college by $455,000 to appropriately cover recurring instructional costs. In an effort to accommodate future inflationary growth, each college's summer school base budget will be increased at the beginning of each new fiscal year by the same percentage the undergraduate in-state maintenance fee is increased. Any reduction in instructional cost by the colleges and departments that results in a base budget surplus (unspent budget funds) will be carried forward at the end of the given fiscal year and allocated based on the percentages outlined below. The following is an example based on current base budgets and the anticipated maintenance fee increase:

College	FY 2016 Base Budget	3% Inflation Increase	FY 2017 New Base Budget
Arts & Sciences	617,446	18,523	635,969
Business	483,973	14,519	498,492
CHEPS	432,457	12,974	445,431
Engineering & CS	174,106	5,223	179,329
Total	**$1,707,982**	**$51,239**	**$1,759,221**

Non-Recurring Budget Incentive Adjustment – The growth of summer school credit hour production is essential to successfully meeting the intended goals of summer school. In an effort to reward each college and department that expands the number of summer school credit hours produced beyond the 2015 summer school credit hours, the University will share 50% of the additional revenue generated by the growth.

College	2015 Summer Credit Hours	2015 Summer Revenue	5% Credit Hour Growth (Est)	50% New Revenue Share
Arts & Sciences	7,965	2,346,434	398	58,661
Business	5,035	1,483,276	252	37,082
CHEPS	8,072	2,377,956	404	59,449
Engineering & CS	1,394	410,663	70	10,267
Total	**22,466**	**$6,618,329**	**1,123**	**$165,458**

Cost Avoidance & Revenue Sharing Summary – The intent of the model is not only to achieve the goals outlined for summer school, but also to reward both colleges and departments who are integral to making summer school successful.

To receive a share of the surplus revenue or cost avoidance, colleges and departments can:

1) Increase credit hours produced (50% of new revenue to institution; 50% to colleges and departments);
2) Decrease instructional costs (100% of cost avoidance to colleges and departments); or
3) A combination of both.

The cost avoidance and revenue generated will be non-recurring funds that will be split between the departments and colleges:

- 85% will be returned to the department; and
- 15% will be returned to the college.

These non-recurring funds will be budgeted in each college's summer school budget prior to the close of the fiscal year. They will be carried forward to the next fiscal year assuming the college doesn't have an overall budget deficit.

The following is an example of how such a scenario would work: A department had an instructional cost of $45,000 to deliver 500 student credit hours in Summer 2015 (base year). If that department delivers 10% more student credit hours (550) for the same instructional cost in Summer 2016, that department will receive $6,107 in non-recurring surplus revenue, and the college will receive $1,078.

Example Department	Amount of Change	Summer SCH	Instructional Cost	15% Share to College	85% Share to Dept.
Base: No change	0%	500	$45,000	$0	$0
Increase in SCH Production	5%	525	$45,000	$539	$3,053
Decrease in Instructional	5%	500	$42,750	$338	$1,913
Increase SCH/Decrease Cost	5%	525	$42,750	$876	$4,966
Increase in SCH Production	10%	550	$45,000	$1,078	$6,107
Decrease in Instructional	10%	500	$40,500	$675	$3,825
Increase SCH/Decrease Cost	10%	550	$40,500	$1,753	$9,932

The above model will be generated by Academic Affairs for all colleges and departments as they are planning for summer school.

<u>Demand Courses</u> – To achieve the primary goals of summer school, it is essential that courses are offered to allow students to progress. Colleges and departments that conduct classes with adequate student demand and are required for student progression, with an instructional cost weighed against the actual revenue generated, will increase student credit hour production and their revenue share. In order to offer courses that may have low enrollment, but are critical to student progression, a $30,000 non-recurring budget will be available through Academic Affairs to fund such courses. All requests for Demand Courses will be submitted to the Provost for approval.

<u>Compensation</u> – Colleges will continue their current summer school compensation programs, inclusive of the policy outlined in the Faculty Handbook and the compensation caps developed by each college's dean. A change in the cap for any college will be submitted to the Provost and Senior Vice Chancellor for Academic Affairs for approval in consultation with the Executive Vice Chancellor for Finance, Operations, and Information Technology.

<u>Marketing</u> – Essential to the success of the proposed model is an extensive marketing effort by not only the University centrally, but also the central and decentralized Advisement staff. In order to accomplish this, the University will make a $40,000 non-recurring budget allocation for summer school marketing. The intent is to add these funds to the base budget.