

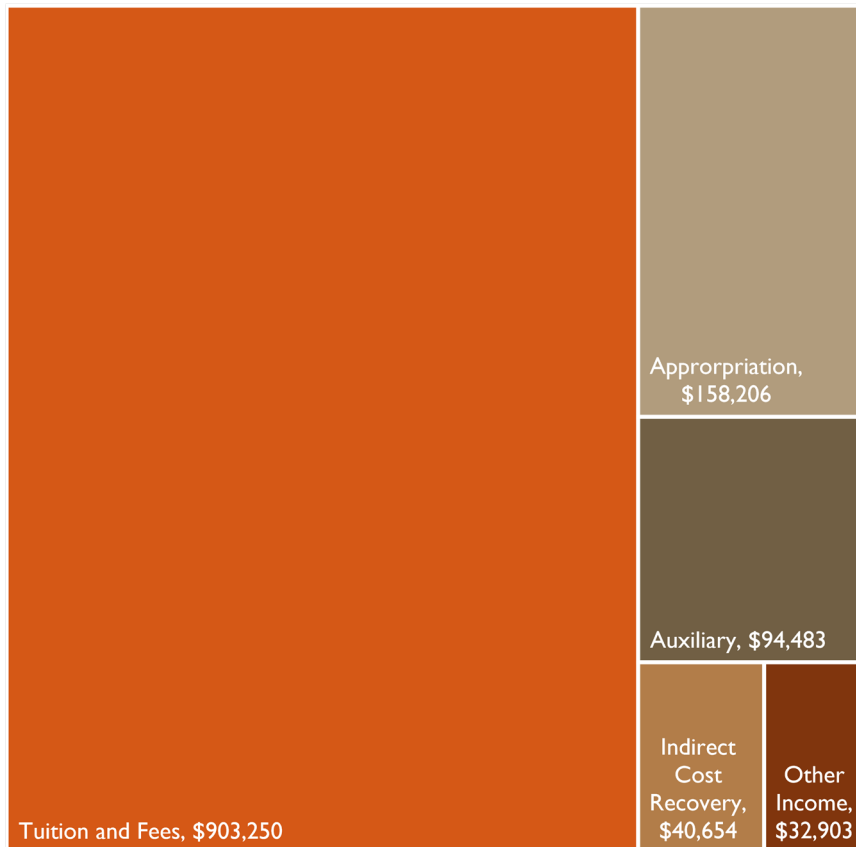


BUDGET PRIMER

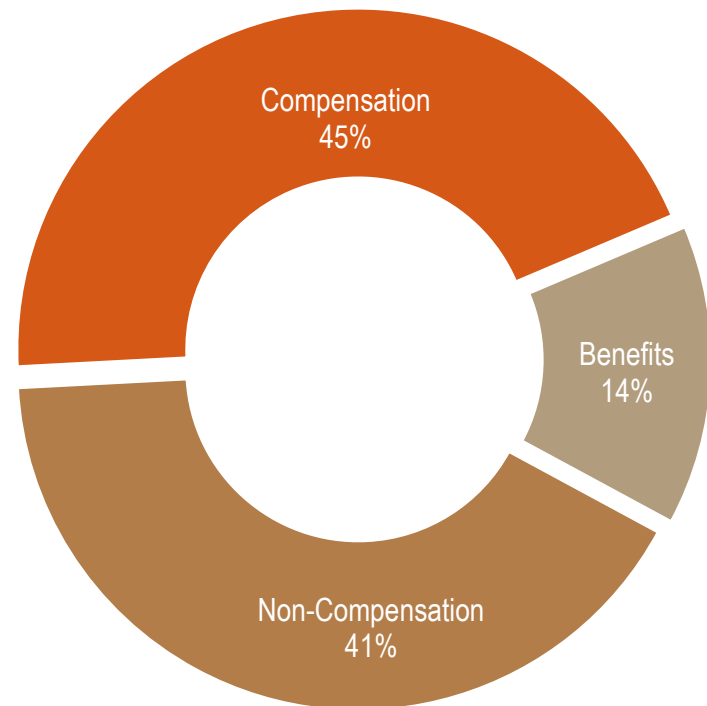
FY22 UNIVERSITY'S OPERATING BUDGET

TOTAL BUDGET \$1.1 BILLION

FY22 Revenue Budget

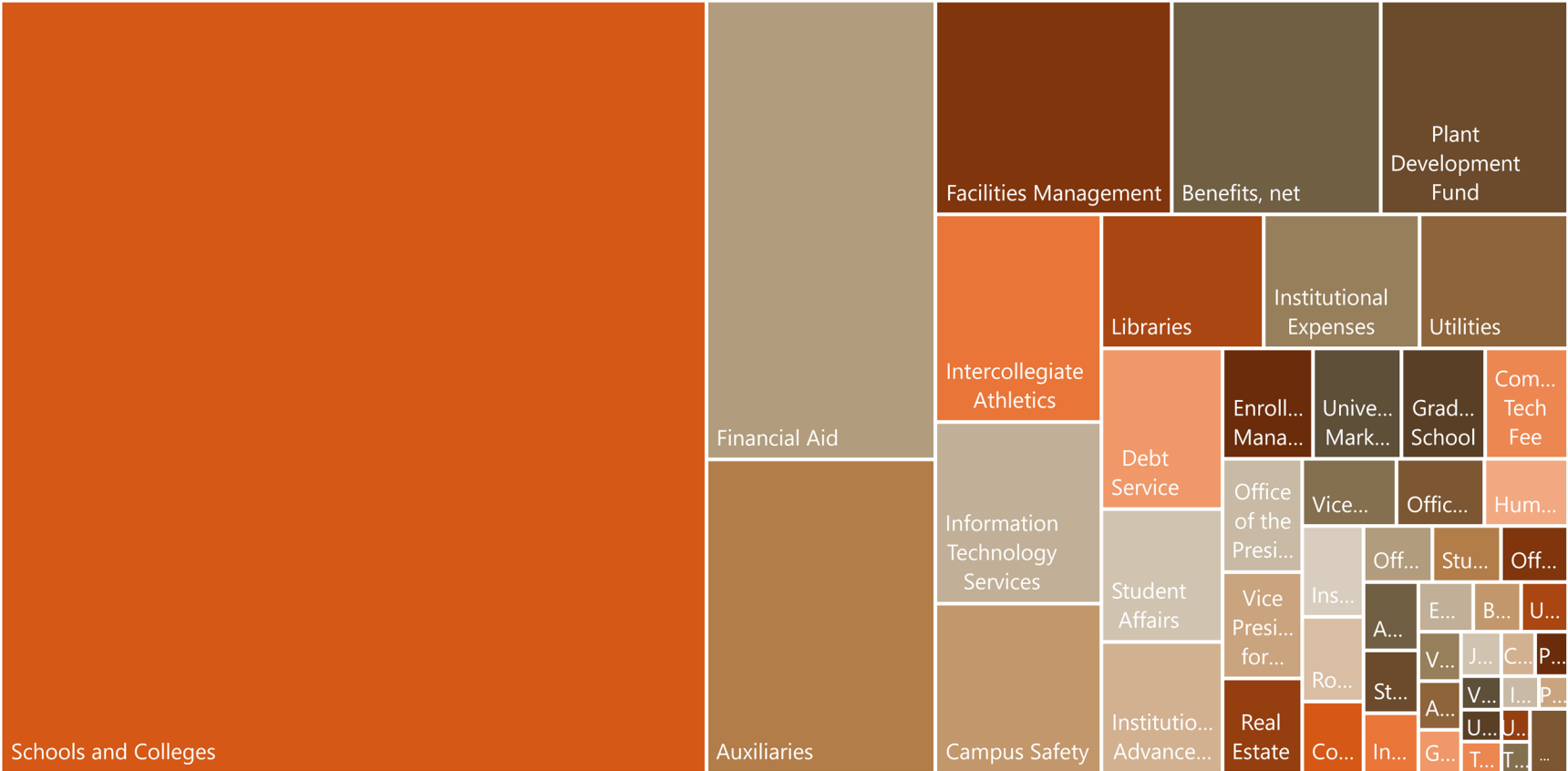


FY22 Expense Budget



FY22 UNIVERSITY'S OPERATING BUDGET

HOW IS IT ALLOCATED? (\$000 OMITTED)



RCM - THE GOALS

- Incentivize deans to be entrepreneurial and responsive to changing market
- Grow revenue rather than just cutting costs
- Facilitate strategic and long-term planning
- Continue to “bend the cost curve” and focus on both efficiency and quality
- Promote administrative efficiency, reduce service duplication and enhance space utilization
- Realign resources with academic priorities
- Reward strong management and performance
- Foster a climate of transparency and accountability

GUIDING PRINCIPLES

Mission-driven: The budget model reflects Temple's primary mission to support its teaching and research enterprise first, and its goals and success supersede those of the individual units and revenue centers.

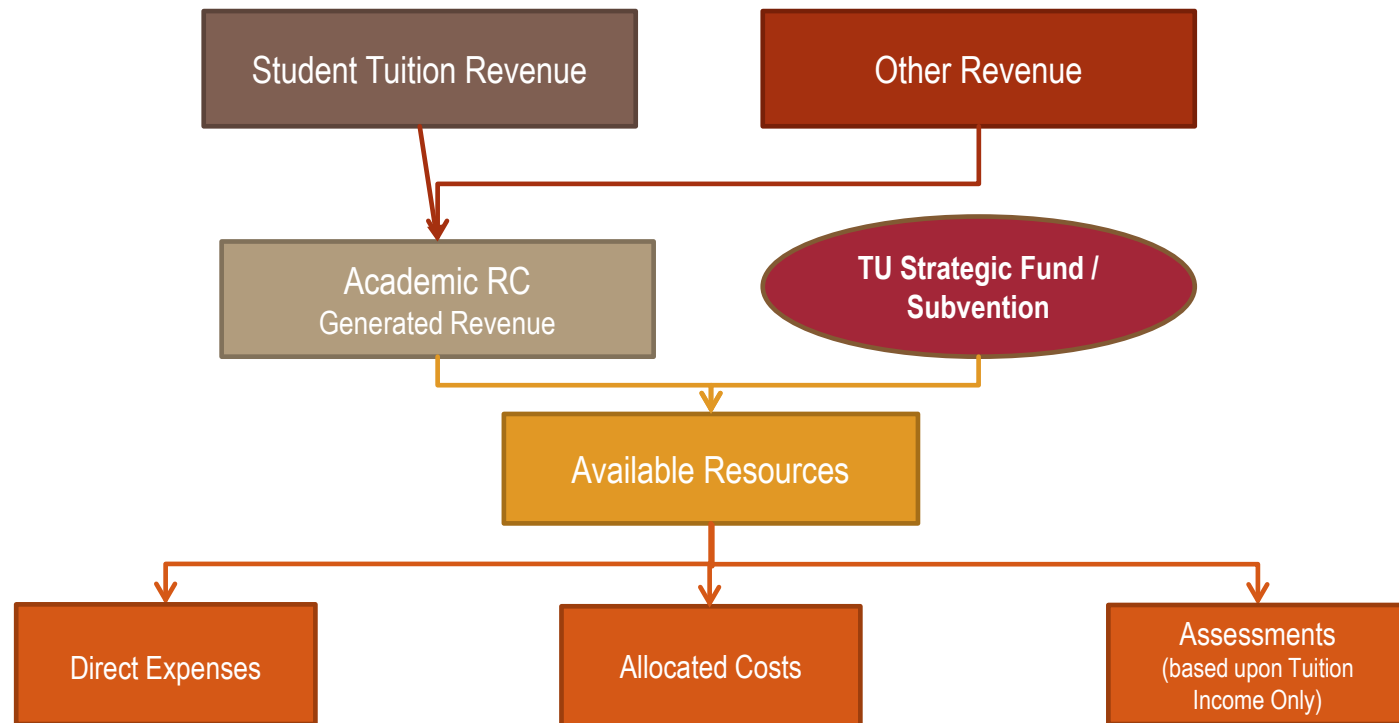
Align Authority with Responsibility and Accountability: Authority to make decisions will be pushed closer to the action, along with the responsibility or accountability for such decisions.

Fairness: Be consistent, predictable and transparent. Considers a student-focused approach to the delivery and funding of services to ensure equitable access.

Encourage Innovation, Entrepreneurship and Efficiency: Incentivize appropriate risk taking and efforts to enhance revenue or reduce expenses. Support interdisciplinary collaboration and discourage unnecessary internal competition.

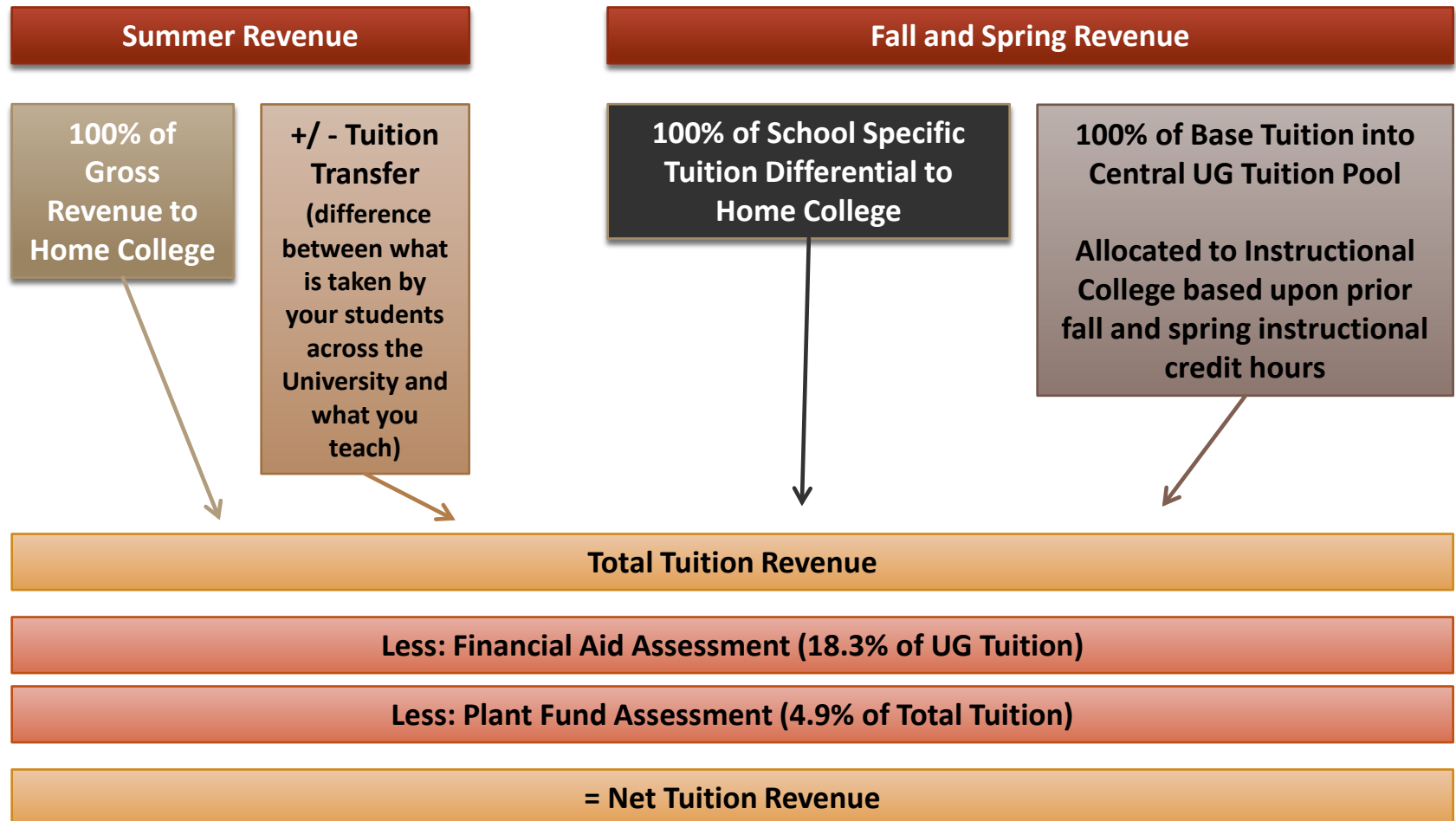
Simplicity: Simple to understand, explain and maintain.

RCM REVENUE FLOW



- Student Tuition Income:** This includes UG/Grad/Prof through both direct and transfer
- Other Revenue:** Student Fees, ICR, Clinical Revenue and other miscellaneous income credited to Operating Fund
- TU Strategic Fund:** \$7.0 million funded assessed annually to the revenue centers and allocated back based upon strategic priorities.
- Direct Expenses:** Compensation, benefits, travel, faculty startup, tuition remission, etc.
- Allocated Costs:** Allocation of Central Support Services. Allocated to Revenue Centers based upon: Credit Hours, Net Assignable Sq. Ft and Net Direct Expenditures
- Assessment Charge:** Plant Fund and Financial Aid

ALLOCATION OF TUITION REVENUE UNDERGRADUATE



ALLOCATION OF TUITION REVENUE GRADUATE

100% of Gross Revenue to Home College

+/- Tuition Transfer

(difference between what is taken by your students across the University and what you teach)

= Total Tuition Revenue

Less: Financial Aid Assessment (1.9% of Graduate Tuition) *

Less: Plant Fund Assessment (4.9% of Total Tuition)

= Net Tuition Revenue

** Assessed on Graduate Tuition generated by non-professional schools only. School of Medicine, Kornberg School of Dentistry, School of Pharmacy, School of Podiatric Medicine and Beasley School of Law are excluded from this assessment.*

ALLOCATION OF TUITION REVENUE PROFESSIONAL

100% of Gross Revenue to Home College

+/- Tuition Transfer

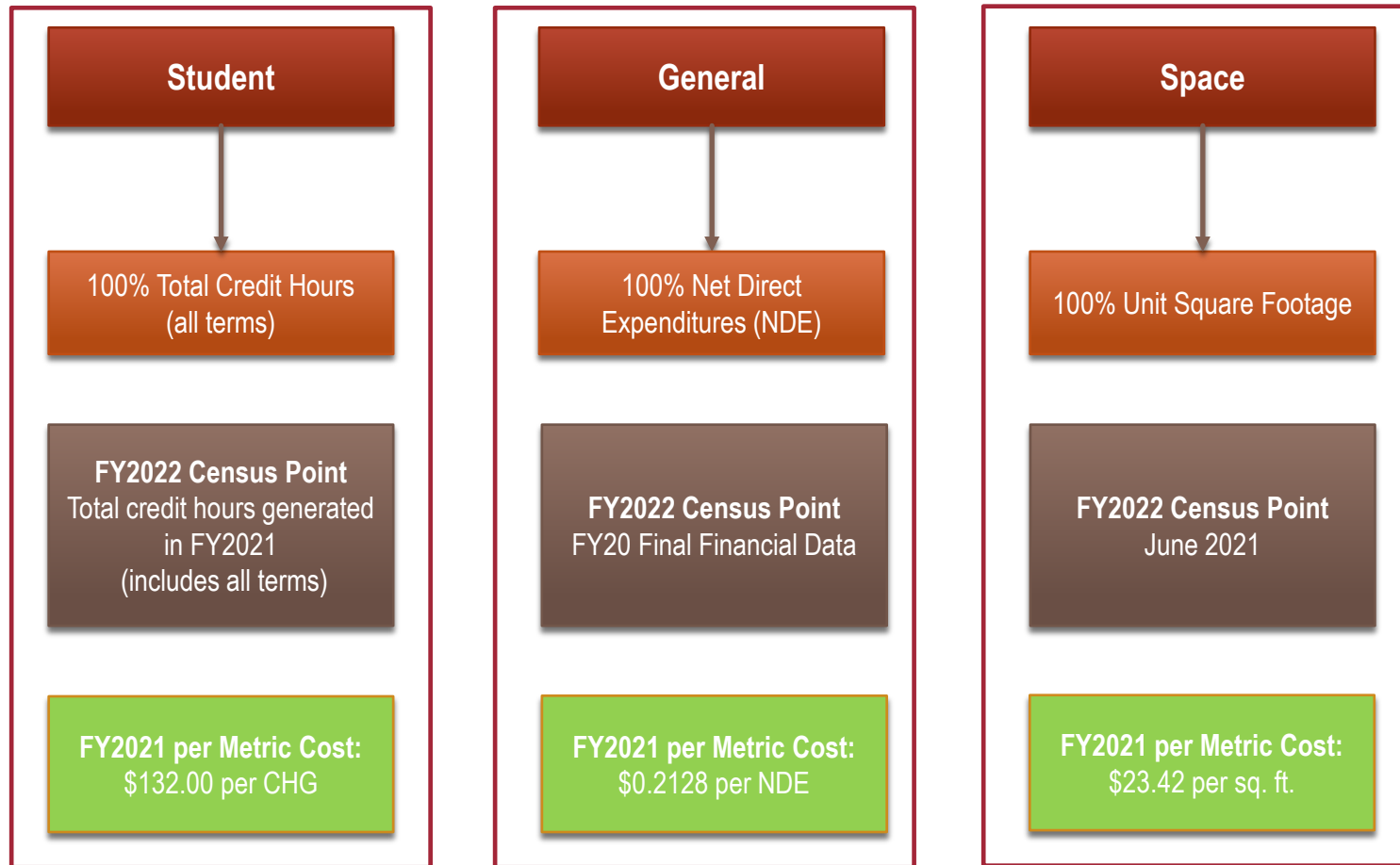
(difference between what is taken by your students across the University and what you teach)

= Total Tuition Revenue

Less: Plant Fund Assessment (4.9% of Total Tuition)

= Net Tuition Revenue

ALLOCATION METHODOLOGY



ALLOCATION METHODOLOGY

STUDENT

Campus Safety (50% of Expense)	Libraries	Temple Press
Information Technology Services (50% of Expense)	Office of the Provost	Uncollectibles
Enrollment Management	Recreation Services	University College
Graduate School	Rome	Vice Provost Faculty Affairs
Intercollegiate Athletics	Shared Classrooms	Vice Provost for U/G Studies
International Affairs	Student Affairs	

ALLOCATION METHODOLOGY

GENERAL

Business Services	Human Resources	Purchasing
Campus Safety (50% of Expense)	Institutional Advancement	Risk Management
Center for Equity and Inclusion	Institutional Expenses includes benefits, insurances, exec comp	University Budget Office
Central Vacant Space	Internal Audit	University Marketing
Information Technology Services (50% of Expense)	Office of the President	University Secretary
Controller's Office	Office of the VP, CFO & Treasurer	Vice President for Public Affairs
Government Affairs	Office of University Counsel	Vice President for Research
	Real Estate/WRTI	

ALLOCATION METHODOLOGY

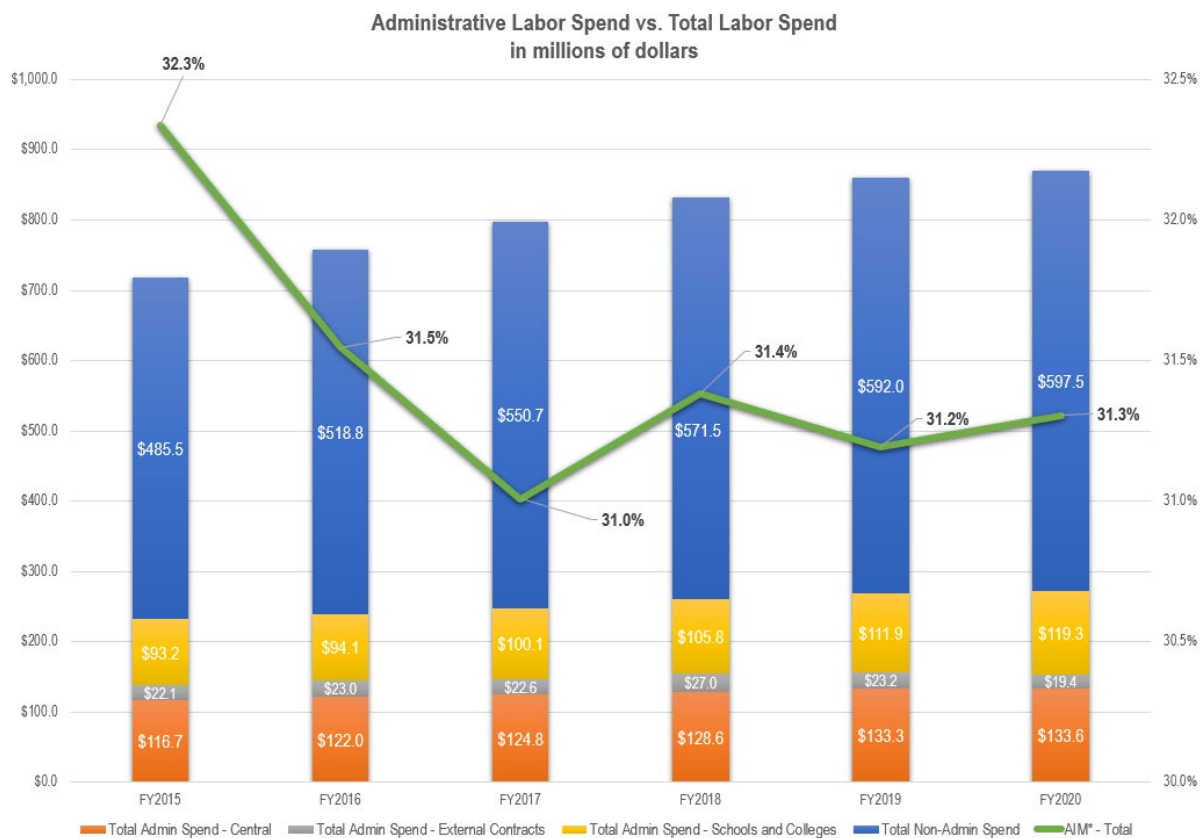
SPACE

COO Office & Emergency Mgmt	HSC Facilities Management	Rent of Property / Taxes
Debt Service	Main Facilities Management	Service Operations
Environ Health & Radiation Safety	Planning & Capital Projects	Utilities
WirelessFirst		

STRATEGIC FUND

- Annually assessment of \$7.0 million from the schools and colleges
- Adjustment occurs via the subvention line
- Is a permanent adjustment in resources to the schools and colleges
- Vehicle to move resources from one school to another based upon strategic priorities
- Funding can be used for one-time strategic initiatives or permanent investments
- **Issues**
 - Has the fund been used strategically over the years?
 - What are the strategic priorities that we can link to these resources?
 - Is the assessment sufficient or too much?
 - The assessment is like a budget reduction – can the schools continue to afford it without the growth in tuition revenue?

ADMINISTRATIVE LABOR SPEND



*Administrative Intensity Measure (AIM) = Total Administrative Spend divided by Total Labor Spend

** Information calculated by Academic Benchmarking Consortium or ABC Insights