



funds will vary annually in accordance with NTR generation, if NTR were to decrease in the College, so would funding, automatically.

**Before the 65% NTR allocations are made to the various academic units (Colleges and Schools), the Provost skims 15% for:**

**Supplemental Funds** (14%), to support units which have higher costs, and allow the Provost to provide some units more funds than would be received based only on NTR.

**Faculty Actions** fund (1%), for the annual merit pool, raises related to faculty promotion and tenure, faculty retentions, and allocations for the Faculty Diversity Action Plan (FDAP)

These two accounts combined are limited to 15% of the NTR destined for academic units. This, in turn, guarantees a revenue floor of 85% of funds earmarked for the academic side, distributed based on NTR plus retention and graduation incentives (although the plan has uqo g"-rgcm0'j cv'y qwd allow some additional money to flow from academic to support, out of the supplemental fund). The faculty actions budget allocation will follow actual expenses related to promotion and tenure raises, faculty retentions and FDAP hires. Thus every unit in principle receives funding from three different sources, as can be seen below for A&S.



**college still needs to devise a method to support its mission to provide students with a liberal arts education while rewarding departments that are contributing to that mission and also generating higher tuition revenue.**

**SECTION IV: 1**

A&S had 1 pp more of total campus NTR this year (54% vs. 53%): +\$3.95m

Overall campus NTR split was 1pp different, 66/34 rather than 65/35 = \$7.1m more for academic side of campus, A&S portion 53%: +\$3.76m

Decrease supplemental funds tax rate from 14% to 13% and retain that money as NTR allocation = \$4.65m, A&S portion 53% : +\$2.46m

Increase A&S share of supplemental funds by 1 pp, \$65m x 1%: +\$650k

Our share of retentions had been 1 pp higher:

We had 50.6% of second-year retainees on campus. Having a rate just 1 pp higher would have generated \$16.8m x 1% : +\$168k

This would *also* have increased our NTR for the cohort in question by 1 pp. Assuming 6 years/cohorts to graduate, we would get 1/6 x 1% x \$395m +\$658k

TOTAL +\$826k

Our share of graduations had been 1 pp higher:

We had 51.2% of six-year graduates on campus. Having a rate just 1 pp higher would again have generated \$16.8m x 1%: +\$168k

As in the