

September 12, 2011

FREQUENTLY ASKED QUESTIONS

2012-13 BLUGOLD COMMITMENT DIFFERENTIAL TUITION PROGRAM

Q: Why has the proposal process changed from last year?

A: Unlike other more familiar state funds, the BCDT process is funded by academic student fee revenue; implementing a cash-based system requires complete reliance on projections and estimates of revenues well in advance of actual collections. Proposals awarded in one year are based on anticipated revenue collected during the following year. Especially during implementation phases, fluctuations in revenue and expenditure result in a relatively volatile budget situation. The 2009-10 preliminary cycle of the BCDT process did not fully utilize all available funds resulting in a sizable “carryover” to 2010-11. Several contributing factors were identified including a natural lag in getting projects started, budget overestimates, and a conservative allocation process that capped allocations slightly under anticipated revenue. In an effort to effectively implement the BCDT spending and to minimize carryover, a more aggressive allocation strategy was used the following year. This strategy planned for anticipated carryover from the previous year and intentionally allocated awards that totaled slightly more than the anticipated revenue. After the dust settled, the carryover was less than predicted. A pause in the planning of longer-term spending will allow revenue collections to catch up. It will also allow us to pause to evaluate where we are and to plan more strategically for where we want to be when BCDT is fully implemented.

Q: If the student fee increases each year, why isn't that money available for the BCDT process?

A: Some of the new revenue is included in the BCDT spending plan already approved. During the most recent BCDT cycle we approved base awards, and these awards carry commitments against some of the incoming revenue. In addition, the *Provost's Initiative* allocated instructional positions to be implemented both in the 2011-12 and 2012-13 academic years. The latter positions require some of the additional new revenue. What remains of the new revenue will indeed be available for this year's more conservative process.

Q: This is the first time I have heard the “investment cycle” language. Is this new to the BCDT process?

A: The language is new but the concept is not. The funding generated by the BCDT funding was intended to be invested in our ongoing base budget. It was understood that the allocation process would be heavy at the beginning and taper-off as base commitments were made. The collaborative partnership with our student partners enabled us to implement planned base investments on a more aggressive timeline than was originally thought possible. As a result, it is necessary to formalize the transition from a proposal-dominated BCDT process to one that is more permanent. The new language of “investment cycles” has been used to convey that transition.

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Q: Will all projects that were awarded multiple-year funding, and that meet their objectives, automatically convert to base funding?

A: No. Not all multiple-year projects were designed to move to base funding. Some projects simply required multiple years to run to fruition. In other cases, the multiple-year award is a proof-of-concept period for the project. It is inevitable that some of these projects will prove to be unsustainable or insufficiently effective to warrant base commitments.

Q: Will there be additional multiple-year or base proposal process after 2016-17?

A: Yes. The BCDT process has a built-in assessment mechanism for base awards. Over time, assessment results may result in previously-funded projects being eliminated or transferred to general operations funding. BCDT funds will then be returned to the award process and may be reallocated as new multiple-year or base commitments.

Q: What are some examples of appropriate “pre-proposal” projects?

A: The projects can contain any activities that do not require an ongoing commitment by the institution. For example, release time for the development of a full proposal, travel funds to support preliminary logistical planning, curriculum development stipends, market research to establish program need, technology to support the development of teaching and learning proposals, or data analysis projects to identify student success concerns and propose long-term solutions.