



Budget Office
Business and Finance

To: Academic Business Managers
From: Leslie Brunelli, Associate Vice President for Finance & Budget Director
Subject: Review of Allocation Factors for Tax Assessment
Date: February 26, 2009

Attached to this email is a workbook with each of the allocation factors: Credit hours, FTE baseline, and the budget factor. The Budget Office will use this information to determine your college's initial tax assessment for FY10. Please review the information provided for each allocation factor for reasonableness and, using the templates provided, email any concerns or comments to me by **Friday, March 6, 2009**. If you have no comments or questions, please email me to let me know you have reviewed the factors.

FY10 CREDIT HOUR SUMMARY – this tab lists the net hours for fiscal year 2008 for each academic term.

FY10 FTE SUMMARY – this tab lists the FTE baseline as reallocated in October 2008.

FY10 BUDGET – this factor is the FY2008 expenditures net of IIT's. Added to this are W fund transfers from the unit and the prior year carryforward.

Also included in the workbook are a summary tab of these factors for the FY2010 budget development and for comparison the FY2009 factors are included with a final sheet that shows the change in the factors from year-to-year. You will notice a total increase of 10,937 credit hours for the assessment, an increase of the FTE baseline of approximately 48 positions and an overall increase in the budget factor of more than \$26M.

The tax recalculation will be completed in early March following the permanent budget freeze for FY2009 as of February 28. In the recalculation we will roll up all permanent transfers and account for the state budget reduction to the service units. Remember that the academic units have the state appropriations dropped for their unit state cut, but for the service unit cut we have to take appropriations from the academics but also reduce the tax paid to make that a wash. In addition to these changes we will roll up the 1% reallocation across the academic units through the Provost. Most of that will be done by moving state appropriations.

Please let me know if you have questions.