Bitesize Briefing

Tuition Fees – do you know what you’re getting and why?

A bite-sized tutorial
Aim of this session

• Provide an overview of how the student load exercise is used by Registry and linked with student numbers translating into income for departments.
• Methodology and calculation of the splits;
• What happens once finalised;
• How do finance use the student load;
• What else is it used for.
Student Load - Purpose

• Internal
  • Allocating tuition fees to departments

• External
  • Assigning cost centres and price groups to programmes for external reporting to HESA and HEFCE.
Tuition Fee splits

• Calculated at programme level
• Also block for MBBS and Integrated Engineering Programme
• 2017/18 fees split based on 2016/17 student load data
• Research Programmes (Excluding MRes) based on supervision
• Taught based on programme administration and module teaching
Split Calculation – Taught Programmes

15% programme administration, 85% module teaching

Load Exercise determines:
Who administers programmes
Who teaches modules
  – 25% Academic management
  – 75% Contact teaching
Split Calculation – Taught Programmes

For every student taking programme:

• Calculate their FTE
• Admin load
  – Take 15% of FTE and split between departments based on admin split
Split Calculation – Taught Programmes

- Teaching Load
  - Look at all modules the student is enrolled on
  - The credit value of these modules
  - The teaching split for these modules
  - Allocate remaining 85% FTE to departments based on this
Split Calculation – Taught Programmes

• Repeat for every student on the programme
• Add all the bits of FTE to give total programme FTE for each department
• From this calculate the percentage of programme tuition fees each department receives
Example – Taught Programmes
Overview

BSc Fee Modelling, Dept of Finance (FINAN)
3 year course, 10 FT students per year
Year 1 & 2: 8 compulsory modules
Year 3: 7 compulsory modules, 1 optional
Programme administered entirely by FINAN
Example – Taught Programmes
Year 1 Students

• 10 students
• 6 modules taught by FINAN
• 2 modules taught by MATHS
Example – Taught Programmes
Year 1 Students

Per student:
FINAN = 6/8 modules = 0.75 FTE
MATHS = 2/8 modules = 0.25 FTE

But only 85% FTE for teaching so
FINAN = 0.75 x 0.85 = 0.6375
MATHS = 0.25 x 0.85 = 0.2125
Example – Taught Programmes
Year 1 Students

For 10 students:
FINAN = 0.6375 x 10 = 6.375 FTE
MATHS = 0.2125 x 10 = 2.125 FTE

Plus all admin load to FINAN, so 0.15 x 10 = 1.5 FTE to FINAN
## Example – Taught Programmes
### Year 1 Students

<table>
<thead>
<tr>
<th></th>
<th>FINAN</th>
<th>MATHS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin FTE</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>Teaching FTE</td>
<td>6.375</td>
<td>2.125</td>
</tr>
<tr>
<td><strong>Total FTE</strong></td>
<td><strong>7.875</strong></td>
<td><strong>2.125</strong></td>
</tr>
</tbody>
</table>
Example – Taught Programmes
Year 2 Students

• 10 students
• 6 modules taught by FINAN
• 2 modules taught by ECONS
Example – Taught Programmes
Year 2 Students

<table>
<thead>
<tr>
<th></th>
<th>FINAN</th>
<th>ECONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin FTE</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>Teaching FTE</td>
<td>6.375</td>
<td>2.125</td>
</tr>
<tr>
<td>Total FTE</td>
<td>7.875</td>
<td>2.125</td>
</tr>
</tbody>
</table>
Example – Taught Programmes
Year 3 Students

- 10 students
- 7 compulsory modules all in FINAN
- For optional module:
  - 9 students take a further FINAN module
  - The remaining student takes a module in FRENC
Example – Taught Programmes
Year 3 Students

9 students FINAN modules only: 9 x 0.85 = 7.65 FTE FINAN

1 student with 7 FINAN, 1 FRENC module:
FINAN: 7/8 modules = 0.875 x 0.85 = 0.74375 FTE
FRENC: 1/8 modules = 0.125 x 0.85 = 0.10625 FTE
# Example – Taught Programmes

## Year 3 Students

<table>
<thead>
<tr>
<th></th>
<th>FINAN</th>
<th>FRENC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin FTE</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>Teaching FTE</td>
<td>8.39375</td>
<td>0.10625</td>
</tr>
<tr>
<td><strong>Total FTE</strong></td>
<td><strong>9.89375</strong></td>
<td><strong>0.10625</strong></td>
</tr>
</tbody>
</table>
Example – Taught Programmes
Creating the Load Split

<table>
<thead>
<tr>
<th>Year</th>
<th>FINAN</th>
<th>MATHS</th>
<th>ECONS</th>
<th>FRENC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>7.875</td>
<td>2.125</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 2</td>
<td>7.875</td>
<td></td>
<td>2.125</td>
<td></td>
</tr>
<tr>
<td>Year 3</td>
<td>9.89375</td>
<td></td>
<td></td>
<td>0.10625</td>
</tr>
<tr>
<td>Total FTE</td>
<td>25.64375</td>
<td>2.125</td>
<td>2.125</td>
<td>0.10625</td>
</tr>
<tr>
<td>Load Split</td>
<td>85.48%</td>
<td>7.08%</td>
<td>7.08%</td>
<td>0.35%</td>
</tr>
</tbody>
</table>
What We Do With The Split

• This load split is used to distribute tuition fees in the next academic year
• Stored in Portico on UFS table
• Generally added to Portico over the summer
Other Details

- Research programmes – similar process, using student supervision
- Load Centres
- Project modules
- New programmes
What does finance do with the UFS table now its in Portico?

• For splitting the tuition fee income received
  – Automatically within system based on student enrolments

• For budgeting departmental tuition fees in following years
  – Excel spreadsheet model to calculate departmental fee income and load adjusted student FTE for the Planning Round
UCL Income 2016/17 (%) - excluding Direct Research

- Tuition Fee 42%
- Other Operating 33%
- Research OH 7%
- HEFCE 18%
Splitting *actual* tuition fee income

- Automatically performed by SAM (Student Accounting Module)
- Uses data from Portico (also known as SITS)
  - When a student enrols a fee invoice is raised
  - The system looks up the UFS table and splits the invoiced income in line with the % split
- For most programmes students enrol in Sept/Oct - the UFS table used to split their fees is from the previous academic year.
Budgeting departmental fee income

• Build a model to calculate fee income per programme per department based on 3 key inputs:
  – Existing student numbers plus planned student numbers
  – Fee by programme schedule
  – Student load

• Basically per programme
  – Student numbers * Fee per student * dept load = £
  – Continue the worked example to calculate fees
What student numbers do we use?

- Use student number data from the 1 December count (supplied by Registry)
- Use student number intake targets for following years (from Student Number Planning led by Planning team)
- Generate continuers to calculate population in future years
- A progression rate is calculated and applied
Fees by programme – where from?

• Fee schedules are approved in May/June each year for the academic year in 18 months time.
• Fees are linked with a spine point and this is the start point for the budget.
• Assumptions are made about future years - fee inflation is assumed between 2% and 3% except where capped (E.g. Home UG).

<table>
<thead>
<tr>
<th>Dept</th>
<th>Prog Code</th>
<th>Route Code</th>
<th>Programme Title</th>
<th>Home FT Fee</th>
<th>Spine Point</th>
<th>Overseas FT Fee</th>
<th>Spine Point</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINAN</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>9000</td>
<td>54</td>
<td>21320</td>
<td>85</td>
</tr>
</tbody>
</table>
Student load table is obtained

- From Portico via the Financial Systems team; or
- Recreated using the SAM Summary Report (available in Axiom).
- We don’t see the detail behind the calculation only as below.
- Remember load operates a year in arrear

<table>
<thead>
<tr>
<th>Dept</th>
<th>Prog Code</th>
<th>Route Code</th>
<th>Programme Title</th>
<th>Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINAN</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>85.48%</td>
</tr>
<tr>
<td>MATHS</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>7.08%</td>
</tr>
<tr>
<td>ECONS</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>7.08%</td>
</tr>
<tr>
<td>FRENC</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>0.35%</td>
</tr>
</tbody>
</table>

100.0%
Fee income per Programme

• First step is to calculate the fee income per programme
• Student numbers x applicable fee
• We calculate Year 0 (i.e. current year) to provide a sense check against actual ledger income
• Obviously the outer years are less reliable as more estimation is involved (more ‘projected’ rather than current students, attrition, fee inflation)

<table>
<thead>
<tr>
<th>Dept</th>
<th>Prog Code</th>
<th>Route Code</th>
<th>Programme Title</th>
<th>Home</th>
<th>Overseas</th>
<th>Year 0 (i.e. current year)</th>
<th>Year 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FINAN</td>
<td>FINPLO1</td>
<td>BSc Fee Modelling</td>
<td>25</td>
<td>5</td>
<td>9,000</td>
<td>22.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21,320</td>
<td>6.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>225,000</td>
<td>9,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>106,600</td>
<td>21,960</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>199,800</td>
<td>149,325</td>
</tr>
</tbody>
</table>
Fee income per programme is then split to Departments

- Load applied to the total home and overseas programme income.
- Generates the load adjusted income.

<table>
<thead>
<tr>
<th>Dept</th>
<th>Prog Code</th>
<th>Route Code</th>
<th>Programme Title</th>
<th>Total Home FT Income</th>
<th>Total Overseas FT Income</th>
<th>Load</th>
<th>Home FT Load adj Income</th>
<th>Overseas FT Load adj Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>FINAN</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>225,000</td>
<td>106,600</td>
<td>85.48%</td>
<td>192,335</td>
<td>91,124</td>
</tr>
<tr>
<td>MATHS</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>225,000</td>
<td>106,600</td>
<td>7.08%</td>
<td>15,935</td>
<td>7,549</td>
</tr>
<tr>
<td>ECONS</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>225,000</td>
<td>106,600</td>
<td>7.08%</td>
<td>15,935</td>
<td>7,549</td>
</tr>
<tr>
<td>FRENC</td>
<td>FINPL01</td>
<td>FINPL01</td>
<td>BSc Fee Modelling</td>
<td>225,000</td>
<td>106,600</td>
<td>0.35%</td>
<td>797</td>
<td>377</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>Total</td>
<td></td>
<td>225,000</td>
<td>106,600</td>
</tr>
</tbody>
</table>
What can go wrong it looks so simple?

• Unfortunately we aren’t doing it for one simple programme with ‘straight-forward’ students, also have to factor in:
  – FT/PT/BR – affecting student numbers and fee rates;
  – Non-fee paying students – external teaching contracts;
  – Incomplete inputs – Jan/Apr/Jun programme starts, TBC fee rates, new programmes not yet listed;
  – Flexible assumptions – different attrition/progression rates for different Depts/Faculties;
  – Fees – different fees for different years of the programme, foreign currency;
  – Programme routes – load per route (programme can have multiple routes) & per Yr of study
  – Course Duration – range from 1 year to 6 years (UG FT 3–6 years, PGT FT 1-2 years, PT/BR 1-5years);
What are the outputs?

• From the budget fee model we need to be able to report:
  – Fee income per programme
  – Fee income per department per programme
  – Fee income per UG/PGT/PGR and FT/PT
  – Student Headcount per programme/department
  – Student FTE per programme/department
  – Student load adjusted FTE per department

• As well as for budgeting income the information is used for calculating Key Performance Indicators such as the student:staff ratio (student uses load adjusted FTE)
ANY QUESTIONS?