



# Financial Allocation Models (FAM) Basics

## WBT Quick Reference Guide

Updated 07/2024

**UK utilizes three financial allocation models** that enable us to use our resources **to accelerate our progress** in alignment with institutional values so that each college may receive funding in addition to base funding. Distribution of funds for all models occurs in the fiscal year following calculation.

### Net Tuition Revenue - NTR

Funding rewards academic year performance and year-over-year credit hour production against the price-adjusted baseline year (FY2023).

Based on actual net tuition revenue at the student level minus CORE Scholarships in the current year.

**Share Categories** Special – 60% Online - 60% Graduate – 45%  
The Undergraduate Category assigns NTR dollars to the academic home (80%) and to the course college (20%).

Once assigned, 45% of the revenue for the Undergraduate Category is shared with the college.

Graduate and Undergraduate Categories will increase to 50% the following year.

### “At-risk” Allocation

If performance improved, additional funding is provided.



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Baseline year (FY2023)  
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If performance declined, funding may be lost.



### College Productivity Model - CPM

To align with institutional values, colleges are scored on seven weighted metrics with an even split between their overall standing and year-over-year improvement.

The data for the CPM Model is from one year back.

### Performance Funding Allocation - PFA

Colleges are measured against five metrics with row-level weights aligning with state priorities and funding strategies.

The data for the PFA Model is from two years back.

### COLLEGE BASE REALLOCATION

CPM (30%)



PFA (70%)

College Base Allocation works when the colleges invest a portion of their base budgets into a pool for reallocation back according to college performance in the CPM and PFA models.

NTR is not part of the college base reallocation.

### To increase their recurring budget, colleges can use these models to:

- Provide accurate, detailed information about their current status
- Determine how to best meet the needs of their college
- Incentivize growth and to graduate students

Quick Reference Guides are not complete descriptions and are not to be used in place of the Business Procedures Manual (BPM). It is each employee’s responsibility to know all proper procedures as per [UK’s BPM](#) and other governing guidelines.