

## Tuition Distribution at the University of Pennsylvania

At Penn, all credit bearing tuition is distributed through the tuition distribution system, based on the home school of the student, the teaching school of the course, the number of courses taken, and the amount collected. No credit bearing tuition revenue is recorded directly in the schools' accounts without going through the tuition distribution system.

Tuition is the amount charged to students for participating in credit bearing programs. The tuition distribution system distributes only tuition, not fees or other charges, and only distributes what has been collected.

### Tuition Rates

The amount assessed for traditional undergraduate degree programs is determined annually for the University as a whole and presented for approval at the Board of Trustees' meeting in February/March. All Traditional Undergraduate students are charged the same rate whether or not they are participating in a study abroad program.

The amount we assess for PhD programs is also determined for the University as a whole each spring.

For professional and other degree programs, and for non-degree programs, schools may set their own rates, which they report using the Cost of Attendance Workflow process.

### Tuition Distribution Methodology

#### 1) Distribution Rate Calculation (see example below)

The distribution rate is the amount of tuition to be distributed per course unit. This is calculated by pooling similar students based on their primary instructional program and dividing all of the tuition collected from the students in that pool by the total number of course units taken by those students. Separate pools and therefore separate rates are defined as follows:

- Traditional Undergraduate Programs: one rate for the entire University for Fall and Spring terms, and one rate per undergraduate school for the Summer term.
- PhD Programs: one rate per Division/Degree. This category includes Research Master students.
- Professional and Other Degree Programs: one rate per Primary Instructional Program.
- Certificate and Non-Degree Programs: one rate per Primary Instructional Program.

Once the distribution rate is calculated, it is then split into University Tuition Tax, Home School and Teaching School rates as detailed below.

#### 2) Tuition Distribution Percentages

##### PhD tuition

25% to the home school(s) of the student  
75% to the teaching school(s) of the course

##### All other tuition

20% to the subvention pool as University tuition tax  
20% to the home school(s) of the student  
60% to the teaching school(s) of the course

The home school of the student is defined as the School associated with the primary instructional program of the student in that particular term.

The teaching school is the school that offers the course, and by default is populated based on the subject area of the course, which has an academic department and school associated with it.

The course unit is the measure of the credit given for a course. Typically, one course unit is assigned for each course.

**Example:**

If \$250,000,000 was collected from Traditional Undergrads in the four UG divisions (AU, EU, NU and WU), and collectively, these students took 49,000 course units, the results would be a total distribution rate of \$5,102.04 per CU ( $\$250,000,000/49,000$  CU).

- Subvention Pool Distribution: The Subvention Pool would receive \$50,000,000 (20% of the \$5,102.04 distribution rate =  $\$1,020.41 * 49,000$  CUs).
- Home School Distribution: If students enrolled in School A took 2,000 course units in total, then School A would receive \$2,040,820 as the Home School (20% of the \$5,102.04 distribution rate =  $\$1,020.41 * 2,000$  CU).
- Teaching School Distribution: If School A taught 1,500 course units in total, then School A would receive \$4,591,830 as the Teaching School (60% of the distribution rate of \$5,102.04 =  $\$3,061.22 * 1,500$  CU).

When schools have shared responsibility for students or courses, it may be appropriate for Deans to negotiate agreements for multiple schools to share the home and/or teaching school portion of the tuition.

One way that schools can share the home school portion of tuition is to change the primary school of the student each term or year. For certain coordinated degree programs, the schools have agreed to share the home school each term.

One way that schools can share the teaching school portion of tuition is by cross-listing courses and directing the enrollment of students into the cross-listed sections as desired. Another is to add a course section to the shared tuition table.

**Tuition Distribution Schedule**

Three terms are defined in Banner: Fall, Spring, and Summer. Tuition is distributed five times each term, with four preliminaries and one final distribution. Fall is distributed from September to January; Spring from January to May; and Summer from May to September.

Each time a new distribution is run, any previous preliminary month's distribution for that term is reversed at the same time as the new monthly distribution is processed.

For perspective, the first tuition distribution for the Fall term (at the end of September) usually represents about 48% of all tuition for the year, and nearly all of Fall tuition. (The percentage is lower for Certificate and Non-Degree students).