Allocation Formula Overview
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- Allocates PASSHE’s Educational and General appropriations to the Universities

- Calculates University costs
  - Adjustment for Small Universities
  - Instruction
  - Support Services
  - Physical Plant
Based on University Costs

- Instruction: 42%
- Academic Support: 14%
- Student Services: 10%
- Institutional Support: 15%
- Plant: 19%
- Support Programs: 39%
## Formula Components

<table>
<thead>
<tr>
<th>Funding Responsibility</th>
<th>Funded Fully from Appropriation</th>
<th>Funded from Appropriation and Other University Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjustment for Small Universities</strong></td>
<td>Instruction</td>
<td>Support Programs</td>
</tr>
<tr>
<td>Recognizes fixed costs of small Universities; phased out over 1,001-5,000 FTES</td>
<td>Two-year in-state FTE enrollment average by course level and discipline cost</td>
<td>Flat amount per FTE (same two-year average)</td>
</tr>
</tbody>
</table>
Small University Adjustment

- Recognizes impact of fixed costs on small Universities
  - Examples: libraries, core faculty, student support services, buildings, etc.

- Provides minimum state funding level
  - Assumes no University should be funded at less than amount needed for 1,000 students

- Factor gradually decreases as enrollment increases
  - Does not apply to Universities with more than 5,000 Pennsylvania students
Instruction

- Identifies costs based upon a two-year enrollment average
  - In-state students only
- Recognizes different costs associated with course discipline and level
  - Based on actual enrollment in specific courses
  - 4 levels of instruction;
    - 2 discipline cost categories
## Discipline Cost Weight Values

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Normal Cost Disciplines</th>
<th>High Cost Disciplines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Division</td>
<td>1.00</td>
<td>1.40</td>
</tr>
<tr>
<td>Upper Division</td>
<td>1.50</td>
<td>1.90</td>
</tr>
<tr>
<td>Master’s</td>
<td>1.70</td>
<td>2.10</td>
</tr>
<tr>
<td>Doctoral</td>
<td>2.10</td>
<td>5.20</td>
</tr>
</tbody>
</table>
High Cost Disciplines

- Health Professions; Health-Related Activities
- Visual and Performing Arts; Architecture
- Physical Sciences; Life Sciences
- Engineering
- Engineering and Related Technologies
- Precisions and Production
- Conservation and Renewable Natural Resources
Support Programs

- A flat dollar amount to address costs associated with Academic Support, Student Services, and Institutional Support
- Uses same two-year enrollment figures as used for instruction calculation
Physical Plant

- **Plant renewal and maintenance costs:**
  - 2.5% of facility replacement value
  - 1.5% of infrastructure replacement value

- **Operational costs:**
  - A flat dollar amount per gross square foot
  - Gross square footage is the average of actual space inventory and space guidelines