

Collaborative Allocation of Resources Task Group Recommendations *May 23, 2018*

The System's allocation formula, as outlined in Board of Governors Policy 1984-06-A: *Allocation Formula*, is used to distribute the System's state appropriations equitably among its 14 universities. The current formula was established in July 2014, when the System universities all charged the same tuition to in-state students. Since that time, the System has provided increased pricing flexibility that has resulted in differing tuition practices among the universities.

As the System continues its Redesign efforts, informed by the System Review, the System will continue to move in new directions to ensure student success by leveraging university strengths. As such, it will continue to support greater institutional flexibility in pricing strategies, especially to recognize differences in affordability and require greater collaboration among System universities in providing academic programming and administrative support services.

This new strategic direction is based upon a different set of objectives for the System than those that were in place when the current allocation formula was developed. Therefore, the task group recommends the following:

- A holistic review of the allocation formula should be conducted. At a minimum, the review should address the role flexible pricing strategies and multi-university collaboration may have on the allocation of state appropriations.
- This review should be conducted by two new task groups, as follows.
 1. A task group to garner policy objectives and principles that are to be achieved by the allocation of resources.
 2. A task group to develop a funding mechanism to meet the objectives and principles identified by the first task group.
- These task groups will need to work sequentially. It is anticipated that the process may take 6-9 months to complete, with the goal that a new allocation formula may be recommended to the Board of Governors for the 2019/20 appropriation allocation. However, a multi-year implementation strategy may be appropriate if there are significant changes.