

# Aligning the Allocation Formula for Student Success

**PACT**

**March 24, 2022**

# Key Drivers from February BOG Meeting

## Formula Components:

- Move toward a more enrollment driven formula
- Layer formula components that align to mission and Board affirmed metrics

## Process:

- Include additional feedback loops
- Build in a phased in approach and review cycle

## Accountability

# Current Accountability Framework

## Governing Board Policies

- BOG University Financial Sustainability Policy & Annual Review
- Appropriation Allocation Formula Policy
- Tuition Policy

## Information and Implementation Tools

- BOG Loans and Loan Covenant Requirements
- Comprehensive Planning Process

## Revenue Sources

- State Appropriation
- SERS Pre-funding Savings
- What Students Pay -Tuition, Fees, etc.

# Reminder - 2014 Formula Components

(also the basis for FY 2021-22 allocations)

**Non-Enrollment 45%**

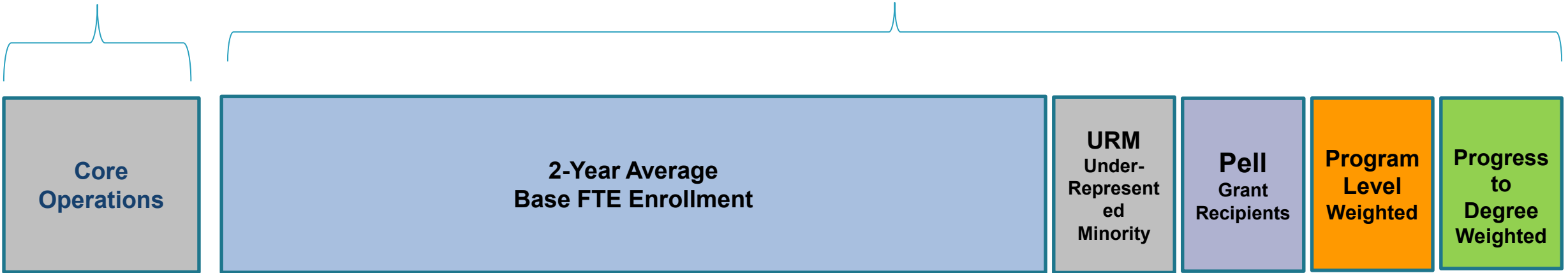
**Enrollment 55%**

Fixed Costs for All Universities	Plant	Instruction	Support Programs
<p>Recognizes core fixed costs required to operate regardless of students</p> <p>Current funding:                      Master's: \$9.4M                      Doctoral Research Univ.: \$12.9M                      Historically Black Univ.: \$9.6M</p>	<p>Portion of physical plant replacement value and maintenance costs.</p> <p>Considers replacement value and the average of the actual square footage and space guidelines</p>	<p>Two-year in-state FTE enrollment average, with one-year lag*</p> <p>Recognizes different costs associated with course discipline and level (lower/higher)</p>	<p>Flat dollar amount for in-state FTE, associated with the following: Academic Support, Student Services, and Institutional Support</p> <p>(uses same two-year average FTE as in Instruction)</p>

# Formula Component Update

**Non-Enrollment  
Max 25-35%**

**Enrollment 65-75%**



Core operations – All universities receive the same amount except for integrating universities which will receive additional TBD for their transition period

- Base Student Enrollment – All universities will receive the same amount per FTE
- Layered Enrollment – Universities will receive additional funding based on the number of students (headcount and 2-year averages) within each of the recommended four categories: URM, Pell, Program Level and Progress to Degree

# Deliverables/ Timeline for Estimated July 2022 Transition

## Phase 1

1. A report on evolving national trends and best practices
2. Guiding principles that establish specific formula elements to be included and prioritized in the formula calculation
3. Specific formula elements within the guiding principles and factors to be used in determining weighted student FTE

March

## Phase 2

4. Recommended transition strategies based on options to alleviate or reduce negative impacts
5. Conceptual options for ELG review, leading to a conceptual proposal for BOG review.

April

6. Based on the results of ELG and BOG review, revised policy and procedure/standards to implement the updated formula, for BOG and Chancellor approval

May/June