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# REVISED HIGHER EDUCATION FUNDING FORMULA

## Legislative Finance Committee, November 17, 2011

- June report a work-in-progress
  - Task Force completed our work in mid- September
  - Formula Objectives: Transition to I & G funding based on outputs and outcomes  
Recognize enrollment growth and state priorities  
Maintain a level of equity by sector and by institution  
Simplify the formula
  - Guiding principles included FY 12 funding as the base and no tuition credit
  - Most objectives met in first year of multiple year formula revision process
  - Much work still to be done in next phase: mission differentiation; transfers
  - Dollars attached to Task Force recommendation based on August revenue estimate
  - Task Force consensus was for 2/3 inputs and 1/3 outputs; 50% of outputs from awards
  - The work of the Task Force was an open and inclusive process
  - That process resulted in a recommendation to HED; the Secretary then submitted the formula
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### Recommended FY13 Formula Components

SCH Grid based on Course Completion (w/ Student Services)	\$18.55M
O&M/Utilities (based on approved square footage)	1.15M
One-time Utility Adjustment	3.68M
Outcomes: Awards	4.92M
Outcomes: Workforce Incentives	2.54M
Outcomes: At Risk Students	<u>2.42M</u>
	\$33.26M
Institutional Share	<u>(1.09)M</u>
	\$32.17M

**SUBTOTAL**

**TOTAL RECOMMENDATION**

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