



Appropriate and Predictable Funding Update

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Appropriate and Predictable Funding

- Initial working group (UWF, FSU, FAMU, FAU) chaired by Pres. Cavanaugh
- Meetings with legislative and governor's office staff
- Working group recently expanded to all 11 institutions
- Current fiscal conditions make project more challenging
- Goal is to have framework for 2010-11 budget request



Elements of Appropriate and Predictable Funding

- Increase total funding
- Revise enrollment funding formula
- Implement performance funding

- Increase need-based financial aid
- Develop funding plan for research and commercialization



Funding Formula: Current Approach

- Formula adopted by BOG in 2004
- Currently used to request funds for growth
- Weights/amounts differ for each institution based on:
 - Student/faculty ratios and salaries
 - Support costs (student services, advising, financial aid, waivers, administration, libraries, computing)
 - Research and public service
 - Branch campuses
 - Size
- Does not adjust base funding
- Not fully funded by legislature

Principles Stated by Last Formula Committee Still Apply . . .

- Mission driven
- Fair and equitable
- Simple to understand; not overly complicated.
- Uses easily obtained data or data that has already been submitted
- Flexible and easy to adjust during economic change

38 of 50 States Use Funding Formulas for Some or All Institutions (2006 MGT of America Survey)

- 26 -- Funding formula/ guidelines – credit hour or enrollment relative to cost factors
- 14 -- Funding formula/ guidelines – benchmark peer institutions relative to enrollment
- 11 -- Performance Funding – allocation based on performance metrics
- 2 -- Performance Contracting – performance agreements for funding
- 1 -- Vouchers – student funding to attend institutions
- 16 -- Base plus-incremental increases over current base appropriations
- 8 -- Hybrid among the above methods



Funding Formula: Possible “Base Student Allocation” Model

- Reformulate the budget request so most is based on the number of FTE in the system at a negotiated “Base Student Allocation” amount per weighted FTE
- Increasing the “Base Student Allocation” would be a top systemwide priority
- The system’s and each university’s budget request would be:

$$\begin{aligned} & \$\text{Base Student Allocation} \times \text{Weighted FTE} \\ & \quad + \\ & \text{Funds not related to enrollment} \end{aligned}$$

Funding Formula: Florida Education Finance Program (FEFP) for K-12

Alachua County Schools Base Funding Calculation

Unweighted FTE	27,571
Weighted FTE	29,961
<u>\$4,079.74</u> x weighted FTE	\$122,234,967
x District Cost Differential	0.982
Base Funding	\$120,059,185

Funding Formula: Weighting Factors for K-12

	Cost Factors
1) Basic Programs	
101 – Kindergarten and Grades 1, 2, and 3	1.048
102 – Grades 4, 5, 6, 7, and 8	1
103 – Grades 9, 10, 11, and 12	1.066
2) Programs for Exceptional Student Education	
111 – Kindergarten and Grades 1, 2, and 3 with ESE Services	1.048
112 – Grades 4, 5, 6, 7, and 8 with ESE Services	1
113 – Grades 9, 10, 11, and 12 with ESE Services	1.066
254 – Support Level 4	3.625
255 – Support Level 5	5.062
3) 130 – English for Speakers of Other Languages	1.2
4) 300 – Programs for Grades 9-12 Career Education	1.119

Funding Formula: Example Weights Used for Texas Universities

	Lower Div.	Upper Div.	Masters	Doctoral
Liberal Arts	1	1.77	4.01	9.94
Science	1.67	2.93	7.29	20.05
Fine Arts	1.5	2.51	5.65	9.78
Teacher Ed	1.33	1.79	2.68	7.7
Agriculture	2.02	2.66	7.13	11.97
Engineering	2.46	3.51	7.39	17.05
Home Economics	1.17	1.83	3.21	7.1
Social Services	1.89	2.09	3.76	12.21
Library Science	1.14	1.21	3.03	7.68

Next Steps

- Chancellor and presidents will continue developing business plan in conjunction with accord and compacts
- Expanded working group will develop funding formula recommendations, including
 - Weights
 - Over/under-enrollment policies
- Student affairs committee will develop principles for statewide financial aid recommendations