# Higher Education Proposed Formula Funding Concepts

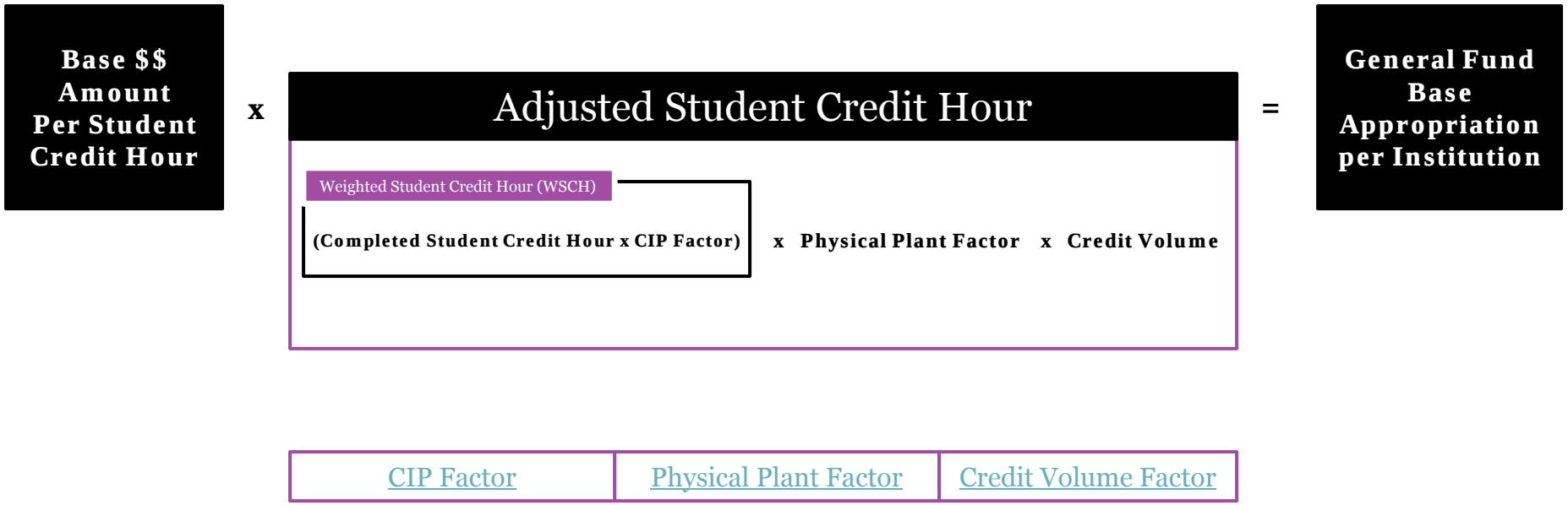
October 2012

# Funding Framework

- Student Credit Hour
  - A successful completion of a student credit hour is considered a letter grade of D or above.
  - Measures progress towards graduation.
- 3 Factors
  - Classification of Instructional Programs (CIP)
  - Physical Plant
  - Credit Volume
- Adjusted Student Credit Hour
- General Fund Base Operating Budget

FORMULA

# Funding Formula

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# 3 Categories of Factors

1. Categories of Instructional Programs (CIP)
2. Credit Volume
   - Based upon completed Student Credit Hours
3. Physical Plant Requirements

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# CIP Factor

- The Classification of Instructional Programs (CIP) provides a standardized coding that supports the accurate tracking and reporting of fields of study and program completions activity. CIP was originally developed by the U.S. Department of Education's National Center for Education Statistics (NCES) in 1980, with revisions occurring in 1985, 1990, 2000 and 2010.
- Based upon the actual 2009-11 historical costs of education.
- Grant funds, auxiliary, indirect, federal and other sources of the cost of education not factored in.
- Salaries and all instructional costs included.
- Excludes capital investment.
- Two main cost drivers
  - Course discipline
  - Level of instruction

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# CIP Factor Continued

| DISCIPLINE CLUSTERS | STUDENT CREDIT HOUR WEIGHTING MATRIX | | | | | | WEIGHTED SCH |
|---|---|---|---|---|---|---|---|
| | ELEMENTS | LOWER DIV | UPPER DIV | PROFESSIONAL | GRADUATE | MD | |
| Agriculture | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 1.9 | 3.8 | 5.7 | 7.6 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Architecture | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 1.8 | 3.6 | 5.4 | 7.2 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Aviation | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 1.9 | 3.8 | 5.7 | 7.6 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Biological/Physical Science | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 1.9 | 3.8 | 5.7 | 7.6 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Business | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 1.9 | 3.8 | 5.7 | 7.6 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Career/Tech Education | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 2.0 | - | - | - | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Education | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 1.9 | 3.8 | 5.7 | 7.6 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Engineering | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 2.5 | 5.0 | 7.5 | 10.0 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Health Sciences | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 3.0 | 6.0 | 9.0 | 12.0 | 38.0 | |
| | Weighted SCH | - | - | - | - | - | - |
| Legal Studies | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 3.5 | 7.0 | 10.5 | 14.0 | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Remedial | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 2.3 | - | - | - | - | |
| | Weighted SCH | - | - | - | - | - | - |
| Core Disciplines | 09-11 SCH | - | - | - | - | - | |
| | Cost Factor | 1.0 | 2.0 | 3.0 | 4.0 | - | |
| | Weighted SCH | - | - | - | - | - | - |

| Total Completed Student Credit Hrs | - |
|---|---|

| Total Weighted Student Credit Hrs | - |
|---|---|

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# Physical Plant Factor

$$\frac{\text{Campus Square Footage}}{\text{Weighted Student Credit Hour}} = \text{Ratio}$$

| Ratio | Factor |
|---|---|
| 0-4.99 | 1.0 |
| 5-9.99 | 2.0 |
| 10-14.99 | 3.0 |
| 15-19.99 | 4.0 |

| Institution | Ratio |
|---|---|
| Bismarck State College | 1.57 |
| North Dakota State University | 1.92 |
| Lake Region State College | 2.01 |
| University of North Dakota | 2.11 |
| Mayville State University | 2.49 |
| Valley City State University | 2.50 |
| Dickinson State College | 2.53 |
| Minot State University | 2.63 |
| Dakota College at Bottineau | 2.93 |
| Williston State College | 2.97 |
| **North Dakota State College of Science** | **6.67** |

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# Credit Volume Factor

| Factor | Completed Student Credit Hour |
|---|---|
| 1.00 | 100,000 + |
| 1.05 | 95,000 - 99,999 |
| 1.10 | 90,000 - 94,999 |
| 1.15 | 85,000 - 89,999 |
| 1.20 | 80,000 - 84,999 |
| 1.25 | 75,000 - 79,999 |
| 1.30 | 70,000 - 74,999 |
| 1.35 | 65,000 - 69,999 |
| 1.40 | 60,000 - 64,999 |
| **1.45** | **55,000 - 59,999** |
| **1.50** | **50,000 - 54,999** |
| 1.55 | 45,000 - 49,999 |
| 1.60 | 40,000 - 44,999 |
| **1.65** | **35,000 - 39,999** |
| 1.70 | 30,000 - 34,999 |
| **1.75** | **25,000 - 29,999** |
| 1.80 | 20,000 - 24,999 |
| 1.85 | 15,000 - 19,999 |
| 1.90 | 10,000 - 14,999 |
| 1.95 | 5,000 - 9,999 |
| 2.00 | 0 - 4,999 |

| Institution | Completed Credit Hours |
|---|---|
| **Dakota College at Bottineau** | **26,083** |
| **Williston State College** | **29,260** |
| **Mayville State University** | **37,501** |
| **Valley City State University** | **51,713** |
| **Lake Region State College** | **59,858** |
| Dickinson State College | 112,746 |
| North Dakota State College of Science | 116,059 |
| Minot State University | 161,859 |
| Bismarck State College | 171,226 |
| University of North Dakota | 648,858 |
| North Dakota State University | 693,838 |

# Common Questions

- NDSU Agricultural Research & Extension appropriation will not be included in the formula as these functions are not operated or measured on a per credit model.
- UND Medical School does function on a per credit model, and the CIP code factor has been adjusted to reflect those costs.
- The formula has been developed based on the current appropriation and 2009-11 completed credit hours.
- Other prioritized adjustments such as performance outcomes, can be easily incorporated into the formula through the use of a factor. For example, if the desire was to increase the number of degrees completed on-time, a factor could be developed and inserted into the formula to reward achievement.
- Start up costs for a new program or expanded program(s) would be considered for funding in a similar process as capital projects. After the program has enrolled students, the formula would provide the needed funding to sustain the new or expanded program.

FORMULA

# HIGHER EDUCATION PROPOSED FUNDING FORMULA

***DRAFT***

| Institution | Completed Student Credit Hours (SCH) 2009-2011 Actual | Classification of Instructional Program Factor (CIP) | Weighted Student Credit Hours (WSCH) | Physical Plant Factor | Credit Volume Factor | Adjusted Student Credit Hours (ASCH) | 2011-13 General Fund Base Appropriation |
|---|---|---|---|---|---|---|---|
| BSC | 171,226 | | 281,745 | 1.00 | 1.00 | 281,745 | $ 28,045,987 |
| DCB | 26,083 | | 41,263 | 1.00 | 1.75 | 72,210 | $ 6,605,257 |
| LRSC | 59,858 | | 78,639 | 1.00 | 1.45 | 114,027 | $ 9,158,981 |
| NDSCS | 116,059 | | 192,183 | 2.00 | 1.00 | 384,366 | $ 35,198,921 |
| WSC | 29,260 | | 49,294 | 1.00 | 1.75 | 86,265 | $ 9,047,486 |
| DSU | 112,746 | | 253,455 | 1.00 | 1.00 | 253,455 | $ 22,792,617 |
| MASU | 37,501 | | 86,165 | 1.00 | 1.65 | 142,172 | $ 13,134,780 |
| MISU | 161,859 | | 392,279 | 1.00 | 1.00 | 392,279 | $ 38,738,594 |
| VCSU | 51,713 | | 135,459 | 1.00 | 1.50 | 203,189 | $ 18,103,060 |
| NDSU | 693,838 | | 2,022,290 | 1.00 | 1.00 | 2,022,290 | $ 127,747,549 |
| UND | 648,858 | | 2,903,224 | 1.00 | 1.00 | 2,903,224 | $ 192,617,021 |
| | | | | | | | **$ 501,190,253** |