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ABSTRACT
         A nationwide survey was conducted to determine the
States' formulae for funding operating expenses of the public
two-year colleges. A one-page questionnaire, mailed to each State
director for community/junior colleges, requested information on
allocation formulae for operating expenses, capital outlay, and the
State's total community/junior colleges appropriations for the past
three years. The forty-three States providing data were grouped into
four categories for analysis of responses: (1) for those reporting no
formula; (2) for these that did not report any actual dollar amount
per unit of measure; (3) for those reporting some set rate or
schedule of rates, $/unit of measure; and (4) for those reporting
detailed procedural methodologies. Data concerning State versus local
shares in funding were also obtained. The questionnaire and a table
of total dollars apportioned by States for their public two-year
colleges are appended. (KM)

ED 086276

STATE FUNDING FORMULAE

FOR

PUBLIC TWO-YEAR COLLEGES

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FOREWORD

In 1962 Morrison and Martorana reported the results of a survey

of state formulae for the support of public 2-year colleges. This

report was published by the U. S. Office of Education and received wide

distribution; it became a basic document in community college financial

studies. The final chapter of their report is entitled "Some Unanswered

Questions." These are:

1. Should public 2-year colleges be tuition free?

2. Are public 2-year colleges secondary or higher education?

3. How can support be secured for land acquisition and improvement

   and for planning and constructing facilities for the 2-year

   college?

4. What should be considered a 2-year college?

5. What is a desirable level of current support?

6. How can effective procedures for setting support be formulated?

One can see that some of these questions are no longer major issues

in the community college field. Community colleges are now considered

unquestionably to be a part of the higher education family. In fact

both universities and community colleges are now more often classified

under the heading "post-secondary education." The emphasis upon low

tuition continues in most states, but there appears to be a build-up of

pressures for tuition increases to be approved. A more comprehensive

program is expected with less emphasis upon the "junior" aspects of community college operation. Costs have increased, and there presently is a wider gap between those colleges with a low level of current operating support and those in the higher levels. While there is still concern for capital construction, the emphasis is often upon loaned and borrowed facilities for many of the new community colleges' classes and activities.

Since the Morrison-Martorana study, newer studies by Arney as well as by Wattenbarger, Cage and others have provided additional information about community college finance. Lombardy has also provided a current analysis. These later studies have pointed out the increasing emphasis upon state level planning, upon increased state tax support, upon improved management and techniques, upon differential funding according to programs, and upon funding the total college offerings, including many non-credit and other community service courses. These trends indicate changes which are generally influencing the direction of community college financial support.

Wattenbarger and Cage predicted a continued increase in numbers of persons who would be served by community colleges provided that these institutions received financial support which permitted and/or encouraged them to develop truly comprehensive programs. Subsequent enrollment figures in higher education have supported the validity of their predictions. Those colleges which provide limited programs are finding that their enrollments are decreasing, while those who are emphasizing continuing education and vocational courses are still experiencing increases in enrollment.

There is still a wide variety of approaches to financing community

colleges. The number of systems, however, in 1973 which receive total support (insofar as public support is concerned) from the state is larger than ever before. Even in states with long established community colleges heavily supported by local taxation, there is an observed increase in the portion that comes from the state. The feared impingement upon institutional autonomy is not the subject of this investigation, and yet, one might well observe that state level controls over individual institutions are little greater now, even with more state support, than was formerly the case. The better word is the more beneficial concept of state level coordination.

The four groupings of states may be summarized as follows:

14 states in Category I   - No state forumla

 5 states in Category II   - State support by general formulae

17 states in Category III - State support by dollar amount in formula

10 states in Category IV   - State support by involved formula

Each state reporting in this study is classified in one of these categories. The largest number is in Category III, where state support is by formula with a predetermined amount of dollars in the formula. Several states reported that some of their colleges were supported in ways which would place them in more than one category. Even though there is no universally accepted definition of a FTE, this unit, however defined, is used most often as a basic unit for funding.

This study indicates that there continues to be much diversity in the community college programs in the various states, and therefore much variety in the structure of their financial support.

James L. Wattenbarger, Director
Institute of Higher Education

December, 1973

SECTION I
INTRODUCTION

During the 1972-73 meetings of the National Council of State
Directors of Community/Junior Colleges (NCSDCJC), there were discussions
and interest expressed among the state directors about the current fund-
ing allocation practices of the member states. The need for a nationwide
study and report of the states' formulae for funding operating expenses
of the public two-year colleges was recognized.

The study was conceived to be a fitting spin-off project akin to
the State Directors' Management Information System Project being con-
ducted by the University of Florida/Florida State University Center
for State and Regional Leadership staff. A brief one page questionnaire
was developed and mailed to each state director for community/junior
colleges in March, 1973. The funding formulae questionnaire requested
information on allocation formulae for operating expenses, allocation
formulae for capital outlay, and the state's total community/junior
colleges appropriations for the past three years.

Forty-three states returned the questionnaire providing data they
had available. Seven states could not provide the information requested
at that time. The seven states not returning the questionnaire data were
Indiana, Minnesota, New Hampshire, Pennsylvania, South Dakota, Tennessee,
and West Virginia.

SECTION II

The Operating Expenses Formulae of the States

A researcher desiring to investigate current state funding practices for the public two-year colleges soon becomes aware of the fact that he is attempting to sight a moving target. The variety of apportioning methods and fuzzy line differention between apportioning methods and methods of arriving at budgets are central to the problem of categorizing and aggregating the reported state formulae. This variety is further complicated by the status of flux found in many of the states. The method for budgeting and for apportioning state funds appears to be in the process of changing in several states.

The states are grouped into four categories for the reporting of their operating expenses formulae responses. Category I is for those states reporting no formula, and is self-explanatory. Category II is for the group of states who did not report any actual dollar amount per unit of measure. That is, no $/credit hour, $/F.T.E. student, $/F.T.E. instructor position was indicated. Conversely, Category III is for those states reporting some set rate or schedule of rates, $/unit of measure, in their formulae. Category IV is for the remaining states reporting detailed procedural methodologies.

CATEGORY I: States Reporting No Operating Expenses Formula

Fourteen states responded that no formula is used to allocate state appropriations for college operating expenses. However, one of these states, Colorado, has six locally supported colleges that receive state appropriations for operating expenses on a different basis.   (See page 11) These states are:

Group "A":   (Seven States)

1. Alaska   - Statement: Appropriation Determined by Legislature

2. Idaho   - None

3. Kentucky   - None

4. Maine   - Statement: Legislative Appropriation

5. Massachusetts - None

6. Utah   - Statement: Each Budget is Handtailored

7. Vermont   - None

Group "B":   (Seven States)

1. Arkansas - State funding is on an individual needs basis. A college budget is locally prepared and submitted to the state community college board. The state community college board recommends action to the legislature. The legislature may appropriate the amount recommended or a percentage thereof.

2. Colorado - (State Junior Colleges Only)
Totally state supported: appropriations are made at the discretion of the legislature based upon the budget requests of the colleges.

3a. Connecticut - (Community Colleges)
The community colleges are fully state funded. State funds are apportioned in accordance with past experience and the anticipated

CATEGORY I: States Reporting No Operating Expenses Formula

3a. Connecticut (continued)

needs of each college as determined by their respective presidents.
Currently the level of funding is $1,000/FTE student.

3b. Connecticut - (Technical Colleges)

State funds are apportioned in accordance with past experience
and the anticipated needs of each college as determined by their
respective presidents. The colleges are fully state funded.

4. Delaware - 100 percent state funding is by line item budget sub-
mitted via the governor to the legislature. Day student tuition
is returned to the state treasurer. Evening division student
tuition is retained by the college to defray the cost of this
operation.

5. New Mexico - There is a statutory guarantee of a minimum combined
state and local funds base of $325/FTE student. In practice, the
state appropriated funds are equal to the approved budget amount
minus all other sources of income.

6. Rhode Island - The state appropriation is equal to the estimated
expenses minus the budgeted anticipated income from other sources.

7. Virginia - Funding is based upon the expected number of students and
the expected number of required staff. Currently, in practice, the
state pays approximately eighty percent of college operating costs.

CATEGORY II: States Not Reporting Dollars Per Unit of Measure in
Operating Formula

Five states responded with conceptual formulae for allocating state
funds for operating expenses. Dollar amounts were not given in these
responses with the exceptions of the blanket grants awarded by two of the
states.

The states are:

1. Alabama - The state allocation to each college is equal to a

   grant of $50,000 per college plus the regional accrediting

   association's (S.A.C.S.) minimum standard operations expenditure

   per F.T.E. student by size of college. Proration occurs if appro-

   priations are less than 100% of need.

2. Mississippi - The allocation of state funds for operating expenses

   is in four parts. Each college district is allocated $10,000 per

   year for site funds. Each college district is allocated $31,250

   per year for vocational education site support. The remaining

   academic program appropriation is allocated to the colleges pro-

   portionally by full-time day student Mississippi resident enrolled.

   The remaining vocational education appropriation is allocated to the

   colleges proportionally according to enrolled full-time day student

   Mississippi residents. The ratio of state appropriations for aca-

   demic programs to vocational programs for FY '73 was ten to one

   respectively.

3. Montana - The state share of college operating expenses is computed

   to equal the college general fund plus nine percent of the general

   fund. The allocation is treated as a grant-in-aid to the colleges.

   The entire biennial appropriation is available in one check on July 1

   of the new fiscal period.

CATEGORY II: <u>States Not Reporting Dollars Per Unit of Measure in Operating</u>
<u>Formula</u>

4. <u>Nebraska</u> - The state share of operating expenses is equal to the approved budget amount minus tuition and fees, local one mill property tax revenues, federal funds other than direct grants, and revolving funds other than auxiliary enterprises.

5. <u>Wisconsin</u> - The state board annually determines the state-wide operational cost per full-time equivalent student in collegiate transfer, associate degree, and vocational diploma programs. The state-wide operating cost is multiplied by 55 percent to determine the rate of state aid per full-time equivalent student in collegiate transfer, associate degree and vocational diploma programs. The state aid rate for vocational adult programs is 50 percent of the state aid rate for the other programs. The computed state aid rate per FTE student for each of the programs is multiplied by the FTE student enrollment in each program to determine the state aid payable to the district. In addition to this state aid, the district is allocated $0.25 for each student period of 50 minutes or more of actual attendance for instruction in state board approved driver training courses.

Limitation: If administrative expenses exceed 11 percent of the total annual instructional costs of a district, the state aid is reduced on the excess costs over the 11 percent by an amount equal to 55 percent for that aid attributable to post-high school programs plus 27.5 percent for that aid attributable to part-time adult programs.

CATEGORY II: States Not Reporting Dollars Per Unit of Measure in Operating
              Formula

    5. <u>Wisconsin</u> (cont)

       Definitions:

       one FTE student = 15 credit hours for Associate Degree Programs

       one FTE student = 22.5 weekly contact hours for Vocational Diploma
                          Programs

       one FTE student = 650 attendance hours for Apprentice Programs

       one FTE student = 620 attendance hours for Part-Time Adult Programs

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
Expenses Formula

Seventeen states responded giving formulae for allocating state funds for

college operating expenses that included set dollar rates in terms of FTE

students or student credit hours. Nine of these states are included in Group

"A": states allocating funds at a common dollar rate for all instructional

program areas within a college. The group "A" states are: Georgia (local

district operated college only. See page 24), Iowa, Kansas, Maryland, Mis-

souri, New Jersey, North Dakota, Oklahoma, and Oregon. (Only Oklahoma's

locally supported community colleges apply here. See page 33.) The remain-

ing eight states constitute Group "B": states allocating funds at different rates

for two or more broad areas of instruction. The Group "B" states are: Arizona,

California, Colorado (the locally supported colleges only), Illinois, Michigan,

New York, Ohio, and Wyoming. The formula for Colorado's state junior colleges

appears in Category I. (See page 3.)

Group "A": (Nine States)

1. Georgia - (For Board of Regents formula colleges see page 24)

    The colleges operated under a local district are allocated state aid

    at the rate of $500/FTE student for the normal nine month academic

    period.

2. Iowa - The state formula allocation to each college is equal to the

    college FTE enrollment for Iowa residents multiplied by the product

    of 180 days times $2.25 per day per FTE enrollment. An FTE

    enrollment is defined as equal to total reimbursable hours

    divided by 540 hours. One reimbursable hour is defined as equal to

    either of the following: one contact hour of lecture in academic or

    vocational education, two contact hours of laboratory, one contact

    hour of adult high school or adult basic education, two contact hours

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating Expenses Formula

Group "A" (Continued)

2. <u>Iowa</u> - (Continued)

of adult general education. The Iowa formula may be expressed:

F.T.E. Iowa resident enrollment X 180 days X $2.25/day/F.T.E.=

Allocation. (A note on Iowa's response indicates the state is

presently using a negotiated line item budget approved by the

legislature and the governor for the 1971-73 biennium.)

3. <u>Kansas</u> - The state allocation for college operating expenses is

currently eight dollars per credit hour. ($8.00/credit hour)

4. <u>Maryland</u> - The state allocation for FY '73 to state junior colleges

equals $700/F.T.E. student. The state allocation for FY '73 to the

regional colleges and to colleges in a service district of less than

50,000 population equals $875/F.T.E. student. The expected FY '74

allocation to the regional colleges and colleges in service districts

of less than 50,000 population is $1100/F.T.E. student.

5. <u>Missouri</u> - The state allocation is either $400/F.T.E. student or

50 percent of actual operating costs, whichever is the lesser. In no

instance shall the state share be less than $320/F.T.E.S.

(One FTES = 24 semester credit hours/year)

6. <u>New Jersey</u> - State funds are allocated for 50 percent of college

operating costs. The maximum allocation allowed is $600/F.T.E.student.

7. <u>North Dakota</u> - The state share of college operating expenses is $200

per full-time student in attendance either two semesters or three

quarters. An additional $300 per full-time student in attendance is

allocated to those districts levying a minimum of 8 mills for local

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
                Expenses Formula

Group "A" (continued)

7. North Dakota (continued)

    support of the college. A full-time student in attendance is defined

    as 12 class hours per week for at least 30 days of each semester or

    quarter for either two semesters or three quarters.

8. Oklahoma - (The six Community Junior Colleges only)

    The state allocation for locally supported community colleges is

    75 percent of the per capita state allocation to the state two year

    colleges.

    Presently this is: 75% x $589.14/ FTE average = $441.86/FTE

    (See Oklahoma formula for state colleges: page 33)

9. Oregon - The state allocation formula applies to Oregon resident FTE

    students only. For the first year of the biennium, the allocation

    rates are:

    $701/FTE student for the first 500 FTE plus
    $579/FTE student for the next 400 FTE plus
    $528/FTE student for the remaining FTE in excess of 900 FTE.

    For the second year of the biennium, the allocation rates are:

    $753/FTE student for the first 500 FTE plus
    $614/FTE student for the next 400 FTE plus
    $560/FTE student for the remaining FTE in excess of 900 FTE.

    The state funds shall be no greater than an amount equal to the

    actual college operating expenses minus tuition and fees (excluding

    out-of-state fees greater than resident fees) minus those federal

    funds reimbursing the district for vocational-technical programs.

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
               Expenses Formula

Group "B" (Eight states)

1. Arizona - The state allocation for the first 1,000 FTE students is

    $680/FTE plus an additional $270/FTE vocational student. The

    allocation for the FTE students in excess of the first 1,000 FTE

    is $440/FTE plus an additional $176/FTE vocational student. One

    FTE student is equal to 15 credit hours. The estimated annual FTE

    for budgeting is equal to the sum of the Fall FTE plus the Spring

    FTE divided by two. FTE are counted 45 days after classes begin

    each semester.

2. California - The state share of college operating expenses is equal

    to the sum of ($679/ADA for other than defined adult students minus

    the district assessed valuation x $0.0025) plus ($556/ADA for

    defined adult students minus the district assessed valuation x $0.0024).

    Defined adult students: students over 21 years old who are enrolled in

    fewer than 10 class hours per week.

3. Colorado - (Locally supported colleges only)

    The state funds contribution to each college for operating expenses

    is equal to $575/FTE student plus an additional $475/FTE vocational

    student. The Colorado formula may be expressed:

    State funds = ($575/FTE x Non-Vocational FTE) + ($1050/FTE x

    vocational FTE).

4. Illinois - The state funding rate is $495/FTE student in either a

    non-vocational education program or a business vocational education

    program. The state funding rate is $570/FTE student in a non-

    business vocational education program. A college may qualify for

    additional special grants: equalization grants, disadvantaged

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
Expenses Formula

Group "B" (continued)

4. Illinois (continued)

student project grants, public service grants. For FY '73, equal-

ization grants by the state bring total funding (state and local)

up to $750/FTE student, if the local taxes and tuition added to

the regular state funding rate does not equal the $750/FTE student

level. To qualify for the equalization grant, however, the local

taxing effort must be at least 17.45 cents and the tuition rate

must be at least $8.00/semester hour.

(The $495/FTE rate is also given as $16.50/semester credit hour)

(The $570/FTE rate is also given as $19.00/semester credit hour)

The Illinois formula may be expressed as follows:

State funds = ($495/FTE x non-vocational and business FTE) +
($570/FTE x non-business vocational FTE) +
special grants for equalization, disadvantaged
student projects, and public service.

5a. Michigan - (FYES = Fiscal Year Equated Students)

For colleges of greater than 1,500 FYES operated by public school

districts: The state funding rate for liberal arts and business

and commerce programs is $1,091/FYES. The rate for vocational-

technical programs (excluding health) is $1,656/FYES. The rate

for health related programs is $2,203/FYES. The state allocation

is equal to the sum of these rates multiplied by corresponding

program FYES, plus the total FYES dollars generated multiplied

by the factor (50 ÷ FYES total), minus tuition and fees, minus

either the product of the local tax levy of one mill times the

district's state equalized valuation or $390 times the district's

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
                Expenses Formula

Group "B" (continued)

5a. Michigan (continued)

FYES total, whichever is lesser. (An exception in local tax levy

applies to Wayne County Community College: by law the rate is 0.25

mill x the equalized district valuation.)

The formula may be expressed as follows:

State funds = ($1091/FYES x Lib. Arts, Business & Commerce FYES) +

                ($1656/FYES x vocational-technical FYES) +

                ($2203/FYES x Health-Related FYES) +

                (total FYES dollars generated x 50 ÷ FYES total) -

                (tuition and fees total) -

                (local 1 mill levy x equalized district valuation or

                $390 x FYES total, whichever is lesser).

The FYES is defined as:

One FYES = 31 student credit hours (Semester System)

One FYES = 36 student credit hours (Trimester System)

One FYES = 46.5 student credit hours (Quarter System)

5b. Michigan - For college districts organized under Chapter 5, Act no.331
                of Public Acts 1966:

The state funding rate for liberal arts and business & commerce

programs is $1,165/FYES. The rate for vocational-technical programs

is $1,428/FYES. The rate for health related programs is $2,163/FYES.

The state allocation is computed in the same manner as the previous

formula indicates, but with the above stated dollar rates. The

defined items remain the same.

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
                Expenses Formula

Group "B" (continued):

5c. Michigan - For all other college districts:

The state funding rate for liberal arts and business and commerce

programs is $1,251/FYES. The rate for vocational-technical programs

is $1,734/FYES. The rate for health related programs is $2,203/FYES.

The state allocation is computed using these dollar rates substituted

in the previous formula. The same limitations and definitions apply

as previously stated for Michigan colleges.

6a. New York - (Colleges not "Full Opportunity Plan Colleges")

The formula for allocating state funds for college operating expenses

is as follows:

State funds = ($518/FTE student x total FTE) or
              (1/3 of the net operating budget) or
              (1/3 of actual expenditures for operations) whichever
              is lesser.

A college may qualify for additional state aid of $29/FTE student by

meeting minimum conditions as follows:

    (1) The FTE student/FTE teacher ratio is equal to or greater
         than 17.0/1.

    (2) The cost of instruction is equal to or greater than 50
         percent of the budget after deduction of physical space
         rentals.

    (3) The number of full-time day credit students in Associate
         in Applied Science programs is equal to or greater than
         50 percent of the total full-time day credit students.

    (4) The total local contribution of funds for operations is
         equal to or greater than 0.5 mill x the total valuation of
         taxable real property.

A college may also qualify for additional state aid of $75/FTE student,

if the percentage of full-time disadvantaged day students within the

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
                Expenses Formula

Group "B" (continued)

full-time day student population is equal to or greater than the

percentage of disadvantaged persons within the total district

population. One FTE student = 30 semester credit hours or 45

quarter credit hours. One FTE teacher = College total class hours

taught ÷ Normal teaching load. One full-time day student = 12

credit hours in the day division. (A special limitation states

that state aid to "regular" colleges may not increase or decrease

more than $29/FTE student from year to year).

6b.   New York - (Full Opportunity Plan Colleges)

The state funds share is equal to $621/FTE student or 2/5 of the net

operating budget or 2/5 of actual expenditures for operations, which-

ever is lesser. A Full Opportunity Plan College may qualify for

additional state aid of $35/FTE student by meeting the four minimum

conditions listed for "regular" colleges (See page 14). A Full

Opportunity Plan College may also qualify for additional state aid

of $90/FTE student, if the full-time disadvantaged day students to

total full-time day students ratio equals or is greater than the

ratio of disadvantaged persons within the district to the total

district population. The previously defined N. Y. factors for FTE

and FTDS apply.

These special limitations apply to the Full Opportunity Plan

Colleges (FOP Colleges):

> (1) For the first year of operation of a FOP college,
>   state aid may not increase more than either 20 percent
>   of the total aid for the preceding year or $35/FTE
>   student, whichever is lesser.

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
               Expense Formula

Group "B" (continued):

6b. New York (continued)

    (2) State aid for FOP colleges may not increase or decrease
         more than $35/FTE student from year to year after the
         initial year of operation.

7. Ohio - The state operating expenses allocation formula rates are:

    $480/FTE student in general studies, $810/FTE student in technical

    studies. The formula may be expressed:

    State funds = ($480/FTE x total general FTE) + ($810/FTE x total

                  technical FTE)

8. Wyoming - (one FTE student = 12 student credit hours)

    The statutory minimum required operations funding rates with local

    and state shares combined are:

    (a) For colleges with less than 500 FTE students, $950/FTE
         academic student and $1425/FTE vocational student.

    (b) For colleges with greater than 500 FTE students but less
         than 1500 FTE students, $900/FTE academic student and
         $1350/FTE vocational student.

    (c) For colleges with greater than 1500 FTE students, $810/FTE
         academic student and $1275/FTE vocational student.

    The minimum required local resources effort per FTE student is equal

    to the sum of $150/FTE student (representing tuition) plus a four mill

    levy multiplied by the following percentages of assessed property

    valuation: (d), (e), (f), (g), (h); per FTE:

    (d) 100% of the first $50,000 valuation
    (e) 66 2/3% of the second $50,000 valuation
    (f) 33 1/3% of the third $50,000 valuation
    (g) 0.0% of the fourth $50,000 valuation
    (h) 33 1/3% of the fifth $50,000 valuation

CATEGORY III: States Reporting Dollars Per Unit of Measure in Operating
                Expenses Formula

Group "B" (continued)

8. Wyoming (Continued)

    The minimum local effort may be expressed:

        Local funds/FTE = ($150/FTE student) + (4 mills x (d) +(e) +
                          (f) + (h)/FTE)

    The maximum possible local effort equals $617/FTE.

    The state formula for a given FTE enrollment college may be

    expressed:

        State funds = (minimum required dollar rate/FTE academic x
                      total academic FTE) + (minimum required dollar
                      rate/FTE vocational x total vocational FTE) -
                      (The computed minimum required local resources
                      effort)

    The minimum state share that a college could receive where the 4 mill

    levy was in use would be:

        (i)   With less than 500 FTE students, $333/FTE academic student
              and $808/FTE vocational student.

        (j)   With greater than 500 FTE students but less than 1500 FTE
              students, $283/FTE academic student and $733/FTE vocational
              student.

        (k)   With greater than 1500 FTE students, $193/FTE academic
              student and $658/FTE vocational student.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
Add-On Aid for Non-Instructional Services and States Report-
ing Funding by Multi-Level Program Budgeting/Allocation

Ten states responded giving procedural formulae/methods for computing

budgets and/or allocations for their colleges' operating expenses. Several

states base their formulae upon computed faculty positions or instructional

units, and add to this base set rates of aid according to type of service

or organizational support provided. The remaining states use a P.P.B. pro-

cess with state aid being based upon multiple, multi-level cost centers.

Some of these formulae include dollar amounts for the current year of

operation, and some do not.

1. Florida - (One F.T.E. Student = 30 semester credit hours)

The college funding allocation process embodies principles of

planning programming and budgeting presently being developed in

the state. It is a program funding process based upon actual costs

of operations. The state allocation is computed from aggregations

of the individual colleges' costs of providing instruction, plus

growth and adjustment factors, and minus student fees and available

federal funds.

For computing course, discipline, program and total college costs

in the allocation process, the colleges are grouped by size as either

large colleges or small colleges. The large colleges are those with

enrollments above 1300 FTE students. The small colleges are those

with enrollments less than 1300 FTE students.

All allocations are computed initially using college projected

enrollments for the current year of operation, but the allocations

are recomputed and adjusted periodically through the year as actual

current year enrollments are reported to the state. The annualized

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
Add-On Aid for Non-Instructional Services and States Report-
ing Funding by Multi-Level Program Budgeting/Allocation

1. **Florida** (continued)

total FTE students equals the total annual semester credit hours

(Fall through Summer) divided by 30 semester credit hours. The

program funding process for determining the state allocation for

the colleges is as follows:

(a) An annual cost analysis is performed by each college
examining historical records of actual expenditures for
the immediate preceding year of operation. This cost
analysis report is submitted to the state in October of
each year. The cost analysis report presents the computed
unit cost per course for each course taught at a college.
The unit cost per course includes:

1. A pro-rata share of the teacher's salary allocated
in dollars per credit hour. Example: If a teacher
teaches 15 credit hours, one fifth of his salary is
allocated to a 3 credit course. (Non-credit courses
are converted to credit hour equivalents by dividing
contact hours by 27.)

2. A pro-rata share of instructional department costs
allocated in dollars per credit hour. Example: If
300 credit hours are taught by a department, one per-
cent (3/300) of departmental costs is allocated to a
3 credit course.

3. A pro-rata share of intermediate costs, college-wide
costs, and physical plant operations and maintenance
costs allocated in dollars per credit hour equally
among all courses taught.

The cost analysis report exhibits course costs aggre-

gated into discipline costs and discipline costs aggre-

gated into broad program costs. The discipline costs and

broad program costs are expressed in dollars per FTE

student.

(b)   The state separates the cost reports submitted into two
        groups, a small college group and a large college group,
        and aggregates the data by group.

(c)   For each group, the costs per FTE student by discipline and
        by program are displayed, and a "state-wide average cost"
        for each discipline and program is computed.

(d)   A cost ratio for each discipline is calculated by dividing
        the cost for each discipline category by the state-wide
        average cost for all courses.

        Example: $\dfrac{\text{Health Professions}}{\text{Average for All courses}} \quad \dfrac{\$1800/\text{FTE student}}{\$1000/\text{FTE student}} = 1.8$

        This ratio establishes the differential costs relationship
        among the various disciplines.

(e)   A current year state-wide unitary cost is computed by the
        state as:

        1.   The base year state-wide average cost per FTE
             student.

        2.   An added adjustment for economic conditions.
             (calculated from the consumer price index and the
             wholesale price index and called the economic lag
             factor.)

        3.   An added adjustment for equipment.

        4.   A subtracted adjustment for student fees and inci-
             dental college income.

        5.   A subtracted adjustment for federal funds.

(f)   The current year state-wide unitary cost is multiplied times
        the cost ratio for each discipline (see (d)) to produce the
        current year projected cost per FTE student in each disci-
        pline category.

(g)   The estimated FTE enrollments by discipline category sub-
        mitted by the colleges to the state are multiplied times
        the current year projected cost per FTE student in each
        of the discipline categories.

(h)   The amounts generated in each discipline category are
        summed to produce the total college allocation.

(i)   State allocation adjustments occur periodically as actual
        FTE student enrollments are reported.

FLORIDA DIVISION OF COMMUNITY COLLEGES System Totals

21.

Field of Study	1971-72 FTE Students	1971-72 Cost/FTE Stu.	Cost Level 1973-74 State Cost/FTE Stu.	1973-74 FTE Students	1973-74 State Allocation
Advanced & Profes.					
Agricul. & Nat. Res.	47.10	$ 1,161.50	$ 970.26	29.83	$ 28,942.75
Architecture & Engr.	36.40	1,503.21	1,270.97	58.73	74,644.13
Area Studies	0.00	0.00	977.67	2.55	2,493.06
Biological Studies	6,577.10	1,038.01	886.13	6,820.92	6,044,223.23
Business & Management	3,456.60	989.11	898.85	3,345.26	3,006,886.73
Communications	916.60	1,041.29	883.68	1,120.25	989,939.63
Computer & Info. Srv.	126.10	1,196.45	1,072.58	569.25	610,565.69
Education	5,238.20	1,302.02	1,177.40	3,752.15	4,417,780.87
Engineering	167.90	1,649.27	1,465.16	100.02	146,545.65
Fine & Applied Arts	8,890.90	1,137.87	983.52	9,148.52	8,997,711.65
Foreign Languages	1,669.50	1,258.06	1,088.41	1,745.31	1,899,608.93
Health Professions	302.40	1,359.53	1,173.20	289.86	340,064.91
Home Economics	137.40	1,167.96	977.67	113.92	111,376.17
Law	220.50	1,009.36	882.19	170.60	150,502.07
Letters	14,552.20	1,078.27	984.00	15,645.48	15,395,225.33
Etc.					
Total Advanced & Profes.	80,200.50	$ 1,050.47	$ 915.72	83,600.36	$76,554,108.17
Occupational					
Agriculture	388.60	1,380.60	1,181.86	601.13	710,449.32
Distributive	2,735.00	1,112.19	988.86	3,305.11	3,268,275.32
Health	3,731.90	1,826.93	1,568.08	4,921.75	7,717,692.66
Home Economics	920.20	1,385.69	1,168.20	1,452.02	1,696,251.21
Office	6,126.90	1,212.50	1,077.51	7,135.23	7,688,263.50
Trade and Industrial	3,734.00	1,326.33	1,177.49	5,259.88	6,193,477.10
Technical	7,636.70	1,405.26	1,183.64	8,448.27	9,999,678.30
Total Occupational	25,273.30	$ 1,376.33	$ 1,197.62	31,123.39	$37,274,087.41
Developmental					
Post High School	1,487.70	$ 1,213.70	$ 1,071.58	1,550.48	$ 1,661,463.95
Elementary and Sec.	3,413.30	1,184.19	1,074.92	4,686.31	5,037,391.79
Total Developmental	4,901.00	$ 1,193.15	$ 1,074.09	6,236.79	$ 6,698,855.74
Comm. Instr. Srvs.					
Citizenship	935.10	$ 1,112.62	$ 979.14	2,029.44	$ 1,987,113.29
Enrichment & Avocat.	783.70	1,054.89	898.65	860.02	772,854.18
Total Comm. Instr. Srvs.	1,718.80	$ 1,086.30	$ 955.18	2,889.46	$ 2,759,967.47
Grand Total	112,093.60	$ 1,130.73	$ 995.45	123,850.00	$123,287,018.79

FLORIDA DIVISION OF COMMUNITY COLLEGES   Small College Totals

Field of Study	1971-72 FTE Students	1971-72 Cost/FTE Stu.	Cost Level	1973-74 State Cost/FTE Stu.	1973-74 FTE Students	1973-74 State Allocation
Advanced & Profes.						
Agricul. & Nat. Res.	5.00	$ 1,090.80	.8	$ 905.40	3.06	$ 2,770.52
Architecture & Engr.	0.80	2,990.10	1.7	1,923.98	0.00	0.00
Area Studies	0.00	0.00	1.0	1,131.75	0.00	0.00
Biological Studies	322.20	1,204.22	.9	1,018.58	306.30	311,989.53
Business & Management	182.00	1,384.38	1.1	1,244.93	173.64	216,168.79
Communications	12.80	1,650.11	1.3	1,471.28	7.15	10,519.61
Computer & Info. Srv.	26.60	1,203.37	.9	1,018.58	28.61	29,141.43
Education	238.10	1,484.05	1.1	1,244.93	219.51	273,273.49
Engineering	8.10	2,267.40	1.7	1,923.98	17.37	33,419.45
Fine & Applied Arts	371.20	1,260.31	1.0	1,131.75	347.08	392,807.79
Foreign Languages	60.00	1,681.57	1.3	1,471.28	57.19	84,142.21
Health Professions	0.00	0.00	1.0	1,131.75	0.00	0.00
Home Economics	0.00	0.00	1.0	1,131.75	0.00	0.00
Law	5.40	821.10	.8	905.40	15.32	13,870.73
Letters	693.60	1,251.16	1.0	1,131.75	643.23	727,975.56
Etc.						
Total Advanced & Profes.	3,514.50	$ 1,253.11		$ 1,084.78	3,402.03	$3,690,452.30
Occupational						
Agriculture	48.20	$ 1,430.10	1.1	$ 1,244.93	72.52	$ 90,281.96
Distributive	114.30	1,327.30	1.0	1,131.75	239.93	271,540.78
Health	25.90	2,635.98	1.7	1,923.98	52.09	100,219.86
Home Economics	25.60	1,173.64	.9	1,018.58	46.98	47,852.66
Office	173.00	1,355.12	1.0	1,131.75	262.34	296,903.30
Trade and Industrial	206.60	1,457.87	1.1	1,244.93	314.62	391,678.31
Technical	208.10	1,757.78	1.4	1,584.45	214.31	339,563.50
Total Occupational	801.70	$ 1,522.24		$ 1,278.73	$1,202.79	$1,538,040.37
Developmental						
Post High School	52.60	1,105.09	.9	1,018.58	105.16	107,113.35
Elementary and Sec.	29.80	1,191.61	.9	1,018.58	42.90	43,696.87
Total Developmental	82.40	$ 1,136.38		$ 1,018.58	148.06	$ 150,810.22
Comm. Instr. Srvs.						
Citizenship	0.00	0.00	1.0	1,131.75	19.41	21,967.27
Enrichment & Avocat.	14.30	1,575.00	1.2	1,358.10	33.71	45,781.55
Total Comm. Instr. Srvs.	14.30	1,575.00		1,275.39	53.12	67,748.82
Grand Total	4,412.90	$ 1,300.86		$ 1,133.39	4,806.00	$5,447,051.71

FLORIDA DIVISION OF COMMUNITY COLLEGES   Large College Totals

Field of Study	1971-72 FTE Students	1971-72 Cost/FTE Stu.	Cost Level	1973-74 State Cost/FTE Stu.	1973-74 FTE Students	1973-74 State Allocation
Advanced & Profes.						
Agricul. & Nat. Res.	42.10	$ 1,169.89	1.0	$ 977.67	26.77	$ 26,172.23
Architecture & Engr.	35.60	1,469.80	1.3	1,270.97	58.73	74,644.13
Area Studies	0.00	0.00	1.0	977.67	2.55	2,493.06
Biological Studies	6,254.90	1,029.45	.9	879.90	6,514.62	5,732,233.70
Business & Management	3,274.60	967.14	.9	879.90	3,171.62	2,790,717.94
Communications	903.80	1,032.66	.9	879.90	1,113.10	979,420.02
Computer & Info. Srv.	99.50	1,194.59	1.1	1,075.44	540.64	581,424.26
Education	5,000.10	1,293.35	1.2	1,173.20	3,532.64	4,144,507.38
Engineering	159.80	1,617.93	1.4	1,368.74	82.65	113,126.20
Fine & Applied Arts	8,519.70	1,132.54	1.0	977.67	8,801.44	8,604,903.86
Foreign Languages	1,609.30	1,242.27	1.1	1,075.44	1,688.12	1,815,466.72
Health Professions	302.40	1,359.53	1.2	1,173.20	289.86	340,064.91
Home Economics	137.40	1,167.96	1.0	977.67	113.92	111,376.17
Law	215.10	1,014.09	.9	879.90	155.28	136,631.34
Letters	13,858.60	1,069.62	1.0	977.67	15,002.25	14,667,249.77
Etc.						
Total Advanced & Profes.	76,686.00	$ 1,041.19		$ 908.54	80,198.33	$72,863,655.87
Occupational						
Agriculture	340.40	$ 1,373.59	1.2	$ 1,173.20	528.61	$ 620,167.36
Distributive	2,620.70	1,102.81	1.0	977.67	3,065.18	2,996,734.54
Health	3,706.00	1,821.28	1.6	1,564.27	4,869.66	7,617,472.80
Home Economics	894.60	1,391.76	1.2	1,173.20	1,405.04	1,648,398.55
Office	5,953.90	1,208.36	1.1	1,075.44	6,872.89	7,391,360.20
Trade and Industrial	3,527.40	1,318.63	1.2	1,173.20	4,945.26	5,801,798.79
Technical	7,428.60	1,395.38	1.2	1,173.20	8,233.96	9,660,114.80
Total Occupational	24,471.60	$ 1,371.55		$ 1,194.36	29,920.60	$35,736,047.04
Developmental						
Post High School	1,435.10	$ 1,217.68	1.1	$ 1,075.44	1,445.32	$ 1,554,350.60
Elementary and Sec.	3,383.50	1,184.12	1.1	1,075.44	4,643.41	4,993,694.92
Total Developmental	4,818.60	$ 1,194.12		$ 1,075.44	6,088.73	$ 6,548,045.52
Comm. Instr. Srvs.						
Citizenship	935.10	1,112.62	1.0	977.67	2,010.03	$ 1,965,146.02
Enrichment & Avocat.	769.40	1,045.22	.9	879.90	826.31	727,072.63
Total Comm. Instr. Srvs.	1,704.50	$ 1,082.20		949.19	2,836.34	$ 2,692,218.65
Grand Total	107,680.70	$ 1,123.76		$ 989.89	119,044.00	$117,839,967.08

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

2. Georgia - The state has two funding methods for two year colleges:

    one method for junior colleges operated under the state board of

    regents along with the universities, and one method for junior

    colleges not operated under the board of regents. For the latter,

    colleges operated under a local district, see Category III, page 8 .

    For colleges operated under the board of regents, the state allo-

    cation is equal to the sum of: the computed equivalent full-

    time (EFT) faculty positions multiplied by the state established

    dollar rate/EFT faculty; plus the total EFT positions multiplied

    by the operating expenses dollar rate/academic EFT position; plus

    the extension and public service set dollar rate per Continuing

    Education Unit (C.E.U.) multiplied by the total C.E.U.'s; plus,

    for general administration and institutional and student services,

    19.6 percent of the computed amount in instruction and research

    and extension and public services' categories; plus an established

    amount for staff benefits; plus, for operation and maintenance of

    physical plant, a set rate per square foot multiplied by building

    square footage and a set amount for major repairs and replacement;

    plus, for library services, nine percent of the computed amount in

    instruction and research and extension and public services'

    categories.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
Add-On Aid for Non-Instructional Services and States Report-
ing Funding by Multi-Level Program Budgeting/Allocation

2. Georgia (continued)

The board of regents formula data elements are:

ELEMENT OR CATEGORY	DATA BASIS
Instruction and Research	
A. Academic Personnel	
1. Lower Division Instruction	1500 credit hours per EFT faculty position
2. Academic Administration	One EFT position per 15 EFT faculty positions
B. Non-Academic Personnel	One EFT position per 3 EFT academic positions
C. Operating Expenses	Established rate per EFT academic positions
Extension and Public Service	Established rate per Continuing Education Unit (CEU)
General Administration, Institutional and Student Services	19.6 percent of instruction & research and extension & public services; and a separate amount for staff benefits
Operation and Maintenance of Physical Plant	Established rate per building square foot; and a separate amount for major repairs and replacement
Library Services	9 percent of instruction & research and extension & public services

3. Hawaii

The public two-year colleges are involved as part of the University of
Hawaii in the move into program budgeting and its attendant multi-year
long range planning. The current six-year budget plan includes an
operating expense formula differentiating state support for instruction
geographically between Oahu and the neighbor islands.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

3. **Hawaii** (continued)

The formula allocation of funds to the colleges is based upon the

college programs (not curricular programs) as follows:

1. Instructional Program - Liberal Arts on Oahu =
                            $18/student credit hour
                            Liberal Arts on Other Islands =
                            $23/student credit hour
                            Vocational Education (all) =
                            $28/student credit hour

2. Instructional Support Program - $175 per student enrolled.

3. Student Services Program - $75 per student enrolled

4. Academic Support Program - $90 per student enrolled

5. Public Service Program - $0 per student enrolled (No support
                            for this biennium).

4. **Louisiana** - (The appropriation formula was submitted as the survey
                 response: see the note at the end).

The state appropriation formula includes a summed salary base computed

from the actual student-semester credit hours (SCH) produced in

curricular programs (disciplines). The SCH are multiplied by their

respective basic funding factor amounts expressed in dollars per

student-semester credit hour. This computed total formula salary

base is multiplied times an adjustment factor to compensate for

expenses other than direct instructional costs. (An example adjust-

ment factor for one college = 1.6265.) The total formula amount thus

computed, plus special block grant supplements as determined by the

legislature, equals the total state appropriation.

The appropriation determination procedure is as follows:

(a) On the 14th day of classes for each term of the year, the college

evaluates the student registrations to determine the student credit

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
              Add-On Aid for Non-Instructional Services and States Report-
              ing Funding by Multi-Level Program Budgeting/Allocation

4. **Louisiana** (continued)

hours produced in each curricular program.

(b) The salary base factor chart for the current year of operation

is used to determine the funding level in dollars per student-

semester credit hour for each of the curricular programs. The

1972-73 basic factor chart of example funding levels is:

Program Area	$ Per Student Credit Hour
Agriculture	$ 20.62
Engineering	26.95
Fine Arts	29.46
Nursing	59.34 (1971-72 amount)
Pharmacy	26.95
Sciences	20.62
All Others:	
for 1st 10,000 SCH	41.25
2nd 10,000 SCH	27.49
any additional SCH	19.64

(c) The student credit hours generated in each program are multi-

plied by the appropriate factor, and the products are summed for

each term of operation. The summed annual total is the total

formula salary base.

(d) The total formula salary base is multiplied times a predetermined

factor greater than unity to produce the total formula dollar amount.

The greater than unity adjustment factor compensates for those

college expenses other than the direct cost of salaries for instruction.

NOTE: The State Appropriation Formula attachments submitted appeared

to be for the universities and four year colleges. To confirm the

formula application for actual allocations to the two-year college,

CATEGORY IV: <u>States Reporting Funding by Computed Faculty Positions Plus</u>
<u>Add-On Aid for Non-Instructional Services and States Report-</u>
<u>ing Funding by Multi-Level Program Budgeting/Allocation</u>

<u>Louisiana</u> (continued)

a telephone check with Delgado Community College was made. Dr.

Cecil Groves at Delgado indicated that appropriations and alloca-

tion procedures in practice for the two-year college actually were

lump sum legislative appropriations equal to the previous year

amount plus a percentage increase for growth. The previous year

amount plus approximately 5 percent has been the recent practice.

5.   <u>Nevada</u> - The Community college allocation is a part of the state's

Board of Regents budget formula. The method of computing the state

funds is composed of eight elements as follows; (a), (b), (c), (d),

(e), (f), (g), (h):

    (a)   The student to faculty ratio is used to determine the
number of full-time equivalent (FTE) professional
instructional positions. FTE professional instructional
positions = FTE students ÷ a ratio factor.

    (b)   The average number of dollars required to support each
FTE instructional position is used to calculate the
total amount of money required for non-professional
positions, operating dollars, equipment dollars, and
in-state travel. The total amount is calculated by
multiplying the number of FTE professionals in the
first element by the approved ratio for this second
element.

    (c)   The average all ranks 10 month compensation (salary plus
fringe benefits) is the third element. This element is
multiplied by the number of positions generated in (a),
the first element, to produce the total professional costs
for instruction.

    (d)   The fourth element is the number of dollars for administra-
tion and general expenses/expenditures required for each
FTE instructional position. Included here are the
President's Office, Vice-President's Office, Controller's
Office, Personnel Services, Purchasing, Central Office
Services, and other similar and/or equivalent administra-
tion.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
              Add-On Aid for Non-Instructional Services and States Report-
              ing Funding by Multi-Level Program Budgeting/Allocation

    5. Nevada (continued)

        (e) The fifth element is the number of dollars per FTE student
            that are required for student services. This includes the
            Office of Admissions and Records, Student Affairs, or
            equivalent departments.

        (f) The sixth element, the total amount for operation and
            maintenance of the physical plant, is comprised of four
            parts:

            (1) The building maintenance amount is calculated by
                multiplying the estimated number of outside gross
                square feet (OGSF) by the approved dollar rate for
                OGSF.

            (2) The repairs and improvements amount is determined by
                multiplying the number of OGSF to be maintained by
                the approved dollar rate for OGSF.

            (3) The grounds maintenance amount is determined by
                multiplying the estimated number of acres of improved
                campus to be maintained times the approved estimated
                cost per acre.

            (4) The security amount is determined by estimating the
                number of security positions required and the cost of
                securing and/or maintaining sufficient automobiles
                and other equipment.

        (g) The seventh element is for library services. The amount of
            funds required is generated by applying the State of
            Washington library formula to the projected number of FTE
            students, FTE staff, and the number of volumes required
            to support the instructional programs.

        (h) The last element is for out-of-state travel. The amount is
            generated by multiplying the number of FTE professional
            positions times $150 per position.

    These eight elements are summed to determine the total state monies

    for the college.

CATEGORY IV: <u>States Reporting Funding by Computed Faculty Positions Plus</u>
<u>Add-On Aid for Non-Instructional Services and States Report-</u>
<u>ing Funding by Multi-Level Program Budgeting/Allocation</u>

6. <u>North Carolina</u> - The Budget Full-Time Equivalent (B/FTE) System is

used by the state to establish the operating expenses formula budget

for each college from funds appropriated for allocation. The B/FTE

System is based upon all (1 year and 2 year) curriculum FTE students

and occupational, adult high school and general adult education

extension FTE students. The FTE students count used in calculating

the B/FTE is the four quarter average FTE count for the fiscal period

immediately preceding the time of initial B/FTE and instructional unit

allocations. The method of allocation of B/FTE, instructional units,

non-teaching units, and multiple line item add-on support services

from the Standards for Formula Budgeting is as follows:

(a) The system-wide number of (1 year and 2 year) curriculum
instructional unit positions is determined by calculating
an adjusted fall quarter 2 year curriculum FTE, adding the
actual fall quarter 1 year curriculum FTE, and dividing the
summed total (1 year and 2 year) fall quarter curriculum
FTE by 22 FTE. (The adjusted fall quarter 2 year curriculum
FTE is the larger of; either the actual sum of the freshman
plus the sophomore fall quarter FTE, summed by 2 year
curriculum program, or the freshman only fall quarter FTE
of each 2 year program multiplied by 160 percent and summed.)

(b) The latest (1 year and 2 year) curriculum four-quarter
average FTE (winter, spring, summer, fall) is calculated
both for each institution and system-wide.

(c) An instructional units ratio for each college is calculated
by dividing the individual college's computed number of
instructional units by the system-wide curriculum four-quarter
average FTE.

(d) The initial allotment of curriculum instructional unit positions
to a college is equal to the product of the summed four-quarter
average FTE for each curriculum program area multiplied by the
instructional units ratio determined in (c) above. (Rounded
to the nearest 1/2 position.)

CATEGORY IV: <u>States Reporting Funding by Computed Faculty Positions Plus</u>
<u>Add-On Aid for Non-Instructional Services and States Report-</u>
<u>ing Funding by Multi-Level Program Budgeting/Allocation</u>

6. <u>North Carolina</u> (continued)

(e) The curriculum B/FTE for each college is established by
calculating the product of the curriculum instructional
unit positions (d above) multiplied by 22.

(f) The extension instructional unit entitlement of a college
is determined by dividing the latest four-quarter average
extension FTE (winter, spring, summer, fall) by the factor
22. (Rounded to the nearest 1/2 position)

(g) The "students in membership" for use in multiple line item
support areas of the Standards for Formula Budgeting are
computed from the B/FTE as follows:

(1) One technical curriculum B/FTE x 5/6 = one "student in
membership"

(2) One vocational curriculum B/FTE x 2/3 = one "student in
membership"

(3) One of any other category B/FTE x 1 = one "student in
membership"

(h) Adjustments or revisions in the instructional units and/or
the B/FTE of a college may occur where certain specified
conditions of curriculum arrangements and/or enrollment
changes are in evidence. (Covered specifically in the budget
formula policies)

(i) Non-teaching units, administrative and non-instructional
staff positions are allocated for state funding purposes
according to Chart A. (See page 32)

(j) The multiple line item add-on support and services funding
occur in eight categories:

(1) General Administration - Chief Administrative Officer's
Office
(2) Institutional Services - Curriculum Programs (College
parallel; Technical and Technician; Vocational and
Trade)
(3) Instructional Service - Extension Programs (Adult Education)
(4) Area Consultants - Vocational and Trade
(5) New Industry Training - Vocational and Trade
(6) Maintenance of Plant - Repairs to equipment
(7) Fixed Charges - Insurance and Employee Injury Compensation
(8) Auxiliary Services - Libraries

NON-TEACHING STAFFING CHART A

Based on Total Curriculum and Regular Budget Extension FTE

	0-150		151-250		251-350		351-500		501-700		701-1000		1001-1500		1501-2000		2001-2500		2501-3000		3001-3500	3501-4000	4001-4500	4501-5000	5001-5500	5501-6000	6001-6500	6501-7000	7001-7500	7501-8000
	TI	CC	TI	CC	TI	CC	TI	CC	TI	CC	TI	CC	TI	CC	TI	CC	TI	CC	TI	CC	TI&CC	TI&CC	TI&CC	TI&CC	TI&CC	TI&CC	TI&CC	TI&CC	TI&CC	TI&CC
President	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Inst. Dean	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Administrators	3	4	3	4	4	5	4	5	5	6	5	6	6	6	7	7	7	8	8	8	9	11	12	13	14	15	16	17	18	18
Counselor Registrar	0	0	0	0	1	1	1½	1½	2	2	2½	2½	3	3	4	4	5½	5½	8½	8½	10	11½	13	14½	16	17½	19	20½	22	23½
Librarian	1	1	1	1	1	1	1½	2	2	2	2	2	3	3	3½	3½	4	4½	5	5	5½	6	6½	8	8	9	10	11	12	13
Learning Lab Coordinators	2	2	2	2	2	2	2	2	2	2	2	2	3	3	3½	3½	4½	4½	4½	4½	5	5½	6½	7	7½	8	8½	8½	9	9½
Bookkeeper	1	1	1	1	1	1	1	1	1	1	1	1	1	1	2	2	2	2	2	2	2	3	3	3	3	4	4	4	4	5
Clerical	2	2	3	3	4	4	5	6	6	7	8	9	10	11	12	13	15	16	19	20	25	29	33	37	41	45	49	53	57	61
TOTAL	10	11	11	12	14	14	16	18½	19½	22½	22½	25½	28	29	34	35	40	41	48	49	58	66	73	83	90	98	107	115	123	132

New Institutions Phased in as Program Develops. Trustees, Upon Recommendation of Chief Administrative Officer, May Determine Specific Non-Teaching Personnel to be Employed Within Funds Available, Thus Permitting Substitutions but Not Additions to the Total Number of Positions Provided in the Formula Allotment.

Add 1 Administrator for each 500 above 8,000.
Add 1 Counselor Registrar for each 500 above 8,000.
Add 1 Librarian for each 500 above 8,000.
Add   Learning Lab Coordinator for each 500 above 8,000.
Add 1 Bookkeeper for each 1,500 above 7,500.
Add 3 Clerks for each 500 above 8,000.

Extension of the Non-Teaching Staffing Chart Beyond the 7501-8000 Block
For each additional block of 500 B/FTE, the non-teaching staffing chart is increased by the following positions:
    1 Administrator
    2 Counselor
    1 Librarian
      Learning lab coordinator
    4 Clerical
Also, for each additional block of 1500 B/FTE, the non-teaching staffing chart is increased by
    1 Bookkeeper

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

6. North Carolina (continued)

Established rates of funding by line item in each category occurs

for such items as supplies and materials, postage and telegraph,

travel expenses, printing and binding, advertising and publicity,

institutional dues, commencement and community cultural services.

The dollar rates are expressed either as per "student in member-

ship," or per professional position, or per institution and/or

activity. The rates vary too widely to be listed here.

7a. Oklahoma - (7 State Two-Year Colleges only: Tulsa excluded)

The state regents determine budget needs and state funds allocations

to the seven state two-year colleges by a procedure common to the

state higher education system. From data collected on each college,

the state projects full time equivalent (FTE) student enrollments,

student-faculty ratios, and computed FTE teaching positions for each

college. The state establishes an average salary per faculty position

according to type of institution: university, four-year or two-year.

The two year college salary average for 1973-74 was established at

$11,400.

The budget allocation is divided according to function by the state.

The functional divisions set by the state and the related percentages

are reflected in the state's prescribed procedure for determination

of each two-year college's total budget. The total budget computa-

tion for each college is as follows:

    (a)   The projected full year total student credit hours are
          divided by 30 to determine total full year FTE students.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus Add-On Aid for Non-Instructional Services and States Reporting Funding by Multi-Level Program Budgeting/Allocation

7a. Oklahoma (continued)

(b) The total full year FTE students are grouped as 1/3 technical program enrollments and 2/3 academic program enrollments for all colleges except Murry State College. Murry State enrollments are grouped at 1/2 technical and 1/2 academic.

(c) Faculty positions are computed by dividing the technical programs portion of FTE students by 12 and the academic programs portion of FTE students by 28. The sum of these is the total number of faculty positions.

(d) The total faculty positions are multiplied by the established average 9 to 10 month faculty salary for the year. ($11,400 for 1973-74). This product is the total faculty salaries amount.

(e) The total faculty salaries amount is multiplied by 33 percent to arrive at the amount for other instructional expenses.

(f) The sum of faculty salaries plus other instructional expense, (d) + (e), is the budget base: the amount for the instructional function.

(g) The budget amounts for the seven remaining functions are computed as a percentage of the budget base and summed with the budget base to arrive at the budget total. Some function percentages vary among the seven colleges. The prescribed percentage of base add-ons by function are as follows:

Function	Percentage of Budget Base
General Administration	7%
General Expense	7%
Resident Instruction	-----the budget base------
Organized Activities Related to Instruction	9% for Conners
	7% for Eastern
	12% for Murry
	5% for Northeastern A & M
	2% for all others
Library	7%
Organized Research	2%
Extension and Public Service	2%
Maintenance and Operation of Physical Plant	14%

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

7a. Oklahoma (continued)

>   The functions of General Administration, Library and
>   Physical Plant are computed on a minimum enrollment
>   of 1,000 FTE students if enrollments are less than
>   1000 FTE.

> (h)   The state allocation share of the budget is equal to the
>   budget total minus the annual collected revolving funds.

7b. Oklahoma - (Tulsa Junior College Only)

The state regents are using this college as the pilot two-year

college for testing implementation of educational program budgeting.

The procedures for budget determination are as follows:

> (a)   Actual dollar costs per FTE student per identified
>   educational program of study are computed.

> (b)   The FTE student enrollments projected for each educational
>   program of study are multiplied times the computed cost
>   per FTE student for the respective programs, and the
>   products are summed. This sum is the total instructional
>   program cost.

> (c)   Set dollar amounts are added for Organized Research and
>   for Extension and Public Service.

> (d)   Local revenues (revolving funds) are subtracted from the
>   total budget amount to arrive at the state share.

7c. Oklahoma - (Oklahoma State University, Oklahoma City Technical
               Institute)

The state budgeting and allocation procedure for this division of

Oklahoma State University (awards the two-year associate degree)

is the same as the procedure for the state two year colleges.

> (a)   Faculty positions are computed allowing 12 FTE technical
>   program students per position and 28 FTE academic program
>   students per position.

> (b)   The total faculty positions are multiplied by $11,400
>   (average 9 to 10 month 1973-74 salary) to determine the
>   total faculty salaries amount.

CATEGORY IV: States Reporting Fur.ding by Computed Faculty Positions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

   7c. Oklahoma (ccntinued)

       (c)   The budget base is the sum of the faculty salaries plus
             35 percent of the faculty salaries amount for other
             instructional expenses.

       (d)   The prescribed percentage of budget bar; add-ons by
             function are:

Function	Percentage of Budget Base
General Admiristration	9%
General Expense	8%
Resident Instruction	----the budget base-----
Organized Activities Related to Instruction	---
Library	10%
Organized Research	--
Extension & Public Service	--
Physical Plant	17%

       (e)   The state share equals the total budget minus local
             revenues

8. South Carolina - (T. E. Centers are Colleges)

    The state's plan of budget allocation procedures applies equally to

    all T. E. Centers except those involved in their first three years

    of operation. During the first three years of operation a T. E.

    Center receives additional funding computed as a percentage of the

    regular budget allocation plan: 30 percent additional for the first

    year, 20 percent additional for the second year, 10 percent additional

    for the third year.

    The state budget allocation procedure generates the projected FTE

    instructor posilions by educational program and uses average

    instructional salaries by program to arrive at the total direct

    cost of instruction. Set percentages of this direct instructional

    cost are added factors for growth, costs other than instructional

CATEGORY IV: <u>States Reporting Funding by Computed Faculty Positions Plus</u>
<u>Add-On Aid for Non-Instructional Services and States Report-</u>
<u>ing Funding by Multi-Level Program Budgeting/Allocation</u>

8. <u>South Carolina</u> (continued)

salaries, and other adjustments.

The budget allocation procedure is as follows:

(a) The instructional programs of study are categorized as
either one year, two year, or "other". The "other"
category includes adult education and college parallel
programs.

(b) A students to teacher ratio for each program of study
is established by the T. E. Center.

(c) The average student instructional hours per week for
each program of study is computed.

(d) The average teacher contact hours load per week for
each program of study is computed.

(e) A teacher-student factor for each program of study is
calculated by dividing the average weekly student hours
(c) by the average weekly teacher contact hours (d).

(f) The number of full-time students actually in membership
in each program of study as of January 31 (mid-year) is
recorded, and a percentage growth factor variable is
added to the actual membership enrollment.

(g) The adjusted full-time student enrollment for each pro-
gram is multiplied by the teacher-student factor (e) and
this product is divided by the students to teacher ratio
(b) to produce the teacher allocations per program. (the
number of teaching positions for each program of study)

(h) For part-time courses, the teacher positions allocation by
program of study is calculated at a defined amount per
student contact hour as of mid-year, January 31.

(i) The total teacher allocation for each program is multi-
plied times the average teacher salary of the respective
program, and the products are summed to produce the total
direct cost of instruction.

(j) The total budget allocation is the sum of the direct cost
of instruction plus a set percentage of direct cost to
cover expenses other than instructional salaries.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
Add-On Aid for Non-Instructional Services and States Reporting
Funding by Multi-Level Program Budgeting/Allocation

9. Texas

The state allocation formula for 1971-73 includes a dual method

of funding and contingency appropriations are made in both areas:

(a) General academic programs of study are funded at the
set rate of $640 per Fall semester full-time student
equivalent. The full-time student equivalent count
for the year is determined by dividing the actual Fall
semester student credit hours, as of the twelfth day
of classes, by 15 credit hours.

(b) Vocational-technical programs of study are funded
according to an established dollar per contact hour of
instruction rate schedule. The total contact hours of
instruction for the year, accumulated by program area,
is multiplied by the appropriate schedule rate, and the
respective program amounts are summed. The program
rate schedule is developed from periodic cost studies.

The 1972-73 Vocational-Technical Formula Rates are:

Program Area	$ per contact hour
Agriculture	0.84
Homemaking	0.90
Restaurant Management	1.64
Mid-Management	.51
--Other Distribution and Marketing	.51
Secretarial and General Business	.93
Business Data Processing	1.82
Welding	0.68
Automotive	0.67
Fire Protection	1.54
Air Frame and Power Mechanics	1.52
Law Enforcement	0.61
Air Conditioning	0.68
--Other Industrial Education	1.16
Vocational Nursing	0.46
Associate Degree Nursing	1.51
Dental Assisting	1.53
Dental Hygiene	1.53
--Other Health Occupations	0.92
Career Pilot	2.59
Drafting and Design	0.84
Electronics	1.26
--Other Technical Programs	2.59
Related Voc-Tech Subjects	0.85
Adult Vocational Subjects	0.52

CATEGORY IV: States Reporting Funding by Computed Faculty Postions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

9. Texas (continued)

The proposed state allocation formula for the 1973-75 biennium would

fund the general academic programs of study (disciplines) in a

manner like that of the vocational technical programs. The state

board recommended the following proposed formula rate schedule:

Program Area	(Proposed) $ Rates per Base Period Contact Hour	
	Fiscal Year 1974	Fiscal Year 1975
Agriculture and Natural Resources	1.47	1.52
Architecture and Environmental Design	1.32	1.37
Biological Sciences	1.15	1.19
Business and Management	1.29	1.34
Communications	2.96	3.06
Computer and Information Sciences	2.30	2.38
Education	1.38	1.43
Engineering	1.59	1.65
Fine and Applied Arts	1.76	1.82
Foreign Languages	1.53	1.58
Health Professions	1.65	1.71
Home Economics	1.34	1.39
Letters	1.28	1.32
Library Science	2.13	2.20
Mathematics	1.40	1.45
Physical Sciences	1.35	1.40
Psychology	1.08	1.12
Social Sciences	1.15	1.19

Base Period Contact Hours = Total Contact Hours for the Fiscal
                            Year (Summer through Spring)

A lump sum contingency appropriation to provide for enrollment

increases each year should supplement formula funds.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

10.   <u>Washington</u> - (One Full-time Equivalent (FTE) Student = 15 credit hours)

The state formula submitted is the Governor's Legislative Budget Model

for the state's community colleges.   The model is a procedural guide

for generating and summarizing the funding needs in five P.P.B.

type program areas: Instruction, Library and Learning Resource

Centers, Plant Maintenance and Operations, Student Services, and

Administration and General Expenses.   State funds allocations are

dependent upon the legislature's appropriation level, but follow

the guide of the Budget Model.

The process for calculating funding for the five P.P.B. type

program areas is as follows:

Program One: Instruction

(a)   The full time equivalent (FTE) student enrollment for
      each discipline (Instructional Course Grouping) is esti-
      mated for the budget year.   The F.T.E. student enroll-
      ments are summed to determine the total academic and vo-
      cational F.T.E. students.   The fourteen discipline
      areas are:

Academic	Vocational
1. Business Administration	1. Business & Commerce
2. Sciences	2. Data Processing
3. Mathematics	3. Health Services &
4. Social Sciences	Paramedical
5. Humanities	4. Mechanical & Engineering
6. Health & Physical	5. Natural Science
Education	6. Public Service Related
7. Education	7. Occupational Support

(b)   Each discipline area F.T.E. students estimate is multi-
      plied by a staffing ratio for the discipline to determine
      faculty position requirements. The faculty position
      requirements by discipline are summed to determine the
      total academic and vocational positions.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
               Add-On Aid for Non-Instructional Services and States Report-
               ing Funding by Multi-Level Program Budgeting/Allocation

10. Washington (continued)

(c) The total academic and vocational faculty positions needed
     is separated into estimated full-time and part-time
     positions.

(d) The calculated full-time faculty positions multiplied
     times the average full-time faculty salary($12,330 for
     1971-72) equals the full-time faculty salaries amount
     required. (The 1973-74 average full-time faculty salary
     was not available at the time of the survey).

(e) The calculated part-time faculty positions multiplied
     times the average part-time faculty salary ($6,200 in
     1973-74 Budget Model) equals the part-time faculty
     salaries amount required.

(f) The full-time and part-time salaries amounts are summed
     to determine the total teaching faculty salaries amount.

(g) Instructional program support staff salaries requirements
     are calculated by multiplying the estimated FTE students
     by discipline times a staffing cost/FTE student rate for
     each discipline and summing the support staff dollars
     per discipline. The number of support staff is equal to
     the summed support staff dollars divided by the average
     statewide support staff salary ($5,832 in the 1973-74
     model).

(h) The instructional program operations support amount is
     calculated by multiplying the estimated F.T.E. students
     by discipline times an operations cost/FTE student rate
     for each discipline and summing the operations support
     dollars per discipline.

(i) The total instructional program salaries amount is the
     sum of the total teaching faculty salaries amount (f),
     the prescribed average salaries for one Dean of
     Instruction ($23,093 in 1973-74 model) and two Adminis-
     trative Assistants ($18,474 each in 1973-74 model), and
     the total support staff salaries amount (g).

(j) The faculty and staff benefits supplement is equal to
     8.99 percent of the total instructional program salaries
     amount computed in (i).

(k) The grand total funding generated for the program, Instru-
     tion, is the sum of the operations support (h) the total
     salaries computed in (i) plus the total faculty and staff
     benefits supplement (j).

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
              Add-On Aid for Non-Instructional Services and States Report-
              ing Funding by Multi-Level Program Budgeting/Allocation

    10. Washington (continued)

        Program Two: Library and Learning Resource Centers

           (a) The collections expenditure (1973-74 Model) is computed
               by determining the number of collection units, multi-
               plying the total collection units by the dollar replace-
               ment rate per unit ($18.92 in 1973-74 Model), and multi-
               plying the replacement value product of the collection
               by 7.8 percent.

           (b) The total staff salaries amount is computed by determining
               the required total staff positions (for public service,
               technical processes, and audio visual media) and multi-
               plying by the staffing average man-year salary rate
               ($9,912 in 1973-74 Model).

               one public service staff position = 220 annual average
                                              FTE students
               one technical processes staff position = 1000 book volumes
                                        to be cataloged
               one audio visual media staff positon = 50 FTE faculty
                                       positions.

           (c) The total staff benefits amount is equal to the total staff
               salaries amount (b) multiplied by 11.19 percent.

           (d) The total library and learning resources operations support
               amount is equal to the total staff salaries amount (b)
               multiplied by 24.3 percent.

           (e) The grand total funding generated for the program, Library
               and Learning Resource Centers, is equal to the sum of
               collection expenditures (a), the salaries amount (b), the
               staff benefits amount (c), and the operations support
               amount (d).

       Program Three: Plant Maintenance and Operations

           (a) The total man-years of services are computed in the work
               areas of janitorial service, grounds maintenance, police,
               fire and safety services. The man-years of service multi-
               plied times the average man-year cost ($8,312 in Model)
               equals the amount required for the services.

           (b) The buildings maintenance cost is computed. (this page
               was blank in the material submitted.)

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
Add-On Aid for Non-Instructional Services and States Report-
ing Funding by Multi-Level Program Budgeting/Allocation

10. **Washington** (continued)

(c)   The trucking services amount is computed as one percent
of the sum of the operations support component amounts
generated in the four other programs: Instruction,
Libraries & Learning Resources Centers, Student Services,
Administration & General Expense.

(d)   The administration of plant maintenance and operations
amount is computed as 6.75 percent of the sum of the
total dollar requirements generated in: janitorial,
grounds, police, fire and safety services (a); building
maintenance (b); and trucking services (c).

(e)   The amount for staff benefits is equal to 15.6 percent
of the sum of the dollar amounts generated in: jani-
torial, grounds, police, fire & safety services (a);
and administration of plant (d).

(f)   The amount for utilities is computed as follows:

1.   The previous year costs of fuel, electricity, and
water are totalled.
2.   The previous year utilities cost per square footage
of space is calculated.
3.   The current year cost/square foot = 1.071 x the
previous year $/square foot.
4.   The current year square footage is multiplied times
the current year $/square foot computed for utilities.
5.   Utilities maintenance is calculated as 10 percent
of the total building maintenance cost.
6.   The calculated utilities expenditure for the current
year (4) is added to the utilities maintenance amount
(5) to equal the total amount for utilities.

(g)   The grand total funding generated for the program, Plant
Maintenance and Operations, is the sum of: (a), (b), (c),
(d), (e), and (f).

Program Four: Student Services

(a)   The estimated annualized student headcount is computed
by multiplying the estimated annual FTE students times
the quotient of the previous year Fall student headcount
divided by the previous year Fall FTE student count.

Estimated
Annualized = $\frac{\text{Past Yr. Fall Student Headcount}}{\text{Past Yr. Fall FTE Student Count}}$ x
Headcount

Estimated current year FTE students

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
Add-On Aid for Non-Instructional Services and States Report-
ing Funding by Multi-Level Program Budgeting/Allocation

10.   Washington (continued)

(b)   The total student services personnel positions are equal
to 10 plus the product of the estimated annualized
student headcount multiplied times the factor 0.007.

$$\text{Total Student Services Personnel Positions} = 10 + \left(\frac{7}{1000} \times \text{Estimated Annualized Headcount} \right)$$

(c)   The total salaries amount for student services personnel
is equal to the total personnel positions (b) multiplied
times the average annual salary rate ($9,586 in 1973-74
Model).

(d)   The total staff benefits amount is computed by multiplying
the salaries amount (c) times 10 percent.

(e)   The total dollar amount for operations support is equal
to the salaries amount (c) multiplied times 12.27 percent.

(f)   The grand total funding generated for the program, Student
Services, is the sum of: (c), (d), and (e).

Program Five: Administration and General Expenses

(a)   The basic administrative staff are 4 plus the product of
the estimated annual average FTE students multiplied times
the factor 0.00266.

(b)   The basic administrative staff salaries amount is equal
to the computed staff positions (a) multiplied times the
statewide average salary ($16,559 in the 1973-74 Budget
Model).

(c)   The purchasing staff positions are calculated by multi-
plying the factor 0.000766 times the total field orders.
The total field orders are determined by multiplying the
first 100 F.T.E. faculty positions times 30, and summing
this product with the product of the F.T.E. faculty
positions in excess of 100 multiplied times 13.9.

(d)   The purchasing staff salaries amount is equal to the
calculated staff positions (c) multiplied times the
statewide average salary ($9,026 in the 1973-74 Model).

(e)   The cashiering staff positions are calculated by multi-
plying a receipt factor of 6 times the estimated annual
student headcount, and multiplying this product times
the factor 0.000066.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus Add-On Aid for Non-Instructional Services and States Reporting Funding by Multi-Level Program Budgeting/Allocation

10. Washington (continued)

(f) The cashiering staff salaries amount is equal to the positions (e) multiplied times the statewide average salary ($9,026 in the 1973-74 Model).

(g) The payroll staff positions are equal to one per campus plus the product of the factor 0.002 multiplied times the total faculty F.T.E. positions, calculated staff positions, and man-years amounts derived in the programs: Instruction, Library & Learning Resources, Plant Maintenance & Operations, and Student Services.

(h) The payroll staff salaries amount is equal to the payroll positions (g) x statewide average salary. ($9,026 in 1973-74 Model).

(i) The personnel staff positions are equal to one per campus plus the product of the factor 0.0083 multiplied times the total faculty F.T.E. positions, calculated staff positions, and man-years amounts derived in the programs: Instruction, Library & Learning Resources, Plant Maintenance and Operations, and Student Services.

(j) The personnel staff salaries amount is equal to the personnel staff positions (i) X the statewide average salary. ($9,026 in the 1973-74 Budget Model).

(k) The budgeting, accounting, and reporting staff positions are equal to the factor 2.0 multiplied times the sum of the staff positions computed for purchasing (c), cashiering (e), and payroll (g).

(l) The budgeting, accounting, and reporting staff salaries amount is equal to the calculated positions (k) multiplied times the average statewide salary ($9,026 in the 1973-74 Budget Model).

(m) The total administrative and general expenses salaries amount is the sum of: (b), (d), (f), (h), (j), and (l).

(n) The total dollar amount for staff benefits is equal to the total salaries amount (m) multiplied times 11.27 percent.

(o) The total dollar amount for operations support is equal to the total salaries amount (m) multiplied times 55.18 percent.

CATEGORY IV: States Reporting Funding by Computed Faculty Positions Plus
                Add-On Aid for Non-Instructional Services and States Report-
                ing Funding by Multi-Level Program Budgeting/Allocation

   10. Washington (continued)

        (p)   The grand total funding generated for the program,
              Administration & General Expenses, is the sum of:
              (m), (n), and (o).

   The grand totals of funding generated in each of the five P.P.B.

   type program areas when summed equals the total community college

   district formula allocation.

SECTION II: ANALYSIS

The maximum reported state funding formulae rates for 1972-73 are

exhibited in Table I. Comparison of relative funding support for gen-

eral academic transfer programs and vocational-technical programs within

a state is the primary intent. Caution should be exercised in comparing

the maximum support rates between states, because there is disparity in

the FTE student definitions and the varied methods of computing total

annual FTE student numbers among the states. The states not included

in Table I either do not state a $/FTE student rate or have multiple

rates that averaging would not accurately represent.

Several states have more than the two broad curricular program

categories shown in Table I. As may be noted in the formulae dis-

criptions, Michigan actually has two categories of occupational programs,

vocational-technical and health. Michigan's higher rate health category

is shown in the table. Florida likewise has two additional broad curri-

cular areas defined as Developmental Instruction and as Community

Instructional Services.

TABLE I.

MAXIMUM STATE SUPPORT RATES REPORTED FOR CURRENT OPERATIONS 1972-73

(Rounded to the Nearest Whole Dollar)

States Reporting $/FTE Rates	$/FTE Student General Academic Programs	$/FTE Student Vocational-Technical Programs	Reported method of computing FTE Students/ Enrollment
Arizona	680	950	Fall + Spring Cr. Hr. 2 X 15 Cr. Hr.
Colorado[1]	575	1,050	Total Yr. Hr. 45 Cr. Hr.
Connecticut	1,000	1,000	Not a Formula amt., But current support level
Georgia[2]	500	500	----No Information-------
Florida[3]	1,085	1,279	Total Yr. Sem. Hr. 30 Sem. Hrs.
Illinois	495*	570*	Does not include Special Supplement Grants
Iowa[4]	405	405	Total Reimbursable Hrs. for 180 Days 540 Reimbursable Hours
Maryland	875	875	Total Yr. Cr. Hr. 30 Cr. Hr.
Michigan	1,251	2,203	Total Yr. Sem. Hr. 31 Sem. Hr.
Missouri	400	400	Total Yr. Sem. Hr. 24 Sem Hr.
New Jersey	600	600	-----No Information ----
New York	746	746	Total Yr. Sem. Hr. 30 Sem. Hr.
North Dakota	500	500	12 Contact Hrs./Wk. For 30 days/SEM. for 2 SEM.
Ohio	480	810	-----No Information----
Oklahoma[5]	442	442	Total Yr. Sem. Hr. 30 Sem. Hr.
Oklahoma[6]	589	589	----No Information -----
Oregon	701	701	----No Information------
Texas	640	contact hour rate	Fall Cr. Hr. 15 Cr. Hr.

TABLE I.

Notes:

1. The rates are for only the colleges operated by local districts.

2. The rate is for only the colleges operated by local districts.

3. The rates are the maximum averages for all curricular programs in the categories.

4. A computed rate from the given: $2.25/F.T.E. enrollment X 180 days.

5. The rate is for only the colleges operated by local districts.

6. The rate for the state junior colleges (averaged).

Table II offers a comparison among the states relating funding categories reported in use during 1972-73. This matrix gives some idea of the wide diversity in funding emphasis perceived among the states.

The differences between curricular program, discipline category, and general program as used in Table II should be explained. Curricular program means broad educational program categories such as academic transfer, vocational-technical, and adult education. Discipline categories refer to a finer delineation of educational effort such as mathematics, engineering, social sciences, nursing, drafting, etc. General program, as used here, refers to the general classification of college operating functions such as instruction, student services, business operations, administration, etc.

A mark (X) in a category for a given state means that the state makes a differentiation in dollar rates in the allocation formula reported. Those states not in the table either did not participate in the study or did not provide sufficient data for interpretation.

TABLE II

Funding Categories in Use 1972-73

State	By Level of Enroll-ment	By Type College	By Credit or Contact Hour	By FTE Student	By Staff Position	By Curric. Program	By Discipline Category	By General Program
Alabama	X			X				
Arizona	X			X		X		
California				X		X		
Colorado		X		X		X		
Connecticut		X		X				
Florida				X		X	X	
Georgia		X		X	X			X
Hawaii		X		X		X		X
Illinois				X		X		
Iowa				X				
Kansas			X					
Louisiana			X		X		X	
Maryland	X	X		X				
Michigan	X	X		X		X		
Mississippi				X		X		
Missouri				X				
Nevada					X			X
New Jersey				X				
New Mexico				X				
New York		X		X				
N. Carolina				X	X	X		X
N. Dakota				X				
Ohio				X		X		
Oklahoma		X		X	X	X		X
Oregon	X			X				
Rhode Island								
S. Carolina					X		X	
Texas			X	X		X	X	
Washington				X			X	X
Wisconsin				X		X		
Wyoming	X			X		X		

Capital Outlay Formulae

The responses to the request on the questionnaire for the state

formula for allocation of capital outlay funds are summarized as follows:

1. Fifteen states indicated an unqualified "none". These were Alabama,

Idaho, Iowa, Kansas, Kentucky, Louisiana, Missouri, Montana, Rhode Island,

South Carolina, Texas, Utah, Vermont, Wisconsin, and Wyoming.

2. Three states, Massachusetts, New Jersey, and Oklahoma gave no response.

The capital outlay formula area was blank.

3. Four states indicated no capital outlay formula and made qualifying

statements:

Arkansas -

    Capital outlay is the responsibility of the local college district.

    Replacement of equipment may be funded from operating funds.

Delaware -

    Land and facilities are by state bonds sales. Equipment is funded via

    line ltem budget procedure as are operating expenses.

North Dakota - (no statement, but from attached law:)

    No state general obligation bonding is allowed. Capital outlay appears

    to be funded by local bonds retired by local taxes, tuition and fees.

Virginia -

    No formula for funding, but there are state guidelines for 12 of 17 types

    of space by square footage. The cost per square foot is based upon the

    type of space and geographic area cost factors.

4. Ten states indicated that capital outlay funding was either by project or state grant with priorities determined at the state level and funds appropriations a matter of negotiation with the legislature. These states were Alaska, Connecticut, Georgia, Hawaii, Maine, Michigan, Nebraska, Nevada, New Mexico, and Ohio.

5. Four states, Colorado, Illinois, Maryland, and New York, gave simple capital outlay matching ratios.

Colorado - (two systems of colleges)

For locally controlled community colleges, the state may match up to 50 percent of capital construction funds as approved by the legislature. However, state matching of local capital outlay is not mandatory. The state junior colleges are funded 100 percent via appropriations determined by the legislature.

Illinois -

Funding is by state approved project with a minimum of 25 percent local funds and the combined state/federal share up to a maximum of 75 percent.

Maryland -

New buildings are constructed on a 50 percent state funds, 50 percent local funds basis.

New York -

The state may provide up to a maximum of 50 percent of the state trustees approved amount for capital expenditure by a college.

6. The seven remaining states responding gave detailed formulae for continuing state support for capital expenditures and/or for computing the state share of capital expenditures.

Arizona -

A. State appropriations for initial capital expenditures may equal up
to 50 percent of the total capital expenditures for the college district,
but may not exceed $500,000 per campus.

B. Continuing capital outlay funding at $135.00 per annualized FTE
student (Fall FTE and Spring FTE average).

California -

State share of capital outlay is equal to the approved college district
capital budget minus the product of the relative college district ability
to pay times 50 percent of the budget, i.e.:

$$\text{State Share} = \text{Budget Amt.} - \left[\frac{DAV}{WDSCH} \div \frac{\text{total state valuation}}{\text{total state WSCH}} \times 50\% \text{ Budget} \right]$$

where: DAV = District Assessed Valuation

WDSCH = Weekly District Student Contact Hours

WSCH = Weekly Student Contact Hours for the State

Florida -

A. Total state funding of facilities according to project priority established
by the state using state higher education bonds.

B. Continuing capital outlay funding = ($400.00 per instructional unit X
total earned instructional units) - 1.25 percent of total amount.

Mississippi -

A. Each college district is allocated an equal share of 50 percent of
the state appropriation for capital outlay.

B. The remaining 50 percent of the state appropriation is allocated pro-
portionally according to the Fall semester audit of full-time transfer
credit students who are state residents.

North Carolina -

State funding priority is established by computed construction per FTE
student and FTE student space utilization charts. The statutory capital
allocation if appropriated is $500,000 maximum for construction per
college.

Oregon -

State may reimburse colleges for approved construction projects at the
rate of $2,080 per FTE student who is a state resident. The state total
reimbursement may not exceed 65 percent of approved project costs.

Washington -

State funding is through legislative authorization by project. Priorities
are established by the state via a Capital Analysis Model. The model
generates norms for facility space amounts by type space and need per
student. The relative needs per type of space are compared statewide
among campuses.

SECTION IV: SUMMARY

There was no initial intent in the allocation formulae survey to
identify the percentages of funding support obtained from federal, state,
and local sources.   However, in the formulae submittals of some states
and in the copies of laws provided by some states, there was information
relating specifically to state versus local shares in funding.   Table III
was prepared from the submitted data.

Table III is a representation of the state funding participation
compared with local funding participation, but does not delineate either
inclusion or exclusion of student fees and/or federal funds.   It does,
however, emphasize the continued trend toward a higher level of state
support for the public two-year colleges.

The reported formulae for this type study must of necessity be set
within limiting time-frame parameters.   This is necessary to target the
dynamic situation characterizing state budgeting and funds allocation.
The attempt has been to snapshoot the 1972-73 activity.

The overwhelming support and enthusiastic cooperation of the state
agencies involved in this survey has provided means to reach beyond the
original intents.   Twelve states supplied copies of existing laws and/or
proposed new legislation on the colleges and their finance.   There were
also contacts via telephone and face to face supplementing and augmenting
responses to the questionnaire.   From these sources and the actual question-
naire responses, there is indication of a trend toward greater differentia-
tion of funding categories in allocation formulae and movement toward a

P.P.B. program oriented budgetary process. States indicating movement

in this direction are Florida, Hawaii, Louisiana, Nebraska, North Carolina,

Oklahoma, South Carolina, Texas, Washington, and Wyoming.

*   The twelve states supplying copies of laws are: Arizona, Arkansas,

    Michigan, Mississippi, Missouri, New York, North Carolina, North

    Dakota, Oregon, Texas, Wisconsin, and Wyoming.

TABLE III

State and Local Percentages of Support for Public Two-Year Colleges

STATE	Public Support for Operating Expenses		Public Support For Capital Outlay	
	Local Share	State Share	Local Share	State Share
Arizona	-	-	50%	($0.5 million) 50% (maximum/campus)
Arkansas	Local Dist.May Supplement Support	100%	100%	0%
California	varies	varies	(see) 50% (note*)	(for average) 50% (wealth district*)
Colorado I	0%	(State) 100% (College)	0%	(State) 100% (College)
Colorado II	-	-	50% (or more)	(maximum for) 50% (local college)
Connecticut	0%	100%	0%	100%
Delaware	0%	100%	0%	100%
Florida	0%	100%	0%	100%
Georgia I	0%	100%	0%	100%
Georgia II	Percentages not given for local district colleges			
Hawaii	0%	100%	0%	100%
Illinois	approx.63%	approx. 37%	25% to 75%	25% to 75% (including Federal)
Maryland	-	-	50%	50%
Michigan	approx.30%	approx. 70%	-	-
Missouri	50% or more	50% (maximum)	100%	0%
New Jersey	50% (see note)	50% (up to) ($600/FTE)	-	-
New York I[1]	40.5%	33% to 40%	50%	50%
New York II[2]	30.5%	-	-	-
New York III[3]	62.2%	-	-	-
N. Carolina	-	-	50% (see note*)	50% ($0.5 million) (maximum/college)
Oklahoma I	0%	100% (state coll	-	-
Oklahoma II	Percentages not given for locally supported colleges			
Oregon	0%	100%	35% or more	65% (maximum)
South Carolina	-	-	100%	0%
Texas	22%	54%	100%	0%
Virginia	approx. 20%	approx. 80%	-	-
Wisconsin	45%	55%	100%	0%
Wyoming	-	-	100%	0%

Footnotes: 1. Statewide Average for New York
2. Not including New York City College
3. New York City College

APPENDIX A

FORMULA USED FOR STATE LEVEL APPORTIONMENT OF FUNDS
FOR CURRENT OPERATING EXPENSES

Purpose: This questionnaire will be used by the University of Florida/
           Florida State University Center for State and Regional Leader-
           ship in a nation wide study of states' formulas for funding
           operating expenses of local institutions.

1. Please provide, in the space below, the formula or formulas used to
    apportion state level funds* for operating expenses to community/
    junior colleges in your state. Additionally, please provide the
    formula for the distribution of capital outlay funds if such a
    formula exists and is different from the operating expenses formula.

Operating Expenses Formula: _____

_____

_____

_____

Capital Outlay Formula: (if different from operating expense)_____

_____

_____

_____

2. Please list the total amount apportioned for the last three years and
    the number of institutions that received the funds:

           Amount   Number of institutions**

    1970 _____   _____

    1971 _____   _____

    1972 _____   _____

    If available, please attach copies of the legislation governing the method
    and amount of apportionments.

                    THANK YOU FOR YOUR COOPERATION!

    *State level funds are all thos monies that are distributed by the state
     level agency in a proportion or "Formula" determined by that agency.

    **Consider multi-unit institutions as one institution.

APPENDIX B

TOTAL DOLLARS APPORTIONED BY STATES TO SUPPORT THEIR PUBLIC TWO-YEAR COLLEGES

Data Not Available From: Alaska, Del., Ind., Minn., N.H., Penn., S.D., Tenn., W. Va.

States	1970 $ (69-70)	1971 $ (70-71)	1972 $ (71-72)	1973 $ (72-73)	# of Districts 70	71	72	73	Qualifying Statements
Alabama	10,083,911	11,833,911	13,333,000		17	18	18		
Arizona	11,106,565	14,031,525	17,510,130		7	7	7		does not include voc/ed. funds from Dept. of Ed.
Arkansas	914,790	1,165,667	1,336,262		2	2	2		there are 68 districts; 96 colleges
California	126,791,849	153,435,617	165,154,664		68	68	68		includes both systems, state c.c. and local suppt. c.c.
Colorado	11,816,889	20,174,895	22,469,768		12	12	12		includes both tech. college and community college
Connecticut	12,506,090	15,684,927	17,121,988		12	14	15		operating and capital outlay
Florida	81,530,780	97,196,149	113,897,074		27	27	28		
Georgia	9,654,000	10,518,000	10,950,000		11	11	11		
Hawaii	7,789,000	9,045,000	10,773,000		5	6	6		state board does not apportion to the two jr. coll.
Idaho	28,984,899	32,048,390	33,359,780		4	4	4		includes East St. Louis State Comm. College
Illinois	35,497,689	44,025,251	50,135,692	57,082,000	42	45	45	46	general aid only; does not include
Iowa	9,000,000	10,400,000	12,170,000	13,800,000	15	15	15	15	federal/state vocational educ. funds
Kansas		3,210,695	3,365,104	3,893,137	19	19	19	19	
Kentucky	5,634,100	6,291,200	6,953,100		13	13	13		
Louisiana	1,605,668	4,302,332	4,724,553		3	3	3		

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States	1970 $ (69-70)	1971 $ (70-71)	1972 $ (71-72)	1973 $ (72-73)	# of Districts 70	71	72	73	Qualifying Statements
Maine	3,652,447	4,190,600	4,806,710						
Maryland	12,011,540	11,009,398	22,469,537		13	14	16		
Massachusetts	19,977,679	23,911,012	27,979,254		13	13	13		does not include capital outlay
Michigan		50,866,000	48,564,800	58,700,000		29	29	29	includes capital outlay
Mississippi		13,922,403	16,349,987	11,384,000	16	16	16	16	the 72-73 amount in operating only
Missouri	9,727,976	8,733,119	11,336,000	14,614,720	12	12	12	12	
Montana		764,723	902,707			3	3		1970 N/A under foundation
Nebraska	2,251,629	4,211,426	4,528,632	8,379,124	13	13	13	7	
Nevada	150,000	175,000	737,471	1,098,944	1	3	3	3	
New Jersey	20,100,000	25,000,000	28,700,000		15	16	17		
New Mexico		1,170,000	1,167,000	1,393,800		8	8	8	
New York		96,250,000	126,700,000	181,900,000		36	38	38	
N. Carolina	41,351,361	41,126,865	55,789,450		54	54	56		
N. Dakota	($1,733,850)		($2,068,500)		3	3	3	3	Biennial (69-71) (71-73)
Ohio		8,647,174	10,355,000	12,131,091		4	4	4	operating $ only includes: state jr. colleges, community colleges
Oklahoma	5,704,012	data missing	data missing	13,017,878	7			15	and OKLA. STATE UNIV. tech. institute

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Oregon	11,582,071	13,555,636	17,403,598		12	12	13		
Rhode Island	3,892,192	4,086,278	7,643,044		1	1	1		
S. Carolina	8,766,325	10,415,820	10,987,431		16	16	17		
Texas	45,600,720	50,644,061	65,195,128	76,926,347	40	40	43	44	
Utah	4,002,242	4,532,740	5,298,209	6,843,630	5	5	5	5	
Vermont	-0-	-0-	-0-	-0-			1	1	
Virginia		22,468,125	28,536,760	41,693,165		16	20	23	does not include capital outlay
Washington		67,791,732	72,195,901	79,863,797		22	22	22	includes Federal funds
Wisconsin	10,333,900	14,321,200	25,686,800		17	17	16		
Wyoming	1,865,170	3,322,878	3,436,602	9,384,928	7	7	7	7	

62.

APPENDIX   C

STATE FORMULAE LOCATOR INDEX

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