

# **Arkansas Division of Higher Education**

## **Operating Recommendations for State-Supported Institutions of Higher Education**

**Fiscal Year 2022-2023**



**Institutional Finance**

**December 2021**

**Arkansas Division of Higher Education**  
423 Main Street, Suite 400 Little Rock, AR 72201

**RECOMMENDATIONS FOR EDUCATIONAL AND GENERAL OPERATIONS  
STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION  
FISCAL YEAR 2022-23**

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**Background**

A.C.A. §6-61-234 (Act 148 of 2017) directs the Arkansas Higher Education Coordinating Board (AHECB) to adopt policies developed by the Arkansas Division of Higher Education (ADHE) necessary to implement a productivity-based funding model for state-supported institutions of higher education. That language reads as follows:

“(a) (1) (A) The Arkansas Higher Education Coordinating Board shall adopt policies developed by the Division of Higher Education necessary to implement a productivity-based funding model for state-supported institutions of higher education.”

Productivity-based funding is a mechanism to align institutional funding with statewide priorities for higher education by incentivizing progress toward statewide goals. At the same time, such models encourage accountability to students and policymakers by focusing on the success of students through the achievement of their educational goals. The new funding model is built around a set of shared principles developed by institutions and aligned with goals and objectives for post-secondary attainment in our state.

At its October 27, 2017 meeting, the AHECB approved the productivity funding model policies for the two-year colleges and universities. The policies were developed in conjunction with presidents and chancellors after meetings and revisions. The AHECB shall use the productivity-based funding model as the mechanism for recommending funding for applicable state-supported institutions of higher education. According to A.C.A. §6-61-234, the productivity-based funding model shall not determine the funding needs of special units such as a medical school, division of agriculture, or system offices. These special units are known as non-formula entities and ADHE staff reviewed justification requests submitted by the non-formula entities and prepared funding recommendations for Fiscal Year 2022-23 based upon those requests.

**Operating Funding Recommendations for the 2022-23 Fiscal Year**

The operating recommendations are based upon the productivity funding formula policies approved by the AHECB in October 2017 as well as requests submitted by the non-formula entities.

The two-year college and university productivity funding models have been

calculated using academic year 2018 through academic year 2020 student data as well as academic year 2017 through academic year 2019 expenditure data reported to and published by the Integrated Postsecondary Education Data System (IPEDS). The productivity funding model calculations represent a total productivity increase of 2.39% for two-year colleges and universities. Productivity funding distribution policy; however, dictates that recommendations will be capped at no more than 2% in any given year. This 2% supports the recommendation for state funding of those institutions of higher education of \$665,968,954 in 2022-23. The total funding recommendation for the non-formula entities is \$240,116,192 in 2022-23.

For the **universities**, an increase in funding is recommended for those institutions with productivity increases for a total change in university funding of \$8,508,875.

For the **two-year colleges**, an increase in funding is recommended for those institutions with productivity increases for a total change in two-year college funding of \$2,897,559.

For the **non-formula entities**, the recommendation is for a 2.5% increase based on the HEPI index and a recommendation of full funding of Operations and Program Enhancement requests which combined would require an additional \$22.2 million, of which \$2.4 million would be for the University of Arkansas for Medical Sciences (UAMS).

The individual institutional recommendations for all three types of institutions (Colleges, Universities, and Non-Formula Entities) were determined in the following manner: The general revenue funds were distributed based upon the productivity funding distribution policy adopted by the AHECB in October 2017. The non-formula needs were based on the justifications submitted by the institutions. **The total funding recommendation for 2022-23 for Colleges and Universities is \$11,406,434 in new revenue with \$3,980,692 of that being redistributed from one time incentive funds. The total recommendation for 2022-2023 for the Non-Formula Entities is \$22,166,725 in new revenue.**

In addition to these funding recommendations, an additional appropriation increase recommendation of 2% of the formula based entities funding recommendation has been added to address any changes in disbursements for Educational Excellence Trust Fund revenues or any other state funding adjustments. This increase totals \$9,703,113 for the **universities** and \$3,616,267 for the **two-year colleges**.

ADHE Executive Staff recommend that the Arkansas Higher Education Coordinating Board approve the following resolution.

**RESOLVED**, That the Arkansas Higher Education Coordinating

Board adopts the recommendations for state funding of the educational and general operations of Arkansas public institutions of higher education in the 2022-23 fiscal year as included in Tables 13A, 13B, 13C, and 13D.

**FURTHER RESOLVED,** That the Director of the Arkansas Division of Higher Education is authorized to prepare appropriate documents for transmission to the Governor and the General Assembly of the 2022-23 operating recommendations of the Arkansas Higher Education Coordinating Board.

**FURTHER RESOLVED,** That should any errors of a technical nature be found in these recommendations, the Director of the Arkansas Division of Higher Education is authorized to make appropriate corrections consistent with the policy established by the Board's action on these recommendations.



**Table A. Summary of Operating Recommendations for the 2022-23 Fiscal Year**

Institution Type	Fiscal Year 2021-22 Base				FY2022-23 AHECB Recommendations		
	EETF Forecast	WF2000	RSA Forecast	Total Base (RSA, EETF & WF2000)	Total Recommendation	New Funds	% Inc
	Universities	49,045,415	2,157,610	427,206,276	476,646,751	485,155,625	8,508,875
Colleges	9,665,138	23,372,671	147,096,103	177,915,769	180,817,607	2,901,838	1.6%
Total	58,710,552	25,530,281	574,302,379	654,562,520	665,973,233	11,410,713	1.7%

Non-Formula Entity Type	Fiscal Year 2021-22 Base			FY2022-23 AHECB Recommendation		
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	Total Recommendation	New Funds	% Inc
	Non-Formula Entities	18,065,435	91,742,942	109,808,377	129,589,194	19,780,817
Health Care-Related UAMS	12,704,769	95,436,321	108,141,090	110,526,998	2,385,908	2.2%
Total	30,770,204	187,179,263	217,949,467	240,116,192	22,166,725	10.2%



Table B. 2022-23 Four-Year Universities Recommendations

Inst	FY2021-22					PRODUCTIVITY DISTRIBUTIONS									FY2022-23 Recommendations			
	EETF Forecast	WF2000 Forecast	RSA Forecast	One-Time Incentive Funding in RSA	Total Base (RSA + EETF + WF2000 - Incentive Funding)	% Change in Productivity Index	Productivity Index Increases	Contribution to Increase	Distribution of Productivity Funding (New Funds)	% Increase over RSA	Reallocation Losses (2.0%)	Reallocation of Productivity Losses	RSA Increase (Capped at 2.0%)	Incentive Funding	Total Funding Recommendation	New Funds	2% Appropriation Adjustment	Total Recommendation
ASUJ	\$ 7,984,649	\$ -	\$ 58,414,129	\$ 340,033	\$ 66,058,745	2.86%	871	14.05%	1,195,404	2.06%	-	88,165	1,161,482	122,087	\$ 67,342,314	\$ 1,283,569	\$ 1,346,846	\$ 68,689,160
ATU*	\$ 2,740,617	\$ 794,492	\$ 33,747,068	\$ -	\$ 37,282,177	3.15%	715	11.54%	981,609	2.91%	-	72,397	674,941	379,065	\$ 38,336,184	\$ 1,054,007	\$ 766,724	\$ 39,102,907
HSU	\$ 2,835,039	\$ -	\$ 19,241,667	\$ -	\$ 22,076,706	0.09%	7	0.11%	9,669	0.05%	-	713	10,382	-	\$ 22,087,088	\$ 10,382	\$ 441,742	\$ 22,528,830
SAUM	\$ 1,676,137	\$ -	\$ 16,894,452	\$ 272,045	\$ 18,298,544	-4.22%	-	0.00%	-	0.00%	332,448	(332,448)	-	-	\$ 17,966,096	\$ (332,448)	\$ 359,322	\$ 18,325,418
UAF	\$ 12,258,078	\$ -	\$ 126,404,531	\$ 1,118,894	\$ 137,543,715	6.09%	3,779	60.93%	5,184,677	4.14%	-	382,389	2,505,713	3,061,354	\$ 143,110,781	\$ 5,567,066	\$ 2,862,216	\$ 145,972,997
UAFS	\$ 4,154,129	\$ -	\$ 20,632,826	\$ -	\$ 24,786,955	1.46%	179	2.89%	245,809	1.19%	-	18,129	263,939	-	\$ 25,050,894	\$ 263,939	\$ 501,018	\$ 25,551,912
UALR	\$ 7,199,600	\$ -	\$ 56,534,925	\$ -	\$ 63,734,525	-0.52%	-	0.00%	-	0.00%	295,113	(295,113)	-	-	\$ 63,439,412	\$ (295,113)	\$ 1,268,788	\$ 64,708,200
UAM*	\$ 1,446,559	\$ 1,363,118	\$ 16,324,481	\$ 31,578	\$ 19,102,580	2.67%	170	2.74%	233,185	1.43%	-	17,198	250,384	-	\$ 19,352,964	\$ 250,384	\$ 387,059	\$ 19,740,023
UAPB	\$ 2,511,196	\$ -	\$ 22,827,305	\$ -	\$ 25,338,501	0.64%	46	0.74%	63,335	0.28%	-	4,671	68,007	-	\$ 25,406,508	\$ 68,007	\$ 508,130	\$ 25,914,638
UCA	\$ 6,239,411	\$ -	\$ 56,184,892	\$ -	\$ 62,424,303	1.74%	434	6.99%	595,185	1.06%	-	43,897	639,082	-	\$ 63,063,385	\$ 639,082	\$ 1,261,268	\$ 64,324,653
<b>Total</b>	\$ 49,045,415	\$ 2,157,610	\$ 427,206,276	\$ 1,762,550	\$ 476,646,751	2.72%	6,202	100%	8,508,875	2%	627,561	-	5,573,930	3,562,506	\$ 485,155,625	\$ 8,508,875	\$ 9,703,113	\$ 494,858,738

\*Includes ATU-Ozark

\*\*Includes UAM-Crossett and UAM-McGehee



Table C. 2022-23 Two Year Colleges Recommendations

Inst	FY2021-22					PRODUCTIVITY DISTRIBUTIONS									FY2022-23 Recommendations			
	EETF Forecast	WF2000 Forecast	RSA Forecast	One-Time Incentive Funding in RSA	Total Base (RSA + EETF + WF2000 - Incentive Funding)	% Change in Productivity Index	Productivity Index Increases	Contribution to Increase	Distribution of Productivity Funding (New Funds)	% Increase over RSA	Reallocation Losses (2.0%)	Reallocation of Productivity Losses	RSA Increase (Capped at 2.0%)	Incentive Funding	Total Funding Recommendation	New Funds	2% Appropriation Adjustment	Total Recommendation
ANC	\$ 977,844	\$ 730,954	\$ 8,879,507	\$ 45,178	\$ 10,543,127	1.34%	40	1.45%	41,896	0.47%	-	9,520	\$ 51,416	\$ -	\$ 10,594,543	\$ 51,416	\$ 211,891	\$ 10,806,434
ASUB	\$ 1,950,618	\$ 801,945	\$ 11,525,049	\$ -	\$ 14,277,612	-1.00%	-	0.00%	-	0.00%	114,896	(114,896)	\$ -	\$ -	\$ 14,162,716	\$ (114,896)	\$ 283,254	\$ 14,445,970
ASUMH	\$ -	\$ 823,929	\$ 3,610,087	\$ -	\$ 4,434,016	-2.21%	-	0.00%	-	0.00%	72,202	(72,202)	\$ -	\$ -	\$ 4,361,814	\$ (72,202)	\$ 87,236	\$ 4,449,051
ASUMS	\$ -	\$ 2,190,914	\$ 4,097,248	\$ -	\$ 6,288,162	-6.54%	-	0.00%	-	0.00%	81,945	(81,945)	\$ -	\$ -	\$ 6,206,217	\$ (81,945)	\$ 124,124	\$ 6,330,341
ASUN	\$ -	\$ 1,417,628	\$ 6,760,376	\$ 369,200	\$ 7,808,804	2.66%	151	5.50%	159,335	2.49%	-	36,205	\$ 127,824	\$ 67,716	\$ 8,004,344	\$ 195,540	\$ 160,087	\$ 8,164,431
ASUTR	\$ -	\$ 1,156,386	\$ 3,407,518	\$ -	\$ 4,563,904	-1.91%	-	0.00%	-	0.00%	56,620	(56,620)	\$ -	\$ -	\$ 4,507,284	\$ (56,620)	\$ 90,146	\$ 4,597,429
BRTC	\$ -	\$ 2,245,209	\$ 5,842,363	\$ -	\$ 8,087,572	-2.60%	-	0.00%	-	0.00%	34,523	(34,523)	\$ -	\$ -	\$ 8,053,049	\$ (34,523)	\$ 161,061	\$ 8,214,110
CCCUA	\$ -	\$ 1,350,337	\$ 3,591,046	\$ 45,486	\$ 4,895,897	6.35%	204	7.41%	214,624	6.05%	-	48,768	\$ 70,911	\$ 192,480	\$ 5,159,288	\$ 263,391	\$ 103,186	\$ 5,262,474
EACC	\$ 1,020,807	\$ 783,221	\$ 8,492,200	\$ 83,008	\$ 10,213,220	15.31%	336	12.21%	353,880	4.21%	-	80,410	\$ 168,184	\$ 266,107	\$ 10,647,510	\$ 434,290	\$ 212,950	\$ 10,860,460
NAC	\$ 602,877	\$ 575,177	\$ 7,650,937	\$ -	\$ 8,828,991	-0.88%	-	0.00%	-	0.00%	67,251	(67,251)	\$ -	\$ -	\$ 8,761,740	\$ (67,251)	\$ 175,235	\$ 8,936,975
NPC	\$ 1,526,761	\$ 668,021	\$ 8,995,643	\$ -	\$ 11,190,425	7.16%	348	12.65%	366,672	4.08%	-	83,317	\$ 179,913	\$ 270,076	\$ 11,640,414	\$ 449,989	\$ 232,808	\$ 11,873,222
NWACC	\$ 1,349,263	\$ -	\$ 11,957,235	\$ 743,294	\$ 12,563,204	4.89%	654	23.76%	688,568	6.14%	-	156,460	\$ 224,279	\$ 620,749	\$ 13,408,232	\$ 845,028	\$ 268,165	\$ 13,676,397
OZC	\$ -	\$ 1,271,841	\$ 3,257,617	\$ 147,860	\$ 4,381,598	6.52%	175	6.37%	184,571	5.94%	-	41,939	\$ 62,195	\$ 164,314	\$ 4,608,107	\$ 226,509	\$ 92,162	\$ 4,700,270
PCCUA	\$ 994,128	\$ 529,856	\$ 9,280,565	\$ 112,098	\$ 10,692,451	2.64%	67	2.44%	70,687	0.77%	-	16,062	\$ 86,749	\$ -	\$ 10,779,200	\$ 86,749	\$ 215,584	\$ 10,994,784
SACC	\$ 698,159	\$ 461,389	\$ 6,068,050	\$ -	\$ 7,227,598	3.22%	108	3.93%	113,894	1.88%	-	25,879	\$ 121,361	\$ 18,412	\$ 7,367,371	\$ 139,773	\$ 147,347	\$ 7,514,719
SAUT	\$ 275,225	\$ -	\$ 5,786,719	\$ 104,389	\$ 5,957,555	-2.37%	-	0.00%	-	0.00%	113,647	(113,647)	\$ -	\$ -	\$ 5,843,908	\$ (113,647)	\$ 116,878	\$ 5,960,786
SEAC	\$ -	\$ 1,975,199	\$ 5,386,789	\$ -	\$ 7,361,988	-3.27%	-	0.00%	-	0.00%	31,831	(31,831)	\$ -	\$ -	\$ 7,330,157	\$ (31,831)	\$ 146,603	\$ 7,476,760
UACCB	\$ -	\$ 866,760	\$ 4,192,273	\$ -	\$ 5,059,033	10.33%	305	11.10%	321,606	7.67%	-	73,077	\$ 83,845	\$ 310,837	\$ 5,453,716	\$ 394,683	\$ 109,074	\$ 5,562,790
UACCHT	\$ -	\$ 1,958,947	\$ 5,019,982	\$ 228,970	\$ 6,749,959	1.11%	39	1.43%	41,393	0.86%	-	9,405	\$ 50,798	\$ -	\$ 6,800,757	\$ 50,798	\$ 136,015	\$ 6,936,772
UACCM	\$ -	\$ 1,291,186	\$ 5,350,369	\$ 163,237	\$ 6,478,318	2.86%	168	6.10%	176,638	3.41%	-	40,136	\$ 103,743	\$ 113,031	\$ 6,695,092	\$ 216,774	\$ 133,902	\$ 6,828,994
UACCRM	\$ 269,456	\$ -	\$ 3,478,484	\$ 175,422	\$ 3,572,518	8.59%	155	5.65%	163,796	4.96%	-	37,218	\$ 66,147	\$ 139,147	\$ 3,777,811	\$ 205,293	\$ 75,556	\$ 3,853,368
UA-PTC	\$ -	\$ 2,273,772	\$ 14,466,046	\$ -	\$ 16,739,818	-2.67%	-	0.00%	-	0.00%	85,481	(85,481)	\$ -	\$ -	\$ 16,654,337	\$ (85,481)	\$ 333,087	\$ 16,987,424
<b>Total</b>	\$ 9,665,138	\$ 23,372,671	\$ 147,096,103	\$ 2,218,142	\$ 177,915,769	1.71%	2,750	100%	2,897,559	2.00%	658,396	-	\$ 1,397,364	\$ 2,162,870	\$ 180,817,607	\$ 2,901,838	\$ 3,616,352	\$ 184,433,960





**Table D. 2022-23 Non-Formula Entities Recommendations**

Institution/Entity	FY2021-22			FY 2022-23 Recommendations			
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	2.5% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2021-22 Rec.	Total Recommendation
ADTEC/ADWIRED	\$ -	\$ 1,527,000	\$ 1,527,000	\$ 38,175	\$ -	\$ 38,175	\$ 1,565,175
AREON	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
ASU-System Office	\$ 191,251	\$ 2,446,032	\$ 2,637,283	\$ 61,151	\$ -	\$ 61,151	\$ 2,698,434
ASU-Heritage	\$ -	\$ 362,348	\$ 362,348	\$ 9,059	\$ 2,131,569	\$ 2,140,628	\$ 2,502,976
HSU-CEC	\$ -	\$ 81,687	\$ 81,687	\$ 2,042	\$ -	\$ 2,042	\$ 83,729
NWACC-CPTC	\$ -	\$ -	\$ -	\$ -	\$ 265,942	\$ 265,942	\$ 265,942
SACC-Arboretum	\$ -	\$ -	\$ -	\$ -	\$ 56,330	\$ 56,330	\$ 56,330
SAUT-ETA	\$ 45,992	\$ 375,036	\$ 421,028	\$ 9,376	\$ 103,269	\$ 112,645	\$ 533,673
SAUT-FTA	\$ 116,405	\$ 1,680,943	\$ 1,797,348	\$ 42,024	\$ 1,262,460	\$ 1,304,484	\$ 3,101,832
UA-SYS	\$ 608,643	\$ 3,479,474	\$ 4,088,117	\$ 86,987	\$ 744,665	\$ 831,652	\$ 4,919,769
UA-AS	\$ 176,507	\$ 2,369,274	\$ 2,545,781	\$ 59,232	\$ -	\$ 59,232	\$ 2,605,013
UA-DivAgri	\$ 7,244,885	\$ 65,800,138	\$ 73,045,023	\$ 1,645,003	\$ 1,500,000	\$ 3,145,003	\$ 76,190,026
UA-ASMSA	\$ 9,681,752	\$ 1,133,048	\$ 10,814,800	\$ 28,326	\$ 861,000	\$ 889,326	\$ 11,704,126
UA-CS	\$ -	\$ 2,336,896	\$ 2,336,896	\$ 58,422	\$ 109,200	\$ 167,622	\$ 2,504,518
UA-CJI	\$ -	\$ 2,258,634	\$ 2,258,634	\$ 56,466	\$ 554,833	\$ 611,299	\$ 2,869,933
UAF-ARTP	\$ -	\$ -	\$ -	\$ -	\$ 260,000	\$ 260,000	\$ 260,000
UAF-Autism	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
UAF-GWG	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
UAF-Pryor Center	\$ -	\$ -	\$ -	\$ -	\$ 104,784	\$ 104,784	\$ 104,784
UAF-WTC AR	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000
UALR-RAPS	\$ -	\$ 4,083,883	\$ 4,083,883	\$ 102,097	\$ 1,437,500	\$ 1,539,597	\$ 5,623,480
UAPB-Nonformula*	\$ -	\$ 3,808,549	\$ 3,808,549	\$ 95,214	\$ 1,145,691	\$ 1,240,905	\$ 5,049,454
<b>Total</b>	<b>\$ 18,065,435</b>	<b>\$ 91,742,942</b>	<b>\$ 109,808,377</b>	<b>\$ 2,293,574</b>	<b>\$ 17,487,243</b>	<b>\$ 19,780,817</b>	<b>\$ 129,589,194</b>

\*UAPB's Recommendation for RSA funding is for federal matching purposes.

**Health-Related Non-Formula Entity - UAMS**

	FY2021-22			FY 2022-23 Recommendations			
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	2.5% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2021-22 Rec.	Total Recommendation
UAMS	\$ 12,396,301	\$ 88,012,881	\$ 100,409,182	\$ 2,200,322	\$ -	\$ 2,200,322	\$ 102,609,504
UAMS-Ped/Pysch/Res.	\$ -	\$ 1,985,100	\$ 1,985,100	\$ 49,628	\$ -	\$ 49,628	\$ 2,034,728
UAMS-IC	\$ 308,468	\$ 5,438,340	\$ 5,746,808	\$ 135,959	\$ -	\$ 135,959	\$ 5,882,767
<b>Total</b>	<b>\$ 12,704,769</b>	<b>\$ 95,436,321</b>	<b>\$ 108,141,090</b>	<b>\$ 2,385,908</b>	<b>\$ -</b>	<b>\$ 2,385,908</b>	<b>\$ 110,526,998</b>