Developing and Implementing Equity Metrics

Kate Shirley Akers, PhD
Associate Vice Chancellor and Chief Data Officer
4/12/2023
Overview of Funding Models

State System receives appropriation from State, which is then distributed to universities through an allocation formula

This formula:

• Is required by law as a means for the Board to distribute state appropriated dollars

• Provides a predictable revenue stream universities can plan for and around

• Comprises the primary fund sources the Board can direct, which can also include:
  
  One-time money: Certain portions of the American Rescue Plan Act (ARPA) and/or State Employee Retirement System (SERS) Pension Prefunding Savings

  System loans drawn on reserves
Allocation Formula Review

Formal process completed in 2022 to review and update allocation formula (2014).

The key goals of the new formula were to:

a) align funding with the current student population needs to more equitably distribute the per-student appropriation dollars and

b) account for the universities’ differential costs (driven by size, location, mission).

• Process drew up on national research and data, including meta-analyses from SHEEO and IPEDS/SHEF data.

• Extensive review of research on the impact of performance based/student success funding on student equity
2022 Funding Formula Components

- At least 75% Student Enrollment Based
  - 20% URM and Pell Grant recipient enrollment, progress for degree, and program level
- No more than 25% for core operations
  - Provides stability for smaller institutions where efficiency gains more challenging
- Set to review every 5 years, but may shift as university enrollment changes

Non-Enrollment
No more than 25%

Core Operations

Enrollment

- 2-Year Average Base FTE Enrollment
- URM Under-Represented Minority
- Pell Grant Recipients
- Progress to Degree Weighted
- Program Level Weighted
Challenges in Adoption

- Unsteady enrollment impacts the level of funding for core operations
- Need for additional funding for rural schools
- Timeline of available data, Pell grant recipients in particular