

TOPIC: DRAFT POLICY REGARDING ADJUSTING NCHEMS-GAP ALLOCATION MODEL FOR RESIDENT FTE AND TUITION

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I. BACKGROUND

Please refer to the Background section for agenda item II, D, “NEW COMMISSION POLICY REGARDING FUNDING MODEL – UP FRONT INFLATION ADJUSTMENT”, for more background and context for this agenda item.

This draft policy concerns disaggregated policy components of the NCHEMS-gap funding allocation model. The institutions’ Chief Executive Officers (CEOs) agreed to a process of having the Commission’s Policy Committee work with staff to develop a proposal for submission to the Governor’s Office for the FY09-10 budget. That final recommended model will be reviewed with the CEOs and then by the Commission in a study session. Action to adopt a formal gap closure allocation model policy will follow at a subsequent Commission meeting. This is the second opportunity for the Commission to address some of these policy components in study session. The study session is meant to be an opportunity to receive additional input from the institutions and the public and to have informal discussion among the Commissioners.

One of the policy concerns expressed by some of the CEOs during last year’s funding model discussion was ensuring that the funding model developed to distribute state General Funds was based only on resident students.

This draft policy has been approved by the Commission’s Policy Committee and reviewed by the CEOs and the CFOs.

II. SUMMARY

The draft policy for discussion is included as Attachment A of this agenda item. It describes how the NCHEMS gap analysis would be adjusted to account for resident students for the purpose of allocating state funds.

The data pulled from the Integrated Postsecondary Education Data Systems (IPEDS) to determine each institution’s per student FTE funding gap includes total tuition revenue from both resident and nonresident students. Although nonresident tuition revenue is included in each institution’s NCHEMS funding gap, for the purposes of allocating state General Funds for resident instruction, the per FTE gap should be multiplied by resident students to arrive at a resident FTE gap on which the allocation of state funds would be based.