

CCHE Recommendation on the 2022-23 Funding Allocation Model

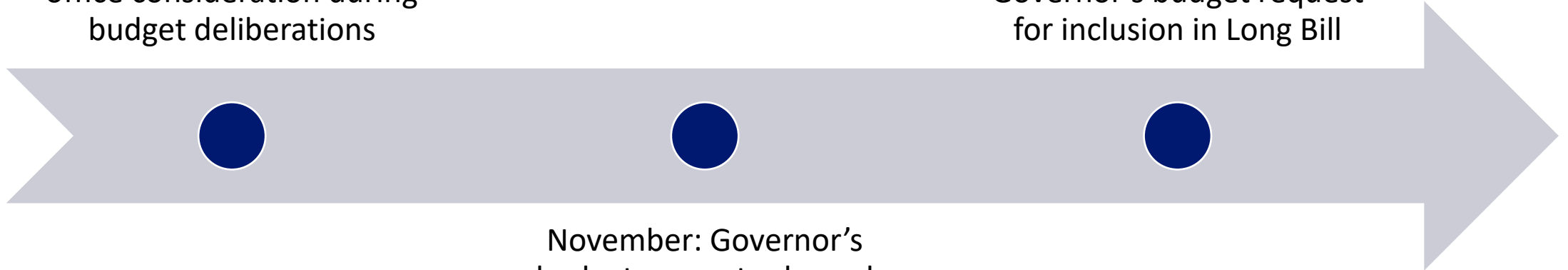
September 2, 2021

Budget Timeline

September: CCHE makes recommendation on FY22-23 funding model for Governor's office consideration during budget deliberations

January-May: JBC considers Governor's budget request for inclusion in Long Bill

November: Governor's budget request released



HB 20-1366 Funding Allocation Model

STEP ONE: Targeted Base Building

Funding based on Strategic Plan goals, institutional needs, base funding concerns, specific projects or populations. Funding becomes part of a governing board's base in subsequent years.

\$41.8 million in FY 2021-22.

STEP TWO: Performance Funding

Bulk of funding goes through this step. Funds based on improvement over time in:

- Resident Enrollment
- Credential Production
- Pell Enrollment Share
- Race/Ethnicity Enrollment Share
- Retention Rate
- Graduation Rate (100%)
- Graduation Rate (150%)
- First Generation Enrollment Share

\$700.3 million in FY 2021-22.

STEP THREE: Targeted One Time

Like Step One, funding based on Strategic Plan goals, institutional needs, base funding concerns, specific projects or populations.

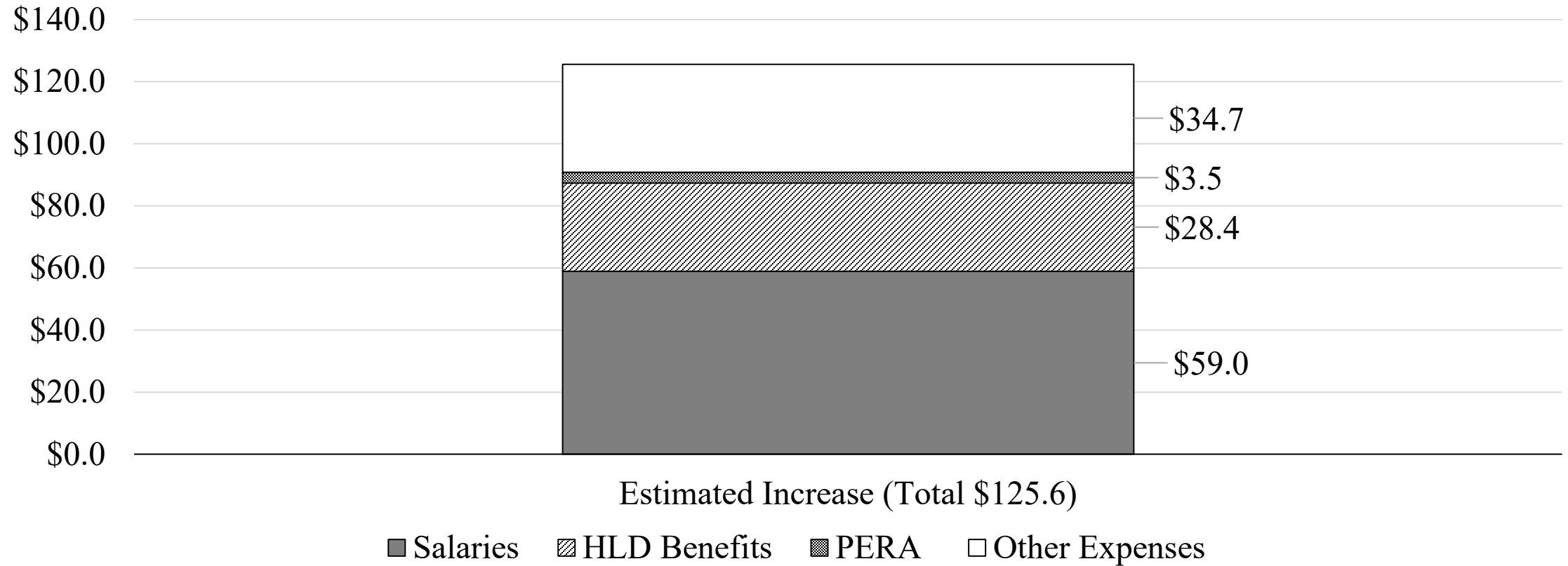
Unlike Step One, this funding is one time. Has not yet been funded.

CCHE Guiding Language on FY 2022-23 Recommendation

Sustaining current base funding is essential. Beyond that the next critical funding element is supporting minimum core cost increases which align with the state's common policies and recognize inherent inflationary cost increases experienced by all IHE's, with those increases flowing through step 2 of the formula. Beyond that, additional investments in steps 1 and/or 3 should continue to focus on closing equity gaps as outlined in the Strategic Plan. As additional step 1/3 investments are made in the programs and infrastructure needed to serve students, consideration should be given to assessing student outcomes, including their retention and completion, at the appropriate time after investments and initiatives have had adequate time to impact results.

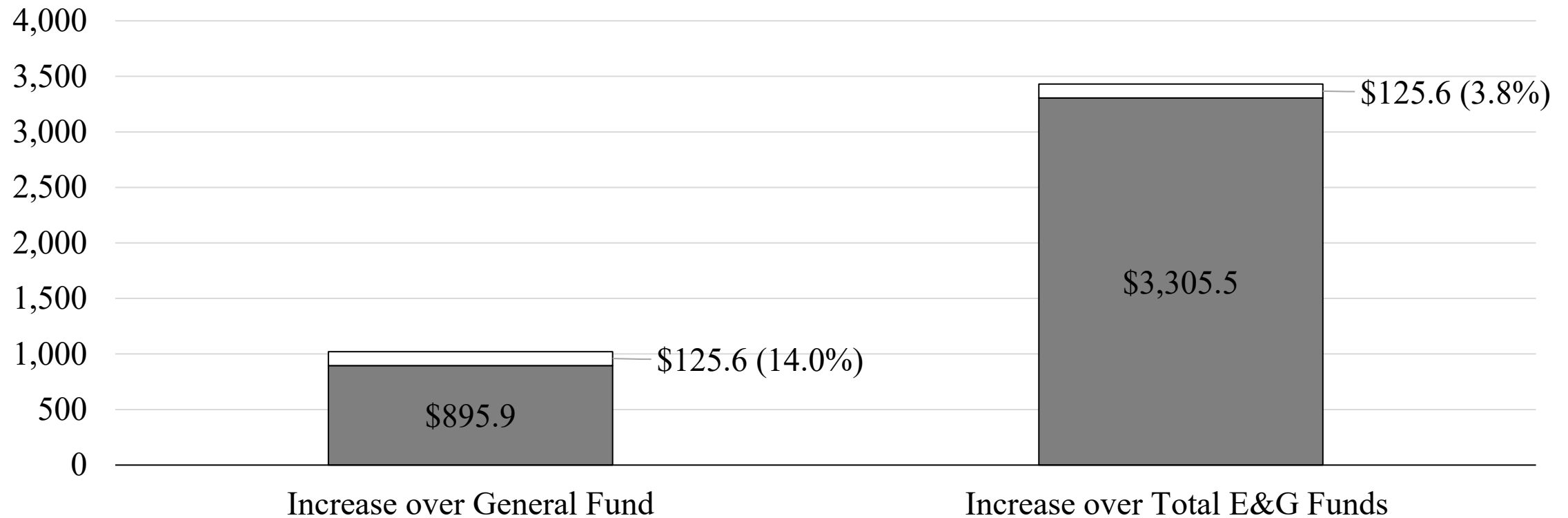
Core Minimum Cost Increases

FY 2022-23 Core Minimum Cost Increases
(\$ in Millions)



Core Minimum Cost Increases

Core Minimum Cost Increases over
General Fund vs Total E&G Funds
(\$ in Millions)



Federal Relief Funds (in Millions)

Federal Funds	Minimum Amount to Students	Maximum Amount to Institutions
CRF	NA	\$450.0
HEERF I	\$69.6	\$74.9
HEERF II	\$69.6	\$191.6
HEERF III	\$230.2	\$224.8
Total	\$369.4	\$941.3

Governing Board Recommendation on Step One

Metric	Dollars	Percent of Step One Funding
First Generation FTE	\$1,291,968	16.3%
First Generation Headcount	\$1,291,968	16.3%
Race/Ethnicity Headcount	\$1,291,968	16.3%
Pell Headcount	\$1,291,968	16.3%
Race/Ethnicity Retention	\$2,782,700	35%

Tuition vs General Fund Increases

Tuition % Increase	Tuition \$ Increase	General Fund \$ Increase	General Fund % Increase
0.0%	-	\$125,584,097	14.0%
1.0%	\$24,082,912	\$101,501,185	11.3%
2.0%	\$48,165,824	\$77,418,273	8.6%
3.0%	\$72,248,735	\$53,335,362	6.0%