

May 13, 2005

STATE BOARD SETTLES ON 3.5 PERCENT FUNDING EQUITY REALLOCATION

BOISE - Responding to the Legislature's instructions, the State Board of Education voted to reallocate a portion of the college and university FY 2006 appropriation to begin implementing equity funding.

Rather than reallocate the full \$5.6 million set forth in the original 2001 funding equity recommendation, the Board decided to reallocate 3.5 percent of that amount for fiscal year 2006 in an effort to minimize the impact to the institutions in the coming year. The Board agreed that a funding equity plan would be completed for future budget allocations. As a result of the Board's action, University of Idaho's proposed budget was reduced by \$196,800, Idaho State University proposed budget was increased by \$84,100, Boise State University's proposed budget was increased by \$110,100, and Lewis-Clark State College's proposed budget was increased by \$2,600.

In 2001, the Board commissioned a study with MGT of America to review the method of allocating funds to Idaho's four-year institutions. As part of the study, each institution's missions, programs, faculty, operation and maintenance as well as research funding needs were considered. The study concluded that several institutions were not receiving an equitable amount of state support based on its programs and faculty needs. According to the study, in order to fully fund equity among the institutions, the state would need to appropriate an additional \$5.6 million.

In the FY 2006 college and university appropriation, rather than issue new funds the Legislature directed the State Board of Education to begin the process of funding equity using existing and future appropriations.

"Establishing equity funding among our institutions has been a long term goal of the Board. However, our desire was that this occurs through the use of new funds, not through the reallocation of existing funds. In order to avoid significant impact to our institutions, the Board reallocated 3.5 percent of the total amount recommended for the coming fiscal year," said Rod Lewis, State Board of Education President. "The Board will continue to study the issue and develop a plan to achieve funding equity through future allocations. It's my hope that the Legislature will understand the impact of using existing funds and reconsider additional funding to correct this problem."