

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**MAY 13, 2005**

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**SUBJECT**

FY 2006 College and University Allocation

**REFERENCE**

April 2005

Action held over to future meeting pending additional review of funding equity process as directed by Legislature

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.S.

**BACKGROUND**

The legislature appropriates to the State Board of Education and the Board of Regents monies for the general education programs at BSU, ISU, LCSC, UI, and system-wide needs. The Board allocates the lump-sum appropriation to the four institutions based on legislative intent and Board Policy, Section V.S.

**DISCUSSION**

According to Board policy, the allocation is made in the following order: 1) each institution shall be allocated its prior year base; 2) funds for the Enrollment Workload Adjustment; 3) funds for new occupancy costs; 4) funding of special allocations; and 5) a general allocation based on proportionate share to total budget request.

**IMPACT**

This action allocates the FY 2006 College and Universities' lump-sum appropriation to the institutions for general education program and system-wide needs. The funds allocated along with revenue generated from potential fee increases will establish the operating budgets for the general education program for FY 2006. The FY 2006 Allocation, shown on page 7, consists of the lump-sum appropriation, SB1187, and the 27<sup>th</sup> payroll appropriation, SB1230. The employee compensation appropriation, HB395, was passed contingent upon the General Fund revenue balance at June 30, 2005, and therefore is not being allocated at this time.

Reallocating existing funds for funding equity purposes will result in additional monies being provided to Boise State University, Idaho State University and Lewis-Clark State College, with funds being removed from the allocation for the University of Idaho.

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**STAFF COMMENTS**

The following documents are integral to this agenda item, and are referred to below:

- |             |  |
|-------------|--|
| Page 5      | Original Funding Equity allocation (FY 2002) using new funds.                                |
| Page 7      | Potential allocations (two options) for FY 2006: original and with proposed 5% reallocation. |
| Pages 9-13  | FY 2006 Appropriation bills for College and Universities (SB 1187, SB 1230).                 |
| Pages 14-16 | Board policy relating to allocation of the lump-sum appropriation.                           |

In the FY 2006 appropriation for College and Universities, the legislature directed the Board to complete the funding equity process (Page 10). The President's Council and Financial Vice-President's group have been actively discussing this topic.

At the April 22 meeting of the Board, the motion to allocate the FY 2006 appropriation was tabled pending additional information being provided regarding funding equity. Following that meeting Board and institutional staff have spent a significant amount of time reviewing and discussing the funding equity matter.

The worksheet on page 5 shows the original calculations for Base Funding and Research Funding allocations for each of the four institutions, as approved by the Board in January 2002. Lines 3 and 7 display the Base Funding and Research Funding allocations, respectively. Lines 11 and 12 display the individual adjustments necessary to achieve complete funding equity as defined by the MGT study and Board action regarding research. Line 14 shows the net transfer amounts needed to fully complete equity. Line 16 presents the amounts that would be used to adjust the FY 2006 Budget Base if the 5% reallocation option is selected. The 5% option shows the negative financial impact upon the University of Idaho, and the resulting positive financial impact upon the other three institutions.

The worksheet on Page 7 outlines two alternatives: lines 13 through 37 display the FY 2006 funding allocation for Colleges and Universities as originally proposed at the April 2005 meeting with no reallocation occurring; lines 39 through 64 display the FY 2006 funding allocation for Colleges and Universities with a 5% reallocation of funds occurring to begin funding equity.

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Regardless of which option is chosen, an intensive effort will begin to determine if the funding equity reallocation process is satisfactory, and if an update to the MGT study is warranted, including whether additional criteria needs to be included in the review process.

**BOARD ACTION**

**5% REALLOCATION OPTION:**

A motion to approve the allocation of the FY 2006 legislative appropriations contained in Senate Bills 1187 and 1230 for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as presented on Page 7, lines 39 through 64 of this agenda item, to include a 5% Base reallocation for funding equity as shown on line 43. The Board directs the Finance Committee to begin to prepare a multi-year reallocation plan regarding funding equity, as directed by the Legislature.

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

OR

**NO REALLOCATION IN FY 2006 OPTION:**

A motion to approve the allocation of the FY 2006 legislative appropriations contained in Senate Bills 1187 and 1230 for Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College, and system-wide needs, as originally proposed at the April 2005 Board meeting, and contained on Page 7, lines 13 through 37 of this agenda item. Further, the Board directs the Finance Committee to begin to prepare a multi-year reallocation plan regarding funding equity, to begin in FY2007, as directed by the Legislature. This motion does not reallocate any funds in FY 2006 for funding equity purposes.

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

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**Idaho State Board of Education**  
Original Funding Equity Amounts Using New Funds

|   | <u>BSU</u>       | <u>ISU</u>       | <u>Uofl</u>        | <u>LCSC</u>   | <u>Total</u> |
|---|------------------|------------------|--------------------|---------------|--------------|
| 1 <b>Original Funding Equity-Board Approved</b> |                  |                  |                    |               |              |
| 2   |                  |                  |                    |               |              |
| 3 Base Funding Allocation                       | 4,490,700        | 3,429,300        | -                  | -             | 7,920,000    |
| 4   |                  |                  |                    |               |              |
| 5 Share of Total                                | 56.70%           | 43.30%           |                    |               | 100.00%      |
| 6   |                  |                  |                    |               |              |
| 7 Research Equity Allocation                    | 302,000          | 326,400          | 2,296,600          | 75,000        | 3,000,000    |
| 8   |                  |                  |                    |               |              |
| 9 <b>Funding Equity</b>                         |                  |                  |                    |               |              |
| 10  |                  |                  |                    |               |              |
| 11 Base Funding Equity                          | 4,490,700        | 3,429,300        | (7,920,000)        |               | -            |
| 12 Research Equity (based on share of total)    | (1,344,700)      | (1,026,900)      | 2,296,600          | 75,000        | -            |
| 13  |                  |                  |                    |               |              |
| 14 Net total Transfer                           | <u>3,146,000</u> | <u>2,402,400</u> | <u>(5,623,400)</u> | <u>75,000</u> | -            |
| 15  |                  |                  |                    |               |              |
| 16 5% FY 2006 Base Adjustment                   | 157,300          | 120,100          | (281,200)          | 3,800         | -            |

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# COLLEGE & UNIVERSITIES

## Potential Allocation of FY2006 Appropriation

| Appropriation:                              | FY05 Appr     | FY06 Appr     | % Chge      | Sys Needs:      | FY05 Appr       | FY06 Appr    |
|---|---------------|---------------|-------------|-----------------|-----------------|--------------|
| <b>General Educ Approp</b>                  |               |               |             | HERC            | 1,440,000       | 1,440,000    |
| General Account                             | 225,003,900   | 228,934,100   | 1.75%       | Tech Grants     | 1,575,000       | 1,575,000    |
| Endowment Funds                             | 10,093,500    | 9,519,600     | -5.69%      | Sys Nds         | 75,000          | 75,000       |
| One-time Funding: 27th Payroll              |               |               |             | Total           | 3,090,000       | 3,090,000    |
| General Account                             | 0             | 4,247,900     |             |                 |                 |              |
| Dedicated Funds                             | 0             | 0             |             |                 |                 |              |
| Total Gen Acct & Endow Funds                | 235,097,400   | 242,701,600   | 3.23%       |                 |                 |              |
| Student Fees/Misc Revenue                   | 112,179,100   | 111,659,800   | -0.46%      |                 |                 |              |
| One-time Student Fees:                      |               |               |             |                 |                 |              |
| Total Ongoing Gen Educ Approp               | 347,276,500   | 354,361,400   | 2.04%       |                 |                 |              |
| <b>Allocation (without Funding Equity):</b> |               |               |             |                 |                 |              |
|   | <b>B.S.U.</b> | <b>I.S.U.</b> | <b>U.I.</b> | <b>L.C.S.C.</b> | <b>SYS-WIDE</b> | <b>TOTAL</b> |
| <b>FY05 Gen Acct &amp; Endow Funding</b>    | 68,438,600    | 61,818,600    | 87,490,100  | 12,549,400      | 3,090,000       | 233,386,700  |
| FY 2005 Supp. Occupancy                     | 0             | 378,900       | 169,200     | 0               | 0               | 548,100      |
| Base Reduction - Endow. Loss                | (432,600)     | (390,700)     | (553,000)   | (79,300)        |                 | (1,455,600)  |
| <b>FY06 Budget Base</b>                     | 68,006,000    | 61,806,800    | 87,106,300  | 12,470,100      | 3,090,000       | 232,479,200  |
| % Base Reduction                            | -0.63%        | -0.63%        | -0.63%      | -0.63%          | 0.00%           | -0.62%       |
| <b>Additional Funding for FY06:</b>         |               |               |             |                 |                 |              |
| MCO Adjustments:                            |               |               |             |                 |                 |              |
| Personnel Benefits                          | 570,700       | 630,200       | 1,011,200   | 143,400         |                 | 2,355,500    |
| CEC @ 1% (see note below)                   | 0             | 0             | 0           | 0               |                 | 0            |
| Nonstandard Adjustments:                    |               |               |             |                 |                 |              |
| Risk Mgmt/Controller/Treasurer              | 22,500        | 39,900        | 75,400      | (89,800)        |                 | 48,000       |
| External Nonstandard Adjustments:           |               |               |             |                 |                 |              |
| Enrollment Workload Adjustment              | 1,179,200     | 556,500       | 865,600     | 144,500         |                 | 2,745,800    |
| 27th Payroll (One-Time) (see note)          | 1,228,000     | 1,140,800     | 1,598,700   | 280,400         |                 | 4,247,900    |
| New Occupancy Costs                         | 0             | 378,900       | 205,800     | 240,500         |                 | 825,200      |
| External Nonstandard Adjustments            | 0             | 0             | 0           | 0               |                 | 0            |
| Fund Shift: Endowment Loss                  | 0             | 0             | 0           | 0               |                 | 0            |
| Total Addl Funding                          | 3,000,400     | 2,746,300     | 3,756,700   | 719,000         | 0               | 10,222,400   |
| <b>FY06 Gen Acct &amp; Endow Allocation</b> | 71,006,400    | 64,553,100    | 90,863,000  | 13,189,100      | 3,090,000       | 242,701,600  |
| % Change From FY05 Funding                  | 3.75%         | 4.42%         | 3.86%       | 5.10%           | 0.00%           | 3.99%        |
| % Chge From FY05 Fdg less One-time Fds      | 1.96%         | 2.58%         | 2.03%       | 2.86%           | 0.00%           | 2.17%        |
| FY06 Est Std Fee Revenue                    | 39,031,500    | 29,526,500    | 36,585,000  | 6,516,800       | 0               | 111,659,800  |
| FY06 Oper Bdg                               | 110,037,900   | 94,079,600    | 127,448,000 | 19,705,900      | 3,090,000       | 354,361,400  |
| <b>Allocation (with Funding Equity):</b>    |               |               |             |                 |                 |              |
|   | <b>B.S.U.</b> | <b>I.S.U.</b> | <b>U.I.</b> | <b>L.C.S.C.</b> | <b>SYS-WIDE</b> | <b>TOTAL</b> |
| <b>FY05 Gen Acct &amp; Endow Funding</b>    | 68,438,600    | 61,818,600    | 87,490,100  | 12,549,400      | 3,090,000       | 233,386,700  |
| FY 2005 Supp. Occupancy                     | 0             | 378,900       | 169,200     | 0               | 0               | 548,100      |
| Base Reduction - Endow. Loss                | (432,600)     | (390,700)     | (553,000)   | (79,300)        |                 | (1,455,600)  |
| Funding Equity Allocation: 5%               | 157,300       | 120,100       | (281,200)   | 3,800           |                 | 0            |
| <b>FY06 Budget Base</b>                     | 68,163,300    | 61,926,900    | 86,825,100  | 12,473,900      | 3,090,000       | 232,479,200  |
| % Base Reduction                            | -0.63%        | -0.63%        | -0.63%      | -0.63%          | 0.00%           | -0.62%       |
| <b>Additional Funding for FY06:</b>         |               |               |             |                 |                 |              |
| MCO Adjustments:                            |               |               |             |                 |                 |              |
| Personnel Benefits                          | 570,700       | 630,200       | 1,011,200   | 143,400         |                 | 2,355,500    |
| CEC @ 1% (see note below)                   | 0             | 0             | 0           | 0               |                 | 0            |
| Nonstandard Adjustments:                    |               |               |             |                 |                 |              |
| Risk Mgmt/Controller/Treasurer              | 22,500        | 39,900        | 75,400      | (89,800)        |                 | 48,000       |
| External Nonstandard Adjustments:           |               |               |             |                 |                 |              |
| Enrollment Workload Adjustment              | 1,179,200     | 556,500       | 865,600     | 144,500         |                 | 2,745,800    |
| 27th Payroll (One-Time) (see note)          | 1,228,000     | 1,140,800     | 1,598,700   | 280,400         |                 | 4,247,900    |
| New Occupancy Costs                         | 0             | 378,900       | 205,800     | 240,500         |                 | 825,200      |
| External Nonstandard Adjustments            | 0             | 0             | 0           | 0               |                 | 0            |
| Fund Shift: Endowment Loss                  | 0             | 0             | 0           | 0               |                 | 0            |
| Total Addl Funding                          | 3,000,400     | 2,746,300     | 3,756,700   | 719,000         | 0               | 10,222,400   |
| <b>FY06 Gen Acct &amp; Endow Allocation</b> | 71,163,700    | 64,673,200    | 90,581,800  | 13,192,900      | 3,090,000       | 242,701,600  |
| % Change From FY05 Funding                  | 3.98%         | 4.62%         | 3.53%       | 5.13%           | 0.00%           | 3.99%        |
| % Chge From FY05 Fdg less One-time Fds      | 2.19%         | 2.77%         | 1.71%       | 2.89%           | 0.00%           | 2.17%        |
| FY06 Est Std Fee Revenue                    | 39,031,500    | 29,526,500    | 36,585,000  | 6,516,800       | 0               | 111,659,800  |
| FY06 Oper Bdg                               | 110,195,200   | 94,199,700    | 127,166,800 | 19,709,700      | 3,090,000       | 354,361,400  |

Note: Not included in CU regular appropriation bills

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|    |   |                   |
|----|---|-------------------|
| 23 | General Fund                            | \$228,934,100     |
| 24 | Normal School Endowment Income Fund     | 3,205,600         |
| 25 | Scientific School Endowment Income Fund | 2,848,500         |
| 26 | University Endowment Income Fund        | 3,465,500         |
| 27 | Unrestricted Current Fund               | 35,130,800        |
| 28 | Restricted Current Fund                 | <u>76,529,000</u> |
| 29 | TOTAL                                   | \$350,113,500     |

30 SECTION 2. SYSTEMWIDE PROGRAMS. Of the amount appropriated from the Gen-  
31 eral Fund in Section 1 of this act, an amount not to exceed \$75,000 shall be  
32 used by the Office of the State Board of Education for systemwide needs; an  
33 amount not to exceed \$1,600,000 may be used for the mission and goals of the  
34 Higher Education Research Council; an amount not to exceed \$1,750,000 may be  
35 used for the competitive Idaho Technology Incentive Grant Program to foster  
36 innovative learning approaches using technology, promote the Idaho Electronic  
37 Campus and support Idaho's participation in the Western Governors' Association  
38 Virtual University; an amount not to exceed \$500,000 may be used for teacher  
39 preparation activities associated with Idaho's Comprehensive Literacy Act; and  
40 an amount not to exceed \$1,300,000 may be used for the Governor's College and  
41 University Excellence Initiative.

42 SECTION 3. FUNDING EQUITY. The Legislature agrees with the State Board of  
1 Education that achieving funding equity among Idaho's four year institutions  
2 of higher education is an important goal. The Legislature therefore directs  
3 the State Board of Education to complete that process within existing and  
4 future appropriations to achieve the base instructional equity and the science  
5 and technology adjustment that form the basis of funding equity.

6 SECTION 4. FACULTY WORKLOAD AND PRODUCTIVITY. It is legislative intent to  
7 develop a profile of our four four-year institutions to identify how many  
8 credit hours per faculty member are spent in teaching, service and research.  
9 The State Board of Education, in cooperation with the Division of Financial  
10 Management and the Legislative Services Office, shall develop a standardized  
11 system for reporting meaningful data about faculty member workload and produc-  
12 tivity at the state's four four-year institutions of higher education. Such  
13 reports shall include the number of faculty by classification, whether  
14 tenured, tenure track or adjunct; the number of credit hours taught by faculty

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15 member by department, the number of service hours and the number of research  
16 hours by faculty member by department.

17 SECTION 5. PERSONNEL TURNOVER. The State Board of Education shall con-  
18 tinue to provide a standardized system for tracking and reporting meaningful  
19 data about faculty, nonfaculty exempt, and classified staff turnover at the  
20 state's institutions of higher education. These statistics shall be available  
21 to the Division of Financial Management and the Legislative Services Office no  
22 later than November 1 of each year.

23 SECTION 6. CARRYOVER AUTHORITY. There is hereby reappropriated to the  
24 State Board of Education and the Board of Regents for the University of Idaho  
25 for Boise State University, Idaho State University, the University of Idaho,  
26 Lewis-Clark State College, and the Office of the State Board of Education, any  
27 non-General Fund unexpended and unencumbered balances from fiscal year 2005,  
28 to be used for nonrecurring expenditures for the period July 1, 2005, through  
29 June 30, 2006.

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**Statement of Purpose / Fiscal Impact**

**Statement of Purpose**

**RS14321**

This bill is the FY 2006 appropriation for the College and Universities in the state of Idaho. Overall, the appropriation reflects a 2.5% increase in General Funds and a 2.6% increase in total funds. The bill provides for increases in personnel benefits, and in the non-standard adjustment category covers statewide cost allocation, an enrollment workload adjustment, and occupancy costs for three facilities. Also included is a one-time fund shift to cover the pooled endowment shortfall, which will not affect the overall funds available for higher education.

**Fiscal Note**

|                                       | FTP             | Gen                | Ded                | Fed      | Total              |
|---------------------------------------|-----------------|--------------------|--------------------|----------|--------------------|
| <b>FY 2005 Original Appropriation</b> | <b>3,631.55</b> | <b>223,366,200</b> | <b>117,928,300</b> | <b>0</b> | <b>341,294,500</b> |
| Reappropriations                      | 0.00            | 51,800             | 37,058,600         | 0        | 37,110,400         |
| HB 805 One-time 1% Salary Increase    | 0.00            | 1,689,800          | 592,300            | 0        | 2,282,100          |
| <b>College and Universities</b>       |                 |                    |                    |          |                    |
| 1. Occupancy Costs                    | 3.25            | 548,100            | 0                  | 0        | 548,100            |
| 2. Endowment Reallocation             | 0.00            | 0                  | 0                  | 0        | 0                  |
| Other Approp Adjustments              | 0.00            | 0                  | 0                  | 0        | 0                  |
| <b>FY 2005 Total Appropriation</b>    | <b>3,634.80</b> | <b>225,655,900</b> | <b>155,579,200</b> | <b>0</b> | <b>381,235,100</b> |
| Non-Cognizable Funds and Transfers    | 27.50           | 0                  | 3,752,000          | 0        | 3,752,000          |
| Budgeted Reversion                    | 0.00            | (652,000)          | 0                  | 0        | (652,000)          |
| <b>FY 2005 Estimated Expenditures</b> | <b>3,662.30</b> | <b>225,003,900</b> | <b>159,331,200</b> | <b>0</b> | <b>384,335,100</b> |
| Removal of One-Time Expenditures      | 0.00            | (1,741,600)        | (37,650,900)       | 0        | (39,392,500)       |
| Base Adjustments                      | 0.00            | 652,000            | (1,455,600)        | 0        | (803,600)          |
| <b>FY 2006 Base</b>                   | <b>3,662.30</b> | <b>223,914,300</b> | <b>120,224,700</b> | <b>0</b> | <b>344,139,000</b> |
| Benefit Costs                         | 0.00            | 2,355,500          | 0                  | 0        | 2,355,500          |
| Inflationary Adjustments              | 0.00            | 0                  | 0                  | 0        | 0                  |
| Nonstandard Adjustments               | 10.25           | 3,619,000          | 0                  | 0        | 3,619,000          |
| Change in Employee Compensation       | 0.00            | 0                  | 0                  | 0        | 0                  |
| 27th Payroll                          | 0.00            | 0                  | 0                  | 0        | 0                  |
| Fund Shifts                           | 0.00            | (954,700)          | 954,700            | 0        | 0                  |
| <b>FY 2006 Program Maintenance</b>    | <b>3,672.55</b> | <b>228,934,100</b> | <b>121,179,400</b> | <b>0</b> | <b>350,113,500</b> |
| <b>Enhancements</b>                   |                 |                    |                    |          |                    |
| <b>College and Universities</b>       |                 |                    |                    |          |                    |
| 1. Unfunded Enrollment Workload Adj.  | 0.00            | 0                  | 0                  | 0        | 0                  |
| 2. Funding Equity                     | 0.00            | 0                  | 0                  | 0        | 0                  |
| Lump Sum or Other Adjustments         | 0.00            | 0                  | 0                  | 0        | 0                  |
| <b>FY 2006 Total</b>                  | <b>3,672.55</b> | <b>228,934,100</b> | <b>121,179,400</b> | <b>0</b> | <b>350,113,500</b> |
| Chg from FY 2005 Orig Approp          | 41.00           | 5,567,900          | 3,251,100          | 0        | 8,819,000          |
| % Chg from FY 2005 Orig Approp.       | 1.1%            | 2.5%               | 2.8%               |          | 2.6%               |

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LEGISLATURE OF THE STATE OF IDAHO  
Fifty-eighth Legislature                      First Regular Session - 2005

IN THE SENATE

SENATE BILL NO. 1230

BY FINANCE COMMITTEE

1            AN ACT

2    RELATING TO APPROPRIATIONS; APPROPRIATING ADDITIONAL MONEYS FOR FISCAL  
YEAR

3    2006 TO STATE AGENCIES AND INSTITUTIONS FOR THE TWENTY-SEVENTH PAYROLL  
FOR

4    STATE EMPLOYEES; AND STATING LEGISLATIVE INTENT TO RETURN UNUSED FUNDS  
TO

5    THE ECONOMIC RECOVERY FUND.

6    Be It Enacted by the Legislature of the State of Idaho:

7    SECTION 1. In addition to any other appropriation provided by law, there  
8    is hereby appropriated to the following agencies and institutions for the  
9    twenty-seventh payroll the following amounts to be expended for the designated  
10   programs for one-time personnel costs only from the listed funds for the  
11   period July 1, 2005, through June 30, 2006:

|    |  |              |
|----|--|--------------|
| 12 | TOTAL  |              |
| 13 | (1) AGRICULTURAL RESEARCH AND EXTENSION SERVICE: |              |
| 14 | FROM:  |              |
| 15 | Economic Recovery Reserve Fund                   | \$ 802,800   |
| 16 | (2) STATE BOARD OF EDUCATION                     |              |
| 17 | COLLEGE AND UNIVERSITIES:                        |              |
| 18 | FROM:  |              |
| 19 | Economic Recovery Reserve Fund                   | \$ 4,247,900 |

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**REFERENCE - APPLICABLE STATUTE, RULE, OR POLICY - continued**

Idaho State Board of Education  
**GOVERNING POLICIES AND PROCEDURES**  
**SECTION: V. FINANCIAL AFFAIRS**

**Subsection: S. Allocation of Lump Sum Appropriation:**

**April 2002**

**S. Allocation of Lump Sum Appropriation (BSU, ISU, LCSC, UI)**

1. Objectives

- a. The funding process should offer maximum institutional flexibility to allocate funds internally to carry out roles and missions established by the Board.
- b. The funding process should be a straightforward approach that can be used by the Board to express system-wide priorities.
- c. There should be a clear and understandable relationship between institutional needs, the system-wide funding request, the legislative appropriations, the allocation of funds, and the ultimate use of the funds.
- d. The funding process should not penalize institutions as the result of decisions related to the internal allocation of resources by other institutions.
- e. Any incentives that the Board uses in the funding process should be explicit.
- f. The funding process should be applied consistently from year-to-year so that there can be some level of predictability in the allocation as well as increased confidence in the outcome.
- g. The funding process should encourage cooperative programs among institutions.
- h. The funding process should be compatible with the Statewide Plan for Higher Education.

2. Methodology

The allocation shall consist of the total of the lump sum general account appropriation and actual land grant endowment receipts. The allocation shall be made in the following order:

- a. Each institution shall be allocated its base allocation of the prior year.
- b. An Enrollment Workload Adjustment shall be applied to the allocation of each institution. The adjustment shall be calculated as follows:

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- (1) A three-(3) year moving average of credit hours multiplied by the program weights shall be used. The three (3) years to be used shall be those which precede the year of the allocation and shall consist of two (2) years of actual and one (1) year of estimated credit hours.
- (2) Effective with the FY 1990 allocation, credit hours generated from externally funded sources and contracts shall be removed from this adjustment. Credit hours for in-service teacher education shall not be removed.
- (3) The total budget base of the institutions shall be multiplied by 0.33 and divided by the three-(3)year moving average of total weighted credit hours for the prior year. The resultant amount per credit hour shall be multiplied by the change from the prior three-(3)year moving average of weighted credit hours for each institution to calculate the adjustment by institution.
- (4) Program weights are the weighting factors applied to four (4) categories of instructional disciplines with different weight factors by category and course level. The groups and factors follow.

|  |  |
|--|--|
| <u>Group 1</u><br>Physical Education<br>Law<br>Letters<br>Library Sciences<br>Mathematics<br>Military Science<br>Psychology<br>Social Sciences   | <u>Group II</u><br>Area Studies<br>Business & Management<br>Education<br>Communications<br>Home Economics<br>Public Affairs<br>Interdisciplinary Studies |
| <u>Group III</u><br>Agricultural & Natural Resources<br>Architecture & Environmental<br>Design<br>Biological Sciences<br>Fine & Applied Arts<br>Foreign Languages<br>Physical Sciences | <u>Group IV</u><br>Engineering<br>Health Professions<br>Computer & Information Sciences  |

The weighting factors for the above categories are as follows:

| <u>Course Level</u> | <u>Category</u> |      |      |      |
|---------------------|-----------------|------|------|------|
|                     | I               | II   | III  | IV   |
| Lower Division      | 1.00            | 1.30 | 1.60 | 3.00 |
| Upper Division      | 1.50            | 1.90 | 2.50 | 3.50 |
| Graduate            | 3.50            | 3.50 | 6.00 | 6.50 |
| Law                 | 2.60            | --   | --   | --   |

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An additional five percent (5%) emphasis factor is given to the Primary Emphasis areas at each institution. These areas are:

|   |  |
|---|--|
| <u>Boise State University</u><br>Business<br>Social Science (includes Economics)<br>Public Affairs<br>Performing Arts (excluding Art)<br>Education<br>Engineering | <u>Idaho State University</u><br>Health Professions<br>Biological Sciences<br>Physical Sciences<br>Education |
| <u>University of Idaho</u><br>Agriculture<br>Forestry<br>Mines<br>Engineering<br>Architecture<br>Law<br>Foreign Languages<br>Education                            | <u>Lewis-Clark State College</u><br>Business<br>Criminal Justice<br>Nursing<br>Social Work<br>Education      |

- c. Operations and maintenance funds (custodial, maintenance, and utilities) for new, major general education capital improvement projects shall be allocated to affect institutions.
- d. Decision units above the base shall be consistent with the legislative budget request. The allocation of these decision units to the institutions shall be based on the proportionate share of each institution in the total budget request for these decision units applied to the increase in appropriations above the base excluding special allocations.
- e. The Board may also allocate funds for special activities or projects at the discretion of the Board.