

DRAFT FUNDING FORMULA – FOR DISCUSSION [8/1/17]

	# of Grads 2016/2017	Total \$ 2016	\$ per Graduate
Boise State University			
University of Idaho			
Idaho State University			
LCSC			
CSI			
NIC			
CEI			
CWI			

- “Baseline Graduation Rate” will be the average number of graduates for the combined three years of 2014/2015/2016
- Phase in will occur over eight (8) years with a goal of reaching 60% degree(undergrad and graduate)/certificates statewide by 2025
- Higher Education Institutions will receive a minimum of 2.5% addition to their “Base Funding” annually in place of the current Line Item process
- Additionally, the Legislature will establish a “Degree Completion Incentive Fund” of \$_____ per year.
- Each Higher Education Institution will be expected to increase “graduates” by 2.55 % per year - to be called “Graduation Benchmark”. Graduation Benchmarks will be stratified by Bachelor’s degrees, Associates degrees, and Certificates. “Job outs” (to be defined) won’t count against Graduation Benchmarks.
 - For each degree that an Institution exceeds the Graduation Benchmark, it shall be allocated \$20,000 per Bachelor’s degree, \$10,000 per Associates degree, \$5,000 per Certificate , and, if applicable, \$2500 per student transfer from a community college to a University. This allocation shall be over and above an Institution’s Base Funding and shall be paid from the Degree Completion Incentive Fund for that year. There will be a cap of ___% of Degree Completion Incentive Funds that may be earned by any Institution in any given year.
 - For each degree that an Institution falls below its Baseline Graduation Rate in a given year, the Institution’s Base Funding will be decreased by \$20,000 per Bachelor’s degree,

\$10,000 per Associates degree and \$5,000 per Certificate. However, an Institution's Base Funding cannot be decreased more than _____% in any one year.

- The State Board of Education in conjunction with policy makers, the business community and other stakeholders shall annually delineate specific degrees as "priority" degrees and certain groups as "underrepresented" groups and achievement for these identified degrees shall count as 125% of a normal degree/certificate.
- Any funds not awarded from the Degree Completion Incentive Funds in a given year and any funds deducted from an Institution's Base Funding shall be credited to the Higher Education Stabilization Fund. If there are insufficient funds in the degree completion incentive fund and the higher education stabilization fund to provide funding for all incentives earned, any unfunded yet earned incentive funds will continue to be requested in future years until they are funded.
- The Legislature will create a first year "Seed Money" program (to be more fully defined) to assist the Institutions in launching this initiative.