

Changing the Approach to Capture Role and Mission Factors

Over the past few weeks as we have engaged in the 1319 model development process, the Funding Allocation Model Team (FAMET), the Executive Advisory Group (EAG), and additional stakeholders expressed concerns about the complexity of the approach to the role and mission factors and the grouping and indexing methodology. In response, NCHEMs went back to the drawing board to create a simpler, more direct approach to the role and mission component of the model. They reflected on the Project Principles adopted by the EAG and Colorado Commission on Higher Education (CCH) through the process, the CCH Master Plan goals, and the goals outlined in the bill and developed a new approach that accounts for seven of the initial role and mission factors. All other design elements approved by FAMET and EAG remain unchanged.

The Proposed Solution:

The new approach utilizes one calculation to account for the bulk of the role and mission factors spelled out in the legislation, under Section 23-18-303(3). It takes an institutions total completed student credit hours for a year and multiplies that by a weighted discipline cluster according to a recognized cost-informed matrix (see attached [“Nevada Higher Education Funding Formula Summary”](#)). The Pell-eligible, Under-represented Minorities and Low Student Enrollment factors will continue to be separate components in the role and mission section of the formula.

How Does This Comply with the Law?

Under the role and mission component, HB 14-1319 requires funding be provided to governing boards to “*offset the costs incurred*” in providing undergraduate and graduate programs. In addition, the bill specifically seeks to create greater transparency and a better understanding of how state dollars are directed to public institutions of higher education, along with ensuring that limited state resources are used to incentivize achieving our policy goals.

This proposed methodology would utilize a cost matrix that is the result of a robust multi-state study and accounts for (1) all types of institutions - rural/urban, small/large, selective/open access and (2) the drivers that contribute to the overall cost of providing undergraduate and graduate programs. Such drivers encompass the costs inherent to providing remediation, institutional selectivity, number of campuses, high cost undergraduate and graduate programs, and whether or not an institution conducts research. This cost matrix methodology is being utilized as part of the overall state funding allocation structure in Nevada, Massachusetts, and Mississippi. In addition, this cost matrix has already been approved by FAMET, EAG, and CCH for measuring the role and mission factors of both undergraduate and graduate programs with a high cost per student.

This design change continues to take into consideration the feedback received through the regional meetings, which identified two issues as being of greatest importance: “Increased Completions” and “Low Student Enrollment/Underserved.” Coming in third was “Affordability”.

This approach is simple, transparent and meets the requirements in HB 14-1319, the Project Principles, and the CCH Master Plan goals.

Next Steps

FAMET and EAG members have been individually called and initially briefed on this new approach.

The FAMET will meet on Thursday, October 30th via conference call from 11AM – Noon to discuss this approach and weigh in with their comfort level with moving in this direction.

The EAG will then meet on Thursday, October 30th via conference call from 2:30PM – 3:30PM to also discuss this approach, hear about the discussions that FAMET had, and then weigh in with their comfort level with moving in this direction.

CCH meets on Thursday, November 6th. This new approach will be presented and considered by the Commission, along with the comments and input from FAMET and EAG.