

Arkansas Division of Higher Education

Operating Recommendations for State-Supported Institutions of Higher Education

Fiscal Year 2024-2025



Institutional Finance

December 2023

Arkansas Division of Higher Education
101 E. Capitol Avenue, Suite 300 Little Rock, AR 72201

**RECOMMENDATIONS FOR EDUCATIONAL AND GENERAL OPERATIONS
STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION
FISCAL YEAR 2024-25**

Background

A.C.A. §6-61-234 (Act 148 of 2017) directs the Arkansas Higher Education Coordinating Board (AHECB) to adopt polices developed by the Arkansas Division of Higher Education (ADHE) necessary to implement a productivity-based funding model for state-supported institutions of higher education. That language reads as follows:

“(a) (1) (A) The Arkansas Higher Education Coordinating Board shall adopt policies developed by the Division of Higher Education necessary to implement a productivity-based funding model for state-supported institutions of higher education.”

Productivity-based funding is a mechanism to align institutional funding with statewide priorities for higher education by incentivizing progress toward statewide goals. At the same time, such models encourage accountability to students and policymakers by focusing on the success of students through the achievement of their educational goals. The new funding model is built around a set of shared principles developed by institutions and aligned with goals and objectives for post-secondary attainment in our state.

At its October 27, 2017 meeting, the AHECB approved the productivity funding model policies for the two-year colleges and universities. The policies were developed in conjunction with presidents and chancellors after meetings and revisions. The AHECB shall use the productivity-based funding model as the mechanism for recommending funding for applicable state-supported institutions of higher education. According to A.C.A. §6-61-234, the productivity-based funding model shall not determine the funding needs of special units such as a medical school, division of agriculture, or system offices. These special units are known as non-formula entities and ADHE staff reviewed justification requests submitted by the non-formula entities and prepared funding recommendations for Fiscal Year 2024-25 based upon those requests.

Operating Funding Recommendations for the 2024-25 Fiscal Year

The operating recommendations are based upon the productivity funding formula policies approved by the AHECB in October 2017 as well as requests submitted by the non-formula entities.

For the **universities**, a net 0% change in funding is recommended for a total change in university funding of \$0.

For the **two-year colleges**, a net 0% change in funding is recommended for a total change in two-year college funding of \$0.

For the **non-formula entities**, the recommendation is for a 7.0% increase based on the HEPI index and a recommendation of full funding of Operations and Program Enhancement requests which combined would require an additional \$51.72 million, of which \$30.0 million would be for the University of Arkansas for Medical Sciences (UAMS).

The individual institutional recommendations for all three types of institutions (Colleges, Universities, and Non-Formula Entities) were determined in the following manner: The general revenue funds were distributed based upon the productivity funding distribution policy adopted by the AHECB in October 2017. The non-formula needs were based on the justifications submitted by the institutions. **The total funding recommendation for 2024-25 for Colleges and Universities is \$0 in new revenue with \$4,555,985 of one time incentive funds being utilized for statewide purposes. The total recommendation for 2024-2025 for the Non-Formula Entities is \$51,724,246 in new revenue.**

In addition to these funding recommendations, an additional appropriation increase recommendation of 2% of the formula based entities funding recommendation has been added to address any changes in disbursements for Educational Excellence Trust Fund revenues or any other state funding adjustments. This increase totals \$9,946,076 for the **universities** and \$3,626,503 for the **two-year colleges**.

ADHE Executive Staff recommend that the Arkansas Higher Education Coordinating Board approve the following resolution.

RESOLVED, That the Arkansas Higher Education Coordinating Board adopts the recommendations for state funding of the educational and general operations of Arkansas public institutions of higher education in the 2024-25 fiscal year as included in Tables 03A, 03B, 03C, and 04D.

FURTHER RESOLVED, That the Commissioner of the Arkansas Division of Higher Education is authorized to prepare appropriate documents for transmission to the Governor and the General Assembly of the 2024-25 operating recommendations of the Arkansas Higher Education Coordinating Board.

FURTHER RESOLVED, That should any errors of a technical nature be found in these recommendations, the Commissioner of the Arkansas Division of Higher Education is authorized to make appropriate corrections consistent with the policy established by the Board's action on these recommendations.

Table A. Summary of Operating Recommendations for the 2024-25 Fiscal Year

Institution Type	Fiscal Year 2023-24 Base				FY2024-25 AHECB Recommendations		
	EETF Forecast	WF2000	RSA Forecast	Total Base (RSA, EETF & WF2000)	Total Recommendation	New Funds	% Inc
	Universities	57,615,273	2,157,610	441,380,258	497,303,776	497,303,776	0
Colleges	11,456,762	23,372,671	147,202,356	181,325,169	181,325,169	0	0.0%
Total	69,072,035	25,530,281	588,582,614	678,628,945	678,628,945	0	0.0%

Non-Formula Entity Type	Fiscal Year 2023-24 Base			FY2024-25 AHECB Recommendation		
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	Total Recommendation	New Funds	% Inc
	Non-Formula Entities	21,935,915	91,922,632	113,858,547	135,573,582	21,715,035
Health Care-Related UAMS	15,059,852	100,786,321	115,846,173	145,855,383	30,009,210	25.9%
Total	36,995,767	192,708,953	229,704,720	281,428,966	51,724,246	22.5%

Table B. 2024-25 Four-Year Universities Recommendations

Inst	FY2023-24					PRODUCTIVITY DISTRIBUTIONS									FY2024-25 Recommendations			
	EETF Forecast	WF2000 Forecast	RSA Forecast	One-Time Incentive Funding in RSA	Total Base (RSA + EETF + WF2000 - Incentive Funding)	% Change in Productivity Index	Productivity Index Increases	Contribution to Increase	Distribution of Productivity Funding (New Funds)	% Increase over RSA	Reallocation Losses (2.0%)	Reallocation of Productivity Losses	RSA Increase (Capped at 2.0%)	Incentive Funding	Total Funding Recommendation	New Funds	2% Appropriation Adjustment	Total Recommendation
ASUJ	\$ 9,303,808	\$ -	\$ 59,689,978	\$ -	\$ 68,993,786	-0.65%	-	0.00%	-	0.00%	390,716	(390,716)	-	-	\$ 68,603,070	\$ (390,716)	\$ 1,372,061	\$ 69,975,131
ATU*	\$ 3,248,645	\$ 794,492	\$ 37,098,010	\$ -	\$ 41,141,147	-3.71%	-	0.00%	-	0.00%	741,960	(741,960)	-	-	\$ 40,399,187	\$ (741,960)	\$ 807,984	\$ 41,207,171
HSU	\$ 3,360,570	\$ -	\$ 19,133,799	\$ -	\$ 22,494,369	-3.69%	-	0.00%	-	0.00%	382,676	(382,676)	-	-	\$ 22,111,693	\$ (382,676)	\$ 442,234	\$ 22,553,927
SAUM	\$ 1,986,843	\$ -	\$ 16,933,028	\$ -	\$ 18,919,871	-0.42%	-	0.00%	-	0.00%	71,151	(71,151)	-	-	\$ 18,848,720	\$ (71,151)	\$ 376,974	\$ 19,225,694
UAF	\$ 14,169,624	\$ -	\$ 134,196,542	\$ 3,849,365	\$ 144,516,801	4.24%	2,925	100.00%	-	0.00%	-	4,236,833	2,606,944	1,629,889	\$ 148,753,634	\$ 4,236,833	\$ 2,975,073	\$ 151,728,707
UAFS	\$ 4,924,179	\$ -	\$ 21,475,331	\$ -	\$ 26,399,510	-5.07%	-	0.00%	-	0.00%	429,507	(429,507)	-	-	\$ 25,970,003	\$ (429,507)	\$ 519,400	\$ 26,489,403
UALR	\$ 8,534,190	\$ -	\$ 56,512,398	\$ -	\$ 65,046,588	-0.96%	-	0.00%	-	0.00%	539,714	(539,714)	-	-	\$ 64,506,874	\$ (539,714)	\$ 1,290,137	\$ 65,797,012
UAM*	\$ 1,714,708	\$ 1,363,118	\$ 17,037,500	\$ -	\$ 20,115,326	-2.49%	-	0.00%	-	0.00%	340,750	(340,750)	-	-	\$ 19,774,576	\$ (340,750)	\$ 395,492	\$ 20,170,068
UAPB	\$ 2,976,696	\$ -	\$ 22,398,055	\$ -	\$ 25,374,751	-6.89%	-	0.00%	-	0.00%	447,961	(447,961)	-	-	\$ 24,926,790	\$ (447,961)	\$ 498,536	\$ 25,425,326
UCA	\$ 7,396,010	\$ -	\$ 56,905,617	\$ -	\$ 64,301,627	-1.57%	-	0.00%	-	0.00%	892,398	(892,398)	-	-	\$ 63,409,229	\$ (892,398)	\$ 1,268,185	\$ 64,677,414
Total	\$ 57,615,273	\$ 2,157,610	\$ 441,380,258	\$ 3,849,365	\$ 497,303,776	-0.18%	2,925	100%	-	0%	4,236,833	-	2,606,944	1,629,889	\$ 497,303,776	\$ (0)	\$ 9,946,076	\$ 507,249,852

*Includes ATU-Ozark
 **Includes UAM-Crossett and UAM-McGehee

Table C. 2024-25 Two Year Colleges Recommendations

Inst	FY2023-24					PRODUCTIVITY DISTRIBUTIONS									FY2024-25 Recommendations			
	EETF Forecast	WF2000 Forecast	RSA Forecast	One-Time Incentive Funding in RSA	Total Base (RSA + EETF + WF2000 - Incentive Funding)	% Change in Productivity Index	Productivity Index Increases	Contribution to Increase	Distribution of Productivity Funding (New Funds)	% Increase over RSA	Reallocation Losses (2.0%)	Reallocation of Productivity Losses	RSA Increase (Capped at 2.0%)	Incentive Funding	Total Funding Recommendation	New Funds	2% Appropriation Adjustment	Total Recommendation
ANC	\$ 1,159,107	\$ 730,954	\$ 8,944,734	\$ -	\$ 10,834,795	-2.35%	-	0.00%	-	0.00%	178,895	(178,895)	\$ -	\$ -	\$ 10,655,900	\$ (178,895)	\$ 213,118	\$ 10,869,018
ASUB	\$ 2,312,204	\$ 801,945	\$ 11,356,380	\$ -	\$ 14,470,529	-8.15%	-	0.00%	-	0.00%	0	(0)	\$ -	\$ -	\$ 14,470,529	\$ (0)	\$ 289,411	\$ 14,759,939
ASUMH	\$ -	\$ 823,929	\$ 3,558,951	\$ -	\$ 4,382,880	8.68%	307	14.41%	-	0.00%	-	136,903	\$ 71,179	\$ 65,724	\$ 4,519,783	\$ 136,903	\$ 90,396	\$ 4,610,179
ASUMS	\$ -	\$ 2,190,914	\$ 4,132,171	\$ 36,563	\$ 6,286,522	-3.17%	-	0.00%	-	0.00%	81,912	(81,912)	\$ -	\$ -	\$ 6,204,610	\$ (81,912)	\$ 124,092	\$ 6,328,702
ASUN	\$ -	\$ 1,417,628	\$ 6,550,910	\$ -	\$ 7,968,538	0.30%	20	0.94%	-	0.00%	-	8,902	\$ 8,902	\$ -	\$ 7,977,440	\$ 8,902	\$ 159,549	\$ 8,136,989
ASUTR	\$ -	\$ 1,156,386	\$ 3,381,360	\$ -	\$ 4,537,746	-2.39%	-	0.00%	-	0.00%	0	(0)	\$ -	\$ -	\$ 4,537,746	\$ (0)	\$ 90,755	\$ 4,628,501
BRTC	\$ -	\$ 2,245,209	\$ 5,955,612	\$ 31,614	\$ 8,169,207	22.10%	892	41.81%	-	0.00%	-	397,308	\$ 118,480	\$ 278,828	\$ 8,566,515	\$ 397,308	\$ 171,330	\$ 8,737,845
CCCUA	\$ -	\$ 1,350,337	\$ 3,783,425	\$ 94,625	\$ 5,039,137	3.74%	154	7.24%	-	0.00%	-	68,778	\$ 68,778	\$ -	\$ 5,107,915	\$ 68,778	\$ 102,158	\$ 5,210,074
EACC	\$ 1,210,034	\$ 783,221	\$ 8,801,435	\$ 52,514	\$ 10,742,176	0.04%	1	0.06%	-	0.00%	-	568	\$ 568	\$ -	\$ 10,742,744	\$ 568	\$ 214,855	\$ 10,957,598
NAC	\$ 714,632	\$ 575,177	\$ 7,605,726	\$ -	\$ 8,895,535	-4.75%	-	0.00%	-	0.00%	0	(0)	\$ -	\$ -	\$ 8,895,535	\$ (0)	\$ 177,911	\$ 9,073,446
NPC	\$ 1,809,776	\$ 668,021	\$ 9,225,070	\$ -	\$ 11,702,867	-2.80%	-	0.00%	-	0.00%	184,501	(184,501)	\$ -	\$ -	\$ 11,518,366	\$ (184,501)	\$ 230,367	\$ 11,748,733
NWACC	\$ 1,599,375	\$ -	\$ 11,646,737	\$ -	\$ 13,246,112	0.04%	7	0.31%	-	0.00%	-	2,942	\$ 2,942	\$ -	\$ 13,249,054	\$ 2,942	\$ 264,981	\$ 13,514,035
OZC	\$ -	\$ 1,271,841	\$ 3,411,991	\$ 176,599	\$ 4,507,233	0.84%	29	1.36%	-	0.00%	-	12,892	\$ 12,892	\$ -	\$ 4,520,125	\$ 12,892	\$ 90,402	\$ 4,610,527
PCCUA	\$ 1,178,409	\$ 529,856	\$ 9,105,931	\$ -	\$ 10,814,196	-5.26%	-	0.00%	-	0.00%	182,119	(182,119)	\$ -	\$ -	\$ 10,632,077	\$ (182,119)	\$ 212,642	\$ 10,844,719
SACC	\$ 827,577	\$ 461,389	\$ 6,208,533	\$ -	\$ 7,497,499	-3.11%	-	0.00%	-	0.00%	124,171	(124,171)	\$ -	\$ -	\$ 7,373,328	\$ (124,171)	\$ 147,467	\$ 7,520,795
SAUT	\$ 326,243	\$ -	\$ 5,457,310	\$ -	\$ 5,783,553	4.59%	165	7.74%	-	0.00%	-	73,558	\$ 73,558	\$ -	\$ 5,857,111	\$ 73,558	\$ 117,142	\$ 5,974,253
SEAC	\$ -	\$ 1,975,199	\$ 5,354,958	\$ -	\$ 7,330,157	-3.58%	-	0.00%	-	0.00%	0	(0)	\$ -	\$ -	\$ 7,330,157	\$ (0)	\$ 146,603	\$ 7,476,760
UACCB	\$ -	\$ 866,760	\$ 4,577,437	\$ 215,794	\$ 5,228,403	2.61%	101	4.73%	-	0.00%	-	44,954	\$ 44,954	\$ -	\$ 5,273,357	\$ 44,954	\$ 105,467	\$ 5,378,824
UACCHT	\$ -	\$ 1,958,947	\$ 4,742,486	\$ -	\$ 6,701,433	-5.46%	-	0.00%	-	0.00%	94,850	(94,850)	\$ -	\$ -	\$ 6,606,583	\$ (94,850)	\$ 132,132	\$ 6,738,715
UACCM	\$ -	\$ 1,291,186	\$ 5,193,324	\$ -	\$ 6,484,510	-3.34%	-	0.00%	-	0.00%	103,866	(103,866)	\$ -	\$ -	\$ 6,380,644	\$ (103,866)	\$ 127,613	\$ 6,508,256
UACCRM	\$ 319,405	\$ -	\$ 3,482,077	\$ 41,291	\$ 3,760,191	11.08%	238	11.17%	-	0.00%	-	106,178	\$ 68,816	\$ 37,362	\$ 3,866,369	\$ 106,178	\$ 77,327	\$ 3,943,696
UA-PT	\$ -	\$ 2,273,772	\$ 14,725,798	\$ 57,620	\$ 16,941,950	1.59%	219	10.24%	-	0.00%	-	97,332	\$ 97,332	\$ -	\$ 17,039,282	\$ 97,332	\$ 340,786	\$ 17,380,068
Total	\$ 11,456,762	\$ 23,372,671	\$ 147,202,356	\$ 706,620	\$ 181,325,169	-0.08%	2,134	100%	-	0.00%	950,314	-	\$ 568,400	\$ 381,914	\$ 181,325,169	\$ (0)	\$ 3,626,503	\$ 184,951,672

Table D. 2024-25 Non-Formula Entities Recommendations

Institution/Entity	FY2023-24			FY 2024-25 Recommendations			
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	7.0% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2023-24 Rec.	Total Recommendation
ADTEC/ADWIRED	\$ -	\$ 1,527,000	\$ 1,527,000	\$ 106,890	\$ -	\$ 106,890	\$ 1,633,890
AREON	\$ -	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
ASU-System Office	\$ 387,659	\$ 2,483,758	\$ 2,871,417	\$ 173,863	\$ 103,450	\$ 277,313	\$ 3,148,730
ASU-Heritage	\$ -	\$ 367,936	\$ 367,936	\$ 25,756	\$ 2,144,695	\$ 2,170,451	\$ 2,538,387
ASU-Delta Center for Economic Development	\$ -	\$ -	\$ -	\$ -	\$ 467,170	\$ 467,170	\$ 467,170
ATU-AR Tech Institute	\$ -	\$ -	\$ -	\$ -	\$ 2,004,769	\$ 2,004,769	\$ 2,004,769
HSU-CEC	\$ -	\$ 81,231	\$ 81,231	\$ 5,686	\$ -	\$ 5,686	\$ 86,917
NWACC-CPTC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SACC-Arboretum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SAUT-ETA	\$ 54,518	\$ 375,036	\$ 429,554	\$ 26,253	\$ 515,000	\$ 541,253	\$ 970,807
SAUT-FTA	\$ 137,983	\$ 1,680,943	\$ 1,818,926	\$ 117,666	\$ 1,290,640	\$ 1,408,306	\$ 3,227,232
UA-SYS	\$ 961,957	\$ 3,479,474	\$ 4,441,431	\$ 243,563	\$ -	\$ 243,563	\$ 4,684,994
UA-AS	\$ 449,715	\$ 2,369,274	\$ 2,818,989	\$ 165,849	\$ 219,627	\$ 385,476	\$ 3,204,465
UA-DivAgri	\$ 8,467,625	\$ 65,800,138	\$ 74,267,763	\$ 4,606,010	\$ 1,500,000	\$ 6,106,010	\$ 80,373,773
UA-ASMSA	\$ 11,476,458	\$ 1,133,048	\$ 12,609,506	\$ 79,313	\$ 1,182,300	\$ 1,261,613	\$ 13,871,119
UA-CS	\$ -	\$ 2,336,896	\$ 2,336,896	\$ 163,583	\$ 300,900	\$ 464,483	\$ 2,801,379
UA-CJI	\$ -	\$ 2,458,634	\$ 2,458,634	\$ 172,104	\$ 374,500	\$ 546,604	\$ 3,005,238
UALR-RAPS	\$ -	\$ 4,076,665	\$ 4,076,665	\$ 285,367	\$ 1,980,000	\$ 2,265,367	\$ 6,342,032
UAPB-Nonformula*	\$ -	\$ 3,752,599	\$ 3,752,599	\$ 262,682	\$ 1,097,400	\$ 1,360,082	\$ 5,112,681
Total	\$ 21,935,915	\$ 91,922,632	\$ 113,858,547	\$ 6,434,584	\$ 15,280,451	\$ 21,715,035	\$ 135,573,582

*UAPB's Recommendation for RSA funding is for federal matching purposes.

Health-Related Non-Formula Entity - UAMS

	FY2023-24			FY 2024-25 Recommendations			
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	2.5% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2023-24 Rec.	Total Recommendation
UAMS	\$ 14,694,203	\$ 93,012,881	\$ 107,707,084	\$ 6,510,902	\$ 22,954,168	\$ 29,465,070	\$ 137,172,154
UAMS-ABUSE/RAPE/DV	\$ -	\$ 350,000	\$ 350,000	\$ 24,500	\$ -	\$ 24,500	\$ 374,500
UAMS-Ped/Psych/Res.	\$ -	\$ 1,985,100	\$ 1,985,100	\$ 138,957	\$ -	\$ 138,957	\$ 2,124,057
UAMS-IC	\$ 365,649	\$ 5,438,340	\$ 5,803,989	\$ 380,684	\$ -	\$ 380,684	\$ 6,184,673
Total	\$ 15,059,852	\$ 100,786,321	\$ 115,846,173	\$ 7,055,042	\$ 22,954,168	\$ 30,009,210	\$ 145,855,383