

# **Arkansas Division of Higher Education**

## **Operating Recommendations for State-Supported Institutions of Higher Education**

**Fiscal Year 2025-2026**



**Institutional Finance**

**December 2024**

**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 2025-26**

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**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 2025-26 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, an increase in funding is recommended for those institutions

with productivity increases for a total change in university funding of \$511,153.

For the two-year colleges, an increase in funding is recommended for those institutions with productivity increases for a total change in two-year college funding of \$171,343.

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 \$25.6 million, of which \$7.1 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 2025-26 for Colleges and Universities is \$0 in new revenue with \$5,885,292 of one-time incentive funds being utilized for statewide purposes. The total recommendation for 2025-2026 for the Non-Formula Entities is \$25,582,847 in new revenue.**

In addition to these funding recommendations, an additional appropriation increase of 5% 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 \$24,808,706 for the **universities** and \$9,055,730 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 2025-26 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 2025-26 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 2025-26 Fiscal Year**

Institution Type	Fiscal Year 2024-25 Base				FY2025-26 AHECB Recommendations		
	EETF Forecast	WF2000	RSA Forecast	Total Base (RSA, EETF & WF2000)	Total Recommendation	New Funds	% Inc
	Universities	57,615,273	2,157,610	437,519,965	495,662,959	496,174,112	511,153
Colleges	11,456,762	23,372,671	146,495,737	180,943,256	181,114,598	171,343	0.1%
Total	69,072,035	25,530,281	584,015,702	676,606,215	677,288,710	682,496	0.1%

Non-Formula Entity Type	Fiscal Year 2024-25 Base			FY2025-26 AHECB Recommendation		
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	Total Recommendation	New Funds	% Inc
	Non-Formula Entities	21,935,915	94,033,560	115,969,475	134,497,279	18,527,804
Health Care-Related UAMS	15,059,852	100,786,321	115,846,173	122,901,215	7,055,042	6.1%
Total	36,995,767	194,819,881	231,815,648	257,398,495	25,582,847	11.0%

Table B. 2025-26 Four-Year Universities Recommendations

Inst	FY2024-25					PRODUCTIVITY DISTRIBUTIONS									FY2025-26 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	5% Appropriation Adjustment	Total Recommendation
ASUJ	\$ 9,303,808	\$ -	\$ 59,297,803	\$ -	\$ 68,601,611	2.45%	757	15.56%	79,560	0.13%	-	620,881	700,441	-	\$ 69,302,052	\$ 700,441	\$ 3,465,103	\$ 72,767,154
ATU*	\$ 3,248,645	\$ 794,492	\$ 36,356,050	\$ -	\$ 40,399,187	-5.22%	-	0.00%	-	0.00%	727,121	(727,121)	-	-	\$ 39,672,066	\$ (727,121)	\$ 1,983,603	\$ 41,655,669
HSU	\$ 3,360,570	\$ -	\$ 18,752,741	\$ -	\$ 22,113,311	-4.56%	-	0.00%	-	0.00%	375,055	(375,055)	-	-	\$ 21,738,256	\$ (375,055)	\$ 1,086,913	\$ 22,825,169
SAUM	\$ 1,986,843	\$ -	\$ 16,861,877	\$ -	\$ 18,848,720	8.88%	926	19.05%	97,381	0.58%	-	759,954	337,238	520,098	\$ 19,706,055	\$ 857,335	\$ 985,303	\$ 20,691,358
UAF	\$ 14,169,624	\$ -	\$ 134,584,010	\$ 1,629,889	\$ 147,123,745	4.77%	3,153	64.86%	331,553	0.25%	-	2,587,415	2,659,082	259,886	\$ 150,042,714	\$ 2,918,969	\$ 7,502,136	\$ 157,544,849
UAFS	\$ 4,924,179	\$ -	\$ 21,045,824	\$ -	\$ 25,970,003	0.15%	25	0.52%	2,659	0.01%	-	20,748	23,407	-	\$ 25,993,410	\$ 23,407	\$ 1,299,671	\$ 27,293,081
UALR	\$ 8,534,190	\$ -	\$ 56,008,998	\$ -	\$ 64,543,188	-4.48%	-	0.00%	-	0.00%	1,120,180	(1,120,180)	-	-	\$ 63,423,008	\$ (1,120,180)	\$ 3,171,150	\$ 66,594,158
UAM*	\$ 1,714,708	\$ 1,363,118	\$ 16,696,750	\$ -	\$ 19,774,576	-2.44%	-	0.00%	-	0.00%	333,935	(333,935)	-	-	\$ 19,440,641	\$ (333,935)	\$ 972,032	\$ 20,412,673
UAPB	\$ 2,976,696	\$ -	\$ 21,902,693	\$ -	\$ 24,879,389	-5.95%	-	0.00%	-	0.00%	438,054	(438,054)	-	-	\$ 24,441,335	\$ (438,054)	\$ 1,222,067	\$ 25,663,402
UCA	\$ 7,396,010	\$ -	\$ 56,013,219	\$ -	\$ 63,409,229	-1.78%	-	0.00%	-	0.00%	994,654	(994,654)	-	-	\$ 62,414,575	\$ (994,654)	\$ 3,120,729	\$ 65,535,304
<b>Total</b>	\$ 57,615,273	\$ 2,157,610	\$ 437,519,965	\$ 1,629,889	\$ 495,662,959	0.64%	4,861	100%	511,153	0%	3,988,999	-	3,720,168	779,984	\$ 496,174,112	\$ 511,153	\$ 24,808,706	\$ 520,982,818

\*Includes ATU-Ozark  
 \*\*Includes UAM-Crosssett and UAM-McGehee

Table C. 2025-26 Two Year Colleges Recommendations

Inst	FY2024-25					PRODUCTIVITY DISTRIBUTIONS									FY2025-26 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	5% Appropriation Adjustment	Total Recommendation
ANC	\$ 1,159,107	\$ 730,954	\$ 8,765,839	\$ -	\$ 10,655,900	1.87%	61	5.65%	9,685	0.11%	-	70,354	\$ 80,039	\$ -	\$ 10,735,939	\$ 80,039	\$ 536,797	\$ 11,272,736
ASUB	\$ 2,312,204	\$ 801,945	\$ 11,356,380	\$ -	\$ 14,470,529	-7.91%	-	0.00%	-	0.00%	23,084	(23,084)	\$ -	\$ -	\$ 14,447,445	\$ (23,084)	\$ 722,372	\$ 15,169,818
ASUMH	\$ -	\$ 823,929	\$ 3,695,854	\$ 65,724	\$ 4,454,059	-1.61%	-	0.00%	-	0.00%	58,430	(58,430)	\$ -	\$ -	\$ 4,395,629	\$ (58,430)	\$ 219,781	\$ 4,615,411
ASUMS	\$ -	\$ 2,190,914	\$ 4,013,696	\$ -	\$ 6,204,610	1.21%	34	3.13%	5,360	0.13%	-	38,933	\$ 44,293	\$ -	\$ 6,248,903	\$ 44,293	\$ 312,445	\$ 6,561,348
ASUN	\$ -	\$ 1,417,628	\$ 6,559,812	\$ -	\$ 7,977,440	-1.65%	-	0.00%	-	0.00%	108,142	(108,142)	\$ -	\$ -	\$ 7,869,298	\$ (108,142)	\$ 393,465	\$ 8,262,762
ASUTR	\$ -	\$ 1,156,386	\$ 3,381,360	\$ -	\$ 4,537,746	-1.23%	-	0.00%	-	0.00%	33,814	(33,814)	\$ -	\$ -	\$ 4,503,932	\$ (33,814)	\$ 225,197	\$ 4,729,128
BRTC	\$ -	\$ 2,245,209	\$ 6,321,306	\$ 278,828	\$ 8,287,687	17.17%	869	80.82%	138,481	2.29%	-	1,005,903	\$ 120,850	\$ 1,023,534	\$ 9,432,071	\$ 1,144,384	\$ 471,604	\$ 9,903,675
CCCUA	\$ -	\$ 1,350,337	\$ 3,757,578	\$ -	\$ 5,107,915	-0.19%	-	0.00%	-	0.00%	7,245	(7,245)	\$ -	\$ -	\$ 5,100,670	\$ (7,245)	\$ 255,033	\$ 5,355,703
EACC	\$ 1,210,034	\$ 783,221	\$ 8,749,489	\$ -	\$ 10,742,744	-0.47%	-	0.00%	-	0.00%	40,991	(40,991)	\$ -	\$ -	\$ 10,701,753	\$ (40,991)	\$ 535,088	\$ 11,236,841
NAC	\$ 714,632	\$ 575,177	\$ 7,605,726	\$ -	\$ 8,895,535	-1.13%	-	0.00%	-	0.00%	76,057	(76,057)	\$ -	\$ -	\$ 8,819,478	\$ (76,057)	\$ 440,974	\$ 9,260,452
NPC	\$ 1,809,776	\$ 668,021	\$ 9,040,569	\$ -	\$ 11,518,366	-0.50%	-	0.00%	-	0.00%	45,487	(45,487)	\$ -	\$ -	\$ 11,472,879	\$ (45,487)	\$ 573,644	\$ 12,046,523
NWACC	\$ 1,599,375	\$ -	\$ 11,649,679	\$ -	\$ 13,249,054	-1.46%	-	0.00%	-	0.00%	170,466	(170,466)	\$ -	\$ -	\$ 13,078,588	\$ (170,466)	\$ 653,929	\$ 13,732,518
OZC	\$ -	\$ 1,271,841	\$ 3,248,284	\$ -	\$ 4,520,125	-2.05%	-	0.00%	-	0.00%	64,966	(64,966)	\$ -	\$ -	\$ 4,455,159	\$ (64,966)	\$ 222,758	\$ 4,677,917
PCCUA	\$ 1,178,409	\$ 529,856	\$ 8,923,812	\$ -	\$ 10,632,077	-1.88%	-	0.00%	-	0.00%	167,502	(167,502)	\$ -	\$ -	\$ 10,464,575	\$ (167,502)	\$ 523,229	\$ 10,987,804
SAC	\$ 827,577	\$ 461,389	\$ 6,084,362	\$ -	\$ 7,373,328	-2.03%	-	0.00%	-	0.00%	121,687	(121,687)	\$ -	\$ -	\$ 7,251,641	\$ (121,687)	\$ 362,582	\$ 7,614,223
SAUT	\$ 326,243	\$ -	\$ 5,530,868	\$ -	\$ 5,857,111	-0.10%	-	0.00%	-	0.00%	5,338	(5,338)	\$ -	\$ -	\$ 5,851,773	\$ (5,338)	\$ 292,589	\$ 6,144,362
SEAC	\$ -	\$ 1,975,199	\$ 5,354,958	\$ -	\$ 7,330,157	-4.27%	-	0.00%	-	0.00%	53,550	(53,550)	\$ -	\$ -	\$ 7,276,607	\$ (53,550)	\$ 363,830	\$ 7,640,438
UACCB	\$ -	\$ 866,760	\$ 4,406,597	\$ -	\$ 5,273,357	-3.14%	-	0.00%	-	0.00%	88,132	(88,132)	\$ -	\$ -	\$ 5,185,225	\$ (88,132)	\$ 259,261	\$ 5,444,486
UACCHT	\$ -	\$ 1,958,947	\$ 4,647,636	\$ -	\$ 6,606,583	-4.97%	-	0.00%	-	0.00%	92,953	(92,953)	\$ -	\$ -	\$ 6,513,630	\$ (92,953)	\$ 325,682	\$ 6,839,312
UACCM	\$ -	\$ 1,291,186	\$ 5,089,458	\$ -	\$ 6,380,644	-0.31%	-	0.00%	-	0.00%	15,579	(15,579)	\$ -	\$ -	\$ 6,365,065	\$ (15,579)	\$ 318,253	\$ 6,683,318
UACCRM	\$ 319,405	\$ -	\$ 3,546,964	\$ 37,362	\$ 3,829,007	4.63%	112	10.40%	17,816	0.51%	-	129,412	\$ 70,192	\$ 77,035	\$ 3,976,234	\$ 147,227	\$ 198,812	\$ 4,175,046
UA-PT	\$ -	\$ 2,273,772	\$ 14,765,510	\$ -	\$ 17,039,282	-0.48%	-	0.00%	-	0.00%	71,178	(71,178)	\$ -	\$ -	\$ 16,968,104	\$ (71,178)	\$ 848,405	\$ 17,816,509
<b>Total</b>	\$ 11,456,762	\$ 23,372,671	\$ 146,495,737	\$ 381,914	\$ 180,943,256	-0.84%	1,075	100%	171,343	0.12%	1,244,601	-	\$ 315,373	\$ 1,100,570	\$ 181,114,598	\$ 171,343	\$ 9,055,730	\$ 190,170,328

**Table D. 2025-26 Non-Formula Entities Recommendations**

Institution/Entity	FY2024-25			FY 2025-26 Recommendations			
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	7.0% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2024-25 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	\$ 2,485,029	\$ 2,872,688	\$ 173,952	\$ 278,718	\$ 452,670	\$ 3,325,358
ASU-Heritage	\$ -	\$ 368,124	\$ 368,124	\$ 25,769	\$ 2,082,229	\$ 2,107,998	\$ 2,476,122
ASU-Delta Center for Economic Development	\$ -	\$ -	\$ -	\$ -	\$ 453,563	\$ 453,563	\$ 453,563
ATU-AR Tech Institute	\$ -	\$ -	\$ -	\$ -	\$ 2,004,769	\$ 2,004,769	\$ 2,004,769
HSU-CEC	\$ -	\$ 79,613	\$ 79,613	\$ 5,573	\$ -	\$ 5,573	\$ 85,186
NWACC-CPTC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SAC-Arboretum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SAUT-ETA	\$ 54,518	\$ 375,036	\$ 429,554	\$ 26,253	\$ -	\$ 26,253	\$ 455,807
SAUT-FTA	\$ 137,983	\$ 1,780,943	\$ 1,918,926	\$ 124,666	\$ -	\$ 124,666	\$ 2,043,592
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	\$ 1,949,700	\$ 2,115,549	\$ 4,934,538
UA-DivAgri	\$ 8,467,625	\$ 65,800,138	\$ 74,267,763	\$ 4,606,010	\$ -	\$ 4,606,010	\$ 78,873,773
UA-ASMSA	\$ 11,476,458	\$ 1,133,048	\$ 12,609,506	\$ 79,313	\$ -	\$ 79,313	\$ 12,688,819
UA-CS	\$ -	\$ 2,336,896	\$ 2,336,896	\$ 163,583	\$ -	\$ 163,583	\$ 2,500,479
UA-CJI	\$ -	\$ 2,458,634	\$ 2,458,634	\$ 172,104	\$ 905,775	\$ 1,077,879	\$ 3,536,513
UALR-RAPS	\$ -	\$ 4,040,351	\$ 4,040,351	\$ 282,825	\$ 1,980,000	\$ 2,262,825	\$ 6,303,176
UAPB-Nonformula*	\$ -	\$ 5,800,000	\$ 5,800,000	\$ 406,000	\$ 190,701	\$ 596,701	\$ 6,396,701
<b>Total</b>	<b>\$ 21,935,915</b>	<b>\$ 94,033,560</b>	<b>\$ 115,969,475</b>	<b>\$ 6,582,349</b>	<b>\$ 11,945,455</b>	<b>\$ 18,527,804</b>	<b>\$ 134,497,279</b>

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

**Health-Related Non-Formula Entity - UAMS**

Institution/Entity	FY2024-25			FY 2025-26 Recommendations			
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	7.0% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2024-25 Rec.	Total Recommendation
UAMS	\$ 14,694,203	\$ 93,012,881	\$ 107,707,084	\$ 6,510,902	\$ -	\$ 6,510,902	\$ 114,217,986
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
<b>Total</b>	<b>\$ 15,059,852</b>	<b>\$ 100,786,321</b>	<b>\$ 115,846,173</b>	<b>\$ 7,055,042</b>	<b>\$ -</b>	<b>\$ 7,055,042</b>	<b>\$ 122,901,215</b>