

Arkansas Division of Higher Education

Operating Recommendations for State-Supported Institutions of Higher Education

Fiscal Year 2026-2027



Institutional Finance

December 2025

Arkansas Division of Higher Education
#4 Capitol Mall, Box 21, Little Rock, AR 72201

RECOMMENDATIONS FOR EDUCATIONAL AND GENERAL OPERATIONS STATE-SUPPORTED INSTITUTIONS OF HIGHER EDUCATION FISCAL YEAR 2026-27

Background

A.C.A. §6-61-234 (Act 148 of 2017) directs the Arkansas Higher Education Coordinating Board (AHECB) to adopt policies 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 2026-27 based upon those requests.

Operating Funding Recommendations for the 2026-27 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 2.00% change in funding is recommended for a total

change in university funding of \$8,801,648.

For the **two-year colleges**, a net 2.000% change in funding is recommended for a total change in two-year college funding of \$2,933,138.

For the **non-formula entities**, the recommendation is for a 3.4% increase based on the HEPI index and a recommendation of full funding of Operations and Program Enhancement requests which combined would require an additional \$28.08 million, of which \$3.4 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 2026-27 for Colleges and Universities is \$10,977,552 in new revenue with \$4,761,974 of one time incentive funds being utilized for statewide purposes. The total recommendation for 2026-2027 for the Non-Formula Entities is \$28,077,171 in new revenue.**

In addition to these funding recommendations, an additional appropriation increase recommendation 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 \$25,489,250 for the **universities** and \$9,184,916 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 2026-27 fiscal year as included in Tables 13A, 13B, 13C, and 13D.

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 2026-27 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 13A. Summary of Operating Recommendations for the 2026-27 Fiscal Year



Institution Type	Fiscal Year 2025-26 Base				FY2026-27 AHECB Recommendations		
					Total Base (RSA, EETF & WF2000)	Total Recommendation	New Funds
	EETF Forecast	WF2000	RSA Forecast				% Inc
Universities	59,523,349	2,157,611	436,448,399	501,763,345	510,564,993	8,801,648	1.8%
Colleges	11,836,184	23,372,670	146,286,136	181,865,744	184,798,882	2,933,138	1.6%
Total	71,359,533	25,530,281	582,734,535	683,629,089	695,363,875	11,734,786	1.7%

Non-Formula Entity Type	Fiscal Year 2025-26 Base			FY2026-27 AHECB Recommendation		
				Total Recommendation	New Funds	% Inc
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)			
Non-Formula Entities	22,662,377	93,989,291	116,651,668	141,302,104	24,650,436	21.1%
Health Care-Related UAMS	15,558,596	100,786,321	116,344,917	119,771,652	3,426,735	2.9%
Total	38,220,973	194,775,612	232,996,585	261,073,756	28,077,171	12.1%

Table 13B. 2026-27 Four-Year Universities Recommendations



Inst	FY2025-26				PRODUCTIVITY DISTRIBUTIONS									FY2026-27 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 of Productivity Losses (2.0%)	RSA Increase (Capped at 2.0%)	Incentive Funding	Total Funding Recommendation	New Funds	5% Appropriation Adjustment	Total Recommendation	
ASUJ	\$ 9,611,927	\$ -	\$ 59,977,118	\$ -	\$ 70,190,072	5.53%	1,734	21.21%	1,867,267	3.11%	-	618,943	1,211,563	1,274,648	\$ 72,676,282	\$ 2,486,210	\$ 3,633,814	\$ 76,310,097
ATU*	\$ 3,356,232	\$ 794,490	\$ 35,628,929	\$ -	\$ 40,159,698	3.63%	771	9.44%	830,891	2.33%	-	275,416	720,180	386,127	\$ 41,266,005	\$ 1,106,307	\$ 2,063,300	\$ 43,329,305
HSU	\$ 3,471,864	\$ -	\$ 18,379,271	\$ -	\$ 22,051,514	-7.27%	-	0.00%	-	0.00%	371,593	(371,593)	-	-	\$ 21,679,921	\$ (371,593)	\$ 1,083,996	\$ 22,763,917
SAUM	\$ 2,052,642	\$ -	\$ 17,733,361	\$ 520,098	\$ 19,442,590	12.25%	1,385	16.95%	1,491,947	8.67%	-	494,536	347,799	1,638,684	21,429,073	\$ 1,986,483	\$ 1,071,454	\$ 22,500,527
UAF	\$ 14,638,887	\$ -	\$ 136,032,727	\$ 259,886	\$ 151,664,738	5.41%	3,980	48.71%	4,287,250	3.16%	-	1,421,096	2,740,517	2,967,829	\$ 157,373,084	\$ 5,708,346	\$ 7,868,654	\$ 165,241,738
UAFS	\$ 5,087,256	\$ -	\$ 20,886,786	\$ -	\$ 26,204,433	2.43%	287	3.51%	309,226	1.48%	-	102,499	411,725	-	\$ 26,616,158	\$ 411,725	\$ 1,330,808	\$ 27,946,966
UALR	\$ 8,816,821	\$ -	\$ 54,964,188	\$ -	\$ 64,385,116	-5.96%	-	0.00%	-	0.00%	1,111,366	(1,111,366)	-	-	\$ 63,273,750	\$ (1,111,366)	\$ 3,163,688	\$ 66,437,438
UAM*	\$ 1,771,495	\$ 1,363,121	\$ 16,362,815	\$ -	\$ 19,667,425	0.23%	14	0.17%	15,067	0.09%	-	4,994	20,061	-	\$ 19,687,486	\$ 20,061	\$ 984,374	\$ 20,671,860
UAPB	\$ 3,075,277	\$ -	\$ 21,464,633	\$ -	\$ 24,772,011	-2.96%	-	0.00%	-	0.00%	322,830	(322,830)	-	-	\$ 24,449,181	\$ (322,830)	\$ 1,222,459	\$ 25,671,640
UCA	\$ 7,640,948	\$ -	\$ 55,018,565	\$ -	\$ 63,225,748	-2.47%	-	0.00%	-	0.00%	1,111,696	(1,111,696)	-	-	\$ 62,114,052	\$ (1,111,696)	\$ 3,105,703	\$ 65,219,755
Total	\$ 59,523,349	\$ 2,157,611	436,448,399	779,984	501,763,345	2.62%	8,171	100%	8,801,648	2%	2,917,485	-	5,451,845	6,267,288	\$ 510,564,993	\$ 8,801,648	\$ 25,528,250	\$ 536,093,243

*Includes ATU-Ozark

**Includes UAM-Crossett and UAM-McGehee

Table 13C. 2026-27 Two Year Colleges Recommendations

Inst	FY2025-26					PRODUCTIVITY DISTRIBUTIONS									FY2026-27 Recommendations			
	EETF Forecast	WF2000 Forecast	RSA Forecast	One-Time Incentive Funding in RSA	Total Base (RSA + EETF + WF2000 - Incentive Funding)	% Change in Productivity Index Increases	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	\$ 1,197,494	\$ 730,954	\$ 8,845,933	\$ -	\$ 10,863,299	-4.15%	-	0.00%	178,697	(178,697)	\$ -	\$ -	\$ 10,684,602	\$ (178,697)	\$ 534,230	\$ 11,218,832		
ASUB	\$ 2,388,779	\$ 801,945	\$ 11,333,296	\$ -	\$ 14,646,721	0.35%	32	0.91%	26,827	0.24%	-	3,826	\$ 30,653	\$ 14,677,374	\$ 30,653	\$ 733,869	\$ 15,411,242	
ASUMH	\$ -	\$ 823,929	\$ 3,571,700	\$ -	\$ 4,433,449	2.25%	87	2.48%	72,853	2.04%	-	10,390	\$ 72,190	\$ 11,053	\$ 4,516,692	\$ 83,243	\$ 225,835	\$ 4,742,527
ASUMS	\$ -	\$ 2,190,914	\$ 4,058,019	\$ -	\$ 6,288,929	-6.84%	-	0.00%	81,960	(81,960)	\$ -	\$ -	\$ 6,206,968	\$ (81,960)	\$ 310,348	\$ 6,517,317		
ASUN	\$ -	\$ 1,417,628	\$ 6,451,670	\$ -	\$ 7,931,420	7.23%	494	14.04%	411,786	6.38%	-	58,726	\$ 130,276	\$ 340,237	\$ 8,401,933	\$ 470,513	\$ 420,097	\$ 8,822,029
ASUTR	\$ -	\$ 1,156,386	\$ 3,347,546	\$ -	\$ 4,540,499	8.47%	237	6.72%	197,200	5.89%	-	28,123	\$ 67,682	\$ 157,641	\$ 4,765,822	\$ 225,323	\$ 238,291	\$ 5,004,114
BRTC	\$ -	\$ 2,245,208	\$ 7,187,648	\$ 1,023,534	\$ 8,472,701	9.48%	572	16.24%	476,466	7.73%	-	67,951	\$ 124,550	\$ 419,867	\$ 9,017,117	\$ 544,416	\$ 450,856	\$ 9,467,973
CCCUA	\$ -	\$ 1,350,337	\$ 3,750,333	\$ -	\$ 5,135,874	3.26%	143	4.06%	118,995	3.17%	-	16,970	\$ 75,711	\$ 60,255	\$ 5,271,840	\$ 135,966	\$ 263,592	\$ 5,535,432
NAC	\$ 738,299	\$ 575,177	\$ 7,529,669	\$ -	\$ 8,925,738	7.92%	328	9.33%	273,564	3.63%	-	39,014	\$ 152,245	\$ 160,333	\$ 9,238,316	\$ 312,578	\$ 461,916	\$ 9,700,232
NPC	\$ 1,869,712	\$ 668,021	\$ 8,995,082	\$ -	\$ 11,626,600	2.92%	173	4.92%	144,215	1.60%	-	20,567	\$ 164,782	\$ -	\$ 11,791,382	\$ 164,782	\$ 589,569	\$ 12,380,951
NWACC	\$ 1,652,343	\$ -	\$ 11,479,213	\$ -	\$ 13,241,645	1.88%	318	9.03%	264,984	2.31%	-	37,790	\$ 231,786	\$ 70,989	\$ 13,544,420	\$ 302,775	\$ 677,221	\$ 14,221,641
OZC	\$ -	\$ 1,271,841	\$ 3,183,318	\$ -	\$ 4,487,571	-2.16%	-	0.00%	-	0.00%	64,315	(64,315)	\$ -	\$ -	\$ 4,423,256	\$ (64,315)	\$ 221,163	\$ 4,644,419
PCCUA	\$ 1,217,435	\$ 529,856	\$ 8,756,310	\$ -	\$ 10,597,558	2.31%	62	1.76%	51,555	0.59%	-	7,353	\$ 58,908	\$ -	\$ 10,656,466	\$ 58,908	\$ 532,823	\$ 11,189,289
SACC	\$ 854,984	\$ 461,389	\$ 5,962,675	\$ -	\$ 7,341,605	0.97%	39	1.10%	32,359	0.54%	-	4,615	\$ 36,974	\$ -	\$ 7,378,579	\$ 36,974	\$ 368,929	\$ 7,747,506
SAUT	\$ 337,048	\$ -	\$ 5,525,530	\$ -	\$ 5,921,727	1.08%	41	1.18%	34,523	0.62%	-	4,923	\$ 39,447	\$ -	\$ 5,961,174	\$ 39,447	\$ 298,059	\$ 6,259,232
SEAC	\$ -	\$ 1,975,199	\$ 5,301,408	\$ -	\$ 7,335,043	4.31%	130	3.69%	108,350	2.04%	-	15,452	\$ 107,197	\$ 16,606	\$ 7,458,846	\$ 123,803	\$ 372,942	\$ 7,831,788
UACCB	\$ -	\$ 866,760	\$ 4,318,464	\$ -	\$ 5,228,051	2.82%	111	3.15%	92,373	2.14%	-	13,174	\$ 87,226	\$ 18,321	\$ 5,333,597	\$ 105,546	\$ 266,680	\$ 5,600,277
UACCHT	\$ -	\$ 1,958,947	\$ 4,554,683	\$ -	\$ 6,560,198	-1.87%	-	0.00%	86,149	(86,149)	\$ -	\$ -	\$ 6,474,049	\$ (86,149)	\$ 323,702	\$ 6,797,752		
UACCM	\$ -	\$ 1,291,186	\$ 5,073,879	\$ -	\$ 6,417,130	4.82%	309	8.78%	257,659	5.08%	-	36,746	\$ 102,519	\$ 191,886	\$ 6,711,535	\$ 294,405	\$ 335,577	\$ 7,047,112
UACCRM	\$ 329,983	\$ -	\$ 3,656,930	\$ 77,035	\$ 3,943,123	-0.20%	-	0.00%	-	0.00%	7,185	(7,185)	\$ -	\$ -	\$ 3,935,937	\$ (7,185)	\$ 196,797	\$ 4,132,734
UAEACC	\$ 1,250,107	\$ 783,221	\$ 8,708,498	\$ -	\$ 10,801,831	5.53%	169	4.81%	140,999	1.62%	-	20,108	\$ 161,108	\$ -	\$ 10,962,938	\$ 161,108	\$ 548,147	\$ 11,511,085
UA-PT	\$ -	\$ 2,273,772	\$ 14,694,332	\$ -	\$ 17,125,033	1.86%	274	7.79%	228,427	1.55%	-	32,577	\$ 261,004	\$ -	\$ 17,386,037	\$ 261,004	\$ 869,302	\$ 18,255,338
Total	\$ 11,836,184	\$ 23,372,670	\$ 146,286,136	\$ 1,100,570	\$ 181,865,744	2.59%	3,521	100%	2,933,138	2.02%	418,306	-	\$ 1,904,257	\$ 1,447,186	\$ 184,798,882	\$ 2,933,138	\$ 9,239,944	\$ 194,038,826

Table 13D. 2026-27 Non-Formula Entities Recommendations

Institution/Entity	FY2025-26			FY 2026-27 Recommendations				
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	3.4% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2025-26 Rec.	Total Recommendation	
ADTEC/ADWIRED	\$ -	\$ 1,527,000	\$ 1,527,000	\$ 51,918	\$ -	\$ 51,918	\$ 1,578,918	
AREON	\$ -	\$ -	\$ -	\$ -	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000	
ASU-System Office	\$ 400,497	\$ 2,513,497	\$ 2,913,994	\$ 85,459	\$ 284,253	\$ 369,712	\$ 3,283,706	
ASU-Heritage	\$ -	\$ 372,342	\$ 372,342	\$ 12,660	\$ 2,144,695	\$ 2,157,355	\$ 2,529,697	
ASU-Delta Center for Economic Development	\$ -	\$ -	\$ -	\$ -	\$ 467,170	\$ 467,170	\$ 467,170	
ATU-AR Tech Institute	\$ -	\$ -	\$ -	\$ -	\$ 2,033,222	\$ 2,033,222	\$ 2,033,222	
HSU-CEC	\$ -	\$ 78,028	\$ 78,028	\$ 2,653	\$ -	\$ 2,653	\$ 80,681	
NWACC-CPTC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SACC-Arboretum	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
SAUT-ETA	\$ 56,323	\$ 375,036	\$ 431,359	\$ 12,751	\$ -	\$ 12,751	\$ 444,110	
SAUT-FTA	\$ 142,553	\$ 1,780,943	\$ 1,923,496	\$ 60,552	\$ -	\$ 60,552	\$ 1,984,048	
UA-SYS	\$ 993,814	\$ 3,479,474	\$ 4,473,288	\$ 118,302	\$ 950,000	\$ 1,068,302	\$ 5,541,590	
UA-AS	\$ 464,608	\$ 2,369,274	\$ 2,833,882	\$ 80,555	\$ 2,307,181	\$ 2,387,736	\$ 5,221,618	
UA-DivAgri	\$ 8,748,052	\$ 65,800,138	\$ 74,548,190	\$ 2,237,205	\$ 6,500,000	\$ 8,737,205	\$ 83,285,395	
UA-ASMSA	\$ 11,856,530	\$ 1,133,048	\$ 12,989,578	\$ 38,524	\$ 1,719,100	\$ 1,757,624	\$ 14,747,202	
UA-CS	\$ -	\$ 2,336,896	\$ 2,336,896	\$ 79,454	\$ -	\$ 79,454	\$ 2,416,350	
UA-CJI	\$ -	\$ 2,458,634	\$ 2,458,634	\$ 83,594	\$ 969,179	\$ 1,052,773	\$ 3,511,407	
UALR-RAPS	\$ -	\$ 3,964,981	\$ 3,964,981	\$ 134,809	\$ 1,980,000	\$ 2,114,809	\$ 6,079,790	
UAPB-Nonformula*	\$ -	\$ 5,800,000	\$ 5,800,000	\$ 197,200	\$ -	\$ 197,200	\$ 5,997,200	
Total	\$ 22,662,377	\$ 93,989,291	\$ 116,651,668	\$ 3,195,636	\$ 21,454,800	\$ 24,650,436	\$ 141,302,104	

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

Health-Related Non-Formula Entity - UAMS

	FY2025-26			FY 2026-27 Recommendations			
	EETF Forecast	RSA Forecast	Total Base (RSA & EETF)	3.4% Continuing Level of RSA	Base Operations & Program Enhancements	Total New Funds over 2025-26 Rec.	Total Recommendation
UAMS	\$ 15,180,838	\$ 93,012,881	\$ 108,193,719	\$ 3,162,438	\$ -	\$ 3,162,438	\$ 111,356,157
UAMS-ABUSE/RAPE/DV	\$ -	\$ 350,000	\$ 350,000	\$ 11,900	\$ -	\$ 11,900	\$ 361,900
UAMS-Ped/Pysch/Res.	\$ -	\$ 1,985,100	\$ 1,985,100	\$ 67,493	\$ -	\$ 67,493	\$ 2,052,593
UAMS-IC	\$ 377,758	\$ 5,438,340	\$ 5,816,098	\$ 184,904	\$ -	\$ 184,904	\$ 6,001,002
Total	\$ 15,558,596	\$ 100,786,321	\$ 116,344,917	\$ 3,426,735	\$ -	\$ 3,426,735	\$ 119,771,652