



## **118th MAINE LEGISLATURE**

## **FIRST REGULAR SESSION-1997**

Legislative Document

No. 1410

H.P. 1018

House of Representatives, March 11, 1997

An Act to Establish a Funding Formula for the University of Maine System.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative WATSON of Farmingdale. Cosponsored by Senator SMALL of Sagadahoc and Representatives: BAKER of Bangor, KONTOS of Windham, MADORE of Augusta, NASS of Acton, O'BRIEN of Augusta, WHEELER of Eliot, Senators: JENKINS of Androscoggin, PENDLETON of Cumberland.

## Be it enacted by the People of the State of Maine as follows:

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Sec. 1. 20-A MRSA §10901, sub-§§3 to 5 are enacted to read:

3. Cost adjustment factor. "Cost adjustment factor" means a factor that is used to adjust the base allocation per full-time equivalent student to reflect variations in educational and general expenditures by academic degree programs.

- 10 <u>4. Eligible institution. "Eligible institution" means a campus or institution that is part of the University of Maine</u> 12 <u>System.</u>
- 14 5. Full-time equivalent student. "Full-time equivalent student" means the level of full-time student enrollment derived 16 by combining the total number of credit hours for full-time and part-time students enrolled in undergraduate, graduate and 18 nondegree programs in the fall of the academic year. The formula for calculating full-time equivalent levels is as follows: fall 20 undergraduate credit hours divided by 15, plus fall law credit hours divided by 15, plus fall graduate and doctoral credit hours 22 divided by 9 equals the fall full-time equivalent.
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Sec. 2. 20-A MRSA §10903-A is enacted to read:

- 26 **§10903-A. Funding formula**
- 28 General Fund appropriations to the trustees for educational and general purposes must be appropriated to support students
  30 enrolled at eligible institutions in the amounts determined by an enrollment-based funding formula.

 Calculation of base allocation per full-time equivalent
student. The amount of funds appropriated annually to the university constitutes the funds available for allocation to
eligible institutions under the funding formula. The base allocation per full-time equivalent student enrolled within the
university is determined by dividing the annual appropriation to the university system by the total full-time equivalent student
enrollment for the university during the most recent academic year.

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2. Total full-time equivalent student enrollment; cost
adjustment factor. The total full-time equivalent student
enrollment is determined by applying a cost adjustment factor to
the number of full-time equivalent students enrolled by academic
degree program levels at each campus of the university and by
calculating the sum of paragraphs A, B, and C:

	A. The number of full-time equivalent undergraduate
2	students enrolled at each campus multiplied by a cost factor
	of one;
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	B. The number of full-time equivalent master's students
6	enrolled at each campus multiplied by a cost factor of 1.25;
	and
8	
	C. The number of full-time equivalent doctoral or law
10	students enrolled at each campus multiplied by a cost factor
	<u>of 1.5.</u>
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	For the purpose of determining the annual allocation of
14	appropriated funds to eligible institutions, campus
	administrators shall report the actual level of full-time
16	equivalent student enrollment for each academic year to the
20	trustees.
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20	3. Calculation of campus allocations. The total amount of
20	state funds guaranteed to each eligible institution is determined
	by the campus full-time equivalent student enrollment level as
22	adjusted by academic degree program levels. Institutions are
	guaranteed to receive an allocation based on the total number of
24	full-time equivalent students enrolled in undergraduate, masters,
	doctoral or law degree programs from the previous academic year.
26	The number of full-time equivalent students for each eligible
	institution is derived in the same manner as described in
28	subsection 2.
30	4. Funding of chancellor's office. The university may
	withhold up to 1% of each eligible institution's allocation to
32	support the system-wide services office, which includes the
	chancellor's office and other noninstitution specific costs in
34	providing central administrative services.
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36	5. Funding for campus facilities. The trustees must
	allocate any funds received from state appropriations for the
38	construction and maintenance of university facilities in the same
	manner as provided in this section for the allocation of
40	educational and general funds.
42	6. Transition and implementation. Implementation of the
	enrollment-based funding formula must be phased in as defined in
44	paragraphs B and C. The allocation of General Fund
	appropriations for educational and general purposes and funds
46	allocated by the trustees for construction and facilities
	maintenance purposes must be implemented over a transition period
48	beginning in fiscal year 1998-99.

A. Following the effective date of this section, each 2 eligible institution receives an allocation of General Fund appropriations in every subsequent year equal to, or greater than, the amount of General Fund appropriations allocated in 4 fiscal year 1996-97. б B. Beginning in fiscal year 1998-99, the implementation of the funding formula applies only to the portion of General 8 Fund appropriations that represent an increase over the General Fund appropriations in fiscal year 1996-97 to the 10 trustees. 12 C. Beginning in fiscal year 1999-00 and in every subsequent fiscal year, any increase in General Fund appropriations 14 must be allocated to eligible institutions based on the 16 funding formula until the allocations distributed to all eligible institutions are brought up to the base allocation standards of the funding formula. 18 20 SUMMARY 22 This bill repeals the authority of the Board of Trustees of the University of Maine System to determine the amount of annual 24 General Fund appropriations that are allocated to each campus and establishes an enrollment-based funding formula that provides for 26 a more equitable funding base for students enrolled at each campus of the university. To accomplish this, the bill: 28 Requires that a guaranteed percentage of the educational 30 1. and general appropriation to the university be allocated to each 32 campus based on a set amount of state funding per student; 34 Establishes a procedure 2. for determining the base allocation per student at each institution based on the number of 36 students enrolled in each academic degree program level. Students enrolled in an undergraduate degree program or a 38 master's, doctoral or law degree program receive a different level of base funding; 40 Establishes a mechanism for funding the system-wide 3. services office of the University of Maine System; 42 44 4. Establishes an enrollment-based funding formula for the equitable distribution of public subsidies in support of campus 46 facilities; and 48 5. Provides a mechanism to implement the enrollment-based funding formula over a transition period that begins in fiscal 50 year 1998-99.

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