

# Florida College System Proposed Funding Model

Fall 2022

## Proviso Language

The following language was included in specific appropriation 125 of the 2022-23 General Appropriations Act:

From the funds in Specific Appropriations 8 and 125, the Florida College System presidents, in consultation with the Department of Education, shall develop an equity based per student funding model that accounts for differences in institutional fixed operating costs, and variable operating costs based on educational program offerings. The Florida College System presidents shall provide the proposed new funding model to the chair of the Senate Appropriations Committee, the chair of the House Appropriations Committee, and the Governor's Office of Policy and Budget by September 30, 2022.

## Model Explanation

The model has two main components for distribution of funds: an Index Distribution and Size-based Target Funding. Calculations in these two components work together to address the constitutional and statutory mission of the Florida College System (FCS) and account for differences at the 28 institutions as described in the proviso language and selected by the presidents.

The Index Distribution calculates a percentage index for funding based on each institution's share of components that address the FCS mission and each institution's ongoing operations:

- Enrollments using a 3-year FTE average with a weight on workforce enrollment to account for priorities and costs,
- Completions of valuable credentials in AA transfer or workforce (certificates, certifications and degrees), and
- Economies of scale and regional cost differentials.

The Size-based Target funding seeks to increase the average funding per FTE of the FCS as a whole, while prioritizing institutions who are further away from their target funding within the system average by:

- Moving upward the current average System funding per FTE toward the national average for 2-year colleges, and
- Calculating an individual target funding amount for each institution that reflects its appropriate contribution to the system average funding, based on:
  - Current funding,
  - Program mix (weighting workforce FTE), and
  - Economies of scale (the principle that the larger the institution, the greater its economies of scale).

The model includes flexibility for the user to set amounts, depending on priorities or conditions in any given year, while the model spreadsheet performs the above calculations. The user can set:

- The total allocation amount,
- The percentage of the total to be distributed through each of the two components, and
- The target percent of the national average funding to be sought.