

Allocation Model Overview

History

2013: Our system began work to create a new allocation model to move from the “BASE Plus” allocation to a model based on actual enrollments, performance funding and extra weighting for priority enrollments.

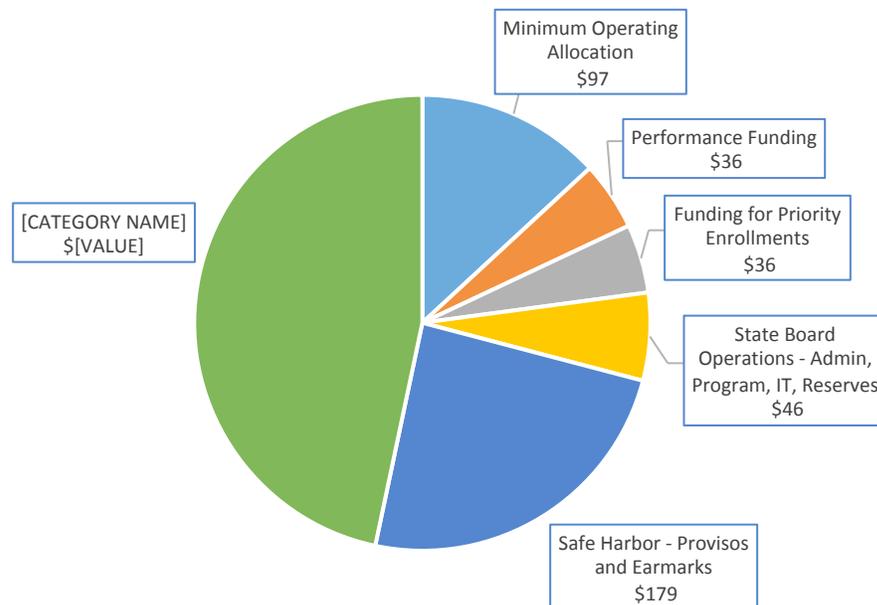
2015: The new allocation model was completed. System leaders chose to allocate funding for fiscal year 2016 using the old allocation method, but studied the impacts of the new model.

2016: The resulting analysis, called “The Learning Year Report,” was issued by a workgroup of business officers. It identified risks and made recommendations on several operational issues.

2017: In June, the first allocation for fiscal year 2017 was made to districts utilizing the new model.

FY 2017 Allocation in millions

\$739 million



Preparing for FY 2018 Allocations

State Board staff in the Business Operations Division has been working to streamline and operationalize the new allocation model since August 2016. Research Division has collaborated to incorporate enrollment allocation reports into the streamlined model. Projections of enrollment allocations based upon the adopted policy resulted in unanticipated declines or increases in future

fiscal years that were above or below district actual averages. In February 2017, Presidents were briefed on the findings and then directed State Board staff to evaluate options in accordance with the guiding principles of the model. The resulting adjustment refines the base enrollment formula so that it continues to “right-size” enrollment targets, while providing more predictability and stability in future allocations.

Distinguishing the Model from Other Parts of the Budget Allocation

	Budget Allocation	Notes
Within Allocation Model	Minimum Operating Allocation (MOA)	Minimum amount for operations - \$2.85 million per campus
	Student Achievement Initiative (SAI)	Currently 5% of total State Appropriations - \$36 million in FY 17
	Weighted / Priority Enrollment FTE	Four enrollment categories receive an additional weight of .3 per FTE. <ol style="list-style-type: none"> 1. Adult Basic Education 2. STEM 3. Upper-level BAS 4. Skills Gap
	District Enrollment Allocation Base (DEAB)	Provides base funding and an annual enrollment target based on a rolling, 3-year average of past state enrollments.
	Stop-Loss/Stop-Gain Calculation	Spreads the impact of the shift from the old model in FY 2016 to the new model in FY 2017 over four years.
	Outside Allocation Model	Safe Harbor:
Provisos of the State Legislature		Directs funding to purposes identified in the budget bill.
Earmarks of the State Board		Funds identified by the State Board for specific purposes. Includes grant funding, workforce enrollments, etc.
Compensation, M&O and Leases		In 2016, the policy was adopted to provide these funds to districts based on share of actual expenditures and to hold them out of the model for four years.

Other Policy Items

At the next State Board meeting, policy decisions will also be needed on tuition, enrollment policy and State Board agency operations.