

BOARD OF HIGHER EDUCATION

REQUEST FOR BOARD ACTION

NO.: BHE 23-65

BOARD DATE: June 20, 2023

**APPROVAL OF THE COMMUNITY COLLEGE AND STATE UNIVERSITY FUNDING
FORMULA ALLOCATIONS FOR FY2024**

MOVED: The Board of Higher Education hereby affirms the Community College and State University funding formula methodology for FY24 and delegates to the Commissioner the authority to allocate the FY24 funds during the summer months, subject to the enactment FY24 GAA appropriations 7066-1400 and 7100-4000.

VOTED: Motion approved and advanced to the full BHE by the Executive Committee on 6/12/2023; and adopted by the BHE on 6/20/2023.

Authority: M.G.L. c. 15A, § 9(dd); M.G.L. c. 15A, §15B; Line item 7066-1400 of section 2 of Chapter 165 of the Acts of 2014; Line items 7066-1400 and 7100-4000. Section 2 of Chapter 126 of the Acts of 2022.

Contact: Joe Wallerstein, Interim Deputy Commissioner for Administration and Finance

BACKGROUND

Under Massachusetts General Law, the Board of Higher Education is charged with developing funding formulas for the community colleges and state universities. M.G.L. c. 15A, § 9(dd). Section 2 of Chapter 126 of the Acts of 2022, as well as the language in the FY23 funding formula line items 7066-1400 and 7100-4000, obligates the BHE to approve both a methodology and an allocation for these funds.

The BHE has traditionally discharged this obligation by approving a methodology and an allocation together ahead of distributing funds, most recently on February 14, 2023 (BHE 23-29). The current approach has had the unintended consequence of delaying the distribution of funds, as the DHE must wait until it receives fall data from the campuses before it can update the formula and allocate the funds. Delaying this allocation impacts the campus budget development cycle as the allocation is added to their base budget each year.

This motion seeks to address this issue by affirming the current methodology in June 2023 for the allocation of funds that we anticipate will be appropriated in the FY 2024 budget with the most recent campus data available from the prior fall. It also delegates the authority to the Department to allocate the FY24 appropriations during summer months once the FY24 GAA is finalized. This will allow funds to be distributed to the campuses before or shortly after the start of the academic year.

The Board's vote on this motion would:

1. Confirm there is no change in the methodology approved by BHE 23-29 and to affirm that it shall be the method for allocating any FY24 GAA appropriations 7066-1400 and 7100-4000.
2. Confirm that the underlying data will be the most recently available campus data as of Fall 2022.
3. Delegate the allocation of FY24 funds consistent with the approved methodology to the Commissioner and the Department of Higher Education under the delegation of summer months authority.