

WEST VIRGINIA  
SECRETARY OF STATE  
KEN HECHLER  
ADMINISTRATIVE LAW DIVISION

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OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE  
AND  
FILING WITH THE LEGISLATIVE OVERSIGHT COMMISSION ON  
EDUCATIONAL ACCOUNTABILITY

(Replaces Series 5 filed on November 17, 1993)

AGENCY: State College System Board of Directors TITLE NUMBER: 131

AUTHORITY: WV Code 18B-5-2(b)

AMENDMENT TO AN EXISTING RULE: YES \_\_\_\_\_ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF RULE BEING FILED PROPOSED: 5

TITLE OF RULE BEING PROPOSED: Resource Allocation Policy

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A  
PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR  
FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE OVERSIGHT COMMISSION  
ON EDUCATIONAL ACCOUNTABILITY FOR THEIR REVIEW.

DATE:

Marie Carter  
Signature

4.20

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SECRETARY OF STATE  
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Signature

400

**FISCAL NOTE FOR PROPOSED RULES**

Rule Title: Title 131, Series 5; Resource Allocation Policy

Type of Rule       x   Legislative                    Interpretive                    Procedural

Agency State College System Board of Directors  
           1018 Kanawha Boulevard, East

1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR		
	Increase	Decrease	Current	Next	Thereafter
Estimated Total Cost	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Personal Services					
Current Expense					
Repairs and Alterations					
Equipment					
Other					

2. Explanation of above estimates

No fiscal impact.

3. Objectives of these rules

This rule establishes the Resource Allocation Policy for distribution of state operating funds within the State College System.

4. Explanation of Overall Economic Impact of Proposed Rule

A. Economic Impact on State Government

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B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of citizens.

This policy will impact each specific institution based on how it rates under the Resource Allocation Policy.

C. Economic Impact on Citizens/Public at Large

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Date: November 17, 1993

Marie Carter  
Signature of Agency Head or Authorized Representative

**TITLE 131  
LEGISLATIVE RULE  
STATE COLLEGE SYSTEM OF WEST VIRGINIA  
BOARD OF DIRECTORS  
SERIES 5**

**TITLE: RESOURCE ALLOCATION POLICY**

Summary: Section 18B-5-2(b) of the West Virginia Code mandates that each governing board shall develop a Resource Allocation Policy (RAP) for distribution within its system of all new state funds, beginning with FY 1993-94. In addition, the RAP must be used to redistribute existing base budgets to affect an equalization of the institutional state funding differences at twenty percent per year over a five-year period, beginning with FY 1994-95. Series 5 of the State College System Rules establishes the Resource Allocation Policy for distribution of state operating funds within the State College System.



State College System Rules. Students enrolled in courses paid for by third-party sponsors or in any other courses for which that student did not pay tuition and fees shall not be counted in the RAP formula. Separate figures shall be calculated for off-campus students at the four-year institutions and for on-campus resident students and on-campus non-resident students at all institutions. All enrollment at the free-standing community colleges shall be counted as on-campus enrollment. For on-campus enrollment, one figure shall be calculated for FTE enrollment that is below the average percentage that non-resident students comprise of total enrollment in its peer group category and another figure shall be calculated for FTE enrollment that is above the peer group average. The peer group averages are five percent (5%) for the community colleges and twelve percent (12%) for the four-year colleges.

### 3.2 Target Per-Student Appropriation

3.2.1 On-Campus Resident Students and On-Campus Non-Resident Students Below Peer Group Average - For all on-campus resident students and for those on-campus non-resident students below the appropriate peer group average (12% for four-year colleges and 5% for community colleges), the target appropriation per FTE student shall be the weighted average of state and local funds appropriated per FTE student during the previous fiscal year by the other SREB states to the institutions in the appropriate SREB category of peer institutions.

3.2.2 On-Campus Non-Resident Students Above Peer Group Average - If an institution's percentage of total enrollment made up of non-resident students is higher than that institution's peer group average, the target appropriation per FTE student above the peer group average shall be calculated as sixty-seven percent (67%) of the target per-student appropriation calculated for that institution in Section 3.2.1 of this rule. This reflects the fact that the average appropriation plus the average tuition and fees per FTE student in the other SREB states is approximately thirty-three percent (33%) higher for non-resident students than for resident students, reflecting the fact that non-resident students are expected to pay a higher proportion of the total cost of their education than resident students.

3.2.3 Off-Campus Students - For all off-campus enrollment at four-year institutions, the target appropriation per FTE student shall be the amount for free-standing community colleges calculated in Section 3.2.1 of this rule, plus the annual amount of tuition. The tuition

amount is added to the community college target appropriation because community colleges are able to use this fee for operating expenses, while four-year colleges must contribute their tuition revenues into the State College System capital fund. The assumption is that four-year colleges should be able to deliver off-campus instruction for approximately the same per-student amount as community colleges.

### 3.3 Target Appropriation for Engineering Courses and System Services

3.3.1 Engineering - An adjustment for West Virginia Institute of Technology (WVIT) to reflect the high cost of engineering courses compared with the average cost for courses in other academic disciplines in the State College System shall be calculated as follows:

3.3.1.1 The FTE enrollment in engineering courses at WVIT during the previous fall semester is calculated.

3.3.1.2 The per-FTE appropriation for on-campus instruction used for WVIT is multiplied by twenty percent (20%) to determine the additional amount of state funds per FTE student needed for enrollments in engineering courses.

3.3.1.3 The FTE number calculated in the first step is multiplied by the additional cost calculated in the second step to produce the total amount needed by WVIT to cover the additional costs of engineering courses.

3.3.2 System Services - Of the total of general revenue and lottery funds appropriated to the State College System, .0044335 is allocated to the system services line for travel and other expenses of board members, the salaries and other costs of operation of the chancellor's office, and other expenses related to the governance and administration of the State College System. When the RAP formula is calculated each year, the system services line shall be maintained at .0044335 of the total.

3.4 Indicated Level of State Support - The indicated level of state support for each institution and the system services line shall be calculated by multiplying the on-campus and off-campus FTE enrollment figures times the

appropriate target per-student appropriation figure, plus the target appropriation for engineering and system services.

- 3.5 Actual State Fund Allocation - The actual state fund allocation for each institution and the system services line shall consist of the state general revenue funds and lottery funds allocated for the current fiscal year.
- 3.6 Percentage of Indicated Level of State Support - Each institution's actual state fund allocation shall be divided by its indicated level of state support to calculate its percentage of the indicated level of state support. Also, the overall percentage for the State College System shall be calculated by dividing the total System allocation by the total indicated level of state support.
- 3.7 Reallocated Base Budgets - In order to redistribute existing base budgets to affect an equalization of the institutional state funding differences by the 1998-99 fiscal year, the percentage of indicated state support for each institution and the system services line shall be compared each year with the overall percentage for the State College System and the base budget amounts for the next fiscal year shall be increased or decreased by the amount of money required to reduce by twenty percent the difference between the institution's percentage and the System percentage of indicated state support.
- 3.8 Additional State Funds - The reallocated base budget figure shall be subtracted from the indicated level of state support for each institution and the system services line to determine the amount of additional state funds indicated for each institution and the system services line for the next fiscal year.
- 3.9 Percentage of Additional State Funds - The amount of additional state funds indicated for each institution and the system services line shall be divided by the total amount of additional funds indicated for the State College System to determine the share to be allocated to each institution and the system services line of ninety percent of any additional funds that may be appropriated to the State College System for the next fiscal year.

#### **SECTION 4 APPLICATION**

- 4.1 Reallocation of Base Budgets - After the conclusion of each regular legislative session, through the 1998 session, the board shall reallocate the base budgets of the institutions and the system services line for the next fiscal year to reflect the amount calculated as described in Section 3.7 of

this rule. If the Governor mandates a reduction in base budgets during a fiscal year, the base used for calculating the reallocated base budgets for the next fiscal year shall be the reduced base in effect at the time the calculations are run after the conclusion of the legislative session. Once an equalization of the institutional state funding differences has been achieved in the 1998-99 fiscal year, the base budgets shall be adjusted each year thereafter to maintain the base budgets at the same percentage of the indicated level of state support as the System as a whole.

- 4.2 Additional State Funds - If additional state funds are appropriated to the State College System over the base for the previous fiscal year, the board shall distribute ninety percent (90%) of the new funds within the System by the percentages calculated as described in Section 3.9 of this rule. The remaining ten percent (10%) of any additional funds that may be appropriated shall be allocated based on special priorities determined each year by the board.
- 4.3 Reduced State Funds - If the total appropriation of state funds to the State College System for the next fiscal year is less than the current base, the board shall first reallocate the base budgets as indicated in Section 3.7 and then distribute ninety percent (90%) of the amount of the reduction for the next fiscal year by the percentages calculated as described in Section 3.9 of this rule. The remaining ten percent (10%) of the total reduction shall be applied based on factors determined by the board.

**TITLE 131  
LEGISLATIVE RULE  
STATE COLLEGE SYSTEM OF WEST VIRGINIA  
BOARD OF DIRECTORS  
SERIES 5**

**TITLE:                   RESOURCE ALLOCATION POLICY**

**Comment Summary.** Based on verbal comments received, the following substantive changes were made by the Board to Series 5 for purposes of clarification:

- 3.1 Enrollment - Each institution's FTE enrollment for the most recent fall semester shall be calculated for those students who paid tuition and fees or who have been granted waivers within the provisions of Series 49 of the State College System Rules. Students enrolled in courses paid for by third-party sponsors or in any other courses for which that student did not pay tuition and fees shall not be counted in the RAP formula. Separate figures shall be calculated for off-campus students at the four-year institutions and for on-campus resident students and on-campus non-resident students at all institutions. All enrollment at the free-standing community colleges shall be counted as on-campus enrollment. For on-campus enrollment, one figure shall be calculated for FTE enrollment that is below the average percentage that non-resident students comprise of total enrollment in its peer group category and another figure shall be calculated for FTE enrollment that is above the peer group average. The peer group averages are five percent (5%) for the community colleges and twelve percent (12%) for the four-year colleges.
  
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