

**WEST VIRGINIA**  
**SECRETARY OF STATE**

**KEN HECHLER**

**ADMINISTRATIVE LAW DIVISION**

Form #6

**FILED**

MAR 28

2 51 PM '94

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED  
BY THE WEST VIRGINIA LEGISLATURE.**

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

AMENDMENT TO AN EXISTING RULE: YES , NO

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

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

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

TITLE OF RULE BEING PROPOSED: Resource Allocation Policy

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) SB 243

SECTION 18B-17-3(f), PASSED ON March 12, 1994

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON  
THE FOLLOWING DATE: March 28, 1994



Authorized Signature

Marie Carter  
Assistant to the Chancellor

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

**TITLE:           RESOURCE ALLOCATION POLICY**

**SECTION 1.       GENERAL**

- 1.1   Scope -    This rule establishes the Resource Allocation Policy for distribution of state operating funds within the State College System.
- 1.2   Authority - West Virginia Code § 18B-5-2(b)
- 1.3   Filing Date - March 28, 1994
- 1.4   Effective Date - March 28, 1994

**SECTION 2.       PURPOSE**

Section 18B-5-2(b) of the West Virginia Code mandates that each higher education governing board shall have a Resource Allocation Policy (RAP) for distribution within its system of all new state funds and for redistribution of existing base budgets to affect an equalization of the institutional funding differences at twenty percent (20%) per year over a five-year period, beginning with the 1994-95 fiscal year. The RAP for the State College System shall utilize the formula described in Section 3 of this rule for redistribution of the base budgets and for distribution of ninety percent (90%) of any additional state funds that may be appropriated each year to the System. The remaining ten percent (10%) of any available new state appropriations shall be used for special priorities determined each year by the Board of Directors.

**SECTION 3.       METHOD OF CALCULATION**

The chancellor shall calculate the RAP formula in August of each year based on the following method:

- 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.

### 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.

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H. B. 4439

(By Delegates Ashcraft and S. Williams)

(Introduced February 11, 1994; referred to the  
Committee on Education then the Judiciary.)

10 A BILL to amend and reenact sections two and three, article  
11 seventeen, chapter eighteen-b of the code of West Virginia,  
12 one thousand nine hundred thirty-one, as amended, relating to  
13 legislative rules; authorizing specific regulations relating  
14 to higher education including acceptance of advanced  
15 placement credit; assessment, payment and refund of fees;  
16 personnel administration; and resource allocation.

17 Be it enacted by the Legislature of West Virginia:

18 That sections two and three, article seventeen, chapter  
19 eighteen-b of the code of West Virginia, one thousand nine  
20 hundred thirty-one, as amended, be amended and reenacted to read  
21 as follows:

22 ARTICLE 17. LEGISLATIVE RULES.

23 §18B-17-2. Board of trustees.

24 (a) The legislative rules filed in the state register on the  
25 third day of December, one thousand nine hundred ninety-one,  
26 modified by the board of trustees to meet the objections of the

1 legislative oversight commission on education accountability and  
2 refiled in the state register on the twenty-first day of January,  
3 one thousand nine hundred ninety-two, relating to the board of  
4 trustees (report card), are authorized.

5 (b) The legislative rules filed in the state register on the  
6 thirteenth day of July, one thousand nine hundred ninety-one,  
7 relating to the board of trustees (equal opportunity and  
8 affirmative action), are authorized.

9 (c) The legislative rules filed in the state register on the  
10 eighth day of September, one thousand nine hundred ninety-two,  
11 relating to the board of trustees (holidays), are authorized.

12 (d) The legislative rules filed in the state register on the  
13 third day of April, one thousand nine hundred ninety-two,  
14 relating to the board of trustees (alcoholic beverages on  
15 campuses), are authorized.

16 (e) The legislative rules filed in the state register on the  
17 fifteenth day of November, one thousand nine hundred  
18 ninety-three, relating to the board of trustees (acceptance of  
19 advanced placement credit), are authorized.

20 (f) The legislative rules filed in the state register on the  
21 thirteenth day of December, one thousand nine hundred  
22 ninety-three, modified by the board of trustees to meet the  
23 objections of the legislative oversight commission on education  
24 accountability and refiled in the state register on the  
25 twenty-first day of January, one thousand nine hundred

1 ninety-four, relating to the board of trustees (assessment,  
2 payment and refund of fees), are authorized.

3 (g) The legislative rules filed in the state register on the  
4 first day of November, one thousand nine hundred ninety-three,  
5 modified by the board of trustees to meet the objections of the  
6 legislative oversight commission on education accountability and  
7 refiled in the state register on the twenty-first day of  
8 December, one thousand nine hundred ninety-three, relating to the  
9 board of trustees (personnel administration), are authorized.

10 §18B-17-3. Board of directors.

11 (a) The legislative rules filed in the state register on the  
12 sixteenth day of December, one thousand nine hundred ninety-one,  
13 modified by the board of directors to meet the objections of the  
14 legislative oversight commission on education accountability and  
15 refiled in the state register on the twenty-first day of January,  
16 one thousand nine hundred ninety-two, relating to the board of  
17 directors (report card), are authorized.

18 (b) The legislative rules filed in the state register on the  
19 twenty-seventh day of September, one thousand nine hundred  
20 ninety-one, relating to the board of directors (equal opportunity  
21 and affirmative action), are authorized.

22 (c) The legislative rules filed in the state register on the  
23 fourth day of December, one thousand nine hundred ninety-one,  
24 relating to the board of directors (holiday policy), are  
25 authorized.

1 (d) The legislative rules filed in the state register on the  
2 nineteenth day of March, one thousand nine hundred ninety-two, as  
3 modified and refiled in the state register on the tenth day of  
4 July, one thousand nine hundred ninety-two, relating to the board  
5 of directors (presidential appointments, responsibilities and  
6 evaluations), are authorized.

7 (e) The legislative rules filed in the state register on the  
8 twentieth day of September, one thousand nine hundred  
9 ninety-three, relating to the board of directors (acceptance of  
10 advanced placement credit), are authorized.

11 (f) The legislative rules filed in the state register on the  
12 tenth day of December, one thousand nine hundred ninety-three,  
13 relating to the board of directors (resource allocation policy),  
14 are authorized.

15 (g) The legislative rules filed in the state register on the  
16 eighth day of December, one thousand nine hundred ninety-three,  
17 modified by the board of directors to meet the objections of the  
18 legislative oversight commission on education accountability and  
19 refiled in the state register on the eleventh day of January, one  
20 thousand nine hundred ninety-four, relating to the board of  
21 directors (assessment, payment and refund of fees), are  
22 authorized.

23 (h) The legislative rules filed in the state register on the  
24 first day of November, one thousand nine hundred ninety-three,  
25 modified by the board of directors to meet the objections of the  
26 legislative oversight commission on education accountability and

1 refiled in the state register on the twenty-first day of  
2 December, one thousand nine hundred ninety-three, relating to the  
3 board of directors (personnel administration), are authorized.

4 NOTE: The purpose of this bill is to authorize the rules  
5 filed in the state register by the Board of Trustees and Board of  
6 Directors relating to the acceptance of advanced placement  
7 credit; assessment, payment and refund of fees; personnel  
8 administration; and resource allocation.

9 Strike-throughs indicate language that would be stricken from  
10 the present law, and underscoring indicates new language that  
11 would be added.

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SENATE BILL NO. 243

(By Senator Lucht)

~~[Introduced February 2, 1994; referred to the  
Committee on Education.]~~

10 A BILL to amend and reenact sections two and three, article  
11 seventeen, chapter eighteen-b of the code of West Virginia,  
12 one thousand nine hundred thirty-one, as amended, relating to  
13 legislative rules; authorizing specific regulations relating  
14 to higher education including acceptance of advanced  
15 placement credit; assessment, payment and refund of fees;  
16 personnel administration; and resource allocation.

17 Be it enacted by the Legislature of West Virginia:

18 That sections two and three, article seventeen, chapter  
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21 as follows:

22 ARTICLE 17. LEGISLATIVE RULES.

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2 refiled in the state register on the twenty-first day of January,  
3 one thousand nine hundred ninety-two, relating to the board of  
4 trustees (report card), are authorized.

5 (b) The legislative rules filed in the state register on the  
6 thirteenth day of July, one thousand nine hundred ninety-one,  
7 relating to the board of trustees (equal opportunity and  
8 affirmative action), are authorized.

9 (c) The legislative rules filed in the state register on the  
10 eighth day of September, one thousand nine hundred ninety-two,  
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19 advanced placement credit), are authorized.

20 (f) The legislative rules filed in the state register on the  
21 thirteenth day of December, one thousand nine hundred  
22 ninety-three, modified by the board of trustees to meet the  
23 objections of the legislative oversight commission on education  
24 accountability and refiled in the state register on the  
25 twenty-first day of January, one thousand nine hundred

1 ninety-four, relating to the board of trustees (assessment,  
2 payment and refund of fees), are authorized.

3 (g) The legislative rules filed in the state register on the  
4 first day of November, one thousand nine hundred ninety-three,  
5 modified by the board of trustees to meet the objections of the  
6 legislative oversight commission on education accountability and  
7 refiled in the state register on the twenty-first day of  
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10 §18B-17-3. Board of directors.

11 (a) The legislative rules filed in the state register on the  
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13 modified by the board of directors to meet the objections of the  
14 legislative oversight commission on education accountability and  
15 refiled in the state register on the twenty-first day of January,  
16 one thousand nine hundred ninety-two, relating to the board of  
17 directors (report card), are authorized.

18 (b) The legislative rules filed in the state register on the  
19 twenty-seventh day of September, one thousand nine hundred  
20 ninety-one, relating to the board of directors (equal opportunity  
21 and affirmative action), are authorized.

22 (c) The legislative rules filed in the state register on the  
23 fourth day of December, one thousand nine hundred ninety-one,  
24 relating to the board of directors (holiday policy), are  
25 authorized.

1 (d) The legislative rules filed in the state register on the  
2 nineteenth day of March, one thousand nine hundred ninety-two, as  
3 modified and refiled in the state register on the tenth day of  
4 July, one thousand nine hundred ninety-two, relating to the board  
5 of directors (presidential appointments, responsibilities and  
6 evaluations), are authorized.

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8 twentieth day of September, one thousand nine hundred  
9 ninety-three, relating to the board of directors (acceptance of  
10 advanced placement credit), are authorized.

11 (f) The legislative rules filed in the state register on the  
12 tenth day of December, one thousand nine hundred ninety-three,  
13 relating to the board of directors (resource allocation policy),  
14 are authorized.

15 (g) The legislative rules filed in the state register on the  
16 eighth day of December, one thousand nine hundred ninety-three,  
17 modified by the board of directors to meet the objections of the  
18 legislative oversight commission on education accountability and  
19 refiled in the state register on the eleventh day of January, one  
20 thousand nine hundred ninety-four, relating to the board of  
21 directors (assessment, payment and refund of fees), are  
22 authorized.

23 (h) The legislative rules filed in the state register on the  
24 first day of November, one thousand nine hundred ninety-three,  
25 modified by the board of directors to meet the objections of the  
26 legislative oversight commission on education accountability and

1 refiled in the state register on the twenty-first day of  
2 December, one thousand nine hundred ninety-three, relating to the  
3 board of directors (personnel administration), are authorized.

4 NOTE: The purpose of this bill is to authorize the rules  
5 filed in the state register by the Board of Trustees and Board of  
6 Directors relating to the acceptance of advanced placement  
7 credit; assessment, payment and refund of fees; personnel  
8 administration; and resource allocation.

9 Strike-throughs indicate language that would be stricken from  
10 the present law, and underscoring indicates new language that  
11 would be added.

# DEPARTMENT OF EDUCATION AND THE ARTS

## Office of the Secretary

State Capitol, Bldg. 1, R-151  
Charleston, West Virginia 25305  
Telephone: (304) 558-2440  
Fax No.: (304) 558-1311

Gaston Caperton  
Governor

Barbara Harmon-Schamberger  
Cabinet Secretary

September 17, 1993

The Honorable Ken Hechler  
Secretary of State  
State of West Virginia  
State Capitol Building  
Charleston, WV 25305

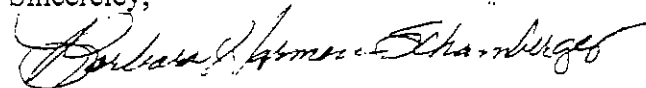
Dear Secretary Hechler:

As required pursuant to WV Code §5F-2-2, I hereby consent to the promulgation of the proposed rules by the Board of Directors of the State College System of West Virginia as follows:

- (1) Title 131, Series 4, proposing a new legislative rule relating to the acceptance of advanced placement credit;
- (2) Title 131, Series 5, proposing a new legislative rule relating to a policy for allocating resources among institutions within the state college system;
- (3) Title 131, Series 8, proposing a new legislative rule relating to contracts and consortium agreements with public schools, private schools or private industry; and
- (4) Title 131, Series 11, proposing to amend an existing procedural rule relating to program review.

I understand that copies of these proposed rules are already in the possession of the Administrative Law Division. Enclosed are fiscal notes for each of the rules.

Sincerely,



Barbara Harmon-Schamberger  
Secretary

cc: Dr. Paul Marion  
Dr. John Thralls

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE  
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KEN HECHLER  
Secretary of State

MARY P. RATLIFF  
Deputy Secretary of State

A. RENEE COE  
Deputy Secretary of State

CATHERINE FREROTTE  
Executive Assistant

Telephone: (304) 558-6000  
Corporations: (304) 558-8000



## STATE OF WEST VIRGINIA

### SECRETARY OF STATE

Building 1, Suite 157-K  
1900 Kanawha Blvd., East  
Charleston, WV 25305-0770

WILLIAM H. HARRINGTON  
Chief of Staff

JUDY COOPER  
Director, Administrative Law

DONALD R. WILKES  
Director, Corporations

(Plus all the volunteer  
help we can get)

FAX: (304) 558-0900

March 15, 1994

Marie Carter  
Directors  
1018 Kanawha Blvd. E.  
Charleston, WV 25301

**SB 243** authorizing, **Title 131, Series 5, Resource Allocation Policy**, passed the Legislature on **March 12, 1994**. It is now awaiting the Governor's signature.

You have sixty (60) days after the Governor signs SB 243, to final file the legislative rule with the Secretary of State's office. To final file your legislative rule, fill in the blanks on the enclosed form #6, the "Final Filing" form and file the form with our office with a promulgation history of the rule. Authorization for your legislative rule is cited in **SB 243** section **18B-17-3(f)**. The agency may set the effective date of the legislative rule up to ninety (90) days from the date the legislative rule is final filed with the Secretary of State's office. Please have an authorized signature on the bottom line.

**\*\*\*IMPORTANT: IF YOUR AGENCY HAS COMPLETED THE LEGISLATIVE RULE ON A WORD PERFECT OR WORD PERFECT COMPATIBLE COMPUTER SYSTEM THAT USES A 3 1/2" OR 5 1/4" DISK, YOU MUST SUBMIT A CLEAN COPY, WITH ALL UNDERLINING AND STRIKE-THROUGHS TAKEN OUT, TO OUR OFFICE WHEN FINAL FILING THE RULE. STATE ON THE DISK THE FORMAT THE RULE IS IN AND THE TITLE IT IS FILED UNDER. THIS WILL MAKE IT QUICKER FOR US TO ENTER YOUR RULES ON THE LEGISLATIVE DATA BASE. REMEMBER THE TEXT OF THE COMPUTER FILED RULE MUST BE IDENTICAL - WORD FOR WORD, COMMA FOR COMMA, WITH ALL UNDERLINING AND STRIKE-THROUGHS TAKEN OUT, AS THE HARD COPY AUTHORIZED BY THE LEGISLATURE.**

After the final rule is entered into the legislative data base, the rule will be sent to the agency for review and proofing. Following confirmation or corrections, as the case may be, the Secretary of State shall submit to the agency a final version of the rule for their records.

If you have any questions or need any assistance, please do not hesitate to call our office.

Thank You  
Administrative Law Division

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

**SERIES 5  
RESOURCE ALLOCATION POLICY**

**§131-5-1. General.**

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

1.2. Authority. -- W. Va. Code §18B-5-2(b)

1.3. Filing Date. -- March 28, 1994

1.4. Effective Date. -- March 28, 1994

**§131-5-2. Purpose.**

W. Va. Code §18B-5-2(b) mandates that each higher education governing board shall have a Resource Allocation Policy (RAP) for distribution within its system of all new state funds and for redistribution of existing base budgets to affect an equalization of the institutional funding differences at twenty percent (20%) per year over a five-year period, beginning with the 1994-95 fiscal year. The RAP for the State College System shall utilize the formula described in Section 3 of this rule for redistribution of the base budgets and for distribution of ninety percent (90%) of any additional state funds that may be appropriated each year to the System. The remaining ten percent (10%) of any available new state appropriations shall be used for special priorities determined each year by the Board of Directors.

**§131-5-3. Method of Calculation.**

The chancellor shall calculate the RAP formula in August of each year based on the following method:

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.

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

3.3.1.b. 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.c. 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.

#### **§131-5-4. 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.