



MEMO

TO: Chair David Bedey
Education Interim Budget Committee

FROM: Kathleen O’Leary, Interim President, Dawson Community College
Jane Karas, President Flathead Valley Community College
Ron Slinger, President, Miles Community College

DATE: June 10, 2022

RE: Community College Funding Formula (MCA 20-15-310)

COMMUNITY COLLEGE RECOMMENDATION

The community college funding formula (MCA 20-15-310) is calculated by the value of support per resident FTE and the weight factor for different student categories set by the Legislature. These drivers are:

1. FTE Weights for Career and Technical Education, General Education (Transfer Students) and Dual Enrollment or Concurrent Students.
2. Increase and Decrease Funding Factors per Resident FTE

Proposed Formula Drivers - 06/15/2022	
FTE Weights	
Career and Technical Education	1.75
General Education	1.25
Dual Enrollment - College	1.00
Dual Credit - High School	1.00
FTE Funding Factor	
FTE Funding Factor - Increase in FTE	\$7,000
FTE Funding Factor - Decrease in FTE	\$3,500

The community colleges worked collaboratively with the Legislative Fiscal Division (LFD), Office of Budget and Program Planning (OBPP), and the Office of the Commissioner of Higher Education (OCHE) to provide recommendations to the Education Interim Budget Committee. This work consisted of analyzing data from peer institutions, career and technical education costs and shared policy goals of the Legislature, industry and the Montana University System.

RATIONALE FOR FTE WEIGHTING FACTORS

Career and Technical Education

Career and Technical Education (CTE) programs continue to increase in cost. Low unemployment and increasing industry demand have required community colleges to expand and increase education and training through CTE programs. These programs are expensive to create due to

initial equipment, technology needs, and classroom needs. The replacement cycle and costs to keep up with emerging technologies is also higher and more frequent than other programs. It is difficult to hire instructors when community college salaries cannot compete with private sector wages. Therefore, **the community colleges recommend a weight of 1.75 for CTE students.**

General Education

Seamless transfer is critical for students to successfully complete their four-year education programs. Community colleges are essential to the success of the shared policy goal between the Legislature and the Board of Regents. The community colleges provide seamless transferability by engaging in the common core numbering system, creating 2+2 articulation agreements, and maintaining strong relationships with MUS four-year institutions. Therefore, **the community colleges recommend a weight of 1.25 for General Education students.**

RATIONALE FOR INCREASE AND DECREASE FUNDING FACTORS

Shauna Lyons, MUS Director of Accounting and Budget provided a list of regional peer institutions. Data for each institution was retrieved from Integrated Postsecondary Education Data System (IPEDS). The most recent data available is from fiscal year 2020.

The average state support for peer institutions is \$10,704 per resident FTE. Comparatively, Montana Community Colleges currently receive an average of \$7,219 per resident student. When comparing only to peer institutions that receive both state and local appropriations, the average state funding per resident FTE increases to \$12,455. **The tables below provide this data.**

These values do not include the current rate of inflation and its impact on providing education and training. The recommendation is far below the average of peer institutions. Therefore, **the community colleges recommend \$7,000 per resident FTE increase and \$3,500 per resident FTE decrease.**

Peer Institutions with Local Appropriation (excluding those with State Appropriation)	
Institution	FY20 State Appropriations Per Resident
College of Eastern Idaho (ID)	\$ 12,565
Klamath Community College (OR)	\$ 11,481
Lassen Community College (CA)	\$ 17,795
New Mexico State University - Alamogordo (NM)	\$ 11,035
Northland Pioneer College (AZ)	\$ 7,979
Average	\$ 12,455
Median	\$ 11,481
Average without High and Low	\$ 11,693
Dawson Community College	\$ 8,168
Miles Community College	\$ 6,918
Flathead Valley Community College	\$ 6,571
MT Community College Average	\$ 7,219

Two-year Colleges	FY20 IPEDS Data		
Institution Name	State	State Approps per FTE	State Approps per Resident FTE (per direct contact with institution)
College of Eastern Idaho*	ID	\$ 12,313	\$ 12,565
Klamath Community College*	OR	\$ 10,333	\$ 11,481
Lake Region State College	ND	\$ 5,923	\$ 7,137
Lassen Community College*	CA	\$ 14,414	\$ 17,795
New Mexico State University-Alamogordo*	NM	\$ 10,152	\$ 11,035
Northland Pioneer College*	AZ	\$ 7,899	\$ 7,979
Ogden-Weber Technical College	UT	\$ 16,871	\$ 17,042
Western Dakota Technical College	SD	\$ 4,078	\$ 4,161
Western Nevada College	NV	\$ 7,075	\$ 7,220
Windward Community College	HI	\$ 9,670	\$ 10,626
Cascadia College	WA	\$ 5,193	do not report resident

*colleges with local funding

Average of Peer Institutions	\$ 9,447	\$ 10,704
Median of Peer Institutions	\$ 9,670	\$ 10,830

Dawson Community College	MT	\$ 6,068	\$ 8,168
Miles Community College	MT	\$ 5,743	\$ 6,918
Flathead Valley Community College	MT	\$ 6,459	\$ 6,571

Average of Peer Institutions	\$ 6,090	\$ 7,219
Median of Peer Institutions	\$ 6,068	\$ 6,918