

# ARKANSAS SENATE

88th General Assembly - Regular Session, 2011

## Amendment Form

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### Subtitle of Senate Bill No. 766

TO CLARIFY FUNDING FORMULA CALCULATIONS FOR STATE-SUPPORTED  
INSTITUTIONS OF HIGHER EDUCATION AND TO DECLARE AN EMERGENCY.

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### Amendment No. 1 to Senate Bill No. 766

Amend Senate Bill No. 766 as originally introduced:

Page 2, delete lines 9-25 and substitute the following language:

"SECTION 2. Arkansas Code § 6-61-224 is amended to read as follows:

6-61-224. Funding formula – Department of Higher Education.

(a) ~~The Department of Higher Education will work~~  
Education, in collaboration with the state college and  
~~university Presidents Council to review, revise, and~~ presidents  
~~and chancellors, shall~~ develop funding formulas consisting of a  
needs-based component and an outcome-centered component which  
will, in principle, seek to provide fair and equitable state  
support to all postsecondary students across the state,  
regardless of the state institution attended, while at the same  
time recognizing:

(1) The different needs for lower level, upper level,  
and graduate level instruction at the various institutions;

(2) The requirements for specialized equipment, labs,  
and smaller class sizes in some disciplines;

(3) Unique missions such as agricultural extension  
services, research, medical sciences, workforce development, and  
public service; and

(4) Growth, economies of scale, and other appropriate  
factors.

(b) ~~(1) The funding formulas will be developed in consensus~~  
~~with the state college and university President's Council and~~



presented to the Arkansas Higher Education Coordinating Board and the Joint Budget Committee for review for two-year colleges and universities shall be comprised of a needs-based component under § 6-61-228(b)-(m) and § 6-61-229(b)-(m) and an outcome-centered component.

(2) The outcome-centered component shall constitute twenty-five percent (25%) of funding for two-year colleges and universities by the 2017-2018 school year and shall be phased in at a rate five percent (5%) per year beginning in the 2013-2014 school year.

(3) The needs-based component shall constitute seventy-five percent (75%) of funding for two-year colleges and universities by the 2017-2018 school year.

(c) The outcome-centered component measures shall begin in the 2012-2013 school year, but may include outcomes from multiple previous years.

(d)(1) The outcome-centered component shall seek to promote and increase the satisfactory progression, matriculation, and graduation of all students enrolled in two-year colleges and universities.

(2) The department shall consider the unique factors of each two-year college and university when developing the outcome-centered component, including utilizing variables that may be weighted to reinforce the mission of each two-year college and university and provide incentives for increased credential production.

(3) The outcome-centered component may include without limitation:

- (A) End-of-course enrollment;
- (B) Student retention;
- (C) Student progression toward credential completion;
- (D) Number of credentials awarded, including an emphasis on high-demand credentials;
- (E) Student transfer activity;
- (F) Research activity; and
- (G) Number of graduates from underserved populations.

(e) By December 31, 2011, the department shall present the funding formulas approved by the Arkansas Higher Education Coordinating Board, including both the needs-based component and the outcome-centered component, to the President Pro Tempore of

the Senate, the Speaker of the House of Representatives, and the Governor.

(f) It is the intent of the General Assembly that the outcome-centered component of funding formulas for two-year colleges and universities become the primary component for funding purposes."

AND

Page 3, line 32, delete "total funding" and substitute "total state funding received"

AND

Page 4, delete lines 13-15

AND

Page 4, delete line 26 and substitute the following language:  
"~~(4)~~ Make provisions for special-purpose units;  
(4) Hold two-year"

AND

Page 4, line 35, delete "competitive research" and substitute "certificates"

AND

Page 4, line 36, delete "(4)" and substitute "(5)"

AND

Page 5, line 2, delete "(5)" and substitute "(6)"

AND

Page 5, line 24, delete "total funding" and substitute "total state funding received"

AND

Page 6, delete lines 5-7

The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_

By: Senator G. Baker

SAG/KFW - 03/17/11 12:25

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Secretary