

**Productivity-based funding model policies****Summary**

Act 148 of 2017 requires the Arkansas Higher Education Coordinating Board (AHECB) to adopt policies developed by the Department of Higher Education necessary to implement a productivity-based funding model for state supported institutions of higher education. The Productivity Funding Model Policy – Colleges and Productivity Funding Model Policy – Universities describe the guiding principles that were used to design the new funding model and outlines the metrics that will be used for state-supported institutions of higher education to determine productivity changes from year to year. The AHECB shall use the productivity-based funding model as the mechanism for recommending funding for applicable state-supported institutions of higher education. The AHECB shall recommend funding for the state-supported institutions of higher education as a whole and the allocation of funding to each state-supported institution of higher education. The AHECB shall make separate recommendations for the two-year institutions and four-year institutions. The framework for those recommendations is described in the Productivity Funding Distribution policy.