

## **PART V: HEALTH SCIENCES CENTER**

### **I. CORE FUNDING:**

For core funding, use a simplistic approach that uses the University of Oklahoma study to establish an equitable funding goal per student. Each year, funds would be allocated to fund a portion of the funding goal. The overall amounts would be modified to reflect increases in SREB averages for Category 4 YR 1 that typically reflect faculty salary growth and other factors.

### **II. QUALITY/CAMPUS IMPROVEMENT AND STATE PRIORITIES**

LSU Health Sciences Center programs could participate in the Quality Improvement Program that targets resources to develop programs of regional and national eminence. The school could compete for these resources through a competitive grant program model with clear benchmarks and goals. Awards would be made through a qualitative evaluation based on certain criteria such as centrality to institutional functional mission, achievement of overall state economic goals, potential of success, and other criteria. Additionally, the Health Sciences Center could participate in other newly created targeted programs for special needs in the areas of technology and endowment matching.

### **III. PERFORMANCE INCENTIVE INITIATIVES**

This component of the formula is designed to reward institutions for high performance and to provide an incentive for institutional improvement. Performance Incentive Funding would be an add-on to the Core Funding component. Appropriate evaluation mechanisms based on nationally recognized and accepted standards and definitions will be used to determine the performance and functional accountability of programs. Goals and benchmarks are to be determined.

This component will be implemented as funding becomes available.

### **CALCULATION OF THE CORE COMPONENT**

#### **STEP 1 Determine the Funding Goal**

The Board of Regents set a funding goal of \$36,118 per student for state funding of medical programs within the SREB. Included in Appendix D, as Item 1 is a table reflecting the Oklahoma Health Sciences Center Budget Needs Comparison for FY 2000. The state funding will be modified each year only to reflect increases in SREB averages that typically reflect faculty salary growth and other factors.

## **STEP 2 Determine the Funding per Student**

The formula is designed to fund the LSU Health Sciences Center at an average state appropriation per FTE student comparable to other medical programs within the SREB states.

### **Method used for Determining the Funding per Student**

Each year the Board of Regents will adjust the state funding by the change in SREB funding. Use the SREB State Data Exchange State and Local General Appropriations Per FTE Student Table to calculate the increase in the SREB average state funding per FTE for Four-year 1 institutions from the previous year. For example, the SREB average state funding per FTE for FY 1998-99 for the Four-year 1 category was \$6,672 and the SREB average state funding per FTE for FY 1999-00 for the Four-year 1 category was \$7,017. The dollar difference is \$345 or a 5.17% increase. The \$36,118 state funding goal would be adjusted by 5.17%. ( $\$36,118 \times 1.0517 = \$37,985$ ). The SREB Tables and an example are included in Appendix D, Item 2, pages 1-3.

## **STEP 3 Determine the Student Enrollment**

The enrollment at the LSU Health Sciences Center is based on 3 YR average FTE enrollment, including house officers. By September 15<sup>th</sup> of each year, the school shall report the enrollment to the Board of Regents. These enrollment figures will be used to determine the funding level for each institution.

## **STEP 4 Determine the Base Formula Requirements**

The Base Formula Requirement is the level of funding required to approximate the funding level of comparable institutions. This level of funding would provide the basic operational needs for the LSU Health Sciences Center.

### **Method for Determining the Base Formula Requirement**

The Base Formula Requirement is determined by multiplying the dollar per student by the total number of students.

## **STEP 5 Determining the Formula Implementation Rate**

The Formula Implementation Rate is the level of current funding compared to the Base Formula Requirement.

### **Method for Determining the Formula Implementation Rate**

The Formula Implementation Rate is determined by dividing the available formula appropriation by the Base Formula Requirement. The formula appropriation is the total state dollars available less any consent decree settlement allocation directly to the institution and other non-formula items. State dollars available for formula purposes will include the amount in the appropriations bill plus any special allocation provided from pool funds.

### **FORMULA FUNDING MODEL FOR LSU HEALTH SCIENCES CENTER**

The results of the steps above will provide the Formula Funding Model for the LSU Health Sciences Center.