

# **Weighted Semester Credit Hours For Formula Funding**

**Kathryn Funk-Baxter, CPA**

**Vice President for Business Affairs**

**The University of Texas at San Antonio**

**October 18, 2017**

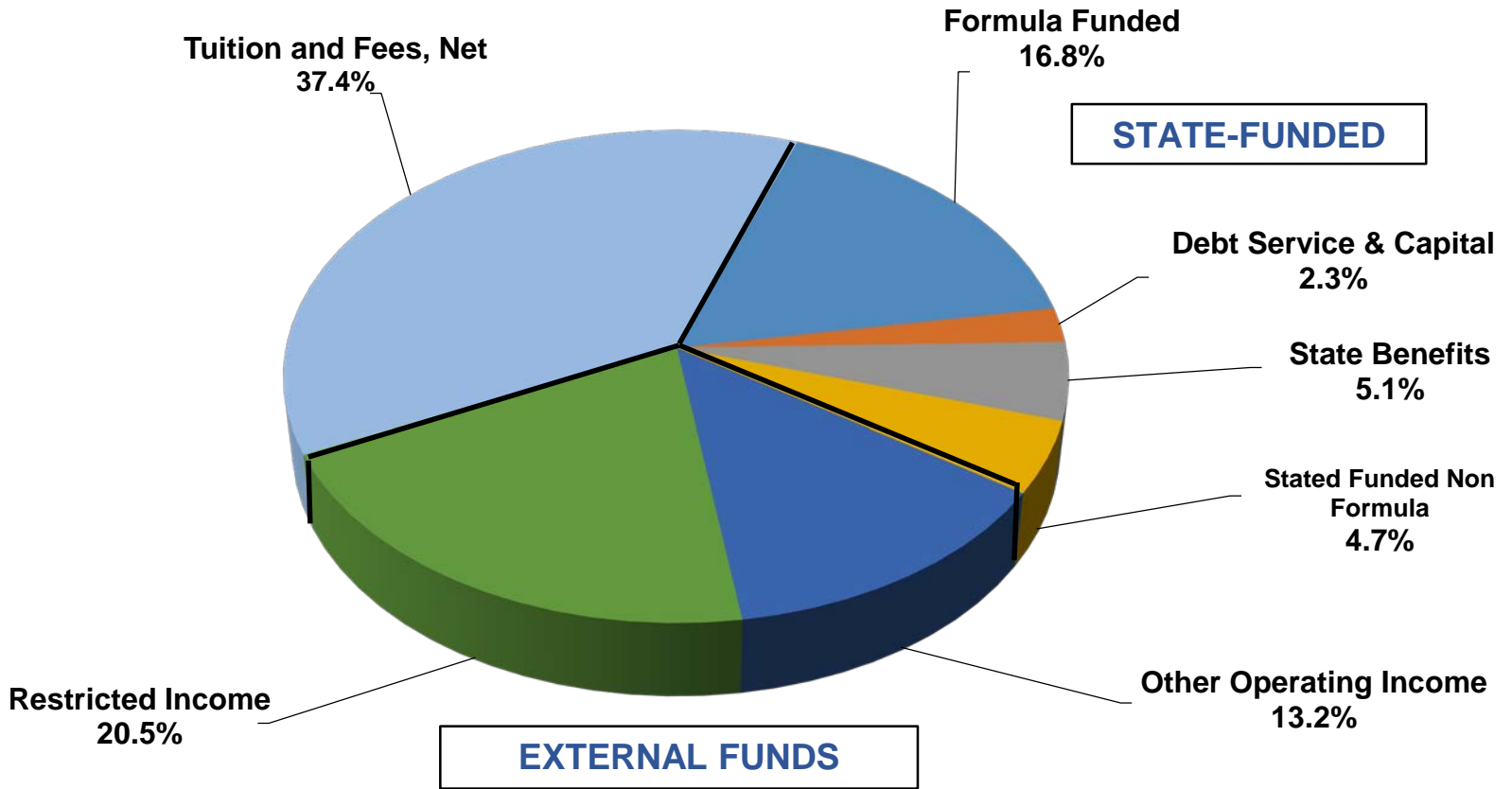
# Flow of State Funds to Universities

Funds flow to institutions of higher education in a number of ways:

- **Direct Appropriations**: Formula funds and other direct appropriations based on identified needs
  - Special Items and Research Enhancement are non formula
- **Indirect Appropriations**: not made directly to institution in its portion of bill but used to cover costs related to health insurance, retirement, and social security

# Significance of Funding Formulas

## UTSA



# Formula Funding

Two funding formulas and two supplements:

- Instruction and Operations Formula
  - Teaching Experience Supplement
- Infrastructure Formula
  - Small Institution Supplement

# How does the formula generate Instruction/Operations funds?

Two basic concepts:

- “Weighted” Semester Credit Hours
- Base Period

# The Importance of Credit Hours

Two formulas driven solely or partly by semester credit hours taught

- Instruction and Operations formula is driven totally by credit hours.
- The Infrastructure Support formula, in addition to credit hours taught, includes academic program mix, staff size, research expenditures, and Library collection size. Predicted space is also used in this formula.

Supplements driven by SCH and headcount

- The Teaching Experience supplement is driven by the number of undergraduate credit hours taught by tenured or tenure-track faculty.

# The Financial Importance of Instruction

- The important research and service missions of the university bring with them virtually no direct formula funding. **Special Items** and **Research** appropriations can provide some funding for these activities.
- From the formula's perspective, teaching generates semester credit hours. That counts toward generating most of our state formula funding.

# The “Base Period”

- 12-month period used to measure the SCH to be included in the appropriations formulas
- Summer and fall of even-numbered years and the spring of odd-numbered years.  
Summer/Fall 2018
- “Base period” provides the most recent year of semester credit hour data available when the legislature meets in the spring of odd-numbered years.
- Base period SCH determines formula appropriations for the next **two** years.



# What are weighted credit hours?

Funding is from the number of credit hours taught in the base period; but not all credit hours are funded at the same dollar value.

$$\text{Semester Credit Hours} \times \text{Program/Level Weight} \times \text{Rate} \\ (\$55.82)$$

- Conceptually, formula weighting is supposed to reflect differences in cost related to teaching courses at different levels and in different academic fields.
- Graduate courses, for example, are expected to be taught in smaller class sections than undergraduate classes so graduate credit hours are weighted heavier than undergraduate credit hours.

# What are weighted credit hours?

Courses in some fields are weighted relative to each other

- i.e., A credit hour in a lower-division History course earns less formula funding than lower-division course in Art or Engineering
- All these weightings are displayed in a chart called the “Formula Matrix”

# THECB Weighting Matrix

Weighting	Lower Div.	Upper Div.	Masters	Doctoral	Special Prof.
Liberal Arts	1.00	1.73	4.01	10.90	-
Science	1.64	2.81	7.04	20.70	-
Fine Arts	1.46	2.51	6.07	7.48	-
Teacher Ed	1.53	2.07	2.39	6.91	-
Agriculture	2.08	2.58	6.54	11.80	-
Engineering	2.15	3.22	5.50	17.15	-
Home Economics	1.11	1.76	2.79	9.09	-
Law	-	-	-	-	4.77
Social Services	1.57	1.89	2.47	19.33	-
Library Science	1.44	1.54	3.35	14.64	-
Veterinary Medicine	-	-	-	-	23.30
Vocational Training	1.16	2.74	-	-	-
Physical Training	1.46	1.26	-	-	-
Health Services	1.02	1.55	2.54	10.19	2.50
Pharmacy	2.46	4.73	28.55	32.17	4.23
Business Admin	1.16	1.83	3.26	24.70	-
Optometry	-	-	-	-	7.65
Teacher Ed Practice	1.91	2.18	-	-	-
Technology	2.08	2.32	3.42	14.79	-
Nursing	1.49	2.04	3.00	9.57	-
Developmental Ed	1.00	-	-	-	-

Note: The weights reflected are from THECB preliminary cost study for the 2018-2019 Biennium

# Weighted Credit Hours

Credit hours taught multiplied by the weighting matrix

- A 3-hour lower-division History course with 20 students enrolled would generate 60 weighted SCH (20 students x 3 SCH x 1.00 weight).
- A 3-hour masters-level Business course with 20 students enrolled would generate 196 weighted SCH (20 students x 3 SCH x 3.26 weight).
- A 3-hour doctoral Education course with 20 students enrolled would generate 415 weighted SCH (20 students x 3 SCH x 6.91 weight).

# Getting from weighted SCH to Instruction & Operations Income

Each biennium, the appropriations act specifies the dollar value of each weighted semester credit hour (wsch).

- For FY 2018, the value is \$55.82 per weighted SCH.

So, looking at our examples again:

- The lower-division History course earned \$3,349 (60 wsch x \$55.82).
- The Masters Business course earned \$10,941 (196 wsch x \$55.82).
- The Doctoral Education course earned \$23,165 (415 wsch x \$55.82).

# Teaching Experience

- Simple add-on to the Instruction and Operations formula.
- It provides an extra 10% formula income bonus for undergraduate credit hours that are taught by tenured and tenure-track faculty.
- Intent is to reward institutions for NOT using TA's and adjuncts to teach undergraduates.

# Questions?

**UTSA**<sup>®</sup>

The University of Texas at San Antonio<sup>™</sup>

**Business Affairs**

Kathryn Funk-Baxter, Vice President for Business Affairs