**Summary**

During the 2011 General Session, the Legislature approved S.B. 97, Higher Education Mission Based Funding (Urquhart) which requires the annual budget request from the Board of Regents to consider each institution’s mission. Mission Based funding is to include enrollment growth and up to three strategic priorities. The bill also requires the Board to include ways to address funding inequities among institutions.

During the 2012 General Session, the Legislature approved a total of $8 million for these two objectives - $4 million for Mission-Based Funding and $4 million for Equity. Last year, in the 2013 General Session, the Legislature appropriated an additional $18 million, again split evenly between Mission-Based Funding and Equity.

**Objective**

The purpose of Mission-Based Funding is to emphasize each institution’s mission and purpose and capitalize on their strengths. Each institution has a specific mission that fits within the system. Focusing on those missions should help them concentrate their efforts in those areas. The Equity portion is to correct inequities that have evolved over time and have resulted in discrepancies in funding levels between institutions.

**Discussion and Analysis**

For FY 2015, the State Board of Regents has requested $69,705,000 for Equity and $10 million for Distinctive Mission. The Governor has recommended $19.3 million for Equity and $2.3 million for Mission Based Funding. The Analyst recommends that the Subcommittee consider this initiative, should additional funding be allocated to it.