

OHIO DEPARTMENT OF HIGHER EDUCATION
OHIO TECHNICAL CENTERS

CTX PERFORMANCE BASED FUNDING FORMULA

TRAINING

80 percent of the total remaining CTX formula based funds will be distributed on the number of instructional hours offered to the business by the OTC. The program instructional hours delivered will provide the count.

Based on the total number of instructional hours delivered to businesses in the previous year (due to lag year data), OTCs will be ranked based on the highest number of hours delivered. These institutions will then be categorized into three (3) tiers:

- Tier 1 – Low
- Tier 2 – Middle
- Tier 3 – High (Top)

Each Tier should have an equal number of OTCs; however, in the case there are more OTCs than can be divided equally in three ways, then additional institutions will be placed in Tier 3.

Below is an explanation of funding percentages and allocated distribution assigned to each Tier:
Training – 80% weight

- Tier 1 = 16.7% (1/6 of total funding)
- Tier 2 = 33.3% (2/6 of total funding)
- Tier 3 = 50% (3/6 of total funding)

CTX TRAINING – FUNDING FORMULA EXAMPLE (EX: $.80 \times \$700,000 = \$560,000$)

Here is an example of each Tier's total funding allocation. If there are **46** institutions, the totals for each Tier would be:

- Tier 1 total funds = \$93,520
- Tier 2 total funds = \$186,480
- Tier 3 total funds = \$280,000

Out of the total funding allocation for each Tier, the equal funding distribution for each of the **46** CTX institutions works in the following manner:

- Tier 1 = 15 institutions @ \$6,234.67
- Tier 2 = 15 institutions @ \$12,432
- Tier 3 = 16 institutions @ \$17,500
 - As noted above, if institution(s) cannot be divided up equally in three ways, then the additional institution(s) will be placed in Tier 3.
 - **EX: Out of 46 institutions – Tier 1 = 15; Tier 2 = 15; Tier 3 = 16**
 - EX: Out of 47 institutions – Tier 1 = 15; Tier 2 = 15; Tier 3 = 17
 - EX: Out of 48 institutions – Tier 1 = 16; Tier 2 = 16; Tier 3 = 16

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BUSINESS CONSULTATION SERVICES

20 percent of the total remaining CTX formula based funds will be distributed on a total of staff service hours delivered during the contracted business consultation.

Business Consultation Services – 20% weight

The Business Consultation Services funding allocation will be calculated in the following manner:

1. The number of business consultation service hours generated by each CTX institution.
2. Total number of business consultation service hours generated by all CTX institutions that performed business consultation services.
3. A CTX institution's business consultation service hours divided by the total number of business consultation services hours of all CTX institutions that provided business consultation services.
4. CTX institution's percentage of its total amount of available funding multiplied by the total amount of available funding (i.e., \$140,000 for this example) equals the CTX institution's allocated amount for business consultation services.
5. The CTX institution receives \$11,200 of the available \$140,000 allocated for business consultation services through the weighted portion of funds.

CTX BUSINESS CONSULTATION SERVICES – FUNDING FORMULA EXAMPLE (EX: $.20 \times \$700,000 = \$140,000$)

1. CTX Institution A provided 160 hours of service.
2. 46 CTX institutions combined = a total of 2000 hours of service.
3. CTX Institution A provided 160 hours divided by 2000 hours = 8% of total allocated funding available to institution A.
4. CTX Institution A's percentage of available funding of 8% multiplied by \$140,000 = \$11,200.
5. CTX Institution A receives \$11,200 of the \$140,000.