



Performance-Based Funding

in Higher Education

10/29/15 Office of the Legislative Fiscal Analyst

Observations

- Is completion matrix fully utilized?
- Is efficiency definition sufficiently broad?
- Should unearned funds be reallocated to all?
- How much is enough?
- How do we incorporate best practices while safeguarding consistency?

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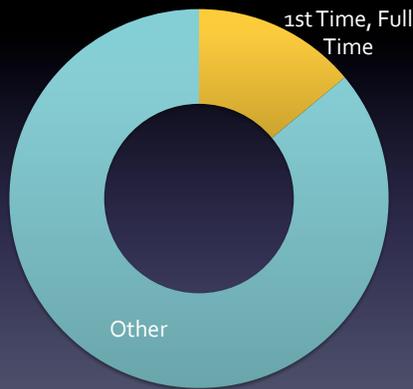


Is completion matrix fully utilized?

Metric Weightings
As reviewed by the Higher Education Appropriations Subcommittee

	UU, USU		WSU, SUU, UVU, DSU		Snow, SLCC	
	Per Unit	Weight	Per Unit	Weight	Per Unit	Weight
Overall Persistence/Completion		100%		100%		100%
One-year certificate/30 SCH	0.50	25%	1.00	25%	1.00	25%
General Ed/Transfer	2.00		3.00			
Associate degree/60 SCH	4.00		3.00			
Bachelor's degree	2.00		4.00			
Master's degree	4.00		2.00			
Doctoral degree						
Subtotal Overall Degree Completion						
Underserved Population		10%		15%		15%
Certificates		10%		15%		15%
Associate degree	1.00		1.00		1.00	
Bachelor's degree	2.00		2.00		2.00	
Subtotal Underserved						
Market Demand		10%		10%		10%
Certificates	0.50	10%	1.00	10%	1.00	10%
Associate degree	2.00		2.00		3.00	
Bachelor's degree	4.00		4.00			
Master's degree	2.00		2.00			
Doctoral degree	4.00					
Subtotal Market Demand						
Graduation Efficiency		40%		50%		50%
Graduation Rate at 150%	2.00	40%	2.00	50%	2.00	50%
Subtotal Efficiency						
Research		5%		0%		0%
Research Grant \$ per FTE Tenured Faculty	2.00	5%		0%		0%
Subtotal Research						

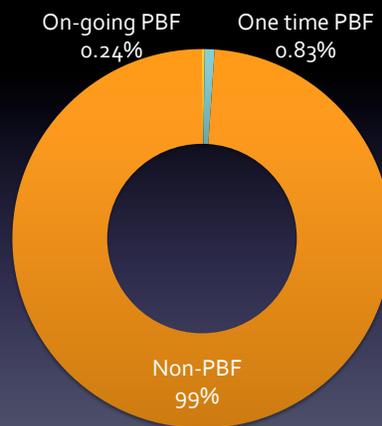
Is efficiency definition sufficient?



Should unearned funds be reallocated to all?

One-time Reallocation of Unearned Funds							
	Completion	Underserved Students	Market Demand	Graduation Efficiency	Research	One-time Total	% of One-time Total
Unearned Available:	\$ 56,823	\$ 79,275	\$ 31,050	\$ 506,779	\$ 32,261	\$ 706,187	
University of Utah	16,187	13,069	6,927	125,803	19,292	183,277	25.95%
Utah State University	11,048	14,230	6,749	95,093	12,968	140,088	19.84%
Weber State University	7,050	12,297	3,888	70,526	-	93,764	13.28%
Southern Utah University	2,667	4,652	1,471	27,021	-	35,812	5.07%
Dixie State University	2,798	5,211	1,648	28,412	-	38,069	5.39%
Utah Valley University	8,315	14,504	4,586	64,380	-	91,785	13.00%
Snow College	1,498	2,555	826	16,441	-	21,320	3.02%
Salt Lake Community College	7,259	12,758	2,954	79,101	-	102,072	14.45%
Total	\$ 56,823	\$ 79,275	\$ 31,050	\$ 506,779	\$ 32,261	\$ 706,187	100.00%

How Much is Enough?



Incorporating Best Practices

NCSL "Best Practices" that are not included in Utah's PBF model

- Include student progress and successes
- Include student learning measurements
- Enough funding to create incentives (Most states putting aside 5-25% of higher education funding for performance funding)

Safeguarding Consistency



Fiscal Year:	2011	2012	2013	2014	
Overall Change in Degree	\$715,500	\$6,059,000	\$30,536,800	\$30,536,800	\$19,971,440
At-Risk Student Degree in Completion		\$953,625	\$2,443,652	\$2,443,652	\$9,992,709
High Impact Degree Completion					\$6,655,593
Student Persistence Metric					\$9,984,836
On-Time Graduation Rate		\$791,066	\$1,213,745	\$1,213,745	\$16,644,610
Institutional Defined Productivity Metric					\$3,322,952
Research Support	\$1,718	\$2,313,004	N/A	\$2,313,004	
Credit Hour Transfer	\$4,199	\$2,313,004			
Dual Credit SCCH			\$2,490,717	\$12,490,717	
Successfully Completed Credit Hours			\$508,725	\$508,725	
Early College SCCH					
Non-Credit Instruction					
Total Performance Funding Appropriations	\$32,692,905	\$11,106,743	\$59,506,643	\$59,506,643	\$66,572,140
Total Operating Appropriations	\$380,962,099	\$1,106,743	\$1,215,309,289	\$1,215,309,289	\$1,151,756,295
Percentage	8.6%	1.0%	5.0%	5.0%	6.0%

Incorporating Best Practices

NCSL “Best Practices” that are part of Utah’s PBF model

- Account for specific institutions’ missions
- Include incentive for low-income, minority, and adult students
- Align formula with workforce needs
- Focus on improving completion, progress, and success
- Phase in the performance funding system
- Engagement of all stakeholders – policymakers, higher education leaders, and faculty
- Keeping the formula simple



Higher Education Performance Based Funding

DISCUSSION

