



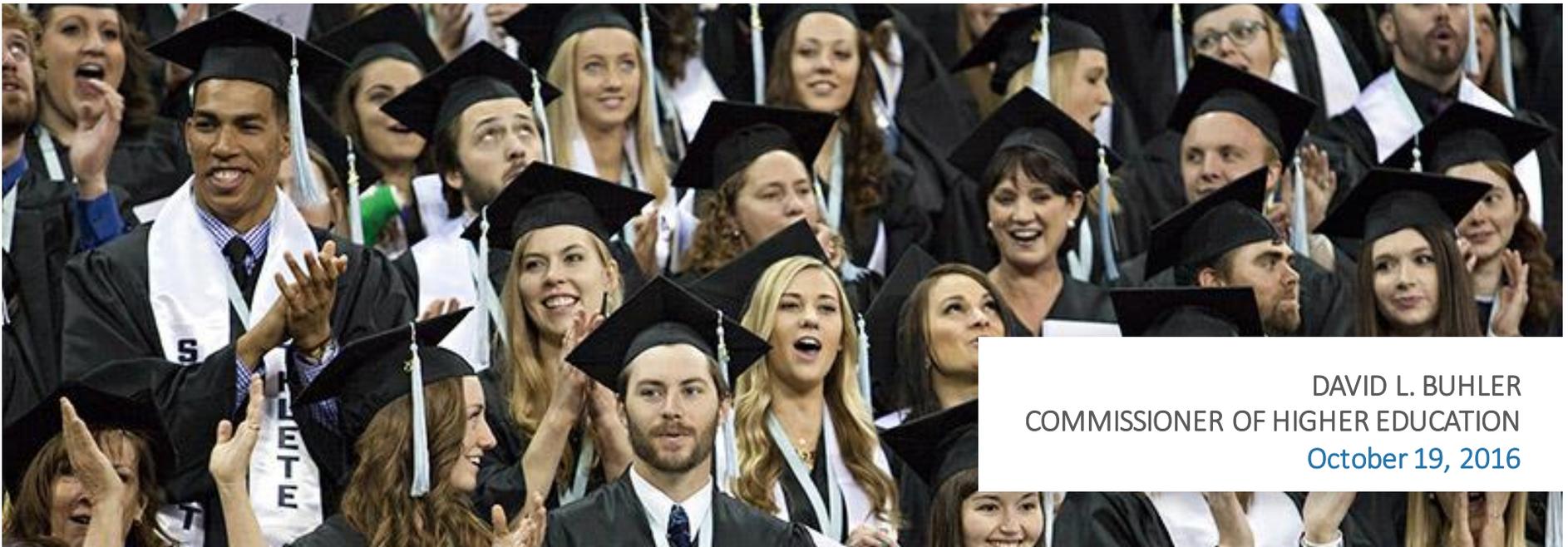
UTAH SYSTEM OF  
HIGHER EDUCATION

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*Building a Stronger State of Minds*

# REPORT TO EDUCATION INTERIM COMMITTEE

## Performance Funding Utah System of Higher Education



DAVID L. BUHLER  
COMMISSIONER OF HIGHER EDUCATION  
October 19, 2016



# History of Higher Education Performance Funding

2013-14

Performance Funding pilot with one-time funds appropriated by the Legislature.

2013: \$1 million  
2014: \$1.5 Million

2015

Legislature approves SB 232 – *Higher Education Performance Funding*.

2015 Legislative appropriation:  
\$2 million ongoing  
\$7 million one-time

2016

Board adopts legislative intent language to adjust efficiency metric.

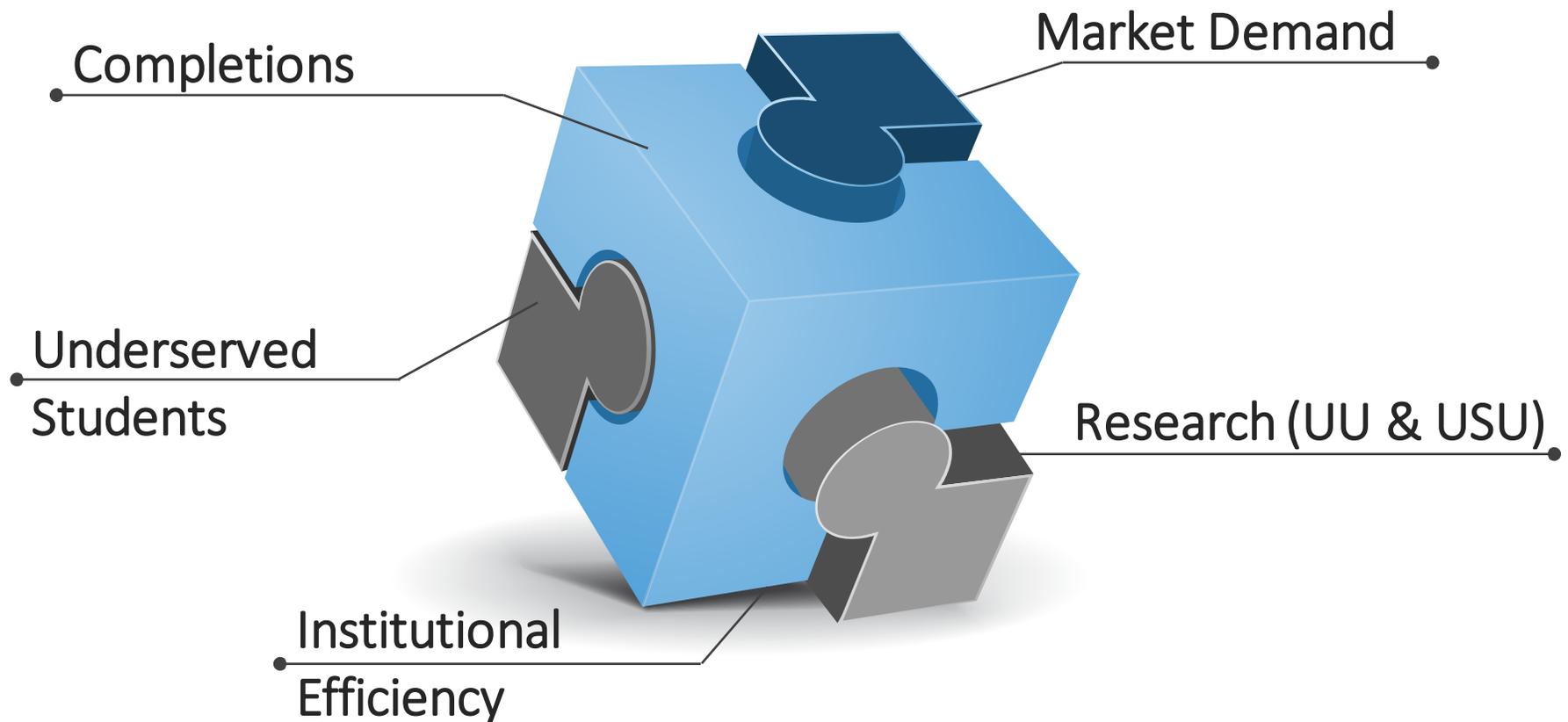
2016 Legislative appropriation:  
\$5 million one-time



# SB 232 (2015)

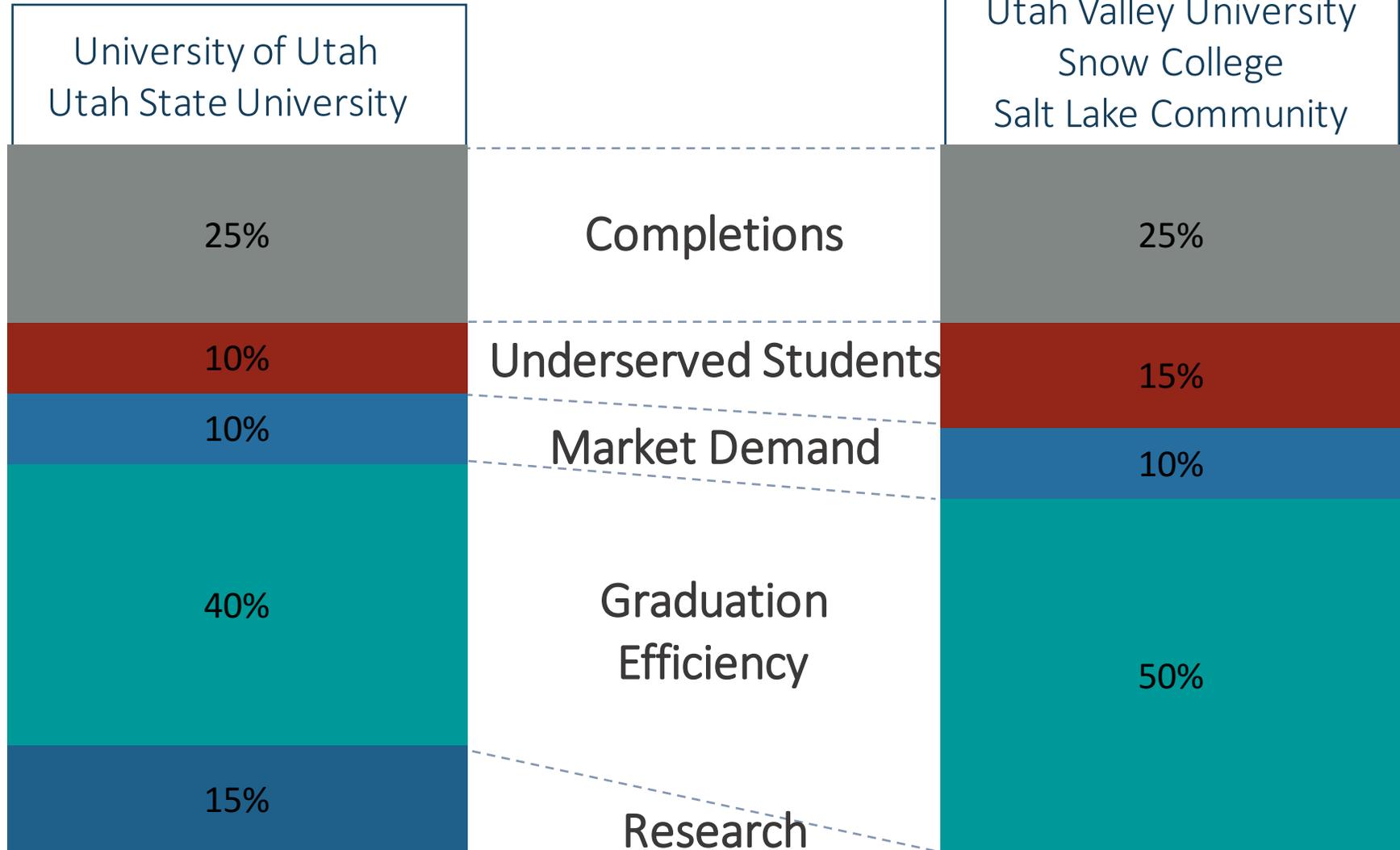
## *Higher Education Performance Funding*

Directs the Board of Regents to establish performance funding and associated outputs in the following areas:





# Metric Weightings





## Metrics Overview

- Tied to relevant performance areas in higher education.
- State and national, generally accepted data sources.
- Weighted as directed by Higher Education Appropriations Subcommittee.
- Measured on 5-year rolling average (*Research* metric excluded).



## Metric 1: Completions

- Total certificates, associate, bachelor's, master's, and doctorate awards as reported to the Integrated Postsecondary Education Data System (IPEDS).
- Includes transfer students reported in the IPEDS Graduation Rate Survey for two-year institutions.



## Metric 2: Underserved Students

- Total number of students receiving need-based aid (Pell) according to the IPEDS Financial Aid Survey.
  - USHE is exploring additional data to be collected from institutions to improve this definition by focusing on first-generation students served.



## Metric 3: Market Demand

- Incentive for degrees awarded that align to the “5-Star” occupations requiring a college degree or certificate - as defined by the Utah Department of Workforce Services) & STEM degrees.
- “5-Star” Degree areas by instructional code/name:
  - 01) AGRICULTURE, AGRICULTURE OPERATIONS, AND RELATED SCIENCE
  - 03) NATURAL RESOURCES AND CONSERVATION
  - 11) COMPUTER AND INFORMATION SCIENCES AND SUPPORT SERVICES
  - 14) ENGINEERING
  - 15) ENGINEERING TECHNOLOGIES AND ENGINEERING-RELATED FIELDS
  - 26) BIOLOGICAL AND BIOMEDICAL SCIENCES
  - 27) MATHEMATICS AND STATISTICS
  - 41) SCIENCE TECHNOLOGIES/TECHNICIANS
  - 51) HEALTH PROFESSIONS AND RELATED PROGRAMS
  - 13) EDUCATION
  - 46) CONSTRUCTION TRADES
  - 52) BUSINESS, MANAGEMENT, MARKETING, AND RELATED SUPPORT SERVICES



## Metric 4: Research

- Only applies to the two USHE research institutions:
  - University of Utah
  - Utah State University
- Data compiled by the *Center for Measuring University Performance (MUP)* provides the total non-state research dollars for each of the research colleges and universities in the United States.



## Metric 5: Institutional Efficiency

- Modified as directed via Intent Language, adopted by Board of Regents in May 2016
- Degrees per FTE Students- Total awards granted per total 12-month FTE as reported to IPEDS.
- Measures “throughput” - Best measure of institutional efficiency.



## Year-to-Year

- FY 16 – Baseline year
- If no progress is achieved, awards are reduced by 5%.
- To encourage progress, FY 17 – Institutions must increase its 5-yr rolling average 1% annually.

# Full details available online

Higheredutah.org

-> Utah System of Higher Education

-> Meeting Schedule & Agendas

-> May 2016 Agenda

-> Tab Q

<https://higheredutah.org/agendas/may-2016-regents-meeting-agenda/>

Adopted by Board of Regents, May 2016

**Proposed Performance Funding Model July 2015 (FY 16)**

Higher Education Performance Funding, adopted in the 2015 Legislative Session, directs the Board of Regents to establish and implement Performance Funding metrics based on outcomes based on the allocations, metrics, definitions, and procedures for Performance Funding.

Performance Funding uses outcomes based on the most recently reported and available data available in the middle of the fiscal year following an academic year. For example, FY 16 Performance Funding uses outcomes based on the most recently reported and available data available in the middle of the fiscal year following the 2013-14 academic year.

**Performance Funding Allocation to Institutions**

Funds are allocated to each institution based on a 50/50 weighting of:

1. Percentage share of total ongoing USHE state appropriations from the most recent fiscal year (2016).
2. Percentage share of total USHE degrees and certificates awarded for the most recent academic year that data is available (2013-14).

For FY 2016, the Legislature appropriated \$9 million to Performance Funding (\$2 million ongoing, \$7 million one-time). In addition, \$239,000 in one-time funds has been added as carryover from the previous performance funding model (FY 2013-14 and FY 2014-15). As funds are earned and distributed for 2015-16, the ongoing funds will be distributed first proportionately among institutions.

The following table provides the breakdown by institution if 100% of the funding were earned (as defined above) as well as individual allocations based on the agreed-upon metric weightings identified with the Higher Education Appropriations Subcommittee (HEAC) Co-Chairs. Ongoing and one-time funds to each institution are proportionately split 78% one-time funds, 22% ongoing funds.

Institution	% of Total Appropriation	Total Allocation	20% Ongoing	80% One-Time
Utah Valley	27.70%	\$2,367,100	\$473,420	\$1,893,680
Utah State	21.61%	\$1,840,700	\$368,140	\$1,472,560
Utah Western	12.10%	\$1,178,100	\$235,620	\$942,480
Utah State Eastern	4.80%	\$403,000	\$80,600	\$322,400
Utah State Southern	4.20%	\$347,000	\$69,400	\$277,600
Utah State Northern	2.80%	\$231,000	\$46,200	\$184,800
Utah State Western	1.80%	\$148,000	\$29,600	\$118,400
<b>Total</b>	<b>100.00%</b>	<b>\$8,235,000</b>	<b>\$1,647,000</b>	<b>\$6,588,000</b>

**Metric Weightings**

Category	Weight
UOU, USU	100%
Per Unit	25%
WSU, SUU, UVU, DSU	100%
Per Unit	25%
Snow, SLCC	100%
Per Unit	25%
Per Unit	3.00
Per Unit	3.00
Per Unit	4.00

**Performance Funding Detail by Institution**

Institution	Underserved Students	Market Demand	Research	Graduation Efficiency	Total
Utah Valley	70%	70%	75%	40%	70%
Utah State	625.00	625.00	1.50		
Utah Western	\$ 256,710	\$ 256,710	\$ 385,065	Allocation	\$1,038,440
Utah State Eastern	7,129	11,273.4	410,382	Target Graduation Rate (top 3rd Peers)	66.14%
Utah State Southern	\$ 178,235	\$ 281,835	\$ 615,588	Campus Graduation Rate	58.55%
Utah State Northern	No	No	No	Safe Harbor	50.55%
Utah State Western	\$ 178,235	\$ 256,710	\$ 385,065	Earned Award (Target * Allocation)	\$ 909,039
Utah State	60%	100%	70%	Percent of Target	87.52%
Utah Valley	78,475	\$ 0	\$ 0	Balance	\$ 117,801
<b>Total</b>	<b>\$ 1,070,000</b>	<b>\$ 194,070</b>	<b>\$ 291,105</b>		<b>\$ 1,565,175</b>
Utah Valley	8,652	9,070.6	172,563	Allocation	\$ 776,280
Utah State	\$ 216,295	\$ 226,765	\$ 258,845	Target Graduation Rate (top 3rd Peers)	60.55%
Utah Western	No	No	No	Campus Graduation Rate	53.60%
Utah State Eastern	No	No	No	Safe Harbor	50.55%
Utah State Southern	0.131	0.131	0.131		\$1,772,160
Utah State Northern	2%	2%	2%		87.5%
Utah State Western	\$ 149	\$ 149	\$ 149		\$ 168,532

**One-time Reallocation of Unearned Funds**

Institution	Completion	Underserved Students	Market Demand	Graduation Efficiency	Research	One-time Total	% of One-time Total
Utah Valley	506,779	32,261	706,187				
Utah State	125,803	19,292	183,277	25.95%			
Utah Western	95,093	12,968	140,088	19.84%			
Utah State Eastern	70,528	-	93,764	13.28%			
Utah State Southern	27,021	-	35,812	5.07%			
Utah State Northern	28,412	-	38,068	5.39%			
Utah State Western	64,380	-	91,785	13.00%			
Utah Valley	16,441	-	21,320	3.02%			
Utah State	78,901	-	102,072	14.46%			
<b>Total</b>	<b>506,779</b>	<b>32,261</b>	<b>706,187</b>	<b>100.00%</b>			

**Total of All Earned Funds**

Institution	Completion	Underserved Students	Market Demand	Graduation Efficiency	Research	Total	% of Total
Utah Valley	1,034,841	404,357	2,554,101	27.64%			
Utah State	782,224	271,813	1,512,296	20.70%			
Utah Western	580,160	-	1,162,446	12.58%			
Utah State Eastern	222,276	-	442,566	4.79%			
Utah State Southern	233,713	-	472,765	5.12%			
Utah State Northern	529,585	-	1,216,340	13.17%			
Utah State Western	135,241	-	256,140	2.82%			
Utah Valley	650,680	-	1,312,340	14.46%			

**Enrolled Copy**

**HIGHER EDUCATION PERFORMANCE FUNDING**

2015 GENERAL SESSION  
STATE OF UTAH

Chief Sponsor: Stephen H. Urquhart  
House Sponsor: Keith Grover

S.B. 232

TITLE

Description:

This bill amends and enacts provisions related to higher education funding.

Provisions:

This bill:

defines terms;

enacts provisions related to mission-based funding.



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