



HIGHER EDUCATION
STAFF: SPENCER PRATT

PERFORMANCE-BASED FUNDING

ISSUE BRIEF

SUMMARY

During the 2013 General Session, the Legislature approved a one-time appropriation of \$1 million, designated as Performance-Based Funding, together with the following intent language:

The Legislature intends that the Utah State Board of Regents develop standards to measure institutions' performances using, but not limited to the following: 1. Retention (1st year to 2nd year); Completion rates (including transfers); 3. Reduction in remedial/developmental math courses; 4. Successful completion of math courses following remedial/developmental; Acceleration in fulfilling general education math courses; 6. Increase in graduate education (as applicable by institutional mission).

The Legislature further intends that the \$1 million Performance-Based funding will be allocated by the Utah State Board of Regents to institutions that show improvements in one or more of these areas.

OBJECTIVE

The purpose of Performance-Based Funding is to encourage institutions to improve in the above-mentioned areas by providing a funding reward to them upon meeting specific goals.

DISCUSSION AND ANALYSIS

The State Board of Regents approved a concept of dividing the institutions into three groups: Group I (University of Utah and Utah State University), Group II (Weber State University, Utah Valley University, and Salt Lake Community College); and Group III (Southern Utah University, Dixie State University, and Snow College). Institutions in Group I would be eligible to receive \$200,000 each, Group II institutions would be eligible for \$120,000 each, and Group III institutions would be eligible for \$80,000 each.

Each institution submitted their own specific performance measures, current baselines, and 2014 goals. Institutions focused on one to four of the standards outlined in the intent language.

On June 1, 2014, institutions will provide a report detailing if the benchmarks were met. The Commissioner's Office will take the month of June to evaluate the reports and then allocate funding based on the individual institution's performance. If there is unallocated funding at that time, it will be held for the next year's performance.

The Commissioner's Office will detail the areas each institution is targeting and benchmark goals that are identified.

For FY 2015, the State Board of Regents have requested \$2 million for Performance Based Funding; the governor is recommending \$1 million.

