

**PERFORMANCE METRICS FOR HIGHER EDUCATION
INSTITUTIONS**

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kim F. Coleman

Senate Sponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill amends provisions related to performance funding metrics for higher education institutions.

Highlighted Provisions:

This bill:

- ▶ defines a term;
- ▶ adds a metric for measuring the performance of higher education institutions for performance funding; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53B-7-702, as enacted by Laws of Utah 2017, Chapter 365 and last amended by Coordination Clause, Laws of Utah 2017, Chapter 382

53B-7-706, as enacted by Laws of Utah 2017, Chapter 365



28 *Be it enacted by the Legislature of the state of Utah:*

29 Section 1. Section 53B-7-702 is amended to read:

30 **53B-7-702. Definitions.**

31 As used in this part:

32 (1) "Account" means the Performance Funding Restricted Account created in Section
33 53B-7-703.

34 (2) "Competency-based" means a system where a student advances to higher levels of
35 learning when the student demonstrates competency of concepts and skills regardless of time,
36 place, or pace.

37 [~~2~~] (3) "Estimated revenue growth from targeted jobs" means the estimated increase
38 in individual income tax revenue generated by individuals employed in targeted jobs,
39 determined by the Department of Workforce Services in accordance with Section 53B-7-704.

40 [~~3~~] (4) "Full new performance funding amount" means the maximum amount of new
41 performance funding that a higher education institution or technical college may qualify for in
42 a fiscal year, determined by the Legislature in accordance with Section 53B-7-705.

43 [~~4~~] (5) "Full-time" means the number of credit hours the board determines is full-time
44 enrollment for a student.

45 [~~5~~] (6) "GOED" means the Governor's Office of Economic Development created in
46 Section 63N-1-201.

47 [~~6~~] (7) "Higher education institution" means the same as that term is defined in
48 Section 53B-7-101.

49 [~~7~~] (8) "Job" means an occupation determined by the Department of Workforce
50 Services.

51 [~~8~~] (9) "Membership hour" means 60 minutes of scheduled instruction provided by a
52 technical college to a student enrolled in the technical college.

53 [~~9~~] (10) "New performance funding" means the difference between the total amount
54 of money in the account and the amount of money appropriated from the account for
55 performance funding in the current fiscal year.

56 [~~10~~] (11) "Performance" means total performance across the metrics described in:

57 (a) Section 53B-7-706 for a higher education institution; or

58 (b) Section 53B-7-707 for a technical college.

59 ~~[(H)]~~ (12) "Research university" means the University of Utah or Utah State
60 University.

61 ~~[(H2)]~~ (13) "Targeted job" means a job designated by the Department of Workforce
62 Services or GOED in accordance with Section [53B-7-704](#).

63 ~~[(H3)]~~ (14) "Technical college graduate" means an individual who:

64 (a) has earned a certificate from an accredited program at a technical college; and

65 (b) is no longer enrolled in the technical college.

66 ~~[(H4)]~~ (15) "Utah System of Technical Colleges" means the Utah System of Technical
67 Colleges described in Chapter 2a, Utah System of Technical Colleges.

68 Section 2. Section **53B-7-706** is amended to read:

69 **53B-7-706. Performance metrics for higher education institutions --**

70 **Determination of performance.**

71 (1) (a) The board shall establish a model for determining a higher education
72 institution's performance.

73 (b) The board shall submit a draft of the model described in this section to the Higher
74 Education Appropriations Subcommittee and the governor for comments and
75 recommendations.

76 (2) (a) The model described in Subsection (1) shall include metrics, including:

77 (i) completion, measured by degrees and certificates awarded;

78 (ii) completion by underserved students, measured by degrees and certificates awarded
79 to underserved students;

80 (iii) responsiveness to workforce needs, measured by degrees and certificates awarded
81 in high market demand fields;

82 (iv) institutional efficiency, measured by degrees and certificates awarded per full-time
83 equivalent student; ~~[and]~~

84 (v) increased access to competency-based coursework and evidence-based online
85 coursework; and

86 ~~[(v)]~~ (vi) for a research university, research, measured by total research expenditures.

87 (b) Subject to Subsection (2)(c), the board shall determine the relative weights of the
88 metrics described in Subsection (2)(a).

89 (c) The board shall assign the responsiveness to workforce needs metric described in

90 Subsection (2)(a)(iii) a weight of at least 25% when determining an institution of higher
91 education's performance.

92 (3) For each higher education institution, the board shall annually determine the higher
93 education institution's:

94 (a) performance; and

95 (b) change in performance compared to the higher education institution's average
96 performance over the previous five years.

97 [~~4~~ On or before September 1, 2017, the board shall report to the Higher Education
98 Appropriations Subcommittee on the model described in this section.]

99 [(5)] (4) The board shall use the model described in this section to make the report
100 described in Section [53B-7-705](#) for determining a higher education institution's performance
101 funding for a fiscal year beginning on or after July 1, 2018.

Legislative Review Note
Office of Legislative Research and General Counsel