

May 7, 2014

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE - Guidelines for Performance Funding, 2014-15

Issue

During the 2014 legislative session, \$1.5M in one time funding was allocated for performance funding. This is the second year of performance funding, spearheaded by Senator Stephen Urquhart. Board of Regents measures, timeline and procedures for allocation of the performance funding are needed to meet the intent of the legislation and provide guidelines to institutional Presidents.

Background

The 2014 Legislature approved \$1.5M in one-time funds for performance funding to be focused on efforts to increase completion. Funds were allocated to the Utah System of Higher Education to distribute based on performance.

The proposed five core performance measures were updated (nearly identical to those used in 2013) are as follows:

- a. 1st year to 2nd year retention
- b. Increased completion rates (transfer counts toward completion)
- c. Acceleration in fulfilling the general education math requirement (such as requiring at least one math class during the first two semesters)
- d. Rapid transition of students from developmental math to successful completion of college math course
- e. Increase in graduate education (as applicable by institutional mission)

Legislative intent language in the appropriations act (2013 SB 2) identified these as the core measures to be used, but did not limit institutions to using only these measures. In checking with the Legislative Fiscal Analyst, it is understood that the same intent exists for 2014-15. Assuming approval of the proposed guidelines and timelines in the attached document, institutional Presidents will submit proposed measures and benchmarks by June 15, 2014 to the Commissioner's Office. Their measures and benchmarks will be submitted to the Board for consideration at its July 2014 meeting. Presidents will provide a report detailing their success in meeting approved benchmarks on June 1 of 2015. Distribution of performance funding will occur consistent with the allocation guidelines and institutional performance by July 1, 2015.

Policy Issues

There are no outstanding policy issues. The proposed guidelines meet the intent of legislature and have the agreement of the USHE institutional Presidents.

Commissioner's Recommendation

The Commissioner recommends the Regents approve the Guidelines for Performance Funding, 2014-15, effective immediately.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/EJH/BLS
Attachment

Utah System of Higher Education Guidelines for Performance Funding, 2014-2015

The Utah Legislature has provided a second year of performance funding (\$1.5 million in one-time for 2014-15) to address the most urgent needs in reaching the 66% goal. It is proposed that the core performance measures of 2013-14 be used for 2014-15 as follows:

- a. 1st year to 2nd year retention
- b. Increased completion rates (transfer counts towards completion)
- c. Acceleration in fulfilling the general education math requirement (such as requiring at least one math class during the first two semesters)
- d. Rapid transition of students from developmental math to successful completion of college math course
- e. Increase in graduate education (as applicable by institutional mission)

Intent language with the legislative funding in the first year included (but did not limit selection to) the performance measures listed above. It is expected similar measures will be used for the second year. These are the core performance measures from which each institution may select as appropriate for mission and student mix and as determined by the institution as having the greatest effect on moving the needle on performance measures. By June 15, 2014, each institutional President will submit the final list of 2014-15 core performance measures, specific measures, current data, and benchmarks to the Commissioner's Office to be approved by the Board of Regents and finalized at the July 18, 2014 Board meeting.

Proposed Funding Allocation: Institutions will provide the data on performance to the Commissioner no later than June 1, 2015. The Board of Regents will allocate performance funding to each institution, to be released by July 1, 2015, based on completion or significant progress toward achieving one or more of the specified measures. Money will be allocated based on the degree to which the measure(s) are met, e.g., if 100% achieved (or surpassed) 100% will be allocated; if 50% achieved, 50% will be allocated, etc. For institutions with more than one measure, the funding allocation will be divided accordingly.

The Commissioner recommends to the Board of Regents the following distribution (with the amounts representing 100% allocations):

Group I	Group II	Group III
UU \$300,000	WSU \$180,000	SUU \$120,000
USU \$300,000	UVU \$180,000	DSU \$120,000
	SLCC \$180,000	Snow \$120,000

- Time-Line:**
- May 16, 2014: Regents approve 2014-15 guidelines.
 - June 15, 2014: Specific measures, current data, and benchmarks submitted by the institutions to the Commissioner's Office.
 - July 18, 2014: Board of Regents approves proposed measures and benchmarks.
 - June 1, 2015: Institutions provide Commissioner's Office with report on meeting approved benchmarks.
 - July 1, 2015: Commissioner's Office allocates performance funding. Unallocated funds will be carried forward to next year for future allocation.