



UTAH SYSTEM OF
HIGHER EDUCATION

MEMORANDUM

TAB G

January 14, 2021

Performance Funding Revisions

Over the last decade, the State Legislature appropriated funds to both degree-granting institutions and technical colleges for performance. The 2019 legislative session saw a significant increase in performance funding from an average of \$4.5 million annually to \$31.5 million. Performance funding is likely to become a significant portion of the annual USHE legislative appropriation in the foreseeable future. While the performance funding model has evolved over time, there is an opportunity to further refine the model to ensure transparency, fairness, and accountability in meeting System and institutional goals.

While the previous measures required by statute provided incentive for USHE institutions to improve, institutional achievements vary significantly due to institutional mission and are often magnitudes of scale beyond the 1% progress level required by statute. A more flexible and robust system of measurement and accountability would improve the model.

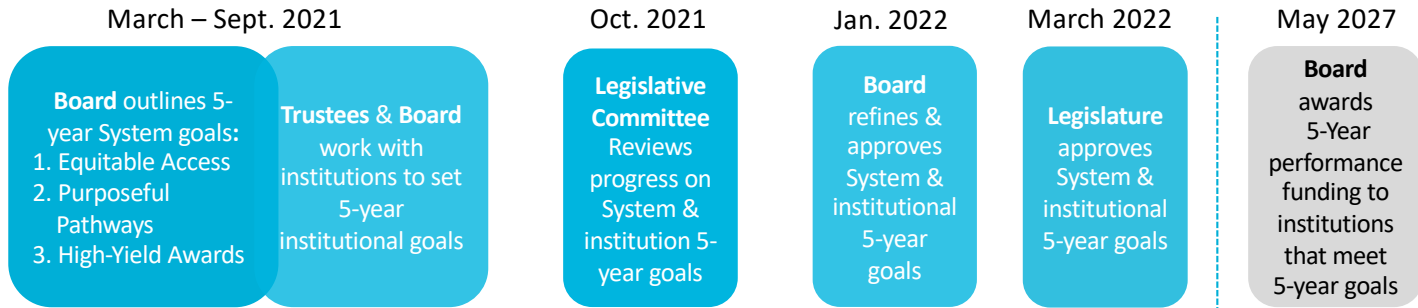
The Commissioner's office is working with the UT Legislature to amend the current performance funding model to align with the Board's work on the statewide attainment goals focused on three pillars: Equitable Access, Purposeful Pathways, and High-Yield Awards. The performance progress in the current model would be replaced by five-year and annual institutional goals aligned with the System's five-year and ten-year goals. The Board would be given greater flexibility to work with institutions and their boards of trustees to set and achieve meaningful goals for which the Legislature would award performance funding. The attached diagram provides more information on the proposed changes to the performance funding model.

Commissioner's Recommendation

This is a discussion item only; no action is required.

Attachment:

5-Year Goal Setting and Performance Award



Annual Goal Setting and Evaluation

*Goals set in 2022 for funding beginning July 1, 2023 (FY 2024)



Annual Performance Funding Awards

*Legislature begins funding new model during 2023 G.S. for FY 2024 budgets

