May 21, 2021

Performance Funding Training

The Commissioner’s office worked with the legislature to amend the current performance funding model to align with the Board’s work on the statewide attainment goals of: 1. access, 2. timely completion, and 3. high-yield awards. The legislation making these changes, S.B. 193 by Ann Millner, passed during the 2021 General Session. The performance progress in the current model will be replaced by 5-year and annual institutional goals aligned with the System’s 5-year and 10-year goals.

The Board will now have greater flexibility to work with institutions and their boards of trustees to set and achieve meaningful goals for which the Legislature will award performance funding. The bill provides a two-year implementation phase in which the current model will be used to allocate performance funds and the Board will review and submit proposed goals for the new model to the legislature for review. The Commissioner’s office met with institutional presidents, their cabinets, and board of trustees’ chairs to discuss these changes and provide training on future expectations. The attached presentation provides similar training and information for the Board.

Commissioner’s Recommendation
This is a discussion item; no action is required.

Attachment
Current Performance Funding Model

1% Improvement
Average of Past 5-Years

1. Completion
2. Underserved Students
3. Market Demand
4. Awards per FTE
5. Research (UU/USU)

- Opportunity to connect currently disjointed goals
- Need to account for institutional missions, growth, and regional factors
**Revised Performance Funding Model**

- **Institution 5-Year Goals**
- **System 5-Year Goals**
- **5-Year Goals (2026-27)**
- **Funding Award**
- **Goal Evaluation**
- **Funding Appropriation**
- **Access**
- **Timely Completion**
- **High-Yield Awards**
- **Annual Goals**
- **Institution Annual Goals**
- **Funding Appropriation**
- **Goal Evaluation**

**Performance Funding Allocations**

- **September 2023...**
  - Board compiles budget request for Performance Funding including Uses

- **January-March 2024...**
  - Legislature Appropriates and Allocates $$$
  - 85% Degree
  - 15% Tech Ed.
  - 50% FTE
  - 50% Budget

- **March 2024...**
  - Legislature awards Performance Funding based on 22-23 data
  - Unearned ongoing funds held in reserve for 5-year Goals
  - 50% FTE
  - 50% Budget

- **July 2024...**
  - Institutions report uses of awarded Performance Funds to the Board
Statewide Attainment Goals

System Strategic Plan Goals

Institutional Performance Funding Goals
*(annual measurements toward 5-year goal)*

### Access
- Increase the college-going rate of high school graduates by 10% by 2030.

### Completion
- Increase the timely completion of degrees and certificates by 10% by 2030.
- Increase the completion rate of graduates in high-demand, high-wage programs by 20% by 2030.

### Workforce Alignment
- # Utah students attending postsecondary institution within three years of graduation
- # Utah students in high school graduating class
- # students who complete program within 150% of expected time
- # students who complete a high-demand, high-wage program
- # students who complete a program
# Goal Setting Process, Data, and Funding

<table>
<thead>
<tr>
<th>Data Available to Set Goal</th>
<th>Annual Goal Set by Board</th>
<th>Data Available for Goal Evaluation</th>
<th>Data Available for Goal Evaluation</th>
<th>Legislate Session for Funding</th>
<th>Fiscal Year Funding Available</th>
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<tbody>
<tr>
<td>2021-22</td>
<td>May 2023</td>
<td>November 2024</td>
<td>2023-24</td>
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<td>July 1, 2025 (FY 2025-26)</td>
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<td>Jan-Mar 2028* (2028 G.S.)</td>
<td>July 1, 2028* (FY 2028-29)</td>
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* Data and Funding used for Five Year Goal Evaluation

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# 2021 Calendar for Performance Funding

<table>
<thead>
<tr>
<th>2021</th>
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<tbody>
<tr>
<td>Mar. – Apr. 2021</td>
<td>Jan. 2022</td>
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<tr>
<td>End April First May 2021</td>
<td>Feb. 2022</td>
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<tr>
<td>May – Aug. 2021</td>
<td>March 2022</td>
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<tr>
<td>September 2021</td>
<td>May 2022</td>
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</tbody>
</table>

- Commissioner Office discussion with Presidents and Cabinets
- Commissioner Office provides training to institutional Boards of Trustees
- Boards of Trustees work with institutions to set realistic 5-year goals
- Board reviews proposed System and Institutional 5-Year Goals
- Legislative Committees Reviews Proposed System and Institution 5-Year Goals
- Commissioner Office follows up with institutions and Boards of Trustees
- Board refines and approves System and Institutional 5-year Goals
- Legislature approves System and Institutional 5-year Goals
- Legislature approves Institutional 1-year Goals
- Board approves Institutional 1-year Goals
Board of Trustees Role

- Understand Institutional Metrics
- Provide Feedback to Institutional Leadership
- Set 5-Year Goal by August 27, 2021
- Set Annual Goal by May 2022