MONTANA
UNIVERSITY SYSTEM

MUS Performance Funding

FY 2016 and FY 2017

History, Goals, Description, & Results

Presentation to the Education & Local Gov't Interim Committee
January 14, 2016

PF History

1. From 1972 through 2014, enrollment was utilized as the single metric for determining the allocation of state appropriations to campuses.

2. In FY 2015, the MUS instituted a performance funding model.
   - 5% state appropriations allocated ($7.5M)
   - Performance based on the combination of improvement in Retention and Completions

3. For FY 2016 and FY 2017, the MUS developed and implemented a more detailed and diverse performance model.
   - 8% of state appropriations allocated (FY16 = $15M and FY17 = $15M)

PF Goals

1) Utilize performance funding as a strategy to help increase the percentage of the population with a higher education credential. ***Increase degree production***

2) Incentivize campuses to improve student success and attainment of outcomes. ***Focus on output as well input.***

3) Connect finances with outcomes. ***Pay for what we value.***

MONTANA UNIVERSITY SYSTEM

PF Model

1. **The potential allocation for each campus is based on its share of the system's 3-year resident student FTE average**

Campus	Resident FTE (FY13 to FY15 avg.)	Campus Share of Resident FTE	Eligible $$ Amount
MSU Bozeman	8,516	30.6%	$4,589,817
Gallatin College	302	1.1%	$162,919
MSU Billings	2,792	10.0%	$1,504,855
City College	806	2.9%	$434,508
MSU Northern	992	3.6%	$534,754
Great Falls College	1,314	4.7%	$708,103
UM Missoula	7,561	27.2%	$4,074,776
Missoula College	1,518	5.5%	$818,151
MT Tech	1,612	5.8%	$868,789
Highlands College	367	1.3%	$197,969
UM Western	1,077	3.9%	$580,576
Helena College	974	3.5%	$524,783
Total	27,832	100.0%	$15,000,000

PF Model

2. Each sector (flagship, 4-yr and 2-yr) has a unique set of metrics

METRICS	Flagships MSU & UM	4-year Regional UMW, MT Tech, MSUB, MSUN	2-year Colleges Missoula, Great Falls, Highlands, Helena, City, Gallatin
Undergrad Degrees & Certificates	X	X	X
Retention Rates	X	X	X
Dual Enrollment			X
Graduate Degrees & Certificates	X		
Research Expenditures	X		
2-year College Menu (select two) Success in Remedial Education Credit Accumulation			X

PF Model

3. **For each primary metric, under-represented/at-risk groups are measured as part of the whole as well as individually.**

Underrepresented/At Risk Populations

1) American Indians
2) Pell Recipients
3) Veterans
4) Non-traditional Students (25+ yrs.)

4. **Bonus points awarded for improvements in under-represented /at-risk groups.**

PF Model

5. Metrics are measured annually and compared to prior 3-year average.

CAMPUSES compete against themselves!

MSU Bozeman

	3-yr Average	Current Level	% Increase
Undergraduate Degrees Awarded	1,844	2,223	21%
Under-Represented/At-risk Graduates	1,481	1,911	29%
Retention	73%	75%	2%
Under-Represented/At-risk Students	67%	69%	3%
Graduate Degrees	585	564	-4%
Under-Represented/At-risk Graduates	15	6	-60%
Research Expenditures	$108,667,152	$109,612,283	1%

PF Model

6. Metric values are weighted .

METRICS	Flagships	4-year Regional	2-year Colleges
Undergrad Degrees & Certificates	30%	50%	30%
Retention Rates	30%	50%	30%
Early College Enrollment			15%
Graduate Degrees & Certificates	20%		
Research Expenditures	20%		
2 - year College Menu			
Success in Remedial Ed.			12.5%
Credit Accumulation			12.5%
Weights for Underrepresented Group Metrics			
Undergrad Degrees & Certificates	37.5%	50.0%	50%
Retention Rates	37.5%	50.0%	50%
Graduate Degrees Awarded	25.0%		

PF Model

7. Metric values are indexed to a standard scale of 1,000 points and growth target established.

Improvement is based on the composite results of all metrics, rather than independently on individual metrics.
Score above 1,000 represents improvement; score below 1,000 represents regression. Growth Target = 1010 (1%)

MSU Bozeman

	3-yr Average	Current Level	% Increase	Index Score	Weight	Weighted Score
Undergraduate Degrees Awarded	1,844	2,223	21%	1206	30%	362
Under-Represented/At-risk Graduates	1,481	1,911	29%	1291	37.5%	27
Retention	73%	75%	2%	1018	30%	305
Under-Represented/At-risk Students	67%	69%	3%	1030	37.5%	3
Graduate Degrees	585	564	-4%	965	20%	193
Under-Represented/At-risk Graduates	15	6	-60%	400	25%	-38
Research Expenditures	$108,667,152	$109,612,283	1%	1009	20%	202
sub-total, Primary Metrics						1062
sub-total, Under-Represented Bonus (.25 multiplier)						0
TOTAL						**1,062**

PF Model

8. **A transitional-loss zone is created to account for random, non-systematic fluctuations in the metrics**
   - Campuses that fall below the target, but within the transitional-loss zone receive a portion of the eligible funding amount (Partial PF Allocation)

9. **Earn-back opportunity in year-two (if a campus falls short of its target in the first year of the biennium)**
   - Year-<u>one</u> residual ➔ earn-back in year-two
   - Year-<u>two</u> residual ➔ Board-approved financial aid reserve

PF Results

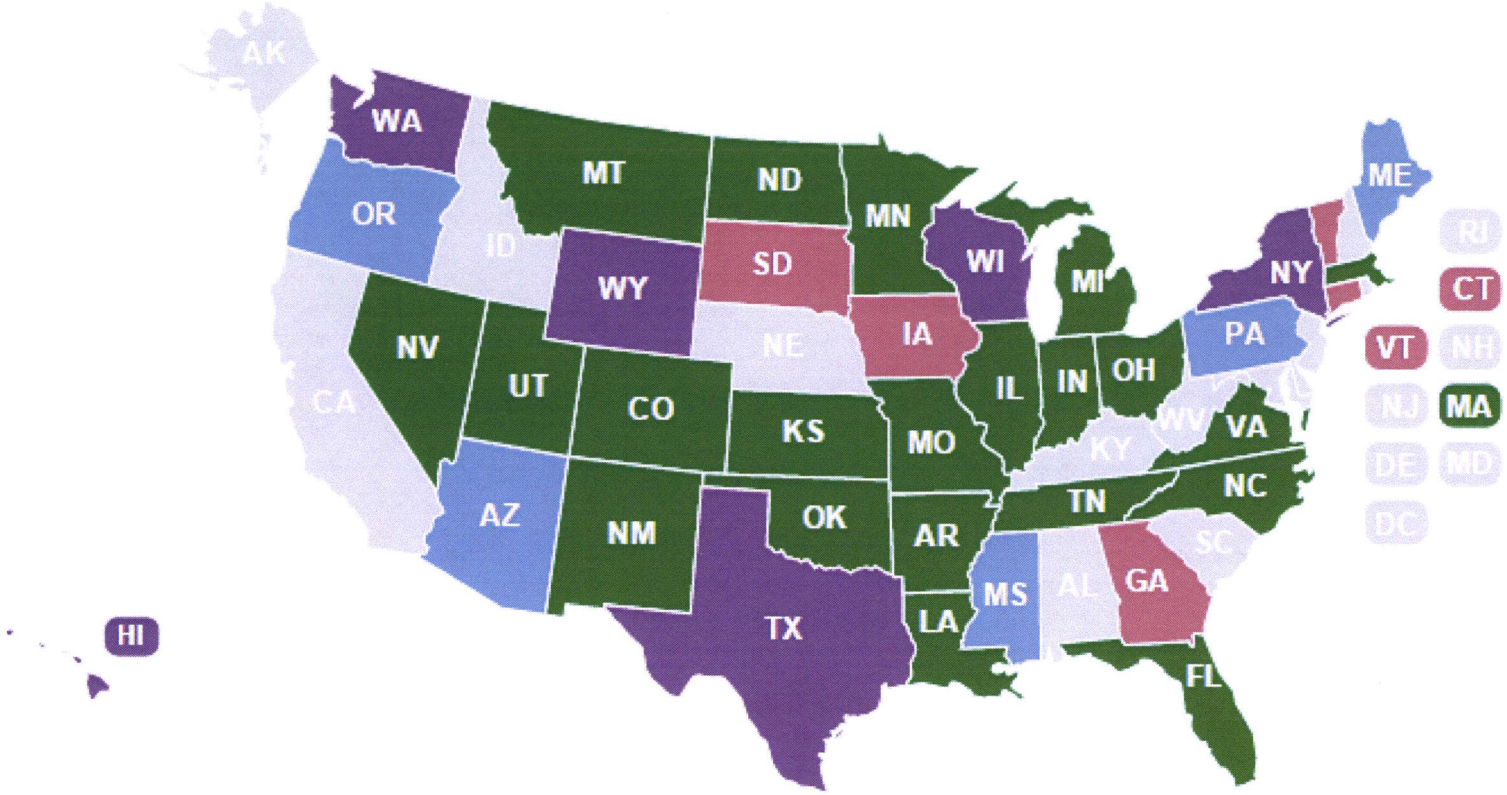
FY 2016 Performance Funding Allocation Summary

Campus	Resident FTE (FY13 to FY15 avg.)	Campus Share of Resident FTE	Eligible $$ Amount	PF Metrics Index Score	FY16 Allocation	% of Eligible $$ Amt. Received
MSU Bozeman	8,516	30.6%	$4,589,817	1,062	$4,589,817	100%
Gallatin College	302	1.1%	$162,919	1,444	$162,919	100%
MSU Billings	2,792	10.0%	$1,504,855	978	$744,149	49%
City College	806	2.9%	$434,508	1,037	$434,508	100%
MSU Northern	992	3.6%	$534,754	1,042	$534,754	100%
Great Falls College	1,314	4.7%	$708,103	1,138	$708,103	100%
UM Missoula	7,561	27.2%	$4,074,776	1,025	$4,074,776	100%
Missoula College	1,518	5.5%	$818,151	1,106	$818,151	100%
MT Tech	1,612	5.8%	$868,789	1,070	$868,789	100%
Highlands College	367	1.3%	$197,969	1,144	$197,969	100%
UM Western	1,077	3.9%	$580,576	1,100	$580,576	100%
Helena College	974	3.5%	$524,783	1,011	$524,783	100%
Total	27,832	100.0%	$15,000,000		$14,239,294	

FY 2016 Detail by Campus

FY 2015 PF Allocations (results from last biennium)

NCSL
NATIONAL CONFERENCE of STATE LEGISLATURES

PERFORMANCE-BASED FUNDING FOR HIGHER EDUCATION

In place at two-year institutions | In place at four-year institutions | In place at two-year and four-year | In transition