

PERFORMANCE-BASED FUNDING FOR HIGHER EDUCATION

NCSL, 3/5/2014

Historically, many colleges have received state funding based on how many full-time equivalent students are enrolled at the beginning of the semester. This model provides incentives for colleges to enroll students and thus provide access to postsecondary education, but this model does not necessarily provide incentives for institutions to help students successfully complete degree programs. Many states are reconsidering the enrollment-based funding model and instead are aligning funding models with state goals and priorities.

State Activity

Twenty-five states—**Arizona, Arkansas, Florida, Illinois, Indiana, Kansas, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Mexico, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah and Washington**—have a funding formula in place that allocates some amount of funding based on performance indicators such as course completion, time to degree, transfer rates, the number of degrees awarded, or the number of low-income and minority graduates. Five states—**Colorado, Georgia, Montana, South Dakota and Virginia**—are currently transitioning to some type of performance funding, meaning the Legislature or governing board has approved a performance funding program and the details are currently being worked out.

Design Tips

Past experiences with performance funding have led to identification of best practices. States that are interested in developing a performance-based funding model may consider the following design tips.

- Put enough funding at stake to create an incentive for institutions to improve results, and decide whether the funding will come from new money or base funds. Most states are putting aside 5 percent to 25 percent of higher education dollars for performance funding.
- Allow postsecondary institutions with different missions to be measured by different standards. For example, research universities could be rewarded for research and development performance, while community colleges could be rewarded for workforce training results.
- Engage all stakeholders—policymakers, higher education leaders and faculty members—in the design of the funding system.
- Phase in the performance funding system to make the transition easier.
- Keep the funding formula simple, with unambiguous metrics, so expectations are clear to everyone.
- Maintain focus on the goal of improving college completion, while rewarding both progress and success. States can reward colleges not only for increased degree production, but also for retaining students year to year and for helping students transfer between institutions.
- Include a measure to reward colleges that graduate low-income, minority and adult students to ensure that institutions keep serving these populations.

- Align the funding formula with state economic and workforce needs by providing performance funding to those colleges that are graduating students in high-priority fields.
- Preserve academic quality by incorporating student learning measurements into the performance funding system.

State Activity Details

This report, with all of the links enabled, can be found at <http://www.ncsl.org/research/education/performance-funding.aspx>

State	Status	Funding Amount	Metrics	Supporting Documents
Arizona	In place at four-year institutions	For Fiscal Years 2013 and 2014, \$5 million per year was allocated based on performance. Beginning in Fiscal Year 2015 all allocations above the base funding amount will be allocated according to the performance funding formula developed by the Board of Regents.	<ul style="list-style-type: none"> ▪ Degrees awarded ▪ Completed student credit hours ▪ External research and public service dollars brought into the university system 	Ariz. Rev. Stat. Ann. § 15-1626 Arizona Board of Regents FY2014 Budget Summary
Arkansas	In place at two-year and four-year institutions	Five percent of funding in the 2012-2013 school year, and increasing by 5% increments until capped at 25% during the 2017-2018 school year. The remaining 75 percent of funding will be based on enrollment and institutional needs.	<p>Performance measures are organized into mandatory, compensatory, and optional categories. Mandatory measures vary by institutional type and account for forty percent of all performance funding with the remainder based on optional measures selected by each institution. The four mandatory measures for four-year institutions are:</p> <ul style="list-style-type: none"> ▪ Bachelor credentials earned ▪ Total credentials earned ▪ Student progression toward degree completion 	2011 SB 766 Department of Higher Education performance funding website

State	Status	Funding Amount	Metrics	Supporting Documents
			<ul style="list-style-type: none"> ▪ STEM credentials earned <p>The number of undergraduates receiving Pell Grants is the compensatory measure and is an adjustment that rewards institutions for the success low-income students.</p> <p>Four-year institution optional measures include: high demand credentials, minority graduates, non-traditional graduates, remedial graduates, Pell Grant (low income) graduates, transfer graduates , course completion, remedial/developmental course completion, regional economic needs programs, expenditure of federal awards, patents, and new company start-ups.</p> <p>The two-year college mandatory measures include four major categories:</p> <ul style="list-style-type: none"> ▪ Course completion ▪ Progression ▪ Credential completion and ▪ At-risk students. <p>At-risk students are considered a mandatory-compensatory category.</p> <p>Optional measures for two-year colleges include: STEM credentials, high demand credentials, workforce training, transfer, adult credentials, minority credentials, and employment.</p>	

State	Status	Funding Amount	Metrics	Supporting Documents
Colorado	In transition	Beginning in 2016-17 and for each year that state funding is at or above \$706 million, 25% of the amount over \$650 million will be appropriated based on each institution's performance.	<p>The Colorado Commission on Higher Education's proposed formula focuses on the following goals:</p> <ul style="list-style-type: none"> ▪ Increase attainment ▪ Improve student success ▪ Diversify enrollment and reduce attainment gaps among students from underserved communities ▪ Financial stewardship <p>Institutions select metrics that are common across all institutions and institutional specific metrics to measure progress toward the four goals listed above.</p>	2011 SB 52 Department of Higher Education Report
Florida	In place at four-year institutions	<p>For FY2014, \$20 million was appropriated for performance funding.</p> <p>In January, 2014, the Board of Governors adopted a revised performance funding formula. Under the new formula, the amount of new state funding appropriated by the Legislature for performance funding will be matched by an equal amount reallocated from the university's base</p>	<p>For FY2014, performance funding was based on the following three metrics.</p> <ul style="list-style-type: none"> ▪ Percent of bachelor's graduates employed and/or continuing their education further one year after graduation ▪ Median average full-time wages of undergraduates employed in Florida one year after graduation ▪ Average cost per undergraduate to the institution <p>The new model adopted by the Board of Governors retains the three metrics above and adds the following seven metrics:</p> <ul style="list-style-type: none"> ▪ Six Year Graduation Rate ▪ Academic Progress Rate (2nd Year Retention 	Fla. Stat. § 1011.905 FY 2014 Metrics New model adopted January, 2014

State	Status	Funding Amount	Metrics	Supporting Documents
		<p>funding. Each institution is assigned a value between 1 and 5 based on performance of the 10 metrics. To receive the new performance funding, institutions must earn more than 25 points. Any institution not receiving at least 25 points or the three lowest score institutions will not receive any new funds. To retain base funding, institutions must earn more than 25 points. If institutions earn at least 26 points, then they are eligible to receive additional funding with the highest scoring universities eligible for more funding. Institutions not earning more than 25 points will incur a reduction in base funding that will be capped at 1 percent in the first year of the formula.</p>	<ul style="list-style-type: none"> with GPA Above 2.0) ▪ Bachelor's Degrees Awarded in Areas of Strategic Emphasis ▪ University Access Rate (Percent of Undergraduates with a Pell-grant) ▪ Graduate Degrees Awarded in Areas of Strategic Emphasis (applies to all institutions except New College) <ul style="list-style-type: none"> ○ Freshman in Top 10% of Graduating High School Class (only applies to New College) ▪ Metric chosen by Board of Governors ▪ Metric chosen by Board of Trustees 	
Georgia	In transition	Beginning in FY 2017, all new money appropriated will be based on institutional performance.	<p>While the specific measures are still being developed, the following elements are being considered:</p> <ul style="list-style-type: none"> ▪ Student progression ▪ Degrees conferred 	Higher Education Funding Commission Report

State	Status	Funding Amount	Metrics	Supporting Documents
			<ul style="list-style-type: none"> ▪ Success of low-income and adult learners ▪ Institution specific measures to account for different missions and strategic initiatives 	
Hawaii	In place at two-year institutions	Up to 2% of annual appropriations	<p>The outcomes incorporated into the formula include:</p> <ul style="list-style-type: none"> ▪ Degrees and certificates awarded; ▪ Degrees and certificates awarded to Native Hawaiian students; ▪ Degrees and certificates awarded to students in Science, Technology, Engineering, and Math (STEM) fields; ▪ Number of low-income students participating the Federal Pell program; ▪ Number of transfers from the community colleges to the baccalaureate campuses. 	2008 HB 2978 2013 Performance Funding
Illinois	In place at two-year and four-year institutions	Less than 1% of base funding	<p>Measures for four-year institutions:</p> <ul style="list-style-type: none"> ▪ Bachelor's degrees ▪ Master's degrees ▪ Doctoral and professional degrees ▪ Undergraduate degrees per 100 FTE ▪ Research and public service expenditures ▪ Graduation rate - 150% of time ▪ Persistence-completed 24 semester hours in one year ▪ Cost per credit hour ▪ Cost per completion 	Public Act 97-320 Higher Education Performance Funding Steering Committee

State	Status	Funding Amount	Metrics	Supporting Documents
			<p>Measures for two-year institutions:</p> <ul style="list-style-type: none"> ▪ Degree and certificate completion ▪ Degree and certificate completion of “At Risk” students ▪ Transfer to a four year institution ▪ Transfer to a community college ▪ Remedial and adult education advancement ▪ Momentum points <p>Additional weight is provided for graduates who are low-income, adult, Hispanic, African American, majored in a STEM or health care field.</p>	
Indiana	In place at two-year and four-year institutions	6% for FY 2014 and FY 2015	<p>Metrics for two-year and four-year institutions include:</p> <ul style="list-style-type: none"> ▪ Degree completion ▪ At-risk degree completion ▪ High impact degree completion ▪ Persistence ▪ Remediation success ▪ On-time graduation ▪ Institution selected measure 	Indiana Commission for Higher Education performance funding website
Kansas	In place at two-year and four-year institutions	New state funds	<p>Institutions submit a Performance Agreement to the Board of Regents for approval once every three years—performance is evaluated annually. The metrics used to evaluate performance are specific to each institution. Community and technical colleges must include at least three indicators below in the performance agreements (at least one from each goal). In addition</p>	Kan. Stat. Ann. § 74-3302d Kansas Board of Regents Performance Agreements

State	Status	Funding Amount	Metrics	Supporting Documents
			<p>institutions must also include three indicators specific to the institution which support the state's current 10-year strategic agenda.</p> <ol style="list-style-type: none"> 1. Increasing Higher Education Attainment <ul style="list-style-type: none"> ▪ First to second year retention rates of college ready cohort ▪ Three-year graduation rates of college ready cohort ▪ Number of certificates and degrees awarded ▪ Student Success Index 2. Meeting the Needs of the Kansas Economy <ul style="list-style-type: none"> ▪ Performance of students on institutional quality measures ▪ Percent of students employed or transferred ▪ Wages of students hired ▪ Third party technical credentials and WorkKeys, if applicable <p>Four-year institutions must include at least three indicators below in the performance agreements. One of those indicators must include Goal Three. In addition institutions must also include three indicators specific to the institution which support the state's current 10-year strategic agenda.</p> <ol style="list-style-type: none"> 1. Increasing Higher Education Attainment <ul style="list-style-type: none"> ▪ First to second year retention rates ▪ Number of certificates and degrees awarded 	

State	Status	Funding Amount	Metrics	Supporting Documents
			<ul style="list-style-type: none"> ▪ Six-year graduation rates <p>2. Meeting the Needs of the Kansas Economy</p> <ul style="list-style-type: none"> ▪ Performance of students on institutional assessments ▪ Percent of certificates and degrees awarded in STEM fields <p>3. Ensuring State University Excellence</p> <ul style="list-style-type: none"> ▪ Selected regional and national rankings (research universities only) ▪ Performance on quality measures compared to peers (comprehensive universities only) 	
Louisiana	In place at two-year and four-year institutions	15% of base appropriations— institutions can also receive permission to raise tuition by 10% without legislative approval.	<p>Institutions enter into performance agreements with the Louisiana Board of Regents. These agreements establish annual performance targets that are unique to each institution’s mission and based on objectives established in the GRAD Act.</p> <p>Metrics address the following categories:</p> <ul style="list-style-type: none"> ▪ Student success <ul style="list-style-type: none"> ○ Change in retention ○ Number of degree and certificate completers ○ Increase passage rates on licensure and certification exams ○ Articulation and transfer ○ Workforce and economic development ○ Employment of degree and certificate earners 	GRAD Act Board of Regents Master Plan

State	Status	Funding Amount	Metrics	Supporting Documents
			<ul style="list-style-type: none"> ○ Research productivity ○ Institutional efficiency and accountability 	
Maine	In place at four-year institutions	Starting with 5% of base funding in FY 2014 and increasing by 5% increments each year until 30% of base funding is allocated based on performance.	<p>Metrics include:</p> <ul style="list-style-type: none"> ▪ Degrees awarded—additional points awarded for community college transfer students and adults over age 30 earning degrees ▪ Degrees in STEM, Allied Health, and other high priority fields ▪ Number of research grants and contracts received during the year ▪ Dollar value of research grants and contracts received during the year ▪ Number of degrees awarded per \$100,000 of net tuition and fee revenues and State Education and General appropriations scaled by matriculated FTE 	University of Main System Outcomes-Based Funding Report
Massachusetts	In place at two-year institutions	\$20 million in FY2014. In future years, 50% of base funding expected to be awarded based on performance metrics.	<p>FY2014 metrics included:</p> <ul style="list-style-type: none"> ▪ Certificate completions ▪ Associate completions ▪ Transfers ▪ 30 credits achieve ▪ First full math and English courses completed ▪ Graduation rates 	FY 2014 Budget --see 7100-4000
Michigan	In place at two-year and four-year institutions	For FY 2014, \$21.9 million in new appropriations for universities was allocated based on performance	<p>In order to receive performance funding, universities had to meet four requirements:</p> <ol style="list-style-type: none"> 1. Limit resident tuition increases to 3.75% or 	Higher Education Appropriations Report Fiscal Year Appropriations

State	Status	Funding Amount	Metrics	Supporting Documents
		<p>metrics.</p> <p>For FY 2014, \$5.8 million in new appropriations for community colleges was allocated based on performance metrics.</p>	<p>lower</p> <ol style="list-style-type: none"> 2. Participate in at least three reverse transfer agreements with community colleges 3. Maintain a dual enrollment credit policy that does not consider whether credits were used toward high school graduation 4. Participate in the Michigan Transfer Network <p>Performance metrics for universities:</p> <ul style="list-style-type: none"> ▪ Undergraduate degree completions in critical skill areas ▪ Research and development expenditures ▪ National comparisons to Carnegie peers on the following measures: <ul style="list-style-type: none"> ○ six-year graduation rate ○ total degree completions ○ institutional support as a percentage of core expenditures <p>For FY14 performance funding for community colleges was distributed as follows:</p> <ul style="list-style-type: none"> ▪ 50.0% Across-the-board distribution ▪ 17.5% Weighted degree completions ▪ 15.0% Local strategic value ▪ 10.0% Contact-hour equated students ▪ 7.5% Administrative spending 	<p>Summary and Analysis</p> <p>Community college metrics are based on the Performance Indicators Task Force Proposal</p>

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Minnesota	In place at two-year and four-year institutions	5% of base funding is reserved until institutions meet three out of five performance goals.	<p>Performance goals for Minnesota State Colleges and Universities:</p> <ul style="list-style-type: none"> ▪ Increase degrees, diplomas, and certificates by at least four percent ▪ Increase persistence and completion rate by at least one percent ▪ Increase employment rate for graduates by at least four percent ▪ Collect data on the number of Open Educational Resources tools and services offered and formulate a plan to actualize a one percent reduction in expenses directly related to the cost of instruction incurred by students ▪ Reallocate \$22,000,000 that became available through expense realignment <p>Performance goals for the University of Minnesota system:</p> <ul style="list-style-type: none"> ▪ Increase graduation rates for low-income students by one percent ▪ Increase total number of STEM degrees by three percent ▪ Increase graduation rates by one percent ▪ Decrease administrative costs by \$15 million ▪ Increase invention disclosures by three percent 	2013 SF 1236

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Mississippi	In place at four-year institutions	After a base amount is set aside for operational support, the remaining funding is divided as follows: 90% of funding is allocated based on the number of credit hours completed and the remaining 10% of funding is allocated based on progress toward priorities established by the Board of Trustees.	<p>The following metrics are used to allocate the 10% of funding based on progress toward priorities established by the Board of Trustees.</p> <ol style="list-style-type: none"> 1. Attainment Outcomes <ul style="list-style-type: none"> ▪ Degrees Awarded ○ At-Risk Students (Pell Recipient, ACT score of less than 19, 25 years and older) ○ Priority Fields (STEM, Health, Education) 2. Intermediate Outcomes <ul style="list-style-type: none"> ▪ Number of students with an ACT score of 19 or lower who successfully complete first college-level English or math course ▪ Number of students who complete 30 credit hours ▪ Number of students who complete 60 credit hours 3. Research Activity <ul style="list-style-type: none"> ▪ Includes research expenditures, technology transfer/ entrepreneurship data and patents/licenses—research universities only 4. Productivity Outcomes <ul style="list-style-type: none"> ▪ Number of undergraduate degrees awarded per 100 FTE ▪ Number of graduate degrees awarded per 	<p>2011 HB 875</p> <p>Performance Allocation Model Summary</p>

State	Status	Funding Amount	Metrics	Supporting Documents
			100 FTE <ul style="list-style-type: none"> ▪ Number of degrees award per \$100,000 in revenue 	
Missouri	In place at two-year and four-year institutions	The current formula only applies to new appropriations.	Metrics for two-year institutions <ul style="list-style-type: none"> ▪ Three-year completion rate for first-time, full-time entering students (includes students who complete a certificate or degree of at least one year or longer, or successfully transfer to a 4-year institution). ▪ Percent of developmental students who successfully complete their last developmental English course then successfully complete their first college-level English course. ▪ Percent of developmental students who successfully complete their last developmental math course then successfully complete their first college-level math course. ▪ Percent of career/technical graduates who pass required licensure/certification examination. ▪ Financial responsibility and efficiency measure chosen by each institution. Measures include number of credit hours completed per \$100,000 of state appropriations, education and general expenditures per credit hour completed, instructional expense per credit hour, and persistence rates for incoming first-time, full- 	Missouri Department of Higher Education Performance Funding Model

State	Status	Funding Amount	Metrics	Supporting Documents
			<p>time students.</p> <p>Metrics for four-year institutions:</p> <ul style="list-style-type: none"> ▪ Student Success and Progress (institutions will choose one): <ul style="list-style-type: none"> a. Freshman to sophomore retention, b. First-time, full-time freshmen successfully completing 24 hours in their first academic year. ▪ Increased Degree Attainment (institutions will choose one): <ul style="list-style-type: none"> a. Total degrees awarded b. Six-year cohort graduation rates ▪ Quality of Student Learning (institutions will choose one): <ul style="list-style-type: none"> a. Improvements in assessments of general education b. Improvements in assessments in the major field c. Improvements on Professional/occupational licensure tests ▪ Financial Responsibility and Efficiency (institutions will choose one): <ul style="list-style-type: none"> a. Percent of total education and general expenditures expended on the core mission (instruction, research, and public service) b. Increase in educational revenue (state appropriations plus net tuition revenue) per full-time equivalent student at or below the increase in the consumer price index. ▪ One institution-specific measure approved by 	

State	Status	Funding Amount	Metrics	Supporting Documents
			the Coordinating Board.	
Montana	In transition	5% of base funding will be at stake during the FY2015 trial phase. The amount of performance funding for the long-term has not been determined.	Metrics are currently being developed but are expected to vary based on the mission of each institution and include measures of completion and retention.	Montana University System Performance Funding Website
Nevada	In place at two-year and four-year institutions	5% of base funding will be at stake during FY2015. The amount of performance funding increases by 5% increments until reaching 20% in FY2018.	<p>Metrics will be specific to each institution and include:</p> <ul style="list-style-type: none"> ▪ Number of certificates, associate’s degrees, bachelor’s degrees, master’s degrees, doctoral degrees ▪ Number of students who transfer to a four-year institution with an associate’s degree ▪ Number of students who transfer to a four-year institution with at least 24 credits ▪ Number of degrees or certificates awarded per 100 FTE ▪ The total amount expended on sponsored programs/projects of research and other scholarly activities for the fiscal year. ▪ Number of students who successfully complete a college level English or mathematics course ▪ Economic Development – Number of STEM and allied health degrees and certificates ▪ Economic Development – total number of certificates and degrees awarded in an institution selected discipline which aligns with 	2011 SB 374 New Model for Funding Higher Education in Nevada

State	Status	Funding Amount	Metrics	Supporting Documents
			the state's economic development plan.	
New Mexico	In place at two-year and four-year institutions	Performance-based funding is 5%, and increasing, of instruction and general formula funding to colleges and universities.	<p>The formula focuses on the following four outputs for all institutions:</p> <ul style="list-style-type: none"> ▪ Course completion rate; ▪ Number of certificates and degrees awarded ▪ Number of certificates and degrees awarded in state workforce priority areas; ▪ Number of certificates and degrees earned by financially at-risk students. <p>For FY15, the formula will also include funding for mission-specific measures:</p> <ul style="list-style-type: none"> ▪ Research universities: a percent of prior year grant/contract funding ▪ Comprehensive institutions: 30 and 60 credit momentum points ▪ Community colleges: 30 credit momentum points and completed dual credit courses 	Performance funding is included in the annual higher education appropriations. (Laws 2013, chp. 227). For general descriptions of the formula, see pp. 87, 88 and pp. 341-43
North Carolina	In place at two-year and four-year institutions	<p>In FY 2014-15, a total of \$24 million will be allocated to community colleges based on their performance.</p> <p>In FY 2014-15, \$1 million will be allocated to four-year institutions based on</p>	<p>North Carolina established a set of system-wide baselines and goals for each measure. Based on three years of historical data, baselines were set two standard deviations below the system mean, and the goals were set one standard deviation above the system mean. These baselines and goals remain static for three years and will be reset in 2016. Baselines and goals were set for the following measures:</p> <ul style="list-style-type: none"> ▪ First Year Progression—Percent of first-time 	<p>N.C. Gen. Stat. § 115D-31.3</p> <p>North Carolina Community Colleges Performance Measures and Funding</p> <p>2011 SL 145 – see Section 8.14</p>

State	Status	Funding Amount	Metrics	Supporting Documents
		performance.	<p>fall credential-seeking students who successfully complete at least twelve hours</p> <ul style="list-style-type: none"> ▪ Licensure and certification passing rate ▪ Developmental student success rate in college-level English courses ▪ Developmental student success rate in college-level Math courses ▪ Curriculum completion—percent of first-time fall credential-seeking students who graduate, transfer, or are still enrolled with 36 hours after six years ▪ College transfer performance—percent of community college associate degree completers and those who have completed 30 or more credit hours with a GPA of 2.00 or better at a North Carolina four-year college or university after two consecutive semesters within the academic year. ▪ Basic Skills Student Progress ▪ GED diploma passing rate 	
North Dakota	In place at two-year and four-year institutions	Nearly all base funding is calculated by the number of credit hours completed.	The funding formula is based on the number of credit-hours completed by students. A completed credit-hour is one for which a student met all institutional requirements and obtained a passing grade.	North Dakota Cent. Code § 15-18.2
Ohio	In place at two-year and four-year institutions	Ohio is in the process of phasing in changes to the state's performance funding model. In FY2014, 50% of funding for four-year institutions will be	For FY2014, two-year colleges are funded as follows: 50% enrollment 25% course completion 25% Success Points—defined as:	Ohio performance-based funding website Student Success Initiative

State	Status	Funding Amount	Metrics	Supporting Documents
		<p>based on degree completion and 30% will be based on course completion. For community colleges, 25% of funding will be based on course completion and 25% will be based on success points</p>	<ul style="list-style-type: none"> ▪ Students earning their first 15 credit hours. ▪ Students earning their first 30 credit hours. ▪ Students earning at least one associate degree. ▪ Students completing their first developmental course. ▪ Students completing any developmental English in the previous year and attempting any college level English either in the remainder of the previous year on any term this year. ▪ Students completing any developmental Math in the previous year and attempting any college level Math either in the remainder of the previous year on any term this year. ▪ Students enrolling for the first time at a University System of Ohio main campus or branch this year and have previously earned at least 15 college level credits at this community college. <p>For FY2014, four-year colleges are funded as follows:</p> <ul style="list-style-type: none"> ▪ 50% Degree completion ▪ 30% Course completion ▪ 20% Doctoral and Medical <p>Additional weights are awarded for degree completion in STEM fields. Course and degree completions are calculated on a three-year</p>	

State	Status	Funding Amount	Metrics	Supporting Documents
			average.	
Oklahoma	In place at two-year and four-year institutions	Performance funding only applies to new appropriations	<p>The performance factors are:</p> <ul style="list-style-type: none"> ▪ First-year retention ▪ First-year retention for Pell recipients ▪ 24 credits in first academic year ▪ Cohort graduation rates anywhere in the system ▪ Degrees granted ▪ Program accreditation 	
Pennsylvania	In place at four-year institutions	2.4% of the Pennsylvania State System of Higher Education's total educational and general revenue	<p>2011-2017 Revised Metrics include:</p> <p>Mandatory (5 measures)</p> <ul style="list-style-type: none"> ▪ Student Success: degrees conferred and closing achievement gap ▪ Access: close access gap and faculty diversity ▪ Stewardship: private support dollars raised <p>Optional (chose 3-5 but at least one indicator must be from the Stewardship category)</p> <ul style="list-style-type: none"> ▪ Success: deep learning scale results; senior survey; student persistence; value added; and STEM degrees ▪ Access: faculty career advancement; employment diversity; student experience with diversity; and student diversity ▪ Stewardship: facilities investment; admin. expenditures as a % of educational costs; faculty productivity; and employee productivity 	<p>Pennsylvania State System of Higher Education</p> <p>2011-2017 Performance Funding Program</p>

State	Status	Funding Amount	Metrics	Supporting Documents
			University-specific: may create no more than 2 indicators	
South Dakota	In transition		<p>Beginning in FY 2016, performance funding will be awarded based on criteria established by the newly created Council of Higher Education Policy Goals, Performance and Accountability. Until then, funds appropriated for performance funding will be awarded based on improvements in two areas:</p> <ul style="list-style-type: none"> ▪ One-half of performance funding will be based on the number of new degrees awarded with special emphasis on degrees in science, technology, engineering, and mathematics (STEM) or other critical need areas. ▪ One-half of the funding will be based on the growth of expenditures for research. 	South Dakota Codified Laws Ann. §13-48A
Tennessee	In place at two-year and four-year institutions	After a base amount is set aside for operational support, 100% of state funding is allocated based on institutional outcomes.	<p>Adults (over 25) and low-income students completing any of the metrics are more heavily weighted. Additional weights are applied to each outcome depending on the priority and institutional mission. Points are awarded based on outcomes metrics, which are then multiplied by the SREB average salary to monetize the formula. Fixed costs and the Quality Assurance program funds (accreditation, student satisfaction, and licensure exam pass rate) are added on.</p> <p>University Metrics</p> <ul style="list-style-type: none"> ▪ Students accumulating: 24, 48, and 72 hours ▪ Bachelor's, Master's, Doctoral, and law 	2010 Complete College Tennessee Act Tennessee Higher Education Commission Fiscal Affairs

State	Status	Funding Amount	Metrics	Supporting Documents
			<ul style="list-style-type: none"> degrees <ul style="list-style-type: none"> ▪ Research/grant funding ▪ Transfers out with 12 hours ▪ Degrees per 100 full-time equivalent (FTE) ▪ Six-year graduation rate Community College Metrics <ul style="list-style-type: none"> ▪ Student accumulating: 12, 24, and 36 hours ▪ Dual enrolled students ▪ Associated degrees ▪ Graduates placed in jobs ▪ Remedial and development success ▪ Transfers out with 12 credit hours ▪ Workforce training (contact hours) ▪ Award per 100 FTEs 	
Texas	In place at two-year institutions	10%	<p>Ten percent of formula funding is allocated based on points earned from a three-year average of student completion of the following metrics:</p> <ul style="list-style-type: none"> ▪ Number of students who successfully complete developmental education in mathematics, reading, and writing ▪ Number of students who complete first college level course in mathematics, reading intensive, and writing intensive courses ▪ Number of students who successfully complete 15 credit hours ▪ Number of students who successfully complete 30 credit hours ▪ Number of students transferring to a General 	<p>2011 HB 9</p> <p>2013 SB 1 – See Section 24 under Public Community/ Junior Colleges</p>

State	Status	Funding Amount	Metrics	Supporting Documents
			<p>Academic Institution after successfully completing at least 15 semester credit hours</p> <ul style="list-style-type: none"> ▪ Number of degrees and certificates awarded <ul style="list-style-type: none"> ○ Additional points are awarded for degrees in STEM or Allied Health fields 	
Utah	In place at two-year and four-year institutions	For Fiscal Year 2014, \$1 million in one-time funding was allocated based on performance.	<p>The following performance metrics were used to allocate the one-time FY14 funding:</p> <ul style="list-style-type: none"> ▪ Retention (1st year to 2nd year) ▪ Completion rates (including transfers) ▪ Reduction in developmental math courses ▪ Successful completion of math courses following developmental education courses ▪ Acceleration in fulfilling general education math courses ▪ Increase in graduate education (as applicable by institutional mission) 	<p>2013 SB 2 (see pp. 36-37)</p> <p>2013-2014 Appropriations Report (see pp. 127-128)</p>
Virginia	In transition	50% of funding expected to be allocated based on performance and incentive funding.	<p>The proposed formula assigns points based on the number of degrees awarded and on number of additional degrees awarded each year. Institutions that awarded fewer degrees in a year compared to the previous year are assigned a value of zero for improvement in that year. Extra points are assigned for degrees:</p> <ul style="list-style-type: none"> ▪ Awarded in a STEMH (Science, Technology, Engineering, Mathematics, and Health professions) ▪ Earned within 100% of time-to-degree (four years for bachelor, two years for associate, and within three years for a transfer student) 	<p>Virginia Higher Education Opportunity Act of 2011</p> <p>Higher Education Advisory Committee</p>

State	Status	Funding Amount	Metrics	Supporting Documents
			<ul style="list-style-type: none"> ▪ Awarded to a student from an under-represented population (minority, Pell recipient, over age 25 at time of entrance, or from locality with low college attendance) 	
Washington	In place at two-year institutions	\$10 million in new funding	<p>Student Achievement Measures focus students and institutions on shorter term, intermediate outcomes that provide meaningful momentum towards degree and certificate completion for all students. Colleges can track student progress towards these achievement points each quarter, providing immediate feedback and opportunities for intervention strategies. Measures include:</p> <ol style="list-style-type: none"> 1. Achieving college readiness <ul style="list-style-type: none"> ▪ Significant increases in basic skills ▪ Earning a high school diploma ▪ Completing developmental education sequence ▪ Transitioning to college level 2. First year college success <ul style="list-style-type: none"> ▪ Earning first 15 college level credits ▪ Earning first 30 college level credits 3. Completing college math 4. Retention and progress <ul style="list-style-type: none"> ▪ Returning and increasing achievement 	Student Achievement Initiative

State	Status	Funding Amount	Metrics	Supporting Documents
			5. Second year college success <ul style="list-style-type: none"> ▪ Completing 45 credits towards degrees 6. Completions <ul style="list-style-type: none"> ▪ Certificates ▪ Associate degrees (technical, transfer) ▪ Apprenticeship training 	