



## UTAH SYSTEM OF TECHNICAL COLLEGES

### AGENDA ITEM

#### USTC BOARD OF TRUSTEES

September 13, 2017

ITEM: II.M

TOPIC: Performance-based Funding

#### BACKGROUND

Senate Bill 117 (2017 General Session), "Higher Education Performance Funding", was signed by Governor Gary Herbert on March 24, 2017. The bill establishes a restricted account that will appropriate ongoing funding to Utah institutions of higher education in response to improvements to their performance.

S.B. 117 charges the USTC Board of Trustees with establishing a model for determining a technical college's overall performance, and requires that certain elements be included in that model. The Board of Trustees previously approved a performance-based funding model in its January 14, 2016 meeting for use in developing USTC's FY 2017 legislative budget request. However, given new statutory requirements under S.B. 117, the previously-approved model requires extensive revision.

Staff from the Commissioner's Office has met with legislative members to understand the intent behind S.B. 117, officials from the Utah System of Higher Education to explore USHE's performance-based funding model, and with the technical college presidents to solicit feedback and suggestions for improving USTC's model. The final model is attached here for Trustees' consideration.

S.B. 117 states that in order to obtain all performance-based funding available to it, a technical college must display improvements of at least 5% over its prior five-year average performance. Because USTC has undergone major revisions to its student outcomes reporting policies, the legislature has allowed the technical colleges to compare annual performance to a shorter temporal window until we reach five years of operation under current policy provisions.

The USTC Commissioner will present the Board-approved model to the Higher Education Appropriations Subcommittee later this fall, with final college performance data submitted 30 days prior to the opening of the 2018 legislative general session.

#### RECOMMENDATION

USTC Administration recommends that the Board of Trustees adopt the attached performance-based funding model in fulfillment of its obligations under S.B. 117.

Attachments: USTC Draft Performance-based Funding Model

# Performance-based Funding Model

For Presentation to the USTC Board of Trustees - September 13, 2017

	Weighting Per Unit	Multiplier
<b>Certificate Programs</b>	<b>30%</b>	
COE-approved Program Graduates (stratified by program lengths)		
≤ 599 Hours	1.00	
600 - 899 Hours	3.00	
≥ 900 Hours	5.00	
Additional Points for Graduates from High Demand/High Impact Programs*	1.00	
<b>Short-term Occupational Training</b>	<b>10%</b>	
Job Upgrade & Continuing Occupational Education Course Completers (stratified by course lengths)		
≥ 60 Hours	0.20	
< 60 Hours	0.10	
<b>Secondary Completion</b>	<b>15%</b>	
Additional Points for Secondary Program Graduates (stratified by program lengths)		
≤ 599 Hours	0.25	
600 - 899 Hours	0.50	
≥ 900 Hours	1.00	
% of Current Yr's Enrolled HS Seniors Earning Certificate before HS Graduation‡		200
% of Prior Yr's HS Seniors Earning Certificate within 1 Yr of HS Graduation‡		100
<b>Placement</b>	<b>25%</b>	
Total Placements	1.00	
<i>Related Employment</i>		
<i>Military Service</i>		
<i>Continuing Education</i>		
Additional Points for Under-served/At-risk Student Placements§	0.50	
Additional Points for Placements from High Demand/High Impact Programs*	1.00	
Placement Rate (includes Graduates & "Early Hires")†		100
<b>Efficiency</b>	<b>20%</b>	
Graduation Rates (stratified by program lengths)†		
≤ 599 Hours		50
600 - 899 Hours		75
≥ 900 Hours		100
Graduates per Certificate-seeking FTE¶		50

\* Specific programs are to be identified by DWS.

† All rate calculations shall be multiplied by the multipliers shown here. For example, where a college has a 77% placement rate, this value is multiplied by 100, resulting in 77 points added to the college's subscore for the model's placement portion.

‡ The percent of the current year's enrolled high school seniors who earn a certificate before high school graduation requires examination of the previous three years of data to capture certificates awarded while students were underclassmen. The prior year's high school seniors earning a certificate within one year of high school graduation analyzes the proportion of high school seniors from the prior year who: (1) earned a credential at any time while in high school (the previous four years of data are analyzed to capture certificates awarded while students were underclassmen); or (2) became postsecondary students within the last year and earned a credential within twelve months of high school graduation.

§ Under-served students include any student of ethnic or racial minority status; any student with a disability; any student identified as a displaced homemaker, single parent, economically disadvantaged, or of limited English proficiency under Carl D. Perkins Grant reporting procedures; and any student receiving Pell Grant, BIA, or DWS benefits. These data are collected annually in mid-October. Performance measured prior to this time shall be considered preliminary and subject to alteration.

¶ Graduates per certificate-seeking full-time equivalent (FTE) is the total number of certificate-seeking graduates, divided by the total hours accrued by certificate-seekers.