MUS Performance Funding
FY 2018 and FY 2019

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University Budgeting 202
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Access & Excellence

MONTANA
UNIVERSITY SYSTEM

PBF Objectives

Goal: Increase degree production and help reach the State's goal of increasing the percentage of the population with a higher education credential from 40% to 60%.

Objectives: Improve student learning and attainment outcomes.

- Increase success of under-represented student populations;

- Increase early college access for Montana high school students;

- Improve student success in freshmen year (ex. freshmen/sophomore retention, success of students in developmental courses);

- Increase number of students transferring from 2-year to 4-year campuses;

- Increase number of students completing degree and certificate programs;

- Grow graduate education and research capacity consistent with institutional missions.

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Model Overview

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

2. Each sector (flagship, 4-yr and 2-yr) has a unique set of **metrics** (see Appendix B/C)

3. Metrics are measured annually and compared to prior 3-year average. Metric values are <u>weighted</u> and <u>indexed</u> to a standard scale of 1,000 points.

4. Bonus points are awarded for under-represented groups:
   - American Indian | Veterans | Pell recipients | Non-traditional age

5. To receive the full PF allocation, a campus must meet an established target
   - Score <u>above 1,000</u> represents improvement; score <u>below 1,000</u> represents regression
   - Growth target established to receive full funding (ex. 1% growth = 1,010)
   - Improvement is determined based on the composite results of all metrics, rather than independently on individual metrics

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Model Overview (cont.)

6. 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)

Funding Amount →	No PF Allocation	Partial PF Allocation	Full PF Allocation
		Minimum Target	

Transitional-loss zone
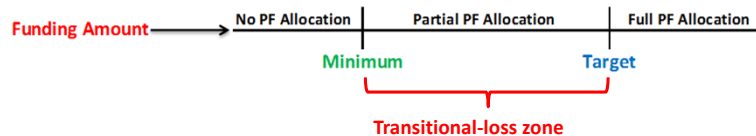
7. Earn-back opportunity in year-two (if a campus falls short of its target in the first year of the biennium)
   - Year-<u>one</u> residual ➔ apply for a portion to target improvement
   - Year-<u>two</u> residual ➔ Board-approved need-based aid reserve

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Performance Funding Pool

The MUS will continue with performance funding and commit to allocating a total of **$30,000,000** to the MUS Ed. Units through a performance-based funding model in next the biennium.

FY 2018 = $15M   FY 2019 = $15M (non-cumulative)

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Metric Weights (See Appendix A for definitions)

METRICS	Flagships	4-year Regional	2-year Colleges
Undergrad Degrees & Certificates	30%	40%	30%
Retention Rates	30%	50%	30%
Graduate Degrees & Certificates	20%		
Research Expenditures	20%		
Masters Degrees & Certificates		10% (MT Tech & MSUB)	
Dual Enrollment		10% (UMW & MSUN)	15%
Remediation Success			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%		

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Growth Target

➢ To receive the full performance funding allocation the campus must meet an established growth target

➢ Example:

Compare current to previous 3 years
Current Retention Rate = 73%, Previous 3-yr average = 72%
Current # of degrees awarded = 300, Previous 3-yr average = 290

Index metrics to standard scale of 1000
73% / 72% * 50% * 1000 = 507
300 / 290 * 50% * 1000 = 517
                                    1024

Growth Rate = 1% or 1010 points

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Bonus Point Calculation

➢ Bonus points are awarded for student success in under-represented groups:
- American Indian | Veterans | Pell recipients | Non-traditional age

➢ A multiplier is used to calculate weights of bonus points

➢ Example for Undergrad Degrees and Certificates (using .25 multiplier)
- If an under-represented student is in 1 category = .25 of a completion
- If an under-represented student is in 2 categories = .5 of a completion
- If an under-represented student is in 3 categories = .75 of a completion
- If in all four categories, the underrepresented student equals the addition of 1 extra completion.

.25 multiplier is used to calculate bonus points

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Transitional-loss Zone

➢ Because there is natural random variation in the metrics, a campus's observed score may vary over time by chance and not because of systematic efforts on the university's part.

➢ To account for random variation without unduly punishing a campus, there is a transitional-loss zone based on the standard deviation of the overall score (including the bonus) over the last five years.

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Residual Funds

➢ If a campus falls short of its target in the first year of the biennium, it has the opportunity to apply for a portion of the funds to be granted back for targeted improvement in specific areas (e.g. retention).
  ▪ Plans must be approved and monitored by OCHE

➢ Funds left at the end of the biennium will be swept into a Board-approved need-based aid reserve to be allocated through normal state need-based aid processes, in support of retention and degree attainment.

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FY 2018 Performance Funds

Campus	Resident FTE (FY15 to FY17 avg.)	Campus Share of Resident FTE	Eligible $$ Amount	PF Metrics Index Score	FY18 Allocation	% of Eligible $$ Amt. Received
MSU Bozeman	8,568	32.7%	$4,911,887	1,042	$4,911,887	100%
Gallatin College	352	1.3%	$201,526	1,379	$201,526	100%
MSU Billings	2,490	9.5%	$1,427,740	975	$760,807	53%
City College	721	2.8%	$413,536	1,093	$413,536	100%
MSU Northern	941	3.6%	$539,481	1,003	$468,710	87%
Great Falls College	1,180	4.5%	$676,542	1,053	$676,542	100%
UM Missoula	6,918	26.4%	$3,965,729	1,030	$3,965,729	100%
Missoula College	1,182	4.5%	$677,803	1,041	$677,803	100%
MT Tech	1,576	6.0%	$903,236	1,150	$903,236	100%
Highlands College	326	1.2%	$186,671	1,187	$186,671	100%
UM Western	1,052	4.0%	$603,252	1,329	$603,252	100%
Helena College	859	3.3%	$492,597	1,086	$492,597	100%
Total	26,165	100.0%	$15,000,000		$14,262,295	

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FY 2019 Performance Funds

Campus	Resident FTE (FY15 to FY17 average)	Campus Share of Resident FTE	Eligible $$ Amount	PF Metrics Index Score	FY19 Allocation	% of Eligible $$ Amt. Received
MSU Bozeman	8,569	32.7%	$4,910,613	1,066	$4,910,613	100%
Gallatin College	352	1.3%	$201,686	1,372	$201,686	100%
MSU Billings	2,491	9.5%	$1,427,567	958	$554,065	39%
City College	722	2.8%	$413,470	1,146	$413,470	100%
MSU Northern	942	3.6%	$539,550	1,020	$539,550	100%
Great Falls College	1,180	4.5%	$676,235	1,103	$676,235	100%
UM Missoula	6,919	26.4%	$3,965,003	1,060	$3,965,003	100%
Missoula College	1,180	4.5%	$676,446	954	$480,124	71%
MT Tech	1,576	6.0%	$902,885	1,103	$902,885	100%
Highlands College	327	1.3%	$187,551	990	$167,347	89%
UM Western	1,058	4.0%	$606,012	1,077	$606,012	100%
Helena College	860	3.3%	$492,983	1,097	$492,983	100%
Total	26,176	100.0%	$15,000,000		$13,909,973	

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FY 2019 Performance Funds

MSU Billings	3-yr Average	Current Level	% Increase	Index Score	Weight	Weighted Score
METRICS						
Undergraduate Degrees Awarded	544	509	-6%	936	40%	374
Under-Represented/At-risk Graduates	662	609	-8%	919	50%	-10
Retention	60.5%	60.4%	-0.1%	999	50%	500
Under-Represented/At-risk Students	54.4%	55.5%	2%	1020	50%	3
Graduate Degrees	131	110	-16%	838	10%	84
sub-total, Primary Metrics						958
sub-total, Under-Represented Bonus (.25 multiplier)						0
TOTAL						958
				Growth Target		1,010
				Transitional-zone Minimum		924
				% of Eligible Funding		39%

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FY 2019 Performance Funds

City College at MSUB	3-yr Average	Current Level	% Increase	Index Score	Weight	Weighted Score
Degrees/Certificates Awarded	264	240	-9%	908	30%	272
Under-Represented/At-risk Graduates	328	309	-6%	941	50%	-7
Retention Rates	53%	53%	0%	999	30%	300
Under-Represented/At-risk Students	50%	53%	4%	1044	50%	5
Dual Enrollment	437	768	76%	1756	15%	263
Remedial Success	32%	43%	33%	1327	13%	166
Credit Accumulation	38%	44%	16%	1160	13%	145
sub-total, Primary Metrics						1146
sub-total, Under-Represented Bonus (.25 multiplier)						0
TOTAL						1,146
				Growth Target =		1,010

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Appendix A: Metric Definitions

DEFINITIONS	
METRICS	**DEFINITIONS**
Undergraduate Degrees & Certificates Awarded	Annual number of undergraduate degrees and certificates awarded. Includes two and four degrees, as well as one-year certificates (CAS) and less than one-year certificates (16 to 29 credits, Cert of Technical Studies - CTS*) awarded at 2-year colleges.
Retention Rates	Fall to Fall retention rates for both 2-year and 4-year Colleges. The cohort will include all incoming undergraduates: new full- and part-time first-year students as well as new full- and part-time transfer students.
Early College Enrollment (Dual Enrollment)	Annual number of high school students (age 19 or younger) enrolled in at least one college class; fall term unduplicated number plus spring term unduplicated number.
Graduate Degrees & Certificates Awarded	Annual number of graduate degrees and certificates awarded, including graduate-level certificates, masters, 1st professional, and doctoral degrees.
Research Expenditures	Annual expenditures for research from all sources except current unrestricted funds (tuition and state support).
2-year College Menu	2-year Colleges will select two metrics from the following menu:
Success in Remedial Education	Total number of students who complete college level English and/or Math courses with a grade of C- or higher after completing a remedial course.
Credit Accumulation - Momentum Points	First-time, full-time students completing 24 or more credit hours within their first academic year AND first-time, part-time students completing 12 or more credit hours within their first academic year.
Underrepresented/At Risk Populations (Weighted Subcategories)	There will be special weighting in the allocation model of successes by specific access groups, specifically Pell-eligible students, American Indian students, non-traditional age students, and veterans.

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