



Performance funding

In 2011, the Department of Higher Education was directed to develop a formula to allocate future funding increases to higher education institutions according to their performance. A task force, appointed by the commissioner of higher education, developed a performance funding model in 2012 based on five performance indicators. Each higher education institution could earn one-fifth of its available performance funding by demonstrating success for each one of its five performance measures.

Fiscal Year 2014 marked the first year Missouri's public higher education institutions received a portion of state funding based on the new performance funding model. During the 2014 legislative session, performance funding was codified in state statute, with at least 90 percent of new core funding distributed through the CBHE performance funding model and no more than 10 percent distributed through an equity formula developed by each institutional sector. The legislation also directed public institutions to develop a sixth performance item "to measure student job placement in a field or position associated with the student's degree level and pursuit of a graduate degree." The development of this additional measure is ongoing.

Performance funding indicators established for Missouri's public four-year colleges are:

- Student success and progress – freshman to sophomore retention or first-time, full-time freshman completing 24 credit hours during their first academic year.
- Increased degree attainment – the total number of degrees awarded or the six-year graduation rate.
- Quality of student learning – improvements in assessments of general education or major field of study or improvements on professional/occupational licensure tests.
- Financial responsibility and efficiency – the percent of total education and general expenditures on the core mission of the college or university or the increase in education revenue per full-time student at or below the increase in the Consumer Price Index.
- An institution-specific measure approved by the Coordinating Board for Higher Education.

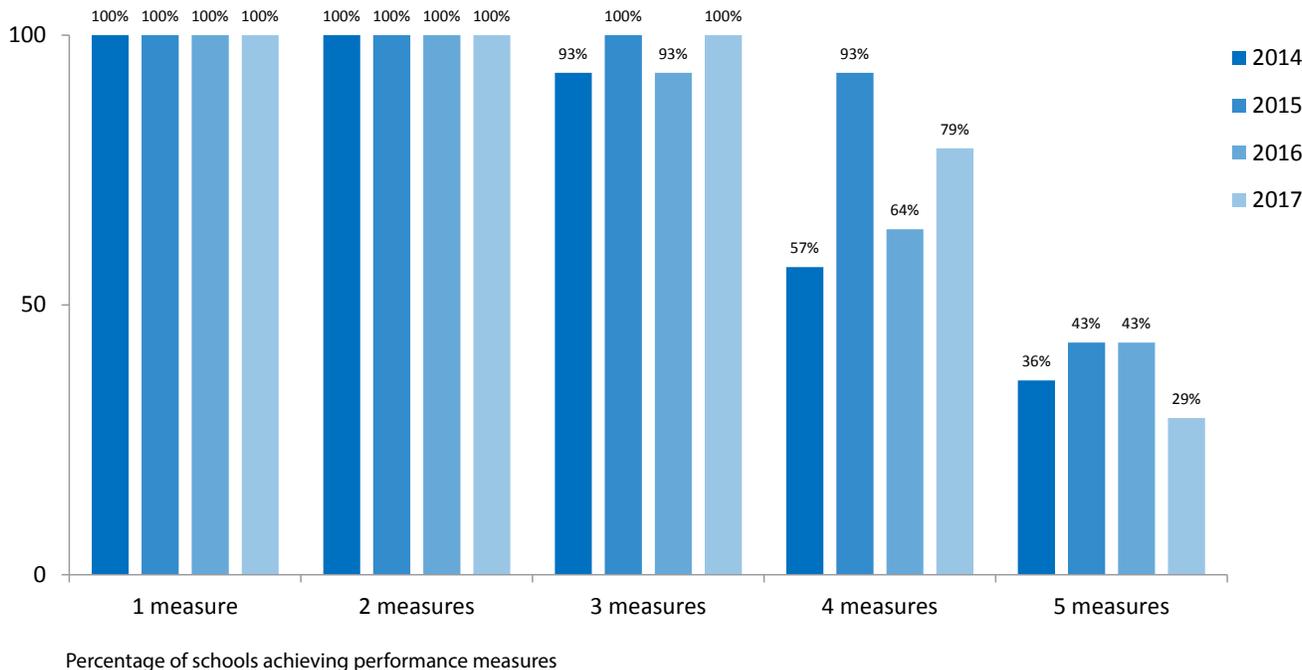
Indicators established for Missouri's public two-year colleges are:

- Three-year completion rate for first-time, full-time entering students.
- Student success and progress (designate two) – percentage of developmental students successfully completing their last developmental English course and first college-level English course, or percentage of developmental students successfully completing their last developmental math course and first college-level math course, or fall to fall persistence, or fall to spring persistence, or successful completion of all credit hours, or all college-level course enrollee success rate, or all student performance on gateway math courses, or all student performance on gateway English courses, or all developmental-level course enrollee success rate.
- Percentage of career/technical students who pass their required licensure/certification examination.
- An institution-specific measure approved by the Coordinating Board for Higher Education that addresses financial responsibility, efficiency and affordability.

Most performance measures are evaluated based on a three-year rolling average. Success for each measure is defined as improvement over each institution's performance from the previous year or, when applicable, maintenance of a high level of performance in relation to a previously established threshold. In some instances, year over year performance can be substituted for the three-year rolling average.

Since Fiscal Year 2014, the CBHE Performance Funding Model has allocated more than \$113 million among the state's public two and four-year colleges and universities. In Fiscal Year 2017, approximately \$37.2 million was appropriated through the performance model. For that fiscal year, all of Missouri's four-year public universities met at least one performance measure and 80 percent met five measures. All of Missouri's two-year public colleges met at least three performance measures; 79 percent met four measures; and 29 percent met all five measures.

Missouri performance funding, two-year higher education institutions



Missouri performance funding, four-year higher education institutions

