

AGENDA ITEM SUMMARY

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Performance Funding Update
Coordinating Board for Higher Education
April 6, 2017

DESCRIPTION

MDHE staff and the public institutions have worked together through the successful completion of the fall 2016 / FY 2018 performance funding data collection cycle, including the collection of pilot data on graduate outcomes (“the sixth measure”). Although appropriations for performance funding are uncertain, the MDHE intends to continue to collect required data as long as the statute describing the framework is in place. This agenda item provides an update on planned activities and necessary tasks leading up to the collection of fall 2017 / FY 2019 performance funding data.

Three-Year Change Process

At a special meeting of the Coordinating Board held in November 2014, the CBHE adopted recommendations of the 2014 Performance Funding Task Force. These recommendations included the implementation of a three-year cycle for regular changes to the framework. On or before the May 1 prior to the beginning of each new cycle, the institutions are invited to propose changes to measures where multiple options are available, i.e. where choices are available among a menu of options for all institutions in their sector. The public four-year institutions have had such a menu of measures since the first year of the current framework (fall 2012 / FY 2014), and the community colleges and Missouri State University–West Plains now have similar choices as a result of agreement with the Coordinating Board to phase out remediation measures by fall 2018 / FY 2020.

In addition, the institutions may, on or before the May 1 prior to the beginning of each new three-year cycle, propose changes to institution-specific measures, and on or before each May 1, apply for changes to peer groups. As the fall 2017 / FY 2019 performance funding cycle will mark the beginning of a new three-year cycle, the institutions have been provided direction for proposing changes to menu options, institutional measures, and peer groups by May 1. Because changes to institutional measures and peer groups require two weeks of public comment and Coordinating Board approval, MDHE staff plan to conclude the process in time for the September CBHE meeting.

Performance Funding Audit

The recently released state audit of performance funding highlighted several areas in which MDHE staff and the institutions could work collectively to strengthen and increase confidence in the system. MDHE staff will work with the institutions prior to the upcoming collection cycle to respond to as many of the State Auditor’s recommendations as is practicable. The full audit is posted at <https://app.auditor.mo.gov/AuditReports/CitzSummary.aspx?id=543>, but recommendations include:

- Strengthen technical documentation, and providing “minimum standards and guidelines” for data collection, peer groups, and benchmarks;
- Require additional rationale for peer group changes (MDHE staff believe this has been largely addressed);
- Collect and/or utilize additional student-level data where relevant for data validation and comparison;
- Strengthen rationales for and consistent application of sustained excellence benchmarks.

Performance Funding Task Force

It has now been three years since the last performance funding task force, and while the 2014 task force did not explicitly recommend that another task force precede a new three-year cycle, it seems prudent for it to do so. It is the intent of MDHE staff to convene a task force, constituted similarly to prior groups, to discuss the best means of addressing the Auditor’s recommendations. In addition, while the collection of pilot graduate outcomes data was largely successful, lingering questions remain regarding success criteria, sustained excellence benchmarks, and acceptable response/knowledge rates for surveys, as well as the timing of ongoing data collection in relation to the state’s budget process. Questions have also been raised regarding how performance funding might better align with recommendations arising out of ongoing system and mission reviews.

STATUTORY REFERENCES

Section 163.191, RSMo – State aid to community colleges

Section 173.1006, RSMo – Establishment of performance measures

Section 173.1540, RSMo – State aid to four-year institutions

Section 178.638, RSMo – Oversight of college by coordinating board and state board of education

RECOMMENDED ACTION

This is an information item only.

ATTACHMENT(S)

None