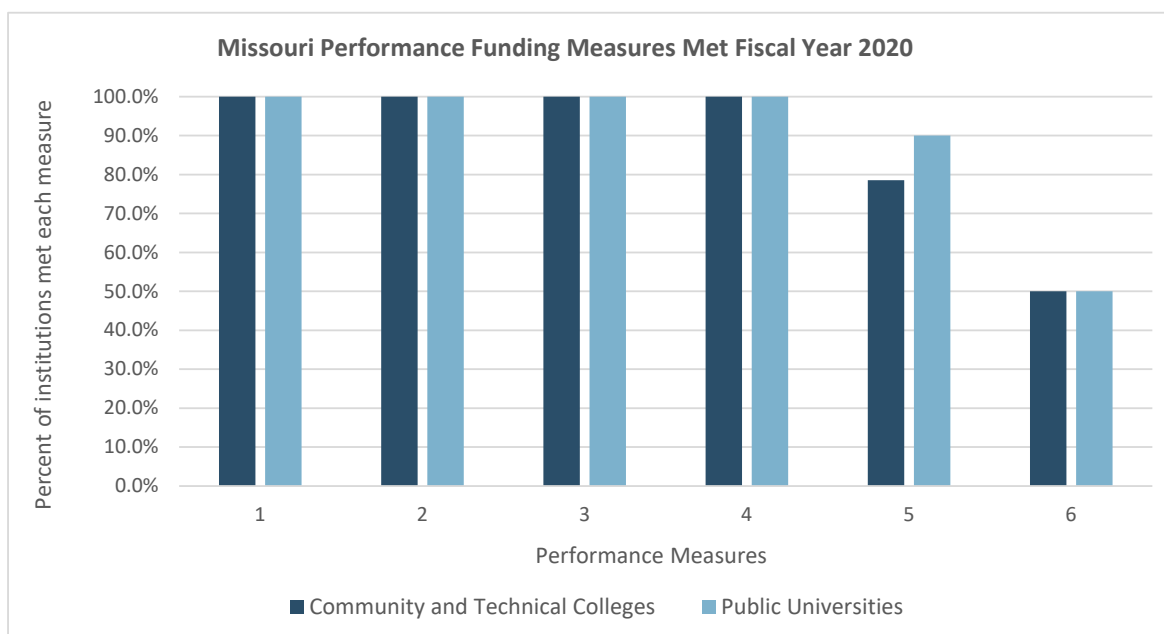


# ANNUAL REPORT 2020

# PERFORMANCE FUNDING

In 2011, the Department of Higher Education & Workforce Development was directed to develop a formula to allocate future funding increases to higher education institutions based on their performance. A task force, appointed by the commissioner of higher education, developed a performance funding model in 2012 using five performance indicators. Each higher education institution could earn one-fifth of its available performance funding by demonstrating success in each one of the 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 also codified in state statute. The new legislation directed public institutions to develop a sixth performance measure: "student job placement in a field or position associated with the student's degree level and pursuit of a graduate degree." A second task force in 2017 recommended changes to the measures in response to feedback from the Governor's office, legislators, higher education institutions, and others.



In Fiscal Year 2020, no funding was appropriated through the performance model. For that fiscal year, all of Missouri's public universities met at least four performance measures, 90 percent met five measures, and 50 percent met six measures. All of Missouri's community and technical colleges met at least four performance measures; 79 percent met five measures, and 50 percent met six measures.

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

- Degree and certificate completions per full-time-equivalent (FTE) student.
- Improvements in assessments of general education or major field of study or improvements on professional/occupational licensure tests.
- Percent of total education and general expenditures dispensed on the core mission of the college or university.
- Percent change in salary expenditures compared to Missouri median household income.
- Percent change in net tuition revenue per Missouri undergraduate FTE student compared to Missouri median household income.
- Percent of graduates employed full-time, participating in a volunteer or service program (e.g., Peace Corps), serving in the U.S. military, or enrolled in a program of continuing education.

Indicators established for Missouri's public community colleges and MSU-West Plains are:

- Three-year completion or transfer rate for first-time, full-time entering students.
- Percent of attempted courses successfully completed.
- Percentage of career/technical students who pass their required licensure/certification examination.
- Percent of total education and general expenditures not expended on the core mission of the college or university.
- Percent change in full-time student tuition and fees compared to Missouri median household income.
- Percent of graduates competitively employed or found in Missouri wage records, serving in the military, or enrolled in continuing education.

Indicators established for State Technical College are:

- Degree and certificate completions per full-time-equivalent (FTE) student.
- Three-year completion rate for first-time, full-time entering students.
- Percentage of career/technical students who pass their required technical skills (major field) examination.
- Percent of total education and general expenditures expended on the core mission of the college or university.
- Percent change in full-time student tuition and fees compared to Missouri median household income.
- Percent of graduates competitively employed, serving in the military, or enrolled in continuing education.

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.