



MEMORANDUM

TO: Performance Funding Task Force Members

FROM: Zora Mulligan
Commissioner of Higher Education

RE: Draft Task Force Charge

DATE: May 30, 2017

Thank you for agreeing to serve on the Performance Funding Task Force. I appreciate the time you will dedicate to this important task. Deputy Commissioner Leroy Wade will review the following draft charge during the May 31 task force conference call. Your feedback is welcome. I will present a final charge to the Coordinating Board at their June 8, 2017, meeting.

As you are likely aware, questions have been raised about the credibility of our existing performance funding model. A [report](#) from the state auditor noted that institutions have considerable latitude in selecting and changing the peer institutions to which they are compared. Conversations with legislators suggest skepticism about the model's definitions of successful performance and about reliance on data about the performance of a narrow subset of students – those enrolled for the first time and on a full-time basis – and a belief that graduate outcomes is an essential component of the model. Finally, Governor Greitens has expressed his intention to make individual recommendations about institutions' core operating appropriations and to use data about each institution's performance to make those decisions.

Together, these factors establish a compelling rationale for the Department of Higher Education to convene this task force. I ask that you consider the following issues and make recommendations regarding each:

1. Reward collaboration.
2. Develop a credible and comprehensive measure or index of institutional efficiency.
3. Make the peer selection process credible, transparent, and robust.
4. Evaluate the existing approach to measuring graduate outcomes and determine whether changes are warranted.
5. Evaluate the existing practice of allowing institutions to choose among measures.

6. Consider alternatives or additions to first-time, full-time data to ensure that all students are counted and all institutions' performance is properly considered.
7. Identify elements in the model for which weighting can be applied to encourage alignment with the state's postsecondary education goals.
8. Review the threshold for "sustained excellence," which is the shorthand in the existing model for a level of performance that is sufficiently high that improvement is not required to "succeed" on the measure.
9. Establish a floor for "successful performance."
10. Develop protocol for ensuring that data can be verified.
11. Other issues identified by the task force.

I ask that you complete your work in time to present recommendations at the Sept. 14, 2017, Coordinating Board meeting, and I thank you again for your service.