



December 2022 Strategic Planning Report

KBOR Performance Funding Updates

KBOR Issue Paper on Funding Framework

This issue paper is informational only. As such, no action was taken.

- 1999 - Performance funding was intended to be utilized as an incentive to stimulate growth and change
- Performance funding has been ineffective in stimulating change and building reform.
- A proposal to change to a project-based performance funding system is proposed.
- The project-based system will be contingent upon:
 1. Institutions scaling corequisite remediation
 2. Math pathways
 3. Systemwide course placement standards
 4. Academic degree maps

Current KBOR Performance Funding

The current performance funding system is based on six metrics. Each institution selects three indicators from a pre-determined list and defines three of its own indicators. The funding structure is detailed to the right.

<u>Current Performance Funding Structure</u>						
<u>First Funding Tier: Institution Receives 100% New Funding Available</u>						
Institution Maintains or Exceeds the Baseline (3-Year Average of Past Performance) on 6 of 6 indicators, 5 of 6 indicators, or 4 of 6 indicators.	1	2	3	4	5	6
	1	2	3	4	5	6
	1	2	3	4	5	6
<u>Second Funding Tier: Institution Receives 90% New Funding Available</u>						
Institution Maintains or Exceeds the Baseline (3-Year Average of Past Performance) on 3 of 6 indicators.	1	2	3	4	5	6
<u>Third Funding Tier: Institution Receives 75% New Funding Available</u>						
Institution Maintains or Exceeds the Baseline (3-Year Average of Past Performance) on 2 of 6 indicators.	1	2	3	4	5	6
<u>Fourth Funding Tier: Institution Receives 0% New Funding Available</u>						
Institution Maintains or Exceeds the Baseline (3-Year Average of Past Performance) on 1 of 6 indicators or 0 of 6 indicators.	1	2	3	4	5	6
	1	2	3	4	5	6

Proposed Changes to Funding Framework

The proposed new performance funding is based upon an institution employing four proven practices that will reposition the system to move the needle on the Board’s Building a Future strategic plan. These include:

- corequisite remediation;
- math pathways;
- systemwide course placement standards; and
- academic degree maps.

These will trigger necessary actions that will help drive innovation, reduce achievement gaps, and enhance student success and completion for all students. The proposed project-based performance funding structure is detailed below.

Proposed Project-Based Performance Funding Structure

Proposed Project-Based Performance Funding				
Project	Corequisite Remediation: A Bridge to Completion	Math Pathways. Three Paths – One Goal	33 to 1: Simplifying Course Placement	Advising
Percentage of Funding Each Year	25% Funding	25% Funding	25% Funding	25% Funding

Proposed KBOR Performance Funding

It should be noted that when new legislative dollars are allocated to higher education, an institution will receive a full performance funding allocation **by simply participating and meeting basic conditions in the four aforementioned projects.**

<u>First Funding Tier: Institution Receives 100% New Funding Available</u>				
Institution Meets 4 out of 4 Indicators	1	2	3	4
<u>Second Funding Tier: Institution Receives 75% New Funding Available</u>				
Institution Meets 3 out of 4 Indicators	1	2	3	4
<u>Third Funding Tier: Institution Receives 50% New Funding Available</u>				
Institution Meets 2 out of 4 Indicators	1	2	3	4
<u>Fourth Funding Tier: Institution Receives 25% New Funding Available</u>				
Institution Meets 1 out of 4 Indicators	1	2	3	4
<u>Fifth Funding Tier: Institution Receives 0% New Funding Available</u>				
Institution Meets 0 out of 4 Indicators	1	2	3	4

KBOR Report on Funding Framework

Future Timetable

- Over the next few months (Spring 23), Board staff will work with the Dana Center at the University of Texas at Austin and the math advisory working group to seek advice on establishing corequisite remediation and math pathways minimum standards for the proposed performance funding system.
- After these proposed standards are established, Board staff will open a three-to-four-week window for employees at the colleges and universities to provide feedback on the proposed project-based performance funding system.
- Feedback will be summarized and shared with the Board and the proposed project-based performance funding system will be formally considered for adoption by the Board in late Spring 2023.



***No dashboard updates
this month...***

***Questions or
Comments***