PERFORMANCE BASED FUNDING

University of Maine System

ThinkMissionExcellence.maine.edu
Survey Tool available for Input November 14 – 28
Board of Trustees Initiative

Directive I.e:

Align Funding with Performance-Based Outcomes.

~ BOT Goals & Actions initiative adopted on January 23, 2012
Process

- Performance Based Funding Review Team chartered by the Chancellor/BOT in May 2012.

- Engagement of key constituencies: University Presidents, CFOs and CAOs.

- Campus visits, website (ThinkMissionExcellence.maine.edu) & survey tool (available November 14 – 28).

- Review by Steering Committee & Presidents Council prior to BOT consideration in Jan 2013.
Current Funding Model

Consists of:

- Tuition & Fee revenue driven by enrollment.
- State appropriations distributed through historic formula.
Proposed Funding Model

• Tuition & Fee revenue driven by enrollment.

• State appropriations distributed through:
  • historic formula; and
  • performance funding model.
Why Performance-Based Funding?

• A means of linking State funding to State priorities to incent outcomes and promote accountability.
Outcomes-Based Funding: Current State Activity
Design Principles

1. Select goals in line with Maine’s needs.

2. Construct performance metrics:
   - To promote mission differentiation.
   - To ensure all institutions have an opportunity to benefit.

3. Limit the number of outcomes to be rewarded.

4. Use metrics that are transparent and replicable.
Implementation Principles

1. Use a three-year rolling average for each metric to smooth out performance dips and spikes.

2. Reward relative improvement.

3. Make the performance funding pool large enough to command attention and drive outcomes.

4. Employ a stop-loss provision during phase-in.
Maine: Preliminary Goals

1. Increase the educational attainment of the working-age (25-64) population of the state.
2. Meet the workforce needs of Maine employers.
3. Improve the productivity of our institutions.
4. Contribute to the economic development of the state.
Maine: Preliminary Metrics

1. Degrees Awarded
   • Includes premium for degrees awarded to priority populations:
     • Adults
     • Transfers

2. Degrees awarded in priority fields:
   • Allied Health
   • STEM
   • Other Statewide Needs TBD
   • Regional Need (by campus TBD)

3. Productivity
   • Number of degrees awarded per 100 FTE students
   • Number of degrees awarded per $100k of Appropriation & Net Tuition/Fees

4. Credit accumulation – temporary metric to be phased out over 3 years

5. Economic Development (TBD)
Next Steps

• Finalize recommendations for weighting of the metrics & allocation of points.

• Determination of priority fields.

• Determination of economic development metrics.

• Continued engagement of key constituencies: University Presidents, CFOs and CAOs.

• Incorporation of feedback.