

MUS

Performance Funding

FY 2026 Allocations

May 2025

PF History

1. **From 1972 through 2014:** enrollment was utilized as the single metric for determining the allocation of state appropriations to campuses.
2. **FY 2015:** the MUS instituted a performance funding model.
 - 5% state appropriations allocated (\$7.5M)
 - Performance based on the combination of improvement in Retention and Completions
3. **FY 2016 – Present:** MUS developed and implemented a more detailed and diverse performance model.
 - \$15M of state appropriations allocated annually (approx. 7.5% of total approp.)
 - Metrics expanded and aligned with campus mission

Goals

- 1) Utilize performance funding as a strategy to help increase the percentage of the population with a higher education credential. ***Increase degree production.***
- 2) Incentivize campuses to improve student success and attainment of outcomes. ***Focus on output as well as input.***
- 3) Connect finances with outcomes. ***Pay for what we value.***

1. The potential allocation for each campus is based on its share of the system's 3-year resident student FTE average

Campus	Resident FTE (FY17 to FY19 avg.)	Campus Share of Resident FTE	Eligible \$\$ Amount
MSU Bozeman	8,830	35.5%	\$5,322,089
Gallatin College	411	1.7%	\$248,010
MSU Billings	2,332	9.4%	\$1,405,436
City College	648	2.6%	\$390,394
MSU Northern	898	3.6%	\$541,227
Great Falls College	1,070	4.3%	\$645,019
UM Missoula	6,112	24.6%	\$3,684,142
Missoula College	979	3.9%	\$590,346
MT Tech	1,428	5.7%	\$860,558
Highlands College	300	1.2%	\$181,113
UM Western	1,073	4.3%	\$646,875
Helena College	804	3.2%	\$484,791
Total	24,887	100.0%	\$15,000,000

2. Each sector (flagship, 4-yr and 2-yr) has a unique set of **metrics**

	Flagships MSU & UM	4-year Regional UMW, MT Tech, MSUB, MSUN	2-year Colleges Missoula, Great Falls, Highlands, Helena, City, Gallatin
METRICS			
Undergraduate Degrees & Certificates Awarded	X	X	X
Retention Rates	X	X	X
Graduate-level Degrees & Certificates Awarded	X		
Research Expenditures	X		
Masters-level Degrees & Certificates Awarded		X MT Tech & MSUB	
Dual Enrollment		X UMW & MSUN	X
Gateway Courses			X
Credit Accumulation			X
Under-represented/At-risk - Retention Rates	X	X	X
Under-represented/At-risk - Degrees & Certificates Awarded	X	X	X

3. For each primary metric, **under-represented/at-risk** groups are measured as part of the whole as well as individually.

Under-represented/At-Risk Populations

- 1) American Indians
- 2) Pell Recipients
- 3) Veterans
- 4) Non-traditional Students (25+ yrs.)

4. Metrics are measured annually and compared to prior 3-year average.
CAMPUSES compete against themselves!

CAMPUS X (example)

3-yr Average	Current Level	% Increase
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METRICS

Undergraduate Degrees Awarded	200	210	5%
Under-Represented/At-risk Graduates	150	165	10%
Retention	70%	69%	-1%
Under-Represented/At-risk Students	65%	64%	-2%
Graduate Degrees	50	52	4%
Research Expenditures	25,000,000	26,000,000	4%

5. Metric values are weighted.

<u>METRICS</u>	Flagships	4-year Regional	2-year Colleges
Undergrad Degrees & Certificates	30%	40%	30%
Retention Rates	30%	40%	30%
Graduate Degrees & Certificates	15%		
Research Expenditures	15%		
Masters Degrees & Certificates		10% (MT Tech & MSUB)	
Dual Enrollment		10% (UMW & MSUN)	10%
Remediation Success			10%
Credit Accumulation			10%
Under-represented/At-risk			
Retention Rates	5%	5%	5%
# of Degrees & Certificates Awarded	5%	5%	5%

6. Metric values are indexed to a standard scale of 1,000 points and growth target established.

Improvement is based on the composite results of all metrics, rather than independently on individual metrics.

Score above 1,000 represents improvement; score below 1,000 represents regression. Growth Target = 1010 (1%)

CAMPUS X (example)

3-yr Average	Current Level	% Increase	Index Score	Weight	Weighted Score
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METRICS

Undergraduate Degrees Awarded	200	210	5%	1050	30%	315
Under-Represented/At-risk Graduates	150	165	10%	1100	37.5%	9
Retention	70%	69%	-1%	986	30%	296
Under-Represented/At-risk Students	65%	64%	-2%	985	37.5%	-1
Graduate Degrees	50	52	4%	1040	20%	208
Research Expenditures	25,000,000	26,000,000	4%	1040	20%	208

TOTAL						1,035
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Growth Target = 1,010

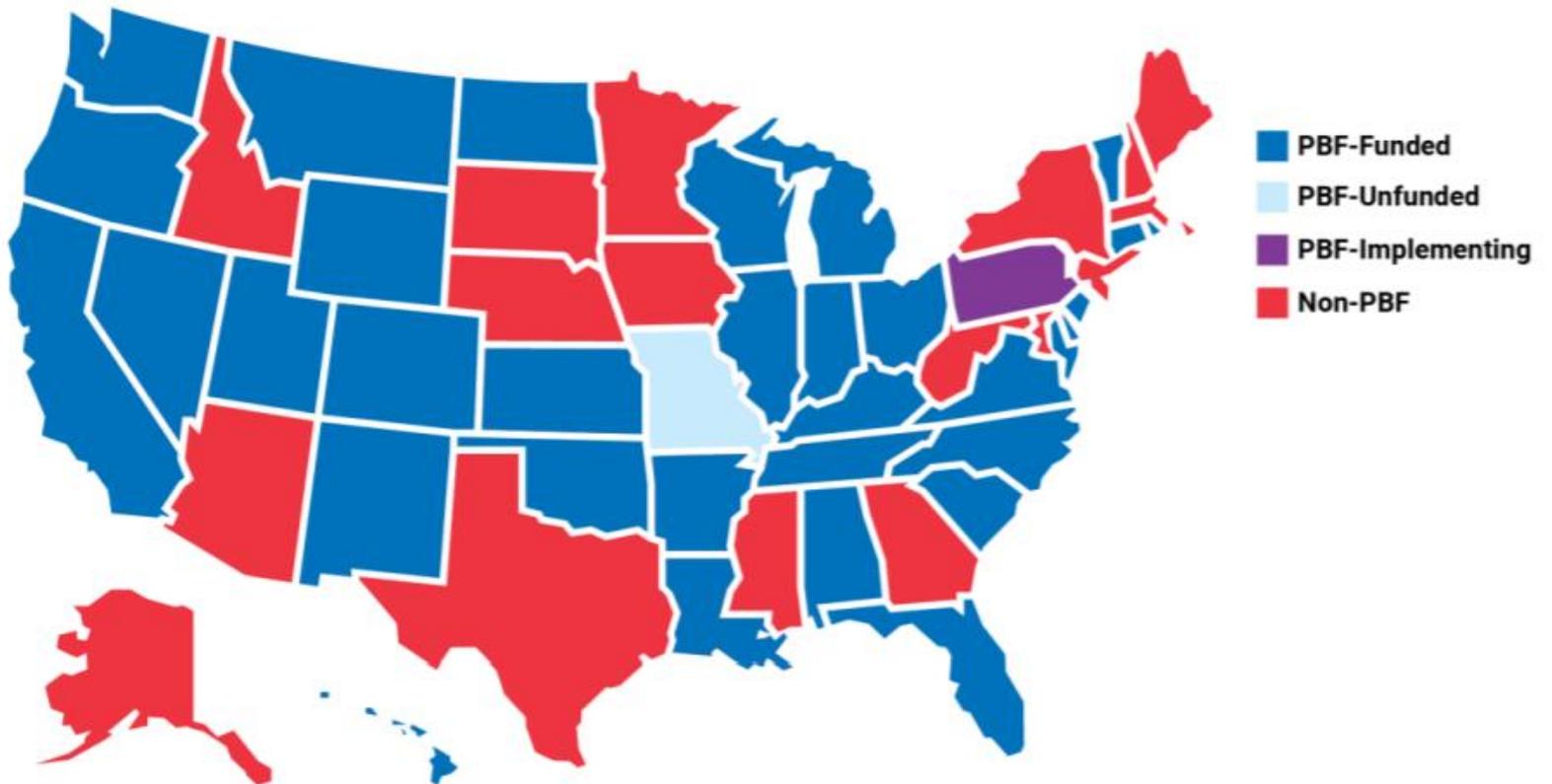
- 7. A transitional-loss zone is created to account for random, non-systematic fluctuations in the metrics.**
 - Campuses that fall below the target, but within the transitional-loss zone receive a portion of the eligible funding amount (Partial PF Allocation)

- 8. Opportunities exist for campuses that fall short of targets to participate in System Initiatives**

The Landscape of Performance Funding

PBF status in 2020

InformEd States
HIGHER EDUCATION POLICY INITIATIVE



The Landscape of Performance Funding

- ➔ Among the 32 states that tie appropriations to performance, around 60% outline race as a consideration in their PBF formula.
- ➔ In addition to degree completion, performance metrics also often include retention, transfer to four-year institutions, credit accumulation, on-time graduation, degree completion in high-demand fields, and graduates' wages.
- ➔ Performance funding draws greater attention towards college completion goals and builds awareness of institutional performance. It also encourages better data collection and tracking efforts within institutions.
- ➔ While experts agree that the performance-based funding amount must be consequential, there is no defined threshold for how much funding is enough.

PF Results

FY 2026 Performance Funding Allocation Summary

Campus	3 Year Average Resident FTE	Campus Share of Resident	Eligible Funding Amount	PF Metrics Index Score	FY26 Allocation	% of Eligible Funding Recieved	Unallocated \$\$ Amount
MSU Bozeman	7,293	35.9%	\$5,386,833	1,057	\$5,386,833	100%	\$0
Gallatin College	388	1.9%	\$286,569	1,195	\$286,569	100%	\$0
MSU Billings	1,954	9.6%	\$1,443,532	1,150	\$1,443,532	100%	\$0
City College	572	2.8%	\$422,833	1,090	\$422,833	100%	\$0
MSU Northern	748	3.7%	\$552,795	959	\$421,365	76%	\$131,430
Great Falls College	810	4.0%	\$598,105	1,000	\$598,105	100%	\$0
UM Missoula	4,591	22.6%	\$3,390,784	1,008	\$3,264,598	96%	\$126,186
Missoula College	916	4.5%	\$676,803	1,104	\$676,803	100%	\$0
MT Tech	1,224	6.0%	\$904,094	1,013	\$904,094	100%	\$0
Highlands College	284	1.4%	\$209,890	1,231	\$209,890	100%	\$0
UM Western	876	4.3%	\$646,935	1,217	\$646,935	100%	\$0
Helena College	651	3.2%	\$480,828	900	\$480,828	100%	\$0
Total	20,307	100.0%	\$15,000,000		\$14,742,385		\$257,615

*# of completions or graduation rates, whichever highest, were used in addition to retention rates as the core metrics for all campuses