Goal Statement

Biennial review/update of the budget allocation model consistent with state and system policy goals and objectives

Background

The Montana Legislature allocates the vast majority of funding for our education units in a “lump sum” that is then allocated by the Regents to the individual institutions within the system. How these funds are allocated is central to every strategic objective of the Board. In order to achieve the goals and objectives in this strategic plan, the basic funding allocation model must be continually analyzed. To be an effective tool for achieving our strategic goals, the allocation model should, at a minimum:

- Focus on financing for the state system, not only funding for the individual campuses;
- Be transparent as to the policy choices of the Regents, Legislature, and executive branch;
- Provide a framework for dealing with allocations to institutions, tuition revenues, financial aid, and mandatory fee waivers;
- Have a specific fund dedicated to furthering Regents’ priorities;
- Protect institutional viability by moderating the short-term effects of enrollment changes;
- Provide incentives for institutions to collaborate as a system;
- Ensure equity of funding among all institutions;
- Maintain an adequate base of funding and education quality for all institutions;
- Maintain a differential between 2-year and 4-year tuition.

Goal Statement

Goal 3: Efficiency & Effectiveness

System Initiatives:

Performance Funding:
FY15 marks the first fiscal year in the Montana University System (MUS) where funds were allocated to campuses through a performance funding model. In this model, 5% of state appropriations ($7.5M) were distributed to campuses for increasing retention rates, as well as the number of degree/certificate completers.

Results of the effort can be found at: http://www.mus.edu/CCM/performancefunding/default.asp

Performance Funding – FY16 and FY17

In May 2014, the Board the Regents approved a new set of performance metrics designed to be used in 2015-16 and 2016-17 fiscal years. Within this set of metrics, retention rates and completion numbers are measured for all MUS campuses. In addition, mission specific metrics are identified at the flagship and 2-year campuses. Degree counts in graduate programs and research expenditures are included in the flagship campus measurements, while early college enrollment of high school students coupled with a menu consisting of transfer rates, success in developmental education, credit accumulation, and licensure/exam pass rates round out the metrics for 2-year campuses. For all campuses, special weighting will be applied for Pell-eligible students (low income), American Indian students, nontraditional-age students, and veterans.

The Regents will approve the amount of funding to be distributed in this new model in May 2015.