

Governor's Proposed Fiscal Year 2017 Budget for Performance Funding

The Governor proposes a total of \$50 million in performance funding for the nine public university systems and \$9.5 million for 39 community college districts. The Governor proposes to distribute these funds based upon the existing framework for performance based funding that was established by the IBHE and the Community College Board. Since its inclusion into the IBHE's higher education budget proposal since Fiscal Year 2013, performance funding has been allocated at 0.5 percent, or approximately \$6.1 million of the total annual appropriation recommended by IBHE for public universities. While past IBHE budget recommendations every year since have included allocations based on the performance model, final enacted appropriations by the General Assembly have failed to include such performance allocations. For community colleges, the performance funding appropriation provided to the Illinois Community College Board has held steady at \$360,000 per year.

Public Universities

The current performance funding model for public universities is in effect for Fiscal Years 2016, 2017 and 2018. The IBHE Board established this model as the result of recommendations from an IBHE Steering Committee in 2014. This Committee was tasked with strengthening the existing performance measures and sub-categories to the extent possible or finding replacement measures that capture the principles of the performance funding law. The performance funding model for public universities identifies performance measures or metrics that are linked directly to the goals of the *Illinois Public Agenda*. IBHE is responsible for collecting the data on the performance metrics, which are averaged over three-year periods. The metrics are meant to indicate the status of each of the schools at the present time, which then allows them to adjust their practices in order to improve in certain areas moving forward. Specific performance metrics include:

- Bachelor's degrees awarded
- Master's degrees awarded
- Doctoral and Professional degrees awarded
- Undergraduate degrees per 100 FTE
- Research and public service expenditures
- Graduation Rates 150% of Time
- Persistence (24 Credit Hours Completed in One Year)
- Cost per Credit Hour
- Cost per Completion

Additionally, the model takes into account the diversity of each university's student population as opposed to awarding funding based solely on academic criteria. These sub-populations measures include:

- Pell Eligible
- Adult, Age 25 and Older
- African-American
- Hispanic
- STEM and Healthcare

\$50 Million Appropriation to the IBHE for Public Universities

Depending on the result of Fiscal Year 2017 negotiations with the legislature and Governor on appropriations for public universities, final appropriations that may contain a separate appropriation directly to IBHE would require approval of the IBHE Board. The IBHE would decide on final allocations based on any enabling provisions and using the latest available data in the performance funding model. IBHE would seek direction on whether the performance funding model should be applied to the full enacted appropriation or just a specified amount, such as the separate \$50 million appropriation proposed by the Governor. The following provides an estimated distribution of a separate \$50 million appropriation to the IBHE:

Chicago State University	\$1,100,000
Eastern Illinois University	1,950,000
Governor’s State University	1,350,000
Illinois State University	2,850,000
Northeastern Illinois University	2,050,000
Northern Illinois University	3,050,000
Southern Illinois University	7,200,000
Western Illinois University	2,150,000
University of Illinois	28,300,000

Community Colleges

The performance funding model for community colleges is based on criteria established by the Community College Board. These performance metrics include:

- Degree and certificate completion
- Degree and certificate completion of at-risk students
- Transfer to a four-year institution
- Remedial and adult education advancement
- Momentum points
- Transfer to a community college

\$9.5 Million Appropriation to the ICCB for Community Colleges

Under the Governor’s proposal, the Illinois Community College Board would be responsible for final allocations to the 39 community college districts based on their performance funding model.