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# Performance Agreement Guidelines & Procedures

Effective for Academic Years 2024, 2025, & 2026

Approved March 20, 2024

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★ LEADING HIGHER EDUCATION ★

## **Introduction**

In 1999, the Kansas legislature adopted K.S.A. 74-3202d which established improvement plans for public higher education institutions in Kansas and tied the awarding of new state funds to these improvement plans. These plans are commonly known as performance agreements.

The Board of Regents is responsible for reviewing and approving performance agreements and for providing technical assistance to institutions as they develop, implement and revise their performance agreements.

The Board is also responsible for determining the amount of new state funds awarded, as defined in K.S.A. 74-3202d. The awarding of new state funds is based on an institution's level of compliance with its performance agreement and the funds available for distribution.

## **Establishing an Improvement Plan**

At least once every three years, institutions negotiate a new performance agreement with the Board. [\*Building a Future\*](#), the Board's strategic plan for the System, provides the foundation for each institution's performance agreement. The three pillars of Building a Future are Family, Business, and Economic Prosperity. Performance metrics will be drawn predominantly from the Family pillar, which includes three areas of focus: Affordability, Access, and Success.

The projects-based performance funding model is based upon an institution employing proven practices that will position the system to move the needle on the Board's [\*Building a Future\*](#) strategic plan.

## **Annual Evaluation of Compliance and Funding**

To be eligible for any new funding appropriated by the Legislature and approved by the Governor, each institution annually submits a performance report that updates the Board on an institution's progress toward implementing the proven practices as outlined in the performance agreement. The performance report provides the Board a basis for awarding any new funding.

Awarding of new funding is based on progress in the following five projects/indicators included in the performance agreement, all in accordance with amended Board Policy [Chapter III.A.14](#), unless otherwise noted in the Projects-Based Performance Funding table below.

- Math Pathways
- Corequisite Math Support Developmental Education
- Corequisite English Support Developmental Education
- Systemwide Course Placement Measures (for both math & English)
- Academic Degree Maps

Projects-Based Performance Funding					
<b>Project</b>	Math Pathways	Corequisite Math Support Developmental Education	Corequisite English Support Developmental Education	Systemwide Math & English Course Placement Measures	Academic Degree Maps in Accordance with the <a href="#">Basic Standards</a>
<b>Percentage of Funding Each Year</b>	20% Funding	20% Funding	20% Funding	20% Funding	20% Funding

It should be noted that when new legislative dollars are allocated to higher education, an institution will receive a performance funding allocation by participating and meeting basic conditions in the five projects, in accordance with the reporting specifications outlined in the AY 2024 – AY 2026 Performance Agreement, and as generally described below. *The below Funding Tiers table is based upon full completion of the given number of projects/indicators. Please refer to the AY 2024 – AY 2026 Performance Agreement for the specific expectations and reporting requirements for each project/indicator for each year of the agreement.*

Funding Tiers					
<u>First Funding Tier: Institution Receives 100% New Funding Available</u>					
Institution Meets 5 out of 5 Indicators	1	2	3	4	5
<u>Second Funding Tier: Institution Receives 80% New Funding Available</u>					
Institution Meets 4 out of 5 Indicators	1	2	3	4	5
<u>Third Funding Tier: Institution Receives 60% New Funding Available</u>					
Institution Meets 3 out of 5 Indicators	1	2	3	4	5
<u>Fourth Funding Tier: Institution Receives 40% New Funding Available</u>					
Institution Meets 2 out of 5 Indicators	1	2	3	4	5
<u>Fifth Funding Tier: Institution Receives 20% New Funding Available</u>					
Institution Meets 1 out of 5 Indicators	1	2	3	4	5
<u>Sixth Funding Tier: Institution Receives 0% New Funding Available</u>					
Institution Meets 0 out of 5 Indicators	1	2	3	4	5

*If a project/indicator is not fully completed, partial credit may be awarded for each project/indicator, depending upon the institution’s level of completion and compliance, as determined by Board Staff and BAASC upon review of each annual performance report.*

Compliance is evaluated annually, and levels of funding are determined on an annual basis. The first year is critical and builds the foundation for the next two years. For each reporting year, an institution may be awarded 0% to 100% of new funding, based on its level of compliance with the performance agreement and level of completion of each of the five projects as specified in the AY 2024 – AY 2026 Performance Agreement, as reported by the institution.

### **Definition of New State Funds**

Pursuant to K.S.A. 74-3202d, each public postsecondary educational institution’s receipt of “new state funds” shall be contingent upon achieving compliance with its performance agreement, as determined by the Kansas Board of Regents. Except as otherwise specifically required by statute or appropriation proviso, only those funds that are appropriated by the Legislature to a specific postsecondary educational institution for a specific purpose by using a separate line item shall be exempted from performance funding.

Accordingly, the Board has determined that the following line items are subject to performance: (1) State university and Washburn University operating grants; (2) community college, technical college and Washburn Institute of Technology Postsecondary Tiered Technical State Aid and Non-Tiered Course Credit Hour Aid; (3) eligible institutions’ Career Technical Education Capital Outlay Aid and Technology Grant Funding; (4) Tuition for Technical Education (secondary students); (5) Postsecondary Education Performance-Based Incentive Special Revenue Fund; and (6) any other state funding consistent with the statutes. “New state funds” received by any postsecondary institution under the original 1999 Senate Bill 345 provisions for 2% performance grant funding, codified in K.S.A. 76-771, will also be subject to performance.

Pursuant to K.S.A. 74-3202d, the Board of Regents will determine the amount of new state funds to be received by each institution, taking into account the institution’s level of compliance with its performance agreement and the funds available for distribution. For the purpose of this statute, “new state funds” means the amounts of additional state funding each institution received for the fiscal year from a particular line item that is in excess of state funding that institution received for the previous fiscal year from that line item. The Board will determine the amount of new state funds each institution is eligible to receive for each line item if the institution is determined to be in full compliance with its performance agreement. If the Board determines that an institution is not in full compliance with its performance agreement, the Board may allocate to the institution none or a portion of the new state funds for which the institution would otherwise be eligible. Any portion not allocated to an institution in the fiscal year shall not be reallocated to any other institution. Except for those funds that never become a part of the institution’s base, any portion not allocated to an institution will be deemed to be part of the institution’s base budget for the purpose of determining the following fiscal year’s allocation. This provision precludes an institution from permanently losing multi-year state funding due to noncompliance with its performance agreement. The intended effect of this provision is that such loss of funds would be only for one fiscal year.

### **Alignment with [\*Building a Future\*](#)**

[\*Building a Future\*](#) is the Board’s strategic plan for the System and provides the foundation for each institution’s performance agreement. Much more information is collected for strategic plan purposes than can be used in any single performance agreement. A data dashboard has been incorporated into the Kansas Board of Regents website. Taken together, the dashboard and the annual institutional performance reports will provide a comprehensive picture of where the system stands on the critical components of [\*Building a Future\*](#) and of the progress individual institutions are making on their performance agreements.

## Attachment A

### Performance Agreement Statute

**Statute 74-3202d: Same; performance indicators, review; core indicators of quality performance; selection of determinants for state moneys; institutional improvement plans; performance agreements; new state funds, requirements for receipt.** (a) During the 2000 fiscal year, the state board of regents (1) shall review the performance indicators developed by the postsecondary educational institutions, including the municipal university; (2) after consideration of the core indicators of quality performance identified by the respective commissions and with the active involvement of the postsecondary educational institutions, shall approve those indicators that the state board determines should be implemented; and (3) shall select from among the indicators approved for implementation those indicators that will become determinants for the allocation of state moneys on the basis of performance. The indicators selected may vary among the postsecondary educational institutions and among institutional sectors and, if feasible, shall include indicators developed and adopted by the governing bodies of each postsecondary educational institution based on the needs of each such postsecondary educational institution.

(b) During the 2001 fiscal year, the postsecondary educational institutions, including the municipal university, shall develop institutional improvement plans showing how they will implement the performance indicators applicable to their institution and how they will measure performance on the basis of each indicator. Institutional improvement plans shall be revised and submitted to the state board of regents by each institution at least every three years. The state board of regents shall provide technical assistance to institutions in the development, implementation, and revision of their improvement plans.

(c) Commencing on July 1, 2001, institutional improvement plans shall be implemented for each postsecondary educational institution, including the municipal university. Each postsecondary educational institution shall begin the data collection, measurement, or other documentation necessary in order for its performance to be evaluated with regard to each indicator.

(d) Commencing on July 1, 2004, the state board shall have authority to review and approve institutional improvement plans, and, on the basis of each plan, shall develop and implement a performance agreement with each postsecondary educational institution. Performance agreements shall incorporate the goals, priorities, policies and mission objectives identified in the institutional improvement plans, and the performance measures, which will be used to demonstrate compliance and progress.

(e) Commencing on July 1, 2005, each postsecondary educational institution's receipt of new state funds shall be contingent on achieving compliance with its performance agreement. As used in this subsection, "new state funds" means that amount of state funds by which the amount received by a postsecondary educational institution for a fiscal year exceeds the amount received by that postsecondary educational institution for the preceding fiscal year. The state board shall determine the amount of new state funds to be received by each postsecondary educational institution, taking into account the postsecondary educational institution's level of compliance with its performance agreement and the funds available for distribution. Any new state funds received by a postsecondary educational institution pursuant to a performance agreement shall be deemed to be part of the state funds received in the preceding fiscal year for the purposes of determining new state funds for the postsecondary educational institution pursuant to a performance agreement for the ensuing fiscal year. If a postsecondary educational institution is not allocated any portion of new state funds in a fiscal year, the new state funds which the institution was eligible to be allocated by the state board in such fiscal year shall be deemed part of the state funds received by such institution in such fiscal year for the purpose of determining such institution's base budget and any new state funds for the ensuing fiscal year. The failure of a postsecondary educational institution to enter a performance agreement with the state board shall prevent that postsecondary educational institution from receiving any new state funds. Any funds designated by the legislature for a specific postsecondary educational institution or purpose shall be exempt from the provisions of this section.

**History:** L. 1999, ch. 147, § 12; L. 2001, ch. 94, § 3; L. 2002, ch. 188, § 3; July