



# News Release

Contacts: Jack R. Warner, Executive Director and CEO  
[jack.warner@sdbor.edu](mailto:jack.warner@sdbor.edu)

Janelle Toman, Director of Communications  
[Janelle.toman@sdbor.edu](mailto:Janelle.toman@sdbor.edu)

Telephone: (605) 773-3455

Fax: (605) 773-5320

[www.sdbor.edu](http://www.sdbor.edu)

**FOR IMMEDIATE RELEASE:** Thursday, March 29, 2012

## **Regents Adopt Performance Funding Model**

ABERDEEN, S.D. – The South Dakota Board of Regents has adopted a framework for a performance funding model that rewards public universities for their success in producing college graduates.

The model adopted Thursday will allocate \$3 million in one-time funding from this year's South Dakota Legislature, to be matched with a like amount from the six public universities' base budgets. The model will be piloted in the coming fiscal year, starting July 1.

“This is being rolled out using one-time funding that the Legislature appropriated this year to the public university system,” said Regents President Kathryn Johnson. “More importantly, we believe our performance funding model holds promise as a component in future funding allocations,” she said. Use of the model beyond the pilot year implementation is subject to future regents' action, depending on availability of matching funds, legislative funding support, and workforce priorities.

Performance funds will be distributed based on three years of cumulative data on graduate production. A weighted point system gives more weight to completers at higher degree levels and also to completers who earn degrees in high-priority workforce development fields.

“As opposed to a traditional enrollment-driven funding model, this mechanism is outcomes based, mission sensitive, and equitable,” said Jack Warner, the regents' executive director and CEO, whose staff developed the proposal's metrics. “This model is easy to understand and to work with. A given institution's funding allocation is calculated as a simple function of success in producing increased numbers of graduates.”

Warner said the board wanted to develop a model that emphasized production of graduates, because public university students tend to remain in South Dakota after graduation and that underscores the direct economic benefits arising from increased degree production.