

# **Insights Conversation Performance-Based Funding**

May 19, 2026 & May 21, 2026



# Interim Study and Report on Performance Based Funding

- Texas Higher Education Coordinating Board (THECB) shall conduct a study on performance-based funding with the intention to remove institutional enhancement.
- The study is in consultation with the executive committee composed of individuals nominated from each higher education system with a general academic institution and Texas Southern University.
- The resulting report and recommendations should reflect a consensus of the executive committee.
- The study shall examine:
  - comprehensive formula funding levels for general academic institutions
  - student success indicators including performance data metrics
  - support needed for regional institutions in delivering high-quality education
  - cost to maintain stable funding for all institutions in future biennia

# PBF Project Timeline Overview

## Aug 2025 – Sept 2025

- Executive Committee Kick-off (Mtg #1)
- Problem Statement, Goals & Timeline
- Expectations, & Processes
- Phase 1 – Data Discovery

## Oct 2025

- Executive Committee Meeting #2
- Continuation of Phase 1 – Data Discovery
- Formation of Work Groups

## Nov 2025 – Jan 2026

- Executive Committee Meeting #3 & #4
- Initiation of Phase 2 - Metrics
- Work Group Meetings & Collaboration
- Stakeholder Listening Sessions

## Feb 2026

- Executive Committee Meeting #5
- Continuation of Phase 2 - Metrics
- Initiation of Phase 3 - Modeling
- Work Group Meetings & Collaboration

## Mar 2026 – Apr 2026

- Executive Committee Meeting #6 & #7
- Continuation of Phase 3 – Modeling
- Initiation of Phase 4 – Funding Runs
- Work Group Meetings & Collaboration

## May 2026 – June 2026

- Executive Committee Meeting #8 & #9
- Continuation & Completion of Phase 4 – Funding Runs

## July 2026

- Board Meeting to Adopt Report (July 23, 2026)
- Report due to Legislature (July 31, 2026)

# Items of Consensus

## Guiding Principles

- Rates based methodology
- Relationship to existing funding
- Data refinement and improvement in the future

## Metrics

- **Attainment: Credential of Value**
  - Bachelors, Masters, Doctorate, and Professional
  - Additional Weights
    - High Demand Fields (Statewide and Regional)
    - Efficiency (minimal excess hours over degree plan)
- **Progression/Persistence**
  - Fall to Fall Persistence
  - 30/60/90 Semester Credit Hours
- **Student Weights**
  - Adult Learners and Stop Outs
  - Academically Disadvantaged
  - Economically Disadvantaged

# Next Steps

- **July 22, 2026:**

Presentation to THECB During Board Meeting

- **August 1, 2026:**

Submission to Governor and Legislative Leadership



# Discussion & Questions