



Idaho First Outcomes Based Funding (IFOBF) Proposal

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Attachment 2

Background



Legislative Mandate

Idaho Legislature directed OSBE to propose an **Outcomes Based Funding model** to replace Enrollment Workload Adjustment (EWA).



Focus on Student Success

IFOBF **prioritizes measurable student success** (progression and completion) over students-in-seats.



Collaborative Approach

OSBE **collaborated** with JFAC and institutions to refine and enhance IFOB.



Strategic Alignment

IFOBF aligns funding with **Idaho** student outcomes and **Idaho** workforce priorities.

What is Enrollment Workload Adjustment (EWA)?

- Last updated in 2006
- Adjusts funding (positively or negatively) for each institution based on changes in that institution's weighted non-CTE credit hours.
- Weights vary by instructional discipline, course level, and each institution's areas of emphasis.
- The model smooths the budgetary impact of any one-year change by using three-year moving averages instead of the value for any one year.

| Category 1 | Category 2 | Category 3 | Category 4 |
|--------------------|---------------------------|-------------------------------------|---------------------------------|
| Physical Education | Area Studies | Agricultural & Natural Resources | Engineering |
| Law | Business & Management | Architecture & Environmental Design | Health Professions |
| Letters | Education | Biological Sciences | Computer & Information Sciences |
| Library Sciences | Communications | Fine & Applied Arts | |
| Mathematics | Home Economics | Foreign Languages | |
| Military Science | Public Affairs | Physical Sciences | |
| Psychology | Interdisciplinary Studies | | |
| Social Sciences | | | |

| Course Level | Weighting Factors | | | |
|----------------|-------------------|------------|------------|------------|
| | Category 1 | Category 2 | Category 3 | Category 4 |
| Lower Division | 1.00 | 1.30 | 1.60 | 3.00 |
| Upper Division | 1.50 | 1.90 | 2.50 | 3.50 |
| Masters | 3.50 | 3.50 | 6.00 | 6.50 |
| Doctoral | 5.00 | 6.25 | 7.50 | 10.00 |
| Law | 3.50 | - | - | - |

| Primary Emphasis Areas | | | |
|-------------------------------------|------------------------|---------------------------|---------------------|
| Boise State University | Idaho State University | Lewis-Clark State College | University of Idaho |
| Business | Health Professions | Business | Agriculture |
| Social Science (includes Economics) | Biological Sciences | Criminal Justice | Forestry |
| Public Affairs | Physical Sciences | Nursing | Mines |
| Performing Arts (excluding Art) | Education | Social Work | Engineering |
| Education | | Education | Architecture |
| Engineering | | | Law |
| | | | Foreign Languages |
| | | | Education |

More information about EWA at:

<https://storymaps.arcgis.com/stories/f6f8949313ee4aeab57b967ecafcf923>

Pros and Cons of EWA

- **PRO**

- Prioritizes go-on
- Weights courses to account for expense
- Excludes non-resident students and externally funded programs

- **CON**

- Hasn't been successfully revisited since 2006
- Credit hour value is function of systemwide appropriation
- Prioritizes enrollment
- Inconsistent funding
- Does not account for progression
- Does not account for completion
- Not explicitly tied to current workforce priorities
- Complicated

Why Outcomes-Based Funding?

JFAC directed the Office of the State Board of Education (OSBE) to develop a proposal for an outcomes-based funding (OBF) model to replace the EWA for Idaho's colleges and universities. *See H417, H476, S1209 (2025).*

Goals:

- Understand JFAC's vision, discussed during summer JFAC tour
- Incorporate shared Board priorities
- Research OBF in other states to learn from their successes and failures
- Understand the benefits and risks of OBF as compared to an enrollment-based model
- Understand reality of student performance at our institutions, especially CCs
- Understand available data and future needs
- Understand infrastructure for data collection and future needs
- Add accountability without destabilization in an environment of constrained resources

What is Idaho First OBF?

BASE AT-RISK + MOMENTUM FUNDS

- 10% **At-Risk of Base** (DU 9.0 + DU 12.0)
- Institutions earn back the At-Risk Base through **Momentum Funds** based on performance:
 - Weighted enrollment (25%)
 - Progression (30%)
 - Completion (45%)
- Unearned Momentum Funds **returned to OSBE** for targeted institutional intervention

IDAHO FIRST FUNDS

- Institutions earn **Idaho First Funds** (\$100/measure) for:
 - **Resident** student enrollment
 - **Resident** student completions
 - Completions in **priority programs**:
 - Teacher Education
 - Engineering
 - Healthcare
 - Nuclear, Mining, Cybersecurity
 - Manufacturing
 - Agriculture

ADJUSTED ON 5-YEAR CYCLE BY STAKEHOLDER COMMITTEE, INCLUDING JFAC MEMBER(S)

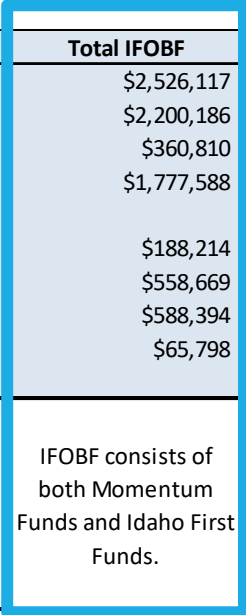
Key Parameters

OSBE's Proposal:

- Prioritizes long-term student success over students-in-seats
- Manages growth
- Reduces discord
- Rewards focus on Idaho
- Uses phased implementation to maximize success
- Aligns with Board's commitment to outcomes and accountability
- Partners with the Legislature

Example

| Institution | Base At-Risk | Earned Momentum Funds | At-Risk less Momentum Funds | Idaho First Funds | Total IFOBF | EWA FY27 Total | Difference Compared to EWA |
|---------------------------|---|--|-----------------------------|---|--|----------------|---|
| Boise State University | \$13,422,470 | \$14,024,480 | \$602,010 | \$1,924,107 | \$2,526,117 | \$4,455,000 | (\$1,928,883) |
| Idaho State University | \$11,052,030 | \$11,854,546 | \$802,516 | \$1,397,670 | \$2,200,186 | (\$876,100) | \$3,076,286 |
| Lewis-Clark State College | \$2,796,540 | \$2,842,509 | \$45,969 | \$314,840 | \$360,810 | \$830,700 | (\$469,890) |
| University of Idaho | \$12,910,290 | \$13,918,749 | \$1,008,459 | \$769,129 | \$1,777,588 | \$1,965,700 | (\$188,112) |
| College of Eastern Idaho | \$851,860 | \$923,688 | \$71,828 | \$116,386 | \$188,214 | \$633,300 | (\$445,086) |
| College of Southern Idaho | \$2,139,100 | \$2,353,010 | \$213,910 | \$344,759 | \$558,669 | \$1,159,100 | (\$600,431) |
| College of Western Idaho | \$2,288,770 | \$2,467,562 | \$178,792 | \$409,602 | \$588,394 | \$1,088,600 | (\$500,206) |
| North Idaho College | \$1,638,320 | \$1,539,443 | (\$98,877) | \$164,675 | \$65,798 | \$174,100 | (\$108,302) |
| | All institutions have 10% of their base at risk in IFOBF. | Institutions earn Momentum Funds based on enrollment, progression, and completion. | | Institutions earn Idaho First Funds based on resident student outcomes and priority degree completions. | IFOBF consists of both Momentum Funds and Idaho First Funds. | | Idaho State University is the only institution that receives more money under IFOBF than EWA. This is mainly driven by ISU's focus on Idaho First priority completions. |



But what about ...

Impacts on community colleges

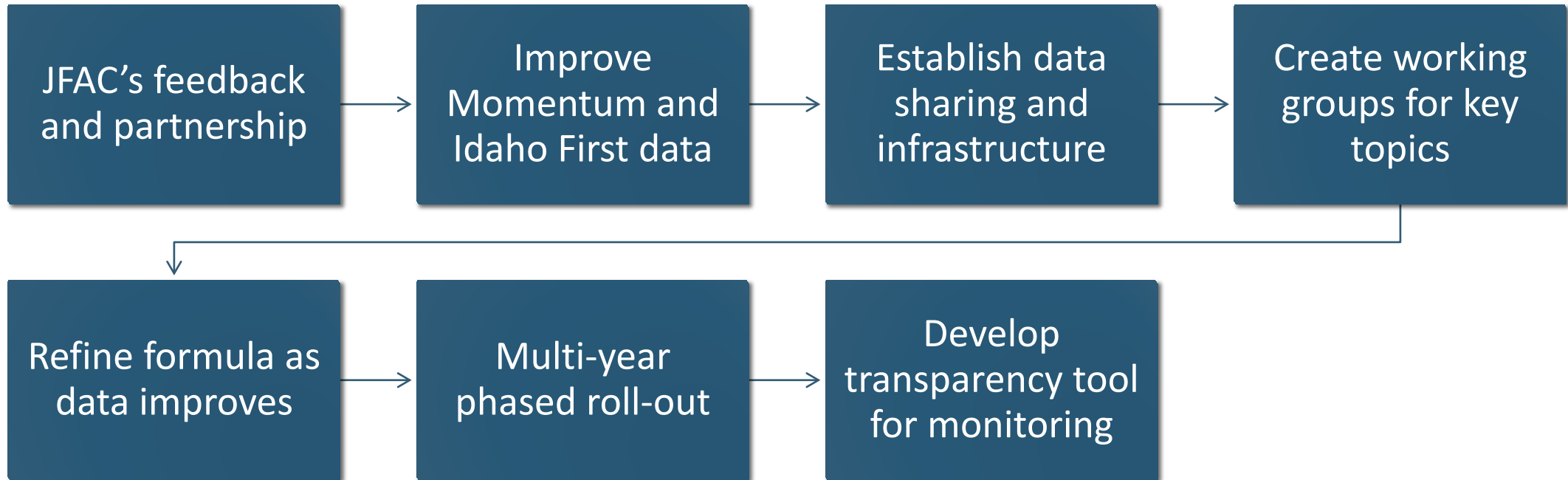
Dual enrollment

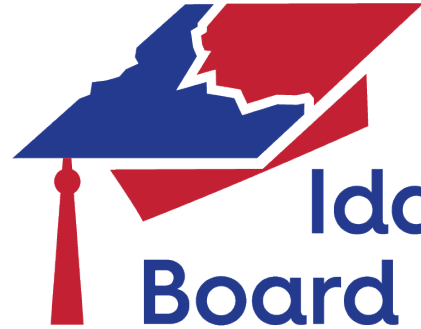
Program weights

Risks & Mitigation

| | |
|--------------------------------------|---|
| Overcomplication | Use core metrics, periodic review, discretionary funding. |
| Funding Volatility | Phase changes, limit base at-risk, apply caps. |
| Time-Lag | Multi-year baselines, weight progression, measure against self |
| Uneven Impact | Mission-appropriate metrics, include enrollment, Idaho First Funds, discretionary funding |
| Narrowed Focus | Limit metrics, measure against self, periodic review, avoid overly prescriptive incentives, Board oversight |
| Gaming & unintended consequences | Audited data, prohibit mid-stream metric changes, monitor trends, Board oversight |
| Data Quality & Administrative Burden | Locked definitions, published methodology, allow technical corrections without reopening policy |
| Uncontrollable External Factors | Rolling averages, intentional selection of Idaho First priorities, temporary adjustments, discretionary funds |

Essential Next Steps





**Idaho State
Board of Education**

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