

Outcomes-Based Funding Model Design and Implementation

Presentation to Higher Education Subcommittee

August 16, 2016

Context

GOAL 1: Raise completion and graduation rates of colleges and universities by 10%.

- Reduce the percentage of students needing remediation to prepare them for college-level course work
- Reduce the time needed for students to complete remedial requirements
- Raise first year retention rates of students to SREB regional averages

GOAL 2: By fall 2018, increase the enrollment of adult students, age 25 to 54, by 50%.

- Reduce the remedial course enrollments for adults by 50% through alternative means of preparing adults for college-level work
- Improve communication of the value of higher education to non-traditional students

GOAL 3: Raise the attainment rates of underserved student groups in the state by 10%.

- Raise the overall college-going rate for all student groups by 5% from 50.1% to 55.1%
- Raise the underserved student college-going rate to equal that of other students
- Raise completion rates of underserved student groups equal to other students

GOAL 4: Improve College Affordability through Effective Resource Allocation

- Reduced time to degree for students
- Allocate 25% of state scholarship funds to need-based programs
- Re-allocate institutional spending to maximize efficiency and effectiveness

Principles

STUDENT CENTERED

The model places at its center students and student's needs including both access to and completion of meaningful and quality post-secondary learning.

OUTCOMES

The model focuses on completion, with an emphasis on completions of under-served and at-risk students and completions in areas of need by the state and industry. This structure should recognize institutional differences in investment associated with meeting the evolving needs of students, the workforce, and the state.

COLLABORATION

The model provides incentives for cross-institutional collaboration and rewards the successful transition of students across institutions.

SUPPORTING INSTITUTIONAL MISSION

The model respects and is responsive to the diverse set of missions represented by each public institution of higher education.

FORMULA STRUCTURE

The model maintains clarity and simplicity.

FLEXIBILITY

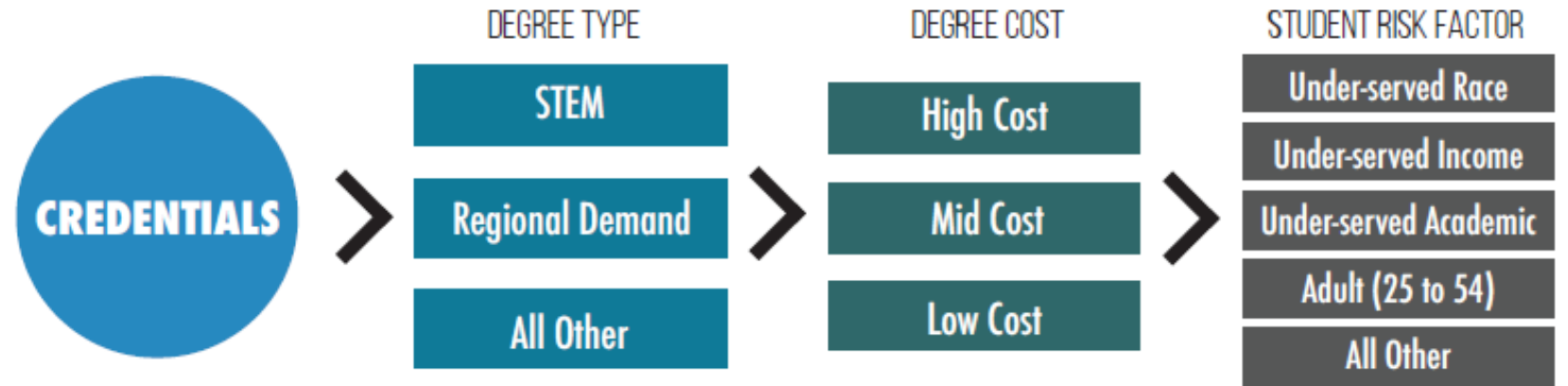
The model is adaptable in the face of a dynamic institutional and external environment.

STABILITY AND TRANSITION

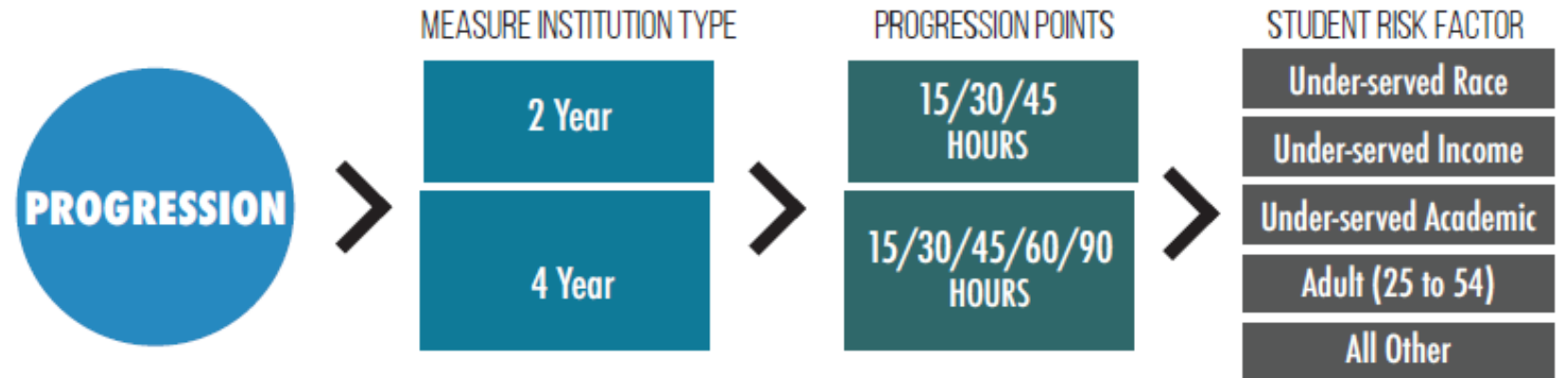
The model supports short-, mid- and long-term financial stability of the public institutions of higher education, while focusing attention on outcomes and the goals of the state. The transition from the current funding formula to a future outcomes-based funding formula should allow for a managed and intentional transition process which mitigates negative impact at any one or group of institutions.

Measures

EFFECTIVENESS METRICS



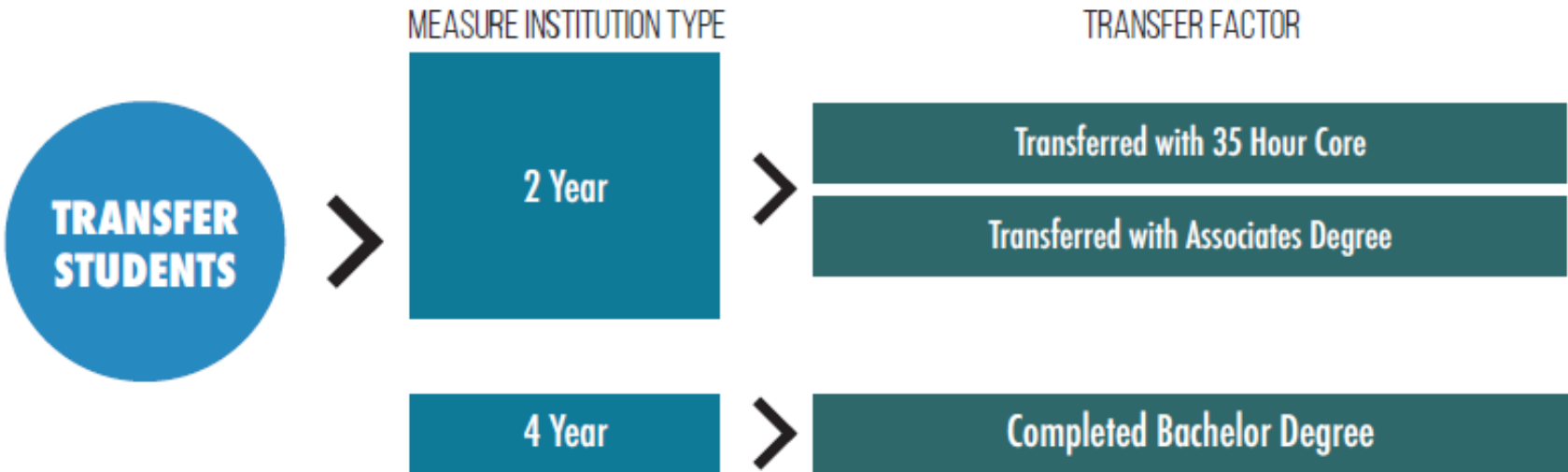
Credential measures would include non-credit industry recognized certifications/training, CPs, TCs, Associates, Bachelors, Masters and Doctoral/Professional. Cost of academic programs and special student populations (minority, low income, under-prepared, adult) could factor into the weighting of these measures. Demand credential factors and student risk factors could apply to Arkansas residents only



Cost of academic program and special populations (minority, low income, under-prepared, adult) could factor in the weighting of these measures.

Measures

EFFECTIVENESS METRICS



Measures

AFFORDABILITY METRICS



TIME TO DEGREE FACTORS

- On Time
- On Time + 25%
- On Time + 50%

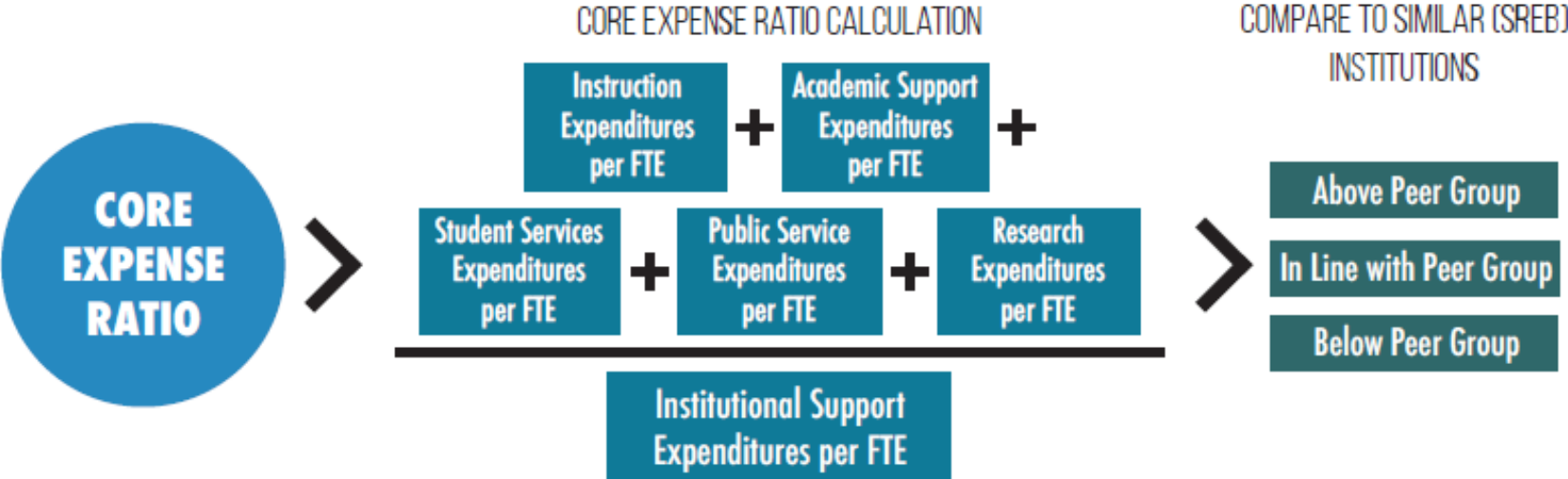
CREDIT COMPLETION FACTORS



- On Schedule
- On Schedule + 25%

Measures

EFFICIENCY METRICS



Next steps:

➔ ensure department data quality

➔ refine metrics

➔ determine proper weights for each element of the formula

➔ create phase in strategy to ensure institutional stability

➔ provide development and support to institutions to promote successful attainment of plan goals