



University of Alabama System

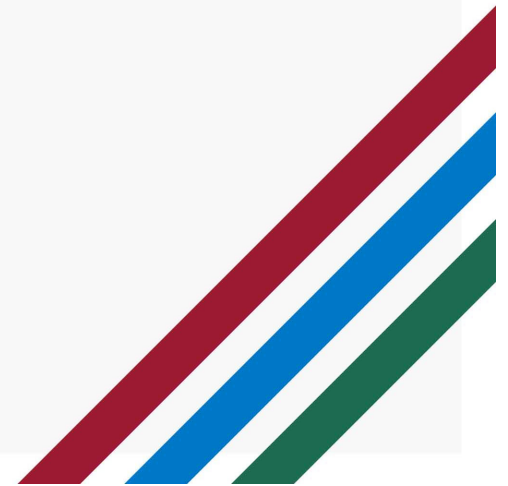
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March 8, 2019

Enhancing Accountability in Alabama's Public Colleges and Universities

Yardley S. Bailey, Ph.D.





Accountability Efforts

1. **Performance funding (PF)/ Performance-based funding (PBF)/ Outcomes-based funding**– links state funding directly and formulaically to the performance of individual public campuses on various indicators.
2. **Performance-budgeting** – less directive, permitting state officials to consider campus performance indicators in determining allocations.
3. **Performance reporting** – simply mandates that institutions and systems provide performance information to policy makers and the public, without formally linking that information to eventual allocations.

Source: American Association of University Professors (AAUP)



It's STILL In The News





It's **STILL** In The News

***Data on Alabama
universities coming
soon, step toward
performance-based
funding***

FEBRUARY 26, 2019



Senate President Pro Tem Del Marsh

<http://www.aldailynews.com/data-on-alabama-universities-coming-soon-step-toward-performance-based-funding/>



Performance Funding

1. PF 1.0 -- is a bonus over and above regular state funding for higher education allocated on the basis of intermediate and long term indicators (TN 1979, FL 1996, OH 1995).
2. PF 2.0 -- is part and parcel of the regular state base funding allocation (IN 2009, OH 2009, PN 2002, TN 2010).
3. PF 3.0? - - shift from completions to earnings/employment post-graduation



Performance Funding

So, generally

Previously, dollars were in addition to base enrollment allocations –
Now going into or coming out of core funds.

The stakes are higher now. States put anywhere from 8% to 100% of
their allocation in play versus the 1% to 2% in PBF 1.0

Source: EAB



Performance Funding

1. Performance accountability programs are extremely difficult to design and maintain both fiscally and politically.
2. The least stable programs have been those in which legislators, governors, business people, and community leaders have been most influential. *The most stable ones exhibit the greatest involvement of state higher education officials.*

Source: AAUP



Performance Funding: Impacts

1. Performance funding has had immediate impacts on colleges in the form of changes in institutional finances, institutional knowledge of state priorities for higher education and institutions' awareness of their own performance on state metrics. But,
2. There is little evidence that performance funding brings increased state resources to improve institutions' capacity to respond to performance funding demands. And,
3. A growing body of evidence suggests that these policies have done little to improve educational outcomes.

Source: CCRC



Performance Funding: Obstacles/Impacts

1. Obstacles include use of inappropriate performance measures; lack of sufficient funding for new institutional efforts to improve student outcomes; brief duration of many performance funding programs; and institutional resistance to and gaming of the performance funding system.
2. Unintended impacts include grade inflation and a lowering of academic standards; restrictions on admission of less prepared and less advantaged students; unexpected costs of compliance; a narrowing of institutional missions; and a diminished faculty voice in academic governance.

Source: CCRC



Performance Funding: Obstacles/Impacts Solutions

1. Insulate performance funding from the state revenue cycle
2. Include faculty and staff into the process of designing performance funding programs
3. Help colleges improve their capacity for organizational learning by increasing funds to acquire new data management systems and hire additional staff to analyze performance data
4. Set consistent criteria but allow institutions to calibrate emphasis
5. Differential weighting for priority programs or students

Source: CCRC



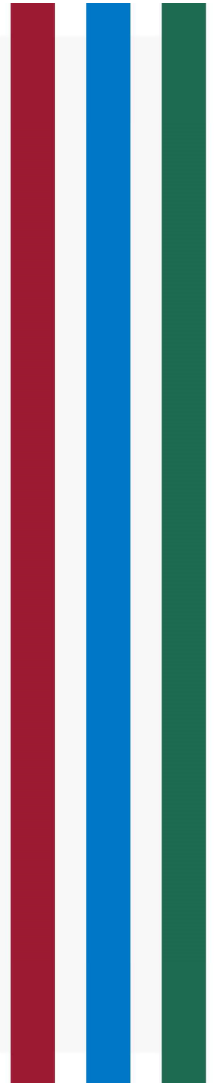
Performance Funding: Obstacles/Impacts Solutions

6. Consider intermediate achievements
7. Manage PBF transition risk
8. Timely allocation of funds
9. Weighting for institutional mission

Source: CCRC



Alabama's Accountability Effort





Development of Alabama's Accountability Plan

- CUCAO met September 2018
- Council of Presidents met 10/17/2018
- Council of Presidents document submitted 2/13/2019



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Dr. Stewart,

On behalf of the Alabama Education Budget Chairs, Senator Arthur Orr and Representative Bill Poole, and the Alabama Education Policy Chairs, Representative Terri Collins and Senator Tim Melson, we would like to thank you for your hard work in bringing your fellow colleagues to the table to develop system wide transparency measures.

As lawmakers, we have a duty to ensure that every dollar of taxpayer money is spent wisely, and transparently. To that end, we strongly support measures that ensure transparency, uniformity of reporting and the corresponding conveyance of clear and accurate data by all of our public institutions of higher education. The data will be used to guide the Legislature in making better decisions on how best our limited resources can be allocated to ensure that every single Alabamian who strives for a better living can attain a high quality education.

Once again, thank you for your effort, and we look forward to working with those who share our common goals during the 2019 Session and beyond.

Sincerely,

Del Marsh



Enhancing Accountability in Alabama's Public Colleges and Universities

1. Governance
2. Student Success
3. Academic Program Success
4. Financial Health and Stability
5. Responsiveness to State and Local Needs



Enhancing Accountability in Alabama's Public Colleges and Universities

1. Reported by sector:
 - a. Alabama Community College System
 - b. Public Universities
 - c. Private Institutions that are State Subsidized



Governance (1/5)

1. Institutions/Systems will report to ACHE:
 - a. # of trustee training hours received by newly appointed trustees
 - b. Annual summary of the topics and (hours of instruction for each) covered in trustee training
 - c. 1-hour of training on AL Ethics Law



Student Success: Universities (2/5)

2.1 IPEDS Retention and Graduation Rates

Source: Direct from IPEDS/Compiled by
ACHE

2.2 Within-State Retention and Graduation Rates

a. Students that transfer to other AL public
colleges or universities

i. Included in the retention and
graduation rate of the original institution

Source: ACHE student database



Student Success: Universities (2/5)

2.3 National Student Clearinghouse Graduation Rates

2.4 Students who transferred out of AL
Retention and Graduation Rates by Ethnicity,
Gender, and Need-Based Aid

Note: Private universities receiving direct state appropriations will have both Retention & Graduation Rates Reported.



Student Success: Community & Technical Colleges (2/5)

2.5 Voluntary Framework of Accountability (VFA)
student success rate

2.6 VFA Number of Degrees and Certificates
Awarded

a. Short-term certificates, stackable
credentials, long-term certificates, and associate
degrees



Student Success: Community & Technical Colleges (2/5)

2.7 ACCS Retention Rate

2.8 VFA Community College Progression

a. % of the full-time freshman cohort that earn 15, 24, and 30-hours in year one of enrollment



Academic Program Success: (3/5)

3.1 Program Accreditation Status

- a. Listing of academic programs
- b. Name of accreditation organization
- c. Status of accreditation
- d. Date of next review

3.2 Program Vitality Matrix

- a. Annual degree production by school & program
- b. BA = 7.50 / MA = 3.75
Ed.S = 3.75 PhD. = 2.25



Academic Program Success: (3/5)

- 3.3 Degree Requirements for Academic Programs
 - a. Searchable report allowing comparisons of degree requirements for each academic program (“excessive credit hours”)



Academic Program Success: (3/5)

3.4 Developmental Education (DE)

- a. # / % first-time UG who complete their first Mathematics course in their first year

- b. # / % first-time UG who complete their first English course in their first year

- c. % of DE students that are successful (C or better)

- d. List of criteria and cut scores for determining students that need DE



Academic Program Success: (3/5)

3.5 VFA Developmental Education Measures

- a. % students who need Math/English DE
- b. % students that complete Math/English DE
- c. % students that complete a college-level course in Math/English



Financial Health and Stability: (4/5)

4.1 Institutional Revenues as Reported to IPEDS

4.2 Institutional Expenditures as Reported to IPEDS

- a. Student-focused expenditures
- b. Mission related expenditures
- c. Autonomous activities expenditures
- d. Facilities and capital expenditures

4.3 SACS COC Financial Stability Report



Responsiveness to State and Local Needs: (5/5)

5.1 Employment Outcomes Report

- a. % of graduates employed in-state one-year and five-years after graduation
- b. Wages by major and degree level
- c. Graduates pursuing graduate/professional

5.2 U. S. Department of Education Employment Data of Financial Aid Students

- a. Need-based aid tracked to determine financial impact of education on income



Responsiveness to State and Local Needs: (5/5)

5.3 Graduate Migration Report

- a. Monitor movement of students after graduation by zip code and state of residence

5.4 Economic Impact Report

- a. Comprehensive, state-wide report, contingent upon state funding, every five years

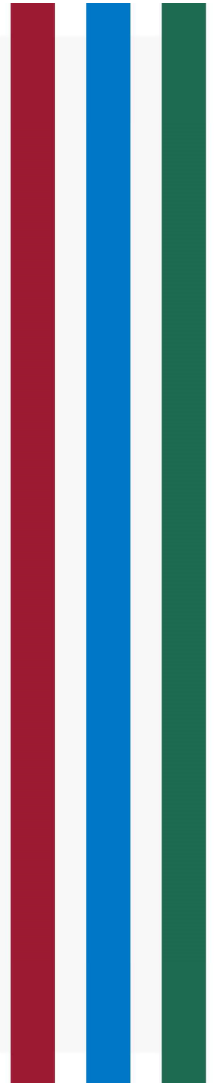


University of Alabama System			
Percentage of State Appropriations to Total Revenues			
Stan Acker- UA System Office			
1-Mar-19			
Operating Revenue		4,446,995,558	
Non-Operating Revenue		742,726,976	
Add back Interest Expense		<u>74,312,428</u>	
	Revenues	<u>5,264,034,962</u>	
Appropriations		478,446,385	
Percentage Appropriations to Revenues		9.09%	
The amounts shown above are the sum of the Audited Financial Reports of UA, UAB and UAH. The amounts included all blended component Units			
The category of Non-Operating Revenue and Expense total is a net of both Revenues and Expenses. The most significant of these expenses is always interest expense and that is typically added back to get a more accurate "Revenue" amount.			



Questions?

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