

Fiscal Responsibility: Aligning Resources to Meet Priorities



Leading the Way Compact Planning Forum

April 1, 2014

The Public Good

- **Meet growing workforce needs**
- **Provide lower-cost, high-quality opportunities**
- **Better coordinate federal, state and institutional policies**

Boosting Productivity

- **Performance Funding**
- **Student Incentives**
- **New Models**
- **Business Efficiencies**

Area 1: Performance Funding

A method for structuring higher education funding by tying funds to outcomes (such as increased graduates, STEM degree holders, etc.) instead of basing it on enrollment or historical funding.

State Example: Ohio

- **Based on course and degree completion**
- **Takes course cost into consideration**
- **Momentum points for community colleges**

State Example: Pennsylvania

- **Aligns with the state's strategic objectives**
- **Distributes eight percent of state appropriations**
- **Gains for black and Latino students**

WV Senate Bill 436

- **2012 Legislative Session**
- **Objectives**
 - Review existing models
 - Identification of policy objectives
 - Recommendations to ensure stability
 - Analysis of the impact of different models on different types of institutions

The Work of the Select Committee

- **Meeting with HCM Strategists (May 2012)**
- **Meeting with College Presidents (August 2012)**
- **Presentation of Draft Formula (October 2012)**

The Work of the Select Committee

- **Final Report Discussed (January 2013)**
- **SB 326 Introduced (February 2013)**
- **SB 326 Passes Senate But Fails in House (April 2103)**

Proposed Formula

- **Two Formulas:**
 - CTCS Categories: Developmental Education, Student Progression, Degree Completion, and On-Time Degree Completion
 - HEPC Categories: Student Progression, Degree Completion, On-Time Degree Completion, and Transfer Students from Two-Year Sector

Lessons Learned

- **Keep it simple**
- **Establish clear state- and campus-level completion goals**
- **Take institutional differences into account**

Area 2: Student Incentives

- **Policies should be simple and predictable**
- **Policies should incentivize course and degree completion**
- **Policies should focus on the right groups of students**

State Example: Louisiana

- **Opening Doors Scholarship**
- **Focus on low-income students**
- **Staggered Payments**

State Example: Oklahoma

- **Oklahoma's Promise**
- **Focus on low-income students**
- **Staggered Payments**

State Example: Texas

- **College for All Texans \$1,000 Tuition Rebate**
- **Focus on excess credits**
- **Out-of-State tuition rate and loss of subsidies**

Lessons Learned

- **Create student-centered aid policies that target dollars efficiently**
- **Fund student success, not just enrollment**
- **Target the largest financial incentives for those least able to pay**

Area 3: New Models

- **The Big Goal**
- **Completion efficiency**
- **Lower cost, high quality models**

Efficiency Example: Florida

- **Guaranteed statewide transfer agreement**
- **Increased transfer students admitted to four-year sector**
- **Decreased excess hours**

Efficiency Example: Maryland

- **Statewide redesign of lower level courses with high failure rates**
- **Cost-per-student decreased**
- **Pass rates increased**

Efficiency Example: Carnegie Mellon

- **Created low-cost, web-based courses**
- **Reduced cost of instruction**
- **Favorable response from faculty**

Lower-Cost, High-Quality Model: Western Governors University

- **Competency-based online university**
- **Cost per degree has dropped since 2002**
- **Average time to a bachelor's degree is 30 months**

Lower-Cost, High-Quality Model: Rio Salado College

- **One of the fastest growing colleges**
- **Shorter courses**
- **New course sections start every other week**

Lessons Learned

- **Conduct policy audits to determine which regulations and barriers impede growth of these models**
- **Create a guaranteed-transfer lower-division core or degree**
- **Limit course redesign to high-volume, lower-division courses**

Area 4: Business Efficiencies

- **Reduce or eliminate lower-priority programs and services**
- **Consolidate or outsource non-core services and programs**
- **Focus on what you do best**

Business Efficiency Example: Maryland

- **University System of Maryland Board of Regents Work Group for Effectiveness & Efficiency (E&E)**
- **Streamline and develop a model of effectiveness and efficiency**
- **Joint purchasing**

Business Efficiency Example: Ohio

- **Identification of key priorities**
- **Statewide Efficiency Council**
- **Bulk purchasing agreements**

Lessons Learned

- **Articulate statewide priorities that create clear and measurable efficiency expectations tied to state workforce and economic development goals.**
- **Focus institutions on what they do well and push them to eliminate duplicative or low-demand academic programs**

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