

# Higher Education Performance: Trends and Issues

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January 18, 2012

Bismarck, ND

Travis Reindl



# Higher Education's Triple Threat (or Opportunity)

1. The economy is demanding more educated workers, and there is growing evidence of a mismatch between jobs and skills.
2. Colleges and universities must compete for fewer resources today and in the future.
3. A swelling tide of more (and more diverse) students will put pressure on public colleges and universities.

# Trends

1. **Increasing focus on outputs and outcomes (shift from access to access and success)**

*BUT are we using data or just collecting and reporting more of it?*

2. **Emergence of statewide goals and public agendas**

*BUT are they real and connected to policy?*

3. **Rethinking governance and autonomy**

*BUT what are the terms of “the deal?”*

4. **Re-emergence of performance-based funding (Version 3.0)**

*BUT will it work this time around?*

5. **Rising popularity of new models (competency based, technology enabled)**

*BUT are they better, cheaper, faster?*

# Why Metrics?

## **Inform:**

To help policymakers and the public understand how students, colleges, and the state are doing on college completion.

## **Analyze:**

To help policymakers and colleges identify specific challenges and opportunities for improvement.

## **Show Progress:**

To establish a fair baseline and show progress over time.

## **Hold Accountable:**

To hold students, colleges, and the state accountable to the public and to policymakers investing taxpayer dollars in higher education.

# Common Completion Metrics

## Progress Metrics

*Measures of interim achievements strongly linked to student success*

**REMEDIATION:  
ENTRY and SUCCESS**

**SUCCESS in FIRST-YEAR  
COLLEGE COURSES**  
(1<sup>st</sup> yr. math and English)

**CREDIT ACCUMULATION**

**RETENTION RATES**

**COURSE COMPLETION**

## Outcome Metrics

*Indicators of successful outcomes*

**DEGREES AWARDED  
ANNUALLY**  
(# and change over time)

**GRADUATION RATES**

**TRANSFER RATES**

**TIME and CREDITS to  
DEGREE**

# Efficiency and Effectiveness Metrics

## 1. Meeting Workforce Needs

- Certificates/Degrees relative to employed adults with a postsecondary credential
- Certificates/Degrees relative to adults in the state with no postsecondary credential

## 2. Student Output Relative to Input

- Certificates/Degrees per enrollment

## 3. Return on Investment

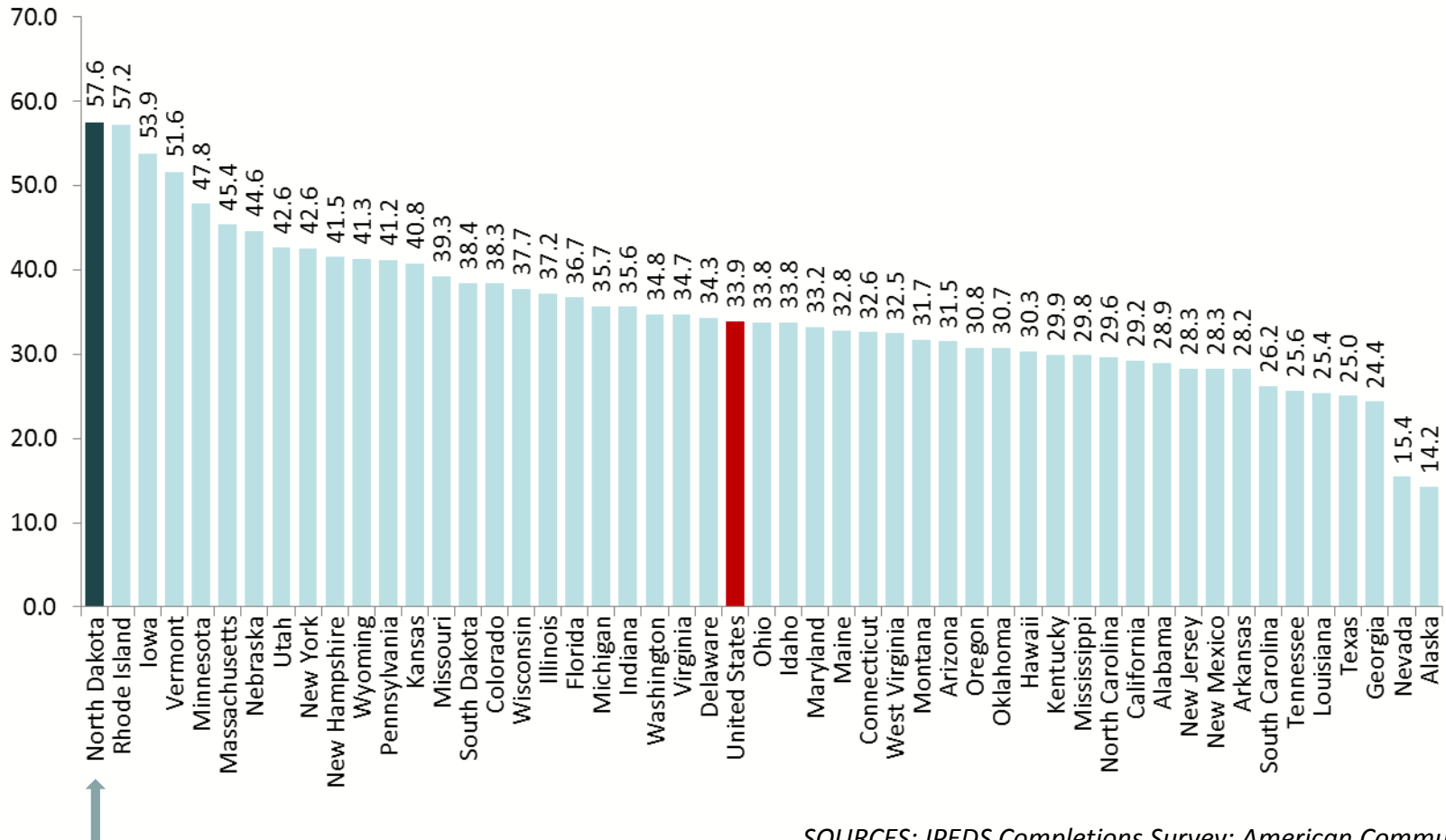
- Certificates/Degrees per state appropriations and tuition revenues
- Certificates/Degrees per education and related spending

## 4. Quality (Student Learning)

- Direct measures of learning
- Indirect measures of learning
- Measures of the learning environment

# E&E Metrics: North Dakota

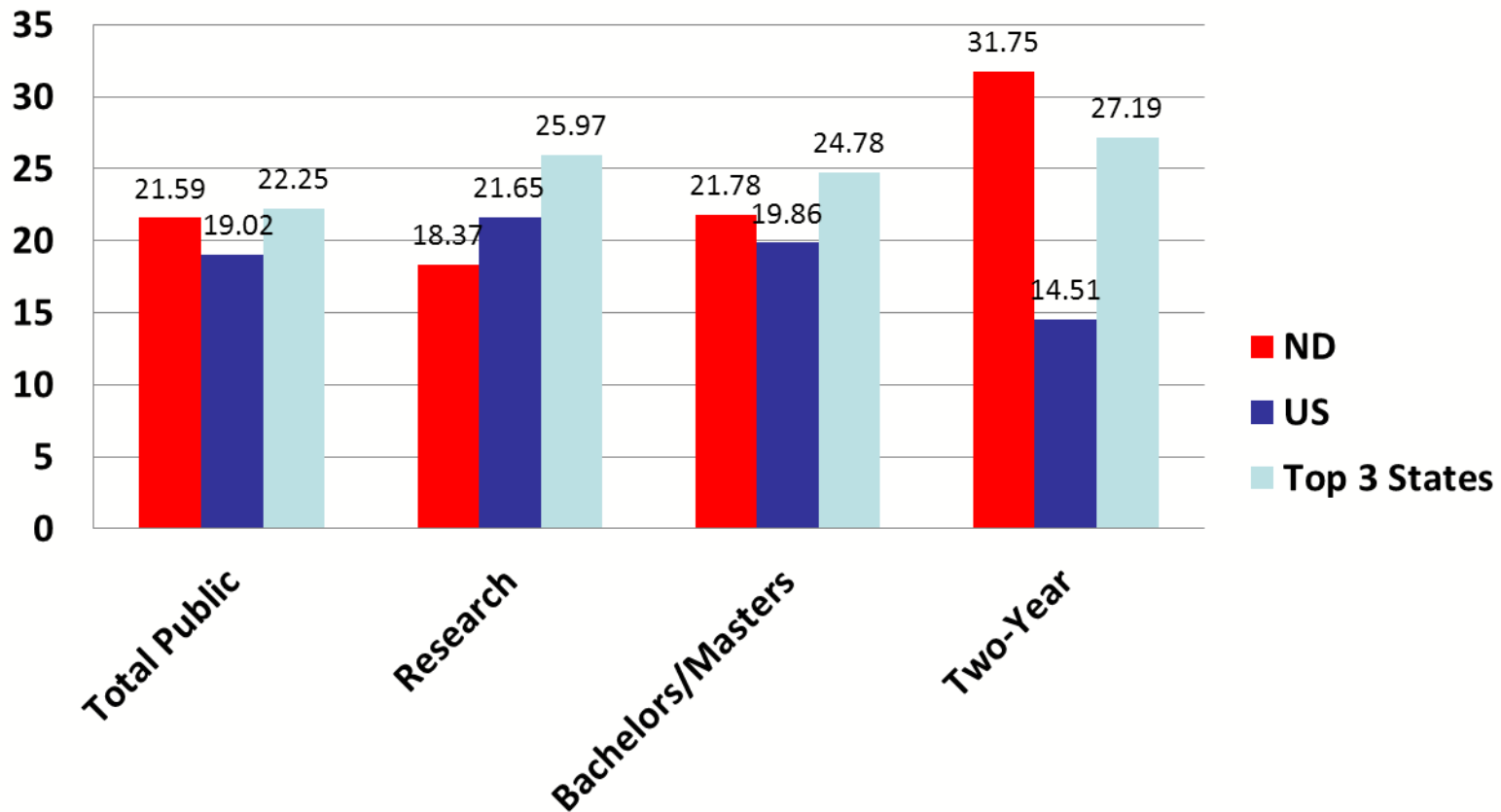
**Degrees Awarded per 1,000 Adults (18-44) in the State  
with no College Degree, 2008-09**



SOURCES: IPEDS Completions Survey; American Community Survey  
(Public Use Microdata Samples)

# E&E Metrics: North Dakota

## Degrees Awarded per 100 FTE Undergraduates, 2008-09

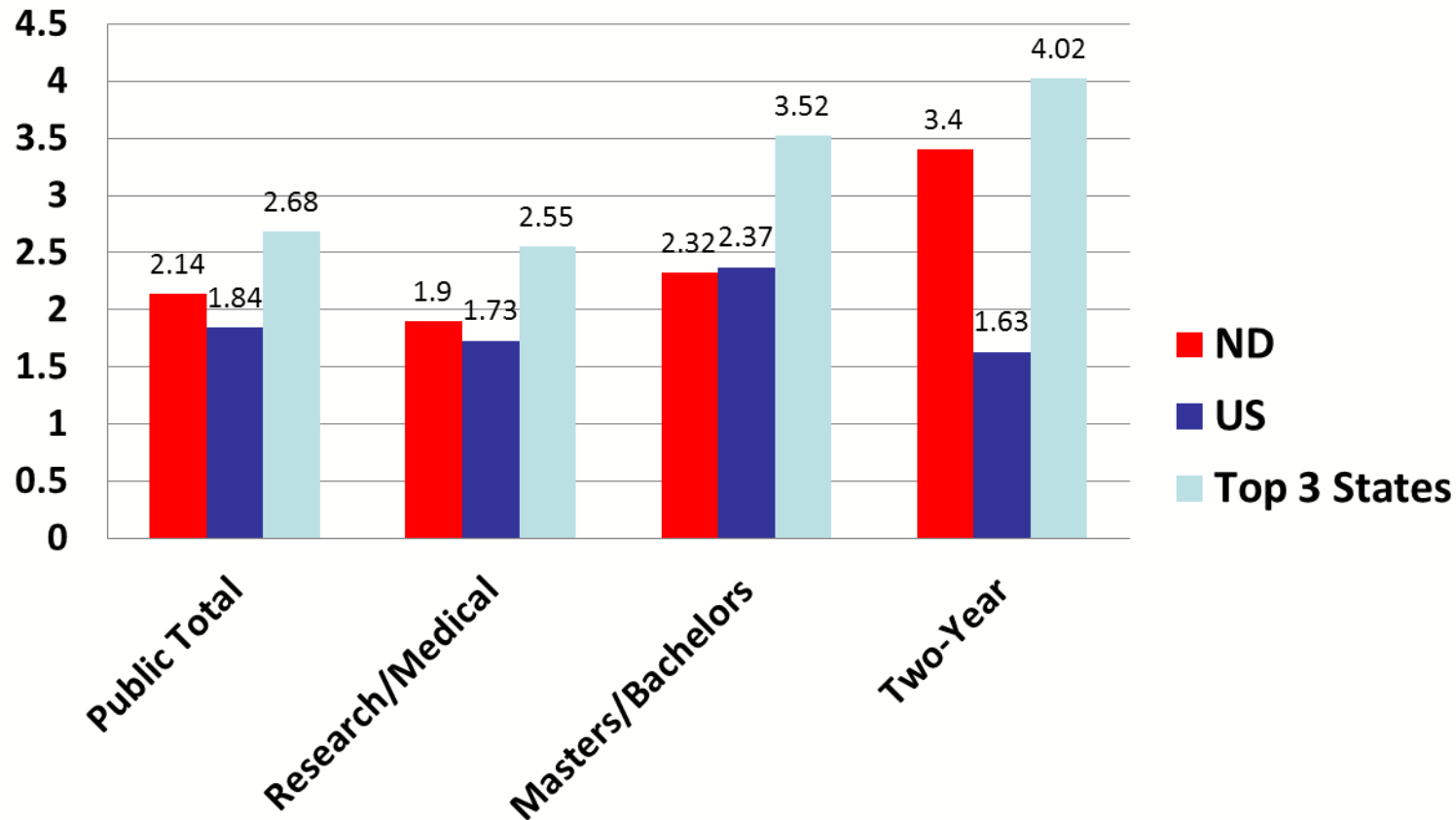


SOURCES: IPEDS Completions and Enrollment Surveys



# E&E Metrics: North Dakota

**Degrees\* Awarded per \$100,000 of State Appropriations and Tuition/Fees, 2008-09**



*\*Weighted by median earnings of graduates (STEM, health, other)*

*SOURCES: IPEDS Completions Survey; American Community Survey (Public Use Microdata Samples)*

# Finance

## Design Principles for Performance Funding 3.0

1. All funding is performance-based
2. Goals are essential
3. Don't get too narrow on metrics
4. Honor and reinforce mission
5. Reward serving the underserved
6. Limit the outcomes to be rewarded
7. Use clear metrics that are harder to game
8. Reward continuous improvement
9. Make the performance pool worth the time and effort
10. Make sure all the pieces line up with state goals

*SOURCE: NCHEMS*

# Finance

## Implementation Principles for Performance Funding 3.0

1. Phase it in
2. Use stop-loss, not hold harmless, to ease the pain
3. Don't suspend the policy when revenues fall

*SOURCE: NCHEMS*

# Case Example: Tennessee

- Longest history with performance funding (1979)
- Revamped base formula in 2010-11
- Outcomes formula completely replaced enrollment-based formula

Two-Year Institutions	Four-Year Institutions
<ul style="list-style-type: none"><li>• Student progression (accumulation of 12/24/36 credit hours)</li><li>• Student participation in dual enrollment</li><li>• Number of credentials awarded (certificates and associate degrees)</li><li>• Number of students passing remedial/developmental courses</li><li>• Number of students transferring out (with 12+ credits)</li><li>• Job placements</li><li>• Workforce training (number of contact hours)</li><li>• Degree productivity (credentials per 100 FTE enrollment)</li></ul>	<ul style="list-style-type: none"><li>• Student progression (accumulation of 24/48/72 credit hours)</li><li>• Degree awards</li><li>• Research funding</li><li>• Transfer</li><li>• Degree productivity (awards per 100 FTE enrollment)</li><li>• Graduation rate</li></ul>

# Case Example: Pennsylvania

- Performance pool started in 2000
- 8% of base (2008-09)
- 10 indicators (5 common, 5 institutional choice)
- Results: graduation rate gains, esp. for minorities

Area	Measures
Access	<u>Required (2):</u> <ul style="list-style-type: none"> <li>• Closing enrollment gaps (income and race/ethnicity)</li> <li>• Faculty diversity (gender and race/ethnicity)</li> </ul> <u>Optional (choose 0-4):</u> <ul style="list-style-type: none"> <li>• Faculty career advancement (underrepresented groups)</li> <li>• Employee diversity (non-faculty)</li> <li>• Student experience with diversity</li> <li>• Student diversity (income and race/ethnicity)</li> </ul>
Success	<u>Required (2):</u> <ul style="list-style-type: none"> <li>• Degrees conferred (total and per FTE undergraduate enrollment)</li> <li>• Closing achievement gaps (income and race/ethnicity)</li> </ul> <u>Optional (choose 0-4):</u> <ul style="list-style-type: none"> <li>• Learning (via National Survey of Student Engagement)</li> <li>• Senior Survey (National Survey of Student Engagement)</li> <li>• Student persistence (return for third and fourth years)</li> <li>• Learning (via CLA, CAAP, or ETS Proficiency scores)</li> <li>• STEM degrees (as percentage of total degrees)</li> </ul>
Stewardship	<u>Required (1):</u> <ul style="list-style-type: none"> <li>• Non-public support (i.e. support other than state funds or tuition)</li> </ul> <u>Optional (choose at least 1):</u> <ul style="list-style-type: none"> <li>• Operating effectiveness (via Return on Physical Assets Study)</li> <li>• Administrative expenditures (as a percentage of cost of education)</li> <li>• Credit hour productivity (total credit hours per FTE faculty)</li> <li>• Employee productivity (FTE students per FTE faculty and staff)</li> </ul>

# Case Example: Ohio

- Developed in 2009-10
- Currently less than 10% of base; slated to grow over time

Sector	Factors/Measures
Community and Technical Colleges	<ul style="list-style-type: none"> <li>• Enrollment</li> <li>• Student Success <ul style="list-style-type: none"> <li>Remedial success</li> <li>Credit accumulation (15/30 credit hours per year)</li> <li>Associate degree awards</li> <li>Successful transfer (with 15+ credit hours)</li> </ul> </li> </ul>
University Regional Campuses	<ul style="list-style-type: none"> <li>• Course Completion (total and at-risk students*)</li> </ul>
University Main Campuses	<ul style="list-style-type: none"> <li>• Course Completion (total and at-risk students*)</li> <li>• Degree Completion (total and at-risk students,* age, and race/ethnicity)</li> </ul>

\*At-risk is defined as *academic* (ACT score of 17 or less in math or English or participation in developmental education courses) or *financial* (expected family contribution of \$2,190 or less for federal student financial aid).

# Governance and Autonomy

## Two Takes on “Let’s Make a Deal”

### Revenue-Based Autonomy

Degree of deregulation  
based on state’s financial  
stake (autonomy  
increases as share  
decreases)

OR

### Performance-Based Autonomy

Degree of deregulation  
based on contribution to  
state goals (autonomy  
increases as performance  
increases)

# Governance and Autonomy

## Examples

### **Virginia Restructuring Act**

State grants institutions increasing levels of freedom from state regulation (esp. in areas such as personnel and Financial management) in exchange for institutional commitments to meet performance goals in 11 areas related to state needs.

### **Ohio Enterprise Universities**

Two-phase reduction of state mandates (e.g. enrollment, tuition-setting, property management); to achieve enterprise university status (Phase II), universities would have to meet agreed upon performance benchmarks.



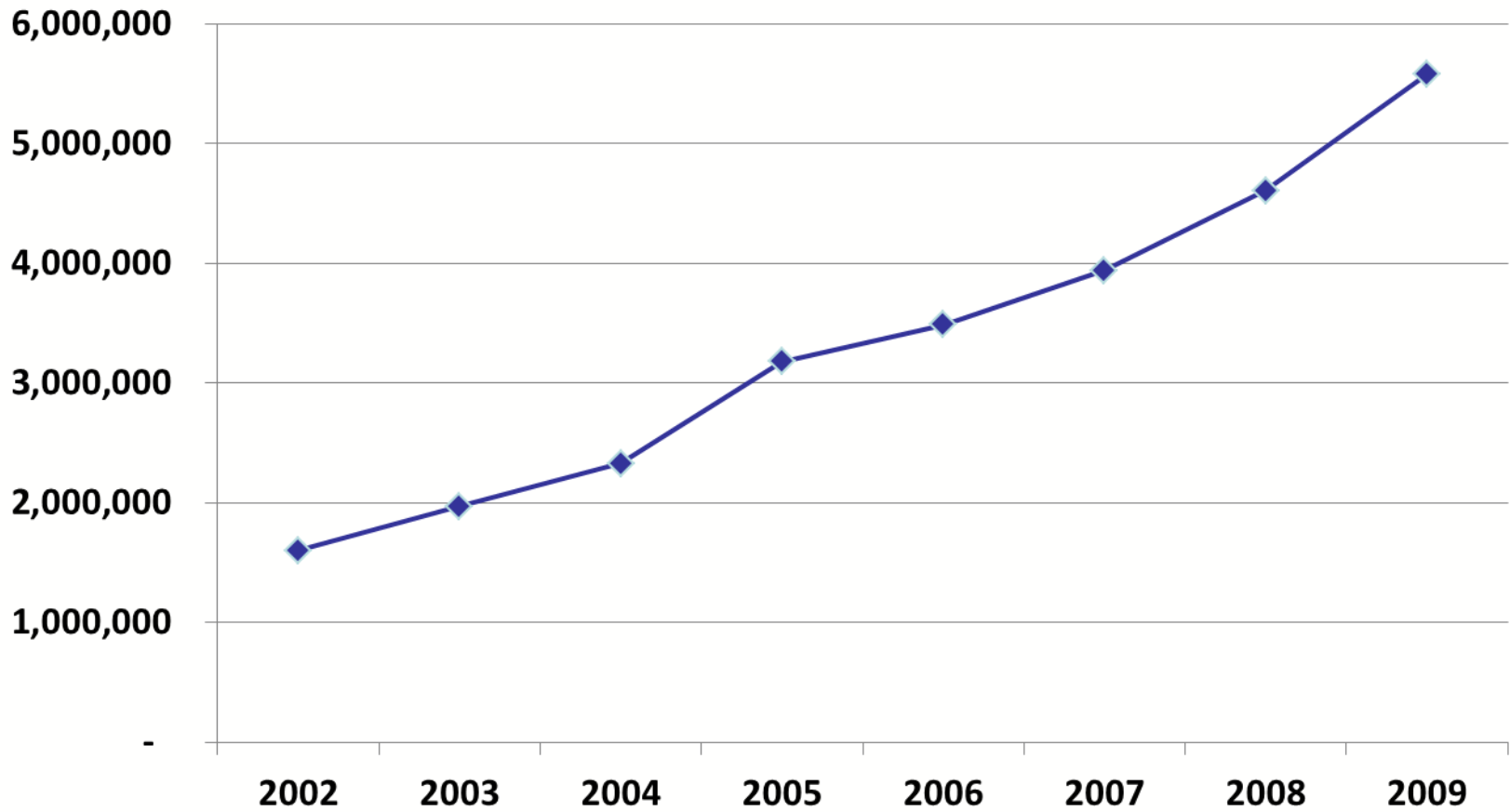
# New Models

## Factors Driving the Push for “Better, Cheaper, Faster”

- Extending access to underserved, hard-to-serve groups
- Addressing immediate workforce shortages
- Absorbing excess demand from other parts of the system
- Meeting the needs of contemporary learners

# New Models

**Students Taking at Least One Online Course,  
Fall 2002-Fall 2009**



*SOURCE: The Sloan Consortium*

# New Models

## Western Governors University

- Online
- Competency-based
- Bachelor's and master's degrees (business, health, education, IT)
- Average age: 36
- Average time to bachelor's degree: 30 months
- Formal partnerships with three states:
  - Indiana (enrollees eligible for state student aid)
  - Washington (seamless transfer)
  - Texas (seamless transfer, tuition discount for transfer students)

# Questions for North Dakota

## Vision:

Is there a clear sense of where North Dakota wants to be when it comes to having an educated population?

## Economic Needs:

Is there a clear connection between university system outcomes and the needs of the state's economy, both now and looking ahead?

## Capacity:

Does North Dakota have the staffing and technology to not just collect information, but to make it actionable?

## Urgency:

Is there enough of a sense that change is needed among all of the key stakeholders?