

A Comprehensive State-by-State Analysis of State Performance-Based Funding Policy Details

Kelly Ochs Rosinger, Pennsylvania State University (@kelly_rosinger)
Justin Ortagus, University of Florida (@JustinOrtagus)
Robert Kelchen, Seton Hall University (@rkelchen)

Introduction to PBF

- Increasingly popular way to hold colleges accountable for their outcomes
- Ties at least a portion of state funding to student outcomes such as retention and completion
- Some states also tie funds to the success of traditionally underrepresented groups or STEM students
- Underlying assumption: Colleges aren't operating efficiently or prioritizing the outcomes that the state wants

Challenges with policy details

- Multiple efforts to publish snapshots of PBF in given years (HCM, NCSL, academic researchers)
- Key details are often missing:
 - Whether PBF was on the books or actually funded
 - Differences in incentives, metrics, and funding across colleges in a state
 - Disagreement as to whether a state even had PBF in some cases
- No consistent data source of PBF policies and their details over time

Our project

- First effort to collect detailed PBF policy data over time (FY 1997 forward)
- Collecting institutional-level data to capture differences in policies within a state
- We will begin sharing data next year on our new project website (stay tuned)
- Part of a broader project on how states fund colleges and which approaches are the most effective
- Thanks to the William T. Grant Foundation for their support for our data collection efforts

Broad questions we're looking to tackle

- How do variations in the design of PBF policies impact:
 - Access to college
 - Degree production
 - Labor market outcomes
 - State funding for institutions
- Particularly interested in understanding how variations in PBF design impact these outcomes for underserved students and under-resourced institutions

Specific data elements we're collecting

- By amount budgeted and amount funded:
 - Amount of funds tied to student outcomes at each college
 - Overall state appropriations
- Amount of funds tied to different metrics:
 - Race/ethnicity
 - Low-income
 - STEM/health professions
 - First-generation students
 - Adult learners

Current landscape of PBF (2019 only)

- **Group 1:** States that have funded PBF systems [n=31]
- **Group 2:** States that have adopted PBF but do not appear to be currently funding their PBF system (AZ, ID, MA, MN, MO, MS)
- **Group 3:** States that have seriously considered adopting PBF in recent years or will adopt PBF in 2020 (AL, NJ, VT, WV)
- **Group 4:** States that have not adopted or discussed adopting a PBF system [n=9]

Status of data collection

- Most of the way through the first shot at data collection
- Working on building 50 institution-level spreadsheets
- Sticking points:
 - Appropriations/PBF data for individual colleges in some states (particularly community colleges)
 - Funding details on individual outcome metrics
 - Policy details on some pre-2010 states
- Expect to hear from us with some questions, and we hope you are willing to help us out!

Example: New Jersey

- Began developing PBF in 1998, with implementation in FY 2000
- Lasted through FY 2002 and then eliminated due to budget cuts
- PBF is coming back in FY 2020 with an equity-focused formula

Example: New Jersey

- Publicly available data:
 - Budgeted funds for community college sector and individual four-year colleges
 - PBF amounts budgeted and received for CC sector and four-year colleges for 1-2 of the three years
 - Information on the broad metrics used for two-year and four-year colleges
- Received from community college association:
 - Budgeted funds for individual community colleges
 - Full data on PBF amounts budgeted and received
 - Details on specific performance metrics and whether they were met

Example: Missouri

- Began a PBF system in FY 1994 and funded it through FY 2001
- Metrics were collected for several years later and PBF remained a priority
- PBF was piloted again in 2012 and funded again in FY 2014
- Funded through FY 2017 before the state stopped funding the program
- Formula is still on the books and data are collected (often considered a PBF state, yet unfunded)

Example: Missouri

- 1994-2001 system looks like many modern PBF systems
 - \$300-\$1,000 award for minority and low-income graduates
 - Used graduates' performances on assessments and successful job placement as metrics
- 2014-2017 system looked much different
 - No equity provisions
 - Colleges had some choice in their metrics
 - State auditor called out selection of peer groups
- Which system should be considered 2.0?
- Still hunting down some campus-level funding information

Discussion

- PBF appears to be here to stay, so designing effective systems is crucial
- What types of questions are you getting in your states regarding PBF?
- Which policy details would be most useful to know?
- How can we add value to the field?
- What other areas need more research about state funding for higher education?