

# **Higher Education Redesign:** *Serving More Students* *Meeting Workforce Needs* *Achieving Economic Success*

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*Getting*  
**AHEAD**

*Access to Higher Education And Degrees*

# Where We Are

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- **Workers seek new career skills and new income**
  - Unemployment near 10%
  - Community College enrollment up 14.5%\*
  - University enrollment up 14.6%\*
- **Businesses seek more people with right degrees**
  - Network systems, IT, computer engineering
  - Healthcare, bioscience
- **Higher education system is responding**

\*since FY08

# Evolution

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- **Today's student is different than yesterday's**
  - Large population of students from racial and ethnic groups with historically lower educational attainment rates
  - Family or work constraints
  - Place bound
  - Returning students
- **New pathways**
  - Increased partnerships with community colleges
    - 2 + 2 and 3 + 1 programs
    - Regional universities
- **Improved efficiency, high quality**

# Arizona is Rallying to Tackle the Challenge

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## **Reform the system: Getting AHEAD**

- Four key goals
- Collaborative initiative by Arizona's universities, community colleges, K-12 sector, business community, legislative and executive branches of government
- In partnership with 2020 Vision
- In partnership with ABOR 'Enterprise Model'



# Goals of *Getting AHEAD*

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- **Broader geographic access** for student convenience
- **Seamless credit transfer**
- **Lower-cost, high-quality options**
- **Improved coordination, planning and governance**

# Organizing the Work

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## 5 Key Components & Committees

- New Institutional Structures
- Student-Centered Advising/Career Planning
- Higher Ed Funding Model
- Coordination & Governance (Joint Council of Presidents)
- Strategic Engagement & Communications

# Recent Milestones

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## Governance & Coordination

- Joint Council of Presidents established
  - Seek to maintain quality, increase collaboration
  - Reviewing common issues:
    - IB and AP scores
    - Common Course Numbering
    - Transfer articulation restructuring, reporting
    - Implications of legislation

# Recent Milestones

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## New Pathways

- Regional Universities and CC+U partnerships
  - NAU-Yavapai
  - Colleges@ASU in development
  - MAPP, AzTAP, Mohave2NAU, e.g.
- Tuition savings of up to 50% off main campus
- More than 1,100 bachelor's pathway degree programs
  - Through 3 universities + 10 comm. college districts
- Serving nearly 12,000 students
  - Expected to increase

# Evolving Higher Education Funding

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## Higher Education Funding Model Study

- How should Arizona colleges and universities be funded?
- Multi-part study underway
  - Best practices across the US
  - Performance funding options

# What Are Other States Doing?

## A Continuum of State Higher Education Funding Approaches

Most Traditional

Least Traditional



Base  
Plus

Formula  
Funding

Benchmarking

Performance  
Funding/Contracts

Vouchers

16  
states

26  
states

14  
states

13  
states

1  
state

# Funding Model Study Phase 1: Options Identified

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## **Nine key evaluation criteria for an effective funding model:**

- Equitable
- Predictable
- Responsive
- Simple
- Balanced
- Goal-based
- Incentive-based
- Relies on Valid Data
- Maintains and Enhances Quality

The current funding formulas do not meet all of these nine criteria.

# Funding Model Study Phase 2: Two Workgroups Formed

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**Because of differences in university and community college funding formulas, two workgroups were formed to study both.**

- The Community College chief financial officers formed one group.
- The University workgroup included:
  - Higher Ed Finance Committee members
  - Institutional Research
  - University Budget and Planning Staff
- MGT of America provided consulting support to both workgroups.

# University Preferred Funding Model

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The university workgroup preferred a **Performance Funding Model**

$$\begin{aligned} & \text{Base} \\ & + \\ & \text{Adjustments to the Base} \\ & + \\ & \underline{\text{Performance Funding}} \\ & = \\ & \text{University Funding} \end{aligned}$$

May include decision packages for system enhancements, when approved by ABOR. Base adjustments included for salaries, fringe benefits, cost-of-living changes to utilities and other items.

# 5 Components of Performance Funding

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1. Increases in Credit Hours Completed  
Weighted by level, cost, type of student
2. Increases in Number of Degrees Produced  
Weighted by level, cost, and type of student
3. Increases in Research Funding
4. Success in Meeting the State's Economic Development Goals
5. Success in Accomplishing the Above While Maintaining or Enhancing the "Quality" of the Educational Experience and the "Quality" of the Institutions

# 9 + 1 Matrix

The workgroup created a 3x3 matrix for both degrees and credit hours to address the first 2 components.

- Three degree levels (Bachelors, Masters, Doctoral)
- Three levels of cost
- Special consideration is given to the medical school

	Bachelors	Masters	Doctoral
Cost Category I	17	18	18
Cost Category II	6	10	9
Cost Category III	8	4	4
Medical School			

# Conclusion

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While great progress has been made, there is much work that needs to be done in order to complete the Phase 3 Final report by June 30, 2011.

Thereafter, the Board will need to provide direction for the all-important Implementation Phase of this project. With the state budget picture expected to remain quite bleak for the next three fiscal years, it will be a challenge to drive resources in support of meeting the goals of the Enterprise Model as evidenced through a new performance-based model.