

# Fiscal Strategies for Difficult Times



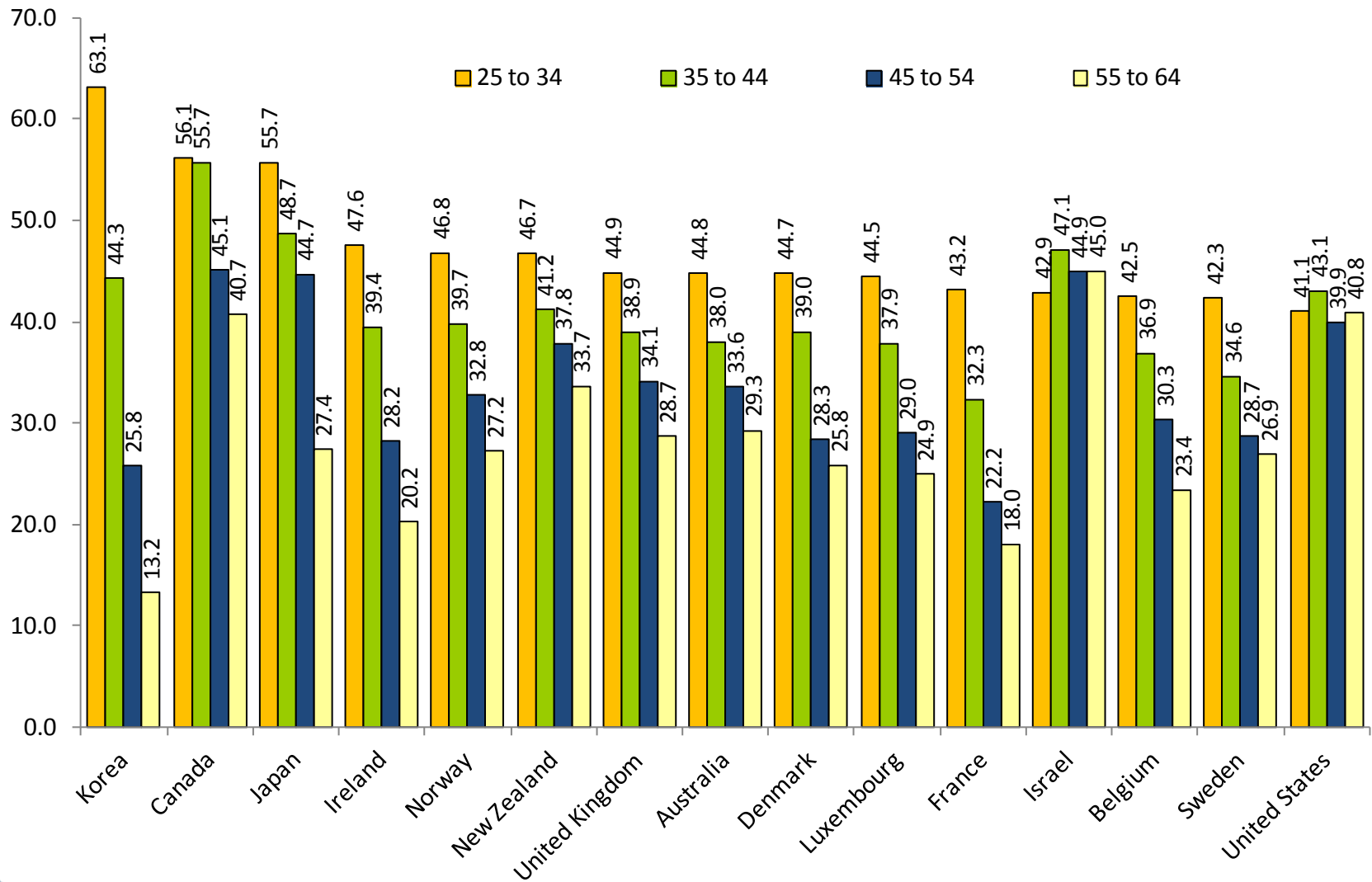
WICHE Commission Meeting  
November 1, 2011



**NCHEMS**

National Center for Higher Education Management Systems  
3035 Center Green Drive, Suite 150  
Boulder, Colorado 80301

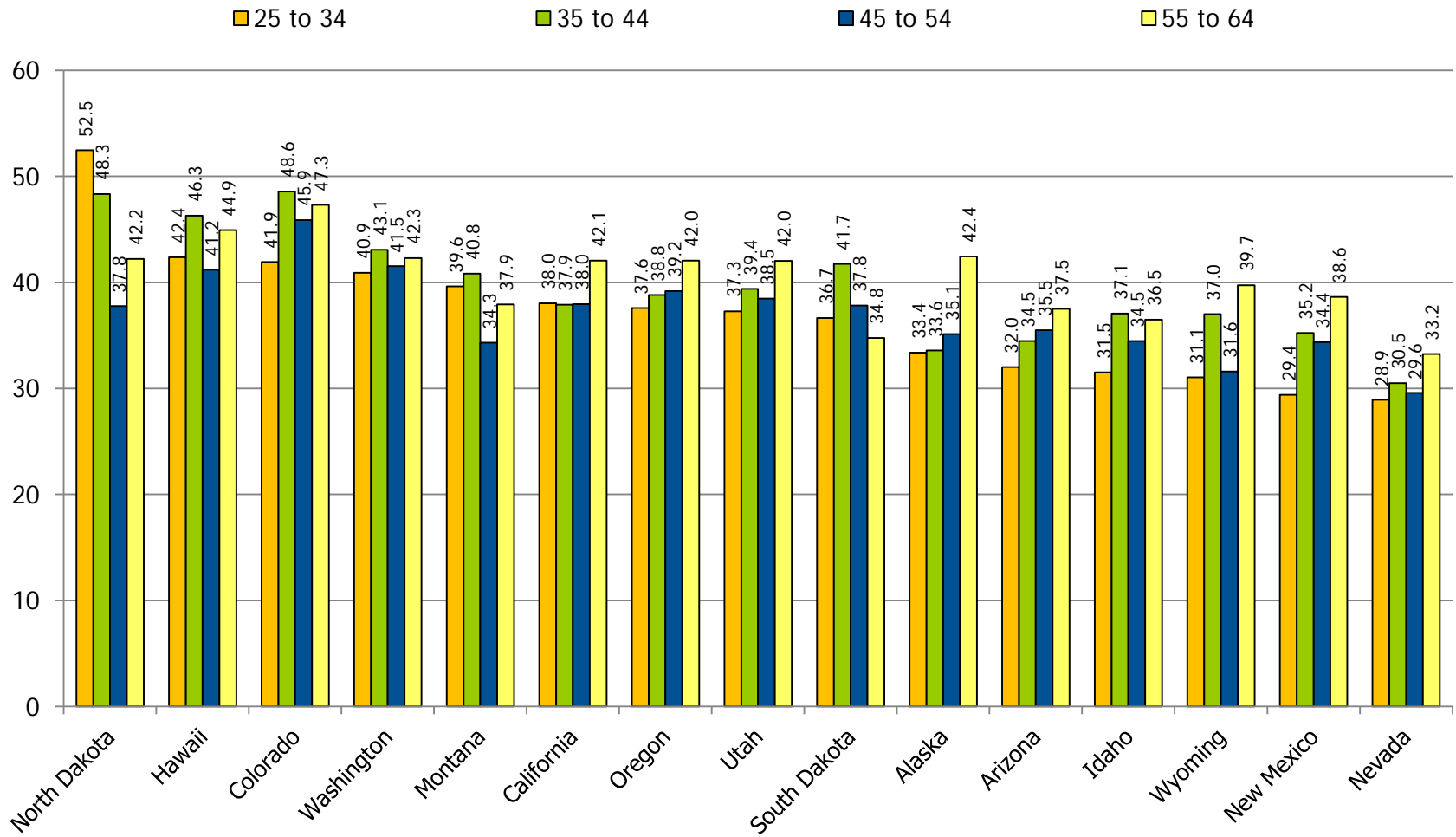
# Percent of Adults with an Associate Degree or Higher by Age Group – U.S. & Leading OECD Countries



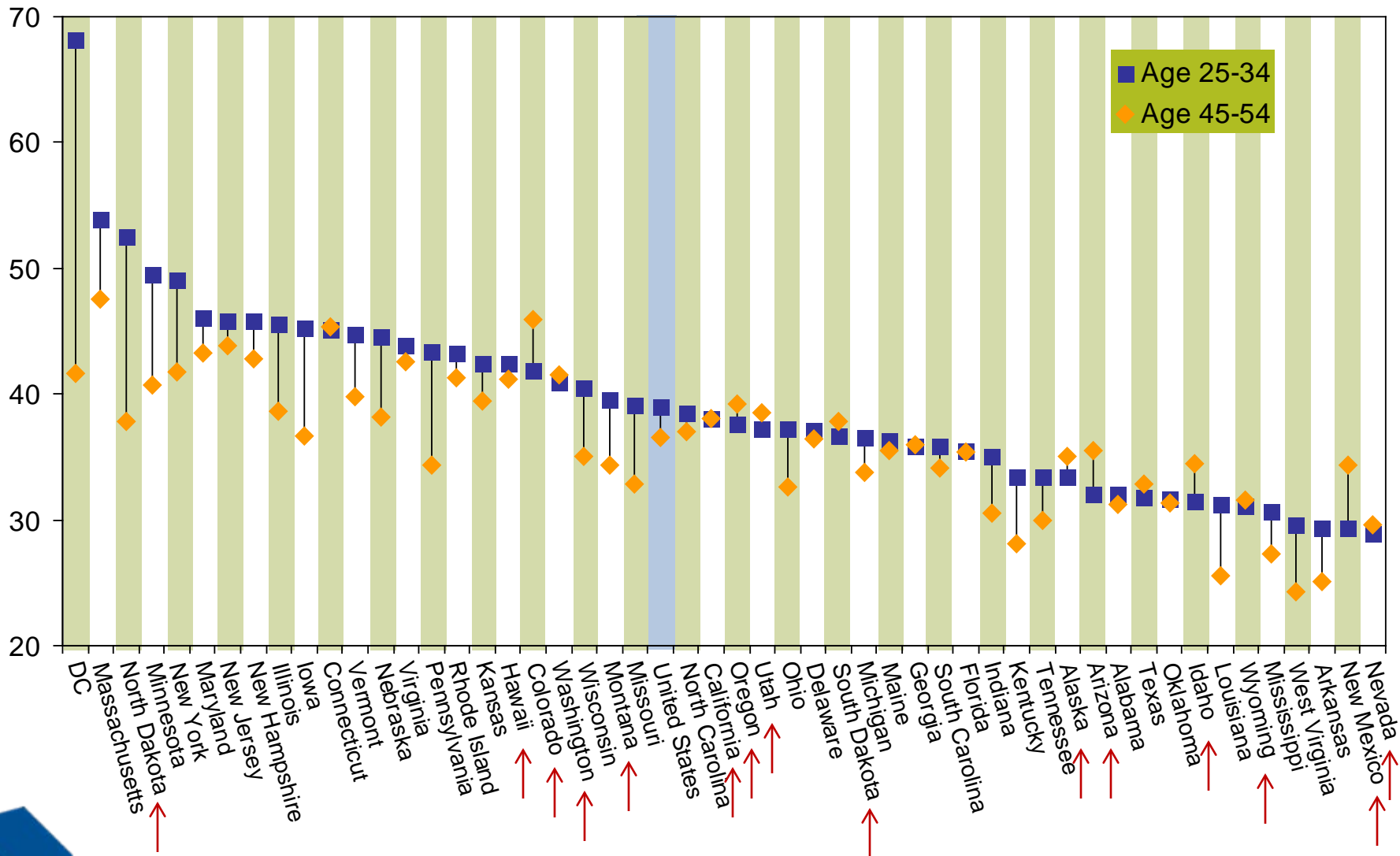
# Comparing (State) with Nations and Other States in the Percentage of Young Adult Degree Attainment (Ages 25-34)

U.S. States	%	OECD Country
	62	Korea (63.1)
	60	
	58	
	56	Canada, Japan
Massachusetts	54	
North Dakota	52	
Minnesota • New York	50	
	48	Ireland Norway, New Zealand
Maryland • New Jersey • New Hampshire • Illinois Iowa • Connecticut • Vermont • Nebraska Virginia	46	United Kingdom, Australia, Denmark
Pennsylvania • Rhode Island	44	Luxembourg, France
Kansas • Hawaii • Colorado	42	Israel, Belgium
Washington • Wisconsin	42	Sweden
Montana	40	UNITED STATES
Missouri • North Carolina	40	Netherlands, Switzerland
California • Oregon	38	Finland
Utah • Ohio • Delaware • South Dakota • Michigan	38	Spain
Maine • Georgia • South Carolina • Florida	36	Estonia
Indiana	36	Iceland
	34	Poland, Chile
Kentucky • Tennessee • Alaska	34	
Arizona • Alabama • Texas • Oklahoma • Idaho	32	
Louisiana • Wyoming • Mississippi	32	
West Virginia	30	Slovenia
Arkansas • New Mexico • Nevada	30	Greece
	28	
	26	Germany
	26	Hungary
	24	
	22	
	22	Austria
	20	Slovak Rep, Czech Rep, Mexico, Italy
	20	Turkey (16.6)

# Percent of Adults with an Associate Degree or Higher by Age Group – WICHE States, 2009

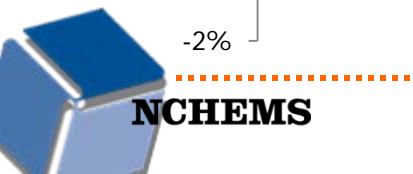
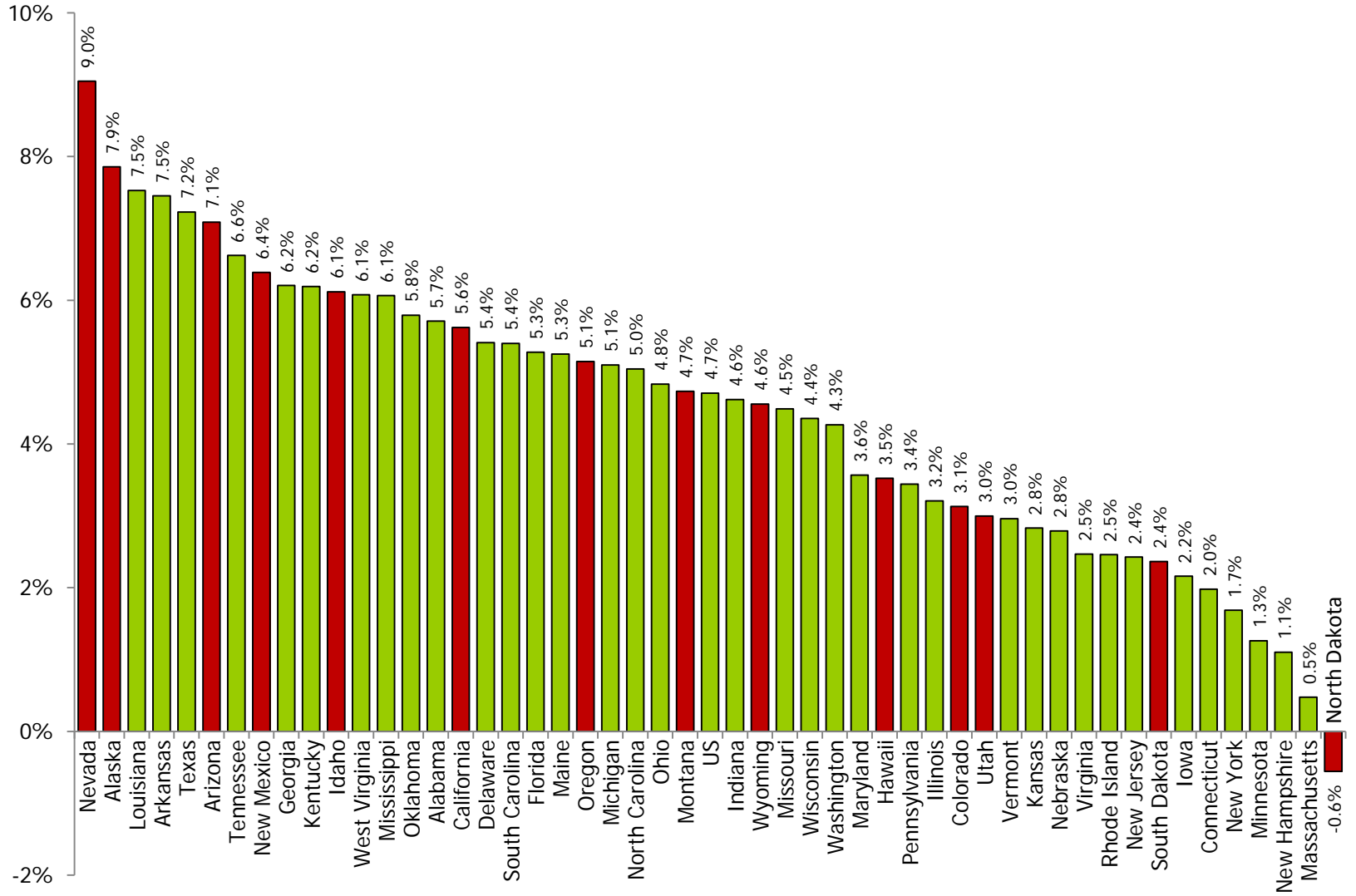


# Differences in College Attainment (Associate & Higher) Between Younger & Older Adults - U.S., 2009

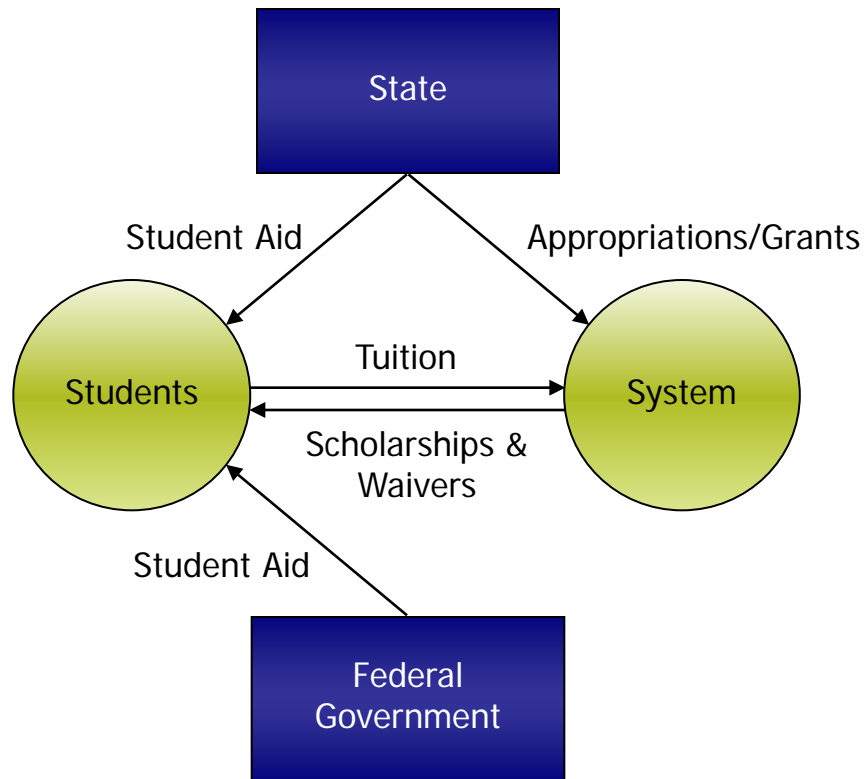


Source: U.S. Census Bureau, 2009 American Community Survey (ACS)

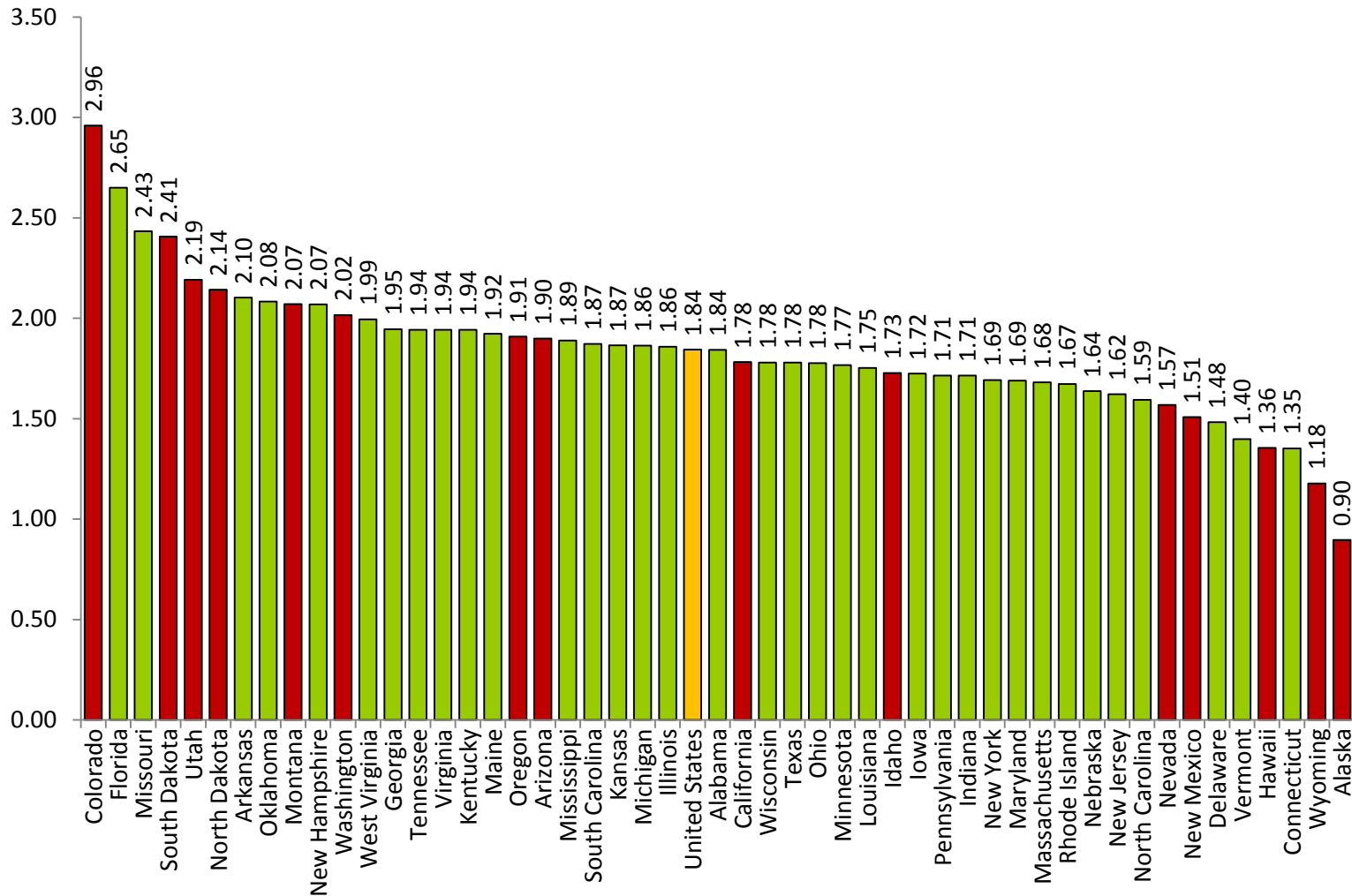
# Closing the Gap: Annual Percent Increase in Credential Production Needed to get to 60% by 2025



# The Elements of Strategic Finance



# Credentials and Degrees Awarded per 100,000 of State, Local, and Tuition and Fee Revenues - Public Sector, 2008-09 (Weighted by Median Earnings of Graduates - by Degree-Level and STEM and Health)



Sources: NCES, IPEDS Completions Survey; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)





# Putting Resources Behind Priorities A New Look at Performance Funding

Remember – All funding models reward performance.

What's new is the shift from

- Access/enrollments
- The status quo

To

- Outcomes
- Student success/completion

# Good Practice in Design of Performance Funding Models

- Get consensus on goals first
- Don't construct goals too narrowly – ensure roles for all types of institutions
- Promote mission differentiation, not homogenization
- Include provisions that reward success in serving underserved populations
- Limit the number of outcomes to be rewarded
- Use metrics that are unambiguous and difficult to “game”
- Reward continuous improvement, not attainment of specific targets
- Make the performance funding pool too large to ignore
- Align incentives contained in all parts of the funding model

# Good Practice in Implementation of Performance Funding

- Have a phase-in strategy
- Employ stop-loss, not hold-harmless, provisions
- Utilize in both good times and bad