First the bad news. . .

• “There is a lack of strong evidence that performance funding – as it has been implemented to date – results in major improvements in student outcomes. . . .” (except for WA’s SAI)

• Dougherty & Reddy, 2011
Keys to Success

- *Gaining the support of the Universities*
- Gaining sustained support from the business community
- Engaging the “equity-oriented” groups
- Ensuring that early champions among state officials pass the torch before they leave

*Dougherty & Reddy, 2011*
What are the Universities afraid of?

- Performance funding will further reduce regular funding.
- Performance funding will fail to sufficiently recognize differences among institutions in mission and students.
Since 2007-09, state funding in WA is already down 28%
Proposed 2011-13 Budget

1999 - 01 Funding Level

1989 - 01 Funding Level

28%  50%

28% 50%

1999 - 01 Funding Level

1989 -01 Funding Level

32,000 More Students
Six Public Four-Year Institutions

- One highly rated, very highly selective flagship
- One “World class” research land grant university
  “Because the world needs big ideas”
- One highly selective traditional regional university
- One regional university with multiple upper-division centers on community college campuses
- One regional university serving large numbers of first-generation students, many low income.
- One nationally-known, innovative liberal arts college
And one more fear . . .

High cost of improvement for small incremental gains.
Washington is among the highest achieving states in:

- Freshman Retention 88% (72% - 92%)
- Six-year Graduation Rate 69%
- 3-yr Grad Rate – Transfers 72%
And for Pell Grant Recipients:

- Freshman Retention 83% (75% - 91%)
- Six-year Graduation Rate 66%
- 3-yr Grad Rate – Transfers 70%
. . . But we don’t do it by limiting enrollment

- The four-year sector is currently serving over 10,000 unfunded FTEs
And we do it efficiently

- One of the highest – if not the highest – nationally, in number of degrees produced per 100 FTEs enrolled.
So . . . What would successful performance funding look like at the baccalaureate level -- in WA or, perhaps, in other states?
Be clear about what problems you are trying to solve – don’t adopt whole systems from states trying to solve different problems from yours.
Commit to a positive incentive system (Yes, like the WA CTC’s Student Achievement Initiative)
• No goals – no targets
Allocate new money – even a little!
Engage the universities – early and deeply
Encourage creativity, variety, differentiation, and collaboration
• Keep it simple
How should a four-year system be like the SAI?

- Be clear about what problems you are trying to solve
- Incentives – with new money
- No targets – no goals
- Keep it simple
How should it be different?

✓ Identify baccalaureate-specific measures
✓ Encourage differentiation among institutions
✓ Reward collaboration for sector-wide improvement
Potential Baccalaureate Measures

- Degrees earned within four years
- Degrees earned within 110% of required credits
- Degrees earned at least 75% by e-learning
- Degrees earned by underrepresented minority students
- STEM degrees
- Graduates continuing directly to graduate/professional studies
Could the sector collaborate?

For example:

- **Sector Award**: Degrees earned, sector-wide, by low-income, first generation students.

- **Sector Award**: Total degrees earned, sector-wide, by transfer students with associates degrees.
What else?

- Would this approach work?
- What other measures lend themselves to an incentive approach for baccalaureates?
Finally. . .

- Don’t pretend that better performance on any known indicators will solve either your funding or your access challenges.