

Accountability-Based Funding (ABF) for Public Institutions of Higher Education

February 13, 2013

History

- Introduced by Sen. Gregory last year and passed 36-1 in the Senate
- Reintroduced this year as S.266

Goals

- Give public colleges and universities a clearer sense of the state's priorities – what are we asking them to accomplish with the taxpayer resources they receive?
- Reduce the effect of lobbying and inertia on appropriation decisions
- Pay for performance – “you get more of what you pay for”

Process

- Governor met with university presidents in 2011, followed by staff-level meetings with the presidents and with CHE leadership
- We've worked to find a consensus on as many elements as possible, which are reflected in S.266
- Open and collaborative process, with meetings, conference calls, and repeated sharing of drafts in order to produce S.266
- Favorably referenced during the Governor's Conference on Higher Education in October 2012

S.266

- A joint resolution to lock-in the agreed-to elements of the new framework – a “road map”
- Defines a process through which decision-makers will gather the information they need in order to flesh-out the details of the final model
- Would be followed in 2014 by the adoption of specific weightings and measures
- It will take enormous effort to develop a new model – adopting S.266 shows those who will participate in this process that the commitment to move forward is real, and their work won't be wasted

Key Features of the ABF Model

- Organize institutions according to Carnegie Classification of Institutions of Higher Education
- Measure performance against peer institutions, not each other
- 5-year transition from the current approach to the new ABF mechanism, starting in FY 2014-15
- Four categories of measures
 - Completion (30%), Affordability and Access (30%), Educational Quality (25%), Economic Development and Institutional Mission (15%)
 - 2-3 measures in each category (for Completion – Graduation Rate, Freshman Retention)
 - 3 objective categories, 1 subjective
- Financial and regulatory incentives for institutions achieving their missions – “regulatory relief”
 - Progressive degrees of autonomy in personnel, finance, procurement, technology, etc. on an earned basis
 - Eliminate duplicative reviews (JBRC, BCB)
 - Stop appropriating FTEs or Other Funds for tuition, enterprise funds, etc.