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Date: 6/15/2012 2:13:20 AM

Subject: ABF

Attachments: [S 1397 - Accountability Based Funding \(as passed in Senate\).docx](#)
[\(2011-12-14\) ABF Overview \(v06\).pdf](#)
[\(2011-12-14\) Regulatory Relief for Higher Education \(v01\).pdf](#)

Tommy,

I've attached a few documents regarding the Accountability-Based Funding (ABF) proposal.

First, the "S 1397" document is the current text of the Joint Resolution that passed in the Senate, but which died in the House at the end of the session. We're likely to re-pitch this in 2013 with a couple of tweaks, and may even work with CHE and the university presidents in the off-season.

S. 1397 is fairly brief and essentially defined the process through which the universities and the Commission on Higher Education would have worked during the remainder of the year to identify specific performance measures that would have been candidates for inclusion in a new funding model. The resolution also describes the overall features of an ABF model on which the various university presidents have been able to come to a consensus so far:

- A 5-year phase-in
- 4 categories of performance measures (Completion, Affordability and Access, Educational Quality, and Economic Development and Institutional Mission)
- Use of the Carnegie Classifications to assign each college and university into an appropriate grouping with peer institutions
- A financial and regulatory incentive structure that rewards institutions for achieving their missions

I have also attached two PDFs, which are documents we distributed (via CHE) to the university presidents back in December, to outline the ABF proposal. I should point out that although the categories of performance measures that we described were ultimately adopted, we agreed with many of the presidents who thought we needed to work together to find some better individual measures - specifically in the Educational Quality area.

I think the Joint Resolution is a decent backgrounder on the initiative and is largely self-explanatory. The two PDFs should offer some more detail on some of the proposal's specifics, if you're interested.

Some high-level points on ABF...

- ABF proposes to provide state support for public colleges and universities based upon their performance; those of us who believe in USC should be eager to transition to such a model as quickly as possible
- ABF was developed through an open and collaborative process between the Governor's Office, the Commission on Higher Education, and the presidents of South Carolina's public colleges and universities
- The proposal calls for financial incentives and greater regulatory flexibility for those institutions that demonstrate responsible stewardship and meet performance targets

If you have any questions about the proposal, just let me know. Thanks.

CLS

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