

July 2010

## Master Plan Progress Briefing: Performance and Accountability

The 2008 Strategic Master Plan developed by the Higher Education Coordinating Board (HECB) and endorsed by the State Legislature in 2008, described a vision for the state's higher education system by 2018 based on accomplishing work in three broad areas.

- **“First** and foremost, we will need to get more people in postsecondary education and do more to help them succeed once they get there.
- **Second**, we will need to promote economic growth and innovation by mobilizing our education and research resources to match talent with opportunity.
- **Third**, we will need a new system of incentives and accountability that rewards higher education institutions that help achieve the goals spelled out in this plan.” (*Master Plan*, p. 11)

The *Master Plan* noted that Washington funds its public higher education system through a formula based on projected and actual student enrollments. Although this is a common method of funding higher education in the United States, it contains an inherent limitation: enrollment is disconnected from results. Outcomes such as graduation rates, job placement rates or enrollment in graduate or further professional education are not considered.

In calling for a new system of funding based on incentives and accountability, the *Master Plan* proposed:

1. Raising over time the rate of per-student funding levels to that of comparable states;
2. Strengthening and refocusing accountability strategies; and
3. Providing at least some portion of funding that rewards desired results.

The dramatic economic downturn that began in the fall of 2008 has prevented the Legislature from making progress on the first objective: raising the rate of per-student funding levels. Accountability strategies, on the other hand, have been addressed by both HECB and Governor's Office initiatives, which are described more fully below. Funding that rewards desired results (outcomes) was addressed *in concept* as part of the System Design Plan (SDP) legislation (Senate Bill 6355), but is not yet a reality.

### Strengthening and Refocusing of Accountability Strategies (#2)

The HECB's accountability report collects annual data from institutions on six performance measures and publishes the results in a comparative biennial report. The latest report was approved by the Board in January 2009 and is available at:

<http://www.hecb.wa.gov/research/issues/documents/AccountabilityReport2009-Revised.pdf>.

The seven accountability measures agreed on by the Council of Presidents and the Office of Financial Management are:

1. Bachelor's degree production
2. High-demand bachelor's degree production
3. Graduate and professional degree production
4. Freshman retention
5. Graduation rates for first-time, full-time freshmen
6. Graduation rates for transfer students with associate degrees
7. The proportion of bachelor's degree recipients who did not accumulate excess credits

Washington's higher education system also demonstrates accountability through the Governor's Management and Accountability for Performance (GMAP) initiative – an evaluation “tool that helps Washington state agencies measure and improve their performance” (retrieved July 1, 2010 from <http://www.accountability.wa.gov/>).

The HECB participates in GMAP along with the State Board for Community and Technical Colleges (SBCTC), the Workforce Training and Education Coordinating Board (WTECB), the Early Learning Commission, and the Employment Security Commission.

The first education GMAP meeting, held May 13, 2010, was attended by the Governor and her policy advisors as well as the heads of each of the education agencies. Performance measures have been developed in three main areas: access and enrollment, student accomplishment, and student and economic outcomes. The results are available in a “dashboard” at: <http://performance.wa.gov/Education/ED051310/Pages/Default.aspx>.

Staff members from the education agencies are refining the GMAP measures and will meet in August to discuss this work and propose ways of better communicating higher education's performance to external stakeholders.

### **Providing at Least Some Portion of Funding that Rewards Desired Results (#3)**

Some progress toward achieving the third *Master Plan* recommendation – incentives and accountability to achieve master plan goals – was achieved in 2010 through Senate Bill 6355, which received almost unanimous support.

The bill, which adopted the recommendations of the HECB's System Design Plan, included a recommendation to establish a “Fund for Innovation.” This fund is intended to promote increased educational attainment by establishing a competitive incentive grant process for public or private institutions. The fund would permit institutions – either individually or collaboratively – to develop programs designed to address specific system needs or problems.

The Fund for Innovation is currently a “placeholder;” that is, the law provides for its existence as part of the System Design Plan to implement the *Master Plan*, but no funding was awarded during this past legislative session.

### **Future Work**

Future work in the area of performance and accountability in higher education needs to focus on the following:

- Find resources for the SDP's Fund for Innovation.
- Developing a four-year sector equivalent to the SBCTC's successful Student Achievement Initiative.

NOTE: The Student Achievement Initiatives sets "progress points" along a continuum to document the two-year sector's performance. Two-year colleges that demonstrate progress in achieving one of six categories receive "momentum points" on which performance funding is awarded.

For the four-year sector, points on the continuum might include indicators such as the number of credit/course completions, degrees conferred, graduation rates within 120 credit hours, credits transferred from the community colleges to the four-year institutions, and proportions of the student body that are low-income students or from underrepresented groups.

- Finally, we need to continue to explore financial incentives that fund the results we want.