Forms and Extent of Performance Accountability (PA)

• **Performance funding** (PF): 14 states (2007). State creates formula tying appropriations to college outcomes data.

• **Performance budgeting** (PB): 21 states (2003). State declares it will consider college outcomes data in appropriation decisions.

• **Performance reporting** (PR): 47 states (2007). State publicizes data on college outcomes e.g. rates of remediation passage, graduation, job placement.

  • Sources: Dougherty and Reid (2007); Burke and Minassians (2003).
Topics

• Impacts of Performance Funding
• Changes in Performance Funding Systems over Time
• Program Demise
Impacts 1: Data

- **Analysis of performance accountability systems for community colleges (CC’s) in 6 states** (Dougherty & Hong, 2006). Strength of PA systems assessed in 2000 in order to determine impact on outcomes in years following. Data sources:
  - state policy documents
  - interviews with local CC officials
  - Interviews with state-level officials
- **Other research studies** examining impacts of performance accountability (e.g. Burke et al., 2002; Jenkins, Ellwein, & Boswell, 2009)
Impacts 2: Data (cont.)

- **Strong system: Florida.** Both PR and strong PF system. PF covered community colleges (CC’s) and – minimally – universities. At peak (2001), PF accounted for 5% of total state appropriations for CC’s.

- **Middling strength systems: Illinois and Washington.** Both PR and weak PF system (less than 1% of total CC revenues; short duration). PF in IL only covered CC’s; PF in WA covered both CC’s and state universities.

- **Weak state systems: Texas and California.** PR but no PF.

- **No state system: New York.** Neither PR nor PF.
Impacts 3: Topics Covered

• Intended Impacts: How Well Realized?
  – Immediate
  – Mediated
  – Ultimate

• Obstacles to Realization of Intended Impacts

• Unintended Negative Outcomes
Impacts 4: Immediate Impacts

• Change in colleges’ state funding

• Change in colleges’ awareness of state priorities

• Change in colleges’ awareness of own performance

• Change in colleges’ concern about how well they are performing relative to peer colleges.

• Sources: Dougherty & Hong (2006); Jenkins, Ellwein, & Boswell (2009)
Impacts 5: Mediated Impacts

• **Interviews in 6 states:**
  - Numerous reports by CC respondents of changes in local CC programs in response to state PA efforts (Dougherty & Hong, 2006; Jenkins, Ellwein, & Boswell, 2000).
  - Evidence that responsiveness varied with strength of state PA system (Dougherty & Hong, 2006)

• **Survey of local CC officials in 5 PF states** (Burke et al., 2000): Between moderate and extensive use (1 to 5 scale: very extensive, extensive, moderate, etc.) of performance data in following areas:
  - institutional planning (2.46)
  - curriculum planning (2.77)
  - student outcomes assessment (2.79)
Impacts 6: Ultimate Impacts

• **Changes in outcomes**: In 5 states with PA, increases between 1990s and early 2000s in almost all of following performance outcomes: remediation passage, retention, graduation, transfer, job placement.

• **Little evidence of PF impact**: Little evidence that states with seemingly stronger performance accountability systems (have PF system, especially strong one) produced stronger improvements in these performance outcomes.

• Source: Dougherty & Hong (2006)
Impacts 7: Explaining Weak Impacts

- Our research data do not control for differences between states

- PF funding systems are not all that strong: Small amount of funding; short duration; instability of measures

- Obstacles to institutional success in meeting accountability demands.

- Source: Dougherty & Hong (2006)
Impacts 8: Obstacles to Success

• Indicators that do not match up well to college missions
• Inappropriate measures of graduation and of job placement
• Funding instability
• Inequalities in institutional capacity to meet the standards.

Source: Dougherty & Hong (2006); Jenkins, Ellwein, & Boswell (2009)
Impacts 9: Negative Outcomes

• Pressures to lower academic standards
• Narrowing of open-door?
• Mission restriction?
• High compliance costs
• Abandonment of PF systems in 10 of 26 states (return to this below)

• Source: Dougherty & Hong (2006); Jenkins, Ellwein, & Boswell (2009)
Impacts 10: Increasing Intended Impacts

• Increase performance funding and keep measures and funding levels stable.
• Remove obstacles to college performance
  – Build capacity: Financial and technical assistance
  – Use appropriate measures:
    • Credit for intermediate outcomes
    • Correct for differences in local labor markets
    • Compare colleges to relevant peer groups
    • Do completion follow-up six years after entrance
• Spur reflection: Include indicators of data use
Impacts 11: Reducing Negative Impacts

- Combat narrowing of open door: Include indicators for enrolling and graduating less advantaged students (minority, low income, women, older)
- Combat reduction of academic standards: Include assessment of general learning.
- Combat mission restriction: Tie performance measure to all important missions e.g. access for underserved, general education, continuing education.
- Pay for compliance costs.
PF Continuity & Change 1

• Examination of experience of 2 states with long standing systems:
  – Tennessee: In operation since 1979
  – Florida: In operation since 1994

• Source: Dougherty & Natow (2010)
PF Continuity & Change 2: Funding

- **Tennessee**: Stable increases: Funds received by all IHE’s rose fairly steadily from average of 0.8% of state appropriations for higher education between FY 978-79 and 1981-1982, to 3% between 1982-1983 and 2001-2002, and 4.2% since 2001-2002

- **Florida**: Oscillation: Began at 2% of state appropriations for community college operations in FY 1996-1997, dropped below 1% in 2001-02 to 2005-06, and then jumped to 1.8%
PF Continuity & Change 3: Indicator Changes

- Tennessee: Less change: 10 indicators changes (6 added; 4 dropped) in 31 years
- Florida: More change: 12 changes (9 added; 3 dropped) in 12 years
PF Continuity & Change 4: Sources of Change in Indicators

• Pressure from outside higher ed system
  – FL: Minority graduation rates; remediation success (legislators)
  – TN: Transfer rates (student complaints); minority student retention (court order)

• Internal initiative
  – FL: Licensure exam passage (SDE)
  – TN: Campus-specific indicators (THEC and colleges)
PF Continuity & Change 5: General Process of Change

• Tennessee: Performance indicators added at end of a regular five-year review involving standing committees of state HE Commission and the colleges

• Florida: Indicators added irregularly, with no tie to a cyclical process of program reappraisal. Greater involvement by legislature.
Demise 1: Data

- Three states with different PF trajectories:
  - IL: PF discontinued and not revived
  - WA: PF discontinued but revived
  - FL: PF partly discontinued (one program eliminated; one retained)

- Interviews with state government officials, higher education leaders, interest group leaders
Demise 2: Causes

- Sharp drop in trajectory of higher education funding (FL, IL).
- Lack of support by higher education institutions for the continuation of PF (FL, IL, WA).
- Loss of key governmental supporters of PF (FL, IL, WA).
- Weak business support of PF (FL, IL).
- Establishing PF through a budget proviso rather than statute (IL, WA).
Demise 3: Factors Enhancing PF Retention

- Insulate PF from state revenue cycle.
- Increase support by colleges and universities
  - Avoid appropriation hold back. Provide PF funds that colleges see as “new” money.
  - Give colleges significant role in designing and revising PF system. Makes it more likely they will regard PF as legitimate and support it in time of fiscal or political stress.
- Attract new supporters: Build in strong equity aspect.
- Enact PF through statute rather than budget proviso.
Sources 1


Sources 2


For more information:

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