

AGENDA ITEM

B-2. Discussion of Strategic Plan Working Documents – Benchmark II.....Scott Lampe/Jonathan Pruitt

Situation: Benchmark II of the strategic planning process requires each committee to identify the major issues facing higher education in this strategic priority area, as well as explore solutions that peers are implementing to address these issues.

Background: Through the strategic planning process, which is currently underway, the Board of Governors seeks to develop a set of goals to drive the work of General Administration and constituent institutions for years ahead. The Board of Governors aims to approve a small set of system-wide goals this fall, which will form the basis for the University of North Carolina’s strategic plan.

Assessment: The attached working documents for Benchmark II require additional Committee discussion. After completing this portion of the work plan, the Committee should have a common understanding of the major issues facing higher education in this strategic priority area, as well as some approaches peers are implementing to address these issues.

Action: This item is for discussion only.

Understanding and Incentivizing a Good Return on Investment

Many states have moved toward pay-for-performance funding to incentivize alignment of state and institutional goals. Funding formulas are often tied to enrollment but also include additional measures such as involvement in STEM and number of at-risk or underrepresented students⁹.

State Appropriation Funding Method by State														
	North Carolina	Tennessee	Texas	Georgia	New York*	Virginia	Ohio	South Carolina	Florida	Kentucky	Michigan	Washington	Wisconsin	California
Funding Formula	Pure Formula		X	X	X	X	X	X						
	Non-Formula				X					X	X	X	X	X
	Hybrid	X							X					
Student-Derived Revenue	Do not account				X	X	X	X						X
	Account	X	X	X				X						
Enrollment Funding	Tied to enrollment	X		X	X	X	X	X	X					X
	Not tied to enrollment		X											

*Previously had used formulas or hybrid formulas for funding but due to budget cuts or lack of funds have switched to a non-formula method

Funding Formula Characteristics														
	North Carolina	Tennessee	Texas	Georgia	New York	Virginia	Ohio [†]	South Carolina	Florida [†]	Kentucky	Michigan	Washington	Wisconsin	California
Differentiation in funding method by institution type?	No	Yes	Yes	No		Yes	No	No	No		Yes			Yes
Weighting based on level or type of enrollment?	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes					Yes (CU only)
Additional funding or weighting for at-risk/Pell/underrepresented students?	No	Yes	Yes	No		Yes	Yes	No	Yes		Yes			No
Additional funding or weighting for STEM or Health Related fields?	Yes	Yes	Yes	No		Yes	Yes	No	Yes		Yes			Yes (CU only)
Basis for faculty salary if used	Avg. Faculty Salary	SREB Average Faculty	Avg. Faculty Salary	Not Used		Avg. Faculty Salary	Avg. Faculty Salary	Regional Average by Discipline	Not Used					Faculty Salary Req. (CSU only)
Funding based on actual enrollment or enrollment prediction?	Prediction	Actual	Actual	Actual		Actual	Actual	Actual	Actual					Actual (CSU only)
Is calculated need fully funded?	Yes	No	No	No		No		No						No

[†]Funding formula does not calculate need

Funding based on specific performance measures has also been implemented in conjunction with and outside of funding formulas

Performance Funding by State														
	North Carolina	Tennessee	Texas	Georgia	New York*	Virginia	Ohio	South Carolina	Florida	Kentucky	Michigan	Washington	Wisconsin	California
Performance Funding	Currently use		X	X		X	X		X		X			
	Plan to implement				X			X					X	
	Considering	X				X				X				X

⁹ SRI International. (2012). *SRI*. Retrieved from States' Method of Funding Higher Education: https://www.sri.com/sites/default/files/brochures/revise-sri_report_states_methods_of_funding_higher_education.pdf