

IOWA STATE UNIVERSITY

Responding to a Performance-Based Funding Policy: Small Rural Community College Perspectives

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Rural Community College Alliance
2015 Annual Conference
September 23, 2015; Reno, NV

What is PBF?

- “A system based on allocating a portion of a state’s higher education budget according to specific performance measures.”

(Miao, 2012, p. 1)

- (PBF) “rewards institutions that meet state goals,...is based on outputs instead of inputs,...(and) the more goals that institutions meet, the more funding they receive.”

(Blankenberger, 2011, slide 12)

Comparing Design Types

PBF 1.0

- Some designed without input from higher education leaders
- Institutional goals and mission may be disregarded
- Emphasis on outcomes measures, less on progress measures
- Small percentage of **bonus funding** - often new money

PBF 2.0

- Joint planning process
- Alignment with the state's agenda and institutional priorities
- Soft landing: learning year and/or stop loss
- Progress and completion measures
- Weighted formula to ensure access and equity
- Percentage of **base appropriations**

Performance-based Funding: A National Landscape

	PBF Activity	Number of States
	PBF in Place	25
	Transitioning to PBF	6
	Formal Discussions of PBF	9

As of September, 2014 - updated from Friedel, Thornton, D'Amico & Katsinas (2013).

Rural Community College Definition

- Carnegie Foundation Classification for two-year Associate's Colleges (2010)
 - 952 public two-year community colleges
 - 60% (570) are rural-serving
 - 137 small rural (< 2,500) – 24%
 - 299 medium rural (2,500-7,500) – 52%
 - 134 large rural (>7,500) – 24%

Research Questions

- How do members of the leadership team at a small rural community college describe the organizational influences of a mandated PBF policy?
 - Institutional Policy Changes
 - Programmatic Change
 - Organization Structural Changes

Primary Case Study

- Four small rural community colleges
 - Texas
 - North Carolina
- Semi-structured, Responsive Interviews (Rubin & Rubin, 2012):
 - College president
 - Senior academic affairs administrator
 - Senior student affairs administrator
 - Senior institutional research/effectiveness administrator
- Document analysis – state and institutional documents and websites

Impacts on Small Rural Community Colleges

- Decision Making
- Internal Communication & Awareness
- Institutional Policy, Practice & Procedure
 - Data Accuracy
- Programming
 - Dual Enrollment
 - Stackable Credentials
 - Developmental Education
- Organizational Structure
- Emphasis on Performance
- Energized Improvement

Themes of Concern & Disparate Effects

- Mission
- “Vulnerability of being small”
 - Small Enrollment numbers
 - Limited resources
 - Location
 - Survival
- “Holding us accountable for things we don’t always control.”
- Faced with few options
- System decisions

Additional Findings

- Board/Public Perception
- Multiple Initiatives will Impact PBF
- Expectations for the Future
 - “A political reality”
 - Anticipated future of PBF
 - “Continue doing what we’ve always done”

Implications

- Best Practices for Responding to PBF
- Future Research:
 - Faculty Role & Perceptions
 - Board of Trustees' Role & Perceptions
 - Long-term influences
 - Medium & Large Rural Community Colleges
- Policymakers may be advised to create differing measures and models.

Implications/Future Research

- Further understanding of the true impacts on various classifications of community colleges – may be advisable to create differing measures and models.
- PBF influence should be studied and discussed in relation to percentage of state appropriations and total college revenue.
- Listen with a critical ear to concerns of the distinct institutions – They hold a responsibility to raise their voices in unison and ensure their stories are heard.

Questions/Discussion

- What are other effects of PBF implementation and response on rural community colleges?
- What are your suggested best practices for responding to PBF?
- What do you want to know? What research would be beneficial to you?

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