

Funding high-impact practices through a performance-based tuition-revenue model

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Quick facts

WKU is the fastest growing public university in Kentucky.

Fall 2008 total enrollment was 19,761

There were 3,303 first-time, first-year students

WKU's enrollment has grown by 31 % in the last 10 years

Undergraduates make up about 80% of enrollment (16,966 students)

WKU has 722 full-time, and approximately 375 part-time faculty members

WKU has a strong commitment to and record in civic engagement.

Carnegie Elective Classification in Community Engagement (2006)

President's Community Service Honor Roll (2007, 2008)

Charter Institution in the American Democracy Project

The challenge we all face

How do we encourage departments, faculty, and staff to support and become involved in advancing high-impact educational practices that are strategic priorities of the university?

Faculty and departments perceive there to be competing priorities (growth, retention, student credit hour production, etc.)

Faculty must believe that engaging these priorities maintains or advances the academic quality of their programs, and need indicators to document their impact

Financial needs and budgetary constraints exist at all levels

Ultimately, measures and money talk

We felt it essential to...

Be sensitive of the need to create opportunities for individuals and units

Collective goals are best addressed through unit productivity

The system needs to be sustainable, transparent and fair

Emphasize and reward academic innovation that advances student learning

Indicators need to reflect quality, not just quantity

Accentuate the 'so-what' factor

Is what we are doing (and funding) aligned with our strategic priorities?

Does it have a tangible impact on students?

We created...

A performance-based funding model that incorporates:

A business-plan approach, with clearly defined objectives and measurable indicators

Unmistakable linkage between planning, performance & funding

A viable reward system that advances academic quality while achieving strategic priorities

How what we've done is relevant to you

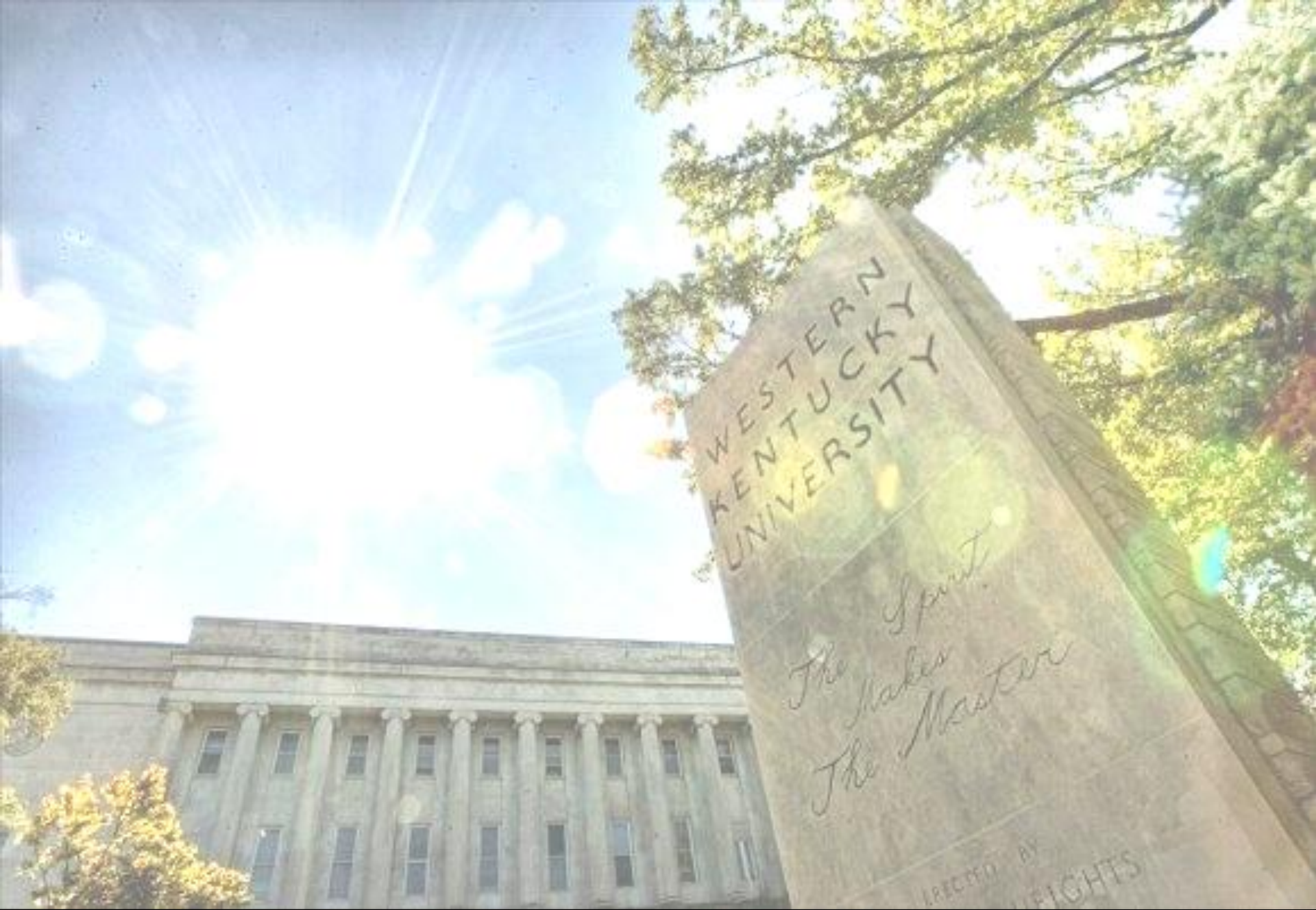
“...this all sounds great, BUT this approach won't work at my institution - we could never get agreement or buy-in on any of this...”

It's important to recognize that

The model is a culmination of an approach that's evolved over several years

The specific priorities, metrics and indicators are flexible – it's more about a process than specific goals

Most Provosts have pools of discretionary funds available to seed projects like this



University goals: strategic plan

Challenging the Spirit

Vision: A Leading American University with International Reach

Mission: Western Kentucky University prepares students to be productive, engaged, and socially-responsible citizen-leaders of a global society.

Goal 1: Increase student learning. Promote learning that develops individual potential and graduates who can successfully live, work, lead and contribute to society in a global context.

University goals: QEP

Engaging Students for Success in a Global Society

Goal: Students will engage with communities other than their own in purposeful learning activities that explicitly address their capacity and responsibility to contribute to community and society.

Outcome 1: Students will demonstrate their capacity to apply knowledge and training to address relevant concerns in community or society.

Outcome 2: Students will demonstrate respect for diversity of peoples, ideas and cultures.

Outcome 3: Students will demonstrate awareness of their opportunities as responsible citizens living and working in a global society.

But we also are challenged to meet...

Enrollment growth mandates

Transfer mandates

Retention mandates

Graduation targets

College readiness mandates

State budget cuts

These need not be viewed as competing priorities

Rather, they provide the OPPORTUNITY for generating revenues and/or motivation necessary to fund critical student learning priorities and other high-impact practices

Quantity can be used to fund quality

Finding resources: where are the dollars?

Framed the need with respect to institutional strategic priorities

Collaboration among the President, Provost and VP for Finance and Administration

Did not wait for dollars to just come our way

Targeted additional tuition dollars from enrollment growth

Established a business plan model associated with enrollment growth, retention and graduation focus that:

- Reinforced institutional goals

- Provided departmental and college incentives

- Rewarded unit progress in both productivity and quality

A designated percentage of tuition revenue over that budgeted is returned to Academic Affairs for distribution to departments and colleges

Tuition-revenue model: initial allocation plan

Combined two sources of funding:

Fall 2008 tuition revenue from growth (one time FY 09 funds)	\$ 1,000,000
Existing Unit Productivity funds (FY 10 funds)	\$ 130,000

Established three distinct pools of dollars to address strategic priorities:

Academic Productivity	\$ 600,000
Academic Support	\$ 200,000
Academic Quality	\$ 330,000

Sidebar: An additional \$800,000 from Spring 2009 growth revenue was used to offset budget cuts



Priority 1: academic productivity (\$600,000)

Distributed to academic departments and colleges for increases in academic productivity measures

Student Credit Hour Production (SCHP)	50%
Majors	20%
Degrees Awarded	30%

Includes supplemental components that recognize regional campus and interdisciplinary SCHPs, transfer enrollments, international and transfer majors, and interdisciplinary, STEM, minority, honors, and developmental-eligible degrees

Allocation based on 80:20 ratio of department:college

Distributed in Spring 2009

Based on changes relative to 2006-07 baseline

Academic productivity allocation worksheet

	Priority Metrics	Factor Multiplier	Amount Awarded
Majors	Fall Undergraduate Majors	1.0	\$ 82,827.30
	Fall Graduate Majors	1.0	35,224.91
	Fall International Students	0.1	1,191.32
	Fall Transfer Students	0.1	705.97
Percent of Total Amount Awarded		20 %	\$120,000.00
Degrees	Annual Degrees Awarded (A, B, G)	1.0	\$160,527.34
	Undergraduate Contribution to BIS Degrees	0.1	2,522.57
	Graduate Contribution to IS Degrees	0.1	1,096.77
	Annual Developmental-Eligible Degrees	0.1	5,483.85
	Annual STEM Degrees	0.1	6,181.86
	Annual Minority Baccalaureate Degrees	0.1	3,489.72
	Annual Honors College Degrees	0.1	697.94
Percent of Total Amount Awarded		30 %	\$180,000.00
SCHP	Fall SCHP (All Locations/Modes)	1.0	\$292,707.42
	Fall Regional Campus SCHP	0.1	3,036.26
	Fall Interdisciplinary SCHP	0.1	4,256.32
Percent of Total Amount Awarded		50 %	\$300,000.00
Total Percent Awarded		100 %	\$600,000.00

Priority 2: academic support (\$200,000)

Distributed to academic support units for their contribution to advancing strategic priorities

Graduate Studies

Honors College

University Libraries

Enrollment Management

Regional Campuses

Institutional Research

Office of International Programs

Office of the Provost (discretionary)

ALIVE Center for Community Partnerships

Faculty Center for Excellence in Teaching

Priority 3: academic quality (\$330,000)

\$100,000 distributed to academic departments and colleges for increases in quantitative indicators of student engagement and contribution to QEP student learning outcomes

QEP indicators: bringing knowledge and training to bear on societal issues
QEP indicators: appreciation of diverse perspectives on issues
QEP indicators: development of commitment to social responsibility
Student satisfaction with advising

\$130,000 distributed based on narrative evidence of unit productivity and academic quality initiatives

Program curricular innovation
Implementation of new +2 programs
Service learning, internationalization and critical thinking courses

\$100,000 yet to be allocated for WKUSES participation rates and trends

Academic quality allocation worksheet

	Priority Metrics	Factor Multiplier	Amount Awarded
QEP Process	QEP 1 Factor Scores (Experiential Learning)	1.0	\$ 10,779.73
	QEP 2 Factor Scores (Diversity Experiences)	1.0	6,643.08
	QEP Factor Scores (Civic Experiences)	1.0	3,510.66
QEP Outcomes	Understanding of Major Issues in Society	1.0	\$ 18,631.25
	Ability to Apply Knowledge to Solve Problems	1.0	\$ 17,817.66
	Experience to Appreciate Both Sides of Issues	1.0	\$ 13,702.69
	Awareness of Personal/Social Responsibility	1.0	\$ 26,823.21
Advising	Advising Satisfaction Factor Scores	1.0	\$ 4,691.71
Percent of Total Amount Awarded		50 %	\$100,000.00
WKUSES Participation	Participation Rate Regression(Relative to 50%)	TBD	TBD
	2008 Participation Rate	TBD	TBD
	Department Size	TBD	TBD
Percent of Total Amount Awarded		50 %	\$100,000.00
Total Percent Awarded		100 %	\$200,000.00



Measuring progress, refining the process

Based on specific metrics designed to measure growth/progress over time

Year 1: Establish baseline for growth

Years 2 and 3: Measure growth/progress

We had to determine what to do about those departments that:

1. Didn't grow or show progress
2. Had already seen dramatic gains

Possible models:

~~Lake Wobegon~~

Happy face

Carrot and stick

Tried to accommodate prior increases and build commitment to the process

Serious rewards for serious work

Summary of initial allocations

Priority Area	Minimum Reward	Maximum Reward	Average Reward	Median Reward
Academic productivity	12.82	64,011.00	10,909.08	7,251.53
Academic support	3,000.00	70,000.00	20,000.00	9,000.00
Academic quality	-4281.29*	9,564.23*	2655.47*	2829.48*
Total allocation (AP+AQ)	833.73*	65,089.38*	15,891.84*	13,695.04*

* Includes only quantitative data on QEP outcomes (\$100,000)

Number of units receiving allocations: AP – 55; AS – 12; AQ - 37

Issues in developing a rewards template

In designing a model that works for your institution, you should consider:

What are your institution's core values?

What are the internal and external forces and factors impacting you?

How can you best institutionalize civic engagement or other priorities?

Where are the win-win negotiables ?

What and where are the resources you can mobilize?

What aspects of your funding model can you leverage to get them?

How can you measure progress and reward success?

How can you reward departments and colleges ?

What are the critical support units that should be recognized?

Which allocation model works best for you?

How will you reassess process?

Recommendations

Focus on process

New enrollments → Additional tuition revenue
Additional tuition → New opportunities

'Base +' concept: sustain base funding and generate new dollars to meet additional priority needs

Gets around competing needs and avoids the zero-sum game
Gives individual units ownership and control
Creates win/win scenarios – growth and quality are complementary

Use measurable criteria that reflect true priorities

Design metrics to reward continuous improvement
Recognize there is no perfect metric or model

Value creative thinking and think BIG !

