



Labor and Public Employees Committee

March 12, 2015

Re: Senate Bill 6919, *An Act Concerning Outcomes-based Financing*

Testimony of

Michael Bailey, Executive Director

University of Connecticut – American Association of University Professors (UConn-AAUP)

Senator Winfield, Representative Tercyak, and members of the Labor and Public Employees Committee, my name is Michael Bailey and I am the Executive Director of the UConn-AAUP. UConn-AAUP is the bargaining representative for the 2500 faculty and unit members at the Storrs and regional campuses of the University of Connecticut (UConn).

I am submitting testimony today with two concerns regarding the establishment of a task force to develop a strategic outcomes-based plan for financing higher education.

First, although many states are continuing to adopt performance-based metrics as a way of pursuing better performance and increasing institutional efficiency of the appropriated dollars, many studies do not confirm that efficiencies and performance are realized.

Initially, funding was tied to a bonus appropriations when certain criteria were met. Such indicators were student retention, graduation rates and job placement. Recently, performance-based funding has been associated with base appropriation and in larger and larger amounts.

As has been pointed out in a study by Hans Lahr¹, this type of funding produces unintended consequences. The most commonly cited are restrictions in admissions to community colleges, a weakening of academic standards and institutional cooperation, and unreimbursed costs of complying with performance funding demands.

Secondly, the AAUP is concerned with the composition of the task force. The absence of a faculty voice on the committee, one of the primary stakeholders benefiting from the funding, is glaring. Many faculty are concerned that the emphasis on criteria such as retention and graduation rates will lead to a “watering down” of course materials in an effort to promote student success to attain more funding.

There is also a concern that one set of criteria will be used for all schools regardless of their different missions, so that some schools will never reach the performance-funding source, or only receive a relatively small amount. This has clearly been the case at Wayne State University, a RU/VH: Research Universities (very high research activity.) The metrics in the Michigan performance-based formula of total degrees and institutional expenditures prevents Wayne State from accessing additional funding due to their heavy research emphasis. Very similar to the UConn mission.

I would be happy to answer any questions on this matter.

¹ Lahr, Hans. Unintended Impacts of Performance Funding on Community Colleges and Universities in Three States. Working paper no. 78. New York: Community College Research Center, Columbia University, 2014. Print.