



State of Connecticut

The Connecticut General Assembly

Task Force Concerning Outcomes-Based Financing

LEGISLATIVE OFFICE BUILDING, ROOM 1800

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Co-Chairpersons

Roberta Willis, State Representative

Susan Weisselberg, Deputy Secretary, Office of Policy and Management

Meeting Minutes

Friday, September 18, 2015

10:00 A.M. in Room 1D of the LOB

The meeting was called to order by Roberta Willis at 10:13 a.m.

The following task force members/designees were present: Katherine Marsland, Estela Lopez, Kerry Kelley, Sally Reis, Rich Schwab, Carl Lovitt, Anna Wasescha, Ed Klonoski, Jennifer Widness, Judith Resnick, and Roberta, Willis.

Roberta Willis welcomed the members/designees.

Introductions were made.

Roberta Willis went over items in the packets that were provided for members.

Dennis Jones, President, National Center for Higher Education Management Systems (NCHEMS) gave a [presentation](#).

Rich Schwab asked where in NCHEMS' model is the quality of the degree.

Dennis Jones replied that we will get there and that the Planning Commission was explicit about that. He went on to say that if you look at their report there are a couple of pages devoted to quality assurance.

Kate Marsland asked if the business community should be depicted as a potential funding stream.

Ed Klonoski said it is about \$21 billion annually compared to about \$35 billion for Pell.

Dennis Jones indicated that would create another box on the slide because most of that money flows through students as tuition reimbursement, internships etc.

Kate Marsland said she is concerned about the four to six year lag time between onset of matriculation and entry into the workforce, and asked how would we know what the anticipated workforce needs are.

Dennis Jones responded that the secret is to put not too fine a point on it. He went on to say that you start with the idea that all degrees are workforce degrees and have value. Dennis continued that health professions generally are important; in some states STEM is important. He suggested not projecting too specifically.

Kate Marsland stated that it would be interesting to look at what skill sets cut across all sectors.

Estela Lopez asked to broaden the statement of workforce needs to societal needs.

Dennis Jones continued his presentation.

Aims McGuinness asked Dennis to give an example of enacting as a program versus expressing it as an incentive.

Dennis Jones replied that in Florida the legislature said every freshman has to write 4,500 words as part of the freshman experience, which is different from saying every freshman has to be able to exhibit certain kinds of capabilities, and we will pay for that.

Estela Lopez asked if Dennis could point out one or two states that are doing a good job moving ahead with performance based funding.

Sally Reis asked for those states that have assessment data over a few years.

Dennis Jones responded that the oldest model is in Tennessee and goes back five years.

Sally Reis said that she thought that Texas had a model that started in 2008 or 2009 and that they were going to have an evaluation done in 2015.

Dennis Jones replied that they had a set of goals and that the only part of Texas that has a performance funding model is the Texas state technical colleges. He went on to say that they are paid on the calculated contribution to the Texas economy. Dennis continued that Tennessee has had two governors in a row who have pushed hard on an attainment agenda, they have also done a good job lining up state policy with that goal, so it's not just funding, which they have done more aggressively than any other state, but they've done good articulation and transfer.

Aims McGuinness shared that the difference between states that have adopted outcomes based funding as basically pasting it on to the other dimensions of financing without really thinking about it versus the states that have really looked at the intentionality of state financing over a period of time. He continued that in Connecticut we need to continue thinking about outcomes based funding, but to think of it in the terms of the components that Dennis described and it is a long journey, it is not something done instantaneously.

Estela Lopez commented that she remembers Tennessee was ahead of the game of looking at assessments 20 years ago.

Kate Marsland asked how Tennessee is doing with alignment with K-12.

Dennis Jones responded that they are getting there.

Kate Marsland asked if there are any states that are good role models that the task force might look at.

Aims McGuinness replied that Kentucky stands out on that issue more than other states. He continued that you then have to raise the question – is finance policy reinforcing what is being done at a very high level on the connection with K-12. Aims stated that the incentive structure and the financing are not there.

Rich Schwab said that the net effect of Tennessee's over emphasis on assessment and tracking their teachers and looking at teacher performance is that what they've done is drive all the really bright teachers to the schools where the upper SES kids are because the challenges to increase scores are less. He continued that when we design outcomes we have to look at what our effect is on the overall goals of the state. Rich stated that one of his biggest concerns is that if we try to make numbers for everything we'll look more efficient if we graduate a teacher in four years, but we have data that shows that teachers who have that extra time enter higher, stay longer and have a greater impact on our students. He went on to say that he's also hearing that there is no research that has been done on these models that shows that this improves outcomes.

Dennis Jones stated that there is research that is just about completed and there is research in the State of Washington that doesn't get to the quality piece, but it does get to the piece that says that with regard to underprepared students, more of them get further into education and succeed under the financial model they put in place than before.

Aims McGuinness made a comment about a saying that because there is no research, that we shouldn't do anything. He went on to say that NCHEMS is one of the leaders on assessment of student learning. Aims continued that one thing they discovered was that getting states involved directly in the assessment of student learning did not work, that it was more important to look at the characteristics of institutions that contribute to student learning. Aims continued that state policy rarely directly affects faculty behavior; it affects the leadership of institutions. He added that what the Tennessee experience shows is that at the higher ed level that the details of the state level program empowered good presidential leadership and that these programs ought to be designed not to get down into the minutia, you ought to design them in a way that they empower the institutional leadership.

Kate Marsland said that she also hears NCHEMS saying that in addition to leadership you are talking about the culture and climate.

Dennis Jones continued his presentation.

Sally Reis stated that she thinks the angst of everyone in the room is related to new money and allocation of existing funds and the different standards for different missions.

Dennis Jones stated that was why this was put explicitly on the table; NCHEMS has been through this before.

Kate Marsland asked if both process and outcome would be evaluated.

Dennis Jones replied that part of that is being done by the [Planning Commission for Higher Education](#) via an annual report. He commented that the Planning Commission is addressing the outcomes portion, but not the process portion. Dennis continued NCEHMS' presentation.

Kate Marsland asked about articulation with the receiving institution.

Dennis Jones answered that in places like Tennessee, the numbers go up because when a student crosses the 60 credit bar, regardless of where they come from, that institution gets credit. He went on to say that students who come in with half of their program already done, the institution gets full credit for that degree. Dennis continued NCHEMS' presentation.

Roberta Willis thanked Dennis for his presentation and commented that financially it's been a tough year in Connecticut for higher education, but that she will continue to advocate for the State to do more for higher education.

Dennis Jones discussed the process for the task force.

Kerry Kelley suggested that it would be helpful to have a greater explanation of how the current funding process works, how state appropriations are made and what they include, and how block grants are calculated – how they are apportioned. She also said that fringe benefits are an area that is under-examined, which is a significant cost driver, also the bond authorization. Kerry suggested at a future meeting to have a presentation on all of those.

Estela Lopez said that she really appreciates the design principals.

Sally Reis thinks it's a broader issue of process. She commented that she doesn't know if the task force members are voting or trying to come to an agreement and said it would be helpful to know that information.

Roberta Willis responded that it can be something that the group decides to vote on; she went on to say that she tends to operate very loosely. Roberta said that as far as expectations are concerned, it's contingent upon how far the task force gets and what kind of consensus we get. She continued that in order for this to work the stakeholders need to feel comfortable, included and part of the conversation. Roberta asked Dennis if he could get numbers showing where Connecticut is today, so the taskforce members will know where they are working from.

Dennis Jones responded that between the work the HECC is going to come out with on October 5th and some work the NCHEMS will do updating some of the metrics that originally drove the plan; the intent is for that to be part of the conversation at the next Planning Commission meeting.

Aims McGuinness commented that he thought Roberta asked something different. He asked Roberta if she was also talking about getting basic information similar to Kerry's point, of what the current financing is.

Roberta Willis responded that she'd like both. She went on to say that if they could have numbers on the criteria from yesterday's Planning Commission meeting and share them with this task force both groups will be operating with the same numbers.

Ed Klonoski commented that if we do outcomes based funding and it's a rolling number it's very hard for institutions to focus and they end up going into survival mode. He went on to say that the consistency of funding, positive and negative, need to be carved in stone.

Roberta Willis replied that conversation is happening.

Jen Widness said that another pill that will be hard to swallow will be new money going to private colleges and suggested it would be helpful to hear how other states are handling that situation.

Roberta Willis thanked Jen for raising that issue because private and independent colleges are a critical element for what they are doing.

The next meeting will be Friday, October 30th at 10:00 a.m.

The meeting was adjourned at 11:55 a.m.