Update on Productivity Funding Model for Arkansas Public Higher Education

Presented to the Higher Education Sub-Committee of the Arkansas Legislative Council
December 14, 2016

KEY POINTS

The productivity funding model is a student-centered, outcomes-based model. The model has been developed to support the master plan goals for higher education in Arkansas, which include increasing completion and graduation rates, increasing enrollment of adult and underserved groups in the state, and improving affordability for students.

Strengths of the Model:

- Aligns funding with state priorities and sets realistic funding goals
- Encourages accountability to students and policymakers
- Encourages efficiencies in spending but leaves spending allocation decisions to the institutions
- Allows for stability in funding from year to year
- Individual institutional missions are recognized
- Student Centered Design
- Encourages institutions to collaborate to reduce transfer barriers

PROGRESS & NEXT STEPS

- The funding formula workgroup met yesterday (December 13th), and will continue to meet monthly until the implementation of the funding formula. ADHE will continue to update state officials and the higher education community as progress is made towards finalizing the funding formula policy.
- ADHE will pursue legislative changes during the Regular Session to implement the new funding model.
- Pending approval of legislative changes to funding formula code, ADHE will present the productivity-based funding model policy document to the Arkansas Higher Education Coordinating Board (AHECB) in April 2017 to begin the policy adoption process.
- ADHE will present the final Productivity Funding Model Policy in October 2017 to the Arkansas Higher Education Coordinating Board (AHECB) for approval and adoption. ADHE will also make recommendations for funding based on the new model to be considered in the 2018 Fiscal session.

FUNDING MODEL LEGISLATION

ADHE is working with the Bureau of Legislative Research (BLR) and the Attorney General to draft legislation to be presented in the biennial session. The goal of this legislation will be to concisely cover the intent of the model, while leaving formula details to be articulated in the policy document.