

WISCAPE



Wisconsin Center for the Advancement of Postsecondary Education

Financial Incentives for Institutions and Individuals:

Survey Findings from the Midwest and the Nation

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Main Inquiry

- Preliminary investigation of state performance funding and student incentives to completion
- Question: Tell us what you know about financial incentive structures within your state/institution.

Methodology

Two online surveys sent to PSE leaders

1) *Performance-Based Budgets (PBB)*

sample: 51 SHEEOs nationwide

2) *Degree-Completion Incentives (DCI)*

sample: 917 campus CFOs in MHEC region

PBBs Nationwide

N = 39 Respondents

- 15 reported a PBB under development
 - PBB or performance funding: a portion of state funding tied to performance rather than enrollment (1-7%)
 - 10 came from states with no current PBBs
- Proposals are appearing in all state-level bodies
- Multiple performance indicators used
 - Most common feature: completion rates
 - Others:

PBBs Nationwide

N = 39 Respondents

- Most reported no knowledge of PBBs in use or under development
 - None current = 27, None developing = 21
- PBBs tend to be well established (5-10 yrs)
- Most common feature:
Appropriations based on completion rates
 - However, most further responded that a series of criteria is used rather than just one.

DCIs in MHEEC Region

N = 52 Respondents

- Large majority reported no knowledge of DCIs in use or under development
 - None current = 44, None developing = 51
- DCIs tend to be well established (5-10 yrs)
- Most common feature:
Costs change beyond 4 years or unit cap.
 - One exception: *Zero costs* beyond 13 units in a term and 4 years if students have been making reasonable progress

Summary

- Emerging trend toward Performance Based Budgeting
 - Trend includes planning and collaboration between system(s), state and campuses
 - Connected to state higher education strategic plan
- More study needed on degree completion incentives
 - Limited findings due to low response rate

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