

# Performance Based Funding: Recommendations for a Vermont Model

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# Review of the data

- Slides 3-6 are a review of the data presented at our July meeting



# Process

- Met with VSC reps to develop a common approach:
  - Use most direct interpretation possible
  - Use existing, publically available data sources where available
  - Use national definitions and reporting standards
  - Use common years/time frames
  - Use sources with reliable and reasonable benchmark data where possible
- Data organized into three groups:
  - Student Costs, Loan Debt, and Instructional Expenditures
  - Persistence and Completion
  - Degrees Awarded and “Access to Success”



# Student Costs, Loan Debt, and Instructional Expenditures

|  | <u>Vermonters</u>   | <u>Out-of-State</u>   |  |
|--|---|---|--|
| <b><u>Net Cost of Attendance</u></b>   |   |   |  |
| 1. Net cost of attendance after all non-loan financial aid FY14<br>(average, tuition/fees/room/board minus all gift aid,<br>including tuition remission and athletic grants) | \$16,655  | \$33,057  |  |
| <b><u>Student Aid</u></b>  |   |   |  |
| 2. Average amount of financial aid awarded FY14<br>(all gift aid including tuition remission and athletic grants,<br>excludes loans and work study)                          | \$9,465<br>(37% discount)   | \$13,991<br>(30% discount)  |  |
|  | <u>Vermonters</u>   | <u>Out-of State</u>   | <u>National Average</u>                |
| <b><u>Student Loan Debt</u></b>  |   |   |  |
| 3. Average debt upon graduation<br>(median student loan debt,<br>undergraduates, FY14)   | \$21,475<br>(those with student loans)                                  | \$26,000<br>(those with student loans)                                  | \$28,400<br>(those with student loans) |
|  | \$14,733<br>(inc. those without loans)<br>29% without student loan debt | \$11,787<br>(inc. those without loans)<br>44% without student loan debt |  |
| <i>National average obtained from the Project on Student Debt (2013)</i>   |   |   |  |
| <b><u>Institutional Expenditures</u></b>   |   |   |  |
| 4. Actual cost of instruction (instructional<br>expenditures from IPEDS, includes<br>graduate and undergraduate programs, FY13)  |   | \$194,667,000   |  |
| Instructional + Academic Support + Student Services<br>Expenditures  |   | \$300,573,000   |  |



# Persistence and Completion

|   | <u>Vermonters</u> | <u>Out-of-State</u> | <u>UVM Total</u> | <u>Public Research</u> |
|---|-------------------|---------------------|------------------|------------------------|
| <b><u>Persistence</u></b>   |                   |                     |                  |                        |
| 5. Retention Rate (Fall 2013-14 FTFY cohort)<br><i>Percentage of first-time, first year degree seeking students who enrolled the following fall</i>               | 92%               | 85%                 | 87%              | 83%                    |
| <b><u>Completion</u></b>  |                   |                     |                  |                        |
| 6. Four-Year Graduation Rate (Fall 2010 FTFY Cohort)<br><i>Percentage of first-time, first-year degree seeking students who completed a degree within 4 years</i> | 64%               | 61%                 | 62%              | 37%                    |
| Six-Year Graduation Rate (Fall 2008 cohort)<br><i>Fall 2007 cohort (most recent available for public research average)</i>  | 81%               | 73%                 | 75%              | 62%                    |



# Degrees Awarded and “Access to Success”

|  | <u>Vermonters</u>        | <u>Out-of-State</u>   | <u>Total</u>     |
|--|--------------------------|-----------------------|------------------|
| <b><u>“Access to Success”</u></b>  |                          |                       |                  |
| 7. Number of first generation students earning degree<br>(undergraduate only, 2014-15)             | 264                      | 205                   | 469              |
| 8. Number of Pell recipients earning a degree<br>(undergraduate only, 2014-15, Pell in first term) | 235                      | 243                   | 478              |
| 9. Number of ALANA students earning a degree<br>(undergraduate only, 2014-15)                      | 67                       | 146                   | 213              |
| <b><u>Vermont Strong</u></b>   |                          |                       |                  |
| 10. Vermont Strong Engineering and Computer<br>Science Degrees Awarded (2013-14)                   | <u>Bachelor’s</u><br>152 | <u>Master’s</u><br>18 | <u>PhD</u><br>11 |

*Pell and First Generation Breakdown (Vermonters earning a bachelor’s degree)*

*119 both Pell and first generation*

*145 first generation only*

*116 Pell only*



# University of Vermont's Recommendations for a performance based funding model



# Guiding Principles

- Recognize that we are a state that underfunds higher education
- Degree obtainment for Vermonters is critical
- Measuring student success helps us quantify return on investment
- We should incent our schools to be talent magnets and encourage in-state residents and out-of-state students to work in Vermont post graduation
- We have rich traditions of differential missions within our institutions which should be recognized
- Access and support of students should always be our shared goal





# Relevant Criteria

1. Use new money and/or a bonus system
2. Incorporate timely completion to degree, using all degree levels
3. High-Value certificates should be included as a counted category
4. Include a category for persistence
5. Add a measure that counts percentage of job placement in Vermont one year post-graduation
6. Track cohort default rates
7. Provide a measure for research enterprise
8. Bonus award for number of private dollars raised that support state priorities
9. Incorporate a measure of effort to provide non-state dollars to scholarships for Vermonters



# Use New Money or a bonus system

- Eight states use new money only within performance based funding models
- Vermont is 49<sup>th</sup> in the nation for higher education funding. We cannot afford to lose existing resources at institutions.
- New money or bonuses can serve as an incentive to achieve increased performance



Incorporate timely  
completion to degree



# UVM Degrees Awarded by Level & Residence, 2009-2015

| Completion Year | Undergraduate |              |       | Masters  |              |     | Doctorate |              |     | Medical  |              |     | All Levels |              |       |
|-----------------|---------------|--------------|-------|----------|--------------|-----|-----------|--------------|-----|----------|--------------|-----|------------|--------------|-------|
|                 | In-State      | Out-of-State | All   | In-State | Out-of-State | All | In-State  | Out-of-State | All | In-State | Out-of-State | All | In-State   | Out-of-State | All   |
| <b>2009-10</b>  | 866           | 1,475        | 2,341 | 248      | 125          | 373 | 43        | 62           | 105 | 32       | 76           | 108 | 1,189      | 1,738        | 2,927 |
| <b>2010-11</b>  | 877           | 1,545        | 2,422 | 247      | 143          | 390 | 34        | 63           | 97  | 38       | 73           | 111 | 1,196      | 1,824        | 3,020 |
| <b>2011-12</b>  | 882           | 1,624        | 2,506 | 246      | 179          | 425 | 29        | 64           | 93  | 35       | 79           | 114 | 1,192      | 1,946        | 3,138 |
| <b>2012-13</b>  | 862           | 1,704        | 2,566 | 259      | 179          | 438 | 50        | 72           | 122 | 24       | 82           | 106 | 1,195      | 2,037        | 3,232 |
| <b>2013-14</b>  | 808           | 1,511        | 2,319 | 177      | 151          | 328 | 34        | 77           | 111 | 33       | 76           | 109 | 1,052      | 1,815        | 2,867 |
| <b>2014-15</b>  | 834           | 1,506        | 2,340 | 223      | 139          | 362 | 45        | 66           | 111 | 34       | 79           | 113 | 1,136      | 1,790        | 2,926 |



# High-value certificates should be included as a counted category

| Completion Year | Academic Certificates Awarded |              |     |
|-----------------|-------------------------------|--------------|-----|
|                 | In-State                      | Out-of-State | All |
| 2014-15         | 122                           | 59           | 181 |



# Include a measurement of persistence

- Persistence is the single most accurate and important indicator of timely completion
- Degree completion is important, but it is a lagging indicator. We should want to be able to measure progress to degree.



Add a measure that  
tracks and counts  
percentage of job  
placement one year  
post graduation



# Job Placement Rates Among UVM Graduates

|  | <b>2013-14<br/>Graduates</b> |
|--|------------------------------|
| <b>Percent employed or enrolled in graduate school 1-year after graduation</b> | 91%                          |
| <b><i>Of those employed*:</i></b>  |                              |
| <b>Percent employed in Vermont</b>   | 44%                          |
| <b>Percent of Vermonter graduates employed in Vermont</b>                      | 64%                          |
| <b>Percent of Out-of-State graduates employed in Vermont</b>                   | 33%                          |

\* Overall employment/success rates are weighted by gender and college/school to compensate for uneven participation rates. Further breakdown of these rates are not weighted and may have higher variability based on participation rates and sample sizes.





# Track cohort default rates as a measure of return on investment and student success

| <b>3-Year Cohort<br/>Default Rate</b> | <b>UVM</b> | <b>National Average</b> |
|---------------------------------------|------------|-------------------------|
| FY 2012                               | 3.7%       | 11.8%                   |



# UVM's Research Enterprise – a return on investment for Vermont



# UVM's State Appropriation FY 15

\$42.7 million to support:

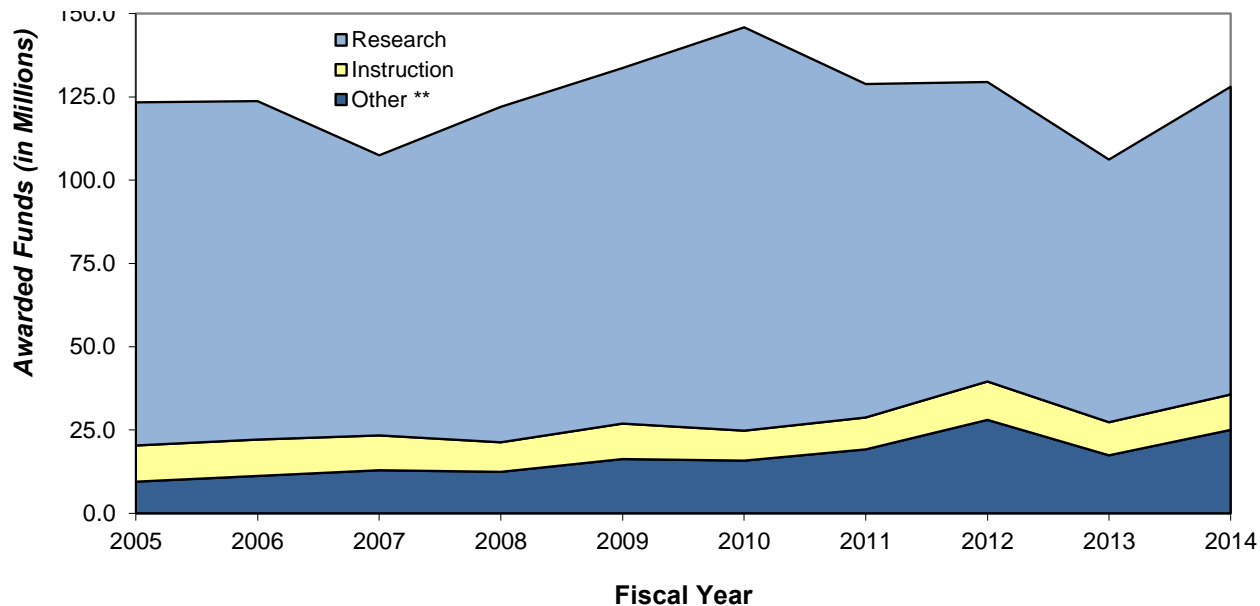
- Access and Tuition Subsidy for Vermonters
- Agricultural and Extension Services
- Medical Education
- Vermont Package, EPSCoR Match



# Extramural Funding (Research and Training Grants)

## ***Sponsored Project Awards By Purpose \****

Sponsored Project Awards - totaling \$128,037,677 in FY 2014 - represent a significant source of total current operating revenues. Awards are funds officially set aside for payment by the sponsor. Payment may occur outside of the fiscal period in which funds are awarded.



\*Includes facilities and administrative cost reimbursements. Does not include endowment commitments classified as restricted.

\*\*Includes public service, extension, general institutional, financial aid and fellowship awards.



# UVM Research and Commercialization: Vermont's Economic and Innovation Engine

| OTC Performance By Fiscal Year                           | FY11         | FY12         | FY13         | FY14         | FY15         |
|--|--------------|--------------|--------------|--------------|--------------|
| New Invention Disclosures                                | 33           | 49           | 29           | 46           | 39           |
| US Provisional Application filings                       | 17           | 18           | 20           | 6            | 15           |
| US Non-Provisional Application filings                   | 10           | 11           | 13           | 13           | 7            |
| PCT Application filings                                  | 1            | 7            | 9            | 11           | 3            |
| Foreign Application filings                              | 6            | 2            | 0            | 2            | 7            |
| New US Patents Granted                                   | 14(3)        | 7(3)         | 10           | 13           | 7            |
| Options & Licenses executed                              | 6            | 7            | 3            | 2            | 6            |
| Spin-Off Companies formed                                | 2            | 1            | 3            | 0            | 4            |
| Gross Revenue (Royalties + Patent Expense Reimbursement) | \$431,176.40 | \$418,048.04 | \$439,101.78 | \$526,921.00 | \$630,270.00 |

| OTC Portfolio Snapshot                           | FY11 | FY12 | FY13 | FY14 | FY15 |
|--|------|------|------|------|------|
| Running Total of US Patents Issued               | 109  | 116  | 133  | 146  | 153  |
| Running Total of Licenses in Force               | 43   | 45   | 44   | 46   | 47   |
| Total No. of Companies created since 2000        | 13   | 14   | 17   | 17   | 21   |
| Total No. of Companies in which UVM holds equity | 13   | 13   | 14   | 14   | 15   |



# Bonus award for private dollars raised

- Must support state priorities such as:
  - STEM
  - Scholarships for Vermont Students
  - Agriculture Initiatives

Pennsylvania currently includes this metric in its performance based funding model



# Measure of effort to provide institutional dollars to Vermont Scholarships

- Independent of state appropriation
- The University of Vermont began the Vermont Pell Initiative in 2008. UVM is committed to ensuring all Pell eligible Vermont residents who qualify, can attend UVM tuition free. UVM provides institutional grant dollars to meet this cost of tuition for our state residents.



# Questions and Discussion

