

# LEVERAGING OUTCOMES-BASED FUNDING TO SUPPORT EQUITY

## MODULE 4.4 Institutional Response by Administrative Position

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**THE OBF EQUITY TOOLKIT** provides practical lessons on how states, systems, and institutions work to address equity in the development and implementation of OBF policy. Broken into four Series focused on equity challenges in distinct phases of the OBF policy process, the Toolkit contains short, individual modules that focus on specific topics and provide lessons learned and recommendations for policymakers and institutional leaders to consider. Content is derived from in-depth study of six states (Tennessee, Indiana, Ohio, New Mexico, Oregon, and Kentucky) and 13 institutions in them. See the Research Methods section of the Overview for more information.

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### Module Goals

This module addresses equity at the institutional and student level as outlined in our OBF Equity Overview. It provides policymakers and institutional leaders insights into how individuals occupying different administrative and academic positions at open-access institutions responded to OBF. It will help policymakers and institutional leaders consider:

- How every decision made at institutions that enroll a large percentage of underserved students has an equity implication.
- How institutional leaders and administrators have changed institutional practices to more concretely focus on completion.
- Challenges that open-access institutions face when responding to OBF.

### EQUITY CHALLENGE

#### Understanding how leaders of open-access institutions respond to OBF

Leadership matters. Institutional leaders and administrators make decisions that impact the student experience and, in turn, student success.

The following lessons are drawn from interviews with institutional leaders and administrators at 13 open-access two- and four-year public institutions in six states. Decisions made by these institutional leaders and administrators may not be specifically made with underserved students in mind, but they undoubtedly affect the experiences of these students because they comprise a large part of the student body. For example, under-represented minoritized students comprised 85% of the student population at one of the universities included in this study, and 71% received Pell grants. Because these institutions serve high-need populations, all changes made at these institutions have an important influence on equity.

## LESSONS FROM THE FIELD

Institutional response to OBF is dependent on many factors including policy design, policy fluency, and institutional resources and capacity (Modules in Series 2 and 3 provide more detail on many of these dynamics.) Institutions have limited control over many of these factors; however, leaders and administrators can use their decision-making power to focus more concretely on completion. Through interviews with 115 institutional leaders and administrators, the following responses and challenges emerged.

### Presidents

Nine out of 11 presidents interviewed reported that they were changing institutional practices in response to OBF. Strategies they reported include:

**Aligning strategic plans to OBF.** Presidents commonly reported aligning student success metrics identified in strategic plans to the state's OBF metrics. One president explained, "We had a variety of student success measures in our strategic plan at one time, and then we collapsed them all under the state performance-based funding formula...So, yes, it's all aligned. We've definitely aligned with the performance-based funding."

**Focusing conversations more concretely on completion and using different approaches with faculty and staff.** In aligning strategic plans to OBF, presidents increasingly promoted a completion agenda. However, not all presidents were explicit in linking completion to the funding formula, particularly when speaking to faculty members. . One president explained, "I hardly ever talk about the funding formula [to faculty]. And I don't because I don't want people focused on graduation because it brings in dollars. Because once you do that, your faculty will not even have the conversation with you." Some presidents reported being more direct with administrators. For example, one said "I get in touch the VP in that area and say, 'Let's just look at this from a selfish point of view. We want this adult to graduate because we're going to get more money if she does.'"

### Chief academic officers

Ten out of 13 chief academic officers said that OBF influenced their decision-making. They reported:

**Improving services for student populations targeted in their state's OBF policy.** CAOs at open-access institutions expressed a long-standing commitment to underserved students, but also reported that OBF heightened their focus on student groups targeted in their state's OBF policy. A CAO in a state that prioritizes underrepresented minority students reported doing "a better job of connecting those students with faculty and staff mentors," creating a Black student union, and offering more targeted leadership opportunities for underrepresented students.

**Offering faculty professional development focused on serving underrepresented minority students.** Some institutions offered professional development opportunities to promote multicultural inclusiveness and educate faculty about systemic disparities. Others encouraged instructors to examine their class pass rates for equity gaps.

**Revising developmental education to better serve underprepared students and streamlining degree requirements to facilitate on-time completion.** CAOs report changes such as adopting multiple measures for placement into college-level courses, adding corequisite remediation, and better aligning math requirements to majors to better serve students who are not quite college-ready. CAOs also reported standardizing credit units and removing unnecessary barriers, such as required minors, to encourage completion in two or four years. Many times, these changes were a direct response to OBF, other times

these changes were in response to other reforms but helped the institution be successful in their state's OBF policy.

**Challenges in sustaining student success supports.** Many under-resourced institutions rely on funding from specialized federal or foundation grants to fund student success supports such as tutoring centers. This type of funding is less predictable and often temporary. One leader explained, "I would like to see more funding in the budget dedicated to student success. We've been successful at using grants to help us achieve our goals, but as those grants end, we need to be able to roll that into the budget."

### Chief financial officers

Nine out of 13 CFOs reported that their state's OBF policy influenced their decision-making. They report:

**Institutional response to OBF was highly influenced by whether the institution was experiencing an overall growth or decline in resources.** At institutions with declining state funding and/or declining enrollment, CFOs reported strategically cutting budgets, often avoiding cutting areas that could negatively affect their performance in their state's OBF policy. In states that implemented OBF with a surge of new state money, or at institutions with increasing tuition revenue, CFOs reported investing new dollars in student success efforts. In these cases, CFOs increased funding for wrap-around services, advising, tutoring, retention efforts, career services, and/or faculty professional development. CFOs also reported investing more student success resources in satellite campuses serving a high proportion of underrepresented students.

**Shifting staff positions to bolster advising, retention, tutoring, and STEM programs and supports.** CFOs reported offering retirement incentives and shifting positions through attrition to accomplish this goal. Sometimes shifts between old and new positions were drastic, as one CFO explained: "For this last budget cycle, we have about 63 positions that are being eliminated. Almost all of those were vacant positions. With those investments, though, we're going to be adding about 42 positions," primarily in STEM and health programs prioritized in their states OBF policy.

**Using OBF-related budget gains and losses to motivate colleagues to focus on completion.** Some CFOs reported leveraging OBF as part of an argument to accelerate institutional efforts. One CFO explained how he communicated OBF losses to colleagues: "I tell them we lost a million dollars one year, and it takes an entire university to change this dynamic. Not just the budget folks. Not just the career planning people, but it actually takes faculty tuned in to this."

**More resources were needed to fully support underserved or academically underprepared students but they could not identify a specific dollar amount.** CFOs reported that state premiums for underserved student success included in OBF policies were not high enough to cover the cost of the additional supports underserved students need to complete. One CFO explained the root of this additional cost, saying, "Generally, underserved populations need more advising, tutoring, and...support". However, when asked what amount would cover this additional cost, CFOs could not identify a specific dollar amount.

### Government relations professionals

All government relations professionals interviewed reported involvement in OBF policy development or institutional understanding of the policy. They reported:

**Heavy involvement in the formula development and refinement process.** At institutions with enough resources to have a full-time government relations executive, these leaders reported working closely with state policymakers to create OBF policies. They stressed the importance of developing and leveraging political relationships to advocate for an advantageous formula. Government relations professionals say this work is continuous, and they are always looking ahead to make future recommendations.

**Explaining the funding formula and its impact on their institution arose as a major challenge.** As the primary liaisons between institutions and policymakers, government relations staff are responsible for communicating the impact of OBF policies. One government relations professional explained the challenge of explaining complex formulas in this way: “[As] the lead advocate for the university over at the State House, it’s been pretty frustrating explaining the complexity of [the OBF formula].” He went on to describe the added challenge of explaining institutional performance in relation to the policy, stating, “It’s really easy to say, ‘Oh look, this university is doing so much better than that university’, and I could easily chew up an hour trying to walk individuals through the historic differences between institutions and how that would impact the performance funding results.”

### Financial aid administrators

All financial aid administrators interviewed said that OBF shifted their award strategies. They reported:

**Shifting financial aid policies to focus on completion rather than recruitment.** In the past, financial aid strategies often focused on bringing students in the door; however, financial aid administrators reported a shift toward more support for students close to graduation. One financial aid administrator explained that OBF “has really forced us to focus on the student... and [it] forces us to create initiatives to try to retain students and graduate them.”

**Targeting more dollars to students identified as underserved in state OBF policy.** One professional described a strategic shift in scholarship awards: “The last ten years have been focused on merit scholarships to increase the size and profile of the student body. Now we’ve re-positioned ourselves in the market enough that we’re a known entity and can start to shift some of those dollars towards need-based programs.” Another institution reported having a financial aid administrator hold drop-in hours in the tutoring center to try to reach out to more low-income students.

### Student affairs and student success

Seven out of 12 institutions had student affairs and success professionals say that OBF influenced their efforts to support students. They reported:

**Increasing supports for students, most frequently in their first year.** New supports included summer bridge programs, freshmen learning communities, first year experiences, supplemental instruction and intrusive advising.

**Experimenting with innovative practices.** Institutions were engaging in new approaches to improving completion such as college readiness refresher courses for adults, cross training academic advisors and financial aid officers, and creating new on-campus employment opportunities to increase student engagement.

### Institutional researchers

Six of 11 institutional researchers said that OBF influenced their institutions’ data evaluation capacity. They reported:

**Wide variation in staffing and capacity.** Some IR offices reported using sophisticated data analysis tools to track students and provide detailed information to guide decision making. Other offices were growing, adding staff, data dashboards, and data analysis tools. However, IR offices at smaller, under-resourced institutions reported a lack of staff or resource capacity to do much beyond basic IPEDS reporting. This limited their campus’ ability to inform decision making and implement targeted student success reforms.

**Using more nuanced/incremental tracking of student progress, and breaking students into subgroups of target populations like Pell eligibility.** Institutional researchers widely reported becoming more “data savvy” as a response to OBF. In addition to paying more attention to student progression by “literally counting the number of students who progressed to 12 hours”, some IR professionals are tracking progress within courses. One institutional researcher explained, “I’m down to the level of mapping assignment due dates and test dates to the students’ last dates of attendance. I’m trying to show faculty if there are spikes in the last dates of attendance [that correlate to the assignments they give]”.

**Increasing efforts to disseminate performance data widely.** Multiple institutional researchers reported building dashboards so that faculty, staff, and even those outside the institution could view institutional performance metrics. IR professionals also reported more frequently comparing their own institution’s performance to others.

## THE TAKEAWAY

Interviews from these 13 open-access institutions indicate that administrators are responding to OBF. Responses vary by position. Senior-level staff adjust the strategic direction of their institutions or units, while more mid-level administrators implement specific changes to policies and practices that are designed to increase retention and graduation and reduce equity gaps. The following suggestions can increase the chances that institutions will succeed in achieving these goals.

**Recognize the potential of each administrative position to reduce equity gaps and support student success.** Our interviews with over 100 administrators of varying types indicate that each member of an institution’s administrative team can play a different role in supporting an equity-focused completion agenda.

**Create a coordinated approach to completion across the institution.** Senior administrators respond to OBF by setting strategic goals and direction. They look to those leading financial aid, institutional research, student support services and academic affairs to reflect these priorities in their work. Maintaining a comprehensive and widely-shared focus on improving outcomes for traditionally underserved students increases the likelihood of their success and the success of the institutions that serve them.

**Redirect investments into specific interventions that increase student success.** Institutional leaders of all types report deploying new resources towards advising, developmental education redesign, alert systems, and data analysis. When taken together, these strategies direct resources effectively, increase institutional capacity to track student progress, and support students on the path to completion.