

STATEMENT TO THE NATIONAL COMMISSION ON ACCOUNTABILITY IN HIGHER EDUCATION

Presented by Florida Council for Education Policy, Research & Improvement

Following is a brief history of Florida's encounters with accountability and performance measurement at the postsecondary level and, more recently, with the entire K-20 system. This is presented, not as a model for adoption by all, but in the hope that our experience will be instructive as you pursue your charge.

Florida officially joined the "accountability movement" in 1991 by establishing in statute a mandatory process for the systematic, ongoing evaluation of improvement in the quality and efficiency of the state university and community college systems. Each system would report annually on prescribed performance indicators.

In 1994, the Legislature passed the Government Performance and Accountability Act, a far-reaching initiative that required all state agencies to submit performance based program budgets. "PB²", as the law came to be known, attempted to relate state funding to outcomes on indicators closely associated with an agency's mission. It required state agencies, on a prescribed schedule, to present budget requests to the governor and the legislature, based on the results achieved on an approved list of performance measures. Funding would follow rather than precede results. It appeared that at least a portion of higher education funding would be contingent, either directly or indirectly, upon demonstrated outcomes.

The law treated higher education, which had long been afforded special status and autonomy, the same as other government functions. Yet state policy makers soon learned that higher education was different. The divided nature of state government and academic governance in Florida hampered cohesive leadership on performance budgeting. In addition, the Act's incentives that granted increased autonomy for improved performance meant little to higher education, since public colleges and universities already had much more flexibility in managing budgets and personnel than state agencies. The law set a seven-year schedule for introducing performance based budgeting in each of the state agencies or state funded organizations. The implementation schedule required that the Division of Community Colleges (DCC) submit a performance based budget request in the fall of 1995 for implementation in FY 1996-97. The State University System (SUS) would get its turn the following year.

The colleges began with a limited number of measures that have evolved over time from raw numbers of graduates and transfer students to include enrollment and graduation rates, AA transfers to state universities, placement, the need for remedial (college preparatory) instruction, and performance on the College Level Academic Skills Test (CLAST).

Unlike the initial indicators for the community colleges, those for the state universities, where appropriate, used percentages as well as raw numbers. For example, graduation rates were used rather than the number of degree completers. The outcome measures for instruction included annual earnings of graduates, alumni satisfaction with their education, employers with graduates, licensure exam scores, and degree winners continuing to graduate school. The Instruction, Research, and Service categories each had an indicator on the economic impact of SUS institutions on the community and the state. The output items for instruction ranged from the number of degrees and credit hours to graduation rates for

native and transfer students. Those for research ranged from the number of patents, copyrights, and scholarly publications to the dollar volume of sponsored research. The SUS experimentation with the incentive funding component of PB² was short-lived, lasting from 1997-98 to 1999-2000. The initial incentive-based appropriation under PB² was \$3.3 million, a miniscule 0.2 percent of the \$1.7 billion SUS state budget.

Were there improvements following enactment of the performance funding initiative? Research related to the community colleges, for example, found that in 2000-01, AA graduates represented 26.4 percent of full-time equivalent enrollment in Advanced and Professional courses, up from the 24.8 percent they represented in 1996-97. Further, AA degree graduates with fewer than 13 “excess hours” accounted for 34.7 percent of all AA graduates in 2000-01, up slightly from the 33.3 percent they represented in 1996-97. Are these incremental increases attributable to performance funding, better data, institutional policy modifications, or the sweeping articulation and time-to-degree legislation passed in 1995?

The answer is probably “all the above” but the answer one chooses probably does not matter. Why? Because the incentive funding for Florida’s community colleges still bears a much stronger relationship to enrollment than it does to performance. An examination of the relationship between community colleges’ share of PB² incentive funds and their appropriation share under the traditional enrollment-based funding approach seems to indicate that there has not been any substantial redistribution of dollars based on performance.

After addressing the community colleges and state universities, the Legislature turned to workforce education with creation of the Workforce Development Education Fund (WDEF) in 1997. Under WDEF, institutions received 85 percent of their prior year’s workforce-related appropriation “up front.” The remaining 15 percent was distributed based on points awarded for the completion of a component of a certificate or degree program sufficient to provide a complete job skill and for placement in a job. High wage job placements verified on the Unemployment Insurance database received bonus points.

WDEF was successful in its primary intent of motivating community colleges and school districts to review, upgrade, and delete old programs and introduce new programs and to place more emphasis on student placement and follow-up because they believed the formula would reward success. On the other hand there is some question about whether data and procedures used in the formula accurately recognize and reward high performance. The placement component of the formula is based on follow-up one year after graduation and many blue-collar, private sector trades and occupations take several years to gain experience and/or build clientele before income that is typical of the trade or occupation is achieved. In other words, the critical element in this program may be the belief created among elected and appointed officials and program administrators that good performance would be rewarded and poor performance would be punished rather than the actual accuracy of the formula. Workforce appropriations were based on this formula for three years, but the formula has not been used since the 2001 legislative session. During each year it was applied total funding for the WDEF either remained stable or declined, despite continued improvement in performance. This led to a floating

or sinking value per performance point. As a result, some institutions generated more performance points (i.e., performed better) but decreased the dollar value per point and received less support.

In 1998, Florida voters adopted Amendment 8 to the State Constitution, which established, effective January 2003, an appointed rather than elected, Board of Education. The Commissioner of Education's Blue Ribbon Committee on Education Governance developed recommendations that became the basis for House Bill 2263. Passed during the 2000 Session, the bill provided for a new education governance model to oversee a seamless continuum of kindergarten through graduate education and consistent education policy across all educational delivery systems. In 2001, Senate Bill 1162 established the Florida Board of Education to govern the "K-20" education system. It abolished the state-level coordinating board for the community colleges and the Board of Regents that had governed the SUS. It further required that "... least 10 percent of the state funds appropriated for the K-20 education system are conditional upon meeting or exceeding established performance standards". The law initially required this program to be phased-in beginning with the state university system in 2003-04 and to be fully implemented throughout the Department of Education by 2006. In 2003, the law was revised to eliminate the phased-in schedule and provide for the State Board of Education to adopt common definitions, measures, standards, and performance improvement targets required to implement the program by December 1, 2003. The Department of Education is to collect data during 2003-04 required for the calculations and, by December 1, 2004, is to recommend to the Legislature a formula for performance-based funding of the public education system at every level. Beginning with the 2004-05 fiscal year, and subject to annual legislative approval in the General Appropriations Act, performance-based funds are to be allocated based on the progress, rewards, and sanctions established as a result of this section of law. For public schools alone, ten percent of state appropriations would involve approximately \$1 billion. Due to potential conflicts with constitutional mandates regarding equality of funding, class size reductions and implementation of a new, improved pre-K program, any major change in the allocation method for public schools will be particularly challenging.

In the past two years the Department of Education has worked with a broad spectrum of educators, as well as community and business representatives, through a K-20 Accountability Advisory Council and K-20 Accountability Task Forces to winnow down over 160 accountability measures currently in law into a coherent system of three to five measures for each of the statewide goals (high student achievement, seamless articulation and access, skilled workforce, and quality, efficient services) and indicators (student learning gains, access, progression/readiness, employment and earnings, and return on investment). Although concerns remain such as "How can system measures accommodate differences among the various education sectors?" and "How will performance funding really be applied?", the current effort represents the most ambitious and the most promising to date. It is complemented by a long history of commitment to articulation, acceleration, and a student level record system without equal. The guiding principles used in this latest effort should be helpful to all embarking on the accountability path:

PRINCIPLES

Focus on Student Success	Assess individual performance or progress of diverse students. Valid expressions of desired educational results.
Actionable	Reflect performances that local educators can affect through policy, programmatic, and management decisions. <ul style="list-style-type: none">○ Relevant to all sector and institution missions.
High Quality and Efficient	Use valid, reliable, timely, and comparable data. Affordable and cost-effective to measure. Minimize unintended consequences.
Measurable Over Time	Allow for making consistent comparisons over time. Provide ongoing basis for evaluating performance.
Simple	Few in number. Easy to calculate and interpret. Easy to explain to non-specialists and the public.
Aligned	Align with and complement other performance measures. Support a coordinated system for kindergarten through graduate school education. Meet legislative intent.

In closing, a few general admonitions based on involvement in the evolution of this movement over several decades:

- Do recognize that not everything of value in education can be quantified;
- Do not recommend rewarding performance and then reduce funding when performance improves;
- Do not imagine that a rigid formula that ties a dollar amount per graduate in high demand fields will lead to a system that can respond effectively to the rapidly shifting demands of both our workforce and society; and
- Do remember that we are all in this together – the finger that points at poorly prepared elementary and secondary students can be turned around to focus on the adequacy of our colleges and universities in preparing those that staff our K-12 schools.

Finally, Florida is not unique in that six-out-of-ten of our ninth graders do not immediately go on to postsecondary education and three do not often graduate from high school. Any system of higher education accountability that does not consider the opportunity these numbers represent is unlikely to succeed.

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