

Overview of Institutional Adequacy Conceptual Framework

October 21, 2022

About NCHEMS

- Private, non-profit 501(c)(3) in Boulder, Colorado, founded in 1969
- Mission: to improve strategic decision-making in postsecondary education for states, systems, institutions, and workforce development organizations
- Selected current and recent statewide projects
 - Governance New Hampshire, Utah, Vermont
 - Strategic planning Oregon, Utah, Vermont, Wyoming
 - Finance Texas, Virginia
 - Quality assurance Connecticut, Maryland

Project Deliverables as Described in RFP

1. Comprehensive Workplan
2. Performance Funding Model Review and Recommendations
3. Higher Education Efficiency and Possible Reform Review and Recommendations

An Important Distinction for #2:

A performance funding policy that adds to or reallocates a portion of existing recurring appropriations

OR

A comprehensive state funding model that includes performance as one important component

Linking Costs, State Priorities, and Funding

- Preserving the value of an institution as a state asset
- Recognizing variation in fixed and variable costs
- Aligning state goals with a rational funding strategy that has three critical elements
 1. Differentiated roles
 2. Predictability & sustainability
 3. Improvement
- Serving current students effectively AND serving more and different students better
- Variation in capacity to generate revenue

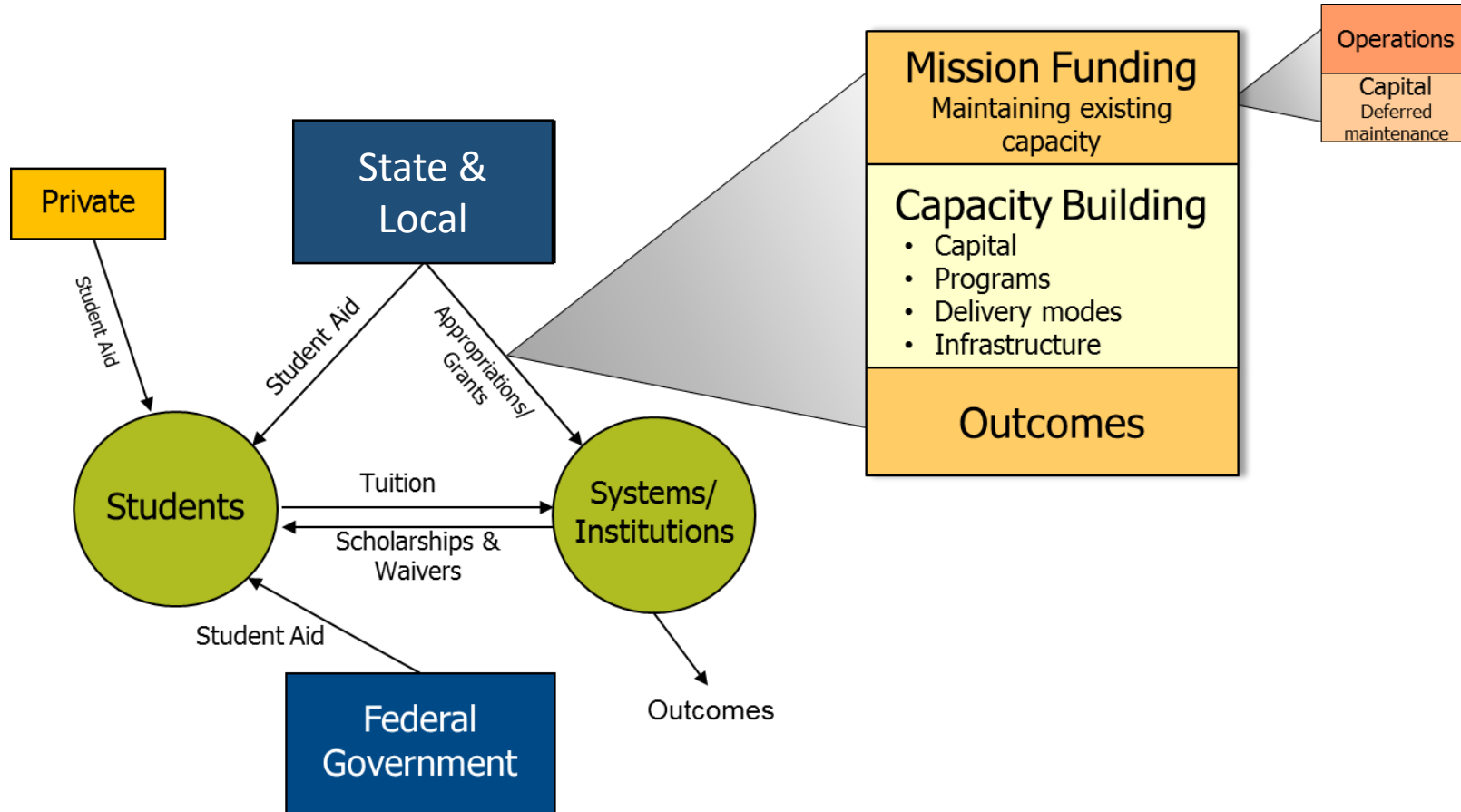


Ha Ha Tonka State Park

Institutional Adequacy Conceptual Framework

	Expenditure Type Category	Funding Responsibility
Funding Model	Non-Instructional Mission-Related Activities and Other Activities	External Funders & Self-Support
	Capacity Building	Mix (State/Local, Tuition, & External Funders)
	Performance	State/Local
	Variable Costs	Mix (State/Local & Tuition)
	Fixed Costs	State/Local

The Flow of Funds



Components of the Efficiency Review

1. Review of state reports on efficiency measures/initiatives in higher education
2. National survey of SHEEO agencies
3. Survey of Missouri public institutions
4. Review of institutional missions
5. Assessing opportunities for collaborative activity
6. Visits to select campuses

Timeline & Next Steps

1. Recommend that the legislature adopt conceptual framework that reflects both costs and performance, but delay implementation until after the 2024 session.
2. Use coming months to develop parameters and measures.
3. NCHEMS to develop a model and gather feedback.
4. Beginning in 2023, undertake the assessment of efficiency at Missouri's public institutions.
5. Produce report due June 1, 2023.

Detailed Timeline & Stakeholder Engagement

Milestone	Dates
Contract executed with NCHEMS	August 17, 2022
Virtual kick-off meeting with stakeholders	Today
Draft initial report provided for feedback from stakeholders	November 14, 2022
Feedback due to MDHEWD for transmission to NCHEMS	November 18, 2022
Submit revised report incorporating feedback	November 23, 2022
NCHEMS' presentation to MO CBHE	December 6-7, 2022
Final initial report submitted to the governor and General Assembly	December 15, 2022
Virtual meetings to gather feedback on the funding model	March 1-April 15, 2023
In-person visits to select campuses for efficiency research	April 1-15, 2023
Draft final report provided for feedback	May 11, 2023
Feedback due to MDHEWD for transmission to NCHEMS	May 25, 2023
Submit final report to governor and General Assembly	June 1, 2023