

# INFORMED STATES STATE FUNDING MECHANISMS DATASET

---

## Dataset Documentation

The InformEd States State Funding Mechanisms Dataset contains detailed information on the methods that states and/or higher education systems use to fund their public colleges and universities from Fiscal Years 2004 through 2020. Most of the existing body of research on state higher education funding has focused on performance-based funding (PBF), but fewer than ten percent of state funding has been allocated via PBF. Our dataset provides the first comprehensive, longitudinal source of funding mechanisms.

Our default unit of data collection was the state-by-sector level (e.g., Ohio public four-year universities), which generally matches how state legislatures or higher education agencies determine how funding flows to individual institutions. In some cases, there were different allocation mechanisms in place for different systems within a sector (e.g., the University of California system compared to the California State University system). We collected data at the system level if that occurred and made clear in the notes section the colleges/systems included in those rows of data.

We created this dataset by examining more than 3,000 policy documents, including state budgets, higher education agency websites, and governing/coordinating board minutes. We resolved remaining questions or inconsistencies through regular research team meetings and by reaching out to state higher education officials.

This dataset contains information on whether a state or system used one or more of the following three funding mechanisms:

- Base-adjusted funding, in which all institutions within a system or sector received across-the-board or similar percentage increases or decreases in allocations in a given year. We also coded funding formulas that included a base element that was then adjusted based on enrollment, performance, or another mechanism as base-adjusted funding. Finally, funding formulas that included a protective mechanism that guarantees a set portion of the prior year's allocation were coded as base-adjusted.
- Performance funding, in which funding is tied directly to student outcome measures. This comes from our [Performance-Based Funding Policies Dataset](#).
- Enrollment funding, in which funding is based on the number of students who enroll. We provide details on two different mechanisms: funding based on student headcounts and funding based on full-time equivalent enrollment (typically student credit hours). Finally, we also coded for whether a state or system adjusted funding based on field of study or level of study.

It is possible for an institution to receive funding using all three of these mechanisms (base-adjusted, performance, and enrollment) at the same time (e.g., Louisiana in recent years). If none of these mechanisms were present, we considered that system or sector to have no funding formula in place. The dataset also contains information on the total amount of state general fund revenue allocated to public colleges and universities annually and the amount of state general fund revenue allocated based on performance to public colleges and universities annually, which comes from InformEd State's Performance-Based Funding Policies dataset (total state general fund revenue sometimes differs from the amounts listed in the Performance-Based Funding dataset when the same set of institutions in a particular state and sector were subject to different funding formulas).

We also collected data on three additional data elements: whether funds were allocated directly to a college instead of through a system or coordinating board, whether some funds were awarded based on equity considerations for the two-year and four-year sector, and whether some funds were awarded based on research metrics for the four-year sector.

#### Suggested Citation

Kelchen, R., Rosinger, K., Ortagus, J., Baker, D., Lingo, M., Everett, A., & Wu, J. (2023). *InformEd States state funding mechanisms dataset*. Retrieved from [informedstates.org](https://informedstates.org).

#### Contact Information

Requests for additional information on the data or technical questions can be directed to [info@informedstates.org](mailto:info@informedstates.org).

*This dataset is based on research funded by the Bill & Melinda Gates Foundation. The findings and conclusions contained within are those of the authors and do not necessarily reflect the positions or policies of the Bill & Melinda Gates Foundation.*