

INFORMED STATES PERFORMANCE-BASED FUNDING POLICIES DATASET

Dataset Documentation

1. Introduction

The majority of U.S. states and/or higher education systems use performance-based funding (PBF) policies to allocate at least a portion of state appropriations to public colleges and universities in an effort to hold colleges more accountable for their outcomes. Although states and systems are taking a wide range of approaches in terms of the percentage of funding tied to outcomes, the types of outcomes being incentivized, and whether (or how) they build equity metrics into PBF systems, prior research on the effects of these approaches relies primarily on binary indicators of PBF. Notably, research is not always clear as to whether PBF means that a state/system had an approved policy on the books that may not have actually received funding based on institutional performance or a policy that received funding based on institutional performance.

There have been sporadic efforts to provide snapshots of PBF policies in certain years, but these datasets are limited in the amount of detail they collect, often do not provide adequate information at the institutional level, and do not provide data to track the trajectory of PBF over time. Other quantitative researchers have developed their own lists of states and systems that have PBF systems, but these lists are not always consistent across researchers. Importantly, researchers have not been able to reach a consensus on which states had PBF or the years in which these policies existed. These data limitations mean that states and systems seeking guidance on how to develop equitable and effective PBF policies do not receive crucial evidence-based information regarding how to design PBF policies to reduce educational inequities and improve student outcomes.

To capture variation in PBF adoption across states and over time, we gathered information on the percent or dosage of PBF for each state in a given year. We gathered information on the specific metrics included in PBF systems, such as credit completion, retention, and the number of postsecondary credentials, as well as the specific subgroups included in any equity-oriented metrics, such as underrepresented minority students and low-income students. Finally, we collected information on the annual dollar amount and percentage of state funding tied to institutional performance.

The InformEd States PBF Policies Dataset distinguishes policy adoption from actual policy implementation. Not every state or system with a PBF policy on the books actually tied funding to outcomes in a given year. This scenario can arise due to changes enacted by state legislatures and adjustments to state budgets following unexpected changes in fiscal circumstances. Therefore, information on years of PBF adoption and actual

implementation are recorded in separate columns. The following includes a brief description of additional data elements included in the dataset:

- What do we mean by PBF? We define performance funding as a state or system having a PBF policy on the books under which a public college is eligible to be funded based on *student outcomes* in a given academic year
- Each observation represents a state in a given fiscal year
- Years included in the dataset: Fiscal Years 1997-2020
- Key data elements (reported by sector):
 - Annual dollar amount and percentage of state funding budgeted based on institutional performance
 - Success metrics included in PBF systems, such as credit completion, retention, and the number of credentials
 - Presence of metrics focusing on certain student subpopulations, such as traditionally underrepresented students and students studying STEM areas
 - Distinguishes year of policy adoption/existence from years when policy was actually funded

2. Data Dictionary

Variable	Definition	N (or # missing)	Type
stateid	unique identifier for state (FIPS code)	1200	Numeric; Continuous
state	state abbreviation	1200	String
year	Fiscal year	1200	Numeric; Continuous
pbf_approved_any	0 if state/system does not have a PBF policy on the books under which a public college is eligible to be funded based on student outcomes in a given academic year; 1 if state/system does have PBF in a given academic year	1200	Numeric; Dichotomous
pbf_funded_any	0 if state/system does not have a funded PBF policy in a given academic year; 1 if state/system has a funded PBF policy in a given academic year	1200	Numeric; Dichotomous

x_pbf_approved_funded	Notes for PBF approved and funded variables	n/a	String
pbf_4yr	1 if state/system has PBF for four-year colleges; 0 if no PBF or PBF for only two-year colleges	1200	Numeric; Dichotomous
pbf_2yr	1 if state/system has PBF for two-year colleges; 0 if no PBF or PBF for only four-year colleges	1200	Numeric; Dichotomous
pbf_other	1 if state has PBF for a specific set of colleges within a sector or system (e.g., PASSHE system in Pennsylvania); 0 if no PBF or PBF for only four-year or only two-year colleges	1200	Numeric; Dichotomous
x_pbf_4yr_2yr_other	Notes for PBF sector variables	n/a	String
pbf_ipeds_pbf_colleges	IPEDS unitid(s) for colleges subject to PBF policy in a given year	n/a	Multiple IPEDS unitid numbers
state_general_fund_budgeted_4yr	Total general fund appropriation for operations for four-year institutions (amount promised or budgeted, may be different than actual amount received). Equal to "total_state_budgeted_4yr" only when no other state funding appears on the budget. Amount should be net of tuition revenue. Note if not possible.	1200	Numeric; Continuous
state_general_fund_budgeted_2yr	Total general fund appropriation for operations for two-year institutions (amount promised or budgeted, may be different than actual allocation). Equal to "total_state_budgeted_2yr" only when no other state funding appears on the budget. Amount should be net of tuition revenue. Note if not possible.	1161	Numeric; Continuous
x_state_gen_fund_budgeted	Notes for state general fund budgeted variables	n/a	String

pbf_pct_budgeted_4yr	% of state funding budgeted to be allocated based on performance for four-year colleges	1199	Numeric; Continuous (1-100)
pbf_pct_budgeted_2yr	% of state funding budgeted to be allocated based on performance for two-year colleges	1199	Numeric; Continuous (1-100)
x_pbf_pct_budgeted	Notes for PBF percent budgeted variables	n/a	String
pbf_amt_budgeted_4yr	amount of state funding budgeted to be allocated based on performance for four-year colleges	1200	Numeric; Continuous
pbf_amt_budgeted_2yr	amount of state funding budgeted to be allocated based on performance for two-year colleges	1200	Numeric; Continuous
x_pbf_amt_budgeted	Notes for PBF amount budgeted variables	n/a	String
x_pbf_metricofsuccess	metrics of success an institution must meet in order to receive PBF	n/a	String
pbf_bonus_adults_4yr	1 if state/system has PBF bonus for adult students in four-year sector; 0 otherwise	1200	Numeric; Dichotomous
pbf_bonus_adults_2yr	1 if state/system has PBF bonus for adult students in two-year sector; 0 otherwise	1200	Numeric; Dichotomous
x_pbf_bonus_adults	Notes for PBF adult metric variables	n/a	String
pbf_bonus_lowincome_4yr	1 if state/system has PBF bonus for low-income students in four-year sector; 0 otherwise	1200	Numeric; Dichotomous
pbf_bonus_lowincome_2yr	1 if state/system has PBF bonus for low-income students in two-year sector; 0 otherwise	1200	Numeric; Dichotomous
x_pbf_bonus_lowincome	Notes for PBF low-income metric variables	n/a	String
pbf_bonus_minority_4yr	1 if state/system has PBF bonus for underrepresented minority students in four-year sector; 0 otherwise	1200	Numeric; Dichotomous

pbf_bonus_minority_2yr	1 if state/system has PBF bonus for underrepresented minority students in two-year sector; 0 otherwise	1200	Numeric; Dichotomous
x_pbf_bonus_minority	Notes for PBF underrepresented minority student metric variables	n/a	String
pbf_bonus_acad_4yr	1 if state/system has PBF bonus for academically underprepared students in four-year sector; 0 otherwise	1200	Numeric; Dichotomous
pbf_bonus_acad_2yr	1 if state/system has PBF bonus for academically underprepared students in two-year sector; 0 otherwise	1200	Numeric; Dichotomous
x_pbf_bonus_acad	Notes for PBF academically underprepared student metric variables	n/a	String
pbf_bonus_stem_4yr	1 if state/system has PBF bonus for STEM students in four-year sector; 0 otherwise	1200	Numeric; Dichotomous
pbf_bonus_stem_2yr	1 if state/system has PBF bonus for STEM students in two-year sector; 0 otherwise	1200	Numeric; Dichotomous
x_pbf_bonus_stem	Notes for PBF STEM metric variables	n/a	String
pbf_health_field_bonus_4yr	1 if state/system has PBF bonus related to health field included in STEM in four-year sector; 0 otherwise	1200	Numeric; Dichotomous
pbf_health_field_bonus_2yr	1 if state/system has PBF bonus related to health field included in STEM in two-year sector; 0 otherwise	1200	Numeric; Dichotomous
x_pbf_health_field_bonus	Notes for PBF health field metric variables	n/a	String

3. Data Collection

Our initial method of data collection was to conduct Internet searches for documents of state legislatures, state budgets, and state higher education boards related to performance funding. To optimize the accuracy of our searches, we set search parameters to match how legislative sessions and fiscal years align with academic years. To identify PBF policies and search for relevant policy documents, we primarily used the terms “performance-based funding,” “outcomes-based funding,” “performance funding” and “outcomes funding” in

conjunction with “higher education.” Once we found a source that provided information on higher education funding formulas in a given year, we checked to see if that source had available data for other fiscal years.

If a website had relevant information in certain years, we used the Wayback Machine (<http://archive.org/web/>) to access previous versions of the website that were no longer publicly available after being altered or removed. We searched the main URL for the state agency or system board and then tried different portions of websites (such as board meeting minutes or budget deliberations) to get access to earlier information. If an agency or board changed its URL, we went to the state’s main website (such as kentucky.gov) in the Wayback Machine and looked for a list of state agencies. In all, our research team reviewed more than 1,500 policy documents to document the existence and characteristics of PBF systems across states.

Finally, if data were not obtainable or were unclear via Internet searches, we directly contacted state governments or higher education boards, as well as educational agencies such as the State Higher Education Executive Officers (SHEEO) for clarification. We are grateful to all of the individuals across states who took the time to answer our questions and help us understand how their PBF systems operated over time. For each state, an initial round of data collection was followed up by a review for accuracy, and to maintain consistency across multiple data collectors, we met regularly as a full research team to discuss discrepancies across data collectors and to clarify decisions about how to code various data elements and how to interpret policy documents.

4. Additional Notes

Version History

Version	Release Date	Notes
1	6/30/2021	InformEd States Performance-Based Funding Policies Dataset, Fiscal Years 1997-2020

5. Additional Resources

For additional information regarding strategies for collecting and analyzing detailed state policy data, see our [AERA Open article](#).

For a systematic review of the intended and unintended consequences of performance funding policies in American higher education, see our [Educational Evaluation and Policy Analysis article](#).

For an overview of existing evidence on the impacts of PBF, outstanding research questions, and how our dataset can be leveraged to answer these questions, see our [recent brief](#).

For policy briefs summarizing our research team's findings regarding the impact of PBF on [student earnings](#), [student success](#), and [college access](#).

6. Suggested Citation

Ortagus, J., Rosinger, K., & Kelchen, R. (2021). *InformEd States performance-based funding policies dataset*. InformEd States. Retrieved from informedstates.org.

7. Contact Information

Requests for additional information on the data or technical questions can be directed to info@informedstates.org.

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