

WEST VIRGINIA CODE: §18B-14-1

§18B-14-1. Select committee on outcomes-based funding models in higher education.

(a) The Legislature makes the following findings regarding public higher education:

(1) It is in the best interest of the citizens to have an effective and comprehensive system for the delivery of public higher education services. In order to achieve desired goals of economic growth and societal well being, it is critical that more citizens have some level of education beyond high school.

(2) In Senate Bill 595 (Vision 2020), enacted in 2008 regular session, state policymakers established detailed goals and objectives that state institutions are expected to work toward achieving by the year 2020. Vision 2020 also provides mechanisms for measuring success and for holding the state systems of higher education accountable. It establishes clear-cut connections between the budget cycle, the goals and objectives and both positive and negative consequences.

(3) A variety of policy tools are available to influence and direct public higher education behavior, including organizing institutions into functional systems, creating governance structures and mechanisms designed to ensure that these systems and individual institutions focus on the public policy agenda and establishing outcomes-based goals, accountability measures and regulatory devices.

(4) While these policy tools are useful, they are not sufficient to influence institutions, students and employers to behave in ways consistent with achieving the goals and objectives of Vision 2020 the public policy agenda. Resources appropriated to public higher education are used most effectively and efficiently when the attention of state colleges and universities is focused on meeting established priorities. This focus is developed and sustained only when the state financing policy contains a direct connection between the Legislature's power to appropriate money and desired institutional outcomes. Unlike rules which can be bent; law can be creatively interpreted; accountability requirements which can lose their effectiveness as they are filtered through layers of bureaucracy; and responsibility for implementation which is divided among agencies and, ultimately, is totally dependent upon institutional discretion, a financing policy that ties the flow of funds directly to progress on achieving established state goals and objectives commands immediate attention.

(b) It is the constitutional responsibility of the Legislature to determine how to make the best use of available resources to meet state needs and established goals; therefore, the Joint Committee on Government and Finance shall create a select committee for the two-fold purpose of making a specific and detailed analysis of outcomes-based funding models used in higher education and providing recommendations to the Legislature on incorporating one or more of these models as an effective piece of the state's financing policy.

(c) The select committee consists of the following members:

- (1) The President of the Senate or designee;
- (2) The Speaker of the House of Delegates or designee;
- (3) The chairs of the Senate and House of Delegates Committees on Education, who shall cochair the committee;
- (4) The vice chairs of the Senate and House of Delegates Committees on Education;
- (5) The chairs of the Senate and House of Delegates Committees on Finance or their designees;
- (6) The cochairs of the Joint Commission on Economic Development or their designees;
- (7) Two members each from the Senate Committees on Finance and Education appointed by the President of the Senate; and
- (8) Two members each from the House Committees on Finance and Education appointed by the Speaker of the House.

(d) The select committee shall develop a report with recommendations on implementing a state-level financing plan which includes, but is not limited to, the following items:

- (1) A review of existing outcomes-based funding models for institutions and systems of higher education;
- (2) Identification of the top three to five public policy objectives that are to be the focus of the financing policy;
- (3) A review of outcomes-based funding models implemented in other states, including an evaluation of the degree to which these policies have succeeded in influencing institutional and system behavior;
- (4) Recommendations on methods to balance the inherent need of institutions for stability with the demands of the state for services as identified in Vision 2020 and the public policy agenda;
- (5) Recommendations on methods to develop a workable balance between addressing the well-being of institutions and the success of students; and
- (6) An analysis of the impact of different models on institutions with widely-differing missions, including recommendations on selecting and implementing the appropriate model for each type of institution specifically noting the impact of selected models on community and technical colleges, baccalaureate colleges and regional universities, and research

universities.

(e) The committee shall commence its work before May 15, 2012, and shall deliver its report and recommendations, together with draft legislation to implement the recommendations, to the Legislative Oversight Commission on Education Accountability and the Joint Committee on Government and Finance by December 1, 2012.