



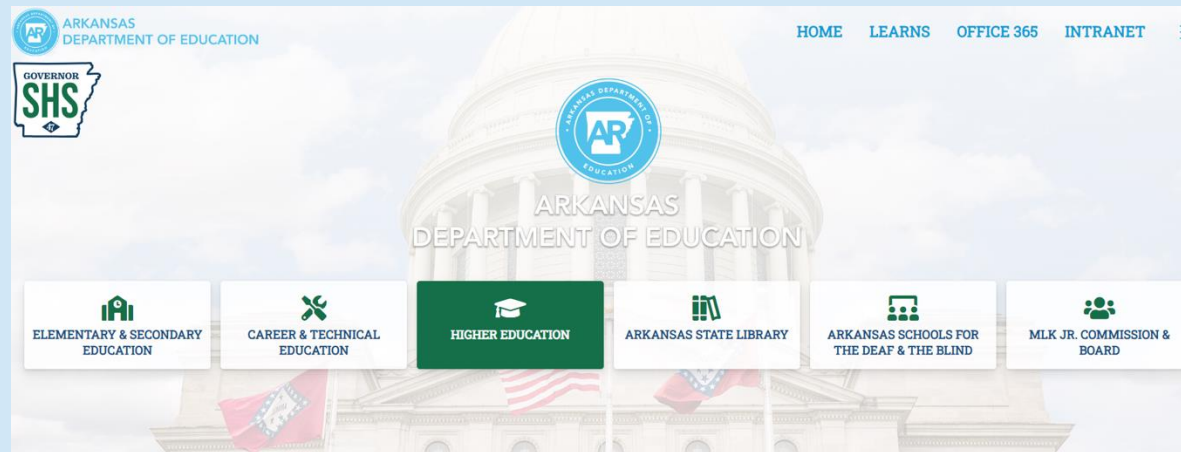
**SHEEO Communities of Practice:**  
**Defining and Measuring Postsecondary Value  
and  
Return on Investment**

**Improving Value and ROI Reporting  
through Strategic Partnerships**

**October 22, 2024**

**Sonia Hazelwood, Chief Data Officer  
Ken Warden, Commissioner**

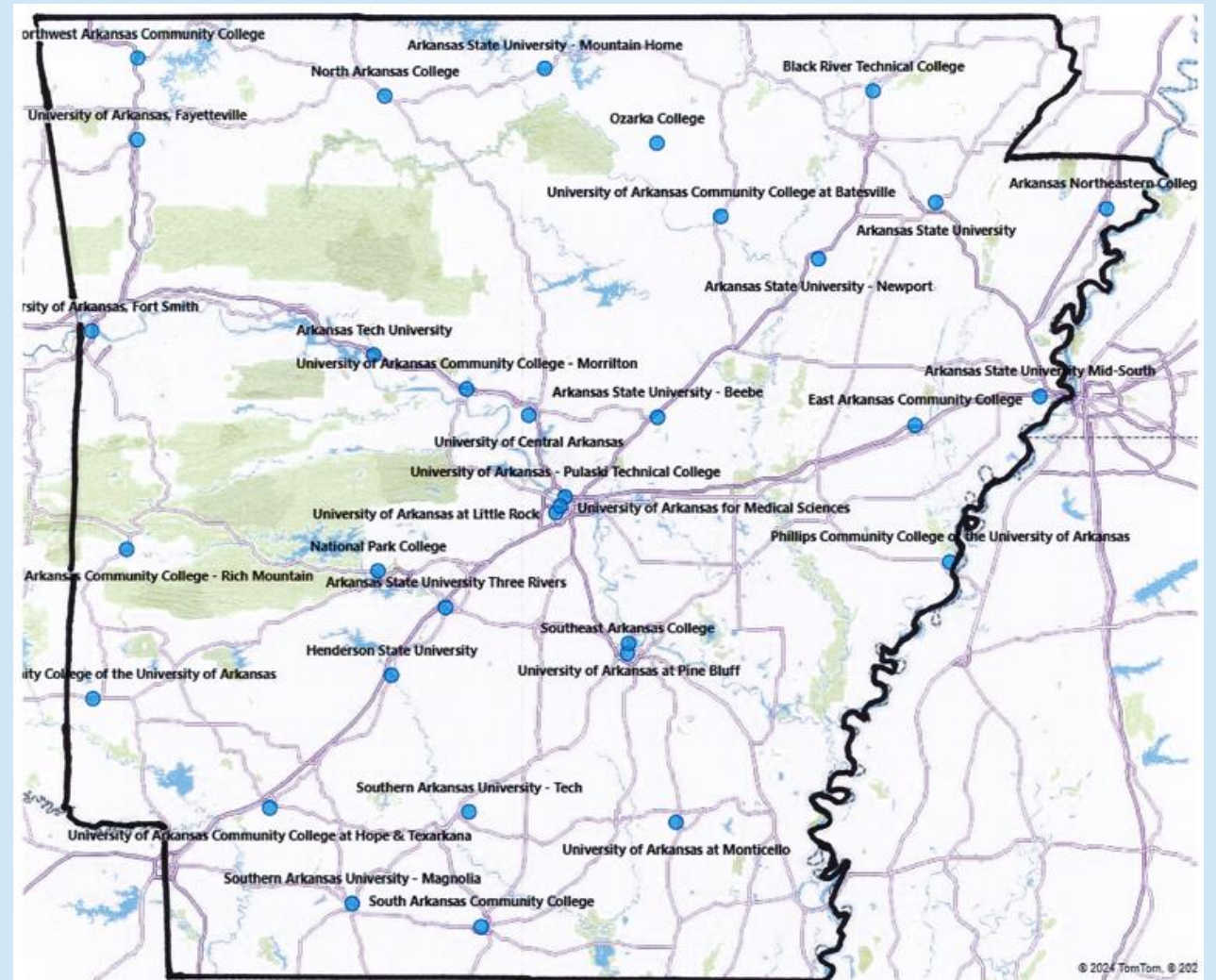
# About Arkansas Higher Education



- The Arkansas Higher Education Coordinating Board (AHECB) is charged by state law to coordinate higher education in Arkansas and to assure an orderly and effective development of each of the publicly supported institutions of higher education.
- About 30 staff support the work of AHECB, which includes managing:
  - Academic program approval and coordination
  - Institutional funding
  - State scholarship programs
  - Arkansas Higher Education Information System (AHEIS)

# About Arkansas Higher Education

- 11 public universities
- 22 public 2-year colleges
- 1 technical institute
- 2 systems
  - University of Arkansas (13 institutions)
  - Arkansas State University (7 institutions)



# More about Arkansas

- In 2023 Governor Sarah Huckabee Sanders, in her first legislative session as Governor, passed an omnibus bill now known as the LEARNS Act that reshaped P-12 education



- Raised starting teacher salaries to \$50,000
- Education Freedom Accounts (school vouchers)
- Career Pathway Diplomas
- Mandatory Volunteer/Community Service Hours

# More about Arkansas

## The Arkansas Higher Education Narrative

- The narrative surrounding the value of higher education is being questioned at both the national and state levels.
- The Arkansas narrative is that short-term, workforce-related training should be more supported.
- Arkansas higher education leaders expect higher education to be a focus in the 2025 legislative session.

# Going Down the Path of Higher Ed Value and ROI

- Through an executive order, Governor Sanders created an Arkansas Governor's Workforce Cabinet that developed the Arkansas Workforce Strategy released in January 2024  
(<https://governor.arkansas.gov/arkansas-workforce-strategy/>)
  - **One of the recommendations was to realign the higher education funding formula to enhance the value of providing training that leads to gainful employment.**
- Considering the narrative around the value of higher education, ADHE staff were already discussing ways to be proactive and promote our value and this recommendation confirmed we were on the right path.
- Discussions started in the Spring with the Secretary of Education on ADHE hiring outside assistance for help with measuring value and ROI.
- Signed agreement with HCM Strategists in July and have been working diligently to move on measuring value and ROI processes for both credit and non-credit.

# ROI for Credit Programs

- Current Productivity Funding Formula – 8 Years
- The formula allocates the state’s general revenue for public colleges and universities and has four categories:

Effectiveness	Affordability	Adjustment	Efficiency
<ul style="list-style-type: none"><li>• Credentials</li><li>• Progression</li><li>• Transfer Success</li><li>• Gateway Course Success</li></ul>	<ul style="list-style-type: none"><li>• Time to Degree</li><li>• Credits at Completion</li></ul>	<ul style="list-style-type: none"><li>• Research (4-year only)</li><li>• Diseconomies of Scale (2-year only)</li></ul>	<ul style="list-style-type: none"><li>• Core Expense Ratio</li><li>• Faculty to Administrator Salary Ratio</li></ul>

- The formula includes premiums for degrees awarded in STEM or high-demand fields, and to students who are adults, low-income, an underrepresented race/ethnicity, and academically underprepared.
- The formula does NOT include metrics related to post-completion outcomes or non-credit workforce.

# Measuring Value and ROI for Credit Programs

- In response to the recommendation in the Workforce Strategy, we will likely be adding some form of an ROI metric into our current credit funding formula.
- Currently in beginning phases of ROI process...it is complicated!
  - Deciding on ROI formula
  - Data challenges with cost of attendance and financial aid
- This will require a unified effort between many strategic partners.
- Current Strategic Partnerships:
  - ADHE ROI Team – Commissioner, CFO, CAO, and our data team
  - SLDS – ARDATA team which provides the wage data
  - Institutional Researchers
  - HCM Strategists
- Upcoming Strategic Partnerships:
  - Productivity Funding Workgroup
  - Institutional Leadership
  - Legislature/Governor



# Measuring Value and ROI for Non-Credit Programs

- The path forward for measuring value and ROI with Non-Credit in Arkansas is much more challenging.
- We would like a separate funding stream for non-credit, outside of our current credit funding model.
- Lack of data is a major hurdle for us.
  - Launched more robust non-credit data collection in the spring.
  - Received those data files in September and are reviewing data quality.
- The non-credit value and ROI process will also require a unified effort between many strategic partners.
- Current Strategic Partnerships:
  - ADHE Non-Credit Team – Commissioner, CFO, CAO, our Dir of Workforce Development, and our data team
  - Institutional Workforce staff
  - Institutional Researchers
  - HCM Strategists
- Upcoming Strategic Partnerships:
  - Productivity Funding Workgroup
  - Institutional Leadership
  - Legislature/Governor