Performance-Based Funding In Adult Education:
Montana Task Force Meeting #3 Summary

The third task force meeting to discuss the revision of the performance-based funding (PBF) formula in Montana's adult education system was held on Thursday, October 7, 2010 from 5:00 pm -7:30 pm and Friday, October 8, 2010, from 7:30 am–12:30 pm, at the Red Lion Inn in Helena, Montana.

Present:

Margaret Bowles, Office of Public Instruction
Cassie Burns, Community Health Partners
Carol Flynn, Office of Public Instruction
Monique Fortman, Dickinson Lifelong Learning Center
Jake Gustin, Helena Adult Learning Center
Darrel Hannum, District IV Human Resources Development Council/Havre (absent Oct 8)
Woody Jensen, Lincoln Center
Byrdeen Warwood, Bozeman ABLE Adult Learning Center
Sheri Wilson, Powell County Literacy Program
Margaret Girkins, Flathead Valley Community College
Jerry Guay, Hardin Public Schools
Dixie Stark, LVA Bitterroot

Facilitators:

Kristen Kulongoski, MPR Associates
Ruth Sugar, MPR Associates

Welcome and Introductions

The facilitators introduced themselves and reinforced their role as facilitators, which is to help the task force understand Montana's current formula and guide the task force through a process that evaluates and considers revisions to the current funding system.

The task force members were asked to introduce themselves and provided a description of their program's size and location.

- Byrdeen, Bozeman – medium and growing, urban;
- Sheri, Deer Lodge - tiny and rural;
- Jerry, Hardin – small and growing; rural;
- Woody, Billings – large and urban;
- Darrell, Havre – small and growing, rural;
- Monique, Missoula – large and urban;
- Cassie, Livingston – lower end of medium, rural;
- Dixie, Hamilton – small and rural;
- Margaret, Kalispell – medium and urban; and
- Jake, Helena – large and urban.

The task force then reviewed their project expectations shared during the first meeting:

- A desire to create a fair and equitable system that is transparent and understandable, and will allow directors to forecast their fiscal eligibilities to support their program planning activities.
- A desire to accommodate the different types of providers within the system so that funding is allocated to provide needed services throughout the state.
- Consideration of the potential negative impacts of formula implementation on small providers.
- The need to adjust current resource allocations to address changes in the need for services across the state.
- A desire to thoroughly understand the current formula; many participants have questions about formula operation.
- Exploration of how formula implementation affects what can and cannot be done with funding; how new criteria, structure, and policies will influence allocations.
- Consideration of the impact funding redistribution will have on the classroom, the teachers, and instruction.

Recap of Project Activities and Interim Decisions

Facilitators reviewed the activities that the task force has completed to date and provided an overview of the work accomplished since the second meeting.

Project activities completed to date by the state staff, task force, and facilitators include:

- Increased understanding of Montana's current funding system
- Reestablished funding priorities
- Considered advantages and challenges of current and new funding criteria
- Reviewed alternative funding models and recommended refinements
- Identified data analysis needs
- Reviewed refined funding models and recommended final criteria
- Brainstormed implementation issues
- Discussed dissemination strategy for sharing the model with colleagues

Work accomplished by the state staff director and facilitators since the last meeting includes:

- Refined funding criteria
- Completed and reviewed data analysis results
- Identified other formula issues

Funding System Model

The facilitator provided an overview of the final funding model and explained that the model compares the new allocations with actual 2010-2011 grant allocations. Additionally, the model allocates 70% of total resources to the base formula and the remaining 30% to performance funding in order to align with the current funding formula which distributes resources 65% and 35%, respectively. These percentages, including the percentages for criteria within base and performance, are placeholders until the task force makes final recommendations. The facilitator explained the control panel features within the funding model worksheet which allow individuals to easily manipulate the percentages for each criterion and repopulate the model without disrupting the structure or function of the model. The control panel functions so that different weights can be tested to see the statewide impact.

<u>Base Formula (70% of total state and federal resources)</u>

- Enrollment (48% of resources)
    - o >=12 hours, all enrollment is equal
    - o 2 year rolling average
- Need (15% of resources)
    - o Unemployment
    - o Poverty
    - o Administrative county only
- Institutional Grant (7% of resources)
    - o Flat, tiered allocation to small and medium programs
    - o Accounts for small and medium program size/costs

<u>Performance Formula (30% of total state and federal resources)</u>

- Measures: educational gain, GED attainment, post secondary transition, entered employment, and retained employment
- Outcomes (20% of resources)
    - o Two year rolling average
- Targets (10%) of resources
    - o One year of data
    - o Prorated

The facilitators then walked through each criterion, reviewing data analysis results associated with the criteria as well as interim state decisions and the rationale behind those decisions.

<u>Base Formula</u>

- Need
    - o Definition and data: Unemployment, Poverty
    - o Administrative county
    - o Future considerations: other counties in service area
  - ➢ Rationale
    - ✓ Data availability (state/ACS)
    - ✓ Need state policy for including other counties in need calculation (e.g., minimum enrollment, performance, site, etc.)

  American Community Survey data include only counties with 65,000 or more people on a yearly basis, and every three years the population size is 20,000 or more. The first set of five year data will be released in December and includes estimates for every county, regardless of size. The task force considered using the five year data but was skeptical of the accuracy of the estimates given Montana's population size and geography.

  The existing funding formula and new model use 2008 poverty data and May 2010 unemployment data. The task force discussed how often the data should be updated and if annual average unemployment should be used instead of one month of data. These two issues were referred to the state office to determine the appropriate set of data to use for unemployment (specific month or annual data) and how often new poverty data is available by the census. As in the current formula, the new model gives each program 100% of the need from their administrative county, even when multiple programs serve the same county.

One task force member questioned whether need should be included in the formula at all since the data are imperfect for capturing all poverty and unemployment needs in the counties. The facilitator explained that the purpose of allocating money based on need is to provide funds for potential students, while the enrollment criterion awards funds for students who are already part of the program. The need criterion values students who have the potential to be served and incentivizes programs to serve the target population in their area. One task force member mentioned that federal funding is distributed to states based solely on need. Another task force member contended that need is already accounted for when the legislature makes decisions about state funding. Therefore, the state dollars are already need-based.

Over the course of this project, the task force has grappled with what to use as a proxy for educational attainment. The task force suggested exploring the availability and accuracy of Supplemental Nutrition Assistance Program (SNAP) data to measure need instead of Census and/or American Community Survey data. They thought it might provide more timely data and may capture a more accurate picture of those in need of adult education services.

- Enrollment
    - No tiers
    - Students with >= 12 hours
  - ➢ Rationale
    - ✓ Aligns with federal requirements
    - ✓ Supports goal of student retention to keep students long enough that they achieve goals
    - ✓ Data analysis shows that in 2008-09, statewide, 63% of all enrollment is >=12 hours
      - Individual program enroll >= 12 hours ranged from 30% - 86% of total enrollment
      - In 7 programs, less than 50% of their enrollment was >=12 hours
      - In 6 programs, between 51-63% of their enrollment was >=12 hours
      - In 6 programs, more than 64% of their enrollment was >=12 hours
    - ✓ Tier ranges are problematic (+1/-1 pushes programs into new tier)
    - ✓ Establishing new tiers is difficult without a strong basis for the cut points
    - ✓ Current weight (1.2, 1.0, .8) does not have a significant impact on funding; thus, may not have desired effect of accounting for small program costs/size

Enrollment tiers were originally set up in 2008 to address the higher program costs that small programs face. In addition to the challenge of how to determine tiers' cut points, facilitators found that, when analyzing the amount of money small programs were receiving through the tiered approach, the tiered approach did not produce the intended balancing effect. Instead of accounting for small program costs in the enrollment criteria, the task force recommended the formula address these costs through an institutional grant. Therefore, the final model does not include tiered enrollment.

At the June meeting and the July webinar, the task force discussed the challenges rural programs face in keeping students at least 12 hours due to barriers traveling long distances.

Some of the more rural programs find they continue to expend resources on students who are not in the classroom, but still working on their studies independently with support from teachers and staff. At present, no policy or procedure exists to measure or report self-directed learning for inclusion in MABLE. Nor is there a method for monitoring and ensuring the consistency of the instructional practices and data reporting across all Montana programs. Montana could look to other states for examples of these policies and procedures.

The task force reviewed the analysis handout comparing all enrollment to enrollment of 12 or more hours. There was a range in enrollment percentages of 12 or hours across programs. The group then discussed the many factors that influence enrollment, such program type, location of the program, effects of seasonal work on population size, economic status of the area, distance, student goals, etc.

Another participant raised the concern that programs have been operating under the guidance that all enrollment, regardless of instructional hours, was a state goal. The current funding formula distributes funding using enrollment that includes students with less than twelve hours as well as students with more than 12 hours of instruction. With the new model incorporating enrollment data of only 12 hours or more, programs are now being held to a different standard and feels to some as though programs are being penalized. The facilitator explained that it is not a penalty, but rather the state is re-setting the standard, or bar, for enrollment. Also, it applies to all programs equally, therefore not penalizing one program over another. Participants also understood the state's shift in focus from recruitment (all students) to retention (students with at least 12 hours of instruction) and agreed to reset the standard for enrollment to 12 or more hours of instruction.

- Institutional Grant
    - Flat amount, accounts for small program size/costs
  - ➢ Rationale
    - ✓ Flat grant guarantees stable amount of money each year
    - ✓ Accounts for small program size/costs
    - ✓ Used to ensure minimum Base allocation of $10,000 is met
    - ✓ No institutional grant allocation for medium and large programs because the enrollment criterion (without tiers) provides sufficient funds to these programs

During the second meeting, the task force recommended that a new model address small program size and costs in a criterion other than enrollment tiers. The new model allocated a flat grant amount to small programs with less than 50 students enrolled per year. During the interim period, the state director also was interested in modeling a slightly greater grant amount for medium sized programs. Allocating funds using the tiered institutional grant addresses the fiscal challenges of small, medium, and large programs better. When defining enrollment tiers, the state recommended the formula only include students who reach twelve or more hours of instruction, rather than including students who did not reach this threshold. The rationale for using this measure is that it focuses programs on the state aim of retaining students so they can meet their goals, and it aligns with the federal National Reporting System requirements. The current tiers for institutional grant are now finer and reaching more economies of scale than the weighted tiered enrollment ranges in the existing formula.

The task force discussed appropriate tier ranges based on all enrollment as well as a minimum of 12 hours enrollment, minimum total grant amounts needed to provide services, and institutional grant amounts that would serve different sized programs effectively. The state director determined that $10,000 was the minimum amount of money that a small program needed to provide services. The facilitators proposed, as a starting place, that the formula include a tiered institutional grant whereby programs enrolling an average of 50 or fewer students receive a flat institutional grant allocation of $5,000; programs enrolling an average of 51-100 students would receive $8,000; programs enrolling an average of 101-200 students would receive $10,000; and programs with greater than 200 students would not be eligible for an institutional grant. The task force agreed with the overall purpose of the institutional grant but recommended the state look more closely at the tier enrollment ranges and whether to use all enrollment or a minimum of 12 hours enrollment, minimum total grant amounts per tier, and institutional grant flat allocations. Additionally, the task force suggested that the state also consider an approach where the institutional grant only "kicks-in" when a program falls below the minimum base allocation for different sizes of programs defined by the tiers.

One task force member asked about the efficacy of using a state average cost per student for determining the institutional grant amounts. The facilitator explained that it's difficult to come up with a cost per student, since the formula only includes state and federal resources and program level data is based on total resources, including local contributions. A number of programs receive significant local money, while others receive very little. Additionally, costs vary based on region.

One task force member asked how the four tiers used in allocating the institutional grants were determined, and what the impact is on those grants when the state loses money. For example, if the state lost 20% of its funding, would each tier be reduced by 20%? The facilitator explained that the institutional grant is not typically recalibrated each year, although if the minimum amount of grant funding should decrease significantly, any formula should be adjusted to accommodate for the changes in funding levels. These formula changes might affect one or more criteria in a formula.

The original purpose of the institutional grant criterion was to account for varying economies of scale across tiny to large programs, not to be a safety net for programs. Therefore, the facilitators suggest that the group consider what level of funding the institutional grant should provide to programs, regardless of a program's performance.

Performance Formula

- Performance measures
    - o GED Attainment, Post Secondary Transition, Entered Employment, and Retained Employment
    - o Students with the goal and >= 12 hours
  - ➢ Rationale
    - ✓ Aligns with federal requirements
    - ✓ Supports state goal of student persistence
    - ✓ Rewards programs for keeping students long enough to make goals and rewards programs for student goal completions
    - ✓ Data analysis shows that in 2008-09:
      - o 79% of GED completers did so in 12 hours or more
      - o 85% of PST completers did so in 12 hours or more

        - 61% of students who gained employment (w/goal) did so in 12 hours or more
        - 63% of student who retained employment (w/goal) did so in 12 hours or more

- Targets and Outcomes
    - Two year rolling average of data for Outcomes
    - One year of data for Targets
    - Prorated targets
    - Setting targets - use federally negotiated targets through 08-09; define new state targets for funding formula starting in 09-10
    - Outcomes and Targets
  - ➢ Rationale
    - ✓ Prorating targets provides more equity and fairness to programs of different sizes
        - Rewards programs for effort in each measure/EFL
        - Accounts for low to no enrollment in measures/EFL's
    - ✓ Setting targets - 2008-09 targets are OK to use with 2008-09 data. State would like to set separate funding targets for 2009-10 data that better reflect statewide performance
    - ✓ Incorporating both targets and outcomes provides a balance between rewarding individual student performance and overall program performance.
        - Targets also support state goal of improved statewide performance and achievement of state targets
        - Balances large and small program effects

The facilitator discussed the performance analysis handout with the group and explained that the data indicate a high percentage of gains is achieved by students reaching more than twelve hours of instruction and supports the state's decision to focus performance funding on students with 12 or more hours of instruction.

The task force discussed the federal post-test assessment policy requiring sixty hours of instruction before giving a TABE assessment, and whether the mandate works in opposition to the goals and needs of the students. Directors shared that some students feel like programs "won't let them test" and that is a mark against the program. In other cases, a student might never reach sixty hours and be eligible for educational gain. The facilitator noted that while programs won't get performance credit for educational gains for students without a sixty-hour post-test, the program will get credit for the student reaching other outcomes where they set a goal, such as GED attainment, employment, or transition to post secondary education or training.

A task force member wondered whether Montana should weight GED attainment to encourage programs to focus on GED services. The state director cautioned that a supplemental weight could cause programs to "fast-track" students simply to increase performance numbers. This would counter Montana's approach that intensity of service is most important in helping students reach their short and long term goals of transitioning to further education, training, and employment.

Concerns were raised because there are program sites in Montana which have no post secondary institutions in close proximity and limited access to GED testing. Rural program directors countered that online distance education and testing is expanding and addressing some of those issues. Other concerns included the challenge for rural programs to keep students for sixty hours of instruction when long distances pose transportation and time challenges. One program option for the state to explore in the future is distance education and a policy option for student directed learning.

The group concluded that it might not be fair for a program to earn performance credit for students who reach goals in less than 12 hours because it's difficult to attribute student success to a program when the services are minimal. Program directors expressed frustration that a student must officially exit the program in order to get credit for their GED attainment in the following program year. One task force member argued that it takes money to conduct intake and assessment, and so programs should be compensated for that. However, providing high quality services that retain students long enough to reach their goals is the current goal.

Another frustration that directors cited is programs being held accountable for variables they may not have any control over, such as employment or the above mentioned assessment and enrollment mandates. Program directors offered that intensity and continuity of services allows for outcomes and success and that many programs that do achieve success are now mandating attendance (managed enrollment). Some felt the mandated system does not recognize that adult education programs are serving people who did not succeed in high school or home schooling, and who often face significant educational and life challenges. Some directors countered that the adult education system provides access for everyone and should not replicate a public school model that is failing the underserved and un-served populations. The state director reminded the group that the National Reporting System was developed by and for adult educators to build accountability into a system that didn't have any at the state and national levels. It is a work in progress and is being reviewed and adjusted as the system gets the data and research to support changes.

As with the existing formula, the model uses a two year rolling average of performance data to calculate the performance outcome allocation. The target allocation, which is based on performance percentages, uses one year of data and not performance outcomes (raw numbers).

The facilitator then explained the targets worksheet by showing how target points are awarded and how they balance performance funding allocations with performance outcomes. A program that meets or exceeds the state's target in a measure is eligible to earn target points. The eleven educational functioning levels are worth a total of 11 points and are calculated by dividing the number of students in a level by the total program's enrollment. This level of effort in a level is then multiplied by 11 to calculate the total number of target points earned per level. The other four core measures are each worth one point. With performance targets, the percent of student effort needed to earn target points is generally the same regardless of program size, thus putting all programs on an equal playing field when it comes to competing for performance target funding. Prorating targets based on where services are provided also alleviates penalizing programs that do not have students in every EFL due to program size or geography. It also alleviates over-awarding performance in levels where there are only a few students enrolled (low "n"). Using targets incentives improving overall program performance as well as meeting state targets, not just focusing on individual student outcomes as with performance outcomes funding.

The facilitator explained that the original 30% performance percentage was evenly split between outcomes and targets however, small programs were receiving so much money that they might have difficulty absorbing it in a program year. The state and facilitators explored different distributions and ended up adjusting it so that 10% was allocated to targets and 20% to outcomes.

The task force then spent time looking at the new projected allocation using the new model compared to the actual FY11 allocations. Participants saw some significant increases and decreases among programs and asked about the cause for the fluctuation. The facilitator walked the task force through the analysis worksheet that looked at each new formula factor and compared it to the existing formula criteria, by program. This analysis outlined, by program, the reasons for funding fluctuation.

A task force member asked what happens to program allocations if all programs improve on the measures and the state and federal money does not increase. The facilitator explained that the money is reallocated across programs each year based on the formula criteria, only each credit is now worth less. Continuous improvement to the data system and ongoing data analysis can show outside funders that the system is accountable and a worthy investment.

When asked what the major differences are between the existing and new formulas, the facilitator responded that while the new model uses the same broad measures as in the existing formula, the measures definitions are refined, targeting the enrollment and performance of students who have been retained and received at least 12 hours of instructional services. Additionally, the new model includes performance targets, in addition to the existing outcomes, which reward programs for overall program performance and not just individual student outcomes.

The facilitators then summarized other state interim decisions related to but not included in, the formula:

- Significant Ed Gain
    - Future consideration: when data are available
  - ➢ Rationale
    - ✓ Lack of cut scores from TABE
    - ✓ OVAE is interested in capturing SEG but pyschomatricians are not there yet
- Special populations
    - None at this time
  - ➢ Rationale
    - ✓ None to limited data to support separate special populations weight at this time
- Harm/gain limit
    - None at this time
  - ➢ Rationale
    - ✓ 2010-11 is last year for harm/gain limit
- Other criteria
    - None at this time
  - ➢ Rationale
    - ✓ No other criteria have been presented for consideration
- One formula vs. two formulas
    - One formula that is applied to both funding sources (federal and state)
    - Programs can still receive two allocation awards, if needed, in order to track each source and meet applicable rules

Next, the facilitators introduced other formula issues for task force consideration, including:

- Corrections programs
  - o Remove MSP from formula
  - ➢ Rationale
    - ✓ Limited ability to compete in all measures

  Incarcerated populations face enrollment and performance advantages and disadvantages over the non-corrections programs. Corrections literacy education is currently limited to federal resources (capped at no more than 10%). The Montana State Prison allocation was deducted from the new model until further discussion can identify how correctional programs can be included in a PBF formula. There are several types of correctional literacy programs in Montana, in addition to the Montana State Prison. Billings, Glendive, and Helena have programs that include either state or community corrections partnerships and focus on either long term, short term, and pre-release students. Bozeman cited partners that would like to see classes in the county jail. There are concerns about removing the money for corrections from the formula, how to hold programs accountable for student performance, how to allocate correctional literacy awards, and whether to include all correctional programs or leave out pre-release programs. It was noted that all corrections students, even pre-release students are identified in the MIS system as "corrections." The task force recommended a separate discussion with program directors that provide correctional literacy programs.

- Supplemental Weighting
  - o None at this time
  - ➢ Rationale
    - ✓ Need additional data analysis to justify supplemental weight

  The facilitator explained the purpose of placing supplemental weight on certain measures. One, the state may have performance priorities and valuing those measures more incentivizes programs to focus program practices toward meeting those goals. For example, if increasing the number of GEDs achieved is a state goal, then the formula could weight this measure to be worth more than one point; it could be weighted at 1.25, or 1.5, or 2, etc. Additionally, if data analysis shows particular educational functioning levels take longer for students to complete and potentially requiring additional resources than other levels, those levels could each be weighted at more than one point as well. A third reason states consider supplemental weighting is to ensure access for the hardest to serve populations, often the lower ABE levels or even pre-literacy levels. By attributing a greater weight to these levels, programs are incentivized to serve these populations rather than to focus on the easiest to serve populations. The facilitator suggested that the state analyze the data to determine if supplemental weighting should be applied to any measures in the formula. A task force member concurred that Montana would need to look at longitudinal data before including supplemental weighting in the formula.

- State policies
  - o Minimum number of students in order to be eligible for a grant
    - ▪ Program consolidation and regional centers
  - o Should the institutional grant account for small program size and costs or ensure a minimum level of funding, regardless of performance?
    - ▪ Definition of small, medium, and large program
    - ▪ Definition of small program costs

        - Minimum amount of funding for each size of program
    - Next State Plan and RFP

As the new model evolved, a number of state policy issues have been identified that need to be addressed, some before the next competitive RFP and others by the time the new state plan is due.

A task force member cautioned that there could be a lot of new local competition for the adult education dollars. The state director explained that applicants must demonstrate past effectiveness in providing adult education services. Additionally, the state could decide to award one grant per county or region to the highest scoring applicant, instead of to all programs who apply and meet the criteria. New programs can be incorporated into the system in a variety of ways; with seed money for a couple of years or by using a state average of enrollment and performance by programs of similar size.

This discussion covered regional program consolidation centers, or consortia applications, and what the advantages and disadvantages are to using this model. Some members were worried that their programs might disappear while others felt that they might be able to leverage additional resources from regional consolidation. This issue should be resolved by the completion of the next state plan and possibly before the new RFP is issued.

- Percent of funding between base and performance formulas and within each component

The facilitator explained that the model's funding percentages were set up to generally align with existing funding percentages. She manipulated the control panel to show the task force how the percentages could be changed for the new model. The group initially looked at the redistribution of funding with a 60% Base formula and 40% Performance formula. Variations within each component included 30% for need and 23% enrollment, and 20% need and 33% enrollment. The group also discussed ramping up the PBF effort over time by allocating year one at 70% Base and 30% Performance, then 60% Base and 40% Performance in year two, and 55% Base and 45% Performance in year three. The task force did not come to a final recommendation on exact percentages but recommended the state continue to explore a variety of combinations between base and performance funding.

- Maintenance of effort

The state director reminded the task force that the federal requirement for statewide maintenance of effort is 25% and all programs must maintain that level of effort, regardless of the amount of federal resources a program receives. A task force member noted that federal grants were intended to be start up funds, and supplement local resources, not be the primary source of a program's funding.

- Formula evaluation

The facilitator explained that the state will need to decide how often the model will be evaluated (annually, every 2 years, 3 years, etc). Other related activities include ongoing data analyses, identifying policies and procedures that ensure high quality data goes into MABLE, and how to address unintended consequences of the formula.

Montana's Funding Goals

The facilitator reviewed the task force's funding priorities and funding criteria for alignment.

ABE Mission

- Believing that every person has purpose, value, and potential, Montana ABLE provides free instruction to adults and out of school youth to improve their basic skills, attain the GED, PST and/or improve employment status

Funding Priorities	Formula Criteria
Maintain Current Level of Services	Enrollment
Access for new students	Need (poverty, unemployment)
Student Persistence	Performance Measures (goal, >=12 hrs)
Performance (outcomes, ROI)	Performance Measures (EG, GED, PST, EE, RE)
Student Retention	Enrollment (>=12 hrs)
Program Sustainability	Institutional Grant (small, medium programs)

Implementation Considerations

The facilitators briefly outlined the implementation issues that the state will consider as they prepare for implementation on July 1, 2011.

- System training needs/Stakeholder buy-in
- Formula rollout
- New providers
- Annual funding fluctuations
- Accountability system refinements
- MT formula approval process
- Related state policy
- Model Review by Task Force (every # years)
- Other

The task force was encouraged to review the comments that were brainstormed during the second task force meeting.

Stakeholder Buy-in and System Training Needs:

- Technical assistance needed
- Connect formula to the RFP process
- Local tool to estimate funding level, insert projections, and give estimated budget
- Emphasis on transparency
- Understanding of the formula development process
- Consensus and consistent message from state and field
- Face-to-face training in the ABLE centers and fiscal organizations

- Face-to-face meetings with legislatures, OPI, and OVAE
- Report produced by MPR

Accountability System Refinements:
- Review goals and expectations after six months to a year
- Can we quantify program improvement based on outcomes and targets
- Look at unintended outcomes
- Program measures: GED, Scale Scores, Targets
- Use desk monitoring

Montana Formula Approval Process
- Committee approval
- Go "whole field"
- Need regional trainings
- State will provide support
- Leadership priority
- Help level the playing field

Other related state policy
- Program improvement plans
- Underperforming programs need show plan to meet targets and show increases

Final Formula Recommendations:

1. Need: Explore availability of SNAP data
2. Institutional grant: Refine tiers and allocation amounts
3. Refine funding percentages between Base and Performance components

After lengthy and thoughtful discussions, the facilitator polled the group to see if each member would recommend and support the refined model with the above recommendations. The group was unanimous in its support of the work completed. Ten out of 11 members present could support the model as long as the remaining recommendations were addressed. The 11th task force member indicated that she could not support the model unless the funding percentages were changed to 60% base and 40% performance. General comments included:

- We need to consider need factors (SNAP, poverty, and unemployment) that accurately represent the adult education target population. I'm not sure poverty and unemployment are the right factors.
- This is a good start, we looked at options thoroughly, we have to start somewhere and this model is a good place to start.
- This process, the way we went about it, has been solid.
- I want time to play around with the model on my own.
- I want the formula to remain under constant review.

Statewide Dissemination Process

The next step is to educate all program directors in the state. The Montana state director proposed finalizing the formula by December 2010 and holding a dissemination meeting in the winter to share the final model with all directors. The group discussed who should deliver the information - the state staff, the task force, or the consultants. There was support for each, however it was suggested that the message may be received better from the consultants, as an objective, outside third party. There was consensus that the task force needs to be present to advocate for the process as well as the model, and to provide guidance to their colleagues. The task force made the following suggestions:

- It should be clear that the meeting is for educational purposes and not a time to negotiate for changing the model
- Explain the model first, and then look at the dollars
    - Include a presentation session
        - The slides should clearly outline the tasks that the task force completed
    - Include a round table talking session
    - Include a hands-on lab session where participants have time to manipulate the model on their own
- Make sure everyone understands the model at the end of the meeting

The group discussed when to hold the dissemination meeting and whether to have one statewide meeting or multiple regional meetings. The task force recommended a one day (minimum 4-5 hours) meeting to be held in Billings in February 2011. The facilitators explained that they would develop the meeting materials and asked for volunteers to review the materials to ensure the scope and depth of information was adequate. Jerry, Sherri, and Monique volunteered.

Next Steps and Final Thoughts

The facilitators outlined next steps:

1. Facilitators will finalize an October meeting summary and the state office will distribute it to the task force.
2. Facilitators will work with the state office to explore SNAP data, refine institutional grant definition, and identify final funding percentages for criteria.
3. Facilitators will revise the funding model based on final decisions and provide annotations within the Excel workbook that describe the formulas and data that will need to be updated on an ongoing basis.
4. Facilitators will transition project materials to MT OPI by November 31, 2010 including, final project memo, meeting summaries, and annotated model.
5. Facilitators will work with the task force to develop dissemination materials (agenda, PPT slides, model handouts, and analysis handouts).
6. The state office will schedule the dissemination meeting in February 2011. Facilitators will facilitate the meeting with the help of task force members.
7. Facilitators will finalize a February meeting summary and the state office will distribute it and the final model after the dissemination meeting.

The facilitators closed the meeting by asking the task force to each share a final thought about the PBF process. Comments included the following:

- I feel good about the outcome, but not happy about my own data. I'm glad the formula has the potential to be reviewed and revised frequently.

- Instructors have a general idea about the formula, and this (model) will help; they can see the pieces, and that it is evolving. It is good that program directors across the state were involved in the process.

- Change is hard but not a bad thing.

- I understand the model better and understand that money can be lost. This has been a great collaborative effort, and it will help us sell the model to the rest of the directors.

- Great process.

- The adults in the state are lucky to have people who are this dedicated, this is a good outcome.

- I enjoyed the process and appreciate that small programs had a voice.

- There is credibility in this process.

The state director adjourned the meeting by expressing her appreciation for the task force members' collaborative work and input, making this a system-wide effort and not just a state decision.