

Abstract

This presentation describes in detail how mathematical probability is used to investigate the practicability of a proposed metric pertaining to a higher education funding formula model.

Outline

- Proposed Metric
- Implementation
- Example
- Discussion
- Summary
- Q&A

Proposed Metric

Release the set aside for next year iff the proportion of this year's graduates who are **successful** exceeds last year's proportion by more than 0.01 (= 1.0%).

Proposed Metric

Release the set aside for ~~next year~~ year after next iff the proportion of this year's graduates who are successful exceeds $m.78 / \text{GSA}$ cs 1 0 0 sc @ year's

Proposed Metric

N_i No. of year 4 grads.

G_i No. of year 4 grads enrolled in grad/prof school.

W_i No. of year 4 grads working successfully.

$p_i = (G_i + W_i) / N_i$ Pop. proportion of “successful” year 4 grads.

$p_2 - p_1$ Change in consecutive pop. proportions.

Release the set-aside for year 4 iff $p_2 - p_1 \geq \mu$ r ä.r s

How to Proceed?

$R_i = N_i - G_i$ No. of unknown year grads.

$u_i = W_i / R_i$ Corres. proportion of unknown year grads.

$$W_i = u_i R_i$$

Solution #2: Survey a SRS of the R_i unknown year grads, observe the number of successful grads, estimate W_i by estimating u_i using x_i / n_i .

- Need ~100% response rate, but this seems more attainable here
- Statistical approach which promises to be less expensive.
- Allows one to quantify decision uncertainty.

Solution #2: Probability Results

1. $\hat{u} \equiv \frac{x}{n}$

2.

3.

4.

Solution #2: Probab

5. $\hat{p} \sim \text{Normal}$

6. n —
 s —
 u

7. $p \parallel r z_{\phi t}$

Solution #2: Probability Results (cont.)

8. (\hat{p}_2)

9.

10.

Solution #2: Hypothesis Test

Hypotheses:

$$H_0: \mu_t = \mu_s$$

$$H_A: \mu_t \neq \mu_s$$

Decision Rule: Reject the null hypothesis (i.e., **release the year 4 set aside**) at the approx. α level of significance if

$$Z = \frac{\bar{X}_t - \bar{X}_s}{\sqrt{\frac{s_p^2}{n_t} + \frac{s_p^2}{n_s}}} \geq z_{\alpha/2} \text{ or } \leq -z_{\alpha/2}$$

Solution #2: Steps

1. Learn the no. of year 1 grads:
2. Learn the no. of year 1 grads in grad/prof school:
3. Determine the sample size for the survey of year 1 grads:
4. Survey SRS() of the year 1 grads,...
5. ...follow up, etc., ...
6. ...and compute the estimated proportion of year 1 grads who are “successful”:

Solution #2: Example (cont.)

	FY2011	FY2012	
N No. graduates	2,092	1,963	
G No. in grad/prof school	585	549	Assume 28% of N
R = N - G Therest	1,507	1,414	
n Sample size	1,402	1,321	Target m.e. = 0.005
$u = W / R$			
X No. successful grads in sample	1,000	975	For example
$\text{est}(u) = x / n$	0.7133	0.7381	
$\text{est}(p)$	0.7934	0.8113	
m.e. for p	0.0045	0.0044	
$\text{est}(p_2 - p_1)$		0.0179	
m.e. for $(p_2 - p_1)$		0.0063	
Z		2.465*	Release \$\$\$

Solution #2: Remarks

1. Straightforward application of basic mathematical statistics and probability theory.
 - Straightforward implementation of the proposed funding formula metric.
 - Provides, additionally, a statement of uncertainty.

2. Show me success!

3. Practic G ìá tp U X € tì ŒãÃ YCPĐÀ 0

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Solution #2: Remarks (cont.)

5. The real metric: Release the set aside for **year after next** iff this year's **3 year weighted proportion** of graduates who are **successful** exceeds last year's **3 year weighted proportion** by more than 0.001 (=0.10%).

$$p_u \left\{ \frac{G_s W_s \quad G_t W_t \quad G_u W_u}{N_s \quad N_t \quad N_u} \right.$$

$$p_v \left\{ \frac{G_t W_t \quad G_u W_u \quad G_v W_v}{N_t \quad N_u \quad N_v} \right.$$

Release the set aside for **year 6** iff $p_4 - p_3 \geq \mu$ r ä r.r s

Summary

- Described a (distilled version of a) funding formula metric.
- Motivated and described a solution for implementing this metric, developed from mathematical probability.
- Presented examples.
- Critiqued this solution.

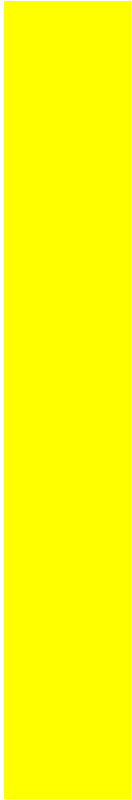
Questions

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.960 for 95% confidence (Usually used when reporting a "margin of error.")

.645 for 90% confidence



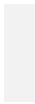
BACHELOR'S

NOTE:Usez=1
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Required
 increase in p
 to satisfy or = 116EV M = 10 \$1#2D0= 108 0.5

PUBLIC BACCALAUREATE AND
HIGHER DEGREE GRANTING
INSTITUTIONS

FY12 Total (N)	NSQ per r student cost (\$/student)	NSC Total Cost(\$)	% Going on to Grad or Prof School	No. Going On to PostBacc (G)	No. Potentially Employed (R=N G)
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.960 for 95% confidence (Usually used when reporting a "margin of error.")										
.645 for 90% confidence										
.283 for 80% confidence										
Best prior guess for u (use 0.5 to be maximally conservative)	Optimal Sample Size (n)	Sampling Fraction	Cost Initial Survey (\$)	Total Cost Initial Data Gathering	Response Rate Initial Survey	Size of 1st Follow up Survey	Cost of 1st Follow up (\$)	Total Cost After 1st Follow up (\$)	Response Rate of 1st Follow up	Size of 2nd Follow up
0.50			6		45%		6		60%	
0.50	116	1.0000	696	715	0.45	64	384	1,099	0.60	26
0.50	216	0.9908	1,296	1,332	0.45	119	714	2,046	0.60	48
0.50	605	0.9711	3,630	3,734	0.45	333	1,998	5,732	0.60	134
0.50	2,081	0.8958	12,486	12,873	0.45	1,145	6,870	19,743	0.60	458
0.50	747	0.9626	4,482	4,611	0.45	411	2,466	7,077	0.60	165
0.50	498	0.9765	2,988	3,073	0.45	274	1,644	4,717	0.60	110
0.50	795	0.9613	4,770	4,908	0.45	438	2,628	7,536	0.60	176
0.50	1,124	0.9445	6,744	6,942	0.45	619	3,714	10,656	0.60	248
0.50	885	0.9557	5,310	5,464	0.45	487	2,922	8,386	0.60	195
0.50	1,265	0.9370	7,590	7,815	0.45	696	4,176	11,991	0.60	279
0.50	3,319	0.8337	19,914	20,577	0.45	1,826	10,956	31,533	0.60	731
0.50	1,186	0.9413	7,116	7,326	0.45	653	3,918	11,244	0.60	262
0.50	1,321	0.9342	7,926	8,162	0.45	727	4,362	12,524	0.60	291