Aligning State Resources to Better Promote Student Success

PRESENTED AT:
THE WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION
LEGISLATIVE ADVISORY COMMITTEE

“GOING THE DISTANCE: STRATEGIES FOR REACHING COLLEGE COMPLETION GOALS”

OCTOBER 6, 2010
DENVER, COLORADO
I. Performance funding foundations

- Ohio had a long history of performance-based funding
- The first of the four “Challenges” began in the 1980s
- Total funding for the Challenges equaled about 10% of total state operating subsidy for campuses by late 1990s
- The past successful implementation of performance funding helped set the stage for significant changes in FY 2010 and FY 2011
## I. Performance funding foundations: Policy design

<table>
<thead>
<tr>
<th>The Challenges</th>
<th>Goal</th>
<th>Recipient</th>
<th>$ Distributed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research</strong></td>
<td>Increase third-party sponsored research $</td>
<td>Public university main campuses; some private universities</td>
<td>~$10 - $12 million per year</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Lower tuition to increase enrollments at access campuses</td>
<td>Public community colleges and selected 4-year access campuses</td>
<td>~ $65 million per year</td>
</tr>
<tr>
<td><strong>Success</strong></td>
<td>Decrease time to UG 4-year degrees; improve degree achievement for at risk students</td>
<td>Public university main campuses</td>
<td>~$55 million per year</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td>Increase non-credit job-related training</td>
<td>Public two-year campuses</td>
<td>~$10 million per year</td>
</tr>
</tbody>
</table>
## I. Performance funding foundations: Outcomes

<table>
<thead>
<tr>
<th>The Challenges</th>
<th>Goal</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research</strong></td>
<td>Increase third-party sponsored research $</td>
<td>Persistent rise in $ volume of third-part sponsored research and state per-capita share of such research. (Source: NSF and related sources)</td>
</tr>
<tr>
<td><strong>Access</strong></td>
<td>Lower tuition to increase enrollments at access campuses</td>
<td>High spike in enrollments at access campuses representing what is arguably a net increase in UG enrollments statewide (that is, the access campus enrollments did not come at the price of lowered university enrollments). (Source: HEI data)</td>
</tr>
<tr>
<td><strong>Success</strong></td>
<td>Decrease time to UG 4-year degrees; improve degree achievement for at risk students</td>
<td>Significant decreased time to degree for UG; slight increase in 6-year degree rates; increase in number of at-risk degree recipients. (Source: HEI data)</td>
</tr>
<tr>
<td><strong>Jobs</strong></td>
<td>Increase non-credit job-related training</td>
<td>Built job training capacity at access institutions; served 5% of Ohio’s workforce annually; significant savings and cost reductions reported by participating businesses and industries. (Source: OBR staff surveys.)</td>
</tr>
</tbody>
</table>
II. Funding Formula Changes in FY 2010 and FY 2011
II. The Chancellor’s ten-year strategic plan: Some key elements

- Strategic plan was mandated by the legislature
- Explicit goals for the new public agenda:
  - Enroll and graduate more Ohioans.
  - Increase state aid, improve efficiency, and lower out of pocket expenses for undergraduates.
  - Increase participation and success by first-generation students.
  - Increase participation and success by adult students.
- Each goal has a specific metric by which progress toward the plan is assessed annually.
II. Changes in place for FY 2010 and FY 2011

- Major shift to success-based formulas
- Creation of three new formulas:
  - University main campuses
  - University regional campuses
  - Community colleges
- Endorsed by the Governor and approved by the General Assembly in H.B. 1
II. University main campuses

- Shift from enrollment-based to course- and degree-completion based formula
  - Cost-based course and degree allocations
  - Empirically-based adjustment (extra weighting) for at-risk students
  - Degree-completion component to be phased in slowly
- Setasides for doctoral and medical funding
  - Doctoral and medical funding to become more dynamic and performance-based
- Effects phased in over time
  - 99% stop loss in FY 2010
  - 98% stop loss in FY 2011
II. University regional campuses

- Shift from enrollment-based to course-completion based formula
  - Cost-based course and degree allocations
  - Empirically-based adjustment (extra weighting) for at-risk students
- Plan to add degree-completion component in 2 to 4 years
  - Time to permit regional campuses to adjust their missions to focus more on upper-level undergraduate enrollments
- Effects phased in over time
  - 99% stop loss in FY 2010
  - 98% stop loss in FY 2011
II. Community colleges

- Will continue to have **cost-based enrollment formula** as major basis of funding
- Adding State of Washington’s concept of ‘Momentum Points” -- which Ohio calls “Success Points”” -- beginning in FY 2011
  - Success Points share of total community college funding is 5% in FY 2011, and will increase over time
- **Effects phased in over time**
  - 99% stop loss in FY 2010
  - 98% stop loss in FY 2011
III. Performance-based student grant initiative: Rewarding student success
Independent students with one or more dependents, and who

Have an “Expected Family Contribution” (EFC) of $0, and who

Have already completed at least 15 credit hours of college work, and who

Are enrolled for at least 3 credit hours during the term for which they apply for the grant
III. TEAP V. 1.0: Grant Structure

- **Supplemental** to existing aid.
- **Sizable:**
  - Maximum grant: $1,200 for full-time student, $600 for part-time student
- **Contingent:**
  - Students had to **successfully complete** the course to receive the final grant portion
- **Parceled out:**
  - Grants distributed in two parts -- 1/3 at start of term -- 2/3 at end of term
- **Broad permitted use of funds:**
  - Child care, transportation, books, materials, equipment
### III. TEAP V. 1.0: Outcomes

#### Going the Distance

<table>
<thead>
<tr>
<th>Selected Variables</th>
<th>TEAP Grant Recipients</th>
<th>Non-TEAP TANF Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>7,439</td>
<td>18,488</td>
</tr>
<tr>
<td>Course completion rate</td>
<td>82%</td>
<td>70%</td>
</tr>
<tr>
<td>GPA</td>
<td>2.79</td>
<td>2.54</td>
</tr>
<tr>
<td>Persistence + grad rate</td>
<td>82%</td>
<td>60%</td>
</tr>
<tr>
<td>Full-time attendance</td>
<td>52%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Quasi-experimental design – no random assignment of students
Smaller program, fewer funds
Use random assignment of students to experimental and control groups
Strong leadership by MDRC
Evaluation is underway; preliminary results are consistent with V 1.0 findings.
  Final report due Fall 2011
Toward an integrated state policy in support of student success

<table>
<thead>
<tr>
<th>Goal of public policy</th>
<th>Major financial policy levers</th>
<th>Status in Ohio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions</td>
<td>State subsidy</td>
<td>Being implemented, &amp; refined</td>
</tr>
<tr>
<td>Students</td>
<td>Student financial aid</td>
<td>Pilot projects done &amp; evaluations underway</td>
</tr>
<tr>
<td>Faculty</td>
<td>Compensation; tenure and promotion policy</td>
<td>Not planned</td>
</tr>
</tbody>
</table>
Thank you...
Appendix: What are “success points?”

- Measures of student success that are sensitive to the community college’s mission and students
  - Derived from Columbia University Teacher’s College study
  - One point for each, unweighted by student or program or level
- Success Points include number of students who either:
  - Complete their first remedial course;
  - Successfully complete a developmental Math course last year, and subsequently enroll in a college level Math; and
  - Successfully complete a developmental English course last year, and subsequently enroll in a college level English. ...and who
  - Earn their first 15 semester credit hours
  - Earn their first 30 semester credit hours
  - Earn at least one associate degree, from that institution, in a given year.
  - Complete at least 15 semester credit hours at that institution and subsequently enroll for the first time at a four year college or university, in Ohio.