OVERVIEW OF DISCUSSION

• Performance-based funding defined
• Performance-based funding 1.0 design characteristics
• Outcomes-based funding 2.0 design principles
• Washington community and technical college experience
• Student Achievement Initiative 3.0
  • College-level attainment and completions
  • Equity
• Questions
PERFORMANCE-BASED FUNDING DEFINED

• Incentivizes a focus on student outcomes by attaching a portion of the state allocation to measures of performance

• Outcome measures typically include precollege course completion, college credit accumulation, degree and certificate completion. Some institutions use post-college outcomes (job placement and transfer)

• Funding mechanisms vary widely by state
PERFORMANCE-BASED FUNDING 1.0

• Implemented as a “top-down” approach by institutional leaders or legislature
• Bonus funding (not part of the base allocation)
• Small percentage of dedicated funding
• Complicated metrics
• No direct link to state attainment goals
OUTCOMES-BASED FUNDING 2.0

• Established completion or attainment goals and related priorities
• Stable funding structure (base funding)
• Significant level of funding
• Inclusion of all institutions in both two-year and four-year sectors
• Differentiation of metrics and their associated weights by sector
• Inclusion of degree/credential completion as a measure
• Prioritization of underrepresented students
WASHINGTON’S EXPERIENCE

• First attempt in 1997 as a budget proviso, discontinued after legislature did not renew in 2002-03 biennium due to budget cuts
• Next attempt in 2006 when Student Achievement Initiative was adopted as board policy (SAI 1.0)
• Community College Research Center (CCRC) review and 2012 internal study led to increased focus on progress and completions in milestone metrics, focus on basic skills students, and significant changes in funding model design
• 2015 allocation model redesign incorporated OBF 2.0 recommended design principles to make performance part of state funding formula and increased amount from 1% to 5%
• 5-year review took place in 2016-17 leading to SAI 3.0
STUDENT ACHIEVEMENT INITIATIVE 3.0
GUIDING PRINCIPLES FOR THE REVIEW

• The initiative supports improved educational attainment for students, specifically degree and certificate completion

• The initiative allow colleges flexibility and supports innovation to improve student achievement according to their local needs

• The initiative accounts for opportunity gaps for underrepresented students and provides incentive for colleges to close the achievement gap
PROBLEM STATEMENT QUESTIONS

• The current metrics do not explicitly address the equity gap
• Is there a way to capture the progression of basic skills and precollege that aligns with other student success frameworks
• Are there other gatekeeper courses besides math and English that research shows are launch points or barriers to completion?

Funding questions related to equity

• Should underrepresented students be given extra weight?
• Is the amount of funding dedicated to completions significant enough? If increased, what is the impact to colleges with large underrepresented populations?*
DATA ANALYSIS: EQUITY GAPS
UNDERREPRESENTED STUDENTS OF COLOR

<table>
<thead>
<tr>
<th>Category</th>
<th>No</th>
<th>Yes</th>
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</thead>
<tbody>
<tr>
<td>All students in SAI</td>
<td>75%</td>
<td>25%</td>
</tr>
<tr>
<td>Students earning points</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>Basic skills</td>
<td>58%</td>
<td>42%</td>
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<tr>
<td>Precollege English</td>
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<td>37%</td>
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<tr>
<td>First 15</td>
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<td>23%</td>
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<td>First 45</td>
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<td>21%</td>
</tr>
<tr>
<td>Quant/Math</td>
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<td>20%</td>
</tr>
<tr>
<td>Completion</td>
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<td>20%</td>
</tr>
</tbody>
</table>
EQUITY FOCUS FINDINGS AND DECISIONS

• No new point for STEM course completion
• New college-level English/Communication point added to provide more point opportunities for students transitioning to college, which are overrepresented HU-students of color.
• Extra point awarded for low-income and HU-students of color at the first 15 college-level credit point (duplicative).
• Extra point awarded for low-income and HU-students of color for degree and apprenticeship completions (duplicative)
• Increase the proportion of funds from the performance-funding pool for completions
• Limit the students in the performance-funding pool to state-funded only, no dual enrollment.
QUESTIONS

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