

Ohio Community College State Share of Instruction (SSI)

Funding Model 101

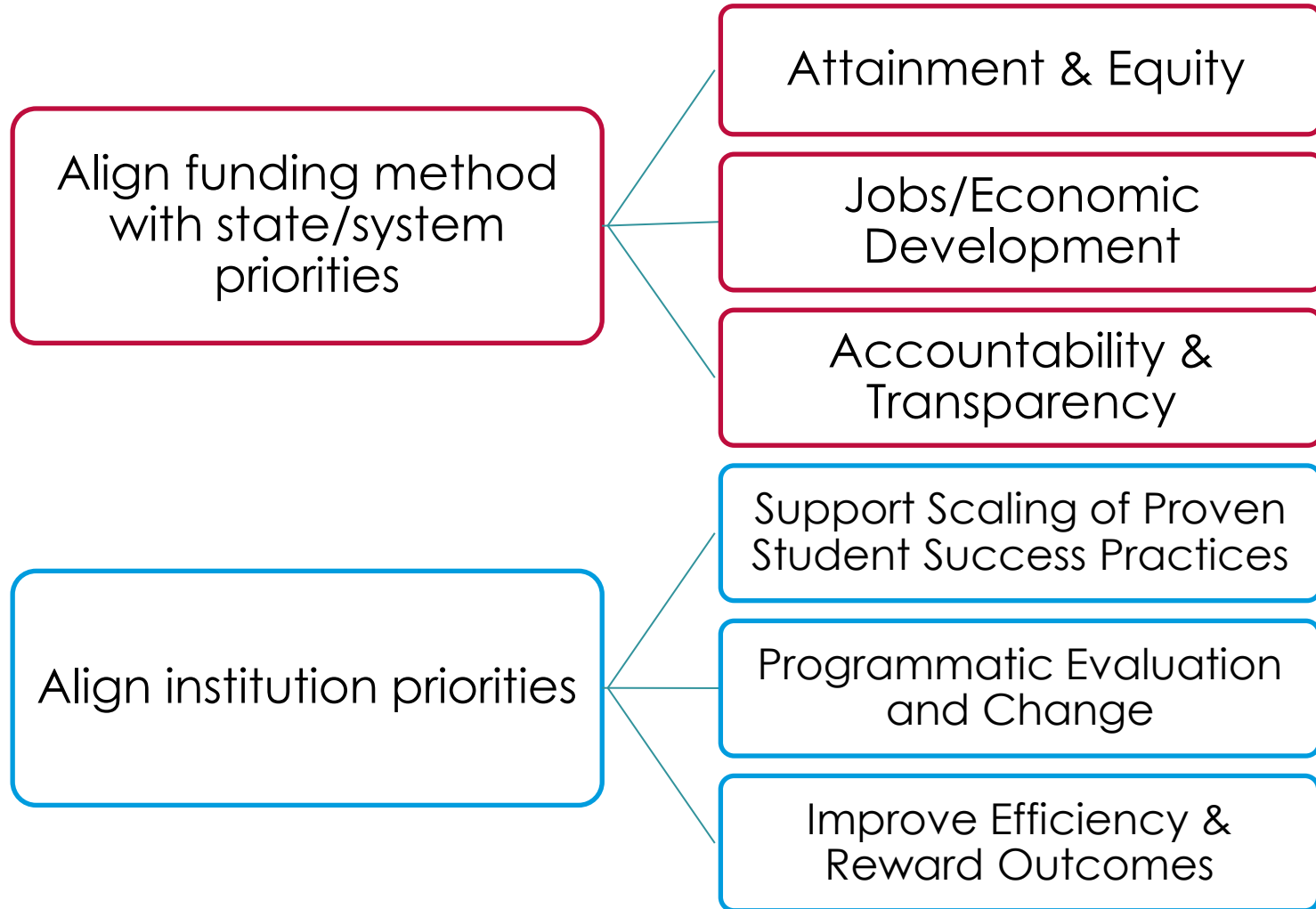
March 9, 2021



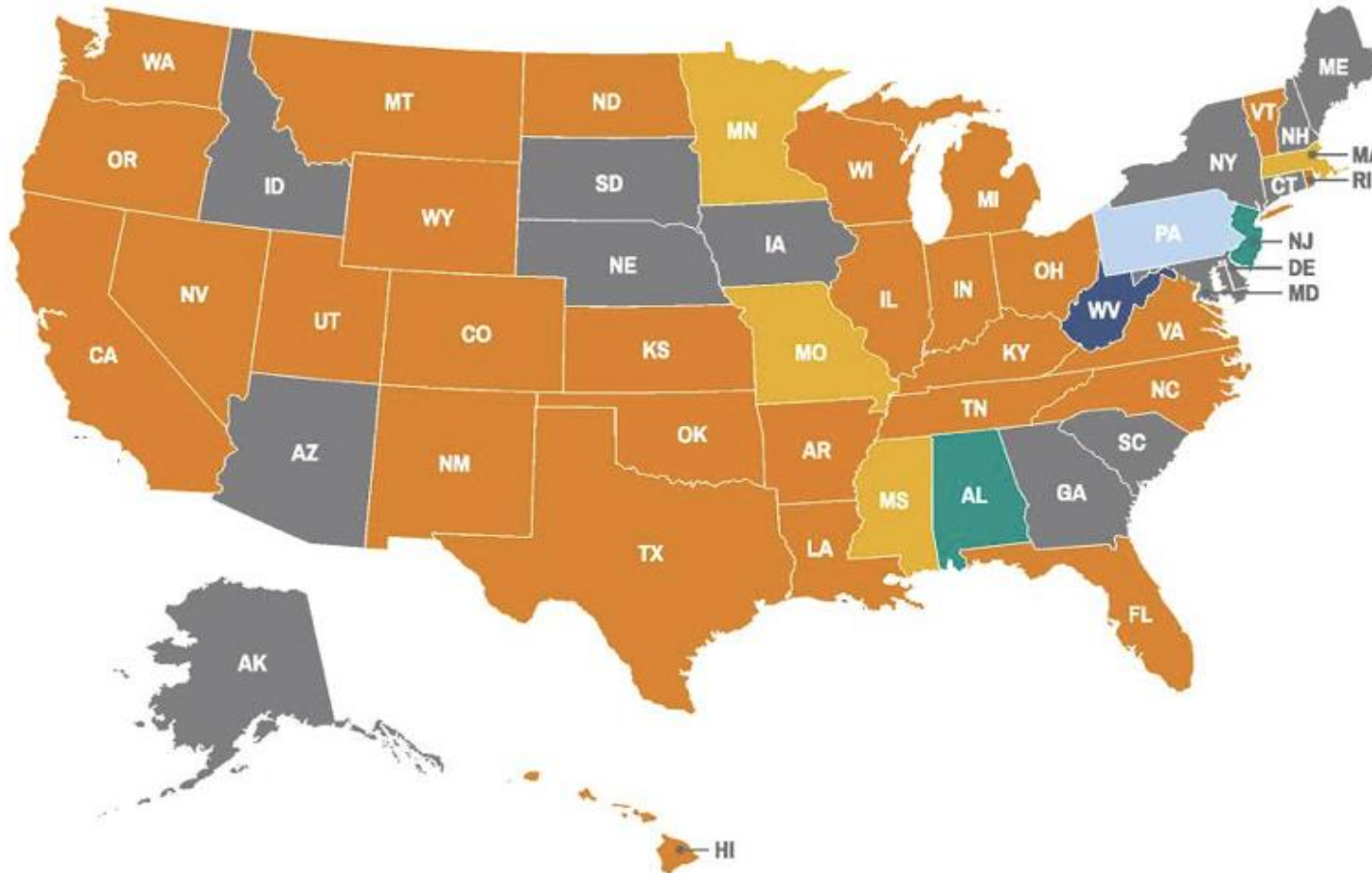
National Context

RATIONALE, STATE TRENDS, FUNDING

Policy Rationale for Funding for Outcomes



States of OBF in FY 2020



OBF Typology

State funding systems vary significantly in design, focus and sophistication. These range from historical or “base-plus” model to formula driven enrollment-based and outcomes-based funding. The latter creates incentives typically tied directly to state goals.

HCM Strategists has developed a typology for Outcomes-Based Funding ranging from Type I (Rudimentary) to Type IV (Advanced).

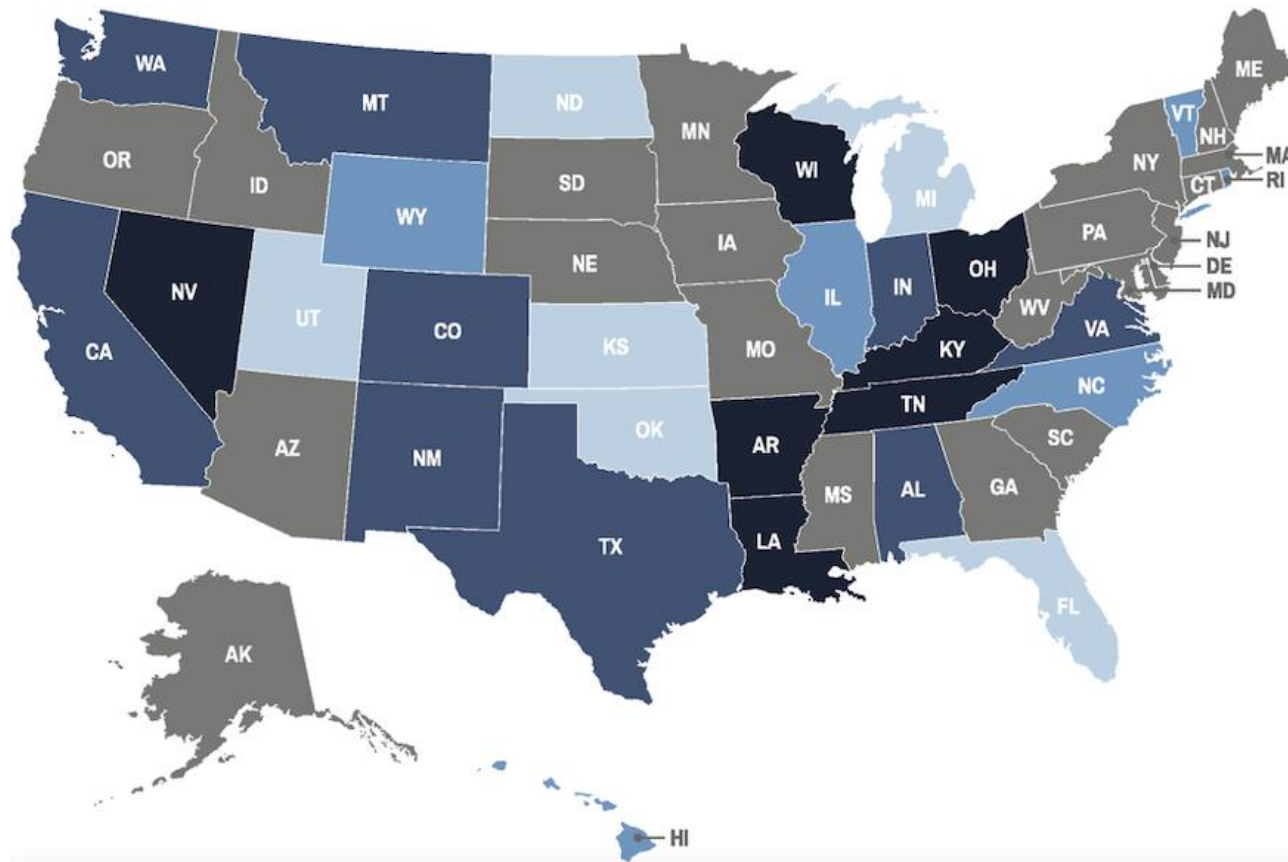
Type IV

- State has completion/attainment goals and related priorities
- Recurring/Base funding
- *High level of state funding (25% or greater)*
- Differentiates by institutional mission
- Total degree/credential completion included
- Outcomes for underrepresented students prioritized
- *Formula driven/incentives continuous improvement*
- *Sustained for two or more consecutive fiscal years*

State Implementing OBF (FY 2020) by Type: Two Year Sector



Information collected as of March 2020

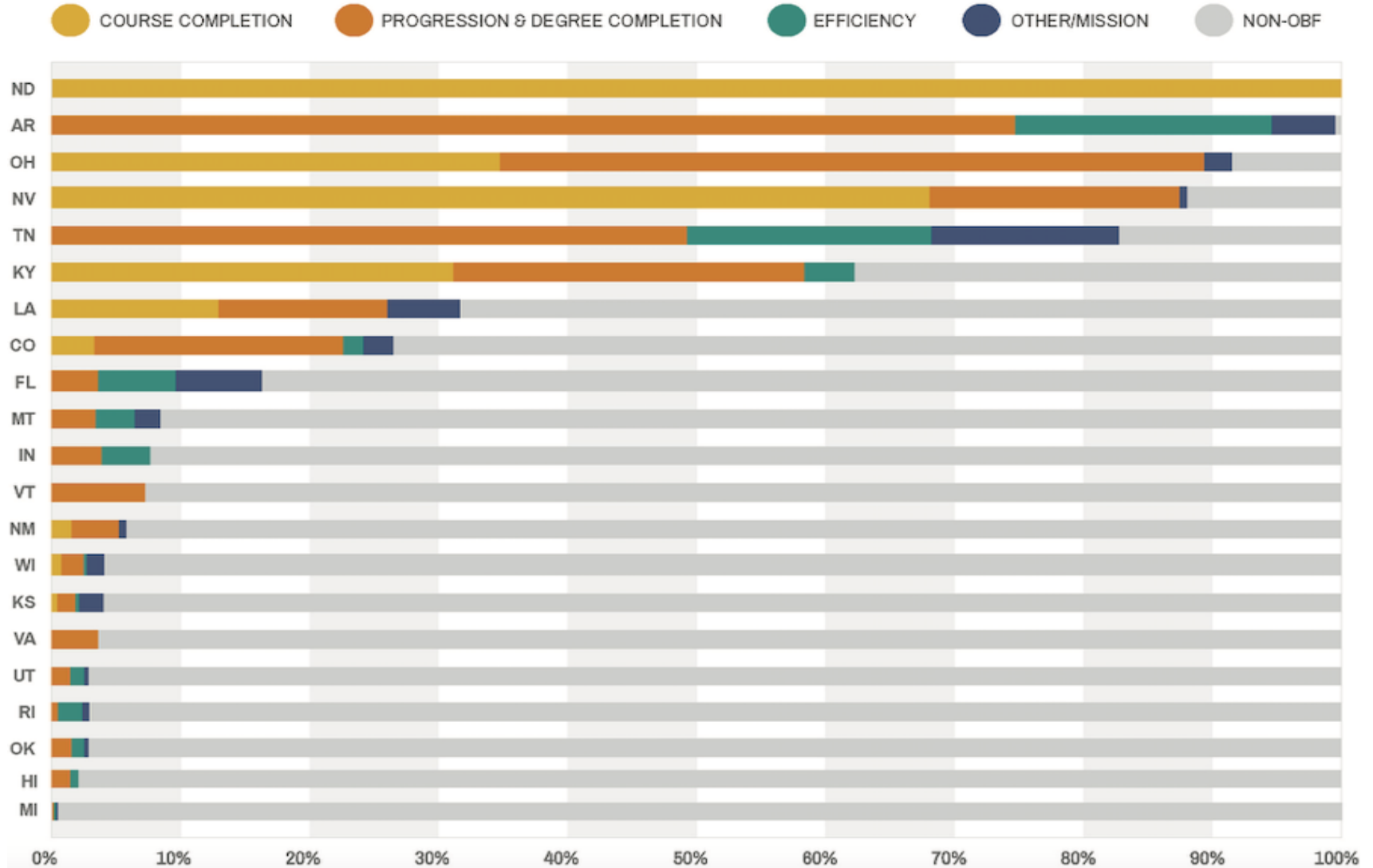


Funding Associated with OBF Models

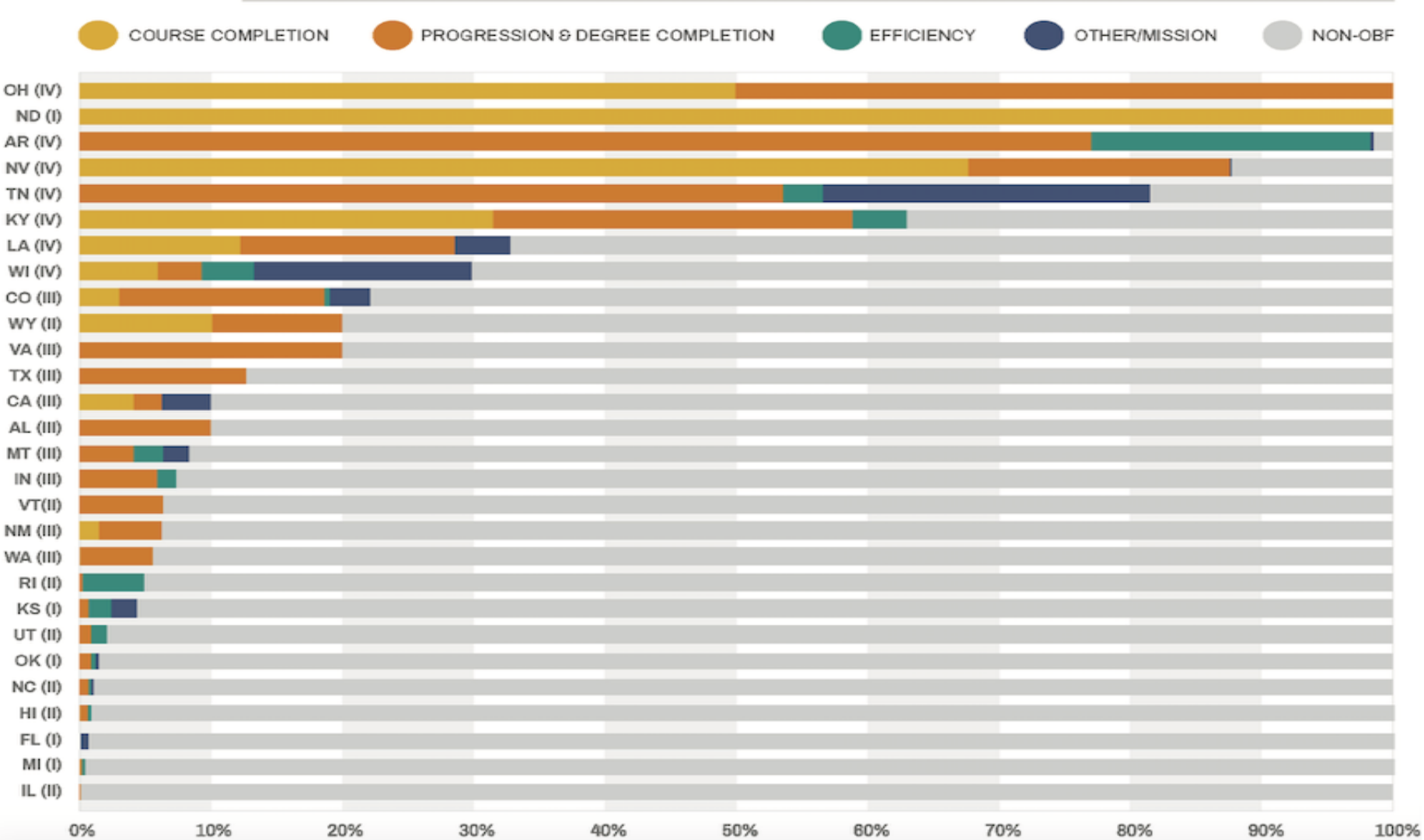
- Wide variation in funding in scope, structure and sophistication in state funding models
- Outcomes-based funding formulas are comprised of four general components:
 - Progression and degree completion
 - Course completion
 - Mission funding
 - Non-OBF/other funding

In many states outcomes funding remains a small portion of state support to institutions

OBF as a Share of State Institutional Support Two-Year & Four-Year Sectors (FY 2020)



OBF as a Share of State Institutional Support: Two-Year Sector



Ohio SSI Overview

Higher Education Funding Commission and Legislation (2012-2013)



Higher Education Funding Commission (2012)

- Recommended Ohio's funding for higher education focus on student success and completion
- Community colleges: transition from course enrollment to student completion of courses, degrees and certificates

House Bill 59 (HB 59): Adopted recommendations of the HEFC

- FY 2014: 50% course enrollment, 25% course completion and 25% success points, as originally defined in 2009.
- Two study charges to be incorporated into the FY 2015 State SSI formula:
 - **Identifying At-Risk Students for Community Colleges:** "shall identify the socio-economic, demographic, academic, personal and other factors that identify a student as being at-risk of academic failure...study the most appropriate weights for students who come from 'at-risk' populations."
 - **Success and Completion Measures:** "shall research the most appropriate success points and completion measures that occur during the academic career of community college students...determine how the community college's fiscal year 2015...funding shall be distributed among its success points, completion measures and course completion funding, or other performance and access measures."

OACC Funding Consultation & Guiding Principles



To address the charges of the HEFC and HB 4, the Ohio Association of Community Colleges convened a Community College Funding Consultation with delegates appointed by the presidents to develop recommendations. This group established a set of guiding principles to ground and direct the discussion.

GUIDING PRINCIPLES

- Hold true to the mission and priorities of community colleges of access, completion, quality and workforce development
- Create incentives for institutions to adopt evidence-based practices to help them succeed
- Align with state priorities and initiatives
- Be simple to understand and communicate
- Develop a model that is sustainable, consistent and reliable

Ohio Community College Formula Recent History



FY 2009-2013

Primarily enrollment-based with inclusion of success points (5% to 10%)
Stop Loss (99%-96%)



FY 2014

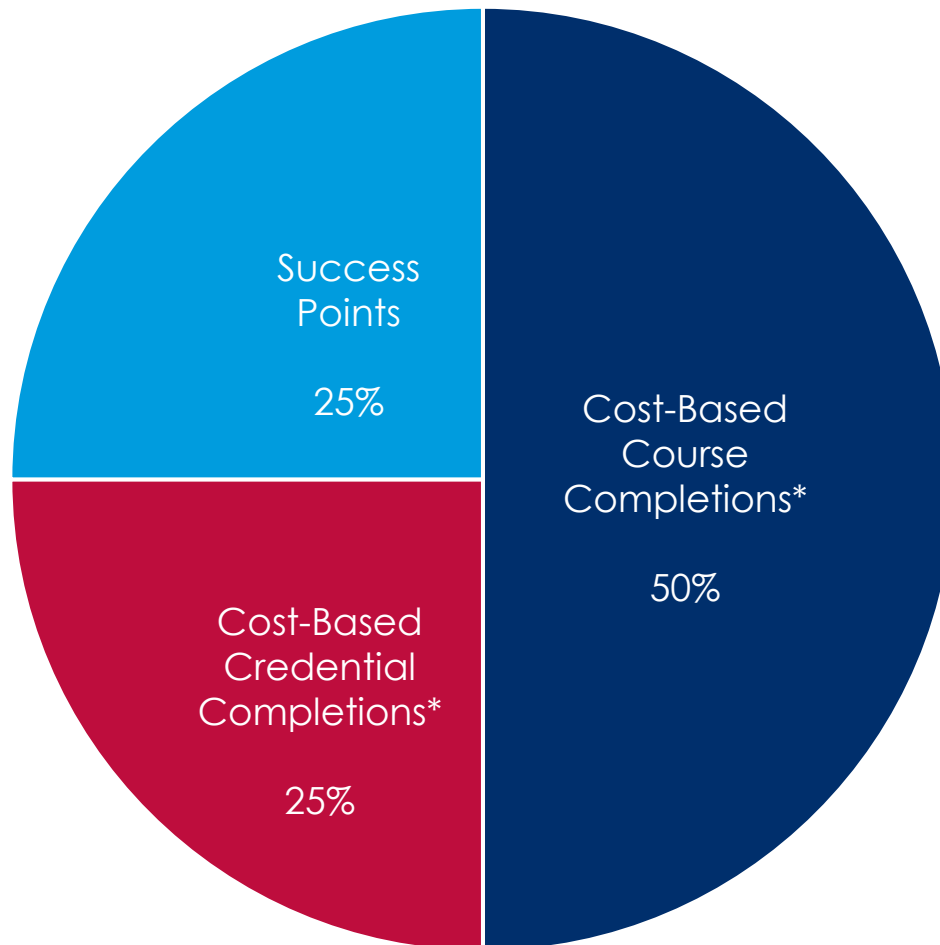
50% enrollment + 25% course completion + 25% success points
97% stop loss



FY 2015 - Today

Combination of course completion (50%), success points (25%) & completion metrics (25%); At-risk or access category application
No stop loss

SSI Framework Summary



All data averaged over three-years

* Access Category Weights Applied

- **Adult:** Age 25 or older at time of first enrollment at that college
- **Low-Income:** Pell-eligible ever in college
- **Minority:** Black, Hispanic, Native American
- **Academically Underprepared:** Using remediation free standards. Math Only.

Three-Year Average Data

Component	FY 2020	FY 2021
<p>Course Completions (50% of SSI) <i>1st half distribution includes projected data</i></p>	<p>1st half uses projected data for spring FY 2019 (actual for summer and fall). Final SSI actual data from FY 2017, FY 2018, FY 2019</p>	<p>1st half uses projected data for spring FY 2020 (actual for summer and fall). Final SSI actual data from FY 2018, FY 2019, FY 2020</p>
<p>Success Points (25% of SSI) <i>No longer using projected data; one year lag in data.</i></p>	<p>Actual data from FY 2016, 2017 and 2018</p>	<p>Actual data from FY 2017, 2018 and 2019</p>
<p>Completion Milestones (25% of SSI) <i>No longer using projected data; one year lag in data.</i></p>	<p>Actual data from FY 2016, 2017 and 2018</p>	<p>Actual data from FY 2017, 2018 and 2019</p>

Component Detail

Component 1: Course Completion (50%)

Cost-Based Calculation

- Average statewide cost based on level of course and subject area (aggregation of CIP codes)
- # of FTE who pass course * determined cost

Access category weight

- *15% for any student with one (or more) risk factors*

Only subsidy eligible students included in this calculation, this is not a change.

Success Points (25%): Previous & Current

Developmental Education Success

- # of Students completing developmental education Math and enrolling in a college-level math course (1 point)
- # of Students completing developmental education English & enrolling in a college-level English course (1 point)

12 Credit Hours

- # of students earning first 12 college-level credits (1 point)

24 Credit Hours

- # of students earning first 24 college-level credits (1 point)

36 Credit Hours

- # of students earning first 36 college-level credits (1 point)

As of FY 2021 only subsidy eligible students included in this calculation

Completion Milestones (25%)

Associates
Degree
Completions

Long-term
Certificate
Completions

Transfer
w/12+credit
hours

Cost-Based Model

Access Category Weights
25% for one access category
66% for two access categories
150% for three access categories
200% for four access categories

As of FY 2021 only subsidy eligible students included in this calculation

Completion Milestones Cost Calculations



Associates: Cost-based to reflect statewide average cost of all degrees within degree type

- *First degree earned:* Cost-basis will be counted at 100% of model cost for the degree category
- *Subsequent degree earned:* Additional degrees earned by a student will be 50% of model cost for degree category.

Certificate: The model cost for certificates is 50% of the cost calculated for associate's degree within the same model.

- *First certificate earned:* Cost basis is 100% of model cost calculated for that certificate
- *Subsequent certificate earned:* Additional certificates earned by student will be counted by 50% of the model cost for that category.

Transfer (with 12 credit hours): Cost-basis for transfers with 12 credit hours is calculated at 25% of the average cost for ALL degrees.

- All transfers receive same cost-based calculation.

Certificates

30+ Credit Hour Certificates

FY 2018 was first year this component was fully incorporated:

- Used most recent data in first year (FY 2015) of formula (data from FY 2014);
- Use of actual data for student success points and completion milestones formula components beginning in FY 2016; and
- Use of three-year average results in:
 - 1/3 of awarded certificates counted in FY 2015 & FY 2016
 - 2/3 of awarded certificates counted in FY 2017
 - 100% of awarded certificates counted in FY 2018

Proportional Distribution Method



The model uses a proportional distribution method for each component. Institutions receive a proportional share for the total earned across each component.

Course Completion

(% of total cost-based Completed FTE Earned * 50% of FY Allocation) +
(% of total completed FTE Access Add-on Earned * 50% of FY Allocation)
+

Success Points

(% Share Success Points Earned * 25% FY Allocation)
+

Completion Milestones

(% of total cost-based completion milestones earned * 25% of FY Allocation) +
(% of total completion milestones access add-on earned*25% of 2015 Allocation)

Access Category Review

~~At-Risk~~ Access Category Review



Colleges submitted suggested populations (15 distinct categories)

Aligned with potential proxies (9 in total)

Data run to determine significance related to graduation and course completion

Significance: How much less likely are these groups to graduate compared to students not from this group

Narrow in: Correlation between factors & policy informed recommended final categories

Policy informed: Focus on student background not enrollment status (part-time, enrollment in developmental education courses)

Recommended final categories: Adult, Low-Income, Minority, Academic Prep*

Academically Underprepared Access Category

Data limitations prevented the inclusion of students identified as academically underprepared as an access category in the FY 2015 SSI formula. Beginning in 2016, the use of academic preparation as an access category was phased-in to the model.

- **Remediation Free Standards**

- Phased-in based on Ohio Remediation Free Standards.
- This means only students first enrolled in fall of 2013 can be identified as academically underprepared.

- **Math-Only**

- Due to some flexibility in the standards for English, only students identified as underprepared based on the mathematics remediation free standards are counted in this access category.

Weighting Structure

The consultation group reviewed several possible scenarios for applying access weights.

- Flat weight: One weight applied to all access categories, regardless of which and how many access categories a student falls into.
- Maximum weight: The maximum weight for a student falling into multiple categories is applied. For example, if a student is minority and adult, the minority weight would be applied for the student's success in course and completion milestone metrics as the empirically derived weight for minority students is more significant than that for adult students.
- Cumulative weight: A cumulative weight for students from one or multiple access categories based on the actual categories and associated weights a student falls into would be applied.
- Number of categories: Weights applied would be based on the number of categories but would be the same for students with the same number of categories, regardless of which ones they fall into. For example, a student who falls into adult and low-income access categories would receive the same weight as a student from minority and low-income, as both are from two categories.

Weighting Structure

Evaluated different options against criteria:

- Phase-in impact and distribution across institutions
- Simplicity of Calculation
- Data guided, policy informed
- Total allocation attributed to access

Weighting Structure:

- Flat Weight for Course Completions: 15 percent
- Number of Categories for Completion Milestones:
 - One category: 25 percent
 - Two categories: 66 percent
 - Three categories: 150 percent
 - Four categories: 200 percent
(with inclusion of academic prep category)

Considerations & Pending Discussions

Developmental Education



To better align with student success best practices, OACC member colleges have endorsed changes to the developmental education metrics in the success points component of the SSI. If adopted, beginning in fiscal year 2022 the current developmental education metrics will be replaced with completion of college level English within the first 30 college credit hours and completion of college level mathematics within the first 30 college credit hours. Some colleges have already begun to redesign developmental education in favor of co-requisite education or other methods that get students more quickly into credit bearing coursework. The proposed changes are meant to reinforce these student success and equity-based reforms.

Proposed Success Points (25%) FY 2022 and Beyond



College Level Math & English

- # of Students completing college-level English within the first 30 college credit hours (1 point)
- # of Students completing college-level math within the first 30 college credit hours (1 point)

12 Credit Hours

- # of students earning first 12 college-level credits (1 point)

24 Credit Hours

- # of students earning first 24 college-level credits (1 point)

36 Credit Hours

- # of students earning first 36 college-level credits (1 point)

Priorities for Review

1. Potential Revisions for FY 2022-2023
 - Workforce related metrics
 - Academic preparation access category
 - Developmental education success points
2. Further Improve Data Integrity
3. Additional Policy Issues
 - Evaluate existing model to understand relation to additional policy priorities and goals.
 - Bachelor's degrees awarded at Ohio community colleges
4. Continuous Improvement & Best Practices

Notes on Funding Changes



Funding changes are not completely driven by raw, annual, outcome production. Other factors that may influence funding include:

- Changes in the outcomes of other colleges.
- Course completion and completion milestones changes by cost category.
- Changes to the program costs used in SSI calculations.
- Phase-in of certificates.
- The use of a three-year average of data for all components.
- Changes to the number of access categories identified for completion milestone completers.

Resources

Budget & Financial



Funding for higher education is appropriated in each fiscal year by the Ohio General Assembly. Department of Higher Education staff work closely with the Office of Budget and Management, the Ohio General Assembly and Ohio's institutions of higher education to develop, refine and implement the biennial budget for higher education. Staff responsibilities include coordinating legislative committee involvement, facilitating collaborative consultations and discussions with stakeholders to formulate budget recommendations, managing and analyzing data, researching and drafting legislative amendments, and ensuring the appropriate and responsible utilization of state appropriations by Ohio's institutions of higher education.

State Share of Instruction (SSI) Spreadsheets

- [FY 2020 and 2021 Operating Budget](#)
- [FY 2019 Operating Budget](#)
- [FY 2018 Operating Budget](#)
- [FY 2017 Operating Budget](#)
- [FY 2016 Operating Budget](#)
- [FY 2015 Operating Budget](#)
- [FY 2014 Operating Budget](#)
- [FY 2012-FY 2013 Operating Budget](#)
- [FY 2010-FY 2011 Operating Budget](#)
- [FY 2008-FY 2009 Operating Budget](#)
- [FY 2006-FY 2007 Operating Budget](#)



*2016 Recommendations of the Ohio Higher
Education Funding Commission*
([Download the PDF](#))

<https://www.ohiohighered.org/financial>

FY15 – FY20 Trend Analysis

Purpose: To help institutions gain a better understanding of the SSI, the reasons for changes in funding, and to identify areas for potential improvement.

The analysis is divided into three sections:

1. Changes in funding, by SSI component
2. Changes in outcomes, total and by access category
3. Overview of SSI components.

Trend Analysis Workbook

Detailed breakdown of:

1. SSI Funding Trends
 2. SSI Outcome Production Trends
 3. SSI Outcome Rates Trends
 4. SSI Model Cost Trends
- Interactive charts
 - Institution-to-system comparisons

Thank you!!

Laura Rittner – lrittner@ohioacc.org

Rick Woodfield – rwoodfield@ohioacc.org

Martha Snyder – martha_snyder@hcmstrategists.com