

Department of Community Colleges and
Workforce Development

Outcomes Based Funding at Oregon CC's
Emerging Model for Oregon Community Colleges
Issues and Strategies

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History

- Under discussion and development for approximately two years.
- In general, cautious support from Presidents but responses range from strong support to informed opposition.
- Issues focus on
 - Uncertainty of details of implementation and impacts
 - potential unintended consequences
 - lack of national research demonstrating results in early-implementation states

Framework

- Intended Consequence
 - Shift discussions and activity from “just enrollment” to outcomes as well as enrollment
 - Potential positive (or at least neutral) impact on currently underserved groups
 - Link between rationale for improved outcomes and expanded resources

Framework

- Identified Concerns

- Quality

- OR critics and CCRC identified quality impacts as potential unintended consequence
 - But no research showing this is actually happening.
 - Recommend defining research question and appropriate data to test this over time.

- Possible negative impacts on underserved populations due to “creaming”

- Not research documented
 - Proposed incentives for success with underserved groups may actually expand benefit to these targeted students. Interview qualitative research indicates positive impacts are occurring in TN.

- Impacts on smaller, diverse campuses

- (Tennessee 26% differential between highest and lowest scoring colleges)
TN-HECC staff believe this is tied to performance not college size.

Framework

- Need to accommodate and reinforce local needs and opportunities.
 - Proposal provides for local colleges to customize weighting of the different factors.
- Colleges differ in staffing and resources to maximize benefit from the system
 - Some technical support may be appropriate
- Danger of assuming that policy change alone will leverage the desired student outcomes
 - Consideration that phasing-in of implementation should reflect resource investment.

Elements Recommended by Presidents

Pre-Collegiate

1. Dual Enrollment
2. Progression by remediated students

Progression

3. 15 units
4. 30 units
5. 45 units

Completion

6. Certificates
7. Degrees
8. Transfer

Workforce

9. Job placement or retention
10. Workforce training provided (SBDC)

Metrics

Pre-College-Level Outcomes

1. High School Dual Enrollment*** (Achievement Compact Element)
 - Metric: Units earned by high school students completing the college level course at the CC.
2. Success with Remediation
 - Metric: Completion of college level math or writing course (or course required in certificate program) by students initially place in remedial program. Due to data limitations, this may focus on the fall cohort of students and “count” those who move to (or complete) college level course within 12 months.
 - Current Achievement Compact data counts remediation completion, not subsequent success.

Metrics

Progression

3. 15 Units Achieved ***
4. 30 Units ***
5. 45 Units ***

For all three Achievement Compact data elements, these count college level units completed.

Metrics

Completion

6. Certificates awarded ***

7. Degrees awarded***

Multiple certificates/degrees by same individual are counted in Achievement Compacts.

8. Transfer with at least 15 (24) units ***

- Current Achievement Compact uses 24 credits.
- Data captures both in-state and out-of-state transfer to four year institutions in Achievement Compacts.
- Count achievement by all colleges which provide 15 (24) or more units, not just last college.

Metrics

Workforce

9. Job Placement or Retention

- *Challenging: Seek data that looks at employment within the State on specific date in the year following degree or certificate.*
- *Success here may be skewed by local employment trends rather than college's success.*
- *Would not specifically track employment in college's district.*

10. Workforce Training

- *SBDC data may be best proxy in this area. Success may be shaped by number and size of employers more so than college performance.*

Safeguards/Realities

- Suggest linking extent of OBF commitment to level of additional CC funding investment.
 - Little or small investment likely merits only small OBF role.
 - If there is no new funding, the only way College X gains from proportionately stronger outcomes is if College Y actually loses some funding.
 - If there is expanded funding, all colleges would likely see some increase with higher performing colleges gaining more of the additional resources.
 - HECC levers:
 - Phase-in Period
 - Stop Loss Procedure
 - Enrollment/Outcomes Percentage allocations

Targeted Multipliers

- Equity Lens – supporting traditionally underserved groups
 - Additional multiplier of x% to be set by HECC
 - Tennessee experience suggests at least 40%
- Financial Need Students – Pell Recipients
 - Additional multiplier of x% to be set by HECC

Multipliers provide incentive and reward to colleges to assist students who have traditionally had lower rates of success and often require more support.

Strategy to Recognize Local Differences

Example for Discussion Purposes

Suggested Framework

Allow local districts to identify weighting that reflects local history, context, or aspirations.

	HECC Minimum	Completion Emphasis	Progression Emphasis
Dual	6.0%	8.2%	11.8%
Remed.	6.0%	7.8%	11.7%
15	6.0%	7.8%	11.7%
30	6.0%	7.8%	11.7%
45	6.0%	7.8%	11.7%
Certif	6.0%	15.0%	6.0%
Degree	6.0%	15.0%	6.0%
Trans	6.0%	15.0%	6.0%
Jobs	6.0%	7.8%	11.7%
Wk Training	6.0%	7.8%	11.7%
Total	60.0%	100.0%	100.0%

Safeguards/Realities

- Strategic Fund (.75 – 1% each biennium for initiatives or to buffer unintended situations). *Any unspent Strategic Funds are distributed to colleges through formula.*
- Sufficient lead time from design formalization and first implementation.
 - Propose 2015/16 uses current distribution but provides a “What Would Have Happened” model for colleges
- Stop Losses
 - No colleges loses >X% solely due to OBF implementation.
 - Increase potential loss impact over several years.
 - Important to recognize that “Stop Loss” also means “Diminished Benefit” to college performing relatively better
- Phase-in period
- Three-year Buffering of Data to minimize volatility

Safeguards/Realities

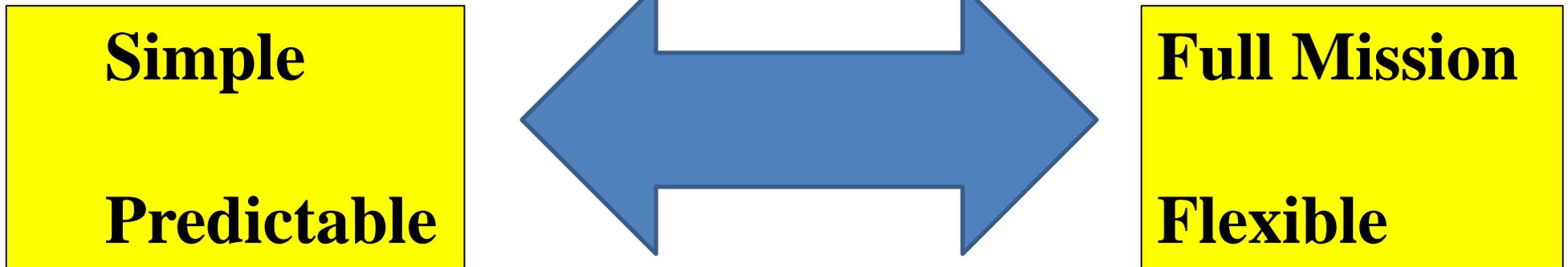
- Suggestion: Define research questions from the start
 - *Have underserved student enrollment and achievement expanded or contracted parallel to these changes?*
 - *Are there significant negative impacts on any colleges?*
 - *Is there significantly greater outcome achievement compared to prior system?*
- Potential cap on proportion of resources to OBF linked to funding levels.
 - *Concern over “camel’s nose under tent” that starts small and quickly becomes 100% OBF.*

Dilemma

Discussions have identified desire to have system which is:

- Simple
- Predictable
- Covers full CC Mission
- Flexible response to local districts' distinctiveness

Dilemma



But different priorities pull in opposite directions.

Moving to Implementation Model

- Tennessee Higher Ed Commission has provided shell of their working model for college and HECC assessment.
 - CCWD is populating that shell with existing Oregon data.
- Subsequently spreadsheet management integrated within CCWD/HECC operations.

HECC Decisions

1. Determine *Enrollment/OBF Percentage Split* for biennium.
2. Define parameters for split in subsequent biennia.
3. Determine if all 10 categories are in place from beginning
4. Decide if there is local flexibility or not
 - If so, define the HECC minimum in each category
5. Determine length of phase-in period

HECC Decisions

6. Define Stop Loss for each biennium (biennium-by-biennium or for full period)
7. Determine if there will be research questions which define success and assess intended and unintended consequences.
 - If so, define specific research questions.
8. Decide if there is cap on OBF proportion or if this is open ended.

Steps in Distribution Model

1. Set aside “off the top” payments:
 - Corrections
 - Distance Learning
 - Contracts for Out-of-District
 - Strategic Fund

2. Adjust for any deferred payments, unspent Strategic Fund and unspent Distance Learning.
 - **REMAINDER IS AVAILABLE FOR FORMULA DISTRIBUTION**

Steps in Distribution Model

3. HECC determine proportionate split between Enrollment and Outcome Components
4. Distribute Enrollment Portion
 - Includes Base Funding
 - Includes Equalization Components
 - Includes impacts of Growth Management (if any)
5. Distribute Outcomes portion
 - Formalize institutional focus (if approved as part of system)
 - Include any Stop Losses

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