DRIVING BETTER *Outcomes:*

Fiscal Year 2020 State Status & Typology Update

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Introduction:

The 2015 report "Driving Better Outcomes: Typology and Principles to Inform Outcomes-Based Funding Models," released by HCM Strategists, established a comprehensive typology of Student Success Funding (SSF) models and a state-by-state classification of funding systems according to the typology.

Updates to the report in 2018 and 2019 provided an enhanced typology informed by continued engagement with state policymakers and promising practices, a state-by-state assessment of components and funding distributions, a detailed breakdown of overall funding by sector for six states with advanced SSF models in place, and an examination of SSF polices by sector.

This report updates this information for SSF polices implemented in FY 2020. Changes in state funding systems are highlighted, including an overview of SSF models being implemented and states where SSF models have been developed or initiatives are underway. This report also includes additional information about formula metrics, including metrics meant to provide incentives for underrepresented students to succeed.

Finally, this report uses the term Student Success Funding in place of Outcomes-Based Funding (OBF). We use this term in an effort to reflect the intentions and target populations of the models in place. Across the country, state higher education agencies and individual institutions are working to align their strategic initiatives with state goals and workforce needs. Student Success Funding more clearly describes funding models that seek to allocate additional funds to build a more equitable postsecondary environment.

Considerations For SSF Typology

The classification system outlined below is used to assign each sector's FY 2020 SSF models a "type" according to its level of sophistication and adherence to promising practices. The following critical areas have been identified and are included in the typology:

- Established completion or attainment goals are linked to the model;
- Recurring base funding is distributed;
- A significant level of funding is distributed;
- Total degree/credential completion is prioritized;
- Institution mission is reflected though varying weights, scales or metrics;
- The funding structure is formula-driven to ensure incentives for continuous improvement;
- Success of underrepresented students is prioritized; and
- Funding is sustained over consecutive years.

These typology characteristics reflect commonly articulated and research-informed design and implementation principles and together enable a broad analysis of SSF policies. (See Appendix A for more information on design and implementation principles that can guide development of robust SSF policies.)

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Typology of State SSF Policies

In the 2015 and 2016 reports, states were assigned a classification based on aggregated sector information. In the 2018, 2019, and this updated report, each sector that is implementing a SSF model in a state will be assigned a type. This allows for a more detailed analysis and recognition of model differences within a state. The typology of sector SSF policies outlines the escalating level of significance and sophistication of funding policies, ranging from Type I to Type IV systems.

Type I systems are rudimentary in nature, may be pilot efforts that do not have significant levels of funding, are likely to share features with earlier performance-funding models, do not reflect the need to increase the success of underserved student populations, and minimally link the sector's finance policy with completion and attainment goals. Type II and III systems represent increasing degrees of development and adherence to promising practices. Type IV systems are the most robust and reflect strong alignment between the state's completion and attainment agenda and finance policy. Type IV systems include significant and stable funding, reflect institutional missions, prioritize degree/credential completion, include continuous incentives for improvement, and promote the success of underrepresented students.

TYPICAL CHARACTERISTICS

NOTE: Some states may meet most but not all criteria. States that do not meet all criteria for a particular type are assigned a lower type.

TYPE I	
	• State/sector may have completion/attainment goals and related priorities
	• Model reliant on new funding only
	• Low level of state funding (under 5 percent), based on sector analysis
	• Institutional mission not reflected through varied weights, scaling or metrics
	• Total, volume-based, degree/credential completion metric not included
	• Outcomes for underrepresented students not prioritized
	• Target/recapture approach likely
	• May not yet have been sustained for two or more consecutive fiscal years

TYPE II	
	• State/sector may have completion/attainment goals and related priorities
	• *Recurring dollars/base funding at least a portion of funding source*
	• Low level of state funding (under 5 percent), based on sector analysis
	• Institutional mission not reflected through varied weights, scaling or metrics
	• *Total, volume-based, degree/credential completion metric included*
	• Outcomes for underrepresented students may be prioritized
	• Target/recapture approach likely
	• May not yet have been sustained for two or more consecutive fiscal years

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TYPE III

- State/sector has completion/attainment goals and related priorities
- Recurring dollars/base funding at least a portion of funding source
- *Moderate level of state funding (5 to 24.9 percent), based on sector analysis*
- *Institutional mission reflected through varied weights, scaling or metrics*
- Total, volume-based, degree/credential completion metric included
- *Outcomes for underrepresented students prioritized*
- May not be formula-driven
- Not sustained for two or more consecutive fiscal years

TYPE IV

- State/sector has completion/attainment goals and related priorities
- Recurring dollars/base funding at least a portion of funding source
- *High level of state funding (above 25 percent), based on sector analysis*
- Institutional mission reflected through varied weights, scaling or metrics
- Total, volume-based, degree/credential completion metric included
- Outcomes for underrepresented students prioritized
- *Formula-driven/provides incentives for continuous improvement*
- *Sustained for two or more consecutive fiscal years*

Status of SSF in the States

For FY 2020, 30 states are implementing a SSF policy in at least one sector, four states are in process of developing a SSF policy, and five states have developed a SSF policy but are not implementing it in FY 2020.[1]

The maps that follow depict state policies as of March 2020 according to SSF implementation status. Figure 1 shows which states have implemented (i.e., allocated funding to) SSF in at least one sector, which states are developing a Student Success Funding formula in at least one sector, and which states have developed SSF policies but are not implementing them in FY 2020. Figure 2 highlights states that are implementing SSF in the two-year sector by type. Figure 3 shows states that are implementing SSF in the four-year sector by type. States were classified by type according to what is currently known about their policies; in some instances, a lower type assignment in Table 1 or 2 may reflect a lack of information rather than a weak or underdeveloped policy. Some states also plan to start with more limited participation and functionality, with the intent to expand and refine over time.

[1]Alabama is implementing a two-year sector SSF policy in FY 2020 and is developing a new four-year sector policy.
New Jersey is implementing a four-year sector SSF policy in FY 2020 and is developing a new four-year sector policy.
Pennsylvania is not implementing its historical PASSHE model in FY 2020 but is developing a new four-year sector policy.

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FIGURE 1.STUDENT SUCCESS FUNDING IN STATES IN FY 2020

● IMPLEMENTING   ● DEVELOPED-NOT IMPLEMENTING   *Information collected as of March 2020*

● DEVELOPING   ● IMPLEMENTING AND DEVELOPING   ● DEVELOPED-NOT IMPLEMENTING AND DEVELOPING

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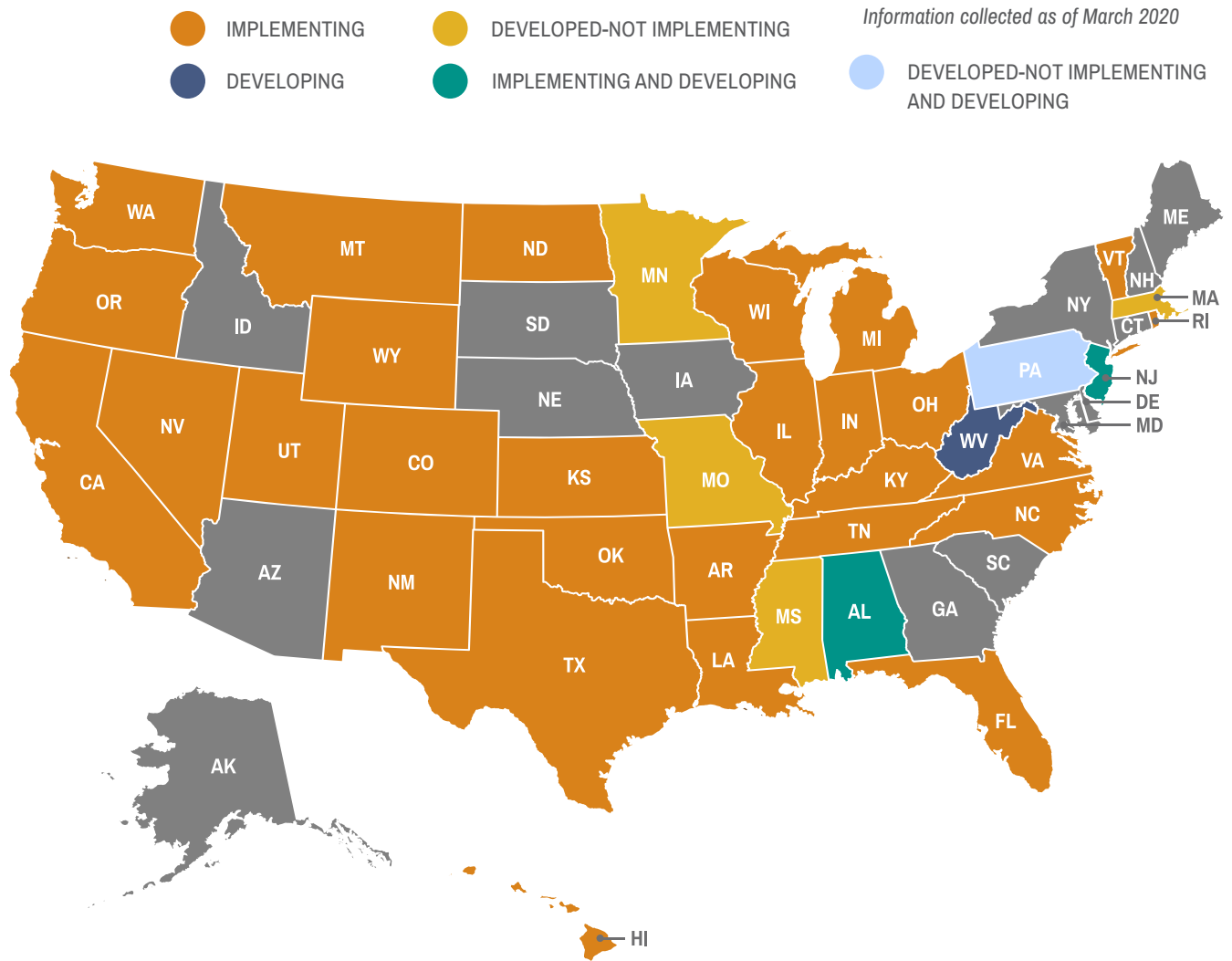
FIGURE 2. STATES IMPLEMENTING SSF IN FY 2020, BY TYPE: TWO-YEAR SECTOR

● TYPE I (RUDIMENTARY)　　● TYPE II　　　　　　*Information collected as of March 2020*

● TYPE III　　　　　　　　● TYPE IV (ADVANCED)

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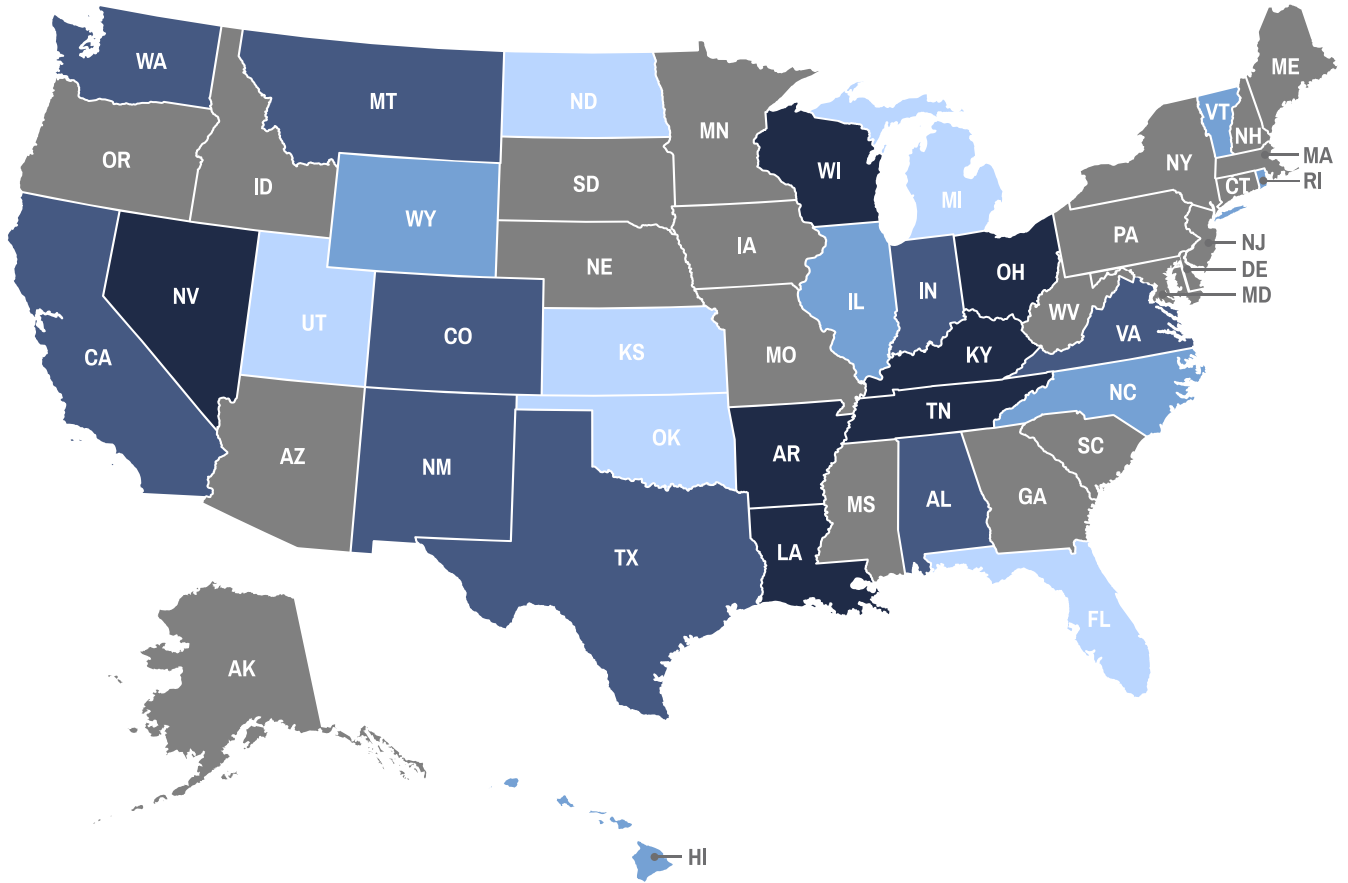
FIGURE 3. STATES IMPLEMENTING SSF IN FY 2020, BY TYPE: FOUR-YEAR SECTOR

TYPE I (RUDIMENTARY)   TYPE II   *Information collected as of March 2020*

TYPE III   TYPE IV (ADVANCED)

VA: Impelementing two university models in FY20
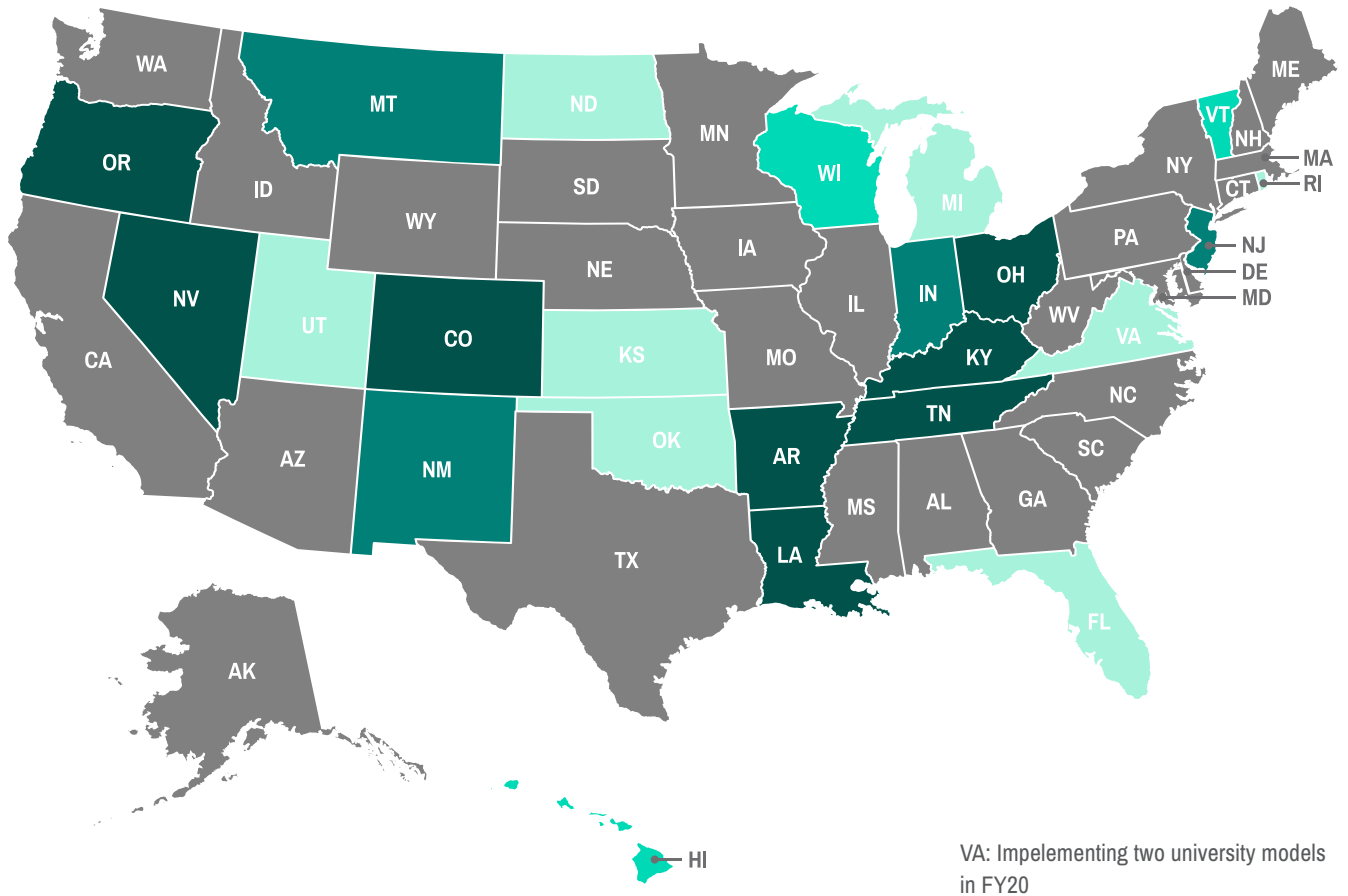
SSF Typology By States' Sectors

The following section provides detailed state SSF typology information on a by-sector basis. Only those sectors in a state currently implementing SSF are included in the matrix. There is great variation in funding model designs between sectors. High-level differences are captured below. The data tables include information on key model characteristics, including funding type and levels, whether the model prioritizes the success of underrepresented students, sustainability of the model, and whether the SSF model is formula-driven or a target/recapture system.

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TABLE 1. SSF TYPOLOGY BY STATE: TWO-YEAR SECTORS IMPLEMENTING IN FY 2020

State	FY 2020 Status	FY 2020 Type By Sector	FY 2019 Status	FY 2019 Type By Sector	Linked to Completion/ Attainment Goals	Recurring (base) or New Dollars	Funding Level[1]	Reflects Institutional Mission	Total Degree/ Credential Completion Included[2]	Underrepresented Student Success Prioritized[3]	Sustainability (Implementing for two or more years)	Formula-Driven or Target/Recapture
AL	Implementing	III	Implementing	III	Yes	Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
AR	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
CA	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
CO	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
FL[4]	Implementing	I	Implemented Different Model	I	No	New	Low	No	No	No	No	Formula
HI	Implementing	II	Implementing	II	Yes	Base/Recurring	Low	Yes	Yes	Yes	Yes	Target/Recapture
IL	Implementing	II	Implementing	II	Yes	Base/Recurring	Low	No	Yes	Yes	Yes	Formula
IN	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
KS	Implementing	I	Implementing	I	Yes	New	Low	Yes	Partial	Partial	Yes	Target/Recapture
KY	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
LA	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
MI	Implementing	I	Implementing	I	Yes	New	Low	Yes	Yes	No	Yes	Formula
MT	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
NC	Implementing	II	Implementing	II	No	Base/Recurring	Low	No	Yes	Yes	Yes	Formula
ND	Implementing	I	Implementing	I	Yes	Base/Recurring	High	Yes	No	No	Yes	Formula
NM	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
NV	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
OH	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
OK	Implementing	I	Not Implementing	N/A	Yes	New	Low	No	Yes	Yes	No	Formula
RI	Implementing	II	Implementing	II	Yes	Base/Recurring	Low	Yes	Yes	No	Yes	Target/Recapture
TN	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
TX	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
UT	Implementing	I	Implementing	II	Yes	New[5]	Low	Yes	Yes	Yes	Yes	Target/Recapture
VA	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
VT	Implementing	II	Not Implementing	N/A	Yes	Base/Recurring	Moderate	Yes	Yes	No	No	Formula
WA	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
WI-Tech	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
WY	Implementing	II	Implementing	II	Yes	Base/Recurring	Moderate	Yes	Yes	No	Yes	Formula

TABLE NOTES:
1. Low (0-4.99%); Moderate (5-24.99%); High (25%+).
2. Only volume-based degree and credential completion metrics are included. Rate-based degree and credential completion metrics are not represented in the table.
3. Does not include underrepresented student premiums/metrics tied solely to enrollment.
4. Florida's previous model was discontinued and replaced with a new model in FY 2020.
5. The FY 2019 version of this report incorrectly classified UT's funding as "Base/Recurring". Correctly listing the funding as "New" changed the type to Type 1.

TABLE 2. SSF TYPOLOGY BY STATE: FOUR-YEAR SECTORS IMPLEMENTING IN FY 2020

State	FY 2020 Status	FY 2020 Type By Sector	FY 2019 Status	FY 2019 Type By Sector	Linked to Completion/ Attainment Goals	Recurring (base) or New Dollars	Funding Level[1]	Reflects Institutional Mission	Total Degree/ Credential Completion Included[2]	Underrepresented Student Success Prioritized[3]	Sustainability (Implementing for two or more years)	Formula-Driven or Target/Recapture
AR	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
CO	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
FL	Implementing	I	Implementing	I	Yes	Base/Recurring	High	Yes	Partial	Partial	Yes	Target/Recapture
HI	Implementing	II	Implementing	II	Yes	Base/Recurring	Low	Yes	Yes	Yes	Yes	Target/Recapture
IN	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
KS	Implementing	I	Implementing	I	Yes	New	Low	Yes	Partial	Partial	Yes	Target/Recapture
KY	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
LA	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
MI	Implementing	I	Implementing	I	Yes	New	Low	Yes	Yes	No	Yes	Formula
MT	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
ND	Implementing	I	Implementing	I	Yes	Base/Recurring	High	Yes	No	No	Yes	Formula
NJ	Implementing	III	Not Implementing	N/A	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	No	Formula
NM	Implementing	III	Implementing	III	Yes	Base/Recurring	Moderate	Yes	Yes	Yes	Yes	Formula
NV	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
OH	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
OK	Implementing	I	Not Implementing	N/A	Yes	New	Low	No	Yes	Yes	No	Formula
OR	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
RI	Implementing	I	Implementing	I	Yes	Base/Recurring	Moderate	Yes	Partial	Yes	Yes	Target/Recapture
TN	Implementing	IV	Implementing	IV	Yes	Base/Recurring	High	Yes	Yes	Yes	Yes	Formula
UT	Implementing	I	Implementing	II	Yes	New[5]	Low	Yes	Yes	Yes	Yes	Target/Recapture
VA-A[4]	Implementing	I	Implementing	I	Yes	New	Low	Yes	No	No	Yes	Target/Recapture
VA-B[4]	Implementing	I	Not Implementing	N/A	Yes	New	Low	Yes	No	No	No	Target/Recapture
VT[4]	Implementing	II	Not Implementing	N/A	Yes	Base/Recurring	Moderate	Yes	Yes	No	No	Formula
WI	Implementing	II	Implementing	II	Yes	Base/Recurring	Low	Yes	Yes	Yes	Yes	Formula

TABLE NOTES:

1. Low (0-4.99%); Moderate (5-24.99%); High (25%+).

2. Only volume-based degree and credential completion metrics are included. Rate-based degree and credential completion metrics are not represented in the table.

3. Does not include underrepresented student premiums/metrics tied solely to enrollment.

4. Model does not include all universities.

5. The FY 2019 version of this report incorrectly classified UT's funding as "Base/Recurring". Correctly listing the funding as "New" changed the type to Type 1.

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Metrics Commonly Used in SSF Models

States incorporate a variety of metrics in their SSF models depending on specific state and sector priorities. In advanced SSF models, these priorities are derived from a broader articulated completion and/or attainment goal. These metrics are most often incorporated as either a count or a rate. Examples of common metrics are detailed in the table below. Also included is a classification of common metrics by sector in models implemented in FY 2020.

TABLE 3. COMMON METRICS IN SSF MODELS

TYPE OF MEASURE	EXAMPLES	
Course Completion	· Earned student credit hours	· Dual-enrollment completers
Progression	· Students reaching earned credit hour benchmarks	· Retained students · Gateway course completers · Developmental education success
Completion	· Certificate completers	· Degree completers
Transfers	· Transfers out of students	· Success of students transferring in to institution
Efficiency	· Rate-based metrics · Graduation/completion rates · Retention rates	· Degrees and certificates per FTE · Time to degree · Credits at completion
Workforce	· Non-credit workforce training · Job placement/continuing education · Wages of graduates	· Licensures/certifications · Apprenticeships
Research/Public Service	· Research expenditures	· Public service expenditures
Cost/Affordability	· Core expense ratio · Faculty to administrator salary ratio · Average cost to student	· Debt of graduates · Tuition and fees as a percent of statewide median family income
Priority Fields	· STEM+H degrees/certificates	· High-demand fields
Priority Populations	· Traditionally underserved minority students · Low-income students · Adult students	· Academically underprepared students · First-generation students · Veterans
Other	· Closing access gaps · Faculty diversity · General education assessment · Student and employer satisfaction surveys	· Program accreditation · Percent of online courses offered · Other

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TABLE 4. SSF METRICS BY STATE: TWO-YEAR SECTOR

States	Course Completion	Progression	Total Degrees/Certificates	Transfers	Efficiency	Workforce	Cost/Affordability	Priority Fields	Priority Population Success	Other
AL		X	X					X	X	
AR		X	X	X	X		X	X	X	
CA	X	X	X	X		X			X	
CO	X	X	X		X			X	X	
FL						X		X		
HI			X	X	X			X	X	
IL		X	X	X					X	
IN		X	X		X			X	X	
KS	Partial	Partial	Partial	Partial	X	Partial		Partial	Partial	X
KY	X	X	X	X	X			X	X	
LA	X	X	X	X		X		X	X	X
MI	X		X		X		X	X		X
MT		X	X		X				X	X
NC		X	X	X	X	X			X	X
ND	X									
NM	X	X	X					X	X	
NV	X	X	X	X	X			X	X	
OH	X	X	X	X				X	X	
OK		X	X		X					X
RI			X		X			X		X
TN		X	X	X	X	X			X	X
TX		X	X	X				X	X	
UT			X	X	X			X	X	
VA		X	X	X					X	
VT			X							
WA		X	X			X			X	
WI-Tech	X	X	X		X	X		X	X	X
WY	X		X							

NOTE: A metric is labeled "Partial" if it is only included for some institutions.

TABLE 5. SSF METRICS BY STATE: FOUR-YEAR SECTOR

States	Course Completion	Progression	Total Degrees/ Certificates	Transfers	Efficiency	Research/ Public Service	Workforce	Cost/ Affordability	Priority Fields	Priority Population Success	Other
AR		X	X	X	X	X		X	X	X	
CO	X	X	X		X				X	X	
FL			Partial		X		X	X	X	Partial	X
HI			X	X	X				Partial	X	
IN		X	X		X				X	X	
KS	Partial		Partial		X	Partial			Partial	Partial	X
KY	X	X	X		X				X	X	
LA	X	X	X	X		X	X		X	X	
MI			X		X	X		X	X		X
MT			X		X	Partial				X	Partial
ND	X										
NJ			X							X	X
NM	X	Parital	X			Partial			X	X	
NV	X	Partial	X	X	X	Partial			X	X	
OH	X		X			X			X	X	
OK		X	X		X						X
OR	X		X						X	X	
RI			Partial		X	Partial			X	X	X
TN		X	X		X	X				X	X
UT			X		X	Partial			X	X	
VA-A									X		
VA-B									X		
VT			X								
WI		X	X	X	X	X		X	X	X	X

NOTE: A metric is labeled "Partial" if it is only included for some institutions.

Metrics Used to Prioritize the Success of Traditionally Underrepresented Students

Well-developed SSF models include factors that promote the success of traditionally underrepresented student populations, such as racial and ethnic minority students, low-income students, adult students and academically underprepared students. These populations are often prioritized in models to counteract a concern that SSF may introduce incentives to restrict access, to recognize that underrepresented students may require more resources to educate, and to acknowledge that the success of these populations is needed in order for states to meet state attainment and completion goals and workforce needs. These populations are most often prioritized through separate metrics or through additional "bonus points" for existing metrics.[i] For example, a baccalaureate degree earned by a low-income student may be counted as 1.5 baccalaureate degrees. More research is needed to inform the best methods for weighting and incorporating these metrics. The following tables list populations prioritized in current SSF models. Only metrics linked to student success (e.g., completion, progression, transfer) are included. Metrics tied solely to enrollment are not reflected in the table. If a population is only prioritized for some institutions in a sector, it is labeled as "Partial." Definitions and weightings vary between states.

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TABLE 6. SUCCESS OF UNDERREPRESENTED POPULATIONS PRIORITIZED IN SSF MODELS: TWO-YEAR SECTOR

States	Underrepresented Minority Students	Low-Income Students	Academically Underprepared Students	Adult Students	Veterans	First-Generation	Disabled	Incarcerated	Dislocated Workers	Other
AL	X	X		X						
AR	X	X	X	X						
CA		X								
CO		X								
FL										
HI		X								X
IL		X	X							
IN		X								
KS	Partial		Partial		Partial					
KY	X	X	X							
LA	X	X		X						
MI										
MT	X	X	X	X	X					
NC			X							
ND										
NM		X								
NV	X	X								
OH	X	X	X	X						
OK		X								
RI										
TN		X	X	X						
TX			X							
UT		X								
VA	X	X	X			X				
VT										
WA	X	X	X							
WI-Tech	X	X		X	X		X	X	X	
WY										

NOTE: A metric is labeled as "Partial" if it is only included for some institutions.

TABLE 7. SUCCESS OF UNDERREPRESENTED POPULATIONS PRIORITIZED IN SSF MODELS: FOUR-YEAR SECTOR

States	Underrepresented Minority Students	Low-Income Students	Academically Underprepared Students	Adult Students	Veterans	First Generation	Rural Students	Other
AR	X	X	X	X				
CO		X						
FL	Partial							
HI		X						X
IN		X						
KS	Partial							
KY	X	X						
LA	X	X		X				
MI								
MT	X	X		X	X			
ND								
NJ	X							
NM		X						
NV	X	X						
OH	X	X	X	X		X		
OK		X						
OR	X	X			X		X	
RI	Partial	Partial				Partial		
TN		X		X				
UT		X						
VA-A								
VA-B								
VT								
WI		X						

NOTE: A metric is labeled as "Partial" if it is only included for some institutions.

States Increasing Focus on SSF Policies

Between FY 2019 and FY 2020, several states either implemented new SSF models, re-implemented dormant models, or increased the sophistication of their existing models. Each state includes varying levels of best practices within its Student Success Funding model, but each has increased its focus on aligning state funding policy with completion and attainment goals. An overview of each state is provided below.

FOUR-YEAR SECTOR ONLY

- New Jersey: Not Implementing to Type III
  - A new funding model was used to distribute $35 million of FY 2020 funds ($20 million new funding, $15 million base funding) to state universities. The model bases funding on three components: total degrees awarded, degrees awarded to underrepresented ethnic and racial minority groups, and the number of Pell recipients enrolled at each university.

Additionally, Gov. Phil Murphy established the New Jersey Making College Affordable Working Group in spring 2019. The group was tasked with, among other things, proposing an updated funding model for the public universities that prioritizes service to traditionally underserved populations.

• Virginia: Implemented Additional Type I Model
  - The Tech Talent Investment Program was introduced in FY 2020. The program distributes new funding to 11 universities based on the universities meeting production targets for degrees in computer science and related fields. The funds are to be used for the expansion of the high-demand degree programs and the construction of new facilities. This program is referred to as VA-B throughout this report.

  This program is in addition to performance agreements that were included in the FY 2019-20 budget. In the performance agreements, a portion of new funding is tied to universities meeting production targets for data science and engineering awards, science and engineering awards, healthcare awards and education awards. The performance agreements are referred to as VA-A throughout this report.

COMBINED TWO- AND FOUR-YEAR SECTOR

• Louisiana: Type IV
  - The Louisiana Board of Regents updated components of its outcomes-based funding model following a 2019 master plan revision. Significant changes to the model include an increased weight for Pell and adult completers, the addition of an equity-gap completers metric, and a decrease to the research metric.

• Oklahoma: Not Implementing to Type I
  -The Oklahoma Board of Regents performance funding model was funded in FY 2020 for the first time since FY 2014. The funding model uses eight metrics, including graduation rates and degrees/certificates conferred, to distribute new state appropriations.

• Vermont: NA to Type II
  - The Vermont State Colleges System began phasing in a new allocation formula in FY 2020 for the system's universities and community colleges. Twenty-five percent of the formula is based on degree and credential production. The formula will be phased in over four years.

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States With SSF Policies in Development

Three states are in the process of developing SSF models. Efforts vary in form and scope, from those originating with state legislatures to those undertaken by coordinating boards. These efforts continue the trend of using SSF models to more closely align state funding systems with the state's completion and attainment goals.

• Alabama
  - Legislative leadership charged the public universities to develop recommendations for the creation of an outcomes-based funding model. A technical working group consisting of representatives from each university began meeting in fall 2019 to discuss model principles, possible metrics and frameworks that could be used for constructing a model.

• Pennsylvania
  - Pennsylvania has implemented a performance funding program for the four-year institutions in the Pennsylvania State System of Higher Education (PASSHE) for many years. In FY 2019, a transitional performance funding model was utilized instead of the traditional model. PASSHE has suspended both its base allocation and performance funding models for FY 2020 as the system goes through a redesign. The system is exploring options for an updated performance funding model.

    Additionally, the Higher Education Funding Commission was established through legislative action in 2019 to develop and recommend a new funding methodology for Pennsylvania public higher education entities.

• West Virginia
  - Per a legislative directive, the West Virginia Higher Education Policy Commission will develop and recommend a new funding formula for state universities and community and technical colleges. The report will be sent to the Joint Committee on Government and Finance and the Legislative Oversight Commission on Education Accountability by Oct. 1, 2020.

States Previously Represented in Typology

Seven states' sectors have recently developed Student Success Funding policies but are not included in this FY 2020 review. These states may still have a funding model in place but did not use it to allocate funding to institutions in FY 2020.

• Illinois: Four-Year
  - The Illinois Board of Higher Education (IBHE) performance funding model for universities has not been funded in several years. The IBHE FY 2020 recommendation included use of the performance funding model; however, final FY 2020 appropriations did not reflect any adjustments due to the model.

- Maine: Four-Year
  - Maine's SSF model was last used in FY 2019. It was phased out for FY 2020 and will not be used going forward.

- Massachusetts: Two-Year and Four-Year
  - Massachusetts community college and state universities' performance funding models have not been implemented since FY 2017.

- Minnesota: Two-Year and Four-Year
  - The most recent biennial budget did not include funding for either the University of Minnesota or Minnesota State performance fund programs.

- Missouri: Two-year and Four-Year
  - No funding was allocated for the Missouri performance model in FY 2020.

- Mississippi: Four-Year
  - The Mississippi Institutions of Higher Learning developed its outcomes-based funding formula for the state universities in 2013. The model has not been implemented since FY 2015.

- New York: Two-Year
  - The Job Linkage Incentive fund previously used by the CUNY and SUNY systems does not appear in the FY 2020 state budget.

Other Changes to State SSF Model

- Florida: Two-Year
  - The performance funding model managed by the Florida Department of Education was discontinued after FY 2019. The model was replaced with a Type I model that is based solely on the production of industry certifications.

Levels for Student Success Funding

There is noteworthy variance among the funding levels of state and sector Student Success Funding policies. The following analysis examines the amount of state institutional support that is allocated through broad categories of funding. These categories include course completion, progression and degree completion, efficiency and mission-focused components. Components of formulas not related to outcomes are categorized as Non-SSF. This includes metrics only tied to enrollment of students. The analysis is shown for states with Student Success Funding models in place in both two-year and four-year sectors, as well as separately for two-year and four-year sectors. States are organized in descending order according to the percentage of appropriations allocated using a Student Success Funding model. The typology designation of the SSF models, as outlined in Table 1 and Table 2, appears in parentheses.

CHART 1. SSF AS A PERCENTAGE OF FY 2020 STATE INSTITUTIONAL SUPPORT FOR STATES WITH OBF IN TWO-YEAR AND FOUR-YEAR SECTORS
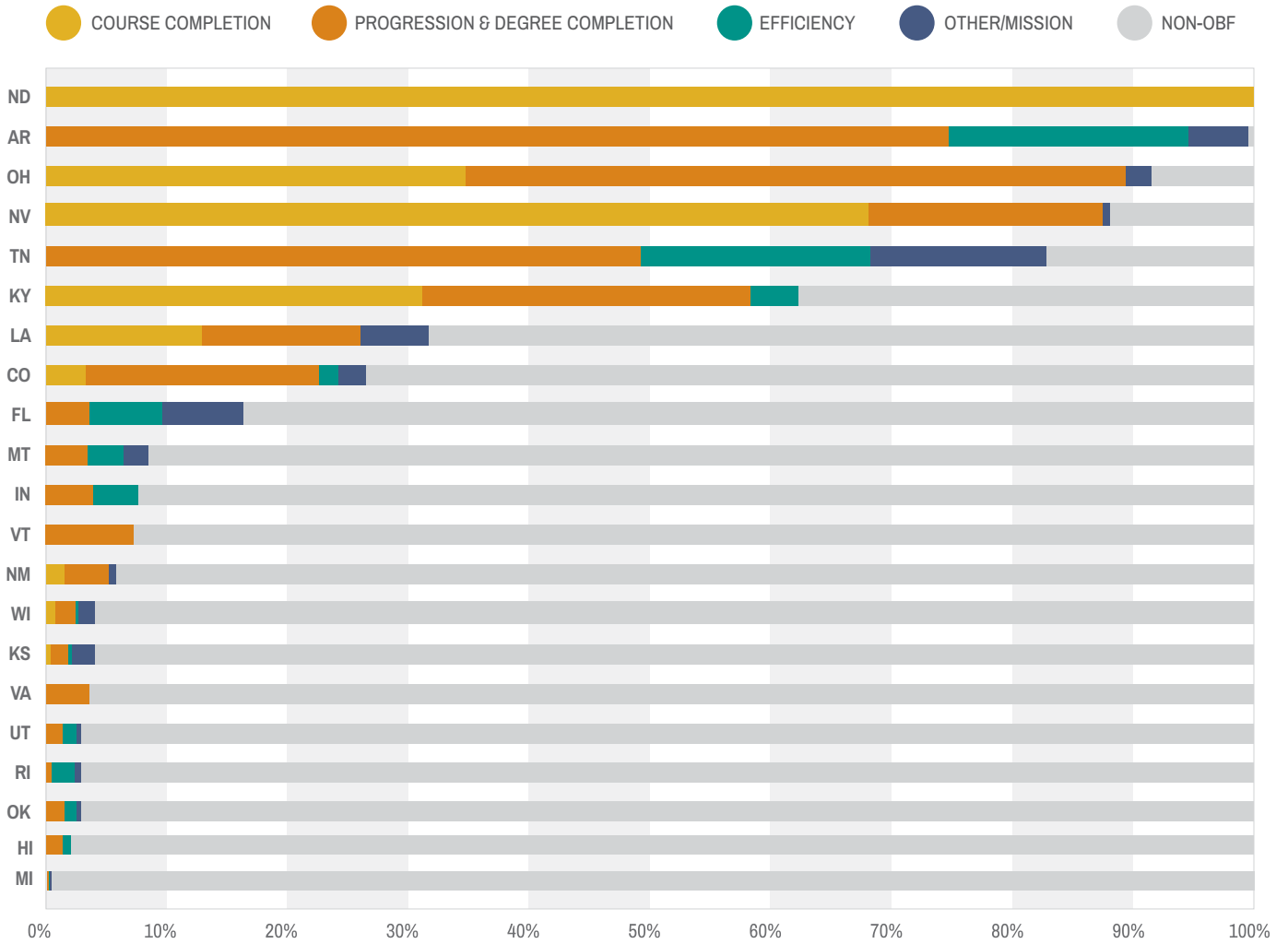

Legend: COURSE COMPLETION · PROGRESSION & DEGREE COMPLETION · EFFICIENCY · OTHER/MISSION · NON-OBF
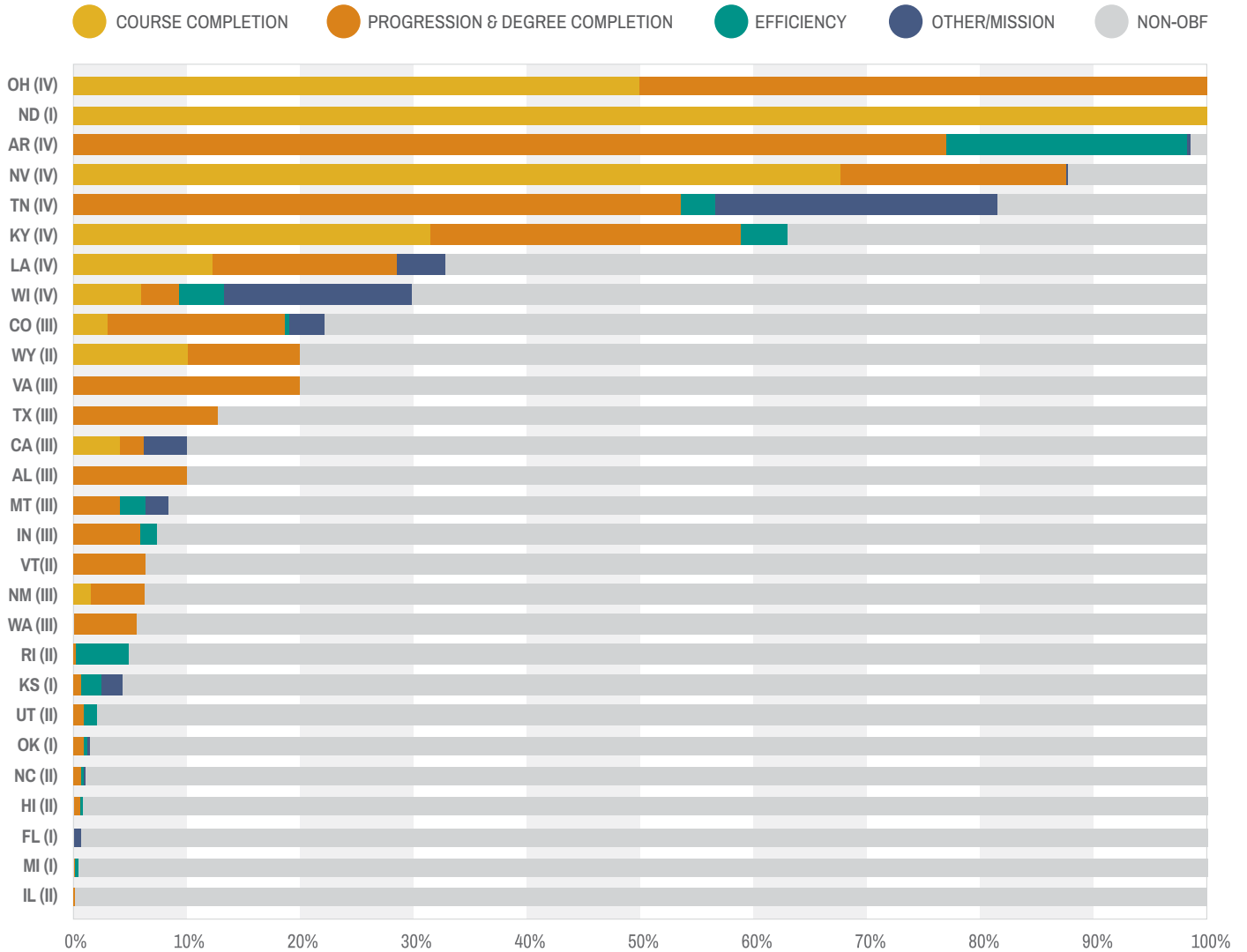
CHART NOTES:

Course Completion includes completed credit hours and dual credit completion.

Progression and Degree Completion includes degree and certificate completion, transfers, and progression metrics.

Efficiency includes rate-based metrics.

Other/Mission includes research, workforce, affordability, quality and other metrics.

AR: *One percent stop-loss in FY 2020 to assist with phase-in*

CO: *Through FY 2019-2020, the appropriation for a governing board may not increase or decrease by a percentage that exceeds five percentage points of the average for all the governing boards.***KY:** *One percent stop-loss in FY 2020 to assist with phase-in*

KY: *One-percent stop-loss in FY 2020 to assist with phase-in*

VA Two-Year: *The net shortfall in a college's total budget is capped at no more than one percent as part of transition agreement*

VA Four-Year: *VA is implementing two four-year models in FY 2020*

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CHART 2. SSF AS A PERCENTAGE OF FY 2020 STATE INSTITUTIONAL SUPPORT: TWO-YEAR SECTORS

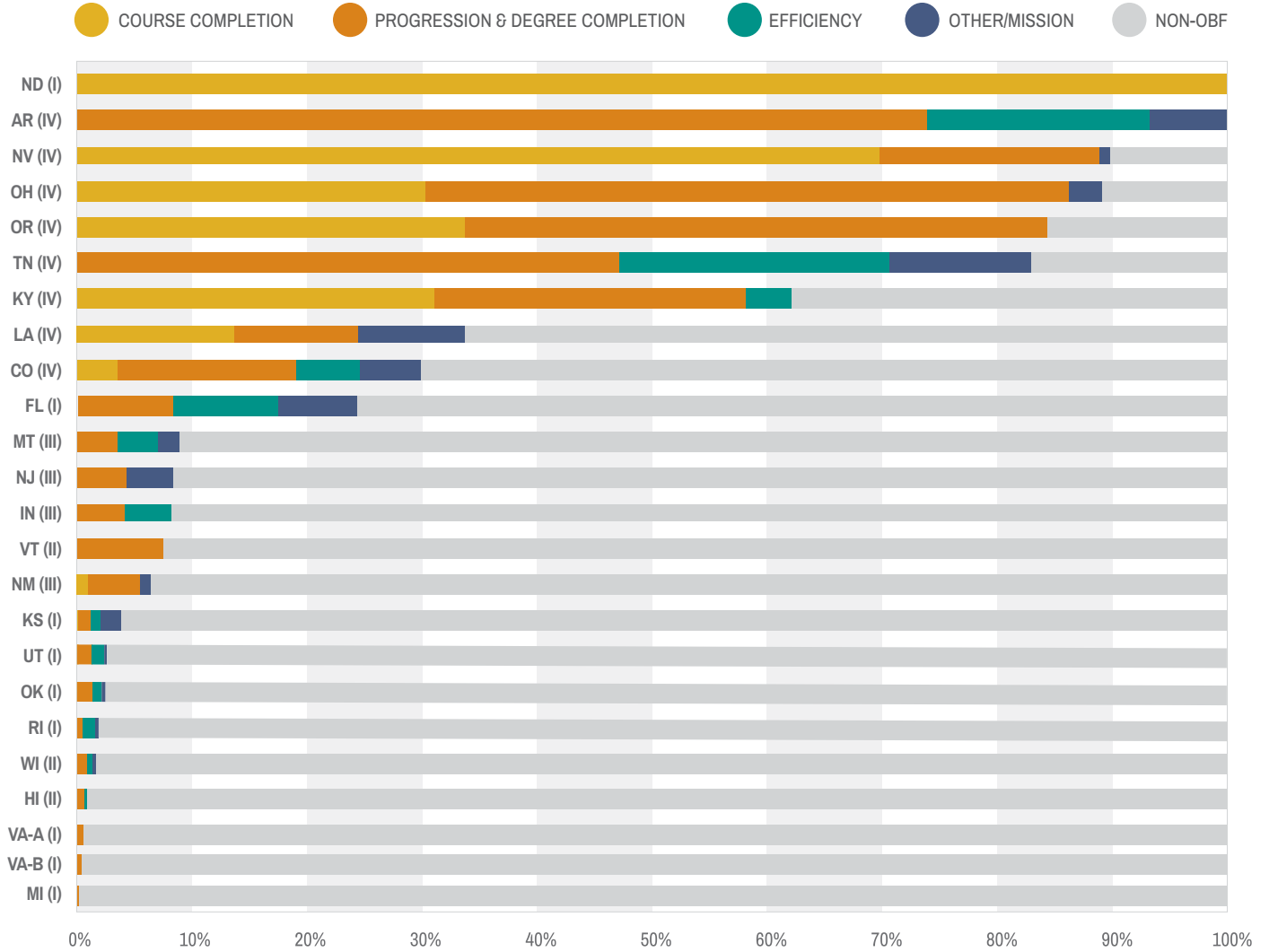● COURSE COMPLETION ● PROGRESSION & DEGREE COMPLETION ● EFFICIENCY ● OTHER/MISSION ○ NON-OBF

CHART NOTES:

Course Completion includes completed credit hours and dual credit completion.

Progression and Degree Completion includes degree and certificate completion, transfers, and progression metrics.

Efficiency includes rate-based metrics.

Other/Mission includes research, workforce, affordability, quality and other metrics.

AL : Two percent stop-loss in FY 2020 to assist with phase-in

AR : One percent stop-loss in FY 2020 to assist with phase-in

CA : Hold harmless in FY20 to assist with phase-in

CO : Through FY 2019-2020, the appropriation for a governing board may not increase or decrease by a percentage that exceeds five percentage points of the average for all the governing boards

KY : One percent stop-loss in FY 2020 to assist with phase-in

VA : The net shortfall in a college's total budget is capped at no more than one percent as part of transition agreement

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CHART 3. SSF AS A PERCENTAGE OF FY 2020 STATE INSTITUTIONAL SUPPORT: FOUR-YEAR SECTORS

Legend: COURSE COMPLETION | PROGRESSION & DEGREE COMPLETION | EFFICIENCY | OTHER/MISSION | NON-OBF

States (top to bottom): ND (I), AR (IV), NV (IV), OH (IV), OR (IV), TN (IV), KY (IV), LA (IV), CO (IV), FL (I), MT (III), NJ (III), IN (III), VT (II), NM (III), KS (I), UT (I), OK (I), RI (I), WI (II), HI (II), VA-A (I), VA-B (I), MI (I)

X-axis: 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

CHART NOTES:
Course Completion includes completed credit hours and dual credit completion.
Progression and Degree Completion includes degree and certificate completion, transfers, and progression metrics.
Efficiency includes rate-based metrics.
Other/Mission includes research, workforce, affordability, quality and other metrics.

AR: One percent stop-loss in FY 2020 to assist with phase-in.
CO: Through FY 2019-2020, the appropriation for a governing board may not increase or decrease by a percentage that exceeds five percentage points of the average for all the governing boards.
KY: One percent stop-loss in FY 2020 to assist with phase-in.

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Appendix A: Design and Implementation Principles

Analysis of early and contemporary performance funding policies has yielded a number of design and implementation considerations to guide states in developing and/or updating their SSF models. Many of the current policies reflect these recommendations, which are described below along with their research underpinnings. As previously noted, the typology presented in this paper is derived from these design and implementation principles. Following them can inform the development of strong SSF policies.

DESIGN PRINCIPLES

1. Communicate leadership commitment to pursue specific statewide priorities regardless of a state's funding situation and establish consensus around goals.

State leadership must be firmly committed to and clearly articulate statewide priorities, such as a goal to increase the percentage of residents who complete a postsecondary degree. The commitment must be maintained regardless of the state's funding situation; if budget cuts are necessary, the Student Success Funding formula should still be used to allocate some portion of dollars to institutions.

Securing agreement around a bipartisan, statewide "public agenda" that is targeted to the state's needs and its residents — not just postsecondary institutions — before developing a SSF policy will help ensure its sustainability. Seeking stakeholder input will help to ensure broad support and technical accuracy in building a SSF model.

Link to Research: Research shows that aligning funding with statewide priorities can lead to greater scrutiny of effectiveness of campus programs and services and promote better alignment between campus planning, budgeting and performance.[ii] Several of the earlier performance funding models were not clearly linked to a definitive goal, focused on completion or connected to well-defined policy priorities and objectives for the state's investment in higher education.[2]

The funding policy was trying to be all things to all priorities, sending mixed and often misaligned signals to institutions. Additionally, many early models did not engage institutions in the planning or design of funding models.[iii] As a result, there was a perception that the funding model used inappropriate measures and did not accurately reflect the mission of institutions toward achieving state goals.

Tennessee's efforts are a good illustration of this evolution. The state's early efforts at performance-based funding were limited in their effectiveness in part because they lacked a specific goal and broader agenda that encapsulated the funding model and other policies.[iv] The adoption of the Complete College Tennessee Act in 2010 provided the broader strategic objectives and goals for the state's system of higher education, and therefore the framework for how the state's funding should be allocated.

[2]For example, early performance funding models in many states (such as Kentucky, Louisiana and South Carolina) had a mix of measures focused on inputs, processes and outcomes. Many of the metrics were difficult to define and consistently measure. Examples include global perspective in academic programs (Kentucky); review of gender issues (Kentucky); use of technology in student learning (Kentucky); best practices in administration (Louisiana); faculty activity (Louisiana); approval of mission statement (South Carolina); quality of faculty (South Carolina); and quality of entering students (South Carolina). Kentucky and Louisiana have since implemented new Student Success Funding models. South Carolina has discontinued use of its performance funding model.

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Associated Typology Criterion: This design principle is directly associated with the typology criterion that the funding model is linked to established completion or attainment goals and related priorities.

2. Make funding meaningful and secure.

The share of institutional funding devoted to SSF must be large enough to garner attention, shape priorities and influence actions. Research has not informed a precise amount or percentage of funding to be allocated on outcomes. However, as the intent is to align the state's finance policy with the state's policy priorities, as was done with enrollment-driven policies, it would hold that a similar approach should be taken with Student Success Funding policies. The less the allocation model is tied to outcomes, the less the state's finance policy is aligned with its completion priorities and needs. This is a particular issue when the allocation model is solely reliant on new funding.

These new-funding-only models have significant challenges in sustainability and reflect limited alignment of state postsecondary investments with state attainment needs. Additionally, if the outcomes-based formula is implemented with new money only, this bonus allocation is often the first thing reduced or eliminated in tight budget climates. Building SSF into institutions' recurring allocations promotes sustainability and ensures that the policy intent does not languish while waiting for new funding that may never materialize.

Link to Research: Several analyses of earlier performance funding models cite small amounts of funding as an important limiting factor for the intended effects of the funding policies.[v]

These earlier models linked a very small proportion (often 1 or 2 percent) of an institution's total state allocation to the established measures. If the large majority of institution funding remains based in prior allocation models, it will be difficult for the measures to drive behavior and produce significant results. In fact, as quoted by Dougherty and Reddy (2013), institutional leaders indicated they felt these models were merely symbolic and did little to change behavior beyond data collection and analysis.[vi]

Evidence of the effects of sustaining policies over time appear in several studies. One national study looked at bachelor's degrees conferred in states with performance funding policies. Another focused on the implementation and effects in the state of Washington, where community colleges adopted new policies. Both showed no significant results from the policies in early years of implementation but showed significantly positive effects on the number of degrees conferred after the policies had been sustained over multiple years.[vii] Further, studies conducted in Tennessee, Indiana and Ohio by Research for Action indicate Student Success Funding policies affected student outcomes. For example, though it accounts for less than 10 percent of the support the state provides to institutions, Indiana's Student Success Funding policy has been sustained over multiple years, including times of budget cuts.[viii] This clear commitment and sustainability provides incentives for institutions to focus target strategies that increase outcomes reflected in the formula. These findings indicate that, if given sufficient time for implementation, the more immediate institutional responses to financial incentives translate into longer-term student outcomes.

Associated Typology Criteria: This design principle corresponds with the typology criteria on utilizing recurring funding, ensuring a significant level of funding and sustaining funding for the model over consecutive years.

3. Identify limited, measurable metrics.

SSF must be clearly tied to the state's goals and priorities and include metrics identified at the outset that are easily measured and available; otherwise, the system may be compromised or lose credibility. Metrics that are ambiguous, easy to game or inconsistently reported should not be included. For instance, metrics should emphasize the volume of graduates versus graduation rates, as rates are easier to game.[ix] The SSF formula should track a limited number of metrics or risk diluting the focus on key priorities. States should consider metrics that link to workforce needs (such as priority degree fields and levels) and metrics related to job placement, wage data, return on investment and quality, in addition to success with underserved populations as noted below.[x]

Link to Research: Early performance funding models were often weighed down with too many metrics. In many cases, the metrics were not easily understood or quantifiable and lacked reliable, consistently collected data. [xi] Many models also included measures focused more on inputs or processes than student progression and outcomes.[xii] Examples include metrics such as curricula offered to achieve a mission; adoption of a strategic plan; inclusion of a global/international perspective into academic programs; and use of best management practices.[xiii] Collectively, this resulted in complicated funding systems and burdensome data collection requirements.

Associated Typology Criteria: This design principle is associated with two typology components: addressing institutional mission through varying weights, scales or metrics, and the inclusion of degree/credential completion as a primary metric. Additionally, a funding model derived from a state completion or attainment goal and associated priorities will limit the metrics included to those aligned with the articulated goals.

4. Include all institutions and allow for differentiation.

All institutions contribute to meeting a state's postsecondary goals and should be included in the SSF model. However, metrics should allow for differences in institutional mission, student population and other characteristics. Some SSF models apply a few metrics across institutions, while adopting other unique metrics and weighting them differently across types of institutions. Other states weight metrics according to institution type. In some states, separate formulas have been developed for the different sectors, often with common categories of metrics but different operational definitions (e.g., degree levels, course completion milestones and mission-aligned metrics such as research for the four-year sector and job placement for community colleges). Many SSF models employ multiple strategies to ensure mission-aligned Student Success Funding policies.

Link to Research: Some states have models focused on one institutional sector — for instance, a state's community colleges — leaving other institutions free of funding accountability. Early models that did include all public institutions failed to adequately distinguish metrics across sectors. This promoted mission creep or put certain institutions at an immediate disadvantage.[xiv]

Associated Typology Criterion: This design principle is directly reflected in addressing institutional mission through varying weights, scales or metrics. Using SSF to allocate funding to all sectors and institutions is no longer part of the typology criteria, as the current criterion examines sector-level models. However, the inclusion of both two-year and four-year sectors is still considered a best practice.

5. Prioritize the success of underserved populations.

Many states include separate metrics for, or give extra weight to, graduating academically underprepared, low-income, adult or underrepresented students in their SSF models. This guards against providing institutions an incentive to restrict access (by enrolling only those students most likely to succeed and with the fewest risk factors) in order to boost completion rates. The success of students from underserved populations is critical to meeting states' workforce needs.

The models in place in leading states, such as Oregon, Indiana, Ohio and Tennessee, reflect premiums or a focus on certain student populations, such as low-income, adult, underrepresented minority and academically at-risk students. More research is needed to determine the optimal method for incorporating these metrics into SSF models. After five years of implementation, Tennessee increased the premium applied from a flat rate of 40 percent to a premium of up to 120 percent for students falling into the three identified populations: adult, low-income and at-risk.

A recent report by CLASP analyzes the various equity measures and applications that states incorporate into their funding model. Some key recommendations in their analysis include ensuring that the weighting or bonus measures are sufficient to offset incentives to increase selectivity as a way of increasing outcomes, and ensuring that these measures are mandatory and not optional for institutions.[xv] Further, well-designed funding models limit use of metrics that rely on rates, which can be increased by restricting who is let in and do not necessarily reflect progress toward increased attainment. The use of rates in a model runs counter to the underlying need for the state to not only expand access to students but support the increased success of all students.

A recent SSF Equity Toolkit developed by Research for Action details, among other things, strategies that states and institutions can use to support the closing of equity gaps during SSF implementation. Examples include aligning strategic plans and goals, building staff and data capacity, identifying and dismantling unnecessary barriers to success, and improving advising and communication with students.[xvi]

Link to Research: Unless explicitly accounted for, Student Success Funding models that reward success could have the unintended consequence of rewarding colleges that have better-prepared students or providing an incentive for colleges to make admissions criteria more restrictive. If explicit focus and priority is not placed on supporting the success of high-need students, these models could encourage colleges to restrict admissions to less well-prepared or low-income students to boost graduation rates or other formula measures.[xvii]

In Tennessee and Indiana, evidence indicates the funding policies are having positive effects on students across a range of outcomes. The research indicates some improvement in outcomes for Pell students in Tennessee and students of color in both states, though the results are weaker. The findings reinforce the need for states

to drive dollars based on outcomes but also the necessity to direct money in ways that ensure more equitable results for all students.[xviii] Other recent studies suggest that premiums for underrepresented students may help counteract incentives to reduce access for these students.[xix]

Associated Typology Criterion: This design principle is directly associated with the typology criterion of prioritizing the success of underrepresented students.

6. Use a formula-driven funding structure instead of preset targets and goals.

Formula-driven models use a structured set of rules to distribute funding. There are many versions. For example, a model may award a certain dollar amount for each additional outcome produced, or a model may allocate funding toward institutions that produce a larger share of outcomes relative to other institutions. The key distinction is that formula-driven models do not use preset targets or goals for the metrics. Targets and goals are extremely difficult to appropriately set. Properly setting a target or goal requires a vast amount of information about institutions' current and future operations and resources. Furthermore, targets and goals cannot account for future circumstances that are outside of institutions' control. For example, unforeseen economic changes may have large effects on student enrollment. In practice, the targets and goals end up being too ambitious or not ambitious enough. Furthermore, targets and goals do not provide a continuous incentive for improvement. For example, if an institution's goal is to produce 100 additional degrees, there would be no incentive within the formula to produce the 101st degree.

Link to Research: Research indicates that the structure of early performance funding models was part of the reason the policy was not sustained — citing arbitrary or inconsistent measures and targets, lack of focus on continuous or sustained improvement, and an uncertainty created by the "all or nothing" approach of target-based allocations.[xx] In other words, target-based approaches often establish benchmarks that don't require institutions to stretch or continuously improve in order to succeed. Or they take a punitive nature that can have dramatic effects on certain institutions. A formula-based allocation that proportionally distributes resources ensures that all institutions can benefit from the funding model and encourages continuous improvement and sustained investments. An example of a poorly designed target is the University Access Rate metric in the performance funding model for Florida's universities. The goal for achieving maximum excellence points for this metric is set as low as 27 percent of undergraduates receiving a Pell grant for some universities. This does not reward institutions with significantly higher numbers of Pell students, nor does it motivate institutions to continue to expand access to this population.

Associated Typology Criterion: This design principle is directly associated with the typology criterion of formula-driven and providing incentives for continuous improvement.

7. Reward progress and short-term success milestones.

Rewarding short-term success milestones encourages interim progress and eases the transition to SSF. Because such interim measures should not detract from the longer-term outcomes sought, the progress measures may be weighted in a way that prioritizes the completion outcomes.

Link to Research: Including student progress and shorter-term milestones is another common way for states

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to address the needs of underserved and/or underprepared students. These metrics, often referred to as "momentum points," are based on research conducted by the Community College Research Center for the Washington Board of Technical and Community Colleges. They represent key points that lead to greater persistence and success, irrespective of student background characteristics — social or academic.[xxi]

Associated Typology Criteria: While the typology does not directly reflect this principle, it is related to how a state's funding model derives from completion or attainment goals and priorities. For example, increased completion will require institutions to be more successful in getting students to complete remedial needs, into and through first college-level math and English, and to achieve key credit milestones. Differentiation of metrics and weights by sector is also connected to this principle, as progress and short-term milestones are well aligned to the mission of community colleges, and in many cases comprehensive four-year institutions.

IMPLEMENTATION PRINCIPLES

1. Phase in impact of transition to SSF.

To prevent large, disruptive shifts in funding, the impact of new funding models should be calibrated to allow institutions time to adjust to new expectations. Paying close attention to the design principles noted above, which include multiyear averages to stabilize the data, is the first step toward ensuring a predictable model. Upon implementation, states have also used a stop-loss or other calibration method, such as phasing in the percentage of the formula based on outcomes.

Link to Research: Institutional capacity to respond to newly articulated expectations varies widely.[xxii] This is particularly true when states make significant changes to how institutions receive their recurring or core general allocation dollars.

Associated Typology Criteria: This implementation principle is not directly reflected in the typology as it is influenced by the various design principles described above. In many cases, the current low or moderate level of state funding associated with outcomes is a reflection of this principle, as the allocation through outcomes will increase over time. In states such as Tennessee and Ohio, where significant levels of general appropriation funding are allocated through outcomes, various methods were employed (weighting structure/formula design, calibration, stop-loss, data stability) to ensure that the model's impact is phased in and does not result in large shifts of dollars year-to-year.

2. Continuously improve data.

Necessarily, any funding model is limited by the measures that can be appropriately included — those that are clear, measurable and consistently collected. Given that state data systems are in different stages of development in terms of types and quality of data available, there should be ongoing and continuous improvement to data systems. This will allow states to incorporate measures that are currently limited but important to the state's overall goals, such as certificates (and other credentials) and job placement.

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Link to Research: Policymakers and institutional stakeholders have raised concerns that the operational measures available to include in Student Success Funding models are limited and noted the challenges of including strong indicators for certain desirable educational outcomes.[xxiii] In many states, however, the presence of an Student Success Funding model has spurred collection and reporting of new data elements.[xxiv]

Associated Typology Criterion: This implementation principle is not currently reflected in the typology. However, it is closely linked to the goals and priority criterion, as the funding model will (appropriately) be limited by the data available. Efforts to improve data collection can help states refine models to more closely reflect ultimate goals and priorities, such as certificates and job placement.

3. Evaluate and adjust.

In addition to supporting independent research to evaluate qualitative and quantitative effects of SSF, states should carefully monitor and evaluate their policies. When data and experience warrant, adjustments should be made to the model, phasing in larger changes over time. In several states, the stakeholders who initially developed the SSF models meet periodically to discuss progress and enhancements.

Link to Research: Research indicates that early funding models produced a range of unintended effects that were left unevaluated and unaddressed.[xxv] Working to mitigate and respond to these concerns is an important and ongoing process, true of any funding model.

Associated Typology Criterion: This implementation principle is not directly reflected in the typology but represents a larger, overarching principle that should be part of any state policy — finance or other. As with all policies, states should examine SSF models to understand, at a minimum, their effectiveness and continued alignment with state goals and priorities.

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Appendix B: Considerations For Evaluating SSF Policies

As illustrated in the best practices and design principles listed above, research on previous outcomes and performance-based funding models has been important for informing the development of new policies and improvement of existing policies. What makes this research useful to policymakers is the attention paid to understanding and reflecting specific state policy context and formula details. Further research is crucial for informing development of funding policies that advance state goals, particularly, student success and equity. Below are some considerations for evaluating funding policies that may help ensure research is relevant to state policymakers and provides insights into varying impacts across different design and implementation features.

RECOGNIZE AND ACCOUNT FOR DIFFERENCES IN SSF POLICES

Like nearly all other policies, Student Success Funding is not a monolithic policy but a policy approach under which great variation exists between state policies and even between sectors within a state. Significant differences exist around funding levels, metrics, prioritization of underrepresented students, differentiation by institution type and mission, methodology, and the amount of time the model has been sustained. Many SSF models still being used are more similar to the early performance funding policies that do not align with best practices. Any evaluation of SSF polices would be improved by identifying and accounting for these differences.

USE DATA THAT ALIGN WITH THE OUTCOMES IN THE SSF POLICIES

Not all outcome data used in SSF models matches the data from the Integrated Postsecondary Education Data System (IPEDS), the most common data source used for research on SSF polices. For example, some state SSF policies only include outcomes earned by resident students. However, IPEDS data does not differentiate outcomes such as degrees and certificates earned by residency status of the student. Also, in some states, metrics may not have been reported to IPEDS until the SSF model was implemented. This may make it appear as if increases in outcomes were the result of the model, when in fact the increases were due to improved data reporting. In both cases, using only IPEDS data may lead the study to draw erroneous conclusions, positive or negative.

Additionally, the definitions for metrics in SSF models may not match the definitions used in the IPEDS collection. Certificates are one example. Many states include certificate production as a SSF metric. However, there is much variance in how states define certificates in their SSF models. Some states include certificates for all fields while other states only include technical or high-demand certificates. Other states only include certificates with certain minimum credit-hour benchmarks. These minimum benchmarks vary between states as well. In a recent research brief, Research for Action identified several issues with exclusively using IPEDS data when examining SSF effects on certificate production. Among these:

• IPEDS classifications of short and long-term certificates do not align with SSF policy classifications;
• IPEDS only includes total certificates awarded by an institution. But some SSF formulas do not recognize and/ or discount multiple certificates earned within one reporting year by the same student;
• IPEDS does not include consistent data on student subgroups typically included in SSF formulas; and

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• IPEDS makes it optional for institutions to report certificates earned with fewer than 12 credits that are approved at the institution or regional level, but many do report these data in their IPEDS surveys.[xxvi]

There are many advantages to using IPEDS; however, the limitations of the data should be acknowledged and addressed, particularly when it deviates from the actual outcomes data used in funding models. Research for Action recommends, when possible, incorporating data sources such as State Longitudinal Data Systems and workforce data to improve the accuracy of the research.

ACCURATELY REPRESENT THE DETAILS OF SSF MODELS

Any study into SSF needs to accurately represent the model components, metrics, weightings, priority populations, goals and implementation details of the policies. Not doing so could lead to erroneous conclusions. For example, some states do not include graduation rates in their models. Instead, the models are linked to increasing educational attainment levels and only include volume-based metrics. From the state's perspective, increasing the total number of graduates at the expense of slightly lower graduation rates may be considered a desirable outcome. A study that examines the effects of the model solely on graduation rates or degrees per FTE may miss this important context.

It should also be recognized that SSF models are not static. There are frequent revisions and gaps in implementation that should be accounted for. The State Share of Instruction (SSI) model that allocates state appropriations to the Ohio community colleges is one example of a SSF model that has been significantly revised. A rudimentary SSF model was adopted in 2009. It was later replaced with a robust SSF model in FY 2015.[xxvii]

OHIO COMMUNITY COLLEGE SSI HISTORY (2009-PRESENT)	
IMPLEMENTATION YEARS	**SSI COMPONENTS**

FY 2009-2013	• Primarily based on enrollment (cost weighted)
	
	• Success Points introduced in FY 2011
	
	   - 5% of FY 2011 calculation
	   - 7.5% of FY 2012 calculation
	   - 10% of FY 2013 calculation
	
	• Success Points included:
	
	   - Remedial/Developmental course success
	   - Students earning 15 and 30 credit hours of college-level coursework
	   - Students transferring to four-year universities with 15 credit hours
	   - Students earning an associate degree
	
	     ◦ Associate degrees accounted for 0.50% of the total calculation in FY 2011, 0.71% in FY 2012, and 0.97% in FY 2013
	
	• Stop-loss (99% to 96%)

FY 2014	• 50% Enrollment (cost weighted) • 25% Course Completion (cost weighted) • 25% Success Points - Associate degrees accounted for 2.6% of the total calculation • Stop-loss (97%)

FY 2015-Present	• Significantly revised to increase focus on student success
	
	• 50% Course Completion (cost weighted)
	
	• 25% Completion Milestones (cost weighted)
	
	   - Students earning associate degrees
	   - Students earning certificates of 30+ hours
	
	     ◦ Weighted one-half of associate degrees
	
	   - Students transferring to four-year universities with 12 credit hours
	
	     ◦ Weighted one-fourth of associate degrees
	
	• 25% Success Points (revised)
	
	   - 12/24/36 earned credit-hour benchmarks
	
	   - Developmental Math/English completion and subsequent enrollment in a college level Math/English course
	
	• Premiums are given for outcomes earned by students in access categories
	
	   - Adult
	
	   - Low-income
	
	   - Underrepresented minority
	
	   - Academically underprepared (beginning in FY 2016)
	
	• No stop-loss

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As illustrated in the chart above, though they share the same name, the revised model is very different from earlier versions. Research studies should account for these differences to fully understand the effects of funding models both on student outcomes as well as institutional response.

THOROUGHLY ENGAGE STATE POLICY MAKERS, INSTITUTIONS, OTHER STAKEHOLDERS

For any policy, there is significant contextual knowledge that may not be apparent to those examining the policy from afar. This also holds true for SSF polices. Any examination of these polices would be improved by thoroughly engaging state policymakers, institution representatives and other stakeholders. Questions to ask could include:

• Is this study accurately identifying the components of the model?

• Does the data source being used in the study align with the data used in the model?

• Was the goal of the model to increase student success, and/or is the model intended to support other goals and priorities?

• Were there other polices being implemented concurrent with OBF implementation that should be accounted for?

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Appendix C: State Policy Summative Charts

ALABAMA		
Sectors Implementing SSF in FY 2020	Two-Year	
Linked to Attainment/Completion Goal	Yes	
Base/Recurring or New Funding	Base/Recurring	
SECTOR-LEVEL OBF ANALYSIS		
	Four-Year	Two-Year
Formula Type	N/A	III
Funding Level	N/A	Moderate
Reflects Institutional Mission	N/A	Yes
Includes Total Degree/Credential Completion	N/A	Yes
Underrepresented Student Success Prioritized	N/A	Yes
Implementing for Two or More Years	N/A	Yes
Formula-Driven or Target/ Recapture	N/A	Formula

ARKANSAS		
Sectors Implementing SSF in FY 2020	Four-Year and Two-Year	
Linked to Attainment/Completion Goal	Yes	
Base/Recurring or New Funding	Base/Recurring	
SECTOR-LEVEL OBF ANALYSIS		
	Four-Year	Two-Year
Formula Type	IV	IV
Funding Level	High	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

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CALIFORNIA

Sectors Implementing SSF in FY 2020	Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	N/A	III
Funding Level	N/A	Moderate
Reflects Institutional Mission	N/A	Yes
Includes Total Degree/Credential Completion	N/A	Yes
Underrepresented Student Success Prioritized	N/A	Yes
Implementing for Two or More Years	N/A	Yes
Formula-Driven or Target/ Recapture	N/A	Formula

COLORADO

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	IV	III
Funding Level	High	Moderate
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

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FLORIDA

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	No for Two-Year / Yes for Four-Year
Base/Recurring or New Funding	New for Two-Year / Base/Recurring for Four-Year

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	I	I
Funding Level	High	Low
Reflects Institutional Mission	Yes	No
Includes Total Degree/Credential Completion	Partial	No
Underrepresented Student Success Prioritized	Partial	No
Implementing for Two or More Years	Yes	No
Formula-Driven or Target/ Recapture	Target/Recapture	Formula

HAWAII

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	II	II
Funding Level	Low	Low
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Target/Recapture	Target/Recapture

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ILLINOIS

Sectors Implementing SSF in FY 2020	Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	N/A	II
Funding Level	N/A	Low
Reflects Institutional Mission	N/A	No
Includes Total Degree/Credential Completion	N/A	Yes
Underrepresented Student Success Prioritized	N/A	Yes
Implementing for Two or More Years	N/A	Yes
Formula-Driven or Target/ Recapture	N/A	Formula

INDIANA

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	III	III
Funding Level	Moderate	Moderate
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

KANSAS

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	New

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	I	I
Funding Level	Low	Low
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Partial	Partial
Underrepresented Student Success Prioritized	Partial	Partial
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Target/Recapture	Target/Recapture

KENTUCKY

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	IV	IV
Funding Level	High	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

LOUISIANA

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	IV	IV
Funding Level	High	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

MICHIGAN

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	New

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	I	I
Funding Level	Low	Low
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	No	No
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

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MONTANA

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	III	III
Funding Level	Moderate	Moderate
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

NEVADA

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	IV	IV
Funding Level	High	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

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NEW JERSEY

Sectors Implementing SSF in FY 2020	Four-Year	
Linked to Attainment/Completion Goal	Yes	
Base/Recurring or New Funding	Base/Recurring	

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	III	N/A
Funding Level	Moderate	N/A
Reflects Institutional Mission	Yes	N/A
Includes Total Degree/Credential Completion	Yes	N/A
Underrepresented Student Success Prioritized	Yes	N/A
Implementing for Two or More Years	No	N/A
Formula-Driven or Target/ Recapture	Formula	N/A

NEW MEXICO

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year	
Linked to Attainment/Completion Goal	Yes	
Base/Recurring or New Funding	Base/Recurring	

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	III	III
Funding Level	Moderate	Moderate
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

NORTH CAROLINA

Sectors Implementing SSF in FY 2020	Two-Year
Linked to Attainment/Completion Goal	No
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	N/A	II
Funding Level	N/A	Low
Reflects Institutional Mission	N/A	No
Includes Total Degree/Credential Completion	N/A	Yes
Underrepresented Student Success Prioritized	N/A	Yes
Implementing for Two or More Years	N/A	Yes
Formula-Driven or Target/ Recapture	N/A	Formula

NORTH DAKOTA

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	I	I
Funding Level	High	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	No	No
Underrepresented Student Success Prioritized	No	No
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

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OHIO

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	IV	IV
Funding Level	High	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

OKLAHOMA

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	New

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	I	I
Funding Level	Low	Low
Reflects Institutional Mission	No	No
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	No	No
Formula-Driven or Target/ Recapture	Formula	Formula

OREGON

Sectors Implementing SSF in FY 2020	Four-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	IV	N/A
Funding Level	High	N/A
Reflects Institutional Mission	Yes	N/A
Includes Total Degree/Credential Completion	Yes	N/A
Underrepresented Student Success Prioritized	Yes	N/A
Implementing for Two or More Years	Yes	N/A
Formula-Driven or Target/ Recapture	Formula	N/A

RHODE ISLAND

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	I	II
Funding Level	Moderate	Low
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Partial	Yes
Underrepresented Student Success Prioritized	Yes	No
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Target/Recapture	Target/Recapture

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TENNESSEE

Sectors Implementing SSF in FY 2020	Four-Year and Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	IV	IV
Funding Level	High	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

TEXAS

Sectors Implementing SSF in FY 2020	Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	N/A	III
Funding Level	N/A	Moderate
Reflects Institutional Mission	N/A	Yes
Includes Total Degree/Credential Completion	N/A	Yes
Underrepresented Student Success Prioritized	N/A	Yes
Implementing for Two or More Years	N/A	Yes
Formula-Driven or Target/ Recapture	N/A	Formula

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UTAH		
Sectors Implementing SSF in FY 2020	Four-Year and Two-Year	
Linked to Attainment/Completion Goal	Yes	
Base/Recurring or New Funding	New	
SECTOR-LEVEL OBF ANALYSIS		
	Four-Year	Two-Year
Formula Type	I	I
Funding Level	Low	Low
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Target/Recapture	Target/Recapture

VERMONT		
Sectors Implementing SSF in FY 2020	Four-Year and Two-Year	
Linked to Attainment/Completion Goal	Yes	
Base/Recurring or New Funding	Base/Recurring	
SECTOR-LEVEL OBF ANALYSIS		
	Four-Year	Two-Year
Formula Type	II	II
Funding Level	Moderate	Moderate
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	No	No
Implementing for Two or More Years	No	No
Formula-Driven or Target/ Recapture	Formula	Formula

VIRGINIA

Sectors Implementing SSF in FY 2020	Four-Year (A/B) and Two-Year		
Linked to Attainment/Completion Goal	Yes		

SECTOR-LEVEL OBF ANALYSIS

	Four-Year A	Four-Year B	Two-Year
Formula Type	I	I	III
Base/Recurring or New Funding	New	New	Base/Recurring
Funding Level	Low	Low	Moderate
Reflects Institutional Mission	Yes	Yes	Yes
Includes Total Degree/Credential Completion	No	No	Yes
Underrepresented Student Success Prioritized	No	No	Yes
Implementing for Two or More Years	Yes	No	Yes
Formula-Driven or Target/ Recapture	Target/Recapture	Target/Recapture	Formula

WASHINGTON

Sectors Implementing SSF in FY 2020	Two-Year	
Linked to Attainment/Completion Goal	Yes	
Base/Recurring or New Funding	Base/Recurring	

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	N/A	III
Funding Level	N/A	Moderate
Reflects Institutional Mission	N/A	Yes
Includes Total Degree/Credential Completion	N/A	Yes
Underrepresented Student Success Prioritized	N/A	Yes
Implementing for Two or More Years	N/A	Yes
Formula-Driven or Target/ Recapture	N/A	Formula

WISCONSIN

Sectors Implementing SSF in FY 2020	Four-Year and Technical Colleges
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Technical
Formula Type	II	IV
Funding Level	Low	High
Reflects Institutional Mission	Yes	Yes
Includes Total Degree/Credential Completion	Yes	Yes
Underrepresented Student Success Prioritized	Yes	Yes
Implementing for Two or More Years	Yes	Yes
Formula-Driven or Target/ Recapture	Formula	Formula

WYOMING

Sectors Implementing SSF in FY 2020	Two-Year
Linked to Attainment/Completion Goal	Yes
Base/Recurring or New Funding	Base/Recurring

SECTOR-LEVEL OBF ANALYSIS

	Four-Year	Two-Year
Formula Type	N/A	II
Funding Level	N/A	Moderate
Reflects Institutional Mission	N/A	Yes
Includes Total Degree/Credential Completion	N/A	Yes
Underrepresented Student Success Prioritized	N/A	No
Implementing for Two or More Years	N/A	Yes
Formula-Driven or Target/ Recapture	N/A	Formula

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Appendix D: IMPLICATIONS of COVID-19 on INSTITUTIONS and SSF MODELS

The information in this report was collected prior to the COVID-19 pandemic. Unfortunately, COVID-19 has sent higher education into a period of great uncertainty. Institutions are grappling with how to support students and continue operations. While the effect on state budgets will differ by state and affect institutions in different ways it is important for all states to consider how any changes to their Student Success Formulas caused by the COVID-19 fallout will affect students and institutions going forward.

When evaluating fiscal responses necessary because of the pandemic, state policymakers should first reflect on the principles, such as prompting student success and closing equity gaps, on which their funding models were based. They should then ask if the effects of COVID-19 have fundamentally changed those principles. It is also important for state policymakers to explicitly examine how responses to this pandemic will affect the most underserved students. In recent years, many states have increased their focus on equity by aligning their funding models with the success of underrepresented students, as seen in this report.

Recommendations for states to maintain or increase a focus on student success and equity include:

• Avoid across the board reductions to institutions' state operating funding. This is often the simplest solution during a budget crisis, but it does not address equity concerns and is not aligned with any strategic principles. Across-the-board reductions also do not take into account the differences in institutions' levels of other financial resources such as tuition, philanthropy or endowments.

• Avoid making drastic changes to funding models. Drastic changes to models as a response to the effects of the pandemic may introduce additional and unnecessary uncertainty to their higher education environments, while putting those principles of equity and student success at risk. Any changes that are made should be based on a thorough analysis of potential scenarios.

• States currently with these Student Success Funding models should consider maintaining or increasing incentives for priority populations such as underrepresented minorities, low-income and adult students. States without these models should explore ways to align state funding with the success of these students.

• Examine ways to increase financial stability while sustaining SSF models. Maintaining principles does not mean ignoring the fiscal effects of the pandemic. There is likely a greater need for stability in institution funding now compared to pre-COVID-19. There are ways to maintain the existing funding policies while also increasing stability. For example, a state could implement a temporary stop-loss function that would limit formula reallocations to a set percentage. Another recommendation is to prioritize enrollment as well as student success. For example, the California Community Colleges Student Centered Funding Model allocates a portion of state appropriations based on student success and equity metrics, while also allocating a large portion based on enrollment. All of the components are explicitly aligned with the principles in the California Community Colleges' Vision for Success.

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Appendix E: Sources

FOOTNOTES AND REFERENCES

Alabama

The Alabama Community College System began using a Student Success Funding model in FY 2020. The model contains a 2% stop-loss in FY 2020 to assist with phase-in.

Information at:
→ http://lsa.state.al.us/PDF/LFO/FY2020/Bills/RS19-SB199-enacted.pdf

Arkansas

The Arkansas Department of Higher Education began using a newly developed Productivity Funding Formula in FY 2019 for both its two-year and four-year institutions. There is a 1% stop-loss in FY 2020 to assist with phase-in.

Information at:
→ https://www.adhe.edu/institutions/productivity-funding/

California

The California Community College System began using its newly developed Student Centered Funding Formula in FY 2019. There is a hold-harmless in place for FY 2020 to assist with phase-in.

Information at:
→ http://extranet.cccco.edu/Divisions/FinanceFacilities/StudentCenteredFundingFormula.aspx

Colorado

Colorado is implementing a Student Success Funding model at both its two-year and four-year institutions. Through FY 2019-20, the appropriation for a governing board may not increase or decrease by a percentage that exceeds five percentage points of the average for all the governing boards.

Information at:
→ https://highered.colorado.gov/educators/how-do-i/hb-14-1319-a-new-funding-model-for-higher-education

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Florida

Florida is implementing its performance funding formula for four-year institutions. The previous Florida College System performance funding model was discontinued after FY 2019. A new performance funding model based on industry certifications is now operating for the Florida College System.

Information at:
→ http://laws.flrules.org/2019/115 (two-year)
→ https://www.flbog.edu/finance/performance-based-funding/ (four-year)

Hawaii

Hawaii is implementing its performance funding model at both two-year and four-year institutions.

Information at:
→ https://blog.hawaii.edu/hawaiigradinitiative/performance-funding-model/

Illinois

Illinois is implementing its performance-based funding model at two-year institutions.

Information at:
→ https://www.iccb.org/financial_compliance/budgets-allocations/performance-based-funding/
→ http://www.ilga.gov/legislation/publicacts/100/PDF/100-0586.pdf (page 487)

Indiana

Indiana is implementing its performance funding model at both two-year and four-year institutions.

Information at:
→ https://www.in.gov/che/3148.htm

Kansas

The Kansas Board of Regents has established performance agreements with the state universities and community and technical colleges. Institutions must achieve compliance with the performance agreements to receive new state funding. The performance agreements allocated funding in FY 2019 and FY 2020 after not being implemented since FY 2013.

Information at:
→ https://budget.kansas.gov/wp-content/uploads/FY2020_Comparison_Report-7-10-2019.pdf
→ https://www.kansasregents.org/academic_affairs/performance-agreements

Kentucky

Kentucky is implementing its performance funding model at both two-year and four-year institutions. A 1% stop-loss is being used in FY 2020 to assist with phase-in.

Information at:
→http://cpe.ky.gov/ourwork/performancefunding.html

Louisiana

Louisiana is implementing its outcomes-based funding formula at both two-year and four-year institutions.

Information at:
→ https://regents.la.gov/divisions/finance-facilities/outcomes-based-funding-formula/

Michigan

Michigan is implementing its performance funding formula at both two-year and four-year institutions.

Information at:
→https://www.house.mi.gov/hfa/PDF/Summaries/19h4236_HigherEd_Enacted_Summary.pdf (four-year)
→https://www.house.mi.gov/hfa/PDF/Summaries/19s134_CC_Enacted_Summary.pdf (two-year)

Montana

Montana is implementing its performance funding formula at both two-year and four-year institutions.

Information at:
→ https://mus.edu/data/performancefunding/

Nevada

Nevada is implementing Student Success Funding at both its two-year and four-year institutions.

Information at:
→ https://nshe.nevada.edu/initiatives/formula-funding-study/

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New Mexico

New Mexico is implementing Student Success Funding at both its two-year and four-year institutions.

Information at:
→ https://hed.state.nm.us/resources-for-schools/institutional-finance/nmhed-funding-recommendation

North Carolina

North Carolina is implementing its performance-based funding model at two-year institutions.

Information at:
→https://www.nccommunitycolleges.edu/finance-operations/budget-accounting/budget-information

North Dakota

North Dakota is implementing Student Success Funding at both its two-year and four-year institutions.

Information at:
→ https://www.legis.nd.gov/assembly/65-2017/documents/17-0511-06000.pdf

Ohio

Ohio is implementing its Outcomes-Based Funding model at both two-year and four-year institutions.

Information at:
→https://www.ohiohighered.org/node/933

Oklahoma

Oklahoma is implementing its performance funding model at both two-year and four-year institutions.

Information at:
→ https://www.okhighered.org/studies-reports/budget/fy20-eg-summary-analysis.pdf

Oregon

Oregon is implementing its Student Success and Completion Funding Model at four-year institutions.

Information at:
→ https://www.oregon.gov/highered/institutions-programs/postsecondary-finance-capital/Pages/university-funding-model.aspx

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Rhode Island

Rhode Island is implementing its performance funding model at both two-year and four-year institutions.

Information at:
→https://www.riopc.edu/page/performance_funding/

Tennessee

Tennessee is implementing its outcomes-based funding model at both two-year and four-year institutions.

Information at:
→https://www.tn.gov/thec/bureaus/policy--planning--and-research/fiscal-policy/redirect-fiscal-policy/outcomes-based-funding-formula-resources/redirect-outcomes-based-funding-formula-resources/2015-20-outcomes-based-funding-formula.html

Texas

Texas is implementing its performance-based funding model at two-year institutions.

Information at:
→http://www.highered.texas.gov/institutional-resources-programs/funding-facilities/formula-funding/basis-of-legislative-appropriations/

Utah

Utah is implementing a performance funding model at both two-year and four-year institutions.

Information at:
→ https://ushe.edu/wp-content/uploads/pdf/agendas/20190517/Complete_Agenda_SBR_May_17_2019.pdf
→ https://le.utah.gov/interim/2017/pdf/00004475.pdf

Virginia

Virginia is implementing a performance funding model at its two-year institutions, performance agreements for its four-year institutions, and has implemented for FY 2020 the Tech-Talent Investment program for four-year institutions.

Information at:
→ http://trcenter.vccs.edu/data/ (two-year)
→ https://budget.lis.virginia.gov/item/2019/1/HB1700/Chapter/1/147/ (four-year performance agreements)
→ https://lis.virginia.gov/cgi-bin/legp604.exe?191+sum+HB2490 (four-year Tech Talent Investment Program)

Vermont

Vermont is implementing Student Success Funding for its State Colleges System (two-year and four-year).

Information at:
→ https://www.vsc.edu/wp-content/uploads/2018/10/Policy-403-Annual-Operating-Budget-2018-09-26.pdf

Washington

Washington is implementing its Student Achievement Initiative at two-year institutions.

Information at:
→ https://www.sbctc.edu/about/agency/initiatives-projects/student-achievement-initiative.aspx

Wisconsin

Wisconsin is implementing outcomes-based funding models at its technical colleges and four-year institutions.

Information at:
→ https://www.wtcsystem.edu/wtcsexternal/cmspages/getdocumentfile.aspx?nodeguid=df0f3fd8-2b71-45dd-a3cb-8070b79e5fe5 (technical colleges)
→ https://www.wisconsin.edu/regents/download/meeting_materials/2019/august_1,_2019_(special_bor)/Materials-for-August-1-Special-BOR-Teleconference-Meeting.pdf

Wyoming

Wyoming is implementing Student Success Funding at its two-year institutions.

Information at:
→ https://communitycolleges.wy.edu/initiatives/fundinginitiative/

Endnotes

[i] Anna Cielinski and Duy Pham, *"Equity Measures in State Outcomes-Based Funding: Incentives for Public Colleges to Support Low-Income and Underprepared Students."* Center for Law and Social Policy (2017). https://www.clasp.org/sites/default/files/public/resources-and-publications/publication-1/Equity-Measures-in-State-Outcomes-Based-Funding.pdf

[ii] Joseph Burke and Associates, *"Funding Public Colleges and Universities for Performance: Popularity, Problems, and Prospects."* Albany: Rockefeller Institute Press (2002).

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