

**RESEARCH BRIEF**

**VCCS Performance-Based Funding Model**

Historically, the **traditional funding model** of the Virginia Community College System (VCCS) has been driven primarily by one performance measure – enrollment (access), which results in many practices at the colleges focused solely on recruiting students. More recently, in support of the mission and long-term strategic goals of the VCCS, a **student outcomes-based component** to the traditional funding model was developed. The resulting funding model encourages and recognizes improvement to student outcomes in credit-bearing programs.

**A. Distribution Mechanism**

The funding model is calculated as follows: the number of students at each college in each **metric** are summed, each metric is **weighted** (weights balance the importance of the metric to the student’s success with the amount of effort it takes the college to get the student to that point), the total weighted number of students for each college is tallied, and each college’s percentage of the total is calculated (See Section D, next page). Those percentages then serve as the method for **allocating** the outcomes-based funding pool.

**B. Funding Amount**

Providing **access** is a major part of the VCCS mission; the majority of state funding is allocated based on the enrollment-based model. Additionally, for the Outcomes-based Funding Model to effectively impact efforts to improve **success**, a significant amount of funding is allocated through that methodology.

- In 2019-20, 20 percent of state funding was distributed through the Outcomes-based Funding Model.

**C. Performance Metrics**

The **performance metrics** for the model are based on the concept of following students through their educational experience – from initial entry through completion.

Colleges are awarded points for the number of students who:

1. Complete college-level math or English
2. Are retained for one year and two years
3. Are retained with the required number of credit hours and grade point average
4. Earn awards (degrees, diplomas, and certificates)
5. Transfer with 16 or more credit hours.

VCCS funding distribution also considers the percentage of in-state FTES across the colleges.

- Each college's total points are multiplied by the percentage of in-state FTES, and a three-year average is considered for the dollar allocation across VCCS schools.

## D. Metrics and Weights

**1. Complete College-Level Math or English:** Colleges **earn 0.5 points** per student in each category.

- **Math DE** – Number of developmental math cohort students who successfully completed a college-level math course within 4 semesters of their first enrollment.
- **Math CR** – Number of college-ready math cohort students who successfully completed a college-level math course within 3 semesters of their first enrollment.
- **English DE** – Number of developmental English cohort students who successfully completed a college-level English course within 4 semesters of their first enrollment.
- **English CR** – Number of college-ready English cohort students who successfully completed a college-level English course within 3 semesters of their first enrollment.

**2. Retained for One Year and Two Years:** Colleges **earn 0.5 points** per student in each category.

- **FT F2S** – Number of full-time fall cohort students who enrolled in the spring of the same academic year.
- **PT F2S** – Number of part-time fall cohort students who enrolled in the spring of the same academic year.
- **FT F2F** – Number of full-time fall cohort students who enrolled in the fall of the next academic year.
- **PT F2F** – Number of part-time fall cohort students who enrolled in the fall of the next academic year.

**3. Retained with the Required Number of Credit Hours and Grade Point Average:**

Colleges **earn 0.5 points** per student in each category.

- **Progress 12** – Number of the fall cohort students who completed 12 college credits with a cumulative GPA of 2.0 or higher by the end of the spring of the same academic year.
- **Progress 24** – Number of fall cohort students who completed 24 college credits with a cumulative GPA of 2.0 or higher by the end of the spring of the next academic year.

4. **Earn Awards (Degrees, Diplomas, and Certificates):** Colleges earn points for each student whose highest award earned is an eligible certificate (**1 point**); whose highest award earned is an associate degree or diploma (**1.5 points**); and who earn an eligible award and are also from an under-served population (USP) (**an additional 0.5 points**).
- **Awards** – Number of students who earn one or more awards within a given academic year.
  - **Awards USP** – Number of students from underserved populations (USP) who earn one or more awards within a given academic year. Includes any student who is first generation (both mother’s and father’s education are high school graduate or below), minority (any student not white/Caucasian or unknown), or Pell-eligible (as indicated by ISIR as of the award year). These students are also included in the Awards number.
5. **Transfer with 16 or More Credit Hours:** Colleges **earn 1 point** per student who transfers with 16 or more credit hours; **earn 0.5 points** per student who transfers with an associate degree or diploma (these students are counted in the Awards category as well); and **earn 0.5 points** per student who transfers and later earns a bachelor’s degree.
- **Transfer 16** – The number of students that transfer with 16 or more credit hours, but no award. This category includes students who complete the General Education Certificate.
  - **Transfer AS** – The number of students that transfer with 16 or more credit hours and an associate degree or diploma.
  - **Transfer Grad** – The number of students that transfer with 16 or more credits and earn a bachelor’s degree within 6 years from initial enrollment with the community college.
6. **Workforce:** It is recognized that additional weight should be provided for students in Career/Technical degree, diploma, and certificate programs. Just as some students will earn additional points for the college for transferring to a four-year institution, points should also be awarded to CTE students for job placement and/or improved earnings. It is suggested that once reliable data are available, that points be awarded to a college similar to the transfer points awarded.

## E. Performance Funding Outcomes in FY21

- Table 1 presents the number of points NOVA earned on each metric overall and as a percentage of total VCCS points in FY21.

**Table 1. Comparison of Performance Funding Points in FY21: NOVA and VCCS**

Metric	NOVA	VCCS	% of Total VCCS Points
<b>Complete College-Level Math or English</b>			
Developmental Math	172.5	541.5	31.9
College-Ready Math	1,543.5	4,238.0	36.4
Developmental English	88.0	303.5	29.0
College-Ready English	2,785.5	7,897.5	35.3
<b>English/Math Performance Subtotal</b>	<b>4,589.5</b>	<b>12,980.5</b>	<b>35.4</b>
<b>Retained for One Year and Two Years</b>			
Full-Time Fall to Spring	2,498.5	6,892.5	36.2
Full-Time Fall to Fall	2,005.0	5,148.0	38.9
Part-Time Fall to Spring	1,068.5	3,087.0	34.6
Part-Time Fall to Fall	801.0	2,113.5	37.9
<b>Retention Subtotal</b>	<b>6,373.0</b>	<b>17,241.0</b>	<b>37.0</b>
<b>Retained with the Required Number of Credit Hours and Grade Point Average</b>			
12 Credits with 2.0	2,210.0	6,808.5	32.5
24 Credits with 2.0	2,051.5	5,993.5	34.2
<b>Progression Subtotal</b>	<b>4,261.5</b>	<b>12,802.0</b>	<b>33.3</b>
<b>Earn Awards (Degrees, Diplomas, and Certificates)</b>			
Degree/Diploma	7,744.5	26,482.5	29.2
Certificate	568.0	5,805.0	9.8
Under-served	2,108.0	7,935.0	26.6
<b>Awards Subtotal</b>	<b>10,420.5</b>	<b>40,222.5</b>	<b>25.9</b>
<b>Transfer with 16 or More Credit Hours</b>			
Transfer 16 Credits	2,764.0	9,920.0	27.9
Transfer Associates	1,091.0	2,996.0	36.4
Transfer Bachelors	3,100.0	9,804.5	31.6
<b>Transfer Subtotal</b>	<b>6,955.0</b>	<b>22,720.5</b>	<b>30.6</b>
<b>Total</b>	<b>32,599.5</b>	<b>105,966.5</b>	<b>30.8</b>