

# VCCS Outcomes-Based Funding Model

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### A. Background

- **Traditional Model:** The traditional funding model is driven primarily by one performance measure – enrollment (access) which results in many practices at the colleges focused on recruiting students.
- **Outcomes-Based Funding Model:** 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 improved student outcomes.

### B. Distribution Mechanism

- **Metrics and Weights:** The model is simple in that the numbers of students at each college in each category are summed, each category is weighted, the total weighted number of students for each college is tallied, and each college's percentage of the total is calculated.
- **Allocation:** Those percentages then serve as the method for allocating the outcomes-based funding pool.

### C. Funding Amount

- **Access:** Because providing access is a major part of the VCCS mission, the majority of the state funding will continue to be allocated based on the enrollment-based model.
- **Success:** For the Outcomes-based Funding Model to effectively impact efforts to improve completion, a significant amount of funding needs to be allocated through that methodology.

- **Distribution Schedule:** the proportion of the state funding to be distributed through the Outcomes-based Funding Model will follow this schedule:
  - 12% in 2016-17 (approximately \$37.1 million)
  - 14% in 2017-18
  - 16% in 2018-19
  - 20% in 2019-20

## D. Performance Metrics

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

Colleges are awarded points for the numbers 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 at least 16 or more credit hours.

## E. Metrics and Weights

### 1. Complete College-Level Math or English

- Students **earn 0.5 points** in each category.

#### Math Performance Funding Measures

- **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 Performance Funding Measures

- **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

- Students **earn 0.5 points** in each category.

### Retention Performance Funding Measures

- **FT F2S** – Number of full-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 F2S** – Number of part-time fall cohort students who enrolled in the spring of the same 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

- Students **earn 0.5 points** in each category.

### Progression Performance Funding Measures

- **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)

- Students [earn points for a single award in a given year (the highest award received)]:
  - Whose highest award earned is an eligible certificate **earn 1 point**;
  - Whose highest award earned is an associate degree or diploma **earn 1.5 points**;
  - Who earn an eligible award and are also from an under-served population (USP) **earn an additional 0.5 points**.

### Awards Performance Funding Measures

- **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 at Least 16 or More Credit Hours

- Students:
  - Who transfer with 16 credit hours **earn 1 point**;
  - Who transfer with an associate degree or diploma **earn 0.5 points** (these students are counted in the Awards category as well);
  - Who transfer and later earn a bachelor's degree then **earn 0.5 points**.

### Transfer Performance Funding Measures

- **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.

## F. Evaluation and Future Enhancements

In the third year of the implementation (FY 2019), the Outcomes-based Funding Model will be reviewed to determine whether any modifications are needed.