

Aligning State Resources to Better Promote Student Success

MHEC Policy Summit – Fargo North Dakota

**Rich Petrick, Vice Chancellor for Finance
Ohio Board of Regents**

I. Performance funding foundations

- Ohio had a long history of performance-based funding
- The first of the four “Challenges” began in the 1980s
- Total funding for the Challenges equaled about 10% of total state operating subsidy for campuses by late 1990s
- The past successful implementation of performance funding helped set the stage for significant changes in FY 2010 and FY 2011

I. Performance funding foundations

The Challenges	Goal	Recipient	\$ Distributed
Research	Increase third-party sponsored research \$	Public university main campuses; some private universities	~\$10 - \$12 million per year
Access	Lower tuition to increase enrollments at access campuses	Public community colleges and selected 4-year access campuses	~ \$65 million per year
Success	Decrease time to UG 4-year degrees; improve degree achievement for at risk students	Public university main campuses	~\$55 million per year
Jobs	Increase non-credit job-related training	Public two-year campuses	~\$10 million per year

Funding Formula Changes in FY 2010 and FY 2011

The Chancellor's ten-year strategic plan: Some key elements

- Strategic plan was mandated by the legislature
- Explicit goals for the new public agenda:
 - Enroll and graduate more Ohioans
 - Increase state aid, improve efficiency, and lower out of pocket expenses for undergraduates
 - Increase participation and success by first-generation students
 - Increase participation and success by adult students

Changes in place for FY 2010 and FY 2011

- Major shift to success-based formulas
- Creation of three new formulas:
 - University main campuses
 - University regional campuses
 - Community colleges
- Endorsed by the Governor and approved by the General Assembly in H.B. 1

University main campuses

- Shift from enrollment-based to course- and degree-completion based formula
 - Cost-based course and degree allocations
 - Empirically-based adjustment (extra weighting) for at-risk students
 - Degree-completion component to be phased in slowly
- Setasides for doctoral and medical funding
 - Doctoral funding to become more dynamic and performance-based
- Phased in over time
 - 99% stop loss in FY 2010
 - 98% stop loss in FY 2011

University regional campuses

- Shift from enrollment-based to course-completion based formula
 - Cost-based course and degree allocations
 - Empirically-based adjustment (extra weighting) for at-risk students
- Plan to add degree-completion component in 2 to 4 years
 - Time to permit regional campuses to adjust their missions to focus more on upper-level undergraduate enrollments
- Phased in over time
 - 99% stop loss in FY 2010
 - 98% stop loss in FY 2011

Community colleges

- Will continue to have cost-based enrollment formula as major basis of funding
- Adding State of Washington's concept of "Momentum Points" beginning in FY 2011
 - Momentum points share of total funding will increase over time
- Phased in over time
 - 99% stop loss in FY 2010
 - 98% stop loss in FY 2011

What are “momentum points?”

- Measures of student success that are sensitive to the community college’s mission and students
 - Derived from Columbia University Teacher’s College study
 - One point for each, unweighted by student or program or level
- Points could include
 - Enrolling in CC while in high school (dual enrollment)
 - Passing remedial coursework, college level math
 - Achieving 15 credit hours, 30 credit hours, 45 credit hours, associate degree
 - Transferring to university

Toward an integrated state policy in support of student success

Goal of public policy	Major financial policy levers	Status in Ohio
Institutional performance	State subsidy	Being implemented, & refined
Student performance	Student financial aid	Pilot projects & consultation underway
Faculty performance	Compensation; tenure and promotion policy	Not yet started