


State Share of Instruction

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Background

- Prior state funding models for colleges and universities were mainly driven by enrollment and size of the campus
  - Access and funding stability were emphasized more than student success
- Over the last decade, Ohio institutions were pushed to adjust to the growing emphasis on student success – ranging from retention and degree completion to other outcomes
- Major Factors to Consider
  - Diversity of students in background and preparation
  - Various missions of higher education institutions
  - Balance State's role in funding performance, relative to state priorities, versus stability

Process

- The expectation to move from funding enrollments to outcomes was set by the Chancellor and Governor
- Over two biennial consultations, colleges and universities were given clear direction on the priorities, but a lot of discretion on how to achieve outcomes-based funding
  - Degree completion
  - Course completion
  - Retention
  - Protection of under-represented populations

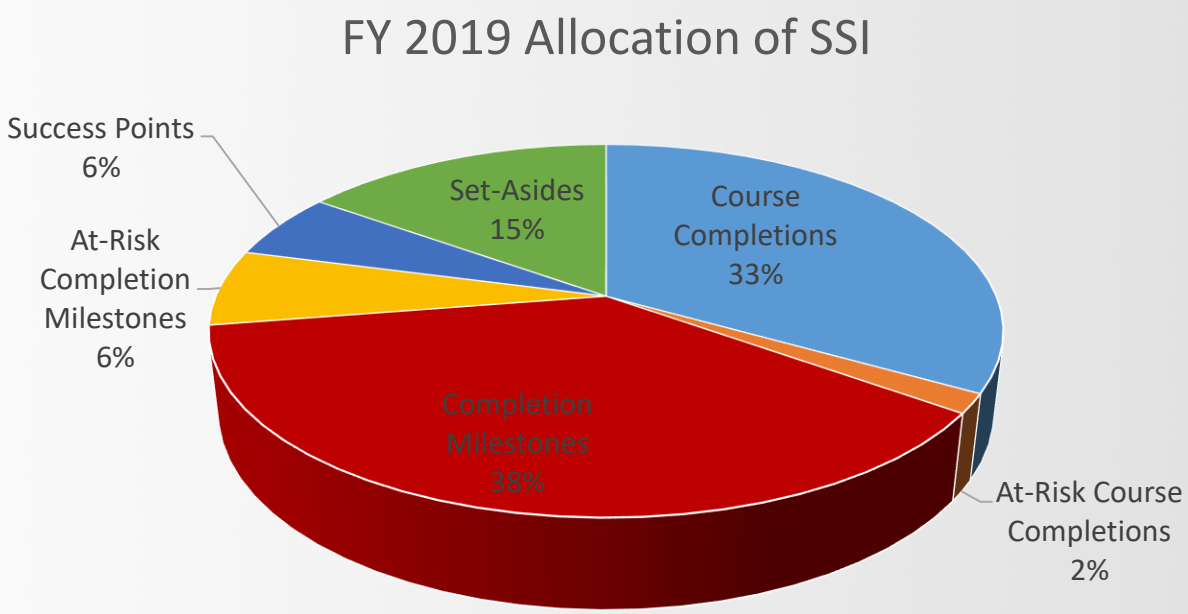
- Each sector worked separately on its formulas
- DHE was engaged as subject matter expert to advise on the data available, methodology, and estimated fiscal impact of various scenarios

SSI Components

There are several components of the State Share of Instruction (SSI) allocation calculation intended to add accountability and focus on outcomes:

	Universities	Community Colleges
Degree Completion	50%	25%
Course Completion	30.3%	50%
Success Points	0%	25%
Doctoral Set-aside	11.8%	0%
Medical	7.9%	0%
TOTAL	**100%**	**100%**

SSI Components



State Share of Instruction (SSI)

- Each course is assigned to one of 26 cost models based on subject area and level of instruction:
  - Arts & Humanities (1-6)
  - Business, Education and Social Sciences (1-7)
  - Science, Technology, Engineering, Math and Medical (1-9)
  - Doctoral (1-2)
  - Medical (1-2)

- Per the recommendation of an earlier funding consultation, weights were added to the STEMM and graduate-level models to hold those programs harmless.

Degree Completion

DHE calculates the cost of degrees using the statewide average cost of the SSI model for each course taken

- Total cost of courses taken by students earning that degree in the three previous years are summed and averaged
- Includes any course taken at a public campus by eligible students

Each institution earns its share of the statewide total sum of all of those calculations multiplied by the funds allocated for degree completion

At-Risk Weights for Degree Completion - Universities

- Five Factors; 32 Possible Outcomes (including no risk)
  - Academic
  - Financial
  - Age
  - Race
  - First-generation Student
- Calculate eight-year degree completion rate of at-risk students
- Assign weight to each risk factor

Access Factors for Degree Completion – Community Colleges

- Four Factors
  - Academic
  - Financial
  - Age
  - Race

- Provide 25% weight for one factor, 66% for two, 150% for three and 200% for four factors

Course Completion

- DHE calculates the subsidy earnings by model based on the prior three-year average FTE's that successfully complete each course multiplied by the "Model Reimbursement Cost"
  - 30 SCH = 1 FTE

- To determine the state funding level, DHE multiplies the sum of the earnings by the Uniform State Share
  - The Uniform State Share is the percentage that allocates the state appropriation for course completions

At-Risk Weights for Course Completions - Universities

- Two Factors
  - Academic
  - Financial
- At-Risk Weight – Statewide, by model
  - The difference between completion of traditional students versus completion rates for at-risk students
- At-Risk Index - Varies by campus based on specific demographics
  - Captures magnitude of the at-risk population at each campus in all combinations of at-risk categories

Access Factors for Course Completions – Community Colleges

- Four Factors
  - Academic
  - Financial
  - Age
  - Race

- Provides 15% weight for any student that has at least one access factor

Success Points

- Community Colleges earn Success Points for each student:
  - Completing 12 credit hours
  - Completing 24 credit hours
  - Completing 36 credit hours
  - Completing developmental math, and within one year completing college-level math
  - Completing developmental English, and within one year completing college-level English

- Each community college receives its share of Success Points multiplied by 25% of the SSI allocated to its sector

University Set-asides

Doctoral - share of university SSI: 11.8%

- Historic Enrollment - 25%
  - Moving to most current three-year average
- Degree Cost - 50%
  - Share of statewide doctoral degree costs
- Research Expenditures - 25%
  - Share of eligible statewide R&D expenditures

Medical - shares of university SSI:

- Six public medical schools - 6.4%
- OSU Dentistry and Veterinary Medicine - 1.5%

Timeline: FY's 2010-11 Biennium

- Initiated separate formulas for universities, regional campuses and community colleges
  - Universities moved from attendance to course completions and began phase-in of degree completion – 10% by 2011
  - Financial at-risk factor used at university and regional campuses
  - CC's funded FTE's (attendance) and began phasing in "success" component – 5% by FY 11
  - Stop-loss being phased out for all sectors – 98% by FY 11

Timeline: FY's 2012-13 Biennium

- Continue separate formulas for universities, regional campuses and community colleges
  - Universities continue phase-in of degree completion – 20% by FY 13
  - Universities add Academic at-risk factor to course completions, and Academic, Race and Age to at-risk factors to degree completions– 16 permutations of at-risk combinations (factors include both statewide average and campus indexes)
  - CC's funding FTE's (attendance) and phasing in "success" component – 10% in FY 13
  - Stop-loss being phased out for all sectors – 96% by FY 13

Timeline: FY's 2014-15 Biennium

- Regional campus earnings incorporated into university allocations
  - Universities' degree completion is 50% of SSI beginning FY 14
  - Regional campus enrollment based on 100% course completion
  - Begin phase-out of SSI for developmental courses at most universities
  - Institutions moving from course completion rates to actual completions
  - By FY 15, CC's funding divided between 50% course completions, 25% milestone completions (degree, certificate, transfer) and 25% Success Points
  - CC's add at-risk factors of financial, race and age
  - Stop-loss is eliminated (after FY 14 for CC's), institutions funded based on three-year averages rather than two- or five-year averages of the past

Timeline: FY's 2016-17 and FY's 2018-19 Biennia

- Adjustments and improvements made to performance-funding models, few significant changes
  - CC's add academic preparation at-risk factor in FY 16
  - Universities complete phase-out of earmarks and space protection in FY 17
  - Phase out of SSI for developmental courses at most universities completed in FY 19
  - Universities add first-generation status at-risk factor for degree completions – 32 permutations of at-risk combinations – in FY 18

Takeaways

- Impact
  - Degree completion: Number of degrees awarded per year growing while enrollment is falling

Takeaways

- Impact
  - Retention at Ohio's public colleges and universities is improving

Takeaways

- SSI is an allocation formula, not a funding formula: Earnings are a fraction of the total cost calculation based on appropriation level
- SSI is a zero-sum game, have to perform – grow enrollment, increase degrees awarded – faster than other institutions to increase funding to your campus
- 26 Models – the higher the subsidy the higher the cost of instruction (see first point)
- At-risk students generate more funding because they are less likely to succeed
  - Weights based on chance of success, not additional cost to serve

Takeaways

- Separate formulas allow for recognition of separate missions of the sectors
- Several long-term SSI concepts continued
  - Existing cost models utilized
  - Modeled costs based on statewide averages
  - Enrollments based on three-year averages to moderate changes in earnings from year to year

Takeaways

Challenges of Evaluating Impact:

- Are First-Time, Full-Time, Degree Seeking Students a good measure for all campuses?
- How long should it take to see measurable results?
- Does Outcomes-Based Funding provide incentives to institutions or students?
- How does “zero-sum game” and declining state share of support impact effectiveness of OBF?




Questions?

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