Once first in the world, America now ranks 16th in the percentage of young adults with a college degree. (Organisation for Economic Cooperation and Development, 2011)

By the end of this decade, more than 60% of jobs will require college education. (Georgetown University Center on Education and the Workforce, 2012)

Nationwide, unemployment rates are twice as high for those with just a high school diploma than for those with a college degree. (Bureau of Labor Statistics, 2012)
Record enrollment each year: More than 70% start advanced training or education within two years of graduating from high school.

Yet just over half of students who start college have completed a certificate or degree of any kind six years after beginning their postsecondary education:

- 60.6% of students who started at a four-year public institution
- 36.3% of students who started at a two-year public institutions

(National Student Clearinghouse Research Center, 2012)
The Completion Shortfall

Estimated Bachelor's Degree Attainment by Income Quartile by Age 24

- Bachelor's Attainment
- Share of Total Bachelor's Degrees

Bottom: 10.7, 9.4
Second: 15, 11.5
Third: 33.9, 24.7
Top: 79.1, 54.5

Source: Postsecondary Education Opportunity, www.postsecondary.org, 2010 data
Complete college America

- Founded in 2009 with a single focus on working with states to:
  - Significantly increase the number of students successfully earning degrees and credentials of value in the labor market, and
  - Close attainment gaps for traditionally underrepresented populations.

- CCA’s work is accomplished by providing technical assistance to Alliance States and other states committed to developing and implementing high-impact, large-scale, completion-focused strategies.
Commitment to State and Campus Goals

Commitment to Measuring Progress and Success via Common Completion Metrics

Commitment to Bold Action: High-Impact, Large-Scale Strategies
Arkansas
Colorado
Connecticut
District of Columbia
Florida
Georgia
Hawaii
Idaho
Illinois
Indiana
Kentucky
Louisiana
Maine
Maryland
Massachusetts
Minnesota
Mississippi
Missouri
Nevada
New Mexico
Ohio
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Dakota
Tennessee
Texas
Utah
Vermont
West Virginia
Wisconsin
Wyoming
Core Strategies to Increase College Completion:

- Collect and report common college completion metrics
- Transform remediation
- Accelerate success
- Restructure delivery
- Assess and count certificates
- Fund Results
- Place students on guided pathways early

None of these strategies is a proverbial silver bullet; they should be deployed together.
OUTCOME FUNDING NATIONALLY

Performance funding in place
Transitioning to performance funding
Formal discussions on performance funding
No formal activity

Source: National Conference on State Legislatures
The Reinvention of Performance Funding

- Performance funding 1.0 models provided bonuses/add-ons
- Performance funding 1.0 models provided small amounts of funding
- Performance funding 1.0 tended to disappear when funding became scarce
- Data systems weren’t as fully developed
All funding models are performance based – there are some state objectives behind them
  - Models have typically rewarded enrollment

Educational outcomes – degrees and high-value certificates – are now the predominant objective

Reward the new set of goals without diminishing or creating adverse consequences for other important goals

Don’t reward performance as an add-on

Fund access, progress, and success.
GET AGREEMENT ON GOALS

- Establish a Public Agenda first that lays out a limited set of goals
  - Process matters
  - Goals should be tailored to the state
  - The focus should be on the state and citizens, not on the institutions of higher education

- Examples:
  - Texas – Closing the Gaps
  - Tennessee – Complete College Tennessee
  - Illinois – Public Agenda for College and Career Success
  - Indiana – Reaching Higher, Achieving More
  - Oklahoma – Reach Higher (Brain Gain)
Construct Performance Metrics Broadly

- Increase the number of degrees and certificates awarded
- Include innovations that expand and broaden the state’s economy
  - IN, IL and TN research expenditures
- May focus on production of STEM degrees, health care degrees, or other state priorities
  - OH universities, LA, PA universities option
- Develop a workforce for high-need occupations
  - TN and WA community colleges

All institutions should have a chance to benefit from achieving excellence and meeting state goals
But not *too* broadly

- Avoid “kitchen sink” models
  - South Carolina early formula
    - E.g., faculty credentials, salaries, mission statements
- Institutions will press for factors that benefit them – limit institution specific measures (PA)
- Factors accrete to the formula over time
- Focus institutional attention on key state priorities

States that can’t limit priorities send mixed messages and dilute their efforts
Promote Mission Differentiation

- Research universities
  - Course completions (OH)
  - Doctoral and professional degrees (TN, OH)
  - External research funding (IN, TN, IL)

- Comprehensive universities
  - Course completions (OH, IN)
  - Bachelor’s and Master’s degrees (OH, TN)

- Community Colleges
  - Momentum points (WA, OH, IL, IN)
  - Workforce training (TN, LA, WA)
  - Basic skills (WA)
  - Dual credit enrollment (IN, TN)
Reward Success with Underserved Populations

- Don’t lose sight of access, but don’t settle for enrollment!
- Avoid cherry picking students
- Give extra weight to students from at-risk populations:
  - Low income – usually Pell or state-aid eligible (TN, OH, TX, IL, IN, PA)
  - Adults (TN, WV, TX, IL)
  - Academically at risk (TX)
  - Traditionally underrepresented (IL)
  - Part-time students (IL)
**Reward Progress**

- Improvements in degree and certificate production don’t happen immediately
- Reward institutions that help students make step-by-step progress:
  - Credit hour completion: 24, 48, 72 (TN)
  - Value upper-level credits at a higher rate (OH)
  - Reward institutions for students achieving “momentum points” (WA, OH)
    - Complete remedial courses
    - Succeed in first college-level course
    - Complete 15, 30 credit hours
MAKE METRICS DIFFICULT TO GAME

- Keep formulas simple and transparent
- Use numbers, not rates
- Test the metrics:
  - What is the easiest way to win?
  - Is that behavior the intended behavior?
**Reward Continuous Improvement**

- Don’t shoot for predetermined levels of performance
- Do start from current institutional performance levels and allocate funds on the basis of year-over-year improvement
Make the Pool of Funds Matter

- Small proportions of funds don’t elicit improvement
- An art, not a science (yet)
  - Tennessee: 100%
  - Ohio: 100% for universities
  - Colorado, Louisiana, and Arkansas legislation: 25%
  - Pennsylvania universities (PASSHE): 2.4% of education and general funds (equals 8% of state appropriations)
    - Increases predictability and ensures that funding is meaningful
  - Indiana: 5 – 6%
  - Illinois: < 1%
In enrollment-driven models, base calculations on completed credits, not enrolled credits (OH)

In base-plus models, freeze the base and devote all new funds to the performance pool (MO proposed)

Make the performance pool an increasingly large share of the state allocation (IL?)
Implement Wisely

- Don’t wait for new money
- Do include a phase-in provision
- Employ stop-loss, not hold-harmless provisions
- Continue performance funding in good times and bad: funds that address the issues identified as being the most important should be the last dollars cut
Funding for results is only one tool in the toolbox

State policymakers have a pivotal role in creating a more educated workforce, and they should move on multiple fronts:

- Use common college completion metrics
- Transform remediation
- Accelerate success
- Restructure delivery
- Assess and count certificates
- Place students on guided pathways early