



Stronger State Finance Policy as a Lever for Equitable Student Success

Martha Snyder, HCM Strategists

Nikki Edgecombe, Community College Research Center

Maria Cormier, Community College Research Center

Taylor Odle, University of Wisconsin-Madison

October 4, 2023

Agenda

- Welcome
- Project overview
- State policy analysis
- Institutional analyses
- Cost analysis
- State revenue mapping
- Additional considerations
- Q&A



Paving the Way to Equitable, Adequate, and Effective Community College Funding

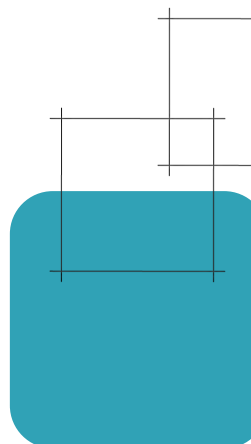
Project Overview

About the Project






Partners



Funders



Why Study Community College Finance?

	Community colleges are affordable, accessible, and enroll large numbers of historically underserved students
	Positioned as engines of economic mobility, too often community colleges have low success rates
	Among the contributors to low success rates is inadequate, inequitable, and ineffective distribution and deployment of funding
	Funding models are complex, difficult to track, deeply entrenched, and produce conflicting incentives
	As rigorous evidence on reforms and their equity implications has grown, there is an opportunity for policymakers to refine funding models to align with the evidence base and reflect investments required to drive equitable attainment

Project Goals

- Determine how state postsecondary finance policies can better deliver adequate and equitable funding models
- Highlight institutional practices with the potential to reduce disparities in outcomes by race and income
- Identify and cost out institutional practices that drive student success
- Build the field's capacity to work toward funding models that more adequately and equitably support community colleges



State Policy Analysis

Describes the community college funding systems in California, Ohio and Texas and how features of those systems influence institutional policy and practice

- Review of state policy and finance documents
- Engage with policymakers, policy organizations, and institutional leaders
- Participate in regular member checks
- Map funding policies and revenue streams, and identify opportunities for reform



Institutional Analysis

Examines participating colleges' student success initiatives—how they operate, who they serve, and their resource requirements

- Conduct interviews with a range of institutional stakeholders to learn more about institutional context, priorities, policy, and practice
- Identify the resource requirements of select success initiatives as part of a cost analysis
- Explore how local and state economic and political priorities affect the development and implementation of success initiatives



California, Ohio and Texas Community College Funding Systems

CALIFORNIA

Governance

A state-level board of governors appointed by the state's governor oversees the CA community college system. A locally elected board of trustees oversees each of the state's 73 college districts.

- 116 colleges
- 1.15 million FTEs

OHIO

Governance

OH community colleges are not governed as a system. Community college trustees are appointed according to the type of community college: local, technical or state.

- 23 colleges
- 111,676 FTEs

TEXAS

Governance

TX community colleges are not governed as a system. The state-level THECB coordinates/regulates the locally elected boards of trustees that govern each of the 50 college districts.

- 50 colleges
- 587,381 FTEs

State Appropriations (FY 2020)

- *Variation in the percentage of total revenue coming from the state*
- *Different policies that determine level of appropriations to the community college sector.*

California: *64% from state*

- Proposition 98 sets floor for annual CCC system funding, based on % of state revenue - Roughly 11% of Prop 98 dollars
- Additional restricted state funding varies each year

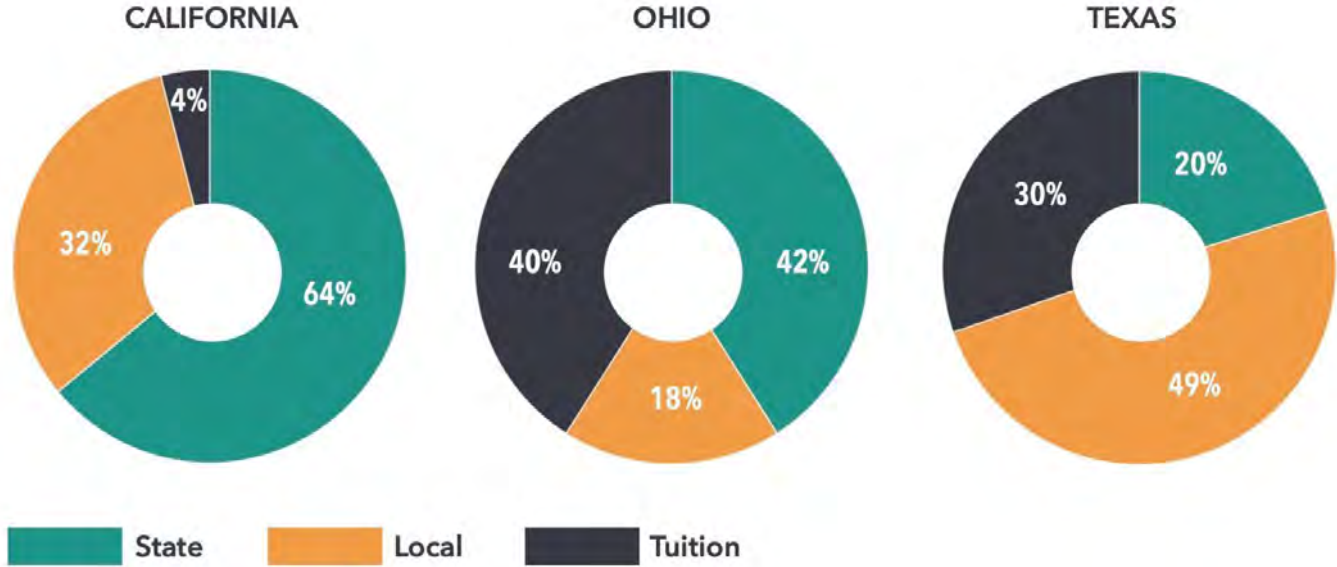
Ohio: *42% from state*

- Funding for all postsecondary set each biennium by legislature. Modest increases annually
- Community colleges average 23% of total SSI appropriation.

Texas: *20% from state*

- Determined by legislature each biennium. Not standardized

Major Revenue Streams (2020)



Percentages may not total 100 due to rounding.

Equity Effects

Finance System Effects on Incentives for Equitable Student Access, Equitable Student Outcomes and Equitable Institutional Funding

	Equitable Student Access	Equitable Student Outcomes	Equitable Institutional Funding
CALIFORNIA	Strong positive emphasis/effect	Modest positive emphasis/effect	Strong positive emphasis/effect
OHIO	Strong negative emphasis/effect	Strong positive emphasis/effect	Modest negative emphasis/effect
TEXAS	Strong negative emphasis/effect	Strong negative emphasis/effect	Strong negative emphasis/effect

Legend:

- Strong positive emphasis/effect (Teal)
- Modest positive emphasis/effect (Grey)
- Modest negative emphasis/effect (Orange)
- Strong negative emphasis/effect (Brown)

Preliminary Insights from the Institutional Analysis

Considerations for Institution-Centered State Policy

Institutional Analysis

Purpose

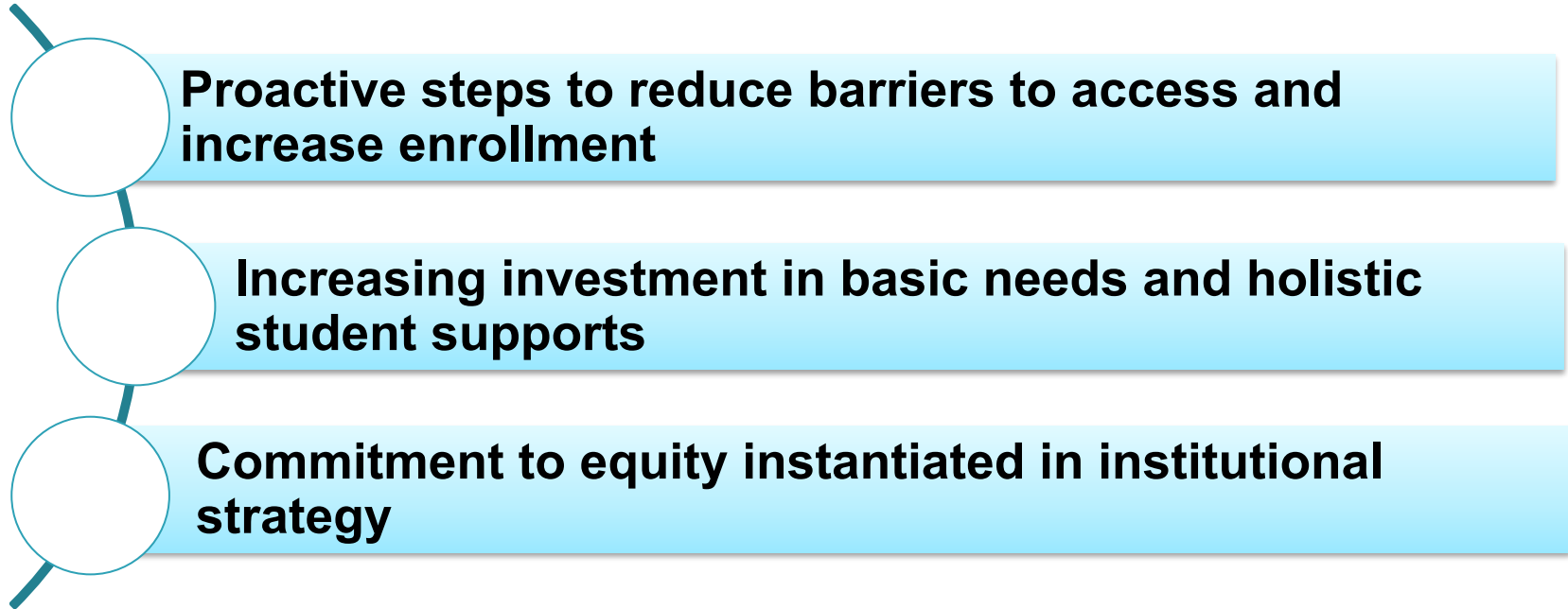
1. Examine participating colleges' student success initiatives—how they operate, who they serve, and their resource requirements
2. Situate college policy and practice, including approaches to generate more equitable student outcomes, within the local and state economic and political context

Sample and Data

8 community colleges across Texas (2), California (4), and Ohio (2)

Interviews and focus groups with approximately 120 institutional stakeholders in diverse roles; document review

Emerging Insights At A Glance



Proactive steps to reduce barriers to access and increase enrollment

Strategic outreach efforts designed to recruit adults and historically underserved students



Increasing investment in basic needs and holistic student supports

Reliance on grant funding for holistic supports, including those intended to improve outcomes of historically underserved students



Commitment to equity instantiated in institutional strategy

Efforts to improve outcomes of historically underserved students affected by financial incentives



**BLACK AND
MALES OF COLOR**
SUCCESS INITIATIVE

Resource Use and Cost Analyses

“ *What works?”**

** Can we afford it?*

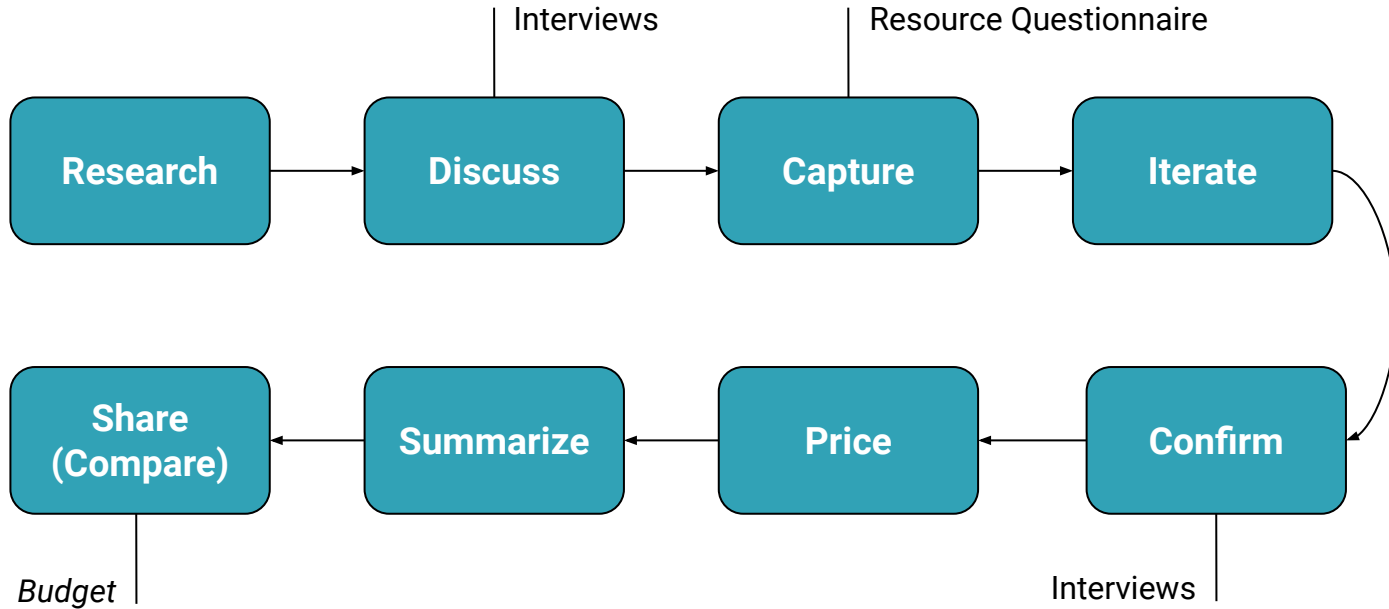
*** Option B also works, which should we do?*

What is a Cost Study?

- Cost studies comprehensively identify, quantify, and price **all resources** (or “ingredients”) required to operate a program.
 - Resources include people, places, things, etc. which may or may not be captured (or are undervalued) in institutional budgets.
 - We take a “social” perspective, identifying all resources regardless of who pays for them.
- Cost studies do **not** assess whether a program is effective or if the resource allocation is adequate or equitable.
- Useful to administrators, policymakers, and funders when considering what it really takes to make a program “work” and comparing among alternatives.
- $\text{Costs} \div \text{Effects} = \text{Cost-Effectiveness}$

Our Process

- Ingredients Method (Levin et al. 2018)



Ingredients Method

- Identify resources (and quantities) used to obtain a given outcome, *as implemented*
 - Personnel, training, facilities, materials, etc.
 - Opportunity costs (all resources are valued)
- Obtain standardized market prices or equivalents
 - We care about the **average** program, not *this* program
 - CUPA-HR, BLS, Amazon, etc.
- Calculate overall cost, cost per student, etc.
 - **Ingredient: Unit, price, inflation, benefits, amortization, assumptions**
 - Common cost assumptions (Shand & Bowden, 2022)
- Determine who pays (distribution)
 - Cost to the college, induced costs, **in-kind materials**, etc.
- Relate costs to effectiveness and compare alternatives
 - Evidence from WWC (or rigorous quasi/experimental studies)

Lee College SRAC

- Student Resource & Advocacy Center
- Basic needs center provides students with food, clothing, and supplies, as well as grants for childcare, transportation, and emergency issues + connects students to community-based programs and services.
- Consistently touted through implementation research as key to institutional retention and success efforts
 - WWC (Single Stop)
 - Goldrick-Rab 2019



Student Resource & Advocacy Center



CCRC



SRAC Resources

	<u>Cost to College</u>	<u>Provided In-Kind</u>	<u>TOTAL</u>
Personnel	\$362,900	\$0	\$362,900
Facilities	\$72,400	\$0	\$72,400
Materials and Supplies	\$5,900	\$0	\$5,900
<i>Program: Childcare Assistance</i>	\$95,000	\$0	\$95,000
<i>Program: Food/Supply Pantry</i>	\$4,000	\$10,800	\$14,800
<i>Program: Food Distribution</i>	\$0	\$349,900	\$349,900
<i>Program: Food for Change</i>	\$0	\$8,400	\$8,400
<i>Program: Emergency Aid</i>	\$61,100	\$0	\$61,100
<i>Program: Clothing Closet</i>	\$100	\$900	\$1,000
<i>Program: Transportation Assistance</i>	\$48,400	\$0	\$48,400
	\$649,800 (64%)	\$370,000 (36%)	\$1,019,800

Note: Figures rounded to nearest \$100.

1,500 students/year = \$680/student

College estimated they use \$356,828.08 in resources annually.

CCRC



Cost Analyses to Date, Upcoming

Basic Needs Center	College/Career Course	FYE/SYE	Early Alert
College: \$649,800 (64%) In-Kind: \$370,000 (36%)	College: \$985,200 (32%) Students: \$2.1 million (68%)	College: \$729,800 (98%) Students: \$16,200 (2%)	College: \$77,900 (99%) Students: \$300 (1%)
<u>TOTAL: \$1.02 million</u>	<u>TOTAL: \$3.1 million</u> <i>Net College: \$10,000</i>	<u>TOTAL: \$746,000</u>	<u>TOTAL: \$78,200</u>
1,500 students/year <u>\$680/student</u>	3,150 students/year <u>\$970/student</u>	560 students/year <u>\$1,340/student</u>	140 students/year <u>\$560/student</u>

Up Next: *Black and Males of Color, Peer Advising*

Pair with causal evidence to identify cost-effectiveness across interventions.

Mapping Community College Funding Systems

A Critical Step Towards Adequate, Equitable and Effective Finance Policy

Mapping Community College Funding Systems: Four-Step Process

REVENUE
SOURCES

CONTROLLING
POLICIES

INSTITUTIONAL
INCENTIVES

EQUITY
EFFECTS

Step 1: Map Major Revenue Sources

Step 2: Map Policies

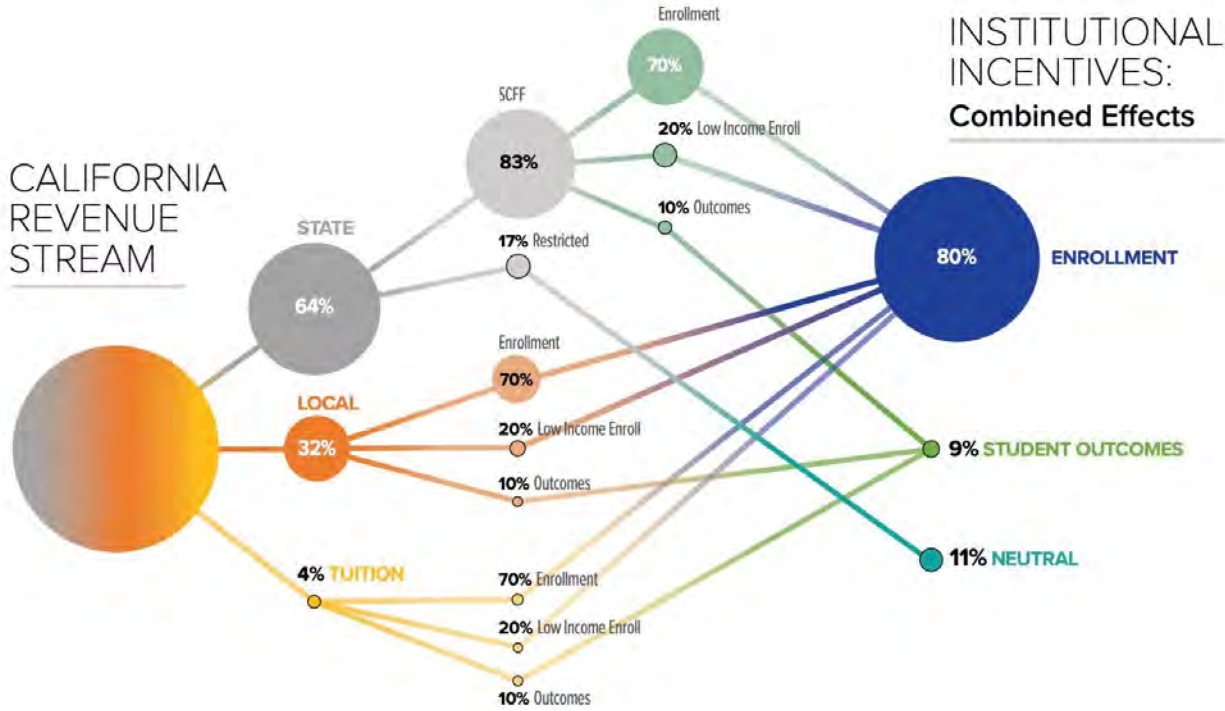
Step 3: Map Incentives

Step 4: Map Equity Implications

CCRC

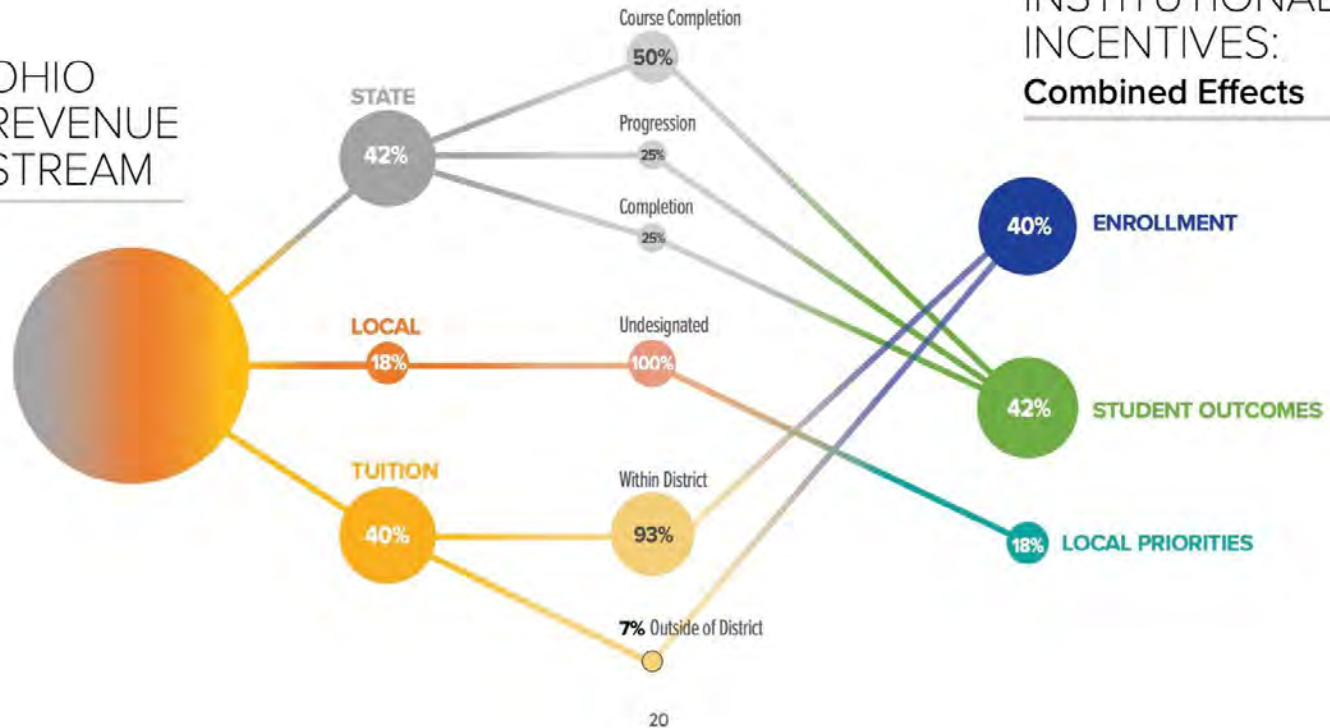


CALCULATION/ DISTRIBUTION USE POLICY



CALCULATION/ DISTRIBUTION USE POLICY

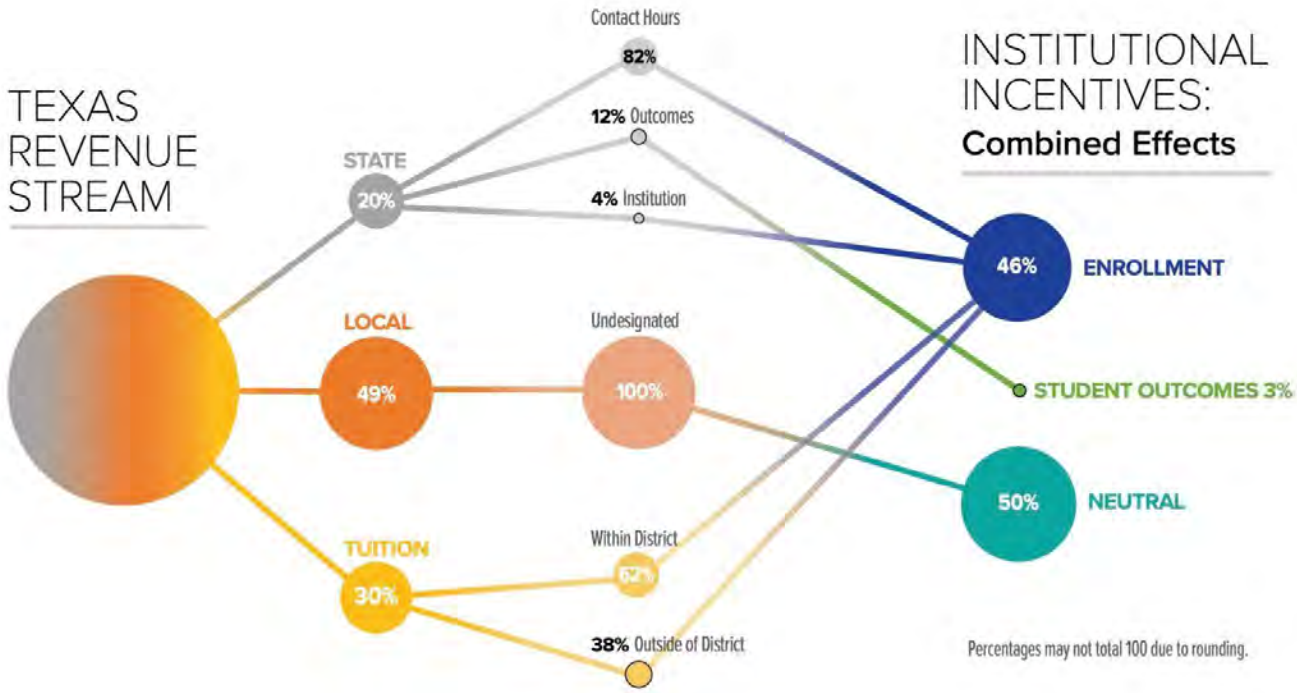
OHIO REVENUE STREAM



INSTITUTIONAL INCENTIVES: **Combined Effects**

CALCULATION/ DISTRIBUTION USE POLICY

TEXAS REVENUE STREAM



Percentages may not total 100 due to rounding.



Cross-State Analysis Reveals

- Student outcomes incentives modest across states:
3% TX **8% CA** **21% OH**
- Enrollment incentives strongest across states:
46% TX **80% CA** **62% OH**
- Policy determines whether size, proportion of local revenue drives inequitable institutional funding
 - CA: state policy neutralizes this effect
 - TX: state policy exacerbates this effect
- Student, institutional equity effects are mixed and inconsistent
- Large % of incentive-neutral \$ could be more effective via policy

Implications and Utility to the Field

- Adequate and equitable CC funding is necessary but not sufficient condition to ensure community colleges can meet increasing demands placed upon them
- Field is making strong progress: equity audits, adequacy calculations
- Effective finance policy requires:
 - Clear picture of funding system as a whole: how major revenue streams are calculated, distributed, and used
 - Effects of revenue streams—individually and when taken together—on institutional incentives and equity
 - Identification of most effective levers for reform

Additional Considerations

How are colleges utilizing state workforce development funding?



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How are colleges
adapting after
federal pandemic
relief funding is
spent out?



Q&A

Thanks!