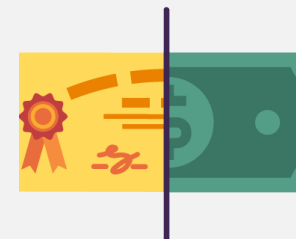




POSTSECONDARY CREDENTIAL ATTAINMENT

Outcomes-Based Funding

Transition postsecondary funding models from those based on learner enrollment to ones based on learner outcomes. Dedicate more funding to programs and institutions that show demonstrated success in meeting success metrics such as job placement and long-term wage earnings.



Florida

Florida ties a considerable amount of state funding to objectives for learner outcomes. For example, Florida statute specifies that funding for certain workforce education programs must be based on cost categories, performance output measures and performance outcome measures. Performance output measures are defined as measurable improvement in student skills. Performance outcome measures are defined as placement and retention of students after completing a program.

As required by state statute, school districts and Florida College System institutions are eligible for performance funding for students who earn an initial industry certification from the CAPE Postsecondary Industry Certification Funding List. This list is annually approved by the State Board of Education and designated by the chancellor of the Florida College System as eligible for performance funding based on occupational areas identified in the General Appropriations Act. Funding is contingent upon specific appropriations. Each Florida College System institution receives \$1,000 for each industry certification earned by a student; if funding is insufficient, the amount provided is prorated.

The State University System of Florida also provides for a performance-based funding program that evaluates Florida institutions on 10 metrics. The Legislature and governor then determine the amount of new state funding and institutional funding based on this evaluation. Some of the metrics common to all institutions include the percentage of graduates employed (earning more than \$25,000) or continuing their education, four-year graduation rate, academic progress rate, and bachelor's and graduate degrees awarded in areas of strategic emphasis.

OPPORTUNITY TO STRENGTHEN

Florida can continue to work to streamline and strengthen its performance-based funding system—most notably by expanding the model's use at the community college system level. By creating a complete, robust outcomes-based system, the state can strengthen alignment with state workforce priorities and needs. The state should also consider certain at-risk populations, including adult, low-income and academically underprepared students, and provide premiums for these focus populations' success to further advance their equitable opportunities.

RESOURCES

- [Performance-Based Funding State University System of Florida](#)
- [CAPE Postsecondary Industry Certification Funding List](#)

POLICIES

- [HB 7071](#). Final Bill Analysis
- [FL Statutes 1011.80](#). Funds for Operation of Workforce Education Programs
- [FL Statutes 1011.81](#). Florida College System Program Fund
- [HB 7071](#). Workforce Education



POSTSECONDARY CREDENTIAL ATTAINMENT

Outcomes-Based Funding

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Missouri

Missouri has a long history of using performance models for funding, and a statute amended in 2014 further clarified how core funding for public four-year institutions, community colleges and state technical colleges is to be measured based on institutional performance measures. These institutional performance measures are reviewed every three years to ensure they are still rigorous and effective. This funding model uses six measures that include focus on student success and progress, efficiency and affordability, and graduate outcomes, and all measures are given equal weight.

Missouri also provides for performance-based funding in area career centers and comprehensive high schools. A new funding plan put in place for the 2018–19 school year allows the Missouri Department of Education to use student graduate information to obtain placement data and focuses on the total number of completers for each local education agency (LEA) that were positively placed in employment, continuing education or the military. CTE performance funding is distributed only to secondary LEAs that achieve success in the positive placement of completers and assists with the costs of implementing CTE programs.

OPPORTUNITY TO STRENGTHEN

The funding statute for state aid to community colleges (Missouri Revised Code 163.191) provides that 90 percent of any increase in core funding over the appropriated amount for the previous fiscal year must be distributed in accordance with the achievement of performance-funding measures. However, this statute allows the General Assembly to choose another way to appropriate state funding, leaving open the possibility that any new funding can be distributed in another way.

RESOURCES

- [Performance Funding for Higher Education](#)
- [CTE Finance Update](#)
- [CTE Funding Summary](#)
- [Performance Funding in Missouri](#)

POLICIES

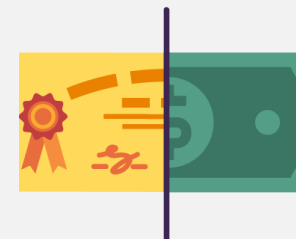
- [SB 492](#). Higher Education Funding and Administrative Processes
- [MO Revised Code 173.1006](#). Higher Education Student Funding
- [MO Revised Code 163.191](#). State Aid to Community Colleges



POSTSECONDARY CREDENTIAL ATTAINMENT

Outcomes-Based Funding

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Tennessee

The Complete College Tennessee Act, passed in 2010, requires Tennessee public technical colleges, community colleges and four-year universities to be funded based on outcomes, such as student progression, completion and efficiency measures. These measures include student credit hour accumulation, the number of degrees awarded and degrees awarded per 100 full-time equivalent students. The Tennessee Higher Education Commission (THEC) created a funding formula that uses a three-year average of specified student outcomes. Institutions may receive additional funding through the Quality Assurance Funding by meeting standards for student learning, engagement and access. The state also considers certain at-risk populations, including adult students, students from low-income families and academically underprepared students, and provides premiums for these focus populations' success.

Outcomes-based funding differentiates its funding models for community colleges and universities. Community colleges and Tennessee Colleges of Applied Technology have a job placement metric outcome that they receive funding for in terms of how they grow on that metric each year.

OPPORTUNITY TO STRENGTHEN

Tennessee can continue to streamline and strengthen the performance-based budgeting data being reported and help create additional incentives for institutions to make the necessary changes to increase their outcomes and alignment to workforce needs.

RESOURCES

- [Complete College Tennessee Act of 2010](#)
- [2020–21 Outcomes-Based Funding Formula](#)
- [TN Outcomes-Based Funding Formula Resources](#)
- [Comptroller Process Chart](#)
- [THEC Policy Manual](#)

POLICIES

- [TN Code Annotated 49-7-202](#). THEC Duties
- [Tennessee Department of Education](#). 2015–20 Outcomes-Based Funding Formula