

SECTION 209.65.03. STUDY ON PROVIDING INCENTIVES FOR CERTIFICATE AND ASSOCIATE DEGREES

The Board of Regents, in consultation with representatives from the higher education community, shall conduct a study on the feasibility of devising a performance-based grant to provide incentives to university branch campuses, community colleges, state community colleges, technical colleges, and the community and technical colleges at Youngstown State University, the University of Cincinnati, and The University of Akron to increase the number and proportion of Ohio students who receive a certificate or an associate degree, or who transfer to a four-year institution of higher education. In consultation with representatives from the higher education community, the Board of Regents shall develop measures of certification and degree completion, as well as transfer to a four-year institution of higher education. The Board of Regents shall recommend a formula, using the Success Challenge formula as a model, that will reward the public two-year campuses for the academic success of their undergraduate students. The Board of Regents shall submit the results of the study to the Higher Education Funding Study Council not later than April 15, 2006.

Overview

The subcommittee recommends that a new challenge line item be created to reward campuses for their success in awarding associate degrees, certain certificates defined below, and transfers.

The new challenge line item should consist of entirely new money and be modeled after the existing and effective Success Challenge program, though the distribution of awards in the program should be based only on the successes of students deemed to be “at-risk.” The subcommittee believes that a new challenge program would represent the appropriate funding incentive to promote the attainment of associate degrees and in-demand certificates, and successful transfer of students from two-year to four-year institutions.

These recommendations are informed by the testimony provided at the meetings of the Higher Education Funding Study Council, especially that of Lakeland President Morris Beverage and the OACC. Ohio’s higher education deficit requires funding strategies that promote access and preparedness as well as success, especially among at-risk populations – such as the large number of academically underprepared adults who return to higher education to upgrade their job skills and employability.

We believe that the recommendations which follow provide an important incentive to campuses to focus on the academic success of at-risk students. By implementing this recommendation, legislators would provide one additional important building block to an overall state strategy to improve the competitiveness of Ohio’s citizens for the Knowledge Economy of the 21st Century.

Recommendations

1. Why a New Challenge?

- 1.1. The four existing challenges—Access, Jobs, Research and Success Challenge—have been highly effective in identifying specific measurable goals and providing higher education with the incentives needed to achieve the preferred outcomes.*
- 1.2. Success Challenge in particular is an ideal model for this new challenge program because Success Challenge has been especially effective at promoting baccalaureate degree attainment since the inception of the program in FY 1998.*
- 1.3. This recommendation is responsive to the sentiments of legislators and others that higher education funding should be increasingly focused to reward positive and measurable outcomes in a transparent way.*

2. Evidence of Success

- 2.1.1. In its first six years of operation, Success Challenge has helped university main campuses increase the number of students who*

complete their 4-year degrees in a timely manner and also increase the number of at-risk students who complete their 4-year degrees.

2.1.1.1. The total number of these 4-year degrees eligible for awards through Success Challenge has increased from 18,535 to 21,818, an increase of more than 17%, in six years.

2.1.1.2. In total, the 4-year degrees supported through Success Challenge now represent about two-thirds of all baccalaureate degrees awarded by public university main campuses.

3. Eligibility for Receiving New Challenge Funding

3.1. Associate degrees: The subcommittee recommends that all associate degree programs authorized by the Board of Regents be eligible for funding.

3.2. Certificates: The subcommittee recommends that only certificates which meet the following criteria be eligible for funding:

3.2.1. Eligible certificate programs are defined as auditable certificates that require a minimum of 15 credit hours of course work and meet one of the following four guidelines:

3.2.1.1. Consist of for-credit courses that have been recommended or endorsed by an employer, employer group, trade/labor organization, skills standard board, or professional association/governing board; or

3.2.1.2. Result in student qualification to sit for examination leading to licensure, registry, or a prevailing industry or professionally recognized certificate, certification, or credential; or

3.2.1.3. Qualify as the first part of a 1 + 1 program that develops a career pathway leading to an associate degree; or

3.2.1.4. Are approved by the Board of Regents as one-year technical certificates.

3.3. Transfers: The subcommittee recommends that both the sending and the receiving institution or campus share in the award for the successful transfer of a student.

3.4. Otherwise, for all other awards to be made through this challenge, eligibility should be restricted to all public campuses that are members of the EnterpriseOhio Network, which includes Shawnee State and the University of Toledo.

4. Methodology and Criteria for Awarding New Challenge Funds

4.1. For reasons described below, the award focus for the two-year campus success challenge – for recipients of certificate and associate degrees only – should be limited to ‘at risk’ students, as compared to the combination of “at risk” and timely degree completion criteria used in the current four-year campus success challenge.

4.1.1. The operational definition of an at-risk student is still under development, and in part awaits the collection and production of information from various HEI data sources. Measures currently under

consideration include family background, academic preparation, and financial status factors.

- 4.2. Time to degree completion should not be a factor for this program because many students seeking certificates and/or associate degrees are nontraditional — that is, many are adult-learners with family responsibilities, full-time jobs, or other constraints that understandably prolong the time it takes to complete a certificate or degree program.*
- 4.3. Generally, funding per certificate or associate degree should be proportionate to the dollar value of the Success Challenge per degree amount provided to at-risk students.*
- 4.4. The subcommittee recommends that awards to campuses should be proportionate to the incremental contribution that each campus makes to the success of a student.*

5. Funding Source, Guidelines, and Timeline

- 5.1. As noted above, the subcommittee recommends that the grant should represent a new challenge based entirely on new state dollars. The funds to support the new challenge should not be redirected from any existing higher education budget line items, least of all the State Share of Instruction and the existing challenges.*
- 5.2. The subcommittee further recommends that the funds from the new challenge program be unrestricted. The appropriate incentives would already be in place, ensuring that monies received by campuses would be used as intended.*
- 5.3. Campus and Regents' staff are in the process of collecting the data needed to model financial outcomes by campus. Initial estimates should be available for review by the late spring or early summer. The subcommittee proposes that this new challenge program be considered for inclusion in the FY 2008 - FY 2009 higher education operating budget recommendations.*