

RESEARCH BRIEF

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PERFORMANCE BASED PROGRAM BUDGETING

Operating funds for the Florida public community colleges historically were based on student FTE (full-time equivalent) enrollment. Colleges with high FTE enrollment got more dollars than those with low student FTE enrollment. Recently the Florida Legislature has emphasized college accountability over FTE enrollment in its quest to improve postsecondary education. Although enrollment is still important, new dollars have accumulated through the college's performance with respect to student achievement rather than through increases in student FTE enrollment. Programs have been established to reward high performing colleges with incentive dollars based on student outcomes.

Performance Based Program Budgeting (PBB), one such incentive program, was established in 1996. At its inception, the program focused on three (3) measures awarding colleges points for each type of outcome. These measures are briefly described below.

Measure 1 - Completers:

- A.A. and A. S. degree (1 point)
- Vocational Certificate programs (1/2 point)

Measure 2 - Special Categories: (1 point)

- Remediation (Students were tracked for 5 years. The student was counted if the student enrolled and successfully completed remedial classes during this tracking period.)
- Economically Disadvantaged (Pell recipients, JTPA, etc.)
- Disabled
- Limited English Proficiency (Students were tracked for 5 years and counted there was successful completion.)
- Passed Licensure Exam (if applicable)
- Placed in a job related to the student major

Measure 3 - A.A. Degree Excess Hours (Number of A. A. completers who graduated with fewer than 72 total attempted hours, including college preparatory courses.) (1 point)

Changes in the program measures themselves and the percentage of total available funds attributed to each measure have occurred annually to enhance the effectiveness in rewarding colleges for various types of student outcomes. The system-wide performance measures have been expanded to include some additional measures and/or standards. As of 2000, the program is limited to A. A. degree students only. The funds appropriated by the Legislature (\$8,318,834) were distributed based on four measures designed to reward the colleges for outputs, special categories, outcomes and efficiency, plus college preparatory student success. They are described below.

Part I - AA Degree Programs (\$7,593,174)

Measure 1 - Completers

Forty percent (40%) of the funds (\$3,037,270) was distributed based on the 1998-99 reporting year outputs:

- A. A. degree graduates (1 point)
- The number of dual enrollment credit hours generated divided by sixty (60), the credit hour requirements for the A. A. degree (1 point).

Measure 2 - Success of graduates - Special Categories

Twenty percent (20%) of the funds (\$1,518,635) was distributed based on the 1998-99 reporting year special categories:

- Remediation based on College Placement Test results (1 point for each subject area requiring remediation)
- Economically Disadvantaged under federal guidelines (Pell recipients, JTPA, etc.) (1 point)
- Disabled under federal guidelines (1 point)
- Limited English Proficiency (1 point)
- Black Males (1 point).

Measure 3 - Placements, State University Systems Transfers(SUS), and Partial Completers

Thirty percent (30%) of the funds (\$2,277,952) was distributed based on the 1998-99 reporting year outcomes:

- A. A. degree completers who were placed in jobs earning at least \$10/hour (1 point)
- AA degree completers who transferred to the State University System (1 point)
- Each student who transferred to the State University System with 60 or more hours of college credit
- Each student who transferred to the State University System with 45 to 59 hours of college credit (0.75 point)

Measure 4 - AA Efficiency (AA graduates who completed their degree with 72 hours or less)

Ten percent (10%) of the funds (\$759,317) was distributed based on the number of 1998-99 A. A. degree graduates who completed the degree with 72 credit hours or less.

Part II - College Preparatory Programs (\$725,660)

College preparatory performances were distributed based on the number of students passing the highest level college preparatory course in each subject area. Students were tracked for three years (Fall 1995 cohort tracked through Summer 1998). Colleges received one point for students completing reading and writing requirements and two points for mathematics requirements.

In fiscal years 1996-97 and 1997-98, the Legislature allocated \$12 million to the PBB incentive fund for system-wide distribution; thereafter, approximately \$8 million was allocated. The funds are distributed among the colleges based upon each college's pro-rata share of the measures. Table 1 shows the state-wide allocation of funds through this incentive program since the 1997-98 reporting year. Detailed is the amount allocated for each measure in effect plus the system-wide total of available funds.

TABLE 1
Performance Based Program Budgeting Allocations

Funding Year	Data Year	Measure I Completers	Measure II Special Categories	Measure III Placements, SUS Transfers, Partial Completers	Measure IV AA Efficiency Excess Hrs	College Preparatory Program	System-wide Total Funds
2000-01	1998-99	\$3,037,270	\$1,518,635	\$2,277,952	\$759,317	725,660	\$8,318,834
1999-00	1997-98	\$3,229,613	\$1,614,806	\$3,229,613	N/A	N/A	\$8,074,032
1998-99	1996-97	\$5,000,000	\$5,000,000	N/A	\$2,000,000	N/A	\$12,000,000
1997-98	1995-96	\$5,000,000	\$5,000,000	N/A	\$2,000,000	N/A	\$12,000,000

Table 2 shows SPJC's earnings in each measure since 1997-98, the total earnings and the College's percent of the statewide available funds earned. As shown in Table 2, the amount of funds earned by SPJC has varied based on the total statewide funds available for distribution and the mix of student outcomes. Except for the 1999-2000 funding year, SPJC's allocation has been about 7% of the total statewide funds.

A comparison of the percentage of funds earned from the original three measures provides some insight into the differences earned each year. The College has earned between 5.9% (funding year 1998-1999) and 7.0% (funding years 1999-2000 and 2000-2001) of the state-wide funds available based on the number of program completers (Measure I). On Measure II (Special Categories of students), SPJC earned between 7.0% (1998-1999) and 7.6% (1997-98). In 1999-2000, the earnings from this measure was 7.5% of the available dollars. The earnings from Measure IV (A.A. Excess Hours) were 10.1% (1997-1998), 8.1% (1998-1999) and 6.9% (2000-2001) of the statewide funds. This measure was not funded in 1999-2000. In the year the College received its smallest percentage of statewide funds, the percentages of dollars earned based on completers and student special categories was consistent with other years. However, funds earned through job placements, State University System transfers and partial completers were only 5.7% of the statewide dollars in 1999-2000 compared to 6.5% of the statewide dollars in 2000-20001.

TABLE 2
SPJC's Performance Based Program Budgeting Earnings

Funding Year	Data Year	Measure I Completers	Measure II Special Categories	Measure III Placements, SUS Transfers, Partial Completers	Measure IV AA Efficiency Excess Hrs	College Preparatory Program	Total Funds Earned by SPJC	Percent of System-wide Allocation
2000-01	1998-99	\$211,814	\$109,206	\$148,095	\$52,229	\$50,228	\$571,392	6.87%
1999-00	1997-98	\$225,303	\$121,127	\$185,425	N/A	N/A	\$395,970	4.90%
1998-99	1996-97	\$296,199	\$350,004	N/A	\$162,716	N/A	\$808,920	6.74%
1997-98	1995-96	\$340,500	\$378,661	N/A	\$202,076	N/A	\$921,238	7.68%

In summary, the program has been beneficial to the College in earning new incentives dollars and has contributed to the improvement of accountability, the collection of quality data and the enhancement of program performance state-wide. How can the College increase its share of state-wide incentive dollars related to A. A. degree students? In order to maintain or increase the number of A. A. degree students, student enrollment must be maintained and/or increased. Students should be encouraged to complete their degree programs. When students with special needs are provided increased opportunities for success, the unique efforts of the College will be recognized and rewarded. Through improved student academic guidance and increased mentoring and tutoring, the number of credit hours attempted by students may be reduced. Finally, when faculty keeps track and maintains contact with students after graduation, the College's ability to survey them and to report on their activities improves.