

LEVERAGING OUTCOMES-BASED FUNDING TO SUPPORT EQUITY			
<i>Series</i>	BACKGROUND: LEVERAGING OBF FOR EQUITY		
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<i>Module</i>	OHIO STATE PROFILE		
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<table border="1"> <tr> <td style="text-align: center;"> <p><i>Module</i></p> <p>OVERVIEW</p> <p>In 2012, Governor John Kasich asked the leaders of Ohio’s colleges and universities to revamp Ohio’s State Share of Instruction (SSI) funding formulas. The Ohio Association of Community Colleges led the development of funding formula recommendations for the 2-year sector, and the Inter-University Council led the development of funding formula recommendations for the 4-year sector. Both formulas incentivize course completion, progression milestones, and degree completion. The formulas provide bonus weighting for progression and completion success of adult, low-income, underrepresented students of color, academically underprepared, and in the four-year sector, first-generation students. Currently, 100% of funding for undergraduate student support at public institutions is based on outcomes.</p> </td> <td style="text-align: center;"> <p><i>About This</i></p> <p>TOOLKIT</p> <p>THE OBF EQUITY TOOLKIT provides practical lessons on how states, systems, and institutions work to address equity in the development and implementation of OBF policy. Broken into four Series focused on equity challenges in distinct phases of the OBF policy process, the Toolkit contains short, individual modules that consider specific topics and provide lessons learned and recommendations for policymakers and institutional leaders to consider. Content is derived from in-depth study of six states (Tennessee, Indiana, Ohio, New Mexico, Oregon, and Kentucky) and 13 institutions in them. See the Research Methods section of the Overview for more information.</p> </td> </tr> </table>		<p><i>Module</i></p> <p>OVERVIEW</p> <p>In 2012, Governor John Kasich asked the leaders of Ohio’s colleges and universities to revamp Ohio’s State Share of Instruction (SSI) funding formulas. The Ohio Association of Community Colleges led the development of funding formula recommendations for the 2-year sector, and the Inter-University Council led the development of funding formula recommendations for the 4-year sector. Both formulas incentivize course completion, progression milestones, and degree completion. The formulas provide bonus weighting for progression and completion success of adult, low-income, underrepresented students of color, academically underprepared, and in the four-year sector, first-generation students. Currently, 100% of funding for undergraduate student support at public institutions is based on outcomes.</p>	<p><i>About This</i></p> <p>TOOLKIT</p> <p>THE OBF EQUITY TOOLKIT provides practical lessons on how states, systems, and institutions work to address equity in the development and implementation of OBF policy. Broken into four Series focused on equity challenges in distinct phases of the OBF policy process, the Toolkit contains short, individual modules that consider specific topics and provide lessons learned and recommendations for policymakers and institutional leaders to consider. Content is derived from in-depth study of six states (Tennessee, Indiana, Ohio, New Mexico, Oregon, and Kentucky) and 13 institutions in them. See the Research Methods section of the Overview for more information.</p>
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This research was conducted with the Center for Law and Social Policy (CLASP) and supported by a grant from the Bill and Melinda Gates Foundation. Opinions reflect those of the authors, not necessarily those of the Foundation.

Quick facts about OBF in Ohio

- Ohio’s outcomes-based funding policy was championed by a range of stakeholders including Governor John Kasich, Ohio Department of Higher Education, Ohio General Assembly, Ohio Association of Community Colleges, and the Inter-University Council.ⁱ
- **Ohio’s public institutions were formally involved in the development of the outcomes-based funding policy.** The Ohio Association of Community Colleges and the Inter-University Council leaders were tasked with identifying and convening institutional leaders to make

recommendations for a formula, which were widely adopted.ⁱⁱ

- **Outcomes-based funding policy was adopted as a house bill and has been adjusted every biennium following adoption in 2010.** The review process is facilitated the Ohio Department of Higher Education, with leaders from the Ohio Association of Community Colleges and the Inter-University Council who collectively review and evaluate formula elements and provide recommendations to the Department of Higher Education for consideration.
- **Ohio's OBF policy identifies five student groups as priority populations;** the highest number of priority populations identified across the six states included in this study. At-risk students are defined as those that meet age, financial need, race, academic under-preparedness, and/or first-generation criteria (university formula only). Priority population weights also stack on one another, such that a student who qualifies for more than one risk category receives a higher weight.
- **First-generation students are uniquely considered in Ohio's OBF policy for four-year institutions.** While first-generation students are frequently recognized as a priority population for equity, data limitations prevent many states from capturing the indicator. Ohio's OBF policy utilizes FAFSA data to identify first-generation college students.

Ohio state context

Statewide demographics: 79% White – not Hispanic or Latino, 13% Black or African American, 0.3% American Indian and Alaska Native, 2% Asian, 0.1% Native Hawaiian and Other Pacific Islander, 2% Two or More Races, 4% Hispanic or Latino.ⁱⁱⁱ

Governance structure: Decentralized. Ohio's universities and community colleges each have individual boards of trustees.^{iv}

Coordinating/governing agency for postsecondary: The Ohio Department of Higher Education is the statewide, cabinet-level agency charged with overseeing higher education in the state. The Department authorizes new degree programs, manages state-funded financial aid programs, and determines policy for institutions in the state.

OHIO'S EQUITY CHALLENGE

Large attainment gaps exist in Ohio. While total credentialed attainment in 2016 equaled 44%, attainment varies across race and ethnicity.^v

Table 1. The percent of Ohio residents aged 25-64 with an associate degree, workforce-relevant certificate, or higher in 2016^{vi}

RACE AND ETHNICITY	CREDENTIAL ATTAINMENT
Asian and Pacific Islander	67%
White	40%
American Indian	32%
African-American	27%
Hispanic	27%

Community colleges are not on the same financial footing in Ohio. Some community colleges have local legislation that enables their college to draw additional resources from a local tax levy. While all

community colleges can introduce a local tax levy, those colleges that currently do not have one would face challenges in attempting to introduce a new tax.

OUTCOMES-BASED FUNDING FORMULA AND POLICY^{vii,viii}

Table 2. Timeline for adoption and implementation of OBF in Ohio^x

TIMELINE FOR ADOPTION AND IMPLEMENTATION OF OBF IN OHIO	
2009	<ul style="list-style-type: none"> Policy is adopted through HB1.
2010	<ul style="list-style-type: none"> Policy is implemented. Metrics include credit completion, degree completion, developmental education credits and completion, and transfer.
2012	<ul style="list-style-type: none"> Policy is reviewed and revised through HB153. Transition from enrollment-based to performance-based funding is accelerated. New definition of “at-risk” students is provided for university campuses.
2014	<ul style="list-style-type: none"> Policy is reviewed and revised through HB59. University regional and main campus formulas are merged. Stop-loss provision for public universities is removed. New requirement introduced: Each public college and university must submit a campus completion plan (to be updated every two years).
2015	<ul style="list-style-type: none"> Stop-loss provision for community colleges is removed.
2016	<ul style="list-style-type: none"> Policy is reviewed and revised through HB484. Implementation of new performance-based funding formulas for both community colleges and Ohio Technical Centers based on student outcomes and attainment.
2018	<ul style="list-style-type: none"> Policy is reviewed and revised. Current policy adopted.

Current funding formula

For detailed descriptions of Ohio’s OBF policies, see [State Share of Instruction Handbook: Providing the Methodology for Allocating State Share of Instruction Funds for Fiscal Year 2018 and Fiscal Year 2019. For use by: Community and Technical Colleges^x](#) and [State Share of Instruction Handbook: Providing the Methodology for Allocating State Share of Instruction Funds for Fiscal Year 2018 and Fiscal Year 2019. For use by: University Regional & Main Campuses.^{xi}](#)

Percent allocated through formula in 2018: 100%.

Data and outcomes calculated: Three-year rolling average.

Equity metrics: Outcomes achieved by at-risk students, defined as students that meet age, financial need, race, academic under-preparedness, and/or first-generation criteria (university formula only).

For three student populations, the criterion for at-risk differs across the sectors. For instance, the funding formula for community colleges considers a student at-risk financially if they are Pell eligible, whereas in the four-year sector, financial risk is based on expected family contribution. Criteria for at-risk based on race is consistent across both sectors.

Table 3. Overview of Ohio’s FY2018-20 OBF formula

COMPONENTS OF FORMULA			TYPE OF METRIC	EQUITY METRIC
DIRECT MEASURES	COURSE COMPLETIONS	2 yr	Milestone	
		4 yr	Milestone	
	SUCCESS POINTS (12, 24, and 36 CREDIT HOURS, and DEV ED COURSE COMPLETIONS)	2 yr	Milestone	
		4 yr	NA	
	DEGREE and CERTIFICATE COMPLETIONS	2 yr	Completion	
		4 yr	Completion	
	TRANSFERS	2 yr	Completion	
		4 yr	NA	
BONUS WEIGHTS	PRIORITY POPULATIONS		Bonus Weight Applied to:	
	ADULT	2 yr	Completion & Milestone	●
		4 yr	Completion	●
	LOW-INCOME	2 yr	Completion & Milestone	●
		4 yr	Completion & Milestone	●
	RACE	2 yr	Completion & Milestone	●
		4 yr	Completion	●
	ACADEMICALLY UNDERPREPARED	2 yr	Completion & Milestone	●
		4 yr	Completion & Milestone	●
	FIRST GENERATION	2 yr	NA	
		4 yr	Completion	●

¹ Ohio Department of Higher Education Communication Department. “SSI Commission Recommendation Fact Sheet.” Accessed August 20, 2018.

https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/financial/ssi/SSI%20Commission%20Recommendations%20%20FactSheet_FINAL%20%282%29.pdf

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- ⁱⁱ Ohio Higher Education Funding Commission. "Recommendations of the Ohio Higher Education Funding Commission." November 2012. Accessed August 20, 2018. <https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/financial/ssi/Ohio%20Higher%20Education%20Funding%20Commission%20-%20Report.pdf>
- ⁱⁱⁱ United States Census Bureau. "Quick Facts: Ohio; United States." 2017. Accessed August 20, 2018. <https://www.census.gov/quickfacts/fact/table/oh.US/PST045217>
- ^{iv} Ohio Department of Higher Education. "Public Trustees." Accessed August 20, 2018. <https://www.ohiohighered.org/trustees>
- ^v Lumina Foundation. "Ohio's Progress toward the Goal." A Stronger Nation. 2016. Accessed August 20, 2018. <http://strongernation.luminafoundation.org/report/2018/#state/OH>
- ^{vi} Ibid.
- ^{vii} Ohio Department of Higher Education. "State Share of Instruction Handbook: Providing the Methodology for Allocating State Share of Instruction Funds for Fiscal Year 2018 and Fiscal Year 2019, For use by: Community and Technical Colleges." June 2017. Accessed August 20, 2018. https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/financial/FY2018_SSIHandbookCollege.pdf
- ^{viii} Ohio Department of Higher Education. "State Share of Instruction Handbook: Providing the Methodology for Allocating State Share of Instruction Funds for Fiscal Year 2018 and Fiscal Year 2019, For use by: University Regional & Main Campuses." June 2017. Accessed August 20, 2018. https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/financial/FY2018_SSIHandbookUniversity.pdf
- ^{ix} Ohio Legislature. "HB 484." 130th General Assembly 2013-2014. Accessed August 20, 2018. <http://ohiocommunitycolleges.org/ohio-legislation/>
- ^x Ohio Department of Higher Education. "State Share of Instruction Handbook: Providing the Methodology for Allocating State Share of Instruction Funds for Fiscal Year 2018 and Fiscal Year 2019, For use by: Community and Technical Colleges." June 2017. Accessed August 20, 2018. https://www.ohiohighered.org/sites/ohiohighered.org/files/uploads/financial/FY2018_SSIHandbookCollege.pdf
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