RFA | RESEARCH for ACTION

LEVERAGING OUTCOMES-BASED FUNDING TO SUPPORT EQUITY

Series

4

INSTITUTIONAL AGENCY: IMPROVING PERFORMANCE AND THE SUCCESS OF UNDERSERVED STUDENTS WITH OBF

Module

4.1

CASE STUDY OF CENTRAL NEW MEXICO COMMUNITY COLLEGE: RESPONDING TO OBF POLICY WITHOUT LEAVING STUDENTS BEHIND

Module
GOALS

THIS MODULE addresses equity in OBF at the instiutional and student levels as outlined in our OBF Equity Overview. It will help state policymakers and institutional leaders consider:

- Utilized a variety of **institutional** strategies to understand and effectively respond to OBF; and
- Utilized a variety of **institutional** strategies to improve the performance of traditionally underserved students.

About This
TOOLKIT

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.

EQUITY CHALLENGE

Responding effectively to OBF policy reform while supporting traditionally underserved students

Many institutions in states that have adopted OBF policies struggle to increase student completions, particularly among low-income students and students of color. This module highlights Central New Mexico Community College (CNM) because it succeeded in improving completions for these students.

CNM plays an important role in efforts to close New Mexico's achievement gaps. Like most community colleges, it serves a higher percentage of low-income and minoritized students than the state's four-year institutions. In fact, CNM awards more associate degrees and certificates to Latinx and Native American students than any other community college in the country.[i] While there is considerable room for improvement, student completion rates are increasing: the 150% time graduation rate at CNM rose from 11% in 2010 to 24% in 2014.[ii] Seventy-eight percent of CNM students graduate with no student loan debt.[iii] Table 1 outlines basic information about CNM.

Table 1. General information on Central New Mexico Community College[iv]

ENROLLMENT	FULL-TIME	PART-TIME	AGE 25 <
24,442	27%	73%	40%
HISPANIC/LATINO	**WHITE**	**AMERICAN INDIAN**	**PELL**
51%	28%	7%	60%

There is a recurring concern that OBF will harm community colleges serving large numbers of historically underserved students. However, this is not necessarily the case. Central New Mexico Community College provides an example of how an open-access, Hispanic-Serving Institution improved its funding under OBF. Specific contributing factors include:

High institutional capacity. CNM's strong leadership utilized data in sophisticated ways and had the financial and human resources needed to adopt student success initiatives.

Successful strategies for engaging with OBF processes. CNM leadership participated in policy workgroups during the development and implementation of the state's OBF policy and recruited staff fluent in the formula.

Effective student success strategies. CNM adopted a suite of student success initiatives that improved completion rates. The College also implemented academic program changes to improve on-time completion while maintaining academic quality and integrity.

Size. New Mexico's formula is based on total numbers of awards, not rates, which tends to drive more funding to larger institutions. As the largest institution in the state, CNM benefits from this approach. See Module 3.3: Constructing OBF Policies that Consider Small Schools for a more complete discussion of the impact of total numbers vs. rates in formula design.

Timing. New Mexico transitioned to OBF at a time when completion rates at CNM were on an upward trajectory.

New Mexico's OBF Policy: Overview

The General Appropriations Act of 2011 moved New Mexico toward an outcomes-based funding policy, beginning in FY13. The state uses a single formula, targeting financially at-risk students, for both the two- and four-year sectors. In FY19, 6% of appropriations were devoted to OBF. Table 1 provides an overview of New Mexico's formula for FY18.[v]

Table 1. FY18 outcomes in New Mexico's OBF formula

CATEGORY	DEFINITION AND EXAMPLES	PERCENTAGES
Total awards		28%
STEMH awards		13.5%
Financially at-risk students	EFC of $5k or below	13.5%
End-of-course credit hours		25%
Sector mission measures	Research contracts/grants, student momentum points, dual credit	25%

LESSONS FROM THE FIELD

In transitioning to OBF, CNM provided examples of strategies for simultaneously navigating policy reform and improving student outcomes. This section outlines CNM's approaches.

Strategies for successfully navigating OBF policy reform

Part of CNM's success can be attributed to high engagement among leaders and senior administrators throughout each policy stage, as CNM was an active participant during the development process and continued to engage with the formula once it was set. CNM leaders and administrators offered the following examples of effective engagement:

Anticipating the shift to OBF and responding early. One institutional leader explained:

> *I think CNM probably did better than any institution in the state, because we were listening to the conversation before the actual work on the formula began. We were hearing the legislature. And I can remember many meetings with our president's council, which is 70 some people that meets couple times a month, and going in and saying, 'Guys this is coming. This is going to be the expectation. Let's get prepared now.' And people here responded.*

Another administrator said:

> *We were already trying to focus on performance, because they [institutional leaders] were reading those tea leaves. I guess you could say that maybe, in a way, it was driving what we were doing. That we saw that it was coming...so, let's just start doing it beforehand. That may be part of the reason we're doing better than some institutions.*

Participating in the development of the funding formula. CNM's president was active in the OBF steering committee, and the CFO was involved in the OBF technical committee. As noted in Module 2.2:

<u>Involving Institutions in OBF Policy Development</u>, institutional participation in the development process ensures that policymakers consider the concerns and circumstances of all types of institutions. This is particularly important for colleges that serve high numbers of disadvantaged students, are under-resourced, or are not well-positioned politically.

Recruiting staff knowledgeable about the policy. One administrator explained:

> *CNM is in a unique situation in the state, because we are big enough to be able to recruit people who have worked at the legislature and the Higher Education Department and its precursor agency. So we've been able to stay relevant in that way, because we can make sure that we have people here who understand [the formula]. I don't know that I could say that if I were at any other institution in the state, two- or four-year.*

Another explained, "we pay attention to who is out there to recruit."

Strategically deciding when and how to discuss OBF at the institutional level. CNM leadership deliberately decided to divorce the funding formula from discussions about academic matters because they did not want academic decisions to be made for monetary reasons. One administrator explained:

> *I think we purposely do not want funding issues driving the conversation of what we offer, academically, to our students. We want to offer what the community asks us to offer, and what we feel is best for the students, and what our transfer partners need---all of those traditional community college functions.*

CNM leadership does discuss OBF with their executive team, institutional research department, and governing board, but policy and planning changes are not publicly linked to OBF.

Aligning data-based indicators of institutional success to the OBF formula. While CNM did not change its vision or strategic priorities in response to the formula, it did focus some performance metrics outlined in the strategic plan--for example, "Increase the percent of First-Time, Full-Time, Degree-Seeking students graduating in three years to 24%."[vi] One administrator explained, "We had a really broad [strategic direction] five years ago. The newest [strategic plan] was more metrics based. We really didn't tweak it too much, we just focused it and put some data behind it. Many of those [data] are based on performance funding."

Strategies for improving student outcomes

CNM has a long history of supporting underserved students. According to administrators, some efforts were implemented in response to OBF, while others were unrelated; at times, administrators disagreed. Initiatives that leaders and administrators said improved student success included:

Creating wrap-around, one-stop services so students receive comprehensive supports from a single staff member. CNM Connect Services began in 2005 as the Center for Working Families, a center within student services that offered guidance on "employment and career advancement, income and work supports, and financial services and asset-building" for low-income students with families.[vii] In 2010, CNM scaled its efforts by providing CNM Connect Services to all students at all campuses.[viii] CNM Connect Services goes beyond traditional advising and breaks down silos between typical student services departments, such as academic advising and financial aid. Through CNM Connect Services, students can talk to one staff member about topics ranging from stress management to career exploration to filing taxes.[ix]

A one-stop office is particularly important at a large campus with many part-time faculty who may not be aware of the college's full suite of services. To achieve this one-stop approach, CNM cross-trained staff and consolidated offices. One administrator explained, "We had a financial aid team, we had an

enrollment services team, we had an advisement team…Now they report in Connect and we cross-train them on financial aid, enrollment services, and advisement so that we [don't] need to have three separate teams." Another noted, "We specifically blended teams so that we had coaches and advisors next to each other, in terms of offices, so they could hear what [others] were doing and…we could blend those teams in meaningful ways."

Reforming developmental education to decrease time to college-bearing coursework. One administrator explained, "Developmental education has gone from 7,000 students to about 2,000. But all of those students are in their pathways—and in college-level courses or co-requisite models that align to their needs." Changes to CNM's developmental education included:

- Reducing developmental math courses from five to two;

- Combining developmental English and reading into one, coordinated course;

- Adopting the Integrated Basic Education and Skills Training Program (I-BEST),[x] which uses a team-teaching approach to teach basic skills and occupational training simultaneously;

- Adopting co-requisite remediation through a "Jumpstart" program so students can work on basic skills while taking related college-level courses;[xi]

- Changes to the Accuplacer cut-score for entry-level college courses; and

- The creation of math pathways so that college algebra is no longer the only option.

Centralizing course scheduling and keeping part-time students in mind. CNM describes a student-centered course scheduling process. One administrator explained:

> *We have one body, one group, that creates that schedule for every single campus, and they are incredibly focused on helping students build a schedule that will meet their needs…75% of our students are part-time. So creating a schedule where students can come part-time two days a week and back-to-back schedules [help them succeed].*

Increasing data capacity and using data in decision-making. Closely examining student performance and progression data guided Academic Affairs to make improvements in the classroom and helped the institution target additional student success supports. One administrator explained, "We've beefed up our office of planning and institutional research because we needed to dig through the data to find out what works and what doesn't work."

Increasing the number of meaningful certificates and stackable credentials. CNM is committed to expanding the utility of its credentials. One administrator said, "We are firm believers in stackable credentials. The literature shows, for career and technical education, it works. We are testing it on academic education."

Implementing an early-alert process to identify when to front-load academic support. One administrator explained, "We have an early alert process that is specifically focused on helping the students that may fall out of the system. One of the things we implemented was a regular process so that faculty could easily contact and get connected with the resources to help a particular student."

Ensuring associate degrees can be completed in 60 credit units. Over the past several years, CNM reduced credit requirements from 85 for some programs to 60 for nearly all. This helps students by reducing the direct and opportunity costs inherent in obtaining a postsecondary credential.

Reallocating resources to where they can have the greatest impact. Administrators recalled organizational restructuring, which coincided with the economic downturn and state budget cuts, as sometimes painful. But restructuring allowed the campus to direct more resources to student success efforts. One administrator said, "We've had two initiatives in the last five years where we encouraged retirements—retirement incentive programs. So we've reduced almost 150 positions. And then we've taken those savings and we've redeployed them to other areas where we needed them."

Maintaining affordability. For low-income students, cost can be the greatest barrier to completing a credential. CNM has kept in-state tuition low, at $648 per full-time semester. Administrators are also mindful of other costs for students, such as books, and report increased access to free and online materials.

[i] National Center for Education Statistics, Integrated Postsecondary Education Data System. June 2018. Disturbed by National Center for Education Statistics. https://nces.ed.gov/ipeds/datacenter/Data.aspx.

[ii] Central New Mexico Community College. "Reports and Metrics." Accessed August 20, 2018. https://www.cnm.edu/depts/opie/reports-and-metrics.

[iii] Central New Mexico Community College. "Factbook." Accessed August 20, 2018. https://www.cnm.edu/depts/opie/reports-and-metrics/091-17-cnm-annual-report_factbook_1_30.pdf.

[iv] National Center for Education Statistics, College Navigator. 2018. Distributed by National Center for Education Statistics. https://nces.ed.gov/collegenavigator/?q=central+new+mexico+community+college&s=all&id=187532#general.

[v] General Appropriations Act of 2011 (HB2) Laws 2011, Chapter 179, Section 4:J, p. 177, ll. 7-8. Accessed August 20, 2018. http://www.sos.state.nm.us/uploads/files/Bills2011/SignedAndChapteredBills/HB2-3-4-5-6.pdf; Hartzler, Tracy. "Update LFC on the Higher Education Revised instruction and General (I&G) Funding Formula: FY12 to FY15 and Future Considerations." LFC Staff Brief, New Mexico, 2014. https://www.nmlegis.gov/Entity/LFC/Documents/Early_Childhood_And_Education/LFC%20Staff%20Brief,%20Higher%20Education%20Instruction%20and%20General%20Funding%20Formula%20–%20May%207%202014.pdf

[vi] Central New Mexico Community College. "Strategic Direction Plan." Accessed August 20, 2018. https://www.cnm.edu/about/documents/strategic-direction-2016-2020.pdf.

[vii] Central New Mexico Community College. "CNM Recognized for Innovation and Outcomes in Student Support Services." 2015. Accessed August 15, 2018. https://www.cnm.edu/news/cnm-recognized-for-innovation-and-outcomes-in-student-support-services

[viii] Central New Mexico Community College. "Our Story." 2017. Accessed August 15, 2018. https://www.cnm.edu/student-resources/connect-services/about-us/our-story.

[ix] Central New Mexico Community College. "Connecting Students." 2017. Accessed August 15, 2018. https://www.cnm.edu/student-resources/connect-services/about-us/connecting-students-to-their-goals

[x] Washington State Board for Community and Technical Colleges. "Integrated Basic Education Skills and Training (I-BEST)." 2018. Accessed August 15, 2018. https://www.sbctc.edu/colleges-staff/programs-services/i-best/.

[xi] Central New Mexico Community College. "Factbook." Accessed August 20, 2018. https://www.cnm.edu/depts/opie/reports-and-metrics/091-17-cnm-annual-report_factbook_1_30.pdf.