

CCCI California Community College Independents

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April 3, 2018

To: Senator Holly Mitchell, Chair, Senate Budget Committee
Assemblymember Phil Ting, Chair, Assembly Budget Committee
Senator Anthony Portantino, Chair, Senate Budget Subcommittee on Education
Assemblymember Kevin McCarty, Chair, Assembly Budget Subcommittee on Education

Fr: Jeffrey Michels, President
David Balla-Hawkins, Advocate

Re: Community College Performance-Based Funding – OPPOSE
Governor's January Proposed 2018-19 Budget

The California Community College Independents (CCCI), an association of independent faculty unions representing over 12,000 community college faculty teaching more than a half-million students, is opposed to the Governor's proposed 2018-19 community college performance-based funding formula. While CCCI supports our system-wide effort to improve student outcomes and eliminate achievement gaps, we believe the Governor's proposed budget formula would actually undermine those efforts and harm many California students.

There is overwhelming evidence, confirmed by numerous recent studies, that performance-based funding formulas fail to improve student outcomes, including retention and graduation. In the past 10 years, more than 30 states have adopted some form of performance-based or outcomes-based funding for their public institutions of higher education, and results have been consistent: the shift in funding policy has had no significant impact on degrees or certificates produced each year (see Dougherty, 2016 and Hillman, 2016).¹ However, performance-based funding has had substantial harmful consequences. Shifting funds from students who most need extra support to students most likely to succeed exacerbates existing inequalities (Hillman). Other unintended effects of outcomes-based funding include weakened academic standards, less institutional cooperation, decreased staff morale, and impeded missions not specifically rewarded by performance funding (Dougherty). Accountability is important, but performance-based funding is a bad idea that is failing everywhere it has been tried. California can do better.

Rather than tying financial incentives to performance measures, which may work in some business models but does not work for colleges, California needs to invest in *capacity building* and *equity-based funding*. To build capacity for the kinds of changes and improvements that will make significant, sustainable progress in closing student achievement gaps and improving student outcomes, we need to invest in more mentoring and individualized attention for students. This means hiring more full-time faculty and counselors, lowering student-to-faculty and student-to-counselor ratios, and expanding office hours, tutoring and supplemental instruction.

Without more full-time faculty and counselors, we simply lack the human resources needed to make significant improvements to the quality of education offered at our colleges. To shift to a truly student-centered funding model, we need to build capacity at the program and department level. More full-time faculty, including counselors, and better support for part-time faculty (with fair compensation, including for office hours) will make every other investment and initiative more effective.

Performance-based funding will never serve student equity. At its core, this funding model creates a competition over limited resources whereby students who are less likely to achieve “success metrics” are underfunded. An equity-based funding formula should focus on building the human-resource capacity of the lowest-performing colleges, while providing stable, predictable funding for all 114 California community colleges.

We hope you will continue to work with faculty to press for funding reforms that will result not just in headlines, but in real progress for our students. We look forward to working together on an equitable proposal for our students that we can all support.

ⁱ Kevin J. Dougherty, et al. Performance Funding for Higher Education. Baltimore: Johns Hopkins Press, 2016. “The extant research literature has largely found that performance funding has little impact on student outcomes. . . . When such studies have been conducted, the predominant finding is that performance funding does not have a significant impact on student outcomes such as retention and graduation from two-year or four-year colleges” (15).

Nicholas Hillman. Why Performance-Based College Funding Doesn't Work. The Century Foundation. College Completion Series: Part Four. May 25, 2016. Tcf.org. “[R]esearch shows that tying financial incentives to performance measures rarely results in large or positive outcomes that are sustained over time” (2).