

## Put the Money where it Counts

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### Background

California's community colleges (CCC) are funded by a formula that does not acknowledge or reward students' successful course completion. This formula provides funding, or apportionment, to the community colleges based upon an enrollment census taken on the first day of the fourth week of an eighteen-week semester. Although consistent with the mandate in the California Code of Regulations (Title 5, 1977) that states that the funding "shall be computed by multiplying the student contact hours of active enrollment as of Monday of the weeks nearest to one-fifth of the length of the term..." (Section 58003.1), the negative consequences of this ostensibly simple funding rule are underestimated.

### Discussion

It's true that this funding process follows the ethics of justice (Murphy, 2004; Shapiro & Stefkovich, 2005), guaranteeing consistency of application and enforcement across the community college system. However, the misalignment and ethical implications of this funding process on the ultimate educational goal, students' successful course completion, are more apparent in an institution's enrollment management practices which result from this mandate.

Finally, because student enrollment is consequential only on the first day of the fourth week of the semester, student retention efforts are typically focused on the first three weeks of each semester. After the fourth week census date, students have been officially recorded and institutional focus on retention diminishes significantly.

Make no mistake: community colleges are absolutely committed to student success and retention. As stated in the California Community Colleges' Mission Statement (CCCCO, 2005), the core mission is to offer academic and vocational education at the lower division level for both recent high school graduates and those returning to school and advancing California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement. Community colleges fully embrace the tenets of this mission, but I believe that the current funding model undermines its fulfillment.

In addition, the "first day of the fourth week" funding formula serves not only to inhibit the achievement of the broadly-based community college mission, but also the ultimate goal for every student, successful course completion. The diminished concentration of institutional effort after the fourth week negatively affects, or at minimum, fails to maximize, a student's ability to complete courses, and violates the ethic of care (Shapiro & Stefkovich, 2005; Velasquez, Moberg, Meyers, Shanks, McClean, Decosse, Andre, Hanson, 2005).

The ethic of care demands reassessment of the long-term effects of diminished institutional focus away from student retention. It also challenges whether or not this funding formula fundamentally supports the goals we value as an educational system. Does this formula produce the most good with the least harm? I think not.

Without continued focus and institutional accountability for student retention and course completion throughout the entire semester, student success can suffer from a lack of incentive. This dynamic occurs not because the institution necessarily condones this practice or fails to support student retention, but because there is neither reward nor consequence for continuing to focus on student retention after the census date.

There are some who would argue that student success is never far from an institution's core values and that this funding formula does not affect the commitment to student retention in any way. I challenge this response with the following questions. Imagine if community colleges were funded based upon the number of students retained at the end of each semester and/or the number of students who successfully complete their coursework. Would a community college's resources be aligned differently? Would more research be conducted to uncover effective pedagogical techniques by identifying professors with higher student retention and success rates? Would college wide discussions and departmental conversations include enrollment management and best practices discussions focused on retention beyond the first three weeks of the semester? Would hiring decisions be affected by the potential candidate's purported ability to retain students? And, most importantly, would more students achieve their educational goals? I believe the answer to all of these questions is a resounding, "YES."

There does exist the possibility that even if we are able to retain students throughout the semester, the students' overall success rates will decline due to an increasingly under-prepared student population. Simply retaining students may not guarantee their success. However, if efforts were to focus on successful course completion, institutional resources for ongoing student support -- such as tutoring -- would receive additional funding.

One factor outside the community colleges' control is that community college students can enroll in any class they wish, provided they meet the prerequisite(s). This flexibility appears to encourage enrollment, but in truth, it can limit student success by allowing students to select courses beyond their abilities. If increased retention efforts succeed at retaining students beyond the census date, the overall institutional level of student success may decline as increased numbers of students fail.

And finally, "putting the money where it counts" has a history of success. One of the most effective programs that I have ever had the opportunity to be involved with was Partnership for Excellence (PFE). This program began in 1998 and was a commitment by the State of California to the community college system to provide a \$100 million appropriation for projects that would significantly increase transfer rates, degrees and certificates, course completion, workforce development, and basic skills. The unique aspect of this program was that it demanded accountability through annual assessment and projects received continued funding only if it was determined that reasonable progress had been made by 2001. Putting the money where it counted, progress towards the project's stated objectives, proved to be a powerful institutional motivator. The Partnership for Excellence program's emphasis on accountability was confirmed in a

survey published by the Center for Community College Policy entitled *State Funding for Community Colleges: A 50-State Survey* (Lyon, 2000) as a program that attempted to reward states for meeting state priorities. In short, institutional focus and resources follow the funding.

If the funding formula could be modified to utilize end of semester retention figures, student retention would become the guiding mantra for community colleges. Administration would be forced to analyze resource allocations in consideration of the potential effects on student success and retention, faculty would be constantly encouraged to explore new strategies for student success, and students could reach their educational goals much more quickly.

#### *Conclusion*

The funding formula for California community colleges may be fair and equitably applied, but does it truly serve the students? Does it fully facilitate student retention and successful course completion and, therefore, the achievement of students' educational goals? My belief is that it does not. The current process of funding based upon enrollment on the first day of the fourth week does not force the community college system to focus on student success at the maximum level possible and may, in fact, work against sustained institutional efforts for student retention.

A modified funding model that rewards retention at the end of each semester may also assist in addressing California's economic workforce development needs. As the community colleges are charged with addressing both the social and economic workforce requirements of our great state, it is critical that this educational system have all its limited resources aligned to maximize their utilization.

In closing, the impact of this funding formula has far-reaching effects. As succinctly stated by Wildavsky (1964, as cited in *State Funding for Community Colleges: A 50-State Survey*, 2000),

Serving diverse purposes, a budget can be many things: a political act, a plan of work, a prediction, a source of enlightenment, a means of obfuscation, a mechanism of control, an escape from restrictions, a means to action, a brake on progress, even a prayer that the powers that be will deal gently with the best aspirations of fallible men (p.8).

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