Texas Association of Community Colleges

INVESTING IN STUDENT SUCCESS

A Report of the Metrics Taskforce

January 2020

Texas Association of Community Colleges

Executive Summary

In December 2017, the Community & Technical Colleges Formula Advisory Committee (CTCFAC) recommended that the Metrics Taskforce be reconvened. The committee charged the Taskforce with collaborating with the Texas Association of Community Colleges (TACC) and Texas Higher Education Coordinating Board (THECB) to review the existing Student Success Points model.

The CTCFAC requested the Metrics Taskforce (hereafter "Taskforce") to evaluate the continued relevancy of each Success Point metric given various state-level policy changes and to inform future funding considerations. The Taskforce met in the winter and spring of 2018 to address these charges. In July 2018, the Taskforce prepared a draft report for consideration by the THECB. After closer consideration, the Taskforce opted to postpone its submission of a report until after the 86th Texas Legislature, intending to make recommendations to inform the FYs 2022-23 budget (87th Legislature).

In May 2019, the 86th Texas Legislature approved HB 1, the biennial budget for FYs 2020-2021. HB 1 included two key changes to the Success Points metrics and suggested future modifications to the weights of several metrics.

In August 2019, TACC and the THECB reconvened the Taskforce with the specific charge to examine the suggested changes in HB 1, review new or additional revisions, and produce a final report. The Taskforce met from August to December 2019.

A culmination of two years of study of Texas community colleges' performance-based funding metrics, this report provides multiple findings and recommendations of the Taskforce. The report is intended to inform discussions at the THECB, the Legislative Budget Board, and ultimately the 87th Texas Legislature, as they deliberate their funding recommendations for the biennial budget for FYs 2022-23.

The Taskforce Finds:

- Dual credit courses effectively increase college enrollment and success rates, but existing policies do not adequately fund dual credit or incentivize colleges to create and deliver longer sequences of dual credit coursework.
- Academically or economically disadvantaged students are a growing majority of community college students, but the Success Points model does not reflect their obstacles to attainment of the transfer or completion metrics.
- Changes to the Success Point base weights proposed by Rider 19 of HB 1 (86th-R) would significantly and abruptly alter the distribution of points in a manner inconsistent with the goals of *60x30TX*
- The critical fields designation process is out-of-date and lacks much-needed transparency and predictability, and the fields do not align well with Texas' workforce needs.

The Task Force Recommends:

- Awarding an additional .50 Success Point weight for students who complete at least 15 semester credit hours of dual credit
- Awarding an additional .50 Success Point weight for academically and economically disadvantaged students upon credential completion or university transfer
- Maintaining Success Point base weights at BY 2020-21 levels
- Replacing Student Success Point critical fields with "targeted fields" selected through a standardized, evidence-based methodology that better reflects current and projected conditions in the Texas labor market
- Instituting a formal, iterative process to designate and remove targeted fields in a transparent, predictable, and evidence-based manner.

I. Composition of the Metrics Task Force

The 16 members of the Metrics Task Force represented urban and rural community colleges of a wide range of sizes, as well as the THECB. TACC provided staff support.

In 2018, the CTC Formula Advisory Committee recommended that at least two current members be included on Metrics Task Force, along with a staff member of THECB with expertise on student Success Points. These three representatives are noted with an asterisk (*) below.

Task Force Membership

Dr. Jeremy McMillen, Chair*
President
Grayson College

Mr. Serkan Celtek
Director of Research & Analytical Services
South Texas College

Dr. Julie Eklund*
Assistant Commissioner
Texas Higher Education Coordinating Board

Dr. Thomas K. Martin
Vice President, Institutional Research
Collin College

Dr. Brenda Hellyer, Ex-officio
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Ms. Teri Crawford*
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Ms. Betty McCrohan
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North Central Texas College

Dr. William Serrata
President
El Paso Community College

Dr. Debbie Smarr
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Mr. Neil Vickers
Executive VP, Finance & Administration
Austin Community College

Mr. Leighton Schubert
Executive Vice Chancellor and General Counsel
Blinn College

Ms. Josette Shaughnessy
Vice President, Financial & Administrative Operations &
CFO El Paso Community College

Mr. Chris Tkach
Executive Director, Strategic Planning & Assessment
Lone Star College System

Dr. Donald Wood
Vice President for Institutional Effectiveness
Odessa College

II. Purpose and Scope of the Metrics Task Force

The Metrics Task Force undertook, at least in part, four of the CTC Formula Advisory Committee's six charges (underlined portions reflect the Taskforce's areas of focus):

Charge 1: Study and make recommendations for the appropriate funding levels for the contact hour, core, and student success funding.

Charge 3: Study and make recommendations on the efficacy of critical need fields as they related to contact hour and Success Point funding.

Charge 4: Evaluate the continued relevancy of each Success Point and its components given various state-level policy changes, the increased focus on fields of study, and the implementation of the co-requisite model in developmental education; and study and make recommendations for the appropriate number of points to be awarded for each metric.

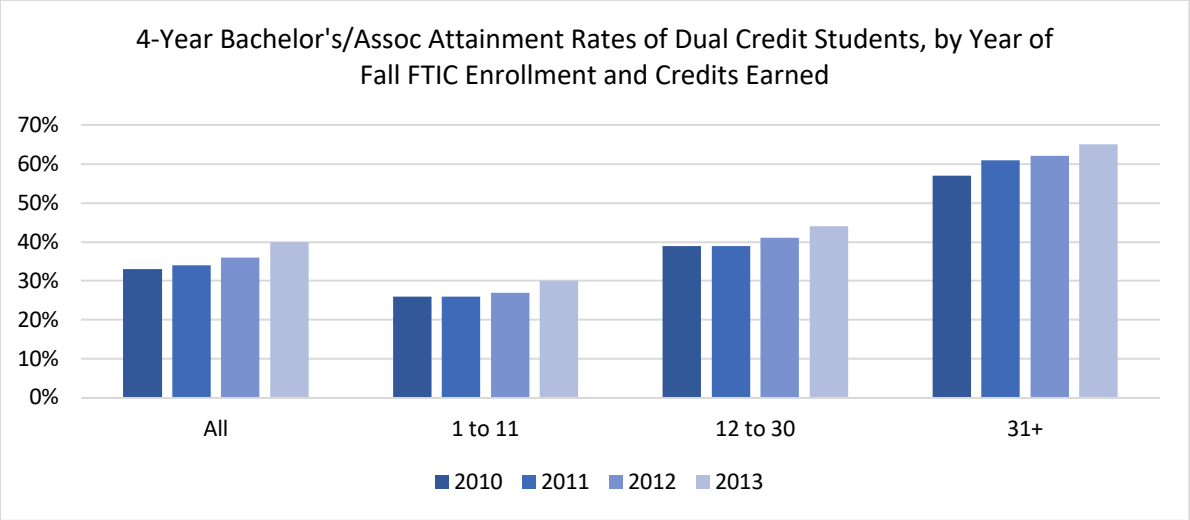
Charge 6: Study and make recommendations for the appropriate definition of a student in a structured co-enrollment program successfully completing at least 15 semester credit hours at the community college.

III. Findings

1. The Taskforce determined that dual credit courses effectively increase college enrollment and success rates but that existing policies do not adequately fund dual credit or incentivize colleges to create and deliver longer sequences of dual credit coursework.

Data from the THECB and academic research all suggest that completing dual credit courses is associated with a range of positive academic outcomes, including enrollment in postsecondary education, persistence, and graduation. The evidence also suggests that the likelihood of these positive outcomes increases in tandem with the amount of dual credit completed. While the chart below does not account for variables besides dual credit that partially contribute to the success of dual credit students, peer-reviewed research consistently indicates that the benefit exists even when controlling for other factors (e.g. Giani *et al*, 2014; Taylor, 2015; Allen & Dadgar, 2012; Grubb et al, 2017; An, 2012).

Figure 1.

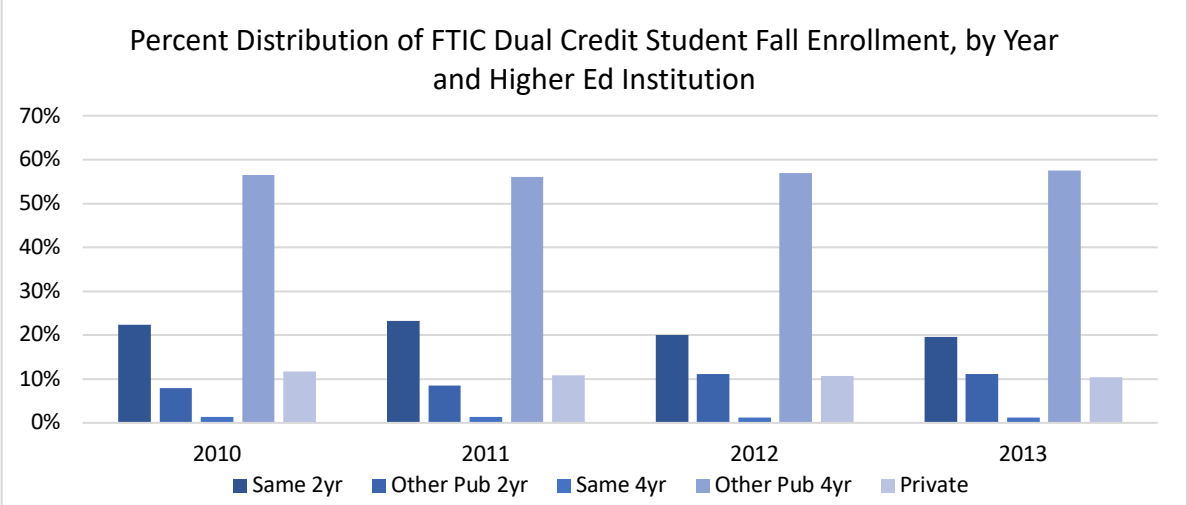


Source: Texas Higher Education Coordinating Board (2019). "Dual Credit Data". Available from: http://www.txhighereddata.org/index.cfm?objectId=AEE9A640-D971-11E8-BB650050560100A9

The information available on the funding of dual credit at community colleges suggests that colleges generally waive some or all tuition and fee charges, though some charge the standard rate to students/families. According to a Fall 2019 TACC survey of community colleges, only 11 colleges (of 47 responding) charge full tuition/fee rates to any in-district dual credit students, and of those 11, seven offer grants or waivers to some dual credit students. While courses taught by ISD instructors can reduce costs to the college, the same survey found that most colleges pay the instructor's entire compensation for all dual credit courses, and of the 22 that do not, 14 pay at least some the instructor's compensation for at least half of their dual credit courses.

Although 93 percent of dual credit hours are taught at community colleges, dual credit participation is linked to enrollment at four-year institutions in the fall immediately after high school.

Figure 2.



Source: Texas Higher Education Coordinating Board (2019). "Dual Credit Data". Available from: http://www.txhighereddata.org/index.cfm?objectId=AEE9A640-D971-11E8-BB650050560100A9

Under current funding policies, community colleges often forego significant revenue through the delivery of dual credit courses. Approximately 56 percent of dual credit participants in the 2018 high school graduating class (12 percent of the graduating class) completed fewer than 15 SCH of dual credit. When dual credit students earn fewer than 15 SCH, they are more likely to enroll at a different institution after high school and also do not count as transfer students for Success Points at the community college, which often discounted or waived its tuition revenue from those students. These incentives favor breadth over depth, rewarding colleges who teach smaller numbers of courses to larger numbers of students, despite evidence that greater depth of dual credit is linked to gains in student success (see Figure 1).

2. The Taskforce determined that academically and economically disadvantaged students are a growing majority of students but are less likely to achieve the transfer or completion metrics.

Academic and economic disadvantage are more common than not at Texas public schools. At about 38 percent, just over one in three 2016-17 high school graduates met Texas Success Initiative (TSI) criteria for college readiness in both Mathematics and English Language Arts, which is the primary indicator of academic disadvantage at the postsecondary level (TEA, 2019). Graduates with Economically Disadvantaged status, which applies to over 60 percent of all public K-12 students and half of graduates, have a college readiness rate of about one in four.

As the majority of K-12 students and graduates, students who are academically or economically disadvantaged now earn the majority of undergraduate credentials; in fact, economically disadvantaged students have accounted for the majority of completions since 2010 at two-year public institutions and since 2012 at four-year public institutions (THECB, 2018). At community colleges in FY 2018, academically or economically disadvantaged students were 62 percent of credential completers and 63 percent of university transfers.

Despite earning the majority of community college credentials, disadvantaged students graduate at significantly lower rates than their non-disadvantaged peers. THECB analysis of Fall 2012 first time in college (FTIC) two-year college students found that whereas 44 percent of TSI college-ready students earned a credential within six years, only 21 percent of non-college-ready students did so.

Available evidence suggests that, all else equal, low-income students graduate at lower rates than their wealthier peers; however, because the current measure of economic disadvantage in postsecondary education is receipt of the Pell grant, the extent of the graduation gap between economically disadvantaged and non-disadvantaged students is somewhat harder to assess. The THECB analysis cited above found that students who received the Pell grant in their first year had a six-year graduation rate of 24 percent, compared to 30 percent for those who did not receive it in their first year. However, the six-year graduation rate for students who ever received the Pell grant and the rate for students who never did are the same: 27 percent. These patterns have three likely causes: 1) Pell receipt becomes more common the longer students persist and the closer they get to graduation; 2) students who received the Pell grant in their first year may have more severe financial need and are at greater risk of exhausting their Pell eligibility prior to graduation; and 3) Pell receipt is a convenient but complex indicator of financial status. Students who receive Pell grants have financial need but also exhibit positive behaviors/characteristics, like having successfully completed the FAFSA. They also receive the grant, which significantly ameliorates the financial need it is meant to signify, especially at more affordable community colleges.

Though not specific to Texas, national survey data can provide a better indicator of the barriers faced by poorer students. Among dependent students who started postsecondary education at a community college in 2012, almost half of those in the top family income quartile had earned a credential within five years; of those in the bottom income quartile, about 35 percent had earned a credential, and almost half had left higher education entirely without a degree of any kind (NCES, 2019).

3. The Taskforce determined that proposed changes to the Success Point base weights would significantly and abruptly alter the distribution of points in a manner inconsistent with the goals of *60x30TX.*

The final version of House Bill 1 (the FY 2020-21 budget) included language suggesting that the 87th Legislature amend the base weights of the student Success Point formula as follows:

Figure 3.

Metric	Current Weight	Proposed Weight
Dev Ed Math	1.0	1.0
Dev Ed Reading	0.5	0.5
Dev Ed Writing	0.5	0.5

Attainment 15 SCH	1.0	1.0
Attainment 30 SCH	1.0	1.0
GAI Transfer with 15 SCH	2.0	2.75
Gateway Math	1.0	1.0
Gateway Reading	0.5	0.5
Gateway Writing	0.5	0.5
Critical Field Award	2.25	3.0
Award	2.0	1.2

The Task Force finds that these weight changes are not consistent with the primary stated objective of *60x30TX*: that at least 60% of adults age 25 to 34 possess a postsecondary credential by 2030. Whereas transfer and credential completion are equally rewarded under the current weights, the proposed weights would cause transfer to be over twice as valuable as completion for Success Point funding. The change would shift institutional incentives away from persistence to credential completion in favor of fast transfer.

The Task Force also finds that the weight changes would cause significant redistribution of Success Points, altering the college funding structure more quickly than colleges would realistically be able to respond. Had the proposed weights been in effect for HB 1, about $6.7M would have been redistributed between metrics, representing about 3% of Success Point funding. Sixteen colleges would have lost revenue as a result. Moreover, Success Point funding for the next biennium will be based on average production during FY 2018, 2019, and 2020. College policies for FY 2018 and 2019 were made and implemented entirely under the current weights, and colleges have had neither the time nor the certainty necessary to alter policies and programs for the current 2020 fiscal year.

4. The Taskforce determined that the critical fields designation process is out-of-date and lacks much-needed transparency and predictability, and the fields themselves do not align well with Texas' workforce needs.

Based on the accounts of several experts the community college funding formula, the Taskforce finds that the original designations of critical needs fields were made with limited clarity as to the relationship between the fields chosen and key metrics, such as current and job openings, earnings, community needs, or how the credentials selected correspond to occupations. With the exception of the minor additions enacted by HB 1 (2019), the critical fields in the Success Point formula have not changed since their inception in 2009. Data resources for understanding workforce needs have substantially improved since then; policies for identifying and meeting workforce needs should improve in tandem.

The unexpected additions made by HB 1, though minor in their effects on funding, point to the need for a transparent, predictable, and evidence-based process that fosters the confidence of industry and college leaders as well as students and can serve as a more reliable and informed basis for planning and investment.

This finding contains two independent components – one related to the process of selecting critical fields, the other to the critical fields themselves – that the Taskforce addresses independently in its recommendations (numbers four and five) below.

IV. Recommendations

1. Award an additional .50 Success Point weight for students who complete 15 semester credit hours of dual credit.

2. Award an additional .50 Success Point weight for academically disadvantaged students and .50 for economically disadvantaged students upon credential completion or university transfer.

3. Maintain Success Point base weights at BY 2020-21 levels.

4. Replace Student Success Point critical fields with "targeted fields" selected through a standardized, evidence-based methodology that better reflects current and projected conditions in the Texas labor market.

5. Institute a formal, iterative process to designate and remove targeted fields in a transparent, predictable, and evidence-based manner.

Task Force Recommendation #1:

Award an additional .50 Success Point weight for students who complete 15 semester credit hours of dual credit.

This recommendation increases the proportion of Success Points derived from students with dual credit SCH and creates an incentive for colleges to offer more dual credit courses in a coherent course sequence. Under the current methodology, community college efforts to foster pathways to college through dual credit are not appropriately recognized in the Success Point model. The resulting reliance on contact hour reimbursement for dual credit creates an incentive for breadth of enrollment over depth of engagement, missing an important opportunity to strengthen the high school to college pipeline.

Current methodology

Credits earned through dual credit are currently treated no differently than any other college credits. Eligible mathematics, reading, and writing courses qualify for the respective Gateway course metrics; dual credit credits count towards the accumulation of 15 and 30 SCH and, if taken at the same institution, towards the 15 SCH threshold for the transfer metric; and awards earned either wholly or partially through dual credit are treated no differently. Regardless of the presence of dual credit, a district earns one Success Point when a student first accumulates 15 SCH of credit within the past

three years plus the current year, as long as the student was not awarded the point within the two previous fiscal years.

College readiness is the one respect in which dual credit differs for Success Point purposes. Only students who are designated as not college ready in math, reading, or writing when they become first-time undergraduates are eligible to receive the readiness point in that subject(s). Dual credit students are not first-time undergraduates and so cannot be designated not college ready, and any student who has completed dual credit courses prior to enrolling as a first-time undergraduate may be considered college ready in the applicable area. Therefore, dual credit students have no interaction with the three college readiness metrics.

Furthermore, while dual credit receives no special acknowledgment in the Success Point system, higher levels of dual credit engagement increase both student success rates and costs that colleges incur (see *Finding 1*). Besides the nearly universal full or partial dual credit tuition waivers described above, effective dual credit partnerships require close collaboration between college and ISD personnel, which entails significant labor costs. While some dual credit courses are taught by ISD instructors, a Fall 2019 TACC survey found that the majority of colleges fund the instructor's entire compensation for all of their dual credit courses, and more than half of those who do not fund at least some instructor compensation for at least two thirds of their dual credit courses. These additional expenditures can make the average dual credit student more costly to educate, yet because they take fewer courses and thus generate less contact hour revenue, the college receives less funding on a per student basis, which can result in a net loss of significant revenue.

Proposed methodology

The Taskforce recommends awarding a bonus of .50 Success Points to the 1.0 points a district earns for a student's accumulation of 15 SCH (following the current methodology for calculating that metric) when that student's 15 SCH includes at least 15 SCH from dual credit courses.

Impact of proposed methodology

Analysis of THECB data shows that about 17 percent of students who met the 15 SCH Success Point threshold from FY 2016 to FY 2018 had at least 15 SCH of dual credit. At .50 points each, these students would result in 18,348 bonus points, increasing the number of points under the 15 SCH metric by 8.6 percent and increasing the total number of Success Points by 1.6 percent.

Figure 4.

Success Point Impacts of Proposed Dual Credit 15 SCH Bonus (3-Year Average, FY 16-17-18)						
Metric	**Success Points**			**Dollars**		
	Current (no bonus)	**With bonus**	**% change**	**Current (no bonus)**	**With bonus**	**$ change**
15 SCH	**213,738**	**232,085**	**8.6%**	**$43.3M**	**$46.2M**	**$2.9M**
All metrics	**1,127,344**	**1,145,691**	**1.6%**	**$202.51/pt**	**$199.26/pt**	**$(3.25)**

Task Force Recommendation #2:

Award an additional .50 Success Point weight for academically or economically disadvantaged students upon credential completion or university transfer.

Current methodology

The current transfer metric awards two points to a district upon a student's successful transfer to a 4-year public or private institution after successfully completing at least 15 SCH at that district within the three years prior to the year of first enrollment at a university.

The current completion metric awards two Success Points to a district for every degree, certificate, or core completion the district awarded during the measurement fiscal year, with a cap at one award per student per district. Current methodology handles critical fields completions as a separate metric, awarding 2.25 points for every degree or certificate in a designated critical field, also capped at one per student per district. Students who earned awards in a critical field are not eligible for the general completion metric in the given year.

Proposed methodology

The Taskforce recommends awarding a bonus of .50 points to points earned through the transfer, completion, and critical completion metrics when the student is designated as either Academically or Economically Disadvantaged.

Academic disadvantage is defined as having been found not college ready in one or more subjects within the last ten years. Economic disadvantaged is defined as having received the Pell grant within the last ten years. The Taskforce further recommends that the THECB consider additional methods for classifying students as Economically Disadvantaged that do not rely on FAFSA completion. Data sharing agreements between the Texas Education Agency (TEA) and the THECB could meet this need through sharing of free/reduced lunch data or the Census block socio-economic classification system used for Compensatory Education funding and Teacher Incentive Allotments under HB 3, both of which could involve either campus- or student-level data.

Bonuses would be awarded on an additive basis, such that points awarded through these metrics to a student who was both Academically and Economically Disadvantaged would receive a bonus of 1.0 point.

Impact of proposed methodology

Based on analysis of data provided by THECB, of the 192,690 annual average students who attained the transfer, completion, or critical completion Success Points in FYs 2016, 2017, and 2018, a total of 119,976 were Academically or Economically Disadvantaged (or both). Had the recommended bonuses been awarded for the FY 2020-21 biennium, they would have added 77,083 points to the total weighted Success Points for FY16-17-18.

Figure 5.

Students Eligible for Proposed Disadvantage Bonuses to Success Metrics (3-year Average, FY 16-17-18)						
	Only Acad. Disadv. Students	Acad. Disadv. Bonus	Only Econ. Disadv. Students	Econ. Disadv. Bonus	Both Disadv. Students	Both Disadv. Bonus
Transfers	5,294	2,648	26,600	13,300	11,547	11,547
Completions	9,404	4,702	33,686	16,844	18,707	18,707
Targeted Completions	1,860	930	8,939	4,470	3,939	3,939
SUM	16,559	8,280	69,225	34,613	34,192	34,192

Adding the recommended bonuses to transfers, completions, and critical completions would have increased the total number of weighted Success Points by 19.5 percent, 20.5 percent, and 17.2 percent, respectively, and increased the number of points awarded by 6.9 percent.

Figure 6.

Success Point Impacts of Proposed Disadvantage Bonuses (3-Year Average, FY 16-17-18)						
Metric	Success Points			Dollars		
	Current (no bonuses)	With bonuses	% change	Current (no bonuses)	With bonuses	$ change
Transfers	141,133	168,628	19.5%	$28.6M	$32.0M	$3.4M
Completions	196,199	236,452	20.5%	$39.8M	$44.8M	$5.0M
Targeted Completions	54,211	63,550	17.2%	$11.0M	$12.0M	$1.0M
All metrics	1,127,344	1,204,429	6.9%	$202.51/pt	$189.55/pt	$(12.96)/pt

Task Force Recommendation #3:

Maintain Success Point base weights at BY 2020-21 levels.

As reported below, implementing the Success Point base weight changes proposed by HB 1 (86th Legislature) would have shifted 40 percent of credential completion funding to other metrics, including a reallocation of 28 percent of completion funding to the transfer metric. The Taskforce finds

that this reallocation is contrary to the goals of *60x30TX* and would inappropriately withdraw support for the activities necessary to educate and support students seeking certificates and degrees.

Current methodology- "Intended" weights
Technically, the current Success Point base weights reflect the recommendations of the Taskforce; however, HB 1 (86th Legislature) included language to the effect that the Legislature intended new weights to take effect for the budget to be passed by the 87th Legislature. The Taskforce believes that this non-binding proposal does not align with the goals of *60x30TX* and therefore recommends that the 87th Legislature make no changes to the base weights (see p.9 for the intended weights).

Proposed methodology- Current weights
The Taskforce proposes that no changes be made to the Success Point base weights at this time.

Impact of "intended" weights methodology
The impact of the Taskforce's proposal will be the avoidance of the impact of implementing the "intended" weights; therefore, this section presents the impacts of implementing the "intended" weights.

The "intended" weights would significantly devalue credential completion. Based on analysis of the data provided by THECB, had the "intended" weights been used to calculate Success Points for HB 1 formula funding, about $15.7 million (40 percent) less would have been allocated through the completion metric. Of that $15.7 million, about $11 million would have been reallocated to the transfer metric, about $3.8 million to the critical fields completion metric, and the remaining $916 thousand would have been spread among the other metrics.

Figure 7.

Impacts of "Intended" Weights on Most Affected Success Point Metrics (3-Year Average, FY 16-17-18)						
Metric	**Success Points**			**Dollars**		
	Current weights	**Intended weights**	**% change**	**Current weights**	**Intended weights**	**$ change**
Transfer	141,133	193,866	37.4%	$28.6M	$39.5M	$10.9M
Completion	196,199	117,719	(40.0)%	$39.8M	$24.0M	$(15.8)M
Targeted Completion	54,211	72,281	33.3%	$11.0M	$14.7M	$ 3.7M
All metrics	1,127,344	1,119,667	(.01)%	$202.51/pt	$203.90/pt	$1.39/pt

Task Force Recommendation #4:

Replace Student Success Point critical fields with "targeted fields" selected through a standardized, evidence-based methodology that better reflects current and projected conditions in the Texas labor market.

Current methodology
The Student Success Points model awards a bonus weight for credentials conferred in a defined list of fields that have been designated "critical fields" specifically for this purpose (though simply a bonus, in practice this policy is treated as an independent metric, referred to as "critical completions", "critical awards", and similar). No definite methodology for selecting or removing critical fields currently exists; fields determined at the time Success Points were initially introduced have been applied in every subsequent session

Proposed methodology
The Taskforce recommends that the student success critical fields list be replaced with a "targeted fields" list including only those fields that correspond to occupations meeting a set of standardized criteria or met those criteria within a set period of time in the past (see Recommendation #5, which suggests a process in which the selection methodology would be applied).

To be added to the targeted fields list, a field must correspond closely in its instructional content and CIP designation to at least one occupation that meets **TWO** of the following three criteria according to the most recent, reasonably available, reliable data:

1) Among the occupations* projected to experience the most absolute growth (positions plus openings) in Texas within ten years;
2) Among the occupations* projected to experience the fastest growth (positions plus openings) in Texas over the next ten years; or
3) Included on the most recent Target Occupations lists of at least 11 Texas Workforce Development Boards, with possible additional stipulations regarding minimum representation of major urban markets
   OR
   Included on the most recent Texas Workforce Commission Top Occupations list

   AND

BOTH of the following two criteria:

1) Demand (job openings) exceeds supply (credential completions in corresponding fields from all institutions of higher education) in Texas; and
2) Median hourly wages are greater than or equal to median statewide hourly wages in Texas
   OR
   A clear and convincing case exists for including the occupation despite below-median wages.

*The lists of both the top growth occupations and fastest growth occupations will include enough of the top and fast growth occupations, respectively, to include 20 occupations whose median wage is greater than or equal to the statewide median. For example, if four of the top 20 fastest growth occupations have a median wage below the statewide average, then the list will include the top 24 fastest growth occupations, assuming occupations #21-24 have median wages at or above the statewide median.

Recommendation #5 elaborates on the implementation process, but it bears mention here that the Taskforce recommends that the committee/entity applying this methodology be granted flexibility to make a clear and convincing case for the inclusion or removal of fields in contradiction to the formal

methodology. The Taskforce recommends that the committee consider pressing state needs, new policy changes, occupational credentialing structures, and other factors not captured in the methodology.

The Taskforce further recommends that future convenings of the CTCFAC and Metrics Taskforce examine targeted fields from a regional perspective and consider whether this methodology and the statewide list it produces adequately reflect regional workforce needs and trends.

Impact of proposed methodology

Application of this methodology to the most recently available data from THECB, TWC, and other organizations would result in a targeted fields list that differs significantly from the current Student Success Point critical fields list.

The list below contains all current critical fields and the proposed targeted fields. Fields that would be recommended for removal are ~~struck through~~, while fields recommended for addition appear in *italics* throughout the list, which is sorted by CIP code in ascending order.

CIP	Program Name
03.02	*Natural Resources Law Enforcement*
11	Computer and Information Sciences and Support Services
13.01	*Education, General*
14	Engineering
15	Engineering Technologies and Engineering-Related Fields
22.00	*Legal Studies*
22.03	*Paralegal*
~~27~~	~~Mathematics and Statistics~~
~~30.01~~	~~Biological and Biomedical Sciences~~
~~40~~	~~Physical Sciences~~
~~41.02~~	~~Nuclear and Industrial Radiologic Technologies/Technicians~~
~~41.03~~	~~Physical Science Technologies/Technicians~~
43.02	*Fire Science/Firefighting*
47.02	*Heating, Air Conditioning, Ventilation, & Refrigeration Maintenance Technology/Technician*
~~47.03~~	~~Heavy/Industrial Equipment Maintenance Technologies~~
47.06	*Automobile,/Automotive Mechanics Technology/Technician*
49.02	*Truck & Bus Driver/Commercial Vehicle Operator & Instructor*
51.00	*Health Services/Allied Health/Health Sciences, General*
~~51.02~~	~~Communication Disorders Sciences and Services~~
51.06	Dental Support Services and Allied Professions
51.07	Health and Medical Administrative Services
51.08	Allied Health and Medical Assisting Services
~~51.09~~	~~Allied Health Diagnostic, Intervention, and Treatment Professions~~
51.10	Clinical/Medical Laboratory Science/Research and Allied Professions
51.11	*Pre-Nursing Studies*
~~51.16~~	~~[Deleted; use 51.38 or 51.39]~~
~~51.18~~	~~Ophthalmic and Optometric Support Services and Allied Professions~~
~~51.23~~	~~Rehabilitation and Therapeutic Professions~~

~~51.26 Health Aides/Attendants/Orderlies~~
~~51.27 Medical Illustration and Informatics~~
~~51.31 Dietetics and Clinical Nutrition Services~~
~~51.32 Bioethics/Medical Ethics~~
~~51.33 Alternative and Complementary Medicine and Medical Systems~~
~~51.34 Alternative and Complementary Medical Support Services~~
51.35 Massage Therapy/Therapeutic Massage
51.38 Registered Nursing, Nursing Administration, Nursing Research, and Clinical Nursing
51.39 Practical Nursing, Vocational Nursing, and Nursing Assistants
~~51.99 [Deleted; use 51.00 or 51.0504]~~

THECB analysis of the adoption of the targeted fields list above demonstrates that, had the recommended targeted fields list been in place for HB 1, 11 fields would have been added and 18 fields would have been removed (including two no longer in use), increasing the number of targeted fields completions by 8,698. However, the Taskforce also recommends that the current critical fields identified for deletion remain on the list for two additional years before being reevaluated in August 2021 (see Recommendation #5). Therefore, the table below presents the impacts of adding new targeted fields without deleting those struck through above.

Figure 8.

Success Point Impacts of Proposed Targeted Fields (No Deletions in Effect) (3-Year Average, FY 16-17-18)						
Metric	**Success Points**			**Dollars**		
	Current fields	**Proposed fields**	**% change**	**Current fields**	**Proposed fields**	**$ change**
Targeted completion	**54,211**	**63,908**	**17.9%**	**$11.0M**	**$12.9M**	**$1.9M**
Completion	**196,199**	**187,579**	**(4.4)%**	**$39.7M**	**$38.0M**	**$ (1.7)M**
All metrics	**1,127,344**	**1,128,421**	**0.01 %**	**$202.51/pt**	**$202.31/pt**	**$(0.20)/pt**

Task Force Recommendation #5:

Institute a formal, iterative process to designate and remove targeted fields for the purposes of the Student Success Points model in a transparent, predictable, and evidence-based manner.

The Taskforce recommends that the THECB and Texas Legislature take appropriate steps to create a formal, regular process for amending targeted fields based on emerging data and trends. Creation of this process could accompany the recommended methodology and changes to critical fields proposed in Recommendation 4, but they are not interdependent; targeted fields should replace critical fields as recommended with or without the creation of the targeted fields review process described below, and the process should be created with or without adoption of the recommended targeted fields.

Proposed process

The Taskforce recommends that the process of adding and removing targeted fields take place in an official committee comprised of appropriate state agency staff and other stakeholder representatives that meets in or around August of odd-numbered years. At these August meetings, the committee would apply a formal methodology to the most recent, reasonably available, reliable data to approve two sets of fields: one recommended for addition to the targeted fields list, and one recommended for removal from the targeted fields list. These lists would be sent to the CTCFAC, which would incorporate them in its recommendations to the THECB (typically issued in January of even-numbered years), to be approved effective in April.

Though the formal methodology should take precedence, the committee should be given certain discretionary authority to consider information beyond its criteria. These considerations should be well-specified, including such factors as the percentage of workers in an occupation who possess postsecondary credentials, the importance of an occupation to meeting community needs (e.g., healthcare, education), whether a community college credential can lead to a more advanced credential for which there is greater need, idiosyncratic compensation in certain occupations, and other trends and concerns not well captured by the methodology criteria.

The timeline of implementing changes to critical/targeted fields must account for two opposing considerations: 1) to invest in creating and expanding programs, colleges require confidence that key funding sources will provide timely, predictable returns; and 2) targeted fields funding must be able to nimbly shift and redeploy in accordance with dynamic market demands. To balance these concerns, the Taskforce recommends applying a lag to the withdrawal of Success Point bonuses from removed targeted fields and an accelerator to the addition of Success Point bonuses to new targeted fields.

The combination of the biennial legislature, the three-year average for Success Points, and a further two-cycle guarantee should provide sufficient delay for colleges to respond to the removal of targeted fields. According to the recommended process, a field destined for removal would first be publicly identified in April of an even-numbered year, for example, 2022, providing colleges their first signal to begin planning for its eventual removal. However, enacting a removal would require the field to be absent from the recommended targeted fields list for two consecutive cycles. The field would be removed if it again failed to meet targeted criteria in April 2024, such that FY 2024 completions in that field would not accrue a bonus. The next budget cycle (2026-27) will base Success Points on FY 2022-2024, thereby still allocating the bonus for two-thirds of completions over that period. From an initial identification for removal in August 2021, a targeted field would not entirely cease to accrue a bonus until passage of the FY 2028-2029 budget.

The same long lag that smooths funding for removed targeted fields hinders an effective incentive for new fields. Therefore, the Taskforce recommends that the targeted fields bonus be applied retroactively and that the next biennial funding period use the greater of the prior three-year average and the single prior year. For example, if a field is added in April 2020, the targeted fields bonus for that field in the 2022-23 budget will be based on completions in FY 2020 except for colleges that would have a higher number of completions by averaging FY 2018 and 2019 with FY 2020. Besides aiding colleges in quickly scaling up much-needed programs, this funding structure will provide an extra incentive for colleges to monitor and be more responsive to labor market trends.

While the Taskforce considered and recommends creation of this process for the purposes of Student Success Points only, it also suggests that a conceptually similar process be implemented for critical fields under the Contact Hour model. The policies described above might be appropriate for both questions, but the Taskforce has not considered the matter, beyond noting that contact hours, being based on courses rather than completions, effectively implement bonus changes far more quickly and so create an opportunity for productive policy alignment.

V. Overall Impact of Recommendations

Had all of the recommendations except #5 (a process recommendation) been in effect for the production and distribution of Student Success Point dollars under HB 1 (2019), 96,509 additional Success Points would have been used to allocate the $228.3 million appropriated. As shown in Figure 9 below, additional points would have been produced in four metrics, increasing the total number of points produced by 9.7 percent. About one fifth of the additional points would have been in targeted completions, resulting in 27.6 percent more Success Point dollars being distributed via that metric. The transfer metric would have been the basis for distribution of ten percent more dollars, and about six percent more dollars would have been distributed via completions. Despite the addition of the extra weight for dual credit hours, the change in dollars allocated via the 15 SCH metric would have been negligible. Metrics not listed below would have seen no changes in points produced and reductions in dollars allocated, given the increased points to the four metrics below.

As shown in the bottom row of Figure 9, the additional points would have lowered the effective rate of dollars per point from $202.51 to $186.54.

Figure 9.

Success Point Impacts of All Recommendations (3-Year Average, FY 16-17-18)						
Metric	**Success Points**			**Dollars**		
	Actual	**Recommended**	**% change**	**Actual**	**Recommended**	**% change**
15 SCH	**213,737**	**232,085**	**8.6%**	**$43.3M**	**$43.3M**	**--**
Transfer	**141,133**	**168,625**	**19.5%**	**$28.6M**	**$31.5M**	**10.0%**
Targeted Completion	**54,211**	**75,224**	**38.8%**	**$11.0M**	**$14.0M**	**27.6%**
Completion	**196,199**	**225,853**	**15.1%**	**$39.8M**	**$42.1M**	**5.9%**
All metrics	**1,127,344**	**1,223,853**	**9.7%**	**$202.51/pt**	**$186.54/pt**	**(7.9)%**

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Appendix A: Analyses of Recommendations under "Intended" Weights

The Taskforce recommends (*Recommendation #3*) that the current Success Point base weights remain unchanged, and the rationale for its other recommendations is largely based on that condition; however, it is important to estimate the impacts of the other taskforce recommendations under the weights proposed but not enacted by HB 1 (86-R). This appendix presents impact figures for the other recommendations under the hypothetical scenario in which the proposed/intended weights are in effect for the FY 2020-21 budget, treating the intended weights as the current scenario against which changes are assessed.

Recommendation #1: Award an additional .50 Success Point bonus for students who completed 15 dual credit courses upon completion of 15 semester credit hours.

Figure 10.

Success Point Impacts of Proposed Dual Credit 15 SCH Bonus (3-Year Average, FY 16-17-18, with "Intended" Weights)						
Metric	**Success Points ("intended" weights)**			**Dollars**		
	No bonus	**With proposed bonus**	**% change**	**No bonus**	**With proposed bonus**	**$ change**
15 SCH	**213,737**	**232,084**	**8.6%**	**$43.6M**	**$46.6M**	**$3.3M**
All metrics	**1,119,667**	**1,138,014**	**1.6%**	**$203.90/pt**	**$200.61/pt**	**$(3.29)/pt**

Recommendation #2: Award an additional .50 Success Point weight for academically or economically disadvantaged students upon credential completion or university transfer.

Figure 11.

Success Point Impacts of Proposed Disadvantage Bonuses (3-Year Average, FY 16-17-18, with "Intended" Weights)						
Metric	**Success Points ("intended" weights)**			**Dollars**		
	No bonuses	**With proposed bonuses**	**% change**	**No bonuses**	**With proposed bonuses**	**$ change**
Transfers	**193,866**	**221,361**	**14.2%**	**$39.6M**	**$42.2M**	**$2.6M**
Completions	**117,719**	**157,972**	**34.2%**	**$24.0M**	**$30.1M**	**$6.1M**
Targeted Completions	**72,281**	**81,620**	**13.0%**	**$14.7M**	**$15.6M**	**$.9M**
All metrics	**1,119,667**	**1,196,752**	**6.9%**	**$203.90/pt**	**$190.76/pt**	**$(13.14)/pt**

Recommendation #4: Replace Student Success Point critical fields with "targeted fields" selected through a standardized, evidence-based methodology that better reflects current and projected conditions in the Texas labor market.

Figure 12.

Success Point Impacts of Proposed Targeted Fields (with Deletions Grandfathered) (3-Year Average, FY 16-17-18, with "Intended" Weights)						
Metric	**Success Points ("intended" weights)**			**Dollars**		
	Current fields	**Proposed fields**	**% change**	**Current fields**	**Proposed fields**	**$ change**
Targeted completion	**72,281**	**85,210**	**17.9%**	**$14.7M**	**$17.3M**	**$2.6M**
Completion	**117,719**	**112,548**	**(4.4) %**	**$24.0M**	**$22.8M**	**$ (1.2)M**
All metrics	**1,119,667**	**1,127,425**	**6.9 %**	**$203.90/pt**	**$202.50/pt**	**$(1.40)/pt**

Overall Impact: The table below reflects the aggregate impact of all recommendations under the "intended" base weights relative to the point distribution under the "intended" weights with no other changes. The four metrics included in the table would not be the only metrics affected.

Figure 13.

Success Point Impacts of All Recommendations (3-Year Average, FY 16-17-18)						
Metric	Success Points ("intended" weights)			Dollars		
	Current	Recommended	% change	Current	Recommended	$ change
15 SCH	213,737	232,085	8.6%	$43.6M	$43.3M	$(0.3)M
Transfer	193,866	221,550	14.3%	$38.8M	$41.4M	$2.6M
Targeted Completion	72,281	96,527	33.5%	$14.7M	$18.0M	$3.3M
Completion	117,719	150,821	28.1%	$24.0M	$28.2M	$4.2M
TOTAL (all metrics)	1,119,667	1,223,049	9.2%	$203.90/pt	$186.66/pt	$(17.24)/pt