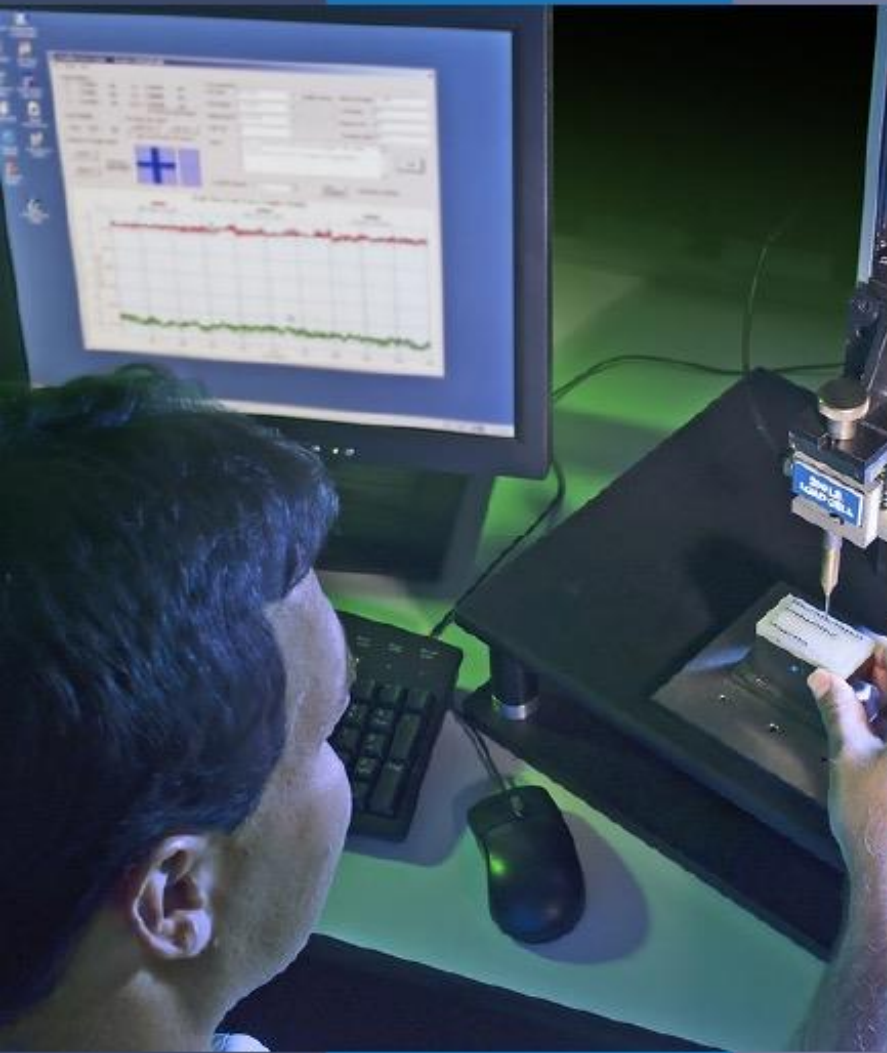




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Strong Workforce Program Incentive Funding Model



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Strong Workforce Program Funding

- \$200 million in annual CTE funding
- Focused on expanding and improving CTE programs through regional collaboration and by preparing more students for high-demand, high-wage jobs
- 60% of funds go to districts, 40% of funds go to regions (after 5% goes to state leadership)



Strong Workforce Program Funding

Starting in 2017-18:

- 83% of both regional and local funds will be based on CTE FTES, unemployment rates, and regional job openings
- Legislation requires that 17% of regional and local funds be used to incentivize completion, employment, and earning outcomes, using federally-aligned metrics



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Strong Workforce Program Incentive Funding Model

Developed with input from the
17% Committee, which is
composed of practitioners and
other experts



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Strong Workforce Program Incentive Funding Model

- Leveraged research from other states that have implemented incentive funding models
- Tested through extensive data modeling involving all California community colleges and regions



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How will SWP incentive funding impact California community colleges?



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Designed to reward Strong Workforce Program values

- Long-term investments
- Calculated risks to drive innovation
- Deliberate, thoughtful actions
- Continuous improvement
- Rewards over penalties, collaboration over competition
- Maximum flexibility and local decision-making
- Promote shifts in overall college investments
- Alignment of programs with regional labor market demand
- Students leave community college with the skills employers need
- Improved student outcomes including employment and earnings



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Measures results for all CTE programs

- Local outcomes will be tracked for all CTE students within college districts, regardless of specific program, to incentivize strong overall CTE portfolios
- Regional outcomes will be tracked for all CTE students at every college in the region to encourage collaboration across institutions



Funding for every student with a positive outcome

- Using a points system, colleges and regions will receive incentive funding for every CTE student who makes progress toward completion, earns a certificate or degree, transfers to a four-year institution, secures employment, or attains positive earnings outcomes
- Colleges and regions will receive incentive funding at a higher rate for economically disadvantaged students who attain the Strong Workforce Program metrics



Additional funding for all colleges and regions

- In modeling conducted for all colleges and regions based on prior outcomes, all received additional funding and about half received more funds than when student outcomes were not included (2016-17)
- No bias was found in the model toward specific types of colleges based on location, size, scale of CTE offerings, and type of students served



Transparency and accountability

- Annual progress will be made visible on the LaunchBoard Strong Workforce Program tab
- Colleges and regions will update their plans each year to ensure that investments help students attain the Strong Workforce Program outcomes
- Colleges and regions will use labor market information and set nonbinding projections for program-level outcomes as part of the planning process



Promotes longer-term investments

Pending approval by the legislature—decision by July 2017

- Student outcomes will be tracked over a three-year period, followed by a planning year, before incentive funds are recalculated
- Both the 17% incentive funds and the 83% of funds that are based on CTE FTES, unemployment, and job openings will be adjusted on the same cycle



Highlights promising practices

- The Chancellor's Office will issue the annual Rising Stars awards to highlight programs that are generating economic mobility for their students
- Colleges will receive support from the Chancellor's Office to communicate their outcomes and effective practices to students, colleges, employers, and their communities



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How will the SWP incentive funding be implemented?



Phase In of the SWP Incentive Model: 2016-17 Funds

- Colleges received 17% of SWP funds based on the same allocation model as the 83% (which emphasized enrollments)
- Colleges and regions will have through 2018-19 to expend funds, based on the plans submitted in January 2017
- Colleges and regions can amend their plans anytime before July 1, 2017
- Plans can be amended in a new, easier-to-use web interface starting in mid-May



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Phase In of the SWP Incentive Model: 2017-18

Confirmed

- The 83% funds will remain the same as in 2016-17
- The 17% incentive funding will be based on course enrollments and students who earned a degree or certificate in 2016-17

Pending approval by the legislature—decision by July 2017

- Colleges and regions will receive the same funding amount in all four years of the plan period (2017-18 through 2020-21)



Phase In of the SWP Incentive Model: 2021-22 through 2024-25

Pending approval by the legislature—decision by July 2017

Allocations will be recalculated in fall 2020, to inform funding starting in 2021-22, including:

- CTE FTES
- Regional unemployment
- Job openings
- Student outcomes on ten metrics, measured during 2017-18, 2018-19, and 2019-20

Colleges and regions will receive the same funding amount in all four years of the plan period



Timeline: Funding Distributions

July 2017

All 2017-18 funds
can be spent
retroactive to July 1

83% funds
distributed to regions
and districts

December 2017

17% allocations
announced, based
on course
enrollments &
awards in 2016-17

17% funds
distributed to regions
and districts



Timeline: Planning for Round Two

Pending approval by the legislature—decision by July 2017

March 31, 2018

Regional plans
due for the four
year period of
2017-18 through
2020-21

June 1, 2018

Local plans due
for the four year
period of 2017-18
through 2020-21



Timeline: Annual Updates

December

Student outcomes posted for the prior academic year for all metrics

June

Annual updates due to regional and local plans
Updates should address student attainment of all metrics



Timeline: Planning for Round Three

Pending approval by the legislature—decision by July 2017

December 2020

Revised allocations posted based on:

- CTE FTES
- unemployment
- job openings
- SWP metrics for 2017-2020

March 31, 2021

Regional plans due for the four year period of 2021-22 through 2024-25

June 1, 2021

Local plans due for the four year period of 2021-22 through 2024-25



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What will the SWP incentive funding model measure?



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Adjustments to the Strong Workforce Program Metrics

Starting in 2017-18, course enrollments will no longer be part of the metrics. Instead, two new federally-aligned skills-gains metrics will be added:

- the number of students who attained 12 credit units in CTE
- the number of students who attained 48 noncredit CTE instructional contact hours



Strong Workforce Program Metric List

Progress

- the number of students who attained 12 credit units in CTE
- the number of students who attained 48 noncredit CTE instructional contact hours
- the number of students who earned a locally-issued certificate, Chancellor's Office approved certificate, or degree
- The number of students who transferred to a four-year institution



Strong Workforce Program Metric List

Employment

- the number of CTE students who were employed in the second fiscal quarter after exiting the community college system
- the number of CTE students who were employed in the fourth fiscal quarter after exiting the community college system
- the rate at which CTE students report they were employed in a job closely related to their field of study



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Strong Workforce Program Metric List

Earnings

- the median earnings in the second fiscal quarter among CTE students who exited the community college system
- the number of CTE students who exited the community college system and improved their earnings
- the number of CTE students who earned a certificate or degree, or were identified as skills-builder students, who attained the regional living wage



Getting Credit for Student Outcomes

The SWP incentive funding levels are based on:

- Data reported to the Chancellor's Office through MIS
- Employment data gathered by the state of California
- The CTE Outcomes Survey

Colleges do not need to track student outcomes on their own.



Getting Credit for Student Outcomes

To get full credit for your students' outcomes:

- Report all types of certificates and degrees to the Chancellor's Office by October 1
- Report all of the data elements necessary to calculate the Perkins definition of economically disadvantaged students by October 1
- Participate in the CTE Outcomes Survey each year (costs covered by the Chancellor's Office)



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How will the SWP incentive funding allocations be calculated?



Allocation of Points

For almost all metrics, one point is awarded for each student who attains the measure.

If 100 students transfer, 100 points will be awarded. If 450 students are employed in the second fiscal quarter after exit, an additional 450 points will be awarded.



Allocation of Points

Some measures have different point totals:

- **Progress:** 0.5 point for attaining 12 credit CTE units or 48 noncredit CTE instructional contact hours for the first time
- **Completion:** 1 point for a credit certificate under 18 units or a noncredit certificate of 48-288 hours, 2 points for a credit certificate of 18-30 units or a noncredit certificate of over 288 hours, 3 points for a credit certificate of over 30 units or a degree
- **Employment in field of study:** multiplies the rate at which students reported being employed in their field of study by the number employed in the fourth fiscal quarter after exit
- **Earnings in the second quarter after exit:** divides the dollar value by ten to bring figures in alignment with other metrics



Extra Points for Economically Disadvantaged Students

When an economically disadvantaged student (using the Perkins definition) attains a metric, the college will earn 50% more points for that metric.

If 50 of the 100 students who increased their earnings were economically disadvantaged, 125 points will be awarded.



Local Share Formula

- Points for all CTE programs at all community colleges are totaled
- This statewide figure is divided by the amount of funding available for the 17% local share to create a value per point
- Then the value per point is multiplied by the number of points that each college received to determine its distribution



Local Share Formula Example

- If a total of 38,760,000 points are earned across the state, this number will be divided by the \$19,380,000 annual 17% local share to create a value of \$0.50/point
- If a college earns 200,000 points, it will receive a distribution of \$100,000
- If one college in a multi-college district earns 100,000 points and the other gets 125,000 points, then the two colleges are added together and the district will receive a distribution of \$112,500



Regional Share Formula

- Points for all CTE programs are totaled at the regional level and added together to create a statewide total
- This statewide figure is divided by the amount of funding available for the 17% regional share to create a value per point
- Then the value per point is multiplied by the number of points that each region received to determine its distribution



Regional Share Formula Example

- If a total of 25,840,000 points are earned across the state, this number will be divided by the \$12,920,000 annual 17% regional share to create a value of \$0.50/point
- If a region earns 1,000,000 points, it will receive a distribution of \$500,000



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**Where can I find more information
about the SWP incentive funds?**



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\$200M Strong Workforce Program Rollout

GUIDANCE	PLANNING	LABOR MARKET RESEARCH	DIRECTORIES
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- Access this presentation, an infographic, and a full description of the funding model
- Read the white papers that informed model development
- Give your feedback