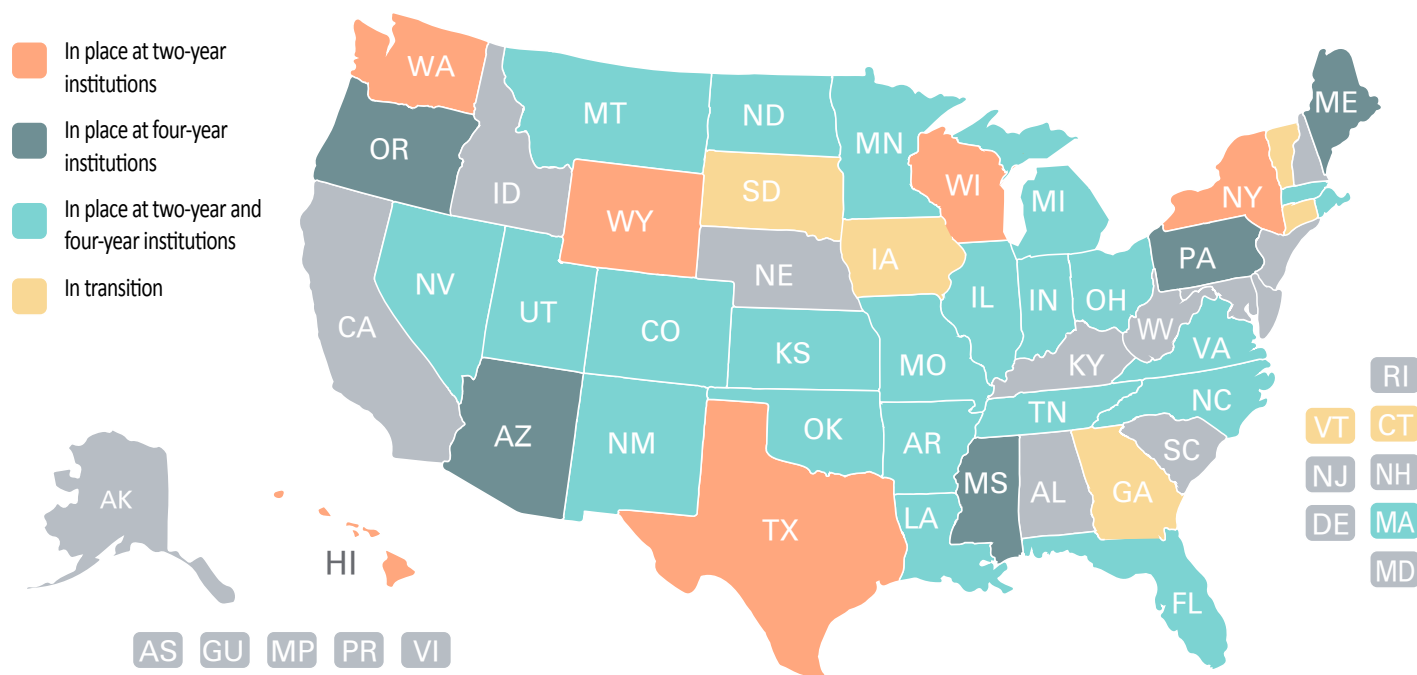


Trends in performance-based funding

Twenty-six states use performance-based funding to allocate funds to their public two-year colleges.



Source: National Conference of State Legislatures, "Performance-Based Funding For Higher Education," July, 2015. Data retrieved date 7/12/2017.



States' use of postsecondary performance-based funding is intended to encourage colleges to improve student outcomes. The model relies on indicators such as course completion, time to degree, transfer rates, number of credentials awarded and the number of low-income and minority graduates served. Currently, 21 states use performance-based funding for both two- and four-year higher education institutions. Five states use it only for two-year institutions, and five use it only for four-year institutions. At the time of the report, there were five other states (South Dakota, Iowa, Georgia, Rhode Island, Vermont and Connecticut) in the process of implementing a performance-based funding model for their colleges and universities.

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