Performance Funding & the North Carolina Community College System: The Impact of Location, Economic Status, & Minority Population

Research Questions

1. What is the impact of performance funding on overall institution funding?
2. Does average performance vary by:
   - Institution size
   - Rural or urban location
   - Economic status of service area
   - Minority populations served

Literature Review

1. Many states have enacted some level of performance funding to ensure accountability.
3. Performance funding evaluation metrics continue to intensify in depth and breadth.
4. Monetary effects of performance funding are escalating as outcomes become a larger portion of the funding equation.
5. Performance funding is being used to focus students’ studies into particular directions, such as STEM fields rather than less lucrative liberal arts.
6. Research has not fully determined the impacts that institutional characteristics have on the ability to meet performance standards.

Method

1. Secondary Data Analysis: 2011-2012 NCCCS academic year performance data was used to assess the impact of size, location, economic status, and percentage of minority populations on an individual college’s ability to meet two of the standards: first year progression and licensure/certification passing rates.
2. Standard descriptive statistics were used for categorization and comparison
3. An independent samples t test was used to identify differences regarding location and minority population.
4. A one way ANOVA was used to identify difference regarding economic status.
5. A linear regression model was used to predict performance based on minority population and location.

Results

1. Rural vs Urban location was found to have no significant impact on first year progression ($t (56) = .183, p>.05$), but did significantly impact licensure passing rates ($t (56) =2.35, p<.05$).
2. > 50% minority population was found to negatively impact first year progression ($t(56)=4.79, p<0.05$) but not licensure passing rates ($t (56) = 0.210, p > 0.05$). A linear regression found that minority population could not be used to predict licensure passing rates ($F (2, 57) = 2.816, p > 0.05$) with an $R^2$ of 0.093, but was found to be a significant predictor of first year progress ($F (2, 57) = 11.56, p < 0.001$), with an $R^2$ of 0.296, although not at an impressive level.
3. Economic status of service area was not significantly correlated with first year progression ($F (2, 57) = 0.811, p >0.05$) or licensure/certification exam pass rates ($F (2, 57) = 2.79, p >0.05$).

Conclusions/Implications

1. Findings are consistent with the literature. Some demographic characteristics appear to impact an individual institution’s ability to meet performance expectations in the areas of first year progression and licensure/certification passing rate.
2. As institutions further recognize the individual factors that affect their particular college, there may be a tendency to minimize the presence of subgroups that are deemed to be hurting performance. This could ultimately undermine the open-door policy and broader mission of community colleges.
3. Grade inflation may arise due to an unconscious effort to stem the tide of poor performance, which could ultimately hurt student success efforts and transfer student performance.

References

Dougherty, K., Natow, R., Hare, R., & Vega, B. (2010, December). The political origins of higher education performance funding in six states. Community College Research Center Brief, 47, 1-4.