



Higher Education Coordinating Commission Funding and Achievement Subcommittee

November 6, 2014

9:00 a.m.-10:30 a.m.

NOTE: telephonic meeting only
888-251-2909, Access Code 4733387

DRAFT MINUTES

Members Present: Tim Nesbitt, Frank Goulard, Betty Duvall, Duncan Wyse, David Rives.

Members Excused: none.

Staff Present: Brian Fox, Endi Hartigan, Jim Middleton, Bob Brew

AGENDA

1.0, 2.0 Welcome, Roll Call, Approval of Minutes

Chair Nesbitt called the meeting to order, took roll, welcomed participants, and asked for approval of the minutes from October 2, 2014. Frank Goulard moved to approve, and David Rives seconded the motion which was unanimously approved. Nesbitt introduced the agenda items, noting that Ben Cannon was called into meeting with the Governor's office and unable to attend the November 6 meeting as originally planned.

3.0 Budget and Funding Model Updates

3.1 Governor's Recommended Budget Update, Capital List

Nesbitt introduced that there has been a request from the Governor's Office to rework a presentation of the capital projects, so the agenda includes an update on this. The HECC submitted a "Tier One" list from the universities totaling 351M, and was asked to narrow it down to a size that has a greater probability of being funded, incorporating a perspective on regional development work, and exploring the use of private public development infrastructure. Nesbitt explained that procedurally this prioritization is work conducted by staff and reported back to commissioners, and asked commissioners to comment on any concerns about process or content. Brian Fox (HECC) reported that this list includes maintenance repair, as well as new building projects. The budget was reduced by 100M, and there was concerted effort to be as consultative as possible with individual institutions while providing advice to the Governor through his process. Debt service for these projects will commence in the 2017-2019 budget.

3.2 Funding Allocations Update

Brian Fox provided an update on the development of an Outcomes Based Funding (OBF) model for the public universities. The developing model is focused on completion of degrees and certificates within certain populations, with additional emphasis on high cost and high demand degrees. They are trying to strike the proper ratios to tie as many state resources to the state's interest in achievement, recognizing the institutions' financial realities. They are also discussing rewarding institutions for work they do outside of just graduating students, and recognizing higher costs associated with smaller institutions and the need to have institutions in rural areas. The National Center for Higher Education Management System (NCHEM) has been engaged to help design and build the funding allocation model, as an update to previously completed work. The project is moving steadily towards its completion date anticipated for December. Research support has come from HCM strategists (supported by Lumina) who have worked with many states on OBF, avoiding pitfalls, etc. The workgroup will provide a recommendation to the executive director who will make a recommendation to the HECC, including a phase-in period, which is a function of how much change is proposed and how much funding is available. If there is drastic difference, then phase-in and investment level is more complex. The HECC staff has begun meeting with legislators in conjunction with universities and community colleges to update them on progress. Fox thanked the institutional leaders who are part of the OBF work group for their collaboration and input on this work.

Fox addressed commissioner questions regarding timing and details. Fox expects the December 4 meeting will provide more detail to the subcommittee, the outcomes group will work to finalize the model in December and return to the

subcommittee in January to present further. Fox was asked to highlight key policy choices for the commission, share research from other states, and make sure there is sufficient time to hear from institutional stakeholders.

Middleton report on the community colleges' efforts regarding outcome based funding. The community colleges have been focused on outcomes for a long time, since serving the underserved is core to their mission, and Middleton described some of the influences on their current work, including a previous NCHEMS model and the Tennessee work which has broader metrics for community colleges, and a sensitivity to local concerns. They are considering several categories: 1) pre-collegiate measures such as enrollment in courses, pre-collegiate success with remediation, 2) progression in coursework 3) completion (certificate, degree, and transfer), and 4) workforce training hours. Within those, they are looking at multipliers for select populations such as Pell eligible, underrepresented students, and those identified through the equity lens. They are considering questions related to career and technical education, and they too are working with HCM Strategies and Lumina. Commissioners praised the development of this work which shifts a focus from enrollment to student success, but expressed some caution about the complexity. Chair Nesbitt wanted to make sure measures align with outcomes that are oriented toward a successful completion. Commissioner Goulard expressed concerns to ensure that institutions and students are not harmed by unintentional consequences, and there was discussion of a "stop loss" system by which no single institution would lose more than a certain percentage of funding as a result of the transition. Chair Nesbitt thanked Middleton, Fox and participants for their work.

4.0 Oregon Opportunity Grant Update

Bob Brew (OSAC) provided an update on discussions with financial aid officers on the design team for the Oregon Opportunity Grant. They discussed looking at another formulation of the restructured OOG—a "Plan B" which is an alternative to the design that was presented initially and discussed by the commission. There are commonalities between the two scenarios—they would both serve more students, move beyond early cut off dates to increase predictability, and calibrate need according to EFC and Pell levels, but Plan B has less a focus on the first two years and they are exploring options for calibrating grant levels. Nesbitt asked for some modelling of the number of students served under each scenario. There will be a full discussion on this subject at the next Commission meeting, and OSAC will continue to be in discussion with the financial aid officers, to determine how to best be a resource to the Legislature this session in determining these decisions.

5.0 10-year Plan Update

Nesbitt described some of the assumptions discussed at the previous meeting in the development of a 10-year budget, as well as levers that were identified that we can use to adjust in these projections, related to how to define the middle 40, and attention to pathways. He noted that they identified some goals and principles framing work, but the work will need to continue in coming meetings. The next meeting was confirmed for December 4, and noted it will be longer.

6.0 Public Comment: Endi Hartigan pointed out that written testimony of Kendra Maddox was submitted. There was no further public comment.

7.0 Adjourn: The meeting was adjourned.

Materials:

[AGENDA](#)

[2.0 Draft Minutes, October 2 meeting](#)

[3.1 Revised University Capital List, 11.4.14](#)

[6.0 Public Comment: Kendra Maddox](#)

Note: recording incomplete but minutes reflect full meeting (meeting recording began at 9:12am , recorder was not activated).