

# Priorities for Improving Student Outcomes & Completion Rates in Oregon (2015-17)

## Our Goal

*Increase the number of Oregon students successfully completing the certificate, degree, or training programs in which they've invested.*

**HOW WE WILL GET THERE:** The Higher Education Coordinating Commission (HECC) and campus leaders from Oregon's 17 community colleges and seven public universities are collaborating to create a new approach to distributing state higher education funding.

This approach shifts the basis for state funding distribution from enrollment — seats in a class — to access *and* successful completion.

Individual institutions will design programs to support students who begin certificates and degrees, to reach their finish line on time, including the:

- 74% of students who begin a 1-2 year certificate program and do not complete within 2 years at community colleges.
- 83% of students not completing 2-year Associate's degrees within 3 years at community colleges.
- 40% of students not completing Bachelor's degrees within 6 years at Oregon public universities.

These models will provide resources and incentives to foster campus-level innovations to increase student success — especially among the least represented student populations such as low-income, rural and underserved minorities.

### RECOMMENDATIONS & NEXT STEPS:

The HECC recommends the following steps to improve Oregon students' completion rates and shorten their time to degree:

1. Finalize and adopt new models for outcomes-based funding models for community colleges and public universities and present models to the Commission for approval in 2015. (*Collaboration between the HECC, universities, community colleges; underway*)
2. Increase funding for Oregon community colleges and universities in the 2015-2017 biennium, expanding per student funding and building institutional capacity for student success. (*Decision to be made by Oregon Legislature, 2015 Session*)
3. Develop a 10-year budget framework to guide the state's higher education reinvestments to meet 40-40-20. (*Led by the HECC; underway*)
4. Phase in outcomes-based models beginning in the 2015-2017 biennium to meet the needs of Oregon students and ensure financial stability of all institutions during transition. (*Collaboration between the HECC, public universities, community colleges*)

## About Oregon's Higher Education Completion Rates

### Why completion matters:

The greatest economic returns in postsecondary education come to those who complete, not just start, college coursework.

With many students financing their educations through student loans, the focus on completion is also part of the debate over college affordability and Oregonian's long-term financial security.

The average annual earnings for Oregon students based on completion level tell a compelling story:

- No HS diploma: \$14,190
- HS diploma or GED: \$21,319
- Some college, no degree: \$24,911
- Associate's: \$31,673
- Bachelor's: \$44,687
- Advanced degree: \$64,690

A recent report shows that the extra cost for each additional year a student takes to complete college (lost wages and cost of attendance) can add up to \$52,110 for a student pursuing an Associate's degree, and \$67,785 for a student pursuing a Bachelor's degree.

### How will a strategic focus on completion benefit Oregon?

Increased completion rates will help build the highly-skilled, innovative workforce needed for critical economic development and community prosperity. It will build futures for Oregonians, ensuring that more students realize the full benefits of the investments they've made in certificate and degree programs. The percentage of students who start but don't complete college programs represent an opportunity for Oregon to make a difference toward the state's 40-40-20 goal, and better serve those who are not crossing the finish line today.

### Why is increased funding needed to implement recommendations?

Increased investment will support institutions' investments in campus innovations to best serve their unique student populations, and help maintain the accessibility and quality of Oregon's public higher education programming.

Funding will support institutions as they transition to this new model. □

# A Closer Look at 2015-17 Student Outcomes Priorities

## Developing Models to Improve Student Success Outcomes

In 2014, the State of Oregon, in partnership with its colleges and universities, embarked on an effort to assess and develop recommendations for creating and implementing outcomes-based funding models.

Public universities and community colleges are currently developing recommendations for consideration by the Commission in 2015. Once approved, the models will utilize a phase-in period and other strategies to protect institutional financial stability while shifting to a model designed to support students and meet Oregon's ambitious 40-40-20 goal. The HECC has targeted beginning implementation during the 2015-17 biennium.

The HECC and its partners are also exploring key policy questions, such as: What is the appropriate phase-in period and phase-in plan for the models based on state investment levels? What will be the relationship and/or ratio of outcomes-based funding and “base” funding for the colleges and universities as the models are phased in? What are the right incentives to reward institutions for meetings student's needs?

## Public University Model

The HECC and public university leaders have developed an innovative recommendation for an outcomes-based funding model in Oregon. This model is in its final stages of design. It intends to:

- Provide base support recognizing the distinctiveness of each university in its institutional mission and scope, as well as research, public service and partnerships.
- Reward degree and certificate completion—including supporting students' completion and seamless transfers from community colleges.
- Provide incentives for institutions to support highest-need and underrepresented students—such as low-income, underrepresented minority, rural and veteran students.
- Serve the state's economic development goals through increased funding for degrees in high-demand/high-reward fields, such as those leading to healthcare and Science/Technology/Engineering/Math (STEM) careers.

## Community College Model

HECC leaders in collaboration with Oregon's 17 community colleges are in the culminating stage of developing an outcomes-based funding model that advances state goals while aligning with the diverse missions of community colleges. Drawing from a model in the state of Tennessee, they have identified the following potential outcomes criteria to improve student success, which are currently being discussed and refined. Potential criteria include:

### A focus on key outcome areas:

- Pre-college preparation, such as completing college courses while in high school, or successfully completing developmental coursework.
- Achieving progressive coursework targets: 15 and 30 quarter hour units of college level success.
- Completion: certificates, Associate's degrees, and transfers with at least 15 units.
- Workplace impacts, including job placement and workforce training hours.

### Incentives to improve outcomes for low-income and underrepresented groups.

**Recognition of the distinctiveness of each community college, balancing state priorities with local realities and needs.** □

**Process:** These recommendations for the public universities and community colleges will be presented for consideration by the Commission in early 2015.

### How have universities been involved?

In June 2014, the HECC formed a technical workgroup to make recommendations and develop an outcomes-based funding model to staff. The workgroup membership includes senior financial and academic leaders from each of the seven public universities, and leadership from the Inter-institutional Faculty Senate and the Oregon Student Association.

### How have community colleges been involved?

The HECC, through the Department of Community Colleges and Workforce Development, worked closely with all 17 community college presidents to develop recommendations for outcomes-based funding in 2014. This work builds on research the community colleges started in 2012 on outcomes-based funding models.

*About the Higher Education Coordinating Commission: The HECC coordinates policy and funding recommendations across all postsecondary education in Oregon to foster accessible, quality higher education pathways and better student outcomes. It provides a comprehensive view of education and training programs, including community colleges, public universities, private colleges, trade schools, financial aid, and workforce training. The State's 40-40-20 goal has guided the HECC in strategically aligning the state's resources with the most critical levers for student success.*

### SOURCES:

1. Cost of extra year: Complete College America, The 4-Year Myth, 2014. <http://completecollege.org/wp-content/uploads/2014/11/4-Year-Myth.pdf>

2. Median earnings by educational attainment: American Community Survey, 2013 American Community Survey, U. S. Census.

3. Bachelor's degree completion rates: OUS Institutional Research, 6-year graduation rate of students entering in 2007 (graduating 2013), Oregon public universities. 4. Certificate and Associate's completion rates: Complete College America, <http://completecollege.org/state-data-loader/?state=Oregon>, data provided in 2013.