UNIVERSITY STUDENT SUCCESS AND COMPLETION MODEL

HIGHER EDUCATION COORDINATING COMMISSION

THE RESOURCE ALLOCATION MODEL (RAM) – RETIRED FOR 2015-16

The RAM allocated the Public University Support Fund (PUSF) to the seven public universities

The RAM contained two primary funding items: line item and enrollment funding

- The majority of funds flowed through a cost-weighted enrollment driven formula (84%)
- A set of line items, including Regional Support, Research and Public Service were supported (23%)
- A small incentive fund for student success allocated resources based on degrees completed and emphasizes underrepresented minority or rural students (1%)

RAM used single year data and was highly volatile, particularly dangerous for institutions that are more reliant on state funding and are enrollment dependent

INTRODUCTION TO THE SSCM, GROUNDING PRINCIPLES

Reward public universities for resident student success

- Incentivize progress to degree
- Incentivize degree outcomes
- Incentivize underrepresented population completions
- Incentivize in-demand degrees

Support valuable public service activity and regional context

- Differential mission support
- Regional university support
- Research support

Provide transitional and institutional stability

- Data averaging
- Phased-in focus on completion
- Stop Loss/Stop Gain

HIGHER EDUCATION COORDINATING COMMISSION

STUDENT SUCCESS AND COMPLETION MODEL

The Student Success and Completion Model (SSCM) has three primary components:

- **Mission Differentiation Funding** supporting the regional, research and public service mission of each university
- **Activity-Based Funding** which invests in credit hour enrollment of Oregon resident students
- **Completion Funding** which focuses investment in degree and certificate completion of Oregon resident students with particular emphasis on underrepresented student populations and priority degree areas

Transition mechanisms are in place to smooth the transition from the prior enrollment-based Resource Allocation Model (RAM) to the SSCM:

- **Graduated increase** in completion funding and measured transition from enrollment funding
- **Stop-loss and stop-gain** mechanism to ensure all institutions have predictable funding levels and share in increased resources

The SSCM uses three-year rolling average to reduce volatility in funding to universities

HIGHER EDUCATION COORDINATING COMMISSION

SSCM MODEL SUMMARY - DATA

- **Degree information** – used for Outcomes-Based calculations
  - 3-year average of RESIDENT[1] degrees awarded, organized by institution, degree level, field of study (CIP)
  - Sub-population statistics of degree recipients, organized by institution and number of sub-populations each student represents (more on this later)
- **SCH information** – used for Activity-Based calculation
  - 3-year average of RESIDENT[1] SCH completions, organized by institution, degree level, field of study (CIP)
- **FY 15 RAM/Prior year allocation**
  - Allocation for Regional Support, Mission, and Research were initially determined by FY 15 RAM
  - Stop Loss calculations based on prior year allocation
- **Cost-of-instruction data** – Used to weight SCH and degree outcomes data according to their relative costs

[1] Non-Resident PhD students are included in PhD level calculations

HIGHER EDUCATION COORDINATING COMMISSION

MISSION DIFFERENTIATION ALLOCATION

There are **three types** of mission differentiation funding:

- **Regional Support** allocations provide resources for the higher cost mission of the four Technical and Regional Universities (TRU) and OSU Cascades which serve a unique and critical public purpose
- **Research Support** allocations provide resources for key economic development and innovation needs of the state
- **Mission Support** allocations provide funding for non-instructional activities, as diverse as the Veterinary Diagnostic Laboratory (OSU) and NEW Leadership Oregon (PSU), Oregon Wide Area Network (UO)

Funding indexed to Portland CPI/legislative funding

Mission Differentiation Funding comes "off the top"

ACTIVITY BASED ALLOCATION

Utilizes cost-based weighting factor for student credit hours

Supports and incentivizes enrollment, and provides intermediate payment

Continues to support partnerships between institutions and across sectors

Funds enrollment and courses for all resident students

Work continues to develop replacement cost-weights to those developed over 15 years ago

FUNDING FOR COMPLETIONS

Degrees at all levels are funded: Bachelor's through PhD's as well as graduate certificates

Cost adjustments are made to reflect program duration, program type, and for transfer students

Additional weighting is provided for students who complete from traditionally underserved student populations, including:

- Low income, underrepresented minority, rural, and veteran students

Additional weighting is provided for students who complete in areas of critical need for the state, including:

- STEM, Healthcare and Bilingual Education

TRANSITIONING TO NEW FUNDING SYSTEM

Stop loss

- Brackets downside risk for institutions. During the transition period, the stop loss is set such that no institution can lose funding and ensures that during the first year all institutions see at least a 4.5% increase in funding.

Stop gain

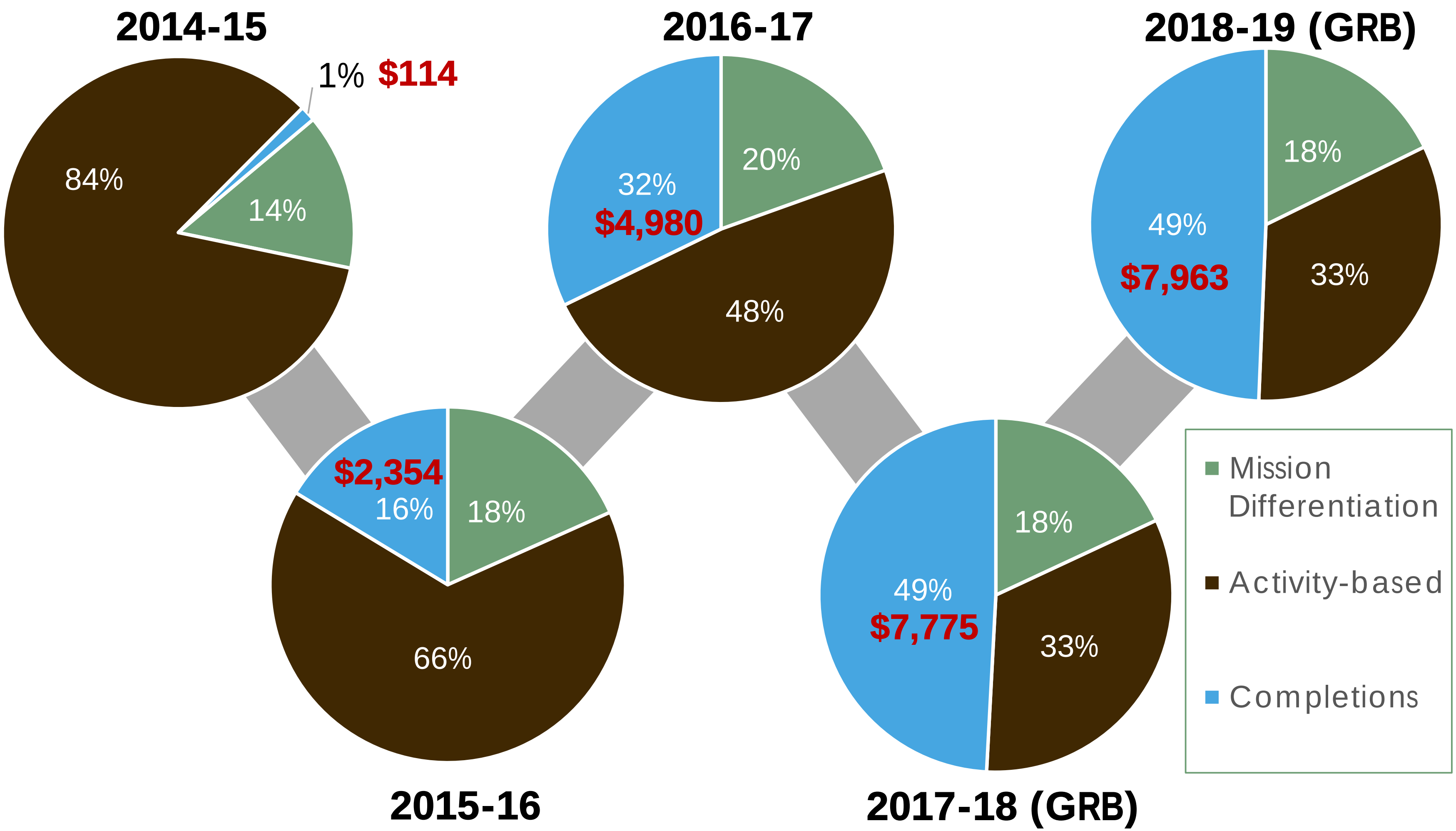
- The stop-gain tool is designed to prevent an institution from receiving an abnormally large increase in allocation in excess of a pre-determined threshold when compared to the prior year

Phase-in of completion funding

- During the first year a relatively small portion of total funding is based on degree completions. Over subsequent years completion funding will increase until it accounts for 60% of formula based allocation.

HIGHER EDUCATION COORDINATING COMMISSION

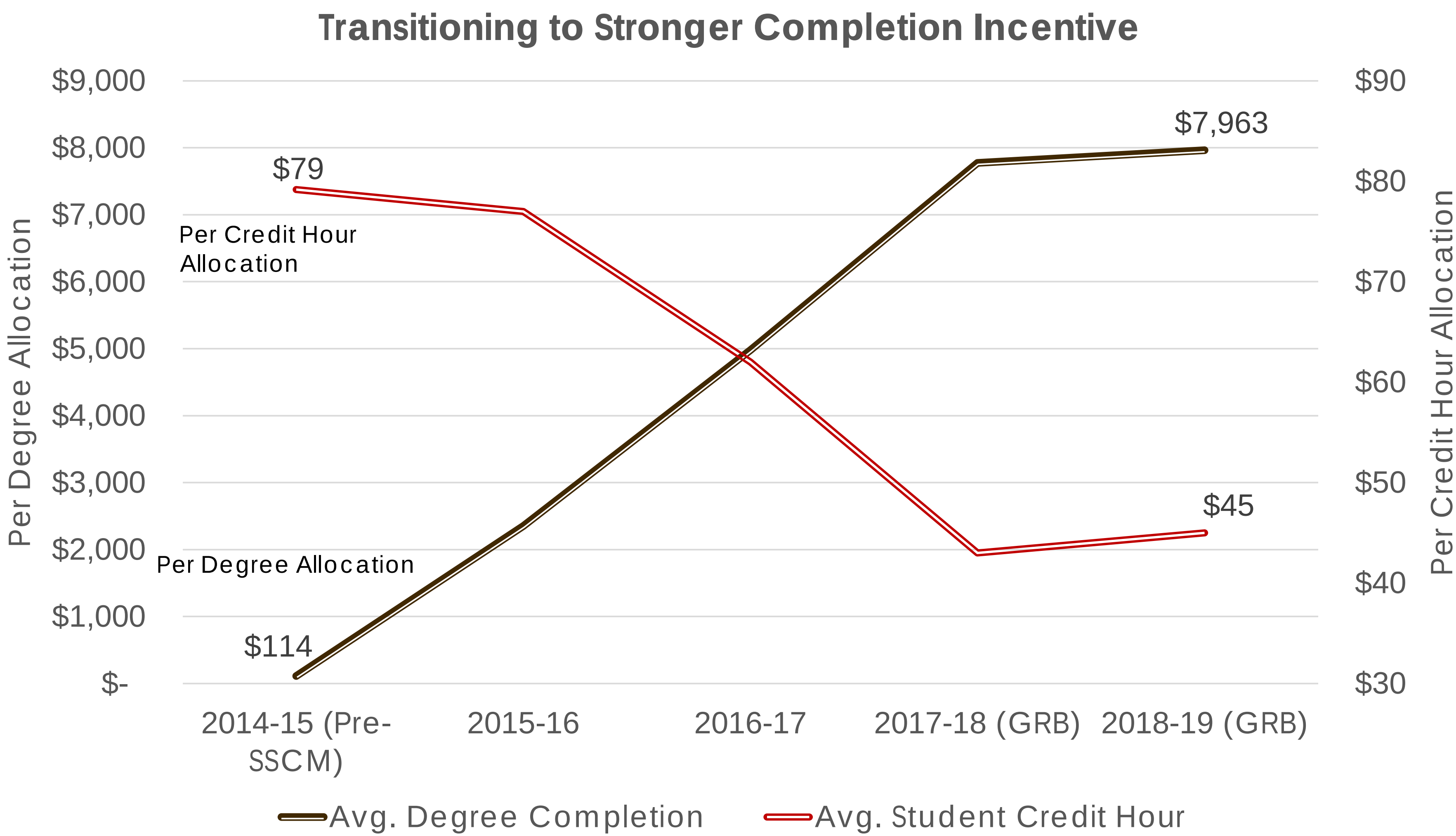
INCREASING FOCUS ON COMPLETIONS



Source: HECC Office of University Coordination.

HIGHER EDUCATION COORDINATING COMMISSION

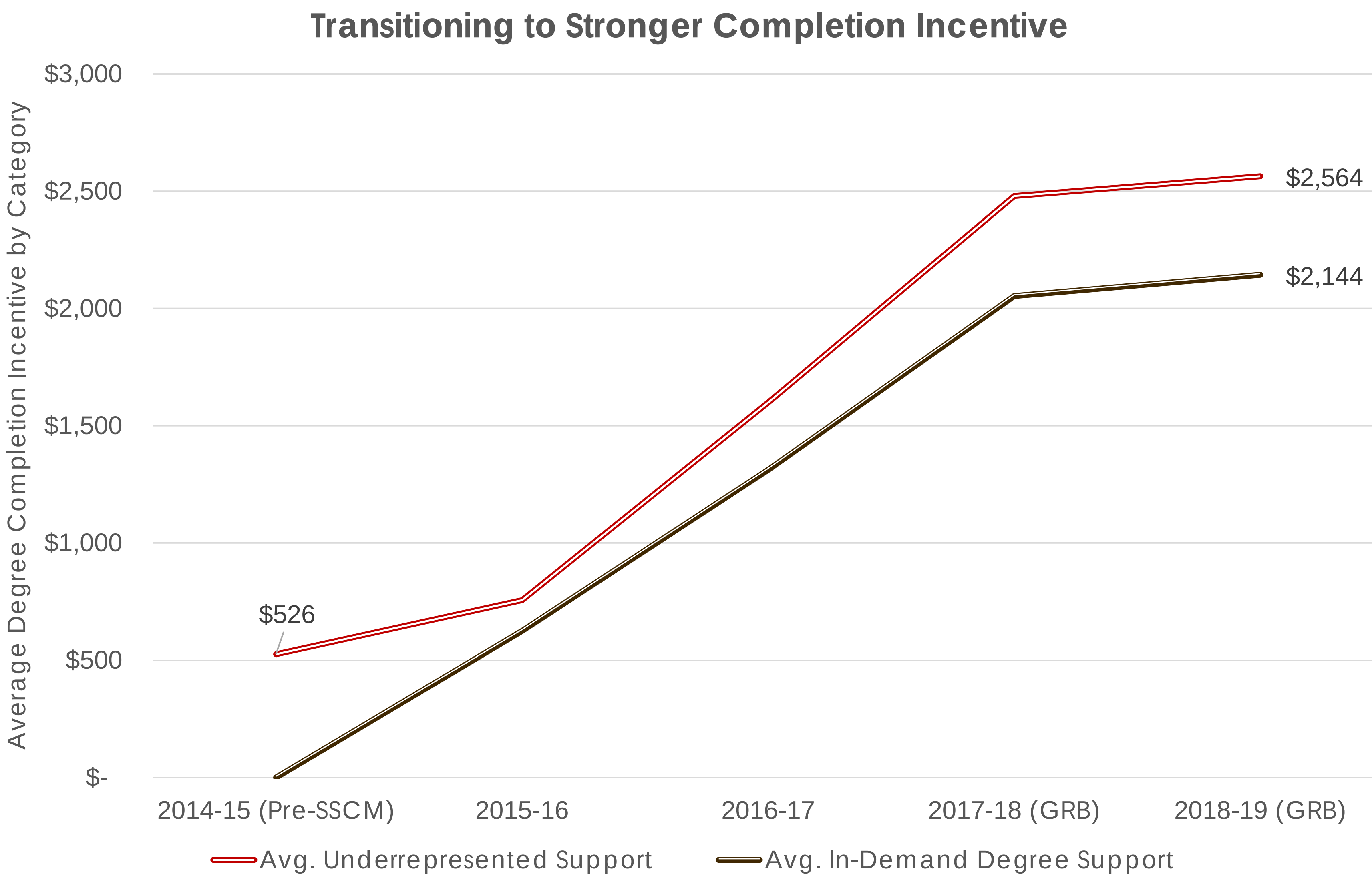
SSCM – INCREASING VALUE OF EACH DEGREE



Source: HECC Office of University Coordination.

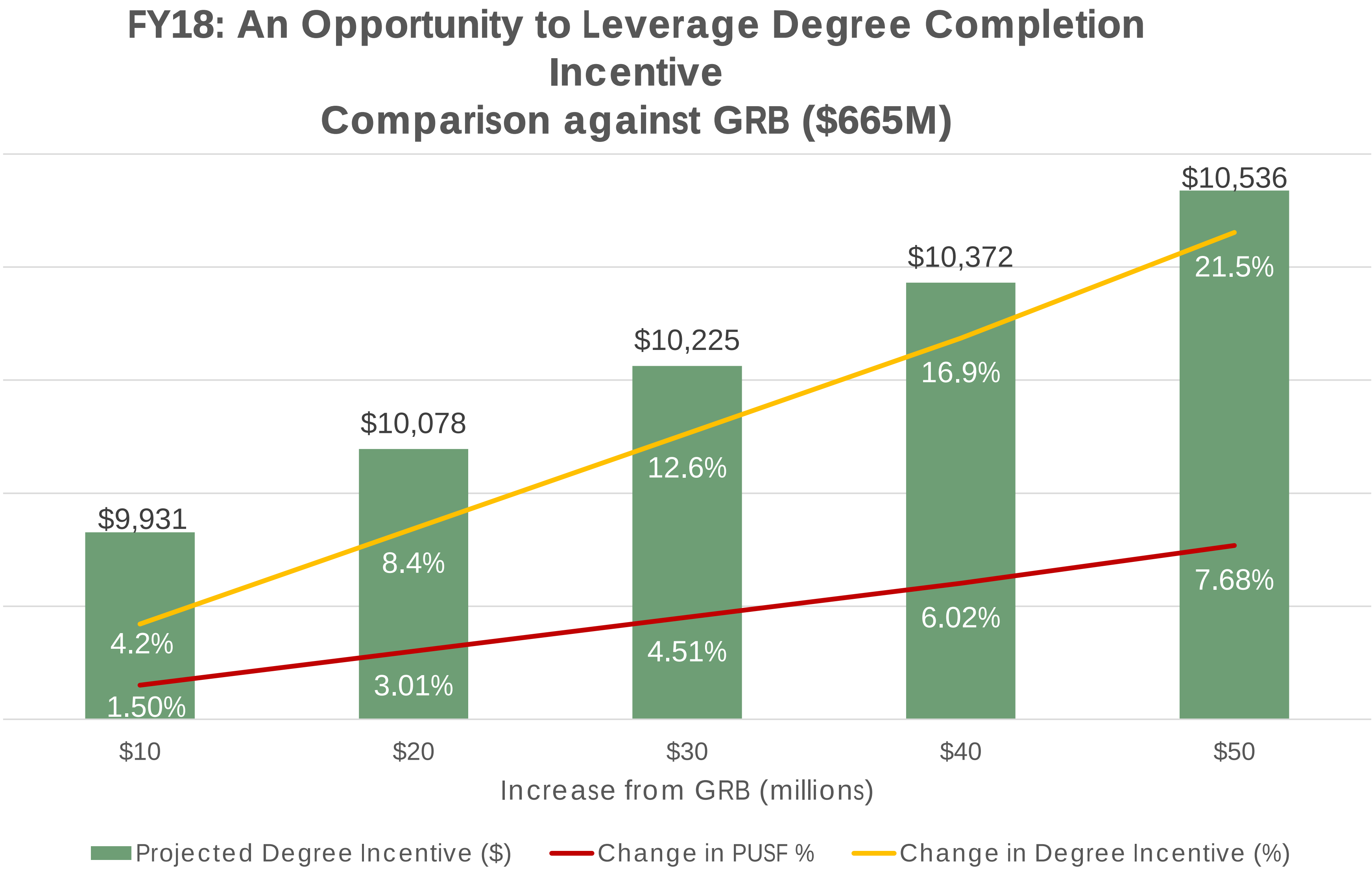
HIGHER EDUCATION COORDINATING COMMISSION

SSCM – INCREASING VALUE OF EACH DEGREE



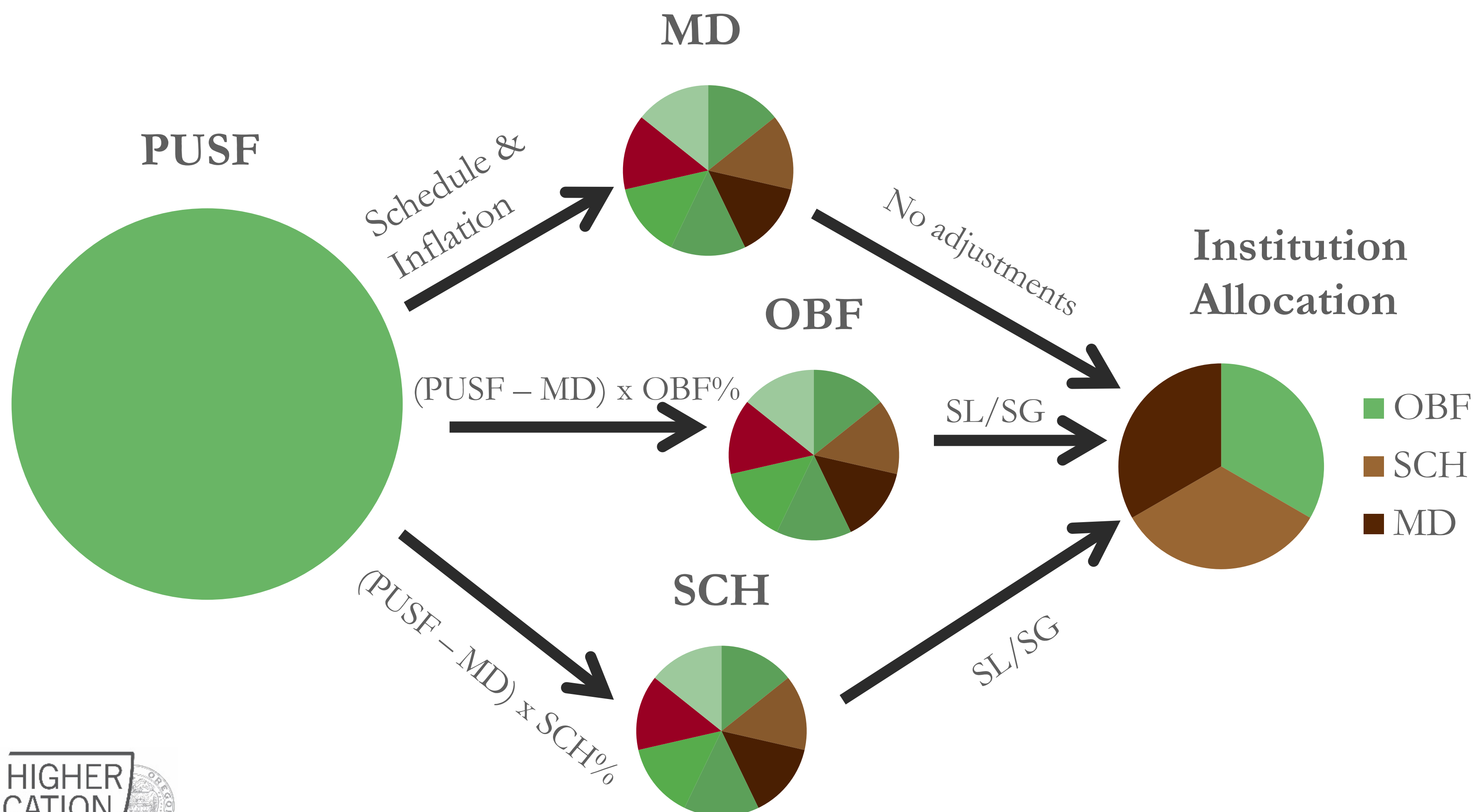
Source: HECC Office of University Coordination.

THIS BIENNIUM PRESENTS A UNIQUE OPPORTUNITY TO LEVERAGE INCENTIVES



Source: HECC Office of University Coordination.

PUSF INCREASE GREATER THAN INFLATION, YEAR-OVER-YEAR (2016-2020)



HIGHER EDUCATION COORDINATING COMMISSION

PUSF INCREASE LESS THAN INFLATION OR DECREASE, YEAR-OVER-YEAR (2016-2020)

- Each institution receives pro-rata cut to total allocation (prior year as base);
- Mission Differentiation receives a pro-rata cut on a line-item basis (prior year as base);
- Implementation schedule in not suspended.

EVALUATION FRAMEWORK AND TIMELINE

In line with national best practices a prescribed re-evaluation process for the SSCM was built into the model

Every other year, the HECC, in consultation with stakeholders, will examine definitions, weighting factors and similar items to ensure that unintended consequences are understood and accounted for and adjustments are made if necessary

Every six years the HECC will undertake a more comprehensive process to ensure that the Model reflects the needs of institutions and priority of the state in directing resources

Through the evaluation of institutions with institutional boards the HECC will focus on academic quality, financial integrity and productivity of institutions to inform funding model re-evaluations

HIGHER EDUCATION COORDINATING COMMISSION