Docket Item:

2017-19 Public University Support Fund and Outputs

Summary:

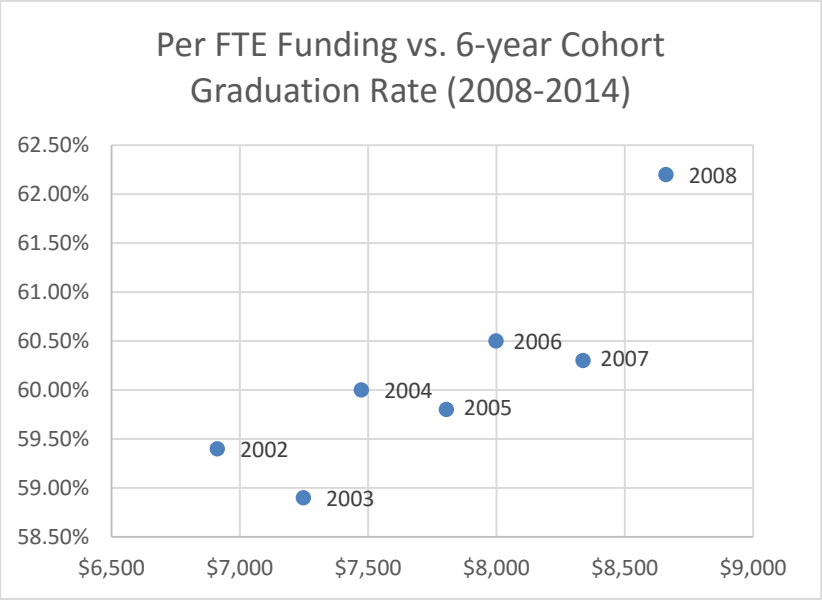
The Public University Support Fund (PUSF) is a component of the HECC's Agency Request Budget (ARB), representing the state's largest investment in the operation of the seven public universities. In developing the ARB, a specific level of PUSF investment must be determined. This docket item provides context for a specific level of PUSF investment by demonstrating additional per-student resources and projected per-degree funding levels produced by the Student Success and Completions Model.

Docket Material:

The Public University Support Fund (PUSF) represents the state's General Fund contribution to the operation of Oregon's seven public universities' education, student support, research, and public service programs. Allocated between the institutions by the Student Success and Completion Model (SSCM), the 2015-17 PUSF investment is $665 million in state General Fund.

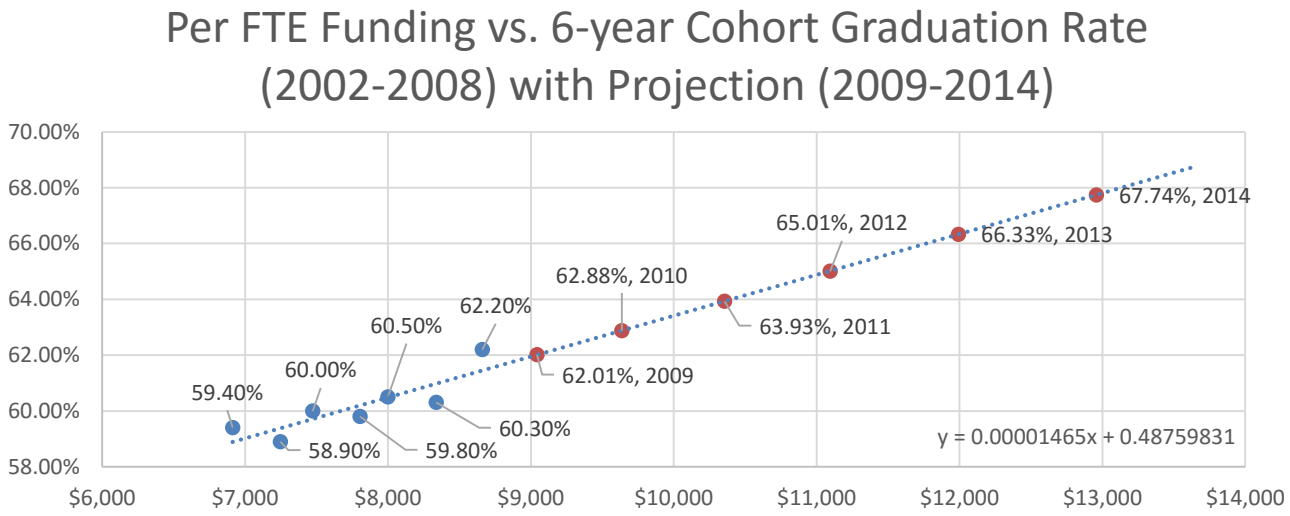
At its May 24, 2016 meeting, the F&A Subcommittee reviewed a proposed PUSF investment of $943 million for the 2017-19 biennium. At the request of the Subcommittee and since that presentation, HECC staff has developed a projection of potential outputs and outcomes possible through this PUSF investment level. The projections presented here are intended as a starting point of a more thorough examination of potential outputs and outcomes possible from a $943 million PUSF investment for the 2017-19 biennium. The figures presented are the result of a relatively simple, high level analysis by HECC staff and do not incorporate university-level data or strategic information. The public universities have not had sufficient opportunity to review the projection or comment on its soundness due to timing issues. HECC staff will continue to work with the public universities to improve and refine information and projections on potential outputs and outcomes of PUSF investment.

This projection examines cohorts of freshman students (entering public universities between 2002-2008), comparing 6-year graduation rates with average per-FTE funding available to a student during those six years. The funding included in this calculation incorporates both state support to the universities (Public University Support Fund) and university tuition and fee revenue.

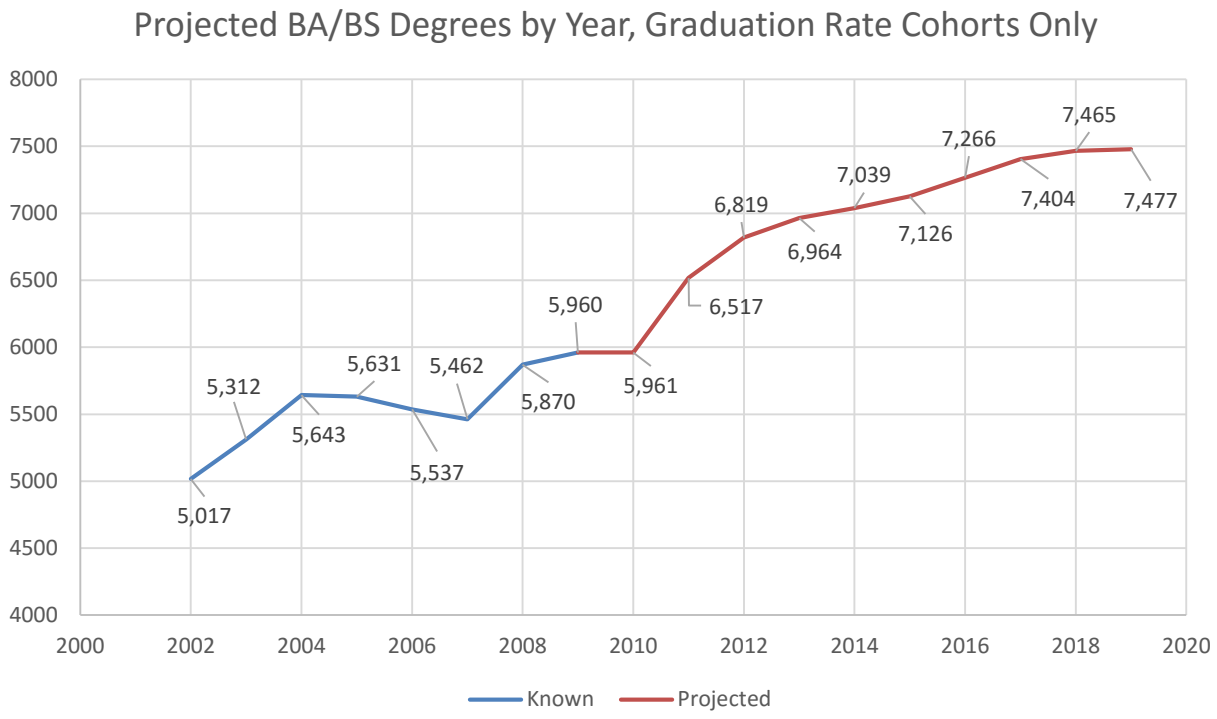


Cohort Entering Year	Annual Average Per FTE Funding	Cohort 6-Year Graduation Rate
2002	$ 6,913	59.4%
2003	$ 7,248	58.9%
2004	$ 7,474	60.0%
2005	$ 7,806	59.8%
2006	$ 7,999	60.5%
2007	$ 8,339	60.3%
2008	$ 8,661	62.2%

A positive relationship was discovered between resources per FTE and cohort graduation rates. Specifically, for each $1,000 increase in per-FTE resources, the trend predicts an improvement in graduation rates of 1.465 percentage points. Using the relationship in the study cohorts, 2015-17 funding levels, and $943 million for 2017-19, projections were made for the 2009-14 cohorts.



Based on the cohort projections, the number of degrees for the can be projected by year of graduation: These figures represent cohort degrees only, not total BA/BS degrees conferred in a given year.



Year	Graduation Rate Cohort BA/BS Degrees	Annual % Change
2002	5,017	
2003	5,312	5.9%
2004	5,643	6.2%
2005	5,631	-0.2%
2006	5,537	-1.7%
2007	5,462	-1.4%
2008	5,870	7.5%
2009	5,960	1.5%
2010	5,961	0.0%
2011	6,517	9.3%
2012	6,819	4.6%
2013	6,964	2.1%
2014	7,039	1.1%
2015	7,126	1.2%
2016	7,266	2.0%
2017	7,404	1.9%
2018	7,465	0.8%
2019	7,477	0.2%

Shaded cells: Projected

If the projected trends hold for other student types (transfer students, non-first time freshmen, etc.), some Student Success and Completions funding information can be projected for the remainder of the 2015-17 biennium and the 2017-19 biennium.

Public University Support Fund, 2015-17 to 2017-19 Proposed (All values projected)				
	2015-17 Biennium		2017-19 Biennium	
	2016	2017	2018	2019
PUSF	$ 325,850,000	$ 339,150,000	$ 462,266,000	$ 481,134,000
PUSF - Undergraduate from SSCM	$ 200,029,768	$ 212,660,571	$ 333,867,733	$ 348,433,131
*Resident Undergraduate FTE	47,281	47,281	47,281	47,281
Per Resident Undergraduate FTE*	$ 4,231	$ 4,498	$ 7,061	$ 7,369
Resident Undergraduate Degrees**	12,281	12,514	12,618	12,638
Per Resident Undergraduate Degree**	$ 16,288	$ 16,994	$ 26,460	$ 27,570

* Holds FTE constant over time

**Assumes 1.96%, 1.90%, and .82% increase in degrees for 2016, 2017, 2018, respectively.

There are several important factors to note about the analysis above, its data, and its assumptions:

- Inflationary costs are not accounted for in this analysis.
- Graduation rate cohorts account for only a portion of all BA/BS degrees awarded by Oregon public universities but are the primary basis of this projection. The cohorts are similar, but not identical, to First-Time, Full-Time Freshmen cohorts and include both resident and non-resident students.
- This projection does not consider how institutions would deploy additional state funding or tuition/fee resources. Below is a list of those strategies institutions indicated they would employ with a $943 million 2017-19 PUSF.

EOU	Enhance tuition remissions to increase access for rural, minority and first-generation students.
	Funding for student completion initiatives to increase graduation rates for on-campus, online and on-site programs.
	Build a college-going culture through Eastern Promise Collaborative with grade schools through high school and post-secondary education.
OIT	Expand personalized resources for high school and first-year university students that provide mentoring and support in transitioning to college, including a student texting program that eliminates barriers to accessing necessary academic supports.
	Increase academic preparation and completion of high school students in STEM fields through university-led STEM Hub teacher professional development, industry volunteers in classrooms, and accelerated college credit.
	Increase degree completion through "Completer" scholarships for successful students who are close to graduation but at risk of dropping out due to financial hardship.
OSU	Increase financial support to bridge gaps that become barriers for students to graduate on time.
	Increase advising capacity to hire additional advisors who specialize in retention, graduation, and career development, including a "one-stop" support center for transfer students.
	Increase capacity for student participation in experiential learning, including financial support needed for students to participate.
PSU	Create programs and services in conjunction with community colleges and other institutions to ensure clear pathways for transfer students.
	Increase advising capacity, revitalize advising systems, improve the visibility of student support services and preparation for career placement.
	Provide flexible degrees to accommodate the diverse needs of students and develop academic programs that prepare students for competitive advantage in life and career.
SOU	Continue expansion of programs targeting Hispanic students, providing them with school based programs, including mentors, academic assistance and post –secondary encouragement for this historically underserved population.
	Work with regional high schools to implement accelerated and low cost degree programs for first generation, low-income, under-represented, rural students.
	Engage faculty in collaborative efforts that focus on intentional course design with respect to curriculum, assessment, and effective pedagogy for general education/gateway courses with high failure rates.
UO	Further investments in PathwayOregon and graduation assistance grants.
	Increase the number of tenure-track and research faculty with an emphasis on STEM.
	Allocate funding toward successful student transitions, including second-stage advising services, to ensure retention and completion.
WOU	Increase need-based scholarships to under-served students.
	Increase availability of academic, financial and persistence counseling for student degree completion.
	Expand student readiness programming for pre-college outreach.

Staff Recommendation:

Informational Only, no action required