

Docket Item:

SSCM Factor Review Workgroup Progress Report

Summary:

For the first time, Public University Support Fund dollars were allocated using the Student Success and Completion Model (SSCM) in the 2014-15 fiscal year. This outcomes-based funding allocation model was adopted April 9, 2015 by the HECC and codified in Oregon Administrative Rules 715-013-0025 and 715-013-0040. The HECC specified three conditions when adopting the SSCM:

- (1) Development of a collaborative process to update cost-weighting factors embedded in the SSCM, including a report back to the Commission in Spring 2016;
- (2) An examination and potential re-examination of the weighting structure for underrepresented students;
- (3) An examination and report back to the Commission on how the components of the “base” of the model are to be inflation adjusted over time.

To progress this work, HECC University Budget & Finance convened the SSCM Factor Review Technical Workgroup, which includes:

- Representatives of each of the seven public universities selected in coordination with the VPFAs;
- HECC University Budget & Finance staff;
- HECC Office of Research and Data representative.

Since first convening in May, the Workgroup has made significant progress in examining the current cost-weight factors embedded in the SSCM and identifying potential alternative differential cost data.

Docket Material:

The SSCM allocates the majority of the Public University Support Fund (PUSF)—\$502 million of the \$665 million 2015-17 PUSF—based on student credit hour completion and degree completion performance at each of the seven public universities. These SSCM allocations recognizes the cost differentials between academic disciplines and across different degree levels in a similar way to the previous public university funding allocation model, the Resource Allocation Model (RAM). More specifically, the relative differentials between academic disciplines and degree levels in the RAM currently serve as the basis for the “cost weight” differentials in SSCM calculations.

Recognizing the legacy nature of these cost differentials and the potential availability of more recent and targeted data, the HECC, during adoption of the SSCM, requested these cost weights be updated through a collaborative process. That process began in Spring 2016 and continues. To date, the SSCM Factor Review

Technical Workgroup has completed a review of the current cost weight methodology, data, and allocation impacts and has identified several principles to guide the establishment of updated cost weight factors. Those principles include:

- Create and/or maintain clarity and simplicity;
- Limit data sources;
- Use clearly defined, currently available data, preferably national in scope;
- Reflect actual cost structures, not incentive structures or perceived cost structures;
- Utilize a transition or phase-in approach to ensure stability, if needed.

Based on these principles, the Workgroup has identified a source of national cost data capable of being adapted for use in the SSCM. Work to configure that data for import into the SSCM is underway and will include an analysis of its relevancy to the Oregon university context and its impact on projected institutional allocations.

Once its work on these alternative cost weight factors is substantially complete, the Workgroup will continue to meet to address the remaining two issues:

- (2) An examination and potential re-examination of the weighting structure for underrepresented students;
- (3) An examination and report back to the Commission on how the components of the “base” of the model are to be inflation adjusted over time.

Staff Recommendation:

Information only. No action required.