



VIA ELECTRONIC MAIL

November 5, 2020

HIGHER EDUCATION COORDINATING COMMISSION  
3225 25th Street SE  
Salem, OR 97302

***RE: SOU Comments to Student Success and Completion Model***

Dear Commissioners:

At the invitation of Higher Education Coordinating Commission staff, Southern Oregon University respectfully submits the comments below for consideration by the Commission as it considers changes to the Student Success and Completion Model.

At the outset, SOU wishes to thank HECC staff and its university colleagues on the HECC SSCM Task Force for their hard work, mutual respect, and thorough consideration of the many difficult challenges presented by the SSCM. We particularly wish to thank Jim Pinkard for leading an inclusive process and for treating every person and proposal with courtesy and respect.

**The SSCM Underserves People of Color, Women, and Under-Resourced Institutions.**

The proposed revision to the SSCM offers several positive changes and SOU recognizes that at the outset. Nonetheless, the SSCM continues to put such a over-sized share of its higher education dollars into “Activities” and “Outcomes” that it has a disproportional impact on students of color, women, and institutions with fewer resources. A recent study published in the journal *Education Evaluation and Policy Analysis* supports this conclusion, noting that there is “compelling evidence that PBF [Performance Based Funding] policies lead to unintended outcomes related to restricting access, gaming of the PBF system, and disadvantages for underserved student groups and under-resourced institution types.”<sup>1</sup> The article specifically notes that such bonuses do not sufficiently cover the support services needed to give URM students a better pathway to graduation while they are working toward academic progress. This is

<sup>1</sup> “Performance-Based Funding in American Higher Education: A Systematic Synthesis of the Intended and Unintended Consequences,” Ortagus, Kelchen, Rosinger and Vorhees, *Education Evaluation and Policy Analysis*, (September 20, 2020), at p. 1 (emphasis added).

particularly the case at smaller, under-resourced institutions that receive less funding under PBF funding systems. It is the old “chicken or the egg” problem: they cannot improve those outcomes without more funding and they cannot get more funding without improving the outcomes.

By not providing sufficient base funding *before* rewarding performance, underserved student groups and under-resourced institutions are left chasing from behind without the funding to catch up. SOU is pleased to have conferred the highest percentage of degrees awarded to URM students among all seven universities as recently as AY2018 (28.8%); but it has not been funded in a way that has allowed it to build on that success by investing more in the targeted recruitment and support services necessary to bring more URM students to SOU and support them through graduation. While the model provides an incentive for schools that *graduate* URM students, the SSCM does not fund the support services, recruitment programs, and student aid necessary to materially increase enrollment and success of URM students.

Similarly, a group of gender studies experts led by SOU’s Dr. Kylan de Vries recently completed a study of the SSCM and identified a tendency for the model to privilege male programs at the expense of more female-dominated programs that receive less support. Dr. de Vries observed that “the [SSCM’s] supposedly ‘gender-neutral’ approach to this funding model may inadvertently produce gender inequality, in effect privileging male [sic] students, students in male-dominated fields, and institutions that serve more male-dominated disciplines.”<sup>2</sup> Simply put, female-dominated disciplines receive less funding than privileged male-dominated fields (whose graduates also earn higher wages after graduation). “Rather than being gender-neutral, the SSCM appears to be gender-blind; in not actively addressing the category of gender, it fosters gender inequality.”<sup>3</sup>

Dr. de Vries also pointed to other research indicating that, while performance-based funding can improve the overall performance of colleges and universities, it can further widen the performance gap between them.<sup>4</sup> This highlights the problems associated with the SSCM underserving regional universities. He also points out that the same barriers the model imposes on female students also extend to URM students in that many male-dominated fields receiving extra funding under the SSCM also tend to lack racial and ethnic diversity.

Strictly speaking, the SSCM is underfunding women and URM students. But, as discussed further below, these unintended consequences can be reasonably addressed by the Commission.

### **The SSCM Has Also Underserved Students at Regional Universities.**

Throughout the taks force process, nearly every substantial change to the SSCM was greeted with nervous declarations about the need to ensure stability for institutions that stood to lose funding as a result of any proposed change. While we recognize the natural instinct to value stability, every decision to preserve status quo funding in the name of stability necessarily extends *ongoing* harm and instability that regional universities have experienced since the

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<sup>2</sup> “A Gender Analysis of Oregon’s Student Success and Completion Model,” Sojka, Strenio, Reggo, and de Vries (August 2020), at pp. 12.

<sup>3</sup> *Id.* At p. 11.

<sup>4</sup> “Will the Tide Lift All Boats? Examining the Equity Effects of Performance Funding Policies in U.S. Higher Education,” Favero, Nathan and Rutherford, *Research in Higher Education* (September 2020), pp. 1-25.

inception of the SSCM. That financial instability for SOU, in turn, has meant a series of reductions to vital services and higher tuition increases for students. While the brunt of these harms has been absorbed by SOU and Western Oregon University, there is little doubt that Eastern Oregon University would have had the same experience with the SSCM were it not for the extra \$2.2 million in annual funding it received that SOU and WOU did not.

This is not to say EOU should have received less funding. Rather, it highlights the difference that this relatively modest annual funding can make to the viability of a smaller, regional institution.

Our hope throughout this process was that the Commission would recognize this issue and would choose to remedy the instability the model creates for SOU and WOU students rather than affirm “stability” for universities that have enjoyed the benefits of higher SSCM funding over several years. While we recognize some improvement for the regionals in the current proposal, it strikes us as something of a half-measure (or less)—rather than an solution.

### **The SSCM’s Overemphasis on Outcomes Creates Instability.**

Much of the regional stability problem stems from over-funding Activities and Outcomes in the SSCM. Oregon distributes significantly more funding to Activities and Outcomes (i.e., performance) than most other states.<sup>5</sup> In fiscal year 2020, Oregon dedicated more than **83%** of its public university support funding through performance-based funding (the “Activities” and “Outcomes” portions of the SSCM). Under the proposed revision to the SSCM model, that number hardly changes at **82.7%**. To put Oregon’s excessive reliance on performance-based funding into perspective, there are only seven states that allocate more than **35%** of their state funding to performance or outcomes. Not only is Oregon among a small band of outliers, it overshoots the great majority of other states several times over.

### **One Very Small Change Would Address These Problems.**

At the launch of the SSCM Task Force in October 2019, every institution acknowledged the importance of applying the HECC Equity Lens to our work. Yet, the newly proposed SSCM does almost nothing to improve the state’s support for black, indigenous, and peoples of color (BIPOC) student populations. The “Equity” tab in the proposed revision to the SSCM model shows the adjustment to URM funding is *less than one-quarter of one percent* (0.25%) of the \$410 million in the PUSF.

In fairness to the SSCM Task Force, it was not entirely obvious how small that URM increase in outcomes would be until the end of the process when all proposed changes could be seen together. Yet, it is difficult to now look at the proposed revision to the SSCM and not see that the new model fails to address the most significant call to action on social justice and economic inequality for people of color that this nation has seen in the past 50 years. When the only

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<sup>5</sup> According to HCM Strategists “Driving Better Outcomes: Fiscal Year 2020 State Status Typology Update,” Oregon allocated the fifth highest share of its state higher education funding allocation to Outcomes Based Funding methods. (See <http://hcmstrategists.com/wp-content/uploads/2020/08/DRIVING-BETTER-Outcomes-Fiscal-Year-2020-State-Status-Typology-Update.pdf>, at p. 20).

change benefiting BIPOC students is a 0.25% nudge for URM degree completion, it is hard to conclude that the adjustment will have any meaningful impact let alone conclude that this change has answered the call to action.

Frankly, improving URM support inevitably requires a shift away from only funding URM students through degree completions. As the Ortagus article explained, focusing URM funding on degree completions leaves the vital support services necessary to give BIPOC students, women, and other underserved persons an equitable pathway to graduation underfunded while they pursue their academic progress. When we consider the role higher education can play in bringing about social change, increasing funding for these programs is imperative.

For that reason, SOU proposes just one small but critical change to the proposed SSCM: We recommend that \$14 million of funding be moved from “Activities” and “Outcomes” portions of the SSCM to the Mission Differentiation pool of funding and that the funds be evenly divided among the seven public universities for use in supporting URM students.

***With this extremely modest change, the Commission would significantly improve funding for URM student supports while stabilizing the schools starved by the model; and it would do so without changing the SSCM’s status as a heavily performance-driven funding model.*** Oregon would still rank sixth among all states in the percentage of funds distributed through performance based funding. The share of state higher education funds distributed through performance metrics would change by only about 3%, without harming the state’s heavy focus on outcomes.

### **Conclusion.**

We appreciate the process led by HECC staff and the balanced approach they brought to every meeting. No pathway would have left all seven universities feeling satisfied. Some dissatisfaction was inevitable.

Nonetheless, there is still one critical area of focus left unaddressed in the final proposal: Equity, Diversity, and Inclusion. The Commission faces a choice. It can leave the issue be and let a historical significant call to action pass us by; or, it can make one simple but material change that will serve as an open declaration of Oregon’s support for educational access, economic equality, and social justice for BIPOC students.

SOU respectfully recommends this important adjustment to the proposed SSCM model to advance the HECC Equity Lens and improve stability for regional institutions while promoting educational access for BIPOC students and women throughout our state.

Respectfully,

  
Gregory M. Perkinson  
Vice President of Finance and Administration