
Docket Item:

SSCM Review – Staff Update

Summary:

This docket item provides a summary of the progress made to date with the SSCM review workgroup. It speaks to the review process and guiding principles, outlines the areas of consensus, details the work still underway, and provides expert opinion on the principles and considerations related to maintaining a focus on student success during COVID-19.

Review Process:

Even with a break due to COVID-19, the 21-member SSCM review workgroup, appointed in July 2019, has conducted a total of 12 meetings since October including four during July and early August alone. Substantial progress has been made relative to the nine workgroup charges which include updating cost weights, simplifying mission differentiation, looking at transfer degree weighting, considering collaboration, student affordability and technical definitions for bilingual educators and veterans.

Staff recommendations will be presented at the September F&A subcommittee meeting.

Guiding Principles:

As a reminder, the guiding principles of the review process are such that any potential changes should:

- Reflect the Commission's strategic plan and Equity Lens
- Focus on student access and success with an emphasis on underrepresented populations
- Encourage educational attainment in high-demand and high-reward disciplines
- Recognize and reward distinctions in institutional mission and scope
- Recognize the cost differences in various academic program areas
- Use clearly defined, currently available data
- Maintain clarity, simplicity and stability

AREAS OF CONSENSUS

The workgroup membership has reached consensus on a number of issues that will create progress. Those areas of consensus are listed below with more information on each. The areas are listed in order of the magnitude they are likely to affect the funding distribution, from those with the least impact to those with the most.

1 – Use a nationally defined list of STEM degrees for the area of study bonus

In the current formula, science, technology, engineering and math (STEM) degrees are incentivized with an area of study bonus in the outcomes portion of the formula. The current definition of STEM degrees has been in use for some time and is not consistent with other national definitions potentially undercounting in comparison.

There are a number of alternatives that can be used. The federal Department of Homeland Security maintains a defined list of STEM degrees for use in the F1 student visa program because those students can be offered a visa extension if they are pursuing a STEM degree.

Their list includes technology related fields (i.e. education technology) in addition to the traditional natural sciences and engineering. Their list also includes health related fields which are also eligible for the area of study bonus. This broader definition is a more consistent and modernized approach to identifying STEM areas that should be eligible for the area of study bonus.

There was discussion during workgroup meetings about the STEM bonus in general related to the area of study bonus which ties to principle of encouraging attainment in high-demand and high-reward disciplines. As a matter of process, a staff recommendation will likely include having future workgroups consider the state's workforce needs in helping define the areas to incentivize in the area of study bonus.

2 – Update the definition of bilingual education

Bilingual education is another field eligible for the area of study bonus. The current definition is no longer applicable as the Teacher Standards and Practices Commission (TSPC) has altered its approach.

In collaboration with the education deans at the universities and TSPC, the definition will be updated to include the completion of a TSPC-approved dual language specialization or the completion of a TSPC-approved English as a Second Language (ESOL) endorsement program and the demonstration of proficiency in a second language by passing an approved language test.

The improved definition will correctly account for all the bilingual education graduates and properly apply the area of study bonus consistent with existing policy.

3 – Define completion by the number of students and not degrees

The calculation for the outcomes portion of the formula includes all degrees earned by resident students and doctoral degrees earned by both residents and non-residents alike. In rare cases, a student will graduate with multiple undergraduate degrees. This is often by design in that some programs allow for the student to earn degrees in complementary academic disciplines, an example of which is an education degree and a degree in a content area like engineering. This is an unintended consequence of the current formula.

Counting graduates aligns with the state's higher education attainment goal of 40-40-20. Therefore, only one degree should be counted for these students. The higher valued degree should be the one counted.

4 – Modify the area of study bonus to be additive

There are four sets of adjustments applied in the outcomes portion of the formula. They include degree weights, cost weights, an area of study bonus, and a bonus for targeted populations. Making the bonus additive will achieve a consistent bonus regardless of academic major.

The current calculation methodology:

$(\text{degree weight}) \times (\text{cost weight}) \times (\text{area of study bonus}) + (\text{targeted population bonus}) = \text{weighted pts}$

Example – undergraduate engineering degree, non-transfer, not a targeted population

$2.00 \times 1.85 \times 20\% = 4.44$ (bonus is 0.74 or 37%)

The revised calculation methodology:

$(\text{degree weight}) \times (\text{cost weight}) + \underline{(\text{area of study bonus})} + (\text{targeted population bonus}) = \text{weighted pts}$

Example – undergraduate engineering degree, non-transfer, not a targeted population

$2.00 \times 1.85 + 0.4 = 4.10$ (bonus is 0.40 or 20%)

In the current formula, the degree weight of 2.0 is multiplied by the cost weight of 1.85 leading to 3.7 points. The 20% area of study bonus is then applied to that calculation leading to an effective bonus of 37% when compared to the degree weight of 2.0 (0.74 divided by 2.0). With the current methodology, the value of the area of study bonus varies based on the magnitude of the cost weight of the particular program the degree is in when expressed as a percentage of the degree weight.

As a matter of policy, the area of study bonus should provide a consistent incentive regardless of academic program. With that in mind, it should be calibrated to add a number of points relative to the degree weight. Therefore, for undergraduate degrees, the area of study bonus should be modified to add 0.4 points for each STEM degree resulting in a consistent 20% incentive (0.4 divided by 2.0).

This is consistent with how the targeted population bonus is applied and would result in a bonus of 20% for the area of study to incentivize areas of employer demand and a bonus of 40% for targeted populations to reflect the importance of pursuing equity. The targeted population bonus increases for more than one characteristic.

5 – Update the cost weights

The current set of cost weights used in the SSCM has not been updated in at least twenty years. Cost weights are used in the formula in recognition that some courses are more expensive to offer than others. Instruction in engineering, for example, is more expensive than instruction in English literature.

The value of having cost weights lies in the differences between the rates rather than the nominal value of the rates. If based on actual costs, those differences will vary between states. The rates in some states are consistently lower than in other states and vice versa. The cost weights from a number of states were considered including Florida, Ohio, Illinois, Texas, and Nevada.

Overall, the differences in the rates within the current set of weights used in the SSCM were fairly consistent to those across all the various cost weight data sets at the undergraduate level. This was not true for the graduate level course weights. The current SSCM weights were consistently lower and therefore, undervalue graduate education. It is important to have a set of weights which reasonably recognize nationally-normed cost differences across different levels of instruction as well as by discipline.

Ideally, the cost weights used in the Oregon model would be based on data originating from the public universities and updated frequently coupled with a comparison to similar weights nationally. The ability of the institutions to support the creation of a cost study to generate the cost weights is limited, meaning that any updates are dependent on existing weights used in other states. Using weights in other states would help ensure that costs applied in the Oregon model are consistent for different kinds of instruction.

The use of any one state's weights or even a combination of weights leads to the reorientation of funding from the TRUs to the larger institutions (UO, OSU and PSU) as a result of the current underfunding of graduate coursework. The amount of volatility is dependent upon the set of weights used. Using a calculated set of weights, based on averages from the weights used in other states, can accomplish the goal of updating the weights used in the SSCM while managing the volatility in the formula.

It should be noted that the consensus reached by the workgroup on this revised set of weights is dependent on adjustments made in other components of the formula, most notably in mission differentiation, to align the overall distribution.

6 – Apply transfer weighting to all transfer students and apply a bonus for community college transfers

In the outcomes portion of the formula, degrees awarded to students who transfer from an Oregon community college are weighted at 62.5%. This is done in recognition of the amount of instruction provided at the community college which should then be discounted from the degree funding awarded to the degree granting institution. HECC staff reviewed the enrollment activity of transfer students to confirm that this cost weighting was still accurate.

Currently, the weighting does not apply to students transferring from another public university or private institution. In the interests of consistency, transfer weighting should be applied to all transfer students regardless of origination.

Other policy work has recently been completed to define transfer pathways between community colleges and public universities. These transfer pathways will help to create more efficient degree attainment opportunities for students and could potentially affect affordability by reducing the average number of credit hours attempted while earning a degree.

In an effort to incentive the use of transfer pathways, and additional collaboration between the sectors, the workgroup recommends adding a bonus for those completions earned by Oregon community college transfers. The calculation of the bonus should be consistent with that of the other bonuses offered in the formula. There is some uncertainty as to the size of the bonus with one perspective being that it should be consistent with that of the area of study bonus.

STILL UNDER CONSIDERATION

The workgroup membership is still considering the mission differentiation component of the formula. A number of policy related questions have arisen. Changes to this section of the formula are also affected by other potential changes as well as spelled out in the sections above.

Mission Differentiation

Mission differentiation funding is designed to support the unique missions the institutions perform. Currently in rule there are 33 different line items across the three components: mission support, regional support and research support.

Transferred from the old funding model, the line items are the result of previous policy-related decision making. From biennium to biennium, mission differentiation funding grows by the lessor of inflation or the growth in the total PUSF appropriation and is \$69.7 million in FY2020, or 17% of the total PUSF appropriation. The amounts received by institution vary with the lowest being \$4.2 million at PSU and the highest being \$17.9 million at OSU including both Corvallis and Cascades. More information on the current line items and amounts is included in the appendix.

There is consensus among the workgroup members to continue including three components within mission differentiation: mission support to recognize the public services that each institution performs for the state and their communities; regional support to provide a stable foundation for regional access and to support smaller, regional institutions that lack economies of scale; and research support to recognize the fundamental role basic research serves at each institution.

Questions and Perspectives

There is a question of how much funding should flow through mission differentiation. Should it be more or less than the 17% of total funding it currently represents?

If the intent is to recognize unique missions and provide stability, then it should be enough to accomplish those goals. However, in meeting those goals, the assumption is that the formula is designed to be objective. Many believe the current design is not objective. Would increasing the funding available for mission differentiation add more subjectivity to the process? Would decreasing it accomplish the opposite?

The funding for mission differentiation as a percentage of the total formula should be based on objective criteria. It could be established that the funding remain a relative percent of the total. Or the growth in the dollar value not exceed the percentage growth in the activities and outcomes components.

Another issue is who participates. Not all the institutions receive funding for all three components. Should the funding be collapsed in to a base payment, calculated like in the community college formula, for all seven institutions and then the institutions could decide to use that funding for regional access, public services, research or another unique mission?

A – Mission Support

There is general consensus among workgroup members that the 22 line items of funding (when including dual credit) in this component can be simplified. An effort was made to identify which of those items are academically oriented versus which are public services. The logic being that the academically oriented line items should be removed since funding for those can be earned through the activities and outcomes sections of the formula. This also assumes the cost weights are updated since some of the line items were originally added to counteract the undervalued cost weights.

There are a couple of issues with this approach. It could be that some line items are eligible to be moved to other funding sources like the building maintenance for statewide public service programs. That funding could potentially be provided through the statewide public services operations funding which is separately appropriated from the PUSF.

Also, there might be a couple line items that are improperly defined, such as dual credit. If moved to the activities component of the formula, the funding per credit hour would be 38% less than it is currently. Arguably that difference should not be passed on to students through higher tuition since dual credit often acts as a gateway to higher education for many underrepresented students. Keeping tuition low is a priority for them.

Questions and Perspectives

What happens to the line items categorized as a public service? One perspective is that they should remain in the mission support area as they currently exist. Doing so would recognize past policy-related decision making and allow for the continued support of these public service activities at current funding levels. Some of the institutions use the current funding levels to support long-standing public service functions in response to stakeholder need.

A different perspective is that the mission support funding should be more objective and use a data based approach. Since all institutions perform public service to some extent, the funding for each could be based on a defined metric. For example, a dollar amount per full-time student equivalent. Or the funding could be based on the population served, the amount of service provided, or the size of the institution.

B – Regional Support

There are currently nine different funding line items included in regional support, totaling \$34 million in FY2020. OSU-Corvallis, PSU and UO do not receive funding for this component at all. There is general consensus among the workgroup members that appropriate funding should be made available to support institutions that lack economies of scale, to recognize fixed costs at the smaller institutions, and to support regional access.

The current line items include separate amounts for regional access and regional support. There are multiple regional support line items, line items for retrenchment and shared services, and a resident adjustment for EOU based on changing treatment of non-resident students in the formula. The accumulation of line items over the years results in the regional allocations to the four TRUs varying from \$6.1M to \$10.5M. OSU-Cascades also receives regional support funding at a reduced rate (\$2.8M), but does not receive funding for shared services. Some variability may be appropriate but currently no objective criteria exist for these allocations.

Questions and Perspectives

How can a more objective regional support mechanism be created? There are a couple proposals that have been shared with the workgroup, including one from HECC staff and one from the institutions.

HECC staff circulated a proposal largely based on the approach reviewed with the commission in June, 2020. The regional support would be calculated in a similar manner as the base payment is calculated in the community college funding formula. It includes a dollar amount per FTE and a size factor that when applied to enrollment, provides more funding per FTE for smaller institutions that lack economies of scale.

The other proposal included both a fixed and variable component, along with other metrics focused on unique programs and a population density. The general idea was to provide a fixed amount to cover institutional support

costs that do not change based on enrollment. This could include legal services, financial services and others. A variable component would be added on top that to account for a lack of economy of scale. This would be formula driven, based on enrollment and would phase out after an enrollment of 5,000 students. Smaller institutions would get more funding per FTE and the funding per FTE would naturally decline after 5,000 and reach zero by 7,500 students.

The other metrics were included to account for some of the mission support line items noted as academically orientated but that could arguably be defined as public services. One is dual credit. The other is additional funding to account for the different cost structure of OIT relative to the cost structures of the other TRUs.

The idea is that the cost structure of certain programs at OIT is higher due to the technical focus of their programs and the lack of cross subsidization with larger enrollment programs like liberal arts, and that there are few if any comparable data points used in the cost weights. As such, the cost weights will undervalue OIT's high touch programs. A supplement should therefore be added to account for the difference. This proposal would accomplish that task.

C – Research Support

The current formula includes \$6.6 million in funding for research support apportioned among all seven institutions with 92% of the funding distributed to OSU, PSU and UO. Two line items exist for faculty salaries and sponsored research. The funding is allocated based on a percentage of faculty salaries and as a percent of sponsored research in an effort to attract additional, external research funding but the allocations have not been updated in more than a decade. There is general consensus to keep research support as a component of mission differentiation funding.

Questions and Perspectives

Should the funding be allocated solely to the larger institutions since a larger part of their unique missions revolve around research? Or should all of the institutions receive funding for basic research support?

Arguably since the TRUs receive funding through regional support, that should suffice to recognize their unique mission and complement state goals of providing regional access. On the other hand, research is still a part of the mission of all seven institutions and the cost weights and other components of the model do not provide sufficient resources to conduct basic research that may not be eligible or a high priority for external funders.

Should the allocation basis continue to be faculty salaries and sponsored research, both of which arguably favor the larger institutions? The regional support proposals both include an increase to research support with the total funding based on a percentage of the total formula funding amount. There is also a suggestion to provide a small, fixed allocation to all the universities to support a sponsored programs office with the balance allocated by an objective metric.

MAINTAINING A FOCUS ON STUDENT SUCCESS DURING COVID-19

The COVID-19 pandemic has had an extraordinary impact on both institutions and students. The California Student Aid Commission surveyed 76,000 students on the impact of the pandemic and found that:

- 71% of students lost some or all of their income
- About half have experienced disruption to their housing situation
- A quarter reported needing to drop one or more courses during the Spring 2020 term

With that in mind, Lumina Foundation's Strategy Labs has, in consultation with other states, developed the following principles and considerations on how to keep funding formulas centered on student success during this time.

General Principles

- Recognize that state funding formulas were developed around certain principles and priorities. It should be asked if there is anything about the current circumstances that have altered these principles and therefore requires changes to the funding formula. For example, is there a need to further incent the success of traditionally underrepresented minority students since these students are more likely to suffer economic and health consequences due to COVID-19?
- Recognize that state appropriations have to be allocated by some methodology. If the student-focused funding formula is not used, what are the alternatives? How strategic are the alternatives? Are they aligned with state goals and priorities?
- Student success funding is an important policy, but is just a tool. It is not the end goal. Policy decisions should remain student-focused.
- Be cognizant of the tradeoffs between policy sustainability and institution financial viability. Each institution's fiscal viability must be monitored. The need to implement the funding policy should be balanced with the need to ensure longer-term sustainability.
- There is value in the predictability of an allocation methodology that can be used regardless of financial situations.
- It is more important than ever to use the state funding formula to prioritize student success, and amplify the value of public higher education and its ability to play a key role in helping the state emerge from a recession. This amplification is most crucial when stakeholders are forced to decide what services to cut.
- It is better to trust formula metrics that were agreed upon prior to an upheaval because modifications proposed during an upheaval could be reactionary rather than policy driven.
- Technical Considerations
- The following are recommendations for how to strategically implement reductions while maintaining a focus on student success.
- Have a clear understanding of the scope of the reductions and their impacts. Model all scenarios and potential alternatives. Consider the populations served by institutions as well as institutions' access to funding sources other than state appropriations.
- If necessary, temporarily decrease the volatility of the funding formula and increase institutions' financial stability through use of a stop-loss function. A stop-loss function limits the redistribution of formula funds to a predetermined percentage (e.g. No institution will have their state appropriations decrease more than 2 percent due solely to the recommendation of the funding formula).

The sudden onset of COVID-19 in spring 2020 impacted institution policies and practices as well as student behavior. These changes will have a notable effect on the 2020 outcome data used in future iterations of funding formulas. Policy makers should address this by considering the following:

- Examine if the processes for reporting institution outcome data have been disrupted. What is necessary to continue to collect the data so it can be verified and included in upcoming formulas?

- Ask how the production of outcome data was affected for 2020. Was the impact consistent across all institutions? If not, some alterations to the formula may be necessary. Examples could include:
- Offer institutions the chance to replace 2020 data in the formula with 2019 data.
- Consider re-weighting components of the formula, away from outcomes most affected by the COVID-19 disruptions.
- Consider possibly dropping certain outcomes if there will be a longer-term disruption to the outcome because of COVID-19. For example, it has been noted that there may be a longer-term impact on dual enrollment.

Staff Recommendation:

For discussion purposes only.

FUNDING AND ACHIEVEMENT SUBCOMMITTEE

August 12, 2020

Docket Item #:4.0

Appendix: FY 2020 Mission Differentiation Allocations by Line Item

Line Item	EOU	OIT	OSU	OSU Cascades	PSU	SOU	UO	WOU	Total
Collaborative OUS Nursing	25,048	14,703	-	-	-	42,305	-	27,770	109,826
Engineering Graduate	-	42,550	2,629,474	-	604,605	-	6,142	-	3,282,771
Engineering Technology UG	-	1,646,375	-	-	66,289	-	-	4,140	1,716,804
Health Professions Programs	313,584	2,572,010	-	-	-	432,657	-	349,818	3,668,069
Law & Legal Studies (CIP 22)	-	-	-	-	-	-	684,629	-	684,629
OCATE	-	-	-	-	662,166	-	-	-	662,166
Pharmacy (CIP 51.2)	-	-	1,175,894	-	-	-	-	-	1,175,894
Vet. Med (CIP 51.24)	-	-	3,924,454	-	-	-	-	-	3,924,454
Dual Credit	192,728	1,005,894	-	-	858,734	718,588	-	712,481	3,488,425
Chancellor's Office Operations	-	-	-	-	-	-	-	-	-
Bldg. Maintenance / SWPS	-	-	2,027,637	-	-	-	-	-	2,027,637
Campus Public Service	252,116	-	-	-	648,556	112,476	614,707	1,732	1,629,587
AA SCH Adjustment	-	227,209	-	-	-	-	-	-	227,209
Oregon Wide-Area Ed Network	-	-	-	-	-	-	459,485	-	459,485
PSU-NEW Leadership OR	-	-	-	-	74,374	-	-	-	74,374
Oregon Biodiversity Info Ctr	-	-	-	-	56,047	-	-	-	56,047
Regional Solutions	14,873	-	-	14,873	14,873	-	14,873	-	59,492
Rural Access	287,509	-	-	-	-	-	-	-	287,509
Southwestern OR Univ Ctr	128,053	-	-	-	-	-	-	-	128,053
Statewide Access	-	943,647	-	-	-	-	-	-	943,647
Systemwide Expenses	62,786	59,661	886,258	-	271,849	144,032	790,030	167,706	2,382,322
Veterinary Diagnostic Lab	-	-	1,392,879	-	-	-	-	-	1,392,879
Subtotal, Mission Support	1,276,697	6,512,049	12,036,596	14,873	3,257,493	1,450,058	2,569,866	1,263,647	28,381,279
11-13 Regional Support	897,635	897,636	-	-	-	897,637	-	897,636	3,590,544
Resident/Fundable Adj	2,262,275	-	-	-	-	-	-	-	2,262,275
IT Fifth Site/OCATE	543,052	543,052	-	-	-	543,052	-	543,052	2,172,208
Regional Access	963,539	414,833	-	-	-	311,116	-	103,688	1,793,176
Regional Univ Support Adj	3,145,660	2,834,331	-	2,161,842	-	2,703,978	-	2,164,310	13,010,121
Retention & Graduation	387,233	387,422	-	258,258	-	387,413	-	387,340	1,807,666
Retrenchment	221,276	221,386	-	147,576	-	221,377	-	221,337	1,032,952
TRU Shared Services	1,654,120	1,689,766	-	-	-	1,867,859	-	1,399,731	6,611,476
Underpinning	387,233	387,422	-	258,258	-	387,413	-	387,340	1,807,666
Subtotal, Regional Support	10,462,023	7,375,848	-	2,825,934	-	7,319,845	-	6,104,434	34,088,084
Faculty Salaries - Research	44,301	73,873	672,859	-	579,332	105,059	788,639	77,139	2,341,202
Sponsored Research	49,200	18,752	2,407,410	-	399,162	37,502	1,185,077	141,391	4,238,494
Subtotal, Research Support	93,501	92,625	3,080,269	-	978,494	142,561	1,973,716	218,530	6,579,696
TOTALS	\$11,832,221	\$13,980,522	\$15,116,865	\$ 2,840,807	\$4,235,987	\$8,912,464	\$4,543,582	\$7,586,611	\$69,049,059

MISSION SUPPORT PROGRAMS

Building Maintenance, Statewide Public Service Facilities

This program provides funds for OSU to operate and maintain Statewide Public Service facilities (related to all three SWPS programs) on its Corvallis campus.

Campus Public Service Programs

This program provides omnibus funding for campus public service program operations at all seven public universities. The HECC does not specify or track the distribution of funds between each institution's Campus Public Service Programs.

Collaborative Nursing Program

Funding is provided to support EOU, OIT, SOU, and WOU for hosting OHSU nursing students. OHSU receives the tuition dollars for the nursing courses taught on these regional campuses. This supplement supports the cost of providing common services to the students.

Engineering Technology Graduate

In order to account for the increased cost of engineering graduate programs, funds are allocated to OIT/OSU/PSU to support their graduate engineering programs. Funding is determined by multiplying the calculated rate by resident FTE per campus in CIP 14 (Engineering). The funds available for this line item are adjusted each year in the same manner as other Mission Differentiation components; however, the distribution of those funds between institutions is determined by data on an annual basis.

Engineering Technology Undergraduate

In order to account for the increased cost of engineering programs, funds are allocated to OIT and PSU in order to support the undergraduate engineering programs. Funding is determined by multiplying the calculated rate by resident FTE per campus in CIP 15 (Engineering Technologies). The funds available for this line item are adjusted each year in the same manner as other Mission Differentiation components; however, the distribution of those funds between institutions is determined by data on an annual basis.

Health Professions Programs

Funding is provided to increase nursing prerequisite courses for the Oregon Consortium for Nursing Education (OCNE) program and to expand the OIT health professions programs. The program funds are managed by OIT and distributed to various campuses in order to support specific program objectives.

UO Law Underpinning

Underpinning funding is provided to the University of Oregon Law School, Oregon's only public law school. This line item did not exist as part of the RAM but is included in the SSCM to provide a stable base of funding for the UO Law program to buoy it from funding inconsistencies that otherwise may be caused by positive and negative enrollment spikes. UO Law student credit hour completions and degree completions will continue to earn additional resources through the SSCM, but at a reduced rate. The baseline underpinning funding is based on an assessment of recent enrollment and funding for the UO

Law program. Funding available as Law Underpinning will be adjusted each year in a similar manner to other Mission Differentiation components.

OCATE/Engineering

The Oregon State Board of Higher Education formed the Oregon Center for Advanced Technology Education (OCATE) in April 1985 with \$1 million from state lottery funds. The Center offered programs in engineering education in partnership with Oregon universities. Currently, funding enables employees of the high technology economic sector of Washington County to take graduate courses at Portland State University's Maseeh College of Engineering and Computer Science.

OIT Terminal Health Programs Underpinning

Underpinning funding is provided to OIT as support for health programs of study that terminate in less than a Bachelor's Degree. This line item did not exist as part of the RAM but was inherent in its enrollment-based funding mechanism. With the transition to the SSCM, programs offering less-than-4-year degrees do not earn completion-based SSCM funding. Providing Mission Differentiation funding ensures that these health programs continue to be offered by OIT to the benefit of the citizens of the region. The baseline underpinning funding was based on an assessment of recent enrollment and completions in these health programs.

Oregon Wide-Area Education Network

The Oregon Wide-Area Education Network (OWEN) is a collaboration of four state computer networks to realize cost savings by sharing bandwidth and access to Internet providers and is hosted at UO. The networks include the Network for Education and Research (NERO) network, the Oregon Department of Administrative Services' (DAS) network, the Oregon Public Education Network (OPEN), and the state's K-12 network.

OSU Pharmacy Underpinning

Underpinning funding is provided to OSU as support for its Pharmacy program. This line item did not exist as part of the RAM but is included in the SSCM to provide a stable base of funding for the Pharmacy program to buoy it from funding inconsistencies that otherwise may be caused by positive and negative enrollment spikes. Pharmacy student credit hour completions and degree completions will continue to earn additional resources through the SSCM, but at a reduced rate. The baseline underpinning funding is based on an assessment of recent enrollment and funding for the Pharmacy program. Funding available as Pharmacy Underpinning will be adjusted each year in a similar manner to other Mission Differentiation components.

PSU New Leadership Oregon

The National Education for Women's (NEW) Leadership of Oregon program is an award-winning women's leadership development program housed at the Center for Women, Politics & Policy at Portland State University (PSU). NEW Leadership Oregon's goal is to develop an inclusive women-centered leadership program that will educate and encourage outstanding college women to develop career paths in politics and public service.

Oregon Biodiversity Information Center at PSU

The Oregon Biodiversity Information Center (ORBIC) is part of the Institute for Natural Resources (INR) and is based at Portland State University (PSU). ORBIC leads INR's biodiversity and conservation work; and its key function is to maintain, develop and distribute biodiversity information in Oregon. The center works with partners across the region to provide the most comprehensive information on plants, wildlife, fish, fungi, and vegetation communities throughout Oregon. ORBIC houses information including the most comprehensive database of rare, threatened and endangered species of Oregon. ORBIC was originally formed by the Oregon Legislature in 1979 as the Oregon Natural Heritage Program.

Regional Solutions Centers

Beginning in FY2013, this program provides support to those universities (EOU, OSU-Cascades, PSU, and UO) that offered to house the Governor's Regional Solutions Centers on their campuses and is intended to offset administrative and space costs associated with hosting these offices.

Oregon Biodiversity Information Center at PSU

The Oregon Biodiversity Information Center (ORBIC) is part of the Institute for Natural Resources (INR) and is based at Portland State University (PSU). ORBIC leads INR's biodiversity and conservation work; and its key function is to maintain, develop and distribute biodiversity information in Oregon. The center works with partners across the region to provide the most comprehensive information on plants, wildlife, fish, fungi, and vegetation communities throughout Oregon. ORBIC houses information including the most comprehensive database of rare, threatened and endangered species of Oregon. ORBIC was originally formed by the Oregon Legislature in 1979 as the Oregon Natural Heritage Program.

Rural Access

This EOU-based program seeks to create, develop, and encourage a college-going culture in rural Oregon to increase the percentage of high school graduates attending college to the state average, resulting in an increased investment in economic development in the region and an increased regional and state tax base.

Southwestern Oregon University Center

The Southwestern Oregon University Center (SOUC) is an EOU and community college collaboration that offers a selection of undergraduate and graduate degree programs on the campus of Southwestern Oregon Community College (SWOCC) in Coos Bay. The collaboration allows students the opportunity to earn a degree from an Oregon university while living in Coos Bay. The SOUC provides advising for all of Oregon's state universities and on-site representatives from Eastern Oregon University and Linfield College.

Statewide Access

Statewide Access allocates state support to OIT to provide technology education on a statewide basis. The original allocation was made in 2001-03 and held constant for four years. Beginning in 2005-07, this program was subject to inflation as well as legislative adjustments.

Systemwide Expenses

Funding is intended to cover certain assessments by the state of Oregon. Additionally, funding may also be used to provide endowment matches, funds for faculty diversity, funds for students with disabilities and funding for the ORBIS library consortium.

OSU Veterinary Medicine Underpinning

Underpinning funding is provided to OSU as support for its Veterinary Medicine program. This line item did not exist as part of the RAM but is included in the SSCM to provide a stable base of funding for the Veterinary Medicine program to buoy it from funding inconsistencies that otherwise may be caused by positive and negative enrollment spikes. Veterinary Medicine student credit hour completions and degree completions will continue to earn additional resources through the SSCM, but at a reduced rate. The baseline underpinning funding is based on an assessment of recent enrollment and funding for the Veterinary Medicine program. Funding available as Veterinary Medicine Underpinning will be adjusted each year in a similar manner to other Mission Differentiation components.

Veterinary Diagnostic Laboratory

The OSU Veterinary Diagnostic Laboratory is a public-supported facility providing a full range of animal disease diagnostic services to veterinarians, livestock producers, pet owners, and biomedical researchers. In addition to diagnostic services, the Laboratory shares in the training of future veterinarians through instruction of veterinary medical students in the practice of diagnostic medicine.

REGIONAL SUPPORT PROGRAMS**Continuation of 2011-13 Regional Support**

This program continues supplemental appropriations for the four Technical and Regional Universities (TRUs, consisting of EOU, SOU, WOU and OIT). The supplemental appropriations were first established in the 2011-13 biennium.

EOU Supplemental Support (Fundable FTE Supplement)

Under the now-retired RAM funding system, all students at EOU were considered “fundable,” which meant enrollment-based state support was earned by both resident and non-resident student credit hour completions. Because the SSCM only provides funding based on resident student achievement and completions, EOU would have lost a substantial amount of its share of state funding. The EOU Supplemental Support Mission Differentiation line provides additional state funding to offset what otherwise would be lost in the transition of data from the “fundable” basis to the “resident only” basis. The funding will continue in future years and receive the same inflationary adjustments as other MD line items.

Regional Access

This program provides core support for regional institutions with small enrollment bases to ensure geographic access to public higher education for all Oregonians.

Regional University Support Adjustment

The Regional University Support Adjustment provides \$13,010,121 in FY 2019-20 as support for institutions reporting fewer resident FTE than 7,500. The funds are distributed proportionally between

EOU, OIT, SOU, WOU, and OSU-Cascades according to how far below the 7,500 FTE threshold each institution falls (OSU-Cascades receives a discounted proportion-- 60%--of funding). The total funding available will change at the same rate as other Mission Differentiation items but the allocation of those funds will be recalculated each year, reflecting annual changes in FTE counts at the eligible institutions.

Retrenchment, Retention and Graduation and Underpinning

Funding for these three programs was implemented in 2007-09 as a result of legislative support for financial stability at regional campuses and to provide incentives for retention and graduation at those institutions. The retention and graduation component was introduced to provide resources and incentives for campuses to develop and begin implementing plans to achieve improvements. The intent of this shift was to move toward allocations based on realized achievement improvements.

TRU Shared Services and IT Fifth Site

These programs provide funding to the TRUs to support their increased costs as a result of the new University Shared Services Enterprise (USSE) which replaced much of the shared services previously provided by the OUS Chancellor's Office. Under HB 2611 (2015), the USSE will exist in its current form until at least the end of the current biennium, with the exception of risk management services, which may be provided by individual campuses instead of the USSE if the campuses so choose. At this time, only UO has done so. In addition, under SB 54 (2017), Shared Services must provide benefits necessary to maintain the tax-exempt status of capital bonds.

RESEARCH SUPPORT PROGRAMS

Sponsored Research

This program provides support for research as an incentive to attract additional sponsored research to the campuses. Support levels were calculated in 1996-97 based on 4% of Sponsored Research expenditures. Subsequent to 1996-97, funding levels for this program are based on this initial allocation, inflation, and legislative cuts.

Faculty Salaries-Research

This program provides additional research support to institutions on the basis of instructional faculty salaries, specifically, 3% of faculty salaries at OSU, PSU and UO, and 2% of faculty salaries at EOU, OIT, SOU, and WOU in 1996-97. Subsequent to 1996-97, funding levels for this program were based on this initial allocation, inflation, and legislative cuts.