
Docket Item:

Student Success and Completion Model (SSCM) Review

Summary:

The SSCM is the formula by which the HECC, through administrative rule, allocates the Public University Support Fund (PUSF) to Oregon's seven public universities. Last year, the HECC established an "SSCM Evaluation Workgroup" to make recommendations for the potential revision to the formula. This group has concluded phase 1 of its work by identifying components of the SSCM should be addressed and potentially revised.

This docket reviews the guiding principles of the SSCM, as well as each component that makes up the formula.

State Funding Model Assumptions

The HECC's assumptions about its approach to distributing state resources have included:

1. A state funding model should be designed to allow for the distribution of state funding in support of student access and completion, and should apply objectively to all public universities without regard to winners and losers.
2. A state funding model is not a tool for governing universities, but is rather a tool for marshalling state resources in the pursuit of the state's higher education goals. The governance of the institutions across all funding sources, including those revenues defined by the state funding model, should be left to the independent university boards.
3. A state funding model should be anchored in clearly-articulated principles that should remain stable over time (eg a focus on student outcomes).

SSCM Guiding Principles

The SSCM was designed and implemented in 2014-15, based on the following principles. It should:

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

The SSCM attempts to adhere to these principles through three different mechanisms: mission differentiation (MD) funding, activities based funding (ABF), and outcomes based funding (OBF). Resident student access and success is promoted by incentivizing progress toward a degree through the funding of completed credit hours weighted to account for the differing costs of academic programs.

Mission Differentiation Funding supports the unique regional, research and public service missions and activities of each university. There are three components to MD funding: mission support, research support, and regional support.

- The goal of mission support is to support each institution's unique mission. This includes public services that each institution provides. The HECC does not specify or track the distribution of funds between each institution's public service programs.

- The goal of research support is to provide support for research as an incentive to attract additional sponsored research to the campuses, as well as provide additional research support to institutions on the basis of instructional faculty salaries.
- Regional support provides core support for regional institutions with small enrollment bases to ensure geographic access to public higher education for all Oregonians. The total funding available changes at the same rate as other mission differentiation items but the allocation of these funds is recalculated each year, reflecting annual changes in FTE counts at the eligible institutions.

Activities Based Funding distributes resources based on student credit hour (SCH) completions of Oregon resident students at undergraduate and graduate levels. The ABF portion of the formula is designed to support many of the SSCM Guiding Principles, for example: Principle 2: Focus on student access and success with an emphasis on underrepresented populations; Principle 5: Recognize the cost differences in various academic program areas; and Principle 7: Maintain clarity, simplicity and stability.

Principles of the ABF portion of the formula include:

- *A focus on resident students* – Only Oregon resident students are included in the formula. For SSCM purposes, we also consider students receiving tuition equity for non-citizens, as well as tuition equity for veterans resident students.
- *Focus on implied cost recovery*- The ABF portion of the formula is designed to be a reimbursement for the cost of delivering instruction. We recognize that different courses cost different amounts to deliver, and that is reflected by the cost weights. Cost weights are applied by level (baccalaureate, masters, doctoral) and academic discipline in order to get weighted hours.
- *Enrollment driven*- 40% of remaining PUSF funds, after Mission Differentiation, goes to ABF.

Outcomes Based Funding rewards degree and certificate completions by Oregon resident students. The goal of the outcomes based allocation is to incentivize institutions to drive completions in order to align with the state's goal of 40-40-20. The OBF portion of the formula supports SSCM Guiding Principle 1: Reflect the Commission's strategic plan and Equity Lens; Principle 2: Focus on student access and success with an emphasis on underrepresented populations; Principle 3: Encourage educational attainment in high-demand and high-reward disciplines; Principle 5: Recognize the cost differences in various academic program areas; and Principle 7: Maintain clarity, simplicity and stability.

There are four primary incentives that are provided additional weighting in the OBF portion of the allocation formula:

- Degree Level (Baccalaureate 2.0, Master's 1.0, Professional 1.0, Doctoral 1.4, Certificate 0.2)
- Academic Discipline (cost weight)
- Area of Study Bonus for those in academic disciplines in high-demand and high-reward fields (STEM, Health, Bilingual Education)
- Completions by underrepresented students (underrepresented minority, low-income, rural and veteran status).

Each completion is awarded points based on these incentives. They are all multiplicative, except the underrepresented student incentive, which is added to the points total based on number of targeted populations the student meets. There is also a transfer discount applied, for any completion that was a transfer from an Oregon Community College.

Example calculation in the OBF component of the model, using hypothetical data:

Type of Degree	Academic Discipline	Avg Degrees	Degree Weight	Cost Weight	Area of Study Bonus	Transfer Discount	Targeted Population	Points
Non-transfer bachelor's	Engineering	1.00	2.00	1.85	20.00%	0.00%		4.44
Transfer bachelor's	History	1.00	2.00	1.00	0.00%	37.50%		1.25
Master's	Education	1.00	1.00	1.27	0.00%	0.00%		1.27
Doctoral	Biology	1.00	1.40	2.86	20.00%	0.00%		4.80
Underrepresented		1.00					0.8	0.80
							Score:	12.56

Staff Recommendation:

For discussion purposes only.