



August 10, 2021

Chair Roper, Commissioners and Executive Director Cannon,

On behalf of the University of Oregon, I am writing to ask that the Commission adopt the proposal that is being put forth by HECC staff for a one year “hold harmless” adjustment to the Student Success and Completion Model (SSCM).

As you are aware, when the Commission approved the updates to the SSCM model, the proposal included a one year “stop loss” adjustment. The discussion around the stop loss assumed that there would likely be a cut to the PUSF in the coming biennium. When the legislature approved the full funding request of \$900,000,000 it became clear that the existing, approved “stop loss” mechanism would not function as intended. For this reason, all seven campuses agreed to support a proposal to replace the “stop loss” adjustment with a “hold harmless” adjustment that would provide those campuses negatively impacted by the model change with additional funding in the first year of the biennium.

The purpose of the transition year was to allow the campuses to move to the new model, but buffer the impact of the changes for one year to enable campuses to adjust their budgets and operations as necessary. Oregon Tech is now requesting that the hold harmless adjustment be extended for two years, thus negating the intended model changes during the entire FY21-23 biennium. We find this proposal completely unacceptable.

HECC staff, as well as dozens of task force members, worked for over 15 months to develop the proposed model changes. HECC Commissioners thoroughly reviewed and approved the changes which further strengthen the outcomes-based approach of the SSCM. Extending the hold harmless provision to the second year of the biennium would undermine the hundreds of hours of work and deliberation of the task force members, HECC staff, and HECC Commissioners that were dedicated to the SSCM update process.

In the materials that Oregon Tech submitted to the HECC for the August F&A Committee meeting, they assert that the new model changes are unequitable because they result in a decrease in funding for Oregon Tech, while other campuses are seeing an increase in funding. While this is true, it is not unequitable. The SSCM Task Force spent over a year diving into the details of the SSCM model and reviewing all of the formulas and data that support the model. Through this process, the decades old cost data was updated and several changes were made to better align the model with Commission intent (e.g. not providing twice as much funding for students who graduate with a double degree, not providing multiplicative bonuses for STEM fields, increasing the bonus for community college transfer students, etc.). The resulting adopted formula did shift some funding between schools – as was intended.

As you can see from the table below, of the seven campuses, even *after* the formula changes Oregon Tech will still receive the second highest level of funding per resident student of all campuses. While Oregon Tech may be unhappy with this shift in funding, many on the task force felt that the changes implemented in the model did not go far enough to equalize funding, but in the interest of compromise we agreed to the



formula that Oregon Tech now seeks to unwind. Schools that receive less state funding per resident student are forced to charge more in tuition rates, a trend that can clearly be seen in the materials that the HECC staff provided for the Commission in the meeting materials.

Funding Per Resident FTE (Updated SSCM Formula) – Estimate FY 2022 Data

	Funding Per Resident FTE	Percent Compared to Lowest Campus (UO)
EOU	15,927	202.1%
OIT	12,396	157.3%
OSU	9,028	114.5%
PSU	8,097	102.7%
SOU	11,777	149.4%
UO	7,882	100.0%
WOU	10,618	134.7%
	9,105	115.5%

For these reasons, as President of the University of Oregon, I urge the Commission to adopt the one-year hold harmless provision being proposed by HECC staff, and reject efforts to undue the work of the SSCM Task Force and Commission to update the model this past year.

Thank you for your continued service and your commitment to Oregon students.

Sincerely,

Michael Schill
President and Professor of Law
University of Oregon