

HIGHER EDUCATION COORDINATING COMMISSION

DIVISION 13

UNIVERSITY PROGRAMS AND FINANCE

715-013-0025

Public University Support Fund Distribution

~~(1) Purpose: The Purpose of this rule is to operationalize and distribute the Public University Support Fund (PUSF) via the Student Success and Completion Model (SSCM) described therein. This rule is a companion to 715-013-0040~~

~~(2)~~ Definitions:

~~(a) "Annual Update" means the annual refresh of data upon which this model is based. It shall be completed by the end of October of any given year.~~

~~(a) "Baccalaureate Degree", or Bachelor's Degree, is a degree that generally represents four years of college study, it's equivalent in depth and quality of learning experience, or as promulgated by the Northwest Commission on Colleges and Universities.~~

~~(b) "Bilingual Education Certificate", means completion of a Teacher Standards and Practices Commission (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 a language competency test recognized by TSPC including either the National Evaluation Series (NES) or American Council on the Teaching of Foreign Languages (ACTFL). means Such certificates are treated as a graduate certificate for the purposes of this rule, as well as OAR 715-013-0040. defined by the Teacher Standards and Practices Commission (TSPC) in OAR 584-225-0050 as a "Dual Language Specialization" indicates that an educator has obtained additional and specialized preparation to teach pre-kindergarten through grade 12 students in dual language learning environments as defined by the TSPC. It is treated as a graduate certificate for the purposes of this rule, as well as OAR 715-013-0040.~~

~~(c) "Classification of Instructional Programs" or "CIP" code is a numerical identifier assigned by the National Center for Education Statistics to an academic discipline to support tracking and reporting data at the field-of-study level.~~

~~(d) "Cost Weighting" is a means by which the value of any Student Credit Hour (-SCH) or outcomes based allocation is adjusted to account for the relative cost to an institution of providing a degree or course. Cost weighting is the same at all institutions and is determined by CIP and by the type of course, course or student level, degree level or degree taught or awarded.~~

~~(e) "Data Validation" is the process by which the HECC's Office of Research and Data examines institution-submitted data to determine their accuracy and validity within accepted standards.~~

~~(f) "Doctoral Course" is a course completed by Ph.D. level students.~~

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~~(g) "Doctoral Degree" or "Ph.D." is a degree that generally indicates the recipient has done, and is prepared to do, original research in a major discipline. Doctoral degrees usually require three years or more of graduate level coursework requiring an original research thesis or project, or as promulgated by the Northwest Commission on Colleges and Universities.~~

~~(fh) "Dual Credit" course is that which awards secondary and postsecondary credit as recognized by the HECC and determined by both the granting secondary institution and granting public university.~~

~~(i) "Graduate certificate" is an official recognition of less than one year of post baccalaureate study, or its equivalent in depth and quality, or as promulgated by the Northwest Commission on Colleges and Universities.~~

~~(gj) "Higher Education Coordinating Commission" or "HECC" is the body established by ORS 350.050.~~

~~(hk) "Inflation" is defined as the previous full year CPI that includes the Portland metro area as published and defined by the US Bureau of Labor Statistics and selected by the HECC.~~

~~(il) "Low Income Student" is defined as resident undergraduate students who have received the Pell Grant at any point during their time enrolled within a public university in Oregon.~~

~~(m) "Lower division undergraduate course" is a course completed by freshman, sophomore, or nonadmitted undergraduate level students.~~

~~(n) "Master's course" is a course completed by master's degree, other graduate, or nonadmitted graduate level students.~~

~~(o) "Master's degree" is a degree that generally represents a first graduate degree, including about one year of post-baccalaureate study, or its equivalent in depth and quality. Professional masters degrees generally require up to two years or equivalent of coursework beyond the baccalaureate level, or as promulgated by the Northwest Commission on Colleges and Universities.~~

~~(jp) "Pell Grant" is a grant awarded by the United States Department of Education to eligible students at American institutions of higher education largely on the basis of financial need.~~

~~(q) "Professional course" is a course completed by professional degree students.~~

~~(r) "Professional degree" is a degree that emphasizes application of knowledge in the field, including three or more years of carefully prescribed graduate level coursework, or as promulgated by the Northwest Commission on Colleges and Universities.~~

~~(ks) "Public university" or "University" is any institution as defined in ORS 352.002.~~

~~(lt) "Public University Support Fund" or "PUSF" is the general fund appropriation to the HECC intended for distribution by HECC to public universities as defined in ORS 352.002.~~

~~(m#) "Resident" student is a student classified as such by a public university's Residency Classification Officer, reviewed by the Inter-institutional Residency Committee, or students granted resident tuition under ORS 352.287 and all doctoral students for SSCM purposes.~~

~~(n^w)~~ "Rural Students" are first time-freshmen resident undergraduate students who are graduates of high schools designated by the National Education Statistics Locale Codes as follows: "Rural; Distant", "Rural; Fringe", "Rural; Remote", "Town; Distant", "Town; Fringe" or "Town: Remote".

~~(o^w)~~ "SCARF" is the Student Centralized Administrative Reporting File and is comprised of student and course information for each Oregon public university. The SCARF system is maintained by the HECC's Office of Research and Data. All degree, course levels, student types, including transfers, veterans and other relevant types, and student credit hours are defined as they are within the SCARF.

~~(p^x)~~ "Stop Gain" is designed to prevent an institution from receiving an increase in allocation in excess of a pre-determined threshold. If Stop-Gain is triggered, the excess allocation from the triggering institution is distributed proportionally to all non-triggering institutions. Only the amount necessary to bring all institutions within the Stop-Gain threshold is re-distributed.

~~(q^y)~~ "Stop Loss" can be either a negative or positive percentage and is designed to prevent an institution from receiving a decrease in allocation beyond a pre-determined threshold. If Stop-Loss is triggered, all institutions that receive an allocation that exceeds the stop-loss threshold contribute a proportional amount of allocation to those institutions whose allocation fell below the Stop-Loss threshold. Only the amount necessary to bring all institutions at or above the Stop-Loss threshold is re-distributed.

~~(z)~~ "Student Credit Hour" or "SCH" is a unit of course completion defined by the public university, in accordance with definitions promulgated by Northwest Commission on Colleges and Universities.

~~(r^{aa})~~ "Student Success and Completion Model" or "SSCM" is a calculation-driven mechanism for determining the proportion of PUSF allocated to each public university.

~~(s^{bb})~~ "Targeted Student Populations" consist of undergraduate resident students that are part of any of the following populations: (1) Underrepresented ~~Minority Populations~~ Racial/Ethnic Groups; (2) Low Income Students; (3) Rural students and (4) Veterans. Students may be in as many of these four groups as applicable in their case.

~~(t^{cc})~~ "Transfer student" is defined by the SCARF data dictionary as a resident student who has an Associates degree or as defined by the university and accepted by HECC policy or administrative rules. Transfer students shall also include any student admitted with college credits and completion of an accepted English as a foreign language test, where appropriate, as well as some special or probationary admissions. Transfer students do not include any student who graduated from high school less than 5 2/3 months before the start of the Fall Term in which they first enroll or less than three months before the start of the Winter, Spring or Summer Term in which they first enroll regardless of how many college credits they have earned.

~~(t^{dd})~~ "True-up" is the process by which allocations created using estimated data are reconciled with finalized allocations created using actual data.

~~(u^{ee})~~ "Underrepresented ~~Minority population~~ Racial/Ethnic Group" consists of resident undergraduate students identified in as American Indian/Alaskan Native, Hispanic, Pacific Islander, Black, African American or two or more races if one of those two or more races is one of those listed in this definition.

~~(f^{ff})~~ "Upper division undergraduate course" is a course completed by junior, senior, or post baccalaureate undergraduate-level students.

(66v) "Veterans" are those resident undergraduate demarcated in the SCARF system as a veteran of the U.S. Armed Forces as determined by the University in accordance with HECC policy, practice and any relevant laws or administrative rules.

(32) The SSCM incorporates a public university's degree and SCH completion information for the three most recently completed fiscal years, or projections thereof, in determining allocation amounts.

(a) An institution may submit new or updated data for any past years but it will not ~~effect~~^{affect} allocations unless it is submitted and validated prior to the ~~true-up process~~^{annual update} being completed for a particular fiscal year. Such additional submissions shall take place within the normal data update framework established by the HECC.

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(b) HECC staff shall validate the accuracy of all data before incorporating it into the model or into any ensuing calculations. Validation of data shall take place via an approach developed at the discretion of HECC staff. This includes initial data submissions as well as supplemental data submissions that do not impact allocations to any institution in a particular fiscal year.

(c) Once ~~True-up procedures~~^{the annual update} for a particular fiscal year has~~ve~~ been completed, that year's allocations shall be considered as final. Any errors in data or calculation will not be corrected or otherwise incorporated into the allocation calculations of future fiscal years.

(43) The HECC shall have the discretion to round any SSCM line-item or calculation, whether final or intermediate, to a whole dollar, either up or down, in order to match distributions with available funds.

(54) Allocation projections will be completed before the fourth quarter of the prior fiscal year for the subsequent fiscal year that begins July 1st of the same calendar year. Projections may be updated by the true-up process as described elsewhere in this rule.

(65) The Student Success and Completion Model consists of three components, Mission ~~Differentiation~~^{Support} Funding Allocation, Activity-Based Allocation and Outcomes-Based Allocation.

(a) Mission Support Funding supports a public university's activities relating to their varying missions and is paid prior to any other funding.

(A) Mission Support funding levels are set annually as the lesser of the following:

(a)1) The prior year's Mission Support Allocation adjusted for inflation.

(b)1) 16.6% of the total PUSF for a given fiscal year.

(B) Mission Support Funding shall consist of the following four components

(a)1) Base Funding- -- Which shall consist of a set payment for each institution as well as an economy of scale allocation. These are as described in section 2(a) of OAR 715-013-0040.

(b)1) Regional Access -- Provides an allocation that contributes to the financial stability of public universities and ensures geographic access to public higher education for Oregonians. Regional support values are listed in Section 2(b) OAR 715-013-0040.

(ciii) General Research Support- Provides an allocation to support research activities conducted by the public universities. Research support calculations shall be made on the basis of section 2(c) of OAR 715-013-0040.

(d) Public Service Support – Provides an allocation to support public university programming consistent with the mission of public higher education as articulated in ORS 350.001. This Section may support efforts consistent with, but not limited to public services, cross-sector or cross-institutional programs, undergirding of university operations support, specific academic programs or other efforts by public universities. Public Service Support Calculations shall be made on the basis of section 2(d) of OAR 715-013-0040. Differentiation Funding supports a public university’s activities consistent with, but not limited to, any of four categories: As noted by section (E) below, three items within the first three categories do not adjust by the same means as all others:

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(A) Regional Support— Provides an allocation that contributes to the financial stability of public universities and ensures geographic access to public higher education for Oregonians. Regional support values are listed in Table 2 of Section 3 OAR 715-013-0040.

(B) Mission Support— Provides an allocation to support public university programming consistent with the mission of public higher education as articulated in ORS 351.001. This Section may support efforts consistent with, but not limited to public services, cross sector or cross-institutional programs, undergirding of university operations support, specific academic programs or other efforts by public universities. Mission support values are listed in Table 2 of Section 3 of OAR 715-013-0040.

(C) Research Support— Provides an allocation to support research activities conducted by the public universities. Research support values are listed in Table 2 of Section 3 of OAR 715-013-0040.

(D) Dual Credit Dual credit provides an allocation to support those students who are enrolled in dual credit programs. The value of Dual Credits is listed in Table 3 of Section 4 of OAR 715-013-0040. The amount of funding allocated for each dual credit adjusts every year by the lesser of the change in the PUSF or the change in inflation.

(E) The following Mission Differentiation items will be distributed to institutions on the basis of three year average student credit hour data relevant to these items but the maximum amount of funds distributed by each shall be capped as prescribed in Table 2 of Section 3 of OAR 715-013-0040.

(i) Regional University Support within the Regional Support Category. Oregon State University’s Cascades campus is funded at 60% of the rate used for EOU, OIT, SOU and WOU.

(ii) Engineering Technology Undergraduate within the Mission Support Category

(iii) Engineering Technology Graduate within the Mission Support Category

(b) Activity-Based Allocation is determined by the total, cost weighted, completed, resident SCH at a public university consistent with the following methodology. Activity-based allocations shall be 40% of all funding after mission support funds are paid in a given year.

(A) The most recent 3-year average of resident SCH produced by each public university will be used to determine the Activity-Based Allocation. This shall include SCH data from the summer, fall, winter and spring quarters for the three prior academic years.

(B) Relative cost weights, by academic program and level will be utilized to differentiate allocations by completed SCH. Relative values will be determined by the HECC for programs by CIP-identified discipline and by level, including lower division undergraduate, upper division undergraduate, Master's, and Doctoral levels. Relative cost weights are listed in Table ~~14~~ of Section ~~35~~ OAR 715-013-0040.

(C) The combined value of completed SCH at a public university, relative to total completed SCH at all public universities, as adjusted by cost weighting will determine the proportional share of Activity-Based Allocation allocated to each institution.

(c) Outcomes-Based Allocation is determined by the total cost weighted degrees produced, student type and priority area consistent with the following methodology. Outcomes-Based Allocations shall be 60% of all funding after mission support funds are paid in a given year.

(A) The most recent 3-year average of degrees conferred by public universities to resident students will be used to determine the Outcomes-Based Allocation. Degrees are categorized by level, including Baccalaureate, Masters, Doctoral, Professional, and Graduate Certificates. The HECC will determine the relative weighting of degree levels as listed in Table ~~25~~ of Section ~~46~~ in OAR 715-013-0040. For the purposes of this formula, each student shall be limited to one degree per academic year. Should a student earn more than one degree in a particular academic year, the degree with the highest calculated value shall be included and all other degrees excluded.

(B) The HECC will set the relative value of priority degrees which are of particular interest to the state of Oregon. This includes an emphasis on those that lead to employment in underserved high-demand and high-reward fields or those that fill a unique need. The HECC will solicit input from applicable state agencies, public universities and stakeholders to evaluate the expected labor force needs and identify what priority degree types, if any, exist. This will be reexamined by the HECC no less than once every five years. Degree areas of particular priority to the state and their relative value are established in Table ~~47~~ of Section ~~68~~ of OAR 715-013-0040.

(C) The HECC will adjust the relative value of degrees due to the cost of delivering these degrees. These cost weighting factors of degrees are listed in Table ~~36~~ of Section ~~57~~ of OAR 715-013-0040. Cost weights for masters, graduate, and doctoral degrees may be reduced in order to maintain the same proportion of outcomes funding for undergraduate education.

(D) The HECC may discount the value of bachelors degrees awarded to transfer students as ~~listed in Table 9 of Section 10~~ outlined in Section ~~8~~ of OAR 715-013-0040.

(E) The allocation calculation counts a degree awarded with multiple majors to one student as a single degree in the discipline with the greatest relative value as listed in Table ~~46~~ of Section ~~67~~ of OAR 715-013-0040.

(F) Degrees awarded to resident students receiving bachelors degrees who represented one or more targeted student populations characteristics identified as having lower completion rates, lower participation rates or other unique needs or qualifications may be prioritized by the HECC. The HECC will

solicit input from applicable state agencies, public universities and stakeholders to identify what priority student populations, if any, exist. These weights are listed in Table 58 of Section 79 OAR 715-013-0040.

(G) The combined relative values of degree level, academic discipline, and targeted population group representation determines the Outcomes-Based Allocation allocated to each public university.

~~(76) The cumulative results of the Base Allocation, Mission Support Allocation, Activity-Based Allocation and Outcomes-Based Allocation shall be a university's allocation for the SSCM in a given year and may be adjusted by the HECC via a stop loss or stop gain mechanism as defined in section 9 of OAR 715-013-0040. may be adjusted by the HECC during a four year phase-in period beginning in the 2015-2016 fiscal year and concluding in the 2019-2020 fiscal year as listed in Table 1 of Section 2 of OAR 715-013-0040, or until discontinued by the HECC, in order to reduce the rate of change in the absolute value of PUSF allocations to a public university and maintain relative stability and predictability throughout the transition period. At least two operations may be performed in determining any such adjustment: Stop loss and stop gain. These calculations compare the allocation calculation to the prior year allocation on a university-by-university basis to determine the level of change, as a percentage. For the 2015-16 fiscal year, the 2014-15 allocation shall be the baseline for any stop loss or stop gain operations. Subsequently, prior year allocation will serve as the basis for the stop loss and stop gain. The HECC will establish thresholds of change that trigger a stop loss redistribution of allocation, a stop gain redistribution of allocation, or both. The values for Stop Loss and Stop Gain are listed in Table 10 of Section 11 of OAR 715-013-0040.~~

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~~(87) When projections are used to determine a public university's allocation, a True-Up procedure shall be used to prorate future payments to match final allocations. The True-Up procedure may alter the funding allocation of a public university from that which was originally allocated by the HECC. A True-Up procedure, if used, will be executed in the second quarter, or as soon as practicable in every fiscal year.~~

~~(98) PUSF Distributions are made quarterly with timing and amounts determined by agreement between the HECC and the Oregon Department of Administrative Services.~~

~~(109) Pursuant to ORS 350.075(8) and OAR 715-013-0005, the HECC delegates administrative authority to the Executive Director, or their designee, to operationalize the Student Success and Completion Model and the procedures outlined in this and any other relevant Laws and Administrative Rules.~~

~~(1011) Weighting factors and data definitions within the SSCM will be examined by HECC staff and stakeholders as appropriate. In no case shall this reexamination occur less than every other year through 2020. Reexamination shall occur in the even year of every third biennium thereafter. Following 2020, reexamination shall occur in the even year of every third biennium.~~

~~(1244) Legislative mandates or other special packages or appropriations shall not be included in SSCM calculations if the appropriation is made with specific direction on allocation or administration.~~

Statutory/Other Authority: ORS 350.075(6) & ORS 350.075(3)(f)

Statutes/Other Implemented: ORS 350.075(3)(f)