

Proposed Revisions to the Public University Formula (effective 2021-23 biennium)

Technical and Policy Issues

Applying the transfer discount to all transfer students and then applying a bonus to community college transfers – to encourage CC transfers to completion underscoring the importance of cross-sector collaboration and potentially improving the completion rates for those students who begin at a CC

Modify the area of study bonus to be additive – the 20% area of study bonus remains in policy but the calculation is modified to ensure the bonus is applied evenly to all STEM and healthcare degrees regardless of cost weight

Increase the equity bonus – increasing the bonus for targeted population completion in the outcomes funding component from 40% to 50% for one criterion and to 55-60% for two or more criteria; targeted populations include racial minorities, low-income, rural and veterans

Simplifying the mission differentiation component of the formula – the redesign retains four components including base funding, regional access, research support and public service; transitions away from a line-item approach with a more objective and formula driven approach; as a result of foregoing line items, dual credit would then be funded in the activities component of the formula

Update the cost weights – using an average of weights from Illinois, Ohio, Florida and Texas to reflect a more objective and modern cost experience across all disciplines and levels of instruction

Data Issues

Change in definition of STEM degrees – using a federal government definition that is more inclusive of technology fields; the number of STEM degrees would increase by approximately 20%

Update the definition of bilingual education – to more accurately account for all bilingual education graduates to apply the applicable bonus

Defining completion by the number of students and not degrees – this removes from the formula data count those students who earn multiple undergraduate degrees in the same year effecting approximately 280-300 degrees per year

Implementation Issues

Funding for mission differentiation – redefined to be either the same relative proportion of the total PUSF or the “funding index”; the funding index is the current funding amount grown by inflation

Stop loss – use a stop loss defined as 2% more than the overall, expected loss of funding in the PUSF as measured year to year

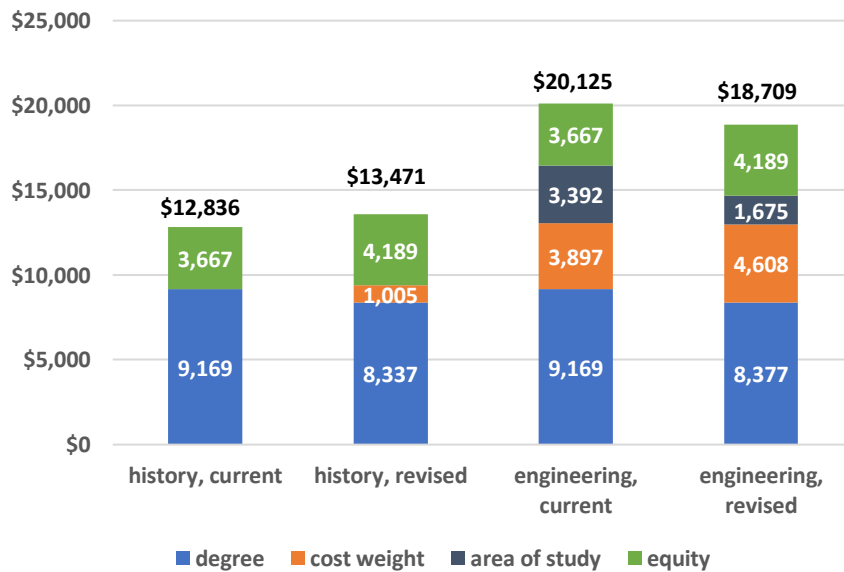
Potential Impact of the Public University Formula Revisions

Total Funding Distribution

	Current	Revised	Variance	
EOU	20,996,848	20,477,508	(519,340)	-2.5%
OIT	29,421,165	28,698,144	(723,021)	-2.5%
OSU	134,780,800	128,388,513	(6,392,287)	-4.7%
PSU	99,712,572	103,303,834	3,591,262	3.6%
SOU	22,696,196	24,071,371	1,375,175	6.1%
UO	75,630,667	76,874,916	1,244,249	1.6%
WOU	26,842,063	28,266,025	1,423,962	5.3%
TOTAL	\$ 410,080,311	\$ 410,080,311	-	-

Total funding distribution by institution before and after the recommended improvements using FY2020 data

Value of a Degree



- This is for undergraduate, non-transfer degrees in history and engineering for illustration
- The general value of the degree is reduced due to more outcomes points from the transfer degree changes
- The value for the area of study decreased by half while the equity bonus increased by 13% (assuming one criteria)

A Focus on Equity

- \$30.6M for equity
- 15% of outcomes funding
- Avg Incentive: \$5,463



- \$33.0M for equity
- 16% of outcomes funding
- Avg Incentive: \$5,934