Funding Universities for Equitable Student Success

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Oregon Higher Education Coordinating Commission

Illinois Commission on Equitable Public University Funding
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We envision a future in which all Oregonians— and especially those whom our systems have underserved and marginalized—benefit from the transformational power of high-quality postsecondary education and training.

From the HECC Strategic Framework, December 2017.
Our Key Responsibilities

The HECC supports state goals for postsecondary education and training by a wide range of policy and funding strategies including:

- setting a strategic vision for postsecondary education and advising state leaders;
- administering the statewide higher education and workforce biennial budget of $3.0 billion (2021-2023)
- authorizing programs and degrees;
- administering statewide financial aid, workforce, and educational programs;
- research, evaluation, and analysis.

The HECC is a coordinating board, not a governing board, and we work in collaboration with many partners across the postsecondary landscape.

We also directly serve Oregonians by awarding grant and scholarship aid to students, and connecting Oregonians with workforce and training resources.
Oregon’s 40-40-20 Goal for Young Adults

- **40%**: 4-year degree or more
- **40%**: 2-year degree or short-term career certificate
- **20%**: High school diploma or equivalent

Oregon’s Adult Educational Attainment Goal

- **300k new credentials by 2030**

More on educational attainment goals and progress toward them on our website here: https://www.oregon.gov/highered/about/Pages/state-goals.aspx.
The Oregon Equity Lens was adopted by the HECC in 2014 as a cornerstone to the State’s approach to education policy and budgeting.

- **Purpose**: To clearly articulate the shared goals we have for our state; to assess the equity impact of policies and investments; **to make intentional policies, investments and systemic change to achieve an equitable educational system**; and to create clear accountability structures.

- Confirms the **importance of identifying and urgently addressing institutional and systemic barriers** that have limited access and success for many students.

- Emphasizes **historically underserved students**, with a particular focus on racial equity.

In 2021, the HECC updated and customized the Equity Lens, now titled the Oregon HECC Equity Lens, with a renewed attention on application to postsecondary education and training. See [https://www.oregon.gov/highered/about/Documents/State-Goals/Equity-Lens.pdf](https://www.oregon.gov/highered/about/Documents/State-Goals/Equity-Lens.pdf)
Overview of Oregon’s Public University Support Fund (PUSF)

- **$904.0 Million (2021-23)**
  - Legislatively-adopted PUSF for HECC distribution to Oregon’s seven public universities in 2021-23.

- **$461.0 Million (FY2023)**
  - HECC distributes 49% of the appropriation in the first year of the biennium (FY22), 51% in the second (FY23).

- **About $350 M**
  - Other sources of state support for public universities:

  The amount per university is determined based on a formula the HECC establishes via administrative rule.
Public University Distribution Formula Architecture

**Mission Differentiation Funding – 17%**
- Allocation off the top
- Based on historical levels + inflation
- Provides funding stability for regional institutions and acknowledges mission specific needs

**Activity-Based Funding – 33%**
- Based on course completions
- Cost-weighting of courses by discipline

**Outcomes-Based Funding – 50%**
- Includes degree completions at all levels
- Transfer bachelor degrees are discounted
- Additional weights for underserved students and completions in critical areas

Total Allocation
Outcomes and Activities Data (83% of the total distribution)

### ACTIVITY BASED ALLOCATION

- Number of resident student credit hours completed by level and discipline (3-year average)
- Summer, fall, winter and spring quarters for the three prior academic years
- Cost weights applied by level (baccalaureate, master’s, doctoral) and academic discipline to get weighted hours

### OUTCOMES BASED ALLOCATION

- Resident degree completions (3-year average)
  - Degrees completed by level and discipline
  - Transfer degree discount
  - Community College transfer degree bonus
  - Underrepresented student completions

- Points are awarded and weighted by:
  - Degree level
  - Academic discipline
  - Targeted population group
  - Area of study bonus (STEM, bilingual education)
Points for the Outcomes Based Allocation

**Degree Weights**
- Baccalaureate: 2.0
- Master’s: 1.0
- Professional: 1.0
- Doctoral: 1.4
- Certificate: 0.2

**Area of Study Bonus**
- STEM + Health: 20%
- Bilingual Education: 120%

**Targeted Populations**
- Low Income (Pell)
- Underrepresented Minority
- Rural
- Veteran

**Cost Weights**
By level of degree and academic discipline
How it works – Outcomes-Based Allocation (approx. 50% of total)

- The example below includes hypothetical data.
- All resident student degrees are collected for all levels of instruction across all disciplines. Degree weights are applied by type of degree.
- Cost weights are applied by level/discipline combination.
- The area of study bonus, transfer discount*, transfer bonus* and the targeted populations bonus are applied as well.

*For simplicity, transfer discount/bonus not shown in hypothetical scenario below.

<table>
<thead>
<tr>
<th>Degree Awarded</th>
<th>Academic Discipline</th>
<th>Degree Level Weight</th>
<th>Cost Weight (multiplicative)</th>
<th>Area of Study Bonus (additive)</th>
<th>Targeted Population</th>
<th>Outcome Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor's degree</td>
<td>Engineering</td>
<td>2.00</td>
<td>2.10</td>
<td>0.4</td>
<td></td>
<td>4.6</td>
</tr>
<tr>
<td>Master's degree</td>
<td>Education</td>
<td>1.00</td>
<td>1.18</td>
<td>0</td>
<td></td>
<td>1.18</td>
</tr>
<tr>
<td>Doctoral degree</td>
<td>Psychology</td>
<td>1.40</td>
<td>2.35</td>
<td>0</td>
<td></td>
<td>3.29</td>
</tr>
<tr>
<td>Underrepresented student</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total Outcome Points for Institution Y</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>10.07</strong></td>
</tr>
</tbody>
</table>
Funding by Institution – Outcomes

• All outcomes points for all institutions are added up.
• The total points is divided into the available funding to get a dollar value per point.
• The dollar value per point is then multiplied by the total points for each institution to get the funding for each institution.

$205.2 million / 50,528 points = $4,061.19 per point

<table>
<thead>
<tr>
<th>Institution</th>
<th>Points</th>
<th>Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>EOU</td>
<td>1,510</td>
<td>$6,135,524</td>
</tr>
<tr>
<td>OIT</td>
<td>2,667</td>
<td>$10,832,998</td>
</tr>
<tr>
<td>OSU</td>
<td>16,512</td>
<td>$67,059,238</td>
</tr>
<tr>
<td>PSU</td>
<td>14,779</td>
<td>$60,021,166</td>
</tr>
<tr>
<td>SOU</td>
<td>2,069</td>
<td>$8,403,215</td>
</tr>
<tr>
<td>UO</td>
<td>10,156</td>
<td>$41,246,226</td>
</tr>
<tr>
<td>WOU</td>
<td>2,833</td>
<td>$11,505,820</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>50,528</strong></td>
<td><strong>$205,204,187</strong></td>
</tr>
</tbody>
</table>
What's a degree worth?

Degree Component Values
(Undergraduate Degrees)

- History, Non-Transfer
  - Degree: $8,122
  - Cost Weight: $975
  - Area of Study: $4,061
  - Equity: $13,158

- Engineering, Non-Transfer
  - Degree: $8,122
  - Cost Weight: $4,467
  - Area of Study: $1,624
  - Equity: $18,274

Points:
- Shows undergraduate degrees in history and engineering.
- Represents only the outcomes portion of the allocation (not activity or mission support funding).
- Assumes the graduate carries one equity characteristic.
Degrees Awarded to Underrepresented Students Are Growing

The number of degrees awarded has grown 10% annually since 2009.

The percent of degrees awarded is now at 22% of total degrees up from 9% in 2010.

Includes low-income, underrepresented minority, rural and military veteran.
Completion Rates Are Improving

The number of annual completions has grown 26% since 2010 to over 25,000 in 2019 for all completions.

The number of completions per 1,000 FTE accounts for enrollment fluctuations.

Annual compound growth of 2.3% increasing from 249 in 2010 to 307 in 2019.

Note: Includes undergraduate and graduate certificates, bachelor’s degrees, and advanced degrees.
Other takeaways from Oregon

Reactions, comments, questions