

**HIGHER EDUCATION COORDINATING COMMISSION
DIVISION 13
UNIVERSITY PROGRAMS AND FINANCE**

715-013-0025

Public University Support Fund Distribution

(1) Definitions:

- (a) "Baccalaureate Degree" or "Bachelor's Degree" is a degree that generally represents four years of college study, or it's equivalent in depth and quality of learning experience, or as promulgated by the Northwest Commission on Colleges and Universities.
- (b) "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.
- (c) "Cost Weighting" is a means by which the value of any Student Credit Hour or degree completion 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 or degree taught or awarded.
- (d) "Current Service Level (CSL) Budget" is the calculated cost of continuing only current legislatively-approved programs into future biennia while subtracting one-time allocations as determined by the Department of Administrative Services.
- (e) "Doctoral Course" is a course completed by Ph.D. level students.
- (f) "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 and an original research thesis or project, or as promulgated by the Northwest Commission on Colleges and Universities.
- (g) "Dual Credit" course is that which awards secondary and postsecondary credit as determined by both the granting secondary institution and granting public university.
- (h) "Graduate Certificate" is an official recognition of less than one year of post-baccalaureate study, or it's equivalent in depth and quality, or as promulgated by the Northwest Commission on Colleges and Universities.
- (i) "Higher Education Coordinating Commission," "HECC" or "Commission" is the body established by ORS 351.715 and appointed by the Governor.
- (j) "Inflation" is defined as the previous full year CPI-U for the Portland, Oregon area as determined and defined by the US Bureau of Labor Statistics.
- (k) "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

- (l) “Lower Division Undergraduate Course” is a course completed by freshman, sophomore, or nonadmitted undergraduate level students.
- (m) “Master’s Course” is a course completed by master’s degree, other graduate, or nonadmitted graduate level students.
- (n) “Master’s Degree” is a degree that generally represents a first graduate degree, including one year or more 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.
- (o) “Outcomes” is an indicator of student achievement or educational attainment for state funding purposes, as determined by the HECC.
- (p) “Professional course” is a course completed by first professional degree students.
- (q) “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.
- (r) “Public university” or “University” is any institution of higher learning as defined in ORS 352.002, including; the University of Oregon (UO), Oregon State University (OSU), which includes Oregon State University’s Cascades Campus (OSU-CC), Portland State University (PSU), Oregon Institute of Technology (OIT), Western Oregon University (WOU), Southern Oregon University (SOU), and Eastern Oregon University (EOU).
- (s) “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.
- (t) “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 351.641 and all doctoral students.
- (u) “Rural Student” are first time-freshmen resident undergraduate students who are graduates of an Oregon high school classified by the National Education Statistics Locale Codes as follows: (31) Town Fringe, (32) Town Distant, (33) Town Remote, (41) Rural Distant, (42) Rural Fringe, and (43) Rural Remote.
- (v) “Settle-Up” is the process by which allocations determined and allotted using estimated completion data are reconciled with finalized allocations created using actual finalized end data.
- (w) “Stop Gain” is designed to prevent an institution from receiving an increase in allocation in excess of a pre-determined threshold percentage. If the 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.
- (x) “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.

(y) "Student Credit Hour" or "SCH" is a unit of course completion as determined by a public university in accordance with standards promulgated by Northwest Commission on Colleges and Universities.

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

(aa) "Targeted Student Populations" consist of undergraduate resident students which meet the criteria to be included in one or more of the following non-exclusive populations: (1) Underrepresented Minority students, (2) Low Income students, (3) Rural students and (4) Veteran students.

(bb) "Transfer student" is defined by the SCARF data dictionary as a resident student who has an associate's degree or as defined by a public university and accepted by HECC policy or Administrative Rule. 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.

(cc) "Underrepresented Minority students" are those 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 established in this definition.

(dd) "Upper Division Undergraduate Course" is a course completed by junior, senior, or post baccalaureate undergraduate level students.

(ee) "Veteran students" 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 and administrative rules.

(2) Effective beginning July 1, 2015, the Student Success and Completion Model (SSCM) shall be the method for determining a public university's allocation of the PUSF.

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

(4) Whenever possible, projections will be completed on or about the third quarter of the prior fiscal year for the subsequent fiscal year that begins July 1st of the same calendar year. Projections may be used for determining the first quarterly allotment of a fiscal year.

(5) When projections are used to determine a public university's allocation, a Settle-Up procedure shall be used to prorate un-allotted payments to adjust for finalized data. The Settle-Up procedure may

alter the funding allocation of a public university from that which was originally allocated by the HECC. A Settle-Up procedure, if used will be executed in the second quarter, or as soon as practicable in every fiscal year, and as approved by vote of the HECC. If necessary, a Settle-Up may take place in subsequent fiscal years but will, in general, be avoided.

(6) The Student Success and Completion Model consists of three components, Mission Differentiation Funding Allocation, Activity-Based Allocation and Outcomes-Based Allocation. The methods and amounts of funds to be allocated to these three categories are established in OAR 715-013-0040 Section 2.

(a) Mission Differentiation Funding is determined by the HECC. Mission Differentiation Funding supports a public university's activities consistent with, but not limited to, any of three categories:

i. 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 established in OAR 715-013-0040 Section 3, Table 2.

ii. 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 will 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 established in OAR 715-013-0040 Section 3 Table 2.

iii. Research Support – Provides an allocation to support research activities conducted by the public universities. Research Support values are established in OAR 715-013-0040 Section 3 Table 2.

iv. Dual Credit-Dual credit provides an allocation to support those students who are enrolled in Dual Credit programs. The value of SCH awarded in Dual Credit programs are established in OAR 715-013-0040 Section 4 Table 3.

v. Mission Differential Funding will change from fiscal year to fiscal year by the lessor of Inflation or the change in PUSF funding.

(b) Activity-Based Allocation is determined by the total, cost weighted, completed, resident SCH at a public university consistent with the following methodology.

i. The most recent three-year average of resident SCH completions by CIP produced by each public university will be used to determine the Activity-Based Allocation.

ii. Relative cost weights, by CIP and SCH level, will be utilized to differentiate the weighted value of 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 established in OAR 715-013-0040 Section 5 Table 4.

- iii. 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.
- i. The most recent three-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 degrees level as established in OAR 715-013-0040 Section 6 Table 5.
 - ii. The HECC will adjust the relative value of degrees due to the cost of delivering these degrees. These cost weighting factors of degrees are established in OAR 715-013-0040 Section 7 Table 6.
 - iii. 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 OAR 715-013-0040 Section 8 Table 7.
 - iv. Degrees awarded to resident students receiving Bachelor's Degrees who represented one or more targeted student population 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 established in OAR 715-013-0040 Section 9 Table 8.
 - v. The HECC shall discount the value of Bachelor's Degrees awarded to transfer students at a rate established in OAR 715-013-0040 Section 10 Table 9.
 - vi. A degree awarded with multiple majors to one student is treated as a single degree in the discipline with the greatest relative value as established in OAR 715-013-0040 Section 7 Table 6.
 - vii. The combined relative values of degree type and level, priority degrees, and degrees to targeted populations at a public university relatively to the total at all public universities will determine the proportional share of Outcomes-Based Allocation allocated to each public university.
- (7) The cumulative results of the Mission Differentiation Funding, Activity-Based Allocation and Outcomes-Based Allocation shall be adjusted by the HECC during a four year phase-in period beginning in Fiscal Year 2016 and concluding in Fiscal Year 2020. This transition period is designed to maintain relative stability and predictability throughout the transition period. Two operations may be performed

in determining any such adjustment: Stop Loss and Stop Gain. The Stop Loss and Stop Gain calculations function as defined in Section 1. Fiscal Year 2016 baseline figures shall be Fiscal Year 2015 allocations by program. Thereafter the prior year allocation will serve as the basis for the Stop Loss and Stop Gain calculation. The HECC will establish a threshold of change that trigger the Stop Loss redistribution of Activity-Based and Outcomes-Based allocation. The HECC will establish a threshold of change that trigger the Stop Gain redistribution of Activity-Based and Outcomes-Based allocation. The values for Stop Loss and Stop Gain thresholds are established in OAR 715-013-0040 Section 11 Table 10.

(8) Allotments are made quarterly with timing and amounts determined by agreement between the HECC and the Department of Administrative Services.

(9) Deference to legislative designation of specific resources as part of the PUSF will be computed outside of the SSCM until such allocations expire, are made a part of PUSF CSL budget or are adopted by OAR into the SSCM.

(10) Non-PUSF income to a public university such as tuition, auxiliary revenue or private philanthropy will not be included in the SSCM.

(11) Weighting factors and data definitions within the SSCM will be examined by HECC staff and stakeholders as appropriate. This reexamination will occur no less than once every biennium. During the even numbered year of every third biennium the Executive Director of the HECC will convene a workgroup of stakeholders and HECC staff to recommend changes to the SSCM to match the strategic priorities of the state of Oregon and the HECC as appropriate.

(12) The HECC delegates administrative authority to the Executive Director or designee to operationalize the Student Success and Completion Model and the procedures outlined in this Administrative Rule.

(13) This rule shall become effective on July 1, 2015.

Statutory Authority: ORS 351.735(3)(d), 351.735(6)

Statutes Implemented: 2013 SB 270, 2013 HB 3120, 2014 HB 4018 2014 SB 1525