

STRATEGIC PRIORITIES FOR HIGHER EDUCATION IN OREGON



PRESENTED TO:
JOINT COMMITTEE ON WAYS AND MEANS, SUBCOMMITTEE
ON EDUCATION



Day 1

BEN CANNON, Executive Director, HECC; TIM NESBITT,
Commission Chair, HECC; Campus Representative

A CONSOLIDATED POSTSECONDARY PRESENTATION: WAYS AND MEANS, EDUCATION SUBCOMMITTEE OUTLINE

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Day 1	HECC Overview: state goals, governance structure, strategic priorities for student success	
Day 2	HECC Overview: higher education investments	
Day 3	The affordability challenge	
Day 4	Affordability priorities and programs	
Day 5	Public testimony	
Day 6	Postsecondary pathways and transitions	
Day 7	Connecting job-seekers with employment	
Day 8	OHSU, public testimony	
Day 9	Community college introduction, college presentations	
Day 10	Community college presentations continued	
Day 11	Public testimony	
Day 12	University introduction, university presentations	
Day 13	University presentations continued	
Day 14	Statewide public service, capital construction	
Day 15	Public testimony	
Day 16	HECC: an integrated postsecondary agency	

Higher Education
Coordinating Commission

Policy & Operations

Office of Research & Data

Office of Student Access &
Completion

Office of Community Colleges
& Workforce Development

Office of University
Coordination

Office of Private
Postsecondary Education

Center for Community
Innovation

Oregon's Goals for Student Success



WHAT PROGRESS HAVE WE MADE?

BEN CANNON, Executive Director, HECC



OREGON'S 40-40-20 GOAL

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By 2025, 40% of adult Oregonians will hold a bachelor's or advanced degree, 40% will have an associate's degree or a meaningful postsecondary certificate, and all adult Oregonians will hold a high school diploma.



40-40-20: "ALL ADULTS"? THE "PIPELINE"?

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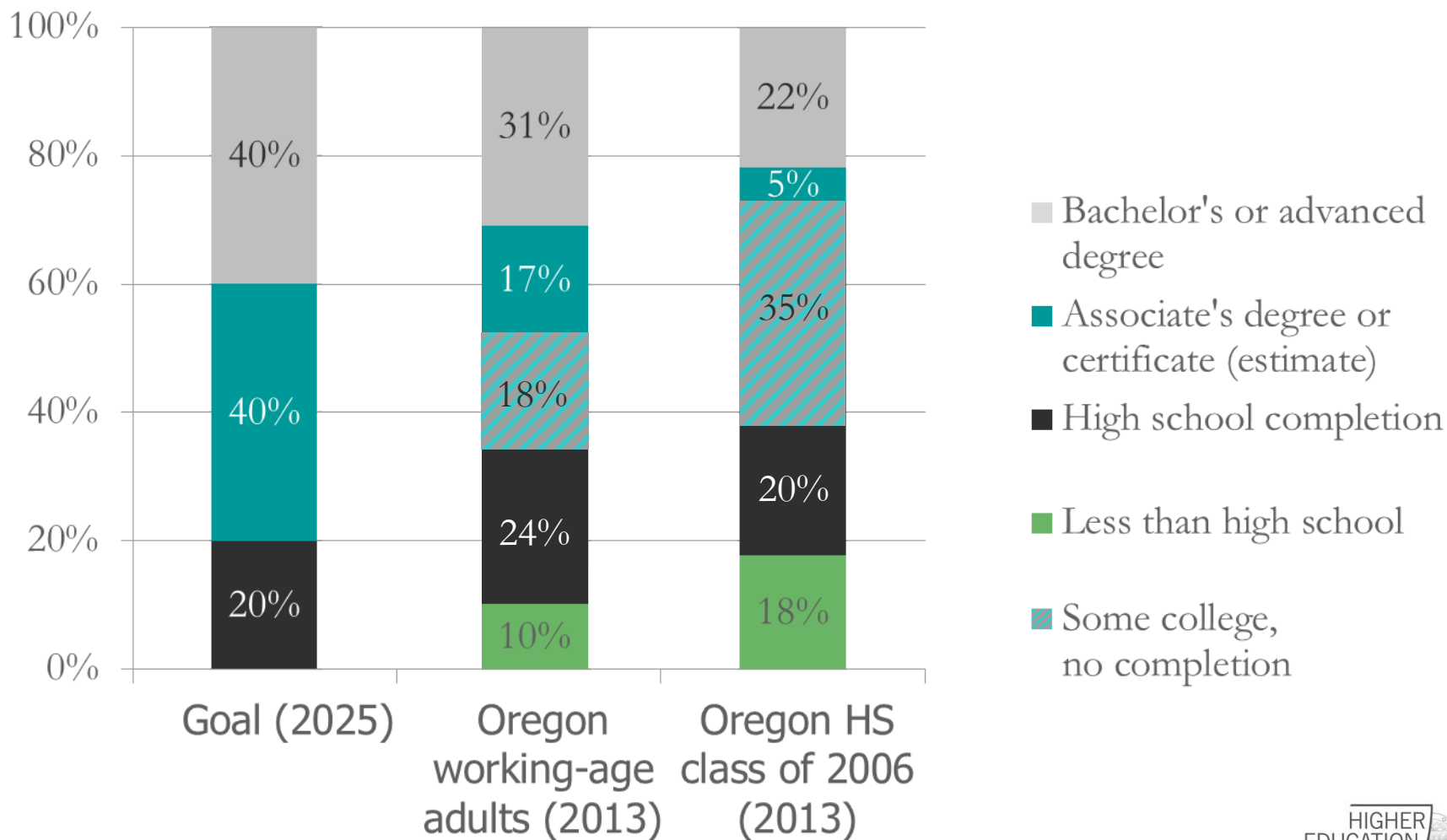
As a pipeline goal, applying to the expected high school class of 2025 (and beyond).

As a goal for the adult population, applying to working-age adults in 2025 (and beyond).

The latter goal should be continually refined based on actual labor market needs and valuable certificates, and may not be 40-40.

MEASURING OREGON AGAINST 40-40-20

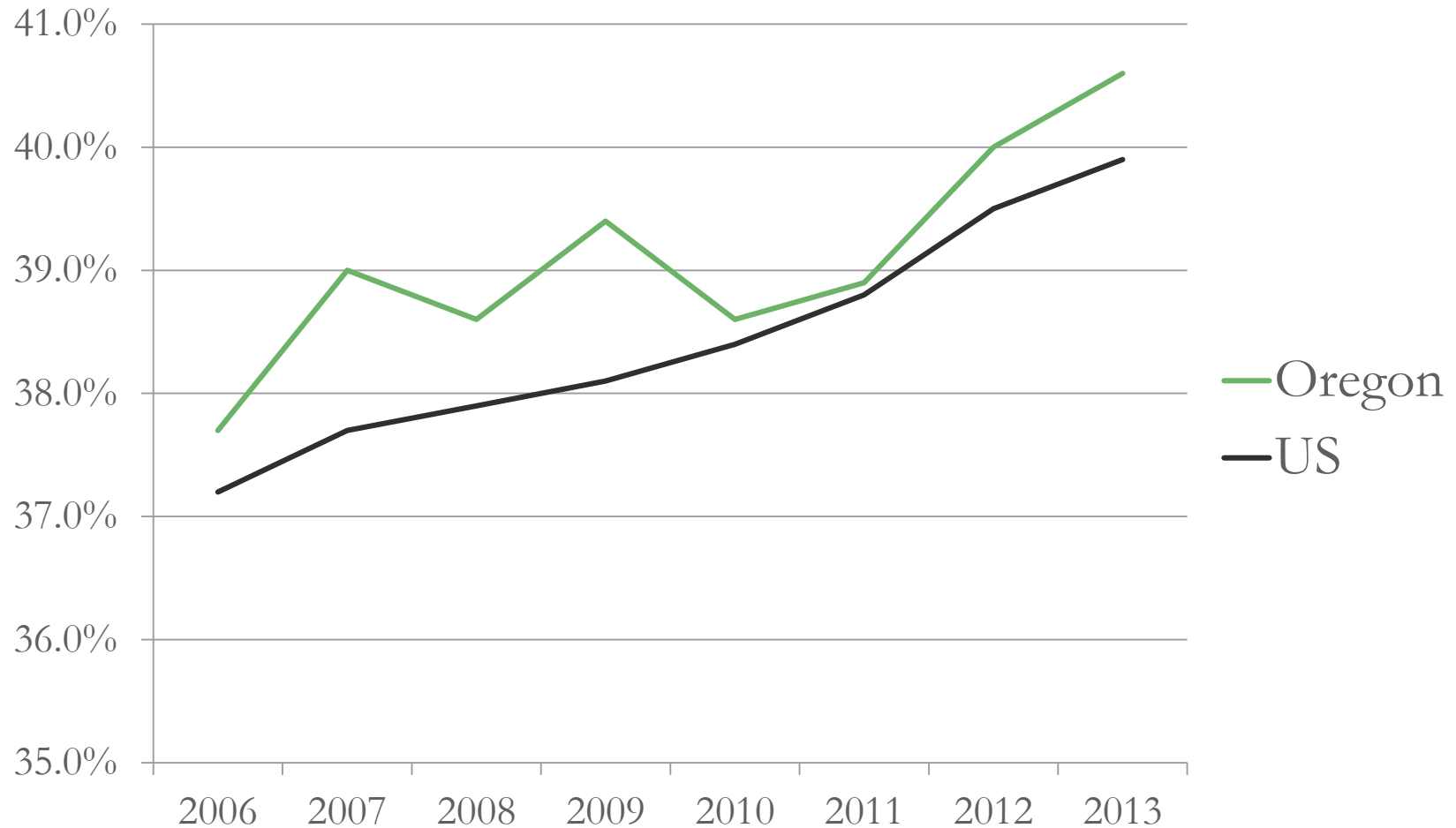
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Source: HECC analysis of the American Community Survey, ECONW

40-40-20 TRENDS: PERCENTAGE OF ADULTS WITH ASSOCIATE'S DEGREE OR HIGHER

7



Source: American Community Survey data. Does not include people for whom a post-secondary certificate or apprenticeship is their highest form of educational attainment.

40-40-20: THE MIDDLE 40

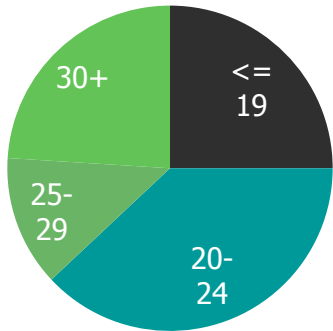
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We endorse a broad understanding of what “counts” for the middle 40, including:

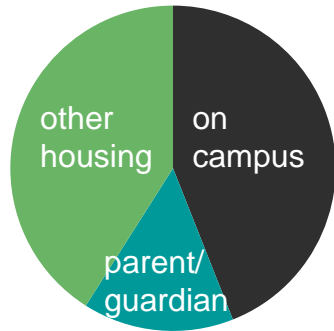
- two year associates’ degrees,
- one-year certificates,
- registered apprenticeships, and
- Career pathways certificates
- Other credentials should include
- industry-based nationally-recognized certificates and
- state licensure for various fields.

A SNAPSHOT OF OREGON STUDENTS (UNDERGRADUATE)

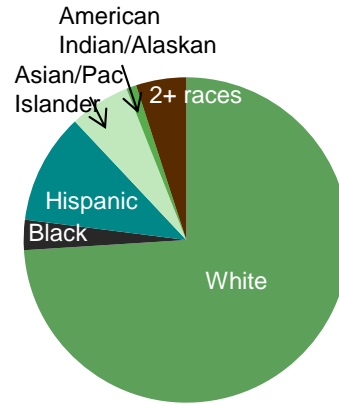
Age



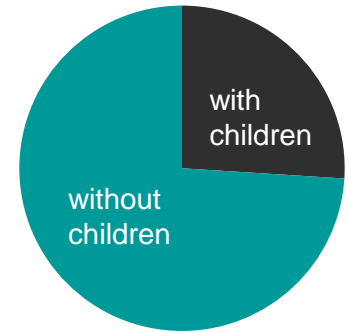
Housing*



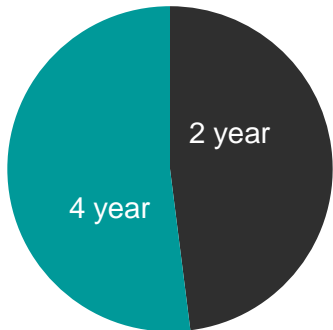
Race



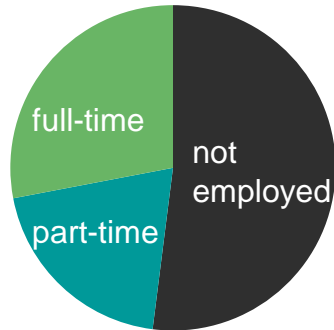
Dependents*



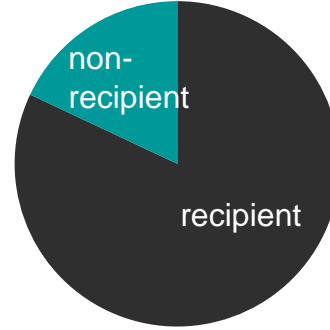
Type of school



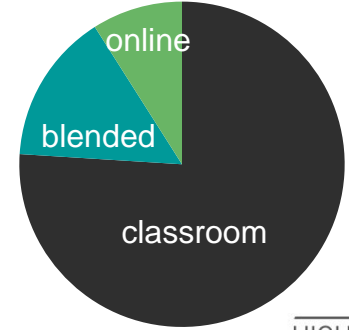
Employment*



Financial Aid



Learning Environment



Source: OUS Institutional Research analysis of data from National Center on Education Statistics.

*Housing, Employment, and Dependents numbers represented here are based on U.S., not Oregon-specific data.

**Race categories: White, Black, Hispanic, Asian/Pacific Islander, American Indian/Alaska Native, 2+ races

Key Priorities in 2015-17 Postsecondary Education Budget



AFFORDABILITY AND STUDENT SUCCESS OUTCOMES

BEN CANNON, Executive Director, HECC



WHAT IS THE STATE INVESTMENT?

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2013-15



2015-17 GRB



All figures are General and Lottery Fund, in millions

¹Public University funding includes technical adjustment reducing GRB by \$4.7 million.

²HECC GRB also includes new investments in Youth Employment (\$15m), Worker training (\$6m), and a Community Innovation Fund (\$25m).

BUDGET PRIORITIES: THE 40-40-20 VISION

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Advance Oregon toward 40-40-20:

- Achieve results for Oregon students and the State, advancing Oregon's economy, prosperity, and the 40-40-20 attainment goal through strategic investments and policy alignment.
- Align strategic investments and policies with the state's 40-40-20 goals.
- Invest in key pathways and transition points from secondary education to career, connecting more Oregonians with postsecondary futures and workforce opportunities.
- Ensure a streamlined integrated agency to meet the coordination needs of 40-40-20.

BUDGET PRIORITIES: AFFORDABILITY

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Affordability

- Ensure that Oregonians from all backgrounds have the opportunity to access, afford, and complete postsecondary education through **targeted investments to make college affordable.**
- Expand and strategically redesign the Oregon Opportunity Grant.
- Reinvest in public universities and community colleges including continuation of tuition offset investment approved in 2013, building resources and capacity for campuses to focus on improving student outcomes and keeping tuition manageable.
- Continue and expand successful pre-college outreach programs.

BUDGET PRIORITIES: OUTCOMES

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Student Success Outcomes:

- **Reinvest in public colleges and universities with an intentional focus on improving student outcomes for those who are not crossing the finish line today.**
- Reinvest to build capacity at community colleges and public universities to intentionally focus on student success.
- Increase per-student funding for students of Oregon community colleges and public universities, including continuation of the 2013 tuition off-set investment.
- Shift to an outcomes-based funding model for the community colleges and universities.
- Support bond capacity for university capital requests, and fund debt service on previously approved capital projects.

PROPOSE KEY PERFORMANCE MEASURES: OVERVIEW

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Types of Measures

K-12 transition success measures including dual credit and K-12 students' college enrollment

Community College success measures including number of GED's, certificates, and degrees awarded; retention rates; rates of developmental education completion; and median earnings of graduates and students who leave

University success measures including number of bachelors and advance degrees awarded; retention rates; transfer-student completions; median earnings of graduates

Access and affordability measures including percentage of students incurring unaffordable costs; average debt amount of graduates; default rates; average cost of attendance; and tuition and fees

New Higher Education Governance Structure


HECC'S ROLE IN STRATEGIC ALIGNMENT AND COORDINATION OF POSTSECONDARY EDUCATION

BEN CANNON, Executive Director, HECC



A COMPREHENSIVE APPROACH TO POSTSECONDARY SUCCESS

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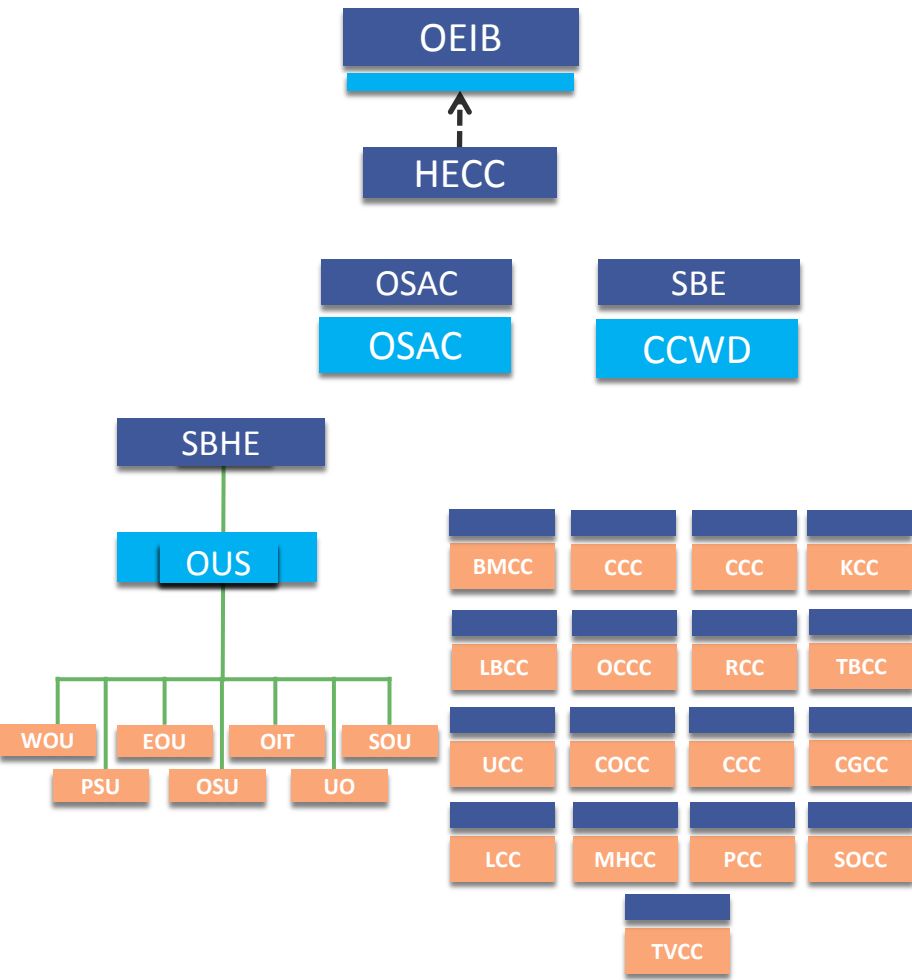
The HECC provides a comprehensive view of education and training programs, including community colleges, public universities, private colleges, trade schools, financial aid and workforce training.

OREGON HIGHER EDUCATION INSTITUTIONS

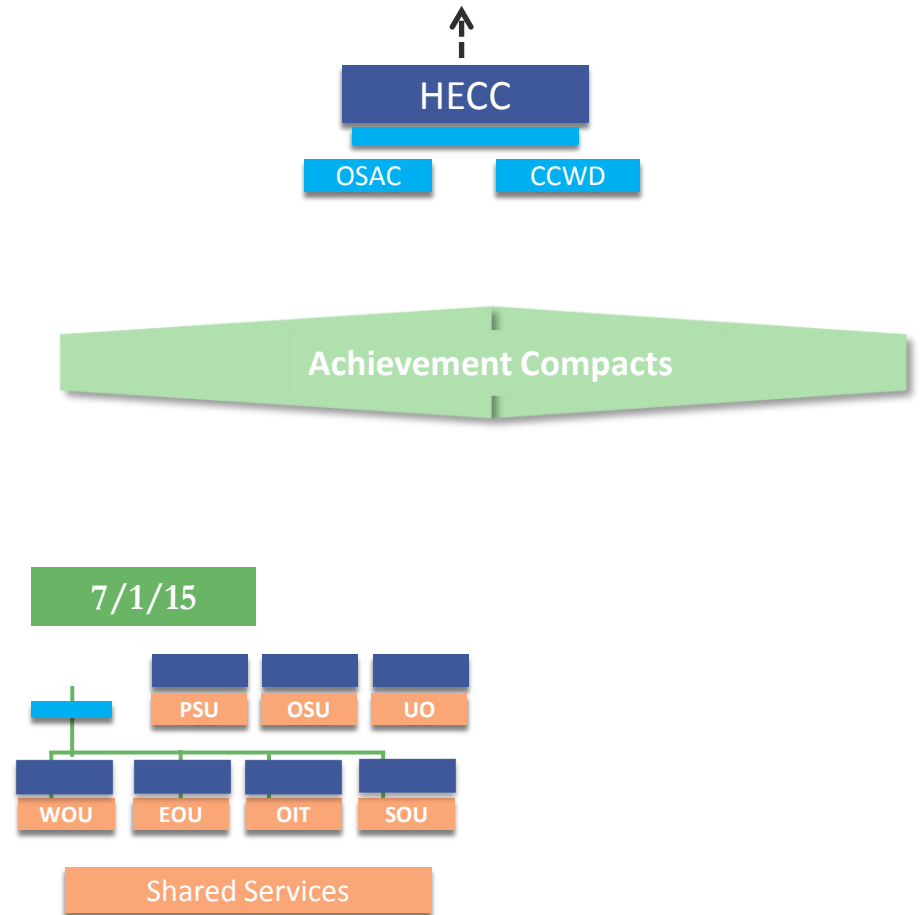
INSTITUTION TYPE	NUMBER OF INSTITUTIONS	ENROLLMENT (FTE)*	PRIMARY HECC RESPONSIBILITIES
Oregon public universities	7	85,726	Funding allocations, state budget development, program approval, mission approval, coordination
Oregon Health and Sciences University	1	2,452	Coordination
Oregon community colleges	17	72,113	Funding allocations, state budget development, program approval, coordination
Oregon-based private, degree-granting schools	27 (state-regulated)	8,990	Degree authorization, coordination
	22 (exempt)	35,498	Coordination
Oregon-based private career schools (non-degree granting)	198	4,040	Licensure, teacher registry, coordination
Non-Oregon degree-granting schools (distance education)	115 (state-regulated)	NA	Degree authorization, coordination
	114 (exempt)	NA	Coordination

*For the sake of consistency, enrollment data is drawn from the National Center for Education Statistics IPEDS database. This represents a significant undercount, as it does not include: (a) students attending institutions that do not participate in federal financial aid programs; and (b) many students attending community colleges who are enrolled in non-credit and other courses.

Postsecondary Before 2013 (animated version)

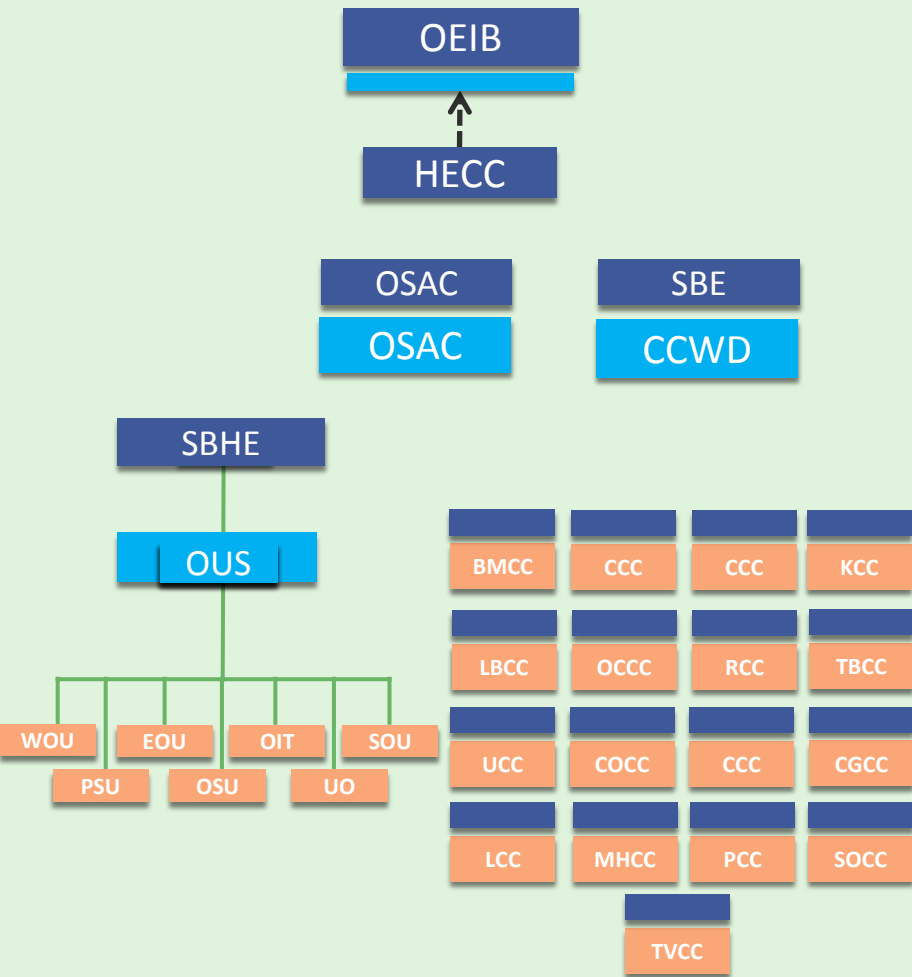


Postsecondary Post 2013 (animated version)

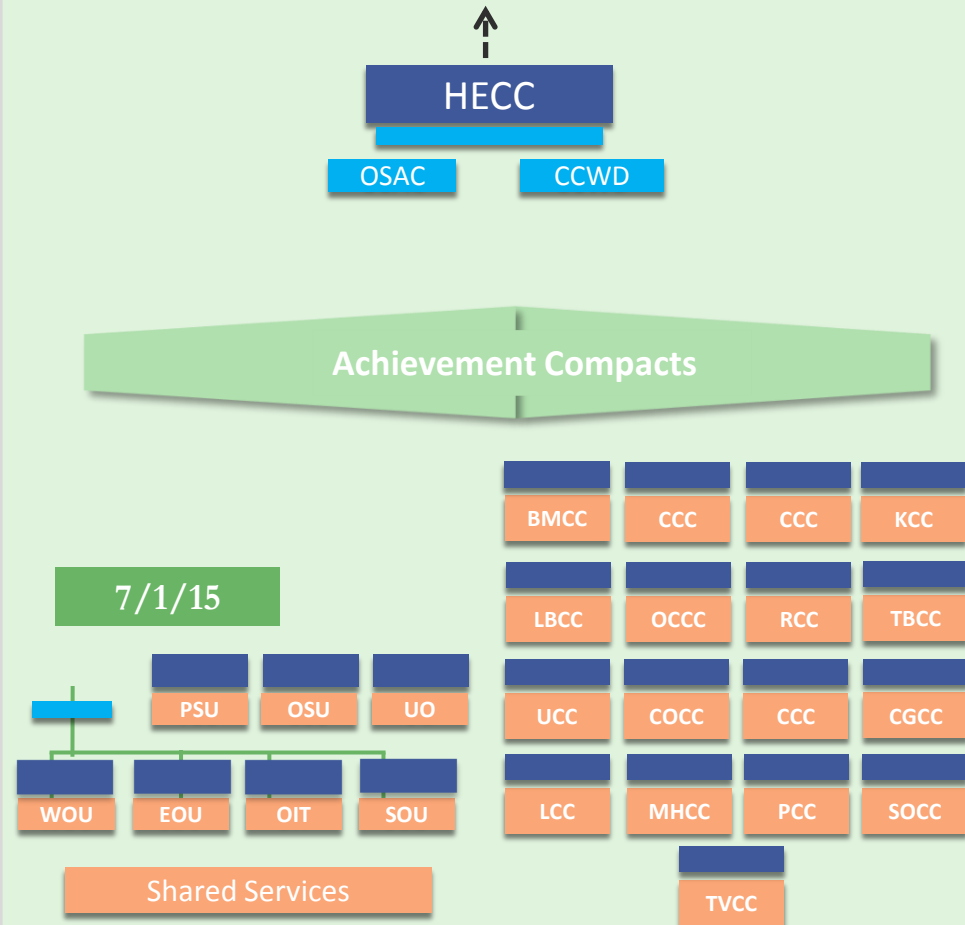


- Institution
- Board/Council
- Agency

Postsecondary Before 2013 (full diagram)



Postsecondary Post 2013 (full diagram)



- Institution
- Board/Council
- Agency

INCREASED LOCAL AUTONOMY

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New institutional governing boards created for public universities

Existing local governing boards maintained at community colleges

BETTER STATE COORDINATION

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From five* state boards to two**

A single state agency with responsibility for all sectors of higher education, public and private

A clearly-defined focus on coordination, not governance

*OEIB, HECC, SBHE, SBE, OSAC

**OEIB, HECC

HECC VISION STATEMENT

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We will foster and sustain the best, most rewarding pathways to opportunity and success for all Oregonians through an accessible, affordable and coordinated network for educational achievement beyond a high school diploma.

From *Pathways to Progress*, HECC Strategic Plan, 2014



ROLES OF THE HECC: COORDINATION AND CONNECTIONS

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HECC connects and coordinates policy and funding recommendations across postsecondary education in Oregon.

Responsibilities touch community colleges, public universities, state financial aid, and the private higher education sector

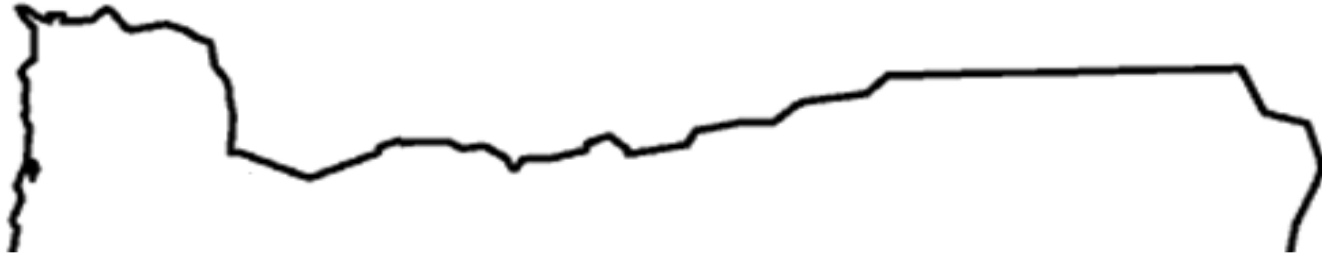
- Funding allocations (public colleges and universities)
- Program/degree approval (public colleges and universities, some privates)
- Mission approval (public universities)
- Student/consumer protection (some privates)
- Data and reporting (all)
- Strategies for coordination (all)
- Need-based financial aid and scholarship programs (students)

Collaborates to advance P-16 education with OEIB, ODE, campuses, policymakers, and educational partners

Leadership, support, and connections to workforce development

VALUE OF THE HECC: STRATEGIC FOCUS

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**Uniquely
positioned to
consider broad
aspects of
postsecondary
education in
Oregon**

Permits the state to strategically focus on:

- Investing resources to maximize student success
- Improving student achievement
- Increasing postsecondary affordability
- Key pathways to and within postsecondary institutions
- Connecting job-seekers with employment opportunities

Serving an Increasingly Diverse State and Student Body



HECC EQUITY LENS, STUDENT DEMOGRAPHICS

BEN CANNON, Executive Director, HECC



HECC/OEIB EQUITY LENS

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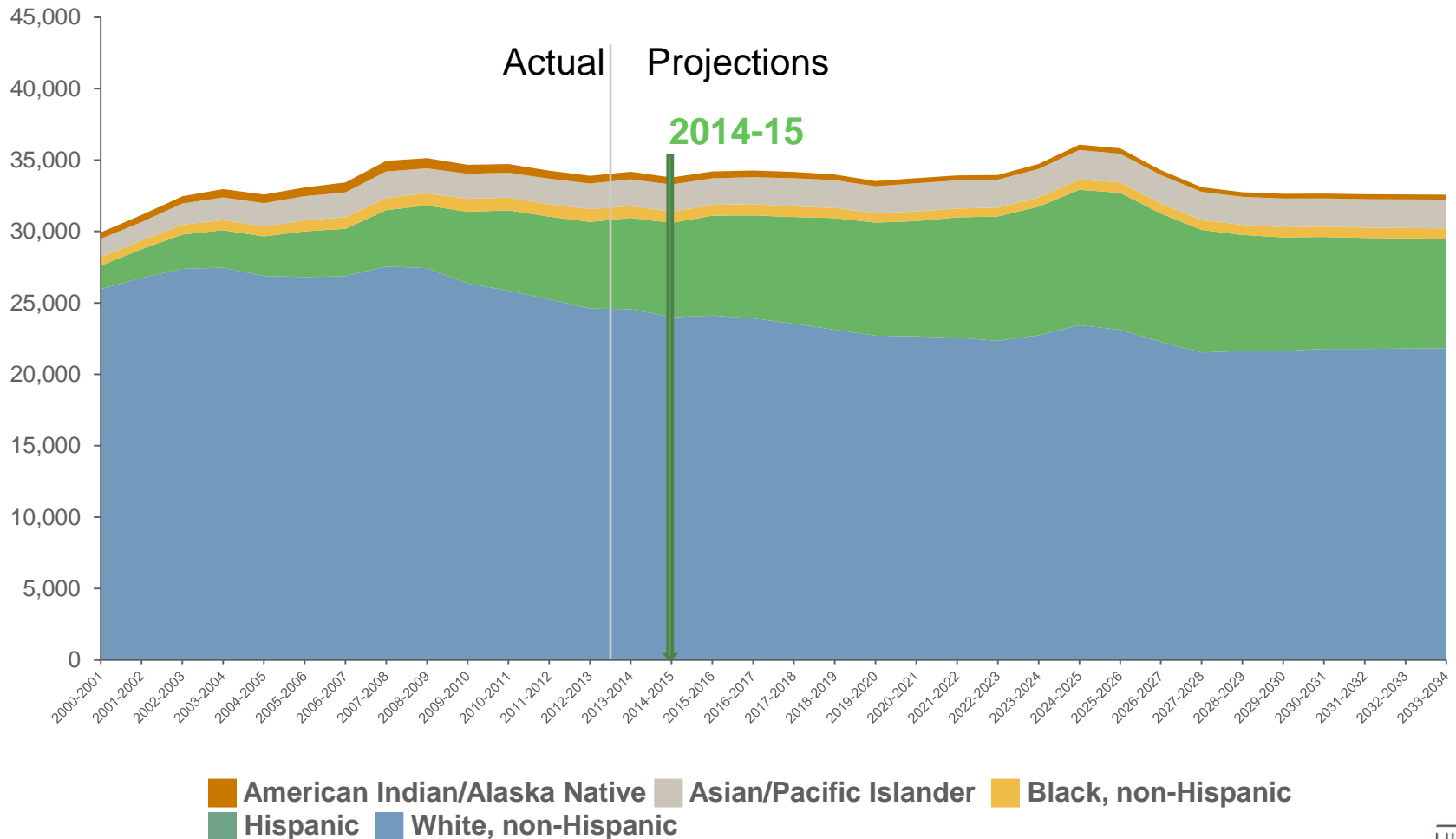


In 2014, the HECC adopted the Oregon Education Investment Board Equity Lens as a cornerstone to the state's approach to policy and budgeting.



“...Equity requires the intentional examination of systemic policies and practices that, even if they have the appearance of fairness, may in effect serve to marginalize some and perpetuate disparities. Data are clear that Oregon demographics are changing to provide rich diversity in race, ethnicity, and language. Working toward equity requires an understanding of historical contexts and the active investment in changing social structures and changing practice over time to ensure that all communities can reach the goal and the vision of 40/40/20.” -Excerpt, OEIB Case for Equity

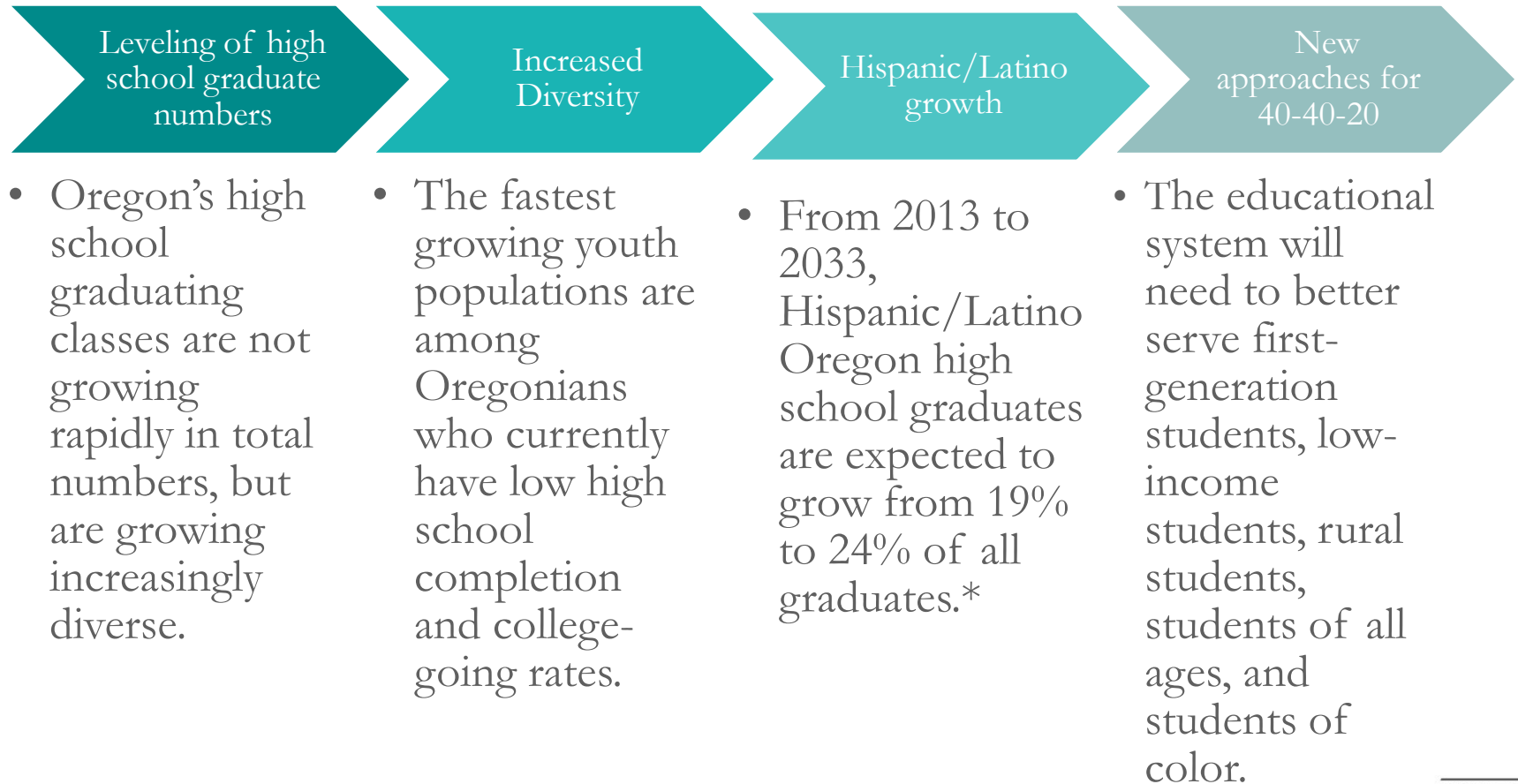
OREGON PUBLIC HIGH SCHOOL GRADUATES BY RACE/ETHNICITY, 2000-01 TO 2012-13 (ACTUAL), 2013-14 TO 2033-34 (PROJECTED)



*Source: OUS Office of Institutional Research, Projections March 2015

PREPARING ALL FOR 40-40-20: OREGON STUDENTS INCREASINGLY DIVERSE

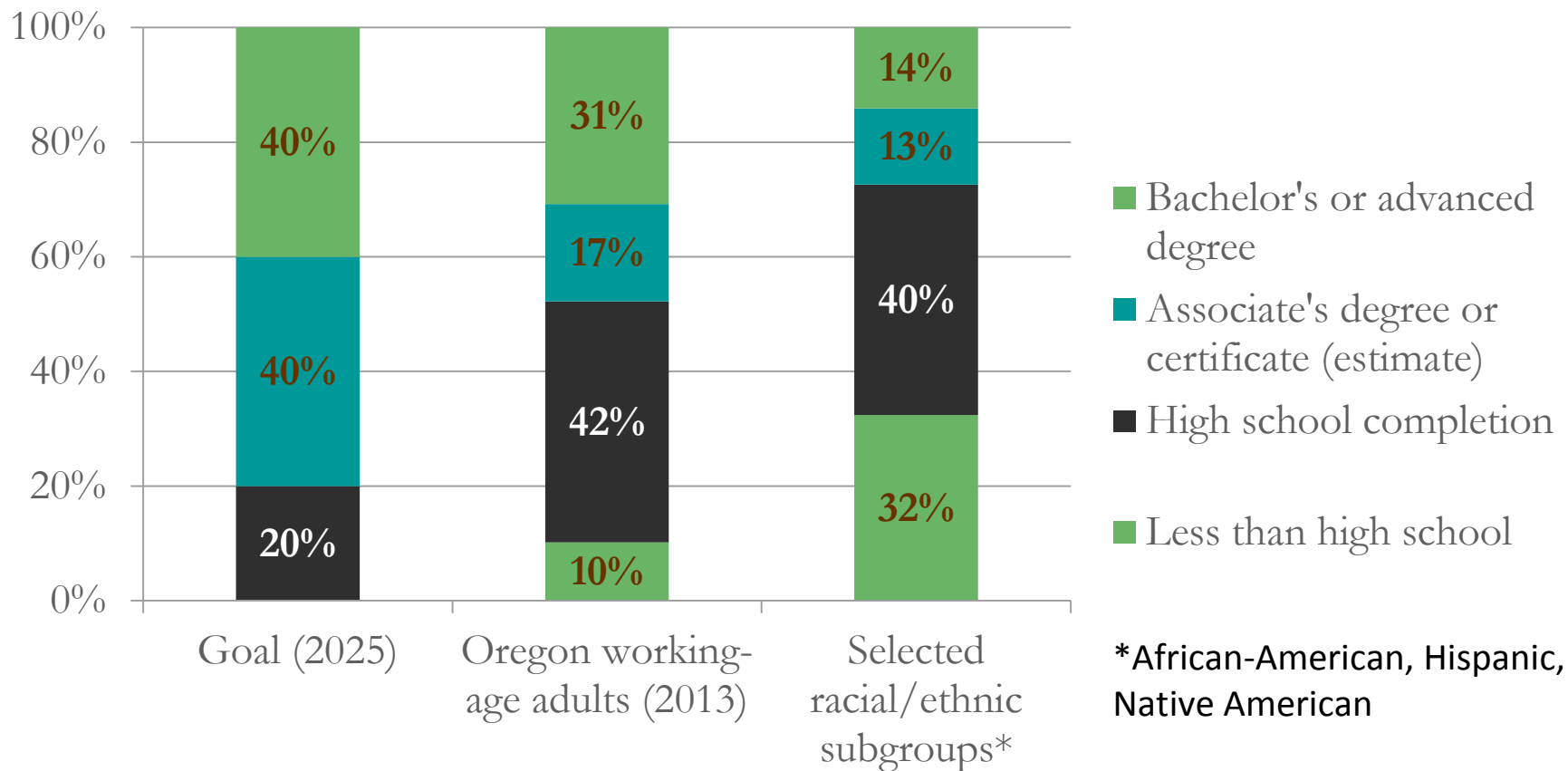
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*Source: OUS Office of Institutional Research, Projections March 2015

MEASURING OREGON AGAINST 40-40-20

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- Bachelor's or advanced degree
- Associate's degree or certificate (estimate)
- High school completion
- Less than high school

*African-American, Hispanic, Native American

POSTSECONDARY EDUCATION NEEDED FOR HIGH-PRIORITY, HIGH-WAGE/HIGH-DEMAND OCCUPATIONS IN OREGON

Occupation	Total openings 2012-2017	Competitive education level
General and Operations Managers	3,470	Bachelor's
Accountants and Auditors	2,662	Bachelor's
Carpenters	2,303	Post-secondary training
Physicians and Surgeons	1,794	Advanced
Industrial Machinery Mechanics	1,118	Post-secondary training
Computer Systems Analysts	973	Bachelor's
Cost Estimators	879	Bachelor's
Welders, Cutters, Solderers, and Brazers	802	Post-secondary training
Computer Occupations, All Other	800	Bachelor's
Machinists	751	Post-secondary training
Sales Managers	715	Bachelor's
Pharmacists	704	Advanced
Medical and Health Services Managers	661	Advanced
Industrial Engineers	656	Advanced
Operating Engineers and Other		
Construction Equipment Operators	642	Post-secondary training
Computer Hardware Engineers	621	Advanced
Marketing Managers	604	Bachelor's
Construction Managers	600	Bachelor's
Physical Therapists	591	Advanced
Firefighters	585	Associate's
Librarians	317	Advanced
Medical and Clinical Laboratory Technologists	297	Bachelor's
Veterinarians	272	Advanced
Urban and Regional Planners	268	Advanced
Medical and Clinical Laboratory Technicians	265	Associate's

“By 2020, two thirds of all jobs will require postsecondary education.”
(national figure)

- Lumina Foundation,
<http://www.luminafoundation.org/facts-and-figures>

OREGON'S WORKFORCE NEEDS A SKILLED, DIVERSE WORKFORCE

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- A growing number of companies recognize the need for a globally-minded diverse workforce to remain intelligent in the marketplace.

“In January, Intel announced the creation of our new Diversity in Technology initiative to support, enhance and encourage more diversity at Intel and in the technology industry as a whole. In order to design products and services for consumers, our company make-up must more closely mirror the face of America.”

- Jill Eiland, Public Affairs Director, Intel

IF NOT NOW, WHEN?

If the ladder of educational opportunity rises high at the doors of some youth and scarcely rises at the doors of others, while at the same time formal education is made a prerequisite to occupational and social advance, then education may become the means, not of eliminating race and class distinctions, but of deepening and solidifying them.

— President Truman, in releasing a report of the President's Commission on Higher Education, 1947

We are true to our creed when a little girl born into the bleakest poverty knows that she has the same chance to succeed as anybody else.

— President Obama, 2nd inaugural address

Equity in education is vital because equality of opportunity is a core American value. Young people in this country—regardless of wealth, home language, zip code, gender, sexual orientation, race or disability—must have the chance to learn and achieve. Education must provide a path to a thriving middle class for all who are willing to work hard. Our national identity and our economic strength depend on it. — <http://www.ed.gov/equity>

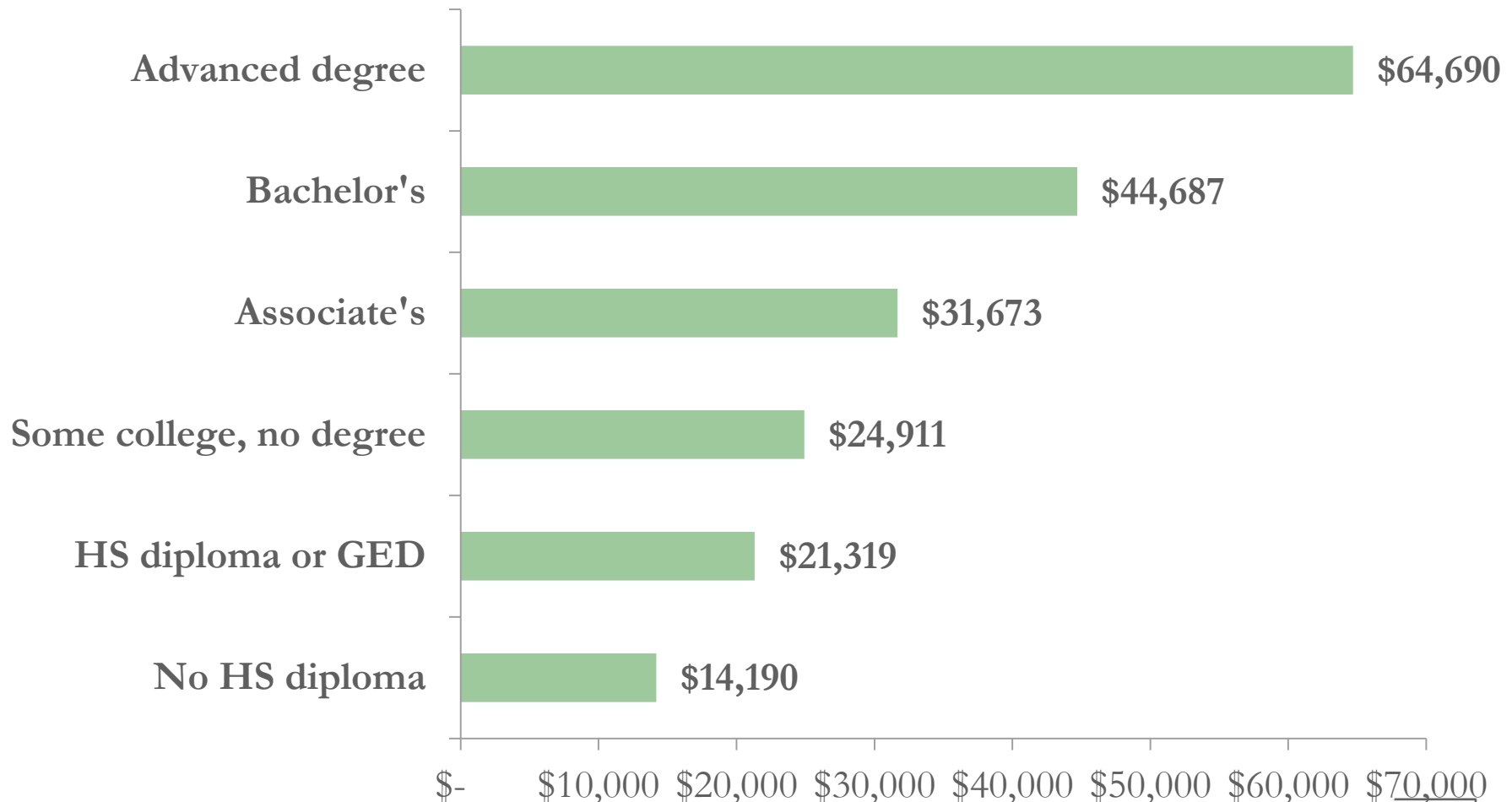
Why Postsecondary Education Matters: Return on Investment

BEN CANNON, Executive Director, HECC
Campus Representative



MEAN WAGES BY EDUCATIONAL ATTAINMENT FOR WORKING AGE (25-64) OREGON ADULTS

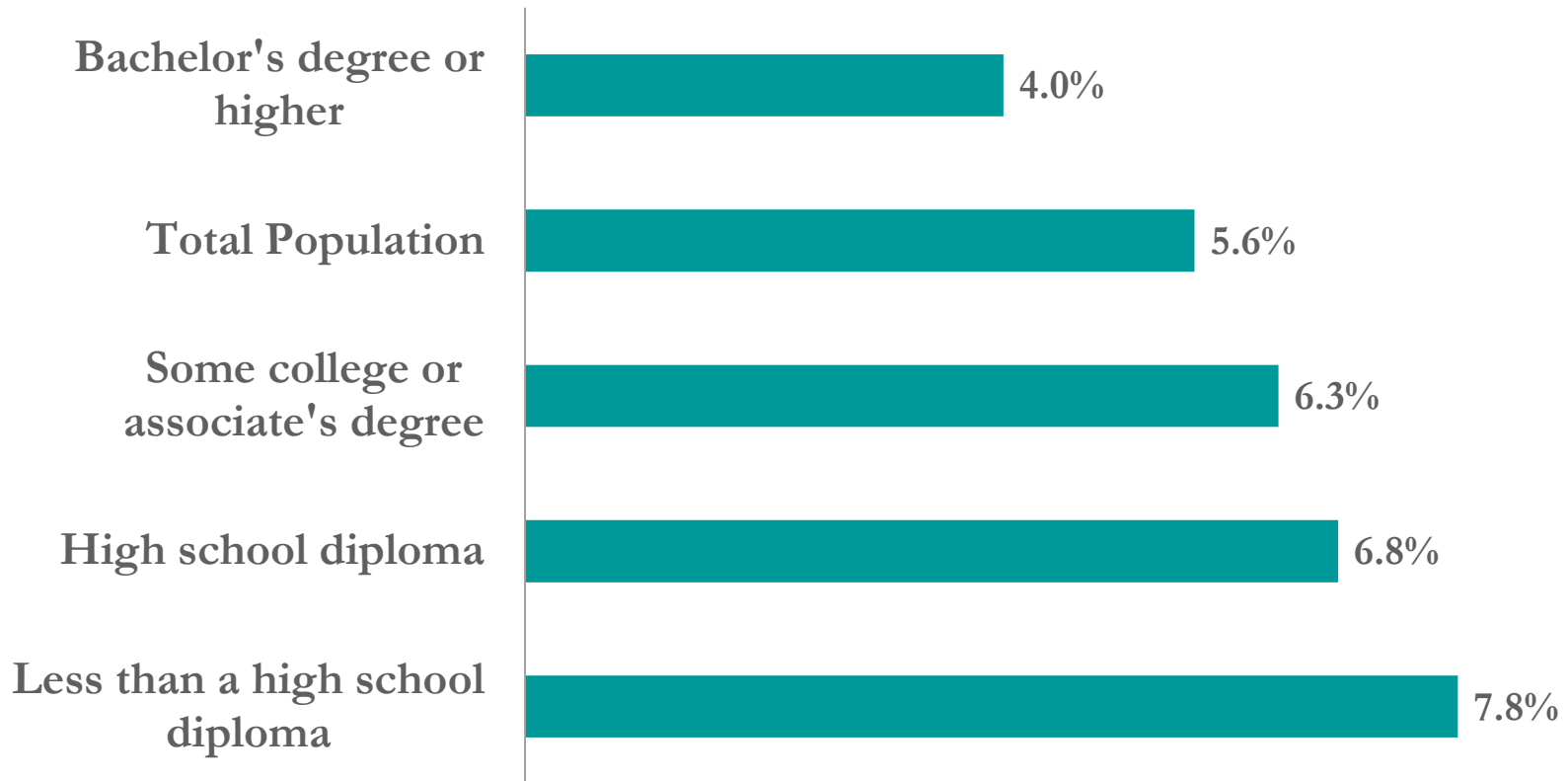
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Source: 2013 American Community Survey, U.S. Census.

UNEMPLOYMENT RATES BY EDUCATIONAL ATTAINMENT LEVEL, OREGON, 2014

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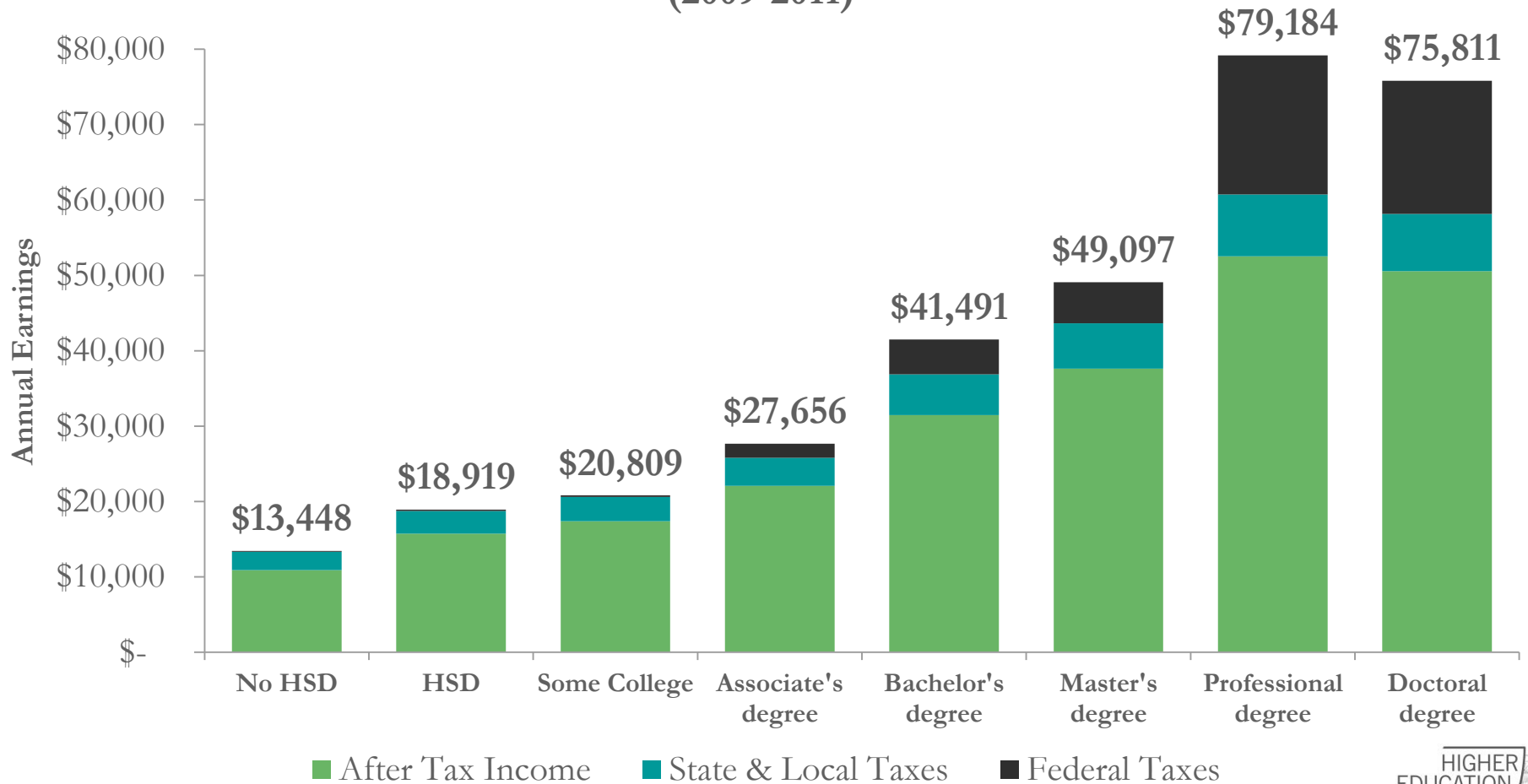


Source: Oregon Employment Department, Research Division

OREGONIAN EARNINGS AND TAXES PAID

2009-2011 STUDY

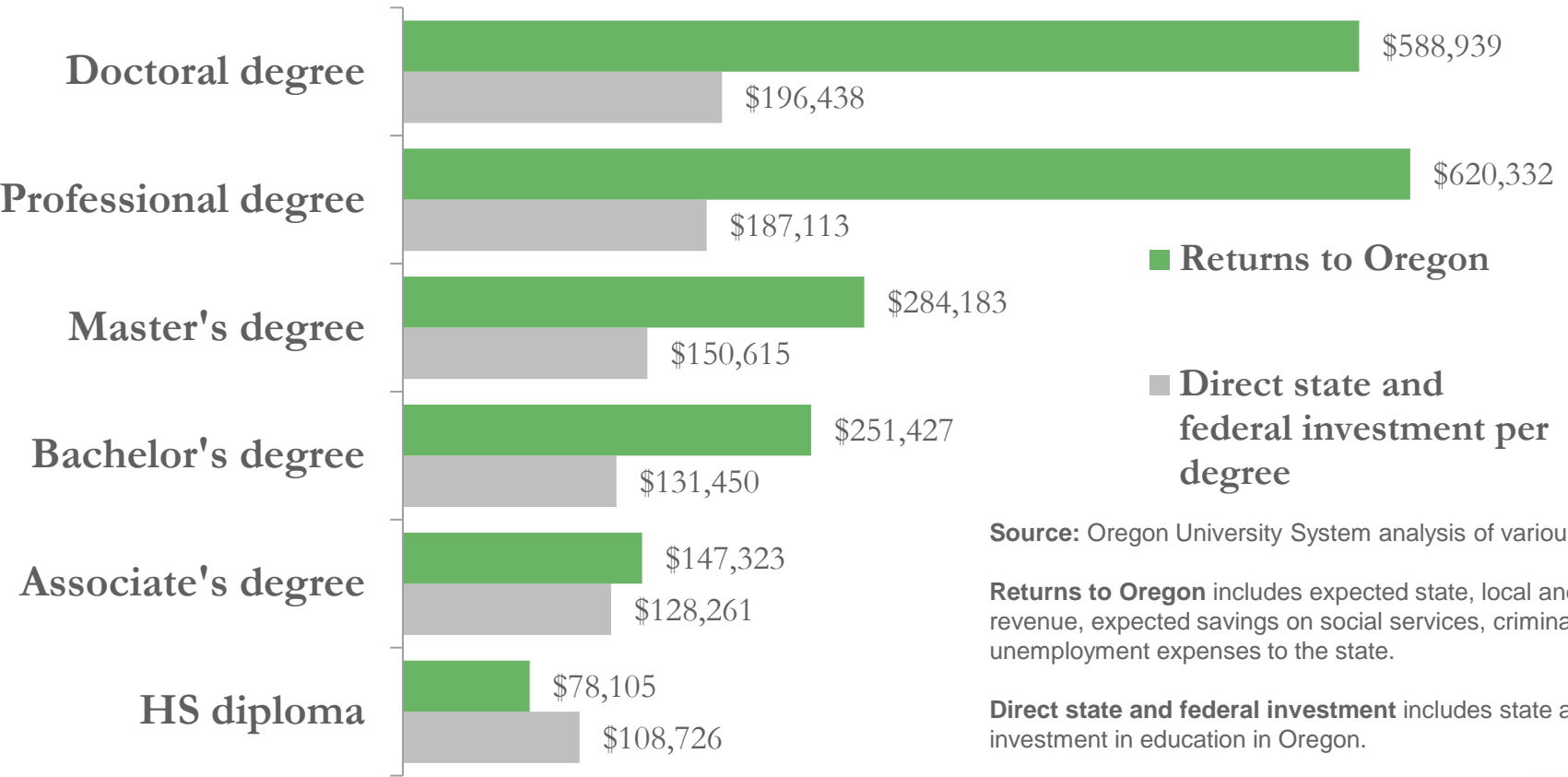
Annual Earnings and Taxes Paid by Educational Attainment (2009-2011)



Source: Oregon University System analysis of various data sources

RETURNS TO OREGON

Direct State and Federal Investments per Degree and Estimated Returns



Source: Oregon University System analysis of various data sources

Returns to Oregon includes expected state, local and federal tax revenue, expected savings on social services, criminal justice and unemployment expenses to the state.

Direct state and federal investment includes state and federal investment in education in Oregon.



RETURN ON INVESTMENT: BUILDING STUDENT, FAMILY, COMMUNITY, STATE, AND WORLD FUTURES

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INVESTING TO IMPROVE RESULTS FOR OREGON STUDENTS

HIGHER EDUCATION FUNDING HISTORY AND
OPPORTUNITIES

PRESENTED
TO:
WAYS AND
MEANS,
EDUCATION
COMMITTEE



Day 2

BEN CANNON, Executive Director, HECC

Components of HECC Budget



OPPORTUNITY GRANT
COMMUNITY COLLEGE SUPPORT FUND
PUBLIC UNIVERSITY SUPPORT FUND
DEBT SERVICE
TUITION OFF-SET

BEN CANNON, Executive
Director, HECC



WHAT IS THE STATE INVESTMENT?

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2013-15



2015-17 GRB



All figures are General and Lottery Fund, in millions

¹Public University funding includes technical adjustment reducing GRB by \$4.7 million.

²HECC GRB also includes new investments in Youth Employment (\$15m), Worker training (\$6m), and a Community Innovation Fund (\$25m).

KEY COMPONENTS OF HECC BUDGET

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Activity	Budget Items	2013-15 LAB	2015-17 GRB	2015-17 co-chairs
Financial Aid	Oregon Opportunity Grant POP 131: Expansion (See also HB 2407: OOG redesign)	\$113.9M GF/LF/OF -- Total: \$113.9M	\$117.3M GF/LF/OF + \$25.9M GF/LF/OF Total: \$143.3M	\$137.0M
Public University Support	Public University Support Fund POP 101: Tuition buy down continuation POP 102: Additional PUSF	\$520.5M GF -- -- Total: \$520.5M	\$513.3M GF + \$41.1M GF + \$34.6M GF ¹ Total: \$589.0M	\$635.0M
Community College Support	Community College Support Fund POP 101: Tuition buy down continuation POP 111: Additional CCSF	\$466.9M GF -- -- Total: \$466.9M	\$455.0m GF + \$30.0M GF + \$15.0M GF Total: \$500.0M	\$535.0M
Debt Service	Community College Debt Service Public University Debt Service OHSU Bond-Related Costs	\$26.1M \$114.7M GF/LF \$0 Total: \$140.8M	\$37.7M GF/LF \$161.4M GF/LF \$17.7M GF Total: \$216.7M	

¹Reflects technical adjustment to GRB.

AFFORDABILITY PRIORITIES: AN INTEGRATED APPROACH

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Expansion and strategic redesign of the **Oregon Opportunity Grant**, by targeting more state financial aid grants to thousands of Oregon's highest-need students who are on track to succeed academically but struggling with college costs.

Balance targeted grant aid with **increased institutional funding**, by empowering community colleges and public universities to **intentionally focus on student success and keep tuition levels manageable**.

Help prospective **students and families to plan for postsecondary success**, and how to pay for it, through continuation and expansion of successful pre-college outreach.



OREGON OPPORTUNITY GRANT EXPANSION POP 131, REDESIGN HOUSE BILL 2407

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Expands the OOG by 25.8%, redesigning the program to ensure that highest need students receive the necessary financial support to both consider entry and then successfully complete.

Increasing the state's investment to \$143.3M will:

- Expand the program to serve approximately 16,000 additional Oregon students facing affordability challenges.
- Target the grant to serve students with the highest financial need who are on track academically.
- Improve predictability by creating an extended rolling application period.
- Improve predictability by guaranteeing the grant in second year to eligible students who receive it their first year.

More detailed presentation on affordability on Day 3

STUDENT SUCCESS OUTCOMES: PRIORITIES

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Goal: increase the number of Oregon students completing the certificate and degree programs they've invested in, particularly students who are not crossing the finish line today.

- Support Oregon's students, with an increase in per-student funding at Oregon community colleges and public universities.
- Reinvest to build capacity at community colleges and public universities to intentionally focus on student success and keep tuition levels manageable.
- Shift to an outcomes-based funding model for community colleges and universities, supporting campus innovation to improve completion rates and reduce time to degree for Oregon students.

BUDGET ITEMS, CONTINUED

TRANSITIONS TO POSTSECONDARY AND WORKFORCE

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Activity (Office)	Budget Items	2013-15 LAB	2015-17 GRB
ASPIRE (OSAC)	ASPIRE base funding POP 211: ASPIRE support funds POP 212: ASPIRE expansion	\$1.6M GF, \$0.19M OF -- -- Total: \$1.8M	\$1.8M GF, \$0.19M OF + \$0.02M FF + \$0.64M FF Total: \$2.65M
Workforce Training (CCWD)	Workforce funding (LWIBs, job training, OYCC) POP 201: youth employment POP 202: incumbent worker training	\$117.2M FF/OF/GF -- -- Total: \$117.2M	\$119.0M FF/OF + \$15.0M GF ¹ + \$6.0M GF ¹ Total: \$136.3M
Community Innovation	POP 152: Community Leverage Fund POP 151: Innovation Center	-- -- --	-- + \$25.0M GF + \$1.6M GF Total: \$26.6M

¹Proposed funding from SEDAF transfer from Department of Employment

BUDGET ITEMS, CONTINUED

CAMPUS AND PROGRAM CAPACITY

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Activity	Budget Items	2013-15 LAB	2015-17 GRB
University Capital Projects	New bond capacity (repaid from GF/LF)	\$246.4M	\$275.5M
	New bond capacity (campus-repaid)	\$383.8M	\$53.0M
		Total: \$630.2M	Total: \$328.5M
Debt Service	Community College Debt Service	\$26.1M	\$37.7M GF/LF
	Public University Debt Service	\$114.7M GF/LF	\$161.4M GF/LF
	OHSU Bond-Related Costs	\$0	\$17.7M GF
		Total: \$140.8M	Total: \$216.7M
OHSU	OHSU support funding	\$72.6M GF	\$77.3M GF ¹
State Programs including ETIC	Public University State Programs	\$25.5M GF ²	\$10.6M GF ³
	80% of ETIC fund split (transfer from OEIB)	--	+ \$24.5M GF
			Total: \$35.0M
Statewide Programs	Agriculture Experiment Station, Extension Service, Forest Research Lab	\$101.2M GF	\$104.5M

¹Reflects technical adjustment to GRB.

²HECC 2013-15 LAB included ETIC funding for a portion of the biennium (remainder at OEIB).

³HECC 2015-17 base budget includes no ETIC funding (all at OEIB).

LAB=Legislatively Adopted Budget, GRB=Governor's Recommended Budget, GF=General Funds, OF=Other Funds, FF=Federal Funds



BUDGET ITEMS, CONTINUED

INTEGRATED AGENCY INVESTMENTS (GENERAL FUND)

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Activity	Budget Items	2013-15 LAB	2015-17 GRB
Offices of University Coordination, Research/Data, and commission support¹	General operations funding	\$2.7M GF	\$3.8M GF
	Package 080/303: Research/data	--	+ \$1.4M GF
	POP 301: management streamlining	--	+ \$0.4M GF
	POP 304: education association memberships	--	+ \$0.4M GF
	Total: \$2.7M GF	Total: \$6.0M GF	
Office of Community Colleges and Workforce Development²	CCWD operations funding	\$14.1M GF	\$14.0M GF,
	POP 301: management streamlining	--	(\$0.1M GF)
	POP 311: work reconciliation	--	+ \$1.0M GF,
	See also HB 2408 (CCWD/HECC merger)		
	Total: \$14.1M GF	Total: \$14.9M GF	
Office of Student Access and Completion	OSAC operations funding	\$2.1M GF	\$1.9M GF
	POP 131: OOG expansion	--	+ \$0.3M GF
	POP 214: scholarship restoration	--	+ \$0.3M GF
	POP 301: management streamlining	--	(\$0.1M GF)
	POP 313: IT needs	--	+ \$1.0M GF
Total: \$2.1M GF	Total: \$3.5M GF		

¹Includes operations related to Commission and its executive, research/data, communications, university coordination.

²Does not include funding for OYCC or newly proposed workforce investments (youth employment, incumbent worker training)



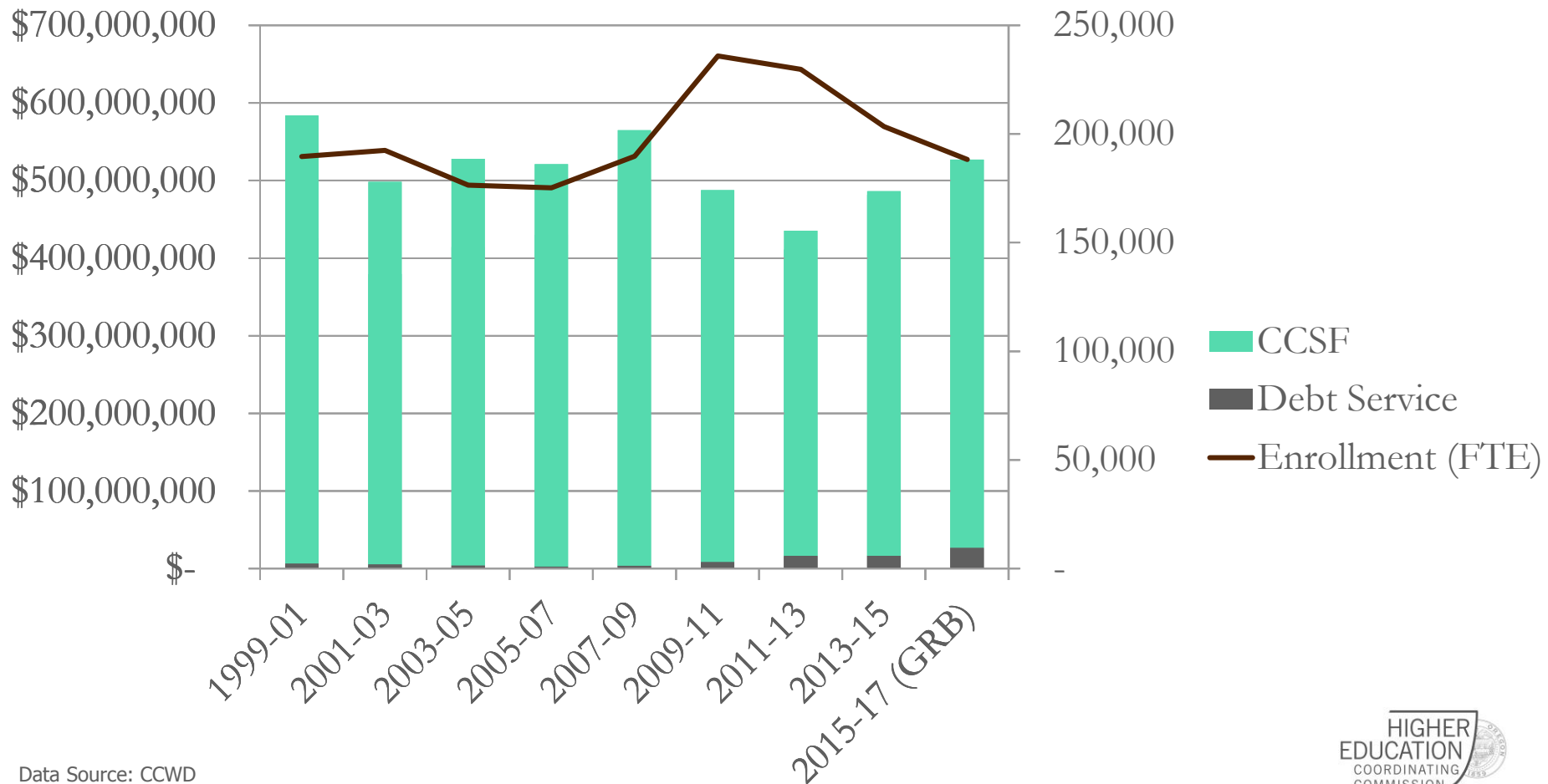
A Quick Funding History

BEN CANNON, Executive Director, HECC



COMMUNITY COLLEGE FUNDING HAS NOT KEPT PACE WITH INFLATION, ENROLLMENT

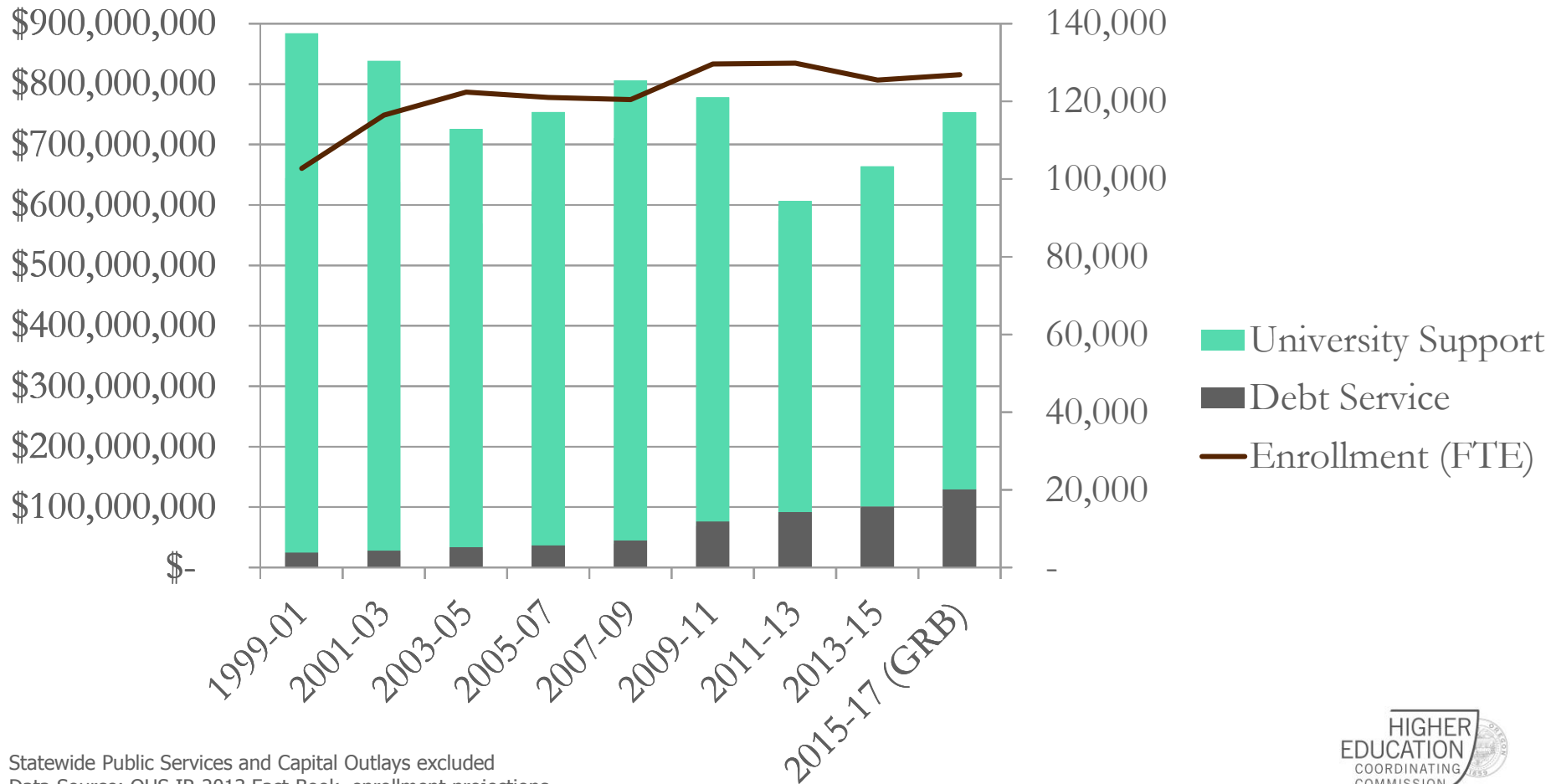
STATE APPROPRIATIONS AND FTE ENROLLMENT (CPI-adjusted)



Data Source: CCWD

PUBLIC UNIVERSITY FUNDING HAS NOT KEPT PACE WITH INFLATION, ENROLLMENT

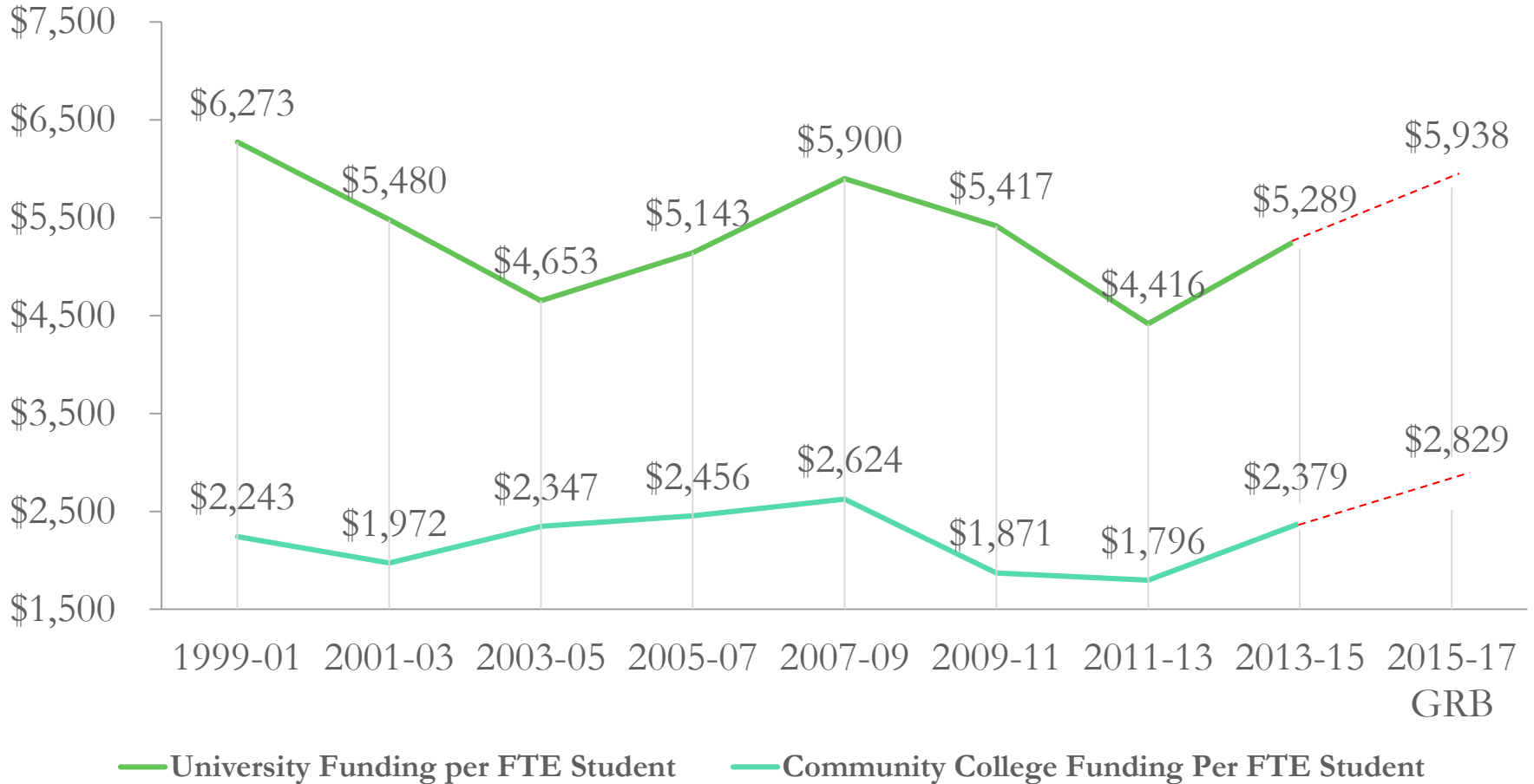
STATE APPROPRIATION AND RESIDENT ENROLLMENT (CPI-adjusted)



Statewide Public Services and Capital Outlays excluded
 Data Source: OUS IR 2013 Fact Book, enrollment projections

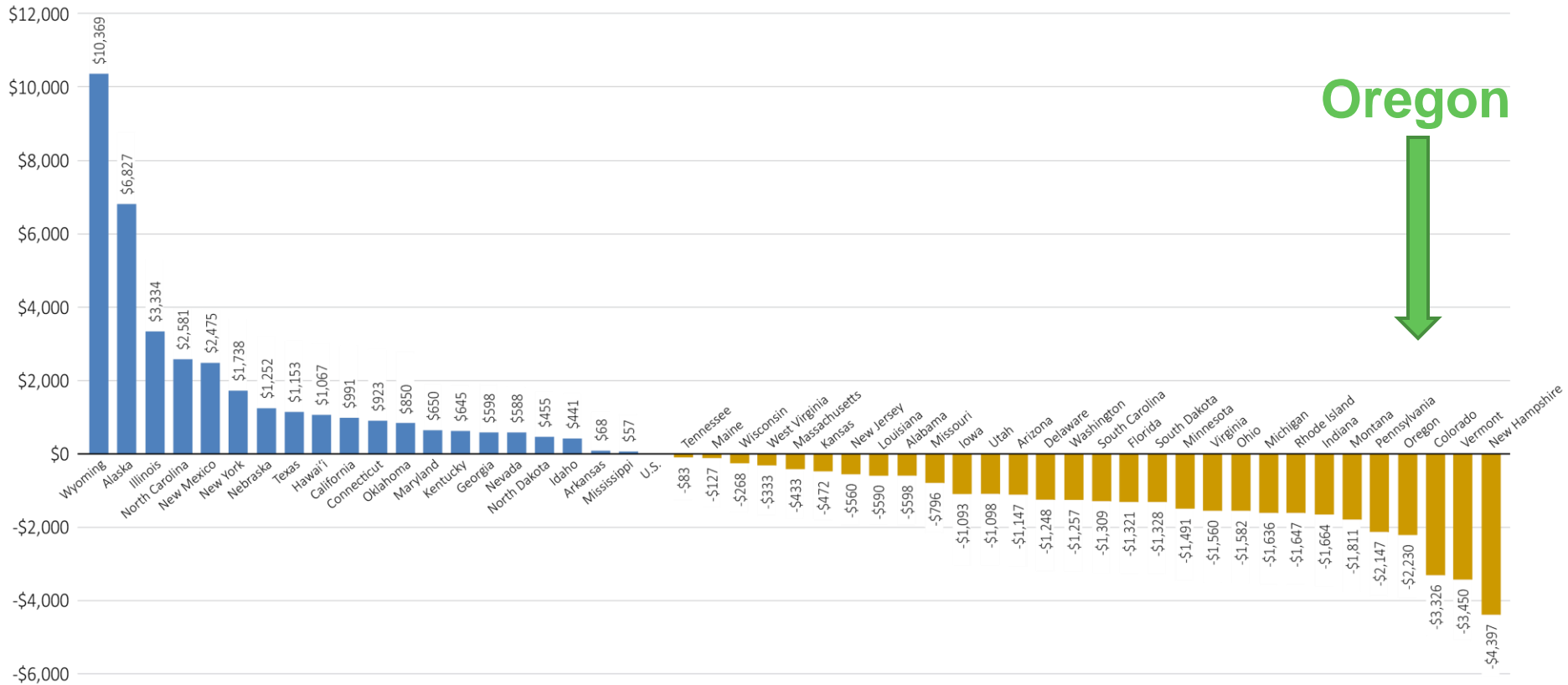
STATE APPROPRIATIONS PER STUDENT

NON-INFLATION ADJUSTED STATE APPROPRIATIONS, INCLUDING EDUCATION AND GENERAL FUNDS AND DEBT SERVICE



Data Source: CCWD and HECC Budget and Finance

EDUCATIONAL APPROPRIATIONS PER FTE STATE DIFFERENCES FROM U.S. AVERAGE, FISCAL 2013



Note: Dollars adjusted by Cost of Living Adjustment and Enrollment Index.
Source: State Higher Education Executive Officers.

Source: Western Interstate Commission on Higher Education (WICHE)



UNIVERSITY: SHIFT OF COSTS FROM STATE TO STUDENT

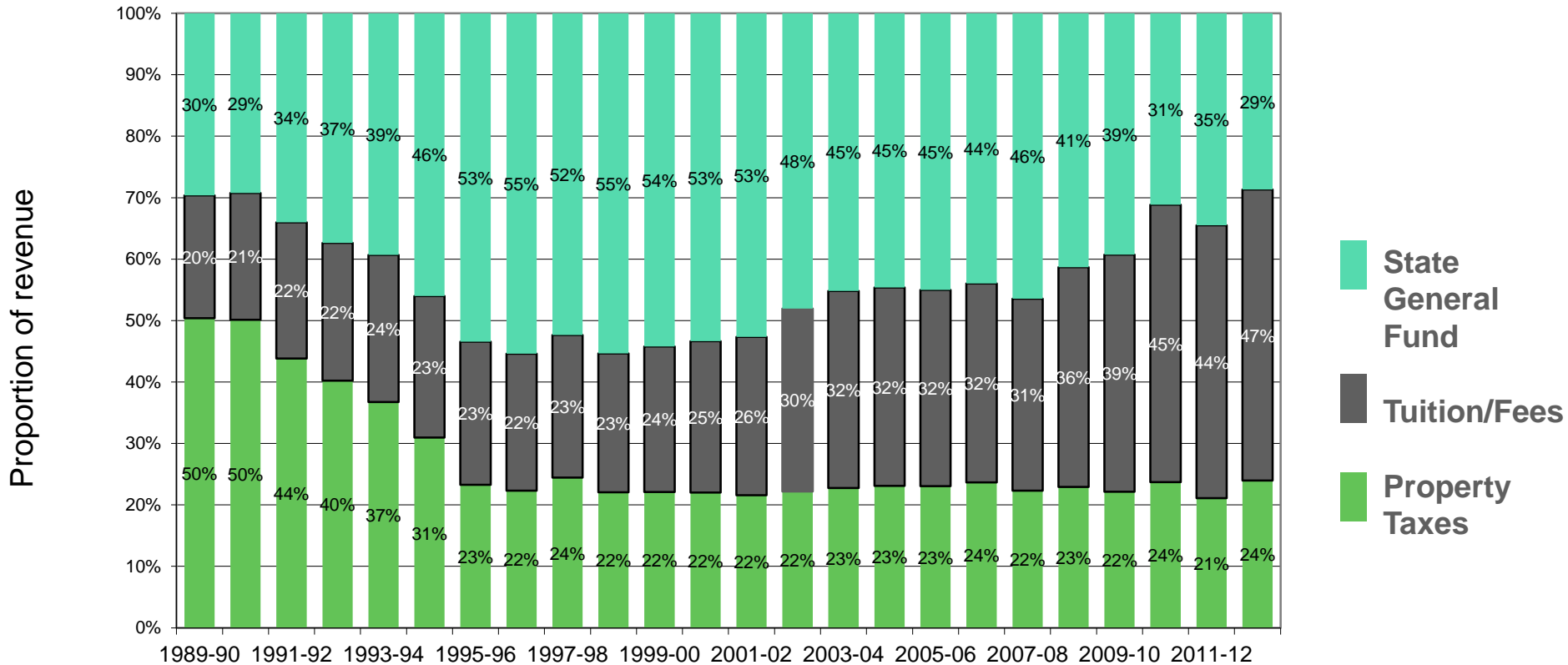
Public University Percentage of Total Revenue by Source



Source: Oregon University System, Institutional Research

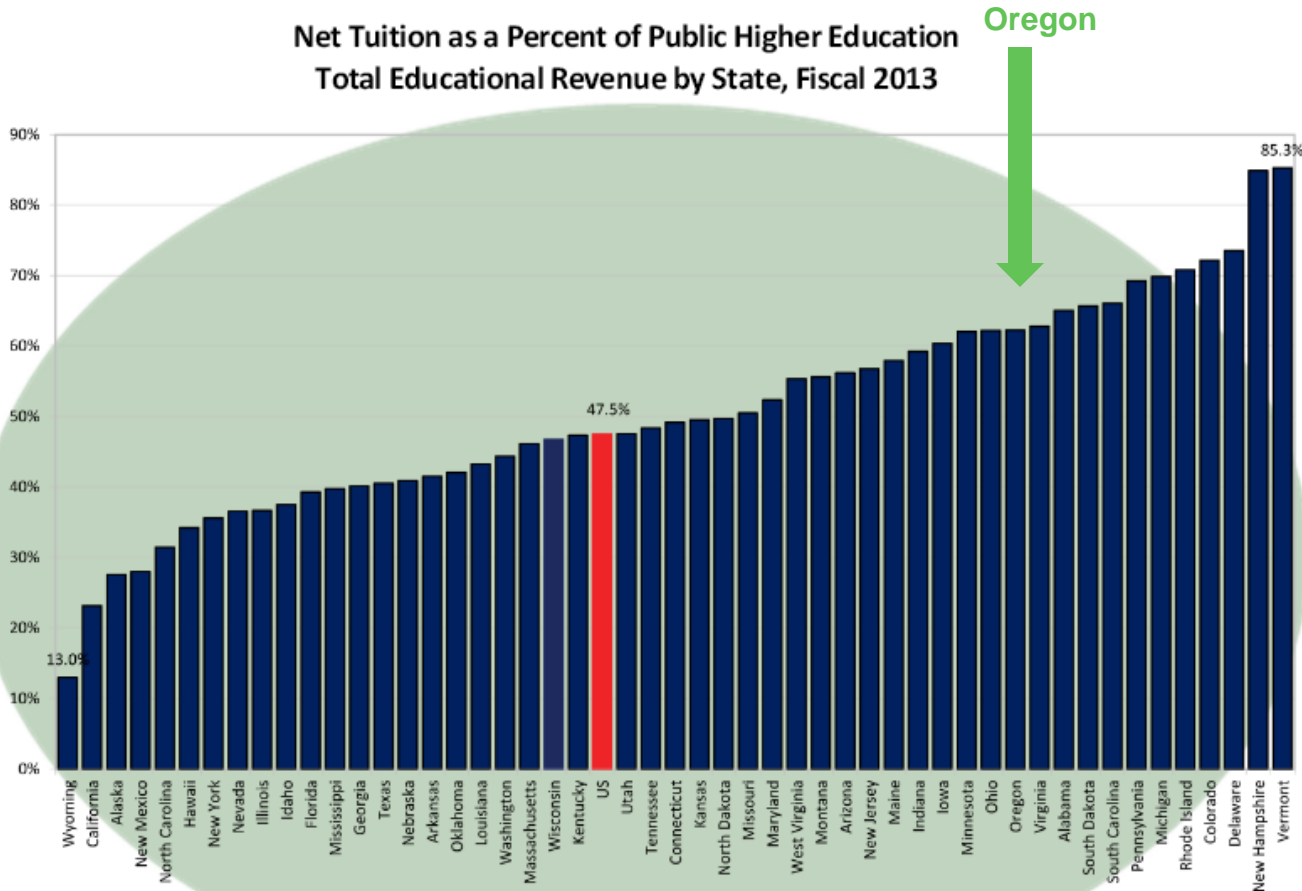
COMMUNITY COLLEGE: SHIFT OF COSTS FROM STATE TO STUDENTS

Community College Revenue Sources
(Tuition and Fees, Local Property Taxes, State General Fund)



TUITION AS A PERCENT OF TOTAL PUBLIC HIGHER EDUCATION REVENUE, FISCAL 2013

Net Tuition as a Percent of Public Higher Education Total Educational Revenue by State, Fiscal 2013

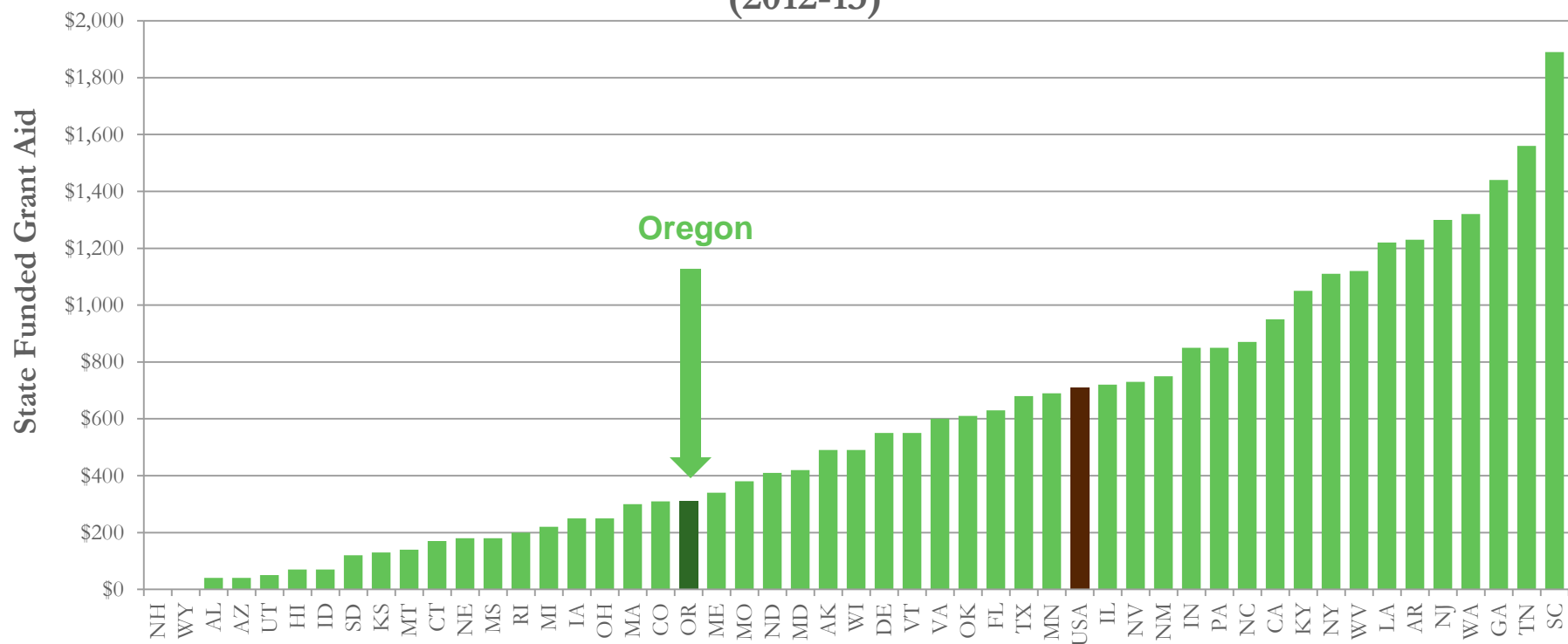


Note: Dollars adjusted by 2013 HECA, Cost of Living Adjustment, and Enrollment Index.

Source: State Higher Education Executive Officers

PER STUDENT STATE FUNDED GRANT AID

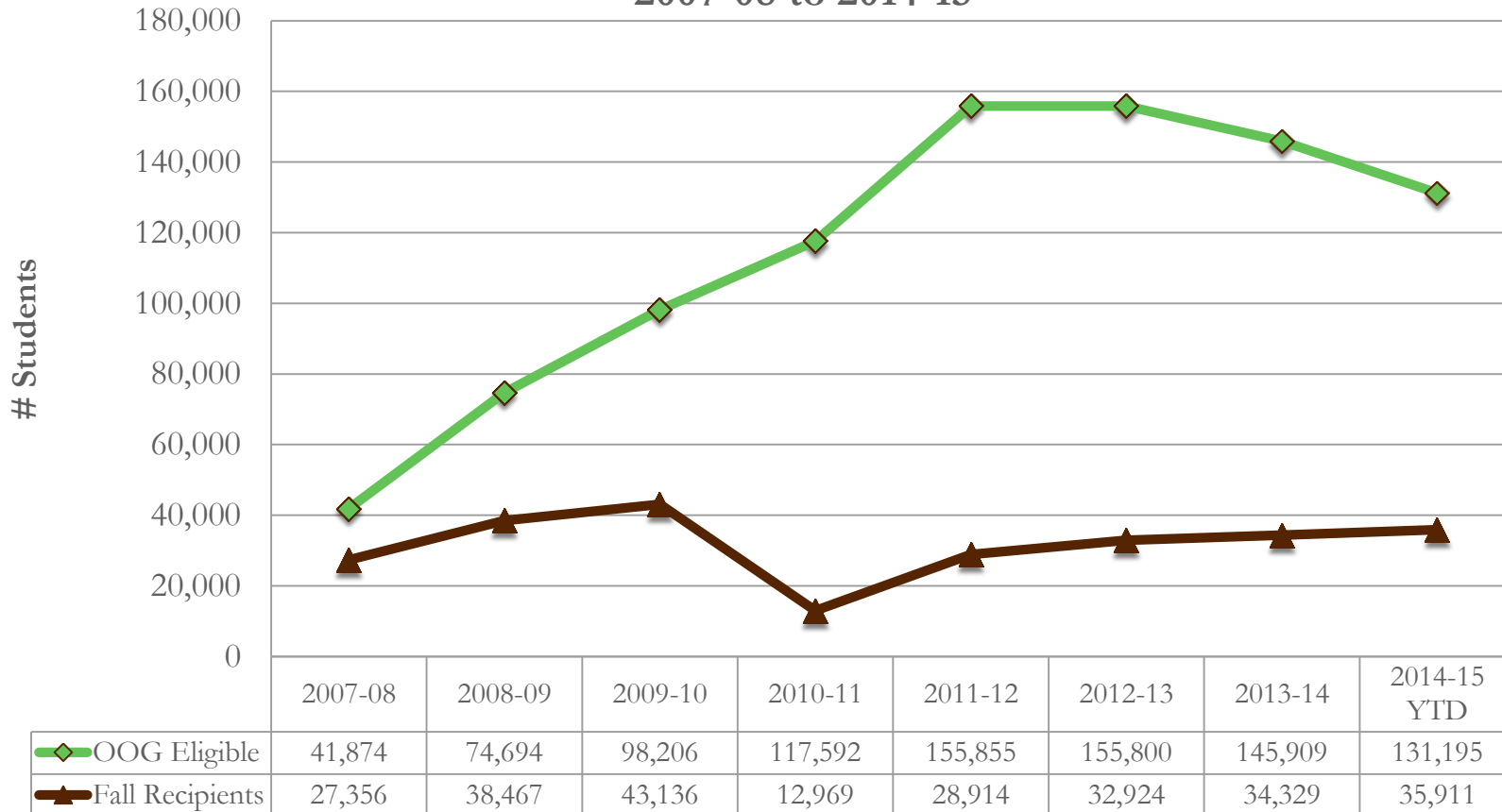
State Funded Grant Aid Per Resident Undergraduate Student (2012-13)



Data Source: NASSGAP 44th Annual Survey Report, 2012-13 Academic Year

OOG ELIGIBLE APPLICANTS VS. RECIPIENTS

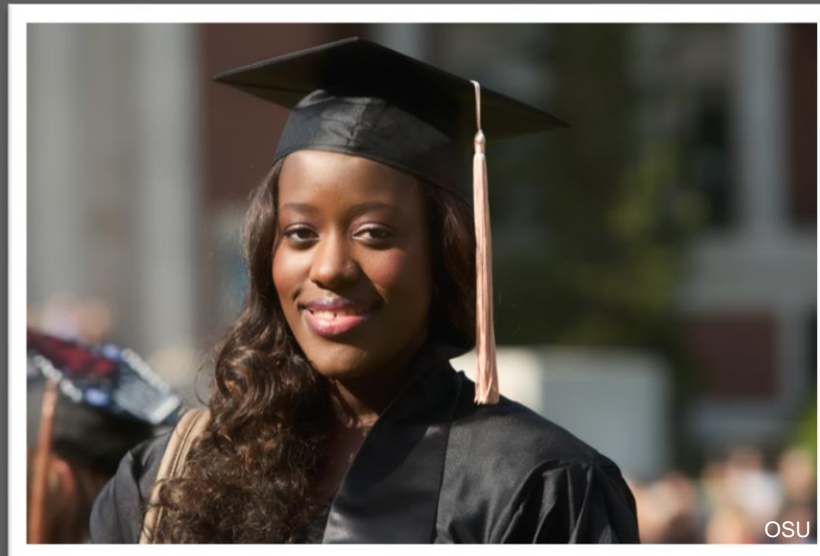
OOG Eligible Applicants vs. Recipients
2007-08 to 2014-15



Source: OSAC

Student Success: Shift to Outcomes-Based Funding Model

BEN CANNON, Executive Director, HECC



OUTCOMES-BASED FUNDING FOR OREGON'S COMMUNITY COLLEGES AND PUBLIC UNIVERSITIES

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To reach 40-40-20, Oregon needs to increase the number of Oregon students successfully completing the certificate, degree, and credential programs in which they have invested.



Shifts the basis for state funding distribution from enrollment – seats in a class– to access and successful completion of quality programs, joining 35 states that have moved to include outcomes as part of their funding system.



Provides resources and incentives to foster campus-level innovations to increase student success — especially among the least represented student populations such as low-income, rural and underserved minorities.

PERCENT WHO DO START BUT DO NOT COMPLETE: OREGON'S OPPORTUNITY

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With outcomes-based funding, individual institutions will be rewarded for developing and extending programs that support students all the way through, including the:

74% of students who begin but do not complete a 1-2 year certificate program within 2 years at community colleges.

83% of students not completing 2-year Associate's degrees within 3 years at community colleges.

40% of students not completing Bachelor's degrees within 6 years at Oregon public universities.

Bachelor's degree completion rates: OUS Institutional Research, 6-year graduation rate of students entering in 2007 (graduating 2013), Oregon public universities. Certificate and Associate's completion rates: Complete College America, data provided in 2013.

BENEFITS: OUTCOMES-BASED FUNDING

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Incentivizes campus-level innovation to increase student success all the way through from access to completion.

Intentional focus on student and state needs:

- Provides incentives for institutions to support the highest-need and underrepresented students to meet 40-40-20, and
- Rewards institutions for student success in high demand fields.

The greatest economic returns come to those who not just start but complete. The average annual earnings for Oregon students based on completion level tell a compelling story:

- No HS diploma: \$14,190
- HS diploma or GED: \$21,319
- Some college, no degree: \$24,911
- Associate's: \$31,673
- Bachelor's: \$44,687
- Advanced degree: \$64,690

Source: 2013 American Community Survey, U.S. Census.

FROM VISION TO REALITY: CONTINUING WORK

64

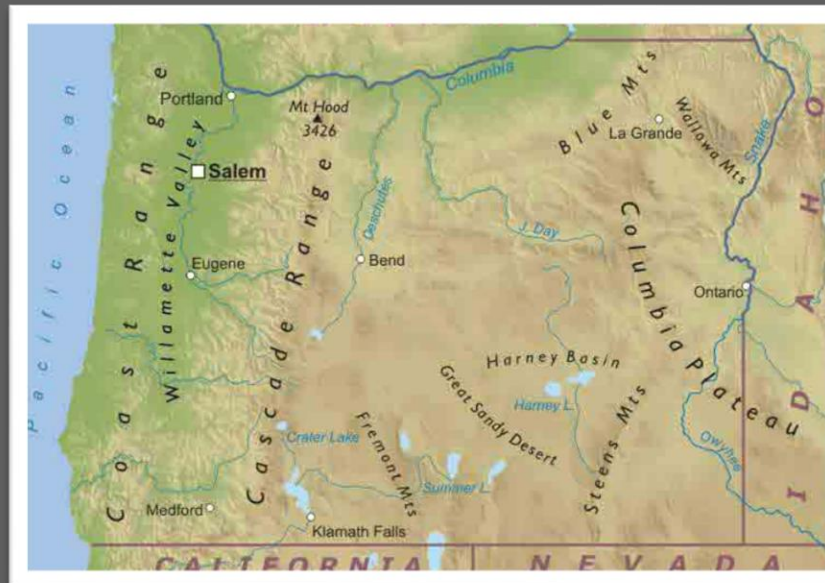
The HECC and its partners continue to work on key policy questions:

- What is the appropriate phase-in period and phase-in plan for the models?
- What will be the relationship and/or ratio of outcomes-based funding and “base” funding as the models are phased in?
- What are the right incentives to reward institutions for meeting student’s needs?
- How can the HECC effectively respond to demands placed on colleges and universities by new funding models* such as:
 - Bolstering IT resources at local and state level
 - Improving institutional research capacity
 - Formalizing institutional change discussion and communities of practice
 - Increasing funding for new programs
 - Including time for institutions to adjust to changes

*Source: CCRC Policy Brief, January 2015, “Increasing Institutional Capacity to Respond to Performance Funding: What States Can Do”

Building a Funding Plan to Achieve 40-40-20

BEN CANNON, Executive Director, HECC



GOALS, PHASE ONE

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1. Determine the cost of shifting the educational attainment of young Oregonians from the current rates to a steady-state rate of 40-40 by the age of 28 by the year 2025

2. Provide an interactive model which demonstrates key leverage points, educational pathways, productivity and associate costs

3. Estimate total cost, permitting the apportionment of state, local and student/family on a yearly/biennial basis

4. Identify areas of focus and strategic investment / partnership with stakeholder groups to achieve goals

ASSUMPTIONS

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Focused on flow of students (age cohorts)

Focused on public universities and community colleges

Out-of-state and private post-secondary will be assumed to remain constant in enrollment and degree production

Student Credit Hours will be the unit of analysis

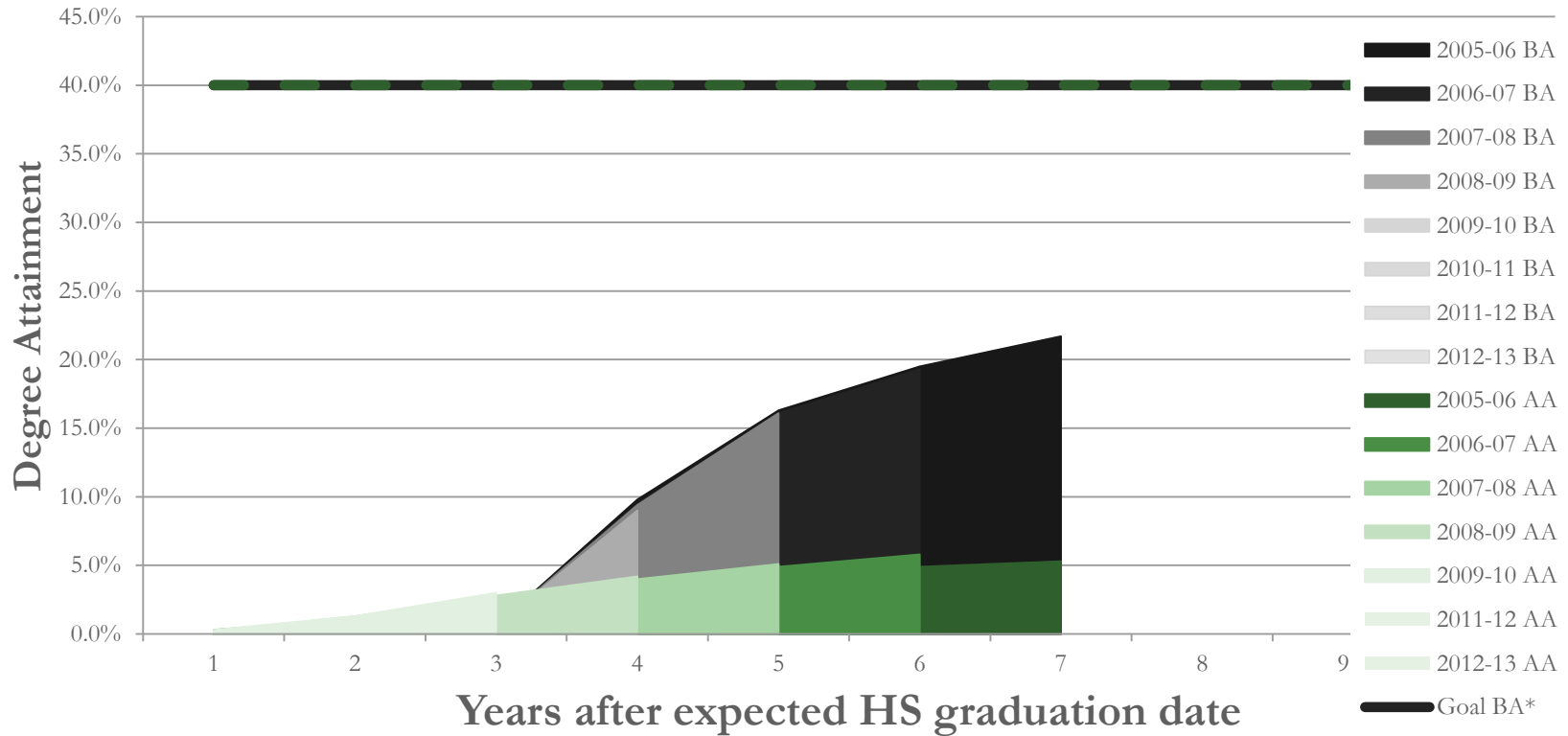
Assume cost drivers will not outpace inflation

Productivity will be assumed to be flat in determining costs

10-year post high school for “flow” period

WHAT DOES SUCCESS LOOK LIKE?

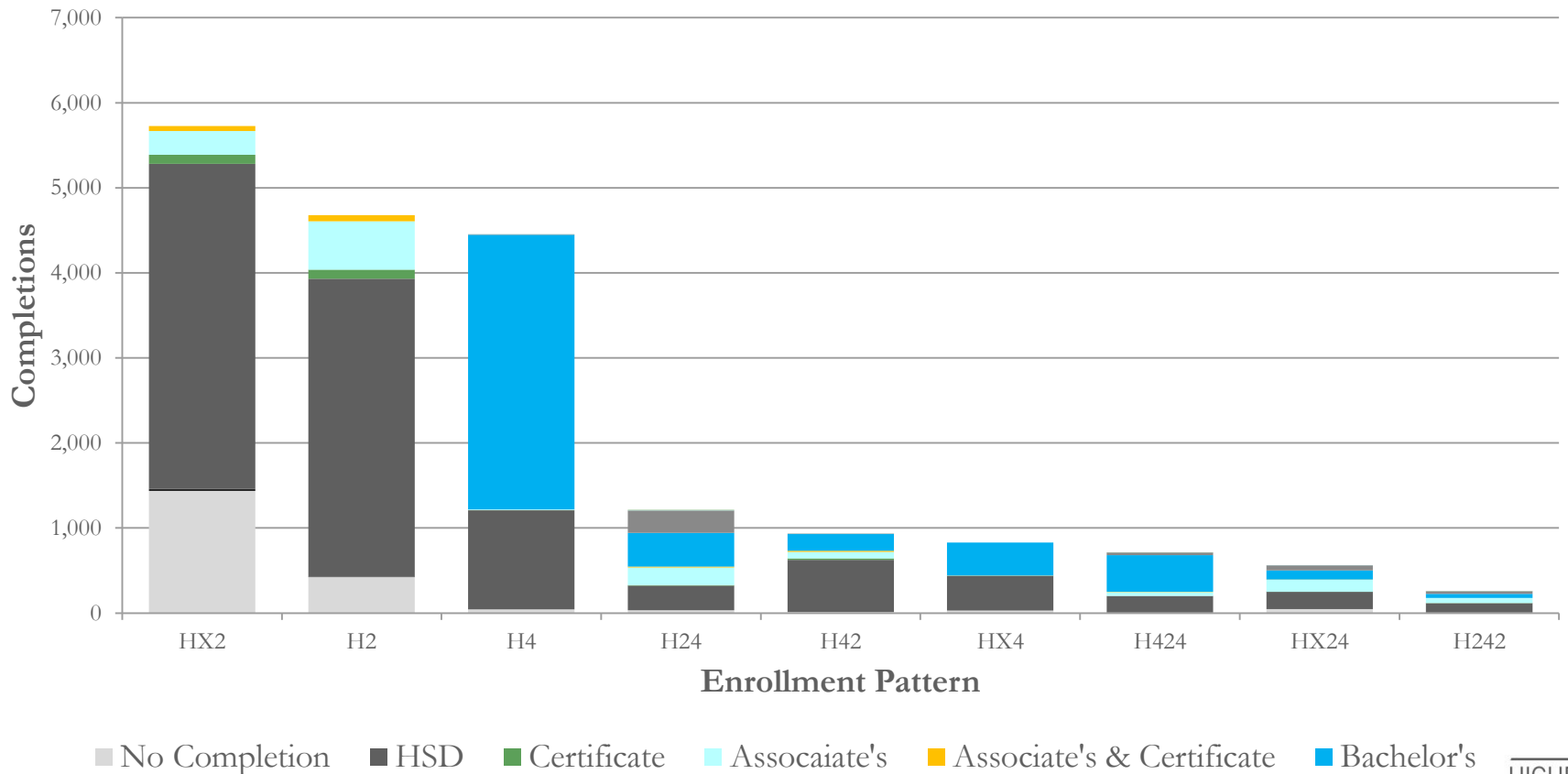
Oregon High School Cohort Degree Attainment Years After Anticipated High School Graduation



Source: ECONW and HECC analysis of NSC, OUS, and CCWD data

COMPLETION BY ENROLLMENT PATTERN

Postsecondary Education Completions by Enrollment Pattern



Source: ECONW and HECC analysis of NSC, OUS, and CCWD data

KEY RELATIONSHIPS

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Enrolling in college or university within one year after high school increases likelihood of completion

Enrollment patterns have a significant impact on completion, and vary by degree type

Enrollment patterns have an impact on credit accumulation, particularly at community colleges

The break between high school and college greatly reduces the likelihood of completion

NEXT-STEPS

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Determine cost per credit hour to identify scale of investment in different outcome categories

Identify amount of resources necessary for student completions

Develop interactive model highlighting key leverage points

Use data to inform strategic planning and investments
