Project Scope: Decision Support Model Development

PROJECT BACKGROUND & PURPOSE:

The State of Oregon is transitioning to a new funding model for the public higher education institutions in the state. This model represents a significant change in how state higher education investment dollars are allocated to universities. Funding is targeted to "reward" outcomes achievement with 60% of state investment being allocated to schools based upon the number of degrees conferred by the institution each year. The remaining 40% of state investment will be allocated based upon student-enrolled credit hours (SCH) for the institution.

The Higher Education Coordinating Commission (HECC) has developed a model for allocation of funds that captures the key funding elements for the seven Oregon public universities. It is developed to determine institution funding based on limited outcomes variables at the system level. Although useful for determining funding allocations for the public universities, it is not useful for providing robust analysis and decision support for individual institutions.

An institutional decision support model (DSM) is needed to inform and facilitate administrative decisions, scenario analysis and guide strategic planning. Financial sustainability will be significantly enhanced with a robust tool that provides the ability to model potential and likely outcomes of administrative decisions and institutional investments.

The tool will provide the financial framework to aid in decision-making and will help to more clearly evaluate new and existing programs and potential university ventures. Driven in part by the SSCM (Student Success and Completion Model, i.e. outcomes-based funding), EOU needs the ability to examine both the cost and revenue components of new and existing activities, and the decision support tool should provide the ability to forecast expense and revenue associated with those.

PROJECT OBJECTIVES:

Develop a Microsoft Excel-based decision support model that will be used to forecast potential financial outcomes of actions and investments being considered for the institution. The EOU DSM will be a proprietary tool that will generate the inputs or integrate the Student Success and Completion Model (SSCM) created by the HECC. Included within its logic and structure, the EOU DSM will include all variables that are considered material to institution financial performance. The completed EOU DSM will be maintained and administered by the Finance Division.

- Tool will be responsive to the logic and revenue stream via the SSCM.
- Tool will allow for the inclusion of various and unique assumptions on both the cost and revenue side.
- Tool will provide the financial framework to help guide decisions at the leadership level.

PROJECT WORK DEFINITION:

Lara Moore, VP of Finance and Administration, is project manager and team leader. Other members of the project team are LeeAnn Case, Director of Budget and Payroll, Greg Howard, Consultant, and Holly Chason, Director of Institutional Research.

DELIVERABLES/END PRODUCTS:

1. Robust financial modeling/decision support tool
   a. Scenario analysis capabilities
2. Introduction and demonstration of model to pertinent campus constituencies:
   a. Executive team
   b. BOT F&A Committee
   c. Budget & Planning Committee

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KEY MILESTONES:

1. October 7, 2015: Meeting/training with project team and HECC to fully educate project team on the SSCM model and logic.
2. October 26, 2015: Meeting with project team to define full scope, responsibilities, and timeline for completion
3. November 12, 2105: Meeting with project team for first review of model draft.
4. November 20, 2015: Meeting with project team for second review of model draft.
5. December 1, 2015: First draft of model ready for presentation to President Insko.

CONSTRAINTS:

1. Learning curve exists with new funding model (SSCM), new budget director, and consultant from outside higher education. This constraint may mean a longer timeline to completion.

KEY ASSUMPTIONS:

1. EOU will maintain proprietary ownership of tool.
2. Finance division will maintain and administer EOU DSM

SPECIFICALLY EXCLUDED SCOPE:

n/a