January 17, 2014

Dear Chancellor Rose-

As 2014 begins and the Higher Education Coordinating Commission (HECC) moves within a half-year to assuming the full responsibilities envisioned for it under legislation passed in 2013, we wanted to update you on our work and begin the process of engaging you and your board in the important decisions that the HECC will be making over the coming months and years.

Since being confirmed by the State Senate in September, the new HECC has held four meetings, including a two-day orientation and planning retreat in November. It has formed two subcommittees (one to focus on budgets and funding allocations, the other on student access and success), chartered two workgroups (each dealing with potential changes to the state’s approach to financial aid), designated a lead Commissioner for program review and approval, adopted an interim report on Credit for Prior Learning and a final report on Common Course Numbering, adopted an Equity Lens, and developed the framework for a strategic plan that will guide its approach to funding and policy recommendations for 2015-17 and beyond. The Executive Director has begun the process of recruiting and hiring for key staff positions that should be on board by July, 2014 (particularly to support the academic and budgetary coordinating functions that are being transferred from the Chancellors’ Office of the Oregon University System), including Directors for Budget and Finance, Academic Planning and Policy, and Private Post-Secondary Education.

Two of the most important responsibilities for the HECC over the next 6-12 months are development of a consolidated higher education budget request for 2015-17 and potential modifications to the formulas that allocate state funding to community colleges and public universities. Before the end of January, you should expect to receive from us a more detailed request for your input on these topics. We will be particularly interested in receiving advice from you and the Presidents of EOU, SOU, WOU, and OIT on state budgeting and allocation strategies that can increase completion rates, diminish time to certificate or degree, and improve affordability for students. We will ask you to take a hard look at your plans and projections for contributing to the state’s 40-40-20 goal over the next 5-10 years with an eye to the ability of students and their families to support their participation in higher education. We expect this to be the beginning of our dialogue about the connection between state resources and student outcomes, not the last word.

In the meantime, we invite you and your board to respond to this letter by telling us a little about the four institutions you will oversee effective July 1, 2014. In particular, we are interested in the following:
• What are your institutions’ missions? The HECC is responsible for approving the mission statements of public universities, and we will be following up with you and your board chair about arranging a formal presentation to the Commission about the missions of your constituent institutions at the HECC’s March or April meeting.

• What unique strengths do your institutions have to help the state meet its 40-40-20 goal? What particular challenges do they face in doing so?

• How well do your current achievement compacts capture the student outcomes that matter to your institutions? What recommendations do you have for changing the metrics included within the compact?

In addition, we invite you to designate a representative to attend our meetings and serve as a liaison from your board and administration to ours. We expect that some smaller institutions, in particular, will want to team up and share a single liaison to the HECC. We would like to share your responses to the questions above – as well as your choice of HECC liaison -- with the full Commission before its next meeting. Please submit your responses to Angela Rico (angela.rico@state.or.us) by February 3.

As you are well aware, the structure of Oregon’s higher education system is undergoing some profound changes. Together with the Governor, we are excited about the possibilities that these changes create for (a) greater levels of coordination and cooperation among community colleges, public universities, and private post-secondary institutions; (b) clearer state and institutional focus on student success, aligned with 40-40-20; (c) more opportunities for innovation and entrepreneurship at the institutional level; and (d) higher levels of public support for and engagement in Oregon higher education. While we believe the new framework creates significant opportunities in these areas, we are aware there is much yet to be decided about how the new system will operate. As representatives of the OEIB and the HECC, we express our absolute commitment to answering these questions in close collaboration with you and other institutional leaders. While occasional tension is bound to arise in our partnership, we expect never to feel like we are working at cross-purposes. Oregon’s ability to meet our higher education goals is inextricably wrapped up in the success of your institutions; likewise, your success depends to a great extent on the work of the HECC, the OEIB, and the Legislature. We look forward to a creative and productive partnership.

Yours sincerely,

Tim Nesbitt
Chair
Higher Education
Coordinating Commission

Ben Cannon
Executive Director
Higher Education
Coordinating Commission

Nancy Golden
Chief Education Officer
Oregon Education
Investment Board

Cc: President Davies (EOU), President Cullinan (SOU), President Maples (OIT), President Weiss (WOU)
February 3rd, 2014

Tim Nesbitt  
Chair  
Higher Education Coordinating Commission

Ben Cannon  
Executive Director  
Higher Education Coordinating Commission

Nancy Golden  
Chief Education Officer  
Oregon Education Investment Board

Dear Colleagues,

Thank you for your letter of January 17, and the invitation to begin a deeper conversation about the connection between state resources and student outcomes. We in the Chancellor’s Office are eager to assist you in this important work at the HECC, and hope to be good partners as we begin this critical dialogue. To that end, I have prepared the following responses to your specific questions. As you note in your inquiry, this is just the beginning of the dialogue. My answers and examples below are therefore not intended to be exhaustive, but rather illustrative of the types of opportunities and challenges we experience. In the weeks to follow, I will look forward to expanding on this information at a meeting of your choosing.

- **What are your institutions’ missions?** The HECC is responsible for approving the mission statements of public universities, and we will be following up with you and your board chair about arranging a formal presentation to the Commission about the missions of your constituent institutions at the HECC’s March or April meeting.

Mission statements were most recently reviewed by the State Board of Higher Education in 2008 (SOU) and 2009 (all others). In addition, institutional core themes, as required by NWCCU, were adopted by the State Board of Higher Education in 2012. Both items for the TRUs are available in the attached document.
Additionally, the Provost Council worked for a year on aligning metrics across three dimensions with their mission. The resulting “Mission Alignment” dimensions were:

1. student access (geographic)
2. academic programs
3. research/innovation

A matrix then was produced that demonstrates the relationship between each campus and these dimensions. For example, Eastern has a “primary” ("1") responsibility for providing education to Eastern Oregon, and a secondary ("2") responsibility for the coastal region with their partnership with SOUC. This work was presented to the Governance and Policy committee, and is available for your viewing on our website: (http://www.ous.edu/sites/default/files/state_board/meeting/files/ddoc101216-GPC1.pdf).

Finally, the Commission may find it useful to review institutional profiles, available again on our website: http://ous.edu/factreport/univprof. These profiles will allow you to familiarize yourself with the campuses. As you come to know them, we can provide deeper analysis and data that may be useful to your work.

- What unique strengths do your institutions have to help the state meet its 40-40-20 goal? What particular challenges do they face in doing so?

The unique strength of the TRU institutions is their impact in educating Oregonians, and in particular, some of the most vulnerable Oregonians to reach higher education. In the fall of 2012, the four TRU universities enrolled nearly a quarter of the total public, resident undergraduate population. Their enrollment of PELL-awarded students is disproportionate to their collective enrollment with around 48% of admitted undergraduates receiving a Pell award, compared to around 35% for research universities (2012-13) WOU has been critical in its innovation and successful advancement of higher education among Latino students, while EOU covers virtually the entire geographic footprint of the state through distance education. All four of these campuses have particular impact for rural Oregonians. Their graduates are fulfilling workforce needs in critical regions of the state, effecting a tremendous positive economic ripple in the areas hardest hit by the Great Recession. Oregon Tech in particular has received notice for very high job placement rate and filling STEM needs; similarly, WOU is highly regarded for its long-standing teacher education program, filling teaching needs and therefore influencing the entire education continuum. Moreover, due to the location of these campuses, they tend to have made early and robust partnerships with area community college partners in order to augment and strengthen curriculum, create accessible pathways for students, and support student preparedness for university life.

It should come as no surprise that the greatest challenge to our campuses fulfilling their 40-40-20 responsibility is funding. The disinvestment in higher education is well known to the Commission, and need not be repeated here. That trend-line, however, is coincident with recent market trends that would predict downward enrollment pressure on public regional institutions nation-wide, which will continue to create a negative downward pressure on revenue. The TRU campuses
derive a greater percentage of their revenues from tuition and state funding than the research universities, and so state investment and enrollment are critical to their financial health. Meeting the particular needs of Oregon’s most vulnerable students will require additional investment in order to support not just access, but success and completion, of students who likely need scaffolding in terms of advising, co-curricular offerings, academic support, and other supports that are costly but create discernible return on investment.

The TRU universities, due to their access mission and focus on under-represented and first generation students, need a fully funded student aid program in order to advance the goals of 40-40-20. OUS is participating actively in the HECC’s financial aid committee, and our TRU institutions stand at the ready to visit with the Commissioners about our commitment to reducing cost and supporting enhanced student aid.

- **How well do your current achievement compacts capture the student outcomes that matter to your institutions? What recommendations do you have for changing the metrics including within the compact?**

The current achievement compacts contain three categories: Completion, Quality, and Connections. The numbers contained within them are estimates of future attainment and do not represent targets or goals per se. Collectively, we need to begin a dialogue about targets/goals that will “move the needle” while accurately reflecting achievement that is within institutional control. Completion metrics, for example, are critical for 40-40-20. But how do we reflect the experience of some of our campuses, whose role has historically been to transfer students after some number of years to another Oregon institution? Successfully transferring students for completion elsewhere should be acknowledged (and rewarded) as a significant contribution at a time when student “swirling” between campuses is a known, nation-wide phenomenon.

The Quality metrics revisions made last year (employer satisfaction on quantitative skills and communication) are a step in the right direction, but here too, the state needs to engage in further conversation. Completion is critical, but so too is quality. If the state sets upon a completion agenda without a robust, concurrent quality agenda, we will ultimately sub-optimize our impact on individual lives and economic prosperity. We look forward to participating with the HECC in a lively discussion about quality learning outcomes and how best to encourage and reward them.

Finally, there is confusion about the connection between Achievement Compacts and funding. To what degree (or whether) Achievement Compacts will be connected to funding has been a topic of much discussion and anxiety within the university community. Clarifying this point will ease ambiguity and get us all rowing in the same direction. Again, we look forward to participating in the discussion.

I would be happy to visit with the HECC about any of these topics to explore them further. In the meantime, please know that I have appointed Board Secretary and Chief of Staff Charles Triplett as the official liaison to HECC. He and I are both anxious to support your work and look forward to learning next steps. In the meantime, if you should need any additional information to that provided here, please don’t hesitate to let us know. As you well know, our tremendous
Institutional Research Division has always provided a wealth of information about our campuses, and we are always proud to share it with you.

Warm Regards,

Melody Rose, Ph.D.
Interim Chancellor
Oregon University System

Cc: President Davies (EOU), President Cullinan (SOU), President Maples (OIT), President Weiss (WOU)
NWCCU Institutional Core Themes

The Northwest Commission on Colleges and Universities (NWCCU) new accreditation standards, adopted in 2010, require that each institution articulates its purpose in a mission statement, and identifies core themes that comprise essential elements of that mission and collectively encompass its mission. Additionally, Eligibility Requirement 3 of the new standards requires that the mission and core themes adopted by an institution are approved by its governing board. OUS institutions were not aware that core themes needed to be approved by the Board.

All institutions have developed their core themes based on currently approved State Board of Higher Education institutional mission statements and mission alignment. All institutions have had their first year review by NWCCU and the Commission has approved the institutional core themes as listed below.

Eastern Oregon University

Mission Statement:
Eastern Oregon University guides student inquiry through integrated, high-quality liberal art and professional programs that lead to responsible and reflective action in a diverse and interconnected world.

As an educational, cultural and scholarly center, EOU connects the rural regions of Oregon to a Wider world. Our beautiful setting and small size enhances the personal attention our students receive, while partnerships with colleges, universities, agencies and communities add to the educational possibilities of our region and state. *(Approved by the State Board of Higher Education October 2008)*

Core Themes:
1. **EOU has high quality liberal arts and professional programs that prepare students for the world beyond college.**
   - Goal 1: Foster and assess student learning.
   - Goal 2: Ensure faculty and staff success.

2. **EOU is a regional University with a deep sense of commitment to students where they are.**
   - Goal 3: Serve students where they are.
   - Goal 4: Make excellence inclusive.
   - Goal 5: Adopt and enhance appropriate education technologies.

3. **EOU is the educational, cultural, and economic engine of eastern Oregon.**
   - Goal 6: Foster Partnerships.
   - Goal 7: Ensure a fiscally and environmentally sustainable university environment.
   - Goal 8: Provide programs and resources to respond to high demand regional needs.
4. **EOU provides personal, student-centered experience in both the curricular and co-curricular programs.**
   
   Goal 9: Ensure access and success for all students.
   Goal 10: Provide opportunities for students and faculty to engage with their community.

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**Oregon Institute of Technology**

**Mission Statement:**

Oregon Institute of Technology, a member of the Oregon University System, offers innovative and rigorous applied degree programs in the areas of engineering, engineering technologies, health technologies, management, and the arts and sciences. To foster student and graduate success, the university provides an intimate, hands-on learning environment, focusing on application of theory to practice. Oregon Tech offers statewide educational opportunities for the emerging needs of Oregon’s citizens and provides information and technical expertise to state, national and international constituents. *(Approved by the State Board of Higher Education January 2011)*

**Core Themes:**

1. **Applied Degree Programs:** This core theme emphasizes Oregon Tech's commitment to a hands-on learning environment with a focus on the application of theory to practice. In order to achieve this, the University provides a project learning culture.

2. 

3. **Student and Graduate Success:** Oregon Tech strives to provide academic support services to facilitate students' personal and academic development. This not only includes supportive faculty and advisers but supportive staff in all areas of student interaction from admission through graduation.

4. **Statewide Educational Opportunities:** Oregon Tech offers statewide educational opportunities to all Oregon citizens. In addition to its main campus in Klamath Falls it has a campus Wilsonville Oregon; partnership programs with Eastern Oregon University and ODS, Chemeketa CC, and PSU and PCC at PCC's Willow Creek campus. Oregon Tech also has an active distance education program.

5. **Public Service:** Oregon Tech makes its information and technical expertise available to regional, state, national, and international publics. Students, faculty, and staff are encouraged to perform as much public service as possible.
Southern Oregon University

Mission Statement:
Southern Oregon University is an inclusive campus community dedicated to student success, intellectual growth, and responsible global citizenship.

Southern Oregon University is committed to:
- a challenging and practical liberal arts education centered on student learning, accessibility, and civic engagement;
- academic programs, partnerships, public service, outreach, sustainable practices, and economic development activities that address regional needs such as health and human services, business, and education; and
- outstanding programs that draw on and enrich our unique arts community and bioregion.

(Approved by the State Board of Higher Education 2008)

Core Themes:
1. **Student Success**: SOU students will be prepared for personally rewarding vocations and satisfying personal lives by developing the intellectual and practical skills of communication, critical/creative thinking, and information literacy.

2. **Intellectual Growth**: Students and faculty will extend and refine broad-based general knowledge in the arts and humanities, social sciences, and the sciences, and develop specialized knowledge in one or more specific discipline(s).

3. **Responsible Citizenship**: Through academic and student affairs, students will be prepared for personal and social responsibility by developing an appreciation and acceptance of others and a commitment to solving local and global problems through ethical application of knowledge and skills.
Western Oregon University

Mission Statement:
Western Oregon University is a comprehensive public university, operating for the public good, which:

- Provides effective learning opportunities that prepare students for a fulfilling life in a global society;
- Supports an accessible and diverse campus community; and,
- Improves continuously our educational, financial, and environmental sustainability.

(Approved by the State Board of Higher Education June 2011)

Core Themes:

1. **Effective Learning**
   Learning is the primary mission of the university; it is not only what we do, but what we do best. To accomplish this, WOU sets and implements rigorous standards and assessment measures to evaluate the quality of teaching, learning experiences, and student success. We encourage and support distinctive and innovative programs and delivery methods, which respond to the changing needs of students and society. We create an environment in which student success is paramount and a shared responsibility of everyone at the university. WOU supports learning with a coordinated system of academic and non-academic programs, processes, and resources. We ensure that student advising is consistent, accurate, timely, personalized, and collaborative. We encourage greater participation in programs that facilitate understanding and the exchange of people and ideas in international, multicultural, and cross-cultural arenas.

2. **Supports Diversity**
   By providing a multicultural campus community, WOU offers students the knowledge, attitudes, and skills to function effectively within and beyond their cultural boundaries as required in today’s global society. To accomplish this WOU has developed active communities of learning representing diverse populations and perspectives. We provide access to an array of diverse and inclusive populations to foster a quality workforce and well-educated citizens. WOU has developed and maintained partnerships that broaden our vision, increase our potential, and enhance our professional relationships. These include academic and non-academic programs to promote diversity and meet the needs of all constituencies, especially non-traditional and racial/ethnic minority students and staff.
3. **Sustainable Institution**

   WOU understands that the university is a living organism that must maintain its stability and sustainability through good educational, financial, and environmental practices. To accomplish this WOU has developed a systematic and inclusive approach to improving the campus infrastructure, facilities, and services. We continue to create a working environment that fosters open communication and recognizes individual and collective contributions. WOU ensures the rigorous application of ongoing evaluation to improve all aspects of campus life, assure quality, and make decisions predicated on reliable, valid, peer-reviewed data. We nurture connections with our alumni that engender pride, loyalty, and good will, and we enhance technology strategies and capacities to improve teaching, learning, communication, management, and cooperation.

**STAFF RECOMMENDATION TO THE BOARD**

The Academic Strategies Committee recommends the State Board of Higher Education approve the above institutional core themes for EOU, OIT, OSU, PSU, SOU, UO, and WOU.

*(Board action required.)*
January 10, 2014

Dear President-

As 2014 begins and the Higher Education Coordinating Commission (HECC) moves within a half-year to assuming the full responsibilities envisioned for it under legislation passed in 2013, we wanted to update you on our work and begin the process of engaging you and your board in the important decisions that the HECC will be making over the coming months and years.

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Two of the most important responsibilities for the HECC over the next 6-12 months are development of a consolidated higher education budget request for 2015-17 and potential modifications to the formulas that allocate state funding to community colleges and public universities. Before the end of January, you should expect to receive from us a more detailed request for your input on these topics. We will be particularly interested in receiving your advice on state budgeting and allocation strategies that can increase completion rates, diminish time to certificate or degree, and improve affordability for your students. We will ask you to take a hard look at your plans and projections for contributing to the state’s 40-40-20 goal over the next 5-10 years with an eye to the ability of your students and their families to support their participation in higher education. We expect this to be the beginning of our dialogue about the connection between state resources and student outcomes, not the last word.

In the meantime, we invite you and your board to respond to this letter by telling us a little about the institution you lead. In particular, we are interested in the following:

- What is your institution’s mission? The HECC is responsible for approving the mission statements of public universities, and we will be following up with you and your board chair
about arranging a formal presentation to the Commission on your mission at its March or April meeting.

- What unique strengths does your institution have to help the state meet its 40-40-20 goal? What particular challenges do you face in doing so?
- How well does your current achievement compact capture the student outcomes that matter to your institution? What recommendations do you have for changing metrics included within the compact?

In addition, we invite you to designate a representative to attend our meetings and serve as a liaison from your board and administration to ours. We expect that some smaller institutions, in particular, will want to team up and share a single liaison to the HECC. We would like to share your responses to the questions above – as well as your choice of HECC liaison -- with the full Commission before its next meeting. Please submit your responses to Angela Rico (angela.rico@state.or.us) by February 3.

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Yours sincerely,

Tim Nesbitt
Chair
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Ben Cannon
Executive Director
Higher Education
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Nancy Golden
Chief Education Officer
Oregon Education
Investment Board
OREGON STATE UNIVERSITY

What is your institution’s mission?

Preamble:
Oregon State University is a comprehensive, public, research-extensive university serving as the state’s land-, sea-, space- and sun-grant institution – one of only two universities with such designation in the country\(^1\). OSU programs and faculty are located in every county of the state and are dedicated to investigating the state’s greatest challenges. OSU considers the state of Oregon its campus and works in partnership with the P-12 school system, all 17 Oregon community colleges and other OUS institutions to provide access to high quality educational programs. Strong collaborations with industry and state and federal agencies drive OSU’s research enterprise.

Mission:
As a land-grant institution committed to teaching, research, and outreach and engagement, Oregon State University promotes economic, social, cultural and environmental progress for the people of Oregon, the nation and the world. This mission is achieved by producing graduates competitive in the global economy, supporting a continuous search for new knowledge and solutions, and maintaining a rigorous focus on academic excellence, particularly in the three Signature Areas: Advancing the Science of Sustainable Earth Ecosystems (Healthy Planet), Improving Human Health and Wellness (Healthy People), and Promoting Economic Growth and Social Progress (Healthy Economy).

Guided by its strategic plan, OSU aspires to be a top 10 land-grant university. The three signature areas provide the focus for developing and enhancing interdisciplinary collaborations and for programmatic growth and investment. Within this broader context, OSU is focused on advancing two over-arching goals: enabling targeted program excellence and creating an exemplary education and learning environment.

What unique strengths does your institution have to help the state meet its 40-40-20 goal? What particular challenges do you face in doing so?

Oregon State University has a number of strengths that can help advance the State’s 40-40-20 goal:

- Conceived by the passage of the Morrill Act in 1862, Land Grant universities were chartered to serve the needs of the people. That mission remains central to what OSU does and how we think about our work. From the beginning, Land

\(^1\) The other university to hold this distinction is Cornell.
Grant universities included education within the context of economic advancement -- initially in agriculture and the “mechanical arts”, now much more broadly.

- OSU has a presence throughout the State, including campuses in Corvallis and Bend, the Hatfield Marine Science Center in Newport, and agricultural experiment stations, Extension offices, and research forests throughout the state. This creates a connection and awareness of the university throughout the state and makes tangible for communities what universities (and by extension education) can do.

- OSU offers a broad and comprehensive curriculum that enables students to find their interests or abilities in a wide range of fields. Although frequently they may discover different areas than they imagined, the curriculum at OSU allows them to move easily towards degree completion. Likewise the comprehensive curriculum exposes students to the connections between disciplines and expands the opportunity for experiential learning, one of the most effective strategies for retention.

- OSU is a major national research university with comprehensive graduate education programs. While increasing the number of advanced degrees awarded in the state is a direct goal of 40-40-20, research and graduate education also adds significantly to undergraduate study. Undergraduate education within a research university, at its best, exposes students to experiences and hands-on learning that increases their retention and their success. Research and graduate education also attract and retain more of Oregon's high-achieving students in the state.

- OSU has a longstanding commitment to helping underrepresented minorities succeed in higher education and to increasing access for first-generation college students. Our commitment is demonstrated by enhancement of the student cultural centers, the prominence of increased scholarships in the Campaign for OSU, and initiation of a comprehensive First Year Experience program that is dedicated to the success and engagement of first-year students across all spheres of student experiences, from classrooms to residences to advising and support offices.

- OSU has worked in partnership with all 17 of Oregon's community colleges to craft dual enrollment programs and to facilitate students’ transfers to the four-year universities and in implementing reverse transfer programs.

OSU has developed an initial plan for reaching the enrollments needed for 40-40-20 based on the assumption that we will maintain our current proportion of State enrollment, approximately 26% of the resident students enrolled in Oregon’s public 4-year institutions. OSU’s enrollment strategy has three main parts:

- Target enrollments and programs at the Corvallis campus to a student population of about 28,000. This population fits the size and resources of the City of Corvallis. One major goal will be to increase the retention rate within this
population and decrease the time-to-degree, so that more degrees are awarded at the same enrollment levels.

- Grow the Bend campus to approximately 5,000 students by 2025. The population growth and demographics of the State make this an essential strategy for OSU and the Central Oregon region. There may be opportunities for a small 2+2 program with Oregon Coast Community College and Hatfield Marine Science Center as well in addition to on-campus living experiences at HMSC for students attending the Corvallis campus.

- Leverage our successful online Extended Campus to offer increased opportunities for Oregon students who need to complete a program they have started here or elsewhere. We expect our online degree seeking student population to increase from 3,800 today to 7,000 students in 2025. Our online programs offer opportunities to experiment with hybrid instruction, “fixed-price” degrees, and lower-cost delivery approaches. OSU’s on-line program was recently ranked among the top four research universities in the nation.2

We face a number of significant challenges in working towards the 40-40-20 goal, many of which are shared by all of Oregon’s public institutions. We offer the following suggestions for addressing these challenges with the hope of working with the HECC to advance these efforts:

- Make the 40-40-20 plan more specific through a collaborative process. Provide clarity on which degrees, how many, from which institution, etc. We realize that this is a work in progress, but emphasize that setting those guidelines is essential for institutions to start putting in place the necessary people and infrastructure to meet the goals. We believe this should be an iterative process that involves HECC, community colleges and four year institutions, as well as the major economic interests of the state.

- Keep investments in pace with the growth in enrollment of resident students. The single most important investment needed to meet the 40-40-20 goals is support from the State to keep access to a baccalaureate degree affordable and on pace with growth in enrollment of Oregon residents. The campuses of OUS have done a good job of keeping expenditures per student, adjusted for inflation, fairly constant but costs have shifted to students and families as direct state support has declined.

In the last academic year, resident undergraduate enrollment at OSU increased by 408 (1.6%). The percentage of Oregonians in our undergraduate student population currently stands at 73%. We are committed to maintaining a resident undergraduate student participation rate of at least 67% in Corvallis, but that requires improved state funding and financial aid.

- Adequately fund financial aid for low-income students. Oregon ranks low in affordability not because of price (our public tuition remains low for comparable

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2 Super Scholar Smart Choice for Best Online Colleges and Universities in 2013
universities) but rather because the lack of financial aid increases the net cost to students and families as a percentage of their family income.

- **Invest in activities beyond “business-as-usual”**. For OSU, some of these include:
  1. **Infrastructure investments to provide facilities and educational tools for more students**. Even with the completion of the new $65 million classroom building in 2015 OSU will need continued investments in the renovation of existing classrooms, improvements in wired and wireless infrastructure, and space improvements for advisors, student support services, and tutoring. In Bend, substantial investments will be needed to build the facilities and supporting infrastructure necessary to support a four-year campus of 5,000 students.
  2. **Expanded support for advising and early intervention with students at risk**. One of the best strategies we can pursue is to help students finish their degree. However, expanding services to students who falter in their first two terms will require staffing beyond our current staff-to-student ratios.
  3. **Increased investments in support services for specific populations of students**. These include first-generation students, students from U.S. underrepresented groups, and students for whom English is a second language (including a presence in the communities in which those students live). All of these groups are going to grow over the next 12 years and they will come to university needing different kinds of support than we have maintained in the past.

*How well does your current achievement compact capture the student outcomes that matter to your institution? What recommendations do you have for changing metrics included within the compact?*

The degree completion outcomes do capture the two most important elements: the number of baccalaureate degrees and the number of advanced degrees are awarded to Oregonians. There is also an appropriate focus on how we are advancing the success of students from disadvantaged backgrounds.

There are three areas where the achievement compacts do not capture the breadth of OSU’s contributions to the State and to 40-40-20:

1. **Measures of improvements in retention, degree completion rates, and time-to-graduation**. Moving these variables will be as important to achieving 40-40-20 as increasing enrollments. Efforts to assess completion rates need to reflect changes in admission requirements as well as the characteristics of the students being admitted.

2. **There is no measure of OSU’s contributions to economic activity and growth through research and the work of the Statewide Public Service Programs** – the
Extension Service, Agricultural Experiment Station, and Forest Research Laboratory – otherwise known as “the Statewidest. These activities and outcomes are intertwined with our academic and education outcomes because they are an integral part of our educational infrastructure. The faculty, graduate students, and facilities supported by the Statewidest contribute to teaching at all levels. They also provide access to a wide array of experiential learning opportunities. There is no doubt that research universities, OSU included, can improve the integration of research and scholarship with undergraduate education. But there is also no doubt that it is an essential part of what we do and how we educate our students.

Jock Mills, Director of Government Relations, will serve as our liaison to the HECC. Additionally, for matters that involve the academic enterprise, Becky Warner, Senior Vice Provost for Academic Affairs, and for matters that involve financial aid and student support, Kate Peterson, Associate Provost for Enrollment Management, will be engaged.
Oregon State University’s 10-year transformational journey started in 2003-04 when Dr. Edward J. Ray joined the University as its 14\textsuperscript{th} president and the campus community rallied around a call to create a brighter future.

Starting with the recession of the early 1980’s, the two decades preceding President Ray’s appointment had seen a consistent decline in state support for higher education in Oregon. The results of Ballot Measure 5 (property tax limitation and income tax diversion) implemented starting in 1995 further affected higher education disproportionately. Between the 1989-91 and 2005-07 biennia, state support for the Oregon University System (OUS) was reduced by 44 percent, the deepest cuts of any large state budgets. The economic crisis of 2007-08 further exacerbated the budgeting issues.

For Oregon State University (OSU), during the 10-year period between 2004 and 2013, the state appropriation per student FTE decreased from $4,291 to $3,084, while the resident tuition and fees increased from $4,719 to $8,138 over the same time period. The broader economic crisis in 2007-08 alone resulted in a 20 percent decrease in state support for OSU educational programs and its statewide public service programs (agricultural experiment station, extension service, and forest research laboratories).

As Oregon’s land-grant university, Oregon State University has had a strong state and regional presence. However, the political landscape and the budgeting process had resulted in a significant impact on OSU and its community.

- True to its land-grant heritage, OSU was committed to access for all qualified Oregonians. However, the University had not established a long-term enrollment plan that provided a better balance between access for qualified resident students with the ability to develop a more stable fiscal base from non-resident enrollments.

- There was little growth in the University’s research and entrepreneurial activities for almost a decade prior to 2007-08.

- The University was one of the few major public, comprehensive universities without a capital campaign. While very few entities, including the College of Engineering and Athletics, were engaged in fundraising activities, there was a limited institutional expectation or culture for private philanthropy, and the fundraising arm of the University was relatively ineffective.

- Perhaps most significantly, the economic circumstances had led to a static educational environment and a community psyche that “good is good enough.” What was missing was a culture for the University community to come together to take charge of its destiny and to develop an aligned and executable agenda to advance it.
INITIAL PHASE: 2003-04 TO 2007-08

OSU’s transformational journey started in 2004 with the development of the University’s Strategic Plan for the 21st Century that engaged the collective campus community and several key external stakeholders. Core to the plan was the aspirational vision to become a top 10 land-grant university and two overarching goals focused on academic excellence and a collaborative learning environment.

It became clear early during the implementation phase of the Strategic Plan that a number of important foundational elements needed to be developed in order to build a high performing organization. First and foremost, a strong and effective leadership team had to be assembled. A two-year period brought new leadership for the positions of provost and executive vice president, vice president for research, vice president for advancement, CEO of the OSU Foundation (the entity charged with fundraising), and director of the alumni association. Each of these leaders, in turn, was tasked to create the type of leadership environment that was needed to lead a 21st century comprehensive research land-grant university. In some areas, like the OSU Foundation, the result was a total change in the existing leadership structure. In other areas, such as the academic leadership team, the outcome was achieved by a combination of growth and nurturing of existing members of the team and selective replacement for other positions. In all cases, the key was establishing and communicating new expectations for performance and accountability norms that focused on delivering outcomes and alignment with University goals and aspirations to lead to greater positive impacts on our state, the region and the world.

The other important element of change was delivery of a consistent message from all leaders that the University had far more potential than settling for “good is good enough,” that the state funding was not going to be the answer for the future, and that if the University was to redefine itself, it needed to be entrepreneurial in envisioning future possibilities and developing long-term business plans. The 2007-08 economic crisis proved to be just the external driver that was needed to force action.

During this initial phase, the University initiated two important activities that were essential to significant subsequent growth:

- An enrollment management plan that established recruitment targets for various markets.
- The silent phase of a university-wide capital campaign that was initially envisioned for $625 million.

PERIOD OF ACCELERATED CHANGE, 2007-08 TO 2012-13

The second five year execution plan for growth and change was driven by the Strategic Plan update completed in 2007-08. While maintaining the long-term vision to be a top tier land-grant university, building upon the University’s core teaching and research strengths, the skill and capacities of its faculty, and our many established national and international partnerships and collaborations, the updated Strategic Plan identified three signature areas of institutional excellence: Advancing the Science of Sustainable Earth Ecosystems, Improving Human Health and Wellness, and Promoting Economic Growth and Social Progress.
Summarized below are some of the most innovative changes implemented by the University and the resulting outcomes which are simply remarkable for a university that had been relatively stagnant in growth over many years. As mentioned previously, the economic recession of 2007 layered on top of decreasing state support was a key external driver for a call to action. Several fundamental organizational building blocks were in place and the faculty and staff, as well as many external partners including the State Board of Higher Education, had developed confidence in the president and University leadership to execute a bold plan.

KEY INNOVATIVE INITIATIVES

Academic Divisions
To support growth in the three signature areas and to further cross-disciplinary collaborations, the University created four academic divisions, each representing a combination of colleges: Earth Systems Science (Agricultural Sciences; Earth, Ocean and Atmospheric Sciences; Forestry), Health Sciences (Pharmacy; Public Health and Human Sciences; Veterinary Medicine), Business and Engineering (Business; Engineering), and Arts and Sciences (Education; Liberal Arts; Science). The divisional structure has led to several innovative collaborations and programs, including a graduate program in Comparative Health Sciences, and to sharing resources among colleges within a division, such as in advising and operations.

Academic Reorganization
With the objective of redirecting resources to the academic and research mission of the University and to create units with critical faculty numbers around interdisciplinary themes, academic colleges went through a major restructuring process that led to a 30 percent reduction (from 62 to 42) in units within colleges. The College of Liberal Arts exemplified this transformation as it reduced from 17 departments/units to six schools, illustrated by the creation of the School of Public Policy that brought together the departments of Economics, Political Science, and Sociology.

Program Reduction and Remapping
The University adopted specific guidelines regarding the optimal and appropriate size of academic programs. This review led to the elimination of 26 low enrollment degree programs and remapping of several programs to make them more market-focused to attract students and resources. For example, the undergraduate program in Wood Science and Technology was reoriented to Renewable Materials, resulting in increased enrollments and a revitalization of the program. The University also took this opportunity to conduct a gap analysis for key programs that were missing from its portfolio, consistent with the new academic plan. Over the past couple of years, OSU has introduced selective programs to either increase enrollments in professional masters programs (e.g. Masters in Accountancy) or to fill missing links (e.g. Ph.D. in Public Policy and a Ph.D. in Business). Additionally, this year, the College of Public Health and Human Sciences will become the first CEPH-accredited college of public health in the state of Oregon.

Business Services Reengineering
Like most universities, OSU historically provided business services in a highly distributed model, with most transactions managed at the departmental/unit level. Starting in 2007-08, over a three-year period, the University moved the financial transactions and human resource functions to seven...
consolidated business centers, each of which serve a particular group of units at OSU. For the academic enterprise, the creation of business centers aligned with the four academic divisions. This was one of the first fully implemented shared services models in higher education in the U.S.

Public-Private Partnership in Academic Delivery
As part of a long-term educational, diversity and enrollment growth strategy, OSU established a partnership with INTO University Partnerships, Inc., a British Corporation. This was the first public-private partnership in the U.S. to recruit international students to an innovative first-year Pathway model. The partnership has resulted in a nearly 200 percent increase in international students enrolled at OSU from Fall 2009 to Fall 2013.

Building a Distance Education Enterprise
Reaching students at a distance was viewed as a strategic initiative that fit OSU’s land-grant mission and was critical to our contributions to the Governor’s 40:40:20 vision (by 2025, 40% of Oregon high school students will have at least a bachelor’s degree, 40% will have community college credentials, and 20% will have a high school diploma). Over several years, OSU built the infrastructure needed to deliver world-class online education. The result has been an 81 percent increase in enrollments in online programs (Fall 2009 to Fall 2013) in over 30 online degree programs and OSU’s Extended Campus is consistently ranked among the top 10 online programs in the country.

Industry-University Collaborations—The OSU Advantage
While OSU’s research revenue from federal sources has seen a significant increase over the past decade, the University recognized the increasing threat of reduced federal support for research. The OSU Advantage initiative was created to substantially increase industry-based research and commercialization activities. The initiative has resulted in increases of 66 percent in industry-sponsored research and 188 percent royalty revenue over a five year period.

Transition of OSU-Cascades From 2- to 4-Year Branch Campus
OSU sought and gained approval to extend our two year branch campus (a 2+2 program) to a four year campus with targeted, distinctive program offerings for the central Oregon region and plans to grow into a robust campus with an enrollment of 3,000-4,000 over the next five years.

SIGNIFICANT OUTCOMES

- Starting in 2010-11, OSU made significant new investments to advance our strategic priorities, including the addition of 180 new professorial faculty positions, over $5 million in enhanced advising and academic and student services, and over $25 million to improve existing teaching, research and information infrastructure.

- Increases in student enrollment of 37 percent to almost 28,000 since 2007-08, in U.S. underrepresented students by almost 80 percent to 20.6 percent of total students, in international students by 190 percent to 10.2 percent of total, and in online degree program enrollment by almost 200 percent to 13.5 percent of the total student body.

- OSU’s branch campus, OSU-Cascades, has experienced steady enrollment growth, with over 1,100 enrolled for Fall 2013. The State Board of Higher Education approved the purchase of two real
estate properties comprising 56 acres in Bend, Oregon, paving the way for a new physical campus for branch campus which will open in Fall 2015.

- Increases in degrees granted by 25 percent to 5,256 since 2007-08. Over the same time period, an increase of 42 percent in degrees awarded in engineering and computer science (areas of need targeted by the State).

- Increase in retention rate from 80.8 percent in Fall 2007 to 84.2 percent in Fall 2013.

- Doubled the capacity of the University Honors College to 1,200 students and almost 40 percent of the first-year entering class at OSU are high achieving students (high school GPA of 3.75 or higher).

- Established the Bridge to Success Program in 2008 which combines federal Pell grant funds, Oregon Opportunity Grants, private scholarships and institutional scholarships to fund up to 3,200 Oregon undergraduates to attend OSU without paying tuition or fees each year. Established degree partnership programs with all 17 community colleges in Oregon, including reverse transfer programs with its closest partner, Linn-Benton Community College.

- Increase in annual total Research & Development (R&D) revenue by eight percent to $263 million, in industry-sponsored R&D revenue by 48 percent to $31 million, in licensing revenue by almost 200 percent to $7.8 million, and in invention disclosures by 43 percent to 80 per year. In addition, OSU researchers now expend an average of $252,834 per year, ranking in the top ten among those public universities that are members of the AAU. The focus on economic development as an important part of its mission has enabled the university to obtain seed funding from the state to establish a business accelerator. Additionally, the National Science Foundation selected OSU to lead a project to design up to three new coastal vessels to increase U.S. marine science capabilities, a project that could total $290 million over 10 years if all three vessels are built.

- Currently raised $965 million toward a revised capital campaign goal of $1 billion through 2014 and doubled annual fundraising over the life of the campaign to approximately $100 million.
  - Over the course of the capital campaign, the University leveraged funding by campaign donors, resulting in 40 major new or renovation construction projects completed or in progress with a net worth approaching $1 billion.
  - Implemented the Provost’s Faculty Match program that has leveraged $1.5 million in university funds with over $33 million in endowed funding and established or added to 39 endowed faculty position funds over a two-year period. Total endowed positions increased by 160 percent during the campaign.
  - Campaign donors have contributed $164 million to support scholarships, fellowships and other student awards, thus increasing by 30 percent the number of such funds held by the OSU Foundation to support OSU students.

- When fully implemented in 2009-10, the business centers had a $7.9 million budget that was 2.5 percent of the education and general (E&G) initial budget. In 2013-14, the budget had increased to approximately $9 million, 2.15 percent of the E&G budget. However, enrollment had grown by 18 percent, the E&G budget by 32 percent, and total budget operations by 20 percent.
OREGON STATE UNIVERSITY:
A JOURNEY OF INSTITUTIONAL TRANSFORMATION

SUMMARY

There aren’t many comprehensive, land-grant universities that will lay claim to a 50 percent growth in enrollments, a doubling of its research revenue and a successful $1 billion campaign over the past decade that has also included periods of significant regional, national and global economic challenges. OSU has made remarkable progress advancing its programs and increasing its impact, and transforming itself from an institution with a regional land-grant mission to one with global impact and significance – a true international research university.

A change of this magnitude required engagement at all levels of the organization. Some of the essential enablers for change at OSU included:

- The creation of a culture of focus and discipline around two key values: collaboration and excellence.
- An accountability-centered leadership team with aligned priorities and the capacity to execute.
- Sustaining a sense of urgency, during both good and bad times.
- A transparent, shared governance culture that enables partnerships with internal and external stakeholders.
- Use of the budget as a management tool, both to fund high priority initiatives and to effect efficiencies.
- A commitment to the public mission of the University.

It must be acknowledged that all of the above are due to the work of the collective campus community with important contributions from external stakeholders and partners. Rapid growth and change comes at a price, but the OSU community has been outstanding at rising to and meeting challenges.

Much work remains to be accomplished. Oregon State University has aspirations to significantly raise and equalize first-year retention and six-year graduation rates for all cohorts of students, build on its industrial collaboration and economic development agenda, fully institutionalize its global diversity and internationalization agenda, and broaden our reach in the state with a four year campus in Central Oregon and a Marine Studies campus on the coast. We are well positioned to continue our forward progress and as President Ray has remarked on various occasions, “the best is yet to come.”
1. MISSION AND BACKGROUND

Portland State University is Oregon’s largest and most diverse public university located in the heart of one of America’s most progressive cities. It offers more than 60 undergraduate and 40 graduate programs in fine and performing arts, liberal arts and sciences, business administration, education, urban and public affairs, social work, engineering and computer science. PSU offers more than 226 bachelors, masters and doctoral degrees.

Portland State University’s mission is to enhance the intellectual, social, cultural and economic qualities of urban life by providing access throughout the life span to a quality liberal education for undergraduates and an appropriate array of professional and graduate programs especially relevant to metropolitan areas. The University conducts research and community service that support a high quality educational environment and reflect issues important to the region. It actively promotes the development of a network of educational institutions to serve the community.

Portland State has been working for a number of years towards increasing the completion of Oregonians for obtaining baccalaureate and advanced degrees. We have a deep portfolio of initiatives and a set of living documents that support our 40-40-20 planning; and as demonstrated in this report, we are fulfilling our planning obligations in multiple ways.

Given Portland State’s location and mission, if any institution has the capability of moving the needle on 40-40-20 it is PSU!

2. UNIQUE STRENGTHS RELATIVE TO 40-40-20

- PSU is the state’s largest university;
- PSU is situated in Oregon’s largest and most diverse city;
- As an engaged university with strong ties to the community, PSU is uniquely situated to provide non-traditional students balancing work, family and school an opportunity for hands-on-learning as well as a combination of in-classroom and online coursework;
- PSU has a successful track record with programs that attract, retain and graduate underrepresented minorities, who make up a growing portion of the state’s population.

It is the desire of PSU to grow enrollments that ultimately will contribute to the 40-40-20 plan. By implementing new strategies and obtaining the needed resources, we believe there are significant opportunities for growth of our Oregon resident undergraduate population of new freshmen and new transfers to contribute to 40-40-20 goal, while maintaining inclusive growth in diversity.

In its Equity Lens document, the Oregon Educational Investment Board commits to “explicitly identifying disparities in education outcomes for the purpose of targeting areas for action, intervention and investment.” Portland State University has already demonstrated what can be
achieved by such investments: Since President Wiewel took office in 2008 and launched various initiatives aimed at increasing enrollment of under-represented students, the percentage of students of color who choose to attend PSU has increased from 17.2% to 23.8% - an increase of 38%. Also of note is the more recent success we have had tailoring interventions to the needs of specific ethnic groups. For example, since PSU launched the Exito initiative in 2010, our Hispanic enrollment has jumped from 1,647 to 2,233 - a 35% increase. Furthermore, PSU has programs in place: our Bridges workshops; the Middle School Consortium with OUS; a Mentor/Mentee program for high school students; the Challenge Program, etc. which introduce prospective Under-Represented Minority (URM) students to the PSU campus, faculty and staff and provide them with the tools to create a pathway into college as well as the necessary connections to succeed once they matriculate.

PSU’s proven track record of making progress toward achieving the State’s 40-40-20 goals is illustrated by the graphs below. The first shows the university has been successful in nearly doubling the number of URM students enrolled at PSU over the past decade.

Minority Student Enrollment - Fall 4th Week

Minority = American Indian, Asian Pacific Islander, Black, Hispanic, Multiple Ethnicities
Hispanic students account for the largest percentage growth in URM students at PSU in the past decade.

The retention rate for URM students at PSU is better than for Caucasian students for most of the major ethnic groups.
PSU’s success in these and many areas of student success relies on a robust portfolio of initiatives that span precollege, transfer and matriculated students. Some examples include:

**Creating the Pipeline for Oregon Resident High School Students**

- Leadership role in *All Hands Raised*
- Participation in the OUS tours
- Consistent visits to high schools
- Hosting campus events such as Preview Day, Viking 101 Days, Orientations, etc.
- Conducting campus tours for groups as well as individuals
- Leveraging remission dollars and scholarships to assist students in paying for their education
- Outreach efforts to high schools and communities that represent high minority or underrepresented populations
- Providing workshops at community sites on scholarships and FAFSA nights
- Participating at Hispanic College Fairs
- Implementing marketing and advertising campaigns that message the value of a PSU education
- Ongoing development and implementation of a robust student relationship communication plan
- Outreach to parents and high school guidance counselors
- Outreach at pre-college sessions to include families of underrepresented minority students in nontraditional settings, such as community centers, churches, ethnic events, sporting events, and multi-cultural celebrations
- On-campus events that are culturally and language appropriate for families of underrepresented minority students.
- Implementing our marketing plan
- Diversity Student Recruitment Team – Diversity STARS (students taking action to recruit students).

**Creating Pathways for Oregon Resident Transfer Students**

- Community College counselors, and student and parent workshops that are culturally and language appropriate for underrepresented minority students
- Visibility on the community college campuses to work with students by PSU academic advisors, transfer specialists and College/School faculty and staff
- Campus events targeted at transfer students
- Leveraging remission and scholarship dollars to assist students in paying for their education
- Implementation of marketing and advertising campaigns that are culturally and language appropriate that message value of PSU education
- Participation in Transfer Fairs
- Co-admission opportunities provided to students such that they can take courses at the community college and PSU with financial aid benefits
- Reverse Transfer Plans-transfer students who do not complete an associate degree at the community college and attend PSU can transfer credits from PSU back to the community
college. Once sufficient credits are transferred back to the community college to make the student eligible for the associate degree, the community college will issue the credential.

- Developing a virtual Transfer Center that will assist students in navigating PSU as it relates to admission, advising, financial aid, etc.
- Executing a recruit back program where we target students who attended Portland State but for some reason did not return or enroll at another college. Data has been collected back to 2009 and our messaging is to see how we can assist in getting them re-enrolled.
- Implementing our marketing plan

**Success for Matriculated Oregon Students**

Creating the environment for University students to succeed and complete requires a centralized campus-wide approach that sets clear expectations for students, faculty, and staff. The guiding principle at Portland State University is that student success should be an institutional ethos and a collective responsibility. The university has developed a plan called the “Student Success: Portfolio of Initiatives” with the goal of improving student success, including retention and graduation rates, and to reach the state’s 40-40-20 goals. That work includes:

- 4-Year Graduation Guarantee
- Addressing Students’ Financial Concerns and Assess the Effectiveness of Existing Academic Policies, Procedures, and Services.
- Supporting Early Identification of Students at Risk.
- Intentional Advising and Charting a Pathway to Degree Completion
- Improve Communication with Students
- Student Success Center
- Addressing Needs of Students Entering PSU with a High School GPA below 3.0.
- Easing Transition to College Using Peer Mentoring.
- Improve Persistence of Freshmen Living in Residence Halls.
- Make Student Success Data Available at Unit Level.
- Reduce the Number of Courses with Preponderance (20%) of D, W, F Grades
- Manage Capacity of Programs and Course Offerings for Timely Progress to Graduation.
- Degree maps for all programs

All of these efforts are guided by reTHINK PSU, an initiative launched last year to revamp and revitalize PSU’s educational programs with an ultimate goal of serving more students with better outcomes, while containing costs through curricular innovation, community engagement and effective use of technology.

Current reTHINK projects underway to reach 40-40-20 include:

- Providing credentials for prior learning
- Attracting a large and more diverse student body
- Flexible pathways to degree completion
- Competency based education
- Streamlined and online degrees
- Building on unique connection to/location in Portland to provide a learning/living environment
- Infrastructure strategies and business improvements
- Ensuring degrees have relevance for individual student goals and the changing workplace,
PSU has intentionally created a roadmap to guide this work to ensure the outcomes meet our goals and produce results.

3. CHALLENGES IN MEETING 40-40-20 GOALS

The biggest challenge for PSU in helping the state meet its 40-40-20 goals is resources. We know what we need to do, we just need the resources to start the various initiatives, scale them up and grow them.

While there are many resource needs, we would like to highlight three areas that are of particular concern: 1) the current level of state funding Portland State receives per student, which is significantly less than the actual cost of educating them; 2) the ever-growing unmet need burden on students; and 3) the unique challenges facing URM students, who make up an increasing percentage of PSU’s student population.

While it is difficult to quantify the cost of all of these educational needs precisely, PSU has developed a Revenue and Cost Attribution Tool (RCAT) that allows us to determine the full cost of educating a PSU student. Based upon the RCAT, we know that in 2011-12 it cost PSU $12,800 per student per year to provide an education (this does not include any new capital costs or other growth costs). With a current state level funding of $3,000 per student and tuition for
undergraduate residents at $7,653 it is clear that there is a gap in funds available and funds needed. Assuming these costs represent a reasonable estimate of our needs going forward (and this is at best a rough estimate because we know these costs do not keep pace with current needs), and given that we know we will need to enroll 10,000 new students (7,721 FTE) by 2025 to meet our 40-40-20 goal, then the total cost of meeting our goal is $98,828,800. Backing out what these students are likely to pay in tuition ($59,088,813), the difference of $39,739,987 is a good approximation for what we will need in additional base annual state support to cover the additional costs associated with meeting our 40-40-20.

Another critical driver of PSU’s success in meeting its 40-40-20 obligations will be ensuring affordability. PSU enrolls some of the most financially challenged students in the state. Resident undergraduate students (freshman and transfer) who were full time in fall 2012, and who were awarded financial aid, had an average unmet need of $8,400 per student. The average expected family contribution for freshman and transfer students was $5,082. These figures demonstrate that students are bearing larger portions of the cost of attendance to PSU. Additionally, the modest level of expected family contribution highlights that students and/or families do not have the ability to pay unless they incur higher debt.

As noted earlier in this report, PSU needs to increase its enrollment by approximately 10,000 students by 2025 to reach its 40-40-20 goal. In all likelihood, the level of unmet need per student is likely to grow as we increase enrollment because given state demographics (i.e. declining numbers of traditional first time freshman), we will only meet our goal by enrolling more nontraditional students. Nontraditional students often are characterized as such because they experience significant and increasing financial challenges. That said, for purposes of this report, we assume that the unmet need per student will remain constant, at $8,400 per student.

In addition, PSU is already challenged to meet current demand for student support infrastructure. Just by way of example, we need more reliable, fully integrated, faster and more transparent data systems and people to support those systems. PSU has a documented need for renovations to existing classrooms to keep pace with current pedagogy, along with a documented need for improvements to building systems. We need additional and improved student community space, along with more married and low-income housing. We also need additional faculty and staff who are proficient in dealing with ESL issues, as well as more advisors and the like. As enrollment grows, so grows the need to address these educational needs.

In addition to the needs stated above, Portland State University knows it needs to focus efforts on underrepresented students if we are to achieve 40-40-20. With students, faculty and staff from over one hundred countries and all fifty states representing a broad spectrum of religions, ethnicities, tribes, sexualities, abilities, ages, identities, experiences, and genders, Portland State University is Oregon’s most diverse campus. This has led PSU to renew its commitment to diversity through the 2012 Diversity Action Plan (DAP) [http://www.pdx.edu/president/diversity-action-plan-2012](http://www.pdx.edu/president/diversity-action-plan-2012).
The DAP is the work of nine subcommittees with representatives across many sections of the campus community. These experts agree that recruitment and retention of students cannot be achieved without addressing many factors that include recruitment of faculty and staff, advising, scholarships, and many other efforts. In other words, the subcommittees focused on identifying opportunities to promote success for underrepresented students and determined the goal was only achievable if we took a holistic approach addressing many areas that were not just directly related to students. In order to identify opportunities and potential solutions, the subcommittees first examined some of the existing disparities or reasons for the disparities.

The Coalition of the Communities of Color has authored a series of reports developed in partnerships with PSU that provided detailed statistical information, highlighted profound disparities, and provided recommendations regarding communities of color in Multnomah County. The Urban League of Portland has also published a report regarding the state of Black Oregon that provides detailed information about disparities and recommendations.

The reports demonstrate how the achievement gap is widening and draw attention to the fact that disparities commence at the preschool level because students of color are unable to access preschool programs as readily as Caucasian children. The unequal access to quality education continues through high school and beyond.

Portland State has and continues to respond to these identified needs by investing in resident student success, completion and the recruitment and retention of underrepresented resident students. As we look forward we know we can make a difference in the recruitment of underrepresented minority (URM) students through investments in at least the following areas:

1. Expand pre-college events

   a. **Outside the university**- Students of color are not always empowered or influenced by traditional pre-college events, such as college fairs or high school visits. Many underrepresented students are more influenced if invited to attend pre-college sessions with their families in nontraditional settings, such as community centers, churches, ethnic events. Studies show that when staff members actively foster and nurture relationships with families of color, overall proficiency of students of color can increase. Students, regardless of racial background, can accelerate toward proficiency and the gaps begin to close. For example, Portland State has partnered with several community organizations such as NAYA, Latino Network, Adelante Mujeres and others to hold parent–student nights at their respective facilities. The sessions are led by student ambassadors and staff who are culturally competent and language proficient in order to communicate respectfully with the audience. More of these efforts are crucial to increasing URM student populations at Portland State, funding permitting; it is not enough to go to the high schools.

   b. **Student and family visits to the university** – We need more campus visits aimed at recruitment of underrepresented prospective students, and we encourage invitations to the parents and siblings as well. This must include factors such as child care, transportation, food, and bi-lingual sessions. We need to hire additional staff to assist the current staff to lead non-traditional site visits and provide a budget for travel expenses. Additional pre-college outreach staff could provide outreach to over 5000 middle and high school age prospective students and their families. Portland State does not have the resources to organize all the needed visits for URM minority student and families that are culturally and language appropriate.
Two examples of outreach to middle school underrepresented populations we have been able to do include: This year, four (4) dates have been selected to host 24 different middle schools totaling approximately 800 students. Many of these students come from low income and under-served populations in our tri-county area. Secondly, our Educational Talent Search grant has capacity for 685 students. PSU is currently serving 868 middle and high school students in Portland Public and Hillsboro. We do activities such as career and college counseling (our staff have office hours in the schools), after school sessions, hosting field trips and campus visits, and adoption of AVID classrooms (Advancement via Individual Determination). Our staff members are out in the schools every day of the week.

2. **Expand Yield Conferences** (Outreach to students who have been admitted but not registered)

   a. Students who have been admitted to PSU, but who have not yet chosen PSU as their university of choice should have an opportunity to gain more knowledge regarding the university. For reasons stated above, parents should be invited to attend such yield conferences. Family participation will be highly dependent on factors such as child care, transportation, food, and bi-lingual sessions. We need the new staff persons hired for the pre-college visits to collaborate with the office of admissions, diversity multicultural student services, and multi- cultural centers in this effort and the funding for such events. Although Portland State has held yield conferences for several years now targeting all students, the goal is to obtain more resources and target URM students and families for culturally and language appropriate conferences.

3. **Post admission support systems**

   a. **Classroom** - Studies have shown that when educators demonstrate innovation, collaboration, and determination, even in schools that enroll a great number of students of color, they can accelerate the rate of achievement among historically marginalized students. When schools are passionate and take on the responsibility to educate the whole child, the achievement gaps can decrease. When staff members pursue professional development, that not only supports them in effective teaching with standards-aligned instructional materials, it also helps them foster a safe, happy, and healthy student. Some schools reduce their school’s achievement gaps by focusing primarily on how students of different races experience teaching and learning. In addition, faculty should engage in cultural understanding of needs of students and the way they learn. Many scholars agree that educators must become culturally proficient in relationships with students and families of different racial backgrounds, experiences, beliefs and understandings in order to reduce the achievement gap. We need additional resources to enhance the development of our faculty so they can reach learners of all backgrounds, not just the traditional students from dominant cultures.

   b. **Mentor/mentee programs** – Students should be matched up with upper classmates, faculty, or staff to provide college life guidance. Dr. Andres Tapia, known for his teachings on global diversity, campus community for all students, extending a link between the campus climate for diversity and transition to college.” Mentoring can
increase a student’s advancement since the student feels valued and heard; it can lead to a sense of connection in the community.

c. **Advising** – Tutoring, advising, and recurring access to tools, such as on-line learning and technology, are key to the success of all students, but particularly to students who have been either historically marginalized or not previously been given an equal opportunity or access to an education. Studies show that members of race/ethnic specific groups benefit from a great deal of bonding social capital related to social, cultural, emotional, and academic support. We recommend a budget for expanding such programs. PSU currently offers two scholarship/mentoring programs—both have very limited capacity (50-60 students). Retention rates for these programs surpass 95%. PSU currently offers specialized support and advising for underrepresented students. Students who have seen an adviser have a 17% higher retention rate than those who did not see an advisor.

d. **Recruitment of faculty of color** - Studies have shown that building closer connections between and among faculty of color and students lays the groundwork for meaningful relationships and support that will lead to a feeling of inclusion, and thus, retention. We need a budget for recruitment incentives, and target recruitment funds in order to increase the faculty of color at the university.

4. **Partnerships with community** - Building positive relationships with local organizations to create more awareness regarding opportunities at PSU are the first steps toward building trust with the students of color and their families. As previously mentioned, we need to visit churches, non-profits, sporting events, and other forums where students of color and their families are present. In order to make a positive impact, our presence must be thoughtful and culturally appropriate.

5. **Other Outreach and branding** – Communications and marketing experts suggest that a brand communicates specific information about an organization, such as product or service and distinguishes it from others in the marketplace. A brand carries a "promise" about the qualities and characteristics that make the organization, product or service unique. Unlike other OUS schools, PSU has not had the resources to invest in media resources showing we want and welcome underrepresented students to attend PSU and that we are unique. We wish to show and tell the public quickly our commitment to diversity and we should represent what we have to offer through media, advertising, and social technology.

6. **Scholarships** – Although not all students of color require need-based scholarships, the Coalition of Communities of Color and the Urban League reports describe a significant disparity in income between Caucasian populations and historically underrepresented populations. Many students of color do not attend college because they cannot afford it. Equal access to education can be achieved by offering more need-based scholarships. There are several student recipients of the President’s Equal Access Scholarship and other need-based financial aid at PSU who attest they would not have continued their university studies but for the scholarship. We need private funding of scholarships and extensive lobbying at the federal level to support or increase federal financial aid.
Achieving PSU’s 40-40-20 goals for URM students will require additional resources beyond the increase to the university’s base appropriation described earlier. We are currently working on a proposal for a pilot project that will test the various strategies to identify those that are most effective in recruiting and retaining these students.

Other effective tools and strategies include (but are not limited to): changing climate through courageous conversations among students; staff, faculty, and leadership relating to race and marginalization of different groups; providing additional resources to cultural centers; curriculum development to include diversity; early childhood intervention; and support systems for existing faculty of color.

If we were to invest these funds and resources strategically, keeping in mind the populations we are trying to recruit, we could make a difference for future students as well. The predicted increase in total URM enrollment if all these efforts were put in place is approximately 5% to 10% in just the first year.

4. **Achievement Compact**

PSU’s current Achievement Compact does a good job in capturing the student outcomes important to achieving 40-40-20. We do feel that the section on quality measures can be improved. The OEIB might consider using some measures from Voluntary System of Accountability (VSA) [http://www.voluntarysystem.org/](http://www.voluntarysystem.org/). The Voluntary System of Accountability (VSA) is a national initiative by public 4-year universities to supply clear, accessible, and comparable information on the undergraduate student experience to important constituencies through a common web report – the College Portrait.

Because it provides evidence of institutional commitment to measurement of student outcomes and institutional improvement for regional accreditation, the Council for Higher Education Accreditation cites the College Portrait® as an important companion to accreditation. At present, PSU is the only Oregon University that participates in this voluntary, national measure of accountability [http://www.voluntarysystem.org/participants#OR](http://www.voluntarysystem.org/participants#OR).
February 3, 2014

Subject: Response to your letter of January 10, 2014

Chair Nesbitt, Director Cannon, and Chief Education Officer Golden:

We welcome this opportunity to discuss ways we can work together to implement the significant structural changes in post-secondary education in Oregon. To that end, I have asked Hans Bernard, Associate Vice President for State and Community Affairs, to serve as UO’s liaison to the HECC. He will ensure that communication flows well between the university, our board, and the Commission. He may be reached at hbernard@uoregon.edu.

As early champions of institutional governing boards, we are excited about the benefits that can be realized with boards of trustees focused intensively on each of our universities and a coordinating commission that can help align policy with state goals and invest in outcomes critical to Oregon’s future. These outcomes must reflect not only the production of more college degrees but also high quality degrees. Providing a framework to ensure that the degrees Oregonians receive are substantive and meaningful will be a critical challenge for the HECC.

Let me now respond to the specific questions you posed.

**What is your institution’s mission?**

Public universities in Oregon share a common mission of enhancing the quality of life for the people they serve. For the University of Oregon, that includes not only Oregon and Oregonians, but also extends to the nation and world.

Our mission is to be a premier, public, residential, research university. Each of these four words is critical to understanding our purpose and how we best serve Oregon. Collectively, these four words drive everything we do.

The UO has been operating under a mission statement last updated by the university in 1995 and approved by the Oregon State Board of Higher Education in 1997:
The University of Oregon is a comprehensive research university that serves its students and the people of Oregon, the nation, and the world through the creation and transfer of knowledge in the liberal arts, the natural and social sciences, and the professions. It is the Association of American Universities flagship institution of the Oregon University System.

The University is a community of scholars dedicated to the highest standards of academic inquiry, learning, and service. Recognizing that knowledge is the fundamental wealth of civilization, the University strives to enrich the public that sustains it through

- a commitment to undergraduate education, with a goal of helping the individual learn to question critically, think logically, communicate clearly, act creatively, and live ethically
- a commitment to graduate education to develop creators and innovators who will generate new knowledge and shape experience for the benefit of humanity
- a recognition that research, both basic and applied, is essential to the intellectual health of the University, as well as to the enrichment of the lives of Oregonians, by energizing the state’s economic, cultural, and political structure
- the establishment of a framework for lifelong learning that leads to productive careers and to the enduring joy of inquiry
- the integration of teaching, research, and service as mutually enriching enterprises that together accomplish the University’s mission and support its spirit of community
- the acceptance of the challenge of an evolving social, political, and technological environment by welcoming and guiding change rather than reacting to it
- a dedication to the principles of equality of opportunity and freedom from unfair discrimination for all members of the
University community and an acceptance of true diversity as an affirmation of individual identity within a welcoming community

• a commitment to international awareness and understanding, and to the development of a faculty and student body that are capable of participating effectively in a global society

• the conviction that freedom of thought and expression is the bedrock principle on which University activity is based

• the cultivation of an attitude toward citizenship that fosters a caring, supportive atmosphere on campus and the wise exercise of civic responsibilities and individual judgment throughout life

• a continuing commitment to affordable public higher education

Discussion of a new mission statement was initiated with the university’s Board of Trustees at its January 2014 meeting. It is likely that a new mission statement will be more streamlined, but however it is revised, it will continue to articulate our core values of access and quality, and operating principles that underscore our role as a premier public research university.

What unique strengths does your institution have to help the state meet its 40-40-20 goal? What particular challenges do you face in doing so?

Thank you for your presentation to the University of Oregon Board of Trustees on January 24 regarding the 40-40-20 goal. I appreciated the substantive discussion and, in particular, your concurrence that universities that produce outcomes important to the state should not suffer a penalty in state funding because of their success in raising other revenue.

As the HECC engages with institutions to understand and refine their respective missions, we will discover together that we can each play a unique role in helping Oregon to achieve its post-secondary educational goals. We strongly endorse both the “portfolio” approach articulated by Chair Nesbitt and a strong focus on outcomes and achievement.
The UO embraces the 40-40-20 goals and brings many strengths to bear in advancing them. Key among these strengths are high degree completion rates, a unique ability to draw students from outside the state to build an educated workforce within Oregon, and scholarship programs that entice Oregon’s top high school graduates to stay in Oregon. The biggest challenges to sustaining these strengths are the lack of adequate funding, tough competition for the best faculty, and an insufficient infrastructure of facilities (classrooms, labs, and office space) needed to meet enrollment demand.

Degree completion rates. The average time to degree completion at the University of Oregon is four years plus one term. This means that many students graduate in four years or less. The UO’s four- and six-year graduation rates are the highest among public universities in Oregon and these rates have been growing. Since 1994, the six-year graduation rate has grown from 59% to over 67%. At the same time, these outcomes have been achieved with relatively little state investment: at $3,386, UO’s state funding per fundable student FTE is the second lowest among Oregon’s public universities (only Portland State is lower).

As a measure of return on investment—both for the state and for individual students—the ability to complete a degree in the shortest time possible means that a UO graduate will enter the job market or post-graduate education sooner. This enables the graduate to avoid additional terms as an undergraduate, making undergraduate debt more manageable.

Recognizing that the ability to bear the cost of receiving an education is the single greatest determinant of degree completion, the UO has established innovative scholarship programs, such as PathwayOregon and other need-based tuition waivers, to help lower- and middle-income Oregon students and families access the quality education that UO provides. A significant share of the funding for these scholarship programs for Oregonians comes from the tuition paid by nonresident students.

Nonresident enrollment. It is important to recognize that nonresident students who remain in Oregon after graduation are an important component of Oregon’s educated adult workforce and contribute to meeting the 40-40-20 goals. A substantial portion of UO bachelor’s degree recipients who entered as nonresidents still live in Oregon, as do those earning post-baccalaureate degrees.
Managing the percentage of nonresident undergraduates to support the education of Oregon residents is one of the key financing levers available to the university. The tuition paid by nonresidents supports the education of Oregon students by providing resources to hire and retain the best faculty, fund libraries and student services, and reduce the tuition increases for Oregon students that would otherwise be needed to support these functions.

In an environment of limited state resources, the UO has carefully balanced the reliance on nonresident tuition revenue with the university’s demonstrated commitment to maintain access for Oregon students. A loss of such flexibility would greatly reduce UO’s ability to serve Oregonians and the goals of 40-40-20.

**Keeping top students in Oregon.** Oregon has a comparatively high rate of exodus among high school graduates attending 4-year institutions. Past OUS surveys have shown that particularly when the higher education funding climate is volatile, a greater percentage of the most academically gifted students choose to attend college out of state. This represents a huge loss of a critical intellectual and economic resource.

With its national and international reputation and the variety of innovative and prestigious scholarship programs the university offers to Oregon’s top high school graduates, the UO is in a unique position both to serve the 40-40-20 goals and to enhance the state’s economic and civic vitality by keeping the best and brightest here in Oregon. As these new scholarship programs have been implemented – including not only the PathwayOregon program but also the prestigious Stamps, Summit, and Apex scholarships – we have seen higher numbers of Oregon’s top high school graduates entering the university, improvement in the academic qualifications of our entering class, and better student retention.

**Inter-relationships among these strengths and challenges.** The UO’s unique strengths – higher graduation rates, a healthy nonresident enrollment, and the ability to attract Oregon’s most academically gifted high school graduates – will serve the goals of 40-40-20 in distinctive and important ways. But it is necessary to look below the surface of the numbers to understand the intertwined relationships among them and how each of these aspects serves the state. We would be happy to discuss further the underlying analysis and detailed data to demonstrate more concretely why the relationships are so important.
In serving the goals of 40-40-20, it is critical that the means to achieve them be defined broadly and reflect the “portfolio” approach you advocate. Each institution or sector will be able to contribute in meaningful ways and we should not limit our thinking about the avenues to advancing educational attainment for Oregon. It would be a tragedy if a “refinement” of the 40-40-20 goal inadvertently reinforced entrenched protectionist positions and led to counterproductive constraints on the ways in which each institution could advance the goals within its designated mission. We encourage the HECC to hold us accountable to the broad purposes of 40-40-20 and refine the goal only to the level necessary to more clearly drive investment.

How well does your current achievement compact capture the student outcomes that matter to your institution? What recommendations do you have for changing metrics included within the compact?

We support a strong focus on undergraduate degree attainment, which is reflected in the current achievement compact. The two best measures of an institution’s success in meeting state educational attainment goals are the number of degrees produced and the rate at which they are produced. The first speaks to an overall outcome while the second speaks to the return on investment.

The outcome measure – degrees awarded to Oregon residents – is part of the current array of measures in the achievement compact that apply to all universities. We believe the measure should be expanded to address the degrees awarded to nonresident students who remain in Oregon, since those graduates also contribute to the 40-40-20 goals.

The productivity measure – six-year completion rate – is part of the UO’s proposed institution-specific achievement compact (though not yet formally adopted by the OEIB). Including a time-to-degree measure would also address the productivity issue.

Because we believe each institution should be accountable for achievement in all elements of its mission, we would recommend adding metrics not currently in the compact that reflect UO’s mission and mandate for knowledge creation and innovation through research. Such metrics would include numbers of doctoral and graduate professional degrees awarded as well as measures that would address research outcomes. As a premier public
research university, UO's strong outcomes in research must be inextricably tied to strong outcomes in teaching. We believe it is important for Oregonians to understand the broader context of how a high quality research university attracts and retains top students at both the undergraduate and graduate levels, and how investments in research also advance the educational goals of the state.

We see the achievement compact as an important step in moving to an outcomes-based funding model, which would incentivize universities to produce results that advance the goals of 40-40-20. We urge the HECC to develop a thorough stakeholder process with the aim of broadly institutionalizing a new funding model focused on educational attainment outcomes. The University of Oregon endorses this concept and, to that end, the UO would offer to serve as a pilot test of such a funding approach.

A clear understanding of institutional missions, coordinated work on achieving the state's 40-40-20 goals, and shifting funding to an outcomes-based model are all essential directions for the HECC. As important as those efforts are, however, they do not address the fundamental challenge we face as a state that has disinvested in post-secondary education for over two decades. The cost of educating a student at the University of Oregon has remained relatively stable during this time. What has shifted is who is paying the bill.

We look forward to working with you and our colleagues at the public universities and community colleges to seek significant reinvestment in higher education in the coming years.

Sincerely,

Michael R. Gottfredson
President