

2016 UNIVERSITY EVALUATION: University of Oregon



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INTRODUCTION

This report and evaluation is guided by Oregon Revised Statute 352.061, which requires that the Higher Education Coordinating Commission (HECC) conduct an annual evaluation of the public universities in the state. The purpose of this report is to evaluate University of Oregon's contributions to State objectives for higher education as articulated in statute and in the HECC's Strategic Plan (https://www.oregon.gov/HigherEd/Documents/HECC/Reports-and-Presentations/HECC-StrategicPlan_2016.pdf). The report relies on a combination of accreditation reports, self-assessment conducted by the universities on criteria jointly developed with the HECC, and state and federal data. This is the second annual report and as such it builds on the descriptive benchmarks identified in the 2015 report as aligned with the HECC Strategic Plan. As a benchmark document, it is a formative report that signals areas of key interest to the HECC that support the objectives of the State of Oregon: student success as measured by degree completion; access and affordability as measured by equity across socioeconomic, racial/ethnic and regional (urban/rural) groups; academic quality and research; financial sustainability; and continued collaboration across universities in support of the State's mission for higher education. Additionally, the report describes how the University of Oregon's Board of Trustees has operated since its formation in 2013-14. The form and content of subsequent annual evaluations will be guided by feedback from legislators, the public, and the universities about how to improve the usefulness of this process and product.

LEGISLATIVE MANDATE (SB 270)

Passed by the Oregon legislature in 2013, Senate Bill 270 (SB 270) (2013) established individual governing boards at the University of Oregon and Portland State University. It also established a process for the other five Oregon public universities to establish individual governing boards, which they subsequently did. In addition, the bill required the Higher Education Coordinating Commission (HECC) to conduct annual evaluations of the universities. The stipulations required by the bill are codified in Oregon Revised Statute (ORS 352.061).

ORS 352.061(2) stipulates that the HECC's evaluations of universities must include:

- a) A report on the university's achievement of outcomes, measures of progress, goals and targets; and
- b) An assessment of the university's progress toward achieving the mission of all education beyond high school as described in ORS 350.014 (the 40-40-20 goal).

Finally, ORS 352.061(2)(c) also requires that the HECC assess university governing boards against the findings set forth in ORS 352.025, including that governing boards:

- a) Provide transparency, public accountability and support for the university.
- b) Are close to and closely focused on the individual university.
- c) Do not negatively impact public universities that do not have governing boards.
- d) Lead to greater access and affordability for Oregon residents and do not disadvantage Oregon students relative to out-of-state students.
- e) Act in the best interests of both the university and the State of Oregon as a whole.
- f) Promote the academic success of students in support of the mission of all education beyond high school as described in ORS 350.014 (the 40-40-20 goal).

For context, ORS 352.025 notes four additional Legislative findings:

- a) Even with universities with governing boards, there are economy-of-scale benefits to having a coordinated university system.
- b) Even with universities with governing boards, shared services may continue to be shared among universities.
- c) Legal title to all real property, whether acquired before or after the creation of a governing board, through state funding, revenue bonds or philanthropy, shall be taken and held in the name of the State of Oregon, acting by and through the governing board.
- d) The Legislative Assembly has a responsibility to monitor the success of governing boards at fulfilling their missions, their compacts and the principles stated in this section.

EVALUATION PROCESS

In an effort to approach the first annual evaluation in a collaborative manner, in 2015 the HECC formed a work group comprised of university provosts, inter-institutional faculty senate, staff from the Chief Education Office, HECC staff, then-HECC Commissioner Kirby Dyess, and other university faculty and staff. The workgroup began meeting in February 2015 with a focus on understanding the purpose and scope of the evaluation as defined in statutes, the structure of the evaluation, and the process for the evaluation. As a result of these conversations, an evaluation framework was developed as a tool to assist in the evaluation process.

During its development, the framework was shared with various groups such as university presidents, university faculty senates and others to seek feedback and input on the framework. The framework was revised based on input and suggestions and three categories were identified as organizers. These included institutional focus areas, governance structure focus areas, and academic quality. Each category contained key metrics and performance measures of academic quality that were aligned with the newly-adopted student success and completion model indicators. After final review and consideration of stakeholder feedback, the HECC adopted the framework on September 10, 2015. The framework template is populated with data from the HECC Research Office and then verified by university offices for institutional research and data. All data included in this report is from the HECC unless otherwise indicated.

A balanced evaluation of whether Oregon's public universities are meeting the goals described for them by State law does not lend itself to a formulaic or mechanical approach. The Commission draws from contextual elements such as the State's fluctuating funding for higher education and changing student demographics to help explain data in the framework, and progress towards goals. The Commission also leverages other evaluations already undertaken by universities including self-studies, accreditation reports and the work of boards of trustees to provide a perspective that is uniquely focused on each institution's contribution to serving the State's higher education mission under the new governance model.

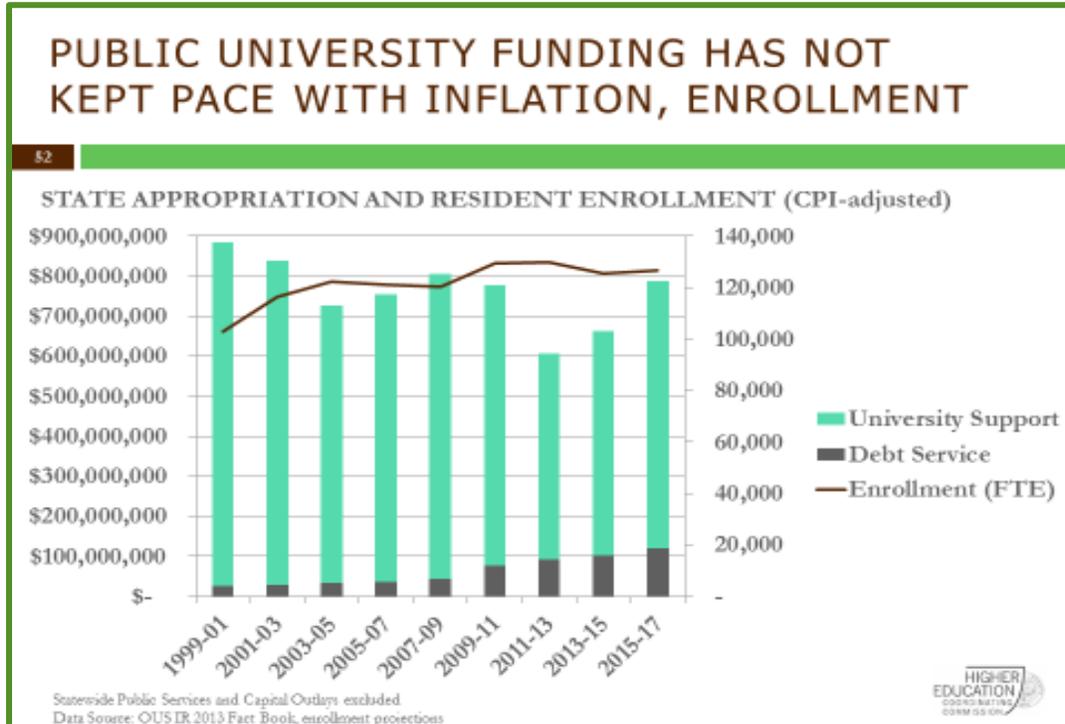
This report is focused on the legislative charge and the HECC's primary areas of emphasis as indicated in its Strategic Plan. This report is not a comprehensive evaluation. It reflects the narrower scope of legislative issues of interest, incorporating findings from accreditation studies where there is overlap.

STATEWIDE CONTEXT

Funding History

Over the past several biennia, state funding for public universities has not kept pace with enrollment or inflation. While recent investments have moved the needle in the right direction, additional funding is necessary to support institutions as they work to increase the graduation and completion rates for a growing diverse population.

Figure 1: Public University Funding



Governance Changes

ORS 352.025 (1)(e) outlines the benefits that are to be achieved from having public universities with governing boards that are transparent, closely aligned with the university’s mission and that “act in the best interest of both the university and state of Oregon as a whole.” In addition, the Legislature found that there are benefits to having economies of scale, and as such, universities were granted the ability to continue participation in shared service models. It is important to note that all public universities are required to participate in group health insurance, a select set of group retirement plans, and collective bargaining through July 1, 2019 per ORS 352.129.

Local Conditions and Mission

The University of Oregon is the flagship campus and one of the three largest public universities in Oregon. It is a world-class public teaching and research university that offers tremendous breadth and depth in liberal arts and sciences, as well as professional programs. Students, faculty members, and employees from a wide variety of backgrounds share a commitment to preserving the environment and pursuing innovation in nearly 300

comprehensive academic programs that range from Eugene to Portland and from the coast to the mountains. The UO is among the 115 institutions chosen from 4,633 U.S. universities for top-tier designation of "Doctoral/Very High Research Activity" in the most recent Carnegie Classification of Institutions of Higher Education. The university was admitted in 1969 into the exclusive membership of the Association of American Universities (AAU), an organization of leading research universities devoted to maintaining a strong system of academic research and education. The UO is among 62 AAU universities, both public and private, and along with University of Washington, one of just two in the Pacific Northwest.

ORS 350.075 and 350.085 require the HECC to review and approve public university mission statements. During its June 11, 2015 meeting the HECC reviewed and approved the University's mission statement. The mission, vision, purpose and values of UO are reproduced here:

MISSION:

The University of Oregon is a comprehensive public research university committed to exceptional teaching, discovery, and service. We work at a human scale to generate big ideas. As a community of scholars, we help individuals question critically, think logically, reason effectively, communicate clearly, act creatively, and live ethically.

PURPOSE:

We strive for excellence in teaching, research, artistic expression, and the generation, dissemination, preservation, and application of knowledge. We are devoted to educating the whole person, and to fostering the next generation of transformational leaders and informed participants in the global community. Through these pursuits, we enhance the social, cultural, physical, and economic wellbeing of our students, Oregon, the nation, and the world.

VISION:

We aspire to be a preeminent and innovative public research university encompassing the humanities and arts, the natural and social sciences, and the professions. We seek to enrich the human condition through collaboration, teaching, mentoring, scholarship, experiential learning, creative inquiry, scientific discovery, outreach, and public service.

VALUES: We value the passions, aspirations, individuality, and success of the students, faculty, and staff who work and learn here. We value academic freedom, creative expression, and intellectual discourse. We value our diversity and seek to foster equity and inclusion in a welcoming, safe, and respectful community. We value the unique geography, history and culture of Oregon that shapes our identity and spirit. We value our shared charge to steward resources sustainably and responsibly.

OVERALL EVALUATION

This report is formative and focuses on the topics identified by the Legislature and in alignment with the HECC's Strategic Plan. It is not intended to be a comprehensive evaluation of University of Oregon. A more comprehensive assessment and review of academic and institutional quality is available from the Northwest Commission on Colleges and Universities (NWCCU) which accredits UO and other universities in Oregon. Accreditation of an institution of higher education by the NWCCU indicates that it meets or exceeds criteria for the assessment of institutional quality evaluated through a peer review process. An accredited college or university is one which has available the necessary resources to achieve its stated purposes through appropriate educational programs, is substantially doing so, and gives reasonable evidence that it will continue to do so in the foreseeable future. Institutional integrity is also addressed through accreditation. This section draws on some relevant parts of NWCCU reports, supplemented with information on economic and community impact (identified from UO sources). Other components of NWCCU reports are incorporated elsewhere as appropriate.

The University of Oregon was last accredited in 2013 and is on track with the 7-year accreditation cycle with NWCCU. Evaluative materials for UO are available at <http://accreditation.uoregon.edu/documents-reports/current>. A copy of the reaffirmation letter with NWCCU recommendations is posted at <http://accreditation.uoregon.edu/sites/accreditation.uoregon.edu/files/20130712letterfromNWCCU.pdf>. UO also has individual programs in the university's professional schools and colleges are accredited by the following organizations:

- Accrediting Council on Education in Journalism and Mass Communications
- American Assembly of Collegiate Schools of Business
- American Association of Museums
- American Bar Association
- American Chemical Society
- American Psychological Association
- American Society of Landscape Architects
- American Speech-Language-Hearing Association
- Commission on Accreditation for Marriage and Family Therapy Education
- Commission on English Language Program Accreditation
- Council for Exceptional Children
- Foundation for Interior Design Education Research
- National Architectural Accrediting Board
- National Association of School Psychologists
- National Association of Schools of Music
- National Association of Schools of Public Affairs and Administration
- National Athletic Trainers Association
- Planning Accreditation Board
- Teacher Standards and Practices Commission

The last evaluation, the 2013 NWCCU Year 3 (Resources and Capacity) resulted in affirmation of accreditation. The evaluation committee recommended the University of Oregon:

1. Clarify its objectives and related indicators of achievement to ensure that they are measurable, assessable, and verifiable in order to facilitate collection of relevant information for the Year 7 Evaluation;
2. Intensify and focus its efforts to identify and publish expected course, general education, program, and degree learning outcomes; and
3. Give high priority to developing and implementing the proposed new assessment strategy, with appropriate commitment of leadership and resources, and that faculty with teaching responsibilities be integrally involved at every stage.

The University of Oregon remains a significant force in the Oregon economy. For FY 2016, the University reports \$106.6 million in total research expenditures; \$9.1 million in royalty revenue generated by faculty, staff and students; and two new start-ups enabled by university research during that period (Evaluation Framework 2016). The following information relies on an economic impact assessment originally produced in June 2014 (updated in January 2015) by UO economics professor Timothy Duy. The estimated economic footprint of the University of Oregon in fiscal year 2013-14 was \$2.3 billion.¹

Three factors primarily account for the increased economic impact. First, direct spending on the part of the University rose 6.4% to \$736 million. Second, the percentage of out-of-state students rose to 47.8% from 45.2%. Recall that the primary economic impact is derived from out-of-state demand for the University's product (higher education). Higher demand from out-of-state sources yields greater economic impact because it represents new activity in the state or Oregon rather than simply a shifting of activity within the state. Finally, construction spending rose sharply to \$151.8 million compared to \$44.9 million the previous year.²

Spending by the University of Oregon and its students and visitors drives an additional \$440 million of household earnings and 13,420 jobs in the state (economic impact). Overall, the University of Oregon effects \$790.1 million of household earnings and 24,597 jobs in the state (economic footprint). Assuming an average tax rate of 5.4%, the household earnings of \$790.1 million was associated with \$42.7 million of tax revenue for the state. University of Oregon employees had \$21.6 million of state income tax withheld during the fiscal year.³

State support from the University of Oregon was \$61.8 million, of which \$49.4 million was for general operations, while the remainder was for debt service. The ratio of economic footprint to general operations funding was 46.7.

In October 2016, the University of Oregon announced a \$500 million gift from Phil and Penny Knight to create the Knight Campus for Accelerating Scientific Impact. The transformational lead gift is a part of a \$1 billion, ten-year initiative to create three new 70,000 square-foot science buildings adjacent to UO's current science complex and fast-track scientific discoveries into innovations that improve the quality of life for people in Oregon, the nation and the world. During peak construction, the Knight Campus will directly contribute \$99.7 million in annual economic activity to Oregon's economy, which will support more than 1,300 jobs. When fully operational, the Knight Campus will drive nearly \$80 million in annual economic activity statewide and support more than 750 jobs.

¹ DUY 2015. P. 26

² IBID. P.27

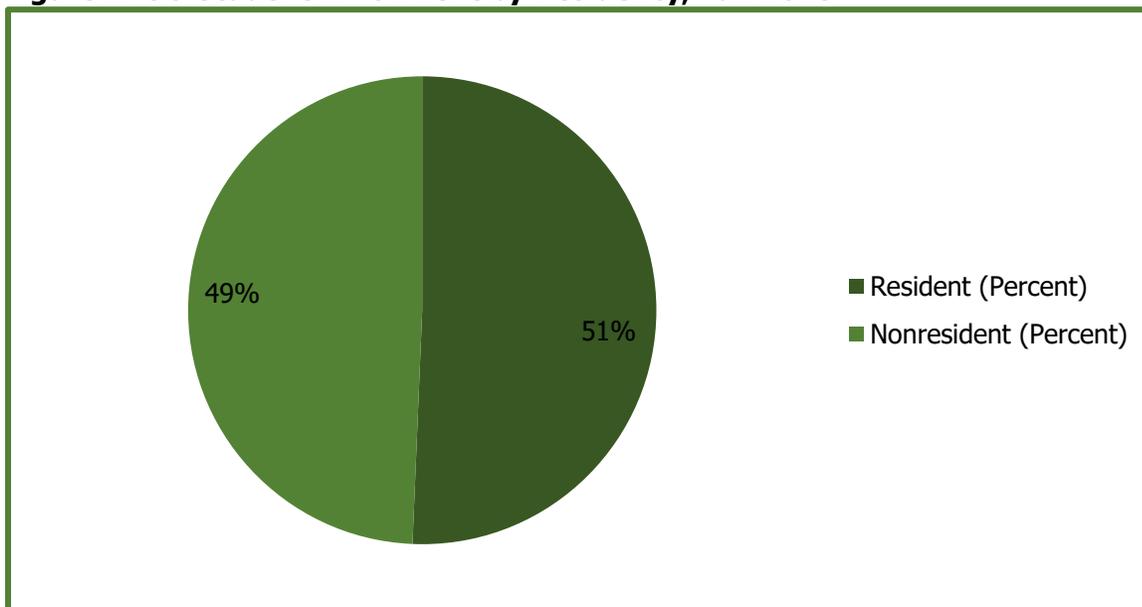
³ IBID. P.27

STUDENT ACCESS AND SUCCESS

Nationally, enrollment in higher education has generally declined since its peak during the Great Recession. Oregon sees a similar pattern with some variation across institutions, and particularly in the enrollments and completion rates of low income, minority and rural students. This section of the report is focused on tracking trends in enrollment and completion outcomes.

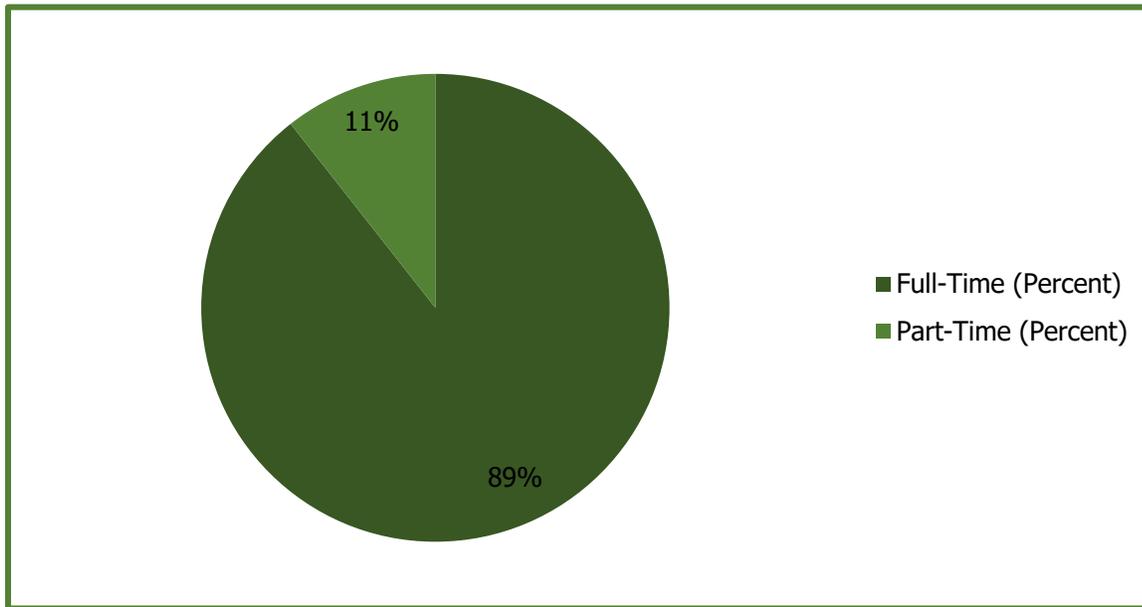
As detailed by Figures 2 and 3, just over half of UO students (51%) are resident and the majority (89%) attend full-time.

Figure 2: UO Student Enrollment by Residency, Fall 2015



Source: HECC (2016)

Figure 3: UO Student Enrollment by Full-Time/Part-Time Status, Fall 2015



Source: HECC (2016)

In fall 2016, UO enrolled 23,634 students, a 2.0% decline from Fall, 2015. Newly admitted students were down about 4% from the previous year. Most of the decline in newly admitted students was among non-resident students (down 5%, versus a 2.7% decline for residents) and is attributable to a decline in international students.

With the exception of the decline in last year’s enrollment, over the last decade, UO’s total enrollment has grown by more than 15.9% (from 20,388 in 2006 to 23,634 in 2016), but most of that growth has been of the non-resident student population, which has increased 75% over that time period, compared to a 12.8% decrease in resident enrollment.

UO’s growth in enrollment of underrepresented minorities is noteworthy even as overall enrollments decline. In Fall 2016, the University enrolled 4,661 underrepresented minority students, an increase of 6.3% from Fall 2015. Underrepresented minorities constitute 20% of the total student population. Pell Grant recipients constitute 25.7% of total enrollment. There appears to be an upward trend in enrollment among Hispanic and students who identify as being of two or more races, along with some increase for African American students. There were seven more American Indian/Alaskan Native students in fall 2016 compared to fall 2015.

Table 1: UO Headcount Enrollment by Ethnicity, Fall 2014, 2015, and 2016

Race/ Ethnicity	Fall 2014	Fall 2015	Fall 2016	Change Fall 2015 to Fall 2016
Non-Resident Alien	3,264	3,412	3,125	(287)
American Indian/ Alaska Native	162	146	153	7
Asian	1,282	1,324	1,308	(16)
Black Non-Hispanic	483	472	493	21
Hispanic	2,034	2,259	2,437	178

Pacific Islander	99	106	103	(3)
Two or more races, Underrepresented Minorities	735	782	840	58
Two or more races, not Underrepresented Minorities	595	620	635	15
White Non-Hispanic	15,101	14,612	14,146	(466)
Unknown	426	392	394	2

Source: HECC (2016)

Various student populations perform and graduate at different rates. When viewing graduation rates for subsets of the student population, it is important to remember that many cohorts contain small numbers, and small changes in those numbers can look like large changes in rates. The six-year graduation rate for underrepresented minorities in the 2009 cohort is 9 percentage points less than the overall first-time freshmen graduation rate from the same cohort. Pell grant recipients graduation rates were slightly less (2.4 percentage points) than the overall cohort rate.

The four and six-year graduation rates for UO first-time freshmen who entered in the fall term of 2009 are as follows:

Table 2: Four-Year and Six-Year Graduation Rate, First Time, Full Time Freshmen Entering UU in Fall 2009

	Four-Year Graduation Rate	Six-Year Graduation Rate
All Students	51.3 %	75.0 %
Underrepresented Minorities	39.7 %	66.1 %
Pell Grant Recipients	46.7 %	72.6 %

Source: HECC (2016)

*Fall 2009 cohort is the latest year of available data. Includes students who completed at any Oregon public university.

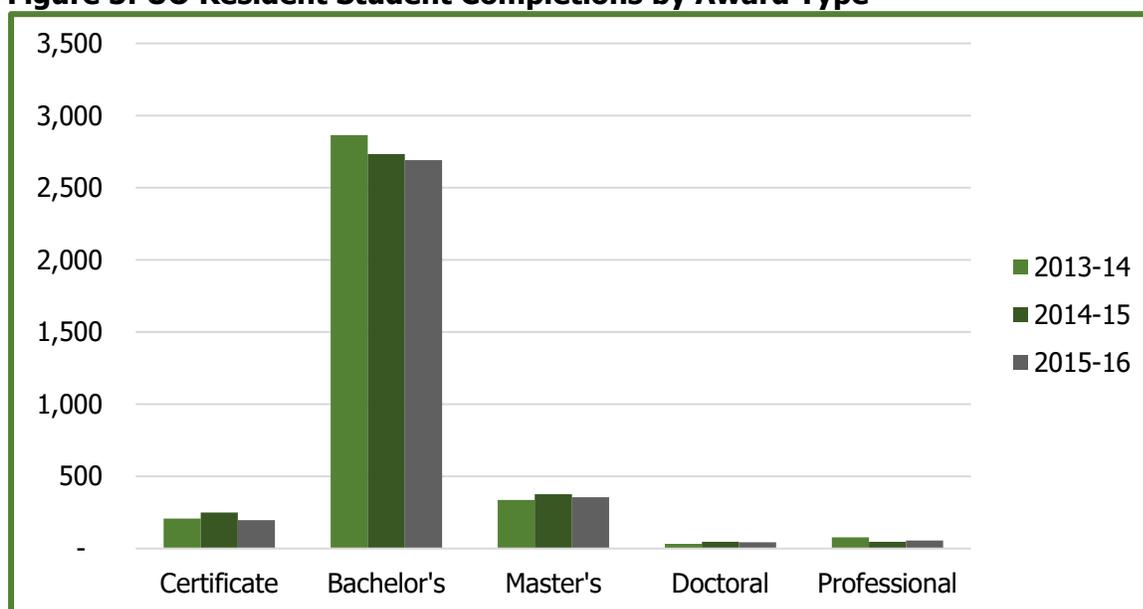
UO's number of resident completions by award type declined in every category in the 2015-16 academic year compared to the 2014-15 academic year, except at the professional level. UO awarded about 20% fewer certificates, 1.5% fewer bachelor's degrees, 5.6% fewer master's degrees, 8.5% fewer doctoral degrees, but 17% more professional degrees. Compared to the 2013-14 academic year, UO's number of resident completions declined in every category except at the master's and doctoral degree levels. The greatest number of completions has continued to be at the bachelor's degree level. UO does not award associate's degrees.

Table 3: UO Resident Student Completions by Award Type

	2013-14	2014-15	2015-16
Certificate	207	249	197
Associate's	-	-	-
Bachelor's	2,864	2,733	2,691
Master's	336	376	355
Doctoral	32	47	43
Professional	77	47	55

Source: HECC (2016)

Figure 5: UO Resident Student Completions by Award Type



Source: HECC (2016)

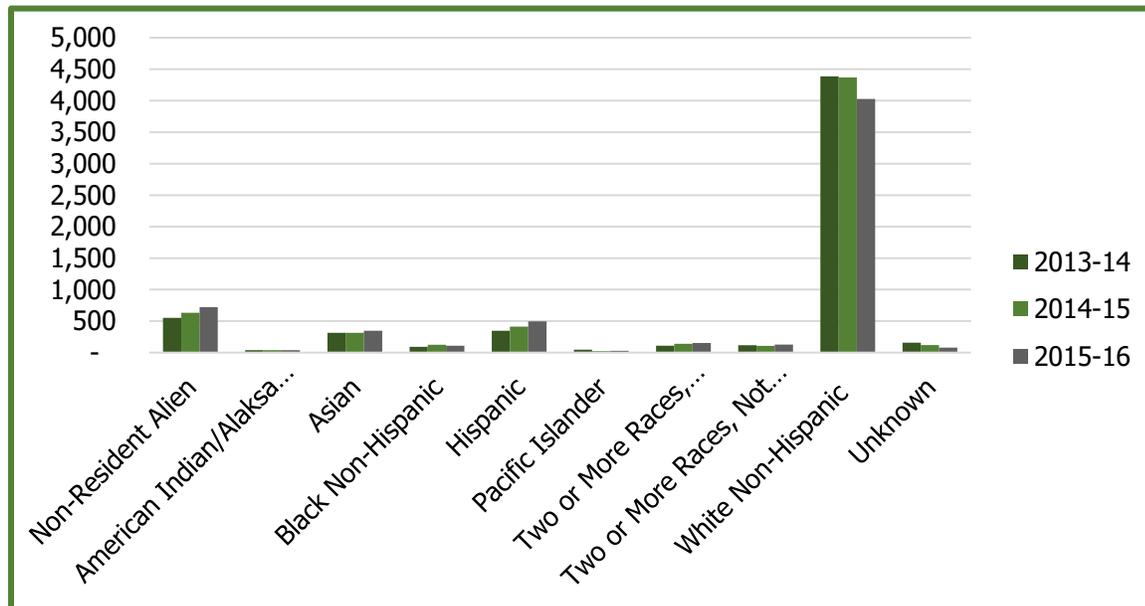
The Class of 2016 was the most diverse in the university's history, with the most students of Hispanic descent and members of ethnic minorities earning degrees. While the total number of resident graduates has been declining over the last three years, it is noteworthy that the total number of under-represented graduates has seen a general increase with fluctuations across the different groups. Hispanic students have seen a steady increase. American Indian/Alaska Native graduates have remained flat. Pacific Islanders have seen a general decline and African American students experienced an 11% decrease from 2014-15 to 2015-16. It's important to note that fluctuations in degree awards are related to enrollment trends. During the same three-year period, graduation rates for resident students increased: 66.9% (2007); 68.5% (2008); 70.2% (2009).

Table 4: UO Completions by Race/Ethnicity

Race/Ethnicity	2013-14	2014-15	2015-16
Non-resident alien	551	632	720
American Indian/ Alaska Native	39	39	39
Asian	315	314	347
Black Non-Hispanic	93	124	110
Hispanic	348	412	497
Pacific Islander	46	23	28
Two or more races, Underrepresented Minorities	109	141	153
Two or more races, not Underrepresented Minorities	116	108	128
White Non-Hispanic	4,387	4,369	4,028
Unknown	158	120	79

Source: HECC (2016)

Figure 5: UO Completions by Race/Ethnicity



Source: HECC (2016)

AFFORDABILITY

Among the factors that the HECC is required (under ORS 352.065 and 352.025(1)(d)) to evaluate for public universities is whether universities remain affordable for Oregon residents. The following constitutes our evaluation of the University of Oregon's affordability.

Many students and prospective students at the University of Oregon, like their counterparts at other universities around the state and nationwide, continue to face significant challenges related to access and affordability. Public defunding of higher education is a national trend that is shifting a majority of the burden of paying for a college education to students and their families. That shift has been particularly acute in Oregon in recent years. Partly as a result of state funding cuts, resident undergraduate tuition and fees at the University of Oregon increased 80.3% in the last 10 years, including increases of 3.7% and 4.6% in 2015-16 and 2016-17 respectively.⁴ In 2016, tuition increased 4.8% and fees 3.8%.⁵ Resident graduate students have faced similar increases.

Students, however, do have access to financial aid at the University of Oregon. In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), University of Oregon students benefit from UO's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. One example of such a program is the PathwayOregon scholarship discussed in the "Student Success And Success" section of this evaluation report.

Tuition, however, tells only a part of the affordability story. The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. The University of Oregon estimates the average student budget for living expenses annually -- \$15,054 for the 2016-17 academic year⁶ -- an amount which exceeds resident tuition.

While it is natural to view affordability primarily in terms of the student's direct cost associated with their enrollment, a larger perspective takes into account whether the student completes his or her degree, does so in a reasonable period of time, and has earning potential commensurate with the debts that might have been incurred. Median earnings of federal loan recipients 10 years after first enrolling at UO are \$41,700.⁷ For UO students who leave the university with federal loan debt, the median federally-backed debt load is \$21,500. According to the College Scorecard, 39% of undergraduate students at UO borrowed from federally supported loans.

ACADEMIC QUALITY AND RESEARCH

The introduction of a new budget model which incentivizes growth in enrollment and graduation outcomes has triggered concerns across various sectors that the focus on economic sustainability may adversely affect academic quality and research should institutions lower standards to recruit and graduate more students. In

⁴ Source: <https://registrar.uoregon.edu/costs/tuition-fees> as well as historical OUS tuition data.

⁵ A full-time resident undergraduate student will be expected to pay \$8,910 in tuition and \$1,852 in fees during the current academic year.

⁶ Source: https://financialaid.uoregon.edu/cost_of_attendance split between \$11,583 in room and board and \$3,471 in book and supplies/other personal expenses.

⁷ Source for earnings and debt load is the College Scorecard: <https://collegescorecard.ed.gov/>

light of this concern there is interest in sustaining rigorous academic quality across all institutions. In partnership with all public universities, the HECC relies on regular external accreditation reviews, and collaborative partnerships with organizations such as the State Higher Education Executive Officers Association (SHEEO) and the Association of American Colleges and Universities (AAC&U) to pursue promising initiatives to develop nationally normed outcomes to assess and track student learning and post-graduation success.

The University of Oregon has a long established record of academic excellence. In 1969 it was admitted to the Association of American Universities (AAU), an organization of leading research universities devoted to maintaining a strong system of academic research and education. The University of Oregon is among 62 AAU universities, both public and private, and one of just two in the Pacific Northwest. The University of Oregon is among the 108 institutions chosen from 4,633 U.S. universities for top-tier designation of "Doctoral/Very High Research Activity" in the most recent Carnegie Classification of Institutions of Higher Education. For FY 2016 UO reports total research expenditures of a little over \$106.5 million.

The University of Oregon, Clark Honors College was the first four-year public honors college west of the Mississippi and is ranked among the top-ten public honors colleges and programs in the nation. The university's academic programs are organized into eight degree-granting schools and colleges: The School of Architecture and Allied Arts, College of Arts and Sciences, College of Education, School of Law, Lundquist College of Business, School of Journalism and Communication, School of Music and Dance, and Graduate School. The University of Oregon is particularly strong in the sciences (biology, chemistry, math, physics and geoscience), along with the neurosciences, cognitive sciences, anthropology, geography, materials, education and education research, sustainable architecture, journalism, entrepreneurship and sports business, environmental law, and East Asian languages and literatures. The university is well known for interdisciplinary programs such as environmental studies and comparative literature.

Program review is essential to maintain and improve program quality. The University of Oregon's processes for academic program review and approval are clearly established. Any significant change in the University's academic programs as defined by the HECC is approved by the Board committee responsible for academic affairs prior to the submission to the Commission. Internal program approval processes are managed by the Office of the Provost and Academic Affairs and posted at: <https://academicaffairs.uoregon.edu/new-revised-programs>. The Office of the Provost and Academic Affairs manages program review processes. Information on program review is available online at: <https://academicaffairs.uoregon.edu/program-review>. Faculty evaluation and professional development are fundamental to sustaining academic quality. The University of Oregon has distinct processes for evaluation and promotion for "tenure-track faculty" (TTF) and "non-tenure track faculty" (NTTF) and has a [Professional Development and Training Policy](#) that recognizes the "importance of encouraging and supporting employees in professional development activities that are related to their employment." The University of Oregon, Office of Professional Development (<https://odt.uoregon.edu/>) offers a central resource for coordinating training, assisting instructors, and providing an easy access portal for learners and the Teaching Engagement Program (TEP) provides faculty support for their teaching through workshops, seminars and individual consultations on best practices.

COLLABORATION

The University of Oregon benefits from, and contributes to, a host of collaborative activities with other postsecondary institutions. Various leadership councils provide a great opportunity for continued collaboration and information-sharing regarding current and anticipated issues and shared goals. Faculty at all public universities are represented at the Inter-Institutional Faculty Senate (IFS) which is made up of elected senate representatives from each institution. The IFS serves as a voice for all faculties of Oregon public universities in matters of shared concern.

Other examples of collaboration at the University of Oregon include their emergency management efforts, two IT-related efforts (the Network for Education and Research in Oregon (NERO) and Oregon Gigapop (OGIG)), the Orbis Cascade Alliance, and the Regional Accelerator and Innovation Network (RAIN).

The University of Oregon engages in a number of collaborative initiatives with other universities and partners, as indicated below (P indicates participation):

Table 5: UO Collaborative Initiatives Participation

Other University Collaborations	University Response
Public University Councils:	
Presidents Council	P
Provosts Council	P
Vice Presidents for Finance and Administration (VPFAs)	P
General Counsels (GCs)	P
Public Information Officers (PIOs)	P
Legislative Advisory Council (LAC)	P
Cooperative Contracting	N/P
Capital Construction Services	N/P
OWAN	P
NERO Network	P
RAIN	P
Orbis Cascade Alliance	P
ONAMI	P
Other	P

The UO has played a role in higher education emergency management since 2009 when the university assisted several other campuses develop their natural hazard mitigation plans. UO Emergency Management (UOEM) recognized the benefit of bringing together institutions of higher education in Oregon and the Pacific Northwest to discuss successes and challenges. Since 2010, UOEM has hosted four Emergency Management Higher Education Summits. The Summits ranged from topic specific (e.g., pandemic illness and earthquakes) to more general sessions aimed at sharing best practices and networking among those charged with making their campuses safe. In 2015, a small portion of UO's Incident Management Team assisted Umpqua Community College (UCC) with coordination of their short term recovery efforts following the October 1

shooting on their campus. Following the UCC incident, the Governor appointed Andre Le Duc, UO's Chief Resilience Officer and Associate Vice President, as Chair of the Campus Safety Working Group tasked with:

- 1.) Analyze promising practices that can be shared across all higher education institutions to maintain public safety, and prevent, prepare for and effectively manage future response and recovery efforts for campus-wide emergencies; and
- 2.) Identify resource needs and potential state policy to enable a coordinated strategy across the higher education system, both public and private institutions.

The Working Group is currently finalizing recommendations to the Governor that include an all-hazard, multi-faceted approach to making Oregon campuses safer.

UO collaborates and participates in shared services related to information technology. The Network for Education and Research in Oregon (NERO) is a service center administered by the UO. It is a statewide research and education network providing services to higher education institutions, community colleges, K12, local and state government, municipalities, and non-profit groups. The Oregon Gigapop (OGIG) provides network connectivity to Internet2, the premier research and education network that connects research universities across the United States. Member institutions are the University of Oregon, Oregon Health & Science University, Oregon State University and Portland State University. UO is also strengthening ties with OHSU through partnerships in developmental biology and exploring opportunities associated with the Phil and Penny Knight Campus for Accelerating Scientific Impact.

The UO Libraries participates in several regional and national library consortiums to share library collections, resources, and expertise, and to realize cost discounts for a variety of services and resources. Among these is the Orbis Cascade Alliance, a consortium of 39 academic libraries located in Oregon, Washington, and Idaho, including Oregon's seven public universities and 17 other higher education institutions across the state. Orbis members share an integrated library management platform that offers access to over 9.5 million items to its collective user community. Orbis also provides consortial electronic resource purchasing for its members for over \$9 million dollars in products.

RAIN leverages community, university, and business resources to grow the startup ecosystem in the state's south Willamette Valley and mid-coast region. The UO is a key partner in RAIN, along with OSU, as one of the providers of innovation and human capital to help the region create high-growth, technology-based startup companies. Since launching in July 2014, the UO-supported RAIN Eugene accelerator has supported 34 start-up companies with resources, mentoring, and guidance, helping them to grow and thrive in the regional economy. RAIN programs connect campus innovation activities with the local entrepreneurial community, provide experiential learning opportunities for students, and support startup companies founded by UO students. UO students gain experience by conducting market research, assisting in due diligence reviews under the supervision of pro bono attorneys, and helping with marketing and communications.

PATHWAYS

One area of collaboration that is of some concern, both in Oregon and nationally, is transfer student success. The statutes outlining goals for transfer student success and cooperation between Oregon's higher education sectors (ORS 341.430 & ORS 348.470) are the framework for HECC's continued partnership with the seven public universities. Recent policy discussions between the institutions and HECC give this sustained work a renewed focus: more and better statewide data on transfer student outcomes and potential statewide solutions where persistent barriers exist.

Although Oregon has good state level policies and processes to ensure that students may apply credits earned upon transfer from community college to university (the Associate of Arts Oregon Transfer degree, for example), research that resulted from House Bill 2525 (2015) revealed that community college transfer

students on the whole often face challenges in completing an intended major, which results in excess accumulated credits, increased tuition costs, and debt. Statewide, community college transfer students graduate with more “excess” credits than their direct entry counterparts. And despite the best efforts of advisors, faculty, and administrators, some students who complete statewide degrees such as the AAOT are ill-served if they transfer into certain majors. Credit requirements at the university level often change without notice, and this can community college students and advisors can be hindered in effective degree planning.

Among the seven public universities in Oregon, UO enrolls the largest percentage of first-time freshmen at 78.8% in Fall 2015, resulting in the smallest percentage of transfer students. Statewide, 42 percent of students who entered an Oregon public university in Fall 2015 did so from a community college or other transfer institution. [FN HECC Office of Research and Data, “University Student Data” <http://www.oregon.gov/highered/research/Pages/student-data-univ.aspx>]. University of Oregon in that same period enrolled 21 percent of its students as transfers.

Table 6: Admitted Undergraduate Enrollment by Entry Pathway Fall Fourth Week Enrollment, 2015

Institution	Undergrad first time freshman		Undergrad Transfer		Total Admitted Undergraduate enrollment*
	N	%	N	%	
EOU	1,038	37.8%	1,706	62.2%	2,744
OIT	1,270	38.1%	2,063	61.9%	3,333
OSU	14,594	66.4%	7,379	33.6%	21,973
OSU-CASC	53	6.4%	772	93.6%	825
PSU	6,337	34.5%	12,019	65.5%	18,356
SOU	2,353	54.4%	1,971	45.6%	4,324
UO	15,777	78.8%	4,255	21.2%	20,032
WOU	2,989	63.6%	1,711	36.4%	4,700
Total	44,411	58.2%	31,876	41.8%	76,287

* Excludes graduate enrollment, non-admitted undergraduate enrollment, and post-baccalaureate enrollment.

UO maintains robust online resources for transfer students to help them navigate the transition to the university. Additionally, the University has been an active participant in statewide projects such as the HB 2525 workgroup and the statewide Joint Transfer Articulation Committee (JTAC), which oversees and maintains the statewide transfer degrees. UO maintains close partnerships with Lane Community College (LCC) and other institutions in the form of articulation agreements, dual enrollment programs with LCC and Southwestern Oregon Community College, and other transfer student-focused initiatives.

SHARED ADMINISTRATIVE SERVICES

ORS 352.129 mandates participation by all independent universities in certain shared services until July 1, 2019. These mandated services include group health insurance, group retirement plans and collective bargaining. The UO serves as host and fiduciary for five former Oregon University System retirement plans now operating under the name Oregon Public Universities Retirement Plans (OPURP). These plans are managed as a shared service and serve all seven public universities.

Pursuant to ORS 352.129 and following the convening of the Workgroup on University Shared Services established by the 2013 Legislature, the seven public universities created the University Shared Services Enterprise (USSE), a service center hosted by Oregon State University. USSE offers a fee for service model for many administrative and accounting functions previously offered by the Chancellor’s Office. The UO has chosen not to participate in many of the services provided by the USSE. Beginning several years prior to the dissolution of OUS, the UO undertook the process of hiring and building the financial management team necessary to support internal and external financial reporting and strong internal financial management for the institution without support of a centralized service center model. This intentional separation has allowed the UO to undertake nearly all services rendered by the USSE without attributing a direct cost increase from pre- to post-independence. Table 6 below summarizes shared services. (*P* indicates Participation)

Table 6: Shared Administrative Services

Provider	University Response
University Shared Services Enterprise (USSE, hosted by OSU)	
Financial Reporting	N/P
Capital Asset Accounting (currently only OIT)	N/P
Payroll & Tax Processing (includes relationship w PEBB, PERS/Federal retirement*)	N/P
Collective Bargaining	P
Information Technology/5th Site	P (UO Retirement Plans Management)
Treasury Management Services:	
Legacy Debt Services-Post Issuance Tax Compliance	P
Legacy Debt Services-Debt Accounting	N/P

Non-Legacy Debt Services	N/P
Bank Reconciliations (and other ancillary banking services)	N/P
Endowment Services	N/P
Other Miscellaneous Statements of Work:	
Provosts Council Administrative Support	P
Legislative Fiscal Impact Statement Support	P
Risk Management Analyst (TRUs only)	N/P
Public University Fund Administration	N/P
University of Oregon	
Retirement Plans	P
Legacy 401(a) Plan	P
Legacy 403(b) Plan	P
Optional Retirement Plan (ORP)	P
Tax-Deferred Investment (TDI) Plan	P
SRP Plan	N/P (but UO hosts the plan)
Public University Risk Management and Insurance Trust (Risk Management)	N/P

It is not evident that there has been a deleterious impact on other institutions because of the withdrawal of the UO from USSE services. This is true in terms of both cost and service quality, as all other institutions continue to purchase many if not most non-mandated services. By continuing to participate in shared services, other institutions are implicitly stating that either:

- USSE is rendering value added services given its current price point and service quality, or
- Institutions lack the capacity to manage other outsourced providers, or to insource services.

Questions remain as to whether the USSE could continue to operate at the level of service and cost competitiveness for other USSE participants if other institutions were to withdraw.

Because of the in-sourcing of work formerly offered by the Chancellor's Office and currently offered by the USSE, the UO believes it has either increased the effectiveness or decreased the cost of services rendered or both. Specifically, the UO cites savings and increased risk coverage related to its now individual insurance purchase agreements. The UO has also chosen to provide its own payroll, treasury and cash management services. The latter two services provide greater levels of flexibility in asset and liability management and operational efficiencies for the UO. The effort was cited by Moody's as credit positive and is an important level of control for the UO's administration and Board of Trustees.

FINANCIAL METRICS

This section of University of Oregon’s evaluation includes an overview of key high-level financial ratios which are viewed as “industry standard” metrics for understanding the strength of a public institution’s balance sheet and its operating performance. These ratios cannot be viewed in isolation from each other, or as a single snapshot in time, but as a continually unfolding story. Like any entity, University of Oregon’s ability to fulfill its mission is dependent on its long-term financial health. The financial ratios examined in this section provide information on the financial flexibility possessed by the institution at the balance sheet date and yearly operating results compared to the size of the enterprise. Both types of measures should be understood in the context of the institution’s overall strategy and its capacity to effectively execute on that strategy.

Standard benchmarks for each ratio are presented alongside calculated ratios for the institutions. These benchmarks are for demonstration purposes only. It is important to recognize the best comparison in assessing financial stability for an institution may not be peer institutions or national benchmarks, but may be a comparison to the institution itself over time.

In some cases, the effort of tracking institutional financial stability through ratios is complicated by changes in accounting standards and practices. For example, effective in the 2014-15 fiscal year, Governmental Accounting Standards Board (GASB) Statement No. 68 attempts to improve pension-related accounting and financial reporting. This change in the presentation of pension-related financial information impacts several of the ratios used in this evaluation. As such, the ratios are presented in two different ways: inclusive of the impacts of GASB 68 and exclusive of those impacts. The former will show significant changes in ratios from 2013-14 to 2014-15, as only 2014-15 and more recent fiscal year ratios are impacted as a result of GASB 68.

The following narrative will focus on the ratios that exclude GASB 68, as it allows for a longer-term view of the institution’s financial performance. Future evaluations are likely to focus on ratios that include GASB 68 since a longer, three-year comparison will be possible.

University of Oregon Ratios (No GASB 68)				
Ratio	FY 14	FY 15	FY 16	Benchmark
Viability Ratio	83.10%	106.20%	88.90%	>125.00%
Primary Reserve Ratio	68.30%	70.70%	64.90%	>40.00%
Net Operating Revenues Ratio	-0.90%	-3.60%	-1.50%	>4.00%
Return on Net Assets Ratio	11.00%	6.50%	2.50%	>6.00%
Debt Burden Ratio	5.80%	5.70%	5.90%	<5.00%

The viability ratio measures one of the most basic elements of financial health: expendable net assets available to cover debt should the institution need to immediately settle its obligations. Ideally an institution would have enough expendable resources immediately available to more than cover debt. UO’s viability ratio has shown some volatility since FY15 and falls short of this capability in FY16. Creation of additional debt could slow progress on stabilizing and improving metric and, therefore, should be carefully considered and monitored by the institution.

UO’s primary reserve ratio decreased in FY16 from FY15. The primary reserve ratio compares expendable net assets to total expenses, providing a snapshot of how long the institution could continue operations without the ability to generate revenues from those continuing operations. A trend analysis of the primary reserve ratio indicates whether an institution has increased its net worth in proportion to the rate of growth in its operating size. The decrease in UO’s primary reserve ratio from FY15 to FY16 suggests the institution is growing operating expenses faster than it is building expendable net assets.

The net operating revenues ratio indicates whether total operating activities for the fiscal year generated a surplus or created a deficit. It attempts to demonstrate whether an institution is living within its available resources. UO's ratio has improved year-over-year but remained slightly negative in FY16, indicating the institution may not be developing capacity to create a stronger fund balance or to make strategic operating investments.

The return on net assets ratio demonstrates whether an institution is financially better off than in previous years. It shows an institution's total economic return. A positive return on net assets ratio means an institution is increasing its net assets and is likely to have increased financial flexibility and ability to invest in strategic priorities. A negative return on net assets ratio may indicate the opposite, unless the negative ratio is the result of strategic investment in strategies that will enhance net assets in the future. UO's return on net assets decreased year-over-year but remained positive in FY16 suggesting the institution modestly improved its overall financial position.

Debt burden ratio demonstrates two factors: the extent to which an institution has used borrowed funds to finance its mission; and the relative cost of institutional borrowing to total operating expenditures. UO's debt burden has been above the benchmark of 5% the previous two years. While not a cause for immediate concern, the growing debt burden ratio may require monitoring to ensure debt is not being overly relied upon to finance UO activities and that the cost of debt is at a manageable level. UO's debt issuance in April, 2016, was rated Aa2/AA- by Moody's and Standard and Poor's. Both agencies also affirmed Aa2/AA- ratings on the March, 2015, offering.

As explained earlier, several of the ratios presented are impacted by GASB 68. The ratios presented in the table below reflect financial statement figures compliant with GASB 68 for FY15 and FY16. FY14 is pre-GASB 68 and unadjusted. They are provided for informational purposes only.

University of Oregon Ratios (With GASB 68)				
Ratio	FY 14	FY 15	FY 16	Benchmark
Viability Ratio	83.10%	102.90%	76.00%	>125.00%
Primary Reserve Ratio	68.30%	72.30%	51.80%	>40.00%
Net Operating Revenues Ratio	-0.90%	1.50%	-8.90%	>4.00%
Return on Net Assets Ratio	11.00%	9.50%	-1.30%	>6.00%
Debt Burden Ratio	5.80%	6.10%	5.40%	<5.00%

BOARD OF TRUSTEES

The Boards of Trustees at each public university and their respective university constituents are continuing the process of developing effective working relationships. The Commission continues to recommend that the areas that all Boards should be attentive to include timing and access, for example not scheduling meetings during exams, or when classes are not in session; and encouraging feedback by making an effort to allow non-board members to weigh in early on in the meetings rather than having to sit through the whole meeting. At UO the Board of Trustees and faculty continue to work on a joint understanding of appropriate access.

The UO Board of Trustees held meetings on the following dates. This excludes committee meetings.

- September 10-11, 2015

- December 2-3, 2015
- February 18, 2016 (special telephonic meeting)
- March 3-4, 2016
- June 2, 2016
- September 8-9, 2016

Public notice as well as agenda and meeting materials were posted in advance of each meeting on the Board's website (see the website: <http://trustees.uoregon.edu/meetings>) prior to each meeting and sent directly to members of the media who so requested the information. The Board adopted bylaws on January 23, 2014; they were last amended on March 5, 2015 (see the bylaws available at: <http://trustees.uoregon.edu/governance>).

Board meetings are duly noticed and publicized; meetings were open to the public except for executive sessions as allowed by law. Meeting documents are posted online; copies are available for the public for any materials distributed at the meeting. The Board complies with public records requests in coordination with the university's Public Records Office to comply with public records laws. The Board or its designated committee receives regular reports on finances, treasury activity, internal audit, and presidential priorities. The Board adopted a policy outlining its delegated authorities, retaining authority for transactions of certain size, scope, length or obligation. In addition, the Board adopted policies or statements relating to treasury and investment management, committee functions, trustee responsibilities, a university mission statement, presidential assessment, and other governance matters. Governance documents are available at: <http://trustees.uoregon.edu/governance>

Trustees maintain a consistent focus on the long-term health of the institution. The Board of Trustees adopts the operating and capital budgets for the university, establishes tuition and fees, and issues debt. Amendments were adopted on September 11, 2015 (see the information available on the website: <https://trustees.uoregon.edu/governance>). Meeting agenda, minutes and materials articulating such discussions are available (see the website with these materials: <http://trustees.uoregon.edu/meetings>). Audio recordings are available upon request.

The Board hired the current president on April 14, 2015 and conducted an evaluation of the Interim President during spring 2015. The Board adopted the mission statement on November 5, 2014. Following adoption on November 5, 2014, the mission statement was forwarded to the HECC, which approved it on June 11, 2015.

The UO forwarded significant changes in the university's academic programs (as defined by rule) to the HECC following Board approval. Since July 1, those included one new Master's degree and two new Bachelor degrees.

The University of Oregon complies with ORS 352.025(2)(c), holding legal title to all property, whether acquired before or after the creation of the governing board. Individual items are not listed here given the volume of property associated with the university.

CONCLUSION

This report is guided by Oregon Revised Statute (ORS) 352.061 which requires that the HECC report on the university's achievement of outcomes, measures of progress, goals and targets; assess the university's progress toward achieving the mission of all education beyond high school, described in the 40-40-20 goal and assess how well the establishment of its governing board comports with the findings of ORS 352.025. As a benchmark document this report relies heavily on regularly conducted academic accreditation reports and the self-assessments prepared for these accreditation reviews; as well as state and federal data. The contents of this report signal areas of alignment with the HECC Strategic Plan which in turn supports the objectives of higher education for the State of Oregon.

The Northwest Commission on Colleges and Universities (NWCCU) last affirmed external accreditation for the University of Oregon in 2013 and is on track with the 7-year accreditation cycle.

In fall 2015 the University of Oregon had an overall student headcount of 24,125 with approximately 90% attending full time. A little over half (51%) of all students were Oregon residents. Fall 2016 saw modest enrollment declines from the previous fall: for non-residents a decline of 1.5%; residents a decline of 2.5% and 2% overall decline. While these represent modest changes in the composition of the University of Oregon student body, they continue a decade-long trend of flat or declining resident enrollment, offset by non-resident enrollment. At the same time, the number of underrepresented minority students enrolled at UO continues to increase, and is up more than 70% since 2010. In Fall 2016, the University enrolled 4,661 underrepresented minority students, an increase of 6.3% from Fall 2015. Underrepresented minorities constitute 20% of the total student population. Pell Grant recipients constitute 25.7% of total enrollment.

UO also maintains an increasing trajectory in the number of degrees awarded. While 51 percent (an increase from 46% the year before) of University of Oregon undergraduates finish their degrees within four years, underrepresented and Pell Grant recipients graduate at 5-12 percentage points less than the overall student population. It should be noted however, that underrepresented students overall are graduating in greater numbers over the last three years, although that success is largely supported by the growing number of Hispanic completers. American Indian/Alaskan Native students and Pacific Islanders are particularly at risk.

Partly as a result of state funding cuts, resident undergraduate tuition and fees at the University of Oregon increased 80.3% in the last 10 years, including increases of 3.7% and 4.6% in 2015-16 and 2016-17 respectively. The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. The University of Oregon estimates the average student budget for living expenses annually -- \$15,054 for the 2016-17 academic year -- an amount which exceeds resident tuition.

In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), University of Oregon students benefit from significant institutional support in the form of scholarships, remissions, and tuition discounts. For UO students who leave the university with debt, the average debt load is \$21,500.

As noted at the outset, this report constitutes a benchmark against which to evaluate University of Oregon's progress in the coming years. It does not strive to be a comprehensive evaluation of this complex and multi-faceted university; rather, it emphasizes several areas that are of particular importance to the HECC and to the

State of Oregon today. In partnership with institutional leadership, legislators, and other stakeholders, the HECC will continue to consider modifications to this annual process and product in order to improve its usefulness to our universities and to the people of Oregon.

