

2016 UNIVERSITY EVALUATION: Western Oregon University



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INTRODUCTION

This report 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 the contributions of Western Oregon University (WOU) 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-assessments conducted by the university on criteria jointly developed with the HECC, and state and federal data. This is the first annual report and as such it is a benchmark document that is formative in scope. It 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 WOU's Board of Trustees has operated since its formation in July 2015. 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.

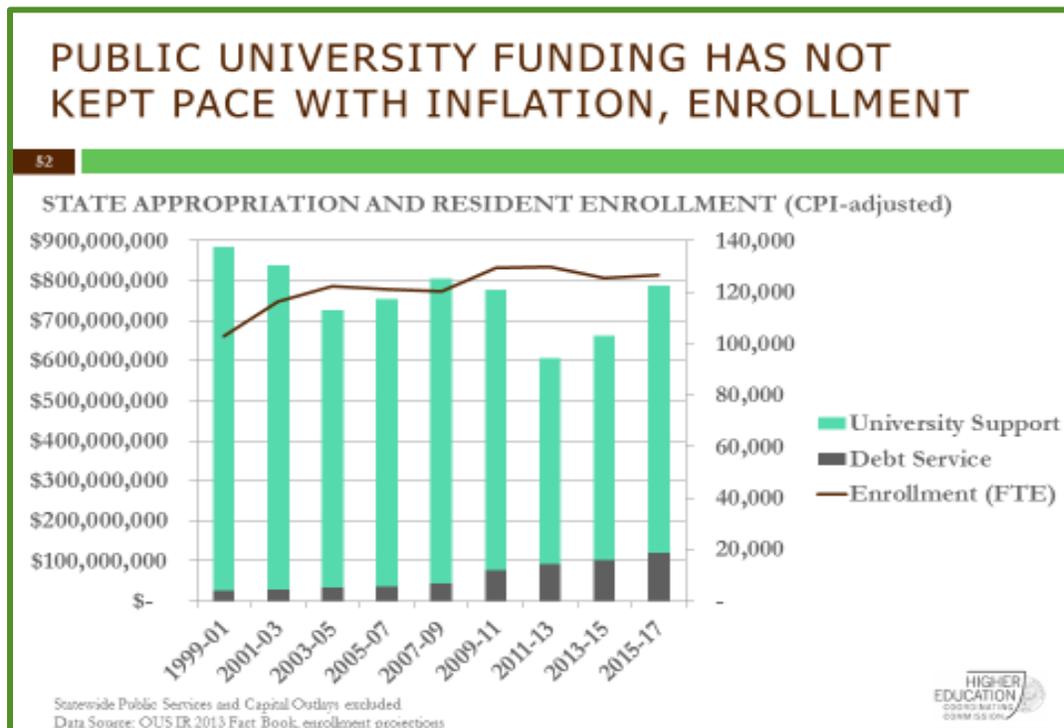
This report is focused on the legislative charge and the HECC’s primary areas of emphasis as indicated in its Strategic Plan. This report is not a comprehensive evaluation. It reflects the narrower scope of legislative issues of interest, incorporating findings from accreditation studies where there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

Senate Bill 270 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

Western Oregon University, the oldest public higher-education institution in Oregon, is a comprehensive, public, liberal arts institution serving students from 35 of the 36 counties in Oregon, 27 states, and 22 countries during the most recent academic term (Fall 2015). WOU offers exemplary undergraduate and graduate programs in a supportive and rigorous learning environment. WOU works to ensure the success of students and the advancement of knowledge as a service to Oregon and the region.

The University works in partnership with PK-12 schools, community colleges, higher education institutions, government, and local and global communities. Among the degrees awarded are: Bachelor of Art, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Science, Applied Baccalaureate, Master of Arts, Master of Music, and Master of Science, as well as certificates and a limited number of associate degrees. There are 61 undergraduate programs of study (over 80% have the option of pursuing either a BA or BS), including 16 subject specializations for teacher education. In addition, a number of programs are specializations embedded within a major; for example, the Chemistry major includes options for environmental, medicinal, and forensic chemistry, as well as chemistry/physics.

Graduate degrees include the Master of Music in Contemporary Music, Master of Arts in Teaching, Master of Arts in Criminal Justice, Master of Arts in Interpreting Studies, Master of Science in Rehabilitation and Mental Health Counseling, Master of Science in Management and Information Systems, Master of Science in Deaf and Hard of Hearing Education (which opened fall 2015) and the Master of Science in Education. This last degree allows students to choose a specialization in information technology or special education, or to pursue a specialization in a selected content area.

ORS 350.075 and 350.085 require the HECC to review and approve public university mission statements. At its June 9, 2016 meeting the HECC reviewed and approved the University's mission statement. The mission and core themes of WOU are reproduced here:

MISSION:

The mission of WOU was originally approved by the State Board of Higher Education in 2015, consistent with its legal authority for higher education in the state of Oregon. Oregon Revised Statute 352.089(2), established in July, 2014, requires higher education governing boards to adopt a mission statement for the university and forward that statement to an office designated by the Higher Education Coordinating Commission for review. On July 22, 2015, the WOU Board of Trustees adopted the mission statement and core themes, followed by approval by the HECC on June 9, 2016.

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.

CORE THEMES:

1. Effective Learning
2. Supports Diversity

3. Sustainable Institution

The university has been undergoing development of a new strategic plan which will include revision of its current mission statement; the WOU Board of Trustees will consider adoption of the new strategic plan and mission statement and core themes at its January 25, 2017 meeting.

OVERALL EVALUATION

This report is formative and focuses on the areas of interest identified by the Legislature and in alignment with the HECC's Strategic Plan. It is not intended to be a comprehensive evaluation of Western Oregon University. A more comprehensive assessment and review of academic and institutional quality is available from the Northwest Commission on Colleges and Universities (NWCCU), which accredits WOU 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 that has been found to have the necessary resources available to achieve its stated purposes through appropriate educational programs, and to be substantially doing so, and which provides reasonable evidence that it will continue to do so in the foreseeable future. Institutional integrity also is addressed through accreditation. This section draws on the relevant parts of NWCCU reports, supplemented with information on economic and community impact (identified from WOU sources). Other components of NWCCU reports are incorporated elsewhere, as appropriate.

In July 2016 WOU was affirmed for accreditation with the NWCCU following its Year Seven Evaluation (Mission Fulfillment and Sustainability). The following information is drawn from the Year Seven NWCCU Report.

The NWCCU commended WOU for its commitment to student access and success; and for its commitment to first generation and low-income students. The NWCCU also commended WOU's staff and faculty for their resiliency and ongoing commitment to students during transformative changes in governance, and as well for its commitment to facilities and grounds. The campus was deemed to be accessible, welcoming, aesthetically pleasing and reflects the commitment to environmental sustainability.

In affirming accreditation, the NWCCU requested WOU address a number of recommendations including two from the Year Three evaluation from spring 2013 and five from the recently completed Year Seven Evaluation.

The two recommendations from the Year Three Peer Evaluation in Spring 2013 are:

1. That WOU define mission fulfillment including identifying outcomes that represent the extent of the institution's accomplishment of mission fulfillment; and
2. That WOU establish objectives for each core theme and identify meaningful, assessable, and verifiable direct and indirect measures (indicators) of achievement that form the basis for evaluating accomplishment of the objectives of the core themes.

The NWCCU also issued a *Notice of Concern* with regard to five (5) additional recommendations (recommendations 2,3,4,6 and 7) that came out of the Year Seven Spring 2016 evaluation. These five are areas where WOU did not meet the NWCCU's criteria for accreditation. Recommendations 1 and 5 from the Year Seven Report are areas that were substantially in compliance with the Commission's criteria for accreditation, but were in need of improvement.

The five recommendations that reflect concern are:

1. That WOU define mission fulfillment including identifying outcomes that represent the extent of the institution's accomplishment of mission fulfillment.
2. That WOU establish objectives for each core theme and identify meaningful, assessable, and verifiable direct and indirect measures (indicators) of achievement that form the basis for evaluating accomplishment of the objectives of the core themes.
3. That WOU establish student learning outcomes for all courses, programs, and degrees, including general education, wherever offered and however delivered, that are meaningful, assessable, and verifiable and are consistent with the mission.
4. That WOU design and implement an ongoing planning and budgeting process that is broad-based, inclusive of all appropriate constituencies, data-driven, includes core theme planning, and leads to mission fulfillment
5. That WOU engage in comprehensive, on-going, systematic assessment that leads to mission fulfillment through the evaluation of core theme objectives and support of continuous improvement.

The two recommendations that addressed areas that were substantially in compliance with the Commission's criteria for accreditation, but were in need of improvement are:

1. That WOU clarify its mission statement to provide better direction for mission fulfillment; and
2. That WOU provide appropriate and adequate technology systems and infrastructure planning with input from constituencies to support its management and operational functions, academic programs, and support services, wherever offered and however delivered.

The next accreditation report (Year 1) is due on March 1, 2017 and a progress report in response to the Year-7 review is due September 1, 2017.

Individual teaching and music programs at WOU area accredited by the following professional organizations:

- National Council for Accreditation of Teacher Education (to migrate to Council for the Accreditation of Educator Preparation (CAPE))
- Teacher Standards and Practices Commission (TSPC)
- Council on Rehabilitation Education (CORE)
- Commission on Collegiate Interpreter Education (CCIE)

- National Association of Schools of Music (NASM)

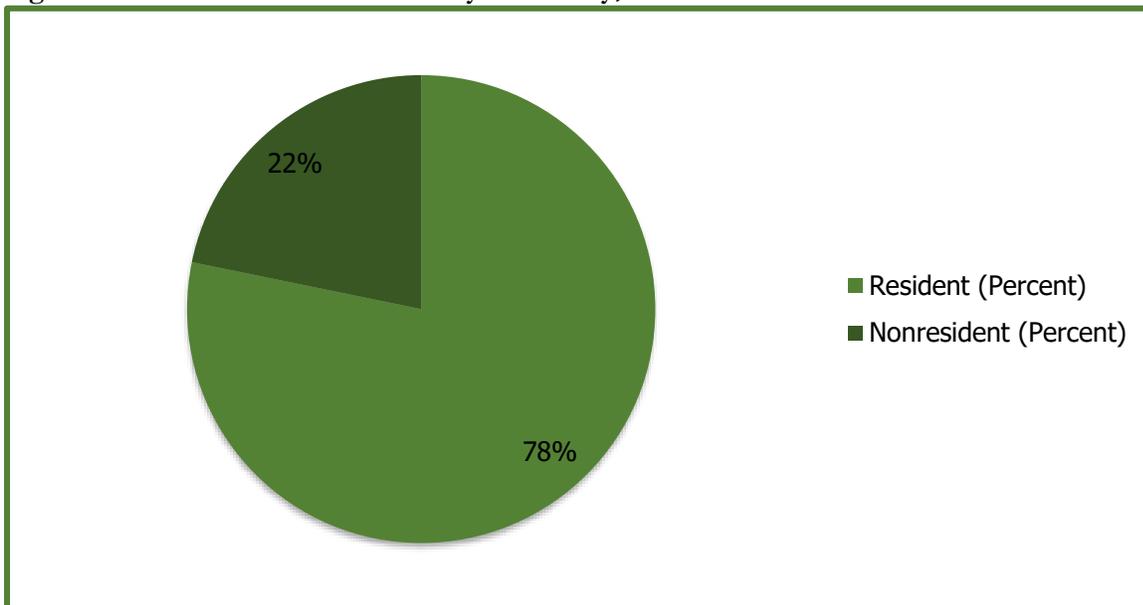
STUDENT ACCESS AND SUCCESS

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, particularly in the enrollment and completion rates for low income, minority, and rural students. This section of the report is focused on tracking trends in enrollment and completion outcomes.

The majority of WOU students (78.2% in 2015-16) are residents. The majority of WOU students (78.9% in 2015-16) also attend full-time.

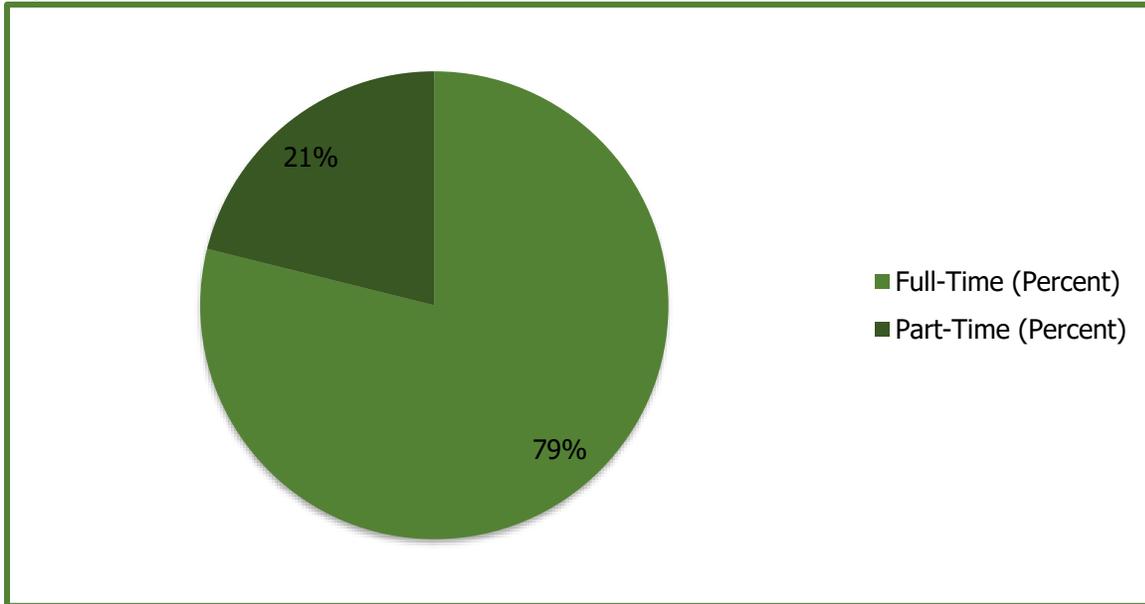
After several years of enrollment increases driven by non-resident students, head count at WOU began to decline in 2011. In the most recent year (Fall, 2015 to Fall, 2016), enrollment declined from 5,445 to 5,382, or 1.2%. During this year, non-resident enrollment increased by 2.5% while resident enrollment declined by 2.2%. Overall, student FTE increased slightly from fall 2015 to fall 2016.

Figure 2: WOU Student Enrollment by Residency, Fall 2015



Source: HECC (2016)

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



Source: HECC (2016)

WOU students come from diverse backgrounds. Of the total 5,445 students enrolled in Fall 2015, 988 students were from underrepresented minority populations, representing 18% of the total population. In addition, 43.7% of WOU’s students were Pell Grant recipients.

The number of underrepresented minority students enrolled at WOU continues to grow and in Fall 2016 represented 21.1% (1,134) of the university’s total population, the largest percentage at any Oregon public university. There appears to be steady growth in Hispanic students, steady numbers for African American students and a downward trend in enrollment among American Indian/Alaska Native students.

Table 1: WOU Headcount Enrollment by Race/Ethnicity, Fall 2014, 2015, and 2016

Race/ Ethnicity	Fall 2014	Fall 2015	Fall 2016	Change Fall 2015 to Fall 2016
Non-Resident Alien	367	328	315	(13)
American Indian/ Alaska Native	122	95	88	(7)
Asian	201	218	223	5
Black Non-Hispanic	190	199	196	(3)
Hispanic	469	564	705	141
Pacific Islander	146	120	145	25

Two or more races, Underrepresented Minorities	14	10	5	(5)
Two or more races, not Underrepresented Minorities	2	3	2	(1)
White Non-Hispanic	4,213	3,658	3,507	(151)
Unknown	334	250	196	(54)

Source: HECC (2016)

Different student populations do not perform and graduate at similar rates. Four-year graduation rates for underrepresented minority students and Pell Grant recipients graduate are 4-6 percentage points less than the rate for the overall student population. At six-year graduation Pell Grant recipients actually perform slightly better than all students, with underrepresented students performing approximately two percentage points lower. The graduation rates for four and six-year WOU 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 WOU in Fall 2009

	Four-Year Graduation Rate	Six-Year Graduation Rate
All Students	25.6 %	50.4 %
Underrepresented Minorities	19.5 %	48.7 %
Pell Grant Recipients	22.1 %	50.8 %

Source: HECC (2016)

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

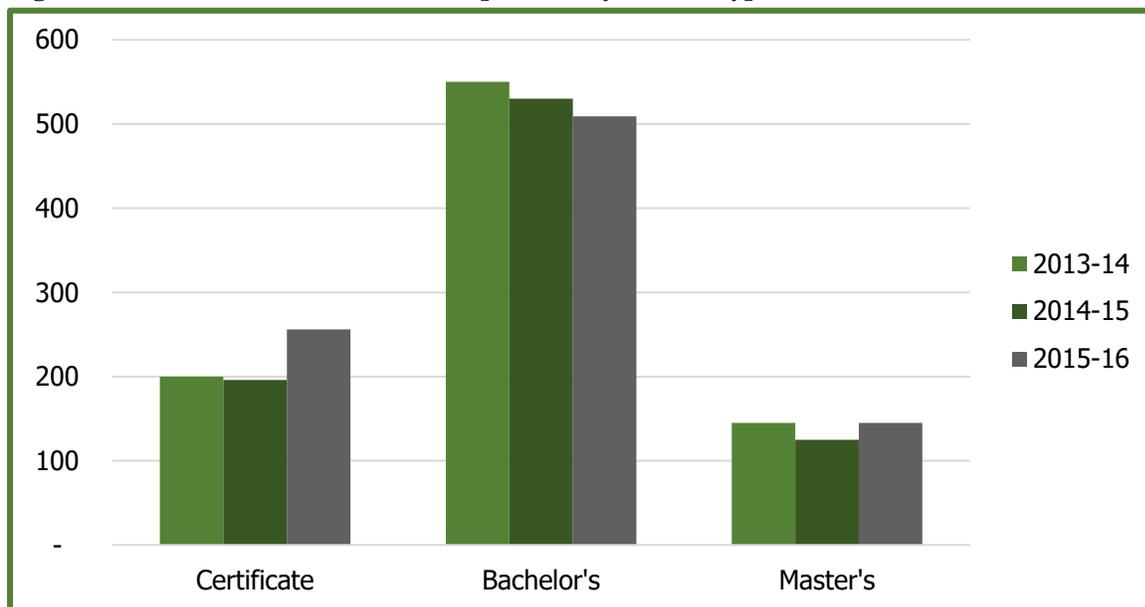
The number of resident completions by award type fluctuated between the 2015-16 academic year and the 2014-15 academic year. WOU awarded about 77.4% more certificates but 7.5% fewer bachelor's degrees, and 1.4 % fewer master's degrees. Bachelor's degrees are the greatest number of completions by award type. WOU awards limited associate's and no doctoral or professional degrees. In the aggregated three (academic) year period there is an upward trend of certificate completions, and a downward trend of bachelor's degree completions, which is linked to the decrease in head count enrollment cited earlier.

Table 3: WOU Resident Student Completions by Award Type

	2013-14	2014-15	2015-16
Certificate	109	102	181
Associate's	-	-	-
Bachelor's	747	795	735
Master's	158	145	143
Doctoral	-	-	-
Professional	-	-	-

Source: HECC (2016)

Figure 4: WOU Resident Student Completions by Award Type



Source: HECC (2016)

In the 2015-16 academic year, White Non-Hispanic students and Asian students made substantial progress in attaining credentials. African American students remained about the same but other underrepresented minorities, American Indian/Alaskan Native, Pacific Islanders and Hispanics saw declines related to enrollment decreases.

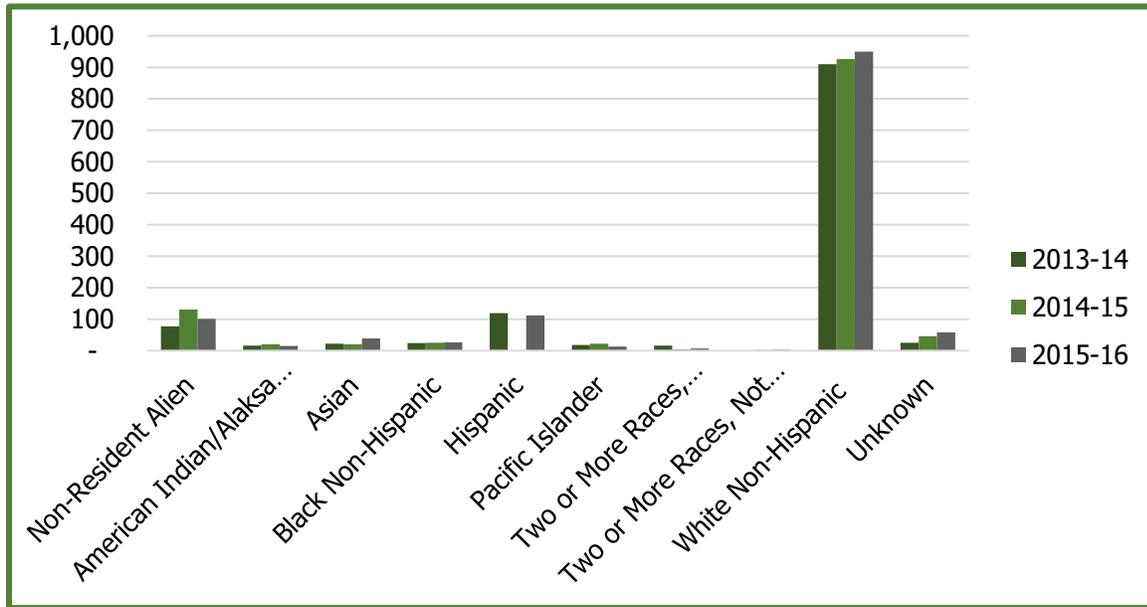
Table 4: WOU Completions by Race/Ethnicity

Race/ Ethnicity	2013-14	2014-15	2015-16
Non-resident alien	77	131	101
American Indian/ Alaska Native	16	20	15
Asian	22	20	39
Black Non-Hispanic	24	25	26
Hispanic	119	130	112
Pacific Islander	18	22	13

Two or more races, Underrepresented Minorities	16	4	7
Two or more races, not Underrepresented Minorities	1	2	3
White Non-Hispanic	910	926	950
Unknown	25	46	58

Source: HECC (2016)

Figure 5: WOU Completions by Race/Ethnicity



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 Western Oregon University's affordability.

Many students and prospective students at Western Oregon University, 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 Western Oregon University increased 80.7% in the last 10 years, including increases of 2.2% and 5.3% in 2015-16 and 2016-17 respectively.¹ In 2016-17, the incoming Western Promise cohort saw tuition increases of 5.3% and all students saw fee increases of 5.4%.² Undergraduate tuition was not increased in 2016-2017 for students for whom the FASFA family contribution was zero. Resident graduate students have faced similar increases.

Students, however, do have access to financial aid at Western Oregon University. In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), Western Oregon University students benefit from WOU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In 2015, the most recent year for which data was available, the average financial aid award was \$9,575³.

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. Western Oregon University estimates the average student budget for living expenses annually -- \$14,130 for the 2016-17 academic year⁴.

Western Oregon has worked to address affordability in creative and meaningful ways. The Western Tuition Choice is an innovative program that allows undergraduate students and their families to select from one of two tuition plans. The traditional plan starts students with a lower first-year rate that is subject to possible annual increases, and the Promise plan that starts at a higher rate, but guarantees that the rate does not change in the four-years needed to complete a degree. The Textbook Rental Program, started in 2011 saves WOU students an estimated \$500,000 annually in textbook costs.

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 WOU are \$38,700. For WOU students who leave the university with federal loan debt, the median federally-backed debt load is \$24,500. According to the College Scorecard, 63% of undergraduate students at WOU borrowed from federally supported loans.

ACADEMIC QUALITY AND RESEARCH

The introduction of a new state budget model that provides incentives for growth in enrollment and graduation outcomes has triggered concerns across various sectors that the pursuit of economic sustainability

¹ Source: <http://www.wou.edu/finaid/tuition-fees/> as well as historical OUS tuition data.

² A new full-time resident undergraduate student entering in this year's Western Promise cohort will pay \$8,160 in tuition and \$1,710 in fees during the 2016 academic year. The tuition will stay stable during a student's tenure at WOU but fees are subject to annual increases.

³ Source: <https://bigfuture.collegeboard.org/college-university-search/western-oregon-university>

⁴ Source: <http://www.wou.edu/finaid/estimated-expenses/cost-of-attendance/> split between \$9,798 in room and board and \$4,332 in book and supplies/other personal expenses.

may adversely affect academic quality and research. A concern is that institutions might be tempted to lower standards in order to recruit and graduate more students. In 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 (AACU) to pursue promising initiatives to develop nationally-normed outcomes to assess and track student learning and post-graduation success.

The NWCCU commended WOU for its commitment to student access and success; and for its commitment to first generation and low-income students. WOU staff and faculty were also lauded for their resiliency and ongoing commitment to students during transformative changes in governance.

WOU has clearly established guidelines for proposing new or modifying academic programs which falls under the purview of the Faculty Senate Curriculum Committee. These guidelines can be found at <http://www.wou.edu/facultysenate/committees/curriculum/curricular-guidelines/> The university is currently reforming its comprehensive program review processes for assurance of alignment with mission fulfillment as part of implementing the new university strategic plan.

Faculty evaluation and professional development are fundamental to sustaining academic quality. WOU evaluates faculty according to its process detailed in Articles 8 and 11 of the WOU-WOUFT Collective Bargaining Agreement which apply to tenured/tenure track and non-tenure track faculty, respectively. These can be reviewed at http://www.wou.edu/hr/files/2016/03/WOUFT_CBA_2015-2017.pdf

A substantial mechanism by which WOU provides for faculty professional development is through funding and staff support provided to the Faculty Development Committee which oversees a peer review process for allocation of funds for scholarly and creative faculty activities that support research travel, research expenses, conference attendance and course releases. In addition, The Research Institute Sponsored Research Office at WOU provides mentoring to faculty on research grant proposal/submission.

WOU also provides support to sponsor faculty attendance (both individually or teams) at institutes on topics such as general education, assessment, diversity, course design and the like. The campus regularly hosts guest speakers on contemporary issues in postsecondary education.

WOU's Hamersley Library works with the faculty to ensure that appropriate journal databases are available to support both teaching and research needs. Switching from heavy reliance on print journals and interlibrary loans to very large e-journal subscription plus interlibrary loan service has dramatically expanded the information resources available to the faculty.

RESEARCH ACTIVITY

Faculty, staff and students at WOU generated \$826,000 in internal research funding and \$11.5M extramural research expenditures for a total of over \$12.3M.

COLLABORATION

There are a number of joint administrative, academic and governance efforts to maintain collaboration across institutions. 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 these institutions in matters of system wide university concern. In addition WOU engages in a number of collaborative initiatives with other universities and partners, as indicated below (P indicates Participation, N/P indicates Non-Participation):

Table 5: Western Oregon University 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 (<i>note: taking part in State contracts</i>)	P
Capital Construction Services	P
OWAN	N/P
NERO Network	P
RAIN	N/P
Orbis Cascade Alliance	P
ONAMI	P
Other	Public Education Deans Group, Oregon Graduate Deans, Public Universities Registrars Group, Public Universities Admissions Group, Accelerated Learning Oversight Committee, Financial Aid Directors Group, Computer Science Chairs Group

WOU has a number of curricula and program collaborations with other community colleges and universities in the State. It has a 10-year running dual enrollment partnership with Chemeketa Community College under which students may readily enroll in coursework at both institutions and have their financial aid managed by a home campus. Through this partnership the two universities have been meeting to update and stream-lined degree program transfer pathways between the two schools. Of note are very strong relationships that have been established by the faculty in education (both for K-12 and early childhood tracks), computer science and information systems and psychology to advise and facilitate transfer of associate students into degree tracks at WOU.

In November 2016, WOU and Clackamas Community College signed a formal dual-enrollment agreement and additional dual-enrollment agreements are being developed with other community colleges such as Clatsop Community College for which the WOU computer science department is in the second year of a pilot project to provide live capture lecture courses in support of Clatsop's computer science curriculum.

Western Oregon University continues to work closely with OHSU in providing non-medical-related curricular offerings in support of nursing students completing the BSN at the WOU campus. Further, WOU physical plant provides support for the facilities that house the OHSU nursing program and the WOU's computing services provides computer desktop and installation support and smart room support to the OHSU nursing facility.

WOU has been involved in supporting the development of ASOT programming, actively participating in the development of the ASOT-Computer Science transfer degree and has played the lead role in developing a proposed ASOT-Biology transfer degree that has been endorsed by the Joint Transfer Articulation Committee and Provosts Council. It is currently under review by the community college Chief Academic Officers. Lastly, WOU is the lead university in Oregon working with HECC staff in implementing the WICHE Passport Initiative which will streamline interstate transferability of general education requirements among other Passport institutions.

PATHWAYS

One area of collaboration that is of some concern, both in Oregon and nationally, is student transfer 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 result 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, which can hinder community college students and advisors in effective degree planning.

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>]. Western Oregon in that same period enrolled 36 percent of its students as transfers.

Western Oregon has been an active participant in statewide projects such as the statewide Joint Transfer Articulation Committee (JTAC), which oversees and maintains the statewide transfer degrees. Additionally, WOU was an early supporter and participant in the Interstate Passport [FN: <http://www.wiche.edu/passport>], a WICHE-led initiative to create an innovative learning outcomes based system of lower division general education that is meant to connect to other institutions across the western states and around the country. WOU was the first Oregon university to lead in the creation of the Passport framework and the first Oregon university to adopt it.

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. NB: these are data from SCARF source for all percentages.

SHARED ADMINISTRATIVE SERVICES

Western Oregon University also engages collaboratively in a number of administrative services with other universities and partners, as indicated in the table below. (P indicates participation; NP indicates)

Table 7: Shared Administrative Services

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

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

Stemming from the passage of SB 270 and the University Shared Services Workgroup of 2013, as well as subsequent legislation found in ORS 352.129, 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 back-office functions previously offered by the OUS Chancellor's Office. ORS 352.129 mandates participation by the independent universities in certain services offered by USSE until July 1, 2019. These mandated services include group health insurance, a select set of group retirement plans, and collective bargaining (SEIU). All universities, including WOU, continue to participate in these mandated services.

FINANCIAL METRICS

This section of Western Oregon University’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, Western Oregon University’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.

Ratio	FY 14	FY 15	FY 16	Benchmark
Viability Ratio	41.00%	58.00%	69.00%	>125.00%
Primary Reserve Ratio	29.00%	38.00%	40.00%	>40.00%
Net Operating Revenues Ratio	-3.88%	-3.02%	2.17%	>4.00%
Return on Net Assets Ratio	5.81%	12.47%	103.31%	>6.00%
Debt Burden Ratio	3.85%	4.56%	5.18%	<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. While WOU’s viability ratio has improved over the past three years, it falls significantly short of this capability. Creation of additional debt could slow progress on this improving metric and, therefore, should be carefully considered and monitored by the institution.

WOU’s primary reserve ratio has been relatively stable. 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 stability of WOU’s primary reserve ratio from FY15 to FY16 suggests the institution is not growing operating expenses faster than revenues.

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. WOU’s ratio has improved significantly since FY14, reaching a positive 2.17% in FY16, indicating the institution is growing in its capacity to develop a stronger fund balance or its ability 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. While WOU shows a dramatic increase in its return on net assets ratio in FY16, that increase is primarily derived from accounting changes and doesn’t allow for comparison to prior years. Specifically, debt associated with Article XI-G, Article XI-Q, COPs, and lottery bonds were shifted off of WOU’s balance sheet to the State of Oregon due to the reorganization of the former Oregon University System, dramatically improving WOU’s return on net assets for FY16.

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. WOU’s debt burden ratio has hovered around the standard benchmark of 5% over the last two years. This indicates that debt is not being overly relied upon to finance WOU activities and that the cost of debt is at a manageable level.

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.

Ratio	FY 14	FY 15	FY 16	Benchmark
Viability Ratio	41.00%	50.00%	48.00%	>125.00%
Primary Reserve Ratio	29.00%	35.00%	25.00%	>40.00%
Net Operating Revenues Ratio	-3.88%	3.22%	-7.52%	>4.00%
Return on Net Assets Ratio	5.81%	31.83%	86.54%	>6.00%
Debt Burden Ratio	3.85%	4.87%	4.70%	<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 out the whole meeting. At WOU the Board of Trustees and faculty continue to work on joint understandings of appropriate access.

The WOU Board of Trustees meet in regular session four times annually and once in a planning retreat (see <http://www.wou.edu/board/meeting-materials/>). The Board issues call-to-meeting letters and agenda prior to public sessions of the Board. Information is disseminated on the campus website, to all campus listservs, and to a list of external persons and organizations that have indicated interest in WOU's board meetings (See <http://www.wou.edu/board/meeting-materials/> for information on the Board's meeting materials).

The Board includes reports from its shared governance groups and an opportunity for public comment at its regularly scheduled Board meetings. The Board Statement on the Conduct of Public Meetings with further information may be reviewed here: [http://www.wou.edu/board/files/2014/10/WOU Board Statement on Conduct of Public Meetings1.pdf](http://www.wou.edu/board/files/2014/10/WOU_Board_Statement_on_Conduct_of_Public_Meetings1.pdf). The Board livestreams its regularly scheduled meetings so interested persons can observe the meeting from any location. Currently, the Board has transcription services present at regularly scheduled Board meetings to ensure a reasonable transcript in order to facilitate complete and accurate meeting minutes. The Board holds an open "meet-and-greet" coffee with the campus community prior to regularly scheduled meetings, other than the meeting held in July. WOU has a designated person assigned to public records requests. The Board adopted bylaws prior to its official start date of July 1, 2015 (see Board bylaws at: [http://www.wou.edu/board/files/2014/10/WOU Bylaws1.pdf](http://www.wou.edu/board/files/2014/10/WOU_Bylaws1.pdf)).

Trustee and university officials are expected to operate in an ethical, efficient, and effective manner by the Board. The University adopted and reviewed two Board Statements germane the Board's fiduciary obligations to the University. The Board adopted a resolution on the individual responsibilities of trustees (see the adopted resolution: [http://www.wou.edu/board/files/2014/10/WOU Board Resolution on Responsibilities of individual Trustees.pdf](http://www.wou.edu/board/files/2014/10/WOU_Board_Resolution_on_Responsibilities_of_individual_Trustees.pdf)). The Board Statement on Ethics and Conflict of Interest may be reviewed here: [http://www.wou.edu/board/files/2014/10/WOU Board Resolution on Responsibilities of Individuals Trustees.pdf](http://www.wou.edu/board/files/2014/10/WOU_Board_Resolution_on_Responsibilities_of_Individuals_Trustees.pdf)

The Board has approved the university's existing mission statement and submitted it to the Higher Education Coordinating Commission for approval, in addition to receiving regular updates regarding the university's ongoing Strategic Planning process. As noted earlier, the Board will be reviewing and adopting a new mission statement at its January 25, 2017 meeting. The Board, upon review and recommendation of the Finance & Administration Committee receives quarterly management updates, the university's budget, and the externally audited financial statements for acceptance and approval.

The Board held a planning retreat in March 2016 in order to review the university's mission and trajectory in anticipation for a robust, campus-centered strategic planning process (see Planning Retreat Materials: [http://www.wou.edu/board/files/2014/10/Docket Mar 10-11 16 FINAL.pdf](http://www.wou.edu/board/files/2014/10/Docket_Mar_10-11_16_FINAL.pdf) and see meeting minutes: <http://www.wou.edu/board/files/2015/10/March-11-2016-Meeting-No.-13-Draft-Minutes.pdf>)

The Board has established a process for determining tuition and mandatory enrollment fees that provides opportunities for participation of enrolled students and student government. The Tuition Advisory Committee is comprised of enrolled students; it holds meetings throughout the academic year while providing an intimate venue for candid and robust conversation regarding all aspects of tuition and fee setting (see meeting minutes and committee letters to the Board: <http://www.wou.edu/financeandadministration/tuition-advisory-committee/materials/>).

The Oregon State Board of Higher Education, prior to its dissolution, selected WOU's current president -- Dr. Rex Fuller. As such, the Oregon University System, in close coordination with the incoming WOU Board Chair, negotiated the president's employment agreement, including standards for performance. The WOU Board obtained full governance authority over the university and at its October 28, 2015 full meeting, ratified standards for president evaluation. After consideration by the Board's Executive, Governance and Trusteeship Committee, the Board adopted WOU President Fuller's contract and a performance evaluation framework consonant with the employment agreement negotiated and approved by the former State Board of Higher Education. The docket for the October 28, 2015 meeting is available online (see the docket item: http://www.wou.edu/board/files/2014/10/WOU_DOCKET_Meeting_No_10_Oct_28_2015.pdf.) The minutes of the October 28, 2015 full board meeting at which the ratification and performance evaluation framework were approved may be reviewed (see the full board meeting evaluation framework: <http://www.wou.edu/board/files/2015/10/October-28-2015-Meeting-No.-10-Draft-Minutes.pdf>).

After the Board received full governance authority on July 1, 2015 over the university upon the dissolution of the Oregon University System, ratified the current mission statement at its July 22, 2015 regularly scheduled full meeting. The docket materials for this meeting may be reviewed (see the docket materials for the regularly scheduled meeting: http://www.wou.edu/board/files/2015/07/Board_Agenda_July_22_2015.pdf.) After its adoption of the mission statement previously approved by the Oregon State Board of Higher Education, WOU submitted this mission statement to the HECC. The HECC considered the WOU mission statement at its June 9, 2016 meeting. The docket materials may be reviewed (see the docket materials http://www.oregon.gov/HigherEd/Documents/HECC/2016%20Full%20Commission%20Meetings/06_June-9-2016%20TechnicalandRegionalUniversityMissions_Oregon%20InstituteofTechnologyandWesternOregonUniversity.pdf).

The WOU Board of Trustees has approved two significant changes to the university's academic programs and has submitted each to the HECC through the Provosts Council for approval. At its April 22, 2015 meeting, the Board approved a new MS degree program in Deaf/Hard-of-Hearing Education. The HECC approved this at its August 13, 2015 meeting. At its July 27, 2016 meeting, the Board approved a new BA/BS degree program in Educational Studies. The HECC approved this at its October 13, 2016 meeting.

All real property whether acquired before or after the creation of the WOU Board of Trustees is and shall be in the future held in the name of the State of Oregon.

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. This report relies heavily on regularly-conducted academic accreditation reports and the self-assessments prepared for these accreditation reviews, as well as on 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 accreditation for WOU in July 2016 when the university completed the final year of the 7-year accreditation cycle. WOU is on track with its accreditation cycle.

After a several years of enrollment increases driven by non-resident students, enrollment began to decline in 2011 and continued through Fall 2016 which saw an overall enrollment decline of 1.2% from the previous year. From 2015 to fall 2016, non-resident enrollment increased by 2.5% while resident enrollment declined by 2.2%. However, the number of underrepresented minority students enrolled at WOU continues to grow and now represents 23.3% of the university's total, the largest percentage at any Oregon public university. In Fall 2015, 43.7% of WOU's students were Pell Grant recipients.

The number of bachelor degrees awarded at WOU has fluctuated over the last three years in and the number of degrees awarded to underrepresented minority students has been declining over that same period, a direct correlation with decreases in enrollment. WOU has been nationally recognized for its noteworthy performance in graduation rates for Pell Grant recipients. Six-year graduation rates for Pell Grant recipients are slightly better than the overall student rate, however, underrepresented minority students lag the institutional average by 2 percentage points.

Partly as a result of state funding cuts, resident undergraduate tuition and fees at Western Oregon University increased 80.7% in the last 10 years, including increases of 2.2% and 5.3% in 2015-16 and 2016-17 respectively. Undergraduate tuition was not increased in 2016-2017 for students for whom the FASFA family contribution was zero. Western Oregon University estimates the average student budget for living expenses annually -- \$14,130 for the 2016-17 academic year.

In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), WOU students benefit from WOU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In 2015, the most recent year for which data was available, the average financial aid award was \$9,575. Of WOU students who leave the university with federal loan debt, their average federally-backed debt load is \$24,500. According to the College Scorecard, 63% of students receive federally supported loans.

As noted at the outset, this report constitutes a benchmark against which to evaluate WOU'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.

