

2018 UNIVERSITY EVALUATION: Portland State University



Portland State University Photo

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INTRODUCTION

This report is guided by Oregon Revised Statute 352.061, as revised by SB 54 (2017), which requires that the Higher Education Coordinating Commission (HECC) submit to the Legislative Assembly an evaluation of public universities listed in ORS 352.002. Each public university must be evaluated in the manner required by section 61 once every two years. The purpose of this 2018 report is to evaluate Portland State University'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 synthesis of accreditation reports, self-assessments conducted by the university on criteria jointly developed with the HECC, and state and federal data. This is PSU's third evaluation, and as such, it builds on the descriptive benchmarks identified in the 2016 report. The process is intended to be formative in that the report 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, it describes how the Portland State University Board of Trustees has operated since its formation in 2013-2014. The form and content of subsequent evaluations will continue to 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 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.

This year the HECC evaluated three institutions: Oregon State University, Portland State University, and University of Oregon.

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 statute, 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 funding formula, the student success and completion model and its indicators. After final review and consideration of stakeholder feedback, the HECC adopted the framework on September 10, 2015.

During each evaluation report cycle, 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 are 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 HECC 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 HECC 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, post-Oregon University System, governance model.

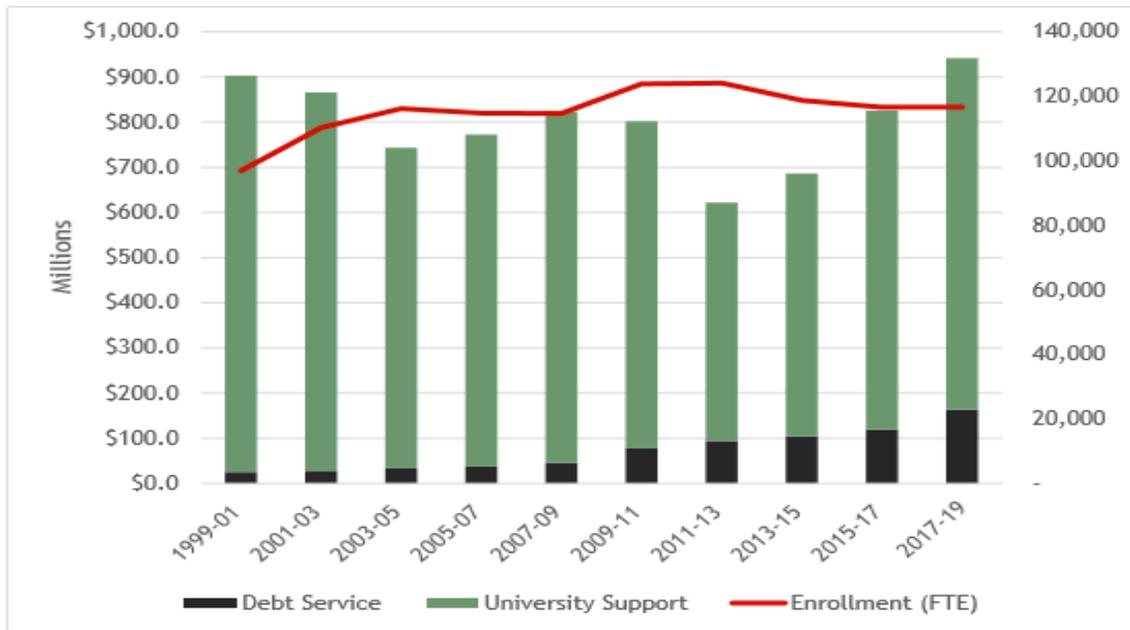
This report is focused on the legislative charge and the HECC’s primary areas of emphasis as indicated in its Strategic Plan. This report is not a comprehensive evaluation. It reflects the narrower scope of legislative issues of interest, incorporating findings from accreditation studies where there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



Notes: Projected Enrollment, Statewide Public Services and Sports Lottery excluded. Data Source: OUS IR 2013 Fact Book, p. 114, SCARF enrollment data, HECC BRS 2015-16, 2016-17, and 2017-18

Governance Changes

Senate Bill 270 (2013) 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. After July 1, 2019 the universities are no longer mandated to offer the same scope and value for each of the employee benefits referenced in the statute (ORS 352.129), but are still required to participate in a shared administrative arrangement for the provision of the benefits.

Local Conditions and Mission

Portland State University (PSU) is a dynamic public urban university that supports partnerships between the university and the city that create community-based learning experiences for students and teaching and research opportunities for faculty. As Oregon's public urban university, PSU provides educational opportunities to students who are demographically, financially, and academically diverse. In 2015 PSU conducted an in-depth process involving over 3,800 faculty, student, staff, and community stakeholders that resulted in a new mission statement and a new strategic plan for 2016-2020. ORS 350.075 and 350.085 require the HECC to review and approve public university mission statements. The Board of Trustees approved the new mission statement in December, 2015, followed by the HECC in April, 2016, and the NWCCU (Northwest Commission on Colleges and Universities) in July, 2016 (PSU Year One Self-Study).

VISION:

Portland State University leads the way to an equitable and sustainable future through academic excellence, urban engagement, and expanding opportunity for all.

MISSION:

- We serve and sustain a vibrant urban region through our creativity, collective knowledge and expertise.
- We are dedicated to collaborative learning, innovative research, sustainability, and community engagement.
- We educate a diverse community of lifelong learners.
- Our research and teaching have global impact.

The 2016-2020 Strategic Plan identifies five (5) goals which, with the attendant metrics, measure how PSU will execute its vision and mission (PSU Year One Self-Study). These goals include:

1. Elevate Student Success.
2. Advance Excellence in Teaching and Research.
3. Extend Our Leadership in Community Engagement.
4. Expand Our Commitment to Equity.
5. Innovate for Long Term Sustainability.

These goals, which also serve as the core themes for accreditation, are discussed and incorporated in relevant sections of this report.

ACCREDITATION

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 Portland State University. A more comprehensive assessment and review of academic and institutional quality is available from the NWCCU, which accredits PSU 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 is also addressed through accreditation. NWCCU accreditation occurs on a seven year cycle that consists of three parts: a Year One, a Mid-Cycle, and culminating Year Seven review. This section draws on the relevant parts of these NWCCU reports, supplemented with information on economic and community impact (identified from PSU sources). Other components of NWCCU reports are incorporated elsewhere, as appropriate.

PSU occupies a unique position in Oregon and plays a crucial role in the metropolitan region that it serves. As the state's premier urban research and teaching university, PSU has a well-defined mission to positively impact Portland and the broader community through educational access, engagement with local partners and the expertise of top-quality faculty and staff.

Founded in 1946 as a college for returning World War II veterans, PSU has grown to offer more than 200 Programs. It serves more than 27,000 students, 77% of whom are Oregon residents: a significant number are from historically marginalized and underrepresented racial and ethnic backgrounds, or are students with disabilities, working parents, first-generation students, international students, veterans, or returning students. PSU also attracts a large percentage of students who transfer from community colleges or other universities. It is an access institution that offers a quality liberal arts education as well as professional, graduate, and doctoral programs. PSU considers diversity an integral part of how it defines academic excellence.

Based on its curriculum and dedication to community engagement, PSU is widely perceived as a national model for how universities can partner with their communities to solve problems and improve quality of life. Beginning in the early 1990s, PSU defined and embraced its identity as an innovative and engaged institution. Its location in the heart of downtown Portland, Oregon, enables the University and the city to maintain long-term collaborative partnerships, fostering community-based learning experiences for students and engaging faculty in applied teaching and research opportunities. PSU is among 240 universities that have achieved the Carnegie Community Engagement classification.

PSU's innovative general education curriculum, University Studies¹, is nationally acclaimed for its integration of community engagement and interdisciplinary teaching and learning across the four years of the program.

Central to PSU's mission are strong graduate programs. The University offers a variety of educational and research opportunities through more than 89 masters and 21 doctoral programs and 48 graduate certificates. PSU serves more graduate students than any other institution in Oregon. The growing research enterprise creates opportunities for faculty and graduate students to create new knowledge and to work with community

¹ <https://www.pdx.edu/unst/home>

partners in applying knowledge to real-world problems. In fiscal year 2015, PSU’s sponsored research expenditures totaled \$60.6 million; in FY16, \$63.5 million; in FY17 61.8 million; and in FY 18 60.3 million. .

Table 1 shows the magnitude of growth in enrollment, research, programs and space over the past 2 decades.

Table 1. Growth at Portland State University from 2000-2001 to 2017-2018

	2000-2001	2017-2018
Total Enrollment	20,026	27,305
Research Expenditures	\$26.4m	\$44.9
Graduate Programs	51	110
Full-Time Faculty	590	842
Part-Time Faculty	332	709
Square footage	3.91m	5.24m

(PSU, 2018)

In 2015, PSU completed the final year of the 7-year accreditation cycle. The NWCCU report on the findings of this review is available at: <https://www.pdx.edu/academic-affairs/sites/www.pdx.edu/academic-affairs/files/NWCCU%20year%20seven%20recommendations.pdf>.

The 2015 NWCCU Year 7 (Mission Fulfillment and Sustainability) evaluation resulted in affirmation of accreditation. The NWCCU report contained two commendations:

1. The University was deeply engaged with the community and connected to the city of Portland particularly as evidenced in its capstone courses and community-based research. The regular assessment of capstone courses lead to continuous improvement led by faculty and in alignment with the University’s learning goals.
2. The University’s use of innovative approaches to curricular development and student success, including the ReThink PSU initiative; the advising portal; and the Last Mile initiative that identifies undergraduate students who have dropped out within a term or two of completing a degree because of curricular or financial problems to return and complete their programs.

The report also contained two recommendations:

1. The evaluation committee noted the absence of the required management letter (Management Discussion and Analysis – MD&A) which should accompany Portland State University’s audited financial statements per Governmental Accounting Standards Board (GASB) requirements and NWCCU standards. The evaluation committee recommended that Portland State University include the MD&A for the current and future years to fully meet the NWCCU’s standards.
2. The evaluation committee recommended that assessment of student learning outcomes be systematically accelerated such that continuous improvement from assessment can lead to enhancement of student achievement and to meaningful evaluation of mission fulfillment.

In March, 2016, in response to the first recommendation, PSU submitted its Ad Hoc report to NWCCU, which included the completed externally audited financial statements and the MD&A letter. In July 2016, NWCCU confirmed that the university was in compliance. PSU submitted plans to address the second recommendation in its Year One Self-Evaluation (prepared in September 2016). The Year One Self-Evaluation Report is available at: <https://www.pdx.edu/academic-affairs/sites/www.pdx.edu/academic-affairs/files/Year%20One%20Self%20Evaluation%20FINAL-%2009.14.2016.pdf>. In its response in February 2017, NWCCU encouraged PSU to continue to work on providing evidence of measures of student learning outcomes, focus on intended education mission and articulation of student gains in learning outcomes. PSU continued to do so in an Ad Hoc report in March 2017 and again in its Mid Cycle Self Evaluation submitted in August 2018.

Individual programs in PSU’s professional schools and colleges (listed below) are accredited by professional organizations. A specialized accredited program list is available at: <http://www.pdx.edu/academic-affairs/programmatic-accreditation>

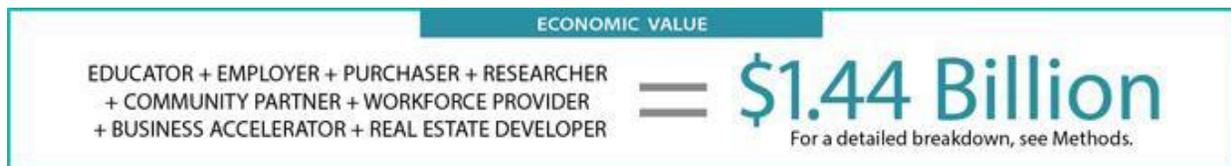
- Undergraduate and graduate business programs
- Accounting program
- Teacher Education programs
- Counseling program
- Social work programs.
- Undergraduate programs in civil, computer, electrical, and mechanical engineering
- Computer Science Program.
- Speech and Hearing Sciences program
- Chemistry program
- Master of Urban and Regional Planning
- Master of Public Administration

- Master of Public Health
- Master of Public Administration (Health Administration)
- Master of Public Health (Health Management & Policy)
- Music program
- Theater program
- Master of Architecture program
- Undergraduate Health Studies program

Economic and Community Impact

Using a nationally-accepted methodology for calculating the economic impact of universities, PSU economic impact was over \$1.52 billion dollars in FY18.

Figure 2: PSU Economic and Community Impact



PSU graduates have an enormous economic impact on the region, as around 66% of PSU resident graduates and 29% of non-resident graduates from the 2008-2009 cohort remain in Oregon, investing their energy, skills, talents, and tax dollars in the state.

According to the annual NAFSA Association of International Educators' report on student spending, international students who attended PSU in 2018 contributed \$75.4 million to the regional economy. PSU is also a top-ten employer, providing over 7,000 family wage jobs (762 employees have a Doctorate or other terminal degree) to employees who contributed \$14.2 million in employer-based taxes to pay for local and state services in FY18.

PSU is a major purchaser of goods and services, spending over \$200 million in FY18. In that year, two thirds of all purchases were from contracts with state and local vendors. PSU is creating more opportunities for Portland's minority, women and emerging small businesses (MWESB) through its new Equity in Public Contracting Policy. In FY18 they paid out nearly \$30 million to MWESB businesses. PSU's impact on the workforce is felt in every sector of Oregon's economy. Most of the state's largest businesses employ PSU alumni; Intel, for example, employs over 1,000 PSU graduates.

The increase of funded research at PSU continues and its 30 research centers and institutes are working to find solutions to the challenges that matter most to its community. For example, PSU's two latest centers focus on Digital Cities and Homelessness. PSU scholars continue to partner with colleagues from other Oregon universities in three state-wide Signature Research Centers: OTRADI, ONAMI and Oregon BEST. PSU's

Research and Graduate Studies program also supports four centers with statewide and national impact:

- Center for Electron Microscopy and Nanofabrication (CEMN)
- Center for Interdisciplinary Mentoring Research (CIMR)
- Institute for Sustainable Solutions (ISS)
- Transportation Research and Education Center (TREC)

Recognized by U.S. News and World Report as one of America's most Innovative Universities, PSU is home to Oregon's Cleantech Challenge and InventOR: two programs that introduce inventive new student ideas to the market. Targeting Biosciences, Advanced Manufacturing, Healthcare, Construction, Technology and Software Development -- six of the business clusters called out in the Oregon Talent Assessment -- the Portland State Business Accelerator (PSBA) is incubating the next generation of new entrepreneurs.

PSBA Impact Data (2007-2018)

- 140 startups incubated (70% are still active)
- 10 PSU faculty business incubated
- 1,200+ PSU students engaged in Capstones, internships, and hired!
- Graduated + Resident companies have provided 2,000+ high wage jobs
- \$180M capital raised by PSBA companies
- \$75M+ revenue generated

In partnership with the City of Portland, Oregon Health and Science University (OHSU) and others, PSU is building the University District, while meeting regional goals for retail and commercial development, transit planning, housing and small business development. Since its 2014 impact report, PSU has spent \$142 million on the renovation of three campus buildings: the Karl Miller Center, Peter Stott Center/Viking Pavilion and Neuberger Hall. In 2019, they begin construction of the \$70 million dollar Fourth and Montgomery Building in partnership with Oregon Health Sciences University, Portland Community College and the City of Portland. This state-of-the-art facility continues a tradition of collaborative development and will host the PSU Graduate School of Education; the PSU-OHSU School of Public Health; Portland Community College's Dental Program; and the City of Portland's Bureau of Planning and Sustainability.

PSU's national reputation as an innovative, engaged, urban-serving university continues to differentiate it from its competition in the increasingly crowded higher education market. Key partnerships with public, private and non-profit partners, including Intel, Daimler, PGE, City of Portland, Multnomah County, Oregon Health Sciences University (OHSU), Mercy Corps, and Oregon Museum of Science and Industry (OMSI), provide students and faculty with outstanding opportunities to contribute to the physical, social, cultural, and economic development of the Portland metro region. In 2017 (the last year the count was completed) PSU students contributed 942,000 service hours, worth \$23 million to the local economy.

The PSBA is home to more than seven active start-up companies (<https://www.pdx.edu/research/startup-companies>) in technology, bioscience, and clean-tech. Together, they have raised more private angel and venture capital in the last three years than any other accelerator in Oregon. The Business Accelerator speeds the success of high-growth companies by providing resources, connections, expertise, university support, and control of high-impact costs, all within an entrepreneurial community focused on growth. The PSBA impacts the regional economy in a variety of ways such as, jobs and employment; capital investment in PSBA companies; angel investing; and grants received.

A generally accepted methodology tells the impact story of Accelerators. According to the National Business Incubation Association (NBIA), for every \$1 of public investment made in NBIA member incubators, \$30 in tax revenue is generated in the local economy. Using this formula, we estimate the economic impact of the

PSBA was \$10.2 million in 2012-2013.

PSU planning and development activities have a significant impact on the region’s planning, design, and architecture community. PSU partners with local firms on feasibility studies, environmental impact statements, architectural design, and construction. The University contributed \$23 million to the regional economy in FY13 through planning and real estate investments.

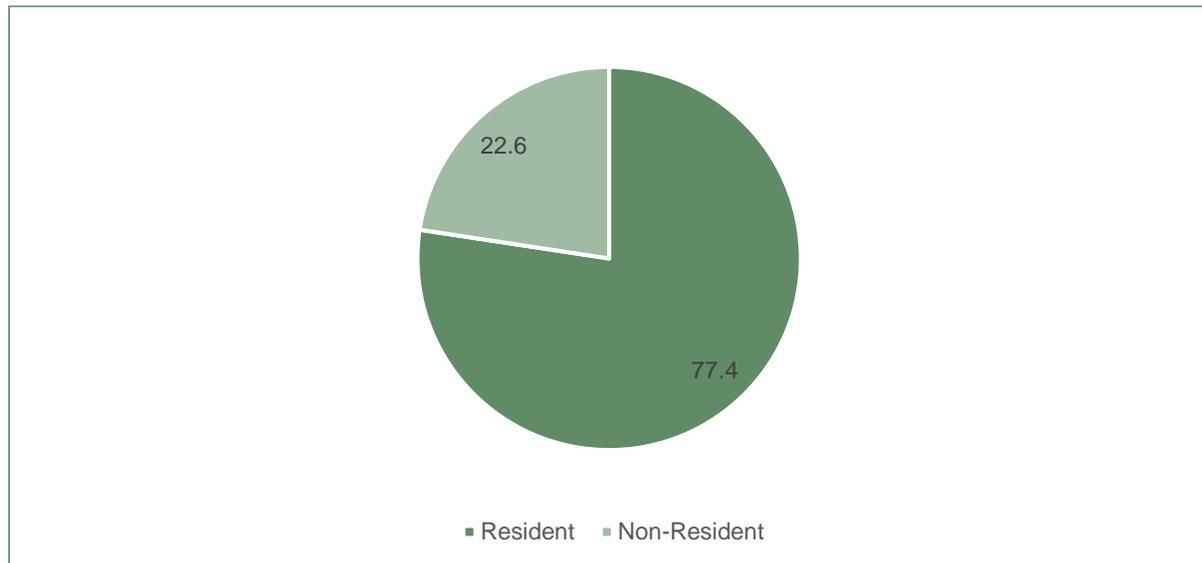
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STUDENT SUCCESS AND ACCESS

Nationally, enrollment in higher education has generally declined since its peak during the Great Recession (2008). 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 is focused on tracking trends in enrollment and completion outcomes.

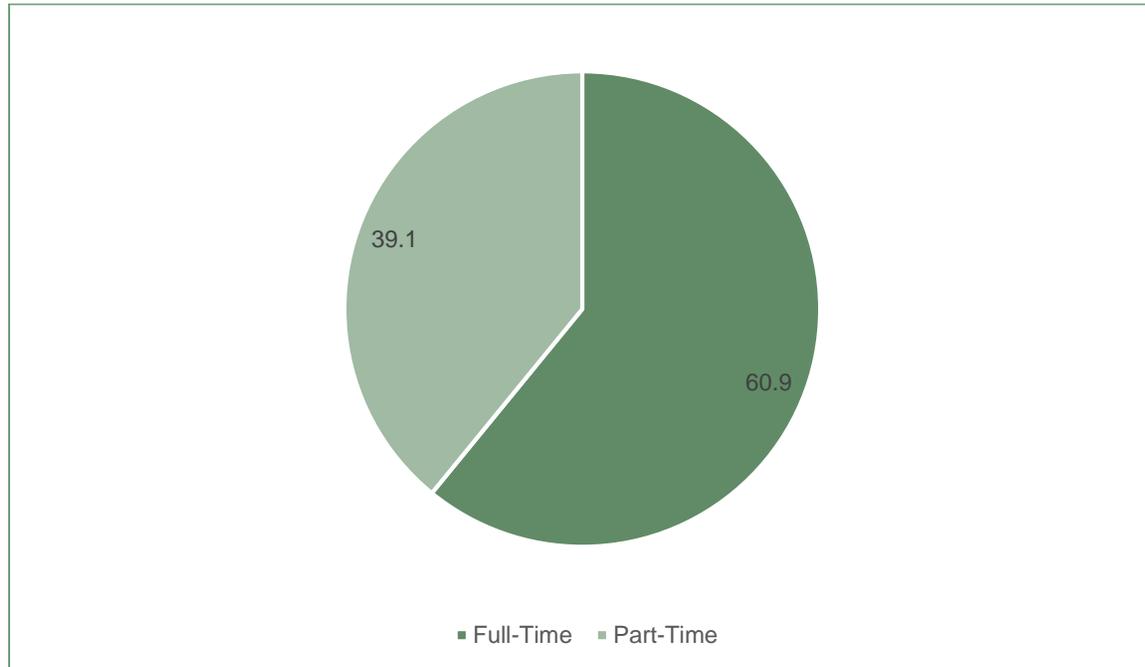
As detailed by Figures 3 and 4 during the 2017-2018 academic year the majority of PSU students (77.4%) were Oregon residents. The majority of PSU students (60.9%) also attended full-time.

Figure 3: PSU Student Enrollment by Residency, Fall 2017



Source: HECC (2018)

Figure 4: PSU Student Enrollment by Full-Time/Part-Time Status, Fall 2017



Source: HECC (2018)

PSU enrolled 27,305 students in fall 2017, and has experienced a decrease from 28,731 in enrollment (down 5.0%) since fall 2012.

PSU enrolled 26,379 students in fall 2018, a decline of 3.4% from the prior year. PSU's overall enrollment decline was concentrated among non-resident students, which declined 4.9%. Resident enrollment decreased 3.0% between 2017 and 2018. However the year-to-year trend did increase for newly admitted undergraduates, which grew 5.1% between 2017 and 2018.

While single year enrollment changes do not constitute a trend on their own, they are generally consistent with longer term enrollment patterns at PSU. After several years of significant resident enrollment increases, PSU experienced resident enrollment declines beginning in 2012, even as non-resident enrollment continued to grow. Fall 2017 saw the first decline in non-resident students since 2011.

PSU students come from diverse backgrounds and the University has seen significant and consistent growth in underrepresented minority students since 2011. In fall 2018, PSU enrolled 5,921 underrepresented minority students, representing 22.4% of the total student population. There has been an upward trend in enrollment among Hispanic students and those who identify as being two or more races who are under-represented minorities. On the other hand, there has been a downward trend in enrollment among American Indian/Alaska Native students. Enrollment for Native Hawaiian or Pacific Islander students has remained relatively flat since 2016. There has been a 5.1% increase in African American students between fall 2016 and fall 2018.

In fall 2018, 36.0% of PSU's students were Pell Grant recipients, compared to 38.7% in fall 2016.

Table 3: PSU Headcount Enrollment by Ethnicity, Fall Terms 2015, 2016, 2017, and 2018

Race/Ethnicity	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Change Fall 2017 to Fall 2018
Non-Resident Alien	2,202	2,214	2,057	1,918	(139)
American Indian/ Alaska Native	360	339	269	291	22
Asian	2,103	2,098	2,286	2,115	(171)
Black Non-Hispanic	900	862	896	906	10
Hispanic	2,864	2,969	3,288	3,542	254
Pacific Islander	161	154	153	156	3
Two or more races, Underrepresented Minorities	872	925	1,004	1,026	22
Two or more races, not Underrepresented Minorities	563	587	612	593	(19)
White Non-Hispanic	16,695	15,721	15,241	14,495	(746)
Unknown	1,356	1,360	1,472	1,337	(135)

Source: HECC (2018)

Different student populations do not perform and graduate at similar rates. From the most recent data, Pell Grant recipients at PSU graduated at a higher six-year rate than the all student average. The four and six-year graduation rates* for PSU First Time Freshmen who entered in the fall term of 2011 are as follows:

Table 4: Four-Year and Six-Year Graduation Rate, First Time, Full Time Freshmen Entering PSU in Fall 2011

	Four- Year Graduation Rate	Six-Year Graduation Rate
All Students	22.0%	52.7%
Underrepresented Minorities	16.0%	50.6%
Pell Grant Recipients	19.3%	54.3%

Source: HECC (2018)

*Fall 2011 cohort is the latest year of available data.

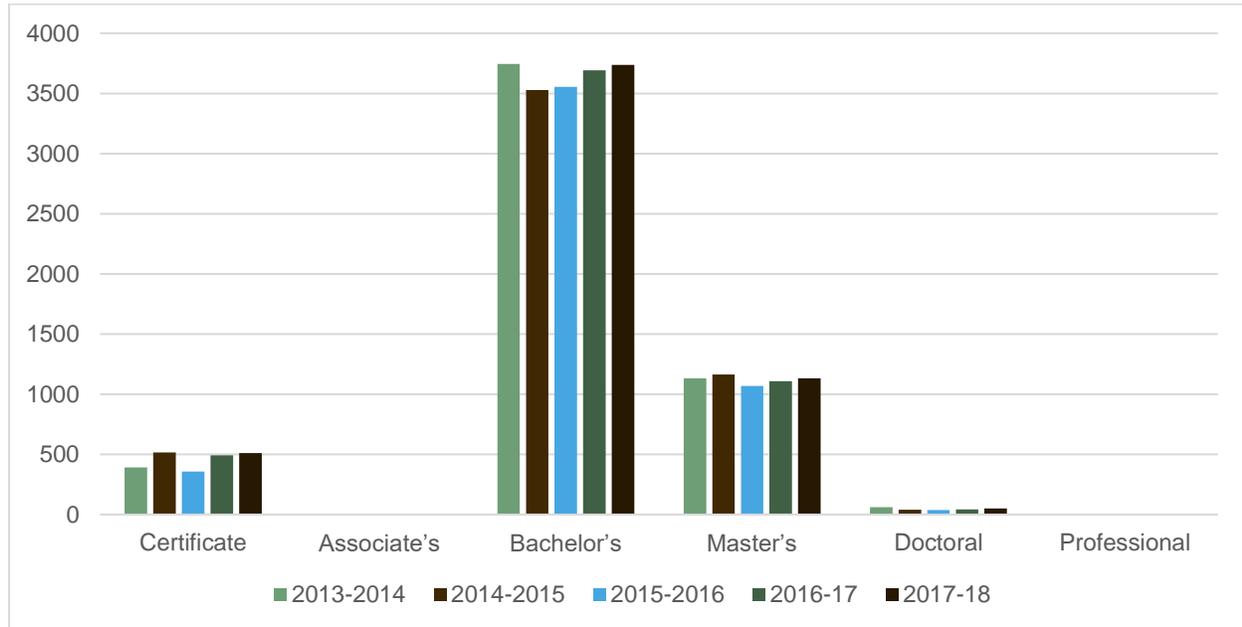
PSU’s number of resident completions by award type continue to relatively increase in every category in the 2017-2018 academic year compared to the 2015-2016 academic year. Bachelor’s degrees are by far the greatest student completion count by award type. PSU does not offer associate’s or professional degrees.

Table 5: PSU Resident Student Completions by Award Type

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Certificate	392	516	357	493	512
Associates	-	-	-	-	-
Bachelors	3,746	3,528	3,555	3,692	3,737
Masters	1,131	1,165	1,068	1,108	1,132
Doctoral	61	39	38	44	50
Professional	-	-	-	-	-

Source: HECC (2018)

Figure 5: PSU Resident Student Completions by Award Type



Source: HECC (2018)

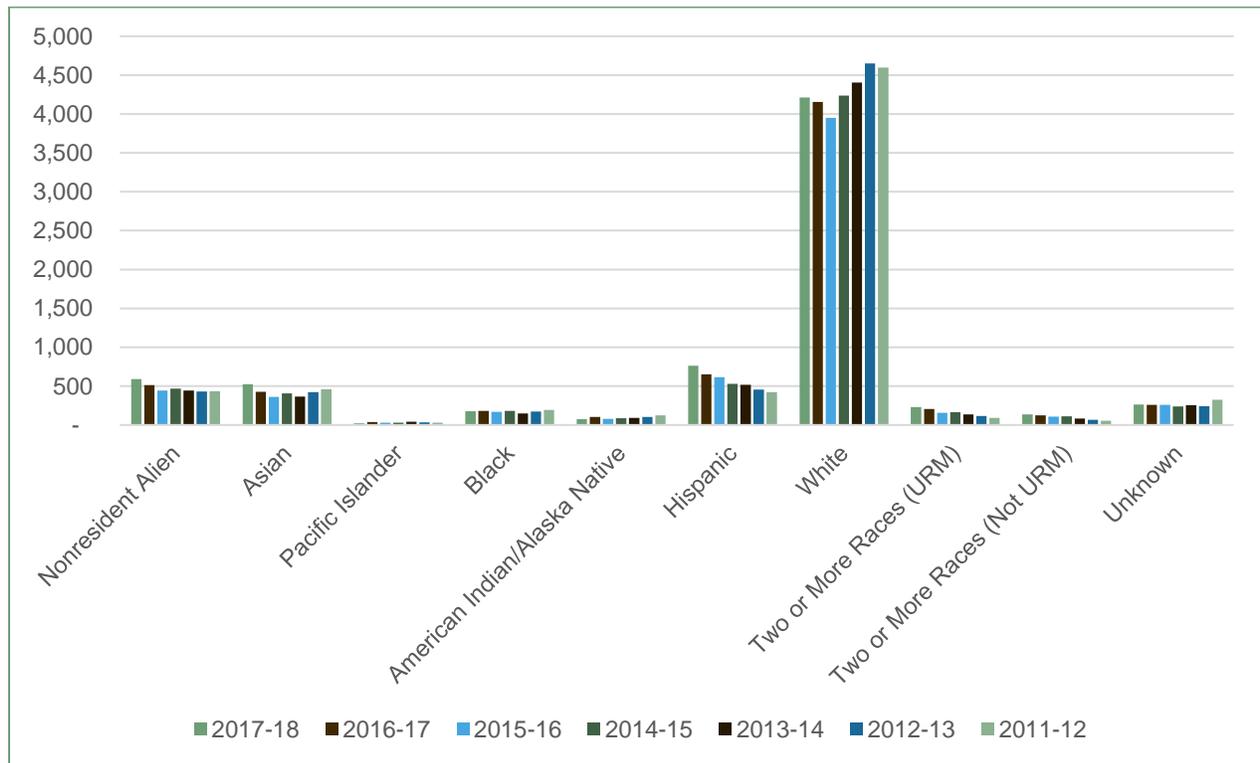
Six-year graduation rates for all students at PSU have improved from 45.7% in 2016 to 52.7% in 2018. While graduation rates for underrepresented minority students continue to lag the institutional rate by 2 percentage points less than the overall population, PSU is making year over year increases in the number of degrees awarded to underrepresented students overall and that figure has increased by 17.3% between 2016 (919 student) and 2018 (1,078).

Table 6: PSU Completions by Race/Ethnicity

	2013- 2014	2014- 2015	2015- 2016	2016- 2017	2017- 2018
Non-Resident Alien	443	469	442	513	591
American Indian/Alaska Native	91	87	79	105	76
Asian	366	406	362	427	524
Black Non-Hispanic	150	183	171	181	178
Hispanic	518	529	614	654	764
Pacific Islander	43	30	29	37	21
Two or more races, Underrepresented Minorities	138	166	157	207	229
Two or more races, not Underrepresented Minorities	85	112	106	123	135
White Non-Hispanic	4,406	4,236	3,950	4,155	4,211
Unknown	254	239	261	259	263

(HECC, 2018)

Figure 6: PSU Completions by Race/Ethnicity



Source: HECC (2018)

In order to be supportive and responsive to its diverse student population, PSU has established resource centers where students can seek academic or personal assistance. These centers include the Disability Resource Center, La Casa Latina, Multicultural Center, Native American Student and Community Center, Queer Resource Center, Resource Center for Students with Children, Veterans Resource Center, Women’s Resource Center, a new Asian/Pacific Islander Student Center, and a new Black Student Resource Center.

PSU also has a successful Last Mile initiative which seeks out students who have dropped out within a term or two of graduating primarily for financial reasons and provides them economic resources and scholarships to complete their degrees. To date the program has assisted over 500 students in earning degrees (<http://www.pdx.edu/insidepsu/last-mile>).

AFFORDABILITY

Among the factors that the HECC is required to determine (under ORS 352.065 and 352.025(1)(d)) is whether universities remain affordable for Oregon residents.

Many students and prospective students at the Portland State 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 Portland State University increased 48.1% in the last 10 years, including increases of 5.3% and 3.7% in 2016-17 and 2016-18 respectively.² Specifically, in 2018-19 tuition increased 4.0% and fees increased 3.7%.³ Resident graduate students have faced similar increases.

Students, however, do have access to financial aid at Portland State University. In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), Portland State University students benefit from PSU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In the 2017-18 academic year, PSU recorded \$12,199,828 in resident tuition remissions (9.1% of resident gross tuition charges). The year prior, in the 2016-17 academic year, PSU recorded \$9,765,568 in resident tuition remissions (7.3% of resident gross tuition charges).

Portland State University also engages in a number of programs designed to increase access and completion among targeted populations. For example, PSU's "Four Years Free" program promises that any Pell eligible Oregon resident first-time freshman with a HS GPA of 3.4 or better will have their first four years of tuition and fees⁴ covered by Portland State after all other federal or state aid is paid.⁵ If a student takes longer than four years, they must pay any additional tuition or fee costs. PSU recently launched a similar program targeted to Pell-eligible Oregon resident students who transfer in with a GPA of at least 2.5.⁶ Portland State also has a number of scholarships targeted to first-generation students, students of color and other underserved populations.⁷ However, despite these considerable efforts, 61% of resident students in 2016-17 were unable to meet expenses with expected resources: family contributions, student earnings, and grant aid.⁸

² Source: <https://www.pdx.edu/student-financial/tuition-and-fees> as well as historical OUS tuition data. Defined to include full-time resident base tuition and all mandatory fees (including incidental fees).

³ A full-time resident undergraduate student (taking 45 credits per year or 15 credits for each of three terms) at Portland State will pay \$7,695 in tuition and \$1,410 for a total annual cost of \$9,105.

⁴ Both this and the transfer program only cover tuition and fees not paid for by federal or state grants. They do not cover room and board or other personal costs. Outside scholarships, work-study or loans will be needed to cover such costs.

⁵ Source: <https://www.pdx.edu/four-years-free>

⁶ Source: <https://www.pdx.edu/undergraduate-admissions/transfers-finish-free>

⁷ Source: <https://www.pdx.edu/scholarships/current-students>

⁸ Source: <https://www.oregon.gov/highered/research/Documents/Snapshots/PSU-Snapshot.pdf>

Tuition tells only a small part of the affordability story. The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. Portland State University estimates the average student budget for living expenses annually – \$16,980 for the 2018-19 academic year – exceeds resident tuition and fees.

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. On average, the earnings of federal loan recipients 10 years after beginning school at PSU are \$44,700. Among Portland State undergraduate degree recipients who graduate from the university with federal loan debt, average federally-backed debt load is \$21,969. According to the College Scorecard, during the 2016-17 academic year, 47% of Portland State's students had federally supported loans and 40% received Pell Grants.

ACADEMIC QUALITY AND RESEARCH

The HECC relies on four key areas to track academic quality and research at each institution: regular external accreditation reviews to assess each institution's progress in meeting its stated mission, vision and goals; evidence of regular academic program review to improve quality; regular faculty evaluation and opportunities for professional development; and institutional reports of research activity evidenced by research expenditures. Research contributions are also reflected in economic impact and collaborations both discussed elsewhere in this report.

In 2014, the HECC adopted a new formula for distributing state resources to public universities that incentivizes growth in enrollment and graduation outcomes. While no evidence has emerged that the new formula has resulted in the lowering of academic quality standards at Oregon public universities, the HECC remains sensitive to this concern and continues to be vigilant about sustaining rigorous academic quality at all public universities. In partnership with all public universities, the HECC leverages 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 NWCCU Year 7 Evaluation report commended PSU for the enrichment students receive through numerous connections to the community, including a community-based capstone experience required of undergraduates. Assessment of capstone courses lead to continuous improvement led by faculty and in alignment with the university's learning goals. The evaluation committee also commended PSU's use of innovative approaches to curricular development and student success, including the ReThink PSU initiative, the advising portal and the Last Mile initiative that identifies undergraduate students who have dropped out within a term or two of completing a degree because of curricular or financial problems can return and complete.

PSU has clearly defined processes for academic program review and approval (<http://www.pdx.edu/academic-affairs/academic-program-review>). Faculty evaluation and professional development are fundamental to sustaining academic quality. PSU has clearly defined processes for evaluating faculty including for promotion and post tenure review (<http://www.pdx.edu/academic-affairs/promotion-and-tenure-information>).

PSU has made substantial commitments to faculty professional development. The University provides over \$1 million dollars in formally-funded faculty development opportunities, in addition to support provided by multiple offices and units. The amount of professional development funds available to faculty and staff was increased in the latest AAUP/PSU Collective Bargaining Agreement (: https://www.pdx.edu/academic-affairs/sites/www.pdx.edu.academic-affairs/files/AAUP%20CBA%202015-2019_Final%20Draft%206-22-16%20w-signatures.pdf).

1. Faculty Orientation, Mentoring, and Diversity

The Office of Academic Affairs' New Faculty Orientation is an annual event offered to new full-time faculty (<http://www.pdx.edu/academic-affairs/new-faculty-orientation>).

The Faculty Mentoring Program is available to support participants through a structured one-year program, developed to promote program objectives and provide guidance (https://www.pdx.edu/diversity/sites/www.pdx.edu.diversity/files/Program%20Prog%20Structure_1.pdf).

The President's Diversity Mini-Grant (<https://www.pdx.edu/diversity/the-presidents-diversity-mini-grants-program>) is offered through the Office of Global Diversity & Inclusion and the Diversity Action Council (DAC) to promote a positive campus climate for diversity; support the development of diversity curriculum, enhance communications across race, gender, and other boundaries, and assist in the recruitment and retention of a diverse student body, faculty, staff, and administration. The President's Diversity Mini-Grant Program supports diversity activities that address these goals. Support may be requested for curricular development projects, campus events and programs, or diversity-related research, including but not limited to the evaluation of campus diversity programs.

1. Professional Development, Teaching and Innovation, Travel and Enhancement Awards.
 - Faculty Education Fund provides support for tuition for part-time faculty enrolled in PSU courses (for funding available, see the Collective Bargaining Agreement with the PSUFA).
 - The Professional Development Fund for Part-Time Faculty covers the cost of research, travel, and conference attendance related to responsibilities at the university (for funding available, see the Collective Bargaining Agreement with the PSUFA).
 - The Office of Academic Innovation provides leadership and support for campus activities that explore and promote excellence in teaching and learning, innovative curricular technology use, and community-based learning, through consultations, learning groups, and workshops. Resources include a new faculty orientation series, writing workshops, support for online instruction, community engagement and in-class evaluations (<http://www.pdx.edu/oai/>).
 - Individual Professional Development Accounts (IPDA) have been established for faculty to fund travel, professional development, and other job related expenses. Per the Collective Bargaining Agreement with the AAUP, specific funding amounts for tenured and tenure track faculty, non-tenure track faculty, and academic professionals are placed in IPDA accounts each year. Requests for use of IPDA funds is approved and administered at the college and department level. The implementation of IPDA replaces the previous Faculty Travel Award process.
 - Faculty Enhancement Grants are administered by the Faculty Development Committee, which is appointed by the PSU Faculty Senate. The committee supports a broad range of professional development activities.
2. Research Support

- Research and Graduate Studies (formerly Research and Strategic Partnerships) offers a number of internal funding opportunities to assist with conference travel, new lines of research, and the development of proposals for external funding. In addition to these internal opportunities, departmental research administrators are available to connect faculty with grants and funding sources specific to their field (<http://www.pdx.edu/research/>).

RESEARCH ACTIVITY

Partnerships with other higher education institutions in the region, such as OHSU, and with public and private organizations, such as the Portland Development Commission and Portland General Electric, create opportunities for faculty and students to engage in cutting-edge research in a variety of areas, including health and sustainability-related fields, business, urban planning, engineering, and social work. Connections with the city's arts community enable students to learn from professional artists in a thriving urban environment, while the joint emphasis of PSU and the eCity of Portland on sustainable urban futures provides a laboratory for applied research on transportation and energy alternatives, as well as the development of social structures to support green environments.

PSU's external funding from research grants and agreements increased significantly over the past ten years, from \$32 million in FY04 to a high of \$66 million in FY12, tapering slightly in FY13 to \$59 million. This growth was amplified in the late 2000's by an influx of funding from a few large awards and funding from the American Recovery and Reinvestment Act (ARRA).

Although these one-time funds have tended to inflate sponsored project expenditures in short term, PSU's base of funding from external sponsors from grants and contracts has continued to grow steadily. In FY 18, total research expenditures were \$60.3 million.

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,

PSU engages in a number of collaborative initiatives with other universities and partners, as indicated below (P indicates Participation, N/P indicates Non-Participation):

Table 7: Portland State 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>)	N/P
Capital Construction Services	N/P
OWAN	N/P
NERO Network	P
RAIN	N/P
Orbis Cascade Alliance	P
ONAMI	P
OHSU/PSU Strategic Partnership	P

RESEARCH

Portland State's research collaborations with OSU, UO, and OHSU overlap with its strongest programs.

PSU's external funding from research grants and agreements has grown steadily over the years. Expenditures from externally funded grants and contracts more than doubled over the last decade, reaching \$60.3 million for the fiscal year ending June 30, 2018. PSU's partnerships with Oregon State University (OSU), the University of

Oregon (UO), Oregon Health & Sciences University (OHSU), and other institutions have been part of this growth, creating opportunities for faculty and students to engage in cutting-edge research in a variety of areas, including health and sustainability-related fields, business, urban planning, engineering, and social work

Both large and smaller-scale collaborations tend to be in strategic areas that capitalize on each institution's strongest programs. For example, several joint PSU-OSU awards in environmental sciences reflect the complementary nature of OSU's land-grant mission and PSU's status as Oregon's urban-serving university. PSU houses the \$45 million Transportation Research and Education Center (TREC), one of five national centers funded by the U.S. Department of Transportation. UO receives about \$180,000 per year from TREC. OHSU similarly hosts an approximately \$20 million for its Center for Coastal Margin Observation & Predication (CMOP), funded by the National Science Foundation, of which PSU receives approximately \$100,000 per year.

Portland State University is also home to one of 10 programs across the U.S. that received funding from the National Institutes of Health common fund to be part of the Building Infrastructure Leading to Diversity (BUILD) Initiative. BUILD is PSU's largest federal grant at \$24 million, and it includes a major sub-award to OHSU. PSU and OHSU researchers partner in biology, chemistry, psychology, math, computer science, engineering, and social work, among other fields. The new OHSU-PSU joint School of Public Health is poised to take these collaborations to a new level, supported, in part, by the 2014 opening of the Collaborative Life Sciences Building.

PSU-OHSU ties also include innovation, economic development, and entrepreneurship. The most significant new work in this area is the Innovation Quadrant (IQ). PSU, OHSU, OMSI, and Portland Community College are collaborating to establish and create programming and career pathways to support this vision for a thriving metro area.

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 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 (AAOT) 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. PSU is working with community colleges to improve advising and information on career pathways to reduce the excess number of community college credits taken. 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 baccalaureate majors.

Credit requirements at the university level often change without notice, which can hinder community college students and advisors in effective degree planning.

Statewide, 40.5% of students who entered an Oregon public university in Fall 2017 did so from a community college or other transfer institution (HECC Office of Research and Data, “University Student Data” <http://www.oregon.gov/highered/research/Pages/student-data-univ.aspx>). Portland State University in that same period enrolled 58.3% of its students as transfers.

The passage of HB 2998 in 2017 required the HECC to work closely with both public universities and community colleges to create a new framework for statewide transfer, a Foundational Curriculum of at least 30 credit hours, and a process for the creation of Unified Statewide Transfer Agreements (USTA) in major fields of study to aid transfer students in moving smoothly into university degree programs, with fewer lost or excess credits.

PSU faculty and administrators have been advisors and participants to the HB 2998 implementation process, adding insight and value to the newly created foundational curriculum and continue to work closely with HECC staff and other institutions to move this work forward. Portland State University has also been an active participant in projects such as the statewide Oregon Transfer and Articulation Committee (OTAC), which oversees and maintains the statewide transfer degrees.

GRADUATE EDUCATION

In 2015, PSU and UO entered into an agreement to allow “Joint Campus” graduate enrollment. The former Oregon University System (OUS) first created the “Joint Campus” in the 1960s to allow graduate students at UO, OSU, and PSU to access courses at the three universities by registering and paying tuition at their home campus. The registrars on each campus worked together to arrange the course registrations, and the financial services offices ensure a financial settle up on a quarterly basis. This new “Joint Campus” agreement will allow students to access a broader range of courses, while maintaining registration at their home campus for the purposes of financial aid and degree requirements. (OSU elected not to participate in this effort because of low demand for PSU courses from their students).

SHARED ADMINISTRATIVE SERVICES

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 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, group retirement plans and collective bargaining. The UO serves fiduciary for all of the former Oregon University System retirement plans, and hosts the Oregon Public Universities Retirement Plans ("OPURP") shared-services organization. All seven public universities participate in OPURP via shared-services agreement.

Portland State 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 8: Shared Administrative Services

Provider	University Response
University Shared Services Enterprise (USSE, hosted by OSU)	
Finance Reporting	N/P
Capital Asset Accounting (currently only OIT)	N/P
Payroll & Tax Processing (includes relationship w/ PEBB, PERS/Federal retirement*)	P
Collective Bargaining*	P
Information Technology/5 th Site ¹	N/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) ²	N/P

Endowment Services	N/P Passed to Foundation under investment mgmt. agreement
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 ³	P
University of Oregon	
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 OSU. 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. All universities, including OSU, continue to participate in these mandated services.

PSU participates in all mandatory shared services, as well as in many non-mandatory services. However, PSU does not participate in bank reconciliation, financial reporting, and endowment services. One of these services was managed by PSU internally previous to the dissolution of OUS, and for the others, PSU has determined that it is better economically or functionally to conduct the work in-house. Further, PSU has augmented services it currently purchases from USSE with internal staff capacity.

The continued participation of PSU and other institutions in non-mandatory shared services helps USSE reach the economies of scale necessary for it to be cost competitive and to lower the overall cost to all participating institutions. The continued participation by the large institutions will be important to maintaining an advantage for all participating public universities.

FINANCIAL METRICS

This section of Portland State 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, Portland State 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.

PSU engages in stress testing analysis with their board through creation and updating of a tool that allows them to probe how variations in net tuition revenue, enrollment, capital investments, etc. would have altered their audited financial statements.

In terms of future forecasting PSU routinely builds and presents 3 biennium scenarios and updates these to include:

1. Enrollment forecasts
2. Assumptions about collective bargaining agreements and other salary increases
3. Retirement rates adjusted annually for changes in employee mix
4. A range of possibilities for the Public University Support Fund
5. A range of tuition and remission possibilities

This stress testing tool allows PSU and their board to anticipate future possible scenarios and fully consider them when making budgetary decisions.

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 (FY 15), 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 all of the ratios used in this evaluation. In addition, beginning in the 2017-18 fiscal year, GASB Statement No. 75 was implemented regarding accounting and reporting of other postemployment benefits, most notably health care, although its impact was far less than GASB 68's. As such, the ratios are presented in two different ways: inclusive of the impacts of GASB 68 (since we have a full three years of GASB 68 impacts) and exclusive of those impacts.

The following narrative focuses on the ratios provided by PSU to the HECC with GASB 68/75. Ratios without GASB 68 are presented for reference at the end of this section:

PORTLAND STATE UNIVERSITY RATIOS WITH GASB 68/75				
Ratio	FY 16	FY 17	FY 18	Benchmark
Viability Ratio	33.90%	40.90%	40.40%	>125%
Primary Reserve Ratio	14.00%	16.90%	15.20%	>40%
Net Operating Revenues Ratio	-4.96%	-1.33%	-4.94%	>4%
Return on Net Assets Ratio	3.67%	26.92%	2.49%	>6%
Debt Burden Ratio	4.22%	3.97%	3.87%	<5%

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. PSU's viability ratio has improved slightly over the past three years, although it still falls well short of this capability. Creation of additional debt should, therefore, be carefully considered and monitored by the institution as it might pose potential financial risk to the institution.

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 relative to the rate of growth in its operating size. Portland State University's primary reserve ratio has been stable over the past three years, although at a level well short of the established benchmark. Although it is a positive sign that their primary reserve ratio is stable, that it is so far from the benchmark could result in PSU having limited flexibility to make strategic operating investments or even to fully fund operations. The institution should seriously consider its financial stability and look to improve its primary reserve ratio in order to increase its flexibility.

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. PSU has shown a negative net operating revenues ratio for the past three years, although the overall trend from FYs 16-18 is stable and the losses are relatively small. Still, this trend could endanger the institution's financial health should operating losses continue in the future.

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. PSU’s return on net assets ratio has been positive in the past three years, indicating that it may have sufficient flexibility and ability to invest in strategic priorities.

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. PSU’s debt burden ratio has been stable at a level below the 5% benchmark the past three years. This indicates that PSU is not overly relying on debt to finance its mission and is balancing its level of debt to its total operating expenditures.

The ratios presented in the table below reflect financial statements excluding the impact of GASB 68. They are provided for reference:

PORTLAND STATE UNIVERSITY RATIOS WITHOUT GASB 68				
Ratio	FY 16	FY 17	FY 18	Benchmark
Viability Ratio	56.30%	72.60%	86.20%	>125%
Primary Reserve Ratio	25.00%	31.00%	33.50%	>40%
Net Operating Revenues Ratio	2.60%	2.07%	-1.50%	>4%
Return on Net Assets Ratio	19.60%	28.27%	8.81%	>6%
Debt Burden Ratio	4.56%	4.12%	4.01%	<5%

BOARD OF TRUSTEES

The Board of Trustees at each public university and their respective constituents are still in the process of developing effective working relationships.

The PSU Board of Trustees meets at least quarterly. Regular meetings were held on October 4, 2018; June 21, 2018; April 12, 2018; February 1, 2018; and September 14, 2017. In addition, the Board convened retreats on February 2-3, 2018 and June 18, 2018; a special meeting on tuition April 25, 2018; and an emergency meeting on June 29, 2018. The list of all full Board meetings, as well as the schedule for future meetings, can be found at <http://www.pdx.edu/board/board-meetings>.

The PSU Board of Trustees has adopted a policy that the Board's regularly quarterly meetings will be held each year, with the meetings for each fiscal year scheduled and posted by July 1 of each year. The policy can be found at [https://www.pdx.edu/board/sites/www.pdx.edu.board/files/Amended%20Board%20Calendar%20Policy 1.pdf](https://www.pdx.edu/board/sites/www.pdx.edu.board/files/Amended%20Board%20Calendar%20Policy%201.pdf). Official notices of all Board and Board committee meetings are sent by email to all persons who sign up for electronic receipt of Board notices, generally approximately a week prior to a meeting, with a link to the agenda and materials. The sign-up for Board notices can be found at <http://www.pdx.edu/board/sign-up-for-board-notices>. All such notices are also posted on the Board's webpage. The notices and agendas for all previous meetings can be found at <http://www.pdx.edu/board/board-meetings>.

The Board adopted bylaws on January 30, 2014, which are available at: <http://www.pdx.edu/sites/www.pdx.edu.board/files/Bylaws%20-%20APPROVED.pdf>. The bylaws clearly state that all public meetings of the Board are to be conducted in compliance with the Public Meetings Law (see Article V of the bylaws). The Board posts its notices, agendas, meeting materials and minutes at: <http://www.pdx.edu/board/board-meetings>. Board committees also post their notices, agendas, meeting materials, and minutes at: <http://www.pdx.edu/board/board-committees>.

A minor modification to the bylaws was approved on March 31, 2016. The bylaws are available at <http://www.pdx.edu/sites/www.pdx.edu.board/files/Bylaws%20-%20APPROVED.pdf>. The Board of Trustees adopted a policy on January 20, 2014 outlining the responsibilities, obligations and expectations that the trustees have of each other and owe to the University. The policy notes that: "Those of us who have been chosen to serve as fiduciary trustees for a period of time – to safeguard the University's assets and to foster its capacity to serve others – have a heightened obligation to the University and to each other. To serve on a university governing board is a significant responsibility." The policy can be found at <http://www.pdx.edu/sites/www.pdx.edu.board/files/Organizational%20Policies%20-%20APPROVED%20->

[%20Responsibilities%20of%20Individual%20Trustees.pdf](#).

The Board and its committees receive regular reports on University finances, debt, enrollment, retention and graduation, and other priorities. The Board is responsible for approval and review of the University budget and for establishing tuition and fees on an annual basis. Further information about the activities of the Board and its committees can be found in the agendas, meeting materials and minutes from Board and committee meetings, all of which are available on the websites noted above.

The Board adopted an Internal Audit Charter on December 11, 2014 and amended February 1, 2018, which states that the Director of Internal Audit is to functionally report to the Board's Executive and Audit Committee. The Internal Audit Charter can be found at <https://www.pdx.edu/board/sites/www.pdx.edu.board/files/Amended%20Internal%20Audit%20Charter.pdf>. Internal Audit reports to the Executive and Audit Committee on a regular basis.

The Board of Trustees adopted a policy outlining the process for establishing tuition, fees and fines on December 11, 2014 and amended June 6, 2018. The policy can be found <https://www.pdx.edu/board/sites/www.pdx.edu.board/files/Amended%20Tuition%20Fees%20%26%20Fines%20Policy%20June%202018.pdf>. The policy provides for the participation of enrolled students and the recognized student government. The Board of Trustees adopted a policy that the President is to be reviewed by the Board annually. The policy can be found at <https://www.pdx.edu/board/sites/www.pdx.edu.board/files/Amended%20Presidential%20Evaluation%20Policy.pdf>. The most recent evaluation of the President was concluded during the Board meeting October 4, 2018.

The Board adopted a policy on January 20, 2014, outlining the responsibilities, obligations, and expectations that the trustees have of each other and owe to the University. The policy notes that, "Those of us who have been chosen to serve as fiduciary trustees for a period of time – to safeguard the University's assets and to foster its capacity to serve others – have a heightened obligation to the university and to each other. To serve on a university governing board is a significant responsibility." The policy can be found at: <http://www.pdx.edu/sites/www.pdx.edu.board/files/Organizational%20Policies%20-%20APPROVED%20-%20Responsibilities%20of%20Individual%20Trustees.pdf>.

The Board and its committees receive regular reports on university finances, debt, enrollment, retention and graduation, and other priorities. The Board is responsible for approval and review of the university budget and for establishing tuition and fees on an annual basis. Further information about the activities of the Board and its committees can be found in the agendas, meeting materials and minutes from Board and committee meetings, all of which are available on the websites noted above.

The Board of Trustees adopted a policy that the President is to be reviewed by the Board annually. The policy can be found at <https://www.pdx.edu/board/sites/www.pdx.edu.board/files/Amended%20Presidential%20Evaluation%20Policy.pdf>. The most recent evaluation of the President was concluded during the Board meeting October 4, 2018.

The Board of Trustees approved a new University mission statement developed through a campus-wide strategic planning process on December 10, 2015. The resolution approving the new mission statement can be found at: <http://www.pdx.edu/board/sites/www.pdx.edu.board/files/Resolution%20Strategic%20Plan%20Signed.pdf> The new University mission statement was forwarded to the HECC and approved by the HECC on April 14, 2016.

Significant changes to academic programs are forward to the HECC as required by statute and HECC rules.

The Board has delegated the authority to review and approve new academic programs to the Academic and Student Affairs Committee (ASAC), prior to forwarding such requests to the HECC. The policy can be found at:

[http://www.pdx.edu/sites/www.pdx.edu.board/files/5.%20Authority%20fo%20Academic%20Program%20 Approval%206-26-14.pdf](http://www.pdx.edu/sites/www.pdx.edu.board/files/5.%20Authority%20fo%20Academic%20Program%20Approval%206-26-14.pdf).

Since July 1, 2015, the ASAC has approved the following new degree programs, which have been forward to the HECC:

- B.A. /B.S. in Applied Health & Fitness (2015)
- B.F.A. in Creative Writing (2015)
- Master of Public Policy (2015)
- P.S.M. in Environmental Science and Management (2015)
- B.A. /B.S. in Urban and Public Affairs (2016)
- B.A. /B.S. in Sexuality, Gender and Queer Studies (2017)
- B.A. /B.S. in Sonic Arts & Music Production (2017)
- B.A. /B.S. in Indigenous Nations Studies (2018)
- B.A. /B.S. in Special Education (2018)
- M.A. /M.S. in Non-Profit Leadership (2018)

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 PSU in 2015 when PSU completed the final year of the 7-year accreditation cycle. NWCCU commended PSU for the enrichment students receive through numerous connections to the community, including a community-based capstone experience required of undergraduates. The accreditation report also commended PSU's use of innovative approaches to curricular development and student success, including the ReThink PSU initiative, the advising portal and the Last Mile initiative. PSU is on track for the next round of the accreditation cycle.

At least two strong trends emerge from review of PSU's student data: increasing diversity and increasing numbers of degrees awarded to underrepresented students. PSU enrolled 26,379 students in fall 2018, a decline of 3.4% from the prior year. PSU's overall enrollment decline was concentrated among non-resident students, which declined by 4.9%. However, resident enrollment also decreased by 3.0% between 2017 and 2018. After several years of significant resident enrollment increases, in 2012 PSU began to experience resident enrollment declines, even as non-resident enrollment continued to grow. In 2017-2018, however, 77.4% of PSU's students were Oregon residents. It should be noted also, that the number of underrepresented minority students enrolled at PSU continues to grow, and is 37.5% higher in 2018 than six years prior. In fall 2018, PSU enrolled 5,921 underrepresented minority students, representing 22.4% of the total population. In fall 2018 36.0% of students were Pell Grant recipients.

The number of undergraduate resident completions at PSU has steadily increased since 2015-2016. The freshman six-year graduation rate for underrepresented minority students lags the institutional average by 2 percentage points, however Pell Grant recipients graduate at a higher six-year rate than the institutional average. It is also noteworthy that PSU is moving the needle in the right direction, with year-over-year increases in the number of degrees awarded to underrepresented minority students. PSU also maintains an increasing trajectory in the number of degrees awarded; in the 2017-18 academic year PSU awarded the most degrees in the institution's history.

Many students and prospective students at Portland State 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 Portland State University increased 48.1% in the last 10 years, including increases of 5.3% and 3.7% in 2016-17 and 2016-18 respectively.⁹ Specifically in 2018-19 tuition increased 4.0% and fees increased 3.7%.¹⁰ Resident graduate students have faced similar increases.

In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), Portland State University students benefit from PSU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In the 2017-18 academic year, PSU recorded \$12,199,828 in resident tuition remissions (9.1% of resident gross tuition charges). The year prior, the 2016-17 academic year, PSU recorded \$9,765,568 in resident tuition remissions (7.3% of resident gross tuition charges).

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

⁹ Source: <https://www.pdx.edu/student-financial/tuition-and-fees> as well as historical OUS tuition data. Defined to include full-time resident base tuition and all mandatory fees (including incidental fees).

¹⁰ A full-time resident undergraduate student (taking 45 credits per year or 15 credits for each of three terms) at Portland State will pay \$7,695 in tuition and \$1,410 for a total annual cost of \$9,105.

