

2016 UNIVERSITY EVALUATION: Portland State University



2016 UNIVERSITY EVALUATION: PORTLAND STATE UNIVERSITY

TABLE OF CONTENTS

INTRODUCTION	3
Legislative Mandate	
Evaluation Process	
Statewide Context	
<hr/>	
OVERALL EVALUATION	6
STUDENT SUCCESS AND ACCESS	11
AFFORDABILITY	16
ACADEMIC QUALITY AND RESEARCH	17
COLLABORATION	19
SHARED ADMINISTRATIVE SERVICES	23
FINANCIAL METRICS	24
BOARD OF TRUSTEES	26
<hr/>	
CONCLUSION	28

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 Portland State University's (PSU) contributions to State of Oregon (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 second annual report, and as such, it builds on the descriptive benchmarks identified in the 2015 Report. As a benchmark document, it is a formative in that 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, it describes how the Portland State University's Board of Trustees has operated since its formation in 2013-2014. The form and content of subsequent annual 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 (UO) 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 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 Office of Data and Research 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.

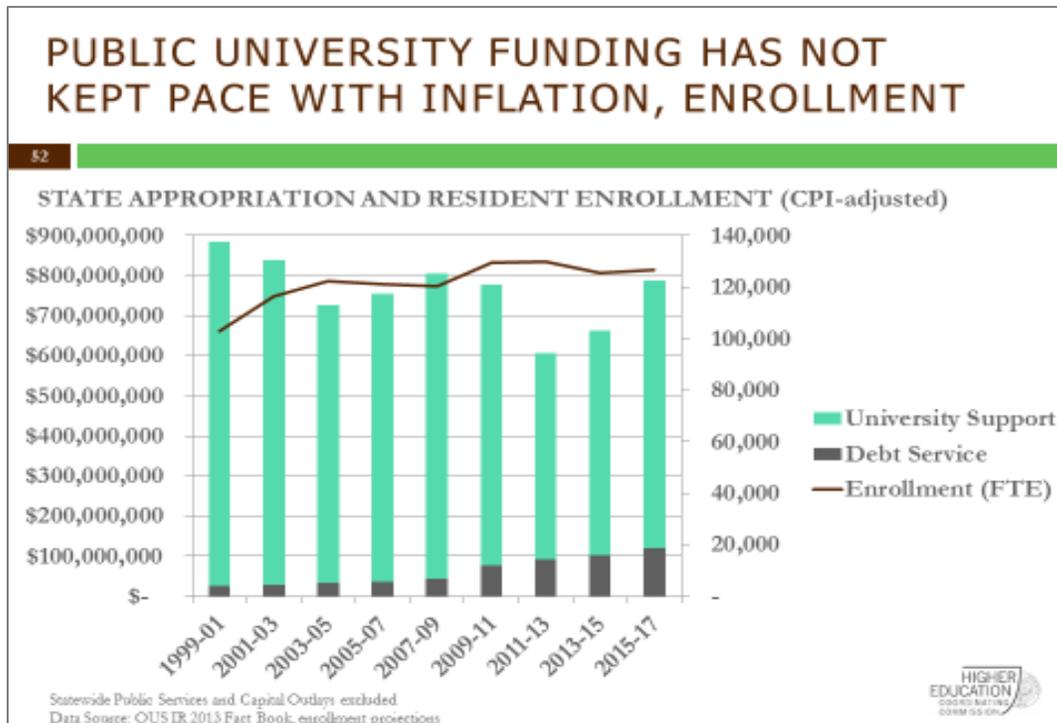
This document is focused on the legislative charge and the HECC's primary areas of emphasis as indicated in its Strategic Plan. This report is not a comprehensive evaluation. It reflects the narrower scope of legislative issues of interest, incorporating findings from accreditation studies where there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

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.

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 Portland State 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 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. This section draws on the relevant parts of NWCCU reports,

supplemented with information on economic and community impact (identified from PSU sources). Other components of NWCCU reports are incorporated elsewhere, as appropriate.

Portland State University 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 degrees. It serves more than 27,000 students, 78 percent 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.

Portland State University'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 70 masters and 20 doctoral programs. 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 partners in applying knowledge to real-world problems. External funding for its research has increased by an average of eight percent per year over the past seven years. In fiscal year 2015, PSU received sponsored awards totaling \$64.6 million.

¹ <https://www.pdx.edu/unst/home>

Table 1 shows the magnitude of growth in enrollment, research, programs and space over the past 10 years.

Table 1. Growth at Portland State University from 2000-2001 to 2015-2016

	2000-2001	2015-2016
Total Enrollment	20,026	29,057
Research Expenditures	\$26.4 million	\$62.5 million (2014-2015) ²
Graduate Programs	51	123
Full-time Faculty	590	864
Part-time Faculty	332	718
Square Footage	3.91 million	5.18 million

Source: HECC (2016)

In 2015, PSU completed the final year of the 7-year accreditation cycle. A review team visited the campus in October 2015. 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 Seven (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 meaning 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. In response to the second recommendation, PSU indicates in its Year One Self-Evaluation (prepared in September 2016) that its Office of Academic Affairs, in concert with its Office of Academic Innovation and Institutional Assessment Council, is drafting a plan to address this recommendation. 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>

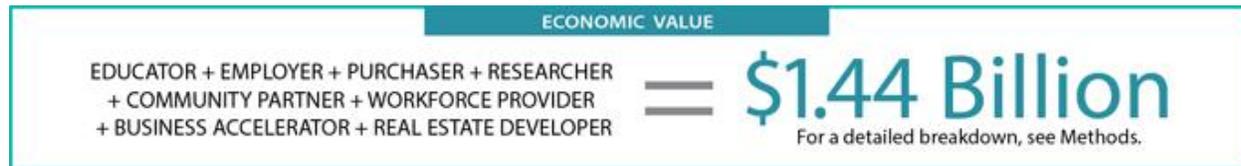
Individual programs in PSU's professional schools and colleges (listed below) are accredited by professional organizations. A specialized accredited program list is available at <http://www.pdx.edu/academic-affairs/programmatic-accreditation>

- 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 degree
- Master of Public Health
- Master of Public Administration (Health Administration)
- Master of Public Health (Health Management & Policy)
- School of Music
- Theater programs
- Master of Architecture degree
- BA/BS in Health Studies

ECONOMIC AND COMMUNITY IMPACT

Using a nationally accepted methodology for calculating the economic impact of universities, PSU calculated its economic impact in FY13 to be \$1.44 billion dollars (<http://www.pdx.edu/partnerships/psu-numbers>).

Figure 2: PSU Economic and Community Impact



Portland State University is a top choice for students attending Oregon's universities. In fall 2016, it enrolled 27,229 students, about a 3.0 percent decrease from the previous year (28,076). In 2016, it graduated 5,736 students, a decrease of about 2.3 percent from 2015 (5,871). PSU graduates have an enormous economic impact on the region as around 66 percent of PSU resident graduates and 29 percent of non-resident graduates from the 2008-2009 cohort remain in Oregon, investing their energy, skills, talents, and tax dollars in the state.

Portland State University is a major purchaser of goods and services, spending \$169 million in FY13. In that same year, half of this spending was from contracts with local vendors, providing a significant boost to the regional economy. 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. Academic and professional programs also provide a broad range of continuing education and professional development opportunities for individuals who want to obtain new skills and credentials.

Portland State University works closely with business and civic partners to move great ideas from the university to the marketplace. The Portland State Business Accelerator (PSBA) plays a key role in Portland's entrepreneurial eco-system by providing students and faculty with a range of opportunities to conceive, develop, and pitch new business ideas and commercialize new technology. In addition to high tech entrepreneurship, PSU's Business Outreach Program (BOP) assists small, locally owned businesses with business planning, product development, and market expansion.

Since 1994, the BOP has helped local small businesses, including emerging, minority and women-owned businesses, to achieve their potential while providing PSU business students the opportunity to work on real-world business challenges. BOP provides consulting and technical support in the form of business strategy, marketing, human resources, accounting, and other services. In 2012-2013, 80 companies participated in BOP workshops, and another 50 companies were long-term clients receiving technical assistance from students and faculty advisors.

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.

Portland State University 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.

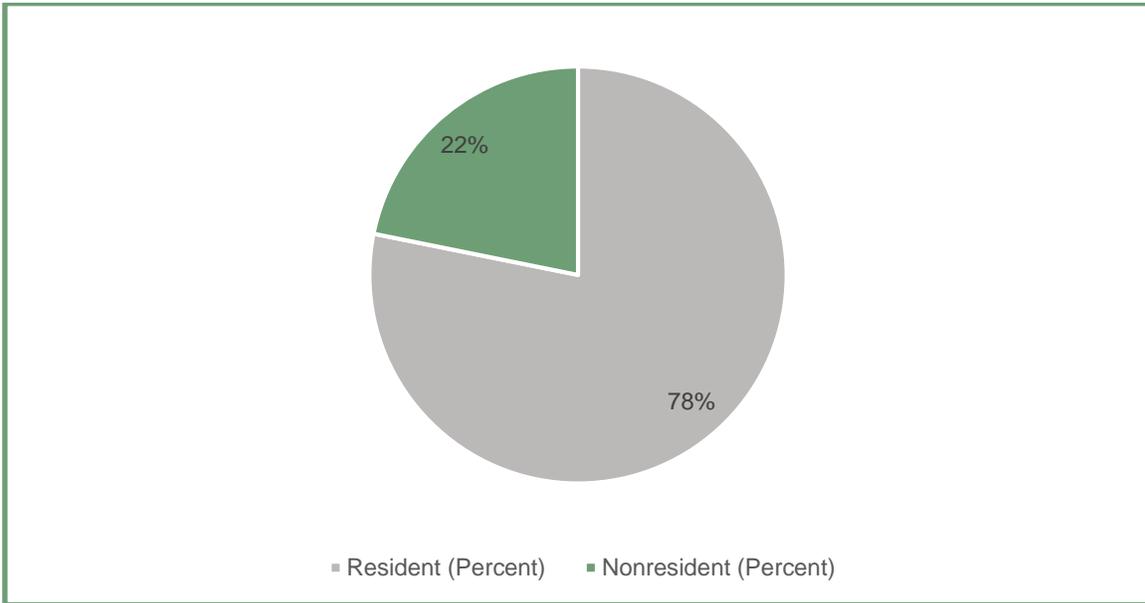
Portland State University's reputation as an engaged, urban-serving university continues to differentiate it from its competition in the increasingly crowded higher education market. Key partnerships with public, private and non-profit partners, including Intel, Daimler, PGE, City of Portland, Multnomah 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 2015-2016, PSU counted 570 local partners providing a broad range of community-based learning opportunities to PSU students through community-based courses, senior Capstones, internships, and practicums.

STUDENT ACCESS AND SUCCESS

Nationally, enrollment in higher education has generally declined since its peak around 2009. Oregon has experienced a similar pattern, with some variation across institutions, particularly in the enrollment and completion rates for low-income, minority, and rural students. This report is focused on trends in enrollment and completion outcomes.

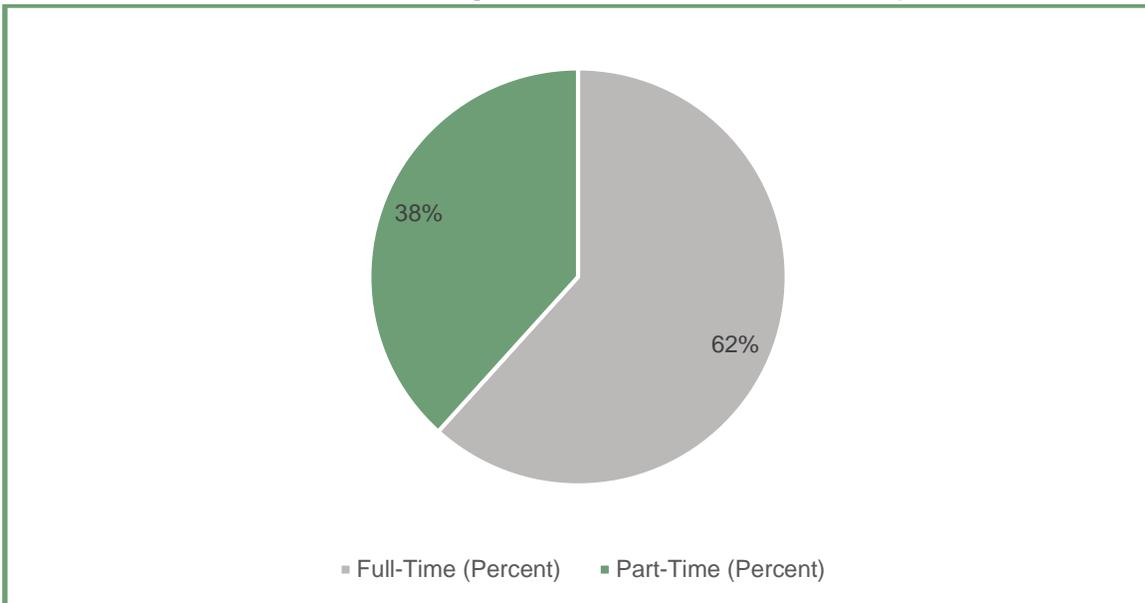
As detailed by Figures 2 and 3 during the 2015-2016 academic year the majority of students (78.2 percent) were Oregon residents. The majority of PSU students (61.7 percent) also attended full-time.

Figure 3: PSU Student Enrollment by Residency, Fall 2015



Source: HECC (2016)

Figure 4: PSU Student Enrollment by Full-Time/Part-Time Status, Fall 2015



Source: HECC (2016)

Portland State University enrolled 28,076 students in fall 2015, and has experienced a slight decrease from 28,241 in enrollment (down 0.6 percent) since fall 2014.

Portland State University enrolled 27,229 students in fall 2016, a decline of three percent from the prior year. PSU's overall enrollment decline was concentrated among resident students, which declined 5.2 percent. Non-

resident enrollment increased 4.9 percent between 2015 and 2016. The year-to-year decline was particularly sharp for newly admitted undergraduates, which dropped nearly nine percent between 2015 and 2016.

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.

Portland State University students come from diverse backgrounds and the University has seen significant growth in underrepresented minority students since 2011. In fall 2016, PSU enrolled 5,836 underrepresented minority students, representing 21.4 percent of the total population. There has been an upward trend in enrollment among Hispanic students and those who identify as being two or more races who are underrepresented minorities. On the other hand, there has been a downward trend in enrollment among American Indian/Alaska Native, Pacific Islander, and White Non-Hispanic students. There were 38 fewer African American students in fall 2016 than the previous year.

In fall 2016, 38.7 percent of PSU’s students were Pell Grant recipients, compared to 28.1 percent in fall 2015.

Table 2: PSU Headcount Enrollment by Ethnicity, Fall Terms 2014, 2015, and 2016

Race/ Ethnicity	Fall 2014	Fall 2015	Fall 2016	Change Fall 2015 to Fall 2016
Non-Resident Alien	2,330	2,202	2,214	12
American Indian/ Alaska Native	380	360	339	(21)
Asian	2,038	2,103	2,098	(5)
Black Non-Hispanic	890	900	862	(38)
Hispanic	2,670	2,864	2,969	105
Pacific Islander	165	161	154	(7)
Two or more races, Underrepresented Minorities	787	872	925	53
Two or more races, not Underrepresented Minorities	531	563	587	24
White Non-Hispanic	16,942	16,695	15,721	(974)
Unknown	1,508	1,356	1,360	4

Source: HECC (2016)

Different student populations do not perform and graduate at similar rates. Underrepresented minority students and Pell Grant recipients graduate at rates that are 5-7 percentage points less than the rate for the overall student population. The four and six-year graduation rates* for PSU First Time Freshmen who entered in the fall term of 2009 are as follows:

Table 3: Four-Year and Six-Year Graduation Rate, First Time, Full Time Freshmen Entering PSU in Fall 2009

	Four-Year Graduation Rate	Six-Year Graduation Rate
All Students	20.3 %	45.7 %
Underrepresented Minorities	13.2 %	37.9 %
Pell Grant Recipients	15.5 %	45.5 %

Source: HECC (2016)

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

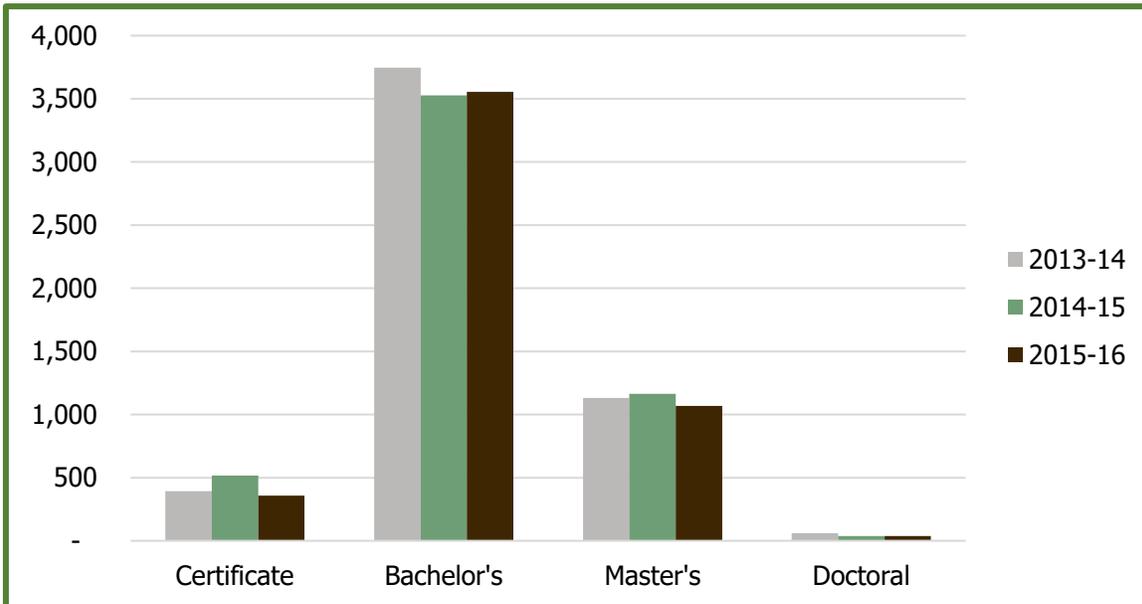
Portland State University’s number of resident completions by award type remained relatively the same in every category in the 2015-2016 academic year compared to the 2014-2015 academic year, except at the certificate and master’s level; there were about 30.8 percent fewer certificates, 0.7 percent more bachelor’s degrees, 8.3 percent fewer master’s degrees, and 2.6 percent fewer doctoral degrees. Bachelor’s degrees are by far the greatest student completion by award type. PSU does not offer associate’s degrees. Compared to 2013-2014, PSU’s number of resident completions by award type decreased in every category.

Table 4: PSU Resident Student Completions by Award Type

	2013-2014	2014-2015	2015-2016
Certificate	392	516	357
Associate’s	-	-	-
Bachelor’s	3,746	3,528	3,555
Master’s	1,131	1,165	1,068
Doctoral	61	39	38
Professional	-	-	-

Source: HECC (2016)

Figure 5: PSU Resident Student Completions by Award Type



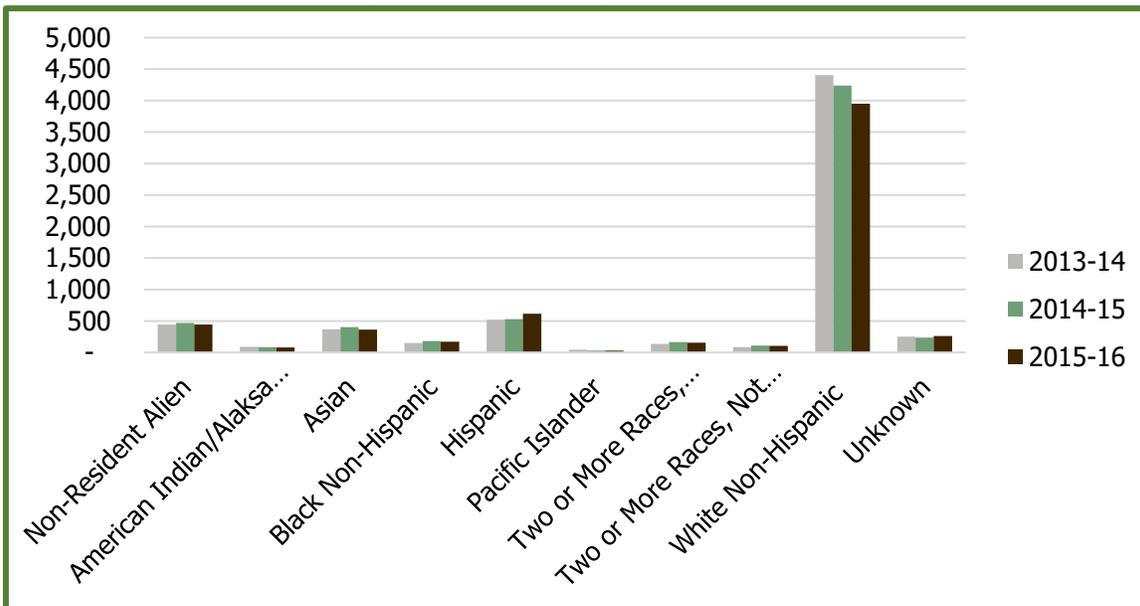
Source: HECC (2016)

Six-year graduation rates for all students at PSU has improved from 44.7 percent in 2015 to 45.7 percent in 2016. While graduation rates for underrepresented minority students continue to lag the institutional rate by five percentage points less than the overall population, PSU is making year over year increases in the number of degrees awarded to underrepresented students overall.

Table 5: PSU Completions by Race/Ethnicity

	2013-2014	2014-2015	2015-2016
Non-resident alien	443	469	442
American Indian/ Alaska Native	91	87	79
Asian	366	406	362
Black Non-Hispanic	150	183	171
Hispanic	518	529	614
Pacific Islander	43	30	29
Two or more races, Underrepresented Minorities	138	166	157
Two or more races, not Underrepresented Minorities	85	112	106
White Non-Hispanic	4,406	4,236	3,950
Unknown	254	239	261

Figure 6: PSU Completions by Race/Ethnicity



Source: HECC (2016)

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.

Portland State University 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 evaluate (under ORS 352.065 and 352.025(1) (d) for public universities is whether universities remain affordable for Oregon residents. The following constitutes our evaluation of Portland State University’s affordability.

Many students and prospective students at PSU, 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 PSU increased 60.0 percent in the last 10 years,

including increases of 3.1 percent and 3.8 percent in 2015-2016 and 2016-17 respectively.² In 2016-2017, tuition increased by 4.0 percent and fees by 2.6 percent³. Resident graduate students have faced similar increases.

Students, however, do have access to financial aid at PSU. In addition to need-based federal and state financial aid programs (Pell Grants and the Oregon Opportunity Grant), PSU students benefit from a 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 \$10,078⁴.

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. PSU estimates the average student budget for living expenses annually to be \$16,451 for the 2016-2017 academic year⁵, an amount which exceeds resident tuition.

While it is natural to view affordability primarily as a student's direct cost associated with 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 PSU are \$42,100. For PSU students who leave the University with federal loan debt, the median federally backed debt load is \$23,369. According to the College Scorecard, 51 percent of undergraduate students at PSU 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 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 (AAC&U) to pursue promising initiatives to develop nationally normed outcomes to assess and track student learning and post-graduation success.

The NWCCU Year Seven 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,

² Source: <https://www.pdx.edu/student-financial/tuition-and-fees> as well as historical OUS tuition data.

³ A full-time resident undergraduate student will be expected to pay \$7,020 in tuition and \$1,317 in fees during the current academic year.

⁴ Source: <https://bigfuture.collegeboard.org/college-university-search/portland-state-university>

⁵ Source: <https://www.pdx.edu/financial-services/cost-of-attendance> split between \$12,831 in room and board and \$3,720 in book and supplies/other personal expenses.

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.

Portland State University 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..>)

Portland State University 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/>).

The Faculty Mentoring Program is available to support participants through a structured one-year program, developed to promote program objectives and provide guidance (<http://www.pdx.edu/diversity/>).

The President's Diversity Mini-Grant 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.

2. 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/>).

- Faculty Travel Awards are administered by the Faculty Development Committee, which is appointed by the PSU Faculty Senate.
- 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

3. Research Support

- The Office of Research and Strategic Partnerships offer 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 City 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.

Portland State University's external funding from research grants and agreements increased significantly over the past 10 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 to nearly \$54 million in the fiscal year ending June 30, 2013. This represents an increase of 66 percent in research expenditures over the past 10 years. In FY16, PSU's total research expenditures was \$66.3 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 6: 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 their strongest programs.

Portland State University'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 \$66.3 million for the fiscal year ending June 30, 2016. PSU’s partnerships with Oregon State University, the University of Oregon, Oregon Health & Sciences University, 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 Coastal Margin Center, 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 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. Statewide, 42 percent of students entered who entered an Oregon public university in fall 2015 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>). PSU in that same period enrolled 65.5 percent of its students as transfers.

Portland State University has been an active participant in statewide projects such as the HB 2525 workgroup and the statewide Joint Transfer Articulation Committee (JTAC), which oversees and maintains the statewide transfer degrees. PSU has also launched a Transfer Degree Maps program for many of its undergraduate programs – collecting four-year degree plans into a single resource, thus making the transfer and articulation process more transparent for many Oregon community college students whose institutions have well-known transfer equivalencies for lower division credit in General Education. PSU's advisors contact information in most or all of its majors are also prominently featured on its website.

Table 7: 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

Source: HECC (2016)

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

Retention and graduation of transfer sophomores and juniors has been consistently higher than for first-time, full-time freshmen. For example, the first-year retention rate for sophomores and juniors entering Fall Term 2015 was 77.8 percent; the six-year graduation rate from PSU for the fall 2010 entering cohort was 64.0 percent.

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 will 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

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)	
Financial 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.

Portland State University 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 PSU'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, PSU'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 FY15, 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 2013-2014 to 2014-2015, as only 2014-2015 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.

Portland State University Ratios (No GASB 68)				
Ratio	FY 14	FY 15	FY 16	Benchmark
Viability Ratio	37.50%	41.00%	56.00%	>125.00%
Primary Reserve Ratio	19.40%	19.00%	25.00%	>40.00%
Net Operating Revenues Ratio	-5.89%	-1.72%	2.60%	>4.00%
Return on Net Assets Ratio	3.79%	2.88%	19.60%	>6.00%
Debt Burden Ratio	4.75%	4.62%	4.56%	<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 PSU'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.

Portland State University's primary reserve ratio has not experienced steady growth, but is significantly stronger now than previous years. 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 PSU's primary reserve ratio from FY14 to FY15 and increase in FY16 suggest 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. PSU's ratio has improved significantly since FY14, reaching a positive 2.6 percent 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 PSU shows a dramatic increase in its return on net assets ratio in FY16, that increase is primarily driven by a single transaction: purchase of the Broadway Housing building from the PSU Foundation, which produced a positive impact on both the institution and Foundation books for FY16. Other measures taken by PSU, like contributions to its general fund reserve, would have likely increased the return on net assets ratio in 2016 even without this transaction, the bulk of the increase is driven by the building purchase and will be one-time in nature.

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 consistently been below the standard benchmark of five percent and has decreased modestly over the past three years. This indicates that debt is not being overly relied upon to finance PSU 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.

Portland State University Ratios (With GASB 68)				
Ratio	FY 14	FY 15	FY 16	Benchmark
Viability Ratio	37.50%	36.00%	34.00%	>125.00%
Primary Reserve Ratio	19.40%	18.00%	14.00%	>40.00%
Net Operating Revenues Ratio	-5.89%	3.30%	-4.96%	>4.00%
Return on Net Assets Ratio	3.79%	15.91%	3.67%	>6.00%
Debt Burden Ratio	4.75%	4.87%	4.22%	<5.00%

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 has met at least quarterly since it was appointed, with regular meetings on September 10, 2015; December 10, 2015; March 31, 2016; June 16, 2016; and September 15, 2016. It also has convened special meetings on July 31, 2015 (to reduce previously approved tuition increase in response to increased state funding), November 21, 2015 (regarding strategic planning), May 25, 2015 (a listening session with students), and August 4, 2016 (to discuss and approve the process of recruiting a new president). The list of all full PSU Board meetings, as well as the schedule for future meetings, can be found at <http://www.pdx.edu/board/board-meetings>. In 2015, the Board conducted a survey seeking input from university constituents regarding the timing of board meetings.

The Board provides public notice of its agenda and meetings. It has adopted a policy that regular, quarterly meetings will be held in September, December, March, and June of each year, with the meetings for each fiscal year scheduled and posted by July 1 of each year. The policy can be found at: <http://www.pdx.edu/sites/www.pdx.edu.board/files/Organizational%20Policies%20-%20APPROVED%20-%20Board%20Calendar.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 at <http://www.pdx.edu/sites/www.pdx.edu.board/files/Bylaws%20-%20APPROVED.pdf>). 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>.

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 adopted an Internal Audit Charter on December 11, 2014, which states that the Director of Internal Audit is to report to the Board’s Executive and Audit Committee. The Internal Audit Charter can be found at: <http://www.pdx.edu/sites/www.pdx.edu.board/files/Internal%20Audit%20Charter.pdf>. Internal Audit reports to the Executive and Audit Committee regularly.

The Board has held retreats to build on its first year of experience--the last one in November, 2016 The Board retained an expert from the Association of Governing Boards for the past two years to assist with this process. The Board has an ongoing practice of reflection, self-assessment, and consideration of best practices. It completed its last self-evaluation in November 2016.

The Board adopted a policy outlining the process for establishing tuition, fees and fines on December 11, 2014. The policy can be found at: <http://www.pdx.edu/sites/www.pdx.edu.board/files/Tuition%20Fees%20&%20Fines%20Policy%20-%2011%2019%2014%20clean-final.pdf>. The policy provides for the participation of enrolled students and the recognized student government, as required by ORS 352.102.

The Board adopted a policy that the university president is to be reviewed by the Board annually (see http://www.pdx.edu/board/sites/www.pdx.edu.board/files/Presidential%20Evaluation%20-%20SW%207_17_15.pdf). The most recent evaluation of the President was concluded during the board meeting on September 15, 2016.

The University continues to take and hold real property in the name of the State of Oregon, as required by statute.

The Board approved a new university mission statement on December 10, 2015 (see <http://www.pdx.edu/president/strategic-planning>). The resolution approving the new mission statement can be found at: (add link from EF p.10). the new university mission statement was forwarded to the HECC which approved it 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%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 and Fitness
- B.F.A. in Creative Writing

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 seven-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 a review of PSU's student data: increasing diversity and generally increasing numbers of degrees awarded to underrepresented students. PSU enrolled 27,229 students in fall 2016, a decline of three percent from the prior year. PSU's overall enrollment decline was concentrated among resident students, which declined 5.2 percent. Non-resident enrollment increased 4.9 percent between 2015 and 2016. 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 2015-2016, however, 78 percent 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 43.0 percent higher in 2016 than six years prior. In fall 2016, PSU enrolled 5,836 underrepresented minority students, representing 21.4 percent of the total population. In fall 2016, also 38.7 percent of students were Pell Grant recipients, compared to 28.1 percent in fall 2015.

The number of undergraduate resident completions at PSU has remained relatively flat in the 2015-2016, academic year compared to the year before. There has been some increase in the six-year graduation rate for

first-time, full-time freshmen graduating within the Oregon Public Universities (from 44.7 percent for the 2009 cohort to 45.7 percent for the 2010 cohort), with Pell Grant recipients matching that performance. The freshman six-year graduation rate for underrepresented minority students, however, lags the institutional average by five percentage points. It is noteworthy, though, 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.

Partly as a result of state funding cuts, resident undergraduate tuition and fees at PSU increased 60.0 percent in the last 10 years, including increases of 3.1 percent and 3.8 percent in 2015-2016 and 2016-2017 respectively. The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. For example, PSU estimates the average student budget for living expenses annually to be \$16,451 for the 2016-2017 academic year, an amount which exceeds resident tuition.

In addition to need-based federal and state financial aid programs (Pell Grants and the Oregon Opportunity Grant), students benefit from PSU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In 2015, the most recent year for which data were available, the average financial aid award was \$10,078. Of PSU students who leave the university with federal loan debt, their average federally backed debt load is \$23,369.

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.

