



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission

Ben Cannon, Executive Director
255 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

March 5, 2019

Dear Legislator,

Attached please find the Higher Education Coordinating Commission's 2018 evaluations of Oregon State University (OSU), Portland State University (PSU), and the University of Oregon (UO). Under ORS 352.061, the HECC is required to evaluate each public university every two years.

Under statute, each evaluation must include:

- A report on the university's achievement of outcomes, measures of progress, goals and targets;
- An assessment of the university's progress toward achieving the mission of all education beyond high school as described in ORS 350.014; and
- An assessment as to how well the establishment of a governing board at the university comports with the findings set forth in ORS 352.025.

This year's evaluations highlight the significant contributions OSU, PSU, and UO make to the State of Oregon and to their communities, including an annual collective economic impact exceeding \$6 billion indirectly supporting more than 60,000 jobs. They draw attention to recent trends in enrollment, completion, and diversity, and measure the universities' performance against a set of established financial benchmarks.

The evaluations also highlight the institutions' financial stability and competitive academic positioning. Nevertheless, certain cost drivers that largely elude institutional control could affect their performance. Pension-related costs, for example, have more than doubled during the past decade and now exceed \$150 million annually for the state's public universities with an approximately 21% increase expected during the next biennium. Due to recent changes in accounting guidance, Oregon's public universities collectively recorded pension liabilities of \$840.3 million as of June 30, 2018, which affects the measurement of their financial viability.

ORS 352.061 requires the HECC to conduct annual evaluations of public universities in Oregon according to specific statutory criteria. Overall, the HECC's approach is to assess the university's contributions to statewide goals for higher education. Of the universities evaluated in 2018, there has been an overall upward trajectory of resident (in-state) student completions and, when disaggregated by race/ethnicity, there continues to be an increasing trend of resident under-represented student completions.

It is worth noting that as a coordinating commission, the HECC has no direct authority over many critical functions of the university, including curriculum, finances, and personnel. We hope and expect that these evaluations, as well as other reports the HECC undertakes, provide guidance and support to institutional leaders and the Legislature as they work to improve Oregon higher education.

Yours sincerely,

Neil Bryant
Chair

Ben Cannon
Executive Director