

2019 UNIVERSITY EVALUATIONS: Western Oregon University



Source: WOU

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INTRODUCTION

This report is guided by Oregon Revised Statute 352.061, 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 this section once every two years. The purpose of this 2019 report is to evaluate the contributions of Western Oregon University (WOU) to State objectives for higher education as articulated in statute and in the HECC's Strategic Plan (https://www.oregon.gov/HigherEd/Documents/HECC/Reports-and-Presentations/HECC-StrategicPlan_2016.pdf). The Report relies on a combination of accreditation reports, self-assessments conducted by the university on criteria jointly developed with the HECC, and state and federal data. This is Western Oregon University's third evaluation, and as such, it builds on the descriptive benchmarks identified in the 2017 Report. It is a formative document that signals areas of key interest to the HECC that support the objectives of the State of Oregon: student success as measured by degree completion; access and affordability as measured by equity across socioeconomic, racial/ethnic and regional (urban/rural) groups; academic quality and research; financial sustainability; and continued collaboration across universities in support of the State's mission for higher education. Additionally, the report describes how WOU's Board of Trustees has operated since its formation in July 2015. The form and content of subsequent annual evaluations will be guided by feedback from legislators, the public, and the universities about how to improve the usefulness of this process and product.

LEGISLATIVE MANDATE (SB 270)

Passed by the Oregon Legislature in 2013, Senate Bill 270 established individual governing boards at the University of Oregon (UO) and Portland State University. It also established a time frame for Oregon State University (OSU) to establish an individual governing board, which it subsequently did. House Bill 4018, enacted in 2014 and Senate Bill 80, enacted in 2015, authorized the establishment of independent governing boards at Western Oregon University (WOU), Southern Oregon University (SOU), Oregon Institute of Technology (OIT) and Eastern Oregon University (EOU) and abolished the Oregon University System. SB 270 and subsequent legislation required the Higher Education Coordinating Commission (HECC) to conduct an evaluation of the public universities. During the 2017 Legislative Session, the legislature amended ORS 352.061 requiring the HECC to evaluate each public university once every two years. The evaluation criteria are codified in Oregon Revised Statute (ORS) 352.061.

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

- a) A report on the university's achievement of outcomes, measures of progress, goals and targets;
- 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); and,

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 the provision 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, 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 and compacts, and the principles stated in this section.

This year the HECC evaluated the four technical and regional universities (TRUs): Western Oregon University, Southern Oregon University, Eastern Oregon University, and Oregon Institute of Technology.

EVALUATION PROCESS

In an effort to approach the first evaluation cycle in a collaborative manner, the HECC formed a work group comprising university provosts, the Inter-Institutional Faculty Senate, Oregon Education Investment Board staff, HECC staff, 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 process. After final review and consideration of stakeholder feedback, the HECC adopted the framework on September 10, 2015.

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

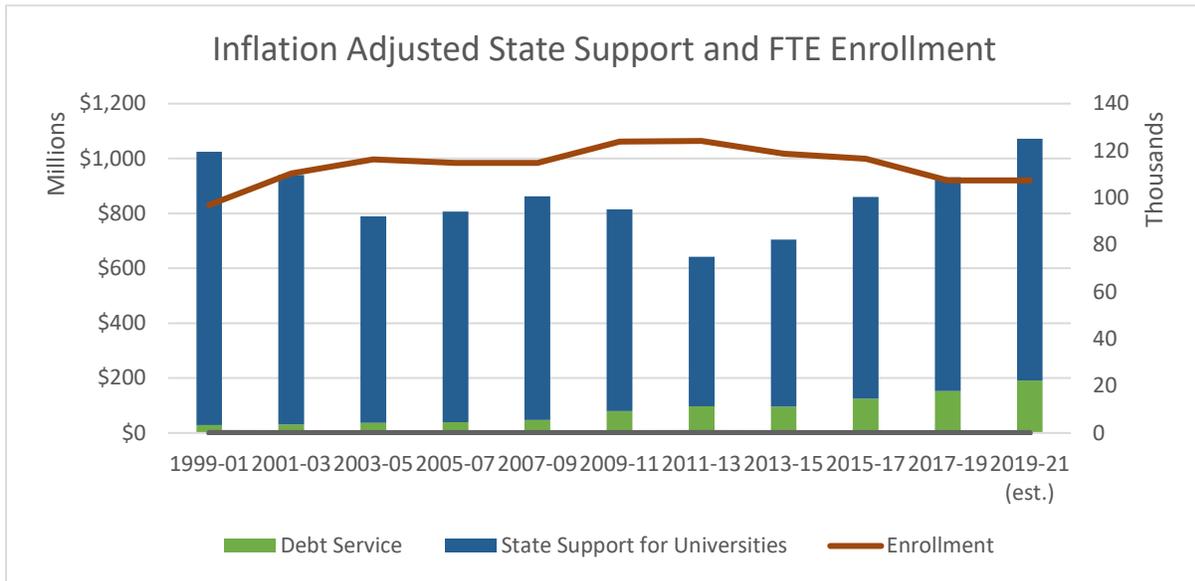
This report is focused on the legislative charge and the HECC’s primary areas of emphasis as indicated in its Strategic Plan. This report is not a comprehensive evaluation. It reflects the narrower scope of legislative issues of interest, incorporating findings from accreditation studies where there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

STATEWIDE CONTEXT

Funding History

Over the past several biennia, state funding for public universities has not kept pace with enrollment or inflation. While recent investments have moved the needle in a positive 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



Source: HECC (2019; *figures adjusted for inflation)

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 were 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

Western Oregon University (WOU), the oldest public higher-education institution in Oregon, is a comprehensive, public, liberal arts institution serving students from all 36 counties in Oregon. WOU offers undergraduate and graduate programs in a supportive and rigorous learning environment. WOU works to ensure the success of students and the advancement of knowledge as a service to Oregon and the region.

The University works in partnership with PK-12 schools, community colleges, higher education institutions, government, and local and global communities. Among the degrees awarded are: Bachelor of Art, Bachelor of Fine Arts, Bachelor of Music, Bachelor of Science, Applied Baccalaureate, Master of Arts, Master of Music, and Master of Science, as well as certificates and an associate degree limited to

international partnerships. There are 43 undergraduate programs of study (over 80% have the option of pursuing either a BA or BS), with 30 concentrations within those majors. Additionally, the education major has 7 major areas for teacher preparation and 21 subject specializations. The university offers 17 graduate programs. Graduate degrees include the Master of Music in Contemporary Music, Master of Arts in Teaching, Master of Arts in Criminal Justice, Master of Arts in Interpreting Studies, Master of Science in Rehabilitation and Mental Health Counseling, Master of Science in Management and Information Systems, Master of Science in Deaf and Hard of Hearing Education and the Master of Science in Education. This last degree allows students to choose a specialization in information technology or special education, or to pursue a specialization in a selected content area. HECC has approved four academic programs since the last time WOU was evaluated in 2017: M.S. in Organizational Leadership, AB in Liberal Studies, B.A./B.F.A. in Art and Design, and a B.A./B.S. in Sustainability.

ORS 350.075 and 350.085 require the HECC to review and approve public university mission statements. The WOU Board of Trustees adopted a mission statement and core themes for the university on July 22, 2015, followed by approval by the HECC on June 9, 2016. The WOU's Board of Trustees adopted a new mission at its January 25, 2017 board meeting, which was subsequently approved by the HECC at its April 13, 2017 commission meeting. WOU received notification in July 2017 of approval of its new Mission and Core Themes by the NWCCU.

MISSION:

Western Oregon University creates lasting opportunities for student success through transformative education and personalized support.

ECONOMIC AND COMMUNITY IMPACT

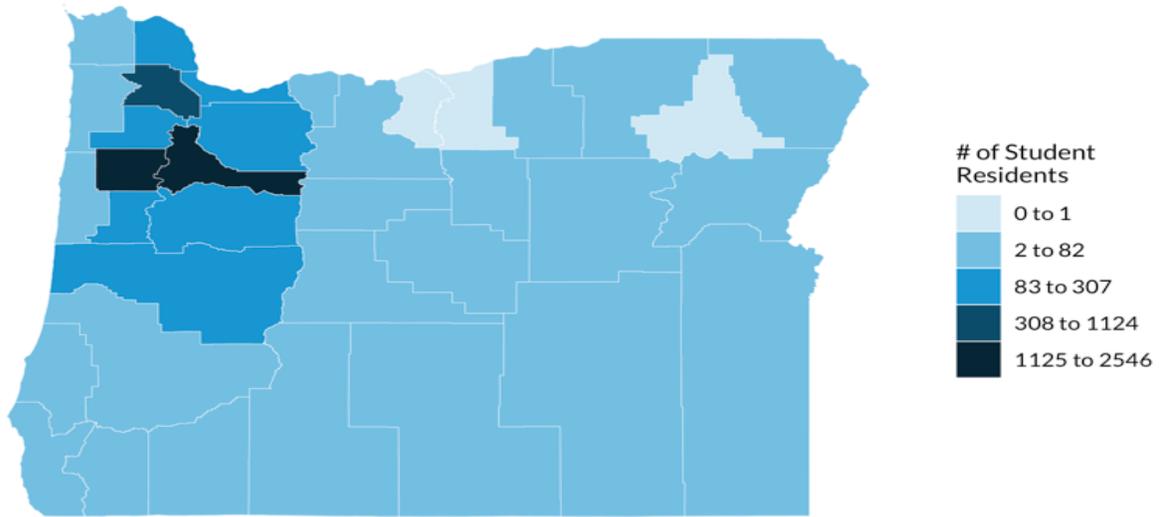
Western Oregon University

Summary provided by ECONorthwest Economic Contributions report (January 2020) commissioned jointly by EOU, Oregon Tech, SOU, and WOU.

Western Oregon University (WOU) is located in Monmouth, a town of roughly 10,500, in Polk County. The University was founded in 1865 as a private university. However, in 1882, the Oregon Legislature approved the university's request to become a state-supported institution, making it a public university. During the 2017-2018 academic year, WOU had 8,917 graduate and undergraduate students enrolled across its two colleges: The College of Education and the College of Liberal Arts and Sciences, offering 55 bachelor's degrees. These students largely came from the region, with the majority of students coming from Polk County followed by those adjacent counties closest in proximity to the university.

EXHIBIT 1. WOU MAP OF STUDENT ORIGIN BY COUNTY

Western Oregon University

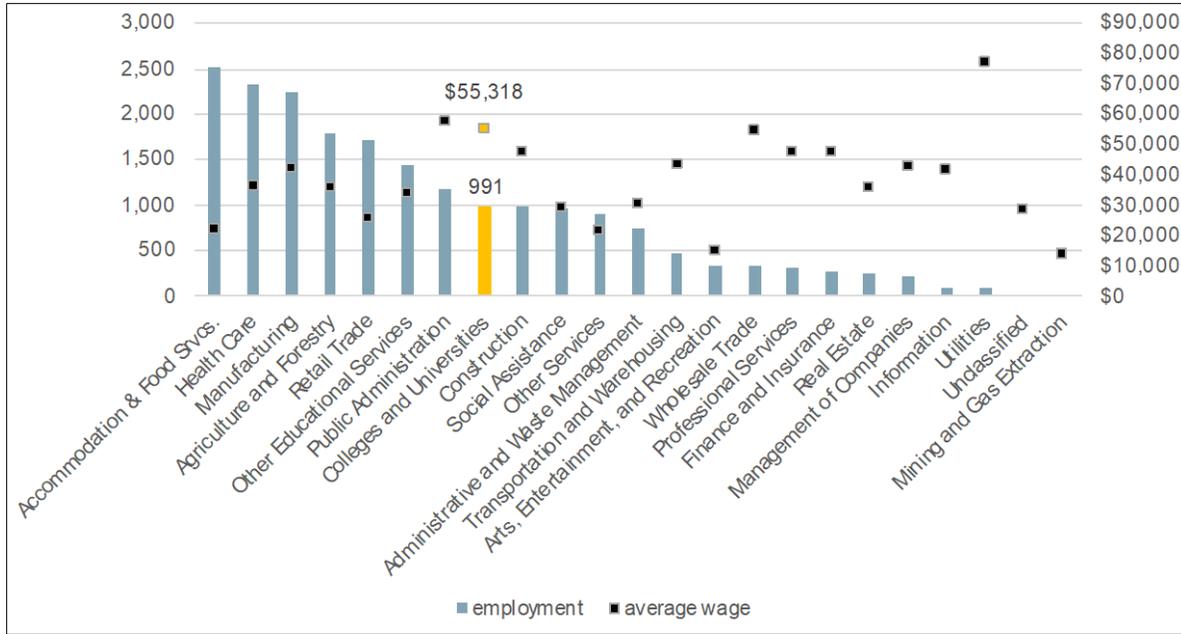


Top 3 states outside Oregon: 1. Washington, 2. California, 3. Hawaii

WOU is a Major Source of Good Paying Jobs in the County

WOU is an important employer in Polk County. In 2017, colleges and universities accounted for 991 jobs in this county. It was the eighth largest employment sector, paying on average \$55,318 annually in wages, which is the third-highest. This indicates that WOU is one of the most important sources for middle-income jobs in the county. The chart below illustrates the importance of colleges and universities sector in comparison to all other sectors in the regional economy.

EXHIBIT 2. AVERAGE WAGE AND TOTAL EMPLOYMENT BY SECTOR IN POLK COUNTY, 2017



Source: ECONorthwest using QCEW data

WOU is an Important Employer in the County

WOU makes up a large share of the total college and university jobs in the region. During the 2017-2018 academic year, the university supported 929 direct university jobs, paying on average \$69,362 in wages and benefits and produced \$108 million in economic output. Campus operations also supported important secondary impacts such as 133 local vendors and small business jobs who contract with WOU (indirect) as well as the spending by both direct and indirect employees in the local economy, which supported an additional 724 jobs in the county.

EXHIBIT 3. TOTAL OPERATIONAL CONTRIBUTIONS OF WESTERN OREGON UNIVERSITY

Type of Impact	Output	Labor Income	Jobs
Polk County			
Direct	\$108,080,000	\$64,437,094	929
Indirect	\$14,714,225	\$6,396,410	133
Induced	\$100,793,283	\$33,510,356	724
Total	\$223,587,508	\$104,343,860	1,786

Note: Operations contributions include student and visitor spending.
 Source: ECONorthwest using inputs from TRU and the IMPLAN model

Capital spending on WOU’s campus supported additional economic activity beyond operations. Ongoing construction projects include the Natural Science building renovation, solar panel installation on the Education Center and the third phase of the Instructional Technology Center. These renovations, upgrades, and expansions supported 39 direct construction jobs during the 2017-2018 academic year, paying on average \$65,800 in wages and benefits.

EXHIBIT 4. CONSTRUCTION CONTRIBUTIONS OF WESTERN OREGON UNIVERSITY

Type of Impact	Output	Labor Income	Jobs
Polk County			
Direct	\$0	\$0	-
Indirect	\$8,527,141	\$2,864,890	46
Induced	\$1,178,097	\$327,290	9
Total	\$9,705,237	\$3,192,180	55

Source: ECONorthwest using inputs from TRU and the IMPLAN model

Students and Visitors Provide Ancillary Economic Contributions

In 2017, WOU enrolled 4,776 undergraduates who on average spent \$15,924 on non-tuition expenses such as housing, food, and entertainment. This was equal to an infusion of \$76.1 million into the local economy that otherwise would not occur without the university. The university also attracted 28,796 visitors to the campus to either visit students or attend other campus activities. Campus visitors spent about \$2.4 million in the county on food, lodging, and entertainment.¹

ACCREDITATION

This report is formative and focuses on the areas of interest identified by the Legislature and in alignment with the HECC Strategic Plan. A more comprehensive assessment and review of academic and institutional quality is available from the Northwest Commission on Colleges and Universities (NWCCU), which accredits WOU and other institutions in Oregon. Accreditation of an institution of higher education by the NWCCU indicates that it meets or exceeds criteria for the assessment of institutional quality evaluated through a peer review process. An accredited college or university is one that has been found to have the necessary resources available to achieve its stated purposes through appropriate educational programs, and to be substantially doing so, and which provides reasonable evidence that it will continue to do so in the foreseeable future. Institutional integrity also is addressed through accreditation. Reviews are structured as a cyclical process of continuous improvement.

In July 2016 WOU was affirmed for accreditation by the NWCCU following its Year Seven Evaluation (*Mission Fulfillment and Sustainability*). In affirming accreditation the NWCCU commended WOU for its commitment to student access and success and for its commitment to first generation and low-income students. The NWCCU also commended WOU's staff and faculty for their resiliency and ongoing commitment to students during transformative changes in governance, and as well for its commitment to facilities and grounds. The campus was deemed to be accessible, welcoming, aesthetically pleasing and reflects the commitment to environmental sustainability.

The NWCCU also identified seven (7) recommendations that needed to be addressed. Two of these recommendations were from the Year Three Evaluation from spring 2013 and five from the Year Seven Evaluation.

¹ The 2017 Oregon Travel Impacts report produced by Dean Runyan Associates estimated that visitors in the state spent on average \$82 per day. ECONorthwest applied this to estimate total visitor spending for each university.

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

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

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

The five recommendations that reflect concern are:

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

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

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

WOU submitted its next accreditation report in the cycle, the Year One report (*Mission and Core Themes*) on schedule in March 2017. WOU also submitted substantive change documentation after its new mission was approved by the HECC in April 2017. The NWCCU approved WOU's new Mission and Core Themes in a letter dated July 31, 2017.

However, the NWCCU deferred action on the Year One report in large part because of the then-pending substantive change application for a new Mission and Core Themes. NWCCU requested WOU resubmit its Year One report which addresses Recommendations 1, 2, and 3 along with the Year Three Report, in March 2019.

As requested by the NWCCU, WOU also submitted an Ad Hoc Report in September 2017², to provide evidence of progress in response to the remaining recommendations/areas of concern of the Year Seven Review. In that Ad Hoc Report WOU documented the substantive actions its leadership had undertaken to ensure that the university was on track to fully meet NWCCU's criteria for accreditation by the time of its mid-cycle review in 2019.

In a February 2018 letter NWCCU found that the first three recommendations from the 2016 Year Seven Evaluation were fulfilled and the remaining three were substantially in compliance but in need of improvement. That letter also requested that WOU submit an addendum to the spring 2019 Mid-Cycle Report to readdress the recommendations that were substantially in compliance but in need of improvement.

The Mid-Cycle Report submitted in March 2019 documents the process and outcomes of WOU's strategic planning process under the direction of the president. The process focused on a culture of communication and transparency with the larger campus community. The resulting strategic framework entitled *Forward Together* was approved by the Board of Trustees in January 2017 and will guide the institution through 2023. As part of that strategic effort WOU has established a University Council to provide institution wide oversight for mission fulfillment, a University Budget Advisory Committee, a University Technology Advisory Committee and has revamped its long established University Diversity and Inclusion Advisory Council. In the Mid Cycle Report WOU maintains that the changes they have made with new elements of governance, mission and strategic plan have enabled them to clarify their mission; define core themes; identify meaningful, assessable and measurable measures of achievement; provide appropriate technological support, develop an integrated budgeting process aligned with mission fulfillment and engage in effective assessment of mission fulfillment from a university-wide perspective.³

In the NWCCU confidential report submitted for the Mid Cycle Peer Evaluation in April 2019, evaluators indicated that:

It was very clear that since the 2016 Year Seven Evaluation Report with its extensive list of recommendations, the University has designed and implemented many processes and actions to better assess its ability to fulfill its mission. It appears that the University faculty and administration have recognized the importance of outcomes of their efforts, especially learning outcomes, and have embarked on developing the means of planning for continuous improvement driven by evidence of the success in achieving meaningful outcomes. They have chosen a path to demonstrate that they are working toward the continuous job of mission fulfillment. Enumerating inputs is recognized as insufficient for assessing fulfillment and that it is necessary to measure outputs of their efforts that are directly tied to their mission.

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

² *WOU_Sept_2017_Ad-Hoc-Report_NWCCU.pdf*

³ <http://www.wou.edu/provost/files/2019/02/2019-Mid-Cycle-Report.pdf>

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

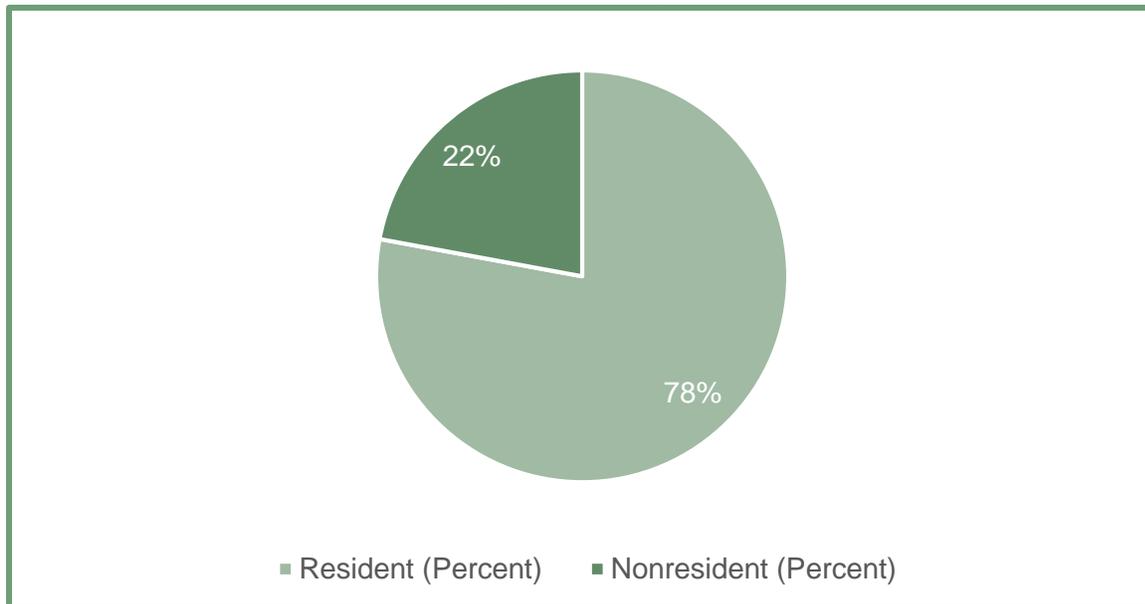
STUDENT ACCESS AND SUCCESS

Nationally, Fall 2019 saw college enrollment decreases for the ninth consecutive year, according to recent data from the National Student Clearinghouse Research Center.⁴ Oregon has a similar pattern with some variation across institutions. This section of the report is focused on tracking trends in enrollment and completion outcomes.

The majority of WOU students during Fall 2019 (77.9%) were residents. The majority of WOU students (80.4% in 2018-19) also attended full-time.

After several years of enrollment increases driven by non-resident students, head count at WOU began to decline in 2011. In the most recent year (Fall, 2018 to Fall, 2019), total enrollment declined from 5,185 to 4,929, or 4.9 percent. During this year, non-resident enrollment decreased by 10.9% while resident enrollment declined by 3.1%. Overall, student Full Time Equivalent (FTE) enrollment decreased by 5.6% from Fall 2018 to Fall 2019.

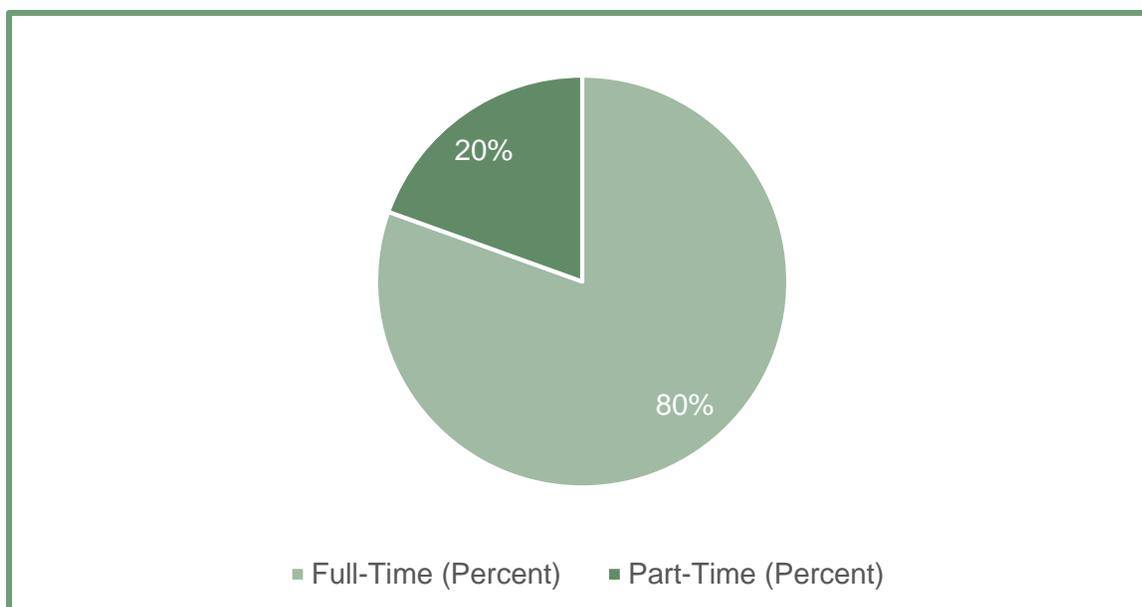
Figure 2: WOU Student Enrollment by Residency, Fall 2019



Source: HECC (2019)

Figure 3: WOU Student Enrollment by Full-Time/Part-Time Status, 2018-19

⁴ https://nscresearchcenter.org/wp-content/uploads/CTEE_Report_Fall_2019.pdf



Source: HECC (2019)

WOU students come from diverse backgrounds. Of the total 5,185 students enrolled in Fall 2018, 1,269 students were from underrepresented minority populations, representing 24.5% of the total population. In addition, 39.4% of WOU's students were Pell Grant recipients.

The number of underrepresented minority students enrolled at WOU continues to grow and in Fall 2019 represented 27.4% (1,349 headcount) of the university's total population, the largest percentage at any Oregon public university. There continues to be steady growth in Hispanic students, with nearly every other racial/ethnic group declining in population.

Table 1: WOU Headcount Enrollment by Race/Ethnicity

Race/ Ethnicity	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Change Fall 2018 to Fall 2019
Non-Resident Alien	315	350	299	198	-101
American Indian/ Alaska Native	88	86	72	58	-14
Asian	223	228	206	188	-18
Black Non-Hispanic	196	181	176	150	-26
Hispanic	705	782	804	917	113
Pacific Islander	145	140	121	92	-29
Two or more races, Underrepresented Minorities	5	11	96	132	36
Two or more races, not Underrepresented Minorities	2	4	30	38	8
White Non-Hispanic	3,507	3,298	3,189	3,009	-180
Unknown	196	205	192	147	-45

Source: HECC (2019)

Different student populations graduate at different rates. Four-year graduation rates for underrepresented minority students are nearly identical to the overall student population, and Pell Grant recipients graduate at rates about four percentage points below the rate for the overall student population. Six-year graduation rates for Pell Grant recipients are about two percentage points lower than the rate for all students, with underrepresented students graduating at a slightly higher six-year rate than the overall student population. The graduation rates for WOU first time freshmen who entered in the fall term of 2012 are as follows:

Table 2: Four-Year and Six-Year Graduation Rate, First Time, Full Time Freshmen Entering WOU in Fall 2012

	Four-Year Graduation Rate	Six-Year Graduation Rate
All Students	23.8 %	50.4 %
Underrepresented Minorities	23.7 %	50.7 %
Pell Grant Recipients	20.1 %	48.5 %

Source: HECC (2019)

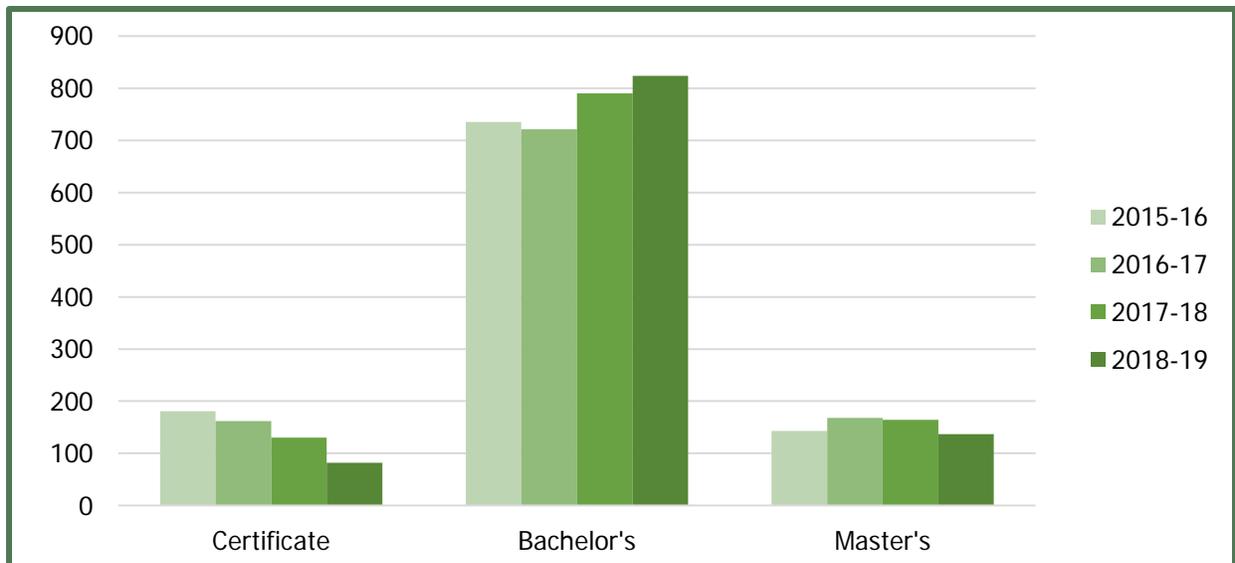
The total number of completions by residency and award type has fluctuated slightly between the 2015-16 academic year and the 2018-19 academic year mainly due to a sharp decrease in certificates awarded. Between the 2017-18 and 2018-19 academic year, WOU awarded 34.0% fewer certificates, 9.9% more bachelor's degrees, and 16.4% fewer master's degrees. Bachelor's degrees are the greatest number of completions by award type. WOU awards limited associate and no doctoral or professional degrees. In the aggregated four (academic) year period there is an upward trend of bachelor degree completions, and a downward trend of master's degree completions, and a decreasing trend in certificate completions.

Table 3: WOU Resident Student Completions by Award Type

	2015-16	2016-17	2017-18	2018-19
Certificate	181	162	130	82
Associate's	-	-	-	-
Bachelor's	735	721	790	824
Master's	143	168	164	137
Doctoral	-	-	-	-
Professional	-	-	-	-

Source: HECC (2019)

Figure 4: WOU Resident Student Completions by Award Type



Source: HECC (2019)

In the 2018-19 academic year, Non-resident alien, American Indian/ Alaska Native, Asian, Black Non-Hispanic, Hispanic, and Pacific Islander groups of students made substantial progress in their total number of credentials. White Non-Hispanic students saw a significant decrease in total number of completions.

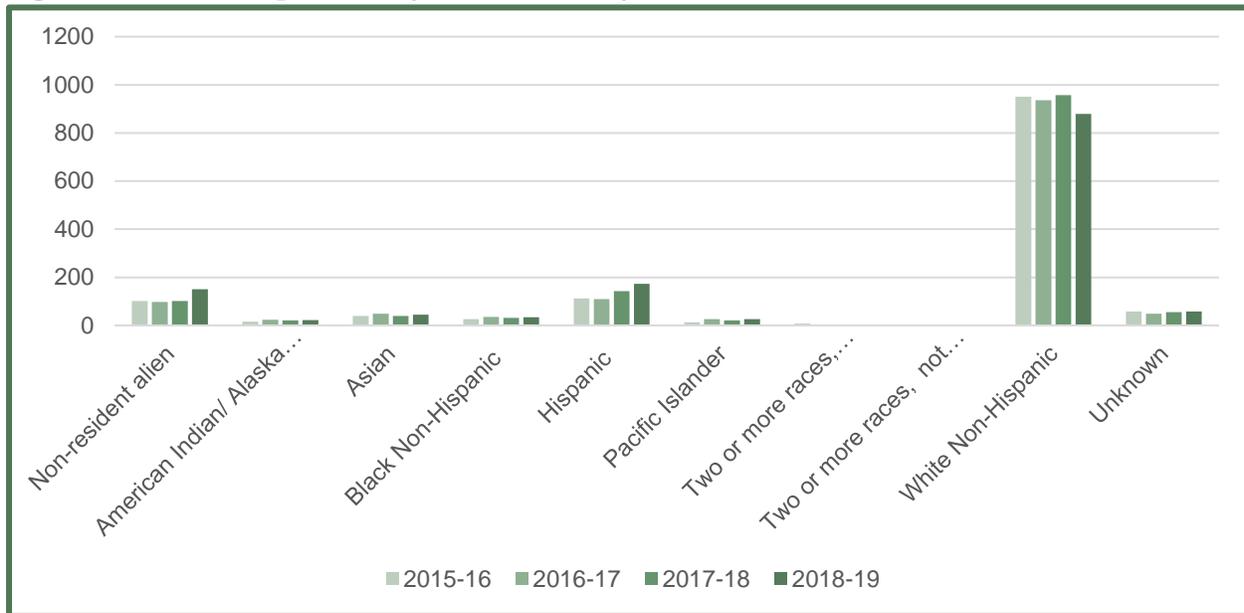
Table 4: WOU Completions by Race/Ethnicity

Race/ Ethnicity	2015-16	2016-17	2017-18	2018-19
Non-resident alien	101	98	101	151
American Indian/ Alaska Native	15	23	21	22
Asian	39	48	39	44
Black Non- Hispanic	26	35	31	34
Hispanic	112	109	143	173
Pacific Islander	13	26	21	26

Two or more races, Underrepresented Minorities	7	2	4	4
Two or more races, not Underrepresented Minorities	3	4	0	0
White Non-Hispanic	950	936	957	879
Unknown	58	48	55	58

Source: HECC (2019)

Figure 5: WOU Completions by Race/Ethnicity



Source: HECC (2019)

Lastly, each public university has made a deliberate effort to award tuition waivers to foster youth. Below is a breakdown of Foster Youth Tuition Waivers granted at each public university:

Table 5: Number of Foster Youth Tuition Waivers Provided, by Institution and Year

	2013-14	2014-15	2015-16	2016-17	2017-18
EOU	-	3	16	4	5
Oregon Tech	-	5	-	-	-
OSU	54	21	19	-	6
PSU	88	59	63	50	59

SOU	-	-	-	-	8
UO	29	7	4	17	17
WOU	35	11	8	12	16
TOTAL	206	106	110	83	111

Source: HECC (2019)

AFFORDABILITY

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

Many students and prospective students at Western Oregon University (WOU), 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. Only six states have met pre-recession funding levels for higher education.

That shift has been particularly acute in Oregon in recent years. Net tuition and fee revenue represents two-thirds of total educational and general (E&G) revenue for the state's universities. This means students are paying the majority of the cost of their education while the state and institution funds the remaining one third. This is almost the reverse of the student experience a generation ago.

Partly as a result of state funding cuts, resident undergraduate tuition and fees at Western Oregon University increased 66.5% in the last 10 years, including increases of 3.7% and 2.4% in 2018-19 and 2019-20 respectively.⁵ In the current academic year, tuition increased 2.3% and fees increased 2.7%.⁶ Resident graduate students have faced similar increases. This is compared to a 5.47% average increase in resident, undergraduate tuition and fees across all institutions for the current year.

Students, however, do have access to financial aid at Western Oregon University. In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), Western Oregon University students benefit from WOU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In the 2018-19 academic year, WOU recorded \$3,843,805 in resident tuition remissions (18.3% of resident gross tuition charges) which is a 16.9% increase over the prior year. The year prior, the 2017-18 academic year, WOU recorded \$3,285,991 in resident tuition remissions (15.2% of resident gross tuition charges).

Western Oregon University also engages in a number of targeted programs designed to increase access and completion among targeted populations.⁷ For example, WOU's "Pell Plus Scholarship" covers all

⁵ Source: <https://wou.edu/finaid/estimated-expenses/cost-of-attendance/> as well as historical OUS tuition data. Defined to include full-time resident base tuition and all mandatory fees (including incidental fees).

⁶ A full-time resident undergraduate student (taking 45 credits per year or 15 credits for each of three terms) at Western Oregon will pay \$7,920 in tuition and \$1,848 in fees for a total annual cost of \$9,768.

⁷ <https://wou.edu/finaid/scholarships/>

remaining tuition and fees for Pell eligible students after all other aid is applied for Oregon first-time resident freshmen with a high school GPA of 3.4 or higher. Students can maintain this award for four years provided they maintain at least a 2.0 GPA.

Tuition, however, 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. Western Oregon University estimates the average student budget for living expenses annually – \$14,085 for the 2019-20 academic year⁸ – exceeds resident tuition and fees of \$9,678. The total cost of attendance is \$23,853 including tuition and fees plus living expenses.

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. According to the HECC's WOU scorecard for the 2017-18 academic year,⁹ 53% of WOU's students were unable to meet expenses with expected resources, family contributions, student earnings and grant aid, compared to a statewide average of 60%.¹⁰ Average earnings among bachelor's degree recipients five years after graduation were \$42,002, compared to a statewide average of \$45,785. The average debt among graduates was \$24,500, compared to a statewide average of \$22,421 and 79% of WOU undergraduate students had federally supported loans, compared to a statewide average of 47%. According to the College Scorecard, during the 2017-18 academic year, 44% of students received Pell grants.¹¹

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

Following WOU's Year Seven Evaluation (*Mission Fulfillment and Sustainability*) in 2016, the NWCCU commended WOU for its commitment to student access and success and for its commitment to first generation and low-income students. WOU staff and faculty were also lauded for their resiliency and ongoing commitment to students during transformative changes in governance.

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

⁸ Source: <https://wou.edu/finaid/estimated-expenses/cost-of-attendance/>

⁹ Source: <https://www.oregon.gov/highered/research/Documents/Snapshots/WOU-Snapshot.pdf>

¹⁰ Statewide averages from: <https://www.oregon.gov/highered/research/Documents/Snapshots/Statewide-Snapshot.pdf>

¹¹ https://collegescorecard.ed.gov/school/?210429-Western_Oregon_University

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

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

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

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

RESEARCH ACTIVITY

Faculty, staff and students at WOU generated approximately \$8 million in total research dollars in 2017-18, and \$8.7 million in 2018-19.

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 faculty senate representatives from each public university. The IFS serves as a voice for all faculties of these public universities in Oregon in matters of system-wide concern.

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

Table 6: Western Oregon University Collaborative Initiatives Participation

Other University Collaborations	University Response
Public University Councils:	
Presidents Council	P
Provosts Council	P
Vice Presidents for Finance and Administration (VPFAs)	P
General Counsels (GCs)	P
Public Information Officers (PIOs)	P

Legislative Advisory Council (LAC)	P
Cooperative Contracting (<i>note: taking part in State contracts</i>)	P
Capital Construction Services	N/P
OWAN	N/P
NERO Network	P
RAIN	N/P
Orbis Cascade Alliance	P
ONAMI	N/P
Other	N/P

Western Oregon University has had an 11-year running dual enrollment partnership with Chemeketa Community College by which students may readily enroll in coursework at both institutions and have their financial aid managed by a home campus. Through this partnership, the two institutions have been meeting to update and streamline degree program transfer pathways between the two schools. Of note are very strong relationships that have been established by the faculty in education (both for K-12 and early childhood tracks), computer science and information systems and psychology to advise and facilitate transfer of associate degree level students into degree tracks at WOU. During the past four academic years additional joint work has been engaged with multiple division chairs and advising/registrar staff to discuss collaborative models to streamline the transfer of Chemeketa students to WOU. In November 2016, WOU and Clackamas Community College signed a formal dual enrollment agreement and additional dual enrollment agreements are being developed with other community colleges such as the second year of the pilot with Clatsop Community College in which the WOU computer science department provide live capture lecture courses in support of Clatsop's computer science curriculum.

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

Willamette Promise, WOU's primary accelerated learning activity served 2,645 high school students in 2017-18. Of those students, 41% were economically disadvantaged. WOU also works with Oregon Tech in providing college-credit earning opportunities to students.

PATHWAYS

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

Although Oregon has good state level policies and processes to ensure that students may apply credits earned upon transfer from community college to university (the Associate of Arts Oregon Transfer degree,

for example), research that resulted from House Bill 2525 (2015) revealed that community college transfer students on the whole often face challenges in completing an intended major, which result in excess accumulated credits, increased tuition costs, and student debt. Statewide, community college transfer students graduate with more “excess” credits than their direct entry counterparts. And despite the best efforts of advisors, faculty, and administrators, some students who complete statewide degrees such as the AAOT are ill-served if they transfer into certain 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, 41.1 percent 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>). Western Oregon in that same period enrolled 46 percent of its students as transfers.

In the 2017 legislative session, House Bill 2998 passed, which required the Commission to work closely with both public universities and community colleges to create a new framework for statewide transfer, a Foundational Curriculum of at least thirty 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 more easily into university study, with fewer lost or excess credits.

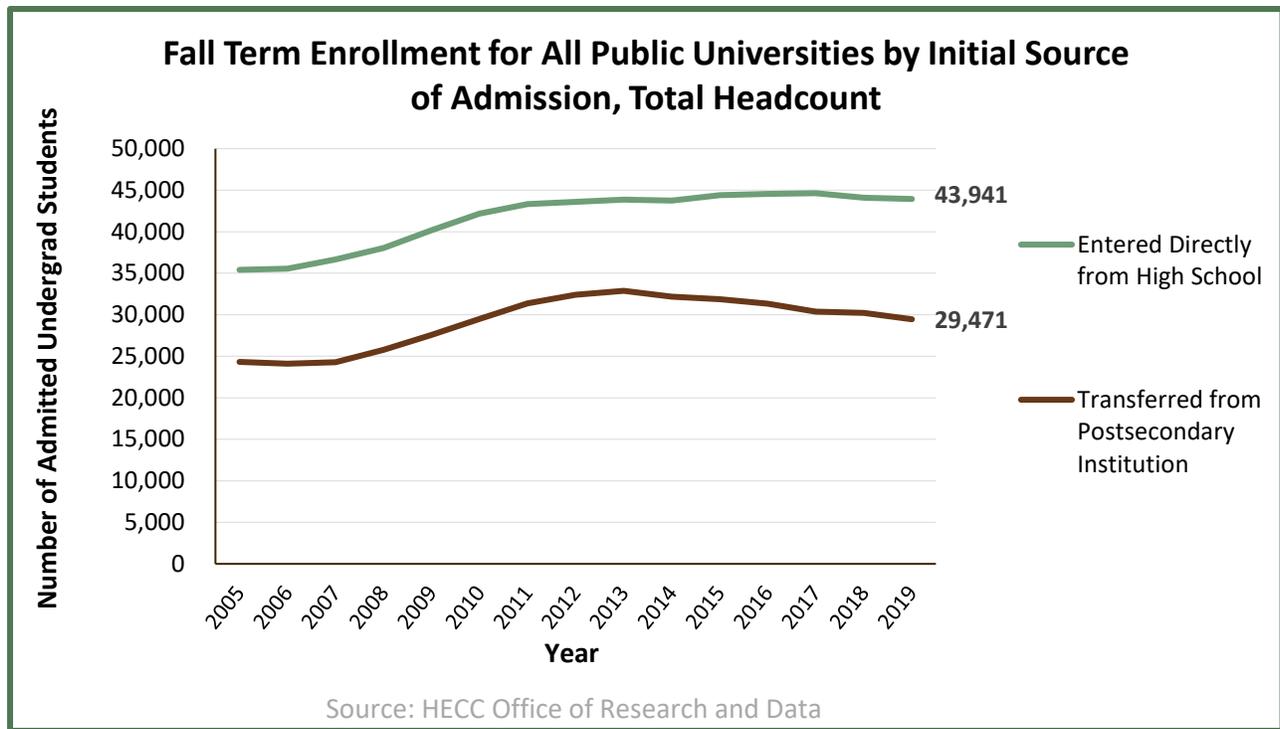
WOU representatives have been advisors and participants to the HB 2998 implementation process, adding insight and value to the creation of a proposed foundational curriculum and addressing the policy questions that have been generated by the bill. Their participation on the newly created Oregon Transfer Articulation Committee was critical to the design of the Foundation Curriculum and USTAs both now rebranded as the Oregon Transfer Maps. WOU faculty and administrators actively contributed to the creation of three Major Transfer Maps (USTAs) created so far: Elementary Education, Biology and English Literature. For a more thorough update on the work accomplished so far please see House Bill 2998 (2017): Implementation Progress report (December 2019).¹²

Western Oregon University has been an early supporter and participant in the Interstate Passport (<http://www.wiche.edu/passport>), a WICHE-led initiative to create an innovative learning outcomes based system of lower division general education that is meant to connect to other institutions across the western states and around the country. WOU was the first Oregon university to lead in the creation of the Passport framework and the first Oregon university to adopt it.

Figure 6: Fall Term Enrollment at All Public Oregon Universities

¹²

<https://www.oregon.gov/highered/about/Documents/Commission/COMMISSION/2019/12%20Dec%202019/11.3%20Postsecondary%20Transfer%20Report%20Staff%20Summary%20and%20Report.pdf>



Source: HECC Office of Research and Data (2019) ; data include new, continuing, and returning students, excludes postbac

SHARED ADMINISTRATIVE SERVICES

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

Table 7: Shared Administrative Services

Provider	University Response
University Shared Services Enterprise (USSE, hosted by OSU)	
Financial Reporting	P
Capital Asset Accounting (currently only OIT)	N/P
Payroll & Tax Processing (includes relationship w PEBB, PERS/Federal retirement*)	P
Collective Bargaining *	P
Information Technology/5 th Site	N/P (participated until March 1, 2018)
Treasury Management Services:	
Legacy Debt Services-Post Issuance Tax Compliance	P
Legacy Debt Services-Debt Accounting	P
Non-Legacy Debt Services	P
Bank Reconciliations (and other ancillary banking services)	P

Endowment Services	N/P
Other Miscellaneous Statements of Work:	
Provosts Council Administrative Support	P
Legislative Fiscal Impact Statement Support	P (OCOP will provide starting 2020)
Risk Management Analyst (TRUs only)	P
Public University Fund Administration	P
Western Oregon University	
Retirement Plans *	
Legacy 401(a) Plan	NA
Legacy 403(b) Plan	NA
Optional Retirement Plan (ORP)	NA
Tax-Deferred Investment (TDI) Plan	NA
SRP Plan	NA
Public University Risk Management and Insurance Trust (Risk Management)	P

Stemming from the passage of SB 270 and the University Shared Services Workgroup of 2013, as well as subsequent legislation found in ORS 352.129, the seven public universities created the University Shared Services Enterprise (USSE), a service center hosted by Oregon State University. USSE offers a fee for service model for many back-office functions previously offered by the OUS Chancellor's Office. ORS 352.129 mandates participation by the independent universities in certain services offered by USSE until July 1, 2019.

These mandated services include group health insurance, a select set of group retirement plans, and collective bargaining. All universities, including WOU, continue to participate in these mandated services.

FINANCIAL HEALTH ASSESSMENT

This section of Western Oregon University's evaluation includes an overview of key financial ratios commonly used to understand the strength of a public institution's financial position and its operating performance. This includes the composite financial index (CFI) which is a single number representing an overall assessment of the institution's financial health. These ratios should not be viewed in isolation and are best presented along with appropriate context.

The overall financial health of an institution can be assessed via two dimensions of inquiry. First, is the institution financially capable of successfully carrying out its current programs? Second, is the institution able to carry out its intended programs well into the future? Along those two dimensions, four key financial questions need to be asked. A financial ratio is designed to measure the answer for each question.

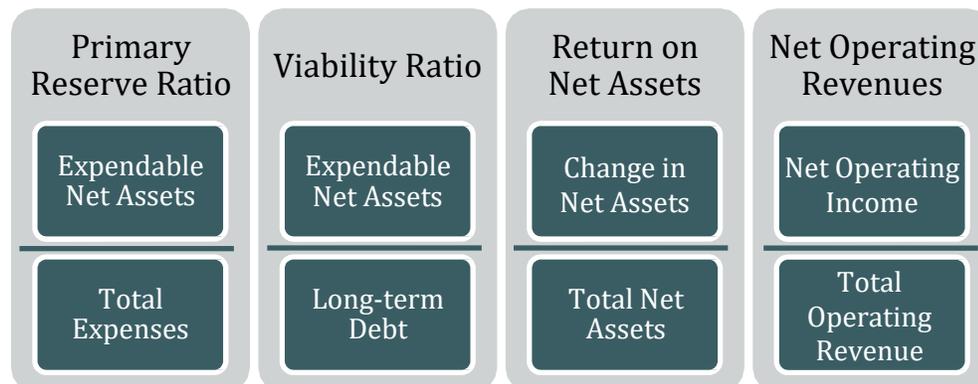
1. Are debt resources managed strategically to advance the mission? – Viability Ratio
2. Are resources sufficient and flexible enough to support the mission? – Primary Reserve Ratio

3. Does asset performance and management support the strategic direction? – Return on Net Assets Ratio
4. Do operating results indicate the institution is living within available resources? – Net Operating Revenues Ratio

The results of the four primary ratios are then included in a weighted calculation to derive the CFI. In WOU's case, the overall trend for their CFI is positive, as they moved from a 0.22 in FY 17 to a level of 1.65 in FY 19. A CFI of 3.0 or higher is ideal and could allow for institutional innovation while a negative CFI would necessitate governing board intervention to ensure financial stability.

Changes in accounting practice can affect the calculations. For example, Governmental Accounting Standards Board (GASB) Statements No. 68, 71 and 75 attempt to improve financial reporting by accounting for pension-related and other postemployment benefit (OPEB) liabilities. The CFI is calculated with these liabilities and then adjusted to remove them. The impact of these statements was the reduction in expendable net assets leading to a reduction in both the primary reserve and viability ratios as well as higher benefits expense leading to a reduction in the net operating revenues ratio. In FY2019, pension and OPEB liabilities represent \$36.2 million or 33% of total liabilities at WOU. The value of pension and OPEB liabilities is actuarially determined and subject to a number of assumptions driven by demographics and other factors.

Effective for FY2019, new guidance was issued by the Financial Accounting Standards Board (FASB) in Accounting Standards Update (ASU) 2016-14 (topic 958) which altered the categories of net assets presented for the foundations. Consequently, the calculation of expendable net assets was affected. Two ratios use the expendable net assets. The ratios are calculated using the following information.



The ratios calculated for WOU include the impact of GASB statements 68/71/75 and ASU 2016-14 and are listed below with a narrative discussion of each ratio. The CFI is calculated with pension and OPEB liabilities and also presented without them. Please note these ratios include foundation data and not just institutional resources.

WESTERN OREGON UNIVERSITY FINANCIAL RATIOS				
Ratio	FY 19	FY 18	FY 17	Benchmark
Viability Ratio	0.48	0.47	0.42	>1.0
Primary Reserve Ratio	0.24	0.23	0.21	>0.4
Net Operating Revenues Ratio	-1.3%	-1.8%	-5.6%	>4%
Return on Net Assets Ratio	7.2%	7.3%	-2.5%	>6%
Composite Financial Index (CFI)	1.65	1.58	0.22	>3.0
Adjusted CFI*	2.67	3.04	4.59	>3.0
*adjusted to remove pension and OPEB related liabilities and expenses.				

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. Expendable net assets are those resources that are readily available to the institution. They are not restricted physically like capital assets or legally like donor assets that are restricted for a specific purpose. Ideally, an institution would have enough expendable resources available to more than cover debt.

WOU's expendable net assets have increased 9.9% since FY 17, a promising sign for an institution that two years ago had been in a far more precarious financial position. Ideally, an institution would have enough expendable resources available to more than cover debt. WOU's viability ratio has increased from FY 17 to FY 19 to the point where they can cover just under half of every dollar currently owed. WOU's viability ratio, its trend and the related increase in expendable net assets indicate the institution is in a stable position.

The primary reserve ratio compares expendable net assets to total expenses, providing a snapshot of how long the institution could continue operating without additional revenue. A decline in the primary reserve ratio indicates expenses are growing faster than revenues and certainly faster than the growth in expendable net assets.

WOU's primary reserve ratio has been largely stable over the past three years, although short of the benchmark. This indicates that although WOU has been successfully balancing revenues with expenses, its relatively small reserves may be it at risk if institutional finances worsen.

The net operating revenues ratio indicates whether total operating activities for the fiscal year generated a surplus or created a deficit. It attempts to demonstrate whether an institution is living within its available resources. WOU's net operating revenues ratio has increased since FY 17, although they have posted an operating loss the past three years. Although the losses are relatively small, continuing negative operating revenues ratios may indicate that an institution does not currently have capacity to develop a stronger fund balance or make strategic operating investments without the use of existing fund balance, expense reductions, or revenue enhancements.

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. WOU showed substantial improvement in this ratio from FY 17 to FY 18, which was sustained in FY 19, both of which were just above the established benchmark. This indicates that WOU may have additional assets to invest should this trend continue.

More contextual information will lead to a better understanding of the CFI with a discussion of some of the underlying factors that affect it. The first is their enrollment trends, which have seen a decrease from 4,571 to 4,378 over the past three years, mirroring what we have seen in most institutions statewide.

According to the strategic capital development plan, WOU's enrollment is expected to remain relatively stable over the next decade. The institution might argue their focus on the region's increasing Hispanic population will help increase enrollment, but it is too early to determine if this is correct. The strategic capital plan states that, "In order for WOU to reach its on-campus enrollment forecast for 2029, which would require it to enroll about 1,600 additional FTEs in 2029, NCHEMS' model estimates that it would have to improve its recruitment and retention by over 20 percent across the board." Data from the fall fourth week enrollment report shows a 5.6% decrease in WOU's FTE over the same point last year, continuing a similar pattern that has been seen over the past several years.

WOU is more heavily dependent on tuition aid than state funding but both are important to their continuing financial stability. Increasing enrollment could serve as a bulwark against potential future decreases in state funding.

The table below includes projected FY2020 revenue and expenditure data for WOU's E&G operations. WOU spent down its fund balance last year and plans to do so again in FY 20. This is due to a combination of a drop in enrollment, the purchase of a classroom building in Salem, low tuition increases and increases in personnel expenses to create new programs to drive enrollment. Overall WOU is in significantly better shape than it was two years ago. However, a fund balance that is projected to be about cut in half in only two years could pose financial risk.

Projected Educational & General (E&G) Fund Balance, FY2020					
	FY18 Actuals	FY19 Actuals	FY 20 Budget	Variance	
Enrollment Fees	41,788,000	39,804,000	36,820,000	(2,984,000)	-7%
Govt Resources and Allocations	24,506,000	25,348,000	27,512,000	2,164,000	9%
Misc	4,239,000	5,057,000	5,059,000	2,000	0%
Total Revenues	70,533,000	70,209,000	69,391,000	(818,000)	-1%
Personnel	55,212,000	58,712,000	59,240,000	528,000	1%
Total Labor	55,473,000	59,166,000	59,443,000	277,000	0%
Supplies and Services	8,391,000	7,304,000	7,640,000	336,000	5%
Transfers In	2,985,000	12,350,000	841,000	(11,509,000)	-93%
Transfers Out	6,984,000	16,971,000	4,460,000	(12,511,000)	-74%
Capital Expense	261,000	454,000	203,000	(251,000)	-55%
Other Activities	-	1,053,000	4,328,000	3,275,000	311%
Total Expenditures	67,863,000	72,144,000	75,030,000	2,886,000	4%
Net Revenue	2,670,000	(1,935,000)	(5,639,000)	(3,704,000)	191%
E&G Fund Balance	13,993,000	10,926,000	7,569,000	(3,357,000)	-31%
	19.84%	14.92%	10.91%		

BOARD OF TRUSTEES

The Boards of Trustees at each public university maintains working relationships with its constituents. The WOU Board of Trustees met in regular session four times during 2018-19 and once in a planning retreat (see <https://wou.edu/board/2018-2019-meetings/>). The Board issues call-to-meeting letters and agenda prior to public sessions of the Board. Information is disseminated on the campus website, to all campus listservs, and to a list of external persons and organizations that have indicated interest in WOU's Board meetings (See <http://www.wou.edu/board/meeting-materials/> for information on the Board's meeting materials).

The Board includes reports from its shared governance groups and an opportunity for public comment at its regularly scheduled Board meetings. The Board Statement on the Conduct of Public Meetings with further information may be reviewed here: http://www.wou.edu/board/files/2014/10/WOU_Board_Statement_on_Conduct_of_Public_Meetings1.pdf. The WOU Board of Trustees follows public meeting laws and livestreams board meetings. All agenda and dockets are posted on the Board website. The Board's Policies and procedures includes a statement on the Conduct of Public Meetings. Included in this policy is meeting frequency, notice of meetings, calendar of meetings, meeting agendas, and special meetings. WOU has a designated person assigned to public records requests. The Board adopted bylaws prior to its official start date of July 1, 2015 (see Board bylaws at: http://www.wou.edu/board/files/2014/10/WOU_Bylaws1.pdf).

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

[http://www.wou.edu/board/files/2014/10/WOU Board Resolution on Responsibilities of Individuals Trustees.pdf](http://www.wou.edu/board/files/2014/10/WOU_Board_Resolution_on_Responsibilities_of_Individuals_Trustees.pdf)

As noted, the Board reviewed and adopted a new mission statement at its January 25, 2017 meeting. The Board, upon review and recommendation of the Finance & Administration Committee receives quarterly management updates, the university's budget, and the externally audited financial statements for acceptance and approval.

In support of the ORS 352.012, WOU uses a tuition setting process that is inclusive, transparent, and student-centered. The Tuition and Fee Advisory Committee develops a recommended tuition rate for the upcoming academic year. For 2018-19 the committee included five students, two faculty and two administrative representatives. The committee meetings included two open forum for students, two meetings with the ASWOU Student Senate, and regularly scheduled monthly meetings. Meetings were announced to students and materials at the meeting were posted on the university's web page. (<http://www.wou.edu/tfac/governance-changes>)

The WOU Board of Trustees has three standing committees. These committees (Academic and Student Affairs, Finance and Administration, and Executive, Governance and Trusteeship) meet in advance of every quarterly Board meeting. The Finance and Administration Committee includes a chief fiscal officer from a local school district, and attorney with extensive corporate experience and financial services professional with over 25 years' experience in financial services and health care.

The committee duties include:

3.3 As further described in its charter, the FAC may consider and recommend actions to the Board on the following topics:

3.3.1 The University's operating and capital budgets and requests for appropriation of state funds.

3.3.2 The University's investments, finances, financial accounts, and debt finance.

3.3.3 Tuition and mandatory enrollment fees.

3.3.4 The acquisition, management, development and disposal of real property.

3.3.5 The acquisition, management, development and disposal of personal property, tangible and intangible.

3.3.6 Human resources policies and practices.

3.3.7 Insurance, self-insurance programs, and other mechanisms designed to manage risk and reduce liability facing the University.

3.4 The FAC shall also serve, as appropriate, as the Board's Audit Committee. When sitting as the Audit Committee, the FAC shall consider matters pertaining to internal controls, enterprise risk

management, internal or external auditors, as the Board or President shall use, and audit plans and reports. Adopted: 042215

3.5 The primary University personnel that will staff, advise, and assist the FAC shall be the Vice President of Finance & Administration.

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

CONCLUSION

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

WOU is accredited by the Northwest Commission on Colleges and Universities (NWCCU), and is fully on track with the 7-year NWCCU cycle for accreditation. WOU was last reaffirmed for accreditation in 2016 following its Year Seven (Mission Fulfillment and Sustainability) review. NWCCU recommended that WOU focus on defining its mission fulfillment and accomplishment and establish objectives and outcomes of each core theme and learning outcomes for all courses, programs and degrees. WOU submitted the next Year One (Mission and Core Themes) report following a substantive change proposal from WOU with respect to Mission and Core Themes that NWCCU had not yet acted upon. Per NWCCU direction WOU resubmitted the Year One report along with the Year Three report in March 2019. The two reports combined address all outstanding recommendations.

WOU's Fall 2019 enrollment is the lowest it has been in over a decade. Resident enrollment is down 10.0% since 2015 and 14.6% since 2008; while non-resident enrollment has decreased 10.9% year-over-year, it is up 13.0% since 2011 and 27.8% since 2008. Conversely, the number of underrepresented minority students enrolled at WOU continues to grow and now represents 27.4% of the university's total population— the largest percentage at any Oregon public university. Resident students account for 77.9% of the student population. WOU awarded 1,391 total degrees in 2018-19, 1.4% more than the previous year and the most it has awarded since 2012-13 when it awarded 1,430 degrees. WOU had an increase of 9.9% more bachelor degrees year-over-year. The six-year graduation rate is 48.5% for Pell Grant recipients, 50.7% for underrepresented minority students, and 50.4% for all students. The number of bachelor degrees awarded at WOU has declined over the last two academic years and the number of degrees awarded to underrepresented minority students has fluctuated over that same period, a direct correlation with decreases in enrollment. WOU has been nationally recognized for its noteworthy performance in graduation rates for Pell Grant recipients. Six-year graduation rates for Pell Grant recipients are slightly better than the overall student rate, however, underrepresented minority students lag the institutional average by 2 percentage points.

Many students and prospective students at Western Oregon University (WOU), 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. Only six states have met pre-recession funding levels for higher education.

Partly as a result of state funding cuts, resident undergraduate tuition and fees at Western Oregon University increased 66.5% in the last 10 years, including increases of 3.7% and 2.4% in 2018-19 and 2019-20 respectively.¹³ In the current academic year, tuition increased 2.3% and fees increased 2.7%.¹⁴ Resident graduate students have faced similar increases. This is compared to a 5.47% average increase in resident, undergraduate tuition and fees across all institutions for the current year.

In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), Western Oregon University students benefit from WOU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In the 2018-19 academic year, WOU recorded \$3,843,805 in resident tuition remissions (18.3% of resident gross tuition charges) which is a 16.9% increase over the prior year. The year prior, the 2017-18 academic year, WOU recorded \$3,285,991 in resident tuition remissions (15.2% of resident gross tuition charges).

Overall, WOU's finances have seen quite the turnaround over the past two years. WOU deserves a lot of credit for improving their financial position, especially in an environment with declining enrollment. Continued improvement could make WOU better positioned to weather potential future financial shocks.

As noted at the outset, this report describes performance in several areas that are of particular importance to the HECC and to the State of Oregon. 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.

¹³ Source: <https://wou.edu/finaid/estimated-expenses/cost-of-attendance/> as well as historical OUS tuition data. Defined to include full-time resident base tuition and all mandatory fees (including incidental fees).

¹⁴ A full-time resident undergraduate student (taking 45 credits per year or 15 credits for each of three terms) at Western Oregon will pay \$7,920 in tuition and \$1,848 in fees for a total annual cost of \$9,768.

