HIGHER EDUCATION COORDINATING COMMISSION

2015 UNIVERSITY EVALUATION:
Oregon State University

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INTRODUCTION

LEGISLATIVE MANDATE (SB 270)

Passed by the Oregon legislature in 2013, Senate Bill 270 established individual governing boards at the University of Oregon and Portland State University. It also established a time frame for Oregon State University to establish an individual governing board which it subsequently did. In addition, the bill required the Higher Education Coordinating Commission (HECC) to conduct an evaluation 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 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 351.009 (the 40-40-20 goal); 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.

ORS 352.061(2)(c) also requires that the HECC assess university governing boards against the findings set forth in ORS 352.025[1], including that governing boards:

- Provide transparency, public accountability and support for the university.
- Are close to and closely focused on the individual university.
- Do not negatively impact public universities that do not have governing boards.
- Lead to greater access and affordability for Oregon residents and do not disadvantage Oregon students relative to out-of-state students.
- Act in the best interests of both the university and the State of Oregon as a whole.
- Promote the academic success of students in support of the mission of all education beyond high school as described in ORS 351.009 (the 40-40-20 goal).

In addition, the statute notes four additional Legislative findings:

- Even with universities with governing boards, there are economy-of-scale benefits to having a coordinated university system.
- Even with universities with governing boards, services may continue to be shared among universities.
- 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.
- 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.

[1] ORS 352.025: https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ors352.html

EVALUATION PROCESS

In an effort to approach the evaluation in a collaborative manner, the HECC formed a work group comprised of University Provosts, Inter-Institutional Faculty Senate, Oregon Education Investment Board (now known as the Chief Education Office) staff, HECC staff, 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. There are other ways in which universities are evaluated, the most important of which is accreditation. This report is focused on the legislative charge, not a comprehensive evaluation. It reflects the narrower scope per legislative issues of interest, incorporating findings from accreditation studies where there is overlap.

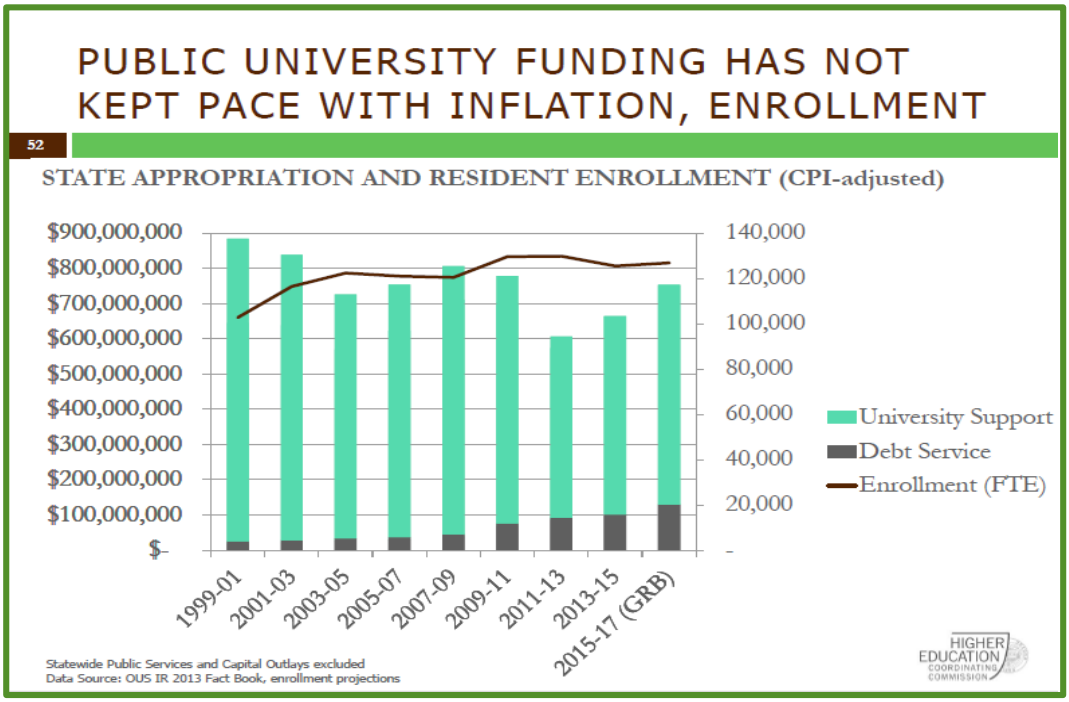
During its development, the framework was shared with various groups such as university presidents, university faculty senates and others to seek feedback and input on the framework. The framework was revised based on input and suggestions and three categories were identified as organizers. These included 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.

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:

Oregon State is one of the three largest public universities in the State with a long history of excellence in preparing students in a comprehensive array of academic and professional fields. ORS 351.047 and 351.735 require the HECC to review and approve public university mission statements. During its June 11, 2015 meeting, the HECC reviewed and approved the Oregon State University mission statement reproduced here:

Mission: As a land grant institution committed to teaching, research and outreach and engagement, Oregon State University promotes economic, social, cultural and environmental progress for the people of Oregon, the nation and the world. This mission is achieved by producing graduates competitive in the global economy, supporting a continuous search for new knowledge and solutions and maintaining a rigorous focus on academic excellence, particularly in the three Signature Areas: Advancing the Science of Sustainable Earth Ecosystems, Improving Human Health and Wellness, and Promoting Economic Growth and Social Progress.

OSU is guided in its strategic endeavors by its vision: To best serve the people of Oregon, Oregon State University will be among the Top 10 land grant institutions in America."

To pursue its mission and vision, Oregon State has identified three Strategic Goals/Priorities (articulated in OSU's Strategic Plan 3.0: Focus on Excellence) , guided by three Core Themes (articulated in NWCCU's accreditation standards):

Goals/Strategic Priorities:

1. Provide a transformative education experience for all learners.
2. Demonstrate leadership in research, scholarship and creativity while enhancing preeminence in the three signature areas of distinction (advancing the science of sustainable earth ecosystems, improving human health and wellness, promoting economic growth and social progress).
3. Strengthen impact and reach throughout Oregon and beyond.

Core Themes:

1. Undergraduate Education
   - Provide broad and continuing access to undergraduate university degrees for the people of Oregon and beyond.
   - Provide rigorous and effective undergraduate degree programs.
   - Provide a supportive and healthy learning environment beyond the classroom for student success and development at all levels.

2. Graduate Education and Research
   - Attract and support high achieving and diverse graduate students.
   - Provide high quality education to prepare graduate students for employment in rewarding professional careers.
   - Foster a research and scholarship environment that is diverse and has a high impact.

3. Outreach and Engagement
   - Attract off-campus learners to educational opportunities using a variety of face-to-face, distance and technology-based programs.
   - Build and sustain engagement with communities of interest and communities of place across the institution to exchange knowledge and resources in a context of partnership, reciprocity and mutual benefit.

OVERALL EVALUATION

This report focuses on the topics identified by the Legislature and is not intended to be a comprehensive evaluation of Oregon 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 OSU 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 which has available the necessary resources to achieve its stated purposes through appropriate educational programs, is substantially doing so, and gives reasonable evidence that it will continue to do so in the foreseeable future. Institutional integrity is also addressed through accreditation. This section draws on some relevant parts of NWCCU reports, supplemented with information on economic and community impact (identified from OSU sources). Other components of NWCCU reports are incorporated elsewhere as appropriate.

Oregon State University was last accredited in 2011 and is now well on track with its seven-year cycle of accreditation process and approvals by the NWCCU. The Self -Assessment Reports prepared by OSU and the subsequent reports issued by the NWCCU were submitted for this evaluation. Copies of documents may be reviewed at: https://sharepoint.oregonstate.edu/sites/APAA/Accreditations/NWCCU/Accreditation%20Cycle%20Reports/Forms/AllItems.aspx with OSU login ID and password.

In addition, for 2015, Oregon State University has a number of specialized accredited programs each with its own accrediting body. These include:

Table 1: Specialized Accredited Programs and Accreting Body

Unit	Accrediting Body
Agricultural Sciences: Food Science & Technology	Institute of Food Technologies
Agricultural Sciences: Rangeland Sciences	Society for Range Management
Business	Association to Advance Collegiate Schools of Business
Engineering	Accreditation Board for Engineering and Technology
Forestry	Society of American Foresters
Forest Engineering	Accreditation Board for Engineering and Technology
Wood Science and Technology	Society of Wood Engineers
Nutrition & Food Management	American Dietetic Association
Pharmacy	American Council for Pharmacy Education
Public Health	Council on Education for Public Health
Teacher Education	National Council for Accreditation of Teacher Education; Teacher Standards and Practices Commission
Veterinary Medicine	American Veterinary Medicine Association
OSU Institutional: Animal Care & Use Program	Association for Assessment and Accreditation of Laboratory Animal Care, International

In 2012 OSU conducted the Year 1 Peer Evaluation of the NWCCU that resulted in affirmation with two recommendations: (1) to clarify definition of mission fulfillment and connections to core themes indicators, with acceptable thresholds articulated; and (2) to incorporate evidence of student learning outcomes data throughout the educational learning experience. These recommendations were successfully addressed in its Year 3 Evaluation conducted in 2014. The Year 3 Evaluation recognized that OSU's efforts for self-assessment are well organized and the requirement that Course Learning Objectives be identified on all syllabi was being followed.

The Year 3 Evaluation Report by the NWCCU noted some worthy achievements by OSU:

- The significant increase in student population and that OSU had maintained only marginally higher student to faculty ratio and student to staff ratios
- Faculty exercise a primary role in the design, approval, and implementation of curriculum; and are involved in the assessment of student learning; and in the recruitment and selection of new faculty
- All student support resources are available to ECampus and OSU-Cascades students
- Financial stability in spite of the 2003-13 challenges
- Debt ratio is 4.5%, well below the 7% required by the former State Board of Higher Education
- There are public safety and alert systems in place

Economic and Community Impact

Analysis of Oregon State University's impacts, conducted by the economic consulting firm ECONorthwest (http://oregonstate.edu/ua/ncs/archives/2015/jan/new-analysis-puts-osu%E2%80%99s-economic-impact-more-237-billion), is based on OSU's expenditure data, visitor data, student enrollment and a 2013 Oregon Travel Impacts study. Economic impacts are captured in three ways, direct impacts ($973 million), indirect impacts ($424.2 million) and induced impacts ($834.8 million). Direct impacts include spending on operations, goods and services, and capital construction; indirect impacts result from companies purchasing additional supplies or hiring additional employees to support spending by OSU; and induced impacts result from the purchasing power of the university's employees.

OSU contributed $2.371 billion to the global economy in 2014 – an economic footprint that has grown by $311 million, or 15 percent, since 2011. The greatest impact is in Oregon, where OSU was responsible for adding an estimated $2.232 billion to the state's economy in 2014 – a figure that accounts for 31,660 jobs. The ECONorthwest analysis looked for the first time at OSU's contribution in Portland, where OSU contributed $401.9 million to the economy in 2014, along with 2,350 jobs. The economic impact of OSU in Benton and Linn counties was $1.334 billion, along with 25,110 jobs.

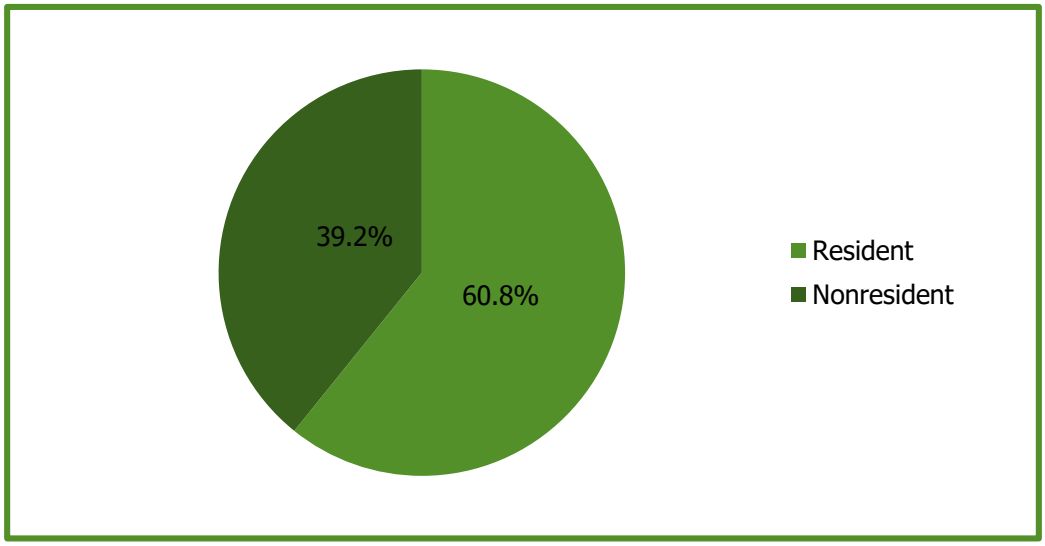
The total does not include other significant community influences to the state, regional and national economies, including the contributions by university graduates or the benefits of OSU research, such as improved varieties of wheat and other crops used by Oregon farmers; spinoff companies that have major economic impacts; and scholarship that has improved public health and environmental stewardship. Nor does it reflect substantial contributions made by students, faculty and staff to the civic vitality of their communities.

STUDENT SUCCESS AND ACCESS

There has been a general decline nationally in higher education enrollments. In Oregon we see a similar pattern, with some variation across institutions, particularly in the enrollment and completion rates for low income, minority and rural students. OSU has been able to resist that trend. This report serves as a baseline for tracking future trends in enrollment and completion outcomes

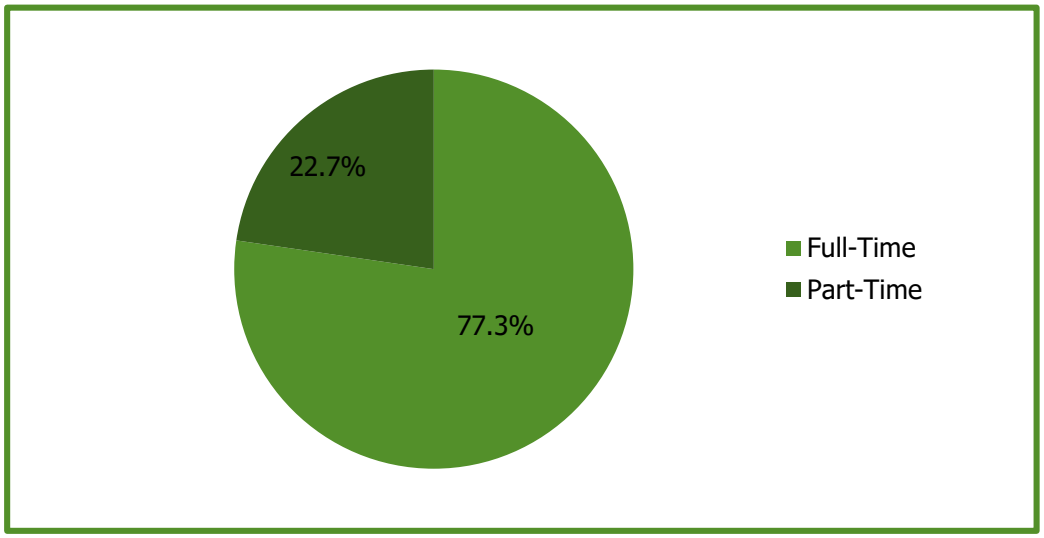
OSU (including OSU-Cascades and online programs) had a student body of 28,886 in fall 2014, and has experienced dramatic growth in enrollment, 18.1% since 2010.[2]. This growth has been in tandem with growth across all sectors of students resulting in a more diverse student body). For the 2014-15 academic year the majority of students (61%) were resident students with almost 80% of all students attending full time.[3]

Figure 2: Student Enrollment by Residency, Fall 2014



[2] HECC Data
[3] HECC Data

Figure 3: Student Enrollment by Full Time/Part Time Status, Fall 2014



Of the 28,886 students attending OSU in fall 2014, 3,741 or 14.6% of all students were from underrepresented minority populations. In addition, close to one quarter (24.8%) of OSU's student population is Pell Grant recipients.

Different student populations do not perform and graduate at similar rates. Underrepresented minority students and Pell Grant recipients graduate at rates that are 7-12 percentage points less than the rate for the overall student population. The graduation rate for OSU First Time Freshmen who entered in the fall term of 2008 is as follows:

Table 2: OSU Four-Year Graduation Rate

Four-Year Graduation Rate:	Percent (%)
All Students	31.9
Underrepresented Minorities	20
Pell Grant Recipients	25
Students retained at 4 years	40.9

Table 3: OSU Six-Year Graduation Rate

Six-Year Graduation Rate:	Percent (%)
All Students	67.5
Underrepresented Minorities	57.6
Pell Grant Recipients	60.7
Students retained at 6 years	5.4

The headcount and FTE enrollment for newly admitted undergraduates from Fall 2014 to Fall 2105 has grown by 2.4% at the Corvallis campus and 3.7% at the Cascades campus. It is too soon to comment on any trends but the composition of resident to non-resident seems to be shifting. In fall 2015, 169 fewer resident students matriculated at OSU-Corvallis compared to 14 more non-resident students. This represented a decrease of 4% of residents and an increase of 0.8% non-resident students. At the Cascades campus there was a substantial

increase of resident students, 55 or 33%, from fall 2014 to fall 2105. There was also an increase of 10 non-resident students, that represented 166% growth in that population.[4]

OSU (all campuses) enrolled 477 more underrepresented students in 2015 than it did in 2014. Of these 246 were of Hispanic origin and 110 were Asian. There were 12 more African Americans. Eleven fewer American Indian or Alaskan Native students and 17 fewer Native Hawaiian or Pacific Island students were admitted.

Table 4: OSU Enrollment by Race/ Ethnicity

Race/ Ethnicity	2013-2014	2014-2015
Non-Resident Alien	446	523
American Indian/ Alaska Native	45	38
Asian	405	377
Black (Non-Hispanic)	51	51
Hispanic	339	379
Pacific Islander	27	22
Two or more races	195	273
White (Non-Hispanic)	4,314	4,402
Unknown	335	248

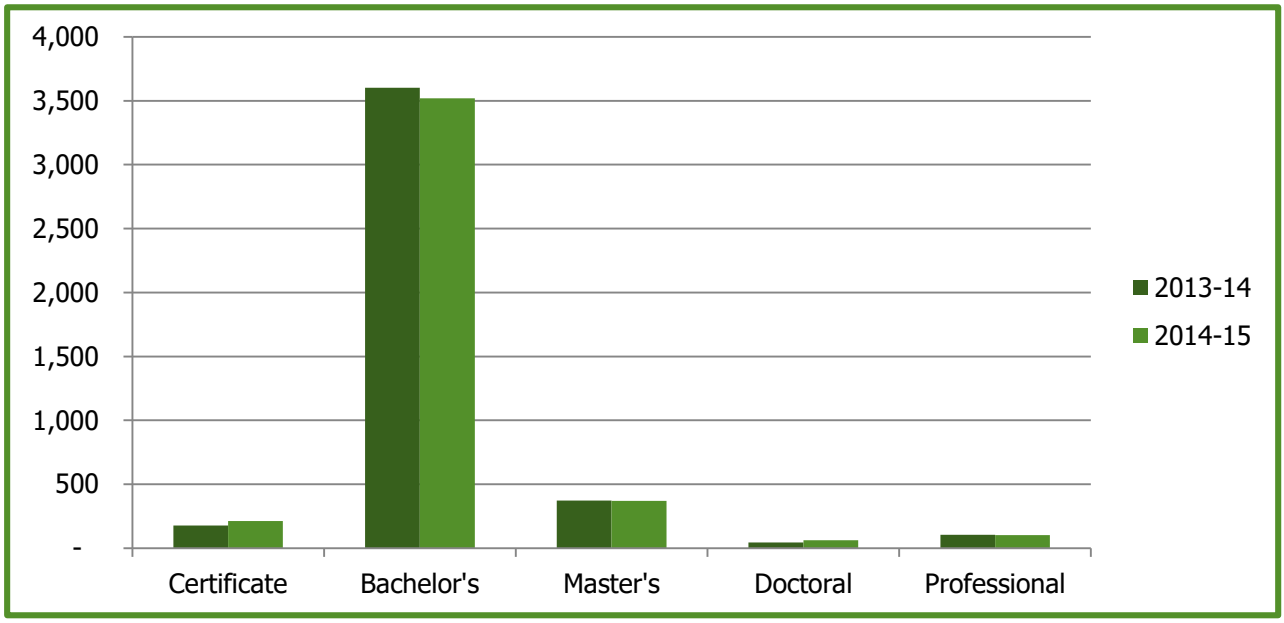
OSU awarded about the same number of master's and professional degrees to resident students in 2013-14; about 40% more doctoral degrees, about 20% more certificates but about 2% or 83 fewer bachelor's degrees.

Table 5: OSU Resident Student Completions by Award Type

	Certificate	Bachelor's	Master's	Doctoral	Professional
2013-14	176	3,603	371	43	104
2014-15	211	3,520	370	61	103

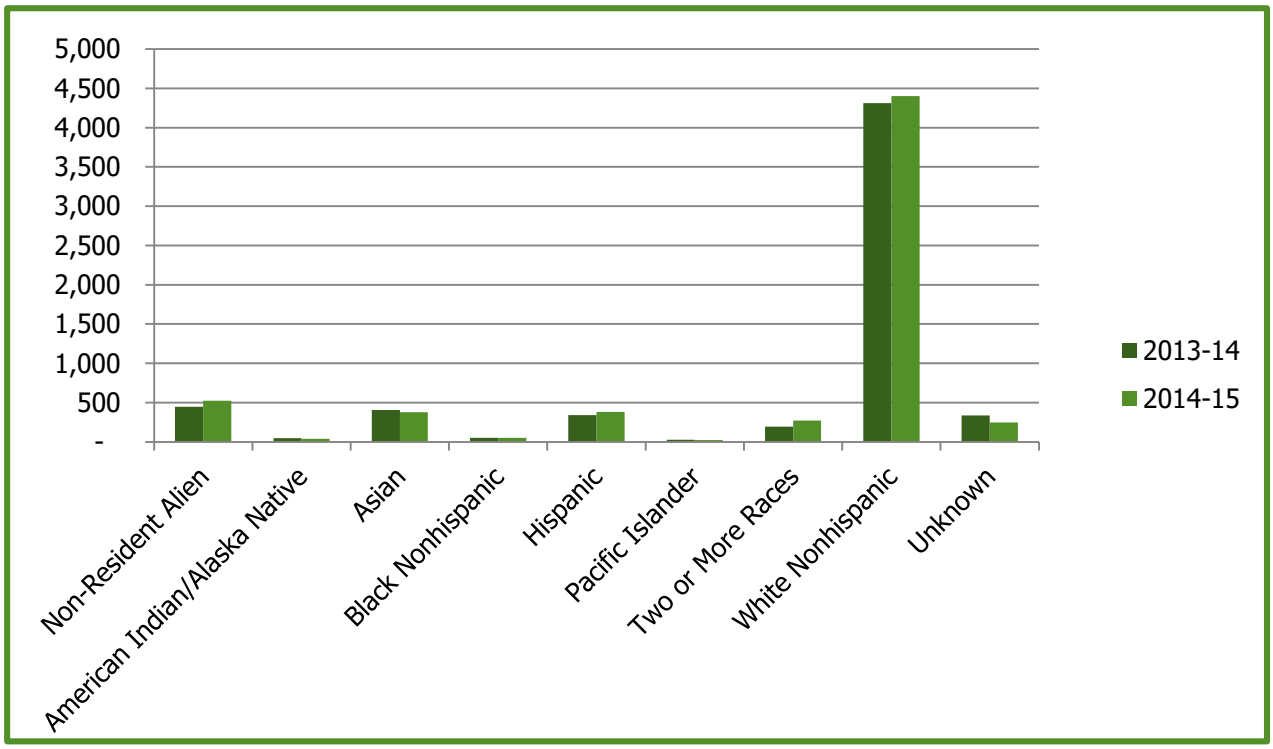
[4] In fall 2006 OSU (Corvallis and Cascades combined) had a total enrollment of 19,857 of which 87% were residents, and 13% were non-residents.

Figure 6: OSU Resident Student Completions by Award Type



White non-Hispanic students were by far the largest group completing their degrees. Hispanic students and students who identify as having two or more races saw a slight uptick, whereas the numbers of Black/Non-Hispanic and Pacific Islander students remained quite small over the two-year period.

Figure 7: OSU Completions by Race/ Ethnicity



COLLABORATION

Oregon State University engages in a number of collaborative initiatives with other universities and partners, as indicated below (*P* indicates Participation):

Table 6: Oregon State University Collaborative Initiatives Participation

Other University Collaborations	University Response
Public University Councils:	P
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
Board of Trustees Secretaries	P
Cooperative Contracting	No formal structure, but we include cooperative language in master contracts that would allow other public universities to participate
Capital Construction Services	N/P – Performed in-house by OSU staff (even while under OUS)
OWAN	P
NERO Network	P
RAIN	P
Orbis Cascade Alliance	P
ONAMI	P
Other	P

In addition, OSU is an active partner in the following collaborations:

- Dual Partnership Programs: http://oregonstate.edu/partnerships/dpp-contacts
- Oregon Forest Science Complex – partnership with UO
  - http://oregonstate.edu/ua/ncs/archives/2015/jul/legislature-approves-bonding-oregon-forest-science-complex
  - https://around.uoregon.edu/content/uo-partners-osu-new-center-sustainable-wood-products
- Oregon Medical Physics Program with OHSU: http://ne.oregonstate.edu/oregon-medical-physics-program
- OSU Agriculture and Natural Resource Program at EOU: http://agsci.oregonstate.edu/agprogrameou/about
- Collaborative Life Sciences Building, Portland – OHSU, PSU:
- http://pharmacy.oregonstate.edu/life-portland
- http://www.ohsu.edu/xd/about/vision/collaborative-science-building.cfm

PATHWAYS

One area of collaboration that is of some concern, both in Oregon and nationally is student transfer success. The statewide Transfer Student Bill of Rights and Responsibilities (ORS 341.430) provides a statutory framework for HECC's continued partnership with institutions around transfer student success. A recent update to that statute (HB 2525) gives 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 retain credits earned upon transfer from community college to university (the Associate of Arts Oregon Transfer degree, for example), we face a growing concern 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.

National research and local knowledge here in Oregon suggest that streamlining vertical transfer requires both state policy coordination and local institutional initiative. At the state level, HECC has recently rescinded an Oregon Administrative Rule (OAR 589.006-0100 (10)) that prohibited community colleges from offering traditional academic major fields of study. Removal of this legal barrier should allow community colleges and universities to enter into well-defined Major Related Pathway agreements that will give students a better roadmap to degree completion. Other dual or co-enrollment models are already in place that open or accelerate the transition from community college to university -- OSU's Degree Partnership Program is one example. HECC is currently convening a workgroup pursuant to House Bill 2525, to generate recommendations for broadening the pathways from community college to university.

OSU's signature pathway program is its Dual Partnership Program (DPP) – a dual enrollment initiative for area community college students to transfer efficiently to Oregon State. OSU's Academic Success Center (ASC) under the Division of Undergraduate Studies, in an effort to advance student success, has engaged in several new initiatives aimed at supporting transfer students. ASC collaborates with Enrollment Management's transfer and Degree Partnership Program student services staff as well as others (i.e. Veteran's Services, New Student Programs) to identify and address transfer student needs. Two new initiatives are the Welcome Week Transfer Center and development of a new Transfer Transition and Success course. OSU works closely with its community college partners – at the enrollment management and curricular level – to ensure its DPP serves its students.

SHARED SERVICES

Pursuant to ORS 352.129 and following the convening of the Workgroup on University Shared Services established by the 2013 Legislature, the seven public universities created the University Shared Services Enterprise (USSE), a service center hosted by Oregon State University. USSE offers a fee for service model for many back office functions previously offered by the 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.

OSU continues to participate in nearly every service provided by the USSE except those designed specifically for the Technical and Regional Universities (TRUs). OSU is deeply engaged with and benefits from the services provided by USSE. In the transition from an integrated university system to a decentralized set of independent institutions, OSU hired several (excluding USSE) former Chancellor's Office Finance and Administration employees to build out and strengthen its internal finance capacity. These former Chancellor's Office employees have acted as a resource to USSE and other institutions as well as the HECC during the transition process.

The two large institutions which continue broad participation in non-mandatory services provided by USSE, Oregon State University and Portland State University, contribute to maintaining the economies of scale which drive down the per unit cost to all participating universities. The Vice President for Finance and Administration at OSU served as the first chair of the Vice President for Finance and Administration (VPFA) Council and the University Shared Services Enterprise (USSE) Oversight Committee, both of which include all seven VPFA's. The Public Universities Risk Management and Insurance Trust (PURMIT) chairmanship has been assumed by the OSU Chief Risk Officer after being led by WOU's VPFA during its startup phase. By anchoring these groups, OSU signaled its commitment to these efforts and helped to ensure continuity of services through the first phase of the governance transition process.

ACADEMIC QUALITY AND RESEARCH

The introduction of a new budget model which incentivizes growth in enrollment and graduation outcomes has triggered concerns across various sectors that the focus on economic sustainability may adversely affect academic quality and research should institutions lower standards 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 Universities and Colleges (AACU) to pursue promising initiatives to develop nationally normed outcomes to assess and track student learning and post-graduation success.

The Year 3 Evaluation by the NWCCU noted that faculty at OSU exercise a primary role in the design, approval, and implementation of curriculum; and are involved in the assessment of student learning; and in the recruitment and selection of new faculty. This engagement in the design of programs, assessment of learning, and recruitment of faculty for teaching and research is directly correlated with the academic quality and research at OSU. Since December 2009, tenure line faculty have increased by 198; instructional faculty by 206, professional faculty by 244, research faculty by 102 and classified staff by 223.

Oregon State University has long had a rigorous process to approve new programs and courses. It also has guidelines and a master calendar for periodic review of academic programs every ten years. (see http://oregonstate.edu/admin/aa/apaa/academic-programs/home. The Faculty Senate President has expressed concerns to the Board of Trustees that in light of the new HECC budget model quality standards may be compromised as the model rewards institutions for students in seats and the number of students graduating.

OSU evaluates faculty using an identified faculty evaluation process (http://oregonstate.edu/admin/aa/faculty-handbook-promotion-and-tenure-guidelines). The University has established opportunities for professional development for faculty through various centers such as the Leadership Academy; The Difference, Power and Discrimination Program and the Center for Teaching and Learning Program.

As a result of the activities of the University's faculty, staff and students, in 2014 Oregon State University ranked as Oregon's largest public research university with $263 million external funding in fiscal year 2013. It has 11 colleges, 15 Agricultural Experiment Stations, 35 county Extension Offices, the Hatfield Marine Sciences Center in Newport and OSU-Cascades in Bend. OSU earned more than 60% of federal and private research funding in the former Oregon University System (2014). Private sector funding has increased 65% over the last 5 years (2009-14), reaching nearly $36 million (SAR 2014, p.8- insert as footnote 7 Self-Assessment report). In 2012-13 it received $7.7 million in licensing and royalty income. In 2015 it received over $10.2 million.

OSU is the State's land grant university and is only one of two universities in the U.S. to also have Sea Grant, Space Grant and Sun Grant designations. OSU is the only university in Oregon to hold both the Carnegie Foundation's top designation for research institutions and its prestigious Community Engagement classification.

BOARD OF TRUSTEE

The Board of Trustees at each public university are early in the process of developing effective working relationships. Based on input that the Commission has received from university constituents, areas that all Boards should be attentive to include timing and access, for example not scheduling meetings during finals week or when classes are not in session and encouraging feedback by making an effort to allow non-board members to weigh in early on in the meetings rather than having to sit out the whole meeting. The OSU Board of Trustees provides a public comment opportunity prior to Board action any item. It also provides a general public comment period at each meeting. The Faculty Senate President reports that he attends each quarterly meeting and presents a summary of faculty issues and concerns. Prior to October 2015, the President of the Associated Students of OSU (ASOSU) did not provide regular reports since he was the student trustee on the Board. With the transition to a new student trustee in October 2015, the ASOSU President started providing a report at each Board meeting.

The OSU Board of Trustees follows its responsibilities for transparency, accountability, engagement with the university's mission, coordination across the State, and meeting its obligation for real property holdings as set out by the Legislature. The Board adopted bylaws on January 9, 2014. These are published on the Board's website: (see http://leadership.oregonstate.edu/sites/leadership.oregonstate.edu/files/trustees/agendas-minutes/140109_adopted_osu_bylaws.pdf). The Board honored its required quarterly meeting schedule, meeting at least seven times between January 2014 and May 2015, excluding committee meetings. In order to meet its transparency obligation, it provides agendas and meeting locations with materials posted on the Board's website in advance of each meeting. Notices of meetings are sent to members of the media and members of the public who have requested meeting notices. Meetings are publicized and open to the public. All meeting notices and supporting documents are posted online.

To meet its fiduciary duties and consistent with best practices, the Board adopted the following:

- Bylaws
- University Mission Statement
- Trustees Conflict of Interest and Recusal Policy
- Trustee Code of Ethics
- Responsibilities of Individual Trustees Policy
- Policies on Standing Committees, Conduct of Meetings, Board Officers, Board Calendar
- Charters for each of the three standing committees of the Board
- University Fraud, Waste, and Abuse Reporting Policy
- University Code of Ethics
- Delegation of Authority to the University
- Public University Fund Investment Policy
- University Internal Bank Policy
- University Investment Policy
- University Debt Policy
- Presidential Assessment Policy

The Board reviewed and approved new academic programs, recommending them for ultimate approval by HECC. The Board also approved the university's annual operating budget, biennial budget proposal, annual tuition rates and fees, new academic programs, issuance of general revenue bonds, and presidential contracts. (Minutes and meeting materials available at http://leadership.oregonstate.edu/trustees/meetings)

The Board or its designated committee received annual internal and external auditor reports and quarterly operating management, investment, endowment investment, and internal audit reports. (Minutes and meeting materials available at http://leadership.oregonstate.edu/trustees/meetings)

In August 2015, the Board completed its first self-assessment that covered four categories (i.e., individual trustees, Board, committees, and Board operations). Each category included a number of survey questions linked to assessment criteria. Feedback from the survey was reviewed with the Board and incorporated into work plans adopted by the Board and its committees.

On January 16, 2015, the Board adopted a resolution establishing the process for determining tuition and fees. Under the established process, the president consults with recognized student government bodies and enrolled students and reports to the Board the nature and outcomes of his consultation with students, including any significant disagreements. The resolution is available at:
http://leadership.oregonstate.edu/sites/leadership.oregonstate.edu/files/trustees/agendas-minutes/resolution_15-01_tuition_fees_process.pdf

On May 29, 2015 the Board adopted a Presidential Assessment Policy that established the process for conducting annual and periodic comprehensive assessments of the president. The Board completed the FY15 presidential assessment at its October 16, 2015 meeting. The Presidential Assessment Policy is available at:
http://leadership.oregonstate.edu/sites/leadership.oregonstate.edu/files/trustees/agendas-minutes/150529_adopted_presidential_assessment_policy.pdf

The Board adopted the university's mission statement on March 13, 2014, which was then forwarded to the HECC which granted approval on June 11, 2015. The approved mission statement is available at:
http://leadership.oregonstate.edu/sites/leadership.oregonstate.edu/files/trustees/agendas-minutes/140313_adopted_osu_mission_statement.pdf

The Board forwarded significant changes in the university's academic programs to HECC following Board approval. To date, this includes

- M.S., M. Eng., and PhD in Robotics
- B.A., B.S. in Religious Studies
- B.A., B.S. in Hospitality Management at OSU-Cascades
- May 2015: PhD in Women, Gender, Sexuality Studies

FINANCIAL METRICS

Table 7: OSU Financial Metrics

	FY 2013	FY 2014	FY 2015
Viability Ratio	125.3%	107.7%	91.9%
Primary Reserve Ratio	43.6%	43.3%	42.5%
Net Operating Revenues Ratio	-3.24%	-2.95%	2.33%
Return on Net Assets Ratio	3.58%	6.05%	10.07%
Debt Burden Ratio	--	3.00%	--
Debt Burden Ratio (Rating)	N/A	N/A	Aa3
			(Outlook Stable)

This section of Oregon State University's evaluation includes overview of key high-level financial metrics which are viewed as among the "industry standard" ratios for understanding the strength of a public institution's balance sheet and its operating performance. These metrics cannot be viewed in isolation from each other, or as a single snapshot in time, but as a continually unfolding story. Like any entity, Oregon State University's ability to fulfill its mission is dependent on its long-term financial health. The financial metrics which are 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.

OSU shows a relatively strong, though consistently declining viability ratio, which now falls below 1:1 . This level, though not an absolute threshold for establishing the long-term viability of the institution, is a benchmark which demarcates relative strength and room for the institution to have broad financial flexibility and invest where necessary. It is worth noting that the viability ratio at OSU has decreased significantly, declining 33.4% over the past three fiscal years. This is largely due to a significant increase in institution-paid long-term debt, including both article XI-F(1) and revenue bonds. Expendable net assets have increased since 2013, but declined during FY15. However, OSU's strong credit rating and stable outlook show a relatively well-positioned institution.

In keeping with OSU's relatively strong viability ratio, OSU has maintained a stable primary reserve ratio. OSU's FY 15 ratio of 42.5% exceeds the 40% level generally seen as advisable to maximize institutional flexibility, invest in strategic initiatives, to self-fund working capital needs, and, importantly, to weather unforeseen events. The ratio has declined modestly from 43.6% in FY 13, however it is largely stable over the medium term. This stability is due to successful management of expendable net assets in line with medium term growth in expenses at OSU.

Oregon State University has demonstrated consistent positive return on net assets over the past three years. This measurement includes the Oregon State University Foundation. The institution when viewed alone has swung from a relatively minor decrease in net position from the prior year, to a significant increase in net position in the most recent fiscal year. The return on net assets calculation is a function of the beginning net assets of the institution. The primary reasons for the significant increase in the institution component are as follows:

- $82 million increase in operating and non-operating revenues
- $52 million increase in other revenues from capital grants and contracts mainly for capital projects

Over the past year, OSU has moved from a net operating loss in FY14 of -3.0% to a net operating gain in FY15 of 2.3% and thus to a positive net operating revenues ratio. This is primarily due to significant increases in operating revenues, including tuition, federal grants and contracts, governmental appropriations and auxiliary revenues. OSU also moderated growth in operating expenses. No institution can manage long-term net operating losses (or net operating revenues ratio), but public and non-profit universities are also expected to deploy resources to accomplish their mission. Given OSU's strong balance sheet position a stable net operating revenues ratio which is slightly above or slightly below zero demonstrates an institution living within its means and investing its available resources in mission attainment. The positive operating results for the institution were truncated by negative results from its component units, further demonstrating the institutions effective resource management during FY15. The continued growth in student enrollment, in both headcount and FTE terms, from Fall 2014 to Fall 2015 is a positive sign for OSU's financial position. This, coupled with tuition increases in excess of 5% and the overall increase in state General Fund support, will drive increases in expendable revenue at OSU during the coming fiscal year.

AFFORDABILITY

Among the legislative findings that the HECC is required to evaluate annually is that the State will benefit from having public universities with governing boards that "lead to greater access and affordability for Oregon residents…" (ORS 352.025).

Many students and prospective students at Oregon State University, like their counterparts at other universities around the state and nationwide, continue to face significant challenges related to access and affordability. Partly as a result of state funding cuts, resident undergraduate tuition and fees at Oregon State University's Corvallis Campus has risen 83.9% in the last 10 years, including increases of 10.3% and 9.7% in 2014 and 2015, respectively. The increase in 2014 and 2015 largely reflect OSU's decision to adopt the same pricing structure as the other six public universities, where there is a charge for each credit hour taken, rather than a flat charge for credit loads between 12 and 16 credit hours. Resident graduate tuition has not increased at the same rate as the tuition plateau is retained for graduate tuition from 9 to 16 credits. Tuition and fees for resident graduate students increased 43% from 2005 to 2015, with increases of 2.1% in 2014 and 2.1% in 2015.

Table 8: Undergraduate resident tuition and fees per term

	2012-13	2013-14 (Spring)	2014-15
At 12 credit hours	2713	2750	2759
At 15 credit hours	2713	2750	3041

The tuition and fees charge in 2004-05 per term was 1698 at both 12 and 15 credits.

Table 9: Graduate resident tuition and fees per term

	2012-13	2013-14 (Spring)	2014-15
At 9-16 credit hours	4282	4370	4460

The equivalent cost per term in 2004-05 was $3115

Tuition, however, tells only a small part of the affordability story. The total cost of attendance for students include significant expenses associated with housing, food, transportation, and textbooks. OSU's estimate of the amount an average student would need to budget for living expenses annually – $15,471 in 2014 -- actually exceeds resident tuition. On the other side of the coin, in addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), Oregon State University students benefit from OSU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In 2014, OSU dedicated $12.9 million of its total tuition revenue to scholarships, remissions, and discounts for resident students. On an average per student basis, these institutional programs had the effect of reducing resident tuition by $793.44.

OSU concluded its first capital campaign in December 2014 with a total of $1.142 billion. The campaign raised $189 million for scholarships, fellowships, and student awards, including the creation of over 600 new scholarship funds. Once all institutional, state, and federal resources are considered, the average OSU resident student in 2014 faced a net total cost of attendance of $17,420.

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. As noted earlier in this report, OSU resident students have four-year graduation rates of 31.9% and six-year graduation rates of 67.5%. On average, their earnings 10 years after entering school are $46,400.[5]

Of OSU students who leave the university with debt, their average debt load is $23,166.[6]

[5] College Scorecard: https://collegescorecard.ed.gov/school/?209542-Oregon-State-University
[6] College Scorecard: https://collegescorecard.ed.gov/school/?209542-Oregon-State-University

CONCLUSION

- HECC summary statement about the legislative charge and the overall evaluation
- Key positive highlights from NWCCU latest accreditation (includes comments on enrollment growth, high academic quality and shared governance)
- Economic and community impact
- Summary of enrollment and completion trend: call out data for residents and under-represented groups: (minorities, first generation, low income, vets, rural residents)
- Affordability
- Performance of BOT: on transparency, collaboration (internal to institution and with other institutions), accountability

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