



Contributing to Oregon's Vitality

Oregon University System

Dr. Melody Rose, Chancellor, Oregon University System

Dr. Emily Plec, Director, Oregon State Board of Higher Education; Professor of Communication Studies, Western Oregon University

Joint Committee on Ways and Means, Subcommittee on Education, March 20, 2013



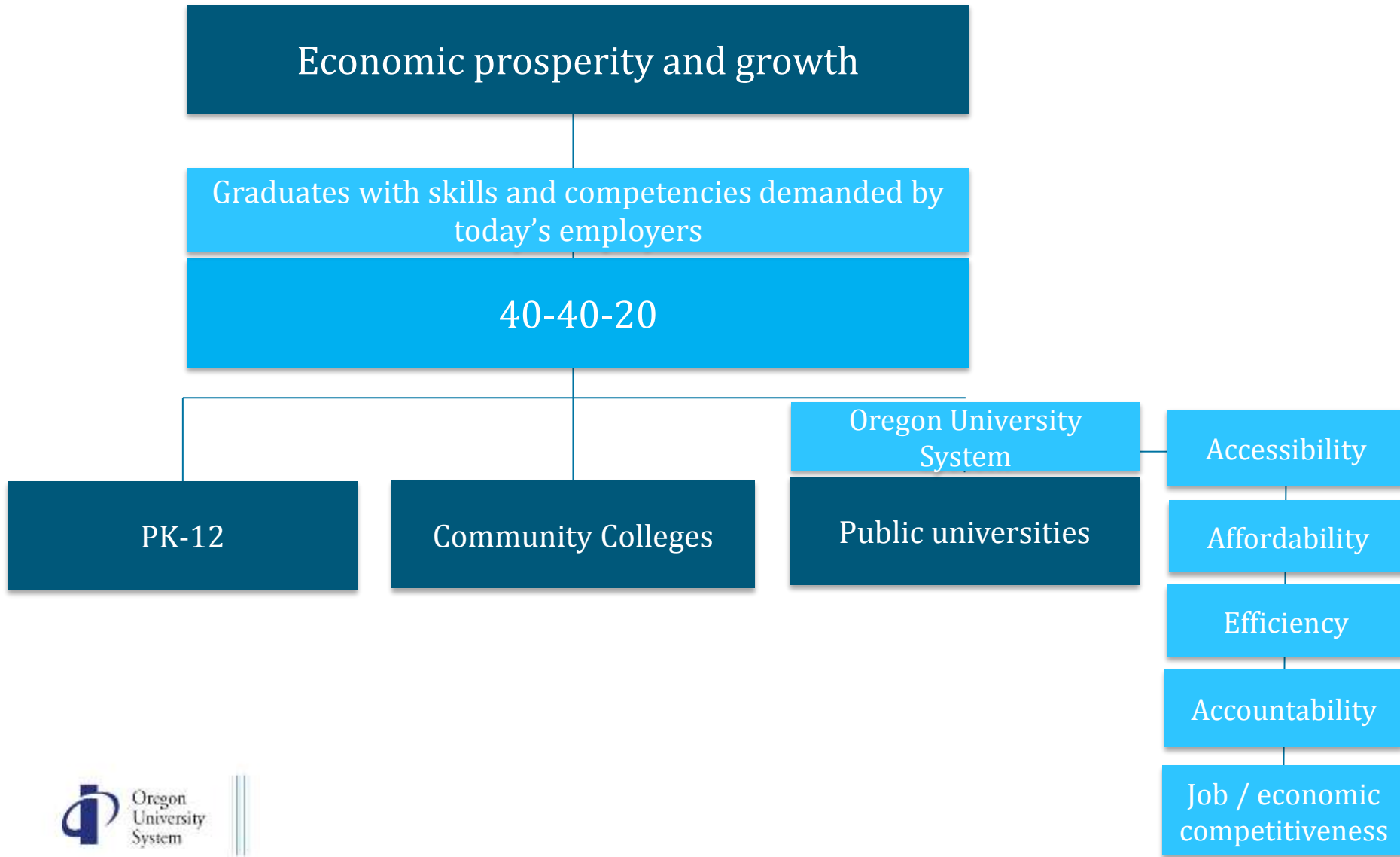
A Decade of Results and Transformation

A hub for collaborations

Creating a seamless student experience, degrees

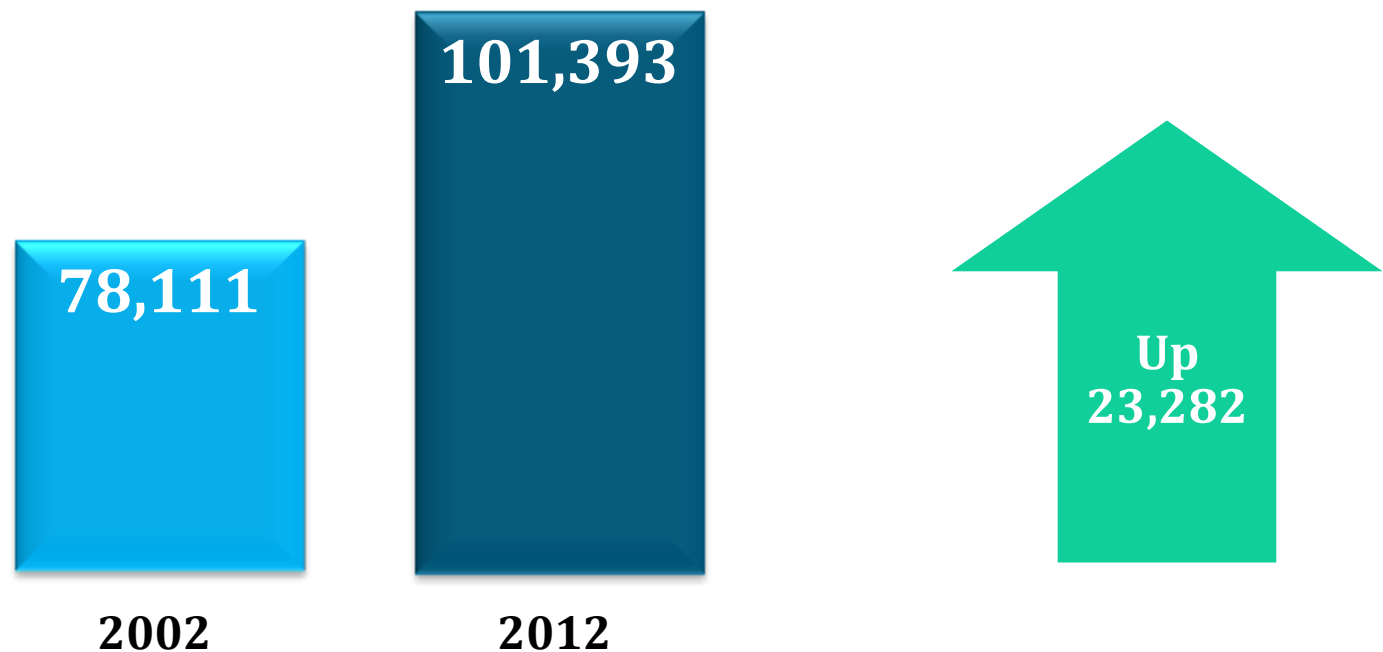
Meeting the demands of Oregon's economy

OUS: achieving 40-40-20, together



Enrolling more students to meet demand

10-year Enrollment Growth

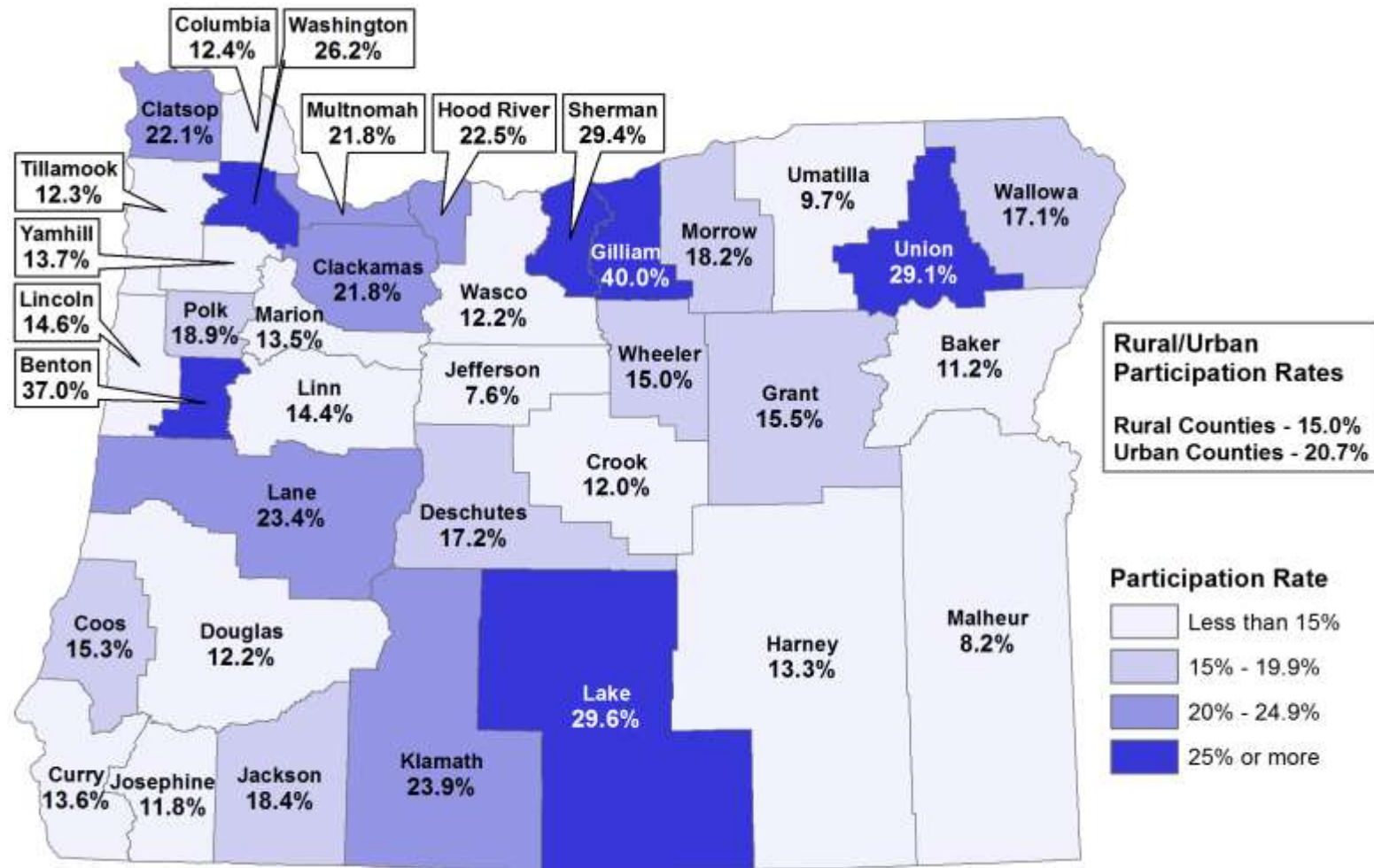


We've grown faster than any other state



**Highest 5-year
postsecondary
enrollment
growth increase
(%) in the U.S.
(SHEEO)**

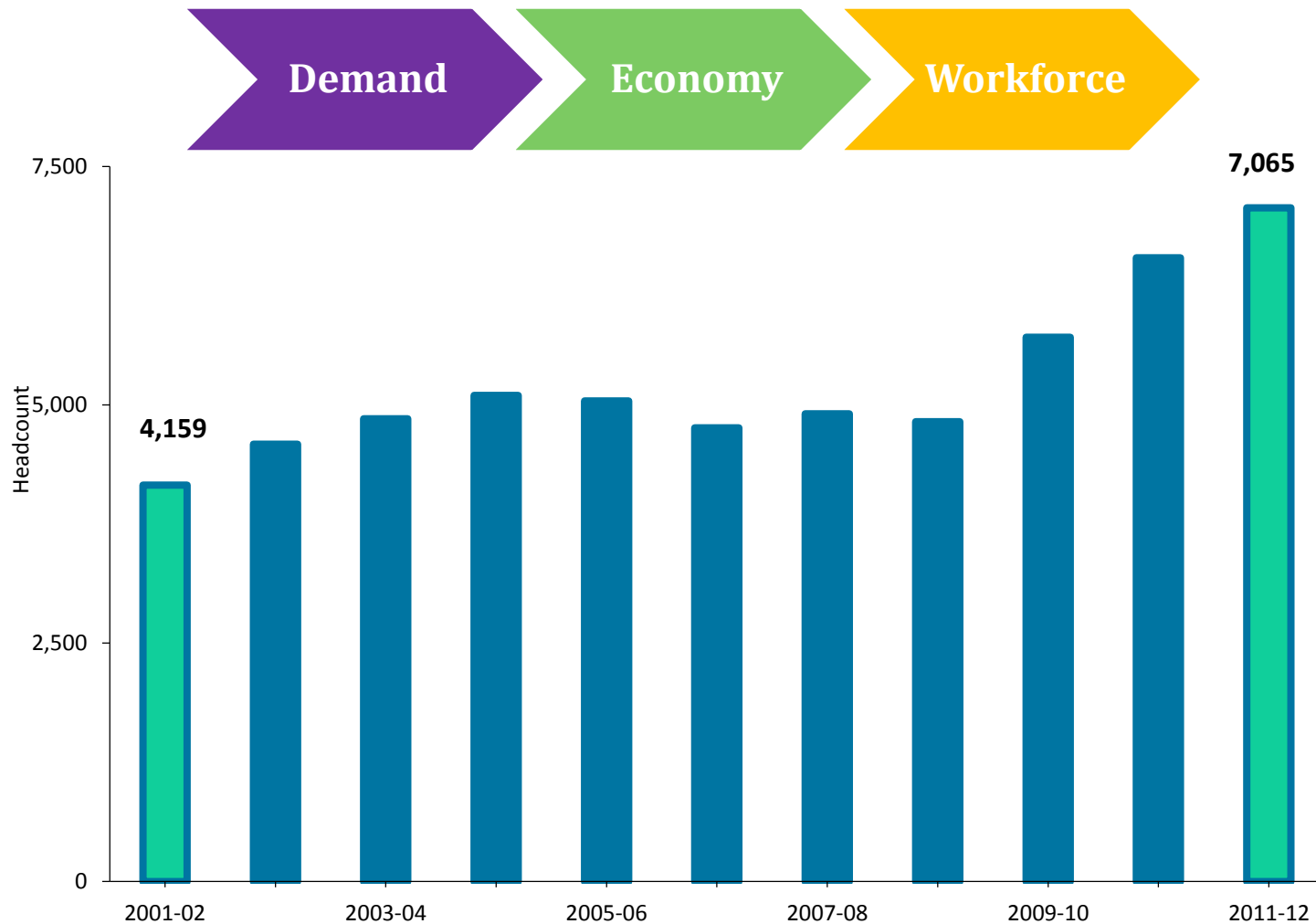
Rural student success: critical to Oregon's economy



OUS Freshman Participation Rate 2011-12 as a Percentage of Oregon Public High School Graduates, 2010-11

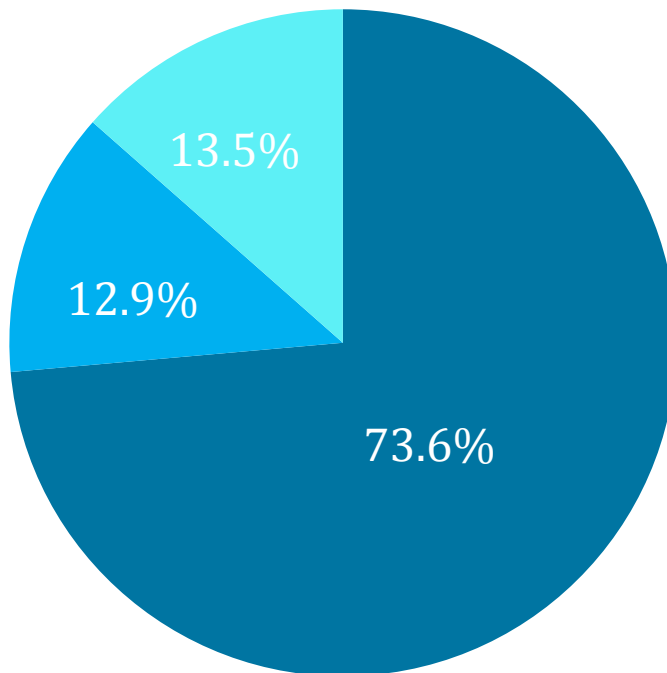
Source: OUS Institutional Research; Excludes home school completers and private high school graduates.

Undergraduate Community College Transfers Academic Years 2001-02 through 2011-12

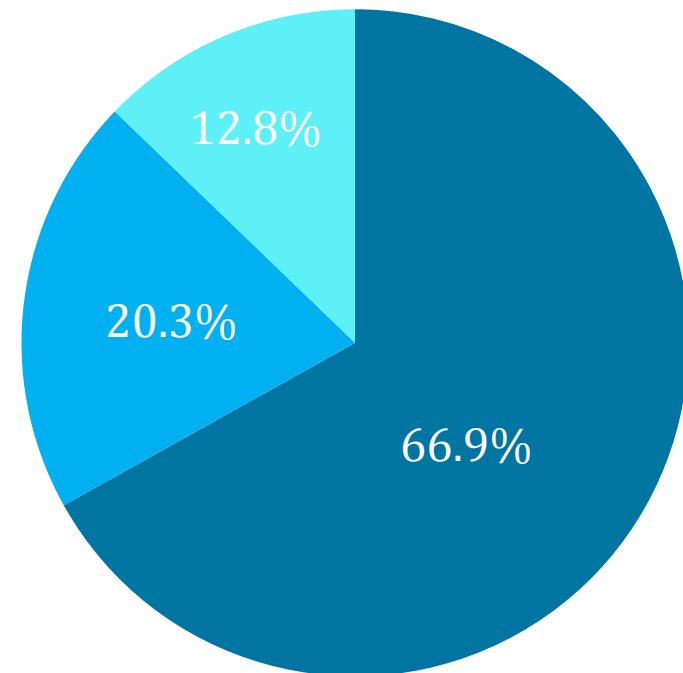


Serving a more diverse student body than ever

2002



2012

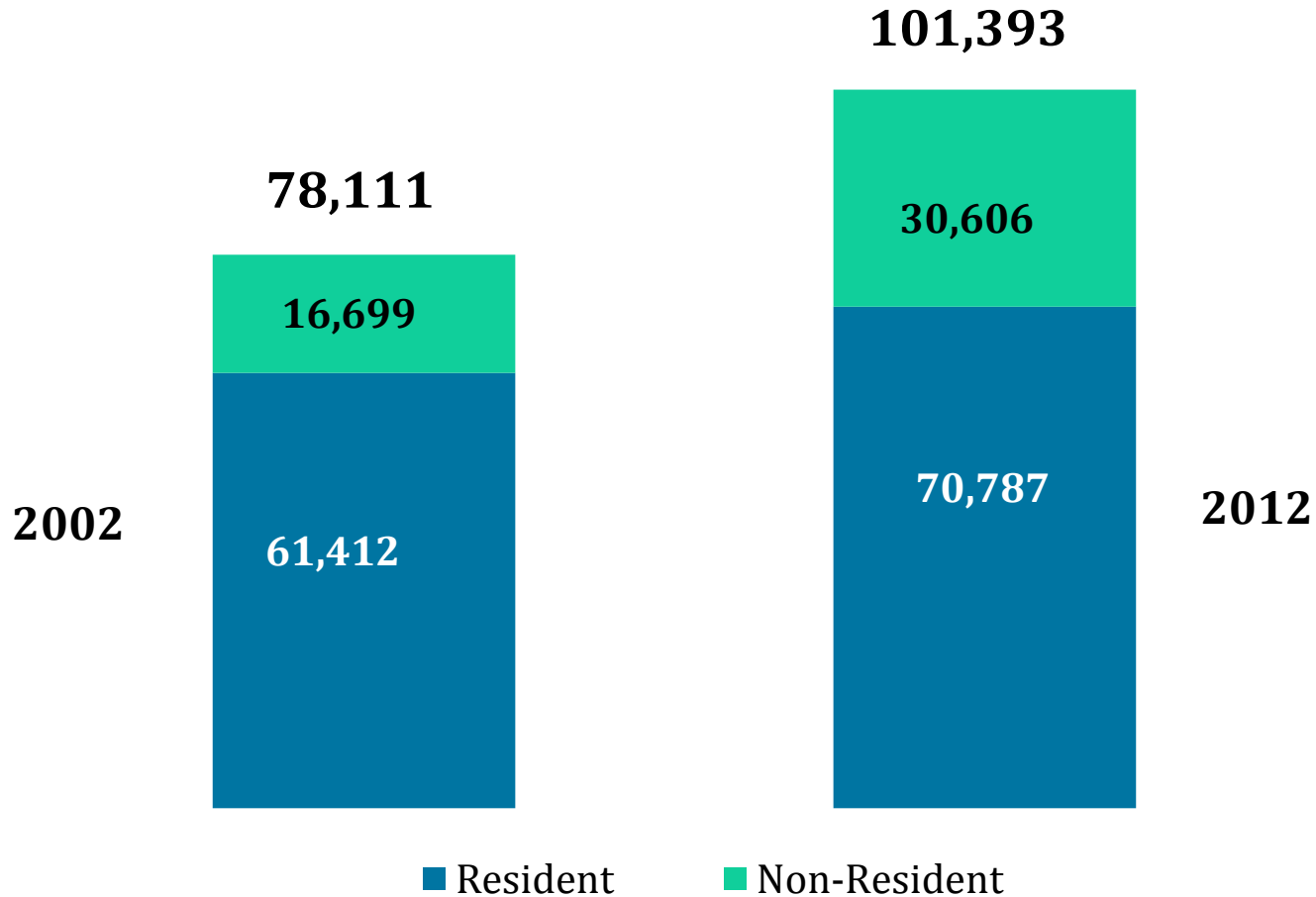


■ White

■ Students of Color

■ International and Unknown

Non-residents' enrollment growth helps support Oregon students



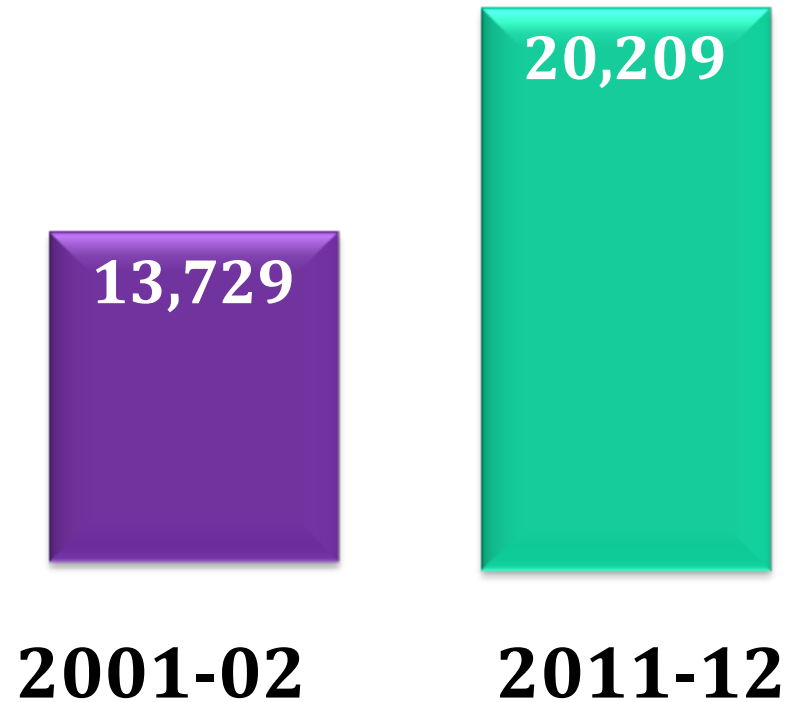
More global diversity than ever

2002
International
Students:
4,182

2012
International
Students:
7,543

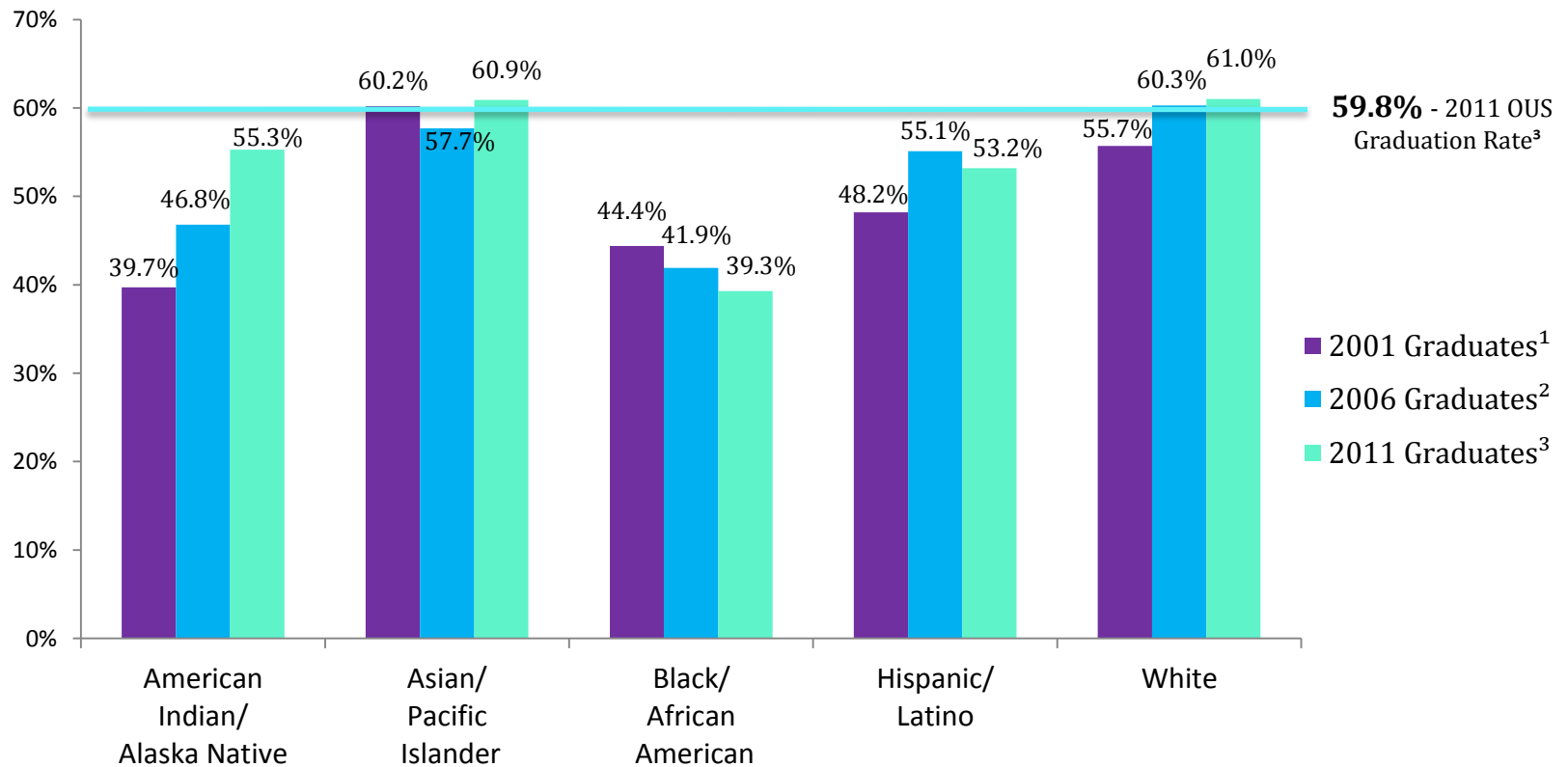


More degrees than ever, aligned with workforce needs



Focus: Increasing outcomes to ensure degree equity

OUS Six-Year Graduation Rates by Race/Ethnicity Ten Year Trend



¹1995-96 Fall First-Time Freshman Cohort completing by June 2001

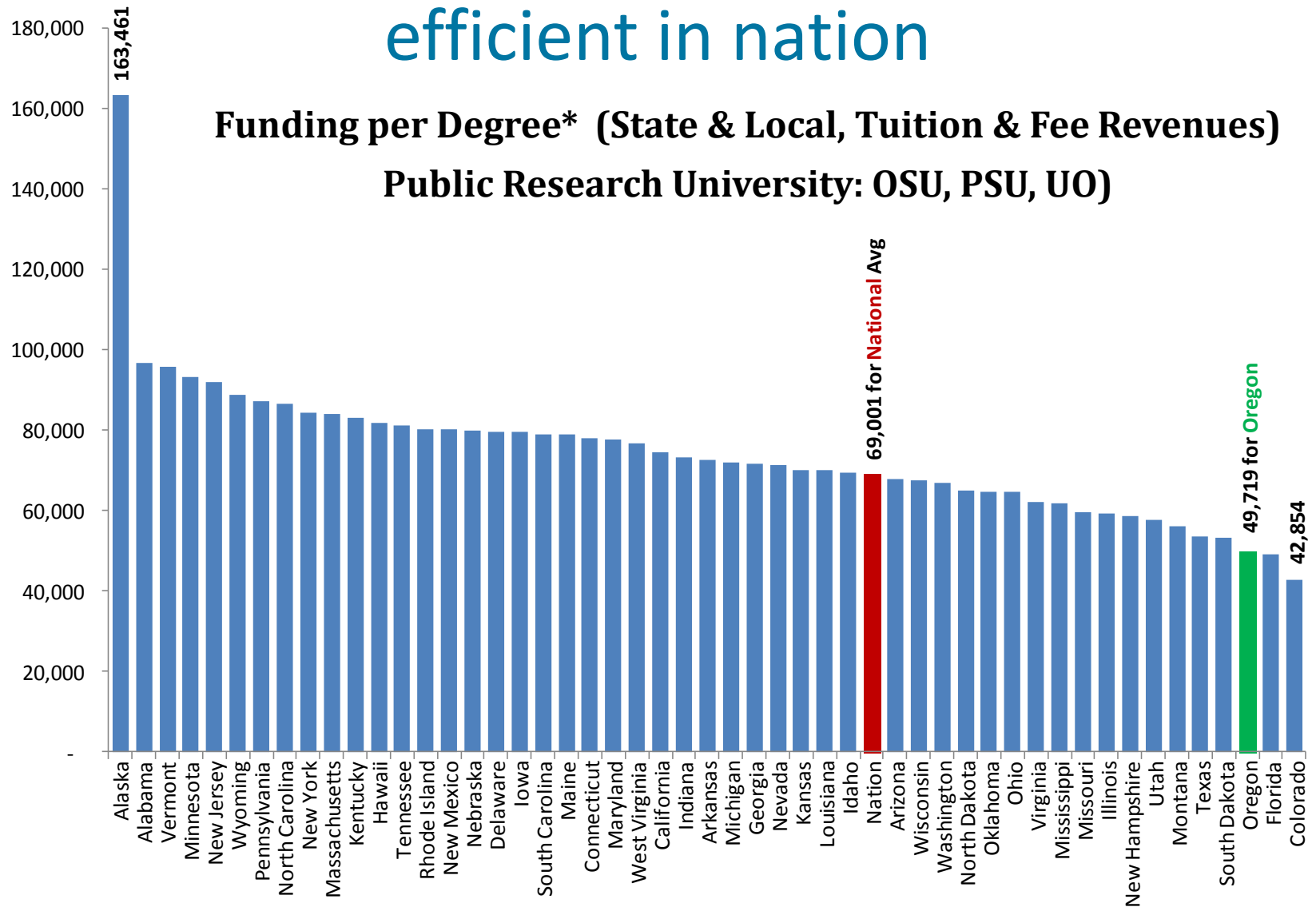
²2000-01 Fall First-Time Freshman Cohort completing by June 2006

³2005-06 Fall First-Time Freshman Cohort completing by June 2011

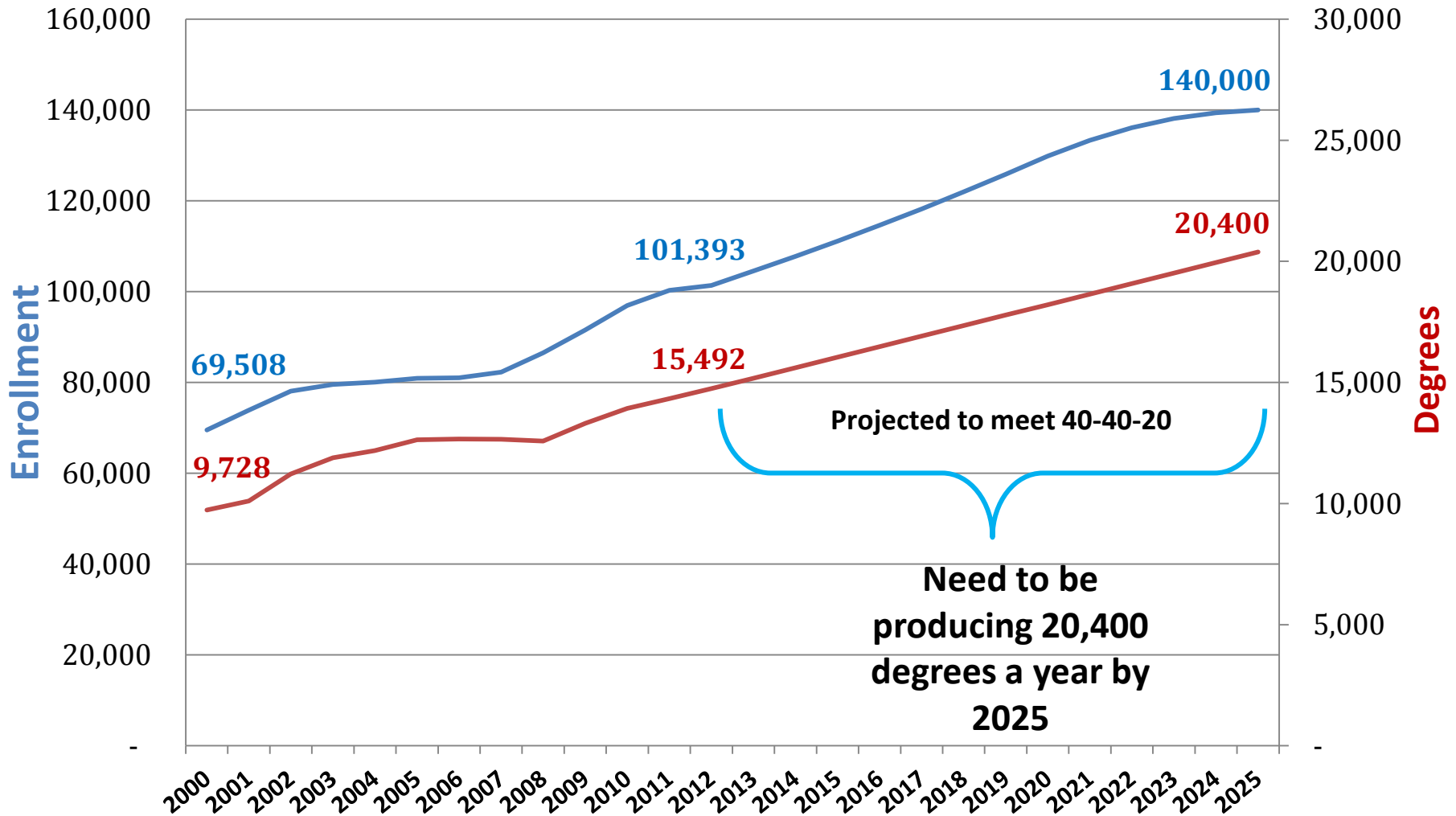
Source: OUS Institutional Research

Cost per degree among lowest, most efficient in nation

Funding per Degree* (State & Local, Tuition & Fee Revenues)
Public Research University: OSU, PSU, UO)



OUS Fall Term Headcount Enrollment And Bachelor's Degrees Actual Through 2012 Projected To Meet 40-40-20 Goals



OUS is driving down costs with innovation

Online degree mapping

Optimum facilities use

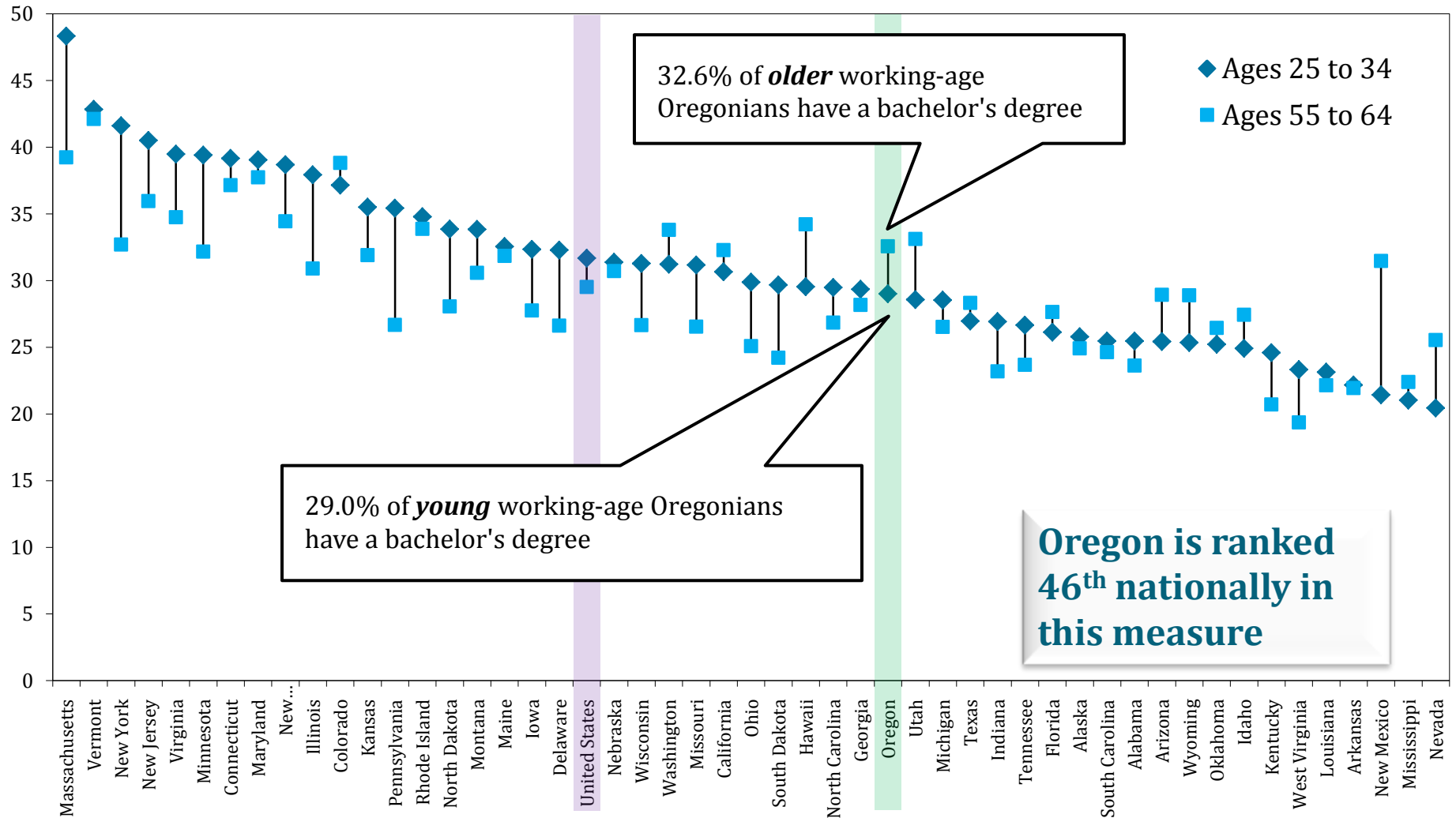
New interdisciplinary majors

**Increased on-line, gateway courses,
summer session**

More CC transfer programs

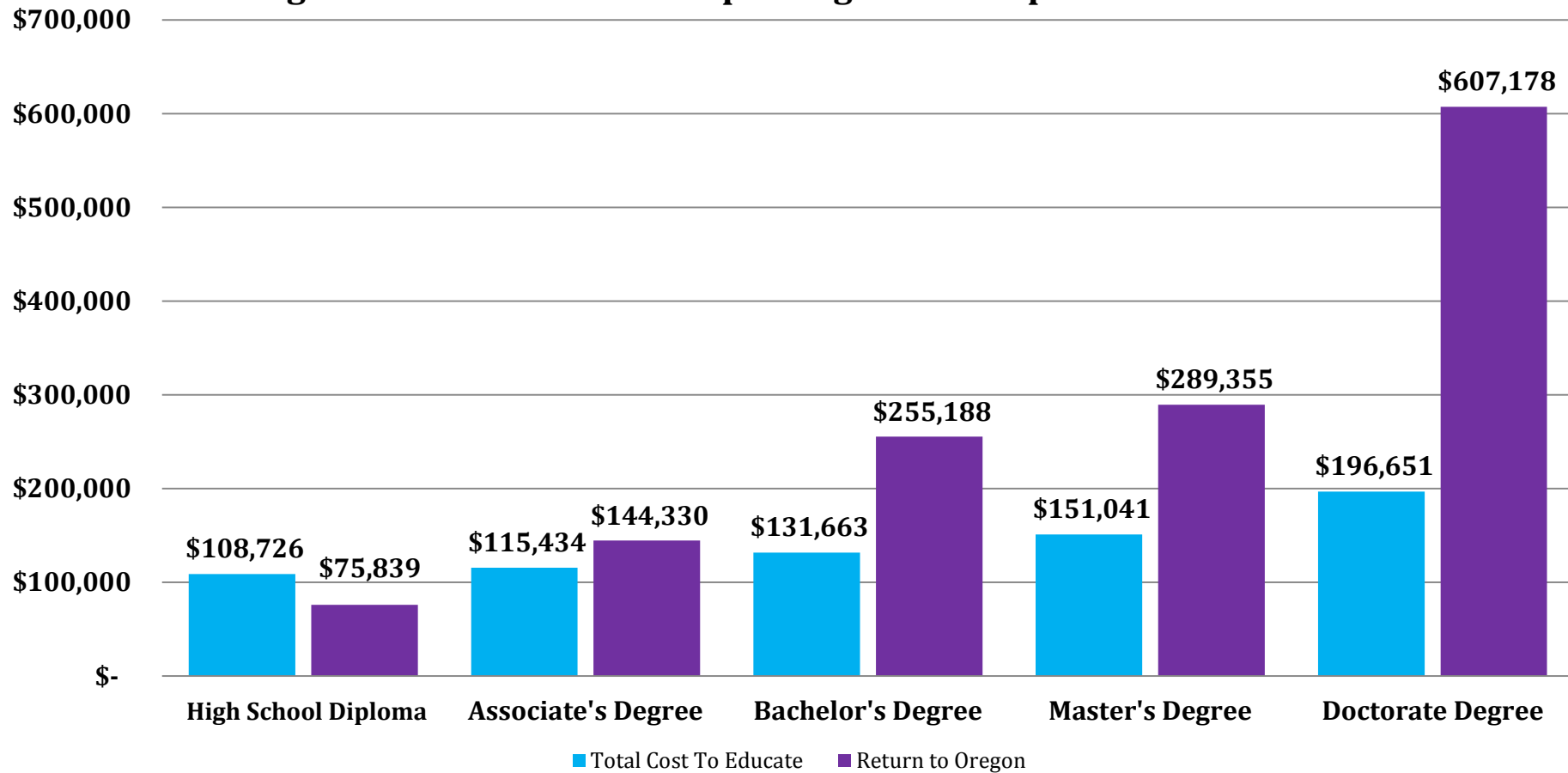
Significantly greater faculty workloads

Succession planning for our workforce



More Education = Returns to Oregon

Oregon's Lifetime Direct Cost per Degree and Expected Return



Workforce and Economic Prosperity, Competitiveness

“Education attainment levels, in combination with other ingredients such as livability, public infrastructure, entrepreneurial spirit and quality of education, together lead to economic growth.”

-- Tom Potiowsky, former state economist, chair of Economics Dept, PSU @ the OUS 40-40-20 Symposium



Higher education: our future depends on it



**Statewide focus on
student needs,
challenges, innovation,
collaboration,
economy,
accountability**

PSU



UO



EOU



WOU

Diverse Missions of OUS Institutions

Oregon University System

Dr. Mike Gottfredson, President, University of Oregon

Dr. Bob Davies, President, Eastern Oregon University

Joint Committee on Ways and Means, Subcommittee on Education, March 20, 2013





Education Innovation and Leadership

Oregon University System

Dr. Karen Marrongelle, Assistant Vice Chancellor for Academic Standards and Collaborations, Oregon University System

Dr. Mary Cullinan, President, Southern Oregon University

Joint Committee on Ways and Means, Subcommittee on Education, March 20, 2013



Collaborations increase student success



K-12

Community
Colleges

OUS

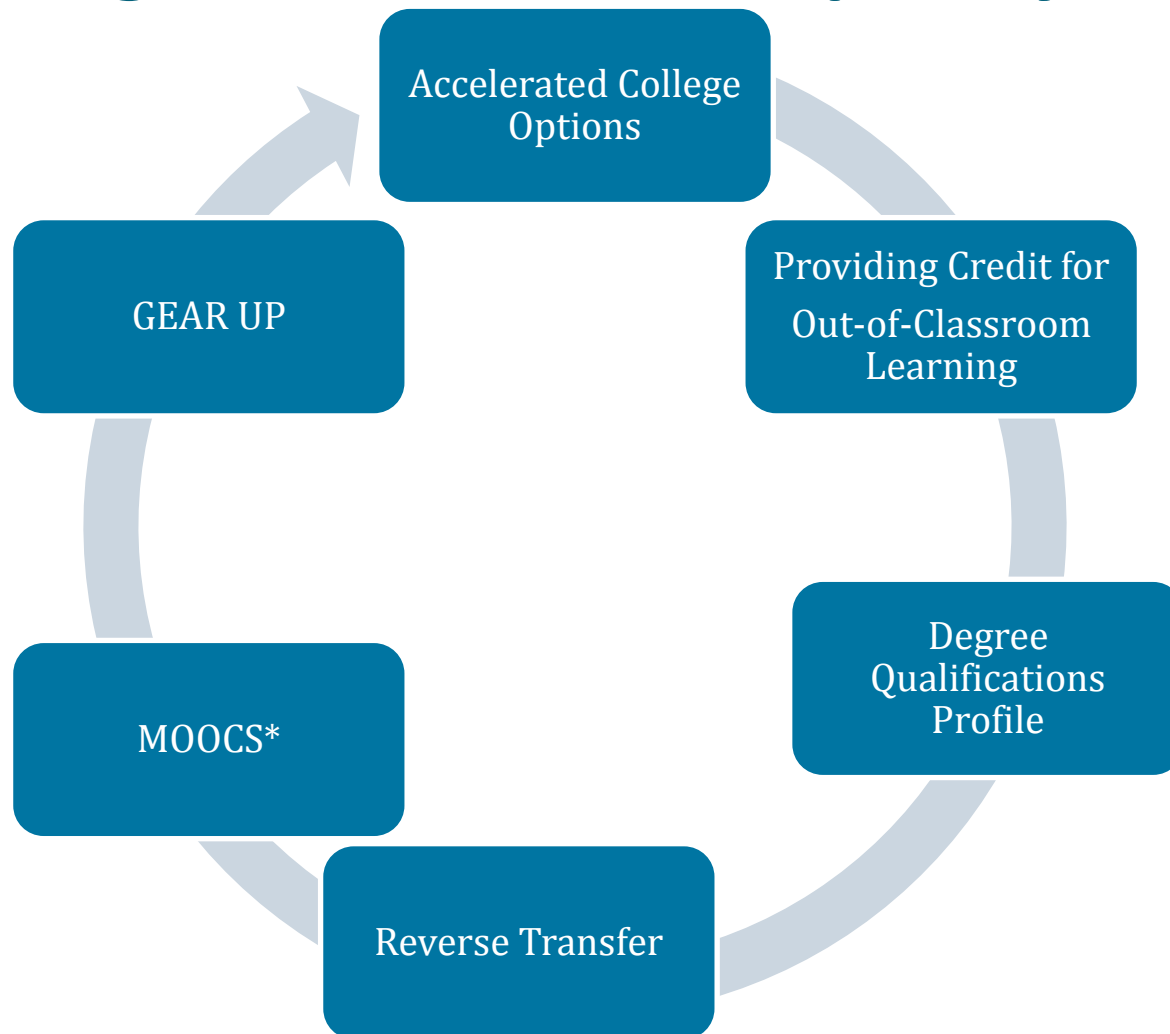
The Nation Looks to Oregon's Solutions

Oregon's Dual Credit standards shaped national standards (NACEP Standards)

OUS: history of working with community colleges on innovative solutions that improve student transfer

Examples: Oregon Transfer Module, Transfer Degrees, General Education Learning Outcomes

Innovating to lower students' costs, improve time-to-degree, and ensure quality



*Massively
Open On-line
Courses



Mandee Light and Beatriz Abella
Current students



Jared Rennie '99, '00

Majors: Spanish + International Studies, Master of Arts in Teaching



Monica Alfaro '10
Major: Criminal Justice



Michael Finley '70

Major: Biology, Distinguished Alumnus 1991



Ty Burrell '93

Major: Theatre Arts



Diverse Missions of OUS Institutions

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K-12

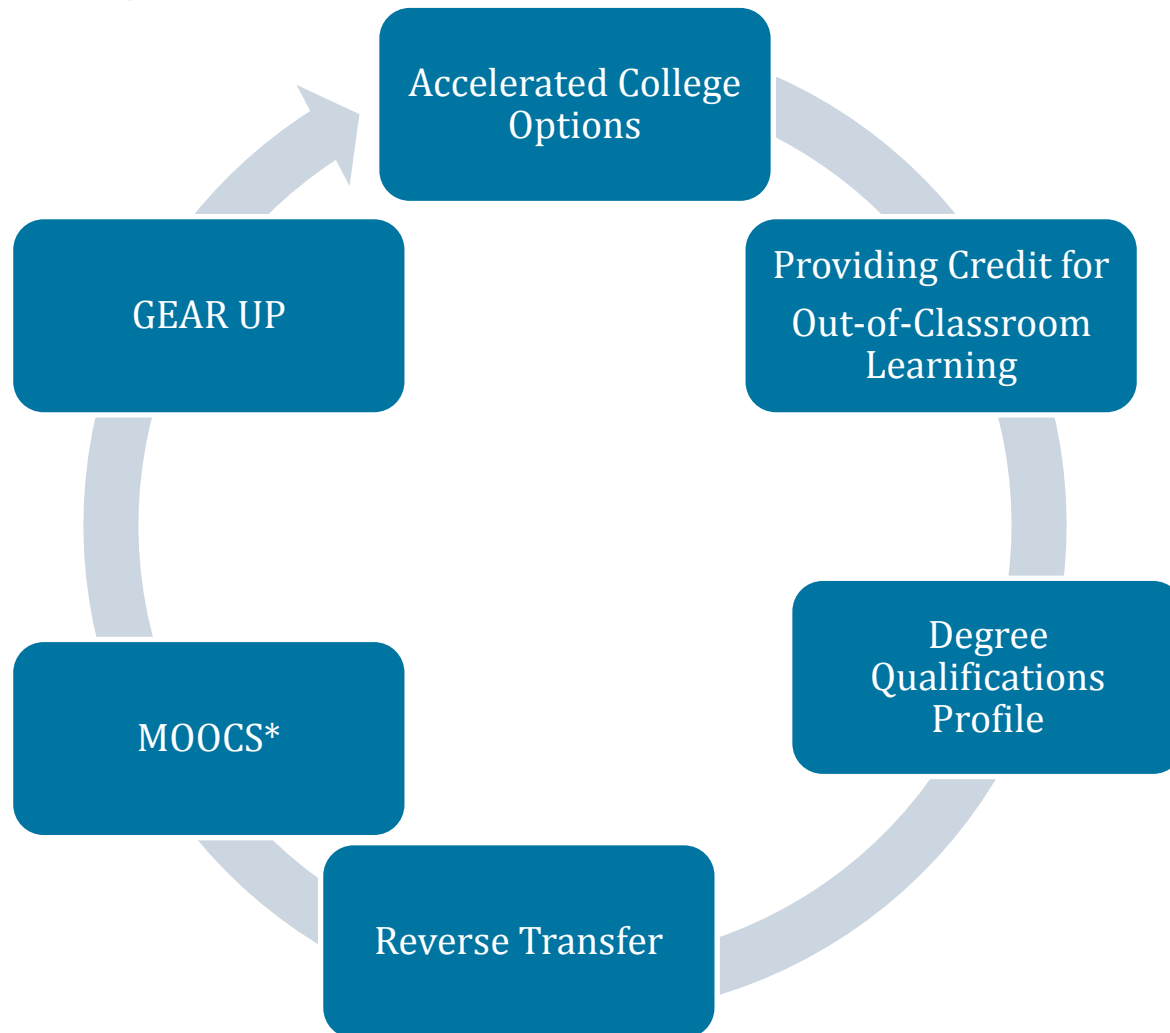
Community
Colleges

OUS

The Nation Looks to Oregon's Solutions

- Oregon's standards for Dual Credit shaped the national standards for Dual Credit programs (NACEP Standards)
- OUS has a history of working with the community colleges to develop innovative solutions to improve student transfer. Examples:
 - Oregon Transfer Module, Transfer Degrees
 - General Education Learning Outcomes

Innovating to lower students' costs, improve time-to-degree, and ensure quality



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UO



WOU



OSU

OUS Operating Budget: Driving Outcomes

Oregon University System

Dr. Jay Kenton, Vice Chancellor for Finance and Administration
Oregon University System

Joint Committee on Ways and Means, Subcommittee on Education, March 21, 2013



2011-2013 Budget Notes

Operating Budget – SB 5532:

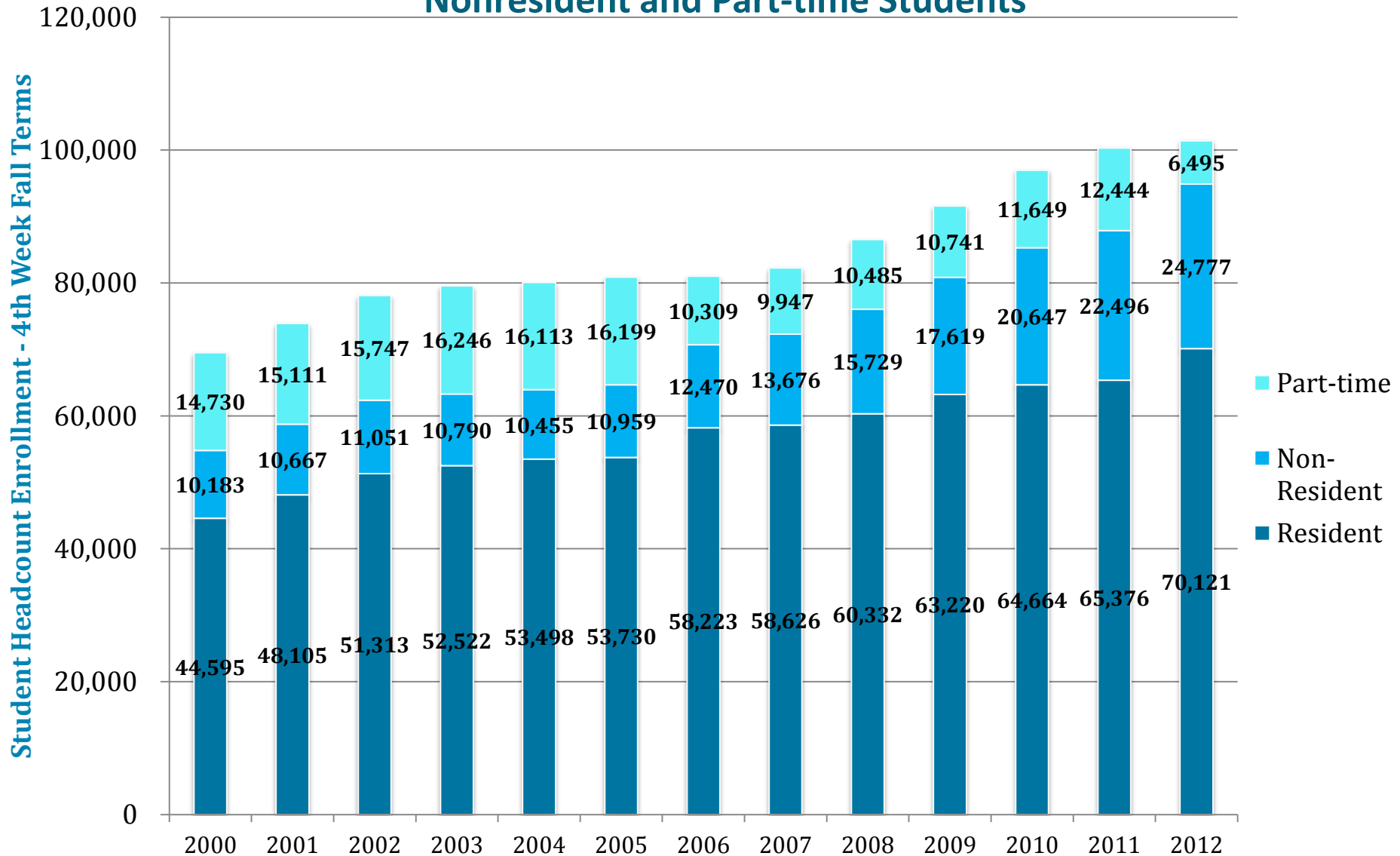
Tuition limits

- For OIT, OSU, PSU, and UO:
 - 8.0% average for biennium, no more than 9% in any either year
- For EOU, SOU, and WOU:
 - 6.5% average for biennium, no more than 7.5% in either year
- Status report: complied with these directives

Reductions in compensation

- If **reductions in compensation** are necessary, total compensation for staff and/or faculty should be similar to that for administrators and front-line staff
- Status report: compiled with this directive

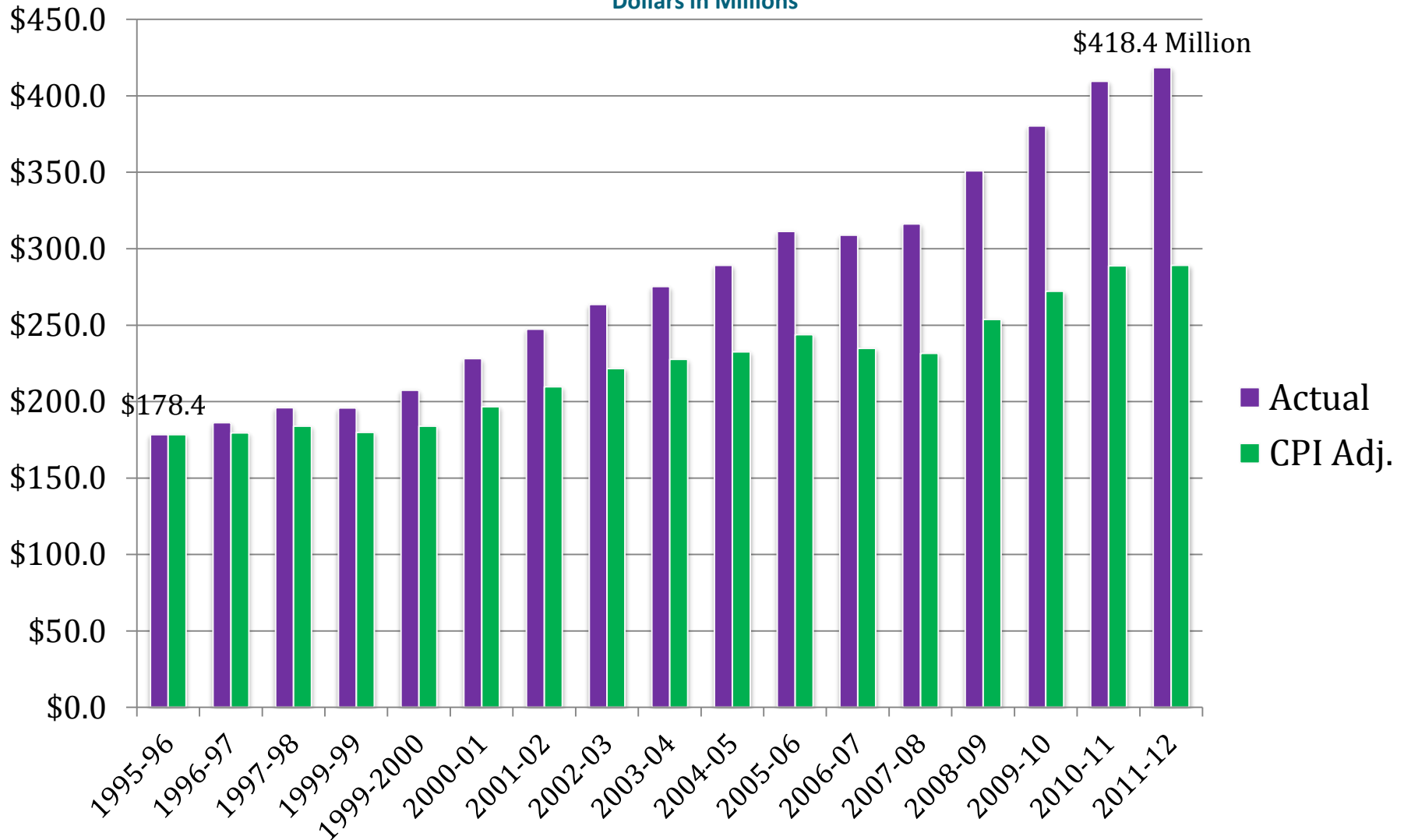
OUS Enrollment - Fall Term Headcount by Fee Status: Resident, Nonresident and Part-time Students



OUS Research and Sponsored Projects

1996-2012

Dollars in Millions



Oregon University System – Budget Comparisons

	2011-13 LAB	2013-15 CSL (Post SB 242 Calculation)	2013-15 GBB	2013-15 Co-Chairs Budget
General Funds				
Education & General	\$486,520,696	\$522,467,533	\$520,953,990	\$520,953,990
Agriculture Experiment Station	51,793,494	54,887,352	51,793,494	54,887,352
Extension Service	37,463,402	39,701,233	37,463,402	39,701,233
Forest Research Laboratory	<u>5,698,684</u>	<u>6,039,052</u>	<u>5,698,684</u>	<u>6,039,052</u>
SWPS Subtotal	94,955,580	100,627,637	94,955,580	100,627,637
Subtotal Operations	581,476,276	623,095,170	615,909,570	621,581,627
Debt Service	<u>86,788,277</u>	<u>95,936,950</u>	<u>92,706,573</u>	<u>92,706,573</u>
Total General Fund	668,264,553	719,032,120	708,616,143	714,288,200
Lottery Funds				
Sports Lottery	8,592,720	11,430,510	-	8,000,000
Debt Service	<u>14,394,033</u>	<u>38,788,687</u>	<u>28,488,687</u>	<u>28,488,687</u>
Total Lottery	22,986,753	50,219,197	28,488,687	36,488,687
Grand Total	\$691,251,306	\$769,251,317	\$737,104,830	\$750,776,887

Looking forward: Outcomes of GBB by OUS

	Legislatively Approved Budget			Governor's Balanced Budget Proposal			% Change
	2011-13	2011-13	2011-13	2013-15	2013-15	2013-15	
University Support Funds:	General Fund	Lottery Fund	GF + Lottery	General Fund	Lottery Fund	GF + Lottery	
Enrollment funding	\$351,652,999	\$0	\$351,652,999	\$379,903,638	\$0	\$379,903,638	8.03%
Regional support and regional university funding	\$39,228,181	\$0	\$39,228,181	\$41,959,763	\$0	\$41,959,763	6.96%
Engineering programs - Eng. Grad and UG	\$7,995,399	\$0	\$7,995,399	\$8,629,134	\$0	\$8,629,134	7.93%
5th site, OCATE, SW Oregon Univ. Center, OWEN	\$6,044,305	\$0	\$6,044,305	\$6,523,392	\$0	\$6,523,392	7.93%
EOU Rural Access	\$459,790	\$0	\$459,790	\$496,234	\$0	\$496,234	7.93%
Health Professions	\$5,866,035	\$0	\$5,866,035	\$6,330,992	\$0	\$6,330,992	7.93%
Research Funding - sponsored research/faculty salaries	\$10,522,357	\$0	\$10,522,357	\$11,356,385	\$0	\$11,356,385	7.93%
PSU New Leadership Institute	\$118,941	\$0	\$118,941	\$128,369	\$0	\$128,369	7.93%
OSU Veterinary diagnostic lab and phase-in funding	\$2,227,515	\$0	\$2,227,515	\$2,404,073	\$0	\$2,404,073	7.93%
Campus public service programs	\$3,531,027	\$0	\$3,531,027	\$3,810,905	\$0	\$3,810,905	7.93%
Chancellor's Office, system-wide programs and expenses	\$20,585,092	\$0	\$20,585,092	\$18,857,255	\$0	\$18,857,255	-8.39%
OSU SWPS building maintenance	\$3,242,628	\$0	\$3,242,628	\$3,499,647	\$0	\$3,499,647	7.93%
Subtotal University Support	\$451,474,269	\$0	\$451,474,269	\$483,899,787	\$0	\$483,899,787	7.18%

Looking forward: Outcomes of GBB by OUS

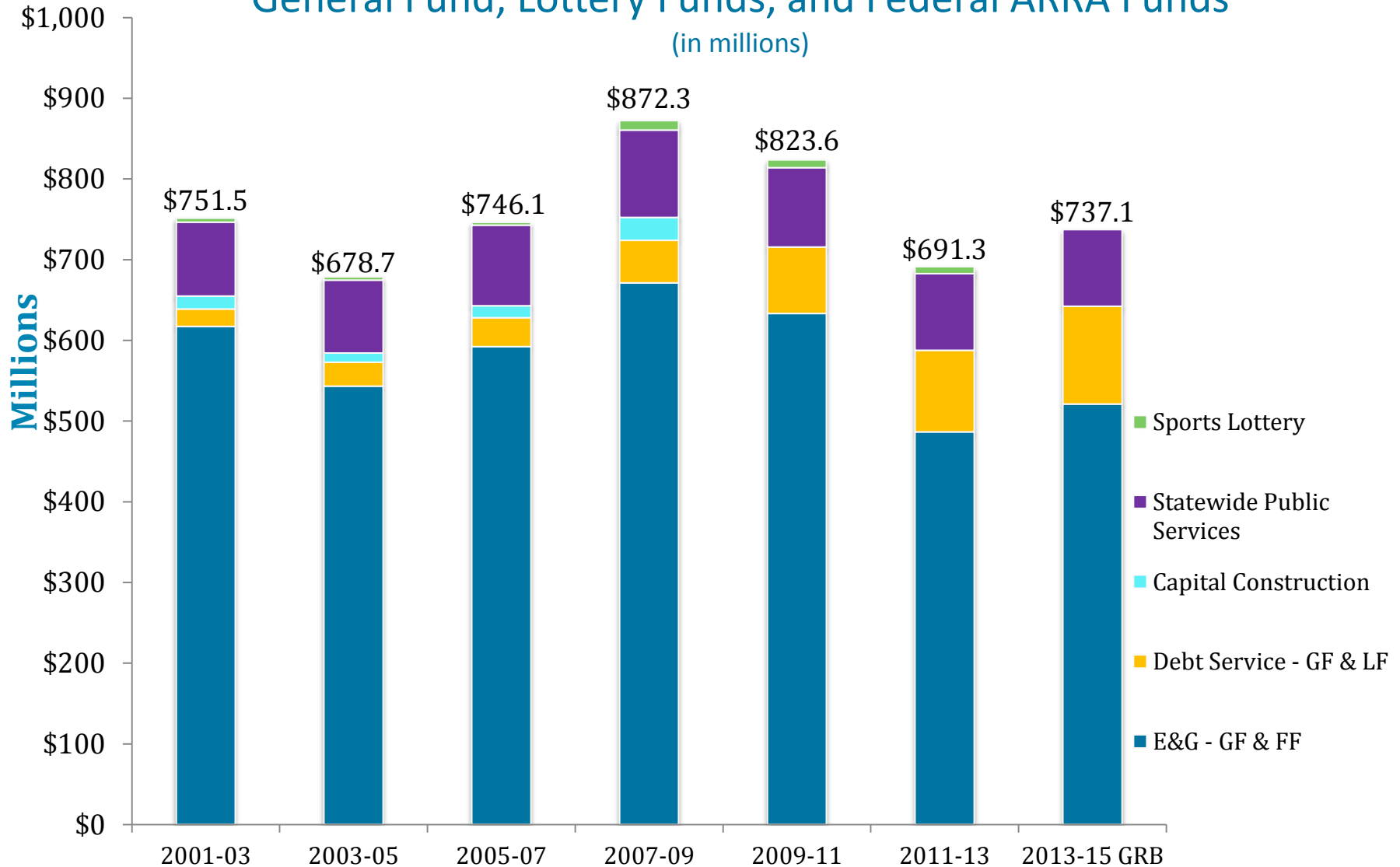
Other Budgets of Interest to OUS	Legislatively Approved Budget 2011-13	Governor's Balanced Budget Proposal 2013-15		
<u>OregonInc. + Innovation (in Oregon Business Develop. Budget)</u>	<u>GF + Lottery</u>	<u>GF + Lottery</u>	<u>11-13 to 13-15</u>	<u>% Change</u>
OTRADI	\$2,700,000	\$1,700,000	(\$1,000,000)	-37.04%
BEST	\$3,660,000	\$8,000,000	\$4,340,000	118.58%
ONAMI	\$5,018,000	\$6,100,000	\$1,082,000	21.56%
Oregon Wave Energy	\$2,412,000	\$2,500,000	\$88,000	3.65%
Drive Oregon	\$1,158,000	\$2,250,000	\$1,092,000	94.30%
Unmanned Aerial Systems Center of Excellence	\$0	\$2,500,000	\$2,500,000	
Portland Incubator Experiment & Oregon Film	\$0	\$900,000	\$900,000	
Undefined Innovation	\$0	\$5,500,000	\$5,500,000	
Total	\$14,948,000	\$29,450,000	\$14,502,000	97.02%
OSAC				
Opportunity Grant	\$99,921,326	\$119,222,499	\$19,301,173	19.32%
Aspire + Operations	\$2,630,172	\$3,915,943	\$1,285,771	48.89%
Total	\$102,551,498	\$123,138,442	\$20,586,944	20.07%

Looking forward: Outcomes of GBB by OUS

	Legislatively Approved Budget			Governor's Balanced Budget Proposal			% Change
	2011-13	2011-13	2011-13	2013-15	2013-15	2013-15	
Statewide Public Services at OSU	General Fund	Lottery Fund	GF + Lottery	General Fund	Lottery Fund	GF + Lottery	
Agriculture Experiment Station	\$51,793,494	\$0	\$51,793,494	\$51,793,494	\$0	\$51,793,494	0.00%
Extension Service	\$37,463,402	\$0	\$37,463,402	\$37,463,402	\$0	\$37,463,402	0.00%
Forest Research Laboratory	\$5,698,684	\$0	\$5,698,684	\$5,698,684	\$0	\$5,698,684	0.00%
Other Public Services in OUS							
ETIC	\$27,387,573	\$0	\$27,387,573	\$29,030,827	\$0	\$29,030,827	6.00%
Dispute Resolution	\$2,297,895	\$0	\$2,297,895	\$2,435,769	\$0	\$2,435,769	6.00%
Oregon Solutions	\$2,061,637	\$0	\$2,061,637	\$2,185,335	\$0	\$2,185,335	6.00%
Clinical Legal Educ.	\$318,450	\$0	\$318,450	\$337,557	\$0	\$337,557	6.00%
Climate Research	\$285,701	\$0	\$285,701	\$302,843	\$0	\$302,843	6.00%
Natural Resources Institute	\$454,111	\$0	\$454,111	\$386,353	\$0	\$386,353	-14.92%
Signature Research Centers	\$950,316	\$0	\$950,316	\$1,007,335	\$0	\$1,007,335	6.00%
Oregon Metals Initiative	\$684,094	\$0	\$684,094	\$725,136	\$0	\$725,136	6.00%
Industry Partnerships	\$606,650	\$0	\$606,650	\$643,049	\$0	\$643,049	6.00%
Subtotal Public Services	\$35,046,427	\$0	\$35,046,427	\$37,054,204	\$0	\$37,054,204	5.73%
Other:							
Sports Lottery	\$0	\$8,592,720	\$8,592,720	\$0	\$0	\$0	-100.00%
Debt Service	\$86,788,277	\$14,394,033	\$101,182,310	\$92,706,573	\$28,488,687	\$121,195,260	19.78%
Totals (incl. University Support Funds)	\$668,264,553	\$22,986,753	\$691,251,306	\$708,616,144	\$28,488,687	\$737,104,831	6.63%

Oregon University System State Appropriations General Fund, Lottery Funds, and Federal ARRA Funds

(in millions)



Looking forward: Outcomes of GBB by OUS

PERS Reforms

- Avoid cost increases
~\$100M in 2013-15
- Reduces need for
+2% tuition
increase
- Addresses unfunded
pension obligations
now & future

GBB for OUS a good start, but please consider:

Tuition

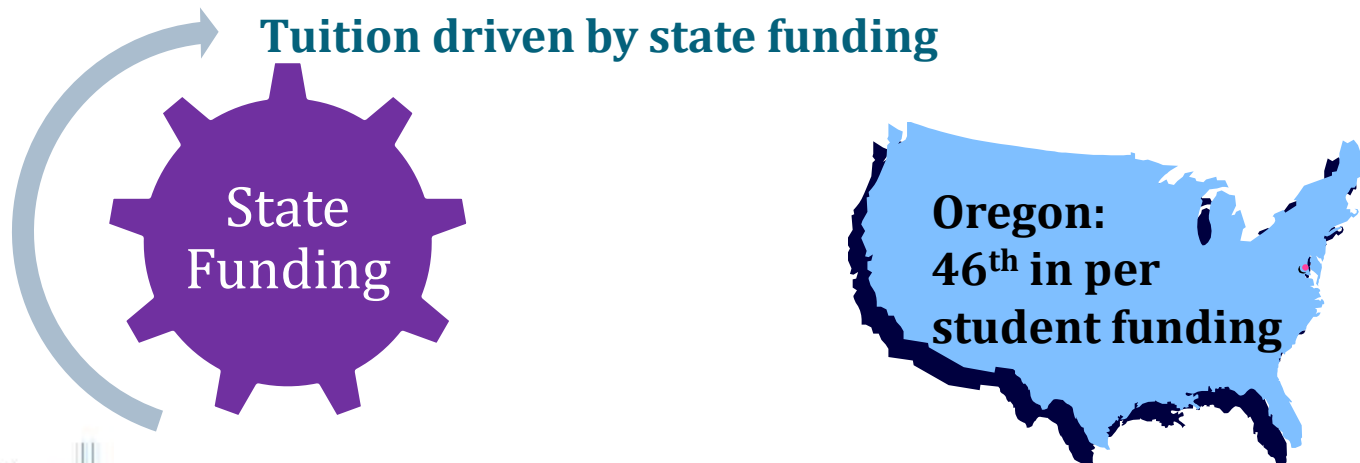
- Requires a **6% tuition increase** in each of the next two years due to:
 - Lack of enrollment growth funding
 - Cost growth in salaries, PEBB, and general inflation

Student Equity

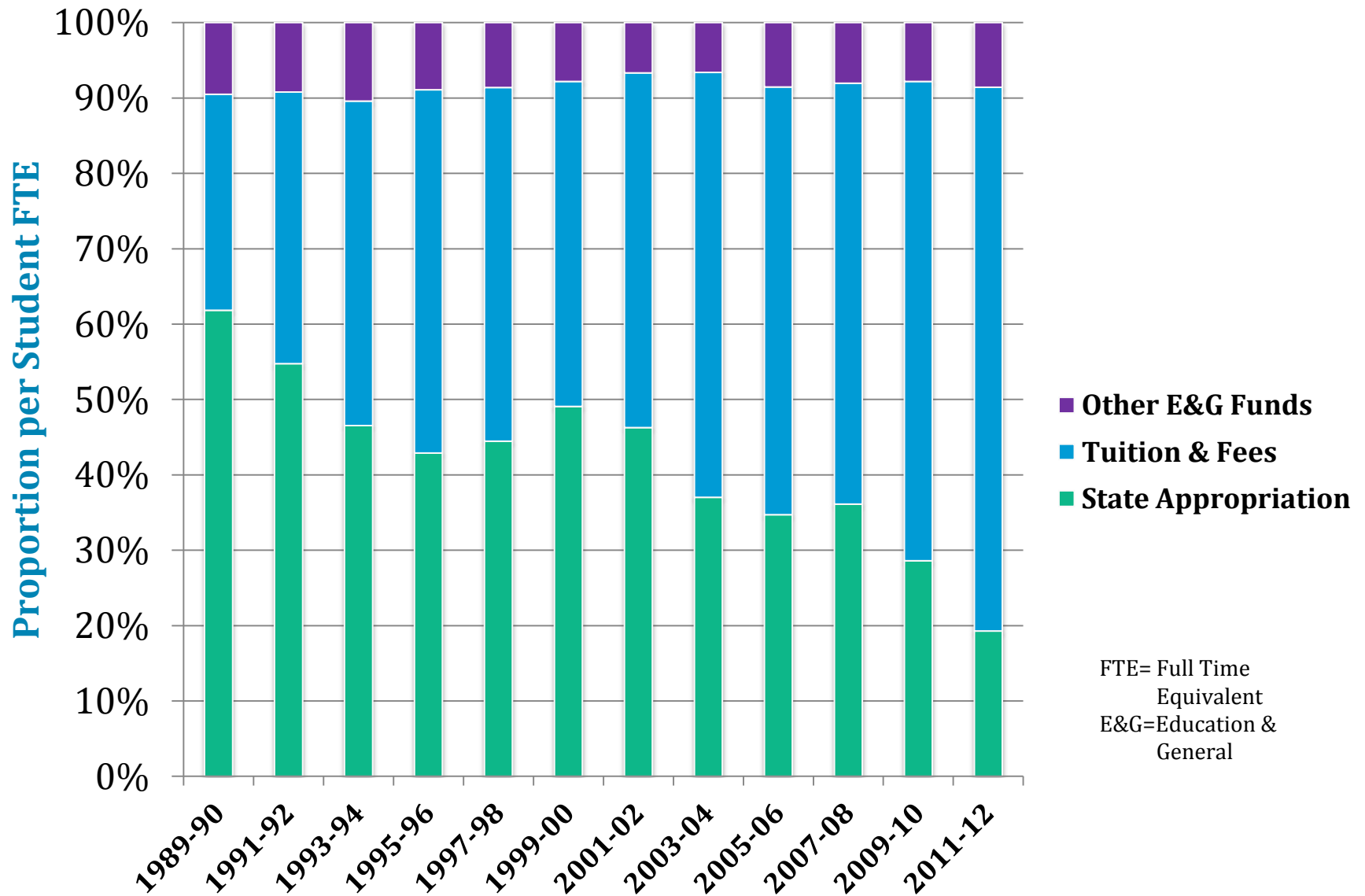
- To **accomplish 40-40-20** will require OUS to reach deeper into high school graduating classes:
 - Additional student services (advising and counseling)
 - Additional financial aid

State funding and tuition

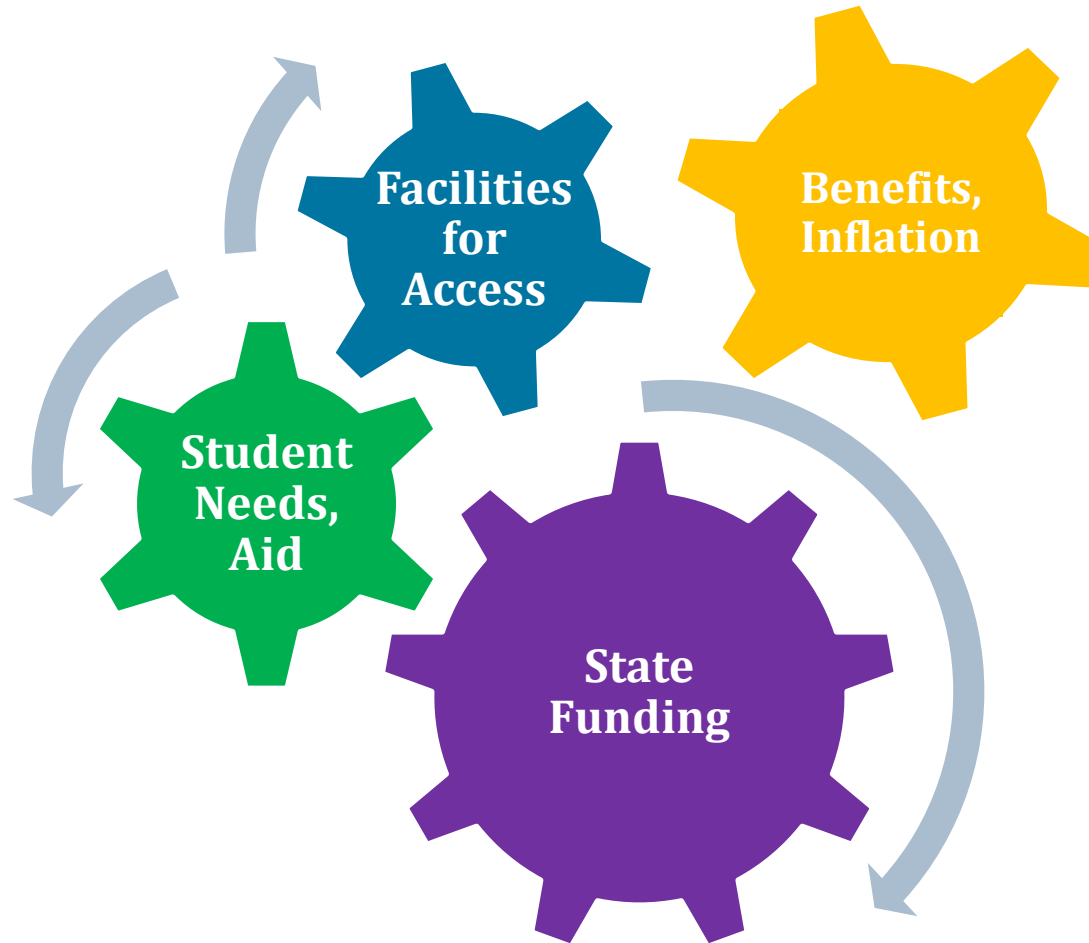
	<u>2003</u>	<u>2012</u>	<u>% Change</u>	Inflation adjusted			
				<u>2003</u>	<u>2012</u>	<u>% Change</u>	<u>\$ Change</u>
Resident Tuition	\$3,170	\$6,237	96.75%	\$3,857	\$6,237	61.70%	\$2,380
State GF per student FTE	\$4,677	\$3,347	-28.44%	\$5,691	\$3,347	-41.19%	(\$2,344)
Total	\$7,847	\$9,584		\$9,548	\$9,584		
Cost per student	\$8,868	\$12,505	41.01%	\$10,790	\$12,505	15.89%	\$1,715



OUS Revenue Sources per Student FTE



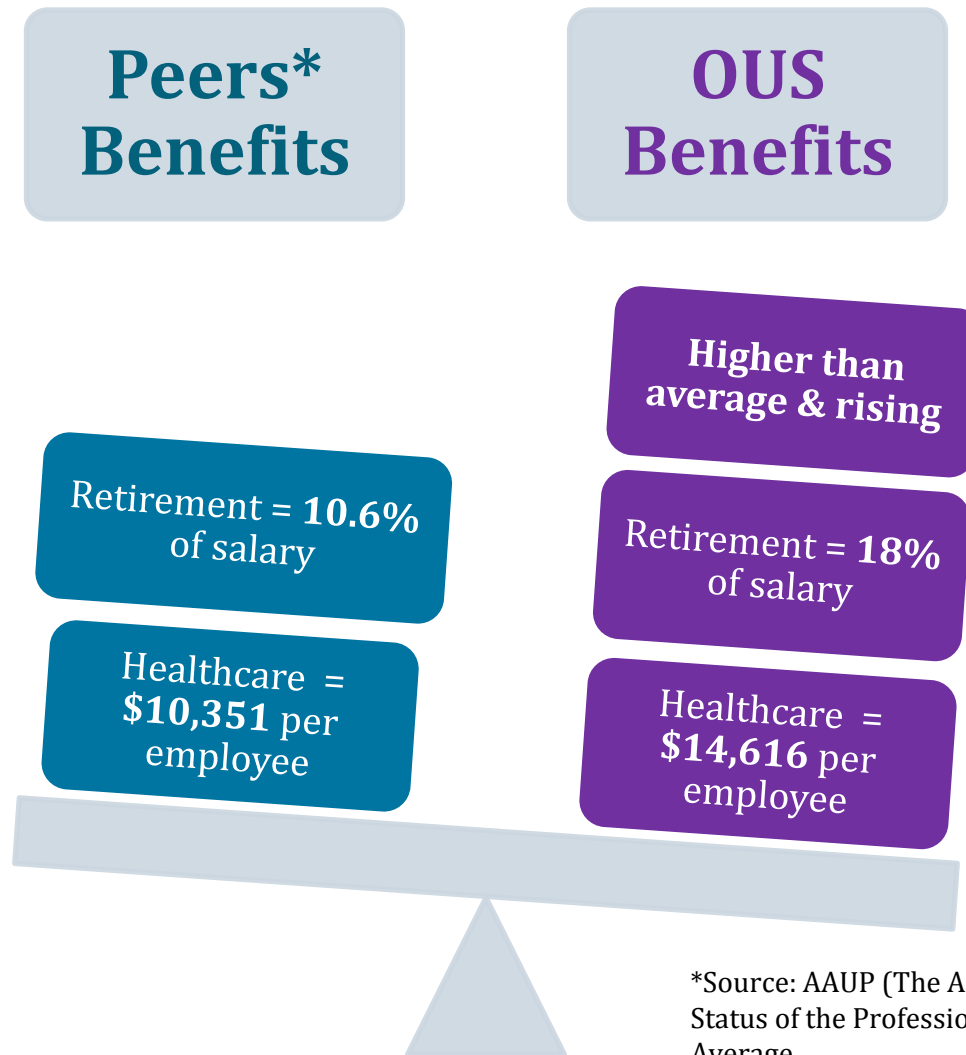
Cost Drivers in Higher Education



Total Operating Costs 1996-2012 (up 152%)

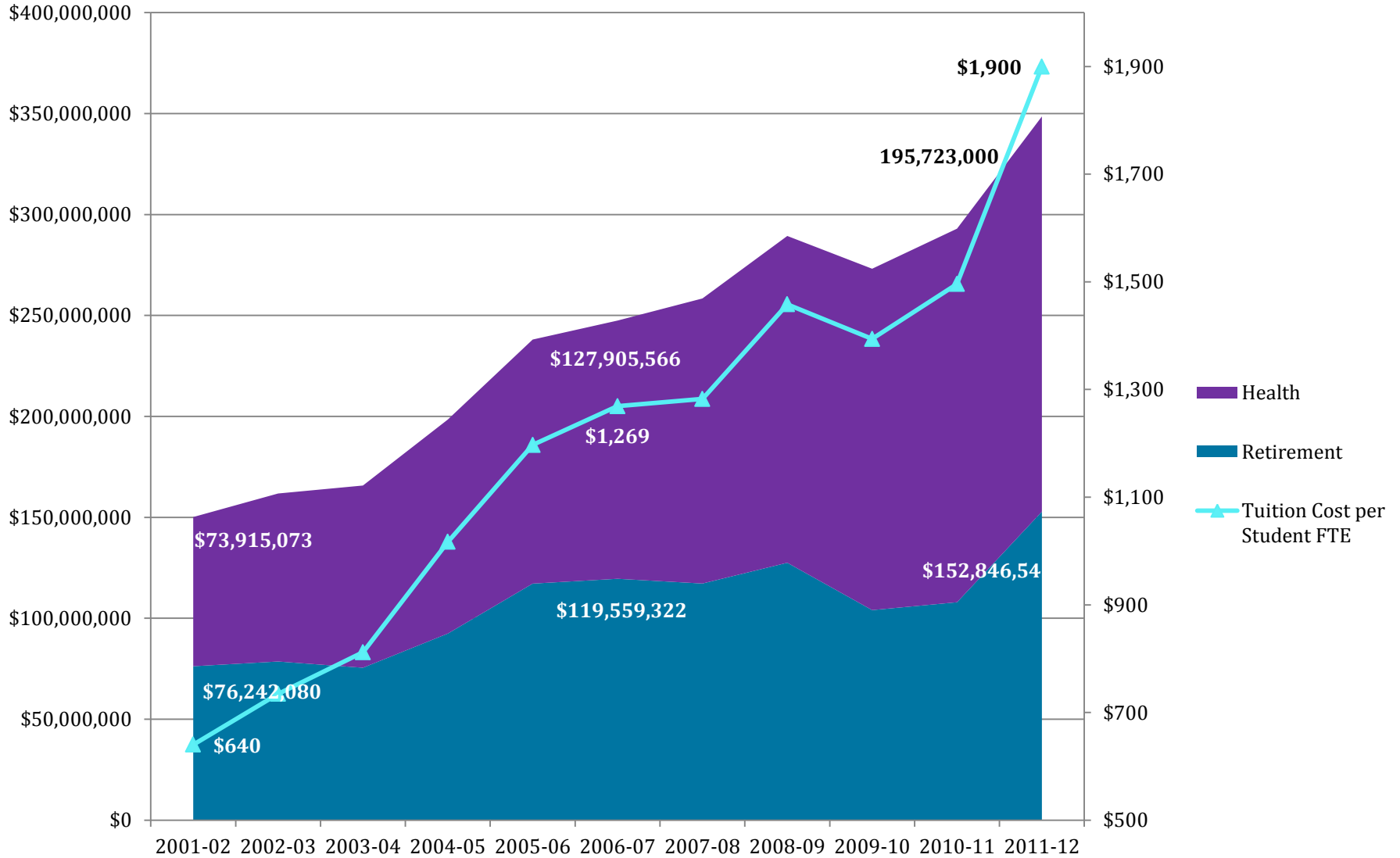
	FY 1996	FY 2001	FY 2006	FY 2012	1996-2012
Faculty/Staff Salaries & Pay	\$387,925,192	\$495,923,521	\$619,278,625	\$860,884,853	121.9%
Student/Grad Pay	\$51,086,626	\$63,760,530	\$85,489,857	\$118,740,781	132.4%
Other Payroll Expenses (OPE)	<u>\$149,603,561</u>	<u>\$198,956,109</u>	<u>\$327,922,083</u>	<u>\$481,738,455</u>	222.0%
	\$588,615,379	\$758,640,160	\$1,032,690,565	\$1,461,364,089	148.3%
Operating Expenses	\$194,735,405	\$283,224,914	\$360,704,221	\$495,664,843	154.5%
Facilities (rent, debt and utilities)	\$65,434,555	\$80,626,695	\$123,716,500	\$236,297,073	261.1%
IT & Telecom	\$38,500,403	\$43,979,221	\$49,819,698	\$58,486,355	51.9%
Assessments	\$11,580,819	\$14,180,149	\$21,213,139	\$36,943,933	219.0%
Capital Outlay	\$30,799,267	\$28,284,526	\$26,298,520	\$45,262,433	47.0%
Net Transfers	<u>\$9,991,955</u>	<u>\$3,701,089</u>	<u>\$3,734,139</u>	<u>\$33,540,303</u>	235.7%
Total Expenses	<u>\$939,657,782</u>	<u>\$1,212,636,754</u>	<u>\$1,618,176,783</u>	<u>\$2,367,559,029</u>	152.0%

Benefits costs rising faster than funding



*Source: AAUP (The Annual Report on the Economic Status of the Profession, 2012): Public Institutions Average

Oregon University System Costs of Retirement and Healthcare 2002-2012



Enrollment up 63%, Research up 134%, Employee Numbers up 39%, from 1996-2012

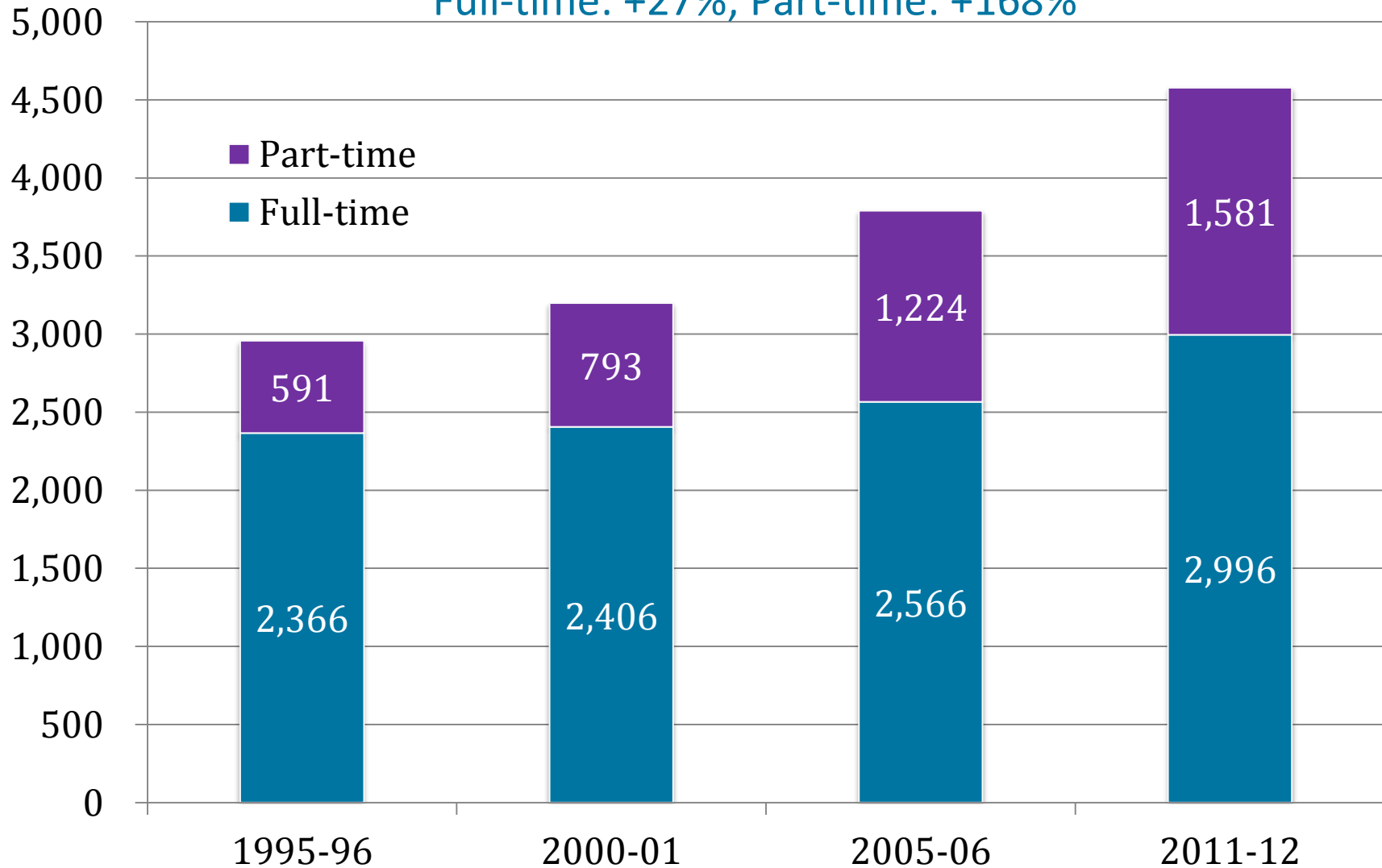
OUS Headcount Employees – Classified Staff, Unclassified Faculty/Professionals and Graduate Assistants

	1996	2001	2006	2012	% Change
EOU	295	313	369	365	23.73%
OIT	327	345	362	357	9.17%
OSU	4,103	4,310	4,722	5,104	24.40%
PSU	1,303	1,568	2,320	2,811	115.73%
SOU	565	675	618	590	4.42%
UO	3,229	3,555	3,823	4,638	43.64%
WOU	521	600	633	716	37.43%
CO	171	185	79	81	-52.63%
	10,514	11,552	12,927	14,662	39.45%

During this same time period OUS enrollment up from 61,614 to 101,393, and research up from \$178M to \$418M.

Oregon University System Instructional Faculty Headcount 1996-2012

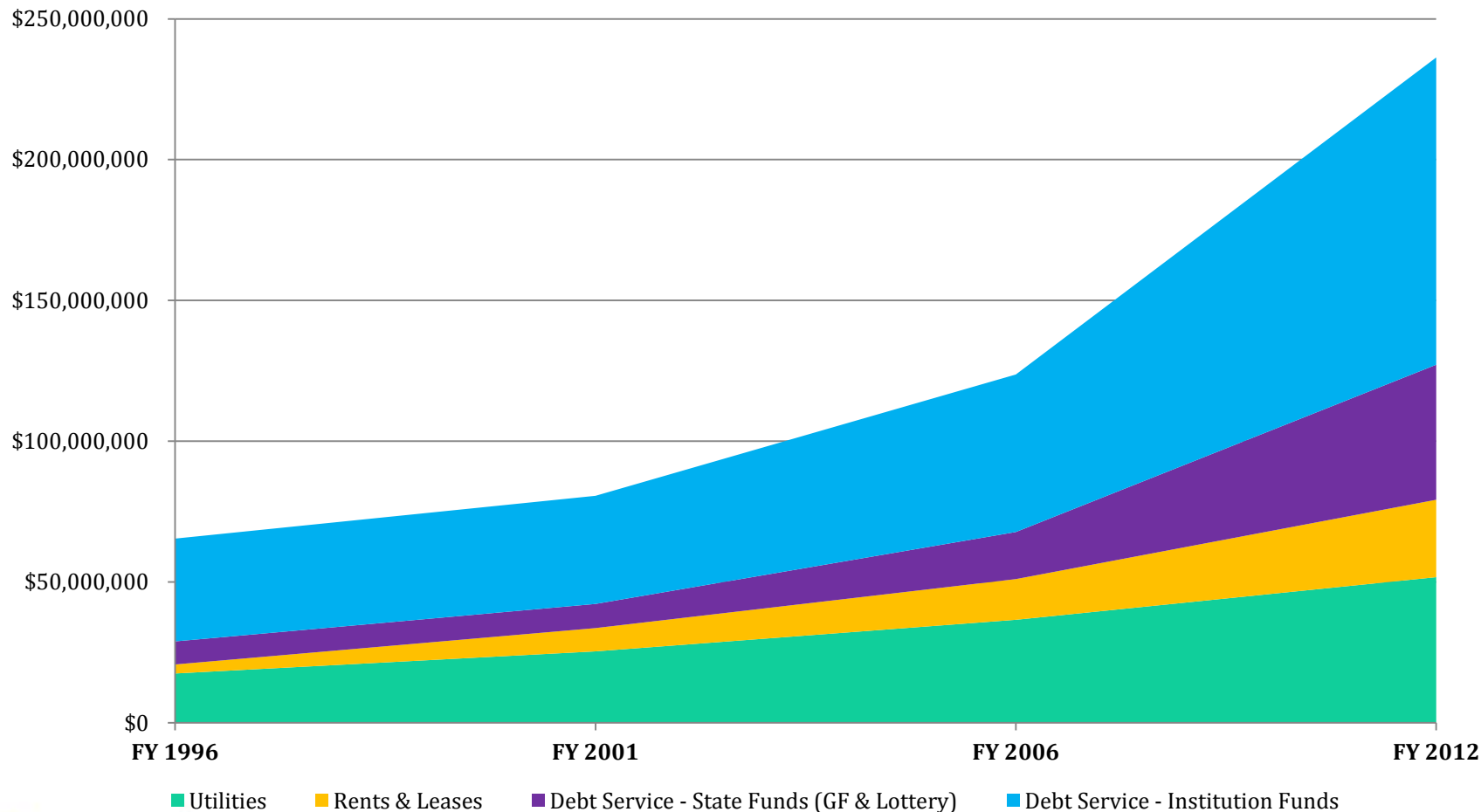
Full-time: +27%; Part-time: +168%



Facilities Costs 1996-2012

Up from \$65M to \$236M or a 261% Increase

Cost of Facilities Utilities, Rent and Debt Services

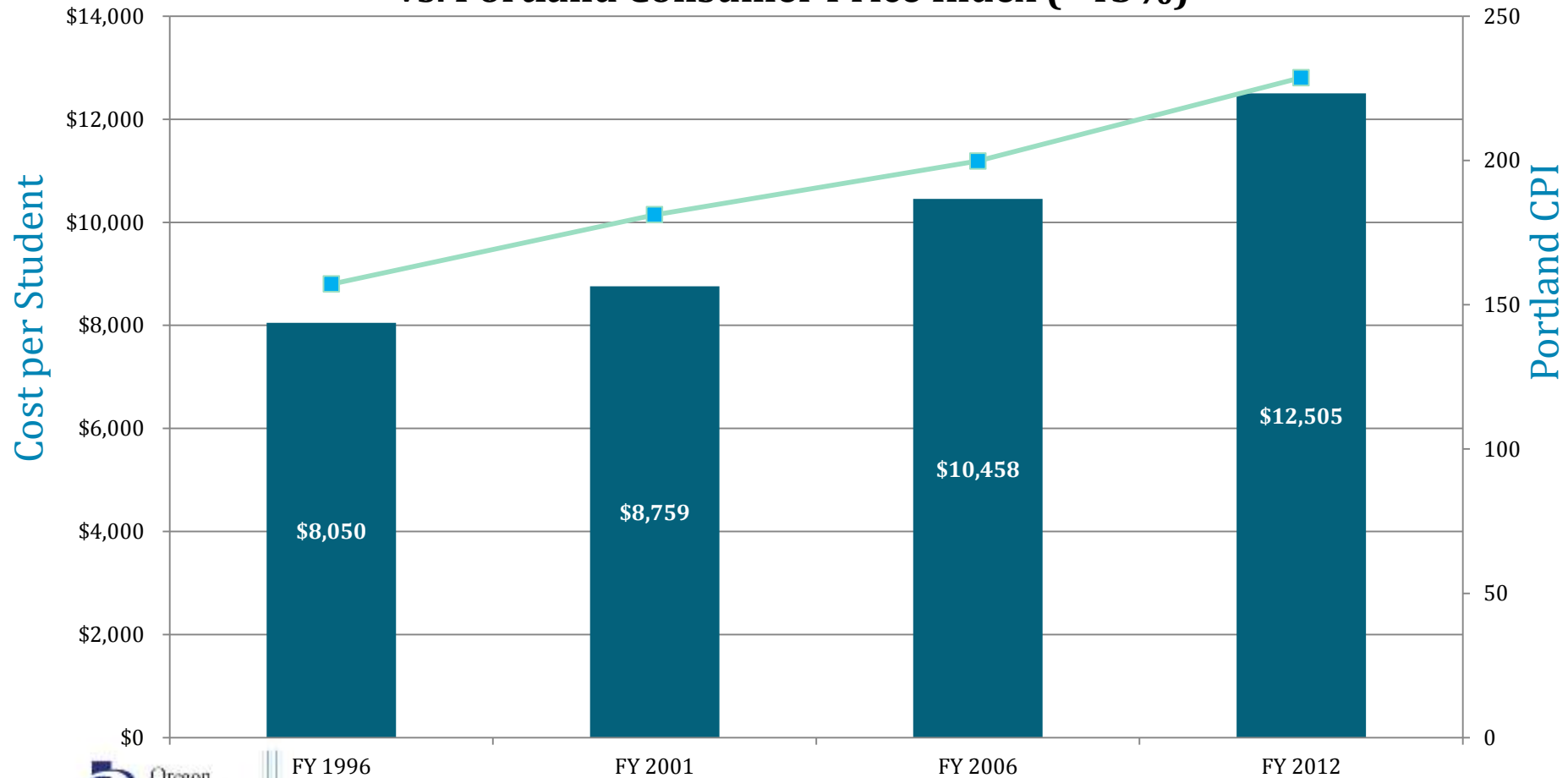


OUS Administrative Costs

Amounts in thousands					1996-2012
<u>Institution</u>	<u>1996</u>	<u>2001</u>	<u>2006</u>	<u>2012</u>	<u>% Change</u>
EOU	\$2,846	\$2,915	\$4,440	\$5,299	86.19%
OIT	\$4,871	\$4,332	\$3,888	\$4,762	-2.24%
OSU	\$28,231	\$23,073	\$37,277	\$52,258	85.11%
PSU	\$11,615	\$13,636	\$17,235	\$28,354	144.12%
SOU	\$6,681	\$6,036	\$4,477	\$5,739	-14.10%
UO	\$23,238	\$21,627	\$33,324	\$61,999	166.80%
WOU	\$3,947	\$4,433	\$4,739	\$4,340	9.96%
CO	\$12,853	\$19,113	\$11,891	\$13,265	3.21%
Total OUS	\$94,282	\$95,165	\$117,271	\$176,016	86.69%

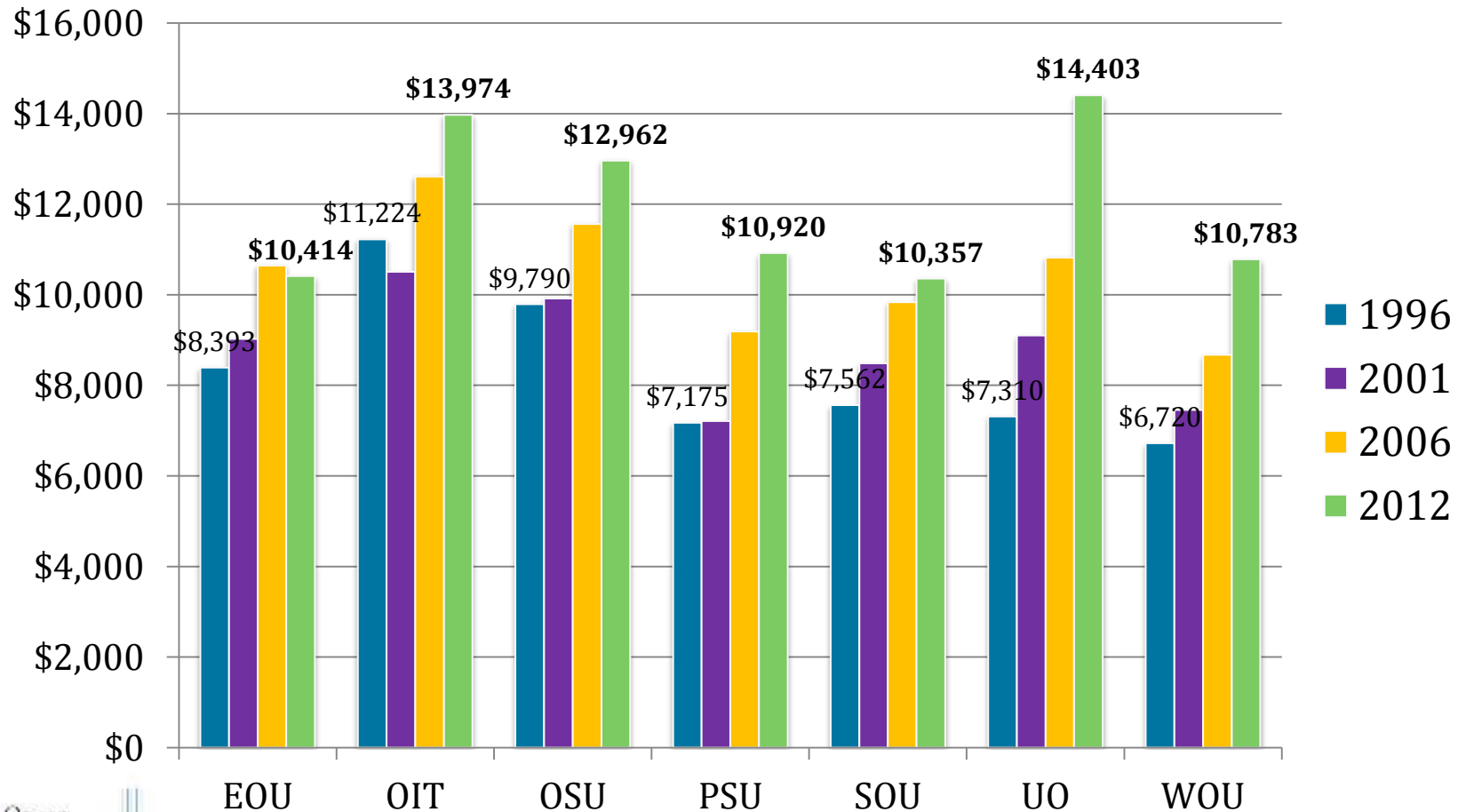
Average Cost of Instruction 1996-2012

**Average Costs of Instruction per Student FTE (+55%)
vs. Portland Consumer Price Index (+45%)**



Average Cost of Education per Student by Campus

Average cost of Education per Student



Costs of Education for Resident Students and Associated Funding Sources

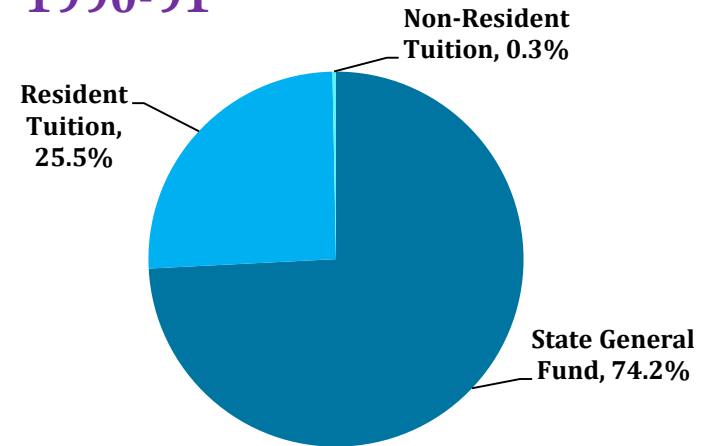
Average Cost of Education:

1990-91 = \$6,285

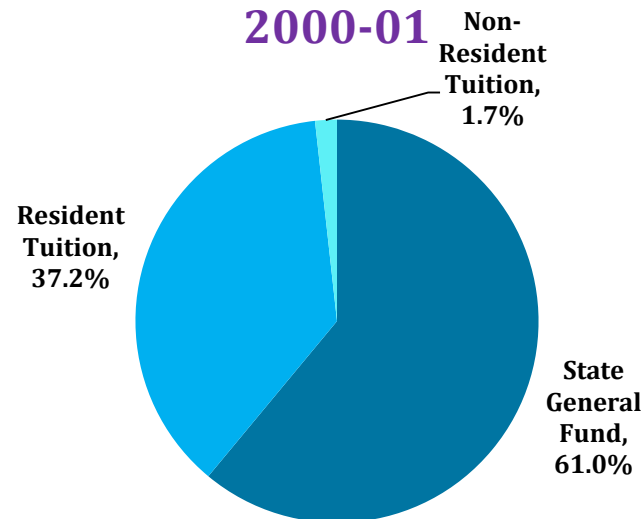
2000-01 = \$8,759

2011-12 = \$12,505

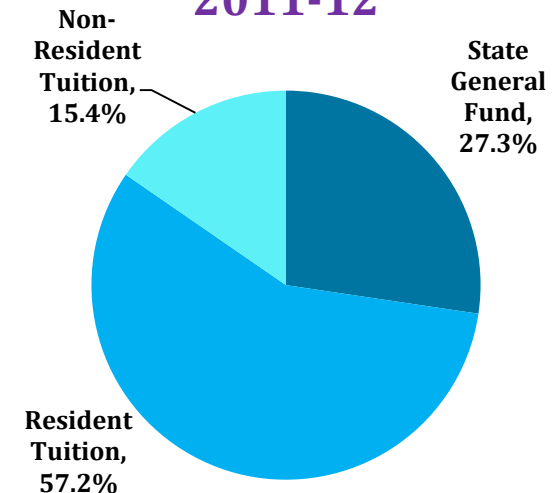
1990-91



2000-01



2011-12



SB 242: Student and State Benefits



**Tuition can be used
for current students**

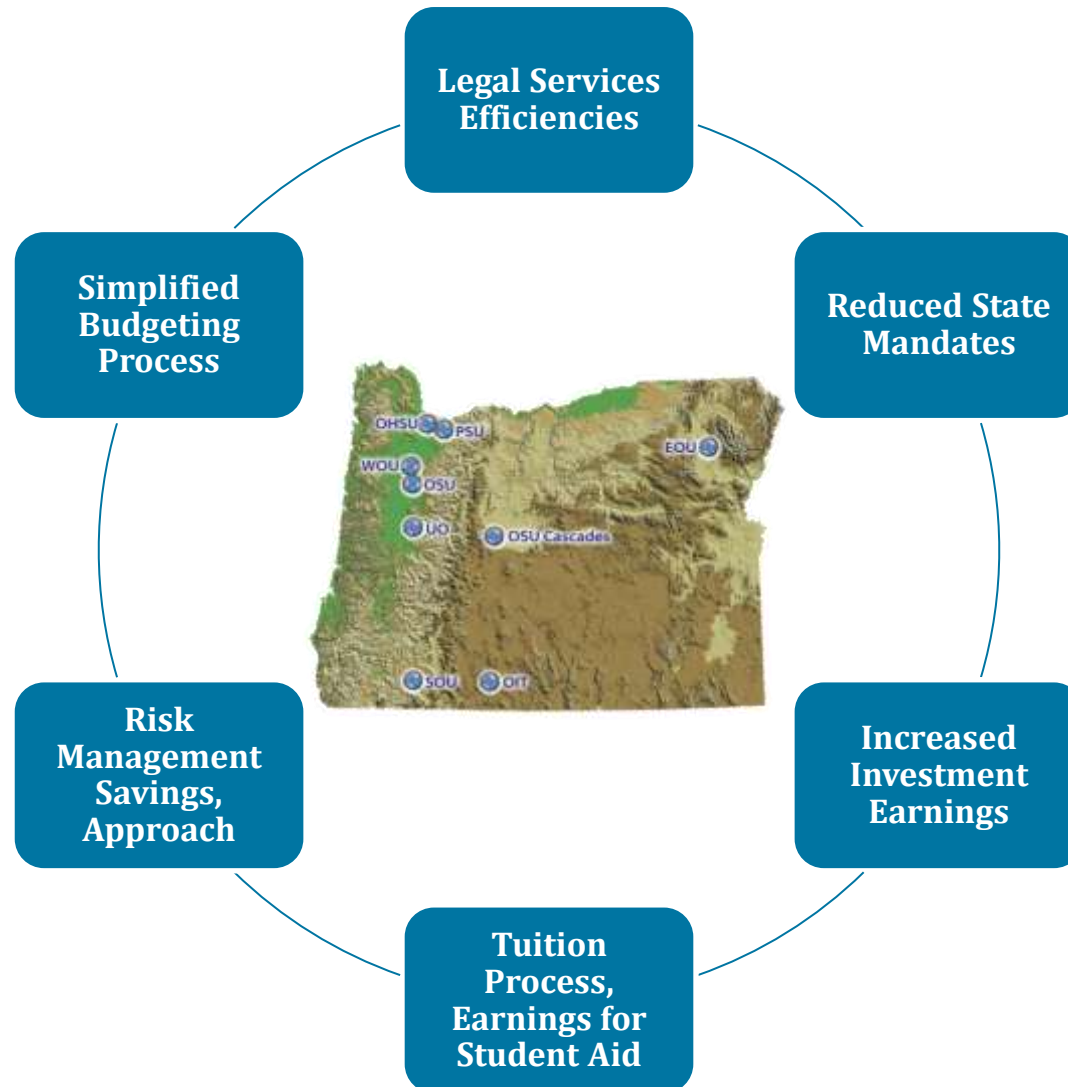


Lower costs



**Greater
accountability**

SB 242: Savings, efficiencies, accountability



Board Oversight and Accountability

Approve:

- Operating and capital budgets (requests and allocations)
- External audit report on financial statements, A-133, Athletics, and other audits
- Annual internal audit plans
- Annual evaluations of Chancellor, Presidents, and Internal Audit Executive
- Annual tuition rates
- All Administrative Rules
- Capital projects in excess of \$5 million

Review:

- Budget to actual and projected amounts to fiscal year-end (quarterly)
- Investment returns (quarterly)
- Internal audit progress reports (quarterly)
- Risk management claims/settlements (quarterly)
- Review of financial statements and key ratios (annually)
- Significant policies and procedures (as needed)
- Other items of significance (as needed)
- Each institution prepares five year revenue and expense forecasts for Board review and discussion (annually)
- Performance Reports and Fact Books

Thank you for your time and attention today.

Contact: Jay Kenton – jay_kenton@ous.edu or 541-737-3646





Accountability for Student Success

Oregon University System

Dr. Melody Rose, Chancellor, Oregon University System

Dr. Jim Middleton, Director, Oregon State Board of Higher Education; President,
Central Oregon Community College

Joint Committee on Ways and Means, Subcommittee on Education, March 21, 2013



A History of Accountability for Oregon



OUS uses performance metrics to monitor improvement, examine trends that may affect higher education in the state, and focus strategies toward student success and the 40-40-20 goals



The system office has produced the comprehensive OUS Fact Book for the last 25 years and has monitored performance in numerous formats for decades



Results are communicated to the Board, Legislature, OEIB, campus, and public through a variety of publications

Current Accountability Systems

The OUS monitors and formally reports campus performance in several publications and formats, including:

Achievement Compacts (current)

- Annual, outcomes based measures only
- Campus and system, with breakouts for disadvantaged students
- May implement Regional Compacts

OUS Board Performance Reports

Presidential Evaluation metrics

DAS Annual Performance Reports

OUS Achievement Compacts Focus on Outcomes for Completion, Quality, Connections

Completion	Quality	Connections
Bachelor's degrees	Employer satisfaction <i>(Future Submission)</i>	New freshmen with early college credit
Bachelor's degrees to rural students	Alumni satisfaction <i>(Future Submission)</i>	Bachelor's degrees to Oregon Community College Transfer
Advanced degrees	Percent of Graduates unemployed in Oregon compared to the workforce unemployed in Oregon <i>(Future Submission)</i>	

Each outcome measure above is reported for all Oregonians, and for disadvantaged populations including underrepresented minorities and for economically disadvantaged Oregonians.

OUS Board Performance Reports focus on 6 Key Goal Areas

Educated Citizenry

Access and Affordability

Student Progress and Completion

Graduate Success

Knowledge Creation and Innovation

Fiscal Stewardship



PSU

WOU

SOU

Student Access & Affordability

Oregon University System

Dr. Joe Holliday, Assistant Vice Chancellor for Student Success Initiatives, Oregon University System

Dave McDonald, Vice Provost, Western Oregon University

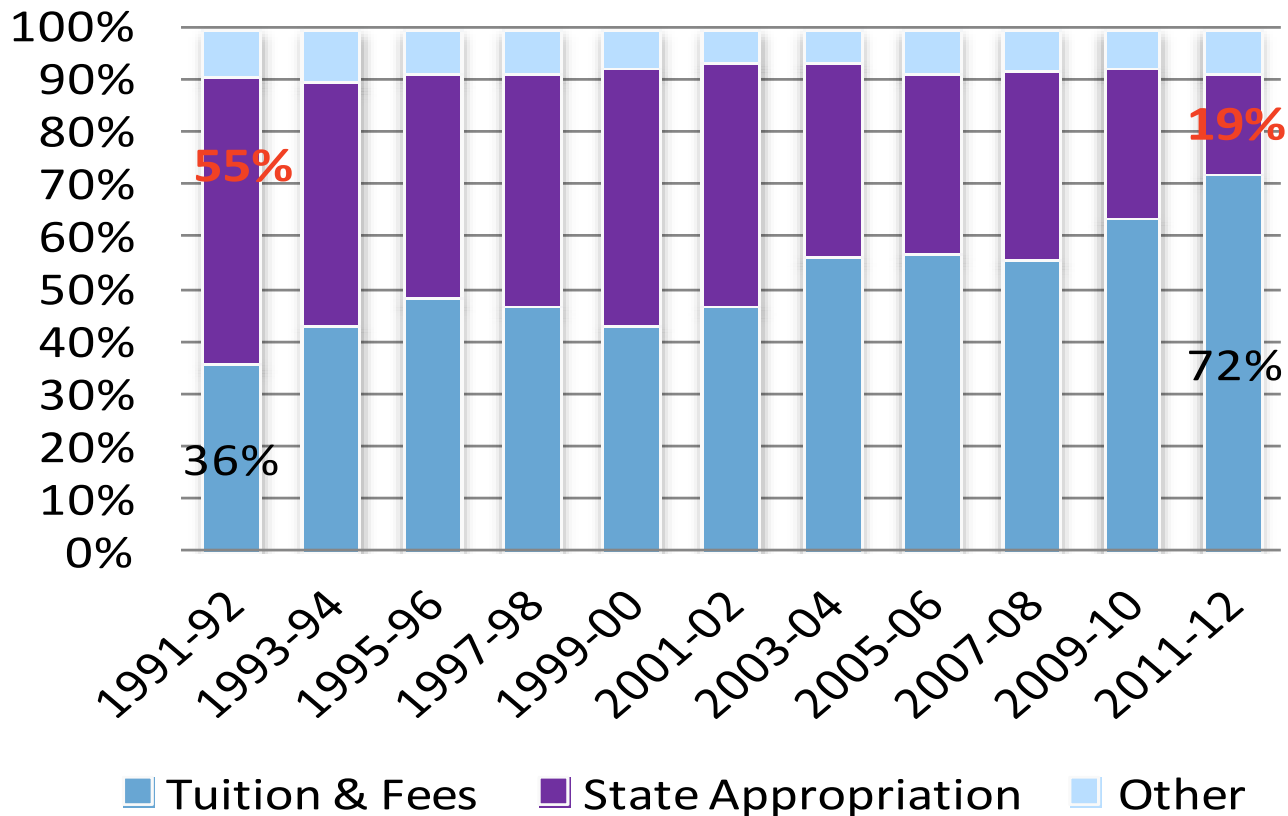
Carla Villanueva, Student, University of Oregon, Pathway Oregon participant

Joint Committee on Ways and Means, Subcommittee on Education, March 21, 2013

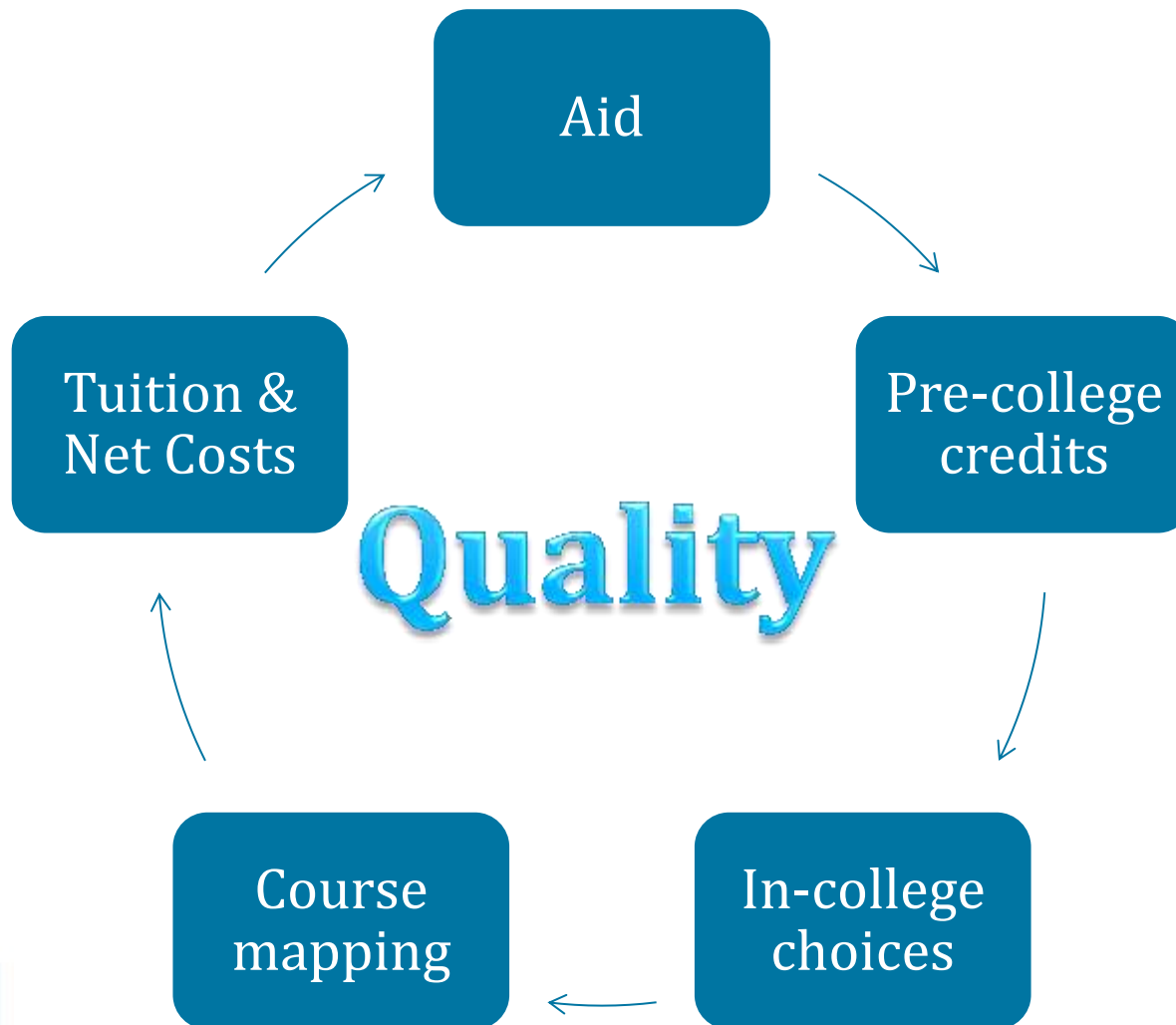


Student Share of Higher Education Costs is Increasing

State/ Student Share of Higher Education Costs 1991-2 to 2011-12



Affordability is more than tuition



Affordability is a partnership

Financial Aid Growth all Sources 1996-2012

Federal:
\$154M to
\$747M

Grants - \$30M to
\$149M (+397%)

Loans - \$124M to
\$597M (+383%)

State:
\$7M to
\$25M
(+268%)

Campus:
\$22M to
\$94M
(+337%)

**Private or
Foundation**
\$10M to
\$48M
(+359%)

OUS Students' Debt & Default Rates

Student Loan Debt and Default Rates for OUS Institutions				
Median and Average Debt and Default Rates				
Institution	Median Debt 2010-11*	Median Payment*	Mean (Average) Debt Class of 2011**	Default Rate FY2010***
Eastern Oregon University	\$15,559	\$179.05	\$21,973	7.8%
Oregon Institute of Technology	NO DATA AVAILABLE FROM THIS STUDY		\$25,546	3.1%
Oregon State University	\$19,166	\$220.56	\$22,412	2.8%
Portland State University	\$18,832	\$216.72	\$26,287	4.6%
Southern Oregon University	\$19,337	\$222.53	\$28,907	3.9%
University of Oregon	\$19,999	\$230.15	\$22,736	2.9%
Western Oregon University	\$17,868	\$205.63	\$23,839	4.3%

* *The Wall St. Journal* analysis of US Dept. of Education data set
 **SOU Common Data Set, OIT & OSU Financial Aid Offices, and Pew Project on Student Debt
 ***National Student Loan Data System, US Dept. of Education

Helping students understand and manage debt

Impacts

- Tuition, more low-income students
- Recession on costs, borrowing, repayment

Focus

- Debt-to-income ratio, high borrowing/low salary
- Most at-risk students: early warning systems

Results

- System-wide policy beyond mandated counseling
- Help embedded across the campus

Supporting underserved students pays off



UO's Pathway Oregon: Aid & Support for Oregonians





OSU Cascades



WOU



PSU

Capital Construction Program

Oregon University System

Dr. Jay Kenton, Vice Chancellor, Finance and Administration, Oregon University System

Kirk Schueler, Director, Oregon State Board of Higher Education; Chief Administrative Officer,
St. Charles Health System

Joint Committee on Ways and Means, Subcommittee on Education, March 25, 2013



Oregon
University
System

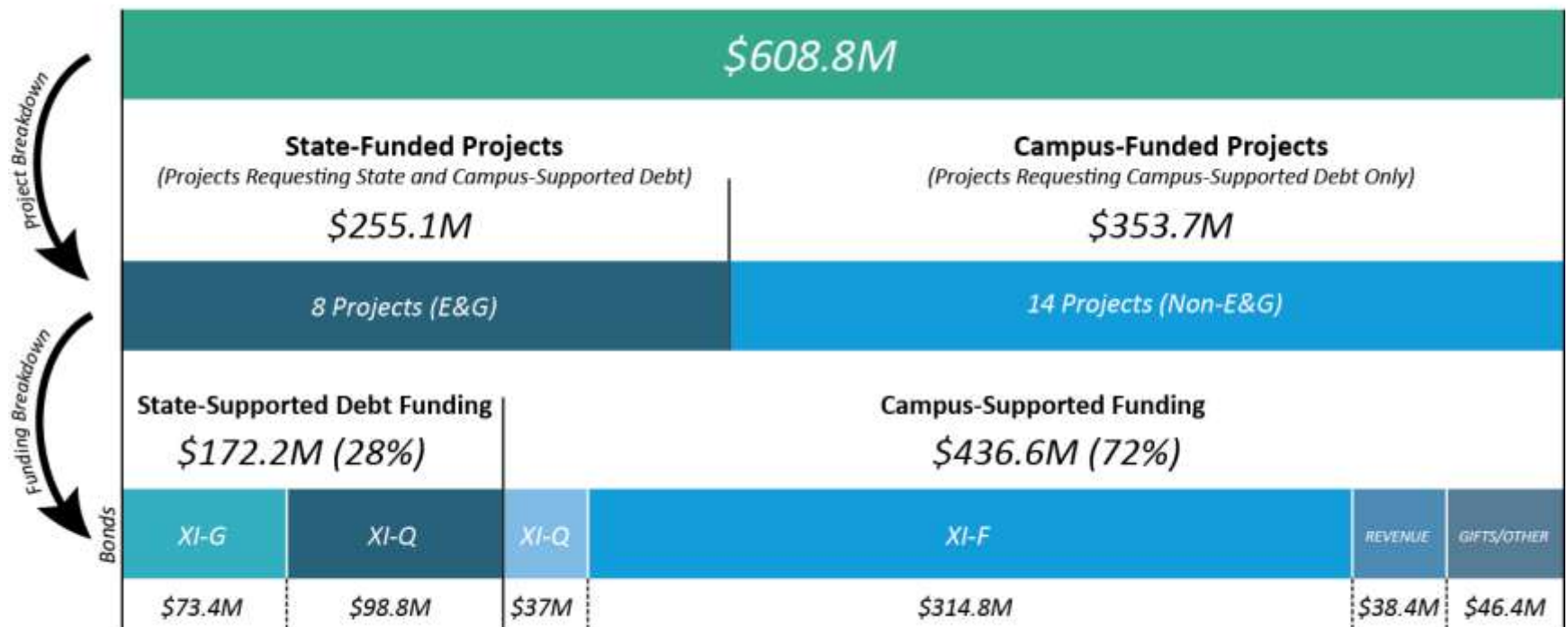
Capital Program: Building for 40-40-20



Capital Budget: Leveraging State Funds

2013-15 GBB Breakdown

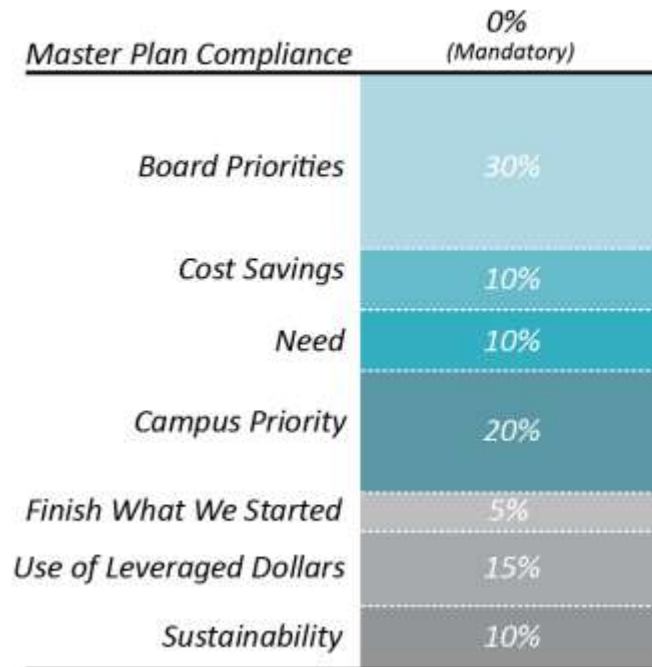
2013-15 Governor's Balanced Budget (GBB) Total Capital Request



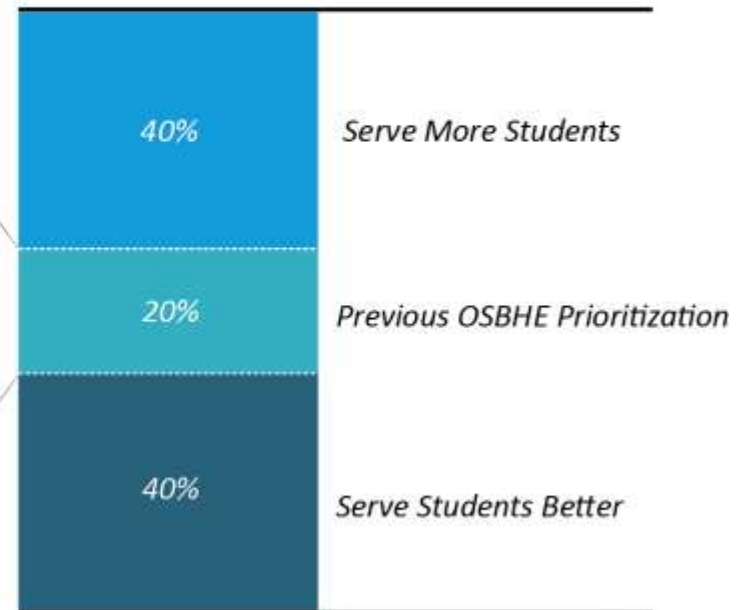
Capital Budget: Prioritizing Capacity

40-40-20 Re-Prioritization – *Criteria*

OUS/OSBHE Capital Project Prioritization Criteria



OUS/GBB Re-Prioritization Criteria (Weighted)



Capital Budget: Partnerships

State and Donors – *Partnering for Success*

2013-15 GBB Projects – *State-Funded (E&G)*

OUS Ranking	OUS/GBB Ranking*	Campus	Project Name	Project Total	State-Supported Debt Funding
1	1	PSU	School of Business Administration - Addition/Renovation	\$50,000,000	\$40,000,000
2	2	UO	Straub Hall and Earl Halls Classroom Expansion	\$22,000,000	\$11,000,000
3	3	SYS	Capital Renewal Code and Safety	\$30,000,000	\$30,000,000
5	4	OSU	Chemical, Biological, and Environmental Engineering Building	\$40,000,000	\$20,000,000
7	5	OSU	Classroom Building and Quad	\$65,000,000	\$32,500,000
7	5	WOU	New College of Education Facility	\$18,600,000	\$17,200,000
9	7	OSU	Cascade Campus Expansion	\$24,000,000	\$16,000,000
4	8	SOU	Theatre Arts Building Expansion and Remodel	\$5,500,000	\$5,500,000
Subtotal: Projects with State Funding				\$255,100,000	\$172,200,000

*OUS Revised Priority Ranking, as of January 9, 2013

Capital Budget: Partnerships

Campus and Students – *Partnering for Student Success*

2013-15 GBB Projects – *Campus-Funded*

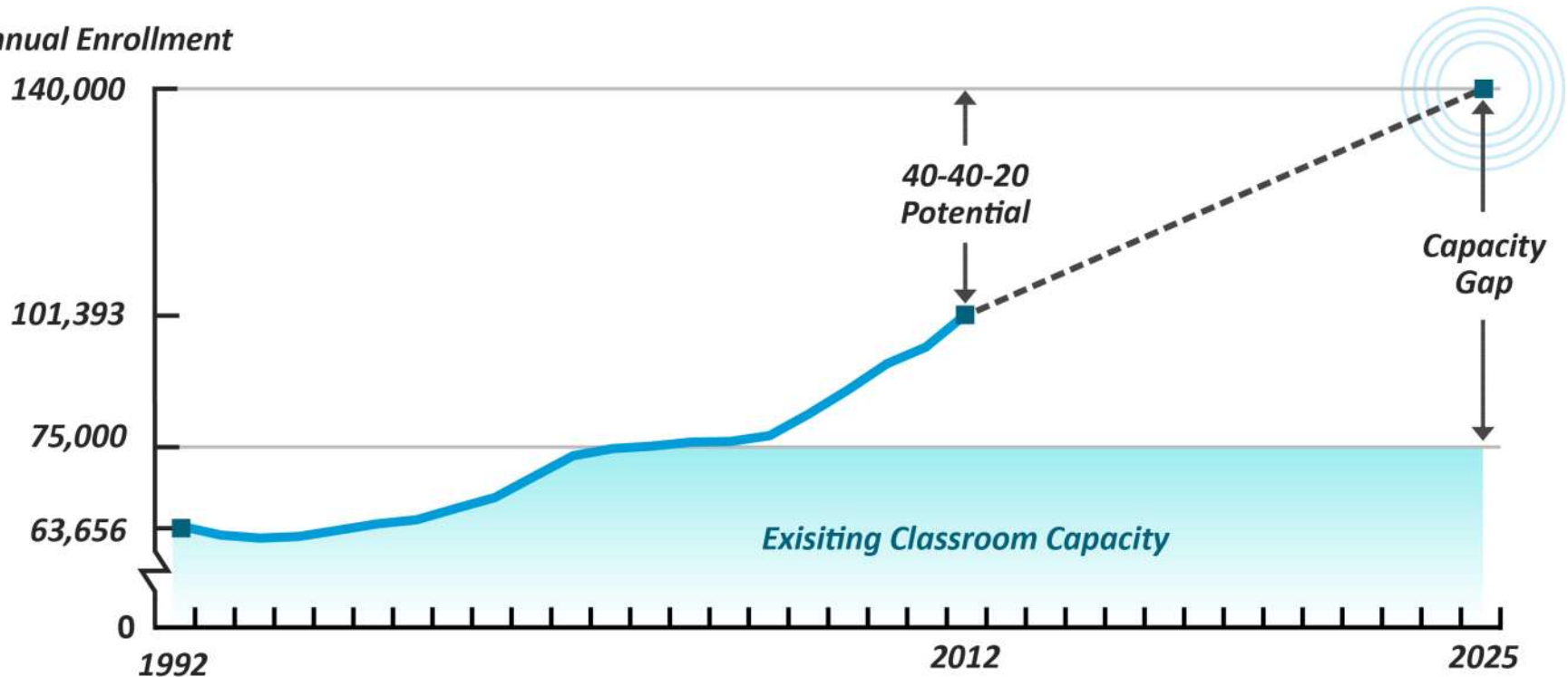
OUS Ranking	OUS/GBB Ranking*	Campus	Project Name	Project Total	State-Supported Debt Funding	Campus-Supported Debt Funding
1	1	OUS	Building Miscellaneous Student Fee Projects	\$20,000,000	\$0	\$20,000,000
2	2	OUS	Commercial Paper (Short Term Financing Pre-bonding)	\$15,000,000	\$0	\$15,000,000
3	3	OUS	Financing Agreements	\$20,000,000	\$0	\$20,000,000
4	4	OIT	InFocus Acquisition	\$10,000,000	\$0	\$10,000,000
5	5	OSU	Modular Data Center Facilities	\$7,000,000	\$0	\$7,000,000
6	6	OSU	Underground Communications Infrastructure	\$10,000,000	\$0	\$10,000,000
7	7	OSU	Real Estate Acquisitions	\$5,880,000	\$0	\$5,880,000
8	8	OSU	Housing and Dining Upgrades	\$9,500,000	\$0	\$9,500,000
9	9	PSU	Land Acquisition	\$10,000,000	\$0	\$10,000,000
10	10	SOU	Student Recreation Center	\$20,000,000	\$0	\$20,000,000
11	11	SOU	Cascades Hall Replacement	\$7,000,000	\$0	\$7,000,000
12	12	UO	Student Recreation Center Expansion and Renovation	\$50,250,000	\$0	\$50,250,000
13	13	UO	University Housing Expansion	\$84,750,000	\$0	\$84,750,000
14	14	UO	Erb Memorial Student Union Expansion and Renovation	\$84,300,000	\$0	\$84,300,000
Subtotal: Projects without State Funding				\$353,680,000	\$0	\$353,680,000
Total Request				\$608,780,000	\$172,200,000	\$390,180,000

*OUS Revised Priority Ranking, as of January 9, 2013

40-40-20 Goal: Defining the Challenge

40-40-20 Growth Potential – 2012-2025

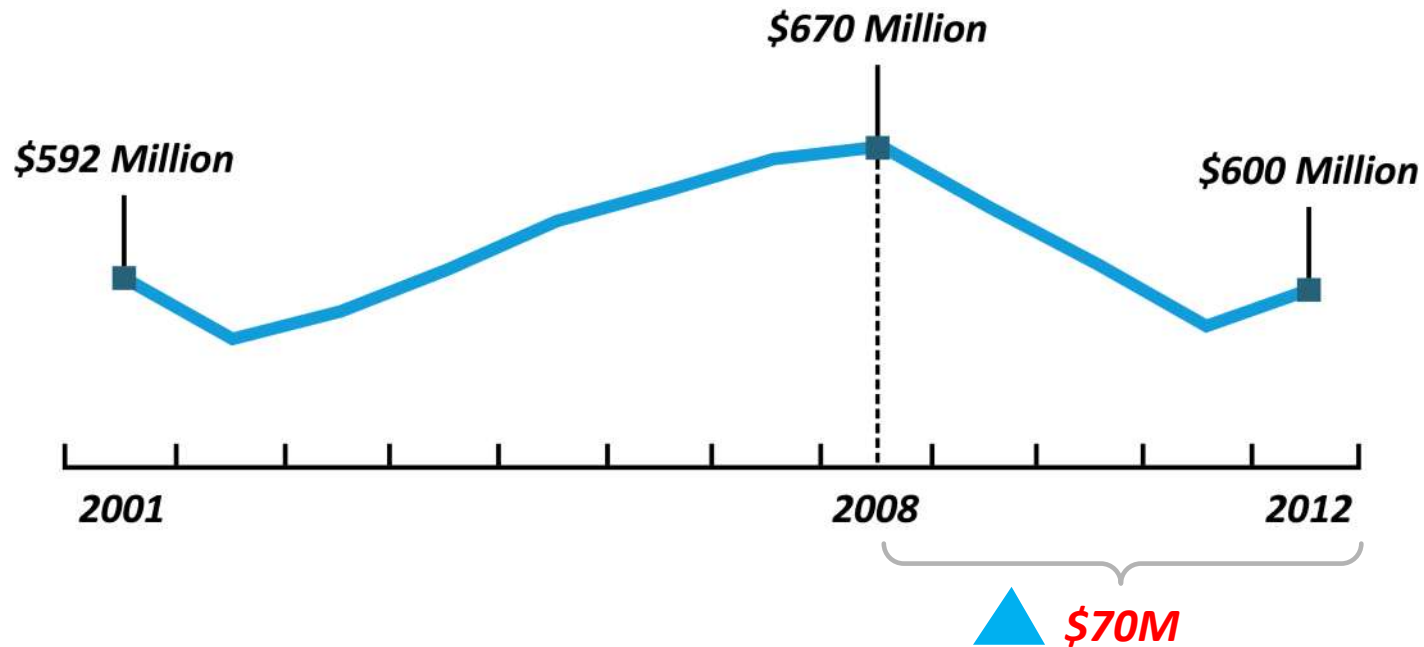
Annual Enrollment



Source: OUS Capital and Facilities Planning, based on data from OUS Institutional Research and 2012 Capacity Analysis by Sasaki and Associates

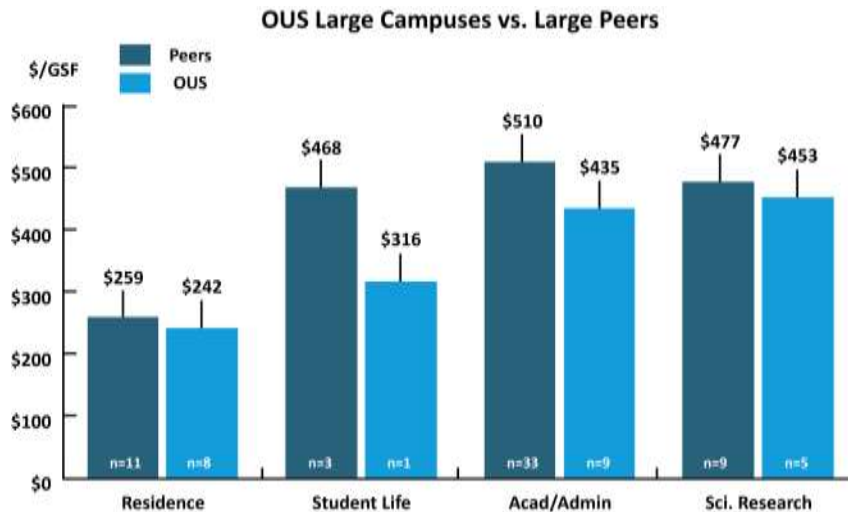
Stewardship: Measuring Progress

Deferred Maintenance Backlog – 2001-2012

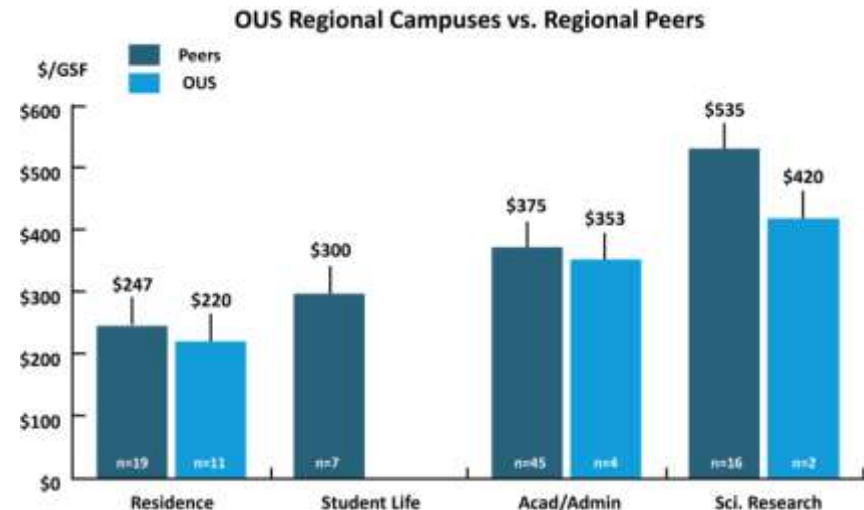


Cost: Managing for Lower Project Costs

Peer Comparison – *Average Total Project Cost/SF by Type*



*Large Peer School Sample Size 56



*Regional Peer School Sample Size 87

Cost: Smart Choices for a Positive ROI

Component Lifespan Cost – *Commercial vs. University*

Component Group	Component Cost			Estimated Lifespan in Years		Delta	
	Good Commercial	University Construction	Cost Difference	Good Commercial	University Construction	Cost (% Diff)	Life (% Diff)
HVAC							
• Reheat Coils	\$0.56 Copper	\$0.26 E-Coated	(\$0.30)	40	40	52%	0%
• Exhaust Duct	\$6.50	\$8.00	\$1.50	25	40	23%	60%
• Air-Handlers w/ Heat Recovery	\$7/CFM	\$8.50/CFM	\$1.50/CFM	25	30	21%	20%
• VAV vs. Chilled Beam	\$25/SF (VAV)	\$36/SF (Chilled)	\$11/SF	20	40	44%	100%
• Solar Thermal	\$0	\$200/SF Panels	\$200/SF Panels	NA	NA	1.50%	NA
Roofing/Exterior Skin							
• Roof Warranty	10 year	20 year	\$.50/SF Materials	15	25	23.00%	200%
• Flashings	Prefinished, \$6	Stainless, \$10	\$4/LF	25	60-100	66%	>240%
• Single Ply vs. Built-Up Roofing	\$11/SF (TPO)	\$13.50/SF(BUR)	\$2.50/SF	20	30	23%	50%
• Wood Siding vs. Brick	\$8/SF (Hardiplank)	\$21.00/SF(Brick)	\$13/SF	20	75	263%	275%
Door Hardware							
• Door Hardware	\$850/Opening	\$1200/Opening	\$350	10	20	41%	100%
• Door Handles/Locksets	Grade 2: \$200	Grade 1: \$300	\$100	5	10-20	50%	>200%
• Panic Hardware	Grade 2: \$400	Grade 1: \$800	\$400	5	10-20	200%	>200%
Plumbing							
• PEX vs. Copper Tubing	\$10/LF	\$25/LF	\$15/LF	30	50	150%	66%
• Lavatory Faucets	\$262 (Installed)	\$362	\$100.00	8	20	39%	250%
Finishes							
• Impact Resistant Board	\$1.28/SF	\$1.86/SF	\$0.58/SF	10	20	45%	100%
• Carpet vs. Honed Concrete	\$3.50/SF	\$7/SF	\$3.50/SF	15	50	100%	233%
Elevators							
• (3-Stop) Wall, Ceiling and Floor Finishes, Controllers	\$60,000	\$75,000	\$15,000	10	20	25%	100%
Electrical							
• Controls	\$2.50/SF	\$4.00/SF	\$1.50/SF	15	20	60%	33%
• Lighting	\$5/SF	\$6.50/SF	\$1.50/SF	15	20	30%	33%
Telephone/Data & Security							
• Data	\$3.00/SF	\$4.00/SF	\$1.00/SF	30	30	33%	0%
General							
• Prevailing Wages	25% of Hard Costs	27.5% of Hard Costs	2.50%	NA	NA	2.50%	NA
• 1% for Art	NA	1% Project Cost	100%	NA	NA	100%	NA

Lifespan: The High Cost of Building Cheap



Snell Hall, OSU



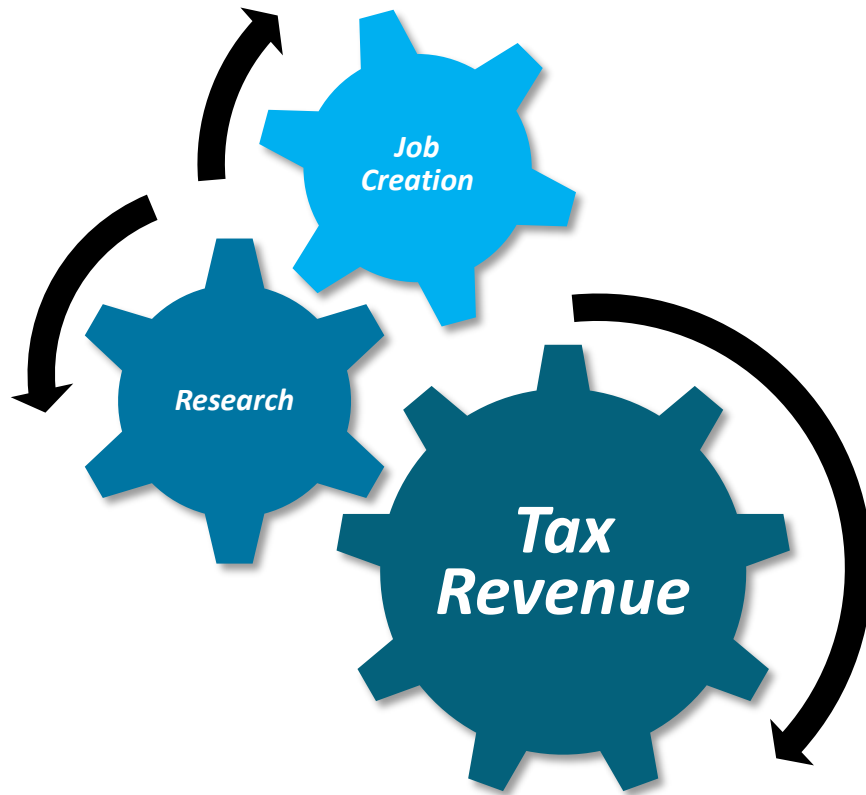
Neuberger Hall, PSU



Cascade Complex, SOU

Economic Impact: Paths to Prosperity

Three Tiers of Economic Development – *Job Creation*



2013-15 Capital Budget *Economic Impact Potential*

Potential Jobs Created	5,472
Potential Economic Output	\$1.3 Billion
Potential Earnings Increase	\$852 Million



Closing the Capacity Gap

Meeting the Growth Challenge

Portland State University – *SBA Addition and Remodel*



PSU, School of Business Administration (SBA) – Proposed

Closing the Capacity Gap

Meeting the Growth Challenge

Oregon State University – *Classroom, CBEE, Cascades*



OSU, Classroom Building



OSU, CBEE Building



OSU, Bend Campus

Closing the Capacity Gap Meeting the Growth Challenge

University of Oregon – *Straub and Earl Halls*



UO, Straub Hall



UO, Earl Hall

Growing Teachers

Creating Innovative Wood Industries

Western Oregon University – *New College of Education*



WOU, New College of Education (Proposed)

Institutions: *Anchors for Oregon's Prosperity*



OUS Institutions:

- Oregon's *Intellectual* Assets
- Create a sense of *Place*
- Define Regional *Identity*
- Serve as *Economic* Engines
- Now and for generations to come



Growing Jobs and Transforming Oregon's Economy

Oregon University System

Jill Eiland, Vice President, Oregon State Board of Higher Education; Northwest Region Corporate Affairs Manager, Intel Corporation

Dr. Lynda Ciuffetti, Director, Oregon State Board of Higher Education; Professor of Botany and Plant Pathology, Oregon State University

Dr. Chris Maples, President, Oregon Institute of Technology

Joint Committee on Ways and Means, Subcommittee on Education, March 25, 2013



Oregon's Public Universities: Driving Oregon's economy



Almost \$6 Billion
Campuses'
impact statewide



13,000 benefits
eligible jobs,
rural & urban



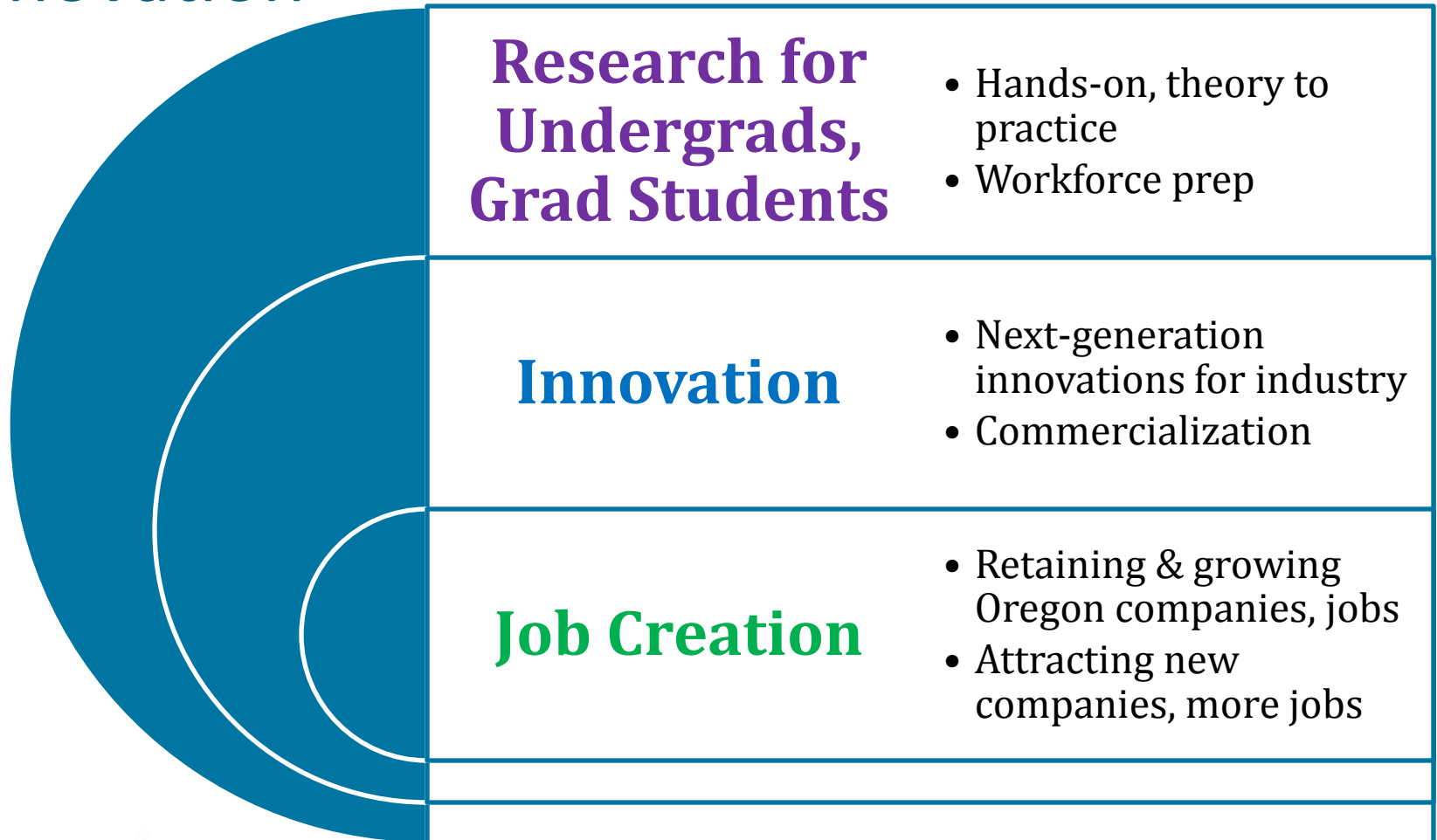
5,472 jobs from
capital
construction in
2013-15



Education Drives Returns to Oregon

	State Cost Per Degree	Total Cost to Educate	State Taxes' Returns	Local Taxes' Return	Federal Taxes' Return	Social Safety Net Savings	Incarceration Savings	Volunteerism Return	Net Return to Oregon
HS Diploma	\$ 108,726	\$ 108,726	\$ 21,011	\$ 48,609	\$ 4,369	-	-	\$ 1,849	\$ -32,887
AA & Trans.	\$ 6,708	\$ 115,434	\$ 30,683	\$ 55,452	\$ 42,832	\$ 13,331	\$ 7,976	\$ 3,894	\$ 28,896
BA	\$ 22,937	\$ 131,663	\$ 50,830	\$ 74,198	\$ 106,444	\$ 28,547	\$ 10,317	\$ 5,880	\$ 123,525
MA	\$ 19,378	\$ 151,041	\$ 60,148	\$ 79,515	\$ 125,976	\$ 28,547	\$ 10,317	\$ 5,880	\$ 138,314
PhD	\$ 64,988	\$ 196,651	\$ 84,113	\$ 91,049	\$ 408,299	\$ 28,547	\$ 10,317	\$ 5,880	\$ 410,527

Research: Preparing Students, Driving Innovation



Oregon TECH

Future Workforce

#1*

Starting Salaries
in Oregon

#1*

Mid-career
Salaries in
Oregon

#38* (of 1058)

Starting Salaries
in US

STEM:

1.7 jobs for every
1 unemployed person



Non-STEM:

**4.3 unemployed
people** for every **1 job**



OREGON'S
Land Grant University
is Helping Build



bridges
to prosperity

**Extension Service
Agricultural Experiment Station
Forest Research Lab**

Oregon's Land Grant University



OSU's Statewide Programs improve the lives of Oregonians

**Extension
Service**



OSU
Oregon State
UNIVERSITY



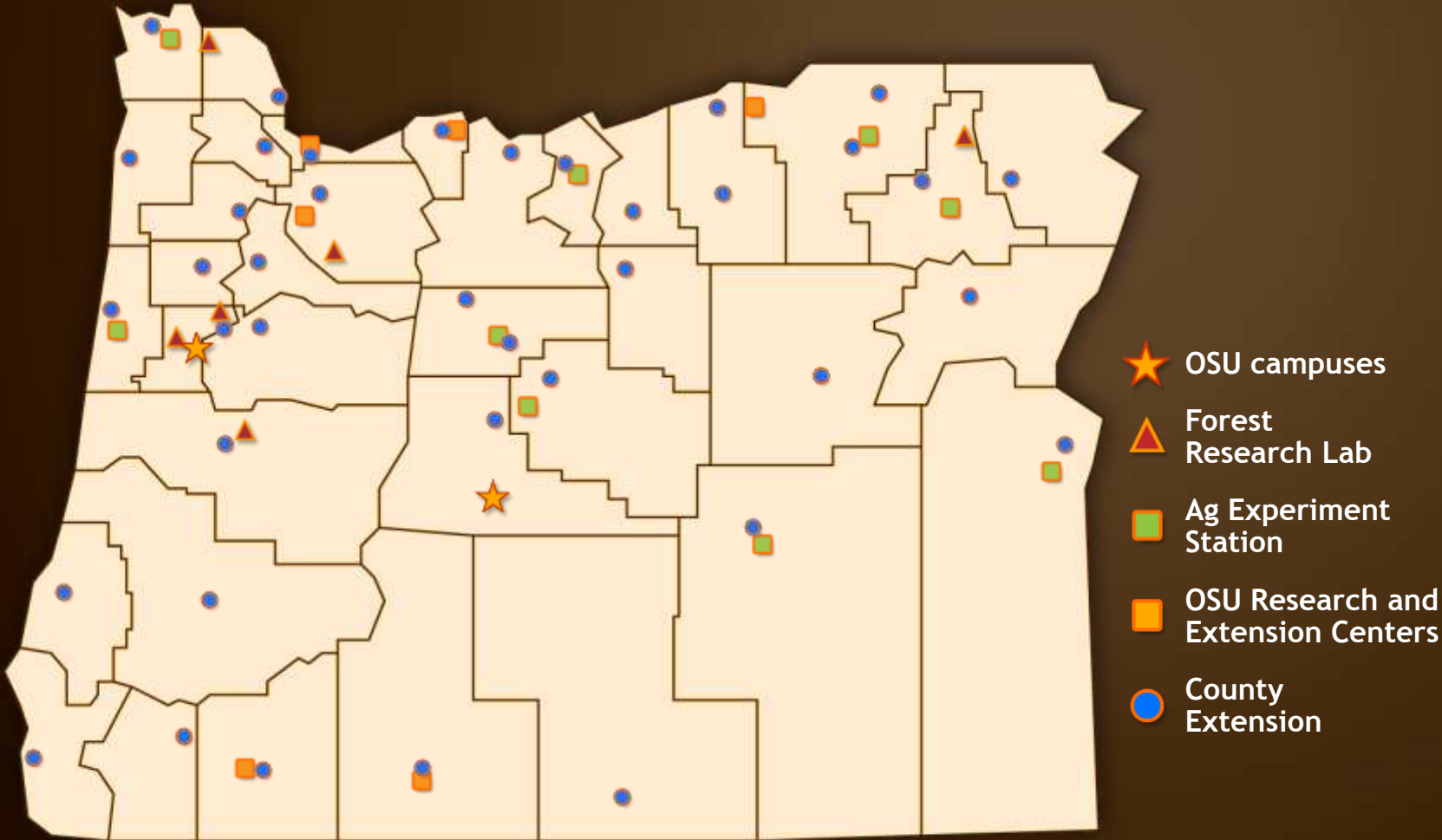
**Agricultural
Experiment
Station**

**Oregon's Land-Grant
University**

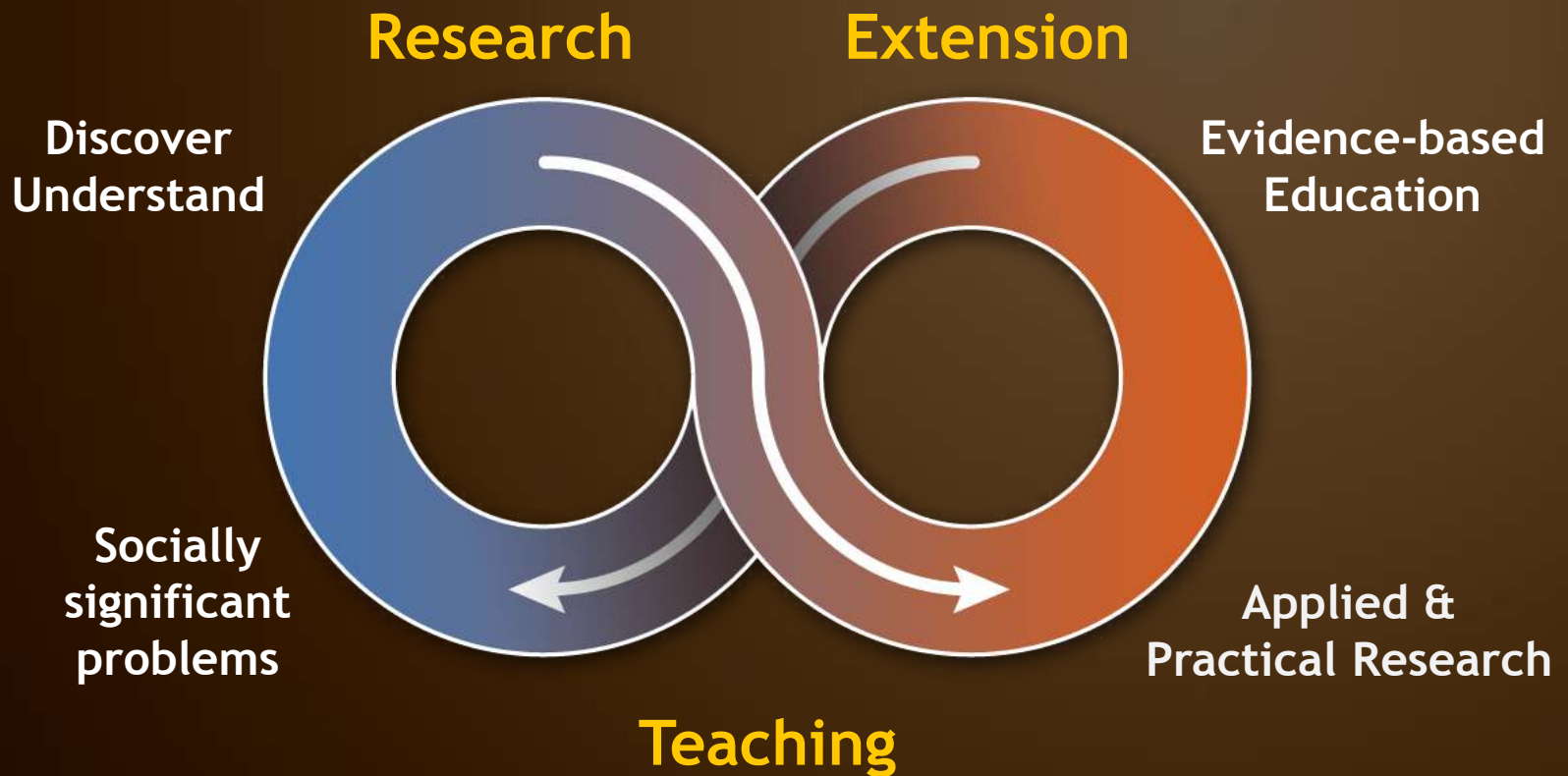
**Forest
Research
Laboratory**



The State is Our Campus



Statewide programs create innovation and opportunity



Healthy People

Extension programs work to prevent childhood obesity

Children change behaviors and build self esteem as they experience good nutrition and purposeful physical activity.



Healthy People

Extension programs train future leaders in science, engineering, and technology

Students explore robotics, computer science, and alternate energy in 4-H programs that reach more than 150,000 school children overall.



Healthy Planet

Agricultural Experiment Station research is cleaning up Portland Harbor

OSU leads the nation with \$15 million NIH Superfund grant to develop techniques for cleaning severely polluted areas.



Healthy Economy

AES fermentation research creates a new economic culture in Oregon

Beer, wine, cheese, bread, even biofuels are products of fermentation and areas of collaborative research by the Agricultural Experiment Station.



Healthy Economy

The Forest Research Laboratory helps expand markets for sustainable Oregon wood products

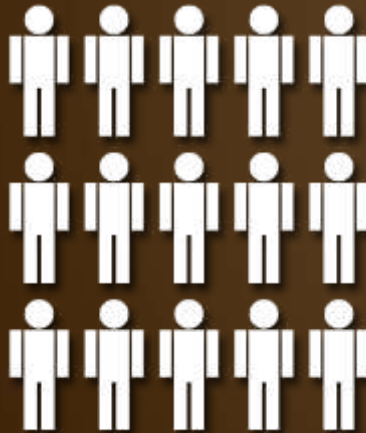
OSU works with Oregon industry to create and certify sustainable wood products to meet growing market demand.



Leveraging Human Capacity



+



=



**Extension
Faculty FTE**
177

**Trained
Volunteers**
14,048

**Engaged
Learners**
2,130,824

Leveraging Financial Resources, FY12



State funding
for SWPS

External grants &
other funding

Total dollars

\$46,528,000

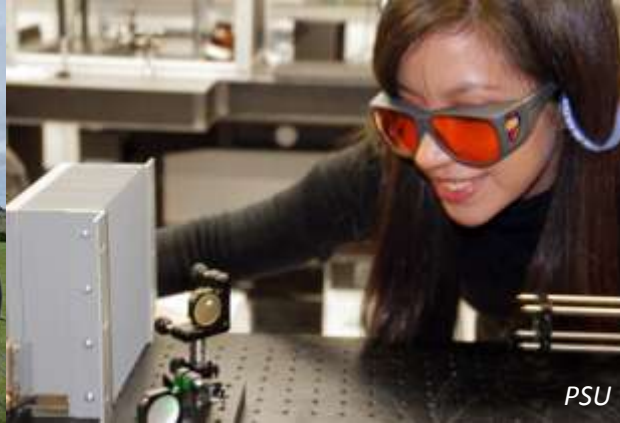
\$99,489,000

\$146,017,000

ed.ray@oregonstate.edu



Extension Service
Agricultural Experiment Station
Forest Research Lab



Engineering & Technology Industry Council

Oregon University System

Dick Knight, Retired Technology Executive

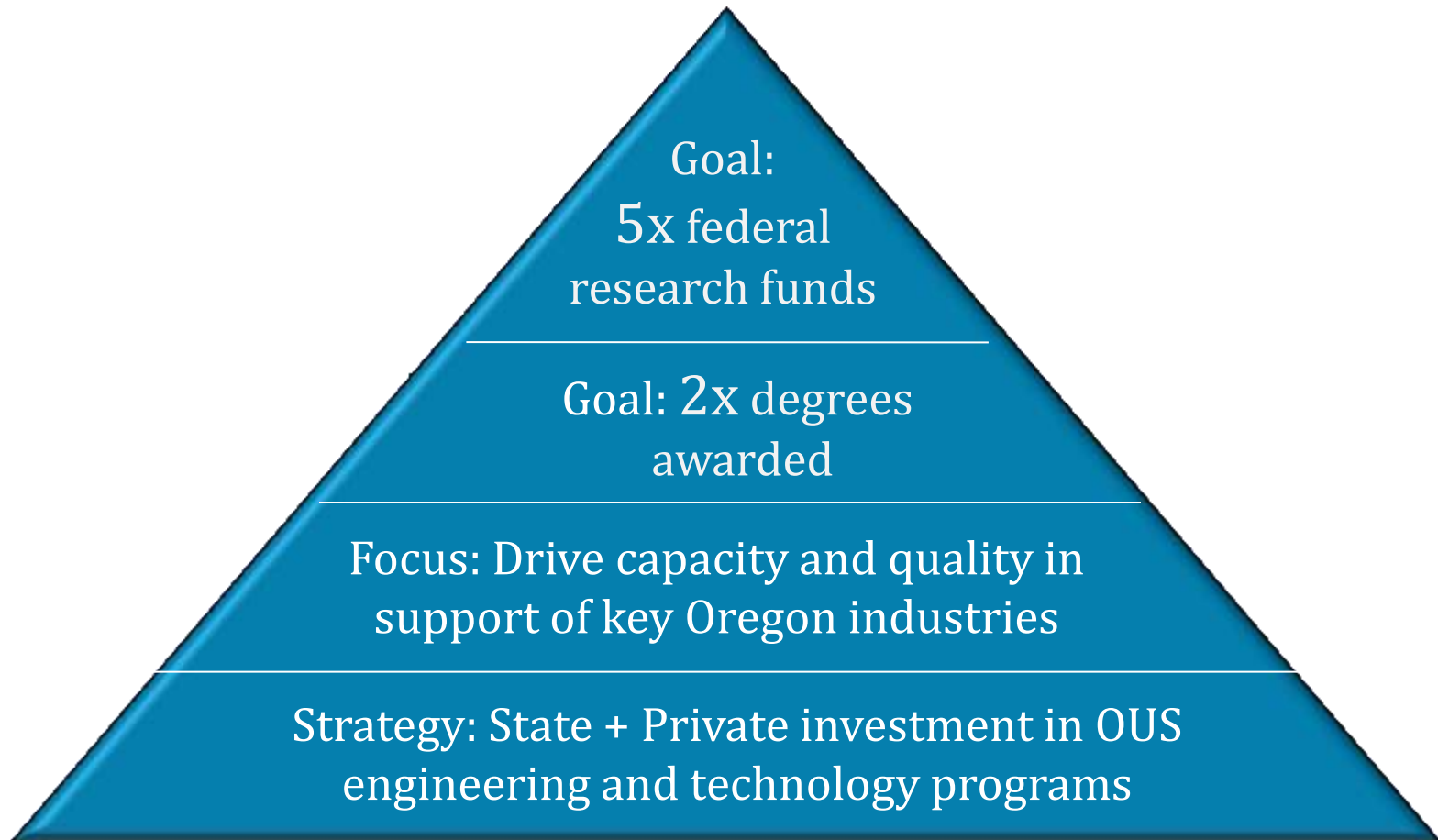
Ryan Jenson, Doctoral Student, Engineering, Portland State University

Joint Committee on Ways and Means, Subcommittee on Education, March 25, 2013

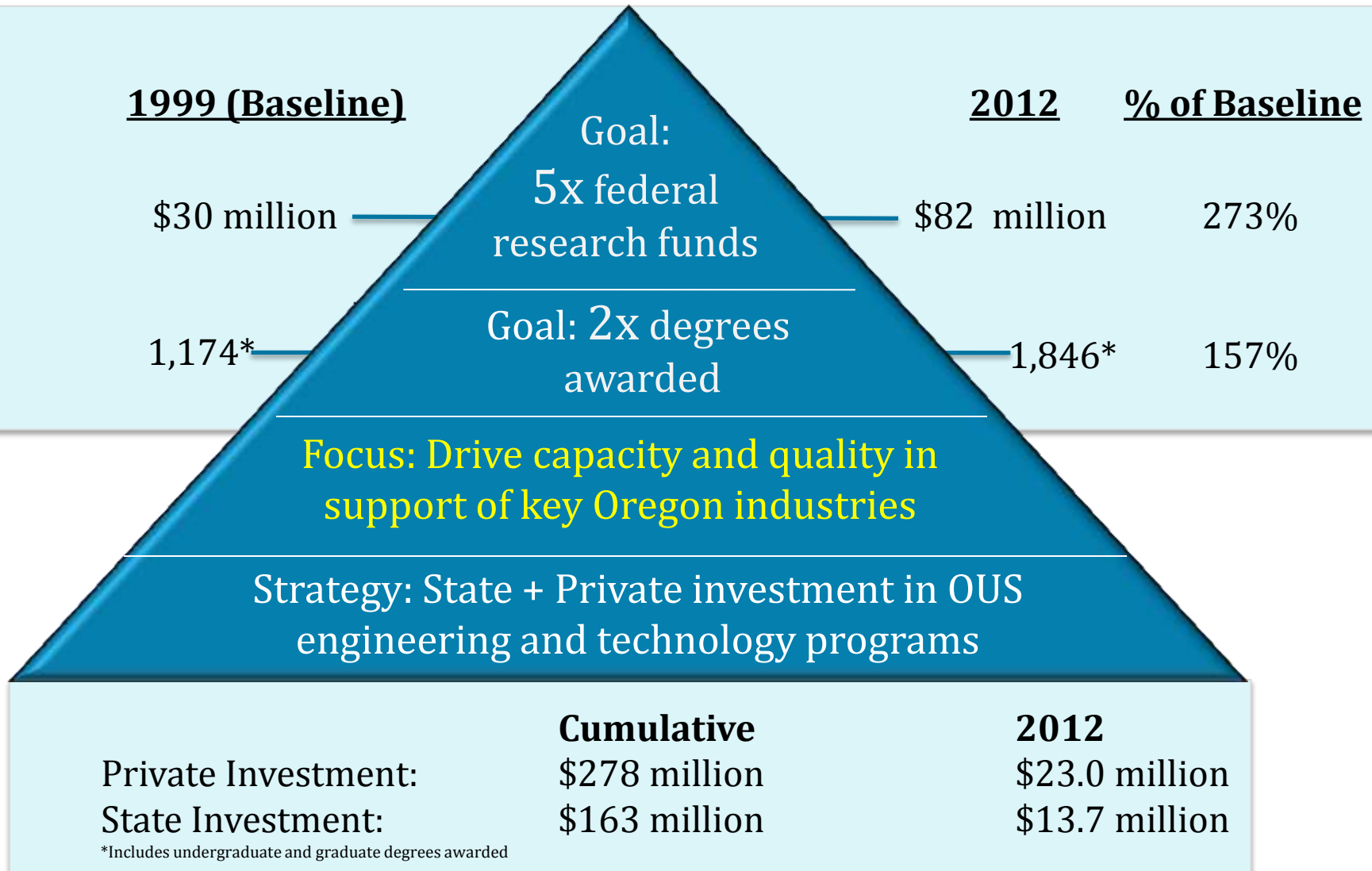


ETIC Baseline Goals

Building Oregon's Economy through Investing in Engineering Education & Research

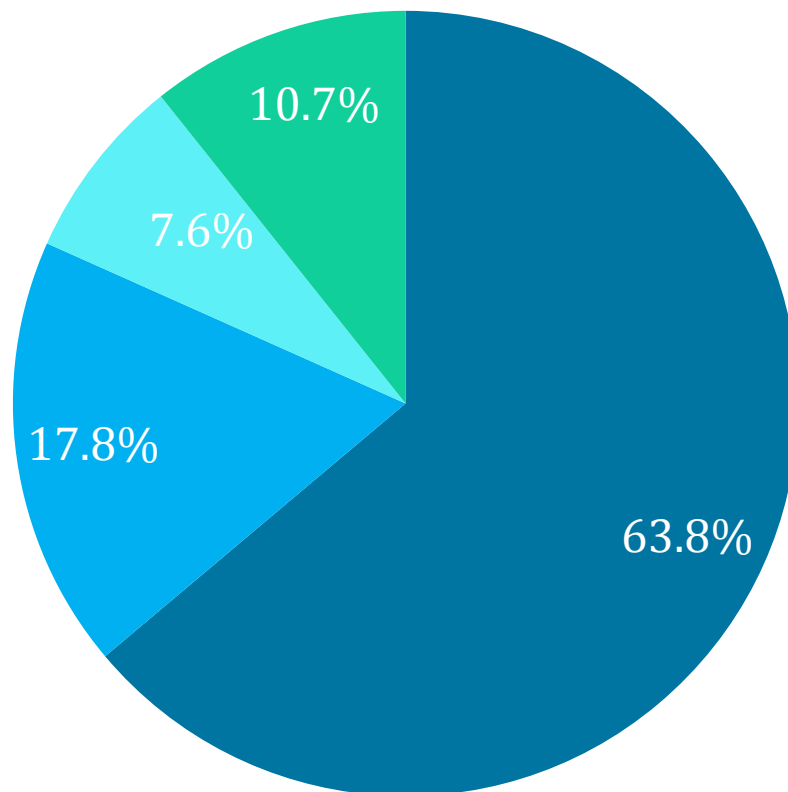


ETIC Baseline Goals and Results



High wage employment for Oregonians with critically needed skills

89% working in their field or pursuing an additional degree



Recent graduates

- Working in their field
- Working and pursuing an additional degree
- Pursuing an additional degree
- Other

ETIC Challenges and Directions

Shared public and private investment to:

Prepare Oregonians for high paying technology jobs

Number & diversity of graduates

Support competitiveness of Oregon technology industry

Match programs to industry needs and shortages

Research to enhance Oregon industry competitiveness

- Leverage State investment with private support from industry
- Foster continued growth of federal research funding

Investment in ETIC will continue the important momentum developed over the past decade and contribute significantly to the economic well-being of Oregon's economy and citizens!



Education Continuum: Serving PK-20 Students through Collaborations

Oregon University System

Jilma Meneses, J.D., Chief Diversity Officer, Portland State University

Joint Committee on Ways and Means, Subcommittee on Education, March 26, 2013



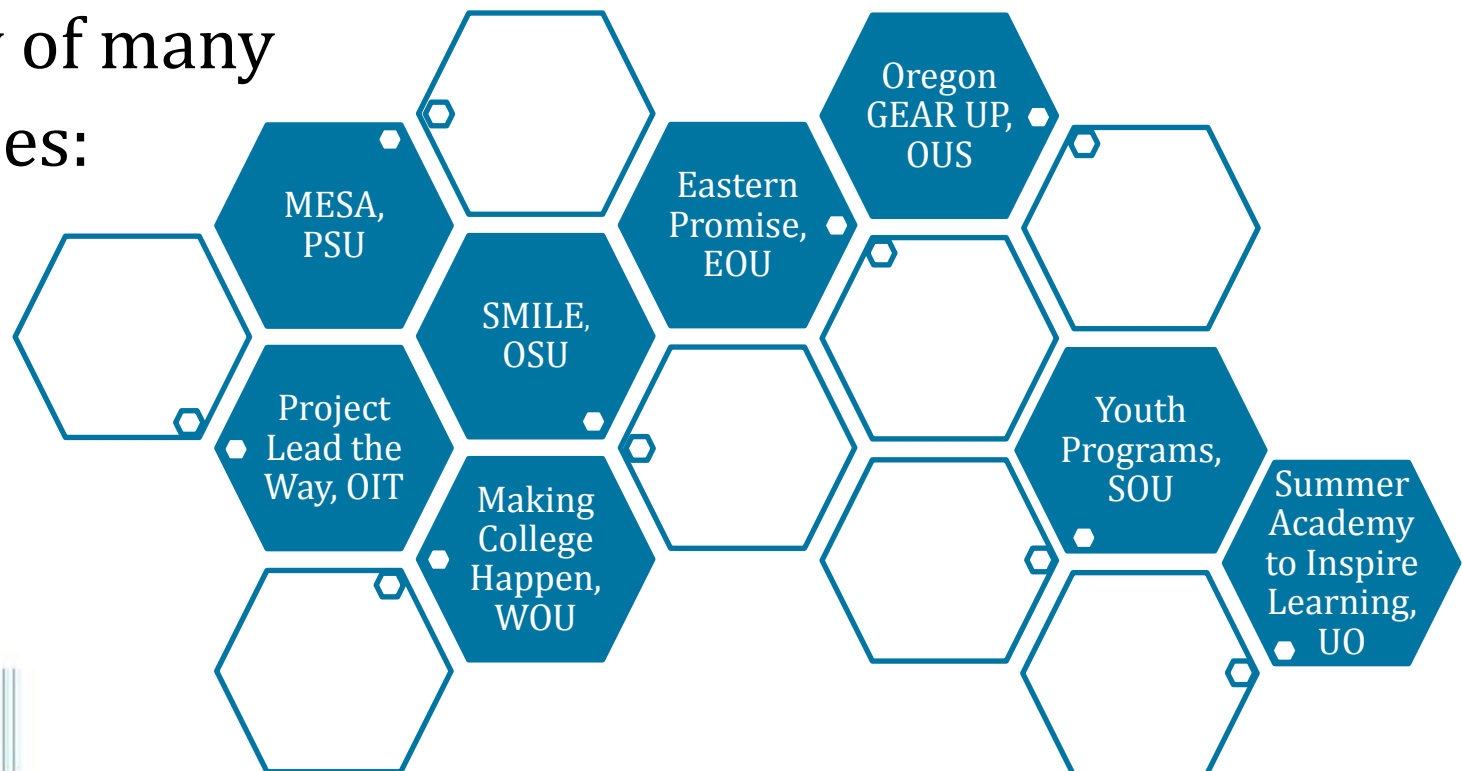
Preparing all for 40-40-20: Oregon students increasingly diverse

Increasing diversity	Hispanic/Latino growth	New approaches for 40-40-20
<p>The fastest growing youth populations are among Oregonians who currently have low high school completion and college-going rates.</p>	<p>From 2008 to 2028, Hispanic/Latino Oregon high school graduates are expected to nearly triple from 12% to 33% of all graduates.</p>	<p>The educational system will need to better serve first-generation students, low-income students, rural students, students of all ages, and students of color.</p>

Pre-College Programs and Collaborations

Across all 7 campuses and the Chancellor's Office, over **90 programs serve more than 200,000 K-12 students each year.**

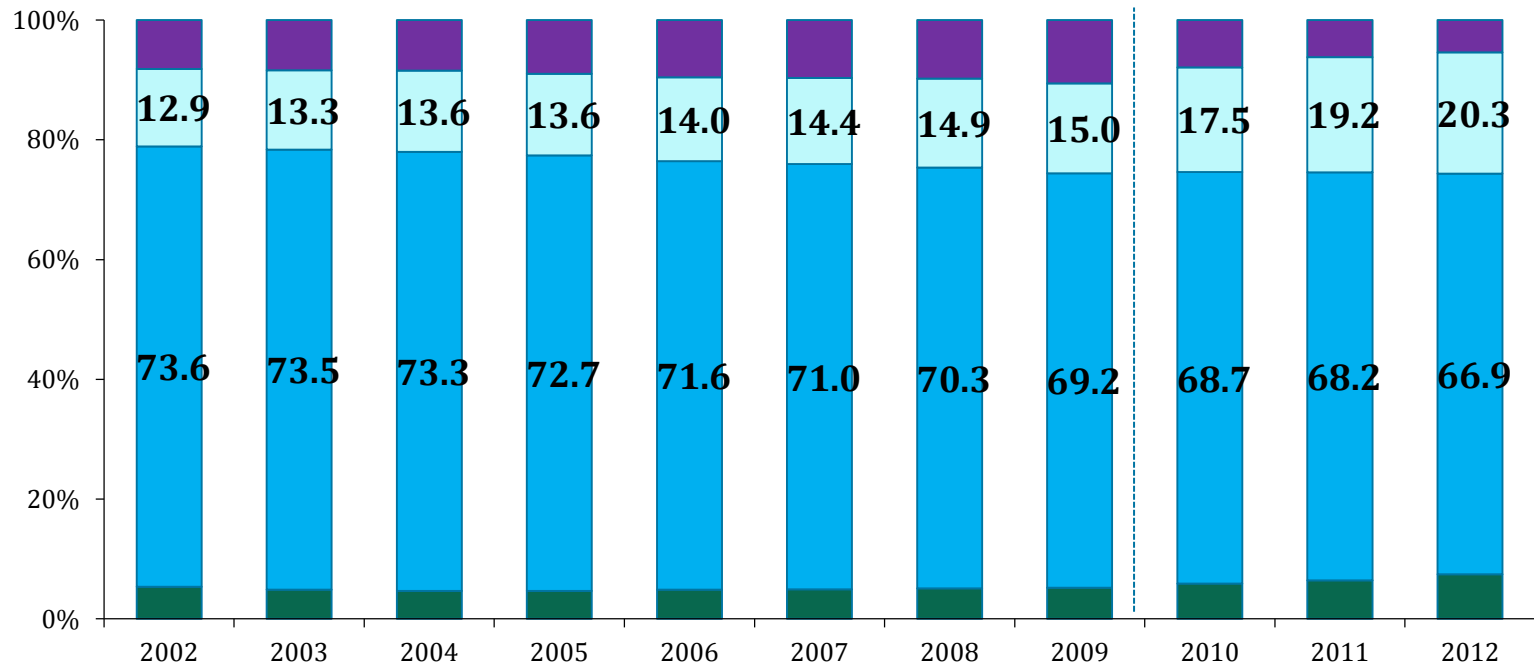
- A few of many examples:



OUS Enrollment by Ethnicity

Enrollment by Racial/Ethnic Group, Fall 2002 through Fall 2012

Students of Color Grouped in a Single Category

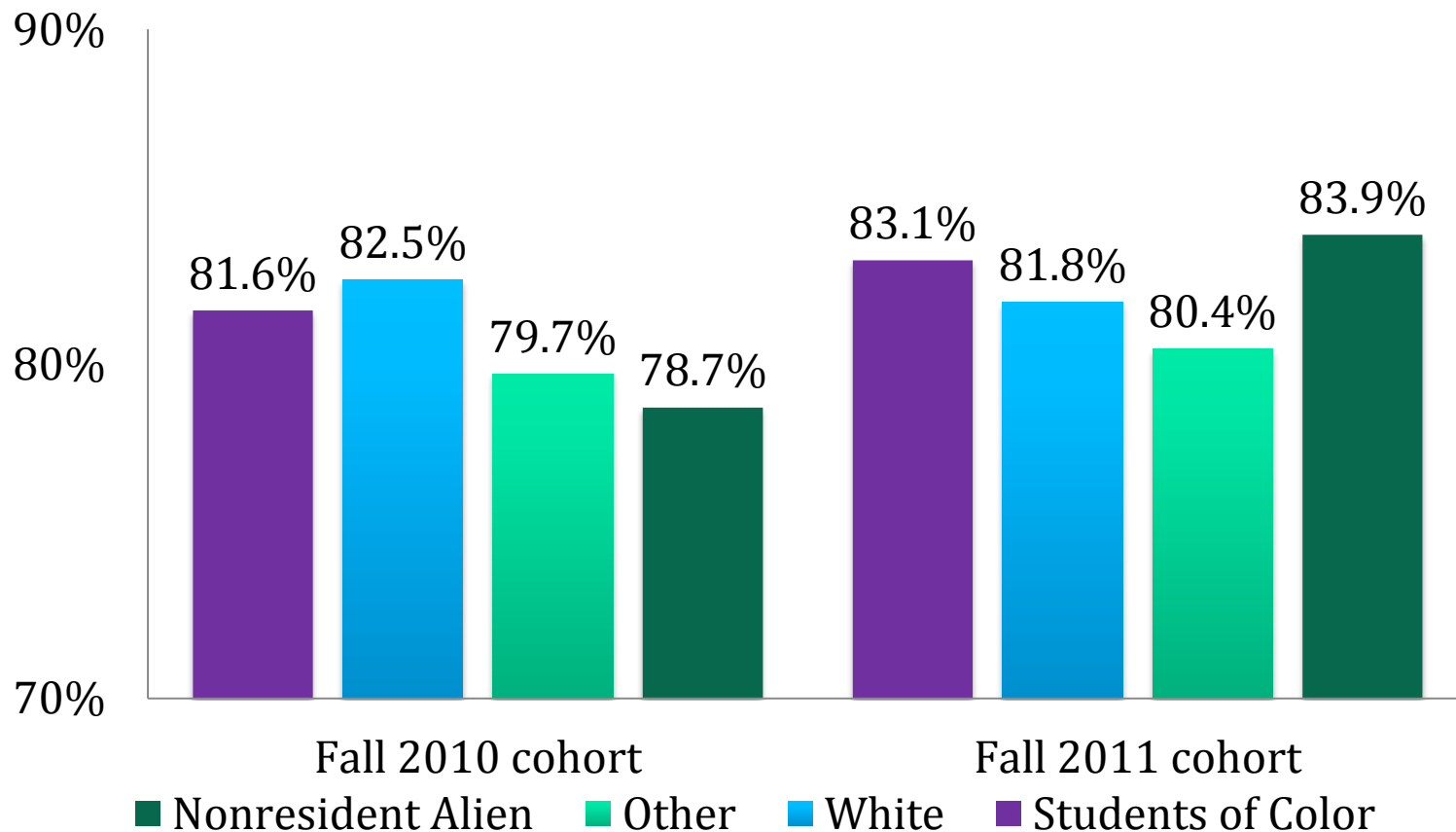


■ Nonresident Alien ■ White ■ Students of Color ■ Unknown

Note: comparing data after 2010 with earlier years is problematic due to category definitions having changed. In 2010, the federal government modified the self-identifying survey options on ethnicity, with the result that that students that may have historically identified with one category may now report their identity differently, creating some inconsistencies with longitudinal data.

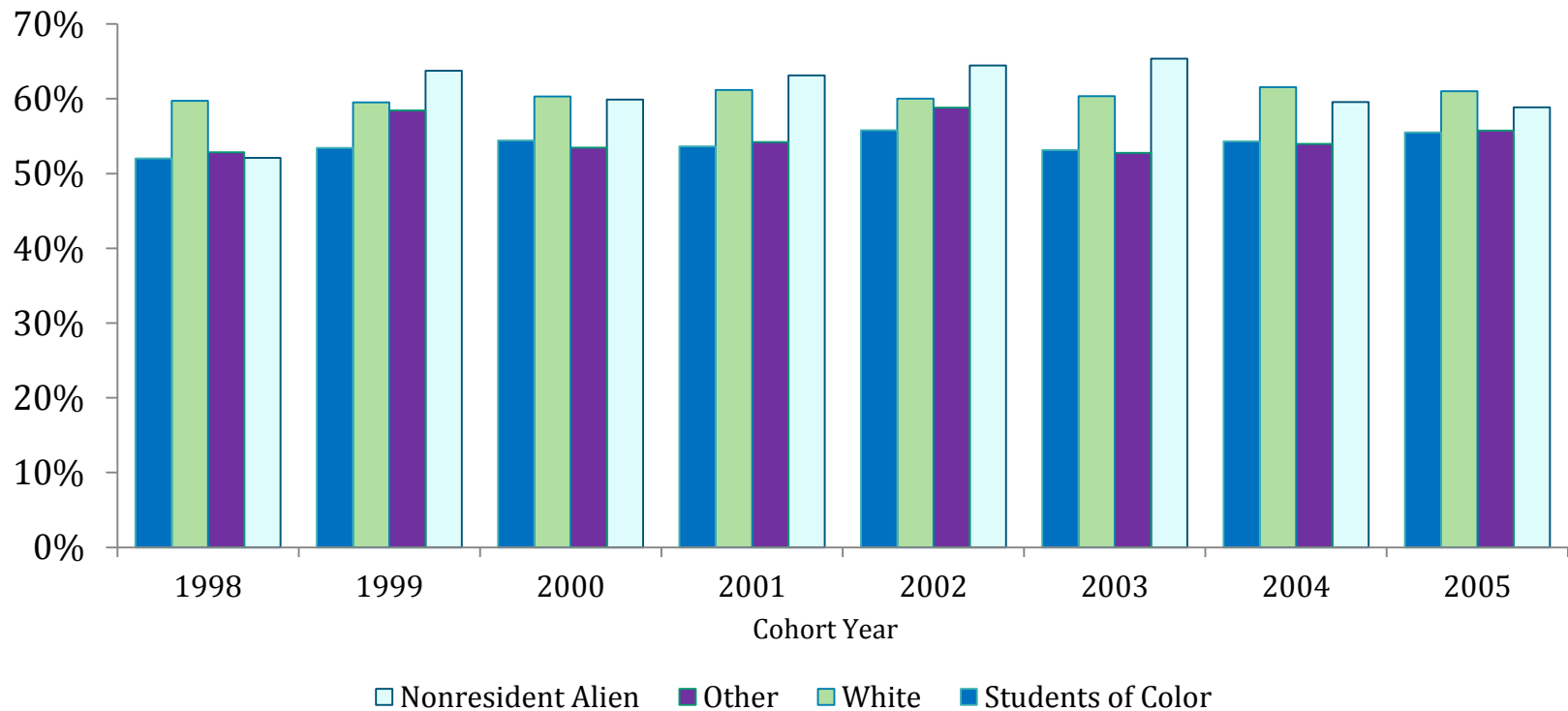
OUS Retention by Ethnicity

IPEDS First Time Freshman Cohorts, Fall 2010 and Fall 2011, Retained One Year Later



6-Year Graduation Rates by Ethnicity

IPEDS First-Time Freshman Cohorts, Fall 1998 (graduating by 2004) to Fall 2005 (graduating by 2011), *Students of Color Grouped in a Single Category*



The OUS Achievement Compacts include targeted outcomes for disadvantaged students including degrees awarded to underrepresented minorities. OUS produced 274 more bachelor's degrees to underrepresented minority Oregonians than was projected in 2011-12, for a total of 1,412 degrees.

Investing in Diversity: the PSU Example

1. Expand pre-college events

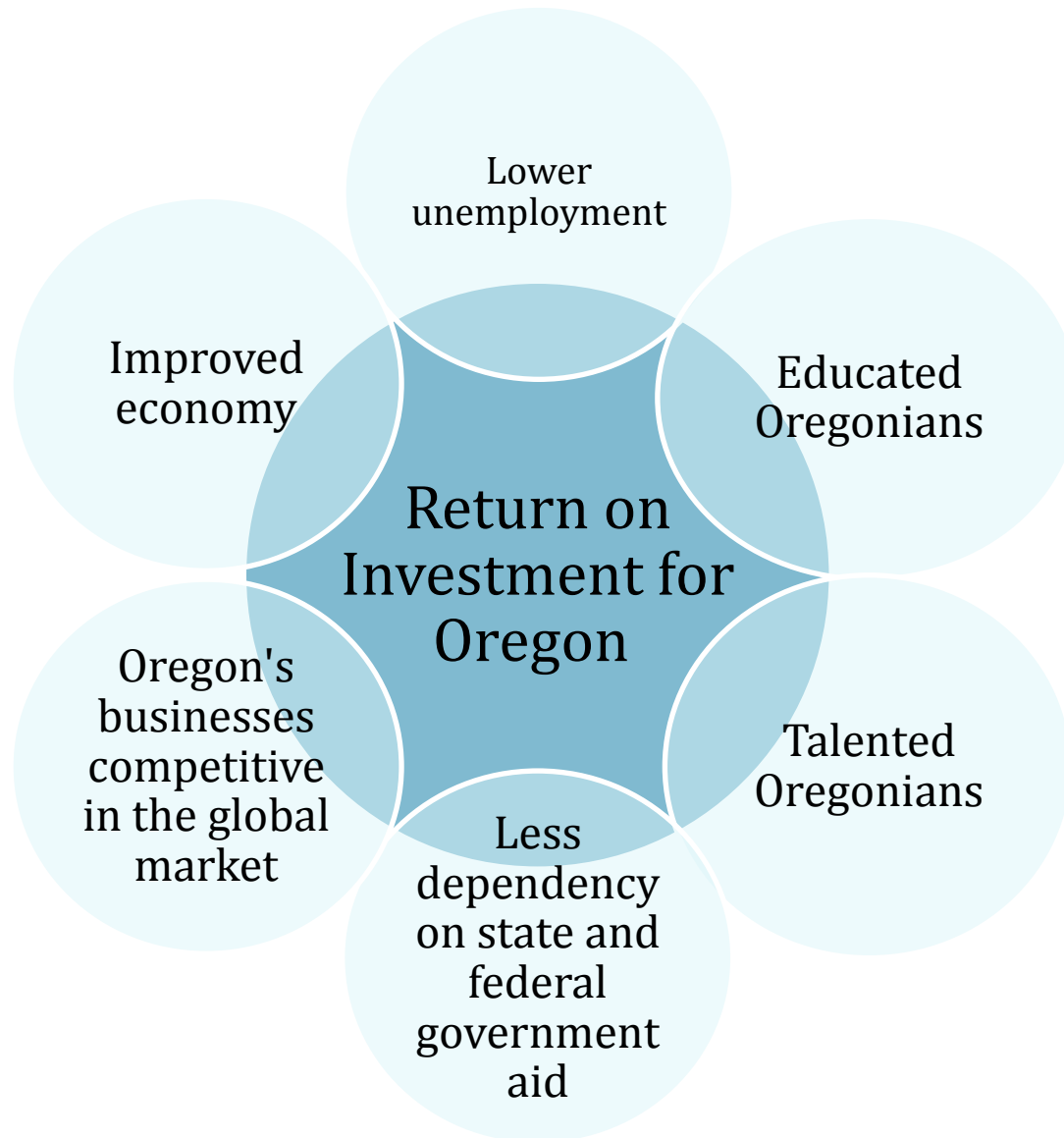
2. Expand outreach to admitted students/families

3. Create post admission support systems

4. Partner with community organizations

5. Other branding and outreach

Investing in Diversity





Education Continuum: Oregon GEAR UP

Oregon University System

Kristin Adams, GEAR UP Coordinator, Sweet Home School District

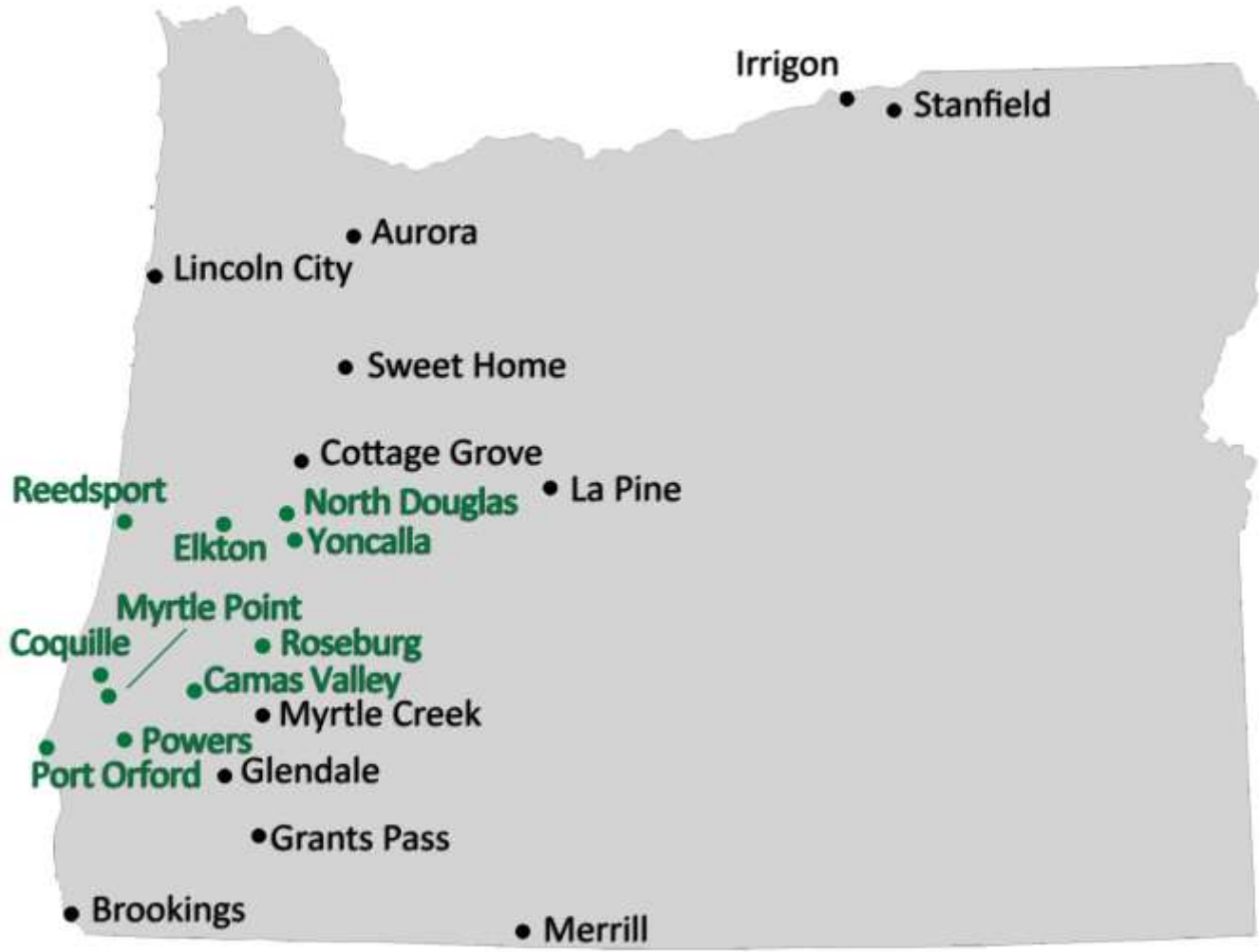
Keith Winslow, Principal, Sweet Home High School

Kourtney Dixon, Student, Sweet Home High School

Joint Committee on Ways and Means, Subcommittee on Education, March 26, 2013

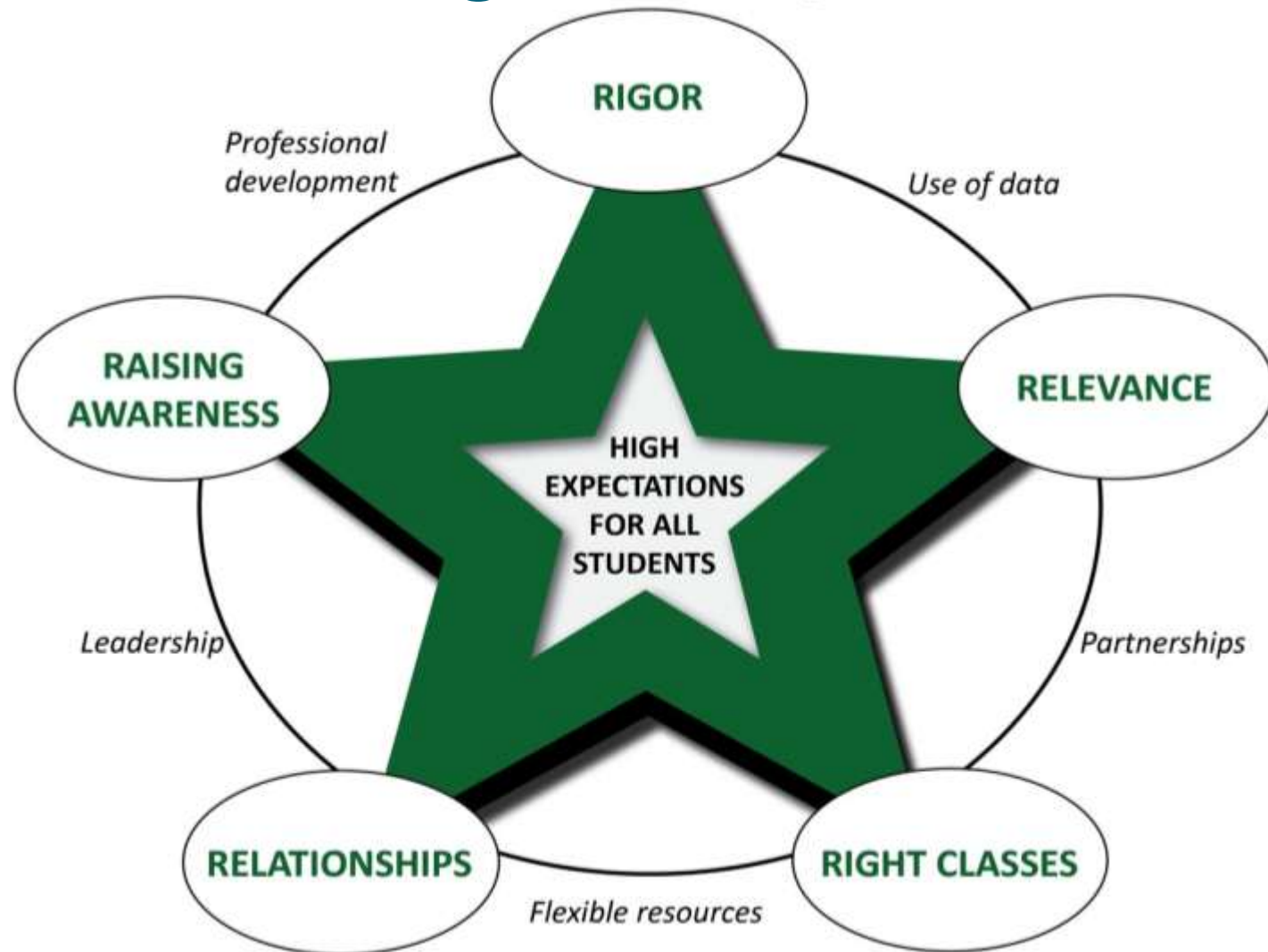


Creating a college-going culture across Oregon



green = Ford Family Foundation funded communities
black = US Department of Education funded communities

Model for Change



SUPPORTING STUDENTS



7,908
students served

62%
Free/reduced lunch

92%
of parents

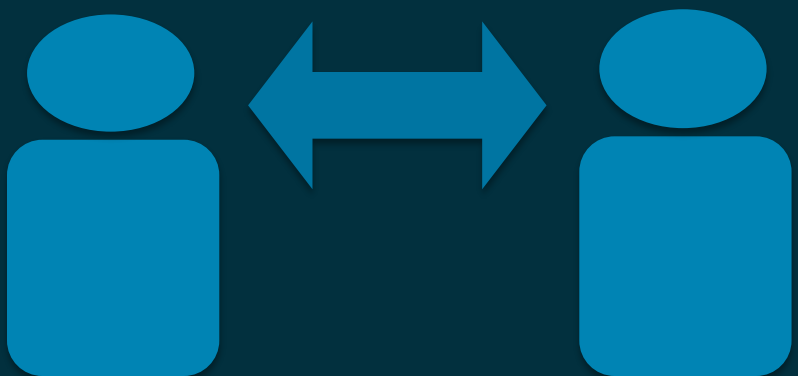
90%
of students

76%
of educators



CHANGING EXPECTATIONS

ENERGIZING EDUCATORS



Educators have a supportive network of consultants and practitioners for technical assistance, research questions, and more.

Sweet Home High School





Education Wrap-up

Oregon University System

Matthew Donegan, President, Oregon State Board of Higher Education

Paul Kelly, J.D., Director, Oregon State Board of Higher Education

Dr. Melody Rose, Chancellor, Oregon University System

Joint Committee on Ways and Means, Subcommittee on Education, March 26, 2013

