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Comments on the Higher Education Coordinating Commission Strategic Plan

Before addressing the Higher Education Coordinating Commission (HECC) strategic plan, I would like to express my sincere appreciation for the collaborative approach the HECC has undertaken this academic year. Ben Cannon, HECC's executive director, and Tim Nesbitt, HECC's chair, have been both forthcoming and responsive in all of their endeavors. They demonstrate a sincere interest in our concerns and are willing to discuss every step they are contemplating before they take action. They not only seek our counsel; their actions also reflect what they hear from us. I am impressed and pleased by their efforts to date. Oregon is fortunate to have Tim and Ben in these important roles.

HECC's February 9th Strategic Plan Draft is an ambitious and effective first step in creating a five-year strategic plan. It explains HECC's emergence, describes its evolving responsibilities, and outlines the strategic planning process. My intent today is to suggest some rearranging and clarification of material that has already been pulled together.

The first five pages of the document are a good description of the 40-40 issue, and page five sets the work agenda for 2014/15. I believe this discussion should be viewed as a precursor or foundation for the next four years of a five-year strategic plan. The HECC establishes four objectives:

- Broaden the pathways and accelerate progress to our 40-40 goal;
- Make the pathways accessible, affordable and supportive for students;
- "Steer" the higher education enterprise; and
- "Cheer" the promotion of college completion and career readiness.

These goals are clear, and I strongly agree with the values they incorporate.

Focus on Resident Oregonians

I suggest that it be made clear in the discussion of the 40-40-20 plan that resident Oregonians are the "north star" (as Governor Kitzhaber has stated) in explaining our focus on the entire Pre-K-20 education continuum, including the "40" that is represented by Oregon's public four-year universities.

Address Persistence and Time to Graduation

The plan could provide additional insight into why "business as usual" will not achieve the outcomes we seek. For example, institutions across the entire education continuum experience significant losses in terms of student persistence and success to graduation. Our rates of completion are not what they need to be. Both effects – slower completion rates and students who leave the system – reduce our level of achievement. Universities need to address persistence, especially in the first and

second years of the four-year undergraduate curriculum. We also need to better track students to understand why they leave an institution and where they go.

In 2011 Bob Kieran with the Oregon University System (OUS) calculated that OUS enrollment would need to reach 162,000 students by 2025 in order to reach the top 40 goal. At that time, he estimated we could reduce that number by 20,000 students if institutions raised the average six-year completion rate for college from 60% to 70%.

More recently, Kieran estimated the enrollment in the pipeline would have to be at about 138,000 in 2025 to reach the top 40 goal. Regardless of the reason for the change from the earlier estimate, the current estimate of the enrollment needed to attain the top 40 is some 32,000 more students than the state's public universities currently enroll.

Achieving that number would be the equivalent of creating another "big three" university in the state in the next 11 years. Because that approach is not practicable or realistic, we need to count on growing enrollments at our existing universities to meet the top 40 goal. But we also need to cut costs, create efficiencies, coordinate transfers from high schools to community colleges and universities, reduce the time to graduation and raise the rates of degree completion at every level.

Pay Attention to, and Assess, Quality

There is little in the strategic plan that addresses the "quality issue." Increasing persistence and decreasing the time to degree are significant issues, but the HECC also needs to monitor the quality of the educational programs that institutions are providing. Quality is not only a requirement for attracting first-rate faculty and the resources (e.g., research funds, corporate dollars, etc.) needed by a public higher educational institution to fulfill its mission of service to Oregonians. Quality is also the critical piece in attracting and retaining high-achieving students from Oregon's high schools. Oregon's public universities are competing against the very best institutions across the country for these students. While the number of high achieving students has grown significantly at OSU, a sustained effort to grow those numbers for OSU and other public institutions will require attention to quality.

One step the HECC can take is to increase attention on the assessment of learning outcomes and not just on counting progress to degree and the number of graduates. This is especially important as HECC seeks to foster new and non-traditional pathways for student success. Effective measures to assess learning outcomes and not just degrees will help in improving the transferability of credits from one institution to another and in providing credit for prior learning. These two steps can help reduce the costs for students, but they can't be accomplished without attention to the quality of outcomes.

It will be important for the HECC to work with the universities to find the right balance at any one time among supporting the growth of enrollment of Oregonians in higher education, increasing the degrees generated at any level of enrollment, and assuring improved outcomes through learning assessment. For example, over time we may find that -- due to improvements in persistence -- the enrollment goal for 2025 compatible with the top 40 goal is only 16,000 more students and not 32,000.

Current Performance Won't Get Us to the 40-40-20 Goal

The recent performance of Oregon's four-year public institutions should be of concern to those who take the 40-40-20 goal seriously. As I have indicated on other occasions, OSU's overall undergraduate enrollment growth this year is 1,667 (408 of whom are Oregon resident students).¹ Oregon Institute of Technology is the only other four-year institution with an increase in undergraduate enrollment-- 413 students.

Across the system, apart from OSU, OUS enrollment of resident undergraduates *declined* by 1,046 students for the other six universities. When the growth at OSU and OIT is accounted for, OUS lost 638 Oregon undergraduate students. If Oregon is serious about the 40-40-20 goal, these numbers need to change. Some degree of overall enrollment growth and the wherewithal to sustain it, particularly with regard to Oregon resident undergraduate enrollment, should be part of the funding plan going forward. Digging a hole is no way to reach the North Star.

Embrace and Support University Research, Outreach and Economic Development Responsibilities

All of Oregon's universities provide distinct public service, research and economic development benefits to the people of Oregon. In most cases these responsibilities are intertwined with our academic missions: Education, Research and Outreach are inseparable in OSU's land grant mission.

We encourage the HECC to become more actively supportive of the work we are doing on behalf of Oregon's people and commercial interests. OSU's research program generated \$263 million in annual awards last year, and our ability to sustain this level of productivity relies on an active, supported faculty. In 2013 OSU faculty researchers produced 108 new licensing agreements, which generated nearly \$8 million in royalties. Industry partners sponsored \$31 million of research at OSU.

The OSU Statewide Public Services – the Extension Service, Forest Research Laboratory, and Agricultural Experiment Station – serve as the research and development entities for Oregon's natural resources economy. These programs rely on a diversity of funding sources, including state, federal and local support and last year generated almost \$80 million in external research grants. These grants alone provided \$180 million in economic benefits for Oregon, and created nearly 2,000 family wage jobs across the state. For every state dollar invested in the OSU Statewides these programs return another \$10 to Oregon's economy.

Because funding for these programs is under the purview of the HECC, we are hopeful that the stewardship of the Statewides will be of interest and concern to its members. Our goal, moving toward the 2015-17 biennium is to ensure these vital services do not enter the legislative session at a significant disadvantage, as they have during the last two legislative sessions. We are hopeful that with the HECC's support the OSU Statewides will enter the 2015 legislative session ready for a discussion about investments in the future, rather than a plea for recovering budget cuts.

¹ Fall 2013 Official Enrollment Report.

Additional Issues

I would also like to take this opportunity to address a number of issues that will be on the HECC's agenda in the coming months – several, the result of legislative referrals.

Three statistics stand out to me:

1. Currently, Oregon is ranked somewhere near 47th among the 50 states in **state support per student FTE** in public higher education;
2. The Resource Allocation Model (RAM) which allocates funding to universities is currently funded at about 37% of the estimated cost of educating each student; and
3. Nationally Oregon is ranked 43rd among the states in the amount of **state financial aid per student FTE** enrolled in public higher education.

We should not be distracted from the critical need for additional funding for higher education in these well-established forms by alternatives, however creative they may seem. Tuition buy-down programs and tuition freezes benefit all students, rather than concentrating attention on those with established financial need. The same state funds could be expended much more effectively to alleviate more financial hardship for the most financially vulnerable students through Oregon Opportunity grants.

Programs to provide free two-year support for students also fail to focus state support where the need is greatest. And, if applicable only to community colleges may actually discourage students who would benefit most by going directly to a four year institution. Again those same dollars could alleviate more financial hardship if they were channeled into Oregon Opportunity Grants. This approach will help Oregon raise its status among the bottom ten states in terms of support for financial aid for students in public higher education.

I look forward to the opportunity to discuss these and other funding ideas frankly and constructively with the HECC and legislative committees.