

OREGON'S 7 PUBLIC UNIVERSITIES: ADVANCING OREGON AND OREGONIANS

PRESENTED TO: JOINT COMMITTEE ON WAYS AND
MEANS, SUBCOMMITTEE ON EDUCATION



Days 11-13

BEN CANNON, Executive Director, HECC;
BRIAN FOX, Administrator, University Budget and Finance, HECC;
Campus representatives

Introduction: Oregon's 7 public universities

*PUBLIC UNIVERSITY SUPPORT FUND, TUITION-OFFSET
CONTINUATION, DEBT SERVICE*

BEN CANNON, Executive Director, HECC;
BRIAN FOX, Director, University Budget and Finance, HECC;
University Representatives



PUBLIC UNIVERSITY FUNDING REQUEST

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Activity	Budget Items	2013-15 LAB	2015-17 GRB
Public University Support	Public University Support Fund	\$520.5M GF	\$513.3M GF
	POP 101: Tuition buy down continuation	--	+ \$41.1M GF
	POP 102: Additional PUSF	--	+ \$34.6M GF ¹
		Total: \$520.5M	Total: \$589.0M
Debt Service	Public University Debt Service	\$114.7M GF/LF	\$161.4M GF/LF

¹Reflects technical adjustment to GRB.

HECC BUDGET PRIORITIES

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Advance Oregon toward 40-40-20

- Aligning investment and policies with the state's 40-40-20 goals

Affordability

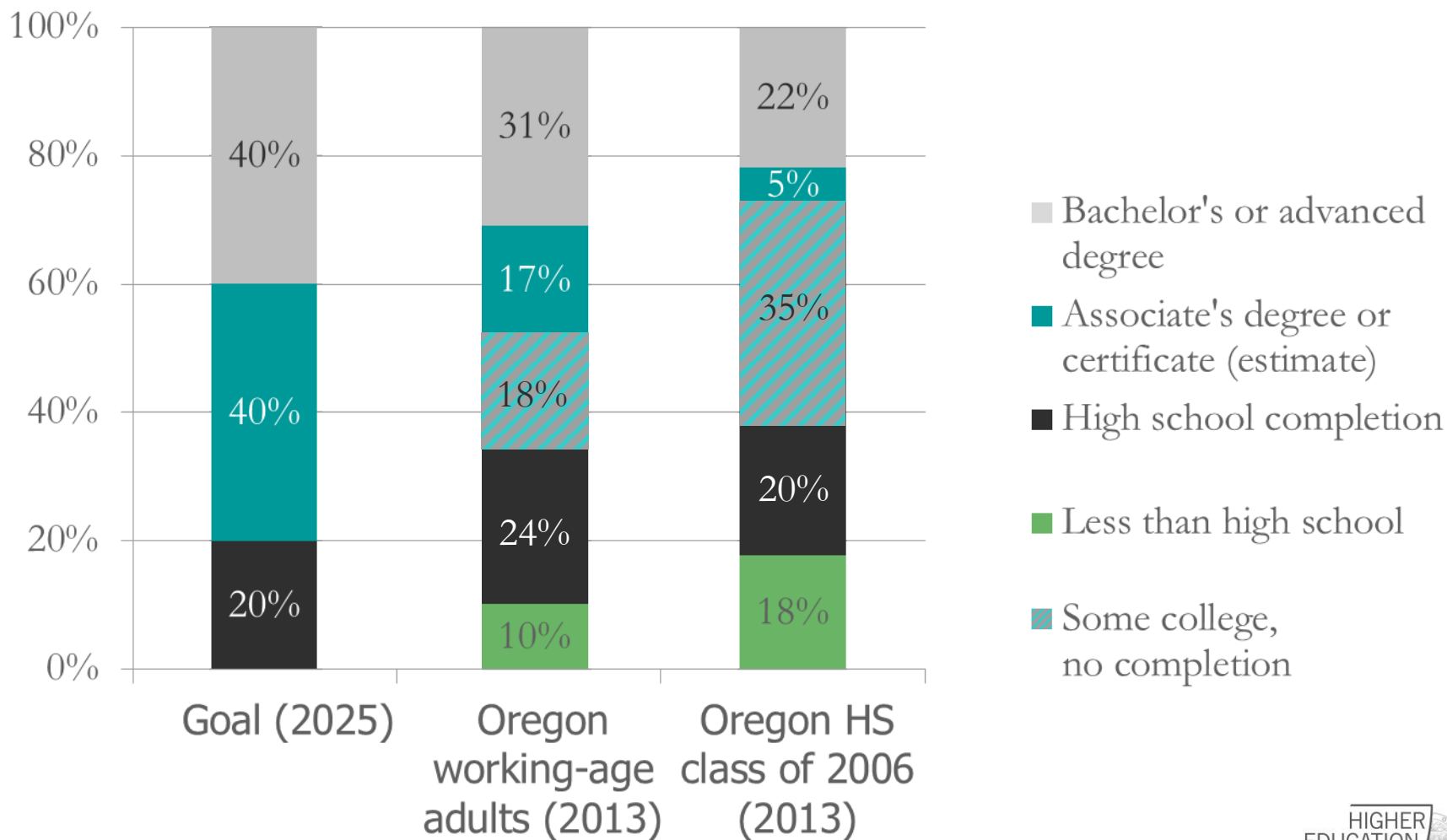
- Reinvest in public universities, continue past tuition offset, and expand physical capacity

Student Success Outcomes

- Focus evaluation, KPM, and funding formula on student success, completions and equity

MEASURING OREGON AGAINST 40-40-20

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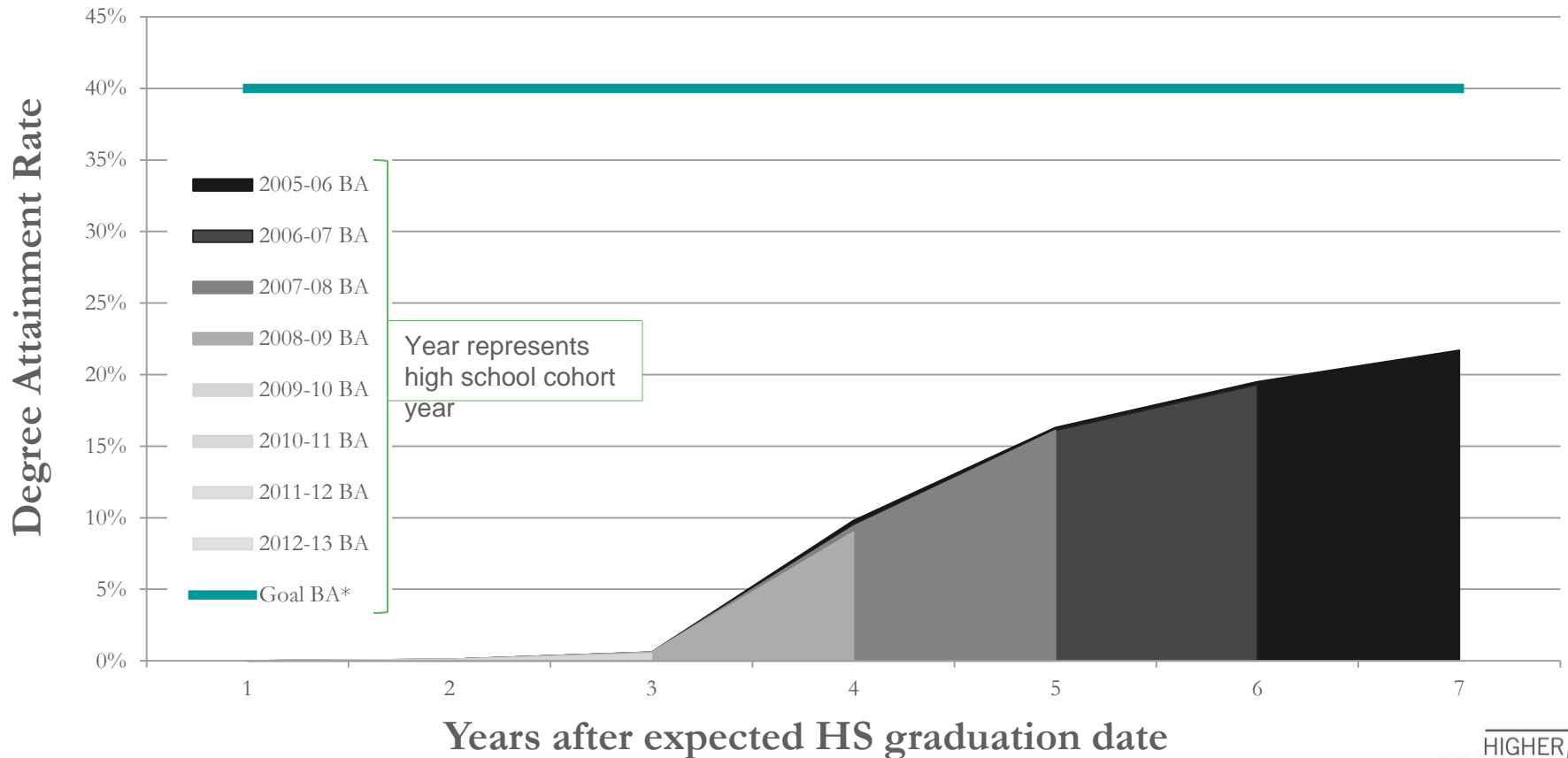


Source: HECC analysis of the American Community Survey, ECONW

COMPLETION PIPELINE FOR YOUNG OREGONIANS

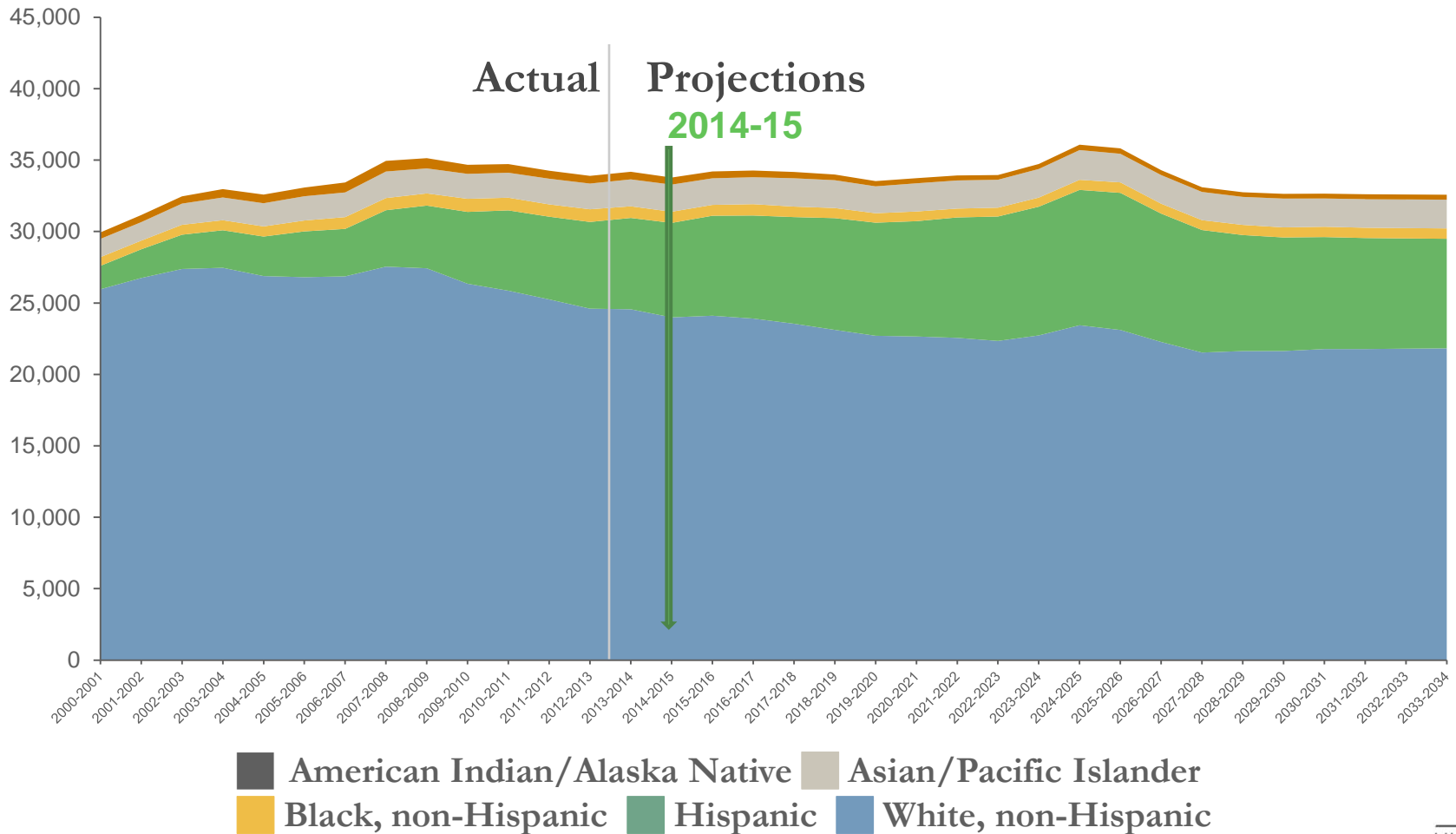
Oregon High School Cohort Degree Attainment

Years After Anticipated High School Graduation



Source: EcoNorthwest analysis of NCES, ODE, CCWD and OUS data

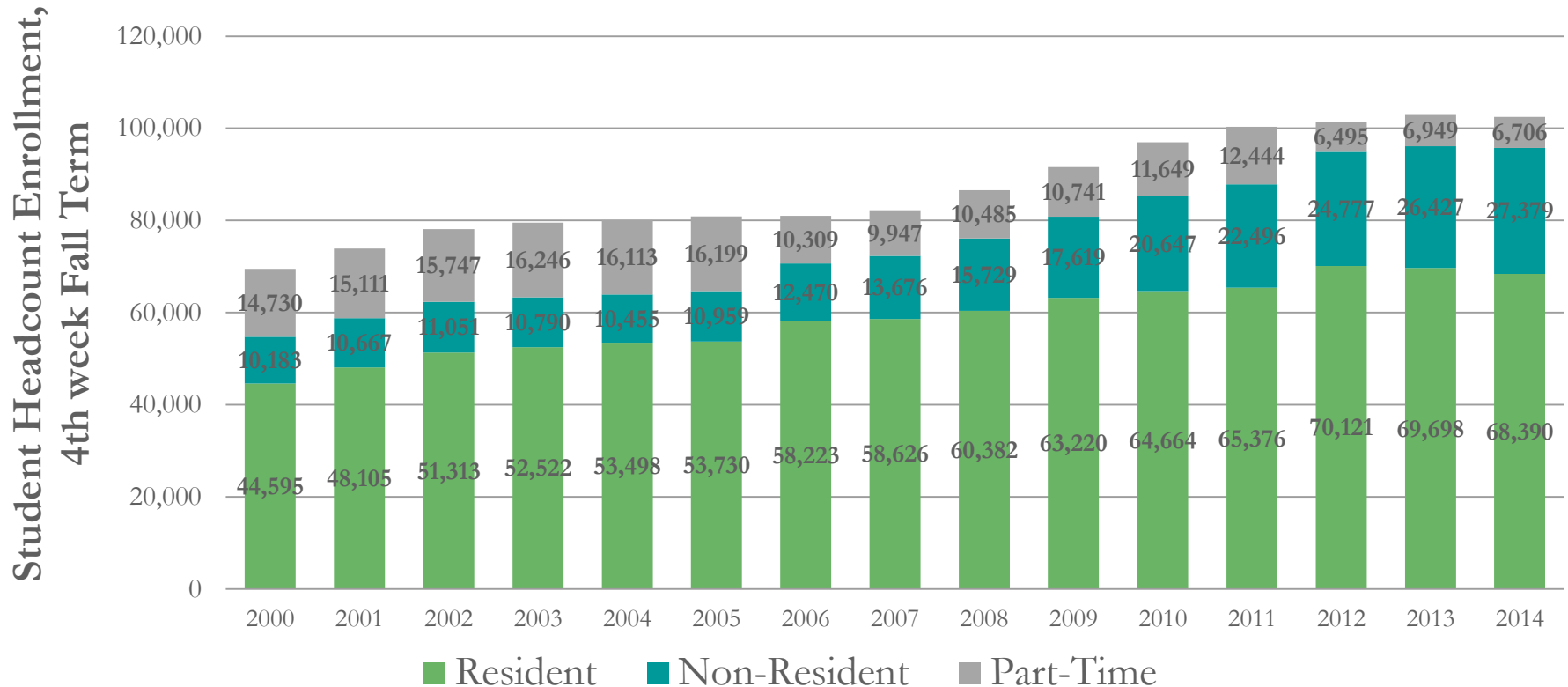
OREGON PUBLIC HIGH SCHOOL GRADUATES BY RACE/ETHNICITY, 2000-01 TO 2012-13 (ACTUAL), 2013-14 TO 2033-34 (PROJECTED)



Source: OUS Office of Institutional Research, Projections March 2015

TOTAL & RESIDENT ENROLLMENT (FTE)

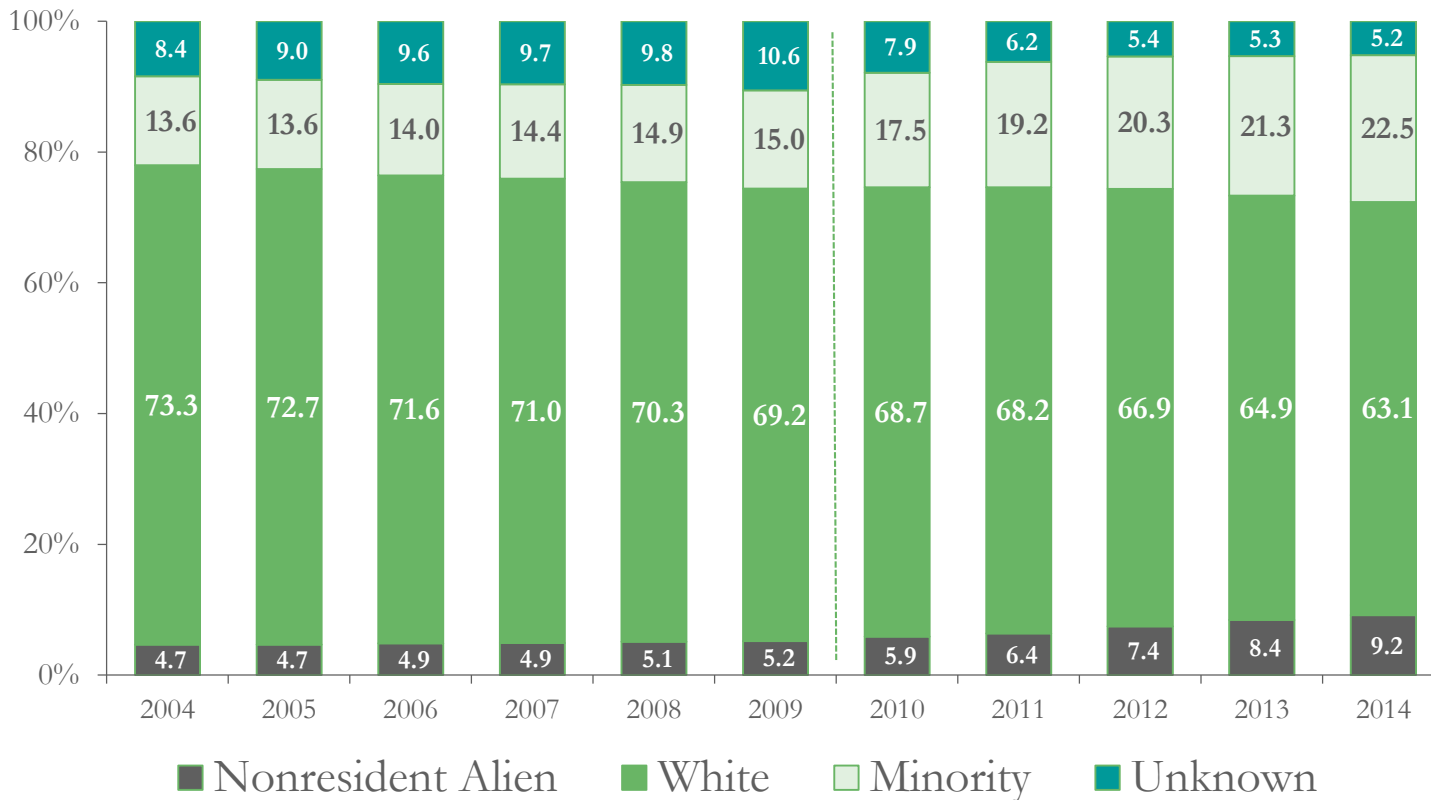
Public University Enrollment, Fall Term Headcount by Fee Status: Resident, Nonresident and Part-Time Students



Source: Oregon University System Office of Institutional Research

SERVING A MORE DIVERSE STUDENT BODY: ENROLLMENT BY RACE/ETHNICITY

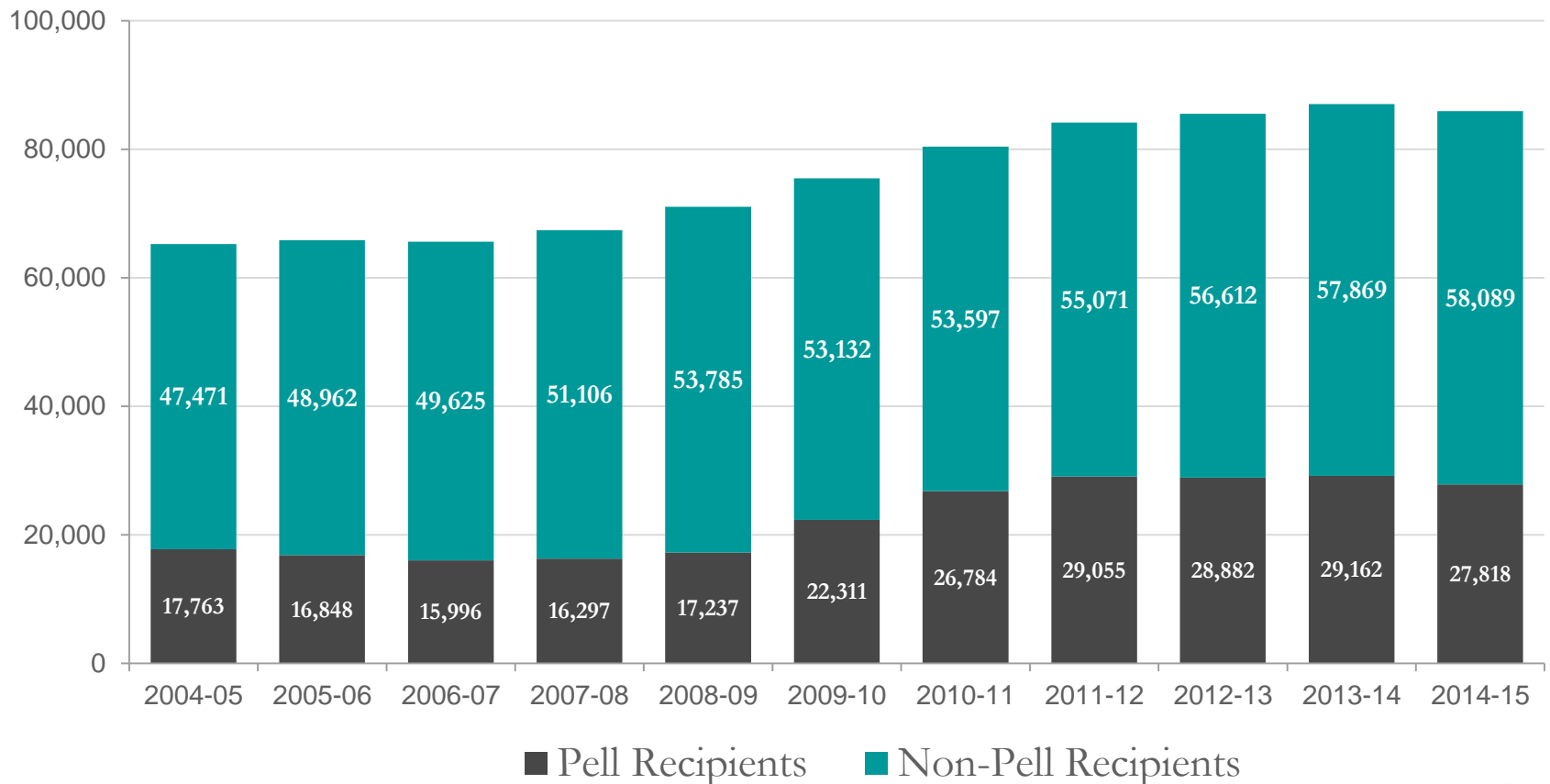
Enrollment by Racial/Ethnic Group, Fall 2004 through Fall 2014 (Minorities Grouped in a Single Category)



Federal reporting changes in 2010 resulted in some students moving from the unknown to the minority category.

ENROLLMENT OF LOW INCOME STUDENTS

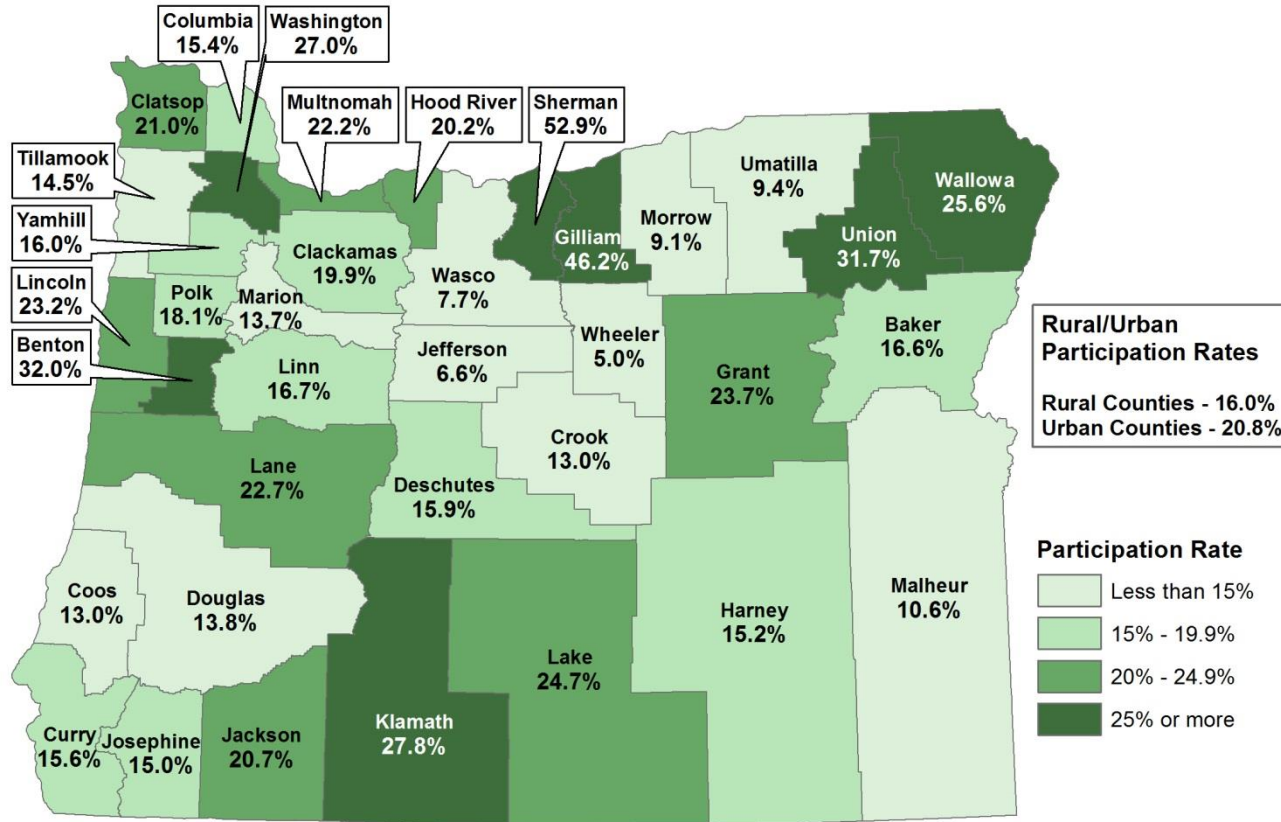
Undergraduate Student Enrollment by Pell Status



Source: Oregon University System Office of Institutional Research

RURAL FRESHMAN PARTICIPATION

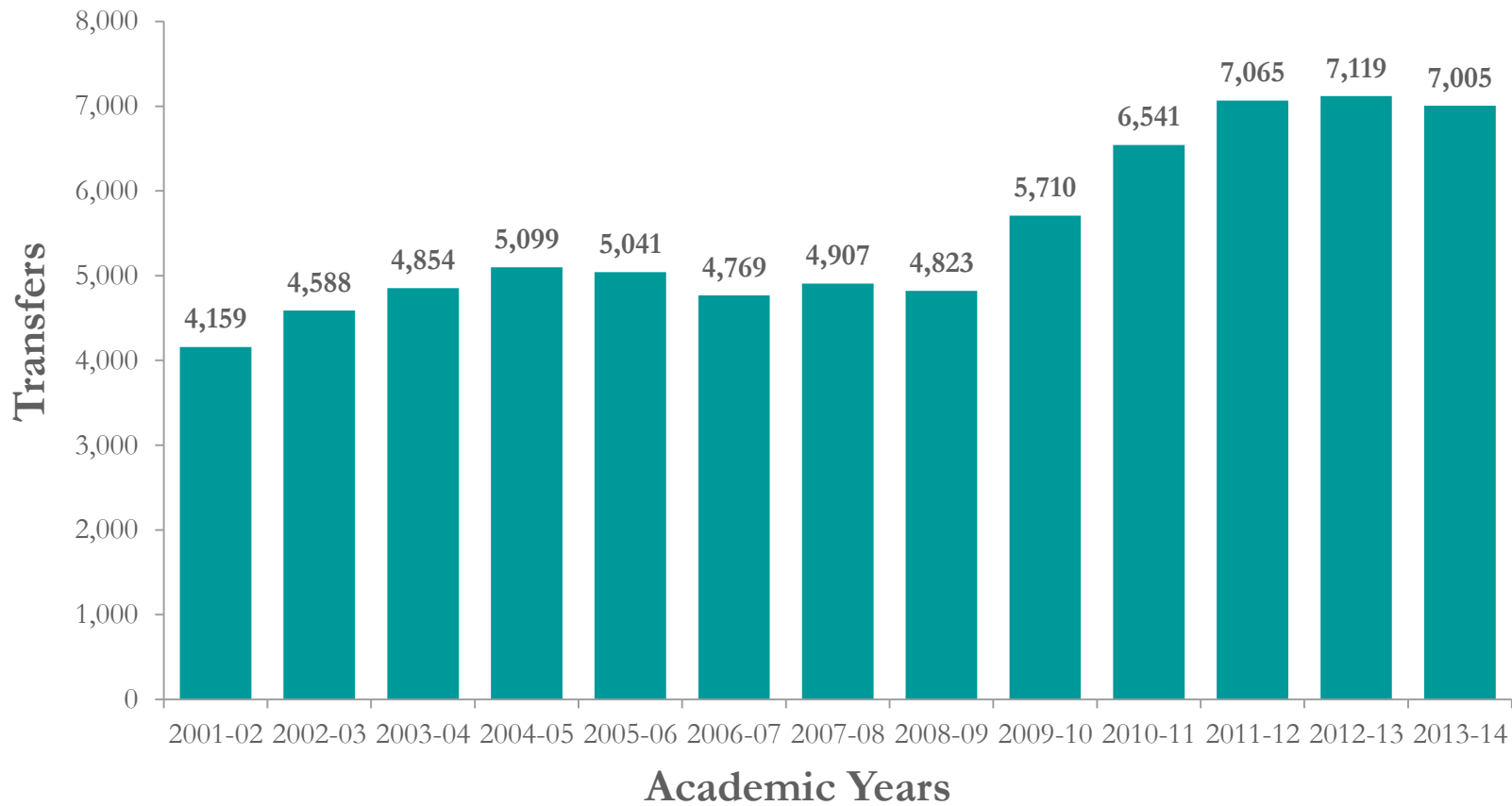
2013-14 Public University Freshman Participation Rate as a Percentage of Oregon Public High School Graduates, 2012-13



Source: Oregon University System Office of Institutional Research; Excludes home school completers and private high school graduates.

UNIVERSITY TRANSFER STUDENTS

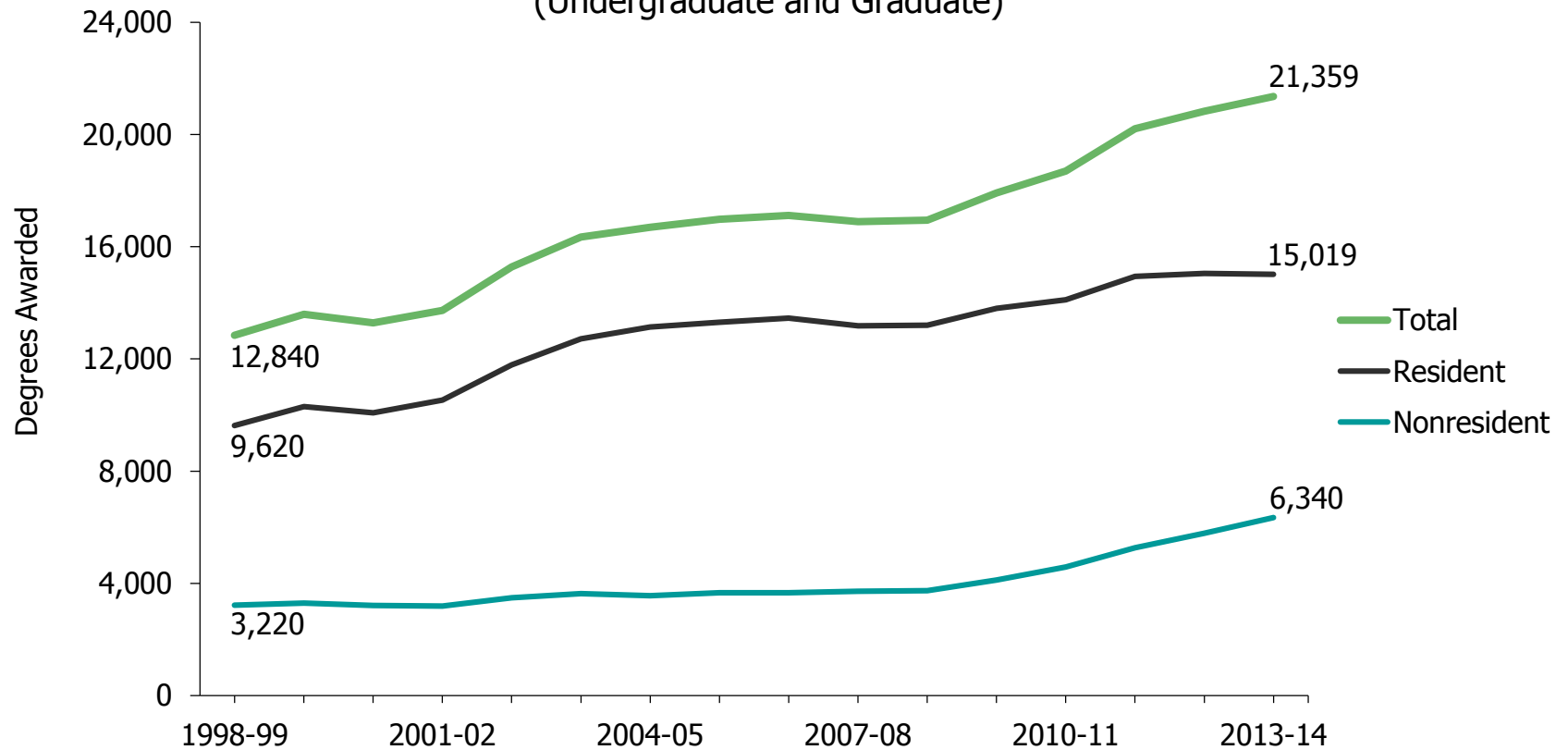
Transfers from Oregon Community Colleges to the Public Universities



Source: Oregon University System Office of Institutional Research

COMPLETIONS AND DEGREE OUTPUT

Degrees Awarded, 1998-99 through 2013-14 (Undergraduate and Graduate)

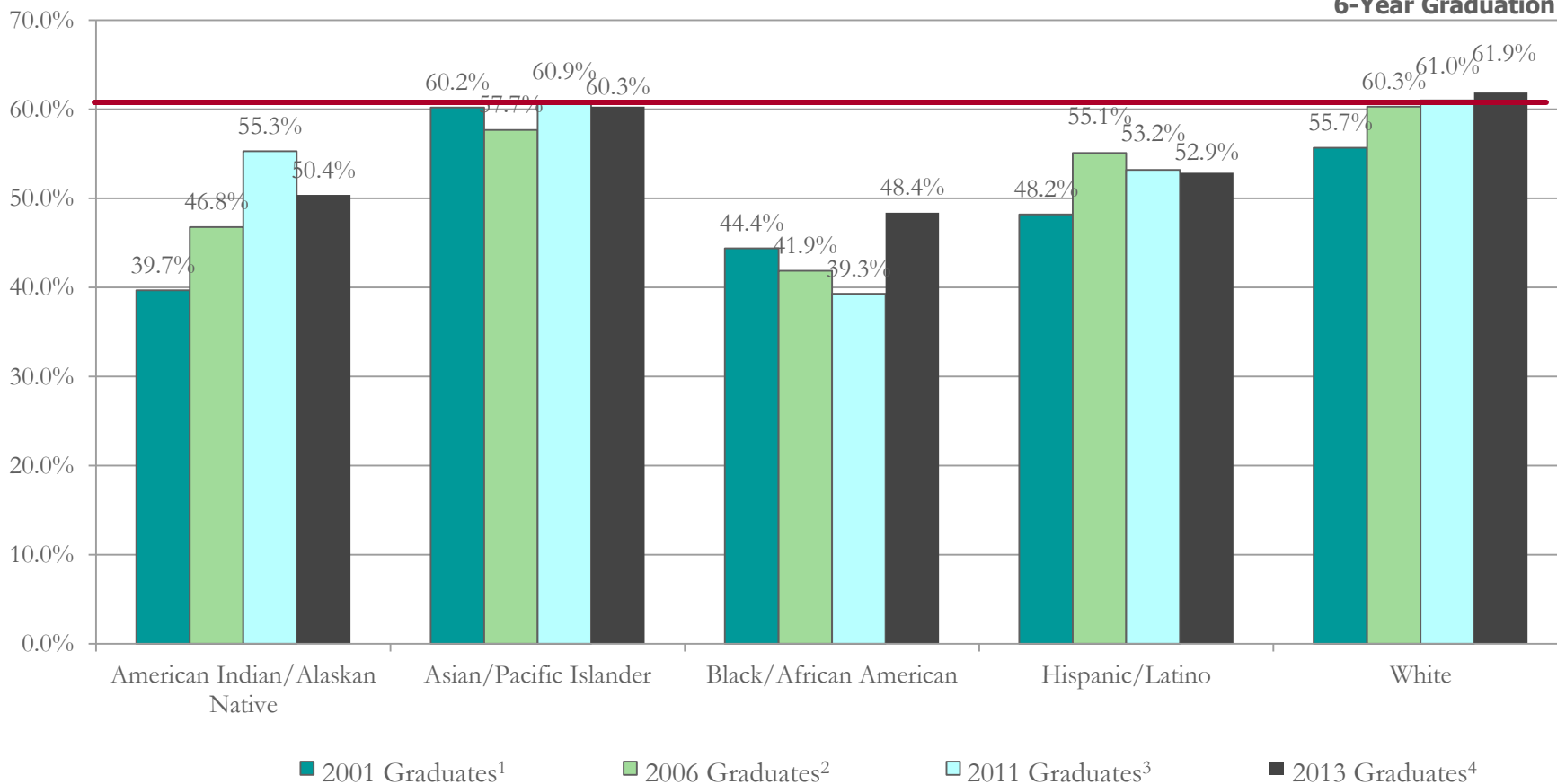


Source: OUS Institutional Research. Degree totals do not include Associate's degrees or certificates.

GRADUATION RATES BY RACE/ETHNICITY

Public University Six-Year Graduation Rates by Race/Ethnicity

**60.3% 2013 Average
6-Year Graduation Rate**



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

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

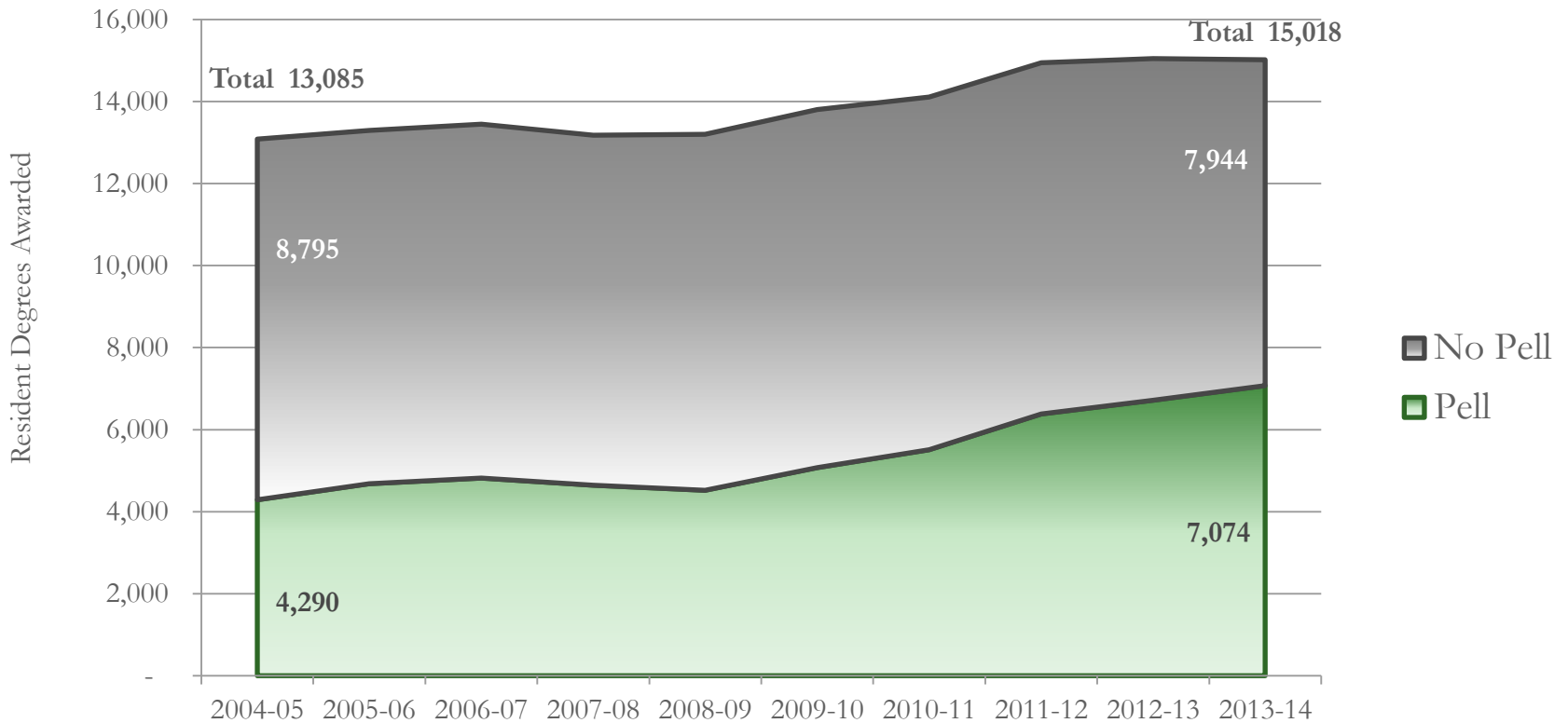
³2005-06 Fall First-Time Freshman Cohort completing by June 2011

⁴2007-08 Fall First-Time Freshman Cohort completing by June 2013

Source: OUS Institutional Research

RESIDENT DEGREES AWARDED AT OREGON PUBLIC UNIVERSITIES, BY PELL GRANT STATUS (UNDERGRADUATE AND GRADUATE)

Resident Degrees by Pell Status



Source: OUS Institutional Research.

Notes: Degree totals do not include certificates or Associate's degrees. Collection of Pell data began in 2002-03.

A student receiving a Pell in any year before graduating is included in the Pell category.

NOTE: In 2008 Pell Grant eligibility was expanded significantly.

UNIVERSITY ENROLLMENT/COMPLETION

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Projected high school cohorts are relatively flat, with increasing minority populations and decreasing transfer enrollment corresponding to CC enrollment declines

Growing university enrollment of minority students, particularly Hispanic/Latino students and low income students, with persistent completion gaps

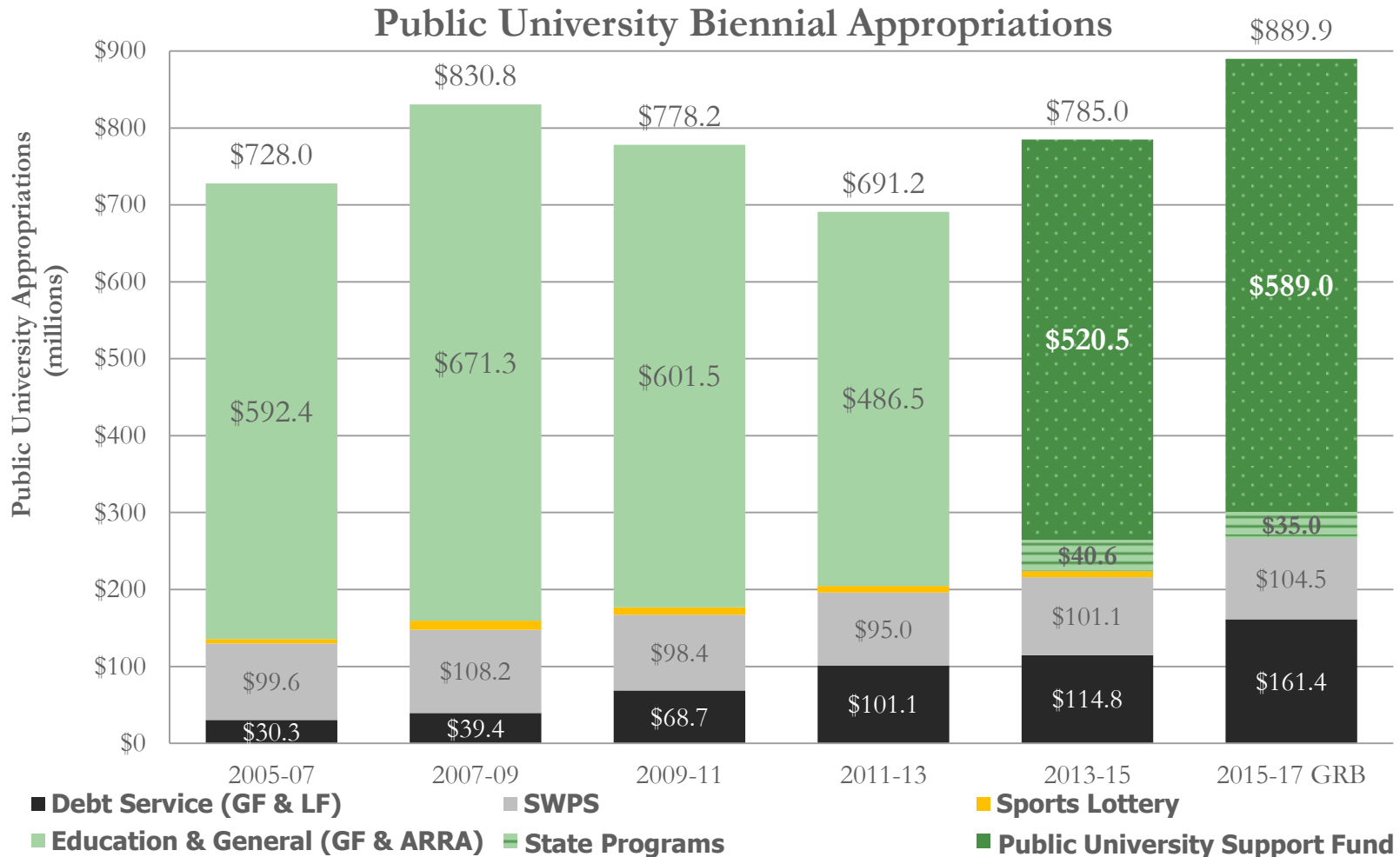
Overall stabilizing or shrinking resident enrollment, as large cohorts from the recession complete college

Degrees granted to resident Pell Grant recipients now represent 47% of total resident degrees granted, and 57% percentage of undergraduate resident degrees granted

Completion rates for white students have increased, while progress for minority students is mixed

Additional enrollment will likely be from students least likely to enroll and complete today – additional support and focused investment on student success and completion will be required

STATE INVESTMENT

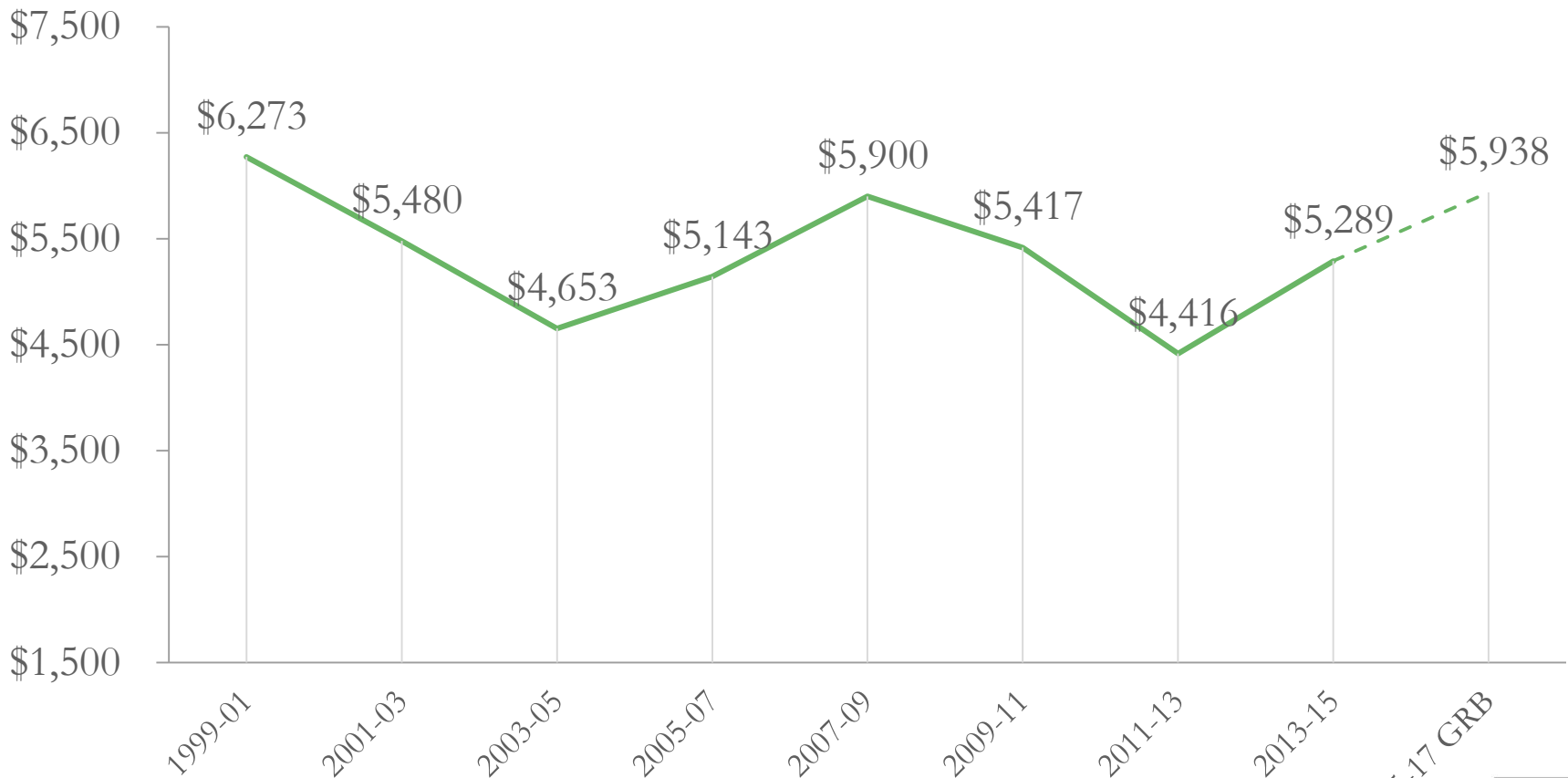


Sources: OUS Budget Summary's 2006-07 through 2015-15 and 2015-17 GRB
 - Legislative funding change during the 2013-15 biennium separated State Programs from the Public University Support Fund.
 - 2013-15 State Programs includes ETIC appropriation after transition to OEIB

STATE APPROPRIATIONS PER STUDENT

NON-INFLATION ADJUSTED STATE APPROPRIATIONS, INCLUDING EDUCATION AND GENERAL FUNDS AND DEBT SERVICE

University Funding per Resident FTE

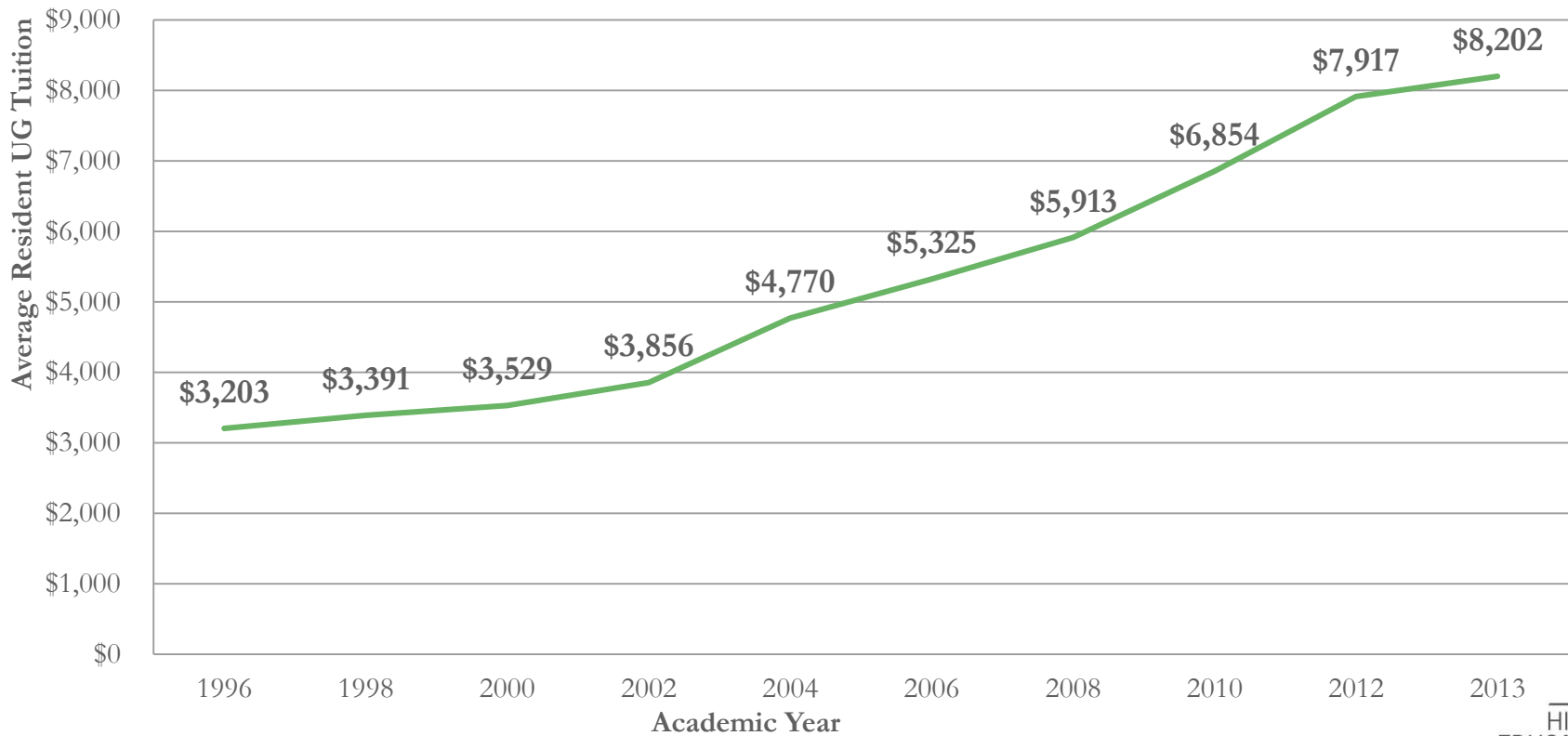


Data Source: HECC Budget and Finance



TUITION AVERAGE OVER TIME

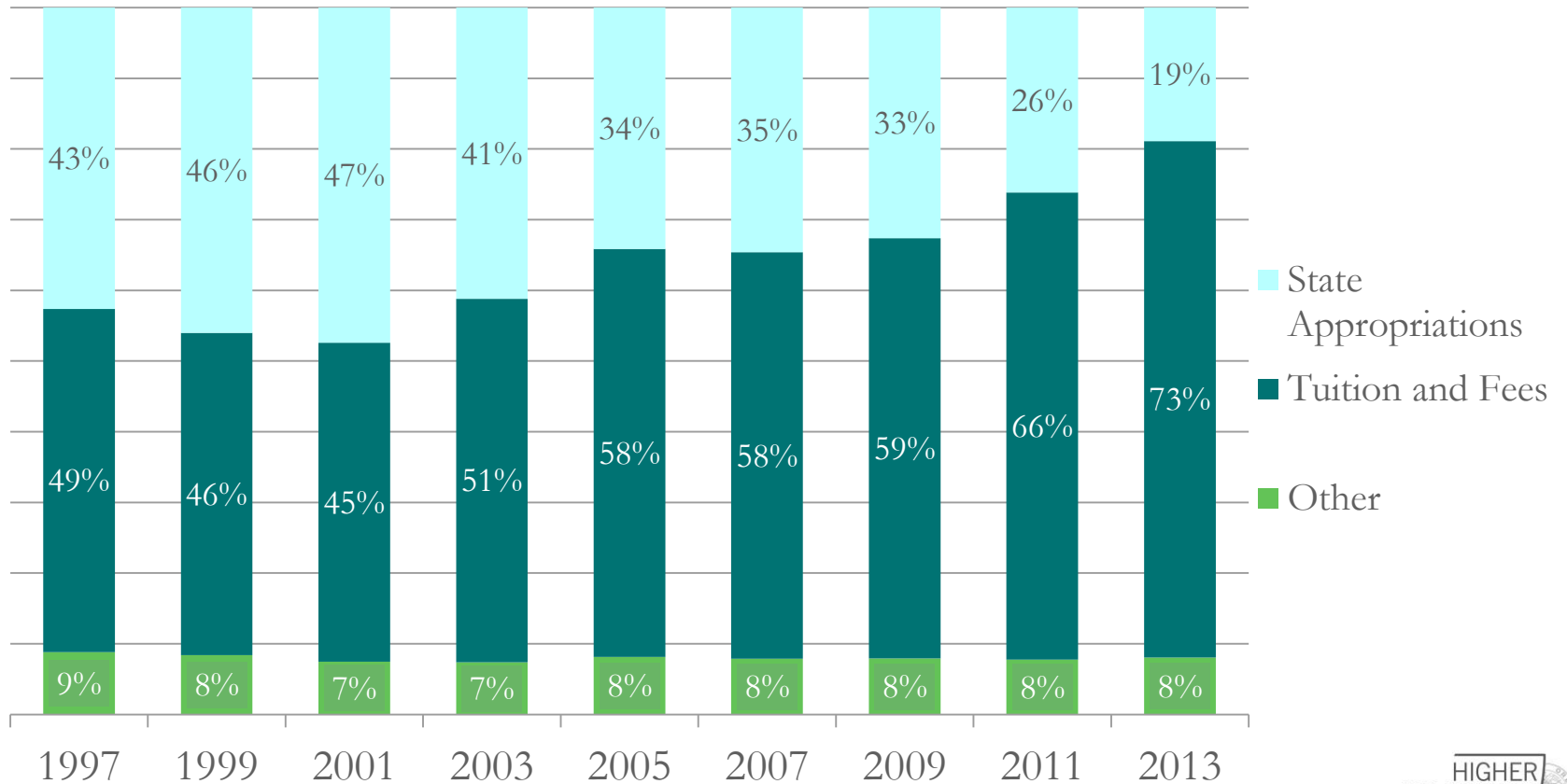
Average Resident Undergraduate Tuition at Oregon's Public Universities



Source: OUS Institutional Research

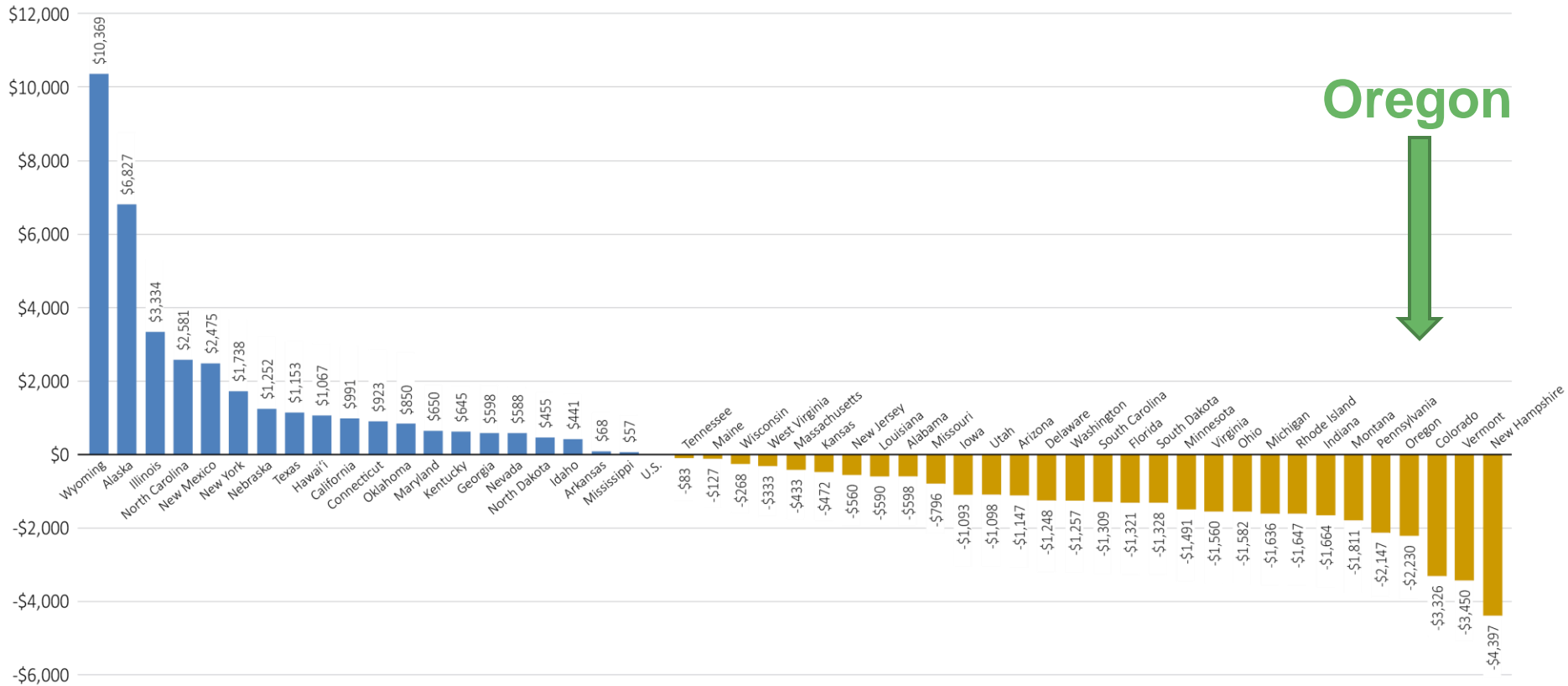
UNIVERSITY: SHIFT OF COSTS FROM STATE TO STUDENT

Public University Percentage of Total Revenue by Source



Source: OUS Institutional Research

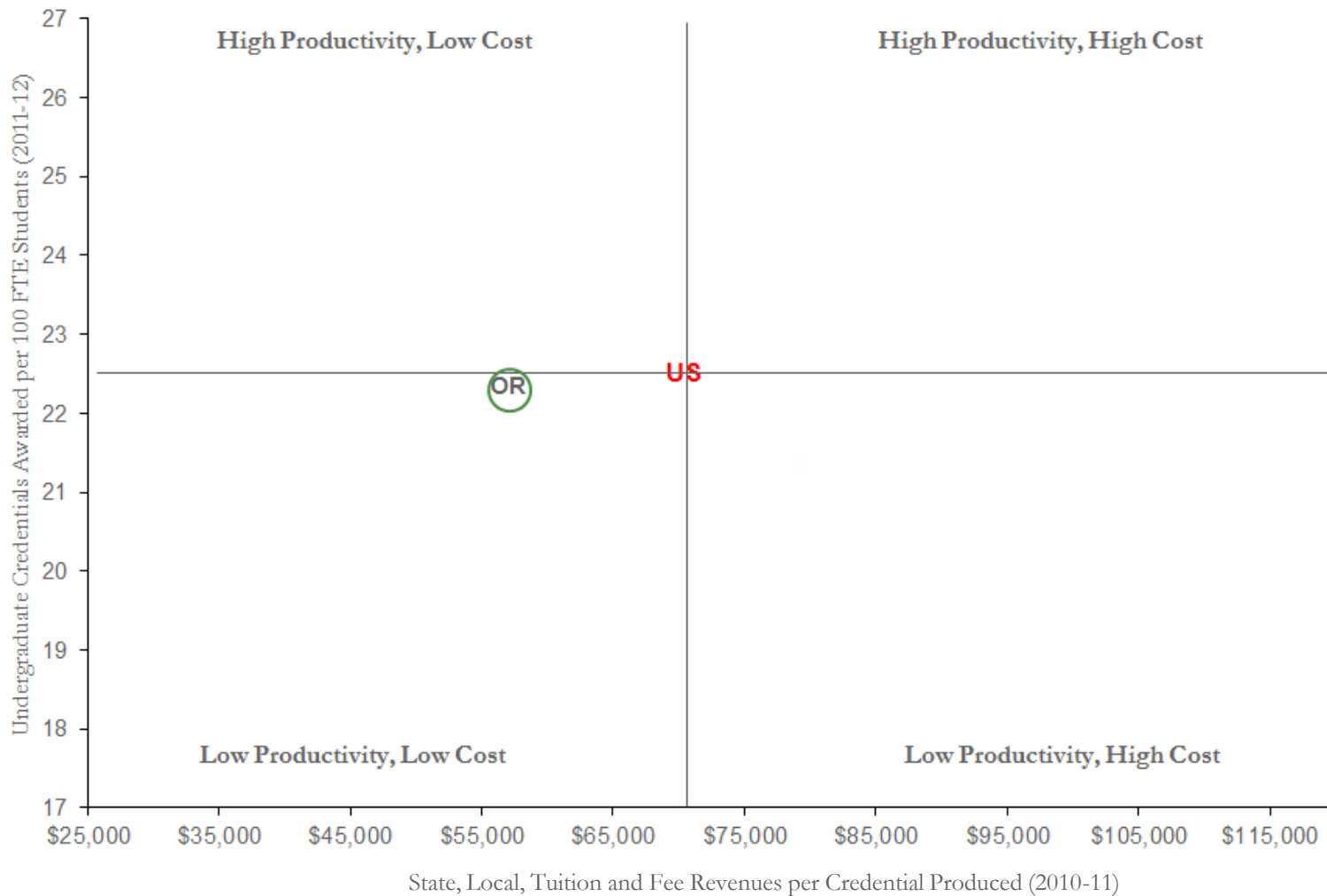
EDUCATIONAL APPROPRIATIONS PER FTE STATE DIFFERENCES FROM U.S. AVERAGE, FISCAL 2013



Note: Dollars adjusted by Cost of Living Adjustment and Enrollment Index.
Source: State Higher Education Executive Officers.

UNDERGRADUATE CREDENTIAL PRODUCTIVITY AND COST PER UNDERGRADUATE CREDENTIAL PRODUCED – PUBLIC RESEARCH INSTITUTIONS

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Sources: NCHEMS Analysis of NCES, IPEDS Enrollment, Completions, and Finance Surveys



UNDERGRADUATE CREDENTIAL PRODUCTIVITY AND COST PER UNDERGRADUATE CREDENTIAL PRODUCED – PUBLIC BACHELOR'S AND MASTER'S INSTITUTIONS



Sources: NCHEMS Analysis of NCES, IPEDS Enrollment, Completions, and Finance Surveys



UNIVERSITY FUNDING AND PRODUCTIVITY

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State operating funding has declined since 2007-09 on a non-inflation adjusted basis.

- Debt service has increased significantly as the state traded operating investments for capital investments which cost less at the time and directly stimulated the economy.

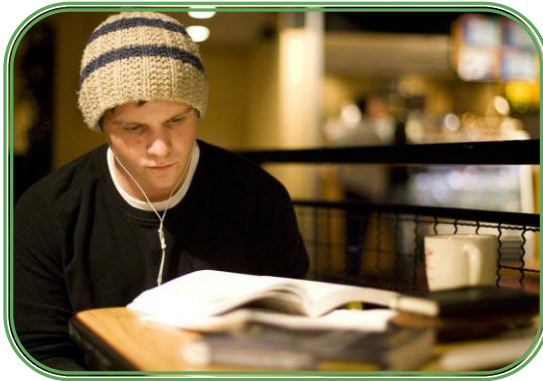
Enrollment growth and tuition increases made up for state disinvestment.

Universities receive significantly less state support on a per student basis than their peers in other states.

Oregon's public universities are remarkably efficient at successfully serving students with relatively little total resources.

STUDENT SUCCESS FUNDING FOR OREGON'S PUBLIC UNIVERSITIES

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To reach 40-40-20, Oregon needs to increase the number of Oregon students successfully completing the certificate, degree, and credential programs in which they have invested.



Shifts the basis for state funding distribution from enrollment – seats in a class– to access and successful program completion, joining 35 states that have moved to include outcomes as part of their funding system.



Provides resources and incentives to foster campus-level innovations to increase student success — especially among the least represented student populations such as low-income, rural and underserved minorities.

UNIVERSITY FUNDING STUDENT SUCCESS AND COMPLETION

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Model under consideration would:

Provide base support recognizing the distinctiveness of each university in its institutional mission and scope, as well as research, public service and partnerships.

How have universities been involved?

In June 2014, the HECC formed a technical workgroup to make recommendations and develop an outcomes-based funding model to staff. The workgroup membership includes senior financial and academic leaders from each of the seven public universities, and leadership from the Inter-institutional Faculty Senate and the Oregon Student Association.

Reward degree and certificate completion—including supporting students' completion and seamless transfers from community colleges.

Provide incentives for institutions to support highest need and underrepresented students—such as low-income, underrepresented minority, rural and veteran students.

Serve the state's economic development goals through increased funding for degrees in high-demand/high-reward fields, such as those leading to careers in healthcare, STEM and bilingual education.

RESULTS FOR OREGON STUDENTS

PROPOSED KPMS FOR PUBLIC UNIVERSITIES

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University Measures

First-year retention rate

Six-year graduation rate

Number of bachelor's degrees awarded each academic year

Number of bachelor's degrees awarded to transfer students from Oregon community colleges each academic year

Graduation rate for newly admitted undergraduate students who are not first-time full-time freshman students within 6 years

RESULTS FOR OREGON STUDENTS: PROPOSED KPMS RELATED TO GRADUATE EARNINGS

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Measures

Median earnings of college completers 4 quarters and 5 years after completion (CC's)

Median earnings of students who left but earned at least 12 credits (CC's)

Median earnings of graduating students (BA/BS only) 4 quarters and 5 years after graduation (university)

Public University Representative Presentations

PUBLIC UNIVERSITY SUPPORT FUND

Public University Presentations, continued: Diverse Missions

*PUBLIC SERVICE PROGRAMS,
RESEARCH, ECONOMIC
DEVELOPMENT, PARTNERSHIPS, ETIC*

BRIAN FOX, Director, University
Budget and Finance, HECC;
University Representatives



ETIC, STATE PROGRAMS FUNDING REQUEST

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Activity	Budget Items	2013-15 LAB	2015-17 GRB
State Programs including ETIC	Public programs including ETIC	\$25.5M	\$10.6M
	<ul style="list-style-type: none"> ETIC “Sustaining Funds” transfer POP 90 		\$24.5M
			Total: \$35.0M

¹HECC 2013-15 LAB included ETIC funding for a portion of the biennium (remainder at OEIB).

²HECC 2015-17 base budget includes no ETIC funding (all at OEIB).

STATE PROGRAMS

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Programs operated largely by the three research universities which focus on economic development, industry and public service needs of Oregon

Legislatively appropriated line items, support and extend key capacities of research universities for the betterment of the state

Programs range from mediation and conflict resolution training to demographic forecasting and maritime research

STATE PROGRAMS

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Public University State Programs		
University	Program	Funding
All	ETIC Sustaining Funds	\$24.5M
PSU & UO	Dispute Resolution Center	\$2.5M
PSU	Oregon Solutions	\$2.3M
OSU, PSU & UO	Signature Research Centers	\$1.0M
	Oregon Metals Initiative	\$749K
UO	Labor Education Research Center	\$679K
PSU	Population Research Center	\$535K
OSU	Institute of Natural Resources	\$399K
UO & L&C	Clinical Legal Education	\$349K
OSU	Oregon Climate Change Research Institute	\$313K
OSU	Oceangoing Research Vessel	\$620K
OSU	Fermentation Science	\$1.2M
Total		\$35.0M

ETIC RECONFIGURATION, POP 90

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- ETIC began in 1997 and focused on developing capacity in engineering and technology education and innovation
- ETIC funding provided bedrock support to university high-tech focused programs, creating research and faculty capacity
- ETIC has split its focus on “sustaining” and a more nimble “renewable” funding model
- Renewable funding will flow through OEIB/OED
- HECC will engage with stakeholders to focus sustaining dollars through a formula driven allocation model

Public University Representative Presentations

PUBLIC SERVICE
RESEARCH
STATE PROGRAMS
ETIC

STATEWIDE PUBLIC SERVICE PROGRAMS & CAPITAL CONSTRUCTION

BRIAN FOX, Administrator, University Budget and Finance, HECC;
University Representatives



Day 13, JOINT COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON EDUCATION

Statewide Public Services



BRIAN FOX, Administrator, University Budget and Finance, HECC;
University Representatives



STATEWIDE PUBLIC SERVICES FUNDING REQUEST

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Budget Items	2013-15 LAB	2015-17 GRB
Extension Service	\$39.9M GF	\$41.2M GF
Forest Research Laboratory	\$6.1M GF	\$6.3M GF
Agriculture Experiment Station	\$55.2M GF	\$57M GF
Total	\$101.2M GF	\$104.5M GF

LAB=Legislatively Adopted Budget, GRB=Governor's Recommended Budget, GF=General Funds, OF=Other Funds, FF=Federal Funds



STATEWIDE PUBLIC SERVICES

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Agricultural Experiment Station: AES is the principal agricultural and related natural resource research agency of the State of Oregon. AES mission is to conduct research to solve problems and generate innovations in the agricultural, biological, social and environmental sciences relating to Oregon agriculture, associated industries and natural resources.

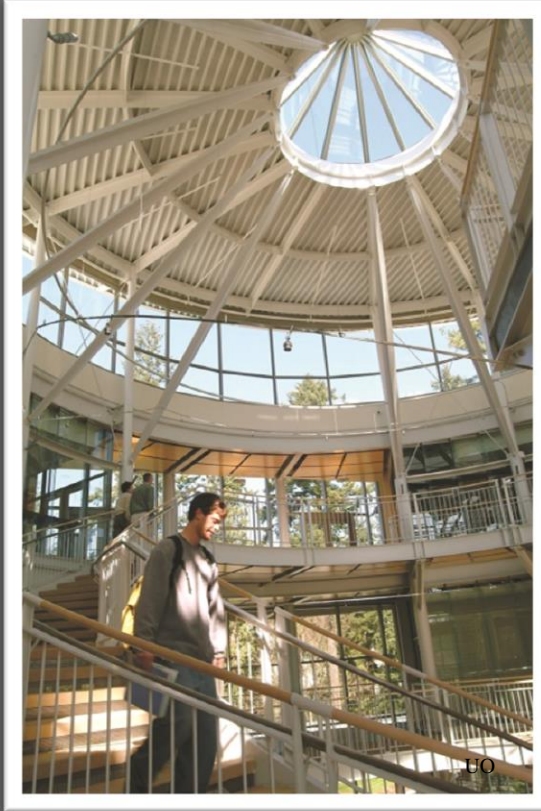
Extension Service: OSU Extension Service is the community-based education outreach arm of Oregon's land, sea, sun and space grant-university. It is cooperatively funded from federal, state, county and other sources. OSU-ES engages the people of Oregon with research-based knowledge and education that strengthen communities and economies, sustain natural resources, and promote healthy families and individuals.

Forest Research Laboratory: The FRL is Oregon's forest resources research agency that helps solve problems, create opportunities, and develop new understanding and innovation about forest ecosystems, forest management and forest-derived renewable materials. FRL is also the research component of Oregon State University's College of Forestry.

Public University Representative Presentations

STATEWIDE PUBLIC SERVICES

- AGRICULTURAL EXPERIMENT STATION
- EXTENSION SERVICE
- FOREST RESEARCH LABORATORY



Capital Construction

BRIAN FOX, Administrator, University
Budget and Finance, HECC;
University Representatives

CAPITAL BOND CAPACITY REQUEST

Activity	Budget Items	2013-15 LAB	2015-17 GRB
University Capital Bond Capacity	New bond capacity (repaid from state GF/LF)	\$246.4M	\$275.5M
	New bond capacity (campus-repaid)	\$383.8M	\$53.0M
		Total: \$630.2M	Total: \$328.5M
University Debt Service	Debt Service (GF/LF):	\$89.2M GF	\$129.4M GF
		\$25.6M LF	\$32.0M LF
		Total: \$114.7M	Total: \$161.4M

UNIVERSITY CAPITAL PORTFOLIO

Public University Facilities – Fall 2014			
	Buildings	GSF	Notes
Total State	6,698	54,175,063	
Total University	1,320	28,018,285	51% of State capital Assets
Total E&G	900	15,449,509	55% of university assets
Total Aux & Other	420	12,568,776	45% of university assets
Individual Institutions E&G GSF and Buildings			
Institutions	Buildings	GSF	% of Total E&G Space
EOU	21	517,110	3.3%
OIT	32	759,267	4.9%
OSU	554	6,287,399	40.7%
PSU	32	1,939,879	12.6%
SOU	22	882,575	5.7%
UO	203	4,344,935	28.1%
WOU	36	718,344	4.6%

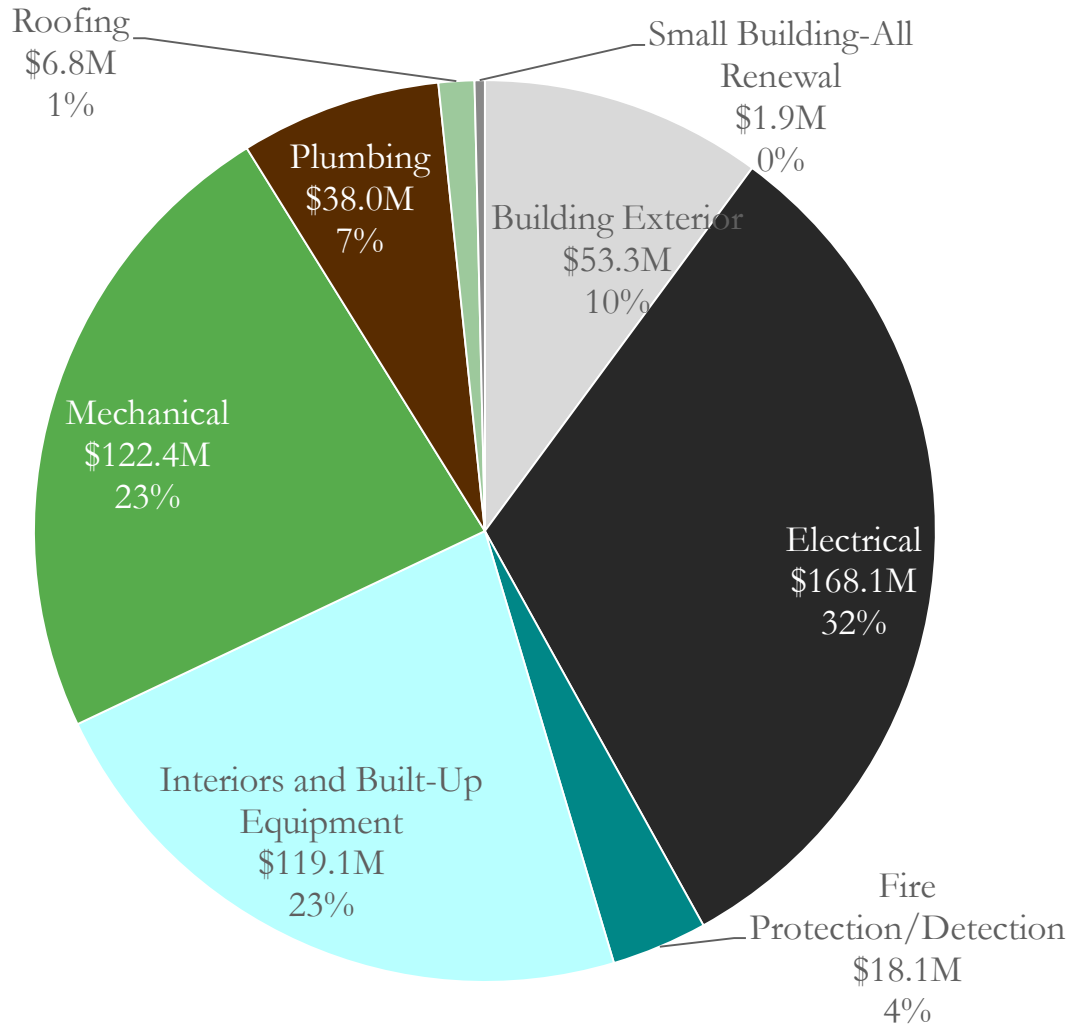
DEFERRED MAINTENANCE AND BUILDING AGE, BY INSTITUTION (E&G SPACE ONLY)

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Institutions	E&G GSF*	Space Over 30 Years Old*	Deferred Maintenance Backlog*	Deferred Maintenance Backlog per Relevant GSF*	Seismic Backlog (Estimated by OUS based on 2007 report)
EOU	585,481	76%	\$18M	\$30	\$17M
OIT	468,211	70%	\$33m	\$71	\$3M
OSU	4,454,036	77%	\$155M	\$36	\$166M
PSU	2,414,452	84%	\$169M	\$70	\$23M
SOU	865,645	80%	\$18M	\$21	\$28M
UO	3,483,674	72%	\$105M	\$30	\$73M
WOU	695,132	77%	\$30M	\$42	\$40M

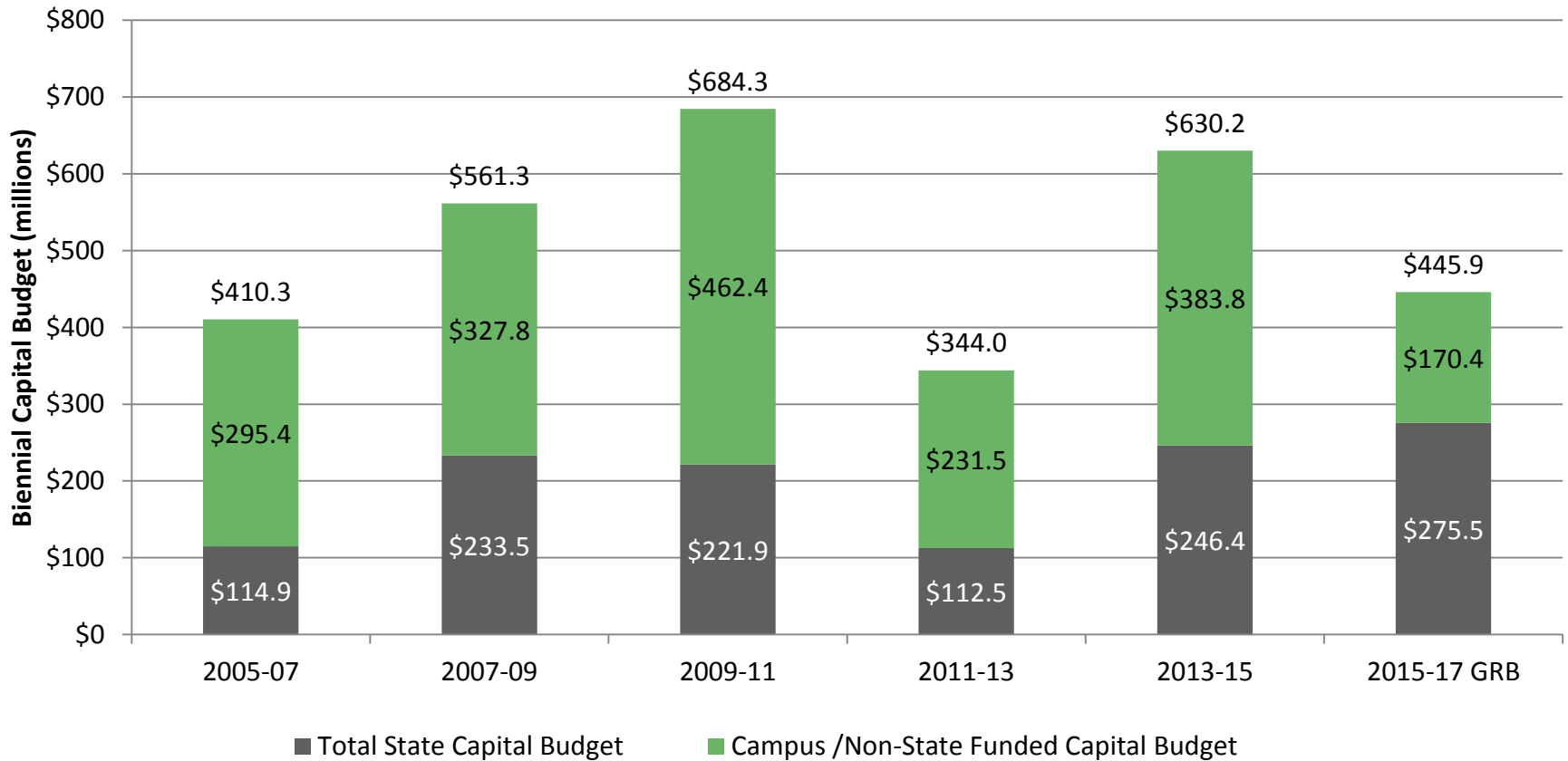
Sources: OUS 2012 Sightlines Report, OUS 2013 Factbook and 2007 Statewide Seismic Needs Assessment by the Oregon Department of Geology and Mineral Industries

DEFERRED MAINTENANCE BY TYPE



CAPITAL CONSTRUCTION FUNDING

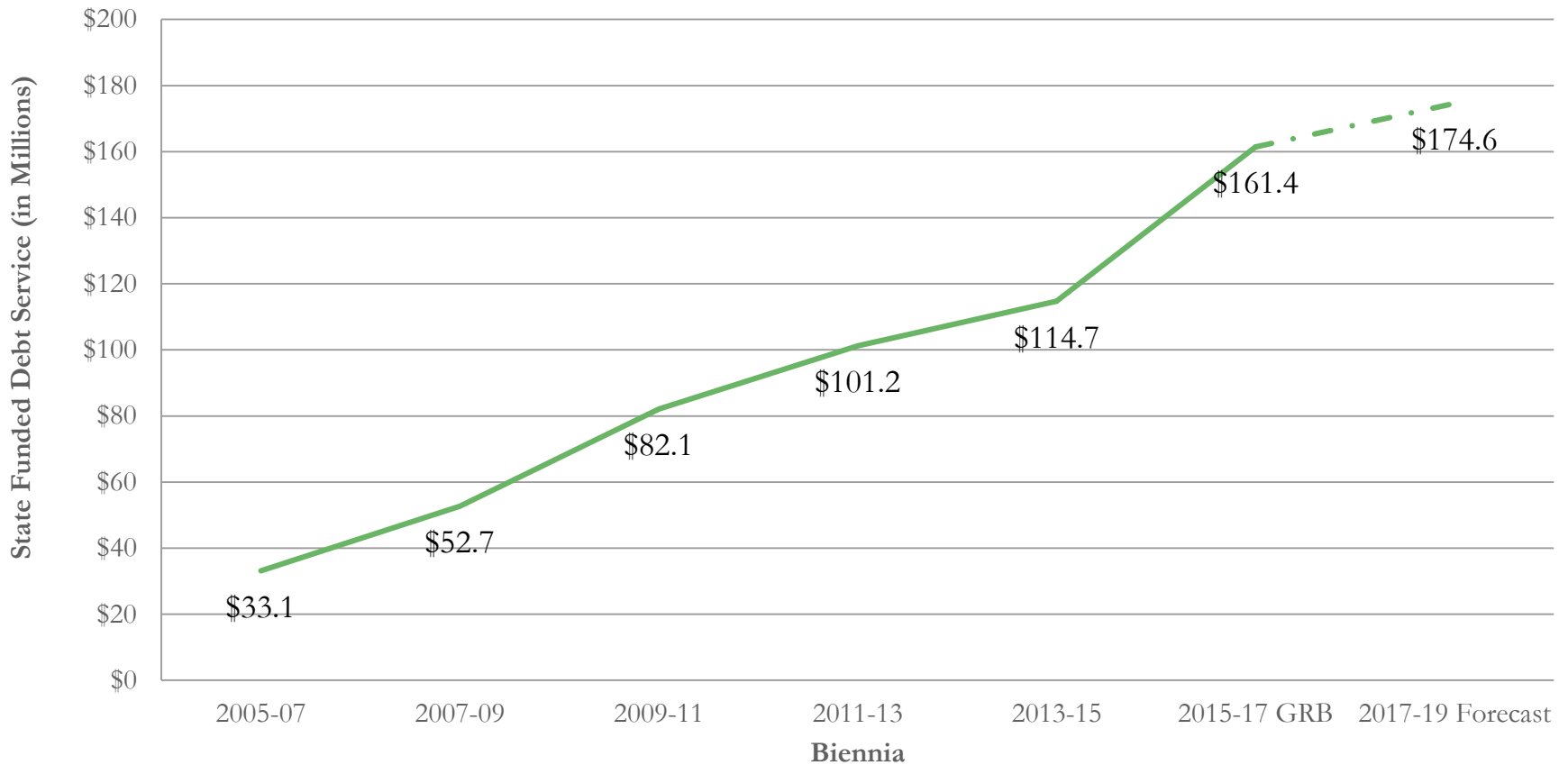
General Fund and State Backed Debt



Data Source: OUS Budget Summaries 2005-2006, through 2014-15, Governor's Recommended Budget (2015-17)

STATE FUNDED UNIVERSITY DEBT SERVICE (GF+LF)

Total State Funded Debt Service (GF+LF)



Data Source: OUS Budget Summaries 2005-2006, through 2014-15, Governor's Recommended Budget (2015-17), and University Shared Services Enterprise

CAPITAL REAUTHORIZATIONS (UNIVERSITIES)

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2015-17 Capital Reauthorizations

Institution	Project	State Funding (type)
* EOU	Eastern Learning Commons Planning/Design and Infrastructure Upgrades	\$2.0M (XI-Q)
* OIT	Cornett Hall Renovation Design/Planning	\$2.0M (XI-Q)
OSU	OSU Modular Data Center	\$7.0M (XI-F)
PSU	University Center Land Purchase	\$7.9M (XI-F)

* EOU and OIT Capital Planning bonding was repurposed for IT and other projects was included in SB 5543 (2015) 2013-15 rebalance bill which has passed both chambers and was signed by the Governor on March 30, 2015. These projects no longer require reauthorization.

HECC PROCESS

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University capital submission.....April



HECC Capital Principles and Scoring Rubric development.....June-July



University President's develop Tier I, II and III capital list.....July



HECC Scoring and ARB development.....Aug.-Sept.



Assist in GRB Considerations.....Oct.



GRB finalized list.....Dec.

HECC UNIVERSITY CAPITAL PRINCIPLES

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- All state backed debt will support the Commission's Strategic Plan through investments in:
 - Classroom, Laboratory, Research or Student Services space
- Institutions must plan for ongoing operational and maintenance needs of current and future capital portfolio
- State backed debt will serve either to
 - Expand capacity to meet needs of students
 - Extend the useful life of current capital assets
 - Develop or extend key competitive advantages
- Projects which generate operational cost savings will be prioritized
- The HECC, in conjunction with institutions will evaluate key capacity constraints across the portfolio of institutions to prioritize investment
- Public-private and multi-party collaborations will be encouraged
- Leveraging of non-state resources, including private and university funds will be encouraged
- Deferred maintenance and capital debt prioritization will focus on aligning economic incentives of institutions and state capital investment

HECC CAPITAL RUBRIC

Project must meet Campus Master Plan, OEIB and HECC Strategic Plans..... threshold

HECC priorities

- Ease capacity constraints within portfolio..... 10 pts
- Support student completion..... 10 pts
- Support research & economic development..... 5 pts
- Collaboration..... 5 pts

Deferred maintenance and cost savings..... 10 pts

Life, safety and code compliance..... 10 pts

Campus priority..... 20 pts

Enhance current efforts..... 5 pts

Leveraging campus and external support..... 15 pts

Strategic priority..... 10 pts

2015-17 GRB: UNIVERSITY CAPITAL PROJECTS

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Priority	Univ.	Project	State Funding (type)	University Funding (Type)	Total Project Scope
1	All	Capital Repair and Renewal	\$72.0 M (XI-Q)	\$0	\$72.0 M
2	PSU	Neuberger Hall	\$60.0 M (XI-G/Q)	\$10M	\$70.0 M
3	OSU	Forest Science Complex	\$30.0 M (XI-G)	\$30M	\$60.0 M
4	UO	Klamath Hall for 21st Century Chemistry	\$12.3 M (XI-G/Q)	\$6.25M	\$18.5 M
5	OSU	Marine Studies Campus Phase I	\$25.0 M (XI-G)	\$25M	\$50.0 M
6	UO	College and Careers Building	\$17.0 M (XI-Q)	\$17M	\$34.0 M
7*	OIT	Ctr for Excellence in Engineering & Technology	\$3.5 M (XI-Q)	\$0	\$3.5 M
8*	OIT	Bolvin Hall Modernization	\$7.4 M (XI-Q)	\$0	\$7.4 M
9	UO	Chapman Hall Renovation	\$8.0 M (XI-G/Q)	\$2.5M)	\$10.5 M
10	WOU	Natural Science Building (NS) Renovation	\$6.0 M (XI-Q)	\$0	\$6.0 M
11	SOU	Britt Hall Renovation	\$4.8 M (XI-Q)	\$0	\$4.8 M
12	EOU	Hunt Hall Demolition and Site Restoration	\$3.0 M (XI-Q)	\$0	\$3.0 M
13	UO	Learning and Innovation Hub - School of A&AA/Research Innovation Ctr	\$26.6 M (XI-G)	\$26.6	\$53.3 M
NA	PSU	Broadway Housing Purchase	\$0	\$53.0M (XI-F)	\$53.0 M
Technical Adjustment					
*7	OIT	Ctr for Excellence in Eng. & Tech. Phase I	\$10.9 M (XI-G/Q)	\$1.7M	\$12.6 M

Source: 2015-17 Governor's Recommended Budget

*OIT's two capital projects will be combined through a technical adjustment to the GRB into Phase I of the Center for Excellence in Engineering and Technology



Public University Representative Presentations

UNIVERSITY CAPITAL PROJECTS

Public comment

OREGON HEALTH & SCIENCE UNIVERSITY



PRESENTED TO:

JOINT COMMITTEE ON WAYS AND MEANS,
SUBCOMMITTEE ON EDUCATION



Day 15

BEN CANNON, Executive Director, HECC;
JOE ROBERTSON, President, OHSU

OHSU REQUEST

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Activity	Budget Items	2013-15 LAB	2015-17 GRB
OHSU	OHSU support funding	\$72.6M GF	\$77.3M GF ¹
Debt service	OHSU Bond-Related Costs*	\$0.0M GF	\$17.7M GF

Source: 2015-17 Governor's Recommended Budget
*Excludes Master Tobacco Settlement funded debt service

Public comment