

# An Investment in Oregonians for Our Future

March 2007

A Plan to 2025 for the  
Oregon University System







# **OREGON STATE BOARD OF HIGHER EDUCATION**

*An Investment in Oregonians for Our Future*

A Plan to 2025 for the  
Oregon University System

March 2007

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## Foreword

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In September 2005, the Oregon State Board of Higher Education began a year-long process to develop a twenty-year vision and plan for higher education in Oregon. Propelled by the need to prepare students for the global century, and facing the consequences of fifteen years of disinvestment in the Oregon University System (OUS), the Board built a framework of goals, desired outcomes, performance metrics, guiding principles, and strategic priorities for accomplishing the vision by 2025.

The planning process was designed by a team led by Board member John von Schlegell, and staffed by the Chancellor and Vice Chancellors. The work was assisted by a consultant from Global Business Network, an international futures and scenario planning firm based in San Francisco. The full Board deliberated, debated, and developed the elements of the plan at each of its monthly meetings throughout 2005-06. Participants in the discussions included not only the Board, but also OUS institution presidents and representatives from the Oregon Student Association, Interinstitutional Faculty Senate, Provosts' Council, and Governor's Office.

The planning framework and strategic priorities presented in this document were adopted by the Board in September 2006. They guide the Board in the development of budget proposals and a broad array of higher education policies, serving as a compass for Board decision making. In February 2007, a Board standing committee on Strategic Initiatives was established to oversee the implementation of the long-range plan.



## Conditions shaping our future

Oregon faces formidable challenges in the coming decades: the globalization of the knowledge economy, the need for a bachelor's degree to compete for family wage jobs, and a dramatically changing demographic landscape, which combine to create a set of new and compelling demands. Yet, at a time when a strong higher education system is most needed, Oregon has pursued a policy of disinvesting in its public universities and colleges. This long-term disinvestment will place Oregon at a disadvantage in a rapidly changing and highly competitive global environment.

To reverse this trend, it is time to think boldly and strategically about the future.

The Oregon University System (OUS) faces several challenges. It must build higher levels of educational attainment in the face of significant demographic shifts. The System must address the needs of areas of the state demanding new higher education services because of population or economic growth, while also meeting the needs of underserved populations in other parts of the state.

OUS has some significant strengths on which to build—especially in the area of research and innovation—but these strengths, along with efforts to improve educational attainment, are in jeopardy because of the financial vulnerability that now characterizes Oregon's public universities. However, improved funding—while essential—is not sufficient. To achieve student success, there must be a better alignment of programs, approaches, and services within OUS as well as better integration across education sectors than exists now.

These are the elements in OUS's planning environment that have led to the vision, goals, guiding principles, and strategic priorities presented in this plan. The Board's long-range plan is just a blueprint. Building a strong foundation is the next step, and the long-term strategies presented here, if implemented, will accomplish that. To succeed, however, will require the dedication and creativity of students, faculty, and administrators in all of our universities; of the Governor, Legislature, and our partners in education; and of private businesses and citizens, who stand to gain or lose the most from which turn OUS takes.

### **A college degree matters**

In many respects, the case for greater educational attainment is an easy one to make. Nearly 80% of high wage jobs in Oregon over the next ten years—those paying an annual salary of \$45,000 or more—will require at least a bachelor's degree to be competitive.<sup>1</sup> The lifetime earnings and employment benefits for individuals with a college degree compared to those without one, as well as the revenue benefits to the state, have been well documented:<sup>2</sup>

- Median earnings for workers with a bachelor's degree are \$49,900 compared to \$30,800 for workers with only a high school diploma.
- A bachelor's degree recipient will earn about 73% more over 40-year work life than a high school graduate.

- By age 33, a college graduate who enrolled at age 18 will have earned enough to compensate for average tuition and fees at a public university and earnings foregone during college years.
- The average U.S. college graduate working full-time pays 78% more in total federal, state, and local taxes than the average high school graduate.
- The average Oregon college graduate pays 40% more in state and local taxes than the average high school graduate.

College graduates can expect to be healthier, more engaged in civic life, better informed consumers, enjoy a greater array of leisure activities, and most importantly, offer an improved quality of life for their children. A state with more college-educated citizens enjoys increased tax revenues, greater workforce flexibility and productivity, and decreased reliance on government financial support. A society with a culture of higher educational attainment experiences increased charitable giving, reduced crime rates, improved ability to adapt to and use technology, higher levels of civic engagement, and greater appreciation of diversity.<sup>3</sup> Finally, a society of informed citizens, who have knowledge of science concepts and vocabulary, will understand important new developments and be better able to participate in discourse and issues related to science and technology.<sup>4</sup>

An Array of Public and Private Benefits		
	Public	Private
Economic	<ul style="list-style-type: none"> <li>• Increased tax revenue</li> <li>• Reduced unemployment rates</li> <li>• Greater productivity</li> <li>• Increased consumption</li> <li>• Increased workforce flexibility</li> <li>• Decreased reliance on government financial support</li> </ul>	<ul style="list-style-type: none"> <li>• Higher salaries and benefits</li> <li>• Employment</li> <li>• Higher savings levels</li> <li>• Improved working conditions</li> <li>• Personal/professional mobility</li> </ul>
Social	<ul style="list-style-type: none"> <li>• Reduced crime rates</li> <li>• Increased charitable giving and community service</li> <li>• Increased quality of civic life</li> <li>• Social cohesion and appreciation of diversity</li> <li>• Improved ability to adapt to and use technology</li> </ul>	<ul style="list-style-type: none"> <li>• Improved health/life expectancy</li> <li>• Improved quality of life for offspring</li> <li>• Children more likely to attend college</li> <li>• Better consumer decision making</li> <li>• Increased personal status</li> <li>• More hobbies, leisure activities</li> </ul>

### Global competition

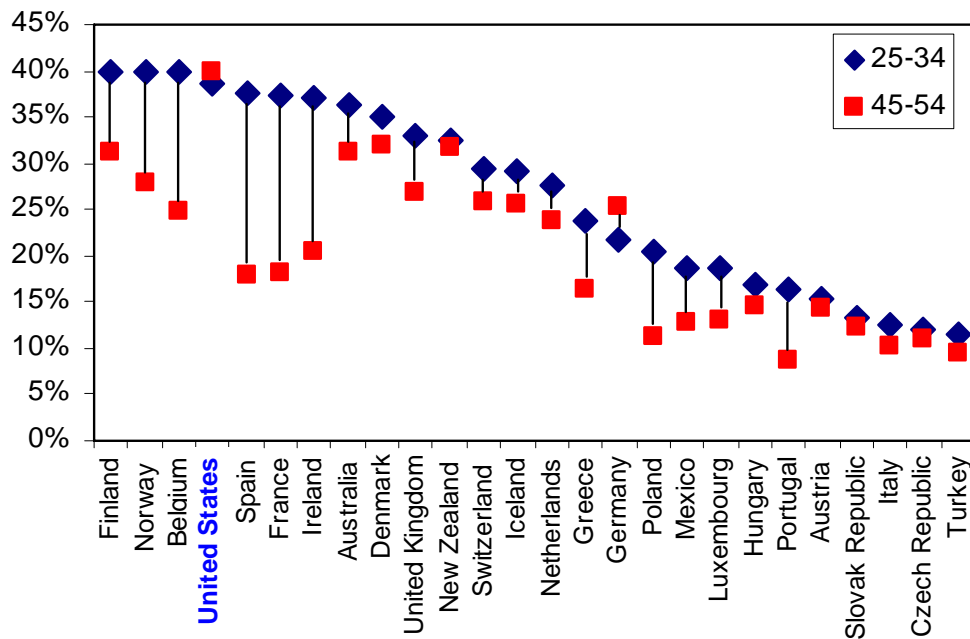
At a time when both developed and developing countries around the world are increasing their investment in higher education, the United States is losing the competitive edge it has long enjoyed. Current global trends are now pushing U.S. higher education out of its former complacency:

- While the U.S. still ranks at the top among member countries in the Organisation for Economic Cooperation and Development (OECD) in adult educational attainment, it ranks 9<sup>th</sup> in first-time participation in higher education, behind Iceland, New Zealand, Sweden, Finland, Poland, Hungary, Norway, and Australia.

- Among 21 OECD countries reporting data, the U.S. ranks 16<sup>th</sup> in secondary school graduation rates and 12<sup>th</sup> in college graduation rates, relative to the population in those age groups.
- The proficiency of U.S. 15-year-olds in mathematics and in problem-solving ranks in both cases 24<sup>th</sup> out of 29 OECD countries for which data were reported, above only Portugal, Italy, Greece, Turkey, and Mexico.<sup>5</sup>

Moreover, the high overall educational attainment in the U.S. masks differences in college attainment between young and older adults. In most OECD countries, the educational attainment of 25-to-34-year-olds is higher than that of 45-to-54-year-olds, signaling that demographically, the population is becoming more educated. In the U.S., however, the reverse is the case: higher educational attainment levels are found among the older age group. Only Germany shares this pattern.<sup>6</sup> A future of retiring, highly educated baby boomers in the U.S., followed by a less educated cohort of the working adult population does not bode well for future economic and civic vitality.

### Differences in College Attainment Between Young and Older Adults in OECD Countries Percent of Adults with Associate Degree or Higher, 2000



Source: Organisation for Economic Cooperation and Development; American Community Survey.

## Oregon's educational attainment trends

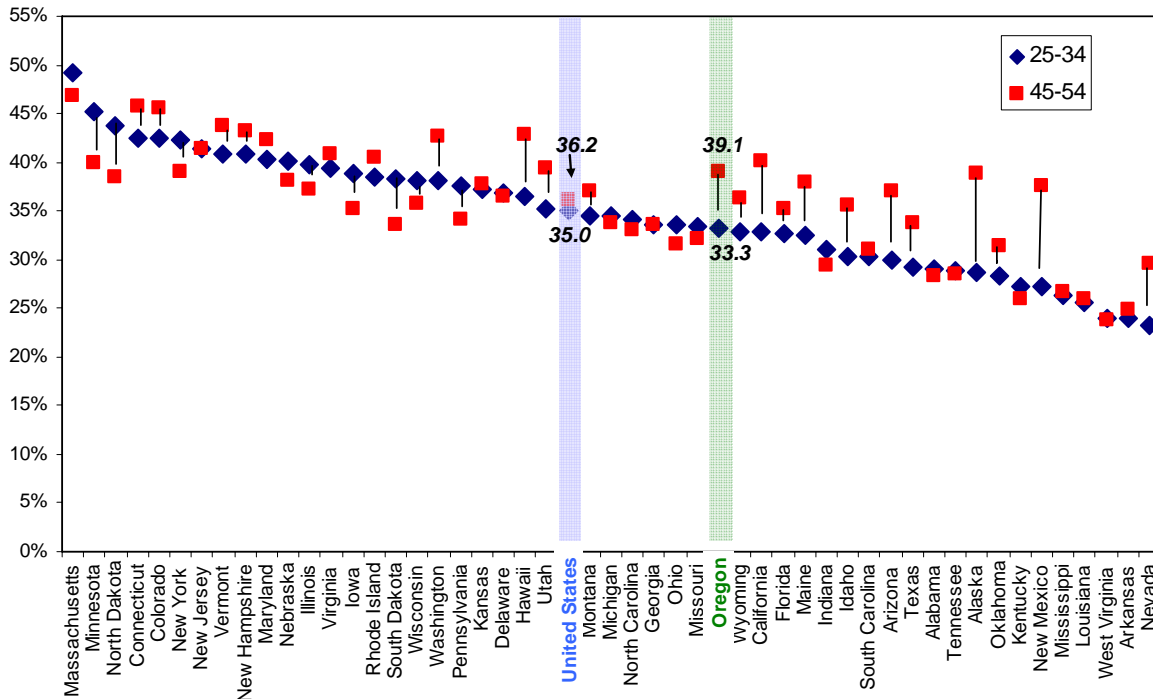
During the 1990's, Oregon's college attainment level increased dramatically, largely due to the in-migration of educated new residents, drawn by Oregon's evolution toward a knowledge-based economy. This trend is reflected in the solid "A" grade Oregon received in the national report card *Measuring Up 2006*, for benefits to the state in having an educated population.<sup>7</sup> However, Oregon's current college attainment rate of 27.7% – slightly above the U.S. average – masks some important trends occurring within that number.

Percent of the Population with a Bachelor's Degree or More		
	Oregon	U.S.
2005	27.7	27.2
2004	27.7	27.0
2003	26.4	26.5
2002	25.9	25.9
2000	25.1	25.6
1990	20.6	20.3

Source: U.S. Census Bureau, Current Population Survey and American Community Survey.

Mirroring the U.S. trends relative to other countries, Oregon's pattern, like that of several other Western states, shows higher educational attainment levels for older adults with lower levels for young adults. As baby boomers age and retire, this will have significant implications for Oregon's future.

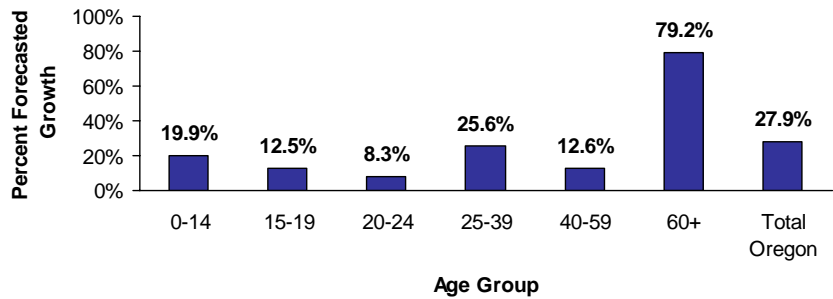
## Differences in College Attainment between Young and Older Adults in the 50 States Percent of Adults with Associate Degree or Higher, 2000



Sources: (1) U.S. Census Bureau, American Community Survey; (2) National Center for Higher Education Management Systems (NCHEMS).

While the baby boom cohort contributed to the increases in educational attainment during the 1990s and early 2000s, that educational level will no longer support Oregon’s workforce once they retire. By 2025, Oregon is projected to have the fourth highest proportion of elderly in the U.S.<sup>8</sup> Their loss to Oregon’s economy underscores the urgent need to raise the educational attainment level of younger adults.

**Oregon Population Forecast by Age Group:  
2005 to 2025**



Sources: (1) Portland State University, Population Research Center, Components of Population Change for Oregon’s Counties, revised June 2006. (2) Oregon Office of Economic Analysis, population forecast April 2004.

### Future enrollment demand

Over the next 20 years, Oregon’s population is projected to grow by over 27%, from 3.6 million people in 2005 to 4.6 million in 2025.<sup>9</sup> The magnitude of what would be needed to meet higher educational attainment levels—the number of students and bachelor’s degrees needed from Oregon’s public and private four-year institutions over the next 20 years—is daunting, even if bachelor’s-or-greater attainment levels were to remain at the current 27.7%.

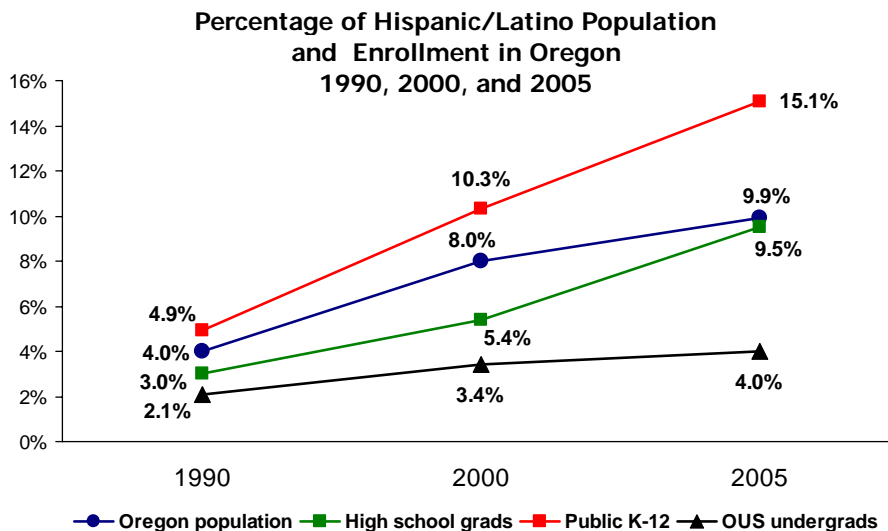
- At the current rate of enrollment and degree production, by 2025 the Oregon University System would need to enroll an estimated 37,000 more students than are currently enrolled, and award approximately 4,500 more bachelor’s degrees than the 12,600 now awarded annually. This is the equivalent of adding the students and degrees of Portland State University, Southern Oregon University, and Western Oregon University combined, during an average year.
- If Oregon were to increase the percentage of adults with bachelor’s degrees to 40% by 2025—a benchmark currently under consideration by the Oregon Progress Board—OUS would need to enroll over 83,000 more students than are enrolled today—more than double current enrollment—and would need to award nearly 25,000 bachelor’s degrees, or 12,000 more than are currently produced. OUS now produces about three-quarters of the bachelor’s degrees awarded in Oregon, and this estimate assumes that Oregon’s independent colleges would likewise increase production. The estimate for achieving a 40% level assumes a continuation of current in-migration patterns and proportions, and current degree completion rates.<sup>10</sup>

Oregon’s projected population growth will not occur uniformly across regions of the state, age groups, or ethnic groups. Some of the changes will have a particular impact on higher education service delivery and resources. Two of the most dramatic are highlighted here: the growth in the Hispanic/Latino population, and the continued population growth in Portland and Bend.

## Hispanic/Latino Oregonians

One of the most significant and far-reaching developments for Oregon's population is the growth in Hispanic/Latino Oregonians. In 1990, Hispanics constituted 4% of Oregonians; by 2005 that proportion had increased to nearly 10%. Over the same period, the percentages of Hispanic Oregon high school graduates tripled and the percentage enrolled as OUS undergraduates doubled.

Even more significant for the future, the numbers of Hispanic children in Oregon have nearly tripled. In 1990, Hispanic children under the age of ten constituted 6.6% of the total; by 2000, they constituted 15%. The proportion of Hispanic students enrolled in Oregon's public schools has risen from under 5% in 1990 to 15.1% in 2005.



While Hispanic/Latino Oregonians make up a growing share of the workforce—10%

in 2003 compared to 3% in 1990—lower levels of educational attainment have resulted in family income for Hispanics that is about two-thirds of that for all families.<sup>11</sup> According to U.S. Census data, the educational attainment trends for Hispanic Oregonians are not promising: only 10.1% had a bachelor's degree or higher in 1990 (compared to 20.5% for all Oregonians), and while educational attainment levels increased in the general population, by 2000 the percentage had actually dropped for Hispanics, to 9.6%.

Sources: (1) U.S. Census Bureau, *Statistical Abstract*; (2) Oregon Department of Education, School Finance, Data & Analysis section.

The Western Interstate Commission for Higher Education (WICHE) estimates that by 2017-18, 29% of Oregon 12<sup>th</sup>-graders and 24% of Oregon high school graduates will be Hispanic—about two-and-a-half to three times the current percentage.<sup>12</sup> With a strong body of data establishing the relationship between ethnicity, family income, and college participation—family income being the most important factor—the prospects for future enrollment of a sizable share of this population are not bright.<sup>13</sup> Further, national studies as well as our own OUS surveys reinforce the positive relationship between college attendance and having a parent with a college degree. The combination of lower family income and lower parental college degree attainment suggests that Hispanic young adults will face greater challenges in continuing their education than many other Oregon young adults.<sup>14</sup>

## Portland and Bend

Population in the Portland metropolitan (outside of Multnomah County) and Bend areas is expected to grow at almost double the statewide rate of growth over the next twenty years. In the Portland area, that equates to an increase of nearly half a million people in the next twenty years. While the absolute numbers in the Bend area are smaller, the increase of more than 70,000 people in Deschutes County represents growth of nearly 50%.

For both Portland and Bend, population and business growth will expand the need for postsecondary education services. The dimensions of the need will depend on the age and ethnic distribution of the growth as well.

For Portland, the need extends beyond simply accommodating population growth. As Oregon's economic center, Portland depends on having a broad array of high quality university assets to support its vitality and global competitiveness—to provide access to university research

Oregon Population Forecast, 2005 to 2025 Portland, Central Oregon, and Total Oregon						
Region	2005	2010	2015	2020	2025	% Change 2005-2025
Portland						
Clackamas	361,300	391,536	424,648	460,323	497,926	37.8%
Multnomah	692,825	711,909	735,445	756,390	778,028	12.3%
Washington	489,785	542,678	599,377	660,367	723,669	47.8%
Total	1,543,910	1,646,123	1,759,470	1,877,080	1,999,623	29.5%
Central Oregon						
Crook	22,775	23,051	25,249	27,590	30,125	32.3%
Deschutes	143,490	158,792	178,418	197,150	214,479	49.5%
Jefferson	20,600	22,168	24,079	26,065	28,298	37.4%
Total	186,865	204,011	227,746	250,805	272,902	46.0%
Total Oregon	3,631,440	3,843,899	4,095,705	4,359,257	4,626,013	27.4%

Sources: (1) Portland State University, Population Research Center, *Components of Population Change for Oregon's Counties*, revised June 2006. (2) Oregon Office of Economic Analysis, population forecast April 2004.

and development, to provide continuing education for a knowledge economy workforce, and to provide high quality postsecondary options for families of this growing population. Currently, these assets are not optimally deployed—the metropolitan area needs more postsecondary programs and services, and those programs and services need to be better coordinated than they are now. In addition, recent legislative proposals for institution mergers (such as a merger of Portland State University and Oregon Health and Science University) to further develop a high quality research university presence in Portland reflect the urgency with which the educational needs of Portland must be addressed.

## Elements of student success

Ensuring student success means that all elements contributing to student opportunity and performance—preparation, access and enrollment, quality instruction, and degree completion—are well aligned. Oregon's performance on the *Measuring Up 2006* report card is mediocre in preparation and participation and only slightly better in completion. Like most states, Oregon received an "Incomplete" in Learning, and there are opportunities now to develop new approaches to both instruction and learning assessment in Oregon's universities. Success in all of these dimensions is critical to improving Oregonians' educational attainment level.

## Preparation

Recent national surveys of college faculty and high school teachers revealed a significant disparity between how well high school teachers believe their students are prepared for college and how well college faculty find students to be prepared.<sup>15</sup> There is probably nothing more critical to improving educational attainment in Oregon than ensuring that students enter postsecondary institutions college-ready and able to perform well. Adequate student preparation affects retention, completion, and learning, and ultimately their success in jobs and advanced education.

What they said	Who said it	
	College Faculty	High School Teachers
Students are well-prepared for college level writing	6%	36%
Students are not well-prepared for college level writing	44%	10%
Students are well-prepared in math	4%	37%
Students are not well-prepared in math	32%	9%

Source: "What Professors and Teachers Think: A Perception Gap Over Students' Preparation." *The Chronicle of Higher Education*, March 10, 2006.

Oregon high school students compete well nationally in SAT scores, ranking second among the twenty-two states in which at least 50% of high school students take the SAT.<sup>16</sup> However, while the number of Oregon students taking Advanced Placement (AP) courses in high school has been increasing, improving the likelihood of college attendance and completion, relatively low participation and performance on those exams have contributed to the failing grades given to Oregon for postsecondary and workforce readiness on a recent report from the U.S. Chamber of Commerce.<sup>17</sup> Low marks for rigor in math and science in Oregon schools also point to challenges in assuring that Oregon's high school graduates are college ready.

Oregon high school performance standards and college entrance requirements are not well aligned. Both the Board of Education and the Board of Higher Education are addressing this problem, with coordination from the Joint Boards Working Group. Until that work is completed and implemented, Oregon can expect to see the kinds of perception differences about student readiness that are reflected in the national data.

## Participation and Completion

Although Oregon earns a mediocre grade in *Measuring Up 2006* for participation (C+), the component of participation related to the percentage of 18-to-24-year-olds enrolled in college ranks relatively high, placing Oregon 10<sup>th</sup> in the U.S. During the past decade, OUS has increased the enrollment of all students by 32% and of students of color by 55%. Students of color now comprise 14% of the student body.

Oregon's low mark for participation comes primarily from its low ranking (39<sup>th</sup>) on "chance for college," a measure constructed from the number of students who graduate from high school and enroll in college. In fact, this "pipeline" issue reflects a broader concern with student progress. While Oregon's higher *Measuring Up* grade for completion is consistent with the improvement in graduation rates reported by OUS in recent years, the overall graduation rate in OUS universities – 58.7% in 2004-05 – is lower than is needed if Oregon is to improve the level of educational attainment over the long term.

Numerous studies have documented the positive relationship between solid academic preparation prior to college and successful college participation and completion. Using the high school grade point average (GPA) as an indicator of high school academic preparation, OUS retention studies confirm this: 80% of entering freshmen with a high school GPA of 3.75 or greater complete their degree within six years, compared to just 40% of students with a high school GPA below 3.0.<sup>18</sup> Improving educational attainment requires having the highest possible graduation rates. A relatively small percentage improvement in the retention of continuing students has a much greater effect on enrollment and, ultimately, student success, than does a much larger percentage increase in new students.

## **Learning**

Addressing the way students learn is a key element in building a better aligned system for student success. New instructional technologies and limited university budgets create opportunities and incentives for innovations in teaching and learning in regular on-campus courses.

In OUS, as in most public universities, traditional large lecture class formats are used for many introductory courses and these subsidize smaller courses and activities. These large lecture formats are often less appealing to students and may be less likely to produce deep learning.<sup>19</sup> Recent studies regarding the application of technology to various modes of instruction look promising, both for learning outcomes and for potential efficiencies in the use of resources. For example, Carol Twigg's research involving 30 colleges and universities found that student learning was improved in 20 of the 30 institution technology-based projects, and that all institutions in the study reduced costs by an average of 40% (with a range of from 20% to 84%).<sup>20</sup> These studies are finding that in many cases, the applications enable students to learn more, with greater depth, and remember more over a long period of time than when engaged only passively, sitting and listening. Technology is being used to lower staff costs by replacing some instructional functions that now require faculty, enabling faculty to focus on smaller class sizes and forms of pedagogy needing face-to-face student-faculty interaction.

Portland State University participated as one of the institution projects in the Twigg research, and had success with the application of technology to the teaching of introductory Spanish. However, a larger issue may be how single successful efforts can be extended to a broader array of institutional offerings, and the extent to which academic departments and the faculty at large embrace the use of such technologies and approaches. Issues of institutional capacity, faculty interest, and potential learning improvement for OUS students will need to be addressed.

Beyond the use of new technologies, a greater understanding of how and to what extent students learn critical knowledge and skills will be required in the future. Policy discussions at the state, national, and even international levels are driving many of the current efforts to develop and assess student learning. The most recent example is the report of the National Commission on the Future of Higher Education (the Spellings Commission).<sup>21</sup>

## Research and innovation

Few discussions of educational attainment mention research and innovation as important drivers. Yet, consider how a robust research enterprise also energizes teaching and learning:

- A strong research enterprise attracts and retains a strong faculty which, in turn, develops new discoveries that often provide economic returns to the university and the state;
- A strong faculty inspires and excites quality learning in students;
- Focused inquiry and research, when incorporated into the college curriculum, build a deeper understanding of the subject and a curiosity for learning through hypothesis development and experimentation;
- A university education that embraces research and inquiry should raise the expectations of high school and middle school students to engage in rigorous math and science curricula.

Both as a provider of direct economic benefits through research commercialization and in its contributions to learning, the university research enterprise is a critical part of the overall OUS mission. Fortunately, one of the strengths on which the Oregon University System can build is its faculty research.

### Faculty research

On a per faculty basis, Oregon universities perform among the top states in R&D expenditures, ranking 7<sup>th</sup> in federal R&D per faculty and 12<sup>th</sup> in total R&D per faculty. Even against much larger states, Oregon does well in total research dollars, ranking 18<sup>th</sup> among the 50 states in public university R&D funds from federal sources, 13<sup>th</sup> in federal R&D funds from the U.S. Department of Agriculture, 11<sup>th</sup> in funds from the U.S. Department of the Interior, and 4<sup>th</sup> in funds from the Environmental Protection Agency.<sup>22</sup> The successful and ongoing public/private partnerships supporting the Oregon Nanoscience and Microtechnologies Institute (ONAMI), and the potential for similar partnerships in the areas of biomedical research and sustainability, offer a testament to and great promise for Oregon's research competitiveness.

#### Oregon Public Universities' R&D Rankings

	<i>U.S. Rank</i>
Federal R&D per faculty	7 <sup>th</sup>
Total R&D per faculty*	12 <sup>th</sup>
Federal R&D (total dollars)	18 <sup>th</sup>
Total R&D (total dollars)*	22 <sup>nd</sup>
U.S. Dept. of Agriculture (total dollars)	13 <sup>th</sup>
U.S. Dept of Interior – total dollars	11 <sup>th</sup>
Environmental Protection Agency	4 <sup>th</sup>

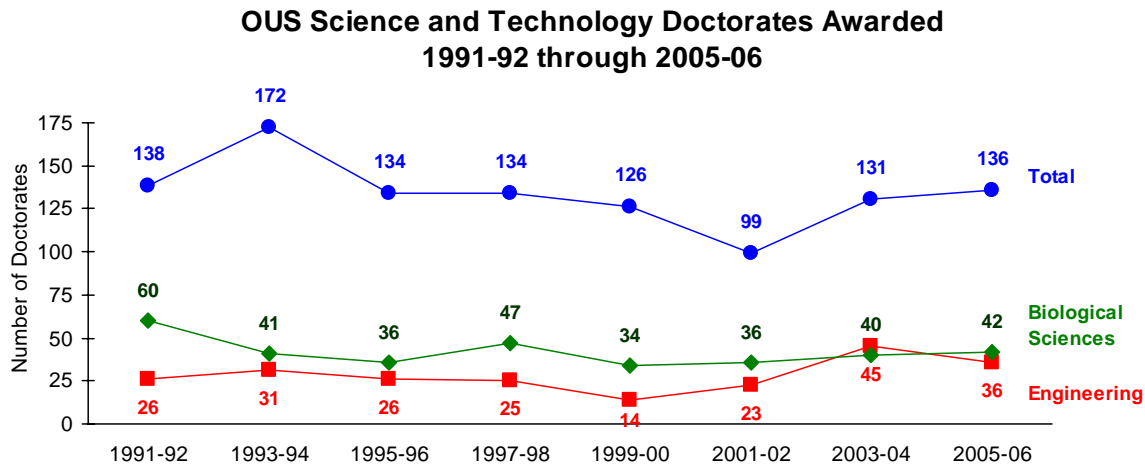
\* Includes federal, state, local, institutional, industry, and other sources.

Source: National Science Foundation, FY 2004 and 2003.

It is important to note that Oregon's most successful research partnerships, such as ONAMI, have been grown from the bottom up, not from the top down. These partnerships started with faculty collaborations that sparked new efforts requiring greater organizational support, and once that support was provided and a research infrastructure created, a broad level of success occurred. Efforts to replicate these successes through a top-down, policy-driven approach may not succeed unless they are built on the initial faculty collaborations.

## Science and engineering

A critical component of research success is the presence of strong doctoral programs. While OUS bachelor's degrees have increased nearly 40% over the past ten years, the number of doctoral degrees in 2005-06 is almost exactly what it was in 1995-96. Successful recruitment of doctoral students depends on having top notch faculty who can attract federal grant support, and adequate state funding for facilities, libraries, and fellowships. There is concern about the level of federal grant funding that will be available in the future.



*Total includes biological sciences, engineering, computer science, physical sciences, and math*

## Impediments to success

Financial instability and decline, as well as legal and state policy restrictions, have brought Oregon postsecondary education to a crisis point. Hopes for greater educational attainment for Oregonians and for building on our research competitiveness will go unrealized if these threats to success are not resolved. The most critical are the pressures which threaten the financial viability of OUS and its institutions.

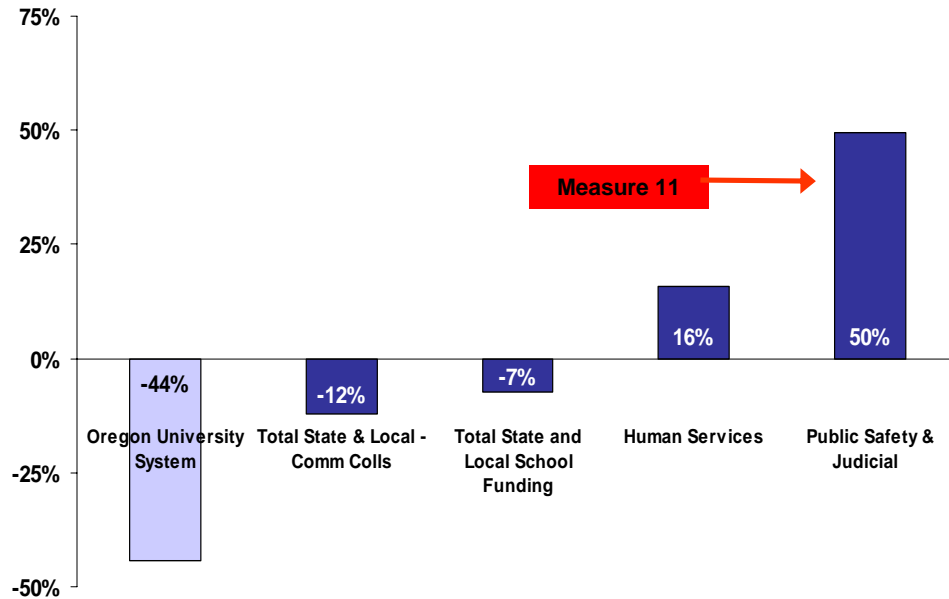
### Threats to Financial Viability

- State disinvestment
- Declining affordability for students and families
- Diminished institutional capacity
- Constraints on operating flexibility for achieving efficiencies

### State disinvestment

When Oregon's economy took a downturn during the deep recession of the early 1980s, all state agencies shared in budget cuts and in the restoration that followed a few years later as the economy improved. However, the results of Ballot Measure 5, implemented beginning in 1991, affected OUS disproportionately. Between the 1989-1991 biennium and 2005-2007, OUS took the deepest cuts of any of the large state budgets. Meanwhile, OUS enrollment grew significantly during that period. More recently, since 2001-2003, budgets for both OUS and community colleges have been cut by 25% and 21%, respectively.

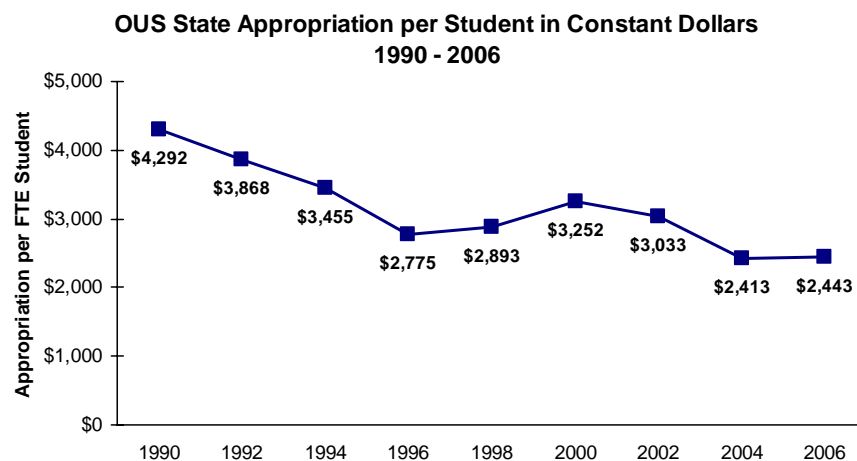
### Change in State and Local Spending per Capita 1989-91 to 2005-07 (Constant Dollars)



NOTE: Includes local property tax revenue for schools and community colleges.

Sources: (1) Oregon Department of Administrative Services, Budget and Management; (2) Legislative Fiscal Office; (3) Paso Seguro Consulting.

Today, Oregon ranks 45<sup>th</sup> in the U.S. in state funding per student in postsecondary education.<sup>23</sup> At current enrollment levels, to meet the national average Oregon higher education would need an additional investment of \$264 million (in 2004-05 dollars) per biennium. OUS students now pay 55% of the cost of their education in public higher education institutions; ten years ago they paid about one-third with the state providing the other two-thirds.



Source: OUS Fact Book 2006, p. ...

A recent article published by the National Bureau of Economic Research reports that while the consequences for *institutional capacity* arising from continuing budget cuts have been well understood, researchers are now able to document the negative effects on *educational attainment*, noting that it is the longer-term and sustained depletion in resources per

student at a time when enrollments are increasing that significantly impacts collegiate attainment and the supply of college-educated workers to the economy.<sup>24</sup> Clearly, state disinvestment in higher education defeats the state's broad benchmark goal of significantly increased educational attainment.

## Declining affordability

State disinvestment has meant that higher education has become unaffordable for many Oregonians. Oregon ranks 45<sup>th</sup> among the fifty states in the ability of families to pay the cost of a public postsecondary education.<sup>25</sup> Oregon’s grade of “F” on affordability in the past three editions of *Measuring Up* (following a “D-” in the first 2000 edition) is a testament to how poorly Oregon has supported affordable access. The proposed and Board-endorsed Shared Responsibility Model of the Oregon Opportunity Grant, developed by the Board’s Access and Affordability Working Group, will be a big step toward removing this barrier to participation.<sup>26</sup>

## Diminished institutional capacity

As a result of shrinking state investment and increasing enrollments, institutional capacity has declined. The student-faculty ratio—a measure of faculty capacity to provide both classroom and out-of-class instructional support for students—has been worsening since 1992, and even with improvements in the last two years, it is still one of the highest in the fifty states and among OUS peer institutions. Faculty salaries are at such comparatively low levels that OUS’s ability to recruit and retain regular rank, full-time faculty has been diminished, resulting in an increase in the use of part-time and adjunct faculty to meet teaching loads.

Although these part-time and adjunct faculty may be excellent instructors, they do not provide the student advising, curriculum development, and other instructional functions carried out by regular rank faculty.

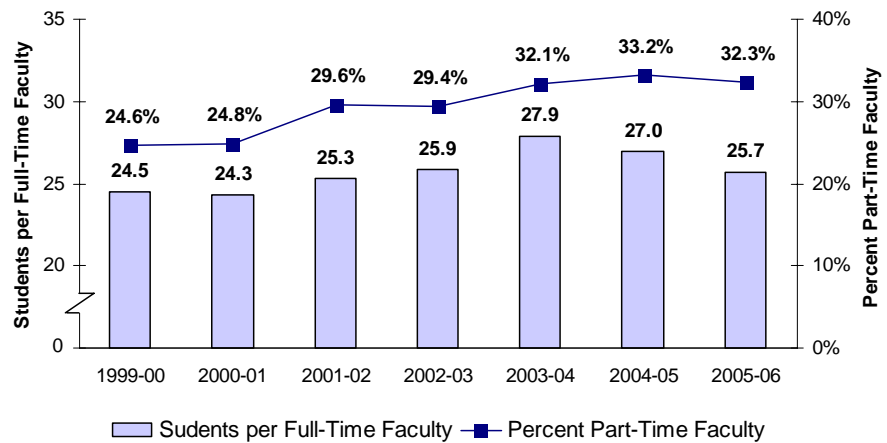
Consequently, students may not receive the level of faculty

interaction and support they need to achieve their academic goals and that faculty would like to provide. This imbalance almost certainly has an effect on student retention, particularly in the critical first year.

The problems of diminished institutional resources are especially acute for those OUS institutions with lower enrollment (Eastern, Southern, and Western Oregon Universities, the Oregon Institute of Technology, and Oregon State University’s Cascades campus). Less capacity to raise tuition revenue (because of a smaller proportion of nonresident, full fee-paying students) and lower capacity to realize economies of scale place these institutions in a more financially precarious position.

Along with diminished instructional resources, institutional capacity has been reduced by long-term deferral of facilities maintenance. While OUS currently receives approximately \$12 million per year for maintenance, the current backlog of maintenance needs requires \$41 million

**OUS Students-to-Full-Time Faculty Ratio compared with Part-Time Faculty Percentage**



per year to avoid adding further to the backlog. Providing 21<sup>st</sup> century academic programs to meet the learning needs of students will be challenged with inadequately maintained mid-20<sup>th</sup> century facilities.

### **Constraints on operating flexibility**

Finally, the current regulatory and state administrative policy environment impedes the ability of OUS to increase revenue opportunities and manage its resources efficiently, particularly in the areas of employee healthcare insurance and retirement benefits, retention of investment earnings, Department of Justice oversight over intellectual property related contracts, capital budgeting processes, state assessments, and partnerships with community colleges and others. The 2007-2009 OUS biennial budget request includes a number of proposed statutory changes to improve efficiencies in these areas.<sup>27</sup>

## **Summary of the planning context**

The major trends and conditions shaping the Board's plan for 2025 include:

- The current level of educational attainment in Oregon;
- The many benefits of greater educational attainment that should encourage higher achievement;
- The projected level of enrollment and bachelor's degrees needed by 2025 to maintain current educational attainment rates and to increase future educational attainment;
- The economic and population dynamics that will affect the need and demand for higher education in Oregon;
- The current performance in and alignment of preparation, participation, completion, and learning, the excellence of which is needed to ensure student success;
- The potential to build on the excellence already residing in the OUS research enterprise, for both economic and educational benefit; and
- Threats to the financial viability of OUS arising from long-term state disinvestment, declining affordability for students and families, diminished institutional capacity, and constraints on operating flexibility for achieving efficiencies.

These trends and conditions have led to the design of a long-range planning framework and strategies that are built on a set of broad goals, corresponding metrics with which to gauge their achievement, and guiding principles for Oregon University System governance and operations to facilitate the accomplishment of the goals.

# Board Planning Framework

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Increasing the educational attainment level of Oregonians is not solved by simply enrolling more students, although that is certainly an important step. Making a commitment to significantly higher levels of attainment in Oregon engages a complex web of organizational and political relationships, both within the multiple missions of the Oregon University System and across the broader educational landscape from preschool through graduate school.

Such a commitment weaves together the fundamental partnerships needed to align student preparation for all levels of education and ensure student success at each level. It incorporates the research, innovation, and public service missions of universities to apply and advance knowledge through teaching, publication, and economic development. It stretches across these missions to engage inspired and inspiring faculty. Most of all, a commitment to higher levels of educational attainment carries with it a promise to excite Oregonians to pursue learning throughout their lives and to embolden the next generation to raise the bar even higher.

## Our vision

While the mission of the Oregon University System, embedded in statute, is a broad and timeless statement of the functions of higher education, our vision for the next twenty years is an expression of our priorities for what is most critical to achieve. Our vision statement provides the discipline and focus for strategic choices, and at the same time, keeps our sights set high for what Oregon can accomplish. Our vision for 2025 focuses on bringing together all the elements of higher education—teaching, learning, inquiry, and service—to increase educational attainment for Oregonians and the economic, civic, and cultural benefits to Oregon.

***Vision statement.*** Raise the educational aspirations and achievement of all Oregonians by providing lifelong education and knowledge development through teaching and learning; inquiry and innovation; and the application of knowledge to global, national, state, and local needs.

### Mission Statement

The Legislative Assembly declares that the mission of all higher education in Oregon is to:

1. Enable students to extend prior educational experiences in order to reach their full potential as participating and contributing citizens by helping them develop scientific, professional and technological expertise, together with heightened intellectual, cultural and humane sensitivities and a sense of purpose.
2. Create, collect, evaluate, store and pass on the body of knowledge necessary to educate future generations.
3. Provide appropriate instructional, research and public service programs to enrich the cultural life of Oregon and to support and maintain a healthy state economy.

ORS 351.009 [1993 c.240 §5]

## Goals and desired outcomes

The Board, on behalf of OUS, seeks to accomplish four broad goals to produce the highest level of educational outcomes for Oregonians:

1. Create in Oregon an **educated citizenry** to support responsible roles in a democratic society and provide a globally competitive workforce to drive the State's economy, while ensuring **access for all qualified Oregonians** to quality postsecondary education.
  - OUS will provide leadership in promoting a culture of educational attainment in Oregon, encouraging high aspirations, supporting solid performance, facilitating lifelong learning, and helping Oregonians to see the opportunities and new possibilities that greater (and higher) education can offer.
  - OUS will endeavor to provide affordable access to high-quality postsecondary education for all Oregonians, and encourage Oregonians from every income level, region, gender, age, and racial/ethnic background to seek such opportunities. In the evolving global environment, the pool of qualified Oregonians OUS will serve includes recent high school and community college graduates, a more ethnically diverse student population, and older Oregonians seeking postsecondary educational opportunities for economic, re-training, or other reasons.
  - Because regional, national, and international diversity enriches the campus learning environment and broadens the marketplace of ideas within which OUS students are educated, OUS will also serve an appropriate mix of students from other states and countries (at least some of whom are likely to stay in and contribute to Oregon during their working careers, or make later contributions as alumni).
2. Ensure **high-quality student learning** leading to subsequent student success.
  - The Board of Higher Education believes that access without quality is meaningless.
  - Quality instruction requires the development and sustenance of high quality academic programs which, in turn, are dependent on a strong base of top-notch faculty. Student success should be measured both in terms of subjective and objective program quality and student success following program completion. Graduates of OUS must be educated to be globally competitive in the marketplace and responsible in their contributions to the well-being of society.
  - Recognizing that significant contributions to student success occur outside of the classroom as well as in class, the Board believes that effective on-campus student support services are critical to successful student performance and degree completion.
3. Create **original knowledge** and **advance innovation**.
  - Creating new knowledge and advancing innovation through its application and integration in the sciences, technology, professions, humanities, and creative arts is a mission vested primarily in universities and in the Oregon University System. The purpose of knowledge creation and dissemination is to infuse teaching with

state-of-the-art developments in the disciplines; advance knowledge and technologies toward improving the health and welfare of all citizens; expand and deepen our understanding of society and ourselves through literary and artistic creation; and where possible, bring the products of discovery and innovation to the civic, cultural, and economic benefit of all Oregonians.

- One rationale for identifying knowledge creation as a desired outcome is the development of a globally competitive advantage for OUS and the State of Oregon.
4. Contribute positively to the **economic, civic, and cultural life of communities** in all regions of Oregon.
- In addition to the value provided to the State by preparing students to be productive members of society and creating original knowledge, OUS institutions themselves have significant positive impacts on the State and its communities.
  - OUS universities will actively foster effective partnerships with business and civic organizations to leverage the academic resources of the campus in support of the economic, civic, and cultural assets of the state and its communities.
  - OUS universities will serve as exemplars in their communities, embodying democratic principles and promoting tolerance and inclusion.

# Performance measurement framework

The Board’s planning framework includes the set of metrics or performance measures needed to evaluate to what extent goals and desired outcomes are achieved. The performance measurement framework is built from a conceptual understanding of the relationship between goals, anticipated and desired outcomes, and the key success drivers needed for their accomplishment.

The proposed performance measurement framework is still a work in progress, but many of the elements have been identified, even if specific measures have not yet been developed. In particular, the Board places a very high priority on developing measures of learning outcomes—a priority reinforced at the national level. Over the next three years, OUS institutions will work with the Chancellor’s Office to identify and develop effective measures of the critical skill areas of student learning.

Likewise, measures of research outcomes are only partially defined. The Chancellor’s Office will work with the OUS Research Council and Provosts’ Council to develop these measures further. Care must be taken not to develop too many measures or overburden the Board, the staff, and the institutions with measurement exercises. A few key measures must be chosen and emphasized.

## Conceptual Foundation for OUS Performance Measurement: Goals, Desired Outcomes, and Critical Success Drivers

Oregon’s Targeted  
Benchmarks Related  
to Higher Education



- Educated citizenry
- Quality jobs for all Oregonians
- Business vitality
- Development of economic capacity
- Civic engagement
- Strong and healthy communities in every region

OUS Goals	Desired Outcomes	Critical Success Drivers
1. Promote <b>access</b> to postsecondary education for all Oregonians and contribute to an <b>educated citizenry</b> for Oregon	<ul style="list-style-type: none"> <li>• Access to Oregon higher education for all Oregonians, including underserved populations (by virtue of income, geography, or family history of college attendance)</li> <li>• Successful student progress to completion</li> <li>• Opportunities for Oregon’s high achieving high school graduates</li> <li>• Lifelong learning opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable cost to students</li> <li>• Availability of needed programs and classes</li> <li>• Quality programs</li> </ul>
2. Ensure a <b>high quality of student learning</b> to support graduate success	<ul style="list-style-type: none"> <li>• Well-developed critical thinking, analytic reasoning, and writing skills of graduates</li> <li>• Strong academic programs</li> <li>• Student satisfaction</li> <li>• Students’ post-graduate success</li> </ul>	<ul style="list-style-type: none"> <li>• Presence of high quality faculty engaged in instruction</li> <li>• Supportive instructional resources and learning environment</li> </ul>
3. Engage in the creation of <b>original knowledge</b> and <b>advance innovation</b>	<ul style="list-style-type: none"> <li>• Robust intellectual output – quality and quantity</li> <li>• Ability to attract external resources</li> <li>• Ability to attract and develop high quality faculty in research and scholarship</li> <li>• Effective knowledge and research dissemination</li> </ul>	<ul style="list-style-type: none"> <li>• Presence of high quality faculty engaged in research</li> <li>• Supportive research resources and environment (facilities, libraries, graduate assistantships, journal editorial support, technology transfer support, etc.)</li> </ul>
4. Provide <b>economic, civic and cultural benefits</b> to Oregon and its communities	<ul style="list-style-type: none"> <li>• Support for Oregon’s industries (knowledge creation and commercialization, cluster effects, and spin-offs)</li> <li>• Labor force development in key industries and areas of labor shortage</li> <li>• Positive economic, social, and cultural impact of campuses on their communities</li> <li>• Business and community benefits provided by Statewide Public Services</li> </ul>	<ul style="list-style-type: none"> <li>• Effective structures for postsecondary, community, and business partnerships and communication</li> </ul>

# OUS Performance Measurement Framework

	Access/Educated Citizenry	High Quality Learning	Knowledge Creation & Innovation	Economic, Civic & Cultural Benefits
<b>Key measures</b>	<ul style="list-style-type: none"> <li>Degrees awarded, by level</li> <li>Degree completion rates for entering freshmen and community college transfers</li> </ul>	<ul style="list-style-type: none"> <li>Metrics of learning outcomes (TBD)</li> <li>Employment and/or graduate program enrollment rate for recent OUS bachelor's recipients</li> </ul>	<ul style="list-style-type: none"> <li>Research &amp; development dollars per faculty</li> <li>Faculty publications, citations, exhibits (TBD)</li> </ul>	<ul style="list-style-type: none"> <li>Degrees awarded in priority areas of labor force development</li> <li>Percent of employed recent graduates working in Oregon</li> </ul>
<b>Other indicators reported at the Board &amp; System level</b>	<ul style="list-style-type: none"> <li>Net cost of attendance as percent of Oregon median family income</li> <li>Participation rate of Oregon high school graduates</li> <li>Enrollment of high-GPA students from Oregon high schools*</li> <li>Persistence to the second year</li> <li>Percent of Oregon high school graduates earning an OUS bachelor's degree (TBD)</li> <li>Credit hours taken by non-degree seeking students (TBD)</li> </ul>	<ul style="list-style-type: none"> <li>Student advising (TBD)</li> <li>Research experience at the undergraduate level (TBD)</li> <li>Student participation in internships/experiential learning</li> <li>Graduate satisfaction with OUS preparation &amp; educational experience</li> <li>Employer satisfaction with quality of OUS graduates</li> <li>Student/faculty ratio</li> </ul>	<ul style="list-style-type: none"> <li>Volume of inventions</li> <li>License income</li> <li>Volume of start-ups &amp; spin-offs</li> <li>Master's and doctoral degrees awarded in natural sciences, arts, humanities, social sciences, engineering, healthcare, and professions*</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D total dollar value</li> <li>Direct economic impact on Oregon's economy (TBD)</li> <li>Oregonians served by Extension Services</li> <li>Alumni volunteerism (TBD)</li> </ul>
<b>Additional measures monitored at the campus level</b>	<ul style="list-style-type: none"> <li>Enrollment in credit courses</li> <li>Student profiles, to the extent legally allowed and if cost effective (gender, race/ethnicity, age, geographic origin, full-time/part-time, parents' education, family income, etc.)</li> <li>College choices of high achievers</li> <li>Student costs &amp; financial aid</li> <li>Time to degree</li> <li>Transfer &amp; alignment</li> <li>Admission requirements</li> <li>Enrollment in non-credit courses</li> </ul>	<ul style="list-style-type: none"> <li>Licensure &amp; certification exam pass rates</li> <li>Classroom profiles (class sizes and formats, instructor rank, etc.)</li> <li>Instructional support (expenditures, facilities, library holdings, technology infrastructure and educational delivery, faculty compensation)</li> <li>Regularly updated faculty profiles (% full-time, tenure status, teaching loads, gender, race/ethnicity, academic awards, etc.)</li> <li>Accreditations, program recognition</li> <li>Graduate school entrance exam results</li> <li>Student awards &amp; recognition</li> </ul>	<ul style="list-style-type: none"> <li>Additional metrics related to priority focus areas: nanoscience &amp; microtechnologies; sustainability &amp; natural resources; neuroscience &amp; biomedical research</li> <li>Faculty academic and research awards and recognition</li> <li>Research facilities</li> <li>Collaborative research and scholarship activity</li> </ul>	<ul style="list-style-type: none"> <li>Contributions to industry clusters</li> <li>Contributions to community cultural vitality</li> <li>Assistance to and engagement with local &amp; state businesses, industries, and communities</li> <li>Opportunities for continuing education for local communities</li> <li>Employment &amp; spillover effects relative to regional economy</li> </ul>

\* This metric is not currently reported as a performance measure but it is reported by OUS in other published sources and is part of ongoing data collection and reporting.

## Guiding principles for System governance and operations

Each institution within OUS has unique capabilities and areas of excellence. The Board believes that the individual institutions within OUS should operate with considerable local decision-making authority to optimize effectiveness within a strategic framework set by the Board and the Chancellor. The strategic framework will include the long-range plan for OUS and other broad policies that the Board and the Chancellor may establish.

Under the overall direction of the Board, the Chancellor will work with the individual institutions to establish sharply focused missions, goals and long range plans for each that support the achievement of the overall OUS goals and outcomes in the most efficient and effective manner possible, following the principles outlined below.

### 1. **Manage the Oregon University System and its institutions as a portfolio.**

OUS will operate as a portfolio of institutions with the objective of delivering optimal overall outcomes for the benefit of all citizens across Oregon. The Chancellor and institution presidents are jointly responsible and accountable for the successful accomplishment of OUS goals and outcomes.

- The Board expects that every OUS institution will contribute in each one of the OUS outcome areas, but not necessarily to the same degree or in the same ways. Under the overall direction of the Board, the Chancellor will work with the individual institutions to establish campus goals that together support achievement of overall OUS goals in each outcome area.
- The Board expects that each institution will build on existing capabilities and areas of excellence to maximize its contribution to OUS outcomes and goals. At the same time, the Board believes that to maximize the efficiency and effectiveness of the system as a whole, not all programs and functions will be offered at every institution within OUS.
- Although institutions should have sharply defined missions, goals, and long range plans, the Board expects and encourages the institutions to work together to maximize the efficiency and effectiveness of OUS. Some examples of cooperation the Board wishes to encourage include:
  - Leveraging areas of academic excellence in one or more OUS institutions to provide student educational opportunities across the entire State;
  - Developing areas of cooperation with the Oregon K-12 system and Oregon community colleges;
  - Creating shared administrative services to improve cost efficiency and effectiveness;
  - Integrating institutional efforts to develop competitive advantage for OUS and Oregon, particularly for priority areas of research focus (e.g., nanoscience and microtechnologies, sustainability and natural resources, neuroscience and biomedical research);
  - Developing industry partnerships beneficial to students, institutions, and the State.

- Each institution within OUS should have an institutional governance framework, financial structure, academic program offerings and cooperative arrangements with other educational institutions individually tailored to its institutional mission and goals, and the needs of its communities.

2. **Create an adequate and sustainable financial structure.** The Board believes each OUS institution must have a sustainable financial base from which to achieve its educational mission. For each institution, this effort must incorporate both public and private sources of revenue (e.g., tuition, financial aid, philanthropy, grants, auxiliary enterprises, state funding, and private industry support) and the institution's cost structure. Institutions should strive to develop diverse and robust revenue sources and maintain manageable cost structures.

- The State should recognize the significant public benefits of higher education and commit to adequate, stable funding for OUS and for student financial aid. The Board believes that State funding should increase from current levels and recognizes the predictable appropriation funding component in Governor Kulongoski's proposed Education Enterprise Initiative as an important step in this direction.
- The tuition policy of each institution should be established by the Board in recognition of state support for the institution, and in conjunction with applicable institution, state and federal financial aid programs, to make the most effective use of available financial resources to achieve the institution's and the System's overall goals. Tuition policy should not be arbitrarily constrained, but should be set:
  - with the objective of maximizing the overall level of access, student instruction, original knowledge creation and, economic and civic benefits OUS provides to the citizens of Oregon;
  - in the context of what is affordable for Oregon families;
  - in harmony with the level of state support for OUS programs and institutions;
  - in the context of the tuition and financial aid structures of other OUS institutions; and
  - in the context of the tuition and financial aid structures of competitive institutions.
- Ancillary services and other elements of the institutional infrastructure should be adequate to provide the resources necessary for student and institutional success.
- OUS should work to deploy administrative resources efficiently, in the context of similar institutions in the United States.

3. **Gain and provide operating and financial flexibility.** The Board believes that increasing the operational and financial flexibility of OUS institutions is essential to achieving OUS goals in the current environment of limited state support.

- **Intelligent management of critical resources in a competitive market.** The Board believes that the quality and effectiveness of the OUS faculty is the most important factor in the successful achievement of OUS goals. More than most other

state employees, faculty operate in a national and international employment market, which presents particular challenges to OUS institutions for recruiting and retaining high quality faculty. To attract, retain, and reward the outstanding efforts of faculty, OUS must have the flexibility to provide competitive pay, benefits, and support resources, within the limits of the financial resources available to OUS from all sources (e.g. tuition, grants, philanthropy and state funding), including the ability to offer pay raises or changes in benefits packages that may be outside the framework set for other State employees. Such flexibility should allow OUS to redeploy resources among the components of total compensation (e.g., base pay, medical benefits, retirement benefits) to offer competitive packages.

- **Sufficient purchasing authority to reduce costs.** OUS has the obligation to operate as efficiently as possible, but must also have the authority to do so. Subject to appropriate quality specifications and the requirements of public policy (e.g., prevailing wage laws), goods or services should be purchased from the most qualified supplier offering the lowest cost and most favorable terms. This principle should apply to all significant purchases of goods and services, including those currently provided by agencies of the State of Oregon.
  - **Fair assessment for state services.** OUS has the obligation to ensure that all resources from whatever source (e.g., tuition, grants, donations, auxiliaries, state funding) are focused on those areas that most directly advance the educational mission of OUS. Rules and regulations that establish subsidies among State agencies should be identified clearly and changed to permit OUS to pay its fair share of costs, receive its fair share of benefits, and to be able to affect the nature and cost of services for which it is required to pay.
4. **Facilitate the achievement of state educational goals in an integrated PreK-20 learning environment.** The traditional model of independent educational entities serving K-12, community college, and university student populations may not be able to respond effectively to the changing educational needs of Oregon's citizens. Moreover, as Oregon's population grows more diverse in its racial and ethnic composition, concerns for inclusion and opportunity will require greater focus on preparing historically under-represented populations for success at all levels of education, both as students and as teachers and staff.

While some high school students have the motivation and capability to begin postsecondary work before graduation, others arrive on community college and university campuses unprepared to succeed academically. In addition, many students do not pursue a linear path to a postsecondary degree. Whether due to economic limitations or other personal circumstances, an increasing number of students build an educational program from a variety of sources, including community colleges, on-line courses, and applied real world experience, as well as traditional universities. Finally, the increasing pace of change in society and the global economy require more and more individuals to return to the educational system later in life. To efficiently and effectively meet the increasingly diverse educational needs of Oregon's citizens, the Board believes that OUS should operate within an integrated educational system for Oregon, in partnership with K-12 and community colleges.

- OUS should work with the Oregon State Board of Education to develop standards for student preparation and other tools to enable graduates of Oregon's high schools to successfully enter and complete postsecondary programs at OUS institutions.
- OUS should work with the Oregon State Board of Education, the Oregon K-12 system, and Oregon Community Colleges to maximize opportunities for high school and community college students to complete work for credit toward an OUS degree. With respect to community colleges, such cooperative arrangements should include appropriate economic provisions (e.g., revenue sharing) to ensure the ongoing financial health of both OUS and community college institutions.
- OUS should work with the Oregon Health and Science University, with Oregon independent institutions, and with universities outside of Oregon toward partnerships that enhance opportunities and program availability where needed and beneficial for Oregon students.
- OUS should work to support integration across the varied paths students may take to complete their postsecondary education.



## Strategic Priorities

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The priorities for achieving desired outcomes by 2025 are reflected in three broad long-term strategies designed to (1) increase educational attainment, (2) invest in globally competitive research, and (3) assure the long-term financial viability of OUS and its institutions.

- I. Increase educational attainment to assure competitive strength for Oregon and its citizens.
  - a. **Raise Oregonians' educational aspirations** by building a culture of continuous learning and developing an integrated strategy for providing lifelong education for Oregonians.
  - b. **Make postsecondary education affordable for Oregonians** by supporting the Oregon Shared Responsibility Model of the Oregon Opportunity Grant, and by securing state funding for the Oregon University System such that tuition rates can be set at affordable levels, while sustaining viable high quality institutions of higher education.
  - c. **Lead a statewide effort to deliver a measurable increase in higher education participation and success for underserved populations throughout the state.**
  - d. **Facilitate student success and degree completion by improving the efficiency and effectiveness of K-20 learning processes.**
    - Align high school and community college student preparation, OUS entrance standards, and transfer articulation processes to create a strong educational pipeline that supports the various paths students may take to achieve their educational goals, while encouraging students to include degree attainment among those goals.
    - Set clear and rigorous college entrance standards for high school level learning outcomes, and work directly with K-12 to ensure that middle school and high school teachers and administrators have the understanding needed to prepare students to meet those standards.
    - Employ effective learning technologies and pedagogical approaches within OUS that engage students intellectually, prepare them for twenty-first century jobs and life, and use instructional resources most efficiently.
    - Significantly improve student retention and degree completion, raising OUS six-year undergraduate degree completion rates and first-year persistence rates for students entering as freshmen to levels in the top third of all states' performance on these measures. Significantly improve degree completion rates for students entering OUS as community college transfers.
  - e. **Provide the educated workforce needed for the areas of healthcare, engineering and related technologies**, as well as other workforce and economic development areas as they emerge.

II. Invest in research that is globally competitive, building on existing excellence and Oregon's market advantages.

- a. **Attract and retain excellent internationally recognized faculty, particularly in targeted areas of existing excellence**, such as Biomedical Research and Neurosciences, Sustainability and Natural Resources, and Nanoscience and Microtechnologies.
- b. **Sustain existing signature research funding (ONAMI) while developing new signature research centers** in the areas of Biomedical Research (building on current work in pharmaceutical testing) and Sustainability (especially in the areas of innovative and sustainable materials, clean energy, and green buildings).
- c. **In partnership with the Oregon Innovation Council, align targets for research funding growth and research productivity with the needs of Oregon companies and industry clusters.**
- d. **Establish at every OUS university an expectation of student engagement in research**, at both the undergraduate and graduate levels.

III. Assure the long-term financial viability of and adequate support for OUS and its institutions through creation of effective governance, organizational, and financial models.

- a. **As required to achieve the Board's goals and other strategic priorities, explore governance and/or organizational models** in the context of the broader resource environment, and the legal structure required for their adoption, including public corporation status, institutional mergers, branch campuses, and inter-sector partnerships.
- b. **Develop service models for areas of the state projected to grow significantly** beyond the state average rate of growth over the next twenty years, particularly Portland and Bend.
- c. **Invest in faculty recruitment and retention** to assure that OUS employs instructors who promote and enable successful student learning outcomes, and researchers who produce innovative and nationally competitive research.
- d. **Develop the role of the Chancellor as the Oregon University System's Chief Executive Officer**, addressing more explicitly the policy, advocacy, and accountability functions of the Chancellor's Office and its relationship to the universities.
- e. **Provide the policy support and expectation for OUS presidents to manage the academic and capital assets of their institutions** with a strong sense of entrepreneurship and partnership within a framework of accountability, while developing new revenue streams and strategies that reduce financial and legal dependence on the state.

## Notes on sources

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- <sup>1</sup> Oregon Employment Department, *Employment Projections 2004-2014*. October 2005.
- <sup>2</sup> Sources: (1) Baum, S. and Payea, K., *Education Pays 2004: The Benefits of Higher Education for Individuals and Society*. The College Board, 2004. (2) Institute for Higher Education Policy, *The Investment Payoff: A 50-State Analysis of the Public and Private Benefits of Higher Education*. February 2005.
- <sup>3</sup> Institute for Higher Education Policy, *Reaping the Benefits: Defining the Public and Private Value of Going to College*. Washington, D.C., March 1998.
- <sup>4</sup> National Science Board, *America's Pressing Challenge – Building a Stronger Foundation*. National Science Foundation, January 2006.
- <sup>5</sup> Organisation for Economic Cooperation and Development, *Education at a Glance: OECD Indicators 2005*.
- <sup>6</sup> Data are from a presentation by Dennis Jones, National Center for Higher Education Management Systems, to the Annual Meeting of the State Higher Education Executive Officers on July 20, 2006.
- <sup>7</sup> National Center for Public Policy and Higher Education, *Measuring Up 2006*. “Benefits” are measured as (1) the percentage of the population aged 25-65 with a bachelor’s degree or higher; (2) increase in total personal income as a result of the percentage of the population holding a bachelor’s degree; (3) increase in total personal income as a result of the percentage of the population with some college but not a bachelor’s degree; (4) percentage of residents voting in national elections; (5) percentage declaring charitable gifts as itemized tax deductions; (6) increase in volunteering as a result of college education; and (7) adults demonstrating high level literacy skills.
- <sup>8</sup> U.S. Census Bureau, Population Division, *Population Paper Listing #47*.
- <sup>9</sup> Oregon Office of Economic Analysis: *Short-Term State Population Forecast through 2011*, June 2006; *State and County Population Forecasts and Components of Change, 2000-2040*, April 2004.
- <sup>10</sup> The analysis was prepared by the OUS Office of Strategic Programs and Planning, drawing from several sources: (1) Oregon Office of Economic Analysis, *Short-Term State Population Forecast through 2011*, June 2006; *State and County Population Forecasts and Components of Change, 2000-2040*, June 2004; (2) Portland State University, Population Research Center, *2005 Oregon Population Report*, rev. June 2006; (3) U.S. Census Bureau, *American Community Survey, U.S. Statistical Abstract*, and *1990 Census of Population and Housing*; (4) *Oregon Blue Book* (independent college enrollment & degrees); and (5) OUS enrollment forecast, July 2006.
- <sup>11</sup> Ferrara, Pamela, “Hard Work, Education Help Hispanics Advance in Oregon’s Workforce.” Oregon Employment Department, September 27, 2005.
- <sup>12</sup> Western Interstate Commission for Higher Education, *Knocking at the College Door*, 2003.
- <sup>13</sup> “College Continuation Rates by Family Income for recent High School Graduates, 1987 to 2004.” *Postsecondary Education OPPORTUNITY*, No. 168, June 2006.
- <sup>14</sup> See, for example, findings from the OUS *Where Have Oregon’s Graduates Gone?* biennial surveys of Oregon high school graduates.
- <sup>15</sup> See the special section on School and College in the March 10, 2006 issue of *The Chronicle of Higher Education*.
- <sup>16</sup> College Board, *College Bound Seniors 2006*, national report, Table 3.
- <sup>17</sup> U.S. Chamber of Commerce, Institute for a Competitive Workforce, *Leaders and Laggards: A State-by-State Report Card on Educational Effectiveness*. February 2007.
- <sup>18</sup> Oregon University System, Office of Institutional Research, *Looking Back Along the Long and Winding Road: Retention, Attrition, and Graduation of OUS Freshmen, Fall 1987 through Fall 1995 Cohorts*. January 2003.
- <sup>19</sup> Newman, F., Couturier, L., and Scurry, J., *The Future of Higher Education: Rhetoric, Reality, and the Risks of the Market*, chapter 8. San Francisco: Jossey-Bass, 2004.
- <sup>20</sup> Twigg, C. “New Models for Online Learning.” *EDUCAUSE Review*, September/October 2003, pp. 28-37.
- <sup>21</sup> National Commission on the Future of Higher Education, *A Test of Leadership: Charting the Future of U.S. Higher Education*. U.S. Department of Education, September 2006.

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<sup>22</sup> National Science Foundation, *Academic Research and Development Expenditures: Fiscal Year 2004*; and NSF Division of Science Resources Statistics (SRS), *S&E State Profiles (Oregon)*, 2004.

<sup>23</sup> State Higher Education Executive Officers (SHEEO), *State Higher Education Finance FY 2006*. 2007.

<sup>24</sup> Bound, J. and Turner, S. “Cohort Crowding: How Resources Affect Collegiate Attainment.” National Bureau of Economic Research, working paper 12424, August 2006.

<sup>25</sup> National Center for Public Policy and Higher Education, *Measuring Up 2006*.

<sup>26</sup> Oregon State Board of Higher Education Access and Affordability Working Group, *Fulfilling the Promise of Opportunity—A Shared Responsibility Model for the Financial Aid that Can Make Higher Education Affordable for All Oregonians*. July 14, 2006.

<sup>27</sup> These proposals are described in more detail in the Board of Higher Education docket materials for the March 2 and May 5, 2006 board meetings (see: [http://www.ous.edu/state\\_board/meeting/index.php](http://www.ous.edu/state_board/meeting/index.php)).