President Ed Ray

1) Focusing on your institution’s strategic plan:

   a. How does your strategic plan support the Board goals and 40-40-20?

As indicated in our phase II strategic plan, page 15 of the attached material, Oregon State University is aligned with the goals of the Board of Higher Education to create an educated citizenry and provide a globally competitive workforce; ensure access to quality postsecondary education and high quality student learning leading to success; generate original knowledge and advance innovation; and contribute positively to the economic, civic and cultural life of all Oregon communities. As noted in the OSU Profile 2025 (pages 9, 10), we anticipate enrollment growth to 30-35,000 students in Corvallis and the Cascades campus by 2025, which is consistent with maintaining our current share of OUS enrollment necessary to support the 40-40-20 goal. A good deal of that growth will be the product of our degree partnership program that automatically enrolls students at any of the state’s 17 community colleges and OSU. Perhaps 10-20% of enrollment demand could be accommodated through on-line courses.

   b. What do you see as the key lever points in that plan?

We face three key lever points in our plan:

• Increasing and diversifying our sources of revenue, managing our costs of operations, and re-investing existing resources in focused ways that advance our primary goals to provide outstanding academic programs, enhance the teaching and learning environment, and increase investment in academic priorities.

• Staying focused on those areas of excellence and potential excellence in which Oregon State University can best prepare graduates who can compete with anyone anywhere, create new products and services that advance the economic potential of the Oregon and U.S. economies, and provide outreach and engagement services to the people of Oregon.
• Recruiting and retaining the brightest and most diverse groups of faculty and students to
the university and providing access to and retaining all sub-groups of students through to a
much higher common six year graduation rate.

c. What are your plans for addressing those lever points?

We continue to diversify our resources by growing our tuition revenues through enrollment
growth, increasing our fundraising capabilities, and expanding our research portfolio, including
university-industry partnerships through sponsored research, new business development, and
commercialization of research.
• Enrollment growth was close to 8% in each of the last two years and is expected to
approach 5% this year. Almost two-thirds of that growth consists of non-resident students.
• Our Campaign for OSU has been an extraordinary success with the campaign total reaching
$726 million at the end of FY11 toward a goal of $850 million by the end of 2013. Through
July 2011 we have raised more than $117 million for scholarships.
• Research grants and contracts totaled $262 million for FY11 representing an almost
doubling of funding in the last 10 years. Future growth will be guided by our recently
completed strategic research agenda. Our industry sponsored research reached a record
$5.4 million and we saw a 60% increase in licensing and royalty revenue to over $4 million
in FY11. As part of the Pac-12, we signed a 12 year $3 billion contract with ESPN/FOX and
we are establishing 7 wholly owned networks with funding from 4 major cable partners.
Ultimately, athletics funding from these sources will rise from $6 million to $25-30 million
per year for the university. Also, we are working with commodity groups and counties to
raise local revenue to support the statewide public service programs.

The phase II strategic plan identified three areas of excellence and potential advancement for
OSU that we believe will be important areas for Oregon, the nation, and the world in the
decades ahead in which Oregon State can make major contributions. These include:
• Advancing the Science of Sustainable Earth EcoSystems;
• Improving Human Health and Wellness; and
• Promoting Economic Growth and Social Progress.

Last year we funded 30 new tenure track faculty positions in these strategic areas and we
expect to fund another 30-45 faculty positions in these and other core disciplinary areas in the
coming year.

Over the last three years we have eliminated department level fiscal and human resource staff
positions and created seven campus business centers. That effort has improved business
services and eliminated 35 staff positions. Those savings were realized even as enrollment grew
by 4,000 and overall expenditures increased $108 million. We are currently in the process of
eliminating department administrative structures in many areas and if all proposals are adopted
by the end of the next academic year we will reduce the number of colleges, schools, and
departments from 63 to 32, including changes in the College of Liberal Arts that would reduce 13 departments and two programs to five schools and one program. We have clustered the colleges into four divisions corresponding to the arts and sciences and the three signature areas identified above.

d. What are the greatest sources of risk or opportunity in your strategic plan?

In order to identify the risks and opportunities associated with the implementation of the strategic plan I have created an analysis of the university’s strengths, weaknesses, opportunities, and threats to making immediate progress in three key areas that address Board and university goals:

i. Increasing recruitment and retention of the brightest and most diverse faculty and students and access and retention for all sub-groups of students through to a common and much higher six-year graduation rate;

ii. Increasing university-industry partnering through sponsored research, new business development, and commercialization of research; and

iii. Exceeding the Campaign for OSU goals and maintaining fundraising momentum. That analysis appears on pages 5-8 of the attached material. A university-wide focus on these areas for the next several years is consistent with the Agenda for 2011-12, (pp. 1-3).

Many of the risks we face in making substantial progress in these areas are associated with economic difficulties in the state and nation and legislative micro-management. Economic threats are associated with potential state cuts in education and capital funding and Oregon Opportunity Grants, federal cuts in support for Pell grants and student loan programs, cuts in federal funding of research, reductions in state and federal funding for statewide public service programs, uncertain corporate profits and weakness in philanthropy.

Governance threats are associated with the delay in attaining operating autonomy to set compensation rates for faculty, use of Article XI-F(1) bonds to fund classroom building construction out of our own non-resident tuition revenue growth, uncertainty in state management of higher education and in expectations of the university to qualify for state funding.

There are a number of threats that do not relate to resources exclusively that we will do our best to address. Examples include our slow progress in addressing climate issues on campus. One issue is the perceived rise in bullying on campus. The President’s Commission on the Status of Women is developing recommendations to address that problem. The ongoing lack of compensation increases for faculty and staff and concerns regarding changes in PEBB and PERS have had a very negative impact on the work environment. Another issue involves the lack of institutional knowledge of best practices in partnering with the business community on research, business development, and commercialization of research.

We continue to seek to more effectively execute and implement existing and new programs. We will need additional resources to increase the size of the faculty and to retain the best and
most diverse faculty possible, to expand the support staff among academic advisors and career counselors, upgrade our information Systems for recruitment, admissions, registration, and support of the most diverse and capable student body possible. Nevertheless, many of our opportunities for progress are not resource driven. They include developing better metrics and tools for assessing the effectiveness of courses, programs, and majors at the undergraduate and graduate levels, strengthening the baccalaureate core, making improvements in equity and inclusion efforts, improving enrollment management planning, streamlining business activities and academic administrative costs, continuing improvements in research administration and tech transfer processes, and building more robust alumni relations and programs.

2) **How does your governance relationship with the Oregon State Board of Higher Education affect your ability to achieve or not achieve your strategic plan and support the goals of the Board and of the State?**

Except as noted below, I believe that the OSBHE has been a tremendous asset to us in efforts to implement our strategic plan.

a. **How are you constrained by the current governance model?**

The primary problems I identify with the current governance structure have to do with uncertainty regarding objectives for the System and clarity regarding the rules of engagement in the System.

**Support for the OSU Statewides.** The Board has been unclear in supporting the OSU statewide public service programs as critical assets for the state that are managed for the state and for OUS by OSU. These programs are not simply side activities we pursue but an integral part of our operations as the state’s land grant university. In periods of financial strain the Board has been remote at best in advancing the mission of these programs and supporting our efforts to secure funding for them.

**Implementing the 40-40-20 Goal.** The Board has been unclear about its expectations for OSU and the other universities in the System to contribute through enrollment expansion to the 40-40-20 goal and the extent to which Oregon resident students are expected to be part of that mix at each campus. As a result, I lack clear signals regarding OUS’ goals for expected growth in overall and resident enrollments at OSU between now and 2025. I am comfortable with differentiated roles for each university in the System but it would be helpful to know what those roles are and how they affect expectations of OSU.

**Rules of engagement.** The Board could be more helpful in addressing issues of when and how institutions should collaborate and when and under what guidelines they are expected to compete. This issue comes up repeatedly whether it involves the role of the University of Oregon and of OIT in Central Oregon, or the role of the University of Oregon, Portland State University, OSU, and OIT in the Portland metropolitan area. We never seem to get to the discussion of the differentiated role of each institution in the System to meet the needs of the state. The Board is making progress in teeing up that issue for the coming year.
b. How do financial conditions impact the execution of your strategic plan?

As already noted above, financial issues are of paramount importance to us in realizing the goals of the strategic plan. Not every challenge we face can be met by throwing money at it and I hope the examples cited above regarding non-resource threats and opportunities we face and must manage make that point.

Adoption of SB242 ensures that we can maintain our fund balances, retain interest earnings on tuition, and will no longer be subject to expenditure limits and fund sweeps. Over time I hope we can gain authority to make compensation decisions based on our resource capabilities and not political considerations. Also, I hope OSU will eventually be able to use our own resources to fund classroom and residence hall capacity as our enrollment grows over time.

State and national economic conditions will continue to affect us in profound ways. State General Fund budget cuts for E&G, the OSU statewide public service programs, and Oregon Opportunity Grant program will undermine the financial gains from other sources of revenue and the benefits from our efforts to free up resources generated from efficiencies. Federal cuts in support for research, Pell grants, student loans, and statewide public service programs could seriously limit our ability to diversify our portfolio of revenue sources. Continued slow expansion of the state and national economies could ultimately reduce the effectiveness of our fundraising efforts.

Questions from the G&P Committee

1) How does your strategic plan consider changes in public funding?

Our strategic plan presumes that we cannot rely on state funding to realize our aspirations for the university and that we cannot finance our way to success on the backs of students and their families through double digit resident undergraduate tuition increases. Therefore, we continue to make our case for state funding but work to grow our other sources of revenue: enrollment growth, non-resident tuition increases, increased federal research grants and contracts, fundraising through the Campaign for OSU, university-industry partnerships in research, business development, and commercialization of research, Pac-12 commercial activities, reorganizing our business activities to achieve operating efficiencies, reallocating existing resources to higher priority uses, and partnering with counties to fund extension center activities.

2) What are you doing to secure non-state funding and investment?

As noted in response to question 1, we are aggressively and successfully increasing our funding from federal grants and contracts, business-university joint research, business development and commercialization efforts, non-resident enrollment growth and tuition increases, the campaign for OSU and Pac-12 commercial activities.
3) How can governance changes improve your ability to succeed?

Clear direction from the Board of Higher Education regarding the performance metrics that OSU should meet over time, the role of OSU, including the statewide public services, in the plans of the Board, and the rules of engagement regarding market penetration by universities and collaborative ventures needed would help the university be fully aligned with the needs of the System and the people of Oregon. As SB242 is implemented, we hope that the university can have more autonomy in setting compensation rates for faculty and staff and designing benefits packages for employees.

4) What specific mechanisms would you propose to ensure an ongoing recourse from the state to ensure that you’re serving the public mission?

The current annual review process provides an excellent opportunity for the Board to set priorities for the coming year and to make sure we are on track to serve our role within the broader System to meet the higher education needs of the people of Oregon. Greater clarity from the Board about how we fit into the larger picture and the operating rules for going forward would make an already good process even better. Going forward, attainment of the higher education goals of the 40-40-20 plan would be assisted by specific targets for enrollment overall and enrollment of Oregonians at OSU and other institutions in OUS.

While the implementation of our strategic plan does not depend upon expanding state funding, it does not contemplate continually deteriorating state budgets. At best we are able to continue to move forward at a slower pace than hoped for if we are continually compensating for declining support from the state. Virtually any attempt to stabilize and perhaps grow state funding for the System will require legislative action, reorientation under SB 909, and/or a ballot initiative. One possibility would be for the state to guarantee something like 75% of current funding per student FTE with the remaining 25% targeted for state goals such as enrollment in high need areas, all of which could be incremented on a biennial basis at something like 2% as a hedge against inflation.

I believe that any plan to use bonding to finance operating costs raises concerns about risk to both the credit rating of the state and of crowding out funding for the capital needs of the campuses to accommodate System enrollment growth toward the 40-40-20 goal. Such bonding could benefit two of the seven universities in the System but not the rest. Alternatively, bonding of the type adopted by Ohio in the Third Frontier Program, in which the state sells bonds to match university and industry investments for commercialization in state selected strategic areas, with awards determined by panels of experts could prove very effective in creating businesses and jobs. Such a program could benefit OSU and other universities in the System in our collective effort to serve as an engine of economic growth and social progress for the people of Oregon and the nation and we could leverage the strengths of established entities such as the Oregon Innovation Council.

We also need more support and flexibility in the use of Article XI-F(1) bonds in order to finance campus projects to support enrollment growth. In the absence of direct state investments
through lottery or Article XI-G bonds, our only alternative is financing that relies on tuition and fees to finance general campus infrastructure growth. Working hand in hand with students we need the Board’s assistance in eliminating the impression that student resources and Article XI-F(1) bonds should be considered in the state’s over all General Fund debt load.

5) How would your proposal increase the capacity of the System to meet the needs of the students and state?

Assured funding at some level based on student FTE enrollment will insure that state funding will expand with overall enrollment growth and targeted student FTE funding based on enrollment in areas of critical need will encourage enrollment growth in key areas for the state. As stated above, campuses need greater autonomy and flexibility in the use of Article XI-F(1) bonds to finance capital infrastructure to meet enrollment growth.

   a. How might it affect other OUS institutions?

A combination of assured student FTE funding would benefit all of the universities in the System by reducing uncertainty regarding a state funding floor and the targeted element would provide positive incentives for the universities to meet their public missions. Bond financed matching investment funds from the state could help universities and businesses to leverage their efforts to bring new products, services, businesses and jobs to the state and national economy. Each university could compete for those funds separately and, hopefully, often as part of a larger collaborative effort involving several universities.

   b. How does it increase our capacity as partners to reach the needs of the state?

The assured and targeted elements of enrollment funding and Article XI-F(1) bonds noted above would be available to each institution and the combination could be used to promote enrollment growth across the System in directions critical to state needs. The state investment in commercialization of research would promote collaboration among universities themselves as well as among universities, businesses, and the state.

6) If the state approved a bonding plan that required matching money to catalyze private investment, would you take advantage of the opportunity?

Yes! The University of Oregon completed a fundraising campaign that raised $850 million in 2008 and OSU will complete a campaign with a goal of $850 million in 2013. So, one question would be whether there is any recognition of previous fundraising to earn a state match or if all of the fundraising would have to come from future gifts. Furthermore, typically, only about one-third of funds raised during a campaign go to endowment so whether all fundraising or only fundraising committed to endowments qualified for a state match would need clarification.

Furthermore, given the risk to the state bond rating and the risk of crowding out state General Fund capital borrowing capacity for facilities to meet enrollment growth needs, some
consideration should be given to how much the state should provide as a match in any biennium. In addition recourse to Article XI-F(1) bonds is not necessarily an option for institutions with limited non-resident enrollment growth, or limited tuition flexibility. Additional consideration must be given for universities where most of the enrollment growth will be needed over the next 14 years to meet the 40-40-20 goal.

a. If so, would governance changes also be needed?

As long as the university presidents are hired and fired by the Board upon the recommendation of the Chancellor, replacing operating expenses provided by the state with a state endowment yielding comparable annual funds would not be consequential. However, since state funding does not cover the cost of educating resident students, any university benefitting from the program would have no incentive to increase enrollment of Oregonians. Since I assume that Oregonians should be a large share of the 40-40-20 educated adult profile, the beneficiary schools would have to be subject to Board driven specific resident enrollment growth targets otherwise the challenge of educating larger numbers of resident students would fall fully on the five institutions that could not benefit substantially from the bond-endowment program. Perhaps access to XI-G bonds for education capital projects should be limited to universities that did not benefit from bond backed endowments.

b. What mechanisms will ensure that given a large increase in private funding, the public mission remains paramount?

As long as presidents are hired and fired by the Board upon the recommendation of the Chancellor, the Board still sets performance expectations for each of the presidents. That should be a sufficient incentive to insure mission alignment across the System. Discussions that focus only on the current share of total operating costs provided by the state to a university to justify the responsibility of the institution to meet goals set by the Board are misguided. The presidents are employees of the state, regardless of the current sources of operating funds for their universities. Furthermore, the state has provided most of the land and facilities and virtually all of the reputational capital of each of the universities. The financial obligation of the universities to generations of taxpayers in Oregon is many multiples of current state operating fund support.

7) What role do you see for international and non-resident students in your strategic plan?

Part of our mission is to prepare our graduates to work effectively in teams anywhere in the world and to compete in their chosen careers with anyone, anywhere. International and non-resident students enrich the learning environment for all of us and prepare our graduates to work with colleagues from around the world and to be effective competitors in a global economy.
a. What proportion of total enrollment will come from Oregon?

At OSU, we have set a target of 25% for the share of non-resident and international students in our enrolment in 2025 (p. 9). Therefore, the proportion of Oregonians among our student population should remain around 75%.

b. What is the ideal mix between graduate and undergraduate enrollments and will the residency status of graduate students be similar to that of undergraduates?

There is no ideal size for graduate programs relative to undergraduate programs but as indicated in our 2025 profile (p. 10), the percentage of graduate students not including first professional degree students in enrollment among our aspirational peers of comprehensive research universities is 20% and we have set a goal of 25% for graduate students in 2025 (p. 9). Graduate students are typically drawn heavily from national and international markets, with residents representing less than half of the graduate student population.

8) Would an institutional Board with some governing powers help you achieve the Board’s and State’s goals?

The OUS Board may find its task less demanding if there were local Boards to monitor individual universities. The OUS Board, Chancellor, OSU Foundation Board, the Alumni Association Board, and the Board of Visitors provide me with excellent feedback on important matters. I don’t need more advice and I do not need the micro-managing that unfortunately often comes with a local Board. Unless the local Board replaces the System Board, which would create problems of coordination for the System, I do not need another group to work with to stay focused on institutional and state goals.

In defining a governance strategy, the State Board should determine what responsibilities and authorities are appropriate for universities to undertake. It is not clear to me that responsibilities should be added to (or subtracted from) the list because a university has established a separate Board or governance structure. If the State Board believes that the existence of a local Board warrants additional responsibilities or authorities for a university, I would like to know what they would be.

9) If institutional Boards with some delegated authorities were an option, would your institution choose that option? Is independence from the State Board of Higher Education essential?

a. How does your choice better achieve the 40-40-20 goal?

I would not choose to have a local Board and see no essential value to it. Assuming that the clarity noted earlier can be achieved by the OUS Board, I see no value in having a local Board for the purpose of achieving 40-40-20.
10) What is the value proposition of institutional boards that makes it a better mechanism for exercising delegated authority rather than providing the same authority to the president?

One could argue that an institutional board can focus on the medium- and long-term goals of the university without being distracted by the many day to day matters that the president must address. In that sense a local Board could help the president and the institution stay on task more effectively than would be the case if the same authority were simply delegated to the president. In addition, a local Board is likely to identify with and strongly support the goals of the university through philanthropy and political influence, which could translate into greater effectiveness of the president in implementing actions that the university and the System value. However this may not increase the overall effectiveness or success of a comprehensive higher education system.

Local board members are usually accomplished and successful in their own careers and confident of their abilities. Unless the local Board has control of the university, including the right to hire and fire the president, members are likely to lose interest and enthusiasm to continue to serve in a purely advisory role. Alternatively, when local boards have authority to hire and fire the president, they are heavily invested in university successes and failures. Sometimes the balance gets lost and a local Board micro-manages the institution.

11) What are your plans to help move students to degree faster and to meet the 40-40-20 goal in an era of diminishing resources?

As indicated in my agenda for 2011-12 (pages 1-3), we intend to continue to hire more tenure track faculty during the coming year and into the foreseeable future in the signature areas as well as in areas of high demand where a lack of class sections can slow student progress to graduation. We hired 30 new faculty this year and hope to hire 30-45 more next year. We also intend to hire more academic counselors and career service staff to help students realize their potential. Investments are being made in information Systems for recruitment, admissions, registration and advising of students.

New classroom space will be available this year in the Linus Pauling Science Center, the renovated Education Hall, the Hallie Ford Center, and the International Living Learning Center. The new college of business building project has been funded and we hope to attain approval to build a $65 million all purpose classroom building using 11-F bonds. We have broken ground on the Student Success Center and the Native American Cultural Center and expect to build the three other cultural centers in the next three years. We have designated Angelo Gomez as the interim executive director of the Office of Equity and Inclusion and created an Ombudsperson office to help improve the climate on campus. We continue to improve our degree partnership program with each of the 17 community colleges in Oregon and to raise money through the Campaign for OSU for scholarships with $117 million raised so far.
a. **How can we be more successful with students already in the System?**

We expect the new hires of faculty, academic advisors, and career counselors to help us retain students through to graduation. Improved information technology Systems should help us recruit, admit, register, and advise students. Expanded instructional space in Corvallis and Bend should help us reduce class size and offer more sections of core courses needed for graduation. Efforts to improve the climate on campus should help students from historically under-represented groups persist through to graduation in greater numbers. Construction of the four cultural centers will create a more inclusive climate for all members of the OSU campus community.

b. **How will you work more closely with OUS universities, community colleges and K-12 schools?**

We continue to work with colleagues in our three local school districts and Linn-Benton Community College to develop strategies to help students achieve success along the P-20 continuum as part of our Mid-Valley Partnership. On our Bend campus we are working closely with colleagues at Central Oregon Community College to speed up the transfer of students into the upper division courses of our four year programs. We continue to work with OHSU through our pharmacy program and our nuclear medicine program and with OHSU and PSU through our joint master of public health program and with EOU in delivering agricultural programs in Eastern Oregon. We work with a number of sister institutions in higher education to support the Oregon Inc. initiatives, ONAMI, OTRADI, and BEST.

c. **How do you anticipate engaging other educational entities outside Oregon's public sector (e.g., independent universities, corporations, educational entities in other states or countries) to help you achieve the Board’s and State’s goals?**

Many of our research programs include partnerships with colleagues at the University of Washington, Washington State University, University of Idaho, and elsewhere. We hope that the development of the Pac-12 networks through our partnership with the four major cable companies will facilitate collaborative research with other members of the Pac-12, which is arguably the most academically accomplished major conference.
ACADEMIC AGENDA FOR 2011/2012

Academic Leadership

At the beginning of the 2009-10 academic year, I told the leadership team at OSU that we must focus on achieving substantial progress in three areas over the next 3 to 5 years: the recruitment and retention of the best and brightest and most diverse groups of faculty and students and the retention of students from all sub-groups through to a common and much higher graduation rate than we have ever achieved; successful completion of the Campaign for OSU; and, a much higher rate of commercialization of our inventions and creative work and a much higher share of university-industry sponsored research dollars in our growing research portfolio. We are hopeful that the creation of the self study report and the feedback we get from the accreditation process will enable us to re-double our efforts to increase the first year retention rate for all students, which is a critical element in achieving higher six year graduation rates.

We are encouraged by the success we are having this year in bringing 30 new faculty members to campus from diverse backgrounds. The group will include 15 new hires in the arts and sciences and five new faculty members in each of the three other academic divisions. Those positions were awarded based on faculty assessments of competitive proposals. We expect to use a competitive process to identify targeted areas for new faculty hires for next year. If the substance of SB242 is enacted into law we feel we may be able to expand the authorization of new faculty hires from 30 to 45 next year. We also intend to continue to target funds to new hires of academic advisors and career counselors, and to the implementation of software to improve the admission, registration, advising, and business processes.

The Campaign for OSU will continue for at least the next two years with a strong emphasis on securing funding for new faculty named chairs and professorships and student scholarship. The provost has created a program that provides seed money over a period of up to five years for endowed faculty positions to enable us to make hires now and permit donors to make their pledge payments over a number of years. The program has been well received this year and we expect to make great gains in hiring senior distinguished faculty in target areas in the next three years. As noted earlier, the goal for the campaign has been raised from $625 million to $850 million and the campaign has been extended from June 2011 to 2013.

With the passage of measures 68 and 69, we believe we have found a path to provide the built capacity needed at Oregon State University to accommodate enrollment growth in concert with the state goal of 40-40-20 by 2025. Through discussions with our student leaders, we have agreed to use revenue growth associated with non-resident tuition to provide debt service for a new instructional classroom building. We hope to get approval to construct a $65 million classroom building this session that would use F bonds so that the building will be available for autumn 2014.

The Linus Pauling Science Center will be open this autumn and should help us meet chemistry classroom and teaching laboratory needs on campus. Education Hall is being renovated and should be back in use next autumn along with the new Hallie Ford Center for the Study of Children and Families. Projects that will come on line within the next 2-3 years include the
Student Success Center, the four cultural centers, and the new college of business building, which will double the business college space from 50,000 square feet to 100,000 square feet. Also, we are planning a new residence hall on campus that should be available for occupancy in the next two years that will house another 350 students.

The creation of an office of commercialization and corporate development in the office of research in place of the former office of technology transfer is a direct reflection of our focused effort to speed up the commercialization of our inventions and creative work and to grow the share of university-industry sponsored research in our overall research portfolio, even as that portfolio grows.

**Administrative Leadership**

The administrative agenda for next year will begin with completing the academic restructuring effort that is ongoing throughout the university. While the seven campus regional business centers are now in place and we have preliminary evidence of efficiencies and service gains from this reorganization effort, we need to follow up with customers regarding performance in each center, share lessons learned, and insure that each of the centers operates at a high level of efficiency and customer satisfaction. Right now, because the centers were implemented over a two year period, the newer centers have substantial room to improve their performance.

The gains in operating efficiency and academic vitality vary across the four academic divisions. The division associated with Advancing Earth System Sciences continues to struggle to define itself beyond college boundaries. The proposed college of Earth oceanic and atmospheric sciences is a very exciting possibility and may reinvigorate collaborative efforts within this academic grouping.

Depending upon the outcome of the budget process this session, we may have to consider substantial organization changes in the operation of the statewide public service programs as well as in the colleges of agricultural sciences, forestry, science, health and human sciences, and veterinary medicine. At a minimum, we will be managing any adverse effects on the teaching and research missions of those colleges associated with budget cuts in the statewide public service programs.

Absent a major jump in donor support for Athletics as the state and national economies continue to recover, I expect the program to continue to need substantial financial support from the university for a few years to balance its budget. I anticipate modest improvement in 2011/12, after what I believe will be a low point in 2010/11. The financial situation in athletics should improve significantly during the 2012/13 academic year but it might take several years beyond that, given the structure of the new media contract before athletics can approach financial self-sufficiency. In the interim, we will consider implementing steps to reduce the financial needs of the program. Possible actions include eliminating bonuses for coaches, deferring some of the compensation for coaches, adding one sport and eliminating two sports, which would move us to the minimum 16 sponsored sports, and terminating some high cost contracts for coaches and hiring at the entry level.
The OSU Cascades Campus is now on a solid footing with a rapid enrollment growth path likely for the foreseeable future. The campus experienced 20% growth in enrollment last year followed by 11% growth this year. The main challenges for the campus for the next several years will include the need to: hire new faculty members, develop additional space for enrollment growth, and identify key leadership to grow the emerging signature programs such as energy engineering management. While the fundraising effort has finally gotten off the ground for the OSU Cascades Campus, financial support from the community remains modest and obtaining major gifts will be critical going forward.

**Representing the University and System**

I will continue to represent the Pac-12 as the division 1 Board representative to the NCAA until the end of April 2012. My position as chair of the executive committee of the NCAA continues through April 2012, too. I will assume the position of chair of the CEO group of the Pac-12 for a two year term beginning in July 2011. I will continue to serve on the executive cabinet for the SMTI commission of the APLU. My two year term on the Board of directors for AAC&U began this calendar year. I expect the work of the Mid-Valley Partnership and collaboration with the city of Corvallis to continue and expand in the year ahead.
OREGON STATE UNIVERSITY

EDWARD J. RAY

PERFORMANCE MEASURE SUMMARY

2010-2011

A. Improving Trend

1. Total Credit Enrollment 23,761  +1,792
2. New Undergraduate Enrollment 5,324  + 297
3. Freshman Retention - Campus  83.1%  +0.5 points
4. Freshman Retention Within OUS  85.5%  +0.1 points
5. Graduation Rate Within OUS  65.3%  +0.5 points
6. Total Degrees Awarded  4,490  +236
7. Degrees in Designated Shortage Areas  781  +56
8. Sponsored Research Expenditures ($ millions)  183  +17
9. Philanthropy ($ millions)  459  +42
10. Faculty Compensation (Ind)  93.9%  +1.0 points
11. High Achieving Oregon High School Graduates  34.6%  +2.8 points
12. Student Diversity  17.6%  +1.5 points
13. Faculty Diversity  10.4%  +0.8 points

B. Declining Trend

1. Graduation Rate - Campus  60.2%  -0.3 points
2. Student to Full-Time Faculty Ratio  28.2  +1.2
3. Student Diversity  15.7%  -0.4 points

C. Above Target

D. Within Target Range

Total Degrees Awarded  Degrees in Designated Shortage Areas
High-Achieving Oregon High School Graduates  Student Diversity
Oregon State University

(2011/12)

UNIVERSITY PRIORITIES FOR THE NEXT 1-3+ YEARS

DRAFT

1. Increased recruitment and retention of the brightest and most diverse faculty and students and access and retention for all sub-groups of students through to a common and much higher six-year graduation rate
2. Increased university-industry partnering through sponsored research, new business development, and commercialization of research
3. Exceeding The Campaign for OSU goals and maintaining fundraising momentum

Priority 1: Increased recruitment and retention of the brightest and most diverse faculty and students and access and retention for all sub-groups of students through to a common and much higher six-year graduation rate

Strengths:
   a. Incredibly dedicated, accomplished, and creative faculty and staff
   b. Revenue growth from non-resident enrollment expansion, donor support, research funding
   c. Recruitment of additional tenure track faculty and academic support staff
   d. New instructional and support facilities and information Systems
   e. Successful fundraising for scholarships and faculty positions

Weaknesses:
   a. Declining state funding and competitiveness of compensation
   b. Declining state and federal funding of SWPS
   c. Lack of community equity and inclusion and effective community dialogue on campus
   d. Lack of growth in Native American and African American enrollment and retention
   e. High student/faculty, student/advisor, and student/support staff ratios
   f. Lack of market position and funding to attract high ability and diverse faculty and students
   g. Lack of data driven long term enrollment planning for all demographic groups
   h. Lack of funding for deferred maintenance for existing learning, research, and office space

Opportunities:
   a. Continued improvement in outcomes assessment at all levels
   b. Strengthening the baccalaureate core
   c. Targeting funding for high demand areas and bottleneck courses
   d. Strategic recruitment of women and historically under-represented tenure track faculty, staff, and students
   e. Recruitment of graduate students, including use of INTO marketing network
   f. Alumni association engagement in targeted student recruitment efforts
   g. Focused improvement in equity and inclusion
h. Improving enrollment management planning
i. Strategic communications and integrated market planning and a Portland area strategy
j. Use of technology to strengthen student services
k. Continued streamlining of business activities and academic administrative costs
l. Expansion in the use of alternative course delivery Systems
m. Emerging university-community agenda around quality of life issues
n. Improved university-community planning for support of student and faculty diversity

Threats:
  a. Slow progress in addressing climate issues on campus
  b. Federal cuts in Pell Grants and campus based financial aid programs
  c. State cuts in education and capital funding and in Oregon Opportunity Grants
  d. Uncertainty in state management of public higher education
Priority 2: Increased university-industry partnering through sponsored research, new business development, and commercialization of research

Strengths:
   a. Extraordinarily creative, productive, and engaged faculty
   b. Creation of Office of Commercialization and Corporate Development
   c. Professionalism of the Office of Research, college initiatives and OSU Foundation advice
   d. OSU Foundation staffing to build university-business relationships
   e. Significant presence of alumni in business leadership positions

Weaknesses:
   a. Lack of a point person within OSU with primary responsibility in this area
   b. Underinvestment by OSU in university-industry collaboration
   c. Lack of faculty rewards for engagement
   d. Lack of seed money and research equipment for faculty initiatives
   e. Narrowness of central research office experience in engagement with corporations
   f. Lack of effective internal and external communications regarding possible corporate collaborations
   g. Insufficient market positioning with the business community, and non-profits to build our commercial portfolio

Opportunities:
   a. Cutting edge research of tenure track faculty who seek corporate partners
   b. Institutional, college, and local program experience with corporate partners
   c. Increased reliance of corporations on university research
   d. Continued improvement of research administration and tech transfer processes
   e. Increased alumni association engagement with businesses through career networks

Threats:
   a. Lack of institutional knowledge of best practices
   b. Adverse federal deficit impact on federal funding of research
   c. Redirection of historic federal and state targeted appropriations from statewide public services
   d. Uncertainty in corporate profitability
Priority 3: Exceeding The Campaign for OSU goals and maintaining fundraising momentum

Strengths:
  a. Exceptional talent, accomplishments and reputation of faculty, staff, and students
  b. The campaign has great momentum
  c. The structure of the campaign, staffing, and support of friends and alumni
  d. Leadership of provost, deans, directors and colleagues
  e. Leadership of the campaign steering committee and the trustees
  f. Clarity and focus of the strategic plan

Weaknesses:
  a. Risk of campaign fatigue after a long campaign
  b. Insufficient cultivation of new potential lead donors for 8 figure gifts
  c. Lack of signature long-term major projects or themes
  d. Lack of a plan for the transition period before the next campaign

Opportunities:
  a. Expansion of potential donor discovery effort and cultivation of new major potential donors
  b. Increase trust and estate solicitations
  c. Build more robust alumni relations and programs
  d. Continued growth of corporate and OSU Foundation relationships
  e. Emerging partnerships with major foundations

Threats:
  a. Continued slow growth or deteriorating economic conditions in the state and nation
  b. Unplanned for leadership transitions at the university and OSU Foundation
OSU IN 2025

In 2025, Oregon State University will be among the top 15 and well toward becoming a Top 10 land grant institution, known internationally for its student experience, research collaborations and impact, and faculty expertise in its signature areas of distinction.

Quantitatively, OSU will be characterized by:

- Student population of 30,000-35,000 with
  - 25% graduate and first-professional
  - 25% non-resident and international
  - 50% of high-achieving Oregon high school graduates
  - 20-25% U.S. minority students
  - 6,000 students graduating annually
- First-year student retention rate of 90% and six-year graduation rate of 75-80%
- 1,300-1,500 tenured/tenure-track faculty
- 20-25% U.S. minority faculty
- Total annual R&D expenditures of $500-$600 million
- Industry sponsored research 4-8%
- Annual private giving of $175-$225 million
- 3,000-4,000 students at the Cascades Campus

OSU will be an international research university that attracts the very best students and faculty to our education and research programs from around the globe.

OSU will be recognized for identifying, exploring and solving critical contemporary problems that are essential to sustaining Earth eco-Systems, improving health and wellness, and promoting economic development and social progress.

OSU’s graduates will be leaders in public and private sectors, contributing significantly to the economic and social progress of their communities.

<table>
<thead>
<tr>
<th>Comparison with Aspirational Peers*</th>
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<tbody>
<tr>
<td>(first number is average of peers, second is OSU; most data is for 2008-09):</td>
</tr>
<tr>
<td>Number of degrees awarded</td>
</tr>
<tr>
<td>Total Enrollment</td>
</tr>
<tr>
<td>Faculty (tenured/tenure track)</td>
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<tr>
<td>First-year retention rate</td>
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<td>Six-year graduation rate</td>
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<td>Total R&amp;D expenditures</td>
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<td>Industry % R&amp;D</td>
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<td>% international students</td>
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<tr>
<td>% graduate students</td>
</tr>
<tr>
<td>% U.S. minority faculty</td>
</tr>
<tr>
<td>% high achieving OR graduates coming to OSU</td>
</tr>
</tbody>
</table>

*OSU benchmarks our progress using these aspirational peer institutions:
University of Arizona;
University of California-Davis;
Cornell University;
University of Illinois;
Michigan State University;
The Ohio State University;
Penn State University;
Purdue University;
Texas A&M University;
University of Wisconsin.
Phase II of Oregon State University's 2004 Strategic Plan for the 21st Century continues the University's ambitious drive to rank among the ten best Land Grant universities in the nation. This updated Plan builds on OSU's long tradition of excellence in education, research, and outreach – and on the significant progress arising from the initial Strategic Plan and the University's first university-wide capital campaign – to:

- Sustain and accelerate improvements in student learning and experience through creation of outstanding academic and student engagement programs;
- Align and strengthen innovative scholarly and research activities to continue discovering new products and technologies that generate economic activity; and
- Focus even more intently on enhancing OSU's ability to produce strategies and solutions for the most important – and intractable – issues facing Oregon, the nation, and the world.

Phase II rests on an intensive focus on three Signature Areas of Distinction: Advancing the Science of Sustainable Earth EcoSystems; Improving Human Health and Wellness; and Promoting Economic Growth and Social Progress. All three build upon the University's core teaching and research strengths, the skill and capacities of its faculty, and OSU's many established national and international partnerships and collaborations. Collectively, the Signature Areas represent OSU's greatest opportunity to lead in solving complex societal problems, and to creating superior learning opportunities for students by:

- Improving the understanding of the earth ecoSystems upon which all life depends, and promoting their sustainability through high-impact public policy involvement with issues such as climate change, food security and safety, renewable energy production, and economically viable natural resource management;
- Building more holistic and interdisciplinary approaches to healthy aging, chronic infectious disease control, new drug development, mental health, and disease prevention to enhance the human lifespan, decrease health care costs, and maintain a healthy population;
- Capitalizing on an expanding institutional culture of innovation and collaboration to discover and implement creative, economically powerful solutions to America's critical challenges through leadership in areas such as energy and clean technology, micro and nano technology, and natural resource product technology.

The fundamental goals of the Strategic Plan – Phase II remain essentially unchanged from the 2004 Plan. This document highlights progress achieved under the plan during the five year period 2004 – 2008; describes the primary contextual trends and challenges to which the university must respond going forward; describes the three new signature areas; and outlines the key future initiatives to sustain the progress achieved since 2004.
I. INTRODUCTION

Steadfast in its vision to stand with America's 10 best Land Grant universities, Oregon State University seeks to advance its ambitious 2004 Strategic Plan for the 21st Century by continuously focusing and aligning its educational, research, and outreach and engagement activities towards this goal. The 2004 plan (http://oregonstate.edu/leadership/strategic-plan/) harnessed OSU's long history of educational, social, and technological accomplishment as the Land Grant University for the people of Oregon, guiding the University over a five year period (2004-2008) and setting the stage for greater achievement and prominence.

The first Strategic Plan intensified OSU's commitment to serve as an engine for economic growth and social progress by preparing graduates to compete and succeed anywhere; by generating knowledge targeted at society's most pressing challenges; and by solving problems and creating economic activity through innovative new products, technologies, and applications. Going forward, OSU will work across disciplines and collaborate with external partners to enhance its positive impact on the nation and the world, especially in areas where the University has global leadership capacity.

MISSION AND FUNDAMENTAL GOALS

Oregon State University is committed to a rigorous focus on academic excellence in all aspects of its mission: teaching, research, and outreach and engagement. The OSU Strategic Plan rests on a set of three fundamental goals: provide outstanding academic programs, enhance the teaching and learning environment, and increase investment in academic priorities. A Statement of Vision and Core Values supports these goals. Phase II adheres, with minor changes, to the vision and goals presented in the 2004 document.

OSU prepares talented young people from all backgrounds to be leaders and productive members of our society by helping them become critical thinkers, global citizens and skilled professionals. Its alumni are leaders in business, industry, service and education sectors of Oregon and the world. OSU has degree programs that produce graduates who now and in the future will sustain areas critical to Oregon's economic vitality, including energy, health, nutrition and green development. The University is a significant contributor to the State's economy and economic development, and its core competencies are an excellent fit with Oregon's needs and priorities. While the global economy struggles with the consequences of mismanagement of the natural world as well as crises in health and nutrition, OSU carries a legacy of knowledge-driven stewardship of the environment and a track record of developing technology and approaches to help create more effective and equitable Systems for addressing health, food and other human Systems.

Progress has been measured annually against a set of Strategic Plan metrics. The Office of the Provost issues yearly reports on performance. These may be read at http://oregonstate.edu/leadership/strategic-plan/. A metrics-based assessment of progress, including 2013 targets will be found at the same web page.
SIGNATURE AREAS OF DISTINCTION

The 2004 Strategic Plan established five thematic areas to be the focus of resource allocation, faculty hiring, scholarly emphasis, and research. Sustained attention to these areas has resulted in greater interdisciplinary collaboration, scholarly achievement, and external impact, including the development of new institutes and centers targeted at such critical issues as water resources and climate change. This document outlines how Phase II coalesces these five areas into three *Signature Areas of Distinction* that are more targeted in their aspirations and more inclusive of the University's core strengths and unique capabilities. These three Signature Areas of Distinction encompass **Advancing the Science of Sustainable Earth EcoSystems; Improving Human Health and Wellness; and Promoting Economic Growth and Social Progress.** Education and inquiry in the three Signature Areas will build upon a foundation in the arts and sciences to promote economic innovation, an educated citizenry, a globally competitive workforce, and strategies for addressing difficult regional, national, and global issues.

Phase II of the Strategic Plan will guide OSU over the next five years (2009 – 2013) as the University continues to pursue its vision of achieving top ten status among Land Grant universities.

II. PHASE II BACKGROUND

A number of factors inform Phase II of the Plan. These include progress against 2004 goals, changes in environment, and national and global issues. These factors are concisely summarized below.

PROGRESS AGAINST 2004 GOALS

OSU made substantial – in some instances remarkable – progress against Strategic Plan benchmarks. Overall, the University benefited from the sense of purpose and alignment fostered by the Strategic Plan and the accompanying success of The Campaign for OSU. Particular progress was seen in these areas:

- **Promotion of a culture of collaboration** across the campus, both at the faculty level and in the relationships among the University, Alumni Association, Foundation, and outside stakeholders. Interdisciplinary scholarly activity, encouraged by institutional investment in the five thematic areas, was increasingly seamless and powerful, improving student learning and research productivity.
- **Attention to increasing excellence and leveraging institutional and philanthropic resources** enhanced academic programs and learning environments.
- **Expansion of the research enterprise and a sustained emphasis on innovation** resulted in a very significant increase in external grants and contracts, patents, technology transfer, and commercialization activities, generating new business opportunities and establishing substantial new research enterprises.
- **Controlled growth in student enrollment,** with a focus on increased diversity of the student population and on raising the proportion of non-resident students in the student mix, moderated financial pressures and allowed for greater concentration on student life and student experience while increasing the number of students – now at an all time high – benefiting from an OSU education.
- **Substantial progress in assessing student learning outcomes and promoting student mental and physical health** generated improvements in curriculum, teaching, and student experience.
Significant advances derived from OSU's first **comprehensive capital campaign** included physical infrastructure improvements in academic and athletic areas and dramatically heightened pride, enthusiasm, and morale among all OSU constituencies.

Targets were not met in all areas. Among the areas of concern are:

- **Student retention rates and graduation rates** remain short of expectations. A more aggressive and integrated approach is required in Phase II to maximize and equalize retention and graduation rates for all student cohorts.
- Fostering a **sense of community and improving the diversity climate** on campus is still a work in progress, even as diverse enrollments are at all-time highs and prospects for enrolling more international students are strong.
- OSU’s **regional positioning** – especially in Portland and Central Oregon – remains insufficient, undermining visibility and impact in key areas. New strategies and targeted attention from the University, the Alumni Association, and the OSU Foundation show promise, if given sustained effort and support.
- **Deferred maintenance** constrains learning and research. Renovations to classrooms and shared research facilities (laboratory animal research and electron microscopy) are underway and will be intensified as funds permit.
- **Institutional marketing and visibility** still falls short of many peers. Development of an Integrated Marketing Plan, set for completion in 2009, will guide improvement in this pivotal activity.

**CHANGES IN STATE ENVIRONMENT**

Phase II of the Plan is informed by external factors, especially changes in the larger social and educational environment and the steady emergence of global challenges. The following are the key statewide dynamics shaping OSU’s external environment:

**Declining educational aspirations**, to the point where Oregon has one of the greatest disparities in the United States between the educational attainment of older and younger residents. Census data reveal that 39% of Oregon adults aged 45-54 hold undergraduate degrees compared to only 33% of adults aged 25-34. This trend is especially pronounced among underserved and economically disadvantaged communities.

**OSU has responded in several ways:**

- A pioneering degree partnership program with all 17 Oregon community colleges encourages community college students to complete four-year degrees;
- The comprehensive **Bridge to Success** student access initiative, inaugurated in Fall 2008, greatly expands financial support and educational opportunities for students facing economic hardship;
- New Academic Support programs, peer-to-peer mentoring in foundational courses, and summer orientation programs are easing student transitions to OSU.

**Intense competition for state resources** has resulted in a shift of financial support away from higher education.
OSU has responded by launching an aggressive effort to develop and secure alternate sources of income, and by instituting greater transparency in budgeting and rigorous cost-containment.

Unpredictable funding streams for the Statewide Public Service Programs (Extension Service, Agricultural Experiment Station and Forest Research Laboratory) that are at the heart of OSU’s Land Grant mission.

OSU Extension has responded by working with county officials to create special tax districts to augment Extension resources – two districts were approved by voters in 2008 – and in establishing fees for some services. Additionally, there is a more intense focus within the Statewide Public Service Programs on positioning faculty for greater success in securing competitive grants and contracts.

Statewide higher education goals recently issued by the Board of Higher Education call on public higher education institutions to create an educated citizenry and provide a globally competitive workforce; ensure access to quality postsecondary education and high quality student learning leading to success; generate original knowledge and advance innovation; and contribute positively to the economic, civic and cultural life of all Oregon communities.

OSU has responded by fully incorporating these goals in the original Strategic Plan and this update.

NATIONAL AND GLOBAL ISSUES

Phase II of the plan also responds to major national and global trends:

Rapidly intensifying competition for federal research resources challenges OSU and its faculty to continue the university's track record of external funding success.

OSU has responded by developing a coordinated, carefully-planned effort to increase corporate partnerships; encourage large scale inter-institutional research and development efforts such as ONAMI and the Oregon Climate Change Research Institute; and focus interdisciplinary scholarly activity on the most pressing regional, national, and global issues.

Aggressive competition among universities nationally and internationally affects every aspect of OSU.

OSU has responded by leveraging its status as one of 96 American universities top-ranked as very high research activity by the Carnegie Foundation; by expanding international partnerships (including 200 education abroad programs); by becoming the first American university to partner with INTO University Partners Ltd. to recruit international students; and by developing an integrated marketing program.

Emergence of a global economy and greater cultural diversity in workplaces and communities profoundly influences OSU's mission.

OSU has responded by striving to produce graduates who can build effective, respectful relationships with people from many backgrounds and experiences; by increasing the support for cultural diversity
Growing awareness of the extraordinarily complex, critically important challenges facing the world affects OSU's teaching, research and outreach priorities.

OSU has responded by explicitly embracing these challenges, creating an environment that promotes interdisciplinary education and research, and further refining its focus in the three **Signature Areas of Distinction** in Phase II of the Plan.

### III. PHASE II IMPERATIVE AND ACTION COMMITMENTS

Informed by its achievements and challenges, and by the changes in its operating environment, OSU is adopting a single **overarching imperative** and two **educational action commitments** to guide the University through the next five years.

**PHASE II IMPERATIVE**

The University will foster exceptional educational, research, and outreach initiatives that **sustain human well being and improve the quality of human life**. Acting on this imperative requires understanding diverse, complex interactions among population, demographics, human health, climate, access to natural resources (including safe food, clean water and air, and wood products), sustainability, economic vitality, cultural diversity, and new technologies, among others. Well-being and quality of life are likewise enhanced by the fine and performing arts and the humanities and social sciences, which promote understanding and improvement in human interactions within and across cultures.

A successful response to this imperative requires OSU to meet two commitments:

**COMMITMENT #1**

**OSU will lead in developing a globally competitive workforce and an informed and capable citizenry.** Given complex global challenges and the explosive growth of knowledge and technology, student learning must encompass the basic tenets of human thought, the skills of critical thinking and information assessment, and the capacity to work and live in a multicultural world. Students will acquire the understanding of major political, social and intellectual trends – and the functions of the natural world – necessary to address complex academic and research problems.

**COMMITMENT #2**

**OSU will address multifaceted national and global challenges that resist simple technical or social solutions.** The University's education, research, and outreach activities must intensely engage broad intellectual and social communities in seeking solutions to these problems. Therefore, OSU will integrate knowledge and exploration in Signature Areas of Distinction with inquiries in the sciences and humanities that open doors to new strategies and solutions.
IV. PHASE II SIGNATURE AREAS OF DISTINCTION

As indicated above, OSU has refined its opportunities for institutional distinction in Phase II of the Plan. Three Signature Areas of Distinction, informed by the two commitments above, build upon the five thematic areas in the original Strategic Plan in order to provide OSU a competitive edge, a stronger assertion of institutional identity nationally and internationally, and the greatest possible opportunity to have a positive impact. These three areas are:

ADVANCING THE SCIENCE OF SUSTAINABLE EARTH ECOSYSTEMS

OSU possesses a distinctive, world-class capacity to improve understanding and sustainability of the ecosystems upon which all life depends, a capacity that will be harnessed to expand OSU’s impact on public policy decisions and the pursuit of social justice for all people.

The relevant issues are increasingly well known and dire. The human population doubled in the last 50 years; it is projected to grow another 30 percent by mid century. Global economic activity and related consumption of fossil fuels increased five-fold since 1950 and will increase further as nations develop economically. These trends have enormous consequences for oceans, forests, agricultural lands, fresh water, and the atmosphere. Many natural resources are declining in abundance, quality, and/or productivity, hindering the capacity of these ecosystems to sustain a livable planet that can support human well being and provide an equitable quality of life for all. The intersection between human endeavors and natural systems is projected to become even more congested and troubled in the future at both local and global scales. Key future challenges include linking the drivers of climate and ecosystem change to their impacts on natural and human systems; assessing strategies to mitigate the human “footprint,” (such as carbon sequestration, consumption moderation, and resource conservation); and formulating strategies that balance sustainable environmental, energy, and economic systems.

OSU’s nationally top-ranked programs in oceanic and atmospheric sciences, agriculture, forestry, geosciences, fisheries and wildlife, marine resources, botany, zoology and natural-resource related humanities and arts – augmented by the scientific and policy expertise of major federal research laboratories on campus – give OSU unmatched competitive advantage in the study of earth ecosystems. The synergy produced by the close proximity and interdisciplinary interaction of faculty and students from these programs multiplies the advantage. By working together to address challenges in dynamic natural and human systems, OSU faculty and students, in collaboration with their many national and international partners, are poised to make major contributions to knowledge, technologies, and policies related to climate change, food security and safety, renewable energy production, and economic vitality based on sustainable natural resources.

OSU’s extensive capabilities in this area also represent an opportunity to establish distinctive interdisciplinary educational programs that teach students how to solve problems creatively at the overlap of natural and human systems. Similarly, OSU's long-standing engagement with the larger community through the Extension Service, Agricultural Experiment Station, and Forest Research Laboratory enhances the university's ability to communicate information and provide answers about pressing environmental concerns broadly and effectively.
IMPROVING HUMAN HEALTH AND WELLNESS

With three health-related professional schools and significant national and international research in health and life sciences across the university, OSU is uniquely positioned to enhance the quality of human lifespan by promoting a more holistic approach to mental and physical health.

As Oregon's and the nation's population grows, ages, and diversifies, public health needs are not being met adequately. This is especially true for chronic diseases, which impact the quality of life of 90 million Americans and are responsible for 70% of all deaths. While many chronic diseases result from complex interactions between infectious agents, people, animals, and the environment, traditional health care still focuses principally on the individual patient and the primary disease etiology, without taking into account the environmental, genetic, demographic, and social contexts. Nor are the impacts of chronic diseases exclusively physical. The World Health Organization estimates that by 2020, depression will be the second leading cause of disability and suffering worldwide, trailing only heart disease.

Needed are comprehensive public health research and teaching programs that address crucial aspects of behavior; interactions among people, animals, and the environment; and the interplay between infectious agents and other factors such as stress, aging and nutrition. To treat and prevent chronic diseases and to promote health, tomorrow's competitive health professions workforce must match competency in human and animal biological science with an understanding of social, behavioral, mathematical, computational, and public health factors.

OSU's Colleges of Health and Human Sciences, Pharmacy, and Veterinary Medicine are home to highly ranked programs that respond to some of the most challenging issues facing us today, focusing on prevention strategies to promote healthy living across the life span, examining the creation of new vaccines and vaccine delivery, and identifying and testing new pharmaceutical treatments for infectious diseases, and testing diseases that can affect humans. OSU is a collaborator in the Oregon Master of Public Health Program (OMPH) in community health, a program ranked second in the nation. The Linus Pauling Institute's focus on cardiovascular and metabolic diseases, cancer, aging, immune function, and neurodegenerative diseases brings additional strength and focus to this signature area. These, and other, areas of strength position our University for long-term excellence and continued distinction in human health and wellness.

The University will expand its interdisciplinary research and academic programs that investigate the causes of chronic mental and physical diseases and promote strategies for healthy living. OSU's range of expertise in human and animal health sciences, and its existing interdisciplinary collaborations within its health and life sciences colleges, and research institutes and centers, provides the capacity to investigate the multiple causes of chronic diseases and design health promotion strategies for their prevention. The university's long history of successfully preparing undergraduate and graduate students as health professionals and its proven track record of collaboration with other universities demonstrates an ability to promulgate knowledge. A singular Medicine, Writing, and Humanities Initiative augments OSU's holistic approach to health by preparing students to empathize with the sufferings of others, reflect critically on medical knowledge and discourse, create new representations of the medical experience, and confront moral, psychological and ethical dilemmas. The existing, widespread network of Extension Service connections facilitates the rapid statewide dissemination of novel programs and new approaches that will help establish and maintain a healthy urban and rural population.
PROMOTING ECONOMIC GROWTH AND SOCIAL PROGRESS

Consistent with its mission, OSU has long sought to advance effective technological solutions to societal problems and to develop the socially responsible workforce needed to solve problems in Oregon and beyond. OSU achieves these impacts in today's globally competitive economy by nurturing a culture of innovation that encourages research and discovery, and by educating the socially aware, diverse, and creative leadership required for engineering, science, and business.

The presence of skilled, educated, creative workers is a prerequisite for generating wealth and producing positive social impact in all sectors of the economy. This workforce is in turn reliant on an advanced research capacity to explore and uncover solutions for the nation's most pressing challenges, matched with a talent for delivering these solutions efficiently.

Numerous governmental and nongovernmental organizations including The National Academies and the Oregon Innovation Council have clearly identified America's urgent need for this skilled work force and the essential underlying research and development capacity needed to ensure regional and national competitiveness.

OSU's strengths in nationally ranked engineering programs and well-known entrepreneurship and family business programs, along with a focus on unique and distinctive areas like nanotechnology, sensor design and interfaces, tsunami wave research, nuclear engineering research, and wood product innovation leverage the culture of creative solutions at OSU and further impact economic growth and social progress.

OSU will capitalize on its broad strengths in technology, engineering, science and business to pursue breakthrough advances in renewable and alternative energy, green building technology, and resource and enterprise sustainability. Several alternative energy companies have recently emerged from OSU, and energetic linkages between business, engineering, and science-dependent colleges are giving rise to new degree programs, strategic partnerships with corporations, and acceleration in the process of bringing discoveries to market. All these activities create advanced learning opportunities for students.

Socially progressive, effective technological and enterprise solutions occur in a context of social justice, supportive communities, and outlets for creativity and expression. By building a diverse community rich and varied in its talents, OSU seeks to attain excellence and to enrich the human spirit in fields ranging from bioengineering to the visual and performing arts, while capitalizing on its world-class engineering and science programs and its distinctive programs in education for entrepreneurship to responsibly address society's most challenging problems.

V. MISSION STATEMENT

OSU's Mission Statement is reformulated to reflect the three new focus areas:

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

OSU understands diversity is essential to excellence and therefore commits itself to integrating core institutional values of diversity, integrity, respect, social responsibility, and accountability into every dimension of the University's life. OSU likewise recognizes the global dimensions of most issues, especially in the context of preparing graduates for success in a competitive, interdependent international society.

VI. PHASE II GOALS, OBJECTIVES AND STRATEGIES

To meet its aspirations, OSU reconfirms the three fundamental goals that underlie the Plan and adopts a set of institution-wide objectives. OSU will continue to assess progress on goals through selected metrics. Our metrics have been updated to include Phase II targets:

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<tr>
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<td>Number of Degrees Awarded</td>
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<td>% High-Achieving Oregon High School</td>
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<td>Total R&amp;D Expenditures (million $)</td>
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<td>Dollars Leveraged Per Appropriated</td>
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<td>Annual Private Giving (million $)</td>
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</table>

PHASE II STRATEGIC PLAN GOALS

OSU will benchmark our progress toward our Top 10 land grant vision using these peer institutions:

- University of Arizona
- University of California, Davis
- Cornell University
- University of Illinois
OSU's goals remain unchanged, except for a slight revision to the first goal to reflect the three new signature areas. Updated initiatives are shown for each goal.

**Goal 1: Provide outstanding academic programs that further strengthen performance and pre-eminence in the three Signature Areas of Distinction: Advancing the Science of Sustainable Earth EcoSystems; Improving Human Health and Wellness; and Promoting Economic Growth and Social Progress.**

**Summary of Initiatives:**

- Increase faculty capacity in signature areas and improve faculty strength through coordinated faculty hiring.
- Increase total grants and contracts to expand the impact of research on scholarship and the creative work of faculty, and enhance partnerships with the business and corporate sector, other universities and associations, and non-profit and non-governmental organizations.
- Raise the profile of graduate education at OSU by repositioning existing programs and introducing targeted new programs to support OSU's three signature areas, and increasing professional and graduate programs to 25 percent of all enrollments.
- Increase the impact of OSU's regional programs, especially in the Portland metropolitan area and Central Oregon, and raise the university's visibility nationally and internationally.
- Attract the best students to OSU's undergraduate and graduate programs through targeted recruitment, increased capacity in the University Honors College, and competitive scholarships and fellowships.
- Create and enhance models of outreach and engagement to serve the needs of the State and promote adoption of these models by other higher education institutions around the globe.

**Goal 2: Provide an excellent teaching and learning environment and achieve student access, persistence and success through graduation and beyond that matches the best land grant universities in the country.**

**Summary of Initiatives:**

- Implement a student engagement agenda that enables successful transition to college, adds value to student experiences, and increases leadership and research opportunities in order to raise first-year retention and six-year graduation rates.
- Ensure all teaching faculty contribute to a learner-centered academic experience, and aid them in bringing their scholarship into the learning experience of students.
- Sustain and expand the Bridge to Success program to provide educational opportunities to students from limited financial circumstances.
• Increase participation and success of students from under-represented U.S. minorities and international students, and equalize six-year graduation rates for all student cohorts.
• Re-evaluate the liberal education component (“baccalaureate core”) of the undergraduate education to ensure that all students explore, experience, and reflect upon world views, life situations, and cultures that are different from their own, and create opportunities for students to apply their skills and knowledge to complex problems and real-world challenges.
• Increase access to innovative, relevant educational programs through non-traditional delivery modes that serve place-bound students, address targeted business needs, and promote lifelong learning.

Goal 3: Substantially increase revenues from private fundraising, partnerships, research grants, and technology transfers while strengthening our ability to more effectively invest and allocate resources to achieve success.

Summary of Initiatives:

• Successfully complete the public phase of the Campaign for OSU and position the University for future growth in private fundraising.
• Increase revenues from research grants and contracts, technology transfer, and commercialization activities.
• Collaborate with institutional partners in areas of shared vision to gain efficiencies in program development and delivery.
• Systematically improve the quality and cost effectiveness of business services to strengthen academic programs and student services.

In addition to the goals and objectives listed, there are a number of university-wide initiatives focused on institutional culture and infrastructure that are critical to success. These include:

• Foster a culture of excellence in all the university's programs.
• Provide a campus environment in which health, wellness, equity, and inclusiveness are fostered and all community members can grow and do their best.
• Bring synergy and impact to OSU messages through an integrated marketing plan that better presents the university to the general public and targeted constituencies.
• Improve the physical and information infrastructure that supports the education, research and outreach and engagement missions of the university, including construction of the remaining facilities targeted for the public phase of the Campaign for OSU (e.g. the Linus Pauling Science Center, the Student Success Center, and the four Cultural Centers); continued upgrading of classrooms and research facilities; and constant enhancements to the backbone structure of information technology.
• Substantially reduce OSU's carbon footprint.
• Augment the spirit and practices of shared governance with consistent articulation and application of a compelling vision, long-term perspective, personal empowerment, and clear linkages among responsibility, authority and accountability.
VII. CONCLUSION

The 2004 Strategic Plan positioned OSU to begin sustained improvement in education, research, and outreach. It set the stage for more productive faculty interactions, improved student learning, and essential private investment into facilities, programs, professorships, and student access. By harnessing these investments into thematic areas with significant potential, OSU was able to leverage institutional resources and dramatically increase measurable results in student performance, institutional quality, faculty renown, and many other areas.

Phase II of the Strategic Plan consolidates and refines the accomplishments of the last five years to accelerate institutional improvement. The three signature areas concentrate the impact of OSU's scholarship and research, shaping and guiding the efforts of a great university to enhance its contributions to the state, nation, and world, and to continue its leadership in finding innovative solutions to our most important regional and global problems.