OREGON INSTITUTE OF TECHNOLOGY FUNDING PROPOSAL

FOR THE FISCAL YEARS 2015 – 2017

Higher Education Coordinating Commission
March 31, 2014
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HECC Preliminary Budget Request for Public University Support Fund

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OREGON INSTITUTE OF TECHNOLOGY

I. Mission

Oregon Institute of Technology (Oregon Tech) is Oregon’s applied-science-and-technology university, and the only public polytechnic in the Pacific Northwest. Oregon Tech has a statewide mission to promote learning and foster student success by offering innovative and rigorous applied-degree programs in the areas of engineering, engineering technologies, health technologies, management, and the arts and sciences by providing an intimate, hands-on learning environment focusing on application of theory to practice. Oregon Tech will be a catalyzing force in advocating for relevance to industry and student needs as part of the criteria for achieving job-driven degrees within 40-40-20.

Oregon Tech has a unique position in Oregon’s higher education portfolio and in the global educational marketplace:

- Focus on undergraduate & applied graduate programs
- Personal, hands-on learning environment, with small class sizes, and courses and labs taught by faculty, rewarded for teaching excellence
- STEM focus (especially the “TE” part of STEM); 87% of degrees in STEM and Health Sciences
- Capped enrollment based on market needs, resulting in high starting salaries and post-graduate success
- Strong presence in both rural and suburban Oregon
- Meeting Oregon’s workforce needs for high-demand occupations

Oregon Tech is nationally recognized for quality, efficiency and student success:

- Top-10 college in Western US (US News & World Report)
- Top-45 non-PhD engineering in US (US News & World Report)
- Most efficient in Western US (US News & World Report)
- #3 public university in Oregon (Forbes)
- #1 ROI (PayScale)
- #1 starting salary (PayScale)
- #1 mid-career salary (PayScale)

Oregon Tech is committed to making a major contribution to Oregon’s 40-40-20 goals by abundantly fulfilling its mission to provide a high-quality, applied education that ensures Oregon students have access to high-paying, challenging career opportunities upon graduation and Oregon has a highly skilled and innovative workforce.
II. MAINTENANCE OF STATUS QUO FUNDING
A. STATUS QUO FUNDING REQUEST

OREGON INSTIUTE OF TECHNOLOGY (OREGON TECH)
HIGHER EDUCATION COORDINATING COMMISSION BUDGET SUBMITTAL
FOR THE BIENNUM 2015-2017
FUNDING REQUEST BASED ON NO TUITION INCREASES/NO ENROLLMENT GROWTH/CURRENT SERVICE LEVEL

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Enrollment (Does not include SEIU increase funding)</td>
<td>6,895,224</td>
<td>7,176,662</td>
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<tr>
<td>Regional Support Funding</td>
<td>5,457,721</td>
<td>5,680,485</td>
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<tr>
<td>Targeted Programs</td>
<td>3,757,362</td>
<td>3,910,724</td>
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<tr>
<td>Base Allocation</td>
<td>16,110,307</td>
<td>16,797,871</td>
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<tr>
<td>Student Success Incentive</td>
<td>164,011</td>
<td>170,705</td>
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<tr>
<td>Tuition Buydown (Includes estimated settle-up)</td>
<td>698,777</td>
<td>2,057,768</td>
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<tr>
<td>SELP Debt Service</td>
<td>189,015</td>
<td>189,015</td>
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<tr>
<td>Public University Support Fund</td>
<td>17,162,110</td>
<td>19,185,359</td>
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<tr>
<td>Current ETIC Funding (Currently used for instructional support)</td>
<td>518,373</td>
<td>539,532</td>
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Public University Support Fund and ETIC Fund Sources at FY 2015 Funding Levels (includes tuition buydown roll-up for full biennium)

<table>
<thead>
<tr>
<th>FY14</th>
<th>FY15</th>
<th>FY16,483</th>
<th>FY17,248,911</th>
<th>FY37,405,374</th>
<th>FY38,764,365</th>
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</thead>
<tbody>
<tr>
<td>17,680,483</td>
<td>19,724,891</td>
<td>37,405,374</td>
<td>38,764,365</td>
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</tr>
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</table>

Additional Enrollment Based Funding Requested for 2015-17 Biennium to Maintain CSL

<table>
<thead>
<tr>
<th>Shared Services/Chancellor Office Dissolution Support</th>
<th>2,018,580</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs Identified February 2014 by the Chancellor's Office</td>
<td>2,018,580</td>
</tr>
<tr>
<td>Pebble Composite Rate Adjustment</td>
<td>633,912</td>
</tr>
<tr>
<td>5th Site Funding not currently included in Oregon Tech Allocation</td>
<td>1,171,617</td>
</tr>
<tr>
<td>Less Amounts attributable to Board Support</td>
<td>(320,000)</td>
</tr>
<tr>
<td>Total Shared Services/Chancellor Office Dissolution Support</td>
<td>3,504,109</td>
</tr>
</tbody>
</table>

Board Support Costs
- Per the Chancellor's Office | 320,000 |
- Additional Costs Identified by University Management | 230,000 |
- Increase in Expenses (Other than Personnel) Due to Inflation | 418,838 |
- Deferred Maintenance Projects below $1,000,000 | 1,364,000 |
- Sustainable Unrestricted Fund Balance | 1,020,000 |
- Increase in Benefit Rates due to 2% PERS and 5% PEBB Increases | 1,801,000 |
- Compensation and Benefits Increase Due to Scheduled Increases 2015-17 | 1,781,000 |
- Compensation and Benefits Increase Due to Scheduled Hiring to Cover 2013-15 Enrollment Increases | 1,444,000 |

Additional Enrollment Based Funding For Non-Shared Services Costs

<table>
<thead>
<tr>
<th>Total Additional Enrollment Based Funding required to balance budget with no growth and no tuition rate increases</th>
<th>11,882,945</th>
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<tbody>
<tr>
<td>Additional Enrollment Based Funding For Non-Shared Services Costs</td>
<td>8,378,836</td>
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</table>

Total State Support required to balance budget with no growth and no tuition increases

| Total State Support required to balance budget with no growth and no tuition increases | 50,647,310 |

1 This amount reflects additional costs and services previously provided by the Chancellor's office that will need to be funded by the University during the next biennium. Oregon Tech believes this number is low and estimates the total cost at $4,540,000 due to additional functions that will be pushed down to the University after the dissolution of the Chancellor's office.
2 Governance costs identified by Chancellor's Office $320,000 additional governance costs determined by Oregon Tech $230,000 for total of $550,000 for the biennium.
3 Inflation set at 3.0% for the biennium as directed by HECC
4 Annual deferred maintenance is based on the University Facilities director's evaluation in terms of risk and building systems functionality of critical maintenance that must be done during the 2015-17 biennium.
5 Over the last 2 biennium the University's unrestricted fund balance has been eroded due to reduced state support at the same time demand for the University's programs has necessitated additional investment in direct and indirect program costs. The amount requested reflects the funding needed to bring the unrestricted fund balance back to an acceptable level of 12% of operating revenues.
6 These amounts required to sustain current enrollment patterns were projected to be funded by an annual expected growth of 3.5% and annual tuition increases of 5% during the 2015-17 biennium.
7 Tuition buydown request for the 2015-2017 biennium is $1,358,991 higher than the 2013-2015 biennium. The request is based on the tuition buydown provided for FY 2015 which was for a full year. The prior biennium only provided a partial buydown for FY2013-2014.
B. Current Funding Provided

Current biennium state funding provided to Oregon Tech through the Public University Support Fund includes enrollment allocations, regional support funding, targeted programs, student success incentives, tuition buy-down funding for the 2013-2015 biennium, and SELP debt service.

Regional Support – At this time the University does not have a significant endowment base and faces challenges in providing student support in the form of scholarships and enrichment. Regional support funding provides remission funding and core program support critical to the University’s ability to meet the demand for regional and statewide access to its technology programs.

Targeted programs include:

   Engineering Technology Program Support – This funding is enrollment based and provides additional support needed for the higher delivery cost of the University’s applied engineering courses. These programs are key to supplying Oregon with the technology graduates needed to grow the economy and to meet the 40-40-20 goals.

   Allied Health Program Support - This funding supports the University’s health profession programs which, due to the rapid changes in the industry and the applied nature of the programs, requires continual upgrades to equipment and course materials. Over the last 20 years, employment growth in the health care industry has been rapid and is expected to continue to outpace other sectors of the economy as demographics and public health policies change.

In addition to the Public University Support Fund, Oregon Tech has received funding from the Engineering and Technology Industry Council (ETIC). This funding has historically been used to cover permanent faculty and classroom costs associated with our Engineering programs. These are ongoing costs that will need to be covered if the ETIC funding is not continued. For 2015-2017, Oregon Tech endorses a collaborative plan, in partnership with the ETIC Council, to gain support from the HECC for funds, to be included in the HECC recommendations to the Governor and the Legislature, that will sustain both the current sustainable/base funds for engineering and technology education that is allocated to the HECC, and advised by ETIC, and an innovation fund, that is allocated to the OEIB STEM Council and advised by ETIC. This investment will help Oregon Tech retain its current enrollment and graduation rates, is included in the Current Service Level budget and therefore not included in the Supplemental Funding Requests.
C. Standard Cost Drivers

The two biggest cost drivers facing Oregon Tech in the 2015-17 biennium are the same as those facing higher education institutions across the nation, rising personnel costs due in large part to fringe benefit increases and a backlog of deferred maintenance on capital assets.

Personnel Costs

We project $1.8 million in increased benefits costs over the next biennium due to scheduled PERS and PEBB increases. Not only are these costs outside the University’s control but are hard to plan for due to the volatility of the rates in the last few biennium.

At the time the present University administration was installed the faculty compensation levels were below the market-rate compensation of its comparator institutions. To compound this inequity during the 2009-2011 biennium in response to a significant reduction in State funding Oregon Tech requested that its faculty and administrative staff take a one year 4% cut in compensation in lieu of furlough days. This cut which was accepted by the faculty and administrative staff allowed the University to reduce the impact of the State funding reduction on its fund balance amidst enrollment growth and program expansion. During the 2011-2013 biennium the COLA increase was held to 3% due to the uncertainty surrounding increased benefit costs. After two biennium of holding compensation in check the University began to face challenges in retaining and recruiting quality faculty for its highly technical and applied programs. During the current biennium in an effort to address the market rate issues and the small COLA increases in prior years the University provided COLA/Market-rate increases in the amount of 4.5% per annum to faculty and 4% (2013-14) and 3% (2014-15) per annum to staff. In the attached projections we have used an overall salaries and benefits increase of 3.2% per annum for the 2015-2017 biennium which works out to approximately a 2% per annum increase for faculty and 1% per annum increase for staff based on our current understanding of scheduled PERS and PEBB increases.

In addition to scheduled compensation and benefits increases the University also expects additional hiring will be needed in the next biennium to cover growth experienced in the current biennium. The University covers staffing for enrollment growth with adjunct and overload compensation. This business model dictates that new faculty hires be made in order to provide the required upper level courses as new students progress through the programs and to allow capacity for new growth. Commitments for new faculty hires must be made prior to the start of the next academic year and therefore additional funding will be needed to cover the greater cost of full-time faculty in the upcoming biennium.
Deferred Maintenance

In terms of square footage the majority of the University’s Educational and General use buildings are over forty years old. The Klamath Falls campus infrastructure is more than 50 years old. Maintenance on these buildings and infrastructure has historically only been undertaken at the point it becomes a hazard or is no longer functional, rather than as a preventative measure. Previous funding for this type of deferred maintenance came from the Oregon University System in the form of bonding dollars specifically designated for maintenance projects and the funding has for the last several biennium been far less than needed based on the University’s and several third party authored deferred maintenance assessment studies.

During the 2015-17 biennium deferred maintenance funding needs that fall below bonding thresholds are anticipated to be $1.4 million. These anticipated critical repairs include rehabbing existing domestic water and geothermal water wells, patching and replacement of concrete sidewalks and stairs, and overhauls to HVAC, electrical and mechanical systems.

Sustainable Unrestricted Fund Balance

Over the last three biennium the University has struggled to maintain a 12% - 15% of operating revenues unrestricted fund balance. The need to reinvest in classroom facilities and technology, maintain a stable faculty and administrative staff and provide funds for continued growth during a period of reduced or flat State support has eroded the fund balance. The projected fund balance as a percentage of operating revenue at the end of FY 2015 is expected to be 10%. We are requesting a $1,020,000 the first year of the biennium to bring the unrestricted fund balance back up to 12% of operating revenues.

D. Shared Services, Governance and Other Costs Due to OUS Break-up

Due to the break-up of the Oregon University System additional costs will be incurred for services previously provided by the Chancellor’s Office and for new governance costs whether for an independent board or for a consortium administration.
Shared Services and Other Costs

For the biennium we are requesting governance costs of $550,000 and $4.5 million for services that have historically been provided by the Chancellor’s Office or that were significantly lower due to economies of scale lost with the break-up of the System.

Total Costs per Chancellor’s Office as of February 2014  2,018,580

Additional costs identified by Oregon Tech management:

Change in PEBB composite rate  633,912

5th Site Funding netted against Shared Services costs above – not included in Oregon Tech current funding allocation  1,171,617

Additional Governance\Board Support Costs  230,000

Additional Costs Identified by Oregon Tech  2,035,529

Total Governance and Additional costs  4,054,109

Board Support Costs Only  550,000

Shared Services\Other Costs (No Board Support)  3,504,109

III. Serving More Oregon Students: Racial/Ethnic, Pell-Eligible and Rural

The annual cost to be a full-time student at Oregon Tech is $21,628, and Oregon Tech provides some form of financial aid to 82% of the admitted students. Of students receiving financial aid, half are dependent (claimed by parents or others for tax purposes); 27% of these dependent students have total family income of $42,000 or less. The remaining half of students receiving financial aid are independent (not claimed by others for tax purposes); half of these students make less than $16,000 per year.

Oregon Tech disbursed over $32M in aid in 2012-2013. In that year, 1,508 students received Pell grants, representing 56% of all students receiving aid; and 2,204 students received loans, representing 82% of students receiving aid. Loans continue to be the bulk of our awarded and disbursed aid at 65% of the overall aid amount. The Oregon Tech Foundation awarded more than 200 scholarships, cumulatively valued at more than $400,000 for the 2013-2014 academic year.
• Rural students: 41% of all Oregon students are from rural counties
• Under representative/minority: 23% of all students are URM
• Pell eligible: 32% of all students completing a FAFSA are Pell eligible.
• Students receiving financial aid
  o 82% of admitted students receive some form of financial aid
  o 22% of those students receiving financial aid are from families with an income of $42,000 or less and whose parents also claim them as dependents
  o 21% of those students receiving financial aid are independent and make less than $16,000 per year
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<tr>
<th>Students Affected by Budget Request</th>
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<tr>
<td>URN</td>
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<tr>
<td>------------------------------------</td>
</tr>
<tr>
<td>Maintaining status quo</td>
</tr>
<tr>
<td>X</td>
</tr>
<tr>
<td>Additional Investment</td>
</tr>
<tr>
<td>• Expansion of student success</td>
</tr>
<tr>
<td>• Supplemental instruction</td>
</tr>
<tr>
<td>• Early intervention alert</td>
</tr>
<tr>
<td>• Oregon Tech pathway</td>
</tr>
<tr>
<td>• Planned enrollment growth</td>
</tr>
<tr>
<td>• New academic program start-up</td>
</tr>
<tr>
<td>• STEM and pre-college expansion</td>
</tr>
<tr>
<td>• Expansion of on-line learning</td>
</tr>
<tr>
<td>• Improving technology enable learning</td>
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</tbody>
</table>

Oregon Tech appreciates the opportunity to describe its unique mission and capabilities, as well as its commitment, plans for growth and innovation, and strategies for reaching 40-40-20, and success for students. The identified goals and strategies provide concrete steps to improve Oregon Tech’s academic offerings and student success. Immediate and long term actions will lead to near-term improvements as well as continued growth and excellence into the future.
### IV. BENEFITS OF ADDITIONAL INVESTMENTS
#### A. SUMMARY OF SUPPLEMENTAL PROGRAM INVESTMENTS

OREGON INSITUTE OF TECHNOLOGY (OREGON TECH)
HIGHER EDUCATION COORDINATING COMMISSION BUDGET SUBMITTAL
FOR THE BIENNium 2015-2017
ADDITIONAL ACHIEVEMENT COMPACT PERFORMANCE WITH SUPPLEMENTAL STATE SUPPORT

<table>
<thead>
<tr>
<th>Program Description</th>
<th>Supplemental Biennium Funding Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5% Increase</td>
</tr>
<tr>
<td>Expansion of Student Success Programs</td>
<td>$ 524,410</td>
</tr>
<tr>
<td>Supplemental Instruction</td>
<td>$ 150,000</td>
</tr>
<tr>
<td>Early Intervention Alert Program</td>
<td>$</td>
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<tr>
<td>Oregon Tech Pathway</td>
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<tr>
<td>Planned Enrollment Growth</td>
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<tr>
<td>New Academic Program Start-up</td>
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<tr>
<td>Expansion of STEM and Pre-College Programs</td>
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</tr>
<tr>
<td>Expansion of Online Learning</td>
<td>$</td>
</tr>
<tr>
<td>Improved Technology-Enabled Learning</td>
<td>$</td>
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<tr>
<td>Total Supplemental Funding Requested</td>
<td>$ 2,479,470</td>
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<tr>
<td>Limit By 5%, 10% and 25%</td>
<td>$ 2,479,470</td>
</tr>
</tbody>
</table>
IV. Benefits of Additional Investment

B. Targeted Strategies for 40-40-20 Goal Attainment

1. Increase Diversity – Provide Access to Underserved Students.
   
   **Expansion of Student Success Programs**: Oregon Tech currently receives federal funding through the TRIO program to provide supplemental support for students who have academic need and are first generation college students, have a disability or are low-income. Some of the programs provided under this program include tutoring, mentoring networking college success classes, and developmental academic advising. With additional funding we would build on the existing program structure in order to serve an additional 100 students over and above the 166 limit currently imposed on the federal funding. The additional costs incurred would be for staffing and student mentors.

   **Early and Often Supplemental Instruction**: The primary academic challenges that face students entering Oregon Tech are Math, Anatomy and Physiology, and Chemistry. Due to under-preparation in these STEM areas, many students have to add anywhere from one to four preliminary courses in order to improve their math and science skills to the point where they are ready to begin their chosen-major curriculum. This program would hire upper-level and/or Master’s degree-level students to supplement their instruction that is specific to the course, section and instructor.

   **Early Intervention Alert Program**: Oregon Tech has approximately 600 students on warning and approximately 200 on probation each year. This program would allow a more proactive approach to retaining students who are not succeeding in their chosen fields of study. This program provides for learning specialists to work one-on-one with each student on warning or probation to work through the issues that may be affecting their educational success. The goal is to provide each student the greatest chance of success by connecting each student with as many resources and services as possible.

   **Oregon Tech Pathway**: This program is patterned on the University of Oregon’s PathwayOregon program, providing supplemental aid to PELL-eligible students in the form of additional tuition remissions.
2. Growth Through Market Demand and Curriculum Innovation

- **Planned Enrollment Growth:** Based on projected enrollment increases of 2.5%/year to meet our 40-40-20 target, we will need an additional 11 faculty to maintain our current 20:1 student to faculty ratio. Our request would be to hire 6 in the first year of the biennium and 5 in the second year.

- **New Academic Program Start-up:** We expect to launch five new academic programs during the upcoming biennium.
  - Population Health Management (PHM)
  - Masters of Science in Engineering (MSE)
  - Doctorate in Physical Therapy (DPT)
  - Occupation Therapy (OT)
  - Marriage and Family Therapy (MFT)

The new faculty positions in both investment packages will help fulfill the academic plan to revitalize and innovate curriculum.

3. Pathways to Completion with Industry-Education Partnerships and New Methods of Course Delivery

- **STEM and Pre-college Expansion:** In February Oregon Tech was awarded state funding through June 30, 2015 for a South Metro-Salem Regional STEM Hub, based at its Wilsonville campus. Oregon Tech also has strong Regional Partnerships in Southern Oregon and in other partner sites around the state. With additional state funding, and in coordination with school districts, colleges, business and community partners, Oregon Tech will expand outreach to underrepresented students, increase accelerated college credits, and create more high school transition programs, and increase the number and demographic diversity of high school students that are ready to undertake rigorous applied science and technology degrees. Funds will also support STEM coaching and teacher professional development, expanded Project Lead The Way program, community college advisor learning community, academic advising, marketing and institutional research to track progress and measure success.

- **Expansion of Online Learning:** The enrollment target for students in online majors at Oregon Tech by the year 2025 is 700. In Fall 2013, there were 341 students admitted and enrolled in online majors. Support is needed for administrative staff, faculty and
technology that will provide more flexible routes for graduation and degree completion.

- **Improved Technology-Enabled Learning:** A Technology Education Center will increase teaching effectiveness through adoption of more active learning and student-centered pedagogy.

This plan necessitates capital investments in facilities and other infrastructure to achieve the 404020 growth targets that are not included in this operational budget.
DESCRIPTION OF PROPOSED SUPPLEMENTAL PROGRAMS
OREGON INSTITUTE OF TECHNOLOGY (OREGON TECH)
HIGHER EDUCATION COORDINATING COMMISSION BUDGET SUBMITTAL
FOR THE BIENNIAL 2015-2017
ADDITIONAL ACHIEVEMENT COMPACT PERFORMANCE WITH SUPPLEMENTAL STATE SUPPORT

<table>
<thead>
<tr>
<th>Program Description with Metric Impact</th>
<th>Supplemental Biennium Funding Requests</th>
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<tbody>
<tr>
<td></td>
<td>5% Increase</td>
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<td></td>
<td>$ 524,410</td>
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</table>

Program: Expansion of Student Success Programs

Funding Request: $ 524,410, $ 648,821, $ 1,300,000

Full Program Description:

Oregon Tech currently receives federal funding through the TRIO program to provide supplemental support for students who have academic need and are first generation college students, have a disability or are low income. Some of the programs provided under this program include tutoring, mentoring networking college success classes, and developmental academic advising. With additional funding we would build on the existing program structure in order to serve an additional 100 students over and above the 186 limit currently imposed on the federal funding. The additional costs incurred would be for staffing and student mentors. Western Oregon University currently leverages their TRIO dollars in a similar manner with very positive impacts to retention and graduation rates.

The major cost of this program would be 2 additional staff members, student mentors and emergency grant aid to students.

At the 10% - 25% incremental funding level a new Advising Model with dedicated advisors for all new first year students would be implemented allowing students and advisors to explore a wider range of opportunities and issues. (Faculty would continue to advise transfers, students and upperclassmen)

Also at the 25% funding level a retention analyst position would be added to aid in collection of retention data for identification of areas of concern and the development of solutions.

A bridge program would also be implemented at the 25% level of funding. This program would bring students onto campus prior to their first term to provide additional transition assistance.

Link to 40-40-20 Achievement Compact:

The TRIO program and likewise this proposed expansion of the program is aimed at students who are PELL eligible and/or academically challenged due to earlier education and cultural environments. This program addresses 3 of HECC’s broad strategies for meeting 40-40-20. By leveraging a federally funded program we will gain efficiencies that will enable us to serve and graduate a greater number and a more diverse population of students. Timely intervention with struggling students improves the chance of degree completion and shortens the number of academic terms to graduation, thereby decreasing the student’s cost and the State’s risk of lost education dollars due to the student withdrawing prior to graduation. By providing remediation services that allow the student to pursue high-skill high-wage careers that otherwise would not be open to them, the program encourages a culture of college education as a norm and a life-time quality of life value.
OREGON INSTITUTE OF TECHNOLOGY (OREGON TECH)
HIGHER EDUCATION COORDINATING COMMISSION BUDGET SUBMITTAL
FOR THE BIENNium 2015-2017
ADDITIONAL ACHIEVEMENT COMPACT PERFORMANCE WITH SUPPLEMENTAL STATE SUPPORT

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<tr>
<td></td>
<td>5% Increase</td>
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<td></td>
<td>$ 150,000</td>
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Program: Supplemental Instruction Program

Funding Request: $ 150,000

Full Program Description:
Principal academic challenges that face students entering Oregon Tech are Math, Anatomy and Physiology, and Chemistry. Due to under-preparedness in these STEM areas of math and science, many students are having to add anywhere from one to four preliminary courses in order to improve their math and science skills to the point where they are ready to begin their chosen major curriculum.

This program would hire upper level and/or Master's degree level students to sit in the classroom during the term and then hold out of the classroom study sessions that would run tandem with the course. This would give each student in these STEM courses additional support specific to the course, section and instructor. This would, in turn, give them a greater chance for success within these disciplines.

The major cost of this program would be additional student mentor cost and an additional 1.5 FTE to coordinate the class scheduling and oversight.

Link to 40-40-20/Achievement Compact:
In order to make any significant progress on the 40-40-20 goals within the next biennium, especially in terms of underserved populations it is critical that intervention programs be funded to ameliorate the current deficiencies in college preparedness of our high school graduates. This program would have an immediate effect on our retention and graduation rates by allowing students who would otherwise fail our rigorous applied science curriculum to be successful and go on to secure careers in well paying industries. By cutting the academic time and resources spent on remedial curriculums this program reduces the student's education costs and reduces the State's risk of lost education dollars due to the student withdrawing. The program is aimed at underserved populations and STEM curriculums, both of which are stated leverage points of the OEIB 2015-17 Budget Strategy draft paper.
OREGON INSTITUTE OF TECHNOLOGY (OREGON TECH)  
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<td>Funding Request:</td>
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**Full Program Description:**  
Oregon Tech has approximately 600 students on warning and approximately 200 on probation each year.  
This program would allow a more proactive approach to retaining students that are not succeeding in their chosen fields of study. This program provides for learning specialist to work one on one with each student on warning or probation in an effort to work through the issues that may be affecting their educational success. The goal will be to provide each student the greatest chance of success by connecting each student with as many resources and services as possible.

**Link to 40-40-20\Achievement Compact:**  
Retention is a major strategy for meeting 40 -40-20 goals By identifying at risk students earlier the retention success rate will be greater and thereby increase graduation rates. Retention programs reduce the risk of losing State education dollar investments through student withdrawals. Every successful graduation by a student from an underserved population enhances a going to college culture while every failure sends the message that college graduation is not possible.
OREGON INSTITUTE OF TECHNOLOGY (OREGON TECH)
HIGHER EDUCATION COORDINATING COMMISSION BUDGET SUBMITTAL
FOR THE BIENNium 2015-2017
ADDITIONAL ACHIEVEMENT COMPACT PERFORMANCE WITH SUPPLEMENTAL STATE SUPPORT

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<th>Program Description with Metric Impact</th>
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<tr>
<td>Program: Oregon Tech Pathway</td>
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<td>Funding Request:</td>
<td>562,019</td>
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Full Program Description:
The program is patterned on the University of Oregon's PathwayOregon. The program supplements the aid to PELL eligible students in the form of additional tuition remissions.

Link to 40-40-20\Achievement Compact:
The program is aimed at making college more affordable specifically for PELL eligible students, thereby making a college education more affordable.
Program: Planned Enrollment Growth

Funding Request: $1,700,000 $1,700,000 $1,994,410

Full Program Description:
Based on projected enrollment increases of 2.5% per year to meet our 40-40-20 target, we will need an additional 11 faculty to maintain our current 20:1 student to faculty ratio. Our request would be to hire 6 in the first year of the biennium and 5 in the second year.

Additional staff, travel, professional development and services and supplies for increased recruiting efforts

1,700,000 1,700,000 1,700,000

200,000

Increases to financial aid staffing, and related professional development and services and supplies costs.

94,410

Link to 40-40-20/Achievement Compact:

Oregon Tech has a Strategic Enrollment Management Committee that is focused on enrollment growth and retention. Oregon Tech's enrollment target for 2017 is 4,760 students; with growth to 900 students at the Wilsonville Campus and 3,860 students in Klamath Falls, distance education, and partner sites. This enrollment goal positions us to reach our 404020 target of 5400 students by 2025.

A significant part of Oregon Tech's expected growth over the next biennium will come from retention programs which will favorably impact graduation rates. By maintaining the current student-faculty ratio Oregon Tech can leverage the success of those retention programs. Improvement in student retention is expected to increase the achievement compact graduation rate by 1% to 3%. The retention programs are primarily aimed at students who due to a lack of college readiness in STEM education struggle with our curriculum. The majority of these students are PELL eligible so this funding will favorably impact that metric as well.

Additional student recruitment efforts will be needed to meet the 40-40-20 goals. The recruitment of underserved populations requires more contact both in terms of number of times contacted and more one on one time with the student and their family. Additional staffing will allow better communication lines and help create a "college-going-and-completion" culture.

Financial aid assistance and counseling plays a major part in both the recruitment and retention processes. This additional staffing will provide better monitoring of students' with financial aid issues and opportunities.
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Program: New Academic Programs Start-up

Funding Request:

$ - $1,000,000 $1,466,922

Full Program Description:
We expect to launch five new academic programs during the upcoming biennium.

- Programs and faculty
  - Population Health Management (PHM) – 2 faculty
  - Masters of Science in Engineering (MSE) – 2 faculty
  - Doctorate in Physical Therapy (DPT) – 3 faculty
  - Occupation Therapy (OT) – 1 faculty
  - Marriage and Family Therapy (MFT) – 2 faculty

The overhead, equipment, lab space, etc. is small for these programs. The vast majority of the cost is in faculty. Would phase these 10 additional faculty members in over the two years of the biennium, five in the first year and five in the second.

Link to 40-40-20/Achievement Compact:

The two new masters programs will provide additional career pathways for students in our Engineering and Applied Psychology programs. Masters degrees in both of these fields of studies are becoming the preferred degree sought by employers when hiring. The other three programs are natural extensions of our other allied health programs. These programs will help fill the anticipated increased need for these professionals as the aging baby boomers retire. All 5 of the planned programs provide clear career pathways to well compensated jobs providing excellent ROI to the student and the State of Oregon on their education investment. Higher compensated careers effectively make higher education more affordable and thereby more accessible to the students who must pay for part of their education through educational loans. These additional career pathways will allow Oregon Tech to increase enrollment, retention and graduation rates to meet their commitment to the State's 40-40-20 goals.
OREGON INSITUTE OF TECHNOLOGY (OREGON TECH)
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Program: Expansion of STEM and Pre-college Programs

Funding Request:

Full Program Description:

In February Oregon Tech was awarded state funding through June 30, 2015 for a South Metro-Salem Regional STEM Hub, based at its Wilsonville campus. Oregon Tech also has strong Regional Partnerships in Southern Oregon. With additional State Funding, in coordination with school districts, colleges, business and community partners across the state, Oregon Tech will expand outreach to underrepresented students, increase accelerated college credits, and create more high school transition programs, and increase the number and demographic diversity of high school students that are ready to undertake our rigorous applied science and technology degrees. Funds will also support STEM coaching and teacher professional development, expanded Project Lead The Way program, community college advisor learning community, academic advising, and institutional research to track progress and measure success.

Link to 40-40-20\Achievement Compact:

STEM education is a key priority identified by the OEIB. This program will help the State meet the projected employer demands for STEM-educated graduates and provide more well-paying job opportunities for Oregon citizens. The expansion of the STEM Hub programs directly supports the HECC’s goal of expanding efficient career pathways to reach the State’s 40-40-20 goals and the OEIB strategy for creating a seamless public education system by focusing on critical student transitions. These programs will also support the development of a "college-going-and-completion" culture with pre-college and STEM college-readiness programs aimed at middle school and high school students. The improvement in the awareness of STEM career opportunities and college readiness of students entering our applied technology courses will in turn increase our retention and graduation rates and our ability to reach underserved populations.
OREGON INSTITUTE OF TECHNOLOGY (OREGON TECH)
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Program: Expansion of Online Learning Program

Funding Request:

$ - $ - $2,300,000

Full Program Description:
The target enrollment for students in online majors at Oregon Tech is 700 within five years. In the Fall of 2013 there were 341 students admitted and enrolled in online majors.

Expansion Costs:
- Additional Administrative Staff Costs - $300,000
- Additional Faculty Costs - $1,800,000
- Technology costs for expansion - $150,000
- Other New Program Startup Costs - $50,000

Link to 40-40-20\Achievement Compact:

With better teaching methods developed specifically for the distance learning environment, improved computer platform tools and a broader computer literacy of the general population online learning has become an effective and efficient method of delivering course material. Online programs are cost effective for the State due to the limited space capacity needed to serve large student populations. In addition online programs allow students who drop out or might otherwise never start to undertake and/or continue their education while balancing work, life and family obligations. By increasing online programs and enrollment Oregon Tech will provide students with a more flexible route to graduation and degree completion.
Program: Improved Technology-enabled Learning

Funding Request:

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Full Program Description:
The purpose of this program is to increase the extent and effectiveness of faculty use of learning technologies and to enhance student learning environments. Increasing the extent and effectiveness of instructional technologies usage will help instructors offer students options for access to learning, increase general teaching effectiveness, and improve student success, which will help improve retention. The underlying purpose of improving the use of instructional technologies is to increase teaching effectiveness through adoption of more active learning and student-centered pedagogy. This will be achieved primarily through creating an Educational Technology Center (ETC), where an Instructional Technologist with expertise in effective teaching as well as technology, will be available to assist faculty. Enhancing the student learning environments will improve options for student access, allow the instructors to better use new learning technologies, and help to retain students who normally live and work with a wide range of technological amenities.

Link to 40-40-20\Achievement Compact:

Faculty classroom effectiveness is a key factor in student recruitment, retention and graduation. By providing faculty with the tools and resources to incorporate proven technology-enabled teaching methods into their curriculum this program will enhance the student's learning experience. Technology enhanced teaching methods and facilities are critical to the University's ability to recruit and teach today's technology-sophisticated student. Achievement Compact metrics across the board will improve with this investment.
V. Oregon Tech’s 40-40-20 Plan Leading to Growth and Innovation

The Oregon University System calculation for enrollment at Oregon Tech, based on historical proportions of OUS graduates, is 5400 student headcount by 2025. Oregon Tech’s current headcount in Fall 2013 is 4414, with 670 graduates in 2012-2013. To achieve the state’s graduation targets, Oregon Tech will need to enroll 1000 additional students by 2025 to reach its projected headcount and graduation targets, an overall increase of 23% over 10 years, or approximately a 2.5% net gain per year. Oregon Tech will also need to engage in robust student support strategies to increase the retention and graduation rates of its student body. This is an ambitious goal.

Challenges

- Current enrollment trends in higher education in Oregon are flat. Oregon Tech and Oregon State are the only two universities in Oregon with enrollment increases over the last two years.
- Current academic programs can support 800 additional students. However, Oregon Tech’s programs are market-driven and some could be closed due to saturating their market. Graduate placement rates are a hallmark of our university and we will not grow those programs. Targeted recruiting has begun for those programs with market capacity.
- Oregon Tech is currently understaffed in general education and service department faculty, classified, and administrative staff.
- Cornelius Hall and several other key classroom and laboratory buildings need to be renovated or replaced, and new facilities will be needed to accommodate growth. Cornelius Hall houses lab and project space for Mechanical Engineering, Mechanical Engineering Technology, Manufacturing Engineering Technology, Civil Engineering, Renewable Energy, and the Oregon Renewable Energy Center, and is a top-priority project.

Oregon Tech’s plan calls for a multi-pronged approach:

- Increasing the diversity, retention and success of the students it serves;
- Increasing the number of students enrolled through academic program growth and innovation;
- Offering more flexible pathways to degrees and certificates through partnerships and non-traditional educational delivery methods.

Plans

Oregon Tech plans to achieve its projected enrollment growth and fiscal sustainability by maintaining high-quality, relevant educational programs in high-demand career fields, developing new, innovative degree programs, and supporting student success with academic, cultural and social student services. The continued involvement and cultivation of industry relationships is the key to success, through program and department-specific industry advisory councils, company-sponsored student projects,
internships and externships, applied research with students and faculty, and strong industry and community relationships, including our STEM Partnerships.

Oregon Tech engaged in a rigorous academic planning process in 2013-14, under the leadership of the provost and three highly-productive faculty committees. The faculty-driven and industry-advised academic plan now has three core focus areas to achieve innovation and growth.

New academic programs/directions:

1. **Revitalize and Innovate Curriculum.** The goal is to encourage the Oregon Tech academic community to enhance or develop new, exciting, and innovative programs, use existing strengths and areas of expertise to develop inexpensive, on-mission programs to ensure the viability of the flagship degrees in Health and Engineering, and to improve utilization and diversity of general education courses. This strategy fosters academic structures that provide connectivity within allied curricula and between Bachelor’s and Master’s tracks, and promotes dual majors and minors that improve student marketability and career success. The university’s Office of Academic Agreements and Oregon Tech’s STEM and Regional Partnerships are also involved in multiple collaborations to expand connectivity and aligned curricula between high schools, community college, and Oregon Tech.

2. **Deliver Educational Offerings through Multiple Venues.** Education is reaching an inflection point nationally with a massive variety of different online options being tested at prestigious and peer institutions. Oregon Tech’s goal is to transition from having a distance education department that exhibits minimal growth because of limited resources and institutional support to one that assumes an integral role in Oregon Tech’s academic identity and is supported by multiple approaches to facilitate dramatic growth in content offerings and pedagogical application.

3. **Explore Opportunities and Consequences of Applied Research.** The goal is to transition from an institution with limited applied research activity to one that integrates teaching, supports efforts to obtain external funding, and provides opportunities for faculty and students to develop their academic objectives. Opportunities for applied research include support of teaching, professional development, service to the institution, and service to community. The goal is to achieve a 25% increase in research activity in the next five years.

The academic plan will be supported by best practices in outreach, recruitment, retention and student services. Oregon Tech is also working on a Facilities Master Plan to provide ensure that the students have creative and technologically advanced classrooms and labs, and access to academic, personal, cultural, athletic and career services.