December 9, 2005

Rita R. Conrad, Acting Executive Director
Oregon Progress Board
155 Cottage Street NE U20
Salem, Oregon 97301-3966

Dear Ms. Conrad,

During the past year, performance measurement has held a high profile within the Oregon University System. Campus leaders and Chancellor’s Office staff worked together during the legislative session not only to develop measures and targets, but to enhance the effectiveness of performance measurement as a policy and communication tool. As the State Board of Higher Education deliberates long-term goals and priorities, outcomes and indicators of performance are helping to frame the conversation.

The attached Annual Performance Report for 2005 highlights the progress the Oregon University System has made toward its goals of access, affordability, excellence, and economic development. Oregon’s public universities are enrolling more undergraduates, Oregon community college transfers, and students of color. Graduation rates for freshmen enrolling six years earlier continue to rise. And OUS faculty are bringing in more sponsored research dollars than ever before to support education and economic enterprise within the State.

While OUS enrollment growth over the past decade has outpaced national averages, a slowing in recent enrollment growth rates reflects the impact of reduced funding targeted to support enrollment demand, and an inadequate level of state need-based financial aid to ensure access for low-income students. Meanwhile, OUS produced a record number of degrees as students admitted in the 1999-2001 biennium, following an infusion of state dollars, progressed through their degree programs to completion. We are concerned about our ability to sustain this level of degree production without sufficient resources to support anticipated enrollment demand.

We appreciate the patience and assistance of the Oregon Progress Board, and respectfully submit the attached 2005 Annual Performance Report. Thank you.

Sincerely,

George Pernsteiner
Chancellor
ANNUAL PERFORMANCE PROGRESS REPORT - EXECUTIVE SUMMARY


Please read the instructions before completing. Instructions can be found in Appendix C of the 2005-07 Budget Instructions and online at www.oregon.gov/DAS/OPB

Agency: Oregon University System  
Contact: Ruth D. Keele Phone: 541.346.5754  
Alternate: Charles Triplett Phone: 503.725.5717

Oregon University System

<table>
<thead>
<tr>
<th>Performance Target Achievement</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Key Performance Measures (KPMs)</td>
<td>31</td>
</tr>
<tr>
<td># of KPMs at target for most current reporting period</td>
<td>9</td>
</tr>
<tr>
<td># of KPMs not at target for most current reporting period</td>
<td>11</td>
</tr>
<tr>
<td># of KPMs with no previous targets for existing data points (new measure, data under development, or targets not required)</td>
<td>11</td>
</tr>
</tbody>
</table>

The mission of the Oregon University System (OUS) is to:

- Provide affordable access to high-quality postsecondary education for all qualified Oregonians;
- Improve and enrich continuously the lives of the people of the state, the nation, and the world through the pursuit and application of ever-deeper understandings in the sciences, the social sciences, the humanities, the arts, and the professions; and
- Infuse learning with the rigorous pursuit of free and open inquiry to assure that Oregon has the capacity to respond effectively to social, economic, and environmental challenges and opportunities.

During the past biennium, the State Board of Higher Education has reaffirmed its commitment to the state through the refinement of agency goals to reflect the expressed priorities of the Governor and Legislature. Working groups, comprising Board members and representatives of the broader Oregon community, have focused their efforts on developing initiatives and performance goals to address:

- Access and affordability;
- Excellence in delivery and productivity;
- Academic excellence; and
- Economic development.

OUS performance measurements highlight the success of Oregon’s public universities in advancing most of these initiatives. OUS institutions continue to provide access through increased enrollment of undergraduate students, Oregon community college transfers, and students of color. Once enrolled, these students have achieved greater persistence and graduation rates. Rounding out the Governor’s charge of “more, better, faster,” graduates of Oregon’s public universities consistently award a high rating to their overall educational experience. However, the ratio of students to full-time faculty sounds a warning for the potential erosion of progress in these areas.
The Oregon Benchmarks highlight the importance of an educated populace for the economic and civic strength of the state. Oregon’s public universities represent the best opportunity for Oregon residents to obtain bachelor’s or advanced degrees. In 2003, OUS institutions significantly exceeded their targets in graduating more individuals with bachelor’s and advanced degrees, followed by additional growth in 2004. This may be the result of additional state resources in 1999-00 which allowed greater enrollments than had previously been possible. Targeted efforts to meet workforce needs for graduates trained in engineering and computer science fields are also showing results. The outstanding success of university faculty in generating outside research funding not only speaks to the reputation and resourcefulness of OUS faculty, but contributes to the quality of student education, cost-effective operations, and economic development in the state. Despite these performance achievements, Oregon continues to face a formidable challenge in its efforts to make higher education affordable for all qualified citizens.

During the past year, the Oregon University System has worked to make performance measurement an effective management and policy tool. An overarching performance and accountability framework provides a model for connecting performance measurement to strategic planning and policy initiatives. In addition, the Oregon University System is undertaking a comprehensive review of its performance measures and accountability reporting. The guiding principle for this review is to ensure that what is measured reflects what is valued, both within the system and throughout the state.
The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.

1. How were staff and stakeholders involved in the development of the agency’s performance measures?

The development of performance measures for OUS began in 1997 with the identification of broad societal goals for public higher education, which were codified in statute with the passage of SB 919 in 1997 Legislative Assembly. These goals include: access, quality, employability, and efficiency.

The Board of Higher Education, a lay board appointed by the Governor, discussed specific measures and indicators of these goals in the subsequent seven public board meetings which were held on campuses in all Oregon regions and which included opportunities for public testimony (Klamath Falls, La Grande, Portland, Eugene, Corvallis, and Ashland).

OUS staff involved campus leaders (presidents, provosts, and vice presidents) in discussions about the development of performance indicators (PIs), data sources, and targets. The Board at a regular meeting approved 30 indicators/measures, many with data available.

A planning group was formed of representatives from each campus to develop systems for collecting and aggregating campus data into agency results. This group also participated in the design of surveys of customer satisfaction (enrolled students, recent graduates, graduates 5 to 10 years later, and employers) and the economic impact of OUS on the state. They served as liaisons to translate performance goals into tangible campus activities.

In 2000, OUS invited business leaders to review the performance measurement process, including proposed improvement targets. This feedback was valuable in clarifying public expectations for accountability reporting. This ad hoc advisory group recommended that OUS focus on a limited number of indicators most critical to success and set higher targets.

To streamline the process and focus campus efforts to improve processes and results, the Board selected 12 key performance indicators (KPIs) out of the 30 proposed in the first year. These are regarded as key drivers to improving quality and results.

The 31 agency performance measures reported here reflect the 30 PIs identified in November 1997 with some modifications based on both internal process reviews and review by the 2003 Legislative Assembly. During 2004, OUS staff initiated efforts within the system and among Oregon’s educational communities to review performance measures and accountability reporting to improve clarity, facilitate cross-sector collaboration, and further integrate performance measurement into agency policy processes.
The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.

<table>
<thead>
<tr>
<th>2</th>
<th>How are performance measures used for management of the agency?</th>
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<tbody>
<tr>
<td></td>
<td>The performance measures are used to compare agency performance over time and to other higher education institutions. From this process, the agency has made it a priority to align programs with desired results. For example, freshman persistence to the second year is the best predictor of bachelor’s degree completion. A task force was assembled of campus representatives to consider how current outcomes could be improved. Campuses modified policies, programs, services, and budgets according to current research on what makes students persist. This is important in producing more graduates needed to support Oregon’s economy. The agency is achieving improvements in both freshman persistence and graduation rates (as well as other measures). This will lead to higher education services that are more efficient and effective. As we collect data for most of the measures on an annual basis and there is often a lag time in producing data, we tend to use the results to set policy and budget directions for future years rather than using the results to manage on a day-to-day basis. Campuses are expected to develop systems for collecting and monitoring data at the program and activity level and align budgets and priorities.</td>
</tr>
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<table>
<thead>
<tr>
<th>3</th>
<th>What training has staff had in the use performance measurement?</th>
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<tr>
<td></td>
<td>Campus-level training has occurred largely through the Inter-institutional Planning and Research Council (IPRC). Topics have included: projecting targets from current performance, benchmarking performance against peer groups, reviewing best practices, setting realistic but challenging targets, aligning targets with strategic directions, understanding the public’s demand for accountability, and developing processes for awarding incentives for improvement (funded only in the first year). We also have trained campus personnel on-site so they can train staff responsible for improving performance results.</td>
</tr>
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<table>
<thead>
<tr>
<th>4</th>
<th>How does the agency communicate performance results and for what purpose?</th>
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<tbody>
<tr>
<td></td>
<td>Formal annual reports are made to the State Board of Higher Education, Legislature, and press (since 1998) based on agency performance and individual campus performance. The purposes are to (1) describe how well we are achieving the four broad goals, (2) identify risk factors to making improvements, (3) set budget priorities, (4) provide information to stakeholders and the public, and (5) increase accountability to Oregon taxpayers. In November 2005, campus-level performance reports were presented to the State Board of Higher Education by university presidents, linking performance targets and trends to broader university-wide goals and initiatives. In compliance with state directives, OUS reports performance results through the Oregon Progress Board and the biennial agency budget request. We have focused on improving communication by greater transparency in our results. The web-based component, begun in 2001, was designed to provide information in a format and language that would be understandable to all readers. We post both trend data and improvement targets for the 13 Board-approved and 31Legislatively-approved measures. We are in the process of revising the Accountability link on the OUS website, but performance results are still available at: <a href="http://www.ous.edu/mp_home.htm">http://www.ous.edu/mp_home.htm</a>.</td>
</tr>
</tbody>
</table>
The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 What important performance management changes have occurred in the past year?</td>
<td>During 2005, agency efforts have been focused on making performance measurement an effective management, policy, and communication tool. Throughout the Oregon University System, awareness of agency measures has been enhanced and progress made toward integrating performance and accountability concepts into planning and operations. Outcomes and performance measurement have shaped much of the State Board of Higher Education’s current long-term planning discussions. OUS has committed to conducting, during this biennium, a comprehensive review of performance indicators, with a focus on better alignment of Board-approved measures with the DAS links to <em>Oregon Benchmarks</em>, development or revision of indicators to tie more closely to current Board initiatives, emphasis on high-level outcome measures, and collaboration with other state agencies on common or parallel measures for statewide assessment. The guiding principle of this review is to assure that what is measured reflects what is valued. Finally, as a tangible indication of the Board’s commitment to performance measurement, one additional FTE was added to the Chancellor’s Office to support a Performance Analyst position.</td>
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</tbody>
</table>
**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

**TIME PERIOD: FISCAL YEAR 2004 – 2005 (Previously reported as 2005-2006)**

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td># 1a – Percent of undergraduates receiving federal Pell grant awards. (DEVELOPMENTAL)</td>
<td>Target</td>
<td>Data</td>
<td>To be replaced in 2005-2007 with new KPM 1a: Total cost of attendance as a percent of Oregon median family income.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Data Source:** Developing data and sources.

**Key Performance Measure Analysis**

**To what goal(s) is this performance measure linked?**

Goal 1.1 Access: Affordability

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring affordable access is a critical early step.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

**How does the performance measure demonstrate agency progress toward the goal?**

Even without performance data, we know that tuition costs have skyrocketed in recent years relative to funding for federal (Pell Grant) and state (Oregon Opportunity Grant) aid and family incomes in the state. Ongoing discussions within OUS and with OSAC have sought to refine the way OUS measures affordability, with an emphasis on effectively representing threats to access, availability of reliable data, and an unambiguous direction for goal setting. The developmental measure of Pell grant participation fails to represent barriers to low-income students. Establishing targets for this measure proved problematic, as it is unclear whether the desired outcome is more or fewer Pell recipients. For 2005-2007, OUS has received legislative approval to replace this measure with the following:

# 1a – Cost of attendance for a resident undergraduate (tuition & fees, room & board, other expenses) as a percent of Oregon median family income.

**Compare actual performance to target and explain any variance.**

Performance data and targets for the replacement measures are being developed.

**Summarize how actual performance compares to any relevant public or private industry standards.**

Performance data and relevant comparators for the replacement measures are being developed.
What is an example of a department activity related to the measure?
OUS worked with OSAC and the Oregon Student Association during the 2005 Legislative Session to secure additional funding for the Oregon Opportunity Grant for low-income college students.

What needs to be done as a result of this analysis?
Affordability is a critical component of access for all qualified Oregonians to higher education. Shutting out low- and middle-income students from college will have long-term consequences for the state – reducing life opportunities for a significant segment of the population, and slowing Oregon’s progress in meeting workforce needs and economic development goals. OUS is working with campus financial aid offices, the Oregon Student Assistance Commission (OSAC), and national data agencies to identify, collect, and aggregate meaningful and reliable data for measuring agency performance.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS


Agency Name: Oregon University System

### Key Performance Measure Analysis

**To what goal(s) is this performance measure linked?**

Goal 1.1 Access: Affordability

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring affordable access is a critical early step. OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

**How does the performance measure demonstrate agency progress toward the goal?**

Federal and state need-based financial aid covered, on a per-student basis, 45.8% of the total cost of enrollment for resident undergraduates in 2003-04. Federal aid categories include federal student and parent loans, Pell grants, work study, and Supplemental Educational Opportunity Grants; state aid is represented by the Oregon Opportunity Grant. Excluding loans, federal and state need-based aid covered only 21.8% of the total cost of attendance for a resident undergraduate. Loans accounted for 52% of all aid disbursed to this group.

**Compare actual performance to target and explain any variance.**

This measure was established as developmental in 2003 and, as a result, has no targets for earlier years. Given recent changes in the federal Pell grant program reducing per-student aid and uncertainties regarding the future of federal student aid funding in general, OUS does not expect to see significant improvement on this measure in the near future. Additional funding for the Oregon Opportunity Grant and OUS efforts to keep tuition increases as low as possible will help prevent further erosion of the impact of financial aid on student costs.
**Summarize how actual performance compares to any relevant public or private industry standards.**

OUS is working to explore relevant comparators.

**What is an example of a department activity related to the measure?**

OUS worked with OSAC and the Oregon Student Association during the 2005 Legislative Session to secure additional funding for the Oregon Opportunity Grant for low-income college students.

**What needs to be done as a result of this analysis?**

Affordability is a critical component of access for all qualified Oregonians to higher education. Shutting out low- and middle-income students from college will have long-term consequences for the state – reducing life opportunities for a significant segment of the population, and slowing Oregon’s progress in meeting workforce needs and economic development goals. OUS is working with campus financial aid offices, the Oregon Student Assistance Commission (OSAC), and national data agencies to identify, collect, and aggregate meaningful and reliable data for measuring agency performance.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS


Key Performance Measure (KPM)

<table>
<thead>
<tr>
<th># 2 – Number and percent of students who are students of color</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data</td>
<td>8,441</td>
<td>8,818</td>
<td>9,446</td>
<td>10,068</td>
<td>10,543</td>
<td>10,876</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.5%</td>
<td>12.7%</td>
<td>12.8%</td>
<td>12.9%</td>
<td>13.3%</td>
<td>13.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data Source: OUS Institutional Research Services, fall fourth-week enrollment reports

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 1.2 Access: Diversity

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring access is a critical early step.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

How does the performance measure demonstrate agency progress toward the goal?

With a bachelor’s degree required for many higher-wage, entry-level jobs, it is imperative that all qualified Oregonians have access to public higher education. Enrollment and degree completion by students of color ensure future employment opportunities and a representative workforce. Additionally, racial/ethnic diversity enriches the educational experience of all students. OUS strives to enhance representation, inclusion, engagement, and success of people of color in higher education. Increasing numbers and proportional representation of students of color demonstrate access and enrollment support for these students at Oregon’s public universities.

Compare actual performance to target and explain any variance.

In response to legal concerns raised by recent Supreme Court decisions, OUS received legislative approval to forego the establishment of quantitative targets for measures related to racial/ethnic diversity. Through the annual Diversity Report, the Chancellor’s Office and Board monitor student and faculty populations, track campus-level initiatives to promote access and support for students and faculty of color, and gauge progress toward qualitative goals.

Summarize how actual performance compares to any relevant public or private industry standards.

In fall 2003, students of color represented 15.3% of all OUS first-time freshmen enrollment, compared to 16% of Oregon’s public high school completers in 2002-03.
**What is an example of a department activity related to the measure?**

Examples of initiatives in this area include: campus-wide diversity councils; enhanced participation of faculty, staff, and students of color throughout the institutions; incorporation of diversity considerations into the curriculum; and institutionally sponsored events that enhance the learning environment.

**What needs to be done as a result of this analysis?**

Although OUS has made clear and consistent strides in creating a diverse educational environment, there are still opportunities to improve the effort. Enhanced research relating to diversity in the campus and community environments should continue to be encouraged and supported. Current K-16 data systems fail to capture the enrollment patterns of students through the educational pipeline. As Oregon moves toward a system of enhanced K-16 data alignment, racial/ethnic diversity should be included to help guide related policy decisions. Comprehensive K-16 statewide and institutional educational initiatives should appropriately incorporate diversity considerations. As OUS looks forward to continuing to provide opportunities for representation, inclusion, engagement and successes for all OUS populations, consistent monitoring and flexibility within diversity initiatives becomes increasingly important.

HB 5153-B directs OUS to delete this indicator as a key performance measure, but continue to maintain and report performance data internally.
ANNUAL PERFORMANCE REPORT- PART II, KEYMEASURE ANALYSIS

Agency Name: Oregon University System
Agency No.: 580

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 1.3 Access: Entering freshmen

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring access is a critical early step.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

How does the performance measure demonstrate agency progress toward the goal?
Oregon’s public universities strive to meet the demands for access to higher education from new high school graduates. Enrollment of first-time freshmen increased 15.3% between 1999 and 2002, with declines in subsequent years. A coding change in 2003 resulted in a significant number of undergraduates entering with college credit being counted as transfer students rather than first-time freshmen. This change accounts for half of the drop in first-time freshmen enrollment that year. The actual decline in 2003 is due in part to lower participation rates of Oregon high school graduates that year (21.9% compared to 23.6% in 2002). In fall 2004, freshman participation rate dropped further to 20.8%.

Compare actual performance to target and explain any variance.
Enrollment rates for first-time, full-time freshmen met targets through 2002, falling slightly short in 2003 and 2004 for the reasons cited above.

Summarize how actual performance compares to any relevant public or private industry standards.
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.
What is an example of a department activity related to the measure?

OUS is strengthening efforts to communicate the importance of a college education for personal fulfillment, for Oregon’s workforce, and for securing a family-wage job. Grants administered by OUS through the GEAR-UP and PASS projects seek to align high school preparation and expectation with requirements for college enrollment and success. Additionally, OUS conducts a survey every other year to understand the behaviors and choices of Oregon’s high school graduates in order to monitor in-coming students’ needs and perceptions.

What needs to be done as a result of this analysis?

K-12 is increasing standards and improving outcomes for Oregon high school students, suggesting demand for postsecondary education will be greater. The increase of tuition and fees and the low levels of need-based state grant assistance will pose significant access barriers to low- and middle-income students. OUS will continue to monitor applications, acceptances, enrollment from all sources, and the participation rate of Oregon high school graduates in state public universities.

Enrollment growth funding has not been provided by the state since 1997 and the 2003-05 biennium saw Oregon’s appropriate funding per student dip to among the lowest in the United States. The increased class sizes, lower level of services, and higher tuition that resulted from this situation probably contributed to freshmen enrollment falling short of target.
**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

**TIME PERIOD: FISCAL YEAR 2004 – 2005 (Previously reported as 2005-2006)**

**Data Source:** OUS Institutional Research Services, fall fourth-week enrollment reports

<table>
<thead>
<tr>
<th>Agency Name: Oregon University System</th>
<th>Agency No.: 580</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Performance Measure (KPM)</strong></td>
<td><strong>1999</strong></td>
</tr>
<tr>
<td># 4 – Number of students who are new Oregon community college transfers</td>
<td>Target</td>
</tr>
<tr>
<td></td>
<td>Data</td>
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</tbody>
</table>

**Key Performance Measure Analysis**

**To what goal(s) is this performance measure linked?**

- Goal 1.4 Access: Oregon community college transfers

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring access is a critical early step.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

**How does the performance measure demonstrate agency progress toward the goal?**

Transfer data reflect the responsiveness of OUS to changing patterns of college attendance and improved collaboration between higher education sectors in the state. From the biennial survey conducted by OUS, we know that, among Oregon’s 2003 high school graduating class, 36.5% now attending an Oregon community college have definite plans to transfer to OUS, and an additional 34% believe they will probably transfer. Over the past five years, Oregon has shown considerable progress year-to-year in the number of Oregon community college students admitted into the public universities, with growth slowing in fall 2004.

**Compare actual performance to target and explain any variance.**

OUS institutions met or exceeded targets for the enrollment of Oregon community college transfers until 2004 when performance fell short of established targets.

**Summarize how actual performance compares to any relevant public or private industry standards.**

While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.
What is an example of a department activity related to the measure?

The Joint Boards Articulation Commission, a partnership of the Board of Higher Education and the Board of Education, meets regularly to discuss and develop policy recommendations in the areas of articulation and transfer. The Articulation and Transfer Conference, co-sponsored this year by OUS and Oregon Community Colleges and Workforce Development (CCWD), provides a forum for 250 counselors, advisors, and administrators from community colleges and four-year institutions to resolve issues at the point of contact with students in transfer and articulation. OUS supports efforts to develop and enhance dual admission programs between OUS campuses and community colleges in their regions to streamline the transfer process for students.

The Excellence in Delivery and Productivity Working Group of the Oregon State Board of Higher Education is working to develop opportunities and program changes that will directly contribute to improvements in this area. Dual enrollment agreements between OUS and community colleges are being created to enable students to reduce higher education expenses while maintaining a successful path to graduation. The working group is also exploring a statewide common education core that is accepted for transfer by all Oregon public two- and four-year colleges and universities. This type of common core would enable more efficient student progress towards a bachelor’s degree and improve graduation rates for all post-secondary institutions.

What needs to be done as a result of this analysis?

We need to learn more about the impact of postsecondary capacity in Oregon on student attendance patterns between postsecondary sectors and further develop, as a state, our understanding of student attendance patterns. Again, the reduced environment of state funds per student probably had an effect of student experience and, coupled with tuition rises, on the number of community college transfers.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS

Data Source: OUS Institutional Research Services, fall fourth-week enrollment reports

Key Performance Measure Analysis
To what goal(s) is this performance measure linked?
Goal 1 Access

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?
OMB 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring access is a critical early step.

OMB 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

How does the performance measure demonstrate agency progress toward the goal?
Increased undergraduate enrollment reflects the importance of a bachelor’s degree for entry-level jobs in a knowledge economy. Between 1999 and 2004, the number of students enrolled as undergraduates grew by 21%. The rate of growth has slowed since 2002-03, perhaps in response to reduced affordability (higher tuition and lower financial aid) since that time.

Compare actual performance to target and explain any variance.
Undergraduate enrollment at Oregon public universities met or exceeded established targets until 2004.

Summarize how actual performance compares to any relevant public or private industry standards.
While OUS undergraduate enrollment grew by 21% between 1999 and 2004, comparable enrollment in the U.S. as a whole increased 13.5%.
What is an example of a department activity related to the measure?

Enrollment Watch, a link on the OUS website (http://www.ous.edu/ew_home.htm), was created to maintain a transparent monitor of student enrollment at the seven universities and at campus centers. Enrollment Watch helps to identify factors, such as rising tuition, that challenge a students’ ability to access and afford a college education in Oregon. The Legislature, campuses, and the public have access to this site.

What needs to be done as a result of this analysis?

Increasing demand for public higher education and shrinking state revenues have created serious challenges to institutional capacity. OUS reviews admission requirements annually and many institutions are raising admission standards to manage enrollment. As admission standards and tuition and fees rise, students may choose to avoid post-secondary education or attend sporadically, increasing their time to degree completion. The Oregon State Board of Higher Education is dedicated to addressing these challenges. Several Board working groups have been established to develop and implement policies to promote increased access and cost-effectiveness while capitalizing on existing strengths within OUS institutions.

HB 5153-B directs OUS to delete this indicator as a key performance measure, but continue to maintain and report performance data internally.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 1 Access

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring access is a critical early step.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

How does the performance measure demonstrate agency progress toward the goal?
Advanced degree enrollment reflects the importance of a graduate or professional degree for jobs in a knowledge-based economy, as well as the reputation of Oregon’s public universities. Enrollment of students in advanced degree programs increased at OUS institutions by 12% between 1999 and 2003, amply meeting targeted enrollment for this group. The slight decrease in 2004-05 – 1.4% – is attributed primarily to a drop in international student enrollment.

Compare actual performance to target and explain any variance.
As noted above, OUS met and slightly exceeded enrollment of advanced degree students until 2004. The discrepancy between performance and target in 2004 is explained, in part, by the enrollment model which does not respond as quickly to short-term changes in the state economy and job market as actual graduate enrollment.

Summarize how actual performance compares to any relevant public or private industry standards.
Between 1999 and 2004, graduate enrollment at OUS grew by 10%, compared to 17% growth in graduate enrollment in the U.S. as a whole during the same period.

Agency Name: Oregon University System
What is an example of a department activity related to the measure?
The Academic Excellence/Economic Development (AEED) Working Group of the State Board of Higher Education is focused on the intersection of areas of excellence in our higher education institutions with existing or new economic forces driving business initiatives. Several areas of excellence identified as “opportunity areas” by the AEED Working Group are being researched to develop initiatives that enhance research strengths and build nationally and internationally competitive programs. Creating competitive research programs is one of the best ways to recruit advanced degree students and to help support Oregon businesses’ need for a highly trained workforce.

What needs to be done as a result of this analysis?
Many Oregon businesses are forced to recruit new talent from outside the state due to the limitations of OUS’ research programs. Supporting existing research strengths has a direct impact on Oregon’s economy and the success of OUS students. The AEED Working Group is working to support programs that respond to Oregon’s industry demands as well as support new company creation, an important indicator of economic vitality. OUS is serving in an advisory capacity to the Governor’s Workforce Investment Board.

HB 5153-B directs OUS to delete this indicator as a key performance measure, but continue to maintain and report performance data internally.
**ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS**

**TIME PERIOD: FISCAL YEAR 2004 – 2005 (Previously reported as 2005-2006)**

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>1999</th>
<th>2000</th>
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<tr>
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<tr>
<td>Data</td>
<td>D</td>
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<td>D+</td>
<td>Biennial</td>
<td>B-</td>
<td>Biennial</td>
<td></td>
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</tbody>
</table>


**Key Performance Measure Analysis**

**To what goal(s) is this performance measure linked?**

Goal 1 Access

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree; ensuring access is a critical early step.

**How does the performance measure demonstrate agency progress toward the goal?**

When proposed in 2003, this measure was intended to provide a standard metric for access that would allow comparisons between states. Unfortunately, the Measuring Up letter grade is indexed to the highest performing states each survey year, so changes in Oregon’s score are dependent not only on Oregon’s performance, but that of other states. Additionally, the measure reports statewide, rather than agency, performance and the letter grade is based on factors in addition to those listed in this measure. The raw data on which the letter grade is based, however, indicate that, for the state as a whole, participation of 18- to 24-year olds has increased from 25% to 35% and part-time enrollment of working adults has gone up from 3.4% to 3.7% between the 2002 and 2004 surveys. Given the numerous problems associated with this data source, this measured was deleted for 2005-2007.

**Compare actual performance to target and explain any variance.**

Oregon’s performance as reported in Measuring Up exceeded the stated target, but, as described above, the scoring methodology is inappropriate for tracking a state’s performance. Using the raw scores, however, the state as a whole improved performance in these measures of college participation.

**Summarize how actual performance compares to any relevant public or private industry standards.**

In the 2004 Measuring Up study, Oregon is one of five states scoring a B- on participation, with 21 states scoring higher and 24 scoring lower.
What is an example of a department activity related to the measure?
OUS activities to increase undergraduate and graduate enrollment are described in the previous two measures.

What needs to be done as a result of this analysis?
This measure was deleted for 2005-2007, though the concepts represented will be included in a system-wide review of performance and accountability reporting.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System
Agency No.: 580

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
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<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td># 8 – Average rating of overall quality of engineering/computer science graduates by Oregon employers (5-pt scale)</td>
<td>Target</td>
<td>Data</td>
<td>New</td>
<td>3.59</td>
<td></td>
<td></td>
<td></td>
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</tr>
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</table>

Data Source: OUS Strategic Programs and Planning, Survey (one-time survey: discontinued)

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Goal 2.1 Quality: Satisfaction

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

Academic excellence is one of the fundamental goals of Oregon’s public universities and is critical to the success of OUS graduates and their contribution to Oregon’s economy. Additionally, public higher education is a major supplier of Oregon’s engineering and computer science workforce. Highly trained individuals are needed for job growth and Oregon’s economic recovery.

How does the performance measure demonstrate agency progress toward the goal?

This measure, new in 2003, was designed to reveal how employers view the quality of OUS graduates, specifically in the fields of engineering and computer science, for which public higher education is a major workforce supplier. While the data demonstrate an acceptable level of employer satisfaction with the quality of OUS graduates, shortcomings in survey design, implementation methodology, and response rate render the results inconclusive. An agency reorganization, funding cuts, and internal exploration of options delayed the implementation of further studies. Efforts are underway to update this survey.

Compare actual performance to target and explain any variance.

This measure has only one data point, produced simultaneously to this measure’s addition. As a result, there are no corresponding targets.

Summarize how actual performance compares to any relevant public or private industry standards.

There are no national standards against which to measure OUS performance on this measure.

What is an example of a department activity related to the measure?

State and private resources were targeted to increase the quality and quantity of graduates in engineering through the efforts of the Engineering and Technology Industry Council (ETIC). With these resources, campuses revised curricula, upgraded labs, and hired outstanding new faculty.
What needs to be done as a result of this analysis?
OUS is continuing to assess options for gauging employer satisfaction.
**ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS**

**TIME PERIOD: FISCAL YEAR 2004 – 2005 (Previously reported as 2005-2006)**

**Agency Name: Oregon University System**

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td># 9 – Average rating of overall quality of experience by recent OUS bachelor’s graduates (5-pt scale)</td>
<td>Target</td>
<td>Biennial</td>
<td>4.0</td>
<td>Biennial</td>
<td>4.0</td>
<td>Biennial</td>
<td>4.0</td>
<td>Biennial</td>
<td>4.1</td>
</tr>
<tr>
<td>Data</td>
<td>N/A</td>
<td>Biennial</td>
<td>4.0</td>
<td>Biennial</td>
<td>4.0</td>
<td>Biennial</td>
<td>Fall 2006</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Data Source: OUS Strategic Programs and Planning, Survey of OUS Bachelor’s Graduates*

**Key Performance Measure Analysis**

**To what goal(s) is this performance measure linked?**

  Goal 2.1 Quality: Satisfaction

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

  Academic excellence is one of the fundamental goals of Oregon’s public universities and is critical to the success of OUS graduates and their contribution to Oregon’s economy.

**How does the performance measure demonstrate agency progress toward the goal?**

  The performance measure reflects the perceptions held by recent OUS graduates regarding the overall quality of their educational experience, including their assessment of the university’s contribution to their development in key areas and preparation for employment or further education. Recent OUS graduates continue to express satisfaction with the overall quality of their educational experience, producing a mean rating of 4.0 on a 5-point scale in which 1 is “poor” and 5 is “excellent.”

**Compare actual performance to target and explain any variance.**

  Mean ratings of graduate satisfaction are on target with expectations. Future targets have been set to ensure that standards of quality remain high.

**Summarize how actual performance compares to any relevant public or private industry standards.**

  There are no national standards against which to measure OUS performance on this measure.

**What is an example of a department activity related to the measure?**

  OUS conducts a survey of bachelor’s graduates every two years. In addition, individual OUS campuses survey graduates and enrolled students, using national-norm surveys of student satisfaction such as the National Survey of Student Engagement.
OUS institutions strive to create a supportive educational environment. Programs like the “freshman interest group” and other on-campus activities help students to create support networks that include other students, professors, and campus service representatives. Accessible academic advising and departmental support are other ways that campuses help to create a supportive educational experience for every student.

**What needs to be done as a result of this analysis?**

As Oregon’s public universities feel the impact of reduced state funding on tuition rates, availability and sufficiency of financial aid, faculty recruitment and retention, and student services, we must continue to monitor graduate satisfaction. The challenge is to identify in a timely manner where students are feeling the effects most severely. Similarly, it will be important to recognize and support those factors that most significantly improve academic quality. Efforts will continue to find means to integrate student and graduate evaluations.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS


Agency Name: Oregon University System

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 2.1 Quality: Satisfaction

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?
Academic excellence is one of the fundamental goals of Oregon’s public universities and is critical to the success of OUS graduates and their contribution to Oregon’s economy.

How does the performance measure demonstrate agency progress toward the goal?
Like the previous measure, this indicator was designed to reflect graduate satisfaction and perceptions regarding the level of quality at a given university. It was subsequently deemed by a panel of research specialists to be too vague and ambiguous to accurately capture student satisfaction and program quality.
OUS has received permission to delete this measure. With a single data point we are unable to demonstrate any progressive change, either positive or negative.

Compare actual performance to target and explain any variance.
This measure has only one data point, produced simultaneously to this measure’s addition. As a result, there are no corresponding targets. OUS has requested and received permission to delete this measure; hence, no future targets have been set.

Summarize how actual performance compares to any relevant public or private industry standards.
There are no national standards against which to measure OUS performance on this measure.

What is an example of a department activity related to the measure?
OUS institutions are constantly looking for ways to improve students’ experiences. Streamlined degree planning and increased career services are a couple of ways that campuses help students move more efficiently through their educational requirements and into the workforce successfully.

### Key Performance Measure (KPM)

<table>
<thead>
<tr>
<th>Agency Name: Oregon University System</th>
<th>Agency No.: 580</th>
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</thead>
<tbody>
<tr>
<td># 10 – Percent of recent OUS graduates who would choose the same OUS institution again</td>
<td>Target</td>
</tr>
<tr>
<td>Data</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Data Source: OUS Strategic Programs and Planning, Survey of OUS Bachelor’s Graduates

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
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<td>Biennial</td>
<td>83.8%</td>
<td>Biennial</td>
<td>N/A</td>
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DELETED FOR 2005-2007
What needs to be done as a result of this analysis?
  Investigate alternative measures of quality and student satisfaction.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

Data Source: OUS Annual Financial Reports, Controller’s Office

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Goal 2.1 Quality: Satisfaction

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

Academic excellence is one of the fundamental goals of Oregon’s public universities. Philanthropic support, while subject to economic fluctuations, reflects confidence and satisfaction on the part of alumni and other supporters.

How does the performance measure demonstrate agency progress toward the goal?

Although factors such as the specific nature of individual gifts, investment returns, and current projects will affect a foundation’s net assets at any given time, an increase over time is a good indicator of external support. Gifts and donations to OUS universities increased steadily between 1999 and 2001, but have leveled off during the recent economic downturn. System wide, foundation net assets increased approximately $215 million (34%) between 1999 and 2004. Adjusted for inflation, the increase is $136 million or 21%.

Compare actual performance to target and explain any variance.

This measure was new in 2003 and, as a result, has no targets for earlier years. Future targets assume steady growth in foundation assets through 2007.

Summarize how actual performance compares to any relevant public or private industry standards.

While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.

What is an example of a department activity related to the measure?

University Foundations receive, invest and distribute private gifts to fund student scholarships, academic programs, building improvements, and a host of other campus efforts. Each university works with its Foundation to set goals for fundraising. Foundation funds are usually designated for specific purposes and are intended to enhance or develop specific features of a campus program, not cover basic operating costs.

### Agency Name: Oregon University System

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
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<th>2005</th>
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<th>2007</th>
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<tbody>
<tr>
<td># 11- Total gifts from philanthropic sources – foundation net assets ($ in millions)</td>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Data</td>
<td>$640.7</td>
<td>$742.0</td>
<td>$771.7</td>
<td>$740.6</td>
<td>$742.6</td>
<td>$856.2</td>
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<td></td>
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</table>

Data Source: OUS Annual Financial Reports, Controller’s Office

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<tr>
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</thead>
<tbody>
<tr>
<td>Data</td>
<td>$640.7</td>
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<td>$771.7</td>
<td>$740.6</td>
<td>$742.6</td>
<td>$856.2</td>
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<tr>
<td>Targets</td>
<td>Target</td>
<td>Target</td>
<td>Target</td>
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<td>Target</td>
<td>Target</td>
<td>Target</td>
<td>Target</td>
<td>Target</td>
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</tbody>
</table>

Agency Name: Oregon University System  
Page 30
Currently there are several fundraising campaigns underway at OUS institutions. OSU has a technology campaign designed to support their goal of becoming a top-25 engineering school. PSU has just recently begun a $100 million comprehensive fundraising effort called the “Building Our Future” campaign. UO is also involved in a comprehensive campaign called “Campaign Oregon: Transforming Lives.” Their fundraising goal is $600 million.

What needs to be done as a result of this analysis?
Given the current economic times, universities are focusing on reducing risk to this very important source of revenue.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 2.2 Quality: Student Success

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?
Academic excellence is one of the fundamental goals of Oregon’s public universities. The ratio of students to full-time faculty is an indicator of instructional quality and student support, contributing to students’ ability to successfully meet their educational goals.

How does the performance measure demonstrate agency progress toward the goal?
More than just a “workload” measure, the ratio of students to full-time faculty also reflects the extent to which faculty are able to provide student advising outside of the classroom, offer valuable but more time- and labor-intensive instructional formats (such as seminars, essay exams, or applied learning), and engage in research that advances important state and societal goals. While this ratio remained at 22 or 23 through the early and mid-1990s, it climbed to 24.5 in 1999-2000 and has continued to increase steadily since then (with just a slight drop in 2000-01) to 27.9 in 2003-04, as enrollments grew without a commensurate increase in full-time faculty. In 2004-05, the ratio declined slightly to 27.0 as enrollment growth slowed and some of the dramatic faculty losses of the previous year were recouped.

As enrollment has increased, OUS institutions have attempted to work within continuing funding constraints by hiring more temporary, part-time faculty. Between 1999-00 and 2004-05, the percentage of part-time faculty grew from almost one-quarter to one-third – 24.6% to 33.2%. Although these faculty provide excellent instruction and are an important resource in meeting instructional demands, their growing proportion is worrisome. Part-time and adjunct faculty do not provide many of the important instructional services provided by regular rank faculty, such as student advising and mentoring, thesis guidance, work on extracurricular student projects, or curriculum and course development. The growing ratios of students to full-time faculty are evidence of the overall resource concerns that contribute to faculty departures and difficulties in successful faculty recruitment.

Compare actual performance to target and explain any variance.
This measure was new in 2003. Future targets call for a steady, but gradual, decline in the ratio of students to full-time faculty.
Summarize how actual performance compares to any relevant public or private industry standards.

Four of the seven OUS campuses have the highest ratio of students to full-time faculty when compared to universities in other states that have been designated peer institutions. This metric does not take into account part-time faculty providing classroom instruction, which varies among OUS and peer institutions.

What is an example of a department activity related to the measure?

OUS has requested Legislative approval and funding to recruit and retain faculty. In addition, campuses are making greater use of online instruction to enhance faculty capacity.

What needs to be done as a result of this analysis?

Institutions are challenged to maintain a ratio that preserves instructional and program quality, while also deploying institutional resources in the most cost-effective way. The current balance signals a warning that quality may be threatened. OUS will continue monitoring student satisfaction.
**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

**TIME PERIOD: FISCAL YEAR 2004–2005 (Previously reported as 2005-2006)**

<table>
<thead>
<tr>
<th>Agency Name: Oregon University System</th>
<th>Agency No.: 580</th>
</tr>
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<tbody>
<tr>
<td># 13 – Percent of full-time freshmen who demonstrate progress by returning for the second year</td>
<td></td>
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<tr>
<td><strong>Key Performance Measure (KPM)</strong></td>
<td>1999</td>
</tr>
<tr>
<td>Target</td>
<td></td>
</tr>
<tr>
<td>Data</td>
<td>79.1%</td>
</tr>
</tbody>
</table>

**Data Source:** OUS Institutional Research Services, Retention, Attrition, and Graduation of OUS Freshmen reports, IPEDS Fall Cohorts

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### Key Performance Measure Analysis

**To what goal(s) is this performance measure linked?**

Goal 2.2 Quality: Student Success

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree and freshman persistence remains one of the best predictors of degree completion.

**How does the performance measure demonstrate agency progress toward the goal?**

Persistence to the second year is a critical first step in a student’s path to a degree. Campus efforts to support student retention and completion showed success as the rate for second-year persistence gradually increased. For four years, the second-year retention has hovered around 80%. The slight dip in 2004 bears watching to determine whether reduced affordability (higher tuition and lower financial aid) in 2003-2004 contributed.

**Compare actual performance to target and explain any variance.**


**Summarize how actual performance compares to any relevant public or private industry standards.**

Oregon’s public universities demonstrate retention rates that are comparable to national averages for public universities in all states. Using data from 313 public universities, the Consortium for Student Retention Data Exchange reports 79.6% as the second-year retention rate for first-time freshmen cohorts entering from fall 1996 through fall 2002.
What is an example of a department activity related to the measure?
OUS institutions have encouraged the development of instructional programs to enhance learning outcomes and efforts to fortify student connections with peers, faculty, and campus life. Several campuses have put into place systems that monitor student progress and provide early warnings that students are not making progress (e.g., absences, completing work, earning passing grades) so that institutions can respond more quickly to student needs.

The Excellence in Delivery and Productivity (EDP) Working Group of the Oregon State Board of Higher Education has developed a series of action items designed to promote a more efficient educational delivery system and increase the number of students entering college and completing a degree. One initiative is to develop a high school accelerated curriculum menu so Oregon public high school students have the opportunity to enroll in more rigorous accelerated academic courses and earn college credits before college matriculation. This type of accelerated learning at the high school level helps student to enter college more prepared for success. This has proven to have a positive effect on freshmen retention rates.

What needs to be done as a result of this analysis?
Successful institutional action involves the assessment of needs and fine-tuning of programs to meet the specific needs of different student groups. Coordinated efforts with K-12 through PASS and GEAR-UP enhance student preparation for college. The EDP Working Group is currently investigating several options for increasing retention and graduation rates among OUS students. Gaining Board support for initiatives that are agreed to enhance these efforts will be important to future success.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Goal 2.2 Quality: Student Success

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree, and providing opportunities for timely, successful completion is critical to that mission.

How does the performance measure demonstrate agency progress toward the goal?

Six-year graduation rates for students entering as freshmen and completing their degree at an OUS institution grew in 2003 and again in 2004, to 57% and 58%, respectively, following three years of hovering between 55% and 56%. Graduation rates for 2004 reflect the progress of students entering OUS in 1998-99, in the second year of a four-year tuition freeze. While tuition stability may have contributed to the higher graduation rates, the academic strength of the incoming student cohort is also likely to have contributed; both the average high school GPA and average SAT scores for first-time freshmen in 1998-99 were higher than for those entering five years earlier. Campus initiatives aimed at facilitating student retention and progress are also likely factors in this improvement.

Compare actual performance to target and explain any variance.

With the exception of 2002, six-year graduation rates have exceeded targets. Targets through 2007 reflect an agency-wide focus on student retention and completion.

Summarize how actual performance compares to any relevant public or private industry standards.

The OUS six-year graduation rate for students completing a degree at the same institution in which they enrolled (50.3% in 2003) is slightly below the national average for public four-year universities (51.2%).

<table>
<thead>
<tr>
<th>Agency Name: Oregon University System</th>
<th>Agency No.: 580</th>
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<tbody>
<tr>
<td>Key Performance Measure (KPM)</td>
<td></td>
</tr>
<tr>
<td># 14 – Percent of full-time freshmen starting and completing a bachelor’s degree at an OUS university (6-yr graduation rate)*</td>
<td>Target</td>
</tr>
<tr>
<td></td>
<td>Data</td>
</tr>
<tr>
<td>Data Source: OUS Institutional Research Services, Retention, Attrition, and Graduation of OUS Freshmen reports, IPEDS Fall Cohorts</td>
<td></td>
</tr>
<tr>
<td>* Graduation rates have been adjusted upward for the years 1999-00 through 2002-03 to reflect corrected degrees data.</td>
<td></td>
</tr>
</tbody>
</table>
What is an example of a department activity related to the measure?
OUS institutions are identifying predictors of success to be more efficient and effective. Student exit studies, designed to identify reasons for leaving, are implemented within some campuses or programs. A recently-established association with the National Student Clearinghouse should allow better tracking of student college enrollment and transfer patterns, providing a better understanding of the role of OUS institutions in student degree completion.

The EDP Working Group is researching several action items that are designed to help students complete their educational goals more efficiently. Dual enrollment agreements between OUS campuses and community colleges is one way that students can take advantage of more course offerings and reduced expenses as a result of lower tuition at community colleges. Another EDP initiative is a statewide common core curriculum. A common core would be accepted for transfer by all Oregon public two- and four-year colleges and universities and ease student movement between institutions without loss of credit.

What needs to be done as a result of this analysis?
OUS campuses will continue monitoring risk factors and identifying appropriate student support services, including assessment of different student populations. Collection and analysis of data from the National Student Clearinghouse should provide additional information on completion rates for students who have transferred to institutions outside the Oregon University System.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System
Agency No.: 580

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 2.2 Quality: Student Success

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree, and providing opportunities for timely, successful completion for students arriving from all educational pathways is critical to that mission.

How does the performance measure demonstrate agency progress toward the goal?

In addition to institutional and student influences on successful degree completion common to all OUS students, the graduation rate for Oregon community college transfers reflects the impact of this particular college pathway on student success. The graduation rate for students who transferred to OUS from an Oregon community college climbed dramatically from 69.8% in 1999 to 76.3% in 2003, dropping slightly in 2004.

Compare actual performance to target and explain any variance.

OUS performance in 2004 failed to meet the established target which was built on the dramatic increases of recent years. Targets through 2007 reflect an agency-wide focus on student retention and completion.

Summarize how actual performance compares to any relevant public or private industry standards.
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>Target</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td># 15 – Percent of Oregon community college transfers completing a bachelor’s degree at an OUS university *</td>
<td>Target</td>
<td>73.0%</td>
<td>76.5%</td>
<td>77.0%</td>
<td>77.5%</td>
<td>78.0%</td>
<td>69.8%</td>
<td>71.3%</td>
<td>73.6%</td>
<td>73.9%</td>
</tr>
<tr>
<td>Data</td>
<td>69.8%</td>
<td>71.3%</td>
<td>73.6%</td>
<td>73.9%</td>
<td>76.2%</td>
<td>75.7%</td>
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</table>

Data Source: OUS Institutional Research Services, Transfer, Retention, and Graduation
* Graduation rates have been adjusted upward for the years 1999-00 through 2002-03 to reflect corrected degrees data.

Oregon Community College Completion

Data: Oregon Population Survey
Targets: Established by the agency for 2004-2007

What is an example of a department activity related to the measure?

Through the Joint Articulations Board, OUS and Oregon community colleges have worked to streamline general education requirements and eliminate policy and process barriers to college completion. The EDP Working Group is also looking closely at improving the relationship between community colleges and OUS institutions. Dual enrollment agreements and improved core curriculums are a couple of ways that the EDP Working Group is hoping to improve the percent of Oregon community college transfers completing a bachelor’s degree.

What needs to be done as a result of this analysis?

As students become more mobile and attendance patterns more varied and complex, it is increasingly important to understand those enrollment patterns in order to identify and address barriers to transfer and subsequent academic achievement. In addition to participation in the National Student Clearinghouse, OUS is working with community colleges to develop more effective student data systems.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS


Agency Name: Oregon University System

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<tr>
<th>Key Performance Measure (KPM)</th>
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<th>2007</th>
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<tr>
<td># 16 – Total sponsored research &amp; development dollars supported by external fund sources ($ in millions)</td>
<td>Target</td>
<td>200.0</td>
<td>201.0</td>
<td>202.0</td>
<td>235.0</td>
<td>$268.6</td>
<td>$284.0</td>
<td>$299.3</td>
<td>$314.6</td>
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<tr>
<td>Data</td>
<td>$192.0</td>
<td>$203.1</td>
<td>$221.7</td>
<td>$238.4</td>
<td>$253.3</td>
<td>$263.6</td>
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</table>

Data Source: OUS Annual Financial Reports, Controller’s Office

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 2: Quality

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 7b: Research and development expenditures in academia remained at about 0.3% of the Gross State Product between 1993 and 2002 (the most recent year for which data are available), and are on a par with Washington and the U.S. average. External research funding is a measure of faculty quality and productivity, as well as faculty and institutional entrepreneurship and academic opportunities for students.

How does the performance measure demonstrate agency progress toward the goal?

Knowledge creation, translation, and application are important components of faculty work that distinguish it from teaching in K-12 or community colleges. These dollars are awarded based on a competitive process and are related to the entrepreneurial capacity of an institution. This activity is critical to bringing new jobs to Oregon, developing marketable products and services, and enhancing Oregon’s competitiveness. Oregon’s public universities have in recent years been successful in attracting sponsored research dollars. Total sponsored research dollars have increased every year since 1999, growing by $71.6 million – or 37.3% – between then and 2004. Adjusted for inflation, the increase is $46 million or 24%.

Compare actual performance to target and explain any variance.

Sponsored research dollars exceeded agency targets each year until 2004, when actual performance fell short of the revised, more ambitious target.

Summarize how actual performance compares to any relevant public or private industry standards.

While there are no national norms for this measure, there are positive signs that Oregon is increasing its overall research expenditures. The National Science Foundation recently issued a report that shows Oregon leading the nation in the percent change in its academic R&D expenditures funded by industry sources. Oregon increased industry supported R&D by 150% between 1998 and 2003.
What is an example of a department activity related to the measure?
OUS is partnering with private and public entities under Oregon Council for Knowledge and Economic Development (OCKED) to increase research activity leading to technology transfer and product development.

One of the largest research efforts currently underway at OUS institutions is a “signature research center” called the Oregon Nanoscience and Microtechnologies Institute (ONAMI). ONAMI is a unique and exciting research effort not only because of the technology being explored but also because of the collaborative nature of the project. ONAMI is a partnership between OSU, PSU, UO and PNNL (Pacific Northwest National Laboratory). This type of collaborative research effort is a relatively new phenomenon in university research and is being rewarded with better access to federal and private funding.

What needs to be done as a result of this analysis?
Faculty quality is critical to success in the competitive grant arena. Universities attract productive researchers through competitive salary and lab start-up packages. “Raiding” of highly talented and respected senior faculty with funded research programs puts critical OUS programs at risk.
### ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

**TIME PERIOD: FISCAL YEAR 2004– 2005 (Previously reported as 2005-2006)**

**Agency Name:** Oregon University System  
**Agency No.:** 580

<table>
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<tbody>
<tr>
<td># 17 – Sponsored research dollars per faculty at research/doctoral universities ($ in thousands)</td>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td>115.0</td>
<td>$133.4</td>
<td>$139.0</td>
<td>$144.3</td>
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<td>Data</td>
<td>$97.9</td>
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<td>$113.4</td>
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**Data Source:** OUS Annual Financial Reports, Controller’s Office; OUS Institutional Research Services

### Key Performance Measure Analysis

#### To what goal(s) is this performance measure linked?

Goal 2 Quality

#### What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 7b: Research and development expenditures in academia remained at about .3% of the Gross State Product between 1993 and 2002 (the most recent year for which data are available), and are on a par with Washington and the U.S. average. External research funding is a measure of faculty quality and productivity, as well as faculty and institutional entrepreneurship and academic opportunities for students.

#### How does the performance measure demonstrate agency progress toward the goal?

This measure reflects the competitiveness of OUS faculty in attracting research grants from federal, private, and other sources. Average research dollars per faculty have increased steadily since 1999, with significant growth in 2004. On average, faculty members at OSU, PSU, and UO generate research awards equal to over 200% of their annual salaries.

#### Compare actual performance to target and explain any variance.

Research dollars per faculty exceeded the target in 2003, but fell somewhat short of the more ambitious 2004 target.

#### Summarize how actual performance compares to any relevant public or private industry standards.

While there are no national standards, OUS research institutions compare favorably to many larger public universities in other states when research funding is related to the number of faculty.

#### What is an example of a department activity related to the measure?

OUS is partnering with private and public entities under the Oregon Council for Knowledge and Economic Development (OCKED) to increase research activity leading to technology transfer and product development. The AEED Working Group is in the process of inventorying OUS research strengths and researching opportunities to improve the universities’ contribution to Oregon’s economy. Identifying OUS research strengths is the first step to increasing opportunities for faculty members to gain critical funding.
support for research efforts. The AEED Working Group is also looking for opportunities to remove policy barriers that inhibit faculty’s ability to build research programs and compete for federal funding.

What needs to be done as a result of this analysis?
Faculty quality is critical to success in the competitive grant arena. Universities attract productive researchers through competitive salary and lab start-up packages. “Raiding” of highly talented and respected senior faculty with funded research programs puts critical OUS programs at risk.
**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**


**Agency Name: Oregon University System**

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<tr>
<td># 18 – Number of inventions disclosed per year</td>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Data</td>
<td>50</td>
<td>48</td>
<td>64</td>
<td>75</td>
<td>79</td>
<td>Avail. 2006</td>
<td></td>
<td></td>
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</tbody>
</table>

*Data Source: Association of University Technology Managers, Inc., AUTM Licensing Survey*

### Key Performance Measure Analysis

**To what goal(s) is this performance measure linked?**

Goal 3.1 State Economic Development: Technology Transfer

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

OBM 7b: Research and development expenditures in academia remained at about .3% of the Gross State Product between 1993 and 2002 (the most recent year for which data are available), and are on a par with Washington and the U.S. average.

OBM 4: Oregon lost over 32,000 jobs between 2000 and 2002, falling from 1st to 49th among the states in employment growth. 2004 saw a robust rebound, but losses from the previous three years have not yet been recovered. Technology transfer activity creates new products, services, and businesses leading to high paying jobs and sustained economic growth for Oregon.

**How does the performance measure demonstrate agency progress toward the goal?**

Oregon’s public research universities have made remarkable progress in the area of inventions. Between 1999 and 2003, the number of inventions disclosed increased by 58%

**Compare actual performance to target and explain any variance.**

Performance on this measure far exceeded the target in 2003, the most recent year for which data are available. Future targets assume continued, incremental advancements.

**Summarize how actual performance compares to any relevant public or private industry standards.**

The Association of University Technology Managers (AUTM) recently issued a report that shows Oregon universities making great progress moving university research through the commercialization process. UO, OSU, and PSU have all shown greater increases in disclosures than the AUTM average of just under 9 percent.

**What is an example of a department activity related to the measure?**

OUS campuses have successfully developed and nurtured research and discovery activities among faculty, establishing research centers and providing support for entrepreneurial activities. Capitalizing on existing research strengths and looking for opportunities to build new research programs is critical to success in this arena.
AEED Working Group is currently inventorying OUS research strengths and researching opportunities to support those programs through strategic funding and/or removing policy barriers that inhibit a program’s ability to compete nationally.

**What needs to be done as a result of this analysis?**
For OUS to contribute, it needs to hire world-class researchers with commercialization expertise, provide competitive recruitment packages, and collaborate across institutions and with the private sector. The variable nature of research and discovery makes year-to-year tracking, with an assumption of a regular pattern of growth, problematic; conversations are underway to refine the metrics for this measure.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 3.1 State Economic Development: Technology Transfer

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 7b: Research and development expenditures in academia remained at about .3% of the Gross State Product between 1993 and 2002 (the most recent year for which data are available), and are on a par with Washington and the U.S. average.

OBM 4: Oregon lost over 32,000 jobs between 2000 and 2002, falling from 1st to 49th among the states in employment growth. 2004 saw a robust rebound, but losses from the previous three years have not yet been recovered. Technology transfer activity creates new products, services, and businesses leading to high paying jobs and sustained economic growth for Oregon.

How does the performance measure demonstrate agency progress toward the goal?

OUS patent applications have fluctuated from year to year, ranging between 43 in 2000 and 39 in 2003. The variable nature of this activity makes year-to-year tracking problematic. The number of U.S. patent applications fails to represent the scope of invention and technology transfer by focusing on a single means to an end. Patents are only one of many methods for protecting and moving inventions into public use, thereby realizing a return on investment (copyright and trademark being two others). Conversely, patents do not guarantee income, nor are all valuable efforts patentable. Measuring performance on the basis of patents creates an incentive to “chase patents,” diverting attention from the central goal, an undesirable outcome given the significant expense of obtaining and maintaining patents. Finally, this measure represents only patent efforts in the United States and fails to recognize commercial opportunities through protections in foreign markets. In HB-5153-B, OUS was directed to delete this indicator as a key performance measure, but continue to maintain and report performance data internally.

Compare actual performance to target and explain any variance.

Performance in 2003 fell short of the established target on this measure.

Summarize how actual performance compares to any relevant public or private industry standards.

There are no national standards against which to measure OUS performance on this measure. The 2004 AUTM Licensing Survey shows overall improvement in Oregon’s university research commercialization.

Agency Name: Oregon University System
What is an example of a department activity related to the measure?

The Higher Education Technology Transfer (HETT) fund was established in 2001 to support institutional patent activity. Although the fund remains underfunded, it was initially seeded with $75,000 from the Oregon Economic and Community Development Department. The Oregon Council for Knowledge and Economic Development (OCKED) 2003-2005 Biennium Plan addresses the need to fully fund the HETT fund and increase the ability to commercialize campus research. OCKED is currently conducting an inventory of the angel and venture investment and capital formation tools and policies in Oregon. This inventory, which includes the HETT fund, will help to identify strengths, weaknesses, and gaps in resources available to universities for patent activity.

What needs to be done as a result of this analysis?

To build competitive research programs, OUS needs to hire world-class researchers with commercialization expertise, provide competitive recruitment packages, and collaborate across institutions and with the private sector. Federal research funding often restricts universities from using grant funds for patent activities. This restriction forces universities to seek additional funding sources to take research inventions through the patent process. Creating a sustainable technology transfer fund is crucial to supporting campus research from concept to patent.

HB 5153-B directs OUS to delete this indicator as a key performance measure, but continue to maintain and report performance data internally.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 3.1 State Economic Development: Technology Transfer

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 7b: Research and development expenditures in academia remained at about .3% of the Gross State Product between 1993 and 2002 (the most recent year for which data are available), and are on a par with Washington and the U.S. average. OBM 4: Oregon lost over 32,000 jobs between 2000 and 2002, falling from 1st to 49th among the states in employment growth. 2004 saw a robust rebound, but losses from the previous three years have not yet been recovered. Technology transfer activity creates new products, services, and businesses leading to high paying jobs and sustained economic growth for Oregon.

How does the performance measure demonstrate agency progress toward the goal?
Patent approvals granted to OUS institutions have ranged between 13 in 2000 and 7 in 2003. In addition to the patent issues identified in the previous measure, patent approvals are conducted and directed by the U.S. Patent Office. OUS and its institutions have no control over this process or schedule. In HB-5153-B, OUS was directed to delete this indicator as a key performance measure, but continue to maintain and report performance data internally.

Compare actual performance to target and explain any variance.
Performance in 2003 fell short of the established target on this measure.

Summarize how actual performance compares to any relevant public or private industry standards.
There are no national standards against which to measure OUS performance on this measure. The 2004 AUTM Licensing Survey shows overall improvement in Oregon’s university research commercialization.

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<tr>
<th>Agency Name: Oregon University System</th>
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<tbody>
<tr>
<td>Key Performance Measure (KPM)</td>
<td>1999</td>
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<tr>
<td># 20 – Number of U.S. patents granted per year</td>
<td>Target</td>
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<td>Data</td>
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Data Source: Association of University Technology Managers, Inc., AUTM Licensing Survey

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<tr>
<th>U.S. Patents Granted per Year</th>
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<tbody>
<tr>
<td>Data</td>
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<tr>
<td>Targets</td>
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</tbody>
</table>

Graph showing U.S. patents granted per year from 1999 to 2007.
**What is an example of a department activity related to the measure?**

The Higher Education Technology Transfer (HETT) fund was established in 2001 to support institutional patent activity. Although the fund remains under funded, it was initially seeded with $75,000 from the Oregon Economic and Community Development Department. The Oregon Council for Knowledge and Economic Development (OCKED) 2003-2005 Biennium Plan addresses the need to fully fund the HETT fund and increase the ability to commercialize campus research. OCKED is currently conducting an inventory of the angel and venture investment and capital formation tools and policies in Oregon. This inventory, which includes the HETT fund, will help to identify strengths, weaknesses, and gaps in resources available to universities for patent activity.

**What needs to be done as a result of this analysis?**

To build competitive research programs, OUS needs to hire world-class researchers with commercialization expertise, provide competitive recruitment packages, and collaborate across institutions and with the private sector. Federal research funding often comes with stipulations that prevent universities from using grant funds for patent activities. This restriction forces universities to seek additional funding sources to take research inventions through the patent process. Creating a sustainable technology transfer fund is crucial to supporting campus research from concept to production.

HB 5153-B directs OUS to delete this indicator as a key performance measure, but continue to maintain and report performance data internally.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS
university venture funds to aid research discoveries through the commercialization process. This critical proof-of-concept funding is increasingly important as universities move research discoveries into the private sector.

**What needs to be done as a result of this analysis?**

To move an idea from concept to a licensable technology, university researchers are faced with a variety of challenges, both financial and procedural. The AEED Working Group is working with OUS campuses to identify and understand the potential barriers to a researcher’s success. Understanding the challenges that university researchers face will help the Board to create policies that support their efforts and, where applicable, remove those that inhibit their progress.

The variable nature of research and discovery makes year-to-year tracking, with an assumption of a regular pattern of growth, problematic; conversations are underway to refine the metrics for this measure.
**ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS**

**TIME PERIOD: FISCAL YEAR 2004–2005 (Previously reported as 2005-2006)**

### Key Performance Measure Analysis

**To what goal(s) is this performance measure linked?**

Goal 3.1 State Economic Development: Technology Transfer

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

OBM 7b: Research and development expenditures in academia remained at about .3% of the Gross State Product between 1993 and 2002 (the most recent year for which data are available), and are on a par with Washington and the U.S. average.

OBM 4: Oregon lost over 32,000 jobs between 2000 and 2002, falling from 1st to 49th among the states in employment growth. 2004 saw a robust rebound, but losses from the previous three years have not yet been recovered. Technology transfer activity creates new products, services, and businesses leading to high paying jobs and sustained economic growth for Oregon.

**How does the performance measure demonstrate agency progress toward the goal?**

Based on AUTM survey data, OUS research universities were responsible for one or two start-up companies each year between 1999 and 2003. While the emergence of new companies springing from university licensing efforts is important to Oregon’s economic development, this data source fails to capture the full range of entrepreneurial activity resulting from university research. Additionally, it fails to take into account the longevity of these entrepreneurial activities and, hence, their sustained economic impact. This measure has been defined as developmental for 2005-2007, allowing OUS to develop alternative data sources and methodologies for reporting on university-related start-up companies.

**Compare actual performance to target and explain any variance.**

Performance on this measure met the established target for 2003.

**Summarize how actual performance compares to any relevant public or private industry standards.**

There are no national standards against which to measure OUS performance on this measure. The overall improvement in Oregon’s research commercialization, as demonstrated in the AUTM Licensing Survey, shows that Oregon university research is playing a positive role in Oregon’s industry development.
What is an example of a department activity related to the measure?
Technology transfer programs help to create start-up companies by licensing or selling university inventions to entrepreneurs willing to take that intellectual property to the next step. In Oregon, start-up companies are often viewed as an untapped economic engine that is difficult to capitalize on because of the competition represented by existing, more established companies from outside the state. In 2002, Oregonians voted, via Measure 10, to allow universities to hold and dispose of stock in technologies developed through their research activities. This measure allows often cash-strapped start-up companies to trade stock in their company for access to university technology.

The more recent SB853, passed in the 2005 legislation session, is another valuable resource available to OUS campuses to help move university research through the “proof-of-concept” stage of development and into a position for private sector funding.

What needs to be done as a result of this analysis?
OUS research offices will continue to explore opportunities for translating university research and development into commercially viable entrepreneurial enterprises.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS


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<tbody>
<tr>
<td>#23 – Percent of bachelor’s graduates completing an OUS-approved internship</td>
<td>Target</td>
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<tr>
<td></td>
<td>Data</td>
<td>50.0%</td>
<td>Biennial</td>
<td>64.0%</td>
<td>Biennial</td>
<td>49.1%</td>
<td>Biennial</td>
<td>Avail. 2006</td>
<td>50.0%</td>
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Data Source: OUS Strategic Programs and Planning, Survey of OUS Bachelor’s Graduates

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 3.2 State Economic Development: Employability of Graduates

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?
Employability of graduates, as a mark of academic excellence and a contribution to the state’s workforce, has long been a primary goal of higher education in Oregon. Formal internship experiences add value for the graduate and employer through increased workplace readiness.

How does the performance measure demonstrate agency progress toward the goal?
About half of 2003 OUS bachelor’s degree recipients participated in internships or related experiential learning, approximately the same proportion we saw in 1999. The unusually high figure reported in 2001 is likely a result of a slightly different question format in that year’s survey.

Compare actual performance to target and explain any variance.
Expectations for the Class of 2003 were based on survey data from 2001, which was inconsistent with previous and subsequent studies. As a result, internship participation for this most recently surveyed class fell short of the target.

Summarize how actual performance compares to any relevant public or private industry standards.
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.

What is an example of a department activity related to the measure?
OUS has worked with university and business leaders in the state to identify the attributes that make an internship experience valuable to both the student and future employer. Experiential learning is practiced in all OUS institutions. Whether it’s a traditional internship, international experience, or community service events, students are challenged to put their classroom experiences to work in a real world context.
What needs to be done as a result of this analysis?

The very success of OUS institutions in conveying the importance of experiential learning and encouraging integration into instructional programs also contributes to the difficulty experienced in trying to collect reliable data. Attempts to collect and tabulate internship participation in electronic student records have shown variable success as academic programs develop multiple avenues for such opportunities, many of which are embedded into existing classroom curricula. As each university and major program tailors their experiential learning programs to the needs of their students, common definitions and titles cease to reflect the full scope of opportunities and participation. Conversations will continue among campus leaders and records management on ways to accurately identify and tabulate this important contributor to student learning and graduate employability.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System
Agency No.: 580

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 2.2 Quality: Student Success
Goal 3.2 State Economic Development: Employability of Graduates

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

How does the performance measure demonstrate agency progress toward the goal?
Following several years of relatively steady production of bachelor’s degrees, performance on this measure grew by over 1,100 in 2003, an 11% increase over the previous year. This was followed by an additional increase of 7% in 2004. This dramatic increase may reflect the infusion of state resources in 1999-00 that permitted greater access and enrollment than had been possible before.

Compare actual performance to target and explain any variance.
Bachelor’s degree production continued on-target, following 2003 when performance exceeded the established target. Future targets for degree production are founded on continuing efforts to improve student retention and timely completion.

Summarize how actual performance compares to any relevant public or private industry standards.
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
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</thead>
<tbody>
<tr>
<td># 24 – Total number of bachelor’s degrees granted</td>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Data</td>
<td>9,571</td>
<td>9,972</td>
<td>9,590</td>
<td>9,929</td>
<td>11,063</td>
<td>11,880</td>
<td></td>
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</tr>
</tbody>
</table>

Data Source: OUS Institutional Research Services; IPEDS
What is an example of a department activity related to the measure?
OUS universities are focusing on increasing the proportion of students who complete their degree program in a timely fashion. Partnerships with Oregon’s community colleges and high schools emphasize setting standards for college admissions, providing opportunities for students to co-enroll, and awarding credit for required courses based on demonstrated proficiencies.

What needs to be done as a result of this analysis?
Degree production depends on qualified students entering the university, obtaining the classes they need to complete their degrees, and successfully progressing through their academic programs. To achieve degree completion, OUS must monitor access and affordability, persistence and completion rates, and class and faculty capacity, including the ratio of students to full-time faculty.
ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System
Agency No.: 580

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>1999</th>
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<th>2001</th>
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<th>2007</th>
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</thead>
<tbody>
<tr>
<td># 25 – Total number of advanced degrees granted (master’s, doctoral, and professional)</td>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data</td>
<td>3,269</td>
<td>3,620</td>
<td>3,560</td>
<td>3,622</td>
<td>4,049</td>
<td>4,469</td>
<td></td>
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</tr>
</tbody>
</table>

Data Source: OUS Institutional Research Services; IPEDS

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
- Goal 2.2 Quality: Student Success
- Goal 3.2 State Economic Development: Employability of Graduates

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

How does the performance measure demonstrate agency progress toward the goal?

As with bachelor’s degrees, production of advanced degrees showed a significant increase in 2003 (427 degrees or almost 12%). Again, in 2004, advanced degree production increased by 420 degrees or over 10%. As with bachelor’s degrees, this may be the result of additional state resources allocated in 1999-00. Advanced degrees represent approximately 27% of total degree production.

Compare actual performance to target and explain any variance.

Advanced degree production was on-target until 2003 and 2004 when it significantly exceeded established goals.

Summarize how actual performance compares to any relevant public or private industry standards.

While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.
What is an example of a department activity related to the measure?
OUS has approved new advanced degree programs in response to Oregon’s workforce needs. Advanced degree programs in selected fields like healthcare, engineering, and computer science are essential to build research and development capacity for Oregon’s industries and universities. The State Board of Higher Education’s Academic Excellence/Economic Development (AEED) Working Group is working with OUS institutions, Oregon communities, and private industries to identify state needs for professionals with advanced skills and credentials.

What needs to be done as a result of this analysis?
Through AEED and other university-industry partnerships, we will identify means to provide talent for existing and emerging industry clusters to increase Oregon’s competitiveness.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

Data Source: OUS Institutional Research Services; IPEDS

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 3.2 State Economic Development: Employability of Graduates

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?
OBM 24, 26a, 26b: Data from the Oregon Population Survey indicate that, in 2004, a greater percentage of Oregonians had attended college and had completed degrees at all levels than ten years earlier. Oregon’s public universities represent the best opportunity for Oregon residents to obtain a college degree. Graduates with degrees in high demand or shortage areas enhance Oregon’s ability to meet the workforce demands of the 21st century.

OBM 11: Per capita income in Oregon declined from 96.6% of the U.S. average in 1995 to 91% in 2004. National and state studies confirm the correlation between educational attainment and higher earnings.

How does the performance measure demonstrate agency progress toward the goal?
Following years of steady growth, the number of engineering and computer science degrees granted by OUS institutions increased by 15.6% between 2003 and 2004. Enrollments are also up during this period, promising more degree production in the next few years. It is unclear at this point what effect recent news and activities in Oregon’s high technology job market will have on enrollments.

Compare actual performance to target and explain any variance.
Degree production in engineering and computer science has consistently exceeded targets.

Summarize how actual performance compares to any relevant public or private industry standards.
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.

<table>
<thead>
<tr>
<th>Agency Name: Oregon University System</th>
<th>Agency No.: 580</th>
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</thead>
<tbody>
<tr>
<td>Key Performance Measure (KPM)</td>
<td></td>
</tr>
<tr>
<td># 26 – Total number of degrees granted in engineering and computer sciences</td>
<td>Target</td>
</tr>
<tr>
<td></td>
<td>Data</td>
</tr>
</tbody>
</table>

Data Source: OUS Institutional Research Services; IPEDS
What is an example of a department activity related to the measure?

Oregon’s investment strategy included the creation of a new advisory group, the Engineering and Technology Industry Council (ETIC), to administer the engineering investments to build Oregon’s capacity to educate and train engineers. A 1997 initiative was based on a public-private partnership designed to significantly improve engineering and computer science education in Oregon. Over the past five years, the commitment of $60 million from public resources has attracted additional investments from private sources to invest in this direction.

What needs to be done as a result of this analysis?

Building on these achievements, the Oregon University System is submitting to the 2005-07 Legislative Assembly a proposal to support the Governor’s initiatives for engineering and technology investment to enhance quality academic programs, provide access, and manage for cost effectiveness.
**ANNUAL PERFORMANCE REPORT - PART II, KEY MEASURE ANALYSIS**

**TIME PERIOD: FISCAL YEAR 2004– 2005 (Previously reported as 2005-2006)**

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**Agency Name:** Oregon University System  
**Agency No.:** 580

<table>
<thead>
<tr>
<th>Key Performance Measure (KPM)</th>
<th>Target</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td># 27a – Percent of graduates employed and/or continuing education *</td>
<td>Data</td>
<td>92.1%</td>
<td>Biennial</td>
<td>92.5%</td>
<td>Biennial</td>
<td>88.1%</td>
<td>Biennial</td>
<td>Fall 2006</td>
<td>Biennial</td>
<td>91.0%</td>
</tr>
</tbody>
</table>

* Data Source: OUS Strategic Programs and Planning, Survey of OUS Bachelor’s Graduates  
* The correction of a previously undetected coding error resulted in a slightly different performance rating for 2002-03 than was reported in September 2004.

**Key Performance Measure Analysis**

**To what goal(s) is this performance measure linked?**
- Goal 2.2 Quality: Student Success
- Goal 3.2 State Economic Development: Employability of Graduates

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**
Academic excellence and preparation of graduates for future goals are fundamental missions of Oregon’s universities.

**How does the performance measure demonstrate agency progress toward the goal?**
While OUS graduates have been generally successful in obtaining employment or acceptance to graduate degree programs, the recent economic downturn in Oregon has had a negative impact. It should be noted that this measure represents only OUS graduates who are employed, continuing their education, or both. The balance includes not only graduates who are unemployed and seeking work, but individuals who are not participating in the workforce by choice – because they are retired, disabled, traveling, volunteering, working in the home, or pursuing other interests. The proportion of graduates who were actively, but unsuccessfully, seeking work rose from 4% of the Class of 2001 to 6% for the Class of 2003, lower than the state unemployment rate in both cases, demonstrating the value of a college degree during a depressed job market. Between January and December of 2001, Oregon’s unemployment rate soared from 5.2% to 7.7% and has remained high, peeking at 8.5% in June and July of 2003, just as the majority of 2003 graduates were leaving college.

**Compare actual performance to target and explain any variance.**
This measure was new in 2003 and, as a result, has no targets for earlier years. As the unemployment rate remains high at 7.3% in September 2004 and the job market depressed, future targets assume that graduates of the class of 2005 will also feel the effects of the extended recession.

**Summarize how actual performance compares to any relevant public or private industry standards.**
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.
What is an example of a department activity related to the measure?
OUS institutions continuously invest in the development and effectiveness of student career services. Drawing on university/industry relationships, campuses strive to develop programs that train graduates to meet the needs of their respective industries. Career Service Centers offer many programs for students to gain an effective edge in their job search. Writing workshops designed to help students create an effective resume and on-campus job fairs are a couple of ways that Career Centers support university students in their transfer from campus to the workforce.

What needs to be done as a result of this analysis?
OUS will continue to evaluate success across the full spectrum of student experience – from access to timely progress to graduate placement. Further analysis may be needed to refine our understanding of student success in areas such as occupation type, preparation, and graduate success by region or other demographic factors.
ANNUAL PERFORMANCE REPORT – PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System
Agency No.: 580

Key Performance Measure (KPM)

<table>
<thead>
<tr>
<th># 27b – Percent of employed graduates working in Oregon</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data</td>
<td>76.7%</td>
<td>Biennial 80.2%</td>
<td>Biennial</td>
<td>Biennial</td>
<td>Biennial</td>
<td>Biennial</td>
<td>Biennial</td>
<td>Biennial</td>
<td>Biennial</td>
</tr>
</tbody>
</table>

Data Source: OUS Strategic Programs and Planning, Survey of OUS Bachelor’s Graduates

* The correction of a previously undetected coding error resulted in a slightly different performance rating for 2002-03 than was reported in September 2004.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 3.2 State Economic Development: Employability of Graduates

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?
Academic excellence and preparation of graduates for future goals are fundamental missions of Oregon’s universities. OUS graduates fuel Oregon’s economic growth.

OBM 4: Oregon lost over 32,000 jobs between 2000 and 2002, falling from 1st to 49th among the states in employment growth. 2004 saw a robust rebound, but losses from the previous three years have not yet been recovered.

OBM 11: Per capita income as a percent of U.S. per capita income: Overall, per capita income in Oregon dropped from 96.6% of the U.S. average in 1995 to 91% in 2004.

How does the performance measure demonstrate agency progress toward the goal?
While approximately eight in ten graduates who are employed are working in Oregon, the Class of 2003 felt the effects of the recent economic downturn, with slightly more finding employment outside the state.

Compare actual performance to target and explain any variance.
This measure was new in 2003 and, as a result, has no targets for earlier years.

Summarize how actual performance compares to any relevant public or private industry standards.
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.

What is an example of a department activity related to the measure?
OUS campuses work directly with Oregon companies to help ensure that the curriculum is in line with industry practices and future needs. This type of responsive degree planning helps to produce OUS graduates that transition effectively between their educational and professional careers. Campus Career Centers also represent a valuable link...
between OUS graduates and Oregon industry. Promoting recruiting efforts by Oregon industries on OUS campuses, Career Centers strive to increase the number of graduates that find work in Oregon.

**What needs to be done as a result of this analysis?**

Additional analysis should explore whether OUS graduates are finding employment in the existing and emerging industry clusters identified as critical to Oregon’s workforce development strategy.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

Agency Name: Oregon University System
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<tr>
<th>Key Performance Measure (KPM)</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td># 28 – External funds generated per state dollar invested in Statewide Public Services</td>
<td>Target</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$1.39</td>
<td>$1.39</td>
<td>$1.42</td>
<td></td>
</tr>
<tr>
<td>Data</td>
<td></td>
<td>$1.51</td>
<td>$1.54</td>
<td>$1.39</td>
<td>$1.38</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Data Source: OSU Office of Institutional Research

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?
Goal 3 State Economic Development

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?
Along with instruction, public service and research have long been the cornerstones of public higher education. Citizens across the state rely on extension and research services for assistance in addressing local needs related to natural and cultivated resources and family and community development.

How does the performance measure demonstrate agency progress toward the goal?
Statewide Public Services (Agricultural Experiment Station, Extension Service, and Forest Research Laboratory) generated $1.38 for every public dollar invested in 2003-04, a decline from the $1.54 generated in 2001-02. This loss of leveraging power is attributed to the recent retirements of productive senior faculty and the inability to refill these positions due to budget cuts.

Compare actual performance to target and explain any variance.
Data and future targets for this measure are new in 2005.

Summarize how actual performance compares to any relevant public or private industry standards.
While there are no national norms for this measure, efforts are underway to identify appropriate standards or comparators.

What is an example of a department activity related to the measure?
The Agricultural Experiment Station (AES) and Forest Research Laboratory (FRL) include a significant component of faculty research activities that are integrated with outreach activities. The Extension Service faculty provides outreach and social service to the citizens of Oregon. An example is the 4-H program that encourages learning, social awareness, work ethics, responsibility, and a desire to pursue further educational opportunities. OUS statewide programs serve over one million Oregon citizens annually.
What needs to be done as a result of this analysis?

As this measure is refined and performance data assessed, future activities will be identified.
ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS


<table>
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<th>Agency Name: Oregon University System</th>
<th>Agency No.: 580</th>
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### Key Performance Measure Analysis

**To what goal(s) is this performance measure linked?**

Goal 4: Cost Effectiveness

**What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?**

The Oregon University System strives for effective and efficient stewardship of public resources.

**How does the performance measure demonstrate agency progress toward the goal?**

Proposed in 2003, this measure was intended to monitor the cost-effective use of resources throughout the system. As a revenue metric, however, it fails to address the distribution and use of this income, and, as such, does not reflect the goal of cost effectiveness. Additionally, the collection of peer financial data has proven difficult and unreliable, and is further complicated by recent Governmental Accounting Standards Board (GASB) reporting changes. This measure has been deleted for 2005-2007, but OUS continues to explore indicators of cost-effectiveness.

**Compare actual performance to target and explain any variance.**

While the measure does not address the stated goal, we can comment on the measure itself. Performance data for this measure indicate that Oregon’s total revenues per FTE student have declined in relation to peer universities in other states as a result of a significant drop in state revenues compared to enrollment. Any progress toward the targets would come at the expense of affordable access as tuition revenues are used to close the gap.

**Summarize how actual performance compares to any relevant public or private industry standards.**

This measure has a comparative component built into the metric.

**What is an example of a department activity related to the measure?**

OUS is managing enrollment to fiscal capacity.
**What needs to be done as a result of this analysis?**

As OUS undertakes a comprehensive review of its accountability and performance management efforts, the goal of cost effectiveness will be evaluated and alternative measures proposed.