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Oregon University System

The Oregon University System (OUS) consists of the Office of the Chancellor and Oregon’s seven public universities, and is governed by the Oregon State Board of Higher Education (OSBHE). The Board seeks, through the OUS, to accomplish four broad goals to produce the highest levels of educational outcomes for Oregonians:

1. Create in Oregon an educated citizenry to support responsible roles in a democratic society and provide a globally competitive workforce to drive the State’s economy, while ensuring access for all qualified Oregonians to quality postsecondary education
2. Ensure high-quality student learning leading to subsequent student success
3. Create original knowledge and advance innovation
4. Contribute positively to the economic, civic, and cultural life of communities in all regions of Oregon

Oregon’s Public Universities

Eastern Oregon University (EOU) serves its regional mission through programs in the liberal arts, professional programs in business, education, and community service, and cooperative programs in agriculture and nursing.

Oregon Institute of Technology (OIT), the Northwest’s only polytechnic institution, serves the state with programs in business, engineering and health technologies, and a cooperative program in nursing.

Oregon State University (OSU) is a land, space, sea and sun grant university with programs in the liberal arts and sciences and professional programs in agricultural sciences, business, education, engineering, forestry, health and physical education, home economics, oceanography, pharmacy, and veterinary medicine. OSU-Cascades Campus in Bend opened in fall 2001 in partnership with Central Oregon Community College, and offers degree programs in arts and sciences, business, education, natural resources, and recreation.

Portland State University (PSU) is an urban university offering liberal arts and sciences programs and professional programs in business, education, engineering, health and physical education, performing arts, and urban public affairs.

Southern Oregon University (SOU) provides liberal arts and sciences
programs, professional programs in business, education, and performing arts, and a cooperative program in nursing.

The University of Oregon (UO) is an Association of American Universities (AAU) liberal arts and sciences university with professional programs in architecture and allied arts, business, education, human development and performance, journalism, law and music.

Western Oregon University (WOU) provides programs in liberal arts and sciences and professional programs in education, business, and public services.

State Board of Higher Education
The volunteer, 11-member State Board of Higher Education governs the OUS. Members are appointed to two-year or four-year terms by the Governor and are subject to Senate confirmation. The board elects a president and vice-president, and committees and working groups of the board meet regularly.

Strategic priorities of the Board for achieving OUS goals and outcomes were presented in September 2006, and include:

1. Increase educational attainment:
   • Raise Oregonians’ aspirations
   • Make postsecondary education affordable for Oregonians
   • Lead a statewide effort to deliver a measurable increase in higher education participants and success for underserved populations throughout the state
   • Facilitate student success and degree completions by improving the efficiency and effectiveness of K-20 learning processes
   • Provide the educated workforce needed for the areas of health care, engineering, and related technologies, as well as other workforce and economic development areas as they emerge

2. Invest in globally competitive research:
   • Attract and retain high quality internationally recognized faculty, particularly in targeted areas of existing excellence
   • Sustain existing signature research funding (ONAMI) while developing new signature research centers
   • In partnership with the Oregon Innovation Council, align targets for research funding growth and research productivity with the needs of Oregon companies and industry clusters
   • Establish at every OUS university an expectation of student engagement in research, at both the undergraduate and graduate levels

<table>
<thead>
<tr>
<th>University</th>
<th>Location</th>
<th>Fall 2005 Enrollment (headcount)</th>
<th>Resident Undergraduate Tuition &amp; Fees 2005-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Oregon University</td>
<td>La Grande</td>
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<td>Ashland</td>
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<td>Eugene</td>
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<tr>
<td>Western Oregon University</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>80,888</strong></td>
<td></td>
</tr>
</tbody>
</table>

*For purposes of this chart, tuition for fall term 2005 has been multiplied by three. Figures are based on 15 credits.*
• Assure the long-term financial viability of OUS and its institutions:
• As required to achieve the Board’s goals and other strategic priorities, explore governance and/or new organizational models
• Develop service models for areas of the state projected to grow significantly, especially Portland and Bend
• Invest in faculty recruitment and retention
• Develop the role of the Chancellor of the Oregon University System’s Chief Executive Officer
• Provide the policy support and expectation for OUS presidents to manage the academic and capitol assets of their institutions

Office of the Chancellor
The first chancellor was hired in 1931 to oversee a growing number of public universities in Oregon to ensure an overarching statewide mission that would serve the best interests of all Oregonians. It was believed that a central administration would save money by consolidating services rather than duplicating them at each campus.

The chancellor is hired by the State Board of Higher Education and serves at its pleasure. The chancellor is entrusted to carry out the policies of the board and acts as its administrative officer. Functions include: directing the overall administration of the Chancellor’s Office and carrying out existing and new policies, including the ambitious directives of the Oregon State Board of Higher Education; overseeing the operations and employees of the Chancellor’s Office, and ensuring support for the many initiatives related to the board’s vision for higher education in the state; leading the biennial operating and capitol budget process, presenting proposals to the Legislature, supporting and facilitating the efforts of universities to achieve overall OUS goals; facilitating campuses’ efforts to achieve their educational missions; creating partnerships among OUS campuses, community colleges and K-12 institutions; and working closely with the Legislature, the Governor, and other constituencies for support and reinvestment in higher education. The Chancellor’s Office has 92 employees at five sites.

Throughout 2004, significant leadership and structural changes took place within the Oregon University System that positioned the organization to help more Oregonians access a postsecondary education in the next and future biennia. One of the Governor’s and the board’s objectives is to ensure that the Office of the Chancellor (the OUS office) is fully aligned with the goals and focus of the board and the state. The office now focuses on the development and implementation of policy and advocacy for postsecondary education in Oregon, management reporting and control systems, planning and analysis, communications and government relations, and fulfillment of statutory functions. Campuses have been given greater autonomy and flexibility, along with the requisite control measures that ensure accountability.

Some former Chancellor’s Office functions have been transferred to particular campuses to manage for the System, such as: Information Technology Services is now managed by OSU; the operation of the NERO wise-area network was transferred to UO; the operation of the Southwestern Oregon University Center, now managed by EOU; and the Oregon Center for Advanced Technical Education (OCATE) is now managed by PSU. The Provosts’ Council, made up of academic vice presidents of the OUS campuses, completes due diligence and formal review of new academic degree and certificate program requests, and makes recommendations to the Chancellor, who subsequently forwards them to the board. The Council replaces a function formerly carried out of the Academic Division of the Chancellor’s Office, which was eliminated during the restructuring.

Approximately $3 million in savings from the reorganization has been used to increase affordability for students, lessen the impact of Ballot Measure 30 budget reductions on the
campuses, mitigate tuition increases, and fund the Board’s Working Group initiatives.

**Tuition and Access**

From the 2000-01 to 2005-06, tuition increased between 32 percent and 61 percent at OUS institutions as state funding decreased. The state-student share of casts went from 51 percent to 41 percent in 1999-01 and from 35 percent to 55 percent in 2005-07, a dramatic shift that significantly increased college costs for students. Today, Oregon ranks 46th in the U.S. in state funding per student in postsecondary education. At current enrollment levels, to meet the national average Oregon higher education would need an additional investment of $264 million (in 2004-05 dollars) per biennium.

The Oregon State Board of Higher Education is committed to making higher education affordable. In 2005-07 biennium tuition increases were limited to 3 percent per year. OUS is proposing holding the tuition increase to the projected change in median family income each year in order to maintain access to an affordable education.

The National Center for Public Policy and Higher Education recently reported its Measure Up 2006 report that for the lowest income students at Oregon’s public four year universities, net college costs represent nearly 83 percent of their annual family income (net college costs equal tuition, room, and board minus financial aid). Oregon has relatively low need-based financial aid compared to neighboring states and the national average. For 2004-05, estimated need-based aid per undergraduate student in Oregon is $176, compared to $581 per student in Washington, $499 per student in California, and $410 per student as the national average. Oregon’s combination of rising tuition and low financial aid earned the state an “F” for affordability in Measuring Up 2006 and in the 2004 report.

College students face the largest college debt in the nation’s history, with a majority of today’s students leaving campus in debt. A 2006 report by Pew Charitable Trusts called the Project on Student Debt, cited Oregon as having the 8th highest debt level of all states for students attending public institutions, with average debt of just over $19,000 for the Class of 2005.

 Shrinking budgets have not enabled universities to expand to meet demand. Higher tuition, and larger and fewer classes result in students taking longer that four years to graduate. Oregon’s population is projected to grow by over 27 percent, from 3.6 million people in 2005 to 4.6 million in 2025. The magnitude of what would be needed to meet higher educational attainment levels—the number of students and bachelor’s degrees needed from Oregon’s public and private four-year institutions over the next 20 years—is daunting, even if bachelor’s-or-greater attainment levels were to remain at the current 25.9 percent. At the current rate of enrollment and degree production, by 2025 the Oregon University System would need to enroll an estimated 37,000 more students than are currently enrolled, and award approximately 4,000 more bachelor’s degrees than the 12,000 now awarded annually. This is the equivalent of adding the students and degrees of Portland State University, Southern Oregon University, and Western Oregon University combined, during an average year.

After a few years of high enrollment increases in the OUS, enrollment growth (headcount) for the Oregon University System remained moderate for fall 2005—with growth of one percent to 80,888 students – from the larger increases seen between 1999 and 2002. That is an increase of 882 students over 2004. This compares to a ten-year average annual increase of 2.75 percent. Fall 2005 FTE enrollment (Full Time Equivalent students), increased system-wide by 228 students, or 0.3 percent, from 67,151 in 2004 to 67,378 in 2005. In 2004, fall FTE enrollments declined by 0.4 percent. Across the system, the number of newly admitted undergraduates was up only marginally from the prior year, from 16,890 in 2004 to 16,902 in fall 2005. A small resident student decline was countered by non-resident increase.

**OUS Budget Model**

In December 1997 the board changed the way each university is allocated funds. Rather than
pooling all funds and distributing them according to formula, as of the 1999-00 fiscal year institutions have been allowed to keep tuition funds they generate. This model, the Resource Allocation Model (RAM), rewards institutions that attract, retain, and successfully educate students. But despite significant enrollment increases in the last six years, the RAM funding allocations have been “frozen” at 2002-03 actual enrollment levels for undergraduates and the lesser of the 2000-01 or 2002-03 enrollments for masters and doctoral students, as there has been no increased state funding for new enrollment since that time. The board’s 2007-09 budget proposal addresses the need to fund campuses at current levels of enrollment.

Move Toward Autonomy
In July 2002, the OUS university presidents sent a letter to a planning committee of the State Board of Higher Education explaining that, in the absence of adequate public support, institutions needed more leeway to respond to the demands of the marketplace and were therefore seeking greater autonomy for the OUS.

During the 2003 Session, Senate Bill 47 was introduced to grant more autonomy to campuses, and achieve greater efficiencies in administration. While the enacted measure did not contain all the provisions originally requested, it did make significant changes:
- Allowed OUS to buy and sell property, technology, or intellectual property
- Exempted OUS from state information technology rules and exempted OUS from competitive contracting procedures
- Shortened timelines for new programs to be approved and relaxed criteria that would have prevented the OUS from offering them
- Allowed interest earned in donation accounts established for the Article XI-G Bond-funded capitol projects to be credited to the accounts

Oregon Health & Science University
Oregon Health & Science University (OHSU) is the only academic medical center in the state and primarily operates on its main campus adjacent to downtown Portland. It is Portland’s largest employer. The Legislature separated OHSU from the Oregon University System in July 1995, making it a public corporation so it would have greater operating flexibility in competing in the health-care industry. OHSU academic programs and fees are still overseen by the State Board of Higher Education.

In 2001, OHSU merged with Oregon Graduate Institute of Science and Technology (OGI), a private nonprofit school to begin offering graduate degrees in electrical and computer engineering, computer science, biochemistry, molecular biology, and biomedical engineering.

In 2001 the Legislature enacted Senate Bill 832, referred to as The Oregon Opportunity Act. This law creates a public/private partnership that will provide OHSU with $200 million in state-backed general obligation bonds. The proceeds of the bonds will be matched with $300 million of privately raised funds to allow OHSU to build new research space and recruit new scientists. With this additional research infrastructure, OHSU hopes to increase the number of research discoveries helping to build a new bioscience industry in Oregon while improving the health of all Oregonians.

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1 36th Annual Survey Report on State-Sponsored Student Financial Aid published by the National Association of State Student Grant and Aid Programs. Oregon Opportunity Grant 2005 increases not counted in this figure; but total per undergraduate would still be lower than the national average.

2 Full Time Equivalence (FTE) measures the total credit-bearing activity on campus. The full time equivalent for an undergraduate is 15 credit hours per term or 45 credit hours per year, for a master’s or professional student the number is 12 credit hours per term or 36 credit hours per year, and for a doctoral student the number is 9 credit hours per term or 27 credit hours per year.

Lisa Zavala, Oregon University System, assisted with the development of this document.