

Purpose and Impact
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Faculty Senate Speech
October 11, 2018

I thank the Oregon State University Faculty Senate president and colleagues for providing me with the opportunity to discuss with you the state of the university and to preview the year ahead. In short, the state of the university is very good. There are many points of pride to celebrate but also a number of challenges facing us. Many of you have heard me state that the best is yet to come for this wonderful university and community. That is true now more than ever.

Let me begin with a brief summary of accomplishments from last year, which represented the final year for implementation of Strategic Plan 3.0 (SP3.0). Information that is more detailed can be found in the associated appendix that follows this speech. We reached or exceeded a number of targets for FY18.

The target for degrees completed was 6,000 while the actual number was over 7,100. We also increased the number of bachelor's degrees awarded to Oregon residents and degrees awarded to historically under-represented students. The goal for the percentage of high achieving Oregon high school students in the entering class set at 45% for FY18 actually reached 47% in FY17. Ecampus degree seeking enrollment rose to over 4,500 students compared to an SP3.0 target of 3,000. At 24.8%, the percentage of domestically under-represented students at the university is close to the target goal of 25%.

On the financial front, the underfunding of recurring costs by the state required recurring reductions and deferred investments of \$20 million last year. We closed the books with an ending fund balance of 15.7% in FY18. That compares with a target set by the Board of Trustees of 15%. Total R&D funding exceeded \$381 million, which is remarkable considering that we exceeded \$300 million for the first time only three years earlier. The OSU Foundation raised just under \$152 million dollars in FY18, the most raised in any year in the history of the university. That total included the largest gift in the history of the university of \$50 million from alumnus Gary R. Carlson for our college of veterinary medicine. We are now in the planning phase of the next Campaign for OSU.

With regard to student success, we raised the first-year retention rate for undergraduate students to 84.8% and the six-year graduation rate for undergraduates to 65.3%. At the same time, in partnership with the OSU Foundation, we have raised \$88 million in the last year and a half toward our \$150 million goal for student scholarships as part of our OSU150 celebration.

Other aspects of student success are worth noting. In winter 2018, the average GPA of our student-athletes was 3.16. In fact, 16 of our 17 teams, including football, earned an average GPA of 3.0 or better. In terms of community engagement, OSU's Juntos program served more than 3,000 Latino families in 23 Oregon communities. Of those students participating in Juntos, 100% earn their high school diploma and 92% go on to community college or a four-year institution.

I have said on other occasions that our capital needs over the next decade will differ substantially

from our experience of the last decade. We are approaching the close of a period of extraordinary expansion in our overall physical spaces, particularly with regard to classroom and research space for faculty and students. Over the next decade, our objective will be primarily to improve the quality of the physical space we occupy. We have serious capital renewal needs with respect to research laboratories and space if we are to avoid a slow-down in the future growth of research activity at OSU. State capital funds for the renewal of Fairbanks, Gilkey and Cordley Halls will begin to address very serious academic and research facility shortfalls. We recently purchased a building on Research Way in Corvallis for \$19.8 million, which includes excellent research space. With the additional expenditure of a few million dollars, that building can replace a need to spend \$75 million for a new research building in the next 10 years. Furthermore, the Research Way building will provide critical swing space to accommodate the further renovation of Cordley Hall.

Even with \$20 million in permanent planned expenditure reductions made in FY18, we will phase in over the next decade the creation of an annual funding source for \$45 million to address building repair and renewal needs on an ongoing basis. Based on an external analysis completed last year by Sightlines, it is estimated that the university has capital renewal and deferred maintenance needs totaling \$650 million and seismic retrofit needs ranging from \$350 million to \$700 million. Over the next decade, our investment and capital renewal plans will address nearly 40% of our capital improvement and deferred maintenance needs.

Even as we turn to a primary focus on improving the quality of existing space, major new facilities are of strategic significance in the near term. These projects include the new Forest Science Complex, the forthcoming Arts Education Complex in Corvallis, the Marine Studies Building at Hatfield, the second academic building and the student success center at OSU-Cascades, and the OSU Portland Center in the iconic Meier and Frank Building.

Before I turn to the agenda for this year, allow me to note additional recognition provided the university in the last year. For example, our college of forestry is ranked No. 2 in the world and our oceanography program is ranked No. 3 in the world. OSU is ranked as the No. 1 safest campus in the U.S.; No. 1 among Best Colleges for the money in Oregon; and the No. 9 Greenest College Campus in America. OSU is ranked in the top 1% out of more than 27,000 degree-granting institutions of higher education in this year's Center for World University Rankings, the largest academic ranking of global universities.

Our robotics program was recently ranked No. 4 in the country. Moreover, our agricultural sciences programs regularly are ranked in the top 10 in the country.

Our college of business is ranked No. 1 in the world for experimental research in accounting information systems and No. 8 for experimental financial accounting. The OSU Advantage Accelerator has earned a top 10 ranking among business accelerators in the U.S. and Canada. The accelerator is ranked as the top startup accelerator in Oregon by Gust.com and the eighth-most active in the U.S. and Canada. Our college newspaper, The Daily Barometer, was recently given a 2017 Associated Collegiate Press Pacemaker Award, which is often called the Pulitzer Prize of college journalism.

U.S. News and World Report ranked our online undergraduate programs No. 6 in the country and they are regularly among the top 10. Our online liberal arts degree offerings have been ranked No. 1 in the country.

Clearly, we have much to celebrate and we are achieving success reflecting our commitment to excellence in everything we do. Our commitment to excellence is not some abstract notion and it is certainly no slavish drive for recognition and rankings. OSU was created to serve the people of Oregon and more broadly the nation and the world by providing learning opportunities and creating new knowledge, insights, and policies and practices that improve the human condition. The more exceptional we are in those efforts, the more powerful our impact can be.

When we began the university's strategic planning process, we asked ourselves which land-grant institutions were among the very best in the areas of study that we offer based on their academic, research, creative and service efforts. We identified attributes of those institutions that we aspired to match or exceed and set targets where we could measure ourselves against their performance. Going forward, it is worth reviewing how we match up with our aspirational peers now as we set our goals for SP4.0.

Compared to our aspirational peers, we are less selective in our student admission requirements, our enrollment is substantially less at the undergraduate and graduate levels, and we have a higher percentage of Pell eligible students than our aspirational peers do. While some of these contextual features may put us at a competitive disadvantage relative to our aspirational peers, they are consistent with our access mission.

Some among us have questioned our recent focus on student success. We have set a goal of raising the first-year retention rate for all undergraduates from our current 84.8% to 90% and our six-year graduation rate for all undergraduates from 65.3% to 70% by 2020. In fact, the first-year retention rate achievement gap actually increased last year from 6% to 8.1% while the six-year graduation rate achievement gap declined, but is still 8.9%. These gaps have declined substantially in recent years but they leave a lot of room for improvement.

It is instructive to compare our performance with our aspirational peers, where data is available. To reach the average performance level of our peer comparators with regard to student success, we must raise our first-year retention rate from 84.8% to 93.6%, our four-year graduation rate from 33.3% to 61.3% and our six-year graduation rate from 65.3% to 84.1%. The low four-year graduation rate is a major barrier to realizing our commitment to access for our students. Our commitment to student success is a matter of imperative and not an arbitrary choice. Furthermore, to match our peers, we would have to raise our percentage of historically under-represented students from 11.1% to 13.4% and the percentage of historically under-represented tenured/tenure-track faculty from 7.3% to 8.1%.

Others among us are genuinely concerned about our ability to provide our research community with the quality research equipment and facilities needed to continue on our current trajectory. Comparative data make it clear that success in this domain also is imperative. We have underperformed in a number of financial areas related to research productivity. Invention disclosures increased by 10 over the last year, but the total is only 78 compared to a target of

120. While licensing revenue rose slightly to \$4.4 million, it remains well below the SP3.0 target of \$10.9 million. Meanwhile, our top 10 peer institutions have an average licensing income of \$19.1 million.

Nearly 10 years ago, I cautioned that we needed to diversify the sources of our research revenue. The value of industry contracts, licensing and royalties peaked at \$40.1 million in 2015 but stood at only \$31.4 million in 2018. In addition, licensing revenue leveraged per appropriated dollar for the statewide public service programs has fallen from a high ratio of 2.92 in FY12 to 2.12 in FY18, well below the SP3.0 goal of 3.0. The uncertainties of federal research funding in recent years makes our modest rate of improvement in diversification into commercial and industry partnerships unacceptable.

Our research expenditures per tenure/tenure-track faculty FTE is \$271,546. While that figure is well above the average for Association of Public and Land-grant Universities (APLU), it is below our aspirational peer group average of \$431,482. In fairness, a number of our aspirational peers have academic medical centers, which often account for half or more of the research funding at their universities.

With these matters in mind let me describe in broad terms our agenda for FY19:

- 1. Finalize and Implement SP.4.0**
- 2. Engage Donors and the Legislature to Increase Operating and Capital Funds**
- 3. Promote Revenue Growth, Cost Containment and Financial Sustainability**
- 4. Continue to Build Community and Develop a Faculty Union Contract**

Many of our aspirations are reflected in Vision 2030 and will find their way into SP4.0. At this point we remain clear that we must:

- Increase the presence and improve the experience of historically underrepresented student and faculty groups within Oregon State.
- Continue to raise the first-year retention rate and six-year graduation rate of all undergraduate student groups to 90% and 70%, respectively.
- Raise our four-year graduation rate substantially.
- Eliminate achievement gaps.
- Expand the number and size of our graduate program offerings and the number of doctoral students in our programs and Ph.D. degrees awarded.
- Renew, refresh and repurpose our physical environment to support our research and teaching endeavors.
- Expand our learning, research and service activities in Newport, Corvallis, Portland, Bend and throughout the state of Oregon and beyond.
- Increase our licensing, patent and startup activity.
- Manage our operations more efficiently; and
- Diversify and expand all of our sources of revenue, including our online offerings.

Despite the permanent reduction of \$20 million in expenditures and planned investments made last year, we invested \$3 million in student success initiatives. This year, we are committing

\$1.85 million in new money and \$2.5 million in recurring funds to the undergraduate student success initiative and an additional \$495,000 to the graduate student success initiative.

With regard to SP4.0, I now will focus on the core curriculum review process that is underway and why it is so important that we take this work seriously to advance our mission and promote student success. Courses that qualify for the baccalaureate core now total 987, of which 899 have been scheduled since summer 2016. If the distributed budget model is implemented poorly, that number will only grow in the face of incentives to increase enrollment and in the absence of a coherent set of principles to guide the composition of the core. I am a long-time supporter of the LEAP (Liberal Education and America's Promise) initiative led by the Association of American Colleges and Universities and I encourage us to start with the LEAP model to fashion our baccalaureate core.

As the first member of my family to graduate from college and as a trained economist, one might expect me to hold most dearly to the argument in favor of higher education that those with a college degree will experience lifetime earnings that are 60% higher than lifetime earnings for high school graduates, a gap that continues to grow. I might also be expected to advise students to pick majors strategically that lead directly to one of the highest paying professional jobs. In fact, I take the opposite view, and I tell students to make sure they have a sound arts and sciences foundation within their studies. Chasing money too often leads to soul crushing jobs and lives crowded into weekends. I tell students that living for weekends is a loser's bet because life is finite and throwing away five of every seven days makes no sense. I tell them to do work that they care about. I also tell them that about one-third of Fortune 500 CEOs majored in the arts and sciences in college.

Before the dot.com bubble burst at the turn of the century – and before the Great Recession – advocates for a solid grounding in the arts and sciences for all graduates noted that today's graduates may have 5-10 jobs during their work-life and that liberal studies prepare students to be flexible at work with strong training in critical thinking, writing, listening, structuring and solving problems, working in teams, understanding other cultures and communities from their own, and thinking outside the box. Surveys find that today employers value these skills highly in new employees. We also talked about civic engagement and community service, which are important elements of a strong liberal studies program. No one paid much attention to the issue of civic engagement for years. We need to revisit the case for a strong liberal arts foundation or baccalaureate core in the education of all of our graduates and to the importance of civic engagement in a democracy.

I believe that there is a new imperative for liberal arts studies for all of our students. Just as the printing press made it possible for all to read and interpret scripture for themselves, the internet and social media have made it possible for every individual to acquire information of every kind that is unfiltered by experts. Some years ago, I thought that we would always need content experts to evaluate the enormous increase in information available to us. We do need content experts, but we have to be smart enough to know when we need their counsel and to discern the experts from the charlatans. Here is where critical thinking, writing, listening and the ability to frame unstructured problems and to create solutions come into play. More than ever before, the citizens, workers and volunteers of the future must become the agents of their own lifelong

learning. If our graduates are to remain our greatest contribution to the future, they must be solidly grounded in the core disciplines of the arts and sciences and the baccalaureate core must be the source of that preparation. We must do our best to get this right.

With regard to fundraising, we will build on the success of the past. As noted earlier, we raised a record of almost \$152 million last year. Sometime in the next several years, we will launch the second Campaign for OSU with a goal that exceeds the \$1.14 billion raised in the first campaign.

FY19 includes a full legislative session. The current biennial operating budget from the state for Oregon's seven public universities is \$737 million. The Oregon Council of Presidents has endorsed a minimum request for an additional \$130 million to maintain current operations, in the face of rapidly rising health benefits and pension costs that the universities cannot control. The universities will be seeking an operating budget of \$1 billion for the biennium, which will support new initiatives to more quickly achieve targets for student success, research and service.

Our primary requests for capital funding for Corvallis are \$56 million for additional renovation work within Cordley Hall, \$28 million of which will be funded by university revenue bonds, and \$70 million for the proposed Art and Education Complex, which includes \$35 million in donor-provided funds. The OSU-Cascades campus has a \$17 million request for funding for a student experience center, which will include \$5 million raised by students through fees on the OSU-Cascades campus and additional requested funds of \$17.5 million for site preparation and infrastructure projects consistent with the approved campus master plan. Achieving full funding for all of the projects on OSU's capital list during the FY19 session will be extremely difficult.

FY19 will be the first year of operations at the OSU Portland Center in the Meier and Frank Building across from Pioneer Courthouse Square in downtown Portland. Realistically, it will take a number of years for this activity to produce net revenue, but we believe it is critical to sustain growth in Ecampus revenue in the years ahead. We expect enrollment growth at OSU-Cascades to continue at a 5-10% rate annually and for enrollment on the Corvallis campus to grow modestly, if at all.

We do not anticipate the need for additional continuing budget cuts in FY19. We expect our fund balance at the end of FY19 to stand at 14.4% compared to 15.7% at the end of FY18. Considerable increases in Oregon Public Employees Retirement System rates expected at the beginning of FY20 and FY22 could require us to make adjustments in assumptions and commitments in our 10-year business forecast to bring our fund balances back to the 15% target.

The effort to build a diverse and inclusive university community that advances social justice efforts continues. This initiative must engage colleagues and students across OSU and supporters of the university. Charlene Alexander continues to help orchestrate individual and collective activities to foster progress. For example, this month, we will convene a meeting of university officials and leaders from the nine tribes of Oregon to discuss a common agenda going forward to increase post-secondary educational attainment for the tribal communities and consider other positive steps toward reconciliation. Meanwhile, the program of community dialogues will continue and be expanded during FY19 and we will enhance current initiatives to recruit and retain women faculty and faculty of color, particularly in STEM disciplines.

As you know, the faculty unionization effort has been successful and the results were certified by the Employment Relations Board in late June. My understanding, is that the union organizers believe the process of concluding a contract could take a year or more. Clearly, there are many issues to sort out regarding the shared responsibility roles of the university Faculty Senate, the union and the administration. At the same time, the U.S. Supreme Court ruled in the Janus case that the practice of "Fair Share" is unconstitutional. It remains unclear to what extent, if at all, the court ruling will impact the ability of all interested parties to reach the bargaining table in a timely fashion. I promise you that the administration will do our very best to expedite the process and, as with existing unions on campus, I will offer to meet with union representatives on a regular basis, once we have concluded a bargaining agreement. There is never a bad time for colleagues to resolve differences and improve working relationships regardless of the timing of contract negotiations.

So, we have our work cut out for us in the year ahead. I look forward to working with you and other colleagues throughout the university to see what we can accomplish together.

Oregon State University
President Review Metrics
 July 2018

Preliminary current year estimates are highlighted in blue

Strategic Plan 3.0 Metrics

Goal 1: Provide a Transformative Educational Experience for All Learners

Metric	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Degrees Awarded-Total	4113	4213	4294	4222	4232	4254	4490	4538	5055	5256	5891	6031	6411	6817	7113
Bachelor's Degrees	3078	3177	3351	3294	3267	3300	3453	3478	3992	4157	4702	4809	5107	5426	5799
Master's Degrees	760	778	659	621	674	648	727	745	774	746	848	871	943	991	936
Doctoral Degrees	172	159	166	179	173	178	179	174	205	213	196	211	210	273	242
First Professional Degrees	103	99	118	128	118	128	131	141	144	140	145	140	151	127	136

2017-18 Target	6000
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Metric	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Cascades Degrees¹	22	54	57	129	108	111	134	153	173	210	262	315	369	326	361

¹ These are a subset of totals above.

Metric	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
First Year Retention Rate²	80.7%	80.7%	80.3%	80.9%	81.3%	80.8%	82.6%	83.1%	81.4%	83.3%	84.2%	83.8%	84.8%	83.4%	84.8%
Six Year Graduation Rate²	60.5%	60.4%	61.5%	60.0%	60.9%	62.1%	60.2%	60.4%	60.7%	60.4%	61.5%	63.1%	64.3%	63.3%	65.3%
URM to White 1 yr Retention Rate	4.0%	7.8%	7.8%	-0.1%	2.5%	6.1%	1.4%	6.2%	3.5%	1.7%	3.2%	8.4%	4.6%	6.0%	8.1%
Gap ³															
URM to White 6 yr Graduation Rate	12.7%	10.3%	16.7%	17.6%	18.6%	18.0%	15.5%	14.5%	6.9%	8.8%	11.4%	12.0%	14.4%	10.9%	8.9%
Gap ³															
Junior Transfer 4 Year Graduation Rate	72.6%	66.9%	66.0%	62.8%	67.7%	66.1%	63.4%	70.4%	65.5%	63.8%	61.6%	62.4%	63.7%	57.1%	56.1%

² First-time students from High School, full-time degree seeking Fall cohort. Year shown is year rate was completed. For example, 2003-04 is the rate for freshmen beginning in Fall 2002 and returning Fall 2003. For 6 year graduation, 2003-04 is the reference year (degrees earned up to summer 2003) for freshman that began Fall 1997.

³ URM rates are computed by using aggregate cohort and outcome numbers for URM students; it is a weighted average of group rates (American Indian, Black, Hispanic, Native Hawaiian/Pacific Islander).

2017-18 Target	88%
	67%
	72%

Metric	Fall 2003	Fall 2004	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	Fall 2011	Fall 2012	Fall 2013	Fall 2014	Fall 2015	Fall 2016	Fall 2017
% US Minority Student⁴	13.5%	13.6%	14.1%	14.3%	15.0%	15.8%	16.1%	17.6%	18.8%	19.7%	19.4%	21.9%	22.8%	23.7%	24.8%
% International Student⁴	6.0%	5.2%	4.9%	4.8%	4.7%	4.9%	4.8%	6.5%	7.4%	8.9%	10.2%	11.1%	11.3%	11.6%	11.5%
High Achieving Oregon HS Graduates⁵	30.9%	31.6%	33.7%	32.8%	33.7%	32.6%	31.8%	34.6%	36.2%	40.3%	39.6%	44.1%	41.4%	47.0%	n/a
Unweighted HS GPA - High Achieving OR HS Grads	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	41.3%

⁴ Out of all enrolled students, including non-degree students on main campus (Corvallis + Ecampus), excludes non-credit INTO students and Cascades-only students.

⁵ First-time from high school, degree-seeking Fall cohort from an Oregon high school, with weighted high school GPA of 3.75 or higher. In 2016, the Admissions Office stopped using weighted GPA, so this information is no longer available in Banner and the traditional metric cannot be computed.

2017-18 Target	25%
	15%
	45%

Other Student Access and Success Measures

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Oregon Resident Degrees	2,527	2,655	2,795	2,769	2,740	2,800	2,812	2,805	3,088	3,097	3,289	3,542	3,719	3,772	3,960
Bachelor's - All	156	127	173	186	193	188	226	218	262	299	352	373	450	474	524
Bachelor's - URM ⁶	1120	1206	1238	1302	1215	1204	1205	1374	1673	1702	1927	1862	1976	1883	1880
Bachelor's - Pell Eligible	506	584	536	540	556	547	596	586	425	422	422	544	569	540	526
Advanced Degrees															

⁶ As defined in Achievement Compact: Underrepresented Minority - African American, Hispanic, Native American, Native Hawaiian/Pacific Islander and those citing "two or more races" where at least one is one of these groups.

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Main Campus Enrollment⁷ (IR Census)	18979	19162	19236	19362	19753	20320	21969	23761	24977	26393	27925	28886	29576	30354	30896
URM Enrollment	1095	1133	1232	1252	1338	1488	1637	1872	2034	2233	2431	2668	2903	3190	3447
International	1061	944	904	897	928	988	1120	1548	1852	2362	2859	3202	3328	3529	3556
Ecampus (all)	1563	1781	2508	2704	3170	3575	4282	4811	5564	6750	7763	8862	10148	11251	12725
Undergraduates	15599	15713	15747	15829	16228	16673	18067	19559	20261	21812	23161	23903	24612	25327	25838
Graduate/1st Professional	3311	3449	3489	3533	3525	3647	3902	4202	4356	4581	4764	4983	4964	5027	5058
Oregon Resident	15262	15676	15736	15712	15760	15816	16670	17178	17360	17487	17657	17707	17876	17964	17823
Degree Seeking Corvallis ⁸	87.5%	88.5%	88.8%	88.6%	87.6%	86.3%	84.5%	80.8%	79.8%	77.2%	75.2%	74.8%	75.1%	74.2%	73.1%
Undergraduate % Resident															

Cascades Enrollment (IR Census)	373	438	591	495	497	510	611	678	764	801	936	980	1016	1122	1204
URM Enrollment	17	15	20	27	22	35	45	42	49	68	77	82	94	109	104
Undergraduates	312	385	406	419	417	432	488	574	640	662	784	812	857	912	955
Graduate/1st Professional	61	53	85	76	80	78	123	104	124	139	152	168	159	210	249
Oregon Resident	343	417	457	451	457	489	584	649	713	741	886	934	944	1035	1112

⁷ Corvallis + Ecampus (includes some Cascades students taking Ecampus courses)

⁸ Corvallis campus only including non-degree students, excludes those determined to be Ecampus only students; values are estimates before 2011

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Degrees in Designated Shortage Areas (Engineering and Computer Science)	761	725	756	736	650	712	765	787	919	919	1106	1229	1417	1759	1870
% Graduating Seniors with Experiential Learning ⁹	-	-	-	-	-	-	-	-	-	69.1%	69.3%	65.6%	68.4%	64.1%	n/a
% Graduating Seniors Satisfied with degree/educational experience ⁹	-	-	-	-	-	-	-	-	-	82.0%	82.2%	82.3%	83.7%	82.5%	n/a

⁹ From IR Graduating Senior Exit Survey - first question is percent that self-reported having participated in at least one of: research, internship, education abroad, service learning, or creative projects, whether for credit or outside of OSU

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Instructional Faculty Diversity ¹⁰	-	-	9.3%	9.9%	10.2%	11.0%	11.2%	11.0%	11.2%	12.5%	14.8%	15.2%	15.0%	15.6%	15.8%

¹⁰ From IPEDS Human Resources Report, prior to 2012, numbers included research and extension service staff. 2012 and later are restricted to those with some instructional role.

Goal 2: Demonstrate Leadership in Research, Scholarship, and Creativity while Enhancing Preeminence in the Three Signature Areas of Distinction

Metric	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total R&D Expenditures (\$ millions) ¹¹	207.2	218.0	227.7	231.9	233.4	257.6	216.6	228.8	240.5	232.7	231.0	245.3	254.3	270.3	263.4
Industry-funded Research	1.3%	1.0%	1.5%	1.4%	1.4%	1.9%	2.7%	2.4%	2.9%	2.8%	3.8%	4.0%	3.7%	3.1%	3.1%
Percent of Total R&D Expenditures ¹¹															
PhDs Awarded	172	159	166	179	173	178	179	174	205	213	196	211	210	273	242

Other Research and Scholarship Measures

Metric	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Total R&D Revenues (\$ millions) ¹²	204.0	230.0	209.0	206.0	244.0	265.6	288.3	275.9	280.9	263.4	284.6	308.9	336.0	441.0	381.6
Industry Contracts, Licensing, Royalties (\$ millions) ¹²					21.2	21.7	24.9	25.1	35.2	36.0	36.8	40.1	31.0	34.0	31.4

Goal 3: Strengthen Oregon State's Impact and Reach Throughout the State and Beyond

Metric	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Ecampus (student primary campus) Degree Seeking Enrollment	162	207	414	476	593	802	1085	1244	1548	1854	2424	2890	3591	4085	4552
Invention Disclosures	36	44	49	54	74	58	52	76	75	80	62	72	70	68	78
Licensing Revenue (\$ millions) ¹²	1.5	1.9	1.9	2.1	2.3	2.4	2.5	4.0	3.7	6.3	5.9	10.3	5.1	4.1	4.4
Dollars Leveraged per Appropriated \$ for SWPS Research ¹³	1.89	1.98	1.98	1.87	1.70	1.89	2.05	2.89	2.92	2.66	2.49	2.51	2.17	2.00	2.12
Annual Private Giving (\$ millions) ¹⁴	51.9	64.3	67.6	57.9	91.1	77.5	77.6	84.6	103.9	81.5	96.9	100.0	99.1	98.0	110.5

¹¹ Annual expenditures - does not include future amounts from multi-year contracts.

¹² Fiscal year awarded, including amounts from multi-year awards

¹³ Based on computations from Agricultural Experimental Stations and Forest Research Labs

¹⁴ As reported to Voluntary Support of Education (VSE) survey using CASE standards (total face value) for reporting current value of awards.

Quality Measures 2018: OREGON STATE UNIVERSITY

Historically, we have reported OSU measures in two groups: main and Cascades. "Main" includes Ecampus and other sites except for Cascades; "main" numbers are typically reported in most sources: IPEDS, Enrollment Summary, Strategic Metrics, HECC, etc. However, with the growth of Ecampus, it becomes useful to specify "Corvallis" campus numbers where possible. First-time full-time degree seeking undergraduates and doctoral students are overwhelmingly Corvallis campus so they are reported in that column. Metrics that are not easily broken out are reported for total and highlighted:

We provide the most recent metrics available (OSU is generally Fall 2017 or Fiscal year 2017-18);
When the Top Ten data is not available for the same OSU time point, the T10 Time column indicates the time point.

URM (under-represented minority) = American Indian/Alaska Native, Black, Hispanic, Native Hawaiian/Pacific Islander)

OSU and the Top Ten Land Grants differ in inputs that influence outcomes; items below provide some context for these differences

CONTEXT STATISTICS	Corvallis	(main)	Top Ten	T10 Time
Acceptance Rate of First-time freshmen [1]	79%		52%	Fall 2016
SAT Critical Reading and Math Composite of First-time Freshmen [1]	1185		1316	Fall 2016
Percent Pell eligible of undergraduate students [2]	34%	26%	22%	2015-16
Undergraduate Enrollment [3]	20784	25838	35619	
Graduate Student Enrollment [3]	3976	5058	11597	
Resident undergraduate annual tuition and fees [3]	\$11,166		\$12,361	

INDICATOR	Corvallis	(main)	Target*	Top Ten	T10 Time
First-time undergraduate 1 year retention rate [4]	84.8%		88%	93.6%	
First-time undergraduate 4 year graduation rate [5]	33.3%			61.3%	
First-time undergraduate 6 year graduation rate [6]	65.3%		67%	84.1%	
First-time undergraduate 6 year graduation gaps					
White plus Unknown minus URM [7]	8.9%			9.5%	
Non-Pell eligible minus Pell eligible [8]	11.0%			n/a	
Junior Transfer 4 year graduation rate [8]	63.3%	56.1%	72%	n/a	
Masters Degree 4 year graduation rate [9]	86.7%	85.9%		n/a	
Masters Degree 4 year graduation gap					
White plus Unknown minus URM [9]	8.6%	7.8%		n/a	
Ph.D. 6 year graduation rate [8]	51.0%			n/a	
Ph.D. 6 year graduation gap					
White plus Unknown minus URM [8]	18.8%			n/a	
Percent resident among undergraduates [10]	73.1%	64.5%		72.9%	
Percent historically under-represented minority students [11]	11.1%	11.2%		13.4%	Fall 2016
Percent international students [11]	13.7%	11.5%	15%	15.7%	Fall 2016
Percent historically under-represented tenured/tenure track faculty [12]		7.3%		8.1%	Fall 2016
Research expenditures per tenured/tenure track faculty [13]		\$271,546		\$431,482	2015-16
Licensing Revenue (\$ millions) [14]		4.4	10.9	19.11	2014-15

* 2017-18 Metric Targets from Strategic Plan - these are targets for main campus numbers

n/a = not available for Top Ten Land Grants from comprehensive source

Source/Comments

1. IPEDS Admissions survey, Fall 2017 entering term. SAT is based on new scale without adjustment - not comparable to past years.
2. IPEDS Financial Aid Survey, 2016-17 Financial Aid Year
3. Common Data Set, Fall 2017 (tuition is actual or estimated 2018-19)
4. Common Data Set, First-time freshmen retained (Fall 2016 to Fall 2017)
5. Common Data Set, Fall 2011 cohort graduated by Fall 2015
6. Common Data Set, Fall 2011 cohort graduated by Fall 2017
7. CSRDE Fall 2011 cohort graduated by Fall 2017 - URM includes Native Hawaiians
8. Internally computed Fall 2011 cohort
9. Internally computed Fall 2013 cohort
10. College website enrollment summary/Fact Book Fall 2017
11. IPEDS Fall Enrollment Fall 2016
12. IPEDS Human Resources Fall 2017; full-time instructional tenured/tenure track excluding administrators
13. NSF research survey fiscal year 2015-16; IPEDS Human Resources Fall 2016
14. AUTM database fiscal year 2014-15 data

Top Ten Land Grant (institutions routinely in top ten of Land Grants in US News or QS World University ranks)

Ohio State University
Pennsylvania State University
Purdue University
University of California, Davis
University of Florida
University of Illinois, Urbana-Champaign
University of Wisconsin, Madison

OREGON STATE UNIVERSITY
Education and General Funds (Corvallis Campus, excluding Cascades Campus and Statewide Public Services)
Projections FY18 through FY22 (in thousands of dollars)

13-Jul-18

379,968

3% annual raises
2.0% to 4% tuition increases per year, depending on PERS changes and student category
tan highlighted are projected

	FY16 Final	% inc.	FY17 Final	% inc.	FY18 Estimated	% inc.	FY19 Projected	% inc.	FY20 Projected	% inc.	FY21 Projected	% inc.	FY22 Projected	% inc.	FY23 Projected	% inc.
Revenue																
Tuition and Resource Fees	107,924	6.8%	107,807	-0.1%	109,778	1.8%	115,000	3.1%	117,758	2.4%	119,909	1.8%	122,834	2.4%	125,237	2.0%
Undergrad Resident	109,136	3.1%	113,629	4.1%	117,218	3.2%	122,900	5.2%	128,065	4.3%	132,285	3.3%	137,559	4.1%	141,969	3.1%
Undergrad Non-Resident	28,124	1.8%	28,775	2.3%	29,150	1.3%	29,000	5.6%	32,988	8.2%	35,547	8.1%	38,157	7.3%	40,959	7.3%
Graduate Resident	13,951	15.8%	13,068	-6.3%	11,642	-10.9%	11,800	11.3%	12,863	10.0%	14,164	10.1%	15,486	9.3%	16,964	9.5%
Graduate Non-Resident	15,294	4.5%	15,305	0.1%	17,283	12.9%	18,300	6.6%	18,282	4.0%	19,004	4.0%	19,753	3.9%	20,530	3.9%
Professional - Pharmacy & Vet.Med	66,951	20.6%	79,884	19.3%	90,125	12.8%	103,500	12.0%	86,398	9.8%	96,777	12.0%	108,736	12.4%	119,849	10.2%
Ecampus	9,890	-2.2%	10,574	6.9%	9,817	-7.2%	11,500	5.4%	12,210	5.6%	12,748	4.4%	13,456	5.6%	14,043	4.4%
Summer Session	12,785	-27.0%	10,726	-17.3%	11,965	-8.5%	13,400	4.1%	13,953	4.1%	14,713	5.4%	15,519	5.5%	16,352	5.4%
Misc Tuition & Student Fees	1,409	16.1%	200	5.8%	200	4.4%	200	5.5%	200	7.6%	200	8.4%	200	6.4%	200	5.5%
Summer Revenue Accrual Mngmt	(35,388)	6.5%	(37,440)	3.8%	(39,100)	4.5%	(41,000)	7.4%	(44,125)	7.6%	(47,816)	8.4%	(50,889)	6.4%	(53,678)	5.5%
Fee Waivers	330,074	12.4%	342,528	3.8%	358,078	4.5%	384,600	7.4%	405,576	5.5%	427,892	5.5%	455,046	6.3%	480,073	5.5%
Total Net Tuition & Fees	107,609	12.4%	112,829	4.9%	119,523	5.9%	124,989	4.6%	126,128	0.9%	131,274	4.1%	132,470	0.9%	137,875	4.1%
State Appropriation	39,348	5.4%	38,944	-1.0%	43,550	11.8%	41,280	5.0%	42,697	3.4%	44,164	3.4%	45,685	3.4%	47,261	5.0%
Ten-year Plan initiative revenues (tuition)	3,520	13.3%	6,259	77.8%	5,804	-7.3%	6,563	1.0%	6,826	4.0%	7,099	4.0%	7,382	4.0%	7,678	1.0%
Indirect Cost Recovery	15,654	24.6%	15,420	-1.5%	16,678	8.2%	16,362	2.0%	16,992	2.0%	17,026	2.0%	17,382	2.0%	17,714	2.0%
Interest Income	4,335	-18.2%	3,721	-14.2%	3,237	-13.0%	4,384	2.0%	4,472	2.0%	4,561	2.0%	4,652	2.0%	4,745	2.0%
Sales & Services	500,540	7.8%	519,701	3.8%	546,869	5.2%	578,181	5.7%	608,555	5.3%	648,605	6.6%	686,902	5.9%	739,257	7.6%
Other Revenue	368,291	5.9%	389,214	5.7%	413,645	6.3%	437,840	4.7%	459,930	5.0%	481,806	4.8%	511,676	6.2%	535,692	4.7%
Total Revenues	90,110	8.4%	95,511	6.0%	99,284	4.0%	115,061	4.0%	124,553	8.3%	136,423	9.4%	146,821	7.6%	157,816	7.5%
Expense	6,503	6.4%	6,706	3.1%	4,498	-32.9%	5,500	2.5%	5,638	2.5%	5,778	2.5%	5,923	2.5%	6,071	2.5%
Total Salaries and OPE	1,029	16.5%	893	-13.2%	1,287	44.1%	1,281	3.0%	1,313	2.5%	1,346	2.5%	1,379	2.5%	1,414	3.0%
Service and Supplies	13,237	7.8%	13,245	0.1%	22,891	72.8%	20,896	-8.7%	14,555	-30.3%	14,769	1.5%	14,986	1.5%	15,208	1.5%
Ten-year Plan Strategic Expenses	479,171	6.4%	505,569	5.5%	541,605	7.1%	580,578	7.2%	615,106	5.9%	656,238	6.7%	701,883	7.0%	748,424	6.6%
Capital Outlay	21,370		14,132		5,264		(2,397)		(6,451)		(7,633)		(14,981)		(9,167)	
Student Aid	45,157		66,527		80,659		85,923		83,526		77,074		69,441		54,460	
Net Transfers	\$ 66,527		\$ 80,659		\$ 85,923		\$ 83,526		\$ 77,074		\$ 69,441		\$ 54,460		\$ 45,293	
Total Expense	13.3%	15.5%	15.7%	14.4%	12.7%	10.7%	7.9%	6.1%								
Net Change From Operations	29,576		31,476		32,100		33,452		34,804		36,156		37,508		38,860	
Fund Deductions for Internal Loans	29,576		31,312		32,300		34,804		34,804		36,156		37,508		38,860	
Beginning Fund Balance	14,808		14,743		14,638		14,729		14,820		14,911		15,003		15,094	
Ending Fund Balance	5,602		5,888		6,123		6,253		6,253		6,253		6,924		7,124	
EFB % of Operating Revenue	27.4%		28.5%		29.5%		30.0%		29.7%		31.1%		31.6%		32.1%	
Actual enrollment																
Ten-year plan target enrollment																
Resident Undergraduates Corvallis																
Non-resident Undergraduates Corvallis																
% Non-resident students																

Notes/Comments

Changes from January 2018 forecast:

- The ten-year forecast reviewed by the Board in January 2018 projected an ending FY18 balance of 17.6%, FY19 of 18.3% and FY23 of 10.6%. FY23 marked the low point in fund balance projections largely because of the accumulated costs of PERS increases.
- Since January, the projections were updated to recognize lower tuition realization than expected for FY18 (largely through slowing in Ecampus growth and declines in graduate enrollment), accelerated capital planning commitments for the Research Way building, and the decision to fully implement the new Corvallis RCM-like budget model. These moved the FY18 ending balance to about 15.7%, with FY19 projected at 14.4% and FY23 at 6.1%. The pattern of fund balance change remains the same but the starting point is lower so the projected ending balances are lower. There have not yet been changes to the assumptions in the forecast or firm enrollment projections for fall to adjust for those future fund balances less than 10% but those adjustments will be part of the next budget planning cycle.

Methodology and Assumptions:

- Five-year projection trends taken from ten-year business forecast approved by the Board in January.
- FY18 values were updated to current estimates based on FY18 year-end closing
- FY19 values were updated to the Board approved budget for Corvallis Education and General operations
- State funding in out years was updated assuming 3% growth in the biennial allocation after 17-19
- Increases in revenues and expenses for the out years were assumed to be the same as in the current ten-year forecast; percentage increases in enrollment, tuition, etc. all stayed the same, just the FY18 starting point for the calculation was adjusted

Assumptions

- Enrollment numbers are consistent with the current enrollment management plan (28,000 students in Corvallis, 15% international, 1/3 of Corvallis undergraduates non-residents, etc.)
- Annual tuition increases of 2% to 4.5% depending on PERS changes and student category (graduate vs. undergraduate, resident vs. non-resident, etc.), annual raises of 3%, costs for PERS and PEBB increases as currently projected, other inflationary costs
- Staffing and supplies increases proportional to growth in enrollment
- Debt service, maintenance, and depreciation costs consistent with current ten-year capital forecast

Next steps

- Update the ten-year forecast when fall enrollment is known; improve forecast model in preparation for full update to Board in January, 2020
- Update enrollment projections to the revised Enrollment Strategy, including any changes to goals for Cascades
- Update state funding projections in detail based on the legislative allocation and final HECC allotment, particularly for the Engineering Technology Sustaining funds.
- Identify assumptions and commitments to be changed to bring all projected fund balances back above the 10% threshold
- Update modeling for more details on restricted funds, self-support operations, and Statewide Public Services