

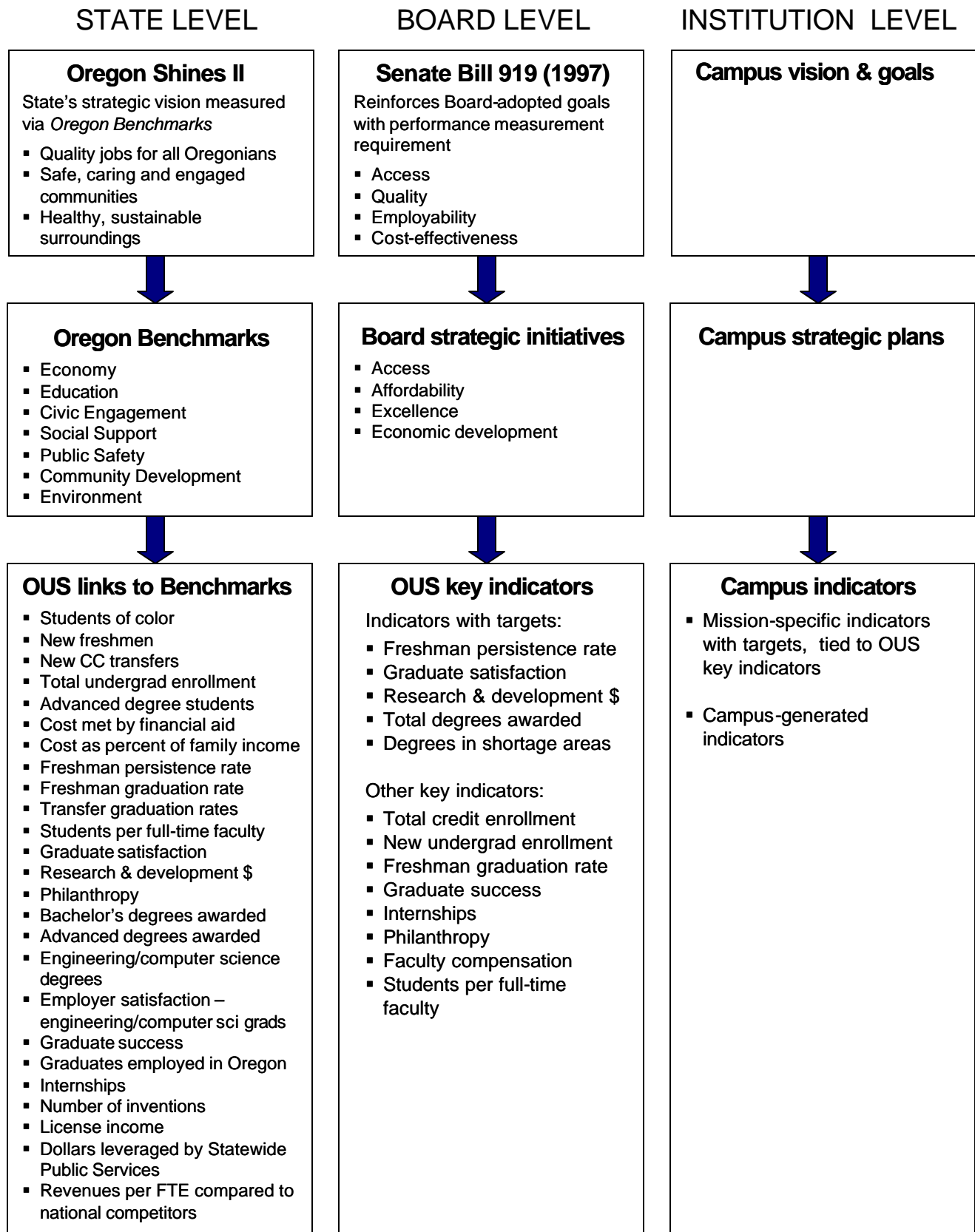
The logo for the Oregon University System is a vertical, teardrop-shaped graphic on the left side of the page. It features a blue-to-white gradient and contains a stylized blue 'O' with a white circle inside. The text 'Oregon University System' is written in blue at the top of the graphic.

Oregon
University
System

Accountability and Performance Measurement in the Oregon University System

SHEEO/NCES Network Data Conference
San Antonio, Texas
April 2005

OUS Performance Measurement Alignment



OUS Performance & Accountability Framework

OUS Performance Areas Related to Strategic Goals

Affordable Access

Student Progress

Education Quality

Economic & Civic Contributions

OUS Performance Indicators*

- Cost covered by federal & state financial aid
- *Freshman participation*

- Graduation rate
- Freshman-to-sophomore persistence rate

- Graduate success
- Research & development dollars per faculty

- Bachelors and advanced degrees
- Degrees in shortage areas

- *Cost of attendance as a percent of family income*
- Students of color
- Undergraduate and graduate enrollment
- New community college transfers
- *25-to-49-year-olds enrolled part-time*

- Graduation rate for community college transfers
- *Graduation rate for students of color*
- *Time to degree: freshmen, CC transfers, students of color*

- Graduate satisfaction
- *Teaching effectiveness*
- Internships, *other experiential learning*
- Students per full-time faculty
- *Percent part-time faculty*
- *Student advising*
- Faculty compensation
- *Facilities maintenance*

- Graduates employed in Oregon
- Total R&D dollars
- *Ph.Ds awarded in science & technology*
- Inventions
- License income
- Employer satisfaction
- Statewide Public Services
- *Sustainability*
- *Alumni volunteerism*

Financial Stewardship Measures

* Primary and secondary outcome measures are displayed in shaded boxes; supporting indicators below. Indicators not currently reported in the OUS or DAS performance indicator reports, including those to be developed, are shown in *italics*.

Alignment of Board Goals, Working Groups, Performance Areas, and Primary Outcome Measures

Strategic Goals	Board Working Group	Performance Measurement Areas	Primary Outcome Measures
Access	Excellence in Delivery & Productivity	Student Progress	Graduation rate of entering freshmen
Affordability	Access and Affordability	Access and Affordability	Percent of total cost of attendance covered by federal and state need-based financial aid for resident undergraduate aid recipients
Excellence	Excellence in Delivery & Productivity Academic Excellence & Economic Development	Education Quality	Graduate success (percent employed or continuing their education)
Economic Development	Academic Excellence & Economic Development	Economic & Civic Contributions	Bachelor's and advanced degrees awarded

Three Levels of Funding for Performance Outcome Estimates

Funding Scenario	General Fund Dollars (per biennium)
Governor's Recommended Budget +\$55 million Funding needed to maintain current program levels and projected enrollment demand	\$740.4 million
Governor's Recommended Budget	\$685.4 million
Governor's Recommended Budget minus 10%	\$616.9 million



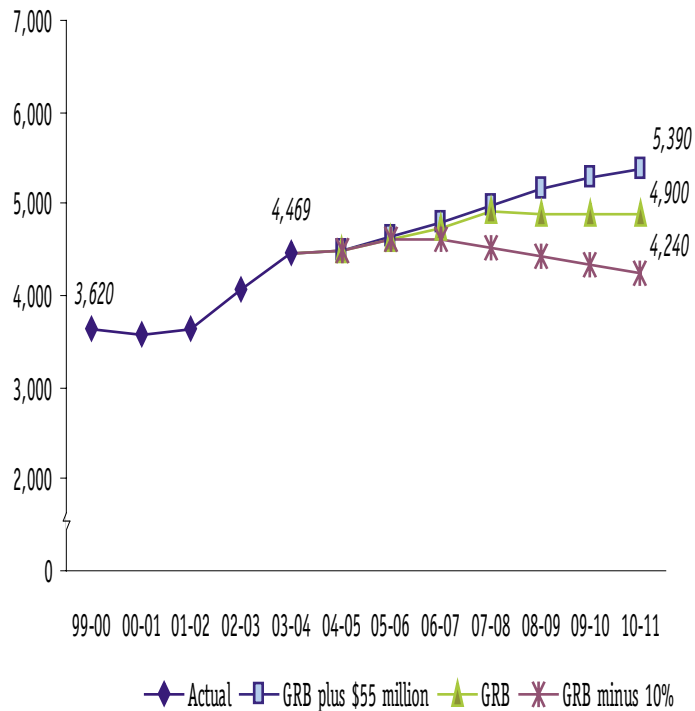
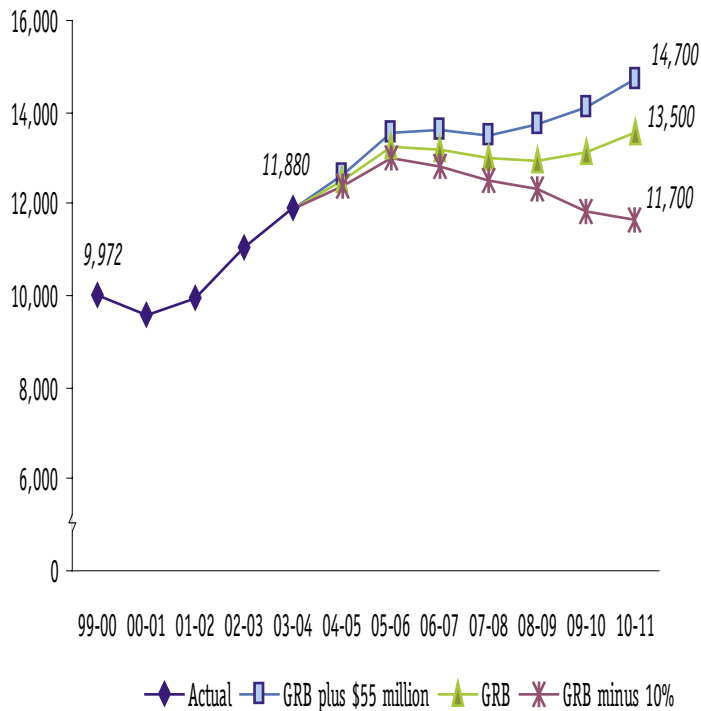
Economic & Civic Contributions

Bachelor's and advanced degrees awarded

Projections at varying levels of investment

Bachelor's degrees awarded

Advanced degrees awarded



Assumptions

GRB plus \$55 million: \$740.5 million in General Fund support

- Increasing graduation rates of entering freshmen as barriers to affordability and student progress are removed
- Increasing freshman participation rates, creating larger graduating classes over the long term

Governor's Recommended Budget (GRB): \$685.4 million in General Fund support

- Maintenance of current graduation rates for entering freshmen
- Maintain current freshman participation rates, which results in somewhat smaller graduating classes over the long term

GRB minus 10%: \$616.9 million in General Fund support

- Declining graduation rates as affordability, course availability, and faculty advising capacity are reduced
- Lower freshman participation rates, without additional funding of the OOG—particularly important for the more price-sensitive freshmen
- Significant impact on graduate assistantships, which would reduce graduate admissions

Note: General Fund allocations include targeted funding for Statewide Public Services and debt service, which are not available for instruction or direct student support. All projections assume the continuation of a similar funding pattern through the next three biennia.

Economic & Civic Contributions - Bachelor's and advanced degrees awarded

Assumptions on which projections are based:

- Projections are derived from the OUS enrollment projection model and the historical ratio of degree production to enrollment. Funding scenario projections reflect the differing graduation rates reported in the Student Progress table. At the GRB and GRB minus 10% funding levels, projections assume incremental reductions in the first-time freshman participation rate due to tuition increases. The impact on bachelor's degree production becomes evident in 2008-09.
- Additional funding for the Oregon Opportunity Grant (OOG), as proposed in the GRB, allows greater access and additional enrollment with an impact on degrees beginning to appear in 2008-09. The GRB minus 10% assumes OOG funding at the 2003-05 level.
- The GRB minus 10% funding scenario assumes reduced enrollment of graduate students and an impact on timely progress as graduate financial support, such as graduate assistantships, declines. The GRB scenario assumes a more moderate impact on graduate enrollment and timely progress over the long term.

Context, tradeoffs, and other implications:

- Degree completions are a product of access (enrollments) and timely progress. Enrollments are influenced by affordability and demand, and timely progress by course availability and effective student advising, both of which are dependent on a sufficient contingent of high-quality, full-time faculty.

Review of past performance:

- Following several years of relatively steady performance, 2003 saw bachelor's degree production increase by 11% over the previous year and advanced degrees increase by almost 12% – from a level of around 13,000 total degrees awarded annually in previous years to over 15,000 in 2003 and over 16,000 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. In 2004, bachelor's degrees grew again by 7.4% and advanced degrees by 10.4%.
- The number of degrees granted in engineering and computer science increased over 42% between 1999 and 2004, from 1,096 to 1,561.

Campus and system initiatives:

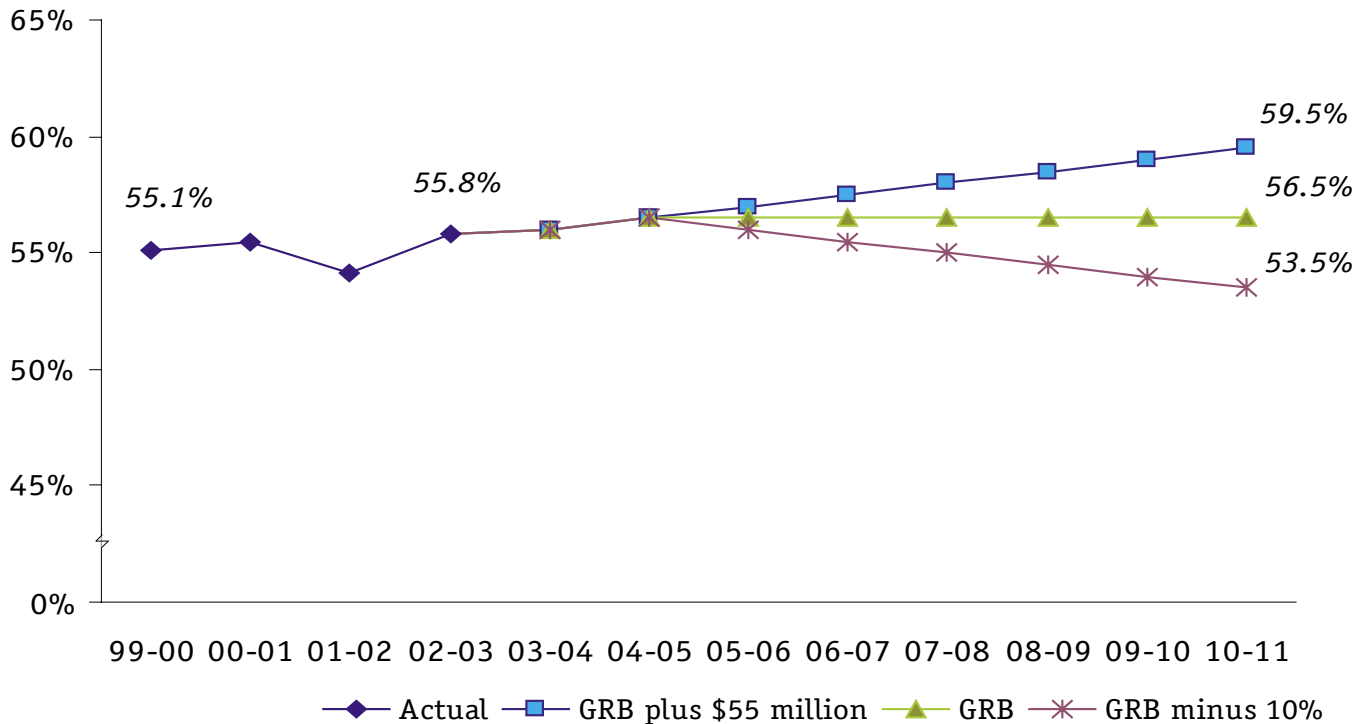
- Degree completion is a high-level goal for every OUS university and is supported by many campus activities in addition to direct instruction. Campus initiatives in the areas of access, affordability, student progress, education quality, faculty recruitment and retention, and capital maintenance and construction all contribute to degree production.
- Successful fund-raising initiatives have allowed for the recent completion of student-friendly, state-of-the-art facilities on OUS campuses. Technology upgrades in these new buildings support teaching effectiveness and student progress, contributing to both degree completion and student success.
- In 2004, the State Board of Higher Education established the Academic Excellence and Economic Development Working Group to focus on the intersection of areas of excellence in OUS institutions with existing or new economic forces. With OUS campuses, the Board seeks to build on existing strengths and momentum to address identified state needs for an educated workforce, particularly in shortage areas such as healthcare, engineering, and K-12 education.



Student Progress

Graduation rate of entering freshmen*

Projections at varying levels of investment
Graduation rate of entering freshmen



Assumptions

GRB plus \$55 million: \$740.5 million in General Fund support

- Strengthening of current campus student retention initiatives
- General Fund support for enrollment growth to support course and program availability to facilitate timely degree completion

Governor’s Recommended Budget (GRB): \$685.4 million in General Fund support

- Existing initiatives will assist students already in the pipeline
- Maintain steady graduation rate at current level

GRB minus 10%: \$616.9 million in General Fund support

- Reduced class availability
- Higher student-faculty ratios, with larger classes and fewer faculty available for advising
- Reduced support services for students
- Reduced need-based financial aid would result in interruptions or delays in degree completion as students reduce courseload and increase work hours

* Following establishment of degree recipients. A small proportion of the freshman cohort received associates degrees and are included here if they completed within 3 years.

Note: General Fund allocations include targeted funding for Statewide Public Services and debt service, which are not available for instruction or direct student support. All projections assume the continuation of a similar funding pattern through the next three biennia.

Student Progress - Graduation rate of entering freshmen

Assumptions on which projections are based:

- The projections reported here reflect the priority placed on this measure by OUS universities. Focused efforts on each campus to support student retention and completion should be reflected through the current biennium. Under the GRB plus \$55 million scenario, we expect to see continued improvement in the six-year graduation rate with the strengthening of campus initiatives and additional funding to support increased enrollment. At the GRB funding level, existing initiatives will assist students already in the pipeline and allow OUS institutions to maintain a steady graduation rate. At GRB minus 10%, we would expect to see an erosion in the graduation rate over time as a result of reduced institutional capacity to provide, on a per-student basis, the classes, student-faculty ratios, and support services needed to facilitate student progress to completion.
- Graduation rate is also related to affordability as student costs and financial aid availability influence not only entrance into college, but uninterrupted, full-time progress. Funding of the Oregon Opportunity Grant (OOG) at the level proposed in the GRB should improve the odds of timely completion for students with greater financial need.

Context, tradeoffs, and other implications:

- Apart from personal and family factors, the three funding-dependent variables having the greatest impact on graduation rates are financial ability to pay (student and institutional funding), course availability (institution and faculty funding), and student preparation (K-12, community college, and OUS funding).
- While a number of factors contribute to student completion, a relationship between aggregate graduation rates and enrollment may be expected as universities make choices in the use of limited funds. For example, when student progress is emphasized over enrollment growth, fewer students compete for courses, financial aid, and student services, allowing graduation rates to rise. Despite campus efforts to maintain both access and quality, at lower levels of state support, enrollment growth cannot be preserved in the long term without eroding quality, as universities experience a drop in per-student funding for services and faculty to support student progress.
- Although this performance measure addresses the graduation rate of students entering as freshmen, funding declines also affect the progress of transfer students, as course availability in the junior and senior years is reduced.

Review of past performance:

- After a jump in 1998-99 (from 52.8% to 55.1%), six-year graduation rates have remained relatively stable, hovering around 55%. With the exception of 2001-02, graduation rates have slightly exceeded targets.
- Persistence to the second year is a critical first step in a student's path to a degree. For the two most recent years, OUS persistence rates have held steady at 80.3%.
- Over half of the OUS students accounted for in the six-year graduation rate actually completed their degree in four years, above the national rate for public four-year institutions. Most of the remainder finished by the end of their fifth year.

Campus and system initiatives:

- Programs and policies have been implemented at every OUS university to facilitate student progress. Programs aimed at improving study habits and academic proficiency join with early warning and intervention programs to identify and assist students needing targeted academic support as well as those at academic risk. First-year students benefit from an array of programs, courses, and services designed to facilitate their transition to a college environment and build networks to foster success within the campus community. Policies and practices for academic advising, orientation, and monitoring individual student progress are evaluated for opportunities to enhance their effectiveness.
- In 2004, the State Board of Higher Education established the Excellence in Delivery and Productivity Working Group, charged with identifying opportunities for facilitating student articulation and progress.



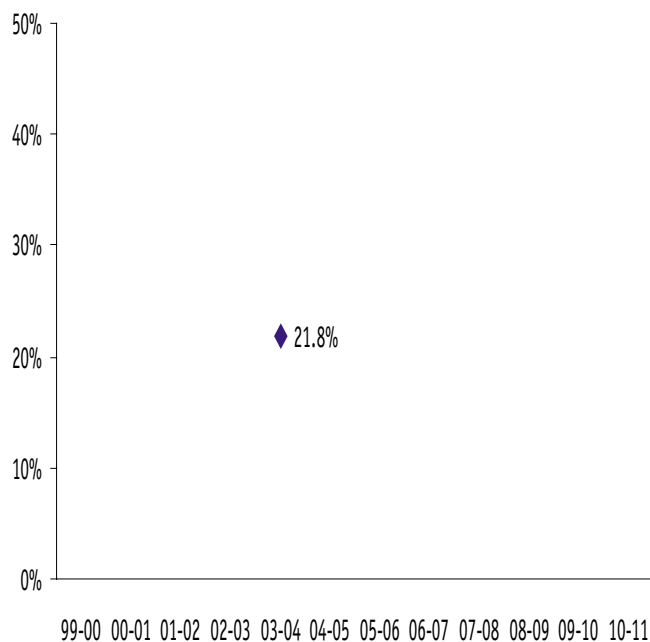
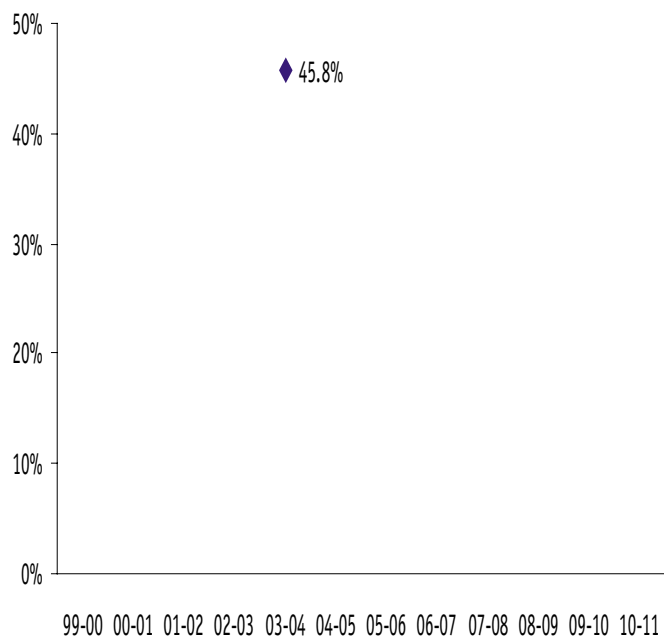
Affordable Access

**Percent of total cost of attendance covered by federal and state need-based aid:
a) all financial aid; b) financial aid excluding loans**

Projections at varying levels of investment

a) Cost of attendance covered by all financial aid

b) Cost of attendance covered by aid minus loans



◆ Actual

◆ Actual

Factors Affecting Projections

- Funding of Oregon Opportunity Grant (OOG)
- Tuition policy
- Institutional grant aid / Fee remissions
- Non-tuition costs
- Oregon family incomes
- Federal grant aid programs, including Pell Grants
- Federal loan programs
- Enrollment of students with financial need

Note: General Fund allocations include targeted funding for Statewide Public Services and debt service, which are not available for instruction or direct student support. All projections assume the continuation of a similar funding pattern through the next three biennia.

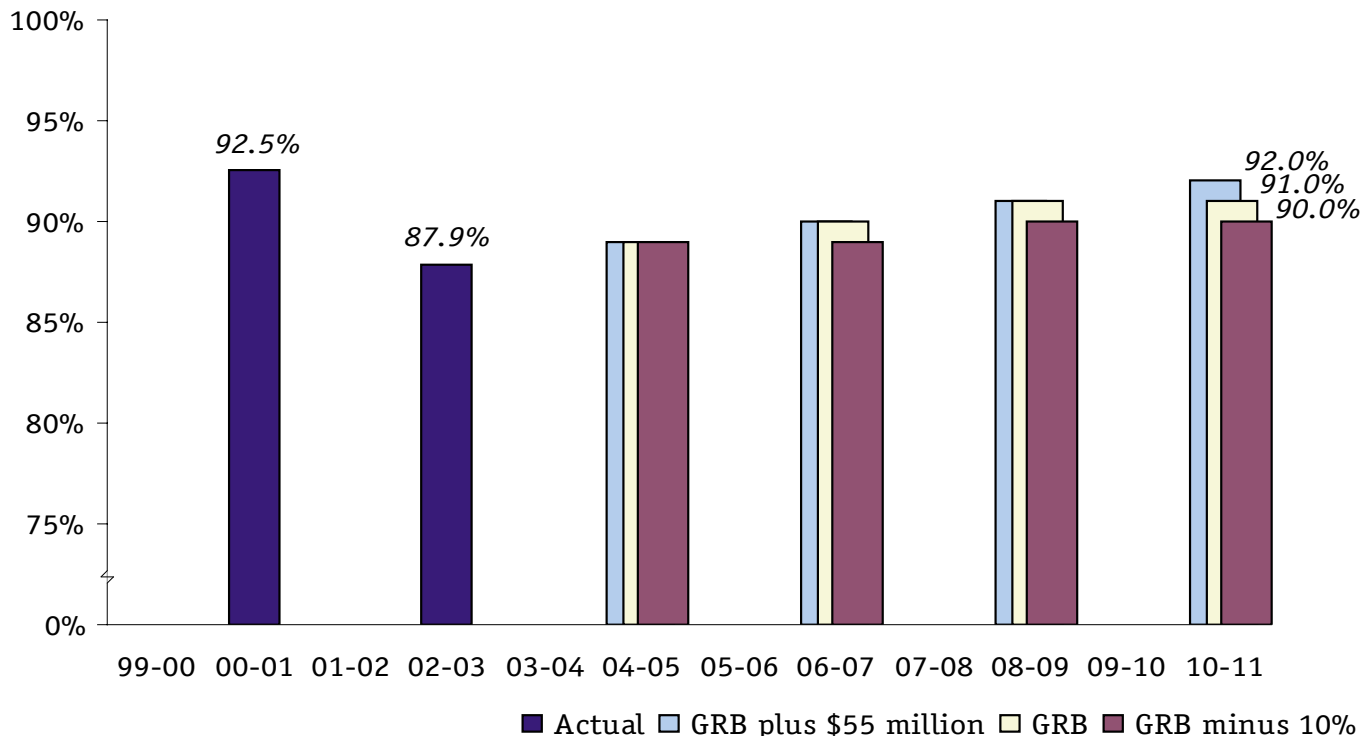


Education Quality

Graduate success: Percent of graduates employed and/or continuing education

Projections at varying levels of investment

Percent of graduates employed and/or continuing education



Assumptions

GRB plus \$55 million: \$740.5 million in General Fund support

- Economy and job market are the largest influence on graduate employment
- People possessing a bachelor's degree will compete more successfully in the job market
- Adequate support for internships, career offices, and other student services that facilitate employment

Governor's Recommended Budget (GRB): \$685.4 million in General Fund support

- Same assumptions as above regarding Oregon's economy, job market, and competitiveness of bachelor's degree holders
- Maintain current level of internship and career office support

GRB minus 10%: \$616.9 million in General Fund support

- Same assumptions as above regarding Oregon's economy, job market, and competitiveness of bachelor's degree holders
- Reductions in capacity to provide internships, career advising, and other employment related support for students
- Higher student-faculty ratios, reduced capacity for faculty advising and support in the student's academic major

Note: General Fund allocations include targeted funding for Statewide Public Services and debt service, which are not available for instruction or direct student support. All projections assume the continuation of a similar funding pattern through the next three biennia.

Education Quality - Percent of graduates employed and/or continuing education

Assumptions on which projections are based:

- As the unemployment rate remains relatively high at 6.6% in February 2005 and the job market depressed, future projections assume that graduate success will not quickly rebound to levels experienced in 2001. Based on economic forecasts from the Office of Economic Analysis, projections assume steady, but gradual, improvements through 2011.
- Performance on this measure reflects, to a large degree, the state of the economy - nationally and regionally - and the Oregon job market. As OUS universities continue to emphasize quality in their academic programs, we expect OUS graduates to be capable and competitive in both the job and graduate school markets. Projections for the GRB and, particularly, the GRB minus 10% scenarios reflect the loss of faculty advising, internship, and career office services that facilitate student success. While the net effect on this measure of system performance is not dramatic, the impact would be felt by individual students whose successful entry into work or graduate schools is delayed or made more difficult.
- While the *proportion* of graduates employed or in graduate school does not vary much among the funding scenarios, the *number* of graduates available for employment would be affected because of the differing graduation rates and degrees produced under the different funding levels.
- As with student progress, a reduction in enrollments would, in all likelihood, positively affect student success as fewer students compete for services and post-graduate placements.

Context, tradeoffs, and other implications:

- Among OUS graduates who are employed, almost 80% are working in Oregon.
- According to the recent *Education Pays* report, published by The College Board, residents with a four-year college degree provide benefit to the state through higher earnings and increased tax revenues, greater levels of civic participation and volunteerism, lower rates of unemployment, and reduced demand for social services.

Review of past performance:

- 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, with 87.9% of the class of 2003 successfully situated compared to 92.5% of the class of 2001.
- 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. Between January and December of 2001, Oregon's unemployment rate soared from 4.8% to 7.9% and has remained high, peaking at 8.7% in June and July of 2003, just as the majority of 2003 graduates were leaving college.
- Nearly 62% of employed graduates report that their current job is very or somewhat related to their academic major.

Campus and system initiatives:

- University programs help students ready themselves for career and graduate school searches through resume and application assistance, skills classes, job fairs, mock interviews, and networking opportunities. Experiential learning opportunities allow students to explore career options, gain real-world work experience, and make professional contacts while earning academic credit. With faculty support, students receive research opportunities to gain experience, academic advising for success in their field, and mentorship support.



Projecting Outcomes Under Different Funding Scenarios: Bachelor's Degrees

