

2022 UNIVERSITY EVALUATION: Portland State University



Source: Portland State University

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INTRODUCTION

This report is guided by Oregon Revised Statute 352.061, which requires that the Higher Education Coordinating Commission (HECC) submit to the Legislative Assembly an evaluation of public universities listed in ORS 352.002. Each public university must be evaluated in the manner required by this section once every two years. The purpose of this 2022 report is to evaluate the contributions of the University of Oregon (UO) to State objectives for higher education as articulated in statute and in the HECC's Strategic Plan (https://www.oregon.gov/HigherEd/Documents/HECC/Reports-and-Presentations/HECC-StrategicPlan_2016.pdf) and Roadmap for Oregon Postsecondary Education and Training (<https://www.oregon.gov/highered/policy-collaboration/Documents/Featured/Strategic-Roadmap-2021.pdf>).

The report relies on a combination of accreditation reports, self-assessments conducted by the university on criteria jointly developed with the HECC, and state and federal data. This is PSU's fifth evaluation, and as such, it builds on the descriptive benchmarks identified in the previous, and specifically, the 2020 report. It is a formative document that signals areas of key interest to the HECC that support the objectives of the State of Oregon: student success as measured by degree completion; access and affordability as measured by equity across socioeconomic, racial/ethnic and regional (urban/rural) groups; academic quality and research; financial sustainability; and continued collaboration across universities in support of the State's mission for higher education.

Additionally, the report describes how PSU's Board of Trustees has operated since its inception. The form and content of subsequent evaluations will be guided by feedback from legislators, the public, and the universities about how to improve the usefulness of this process and product.

LEGISLATIVE MANDATE (SB 270)

Passed by the Oregon Legislature in 2013, [Senate Bill 270](#) established individual governing boards at the University of Oregon (UO) and Portland State University (PSU). It also established a time frame for Oregon State University (OSU) to establish an individual governing board, which it subsequently did. House Bill 4018 (2014) and Senate Bill 80 (2015) authorized the establishment of independent governing boards at Western Oregon University (WOU), Southern Oregon University (SOU), Oregon Institute of Technology (OIT) and Eastern Oregon University (EOU) and abolished the Oregon University System. SB 270 and subsequent legislation required the Higher Education Coordinating Commission (HECC) to conduct ongoing evaluation of the public universities. During the 2017 Legislative Session, the legislature amended ORS 352.061 requiring the HECC to evaluate each public university once every two years. The evaluation criteria are codified in Oregon Revised Statute ([ORS](#)) [352.061](#).

ORS 352.061(2) requires that the HECC's evaluations of universities include:

- a) A report on the university's achievement of outcomes, measures of progress, goals and targets;
- b) An assessment of the university's progress toward achieving the mission of all education beyond high school as described in ORS 350.014 (the "40-40-20" goal); and,

Finally, ORS 352.061(2)(c) also requires that the HECC assess university governing boards against the findings set forth in ORS 352.025, including the provision that governing boards:

- a) Provide transparency, public accountability and support for the university.
- b) Are close to, and closely focused on, the individual university.
- c) Do not negatively impact public universities that do not have governing boards.
- d) Lead to greater access and affordability for Oregon residents and do not disadvantage Oregon students, relative to out-of-state students.
- e) Act in the best interests of both the university and the State of Oregon, as a whole.

- f) Promote the academic success of students in support of the mission of all education beyond high school, as described in ORS 350.014 (the “40-40-20” goal).

For context, ORS 352.025 notes four additional Legislative findings:

- a) Even with universities with governing boards, there are economy-of-scale benefits to having a coordinated university system.
- b) Even with universities with governing boards, services may continue to be shared among universities.
- c) Legal title to all real property, whether acquired before or after the creation of a governing board, through state funding, revenue bonds, or philanthropy, shall be taken and held in the name of the State of Oregon, acting by and through the governing board.
- d) The Legislative Assembly has a responsibility to monitor the success of governing boards at fulfilling their missions and compacts, and the principles stated in this section.

This year the HECC evaluated the University of Oregon (UO), Portland State University (PSU), and Oregon State University (OSU).

EVALUATION PROCESS

In an effort to approach the first evaluation cycle in a collaborative manner, the HECC formed a work group comprising university provosts, the Inter-Institutional Faculty Senate, Oregon Education Investment Board staff, HECC staff, and other university faculty and staff. The workgroup began meeting in February 2015, with a focus on understanding the purpose and scope of the evaluation as defined in statutes, the structure of the evaluation, and the process for the evaluation. As a result of these conversations, an evaluation framework was developed as a tool to assist in the process. After final review and consideration of stakeholder feedback, the HECC adopted the framework on September 10, 2015.

A balanced evaluation of whether Oregon’s public universities are meeting the goals described for them by State law does not lend itself to a formulaic or mechanical approach. The Commission draws from contextual elements such as the State’s fluctuating funding for higher education and changing student demographics to help explain data in the framework, and progress towards goals. The Commission also leverages other evaluations already undertaken by universities including self-studies, accreditation reports and the work of boards of trustees to provide a perspective that is uniquely focused on each institution’s contribution to serving the State’s higher education mission under the new governance model.

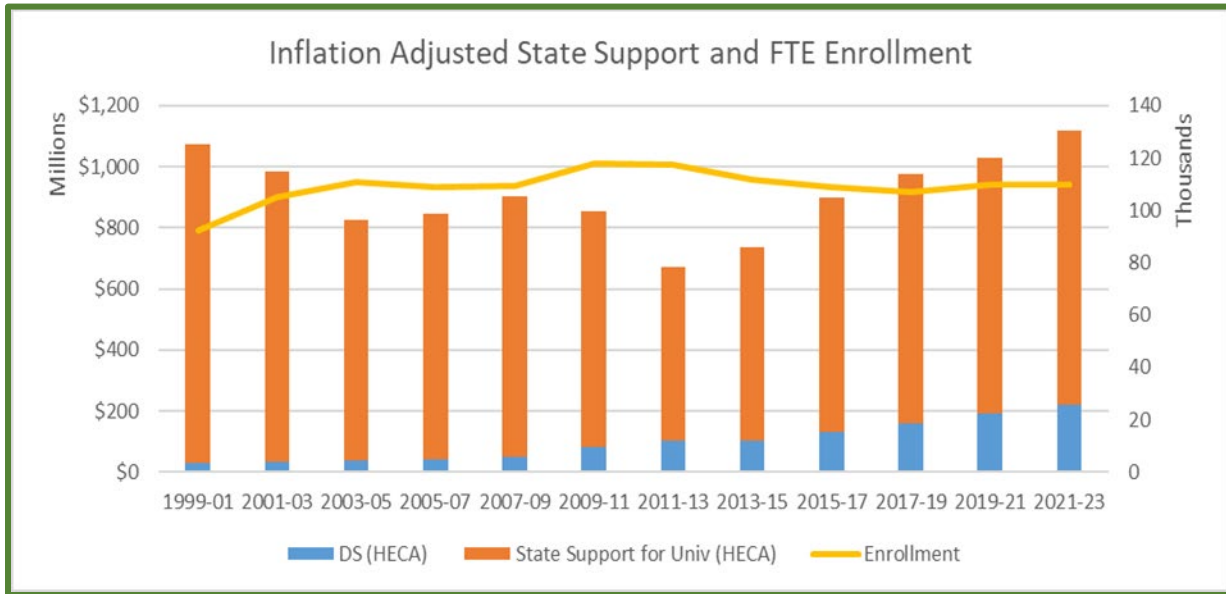
This report is focused on the legislative charge and the HECC’s primary areas of emphasis as indicated in its Strategic Plan. This report is not a comprehensive evaluation. It reflects the narrower scope of legislative issues of interest, incorporating findings from accreditation studies where there is overlap.

STATEWIDE CONTEXT

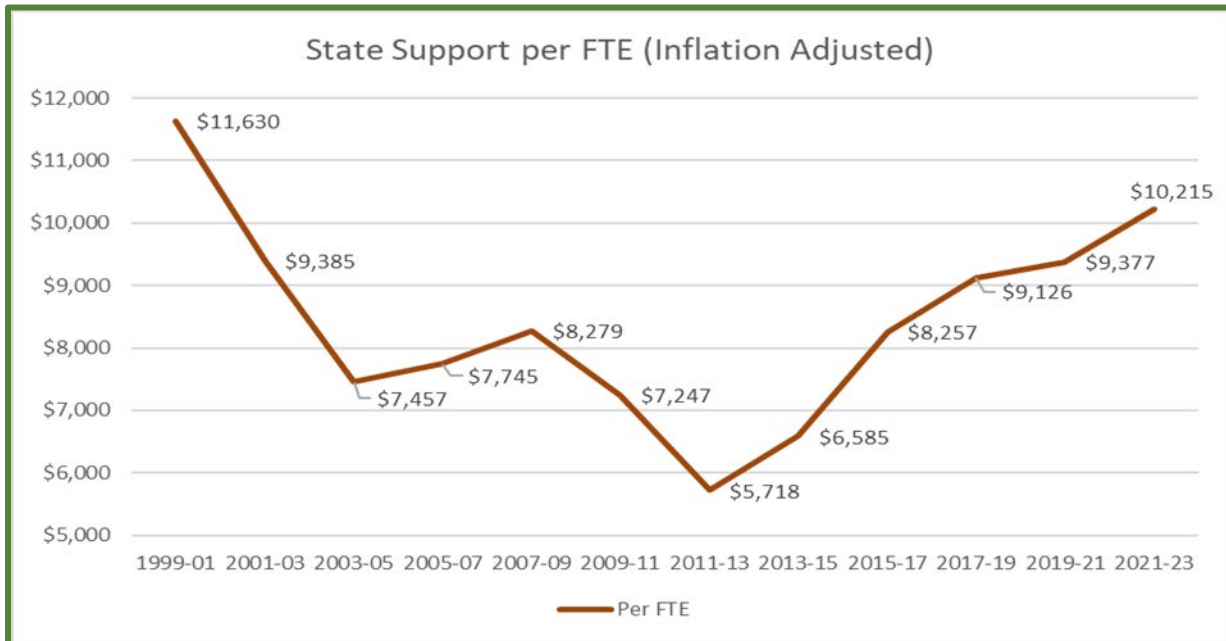
Funding History

Following the steep decline in state funding for public universities that took place during and immediately after the Great Recession (2008-2012), total state investment has recently returned to its pre-recession levels, taking into account the growing debt payments associated with state-funded capital projects (see chart below). Still, additional funding is necessary to support institutions as they work to increase the graduation and completion rates for an increasingly diverse population.

Figure 1: Public University Funding



Source: HECC (2023; *figures adjusted for inflation)



Source: HECC (2023; *figures adjusted for inflation)

Governance Changes

Senate Bill 270 (2013) outlines the benefits that are to be achieved from having public universities with governing boards that are transparent, closely aligned with the university’s mission, and that “act in the best interest of both the university and state of Oregon as a whole.” In addition, the Legislature found that there are benefits to having economies of scale and as such, universities were granted the ability to continue participation in shared service models. It is important to note that all public universities were required to participate in group health insurance, a select set of group retirement plans, and collective bargaining through July 1, 2019 per ORS 352.129. After July 1, 2019 the universities were no longer mandated to offer the same scope and value for each of the employee benefits referenced in the statute (ORS 352.129), but are still required to participate in a shared administrative arrangement for the provision of the benefits. Those benefits are outlined in a latter section of this report (Shared Administrative Services).

LOCAL CONDITIONS AND MISSION

Portland State University (PSU) is a dynamic public urban university that supports partnerships between the university and the city that create community-based learning experiences for students and teaching and research opportunities for faculty. As Oregon’s public urban university, PSU provides educational opportunities to students who are demographically, financially, and academically diverse. In 2015 PSU conducted an in-depth process involving over 3,800 faculty, student, staff, and community stakeholders that resulted in a new mission statement and a new strategic plan for 2016-2020 and was continued through 2023 as a “Strategic Refresh.” A new planning process will be initiated by the incoming President. ORS 350.075 and 350.085 require the HECC to review and approve public university mission statements. The Board of Trustees approved the new mission statement in December 2015, followed by the HECC in April, 2016, and the NWCCU (Northwest Commission on Colleges and Universities) in July, 2016 (PSU Year One Self-Study).

VISION:

Portland State University leads the way to an equitable and sustainable future through academic excellence, urban engagement, and expanding opportunity for all.

MISSION:

- We serve and sustain a vibrant urban region through our creativity, collective knowledge and expertise.
- We are dedicated to collaborative learning, innovative research, sustainability, and community engagement.
- We educate a diverse community of lifelong learners.
- Our research and teaching have global impact.

The 2016-2020 Strategic Plan identifies five (5) goals which, with the attendant metrics, measure how PSU will execute its vision and mission (PSU Year One Self-Study). These goals include:

1. Elevate Student Success.
2. Advance Excellence in Teaching and Research.

3. Extend Our Leadership in Community Engagement.
4. Expand Our Commitment to Equity.
5. Innovate for Long Term Sustainability.

These goals, which also serve as the core themes for accreditation, are discussed and incorporated in relevant sections of this report.

ACCREDITATION

A comprehensive assessment and review of academic and institutional quality is available from the NWCCU that accredits PSU and other universities in Oregon. Accreditation of an institution of higher education by the NWCCU indicates that it meets or exceeds criteria for the assessment of institutional quality evaluated through a peer review process. An accredited college or university is one that has been found to have the necessary resources available to achieve its stated purposes through appropriate educational programs, and to be substantially doing so, and which provides reasonable evidence that it will continue to do so in the foreseeable future. Institutional integrity is also addressed through accreditation. Reviews are structured as a cyclical process of continuous improvement. NWCCU accreditation occurs on a seven-year cycle that consists of four parts: Annual Reports each year; self-study reports in years Three (Mid-Cycle Report), Six (Policies, Regulations, and Financial Resources Report), and Seven (Evaluation of Institutional Effectiveness Report) of the accreditation cycle. Additional ad hoc reports, as required by the Board of Commissioners, and Reports of any changes that fall under the Commission's Substantive Change Policy. This section draws on the relevant parts of these NWCCU reports that are of interest to the Legislature and in alignment with the HECC Strategic Plan.

Portland State University was last re-affirmed for accreditation in January 2023. PSU's next evaluation is the Ad Hoc Report with Visit in fall 2024, and then Ad Hoc Report with Visit in spring 2025.

The 2022 Year Seven Self-Assessment Report prepared by PSU may be reviewed at:
<https://drive.google.com/file/d/1AxW2BII1MXINe7zPvt5jpsZ5n2R-xYof/view>

The NWCCU commended PSU for meaningful and resourced, campus-wide commitment to racial and social justice; the success of the Students First program; and strong widespread evidence of program assessment for changes to better serve students. PSU also had two outstanding recommendations that have now been fulfilled with the 2022 review.

NWCCU had the following continuous improvement recommendations for PSU based on the Year Seven Report, summarized here:

1. Improve planning process to be more inclusive (1.B.3)
2. Provide for the consideration of the views of staff and improve participation of faculty, administrators, and students in decision making (2.A.4)
3. Improve access to meaningful opportunities for participation by stakeholders in financial planning (2.E.2)
4. Improve transparent management of fiscal resources within the context of faculty and administrative governance structures (2.E.3)

In the fall of 2020, PSU began a Program Review/Reduction Process that has three phases and extends over time into 2023.

Phase 1 included development of metrics and dashboards (2020-21), Phase 2 included launch of program review/reduction process discussions (2021-22) where 18 units were identified, and Phase 3, incorporation of outcomes into budget for FY23 and FY24 (2022-23). Five academic units were asked to develop narrative reports addressing a) how the unit can continue to fulfill goals without additional resources; b) how unit can function effectively for the foreseeable future; c) ways that the unit can continue to contribute to curricula and scholarship through potential reorganization; d) possibilities with other departments for

cross-disciplinary curricula and shared support systems. Decisions on phase three are expected March 1, 2023.

Extensive and transparent resources are available (<https://www.pdx.edu/academic-affairs/program-reviewreduction-process>) on the university website about the process and the communication that has occurred and is ongoing.

Individual programs in PSU's professional schools and colleges (listed below) are accredited by professional organizations. A specialized accredited program list is available under specialized accreditation at: <https://www.pdx.edu/academic-affairs/accreditation-assessment-academic-program-review>:

- Business programs: Undergraduate and graduate
- Accounting program
- Teacher Education program
- Counseling program
- Social Work program
- Undergraduate programs in Civil, Computer, Electrical, and Mechanical Engineering
- Computer Science program
- Speech & Hearing Sciences program
- Chemistry program
- Master of Urban & Regional Planning
- Master of Public Administration
- Master of Public Administration (Health Administration)
- Master of Public Health
- Master of Public Health (Health Management & Policy)
- Music program
- Theater program
- Master of Architecture program
- Undergraduate Health Studies program
- Child, Youth & Family Studies

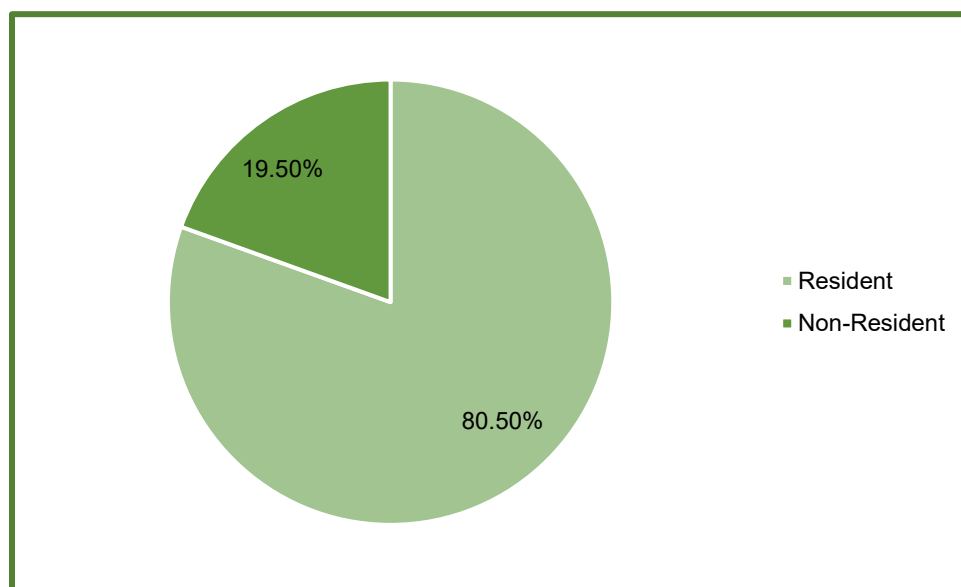
STUDENT ACCESS AND SUCCESS

Nationally, college and university enrollment fell by 1.1 percent between Fall 2021 and Fall 2022, according to research by the National Student Clearinghouse Research Center.¹ Oregon public universities bucked that trend, rising 0.5 percent statewide.

This section of the report is focused on tracking trends in enrollment, completion outcomes, and demographic changes.

As detailed by Figures 3 and 4 during the 2021-22 academic year the majority of PSU students (80.5%) were Oregon residents. The majority of PSU students (62.9%) also attended full-time.

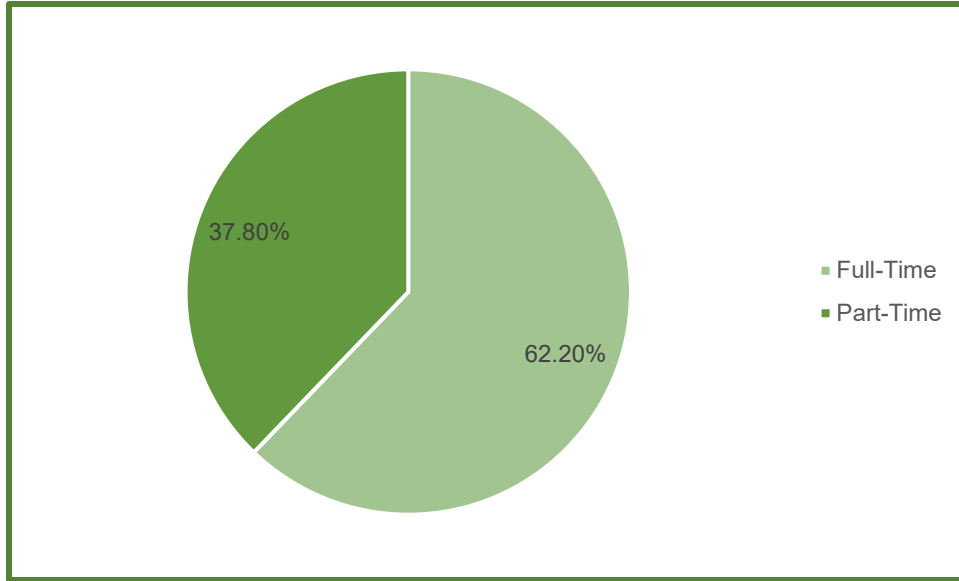
Figure 3: PSU Student Enrollment by Residency, 2021-2022



Source: HECC (2023)

Figure 4: PSU Student Enrollment by Full-Time/Part-Time Status, 2021-22

¹ <https://www.studentclearinghouse.org/nscblog/fall-undergraduate-enrollment-declines-at-a-slower-pace-but-nearing-pre-pandemic-rates/>



Source: HECC (2023)

PSU has experienced steady decreases in enrollment over the last decade. The most significant declines occurred over the last seven years, with a decline of 8.6% since the last evaluation in 2020. PSU enrolled 22,014 students in fall 2022, a 5.0% decrease from the year before (2021, 23,177) and has experienced an enrollment decrease of 25.4% since fall 2012.

PSU’s overall enrollment decline has concentrated among newly admitted, non-resident students over the last several years, which declined 13.7% since the last evaluation cycle. Total undergraduate resident enrollment decrease of 4.6% between 2021 and 2022. In the 2021-22 academic year, 39.7% of PSU’s student body received a Pell Grant.

While single year enrollment changes do not constitute a trend on their own, and can be influenced by extraneous circumstances, they are generally consistent with longer term enrollment patterns at PSU. During this evaluation period (two years), PSU’s total enrollment decreased each year for both resident and non-resident students.

PSU students come from diverse backgrounds and the university continues to see significant and consistent growth in underrepresented minority students since 2012. In fall 2022, PSU enrolled more underrepresented minority students than the year before, more under-represented minority students than the previous evaluation cycle, and 38.7% more since 2012. Furthermore, as a percentage of the total student population, underrepresented minority students represented 27.1% of the total student body—the highest rate among the universities evaluated this period and the highest in the university’s history.

Table 1: PSU Headcount Enrollment by Race/Ethnicity

| Race/Ethnicity | Fall 2019 | Fall 2020 | Fall 2021 | Fall 2022 | Change Fall 2021 to Fall 2022 |
|---|------------------|------------------|------------------|------------------|--------------------------------------|
| Non-Resident Alien | 1,775 | 1,327 | 1,272 | 1,351 | 79 |
| American Indian/ Alaska Native | 264 | 234 | 257 | 285 | 28 |
| Asian | 2,141 | 1,995 | 2,178 | 1,996 | -182 |
| Black Non-Hispanic | 870 | 838 | 898 | 931 | 33 |
| Hispanic | 3,605 | 3,737 | 3,830 | 3,862 | 32 |
| Pacific Islander | 134 | 126 | 121 | 101 | -20 |
| Two or more races, Underrepresented Minorities | 945 | 863 | 802 | 793 | -9 |
| Two or more races, not Underrepresented Minorities | 583 | 555 | 575 | 562 | -13 |
| White Non-Hispanic | 13,445 | 12,150 | 11,997 | 10,941 | -1056 |
| ²Unknown | 2,258 | 2,154 | 1,247 | 1,192 | -55 |

Source: HECC (2023)

In contrast to state and national trends, American Indian/Alaska Native, Black, and Hispanic student enrollment increased year-over-year and continues an upward trend, one that has been evident for several years. Comparatively, there is a downward trend in enrollment among all other ethnic groups.

PSU has prioritized increasing graduation rates as part of their Students First Initiative. The four and six-year graduation rates for PSU's First-Year Students who entered in the fall term of 2015 are as follows:

² Large increase driven by high school dual credit students, with unreliable race/ethnicity data reported.

Table 2: Four-Year and Six-Year Graduation Rate, First Time, Full Time Freshmen Entering PSU in Fall 2015

| | Four- Year Graduation Rate | Six-Year Graduation Rate |
|------------------------------------|-----------------------------------|---------------------------------|
| All Students | 29.5% | 55.9% |
| Underrepresented Minorities | 27.4% | 52.4% |
| Pell Grant Recipients | 26.0% | 55.5% |

Source: HECC (2023)

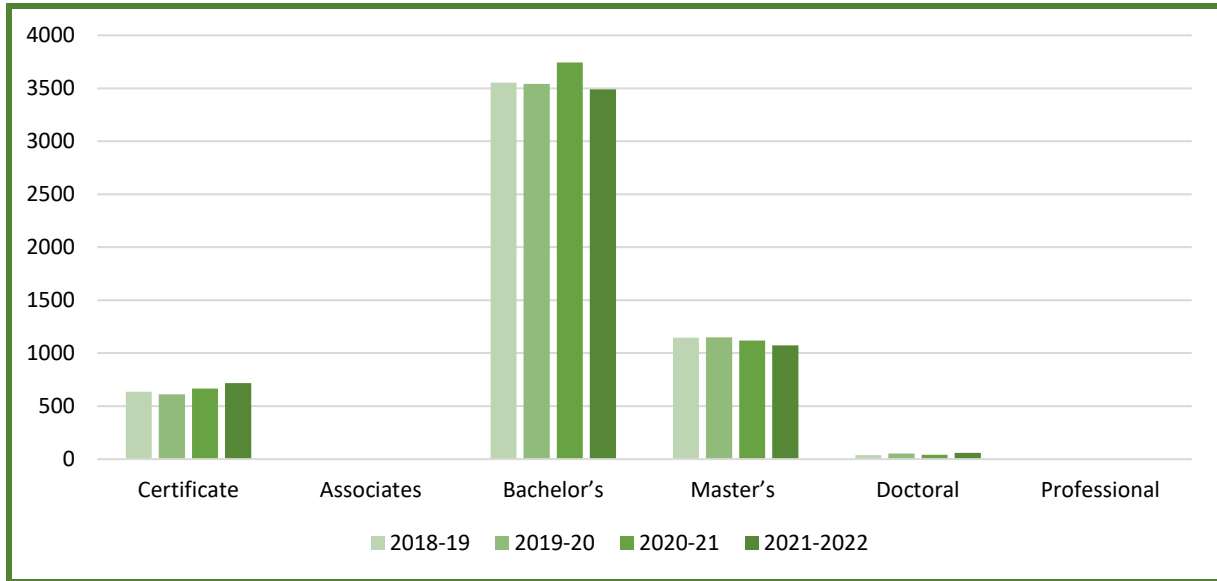
The six-year graduation rate for all students at PSU has increased from 51.6% in 2020 to 55.9% in 2022. Graduation rates for underrepresented minority students and Pell Grant recipients are comparable to the institutional rate for the most recent cohort. PSU has increased the number of degrees awarded to underrepresented students overall as well.

Table 3: PSU Resident Student Completions by Award Type

| | 2018-19 | 2019-20 | 2020-21 | 2021-2022 |
|---------------------|----------------|----------------|----------------|------------------|
| Certificate | 637 | 613 | 667 | 717 |
| Associates | 0 | 0 | 0 | 0 |
| Bachelor’s | 3554 | 3541 | 3743 | 3491 |
| Master’s | 1146 | 1148 | 1118 | 1073 |
| Doctoral | 37 | 53 | 42 | 60 |
| Professional | 0 | 0 | 0 | 0 |

Source: HECC (2023)

Figure 5: PSU Resident Student Completions by Award Type



Source: HECC (2023)

The number of resident completions by award type has stayed relatively flat since PSU's last evaluation. Bachelor's degrees are by far the greatest student completion count by award type. Bachelor's degrees awarded decreased since the last evaluation cycle but did have a significant increase during the 2020-21 academic year.

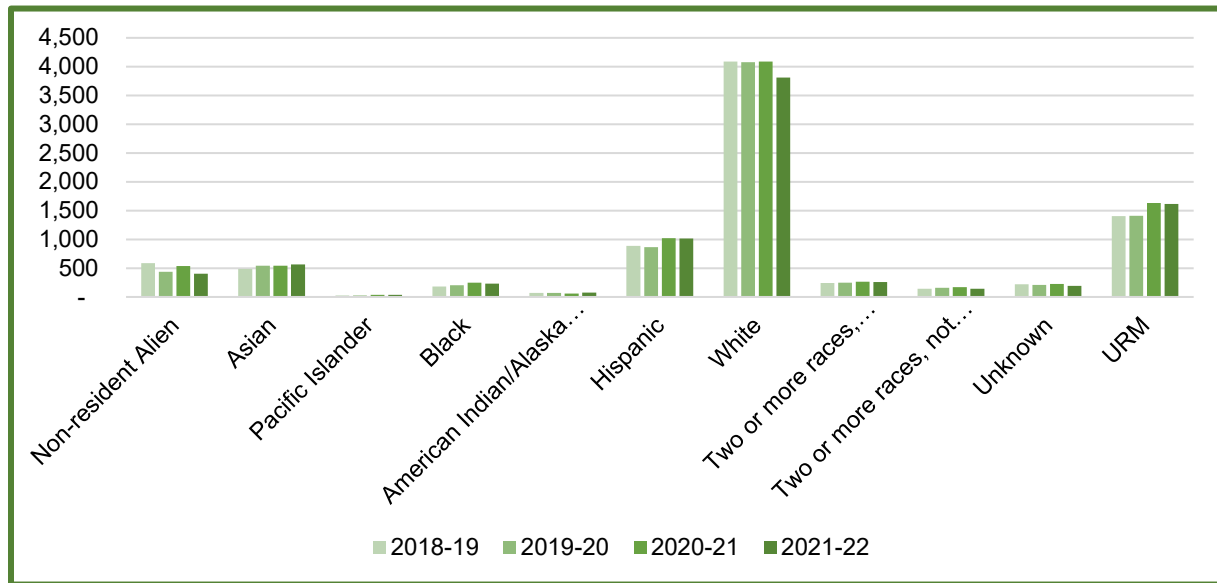
Table 4: PSU Completions by Race/Ethnicity

| | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|----------------|----------------|----------------|----------------|
| Non-resident Alien | 585 | 438 | 539 | 402 |
| Asian | 486 | 542 | 544 | 564 |
| Pacific Islander | 28 | 28 | 39 | 35 |
| Black | 181 | 203 | 246 | 234 |
| American Indian/Alaska Native | 68 | 71 | 59 | 73 |
| Hispanic | 886 | 863 | 1,023 | 1,014 |
| White | 4,087 | 4,076 | 4,090 | 3,808 |
| Two or more races, Underrepresented Minorities | 241 | 247 | 267 | 260 |
| Two or more races, not Underrepresented Minorities | 142 | 160 | 173 | 143 |
| Unknown | 218 | 208 | 228 | 194 |
| ³URM | 1,404 | 1,412 | 1,634 | 1,616 |

Source: HECC (2023)

³ URM (Under-represented Minority Students: including Pacific Islander, Black, American Indian/Alaska Native, Hispanic, and students who identify as two or more under-represented minorities).

Figure 6: PSU Completions by Race/Ethnicity



Source: HECC (2023)

In order to be supportive and responsive to its diverse student population, PSU has established resource centers where students can seek academic or personal assistance. These centers include the Disability Resource Center, La Casa Latina, Multicultural Center, Native American Student and Community Center, Queer Resource Center, Resource Center for Students with Children, Veterans Resource Center, Women’s Resource Center, a new Asian/Pacific Islander Student Center, and a new Black Student Resource Center.

PSU also has a successful Last Mile initiative that seeks out students who have dropped out within a term or two of graduating primarily for financial reasons and provides them economic resources and scholarships to complete their degrees. To date the program has assisted over 500 students in earning degrees (<http://www.pdx.edu/insidepsu/last-mile>).

AFFORDABILITY

Among the factors that the HECC is required (under ORS 352.065 and 352.025(1d) to evaluate is whether universities remain affordable for Oregon residents. The following constitutes our evaluation of Portland State University's affordability. Many students and prospective students at PSU, like their counterparts at other universities around the state and nationwide, continue to face significant challenges related to access and affordability. Public defunding of higher education is a national trend that is shifting a majority of the burden of paying for a college education to students and their families.

That shift has been particularly acute in Oregon in recent years. Net tuition and fee revenue represents two-thirds of total educational and general (E&G) revenue for the state's universities. This means students are paying the majority of the cost of their education while the state and institution funds the remaining one third. This is almost the reverse of the student experience a generation ago. Partly as a result of state funding cuts, resident undergraduate tuition and fees at Portland State University increased 39.2% in the last 10 years, including increases of 2.6% and 4.1% in 2021-22 and 2022-23 respectively. Specifically in 2022-23 tuition increased by 3.6% and fees increased by 6.2%. Resident graduate students have faced similar increases.

Students, however, do have access to financial aid at PSU. In addition to need-based federal and state financial aid programs (Pell and the Oregon Opportunity Grant), students benefit from PSU's significant commitment of institutional resources to scholarships, remissions, and tuition discounts. In the 2021-22 academic year, PSU recorded \$9,564,771 in resident tuition remissions (7.1% of resident gross tuition charges), which is a 16.7% decrease over the prior year. The year prior, the 2020-21 academic year, PSU recorded \$11,486,370 in resident tuition remissions (8.1% of resident gross tuition charges).

Portland State University also engages in a number of programs designed to increase access and completion among targeted populations. For example, PSUs "Four Years Free" and "Transfers Finish Free" programs provide any additional tuition and fees after all scholarships are applied to eligible new or transfer students who are Pell eligible with GPAs above certain thresholds.

Tuition, however, tells only a small part of the affordability story. The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. Portland State University estimates the average student budget for living expenses annually – \$18,639 for the 2022-23 academic year – exceeds resident tuition and fees of \$10,806.

While it is natural to view affordability primarily in terms of the student's direct cost associated with their enrollment, a larger perspective takes into account whether the student completes his or her degree, does so in a reasonable period of time, and has earning potential commensurate with the debts that might have been incurred. According to the HECC's PSU scorecard for the 2021-22 academic year, 65% of PSU's students who asked for financial aid were unable to meet expenses with expected resources, family contributions, student earnings and grant aid, compared to a statewide average of 55%. Average earnings among bachelor's degree recipients five years after graduation were \$50,946, compared to a statewide average of \$51,186. The average debt among graduates was \$21,000, on par with a statewide average of \$21,366 and 42% of PSU students had federally supported loans, identical to the statewide average of 42%. According to the College Scorecard, during the 2020-21 academic year, 52% of PSU students received Pell Grants.

ACADEMIC QUALITY AND RESEARCH

The HECC relies on four key areas to track academic quality and research at each institution: regular external accreditation reviews to assess each institution's progress in meeting its stated mission, vision and goals; evidence of regular academic program review to improve quality; regular faculty evaluation and opportunities for professional development; and institutional reports of research activity evidenced by research expenditures. Research contributions are also reflected in economic impact and collaborations both discussed elsewhere in this report.

PSU has clearly defined processes for academic program review and approval (<http://www.pdx.edu/academic-affairs/academic-program-review>). Faculty evaluation and professional development are fundamental to sustaining academic quality. PSU has clearly defined processes for evaluating faculty including for promotion and post tenure review (<http://www.pdx.edu/academic-affairs/promotion-and-tenure-information>).

PSU has made substantial commitments to faculty professional development. The University provides over \$1 million dollars in formally funded faculty development opportunities, in addition to support provided by multiple offices and units. The amount of professional development funds available to faculty and staff increased in the latest AAUP/PSU Collective Bargaining Agreement (: https://www.pdx.edu/academic-affairs/sites/www.pdx.edu.academic-affairs/files/AAUP%20CBA%202015-2019_Final%20Draft%206-22-16%20w-signatures.pdf).

1. Faculty Orientation, Mentoring, and Diversity

The Office of Academic Affairs' New Faculty Orientation is an annual event offered to new full-time faculty (<http://www.pdx.edu/academic-affairs/new-faculty-orientation>).

The President's Diversity Mini-Grant (<https://www.pdx.edu/diversity/the-presidents-diversity-mini-grants-program>) is offered through the Office of Global Diversity & Inclusion and the Diversity Action Council (DAC) to promote a positive campus climate for diversity; support the development of diversity curriculum, enhance communications across race, gender, and other boundaries, and assist in the recruitment and retention of a diverse student body, faculty, staff, and administration. The President's Diversity Mini-Grant Program supports diversity activities that address these goals. Support may be requested for curricular development projects, campus events and programs, or diversity-related research, including but not limited to the evaluation of campus diversity programs.

1. Professional Development, Teaching and Innovation, Travel and Enhancement Awards.
 - Faculty Education Fund provides support for tuition for part-time faculty enrolled in PSU courses (for funding available, see the Collective Bargaining Agreement with the PSUFA).
 - The Professional Development Fund for Part-Time Faculty covers the cost of research, travel, and conference attendance related to responsibilities at the university (for funding available, see the Collective Bargaining Agreement with the PSUFA).
 - The Office of Academic Innovation provides leadership and support for campus activities that explore and promote excellence in teaching and learning, innovative curricular technology use, and community-based learning, through consultations, learning groups, and workshops. Resources include a new faculty orientation series, writing workshops, support for online instruction, community engagement and in-class evaluations (<http://www.pdx.edu/oai/>).

- Individual Professional Development Accounts (IPDA) have been established for faculty to fund travel, professional development, and other job-related expenses. Per the Collective Bargaining Agreement with the AAUP, specific funding amounts for tenured and tenure track faculty, non-tenure track faculty, and academic professionals are placed in IPDA accounts each year. Requests for use of IPDA funds is approved and administered at the college and department level. The implementation of IPDA replaces the previous Faculty Travel Award process.
- Faculty Enhancement Grants are administered by the Faculty Development Committee, which is appointed by the PSU Faculty Senate. The committee supports a broad range of professional development activities.

2. Research Support

- Research and Graduate Studies (formerly Research and Strategic Partnerships) offers a number of internal funding opportunities to assist with conference travel, new lines of research, and the development of proposals for external funding. In addition to these internal opportunities, departmental research administrators are available to connect faculty with grants and funding sources specific to their field (<http://www.pdx.edu/research/>).

RESEARCH ACTIVITY

Portland State’s external funding from research grants and agreements in FY19 totaled \$66.5 million in awards received. The value of grants and agreements increased to \$66.8 million in FY20 (award values fluctuate concurrent with biennial allotments for state-funded projects). Research expenditures, meanwhile, decreased during this time, reaching \$61.5 million in FY20.

Table 5: PSU Sponsored Projects Activity FY16-20

| | FY16 | FY17 | FY18 | FY19 | FY20 |
|----------------------|---------|---------|---------|---------|---------|
| Total Awards Amount | \$70.6M | \$49.9M | \$63.0M | \$66.5M | \$68.8M |
| Total Expenditures | \$63.3M | \$61.7M | \$60.3M | \$65.3M | \$61.5M |
| Federal Expenditures | \$43.5M | \$42.6M | \$31.4M | \$45.1M | \$43.8M |
| Proposals Submitted | 680 | 612 | 602 | 565 | 449 |

Between FY16 and FY20, technologies and services developed by PSU faculty and students and licensed to external organizations generated \$4.7 million in revenue. Outside entities entered into 123 unique license agreements to deploy or develop university-owned intellectual property, and the university was issued 60

patents.

Table 6: PSU Technology Transfer FY16-20

| | FY16 | FY17 | FY18 | FY19 | FY20 |
|--------------------------------|--------|--------|--------|--------|--------|
| Revenue | \$920K | \$803K | \$897K | \$693k | \$1.4M |
| Licenses Issued | 44 | 27 | 14 | 16 | 22 |
| Patents Issued | 12 | 6 | 15 | 12 | 15 |
| Start-up Companies Established | 0 | 0 | 1 | 3 | 4 |

In the past two years, PSU has focused efforts on expanding its research portfolio. Activities include:

- The launch of two new university-wide research centers
- The Homelessness Research and Action Collaborative
- The Digital Cities Testbed Center
- Joint PSU-OHSU seed funding grant to spur inter-institutional research collaboration
- PSU seed funding grant program supporting equipment purchasing, data collection, and scholarship in the humanities and creative arts
- D.C. Fellows Program, providing opportunities for a cohort of PSU faculty to travel to Washington D.C. to meet program directors at major funding agencies and grant-awarding foundations and institutions
- Grant writing workshops for faculty and graduate students
- President’s Career Research Award for faculty research excellence
- Research Week, an annual recognition of research excellence on campus

PSU continues to develop research collaborations with OSU, UO, OHSU, and other institutions, creating opportunities for faculty and students to engage in cutting-edge research in a variety of areas including health and sustainability-related fields, business, urban planning, engineering, the physical and life sciences, and social work. These collaborations capitalize on each institutions’ strengths. For example, PSU and OSU researchers collaborate on studying microplastic contamination along Oregon’s shores, reflecting the complementary nature of OSU’s sea-grant mission and PSU’s dedication to sustainability and environmental management. PSU houses the \$45 million Transportation Research and Education Center (TREC), one of five national centers funded by the U.S. Department of Transportation. UO is a partnering institution on a TREC pooled fund grant studying methods to modernize transit agencies’ fare payment systems. PSU researchers, meanwhile, make use of an OHSU microscopy suite located in the Robertson Life Science Building where their research has resulted in discoveries that may transform approaches to treating diseases like heart disease, Alzheimer’s, and macular degeneration. Concrete evidence of the major research universities working together is the recent signing of an MOU between PSU, UO, OSU, OHSU and OIT to allow access to core research facilities to faculty at all institutions using internal rates, effectively sharing research infrastructure across the state.

PSU's ongoing partnerships with regional entities including the City of Portland, Portland Public Schools, Metro, and the Oregon Department of Environmental Quality provide additional opportunities to faculty and students to engage in research. For example, PSU researchers working in collaboration with Portland Public Schools are studying the effect of mindfulness on teaching and learning outcomes in kindergarten classrooms in Portland. PSU's Community Environmental Services unit is working with Oregon DEQ to assess consumer, commercial, industrial and agricultural food waste across the state. In collaboration with Metro, PSU researchers are assessing the potential economic impacts of a proposed bus rapid transit system along Portland's Powell Blvd.

PSU's ties to its sister universities as well as regional partners also include innovation, economic development, and entrepreneurship. This work includes the Innovation Quadrant (IQ). PSU, OHSU, OMSI, Portland Community College, and the City of Portland are collaborating to establish and create programming and career pathways to support this vision for a thriving metro area.

COLLABORATION

There are a number of joint administrative, academic and governance efforts to maintain collaboration across institutions. Faculty at all public universities are represented at the Inter-Institutional Faculty Senate (IFS), which is made up of elected senate representatives from each institution. The IFS serves as a voice for all faculties of these institutions in matters of system wide university concern. In addition, PSU engages in a number of collaborative initiatives with other universities and partners, as indicated below (P indicates Participation, N/P indicates Non-Participation):

Table 7: Portland State University Collaborative Initiatives Participation

| Other University Collaborations | University Response (Participant/Non-participant) |
|---|---|
| Public University Councils | |
| Presidents Council | P |
| Provosts Council | P |
| Vice Presidents for Finance and Administration (VPFAs) | P |
| General Counsels (GCs) | P |
| Public Information Officers (PIOs) | P |
| Legislative Advisory Council (LAC) | P |
| Cooperative Contracting (<i>note: taking part in State contracts</i>) | N/P |
| Capital Construction Services | N/P |
| OWAN | N/P |
| NERO Network | P |
| RAIN | N/P |
| Orbis Cascade Alliance | P |
| ONAMI | P |
| OHSU/PSU Strategic Partnership | P |

Portland State University pursues excellence through: Accessibility, innovation, collaboration, engagement, sustainability, and transformation. Three examples of PSU’s collaborations are:

OHSU/PSU School of Public Health: Two of Oregon’s leading universities have joined forces to train the next generation of public health leaders. The Joint School focuses on community-engaged learning and scholarship that puts the student and researcher out in the world, in real communities. The School to find enduring and sustainable solutions to today’s public health problems, and is committed to educating students of all backgrounds who want to enter the public health field and improve lives in their communities.

The Homelessness Research & Action Collaborative (HRAC) brings together faculty from Portland State University and Oregon Health Science University with expertise in disciplines ranging from psychology and architecture to medicine and linguistics. HRAC that it will take all of us working together to address

the issues that lead to and perpetuate homelessness. HRAC works alongside community partners, elected leaders, and those experiencing homelessness to help create solutions with an emphasis on communities of color.

Co-Admission (also known as "dual enrollment" or "degree partnership") is a special admissions process that allows students to be formally admitted to both PSU and partner community colleges. The Undergraduate Admission website has information about the process for applying to PSU with Co-Admission. PSU's community college partners are:

- Chemeketa Community College
- Clackamas Community College
- Clark College, WA
- Clatsop Community College
- Oregon Coast Community College
- Mt. Hood Community College
- Portland Community College

PATHWAYS

Transfer student success is a key area of focus both in Oregon and nationally. The statutes outlining goals for transfer student success and cooperation between Oregon's higher education sectors (ORS 350.395, 350.400, 350.404, 350.412, and 348.470) are the framework for HECC's continued partnership with the seven public universities and seventeen community colleges. Recent policy discussions between institutions and HECC give this sustained work a renewed focus: more and better statewide data on transfer student outcomes and potential statewide solutions where persistent barriers exist.

Although Oregon has state-level policies and processes to ensure that students may apply credits earned upon transfer from community college to university (e.g., the Associate of Science Oregon Transfer–Business, or ASOT Business) research that resulted from House Bill 2525 (2015) and the subsequent HB 2998 (2017) report revealed that community college transfer students on the whole often face challenges in completing an intended major, which result in excess accumulated credits, increased tuition costs, and debt. Statewide, community college transfer students graduate with more "excess" credits than their direct entry counterparts (aka "native students"). Public universities are working with community colleges to improve advising and information on career pathways to reduce the excess number of community college credits taken. Moreover, despite the best efforts of advisors, faculty, and administrators, some students who complete statewide degrees—such as the ASOT–Business are ill-served if they transfer into certain majors. Excess credits may transfer as electives, but they sometimes fail to apply to a student's major. Because major requirements at the university level can change, community college students' and advisors' efforts at effective degree planning are negated by these excess credits.

The passage of HB 2998 in 2017 required the HECC to work closely with both public universities and community colleges to create a new framework for statewide transfer, a Core Transfer Map (CTM) of at least 30 credit hours of general education, and a process for the creation of Major Transfer Maps (MTMs) in major fields of study to aid transfer students in moving smoothly into university study, with fewer lost or excess credits. Public university and community college faculty, registrars, institutional researchers, and administrators have been advisors and participants to the HB 2998 implementation process, adding insight and value to the Major Transfer Maps. These partners continue to work closely with HECC staff and the institutions to move this work forward. One area that OSU, PSU, and the UO have participated in has been by nominating faculty to serve on MTM subcommittees (e.g., in Computer Science, Business, English Literature, Biology, and Elementary Education).

Related to transfer student success, programming to provide college credit in high school, or accelerated learning, has also benefited from enhanced statewide collaboration amongst Oregon's public universities and 17 community colleges in 2020-21 and 2021-22. The HECC convened an Oversight Committee for High School Based College Credit Partnerships and the Advanced Placement and International

Baccalaureate Policy Workgroup both have support and representation from all seven public universities. Implementing 340.310, 350.075, and OAR 715-017-0005, the groups ensure that college credit earned in high school is transferrable and supports student pathways to postsecondary degrees and certificates. State approval of high school-based college credit partnership programs promotes transparency, educational equity, and comprehensive advising so that students may access, earn, and transfer these credits smoothly. State approval of programs, through peer review, confirms that a college course taught on campus and the college course taught in a high school are essentially the same, and treated the same when transferred. HECC staff continues to work with all institutions whenever concerns about high school-based college credit transfer come to light.

College credit articulations at Oregon’s public universities are also on record for Advanced Placement (AP) and International Baccalaureate (IB) exams. Articulation tables are published by HECC with advice from the AP/IB Policy Workgroup. This process has led to more transparent and better aligned articulations list, with the expectation that over time articulations will become increasingly similar among community colleges, comprehensive regional universities, and larger research universities. In the online table, a student can find out how a particular AP exam subject and score articulates to all 24 public postsecondary institutions in Oregon as well as to which core transfer map content area that articulation applies.

In the 2021 legislative session, Oregon passed Senate Bill 233 that further supports the work of statewide transfer through the establishment of a Transfer Council to implement Common Course Numbering (CCN). The Commission submitted its first progress report to the legislature on SB 233 in March 2022. One notable change to the legislative requirements was a decrease in the number of MTMs to be approved from three per calendar year to one until calendar year 2026. The intent behind this temporary change is to allow faculty to spend time aligning learning outcomes, credits, and course numbers at the course level. Starting in spring 2022, four faculty subcommittees (Communication, Math, Statistics, and Writing) and one systems and operations subcommittee began meeting regularly to work on aligning 10 of the most transferred courses between public colleges and universities in Oregon. For seven months, these subcommittees—composed of 96 faculty and staff—logged over 100 hours in meetings to discuss, collaborate, and vote on aligning these courses. The result of these meetings is a guiding framework for common course numbering and the first round of statewide aligned courses in the history of higher education in Oregon. This framework will also be useful for programs that offer college credit in the high school.

All seven public universities and 17 community colleges are in the process of adopting these courses for the 2023-24 catalog, as per the requirements of SB 233. Once again, OSU, PSU, and the UO have played an integral part in this process by nominating faculty and staff to serve on subcommittees.

GRADUATE EDUCATION

Portland State’s Graduate School currently oversees 21 doctoral programs, 91 master's programs, and 52 graduate certificate programs. In 2019, the Graduate School led the effort to launch Slate as the new university-wide admissions and CRM platform and worked with administration and the creative agency 160/90 to develop the graduate “Go For” sub-brand of the University Embolden campaign. In 2020, the development of a Key Performance Indicators dashboard for graduate programs was also launched as was a new marketing and recruitment campaign for online programs in partnership with EAB.

In 2015, PSU and UO entered into an agreement to allow “Joint Campus” graduate enrollment. The former Oregon University System (OUS) first created the “Joint Campus” in the 1960s to allow graduate students at UO, OSU, and PSU to access courses at the three universities by registering and paying tuition at their home campus. The registrars on each campus worked together to arrange the course registrations, and the financial services offices ensure a financial settle up on a quarterly basis. This new “Joint Campus” agreement will allow students to access a broader range of courses, while maintaining registration at their home campus for the purposes of financial aid and degree requirements. (OSU elected not to participate in this effort because of low demand for PSU courses from their students).

SHARED ADMINISTRATIVE SERVICES

Pursuant to ORS 352.129 and following the convening of the Workgroup on University Shared Services established by the 2013 Legislature, the seven public universities created the University Shared Services Enterprise (USSE), a service center hosted by Oregon State University. USSE offers a fee for service model for many back-office functions previously offered by the OUS Chancellor's Office. ORS 352.129 mandates participation by the independent universities in certain services offered by USSE until July 1, 2019. These mandated services include group health insurance, group retirement plans and collective bargaining. The UO serves fiduciary for all of the former Oregon University System retirement plans, and hosts the Oregon Public Universities Retirement Plans ("OPURP") shared-services organization. All seven public universities participate in OPURP via shared-services agreement.

Portland State University also engages collaboratively in a number of administrative services with other universities and partners, as indicated in the table below. (P indicates participation; NP indicates)

Table 8: Shared Administrative Services

| University Shared Services Enterprise (USSE, hosted by OSU) | |
|---|---|
| Financial Reporting | N/P |
| Capital Asset Accounting (currently only OIT) | N/P |
| Payroll & Tax Processing (includes relationship w PEBB, PERS/Federal retirement*) | P |
| Collective Bargaining * | P |
| Information Technology/5th Site ¹ | N/P |
| Treasury Management Services: | |
| Legacy Debt Services-Post Issuance Tax Compliance | P ~ substantial campus involvement still required |
| Legacy Debt Services-Debt Accounting | P ~ substantial campus involvement still required |
| Non-Legacy Debt Services | P ~ substantial campus involvement still required |
| Bank Reconciliations (and other ancillary banking services) ² | N/P |
| Endowment Services | N/P |
| Other Miscellaneous Statements of Work: | |
| Provosts Council Administrative Support | P |
| Legislative Fiscal Impact Statement Support | P |
| Risk Management Analyst (TRUs only) | N/P |
| Public University Fund Administration ³ | P ~ substantial campus involvement still required |
| Retirement Plans * | |
| Legacy 401(a) Plan | P |
| Legacy 403(b) Plan | P |

| | |
|--|---|
| Optional Retirement Plan (ORP) | P |
| Tax-Deferred Investment (TDI) Plan | P |
| SRP Plan | P |
| Public University Risk Management and Insurance Trust (Risk Management) | P |
| Notes: <i>*All public universities are required to participate in group health insurance, a select set of group retirement plans, and collective bargaining through July 1, 2019 per ORS 352.129</i> | |

Stemming from the passage of SB 270 and the University Shared Services Workgroup of 2013, as well as subsequent legislation found in ORS 352.129, the seven public universities created the University Shared Services Enterprise (USSE), a service center hosted by OSU. USSE offers a fee for service model for many back-office functions previously offered by the OUS Chancellor’s Office. ORS 352.129 mandated participation by the independent universities in certain services offered by USSE until July 1, 2019. These mandated services include group health insurance, a select set of group retirement plans, and collective bargaining. All universities, including OSU, continue to participate in these mandated services.

PSU participates in all mandatory shared services, as well as in many non-mandatory services. However, PSU does not participate in bank reconciliation, financial reporting, and endowment services. One of these services was managed by PSU internally prior to the dissolution of OUS, and for the others, PSU has determined that it is better economically or functionally to conduct the work in-house. Further, PSU has augmented services it currently purchases from USSE with internal staff capacity.

The continued participation of PSU and other institutions in non-mandatory shared services helps USSE reach the economies of scale necessary for it to be cost competitive and to lower the overall cost to all participating institutions. The continued participation by the large institutions will be important to maintaining an advantage for all participating public universities.

Portland State University’s (PSU) motto, “Let Knowledge Serve the City,” exemplifies the institution’s commitment to partnerships and community engagement and defines the PSU experience. PSU’s role as an anchor institution contributes in meaningful ways to their region. Their vision is to be an internationally recognized urban university known for excellence in student learning, innovative research, and community engagement that contributes to the economic vitality, environmental sustainability, and quality of life in the Portland region and beyond.

Definition: Engagement describes the collaboration between Portland State University and its larger communities (local, regional, national, global) for the mutually beneficial exchange of knowledge and resources in a context of partnership and reciprocity. Through its engagement, Portland State University creates and transmits knowledge with meaning and ensures relevant and authentic teaching and learning experiences. [The PSU Partnership Spectrum](#) depicts the five key ways PSU engages with the metro region and state:

1. Community-Based Teaching and Learning
2. Co-Curricular Student Engagement
3. Student Employment and Professional Application
4. State & Local Research and Service
5. Institutional Priority: Business and Civic Partnerships

In addition PSU is part of a community recognized worldwide for its leadership on issues of sustainability and social justice. They are committed to the inclusion of historically marginalized communities and those underrepresented in higher education. They meet their commitments with rich partnerships and full engagement with all communities in Portland and the region including with their [MEET OUR COMMUNITY PARTNERS](#) hub.

FINANCIAL HEALTH ASSESSMENT

This section of PSU's evaluation includes an overview of key financial ratios commonly used to understand the strength of a public institution's financial position and its operating performance. This includes the composite financial index (CFI) which is a single number representing an overall assessment of the institution's financial health. These ratios should not be viewed in isolation and are best presented along with appropriate context.

Statewide Summary

Two perspectives are provided. The oversight perspective looks at all institutional funding, including foundation assets, and employs financial ratios to calculate a composite financial index (CFI) to provide an overall assessment of the institution's financial health. The governance perspective is limited to the education and general (E&G) fund, sometimes called the general fund, of the institution in which the financial activity related to instruction, research and public service is collected.

For the oversight perspective, the process starts with the identification of relevant financial indicators after which standards are then defined. The extent to which an institution meets all the standards will then provide insight as to whether or not the institution could potentially experience financial stress in the future. The best approach is to compare an institution to itself over time, rather than comparing peer to peer.

Two perspectives are provided. An oversight perspective, focused on all funds including foundation assets, and a governance perspective focused solely on the general fund.

As such, this analysis considers each institution across all funds (i.e. general fund, plant fund, auxiliary fund, etc.) and includes component units (i.e. a foundation) that are included in the university's annual financial report. The framework for this analysis is a book called *Strategic Financial Analysis for Higher Education* written by KPMG and Prager, Sealy & Co. It has been in use since its first publication in the 1980's and is widely used by trustees, senior managers, financial analysts, and credit analysts to properly assess institutions of higher education. A version of this framework is also used by the US Department of Education in their financial responsibility score currently used to assess private institutions.

The governance perspective is a bit narrower in scope in that it only considers the general fund of the institution which includes all educational and general (E&G) activity. Other funds, including auxiliary, are considered self-balancing, and although transfers between funds can occur, the general fund is often where governing board decision making is concentrated since it represents the majority of the institution's financial activity.

Information related to the governance perspective is presented for each institution alongside the calculations for the financial ratios and CFI. The remainder of this section discusses the calculation of the financial ratios and other qualitative metrics used to consider an institution's financial health.

FINANCIAL RATIOS SUMMARY

These calculations might differ slightly from those reported by the institution to their own board.

| Ratio | FY18 | FY19 | FY20 | FY21 | FY22 | Benchmark |
|------------------------------------|--------|-------|--------|--------|------|-----------|
| Primary Reserve Ratio | 0.15 | 0.18 | 0.17 | 0.23 | 0.26 | >0.4 |
| Viability Ratio | 0.35 | 0.43 | 0.45 | 0.59 | 0.81 | >1.0 |
| Return on Net Assets | 2.7% | 15.9% | 4.0% | 5.7% | 4.1% | >6% |
| Net Operating Revenues | (3.9%) | 0.8% | (2.6%) | (3.3%) | 2.6% | >4% |
| Composite Financial Index | 0.66 | 2.48 | 1.03 | 1.41 | 1.99 | N/A |
| Adjusted Composite Financial Index | 2.14 | 3.24 | 2.79 | 3.96 | 1.38 | >3.0 |

PRIMARY RESERVE RATIO

Are resources sufficient and flexible enough to support the mission?

| Amounts in \$ Thousands | 2020 | 2021 | 2022 |
|-------------------------|-------------------|-------------------|-------------------|
| Expendable Net Assets | \$98,925 | \$126,619 | \$149,605 |
| University/Foundation | \$25,937/\$72,988 | \$30,651/\$95,968 | \$61,543/\$88,062 |
| Expenses | \$578,322 | \$550,721 | \$567,014 |
| Calculated Ratio | 0.17 | 0.23 | 0.26 |

PSU's primary reserve ratio has remained relatively steady from FY18 to FY22, although still at a level well below the established benchmark. Overall, PSU's expendable net assets increased from FY21 to FY22, largely due to a substantial decrease in pension liability. Overall, PSU's primary reserve ratio puts them at some risk if revenues were to decline.

VIABILITY RATIO

Are debt resources managed strategically to advance the mission?

| Amounts in \$ Thousands | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| Expendable Net Assets | \$85,976 | \$102,522 | \$98,925 | \$126,619 | \$149,605 |
| Total Long-Term Debt | \$247,472 | \$239,001 | \$221,572 | \$215,504 | \$184,599 |
| Calculated Ratio | 0.35 | 0.43 | 0.45 | 0.59 | 0.81 |

PSU’s viability ratio has increased substantially over the past four years, from 0.35 in FY18 to 0.81 in FY22. This increase is due partly to a \$94M drop in net pension liability as well as PSU’s decision to avoid issuing any new debt. With this improvement, PSU can cover eighty-one cents of every dollar owed with currently available assets. As a result, PSU is currently at low risk related to its debt obligations.

RETURN ON NET ASSETS RATIO

Does asset performance and management support the strategic direction?

| Amounts in \$ Thousands | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Total Change in Net Position | \$12,419 | \$75,704 | \$22,315 | \$32,717 | \$25,088 |
| Total Beginning Net Position | \$465,136 | \$477,555 | \$553,259 | \$575,545 | \$608,162 |
| Calculated Ratio | 2.7% | 15.9% | 4.0% | 5.7% | 4.1% |

The return on net assets ratio demonstrates whether an institution is financially better off than in previous years. It shows an institution’s total economic return. With the notable exception of FY19 (which was high due to completion of a major capital project), PSU’s performance on this ratio has hovered right around the benchmark. The stability in this ratio indicates that PSU may have limited financial flexibility going forward.

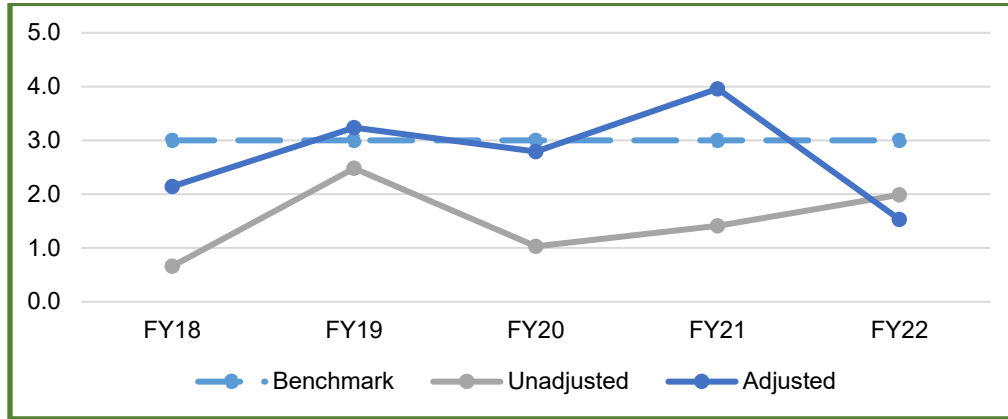
NET OPERATING REVENUES RATIO

Do operating results indicate the institution is living within available resources?

| Amounts in \$ Thousands | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------|------------|-----------|------------|------------|-----------|
| Net Operating Income | (\$21,345) | \$4,867 | (\$14,459) | (\$18,563) | \$15,194 |
| Total Operating Revenues | \$554,132 | \$578,400 | \$563,962 | \$554,146 | \$574,767 |
| Calculated Ratio | (3.9%) | 0.8% | (2.6%) | (3.3%) | 2.6% |

The net operating revenues ratio indicates whether total operating activities for the fiscal year generated a surplus or created a deficit. It attempts to demonstrate whether an institution is living within its available resources. The overall negative trend is the result of decreased enrollment combined with a substantial loss in auxiliary revenues due to the pandemic. The positive ratio this year is the result of a combination of cost cutting, auxiliary revenues returning to something close to pre-pandemic levels and increased funding from the state, both via the PUSF and through the Oregon Opportunity Grant.

COMPOSITE FINANCIAL INDEX



RATIO ANALYSIS SUMMARY

Overall, PSU's finances have been largely stable despite a drop during FY20. While PSU had an unadjusted CFI of near 3.0 in only one of the five years examined in this report, its overall level of stability puts it in a relatively strong position and indicates it is not likely to be unable to meet its fiduciary responsibilities in the near term. During FY22 they saw a substantial increase in CFI due to drops in pension liability and increases in auxiliary revenue. Overall, PSU faces a challenging enrollment environment, but is taking the steps necessary in collaboration with institutional stakeholders to manage future viability. PSU may face potential longer-term financial issues but is relatively well positioned in the short to mid-term to weather financial stresses.

PSU – GENERAL FUND FINANCIAL DATA

| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues | | | | | |
| Gross tuition and fees | 240,681,375 | 240,674,823 | 233,173,571 | 223,884,314 | 214,863,106 |
| Less fee remissions | (22,737,697) | (21,100,540) | (20,535,846) | (20,363,299) | (16,713,198) |
| Net tuition | 217,943,679 | 219,574,284 | 212,637,725 | 203,521,015 | 198,149,908 |
| State operating appropriations | 93,205,018 | 96,604,069 | 104,835,509 | 108,426,175 | 116,216,904 |
| State debt service appropriations | 2,182,248 | 2,182,248 | 2,182,248 | 2,182,248 | 2,162,125 |
| Indirect cost recovery | 10,925,243 | 11,621,777 | 11,086,809 | 10,335,981 | 10,908,359 |
| All other | 10,815,053 | 19,411,451 | 15,613,029 | 12,218,146 | 2,547,048 |
| Total revenues | 335,071,241 | 349,393,829 | 346,355,320 | 336,683,565 | 329,984,344 |
| Expenses | | | | | |
| Salary & Wages | 174,978,679 | 179,464,327 | 179,116,546 | 174,151,767 | 180,992,950 |
| Benefits: Health | 28,758,037 | 28,919,047 | 29,227,897 | 29,773,745 | 30,569,597 |
| Benefits: Retirement | 34,430,801 | 35,538,750 | 39,892,115 | 37,993,833 | 41,340,110 |
| Benefits: Other | 21,044,659 | 20,693,209 | 22,572,384 | 23,151,280 | 20,282,154 |
| Supplies & Services | 62,441,001 | 62,942,625 | 59,977,155 | 56,924,850 | 60,384,444 |
| Capital Expenditures | 1,481,927 | 1,973,124 | 1,476,974 | 1,704,931 | 730,463 |
| Institutional Student Aid | 317,413 | 710,650 | 945,554 | 1,101,790 | 863,396 |
| Net Fund Transfers | 2,790,392 | 1,391,201 | 2,188,249 | (8,339,527) | (4,795,409) |
| Total expenses | 326,242,909 | 331,632,933 | 335,396,874 | 316,462,669 | 330,367,704 |
| Net Income (Loss) | 8,828,332 | 17,760,896 | 10,958,446 | 20,220,896 | (383,360) |
| As a % of Revenue | 3% | 5% | 3% | 6% | -0.1% |
| Fund Balance Information | | | | | |
| Beginning Fund Balance | 67,462,798 | 76,291,130 | 94,052,026 | 105,082,927 | 125,303,823 |
| Additions/Deductions | - | - | 72,455 | - | - |
| Ending Fund Balance | 76,291,130 | 94,052,026 | 105,082,927 | 125,303,823 | 124,920,463 |
| Balance as a % of Revenue | 23% | 27% | 30% | 37% | 38% |
| Months of Operating Balance | 2.7 | 3.2 | 3.6 | 4.5 | 4.5 |
| Additional Information | | | | | |
| % of Revenue that is Tuition | 65% | 63% | 61% | 60% | 60% |
| Remission Rate | 9% | 9% | 9% | 9% | 8% |
| Wages and Benefits as % of Total: | 79% | 80% | 81% | 84% | 83% |

BOARD OF TRUSTEES

The Boards of Trustees at each public university and their respective university constituents are continuing the process of developing effective working relationships. The Commission continues to recommend that the areas that all Boards should be attentive to include timing and access, for example, not scheduling meetings during exams, or when classes are not in session; and encouraging feedback by making an effort to allow non-board members to weigh in early on in the meetings rather than having to sit through the whole meeting.

| | | | |
|----------------------------------|---|--|-------------------|
| | | | |
| Transparency (ORS 352.025(1)(a)) | Board meets at least quarterly. ORS 352.076(6). | The Board of Trustees meets at least quarterly. Regular meetings were held on October 14, 2021; February 3, 2022; April 21, 2022; May 16, 2022 & June 23, 2022. The list of all full Board meetings, as well as the schedule for future meetings, can be found at https://www.pdx.edu/board/board-meetings#2022%22Board%22Meetings | Board of Trustees |
| | Board provides public notice of agenda and meetings. ORS 352.025(1)(a). | The Board of Trustees has adopted a policy that the Board’s regularly quarterly meetings will be held each year, with the meetings for each fiscal year scheduled and posted by July 1 of each year. See: https://www.pdx.edu/board/bylaws-board Official notices of all Board and Board committee meetings are sent by email to all persons who sign up for electronic receipt of Board notices, generally approximately a week prior to a meeting, with a link to the agenda and materials. (To sign up for Board Meeting Notices email trustees@pdx.edu) All such notices are also posted on the Board’s webpage. The notices and agendas for all previous meetings can be found at https://www.pdx.edu/board/board-meetings | Board of Trustees |
| | The Board operates in a transparent manner and in compliance with Public Meetings and Public Records laws. ORS 352.025(1)(a). | The Board of Trustees has adopted bylaws that clearly state that all public meetings of the Board are to be conducted in compliance with the Public Meetings Law. (See Article V of the bylaws at https://www.pdx.edu/board/bylaws-board). The Board posts its notices, agendas, meeting materials and minutes at https://www.pdx.edu/board/board-meetings . Board committees also post their notices, agendas, meeting materials and minutes (see https://www.pdx.edu/board/academic-and-student-affairs-committee ; https://www.pdx.edu/board/executive-and-audit-committee ; https://www.pdx.edu/board/finance-and-administration-committee ; https://www.pdx.edu/board/special-committee-campus-public-safety). | Board of Trustees |

| | | | |
|------------------------------------|---|---|-------------------|
| | The Board has adopted bylaws. ORS 352.076(5). | The Board of Trustees adopted bylaws on January 30, 2014. A minor modification to the bylaws was approved on March 31, 2016. The bylaws are available at https://www.pdx.edu/board/bylaws-board . | Board of Trustees |
| Accountability (ORS 352.025(1)(a)) | The Board demonstrates its accountability on behalf of the university and awareness of its mission and fiduciary duties. | <p>The Board of Trustees adopted a policy on January 20, 2014 outlining the responsibilities, obligations and expectations that the trustees have of each other and owe to the University. The policy notes that: “Those of us who have been chosen to serve as fiduciary trustees for a period of time – to safeguard the University’s assets and to foster its capacity to serve others – have a heightened obligation to the University and to each other. To serve on a university governing board is a significant responsibility.”</p> <p>The Board and its committees receive regular reports on University finances, debt, enrollment, retention and graduation, and other priorities. The Board is responsible for approval and review of the University budget and for establishing tuition and fees on an annual basis. Further information about the activities of the Board and its committees can be found in the agendas, meeting materials and minutes from Board and committee meetings, all of which are available on the websites noted above.</p> <p>The Board adopted an Internal Audit Charter on December 11, 2014 and amended February 1, 2018, which states that the Director of Internal Audit is to functionally report to the Board’s Executive and Audit Committee. The Internal Audit Charter can be found at https://drive.google.com/file/d/1xFSQbhats3XUp3FUnHrBRvbHRumX4p78/view Internal Audit reports to the Executive and Audit Committee on a regular basis.</p> | Board of Trustees |
| | The Board has established a process for determining tuition and mandatory enrollment fees that provides for participation of enrolled students and the recognized student government of the university. | The Board of Trustees adopted a policy outlining the process for establishing tuition, fees and fines on December 11, 2014 and amended June 6, 2018. The policy can be found https://drive.google.com/file/d/1Udh5FAYqeIfW24XalZ1_AmsogYW7WV3o/view . The policy provides for the participation of enrolled students and the recognized student government. | Board of Trustees |

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| | ORS 352.102(2) | | |
| | Board selects and regularly assess the university president. ORS 352.096. | The Board of Trustees adopted a policy that the President is to be reviewed by the Board annually. The policy can be found at https://drive.google.com/file/d/1QiDpCoWfOODRWPJine4knB4xa0DBogLJ/view The most recent evaluation of the President was concluded during the Board meeting October 4, 2018, as the university had an interim president from May 2019 until April 2020 and a permanent president was appointed in May 2020. | Board of Trustees |
| Engagement in the University's Mission (ORS 352.025(1)(b)) | The Board adopts the mission statement. ORS 352.089(2). | The Board of Trustees approved a new University mission statement developed through a campus-wide strategic planning process on December 10, 2015. The resolution approving the new mission statement can be found at: https://drive.google.com/open?id=1PgdrLQkXLI9KdboxsEMko-r1acLMvDOe | Board of Trustees |
| Coordination across the State of Oregon (ORS 352.025(1)(e)) | The Board forwards the university's mission statement to the HECC. ORS 352.089(1). | The new University mission statement was forwarded to the HECC and approved by the HECC on April 14, 2016. | Board of Trustees |
| | The Board forwards any significant change in the university's academic programs to HECC. ORS 352.089(1). | MS in Geographic Information Science - April 5, 2021 (Academic and Student Affairs Committee) P.S.M. in Applied Geoscience - April 5, 2022 (Academic and Student Affairs Committee) | Board of Trustees |
| Real Property Holdings (ORS 352.025 (2)(c)) | Legal title to all real property, whether acquired before or after the creation of a governing | The University continues to take and hold real property in the name of the State of Oregon as required by statute. | Board of Trustees and/or Finance VPs |

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| | board, through state funding, revenue bonds or philanthropy, shall be taken and held in the name of the State of Oregon, acting by and through the governing board. | | |
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CONCLUSION

This report is guided by Oregon Revised Statute (ORS) 352.061 which requires that the HECC report on the university's achievement of outcomes, measures of progress, goals and targets; assess the university's progress toward achieving the mission of all education beyond high school described in the 40-40-20 goal; and assess how well the establishment of its governing board comports with the findings of ORS 352.025. This report relies heavily on regularly conducted academic accreditation reports and the self-assessments prepared for these accreditation reviews, as well as on state and federal data. The contents of this report signal areas of alignment with the HECC Strategic Plan, which in turn supports the objectives of higher education for the State of Oregon.

Portland State University was last re-affirmed for accreditation in January 2023. The 2022 Year Seven report was accepted by NWCCU, who issued three specific commendations, and four recommendations for continuous improvement. PSU's next evaluation will be fall 2024, addressing recommendations for improving inclusive decision making and transparency of resource management, and then in spring 2025, addressing recommendations for the planning process and participation of campus constituents.

Portland State University continues its positive trend of increasing diversity and increasing numbers of degrees awarded to underrepresented students. During the 2021-22 academic year, the majority of PSU students (80.5 percent) were Oregon residents and the majority of PSU students (62.2 percent) also attended full-time. PSU enrolled 22,014 students in fall 2022, a 5.0 percent decrease from the year before (fall 2021, 23,177), and has experienced an enrollment decrease of 25.4 percent since fall 2012. Additionally, newly admitted undergraduates declined by 8.3 percent since the last evaluation cycle. It is noteworthy that in fall 2022, PSU enrolled the highest number of under-represented students in the university's history, accounting for 27.1 percent of the student body.

Many students and prospective students at Portland State University, like their counterparts at other universities around the state and nationwide, continue to face significant challenges related to access and affordability. That shift has been particularly acute in Oregon in recent years, where students are paying the majority of the cost of their education while the state and institution fund the remaining one third. Partly because of state funding cuts, resident undergraduate tuition and fees at Portland State University increased 39.2 percent in the last 10 years, including increases of 2.6 percent and 4.1 percent in 2021-22 and 2022-23 respectively. Specifically, in 2022-23 tuition increased by 3.6 percent and fees increased by 6.2 percent. Resident graduate students have faced similar increases. In the 2021-22 academic year, PSU recorded \$9,564,771 in resident tuition remissions (7.1 percent of resident gross tuition charges), which is a 16.7 percent decrease over the prior year. The year prior, the 2020-21 academic year, PSU recorded \$11,486,370 in resident tuition remissions (8.1 percent of resident gross tuition charges). The total cost of attendance for students includes significant expenses associated with housing, food, transportation, and textbooks. Portland State University estimates the average student budget for living expenses annually—\$18,639 for the 2022-23 academic year—exceeds resident tuition and fees of \$10,806.

Portland State University and OHSU celebrate a strong partnership with their School of Public Health with a focus on community-engaged learning and scholarship. Additionally, PSU has collaborated with OHSU to create the Homelessness Research and Action Collaborative (HRAC), which focuses on issues that lead to and perpetuate homelessness and works alongside community partners, elected leaders, and those experiencing homelessness.

Overall, PSU's finances have been largely stable despite a drop during FY2020. While PSU had an unadjusted CFI of near 3.0 in only one of the five years examined in this report, its overall level of stability puts it in a relatively strong position and indicates it is not likely to be unable to meet its fiduciary responsibilities in the near term. During FY22 they saw a substantial increase in CFI due to drops in pension liability and increases in auxiliary revenue. Overall, PSU faces a challenging enrollment environment, but is taking the steps necessary in collaboration with institutional stakeholders to manage future viability. PSU may face potential longer-term financial issues but is relatively well positioned in the short to mid-term to weather financial stresses. Portland State University's external funding from research grants and agreements for FY21 and FY22 totaled research expenditures of \$58.2 million and \$61.2 million respectively.

In 2021 and 2022, the PSU Board of Trustees appears to have met its legal responsibilities for providing public notice, accessibility, and records. The Board exercised many of the powers reserved for it under law, including presidential oversight, budget adoption, tuition adoption, debt issuance, and program approval (for HECC consideration).

As noted at the outset, this report describes performance in several areas that are of particular importance to the HECC and to the State of Oregon. In partnership with institutional leadership, legislators, and other stakeholders, the HECC will continue to consider modifications to this annual process and product in order to improve its usefulness to our universities and to the people of Oregon.

