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ABSTRACT

In assessing the impact of Oregon's program of state assistance of independent colleges, this study examines two critical dimensions of the receiving institutions: (1) the impact of their financial health; and (2) the subjective reactions of their administrative personnel in terms of how the funds are used and what, if any, special problems or advantages the program presents to their institutions. The impact of the program on the financial health of the receiving institutions is measured by an index of institutional financial health. The Index is composed of a series of ratio analyses using selected data from the annual Higher Education General Information System (HEGIS) reports. The Index design permits isolation of any one of nine categories of variables and thus permits evaluation of any one of the variables relative to the overall financial health of each of the institutions or of a group of institutions with a common intervening program, such as state assistance. The findings reflect both satisfaction on the part of the receiving schools and measurable improvement in the financial health of the institutions as measured by the Index. Appendices are included. (Author/MJM)

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OREGON
Educational
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A STAFF REPORT

IMPACT OF STATE ASSISTANCE ON OREGON'S PRIVATE AND INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION

JUNE, 1973

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IMPACT OF STATE ASSISTANCE ON OREGON'S PRIVATE AND INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION

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ABSTRACT

In assessing the impact of Oregon's program of state assistance to independent colleges, this study examines two critical dimensions of the receiving institutions: (1) the impact on their financial health, and (2) the subjective reactions of their administrative personnel in terms of how the funds are used and what, if any, special problems or advantages the program presents to their institutions. Although the immediate purpose of the study is to measure and evaluate the Oregon program per se, a primary goal is to develop a model for examining other programs of public assistance to private colleges and universities such as proposed federal programs authorized in the Higher Education Amendments of 1972.

The impact of the program on the financial health of the receiving institutions is measured by an index of institutional financial health. The Index is composed of a series of ratio analyses using selected data from the annual Higher Education General Information System (HEGIS) reports. The Index design permits isolation of any one of nine categories of variables (e.g., tuition, student aid grants, auxiliary enterprises, etc.) and thus permits evaluation of any one of the variables relative to the overall financial health of each of the institutions or of a group of institutions with a common intervening program, such as state assistance. The Index is further capable of tracing the impact of a controlled variable from year to year and/or from a base period average to a test year.

The findings reflect both satisfaction on the part of the receiving schools and measurable improvement in the financial health of the institutions as measured by the Index.

ACKNOWLEDGEMENTS

Many people have contributed professionally and personally to this assessment of the impact of state assistance to independent colleges and universities. As principal investigator, I am the primary beneficiary of those contributions.

To the entire staff of the Oregon Educational Coordinating Council I owe my thanks, especially to Dr. Robert Peck, Associate Director of the Council, without whose assistance and persistent encouragement, the proposal for the study would not have been completed.

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Dr. John Westine of the Educational Coordinating Council has been the major source of assistance in completing the design and computer programming. He has unselfishly and willingly assisted with problems relating to the research and production of the report. Also, I wish to express my appreciation for the programming contributions of Alan Eliason, who worked many weeks on the basic data source, preparing them for processing. John Rud and Pamela Siler, also of the Educational Coordinating Council staff, have been of substantial assistance in the completion of various phases of the research.

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All responsibility for any inaccuracies in production or reasoning is mine.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF APPENDIXES

CHAPTER I

Introduction

In 1971 the Oregon Legislature appropriated funds to be granted Oregon's independent colleges and universities for the purpose of reimbursing the institutions for the educational services that they are providing Oregon residents. A total biennial appropriation of two million dollars is being disbursed at the rate of $250 for every forty-five quarter hours of approved course work in non sectarian courses completed by resident undergraduates (see Chapter 693 Oregon Laws 1971 for complete conditions and specifics of these appropriations, see Appendix A).

During 1971-72, the first year of the program, individual institutions received state assistance in amounts ranging from $203,000 to $7,000. These funds represented from 4.7 percent to .6 percent of the operating budgets of the receiving institutions.

The legislation authorizing and funding the Purchase of Educational Services from Independent Colleges 1971-73, as it is officially known, followed a program similar in purpose developed by the 1969 Oregon Legislature through which colleges received payment from the state of $100 per Oregon resident attending full-time for one year. However, the 1969 program delivered the funds to the institutions via direct grants to students. Thus, it was more of a tuition discount than direct institutional aid (see Chapter 624 Oregon Law 1969, see Appendix B).

Administrative responsibility for the Purchase of Educational Services from Independent Colleges is assigned to the Oregon State Scholarship Commission. A circular from the Commission dated December 1971 and entitled "Regulations and Procedures" discusses the intent of the program:

> The Legislature of the State of Oregon has determined that the independent institutions of higher learning in the State of Oregon make an important contribution to post-secondary education in the state through the education of a substantial number of Oregon residents. Therefore, the state's duty to the public welfare through education may be achieved through the support of the non-sectarian educational activities of these institutions. Furthermore, many of Oregon's private and independent institutions of higher learning face financial difficulties. Should any be forced to close, many of their students would be forced to seek admission to public institutions, creating added financial burdens to the State of Oregon an (sic) impairing post secondary education in the State of Oregon. To reduce these hazards and improve all education in the State of Oregon, it is the intent of the legislature to purchase non-sectarian educational services from Oregon's non-public and independent institutions of higher education. To this end the legislature in the State of Oregon enacted into the Law House Bill 84 Chapter 693 Oregon Laws 1971 which authorized the Oregon State Scholarship Commission to enter into contracts with non-public institutions for the performance of non-sectarian education and appropriated monies to that end.

GENERAL FINANCIAL CONDITION OF INDEPENDENT INSTITUTIONS

Although it is difficult to generalize about such a diverse group of institutions as private colleges and universities in this country, or even within the State of Oregon, it is fair to assume that with few exceptions these institutions have encountered more serious financial problems within the past 10 years than during any other period

of their existence. The rising costs of instruction, capital construction, and maintenance have smeared the financial statements of many of these institutions with the red ink of deficit spending. Response to the imbalance in operating budgets has been an almost universal increase in student tuitions which is the major source of income for virtually all non-public institutions of higher education.

Rising costs and the resultant increases in tuition--along with steadily improving quality in public institutions--have left independent schools generally in a poor competitive position for attracting students. Thus, the private institutions are being squeezed between rising costs of doing business and increasing tuition rates--both of which have led to a declining market for their educational services.

As evidenced by the Oregon program under consideration here, the financial problems of these institutions have not gone unnoticed by federal and state legislators. However, to date there have been few attempts to remedy the essential problems.

On the national front, the United States Congress has approved an amendment to the Higher Education legislation of 1965 that authorized payment of direct assistance to private institutions, but at the time of this investigation the appropriation process has not progressed to a point of actual funding. Moreover, since the President's budget for fiscal year '74 does not request funds for direct institutional aid, it is unlikely that there will be federal assistance in the near future. Provisions for the use of the money as set forth in the Higher

Education Amendments of 1972 relative to direct federal assistance to private colleges is basically the same approach as represented in the 1971 Oregon Program, but the formula for awarding the funds is substantially different.

Potentially, a federal program--if and when funded--could be the elixir private colleges need to regain some of their strength, if such programs of federal assistance do not pose a threat to their basic autonomy and character.

OBJECTIVES OF THE INVESTIGATION

The first principal objective relates to developing a model for investigating the impact of governmental assistance to independent institutions of higher education, particularly as it might relate to the potential impact of federal efforts as defined in the Higher Education Amendments of 1972. If a viable approach is forthcoming it could affect pre-administrations controls of at least a portion of federal institutional aid funds as research provisions and controls could be built into the administration of the program from the outset.

The second principal objective is to assess the actual impact of Oregon's contract services approach and analyze the financial results on the receiving institutions. To date there have been no known efforts by the private institutions or the state legislature to evaluate the effects of the 1971 appropriations. Thus, it is not clear whether the state funds are having any significant effect on selected financial and other dimensions of the growth and stability of the receiving institutions. A critical part of the assessment is to review the attitudes of administrators of institutions receiving the state funds and to review their objectives

regarding the purposes and success of the Oregon program. Their attitudes must be known as they will likely have an important bearing on the skeletal design of future state assistance programming or revision of the current program.

Questions

In pursuit of these two principle objectives, there are several substantive questions that this investigation addresses regarding the actual impact of the 1971 State of Oregon program while attempting to meet a primary objective of developing a model to research the impact of governmental, direct assistance to private institutions. The first such question is simply: How have the receiving institutions used the funds? Part of the answer can be found in the analysis of basic data submitted by all the institutions via the annual Higher Education General Information System (HEGIS) reports. A second part is in the direct contact with personnel of the colleges and universities who are and have been key in determining actual expenditure patterns.

The second question. Have the institutions preplanned the expenditures and dedicated anticipated income from the state program to special areas of need or interest such as admissions, student financial aid, etc? For an answer, the investigation is essentially dependent on the subjective reports of the administrative staff of each institution.

The third question: Are the uses of these special appropriations noticeably different from the expenditures of resources coming from ordinary sources of income and, if so, in what ways? Again, the answer is found in the several responses of the institutions' personnel.

A fourth area of questioning: Is there a percentage of total resources that is a threshold before programs such as state contract services programs are capable of delivering a significant impact? In other words, how does the impact vary as dollar amounts vary in proportion to total revenues of an institution? Can the impact be enhanced by determining in advance what the critical level of state or federal support might be for each participating institution and fund accordingly?

Finally: What efforts have the colleges and universities undertaken to investigate any possible "costs" of accepting the public funds in terms of decreasing autonomy and in changing academic and financial characteristics of their institutions?

In seeking answers to the specific questions, the following terms need explicit definition:

1. Direct Financial Assistance. State or federal funds appropriated to private institutions for use at the discretion of the receiving institutions. While the funds may be delivered to the colleges and universities through formulae developed by a governmental agency and still qualify as "direct financial assistance," there must be no restrictions placed on the institutions regarding expenditures of the funds.
2. Independent College or University. An institution of higher education (post-secondary) offering an undergraduate curriculum that is accredited by the appropriate accrediting agency as offering course work acceptable for transfer to other accredited colleges and universities. Such an institution must be governed by an independent Board of Trustees selected or appointed by a

process free of all local, state, or federal governmental procedures and requirements.

3. Institutional Financial Health. The Department of Health, Education and Welfare has developed a system of collecting and recording financial and other data from all institutions participating in any one of HEW's se ral programs. The system, as mentioned above, is called the Higher Education General Information Survey. HEGIS reports include basic information required for assessing the financial condition of the participating institutions including income from endowments, auxiliary enterprises, student tuition, and information regarding basic expenditure patterns. The relationships between the types and proportion of resources and expenditures are the ingredients for the Index of Financial Health through which the financial conditions of individual institutions can be determined and quantified. The Index presumes to reflect the overall conditions of the institutions in comparison with other institutions of the same character and for the same years. Detailed explanations and descriptions of the Index of Financial Health will be developed below.

There are essentially three parts to this investigation: (1) an introduction and description of, and the reasons for the study and research approaches; (2) the development and analysis of the Index of

Institutional Financial Health covering the four years of the investigation; and (3) an analysis of several interviews conducted on each of the college campuses.

To complete these, the following sources of information and techniques have been employed.

Sample. The sample includes all private and independent colleges and universities in Oregon accepting funds for the 1971 Oregon Education Contract Services Program of which there are 14. Within the institutions various individual administrators and trustees have been contacted through interview procedures and completed the interview schedule and/or questionnaire. Fourteen colleges of the sample include Concordia College, George Fox College, Lewis and Clark College, Linfield College, Marylhurst College, Mount Angel College, Mount Angel Seminary, Museum Art School, Pacific University, Reed College, University of Portland, Warner Pacific College, Western Baptist Bible College and Willamette University.

Data Collection and Analysis. The data base includes basic information pertaining to the finances, enrollment, and programs of the independent colleges and universities in the sample. The base period includes the academic years 1968-69, 1969-70, 1970-71--the three-year period preceding the first appropriations to independent colleges and universities through the 1971 state assistance program. Test year data are those derived from the 1971-72 academic year. (See appendix C and D for copies of the data collection instruments.) The data analysis is essentially descriptive rather than statistical although some statistical techniques have been employed to validate or invalidate observations of the investigator. There are some statistical analyses

in connection with the review and interpretation of the response patterns to the attitudinal information gathered in the interview process.

For the basic computations used in developing the Index of Institutional Financial Health a computer program developed by Alan Eliason was used.[1]

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[1]Eliason, Alan L., and Blandin, James S., Ratio Analysis in Higher Education, Educational Coordinating Council (State of Oregon), September, 1972.

CHAPTER II

REVIEW OF RELEVANT LITERATURE

There are few sources of up-to-date information dealing specifically with the financial health and stability of private colleges in Oregon or elsewhere. Similarly, there are few articles--to say nothing of comprehensive research efforts--addressing the issue of public assistance to private higher education. Presumably, the possibility of relevant writing in this area reflects the lack of attention that has until recently been given to the financial problems of private institutions by government officials or other groups in positions to offer significant relief.

Increasing attention will likely be given to this issue as there are signs that a growing number of states are becoming involved in the process of providing direct financial assistance to the heretofore fully private sector of higher education. Also, as was pointed out above, the Federal government, through the Higher Education Amendments of 1972, authorized, but has not appropriated, a program of direct institutional aid.

Until three years ago, only two states--Oregon and Illinois--had researched and interpreted the financial and enrollment problems facing independent higher education to a significant degree. However, since then a number of states--specifically New York and Connecticut among others--have begun to focus on this portion of the higher education enterprise.

In 1968, the Oregon Educational Coordinating Council sponsored a research effort drawing upon the resources of Oregon's Association

of Private Colleges, the Oregon Legislature, and personnel from public higher education to examine the question of public aid to private colleges. In October 1968, the Council published its report under the title: State Assistance to Private Higher Education in Oregon. The report included suggested levels of funding for initial legislative proposals and contained drafts of possible legislation. The efforts of this task force in Oregon laid the groundwork for the current program of state assistance and was the immediate source of support of the now discontinued program instituted by the 1969 Legislative Assembly.

A similar, if not more comprehensive set of recommendations, was developed in Illinois less than a year following Oregon's report. Illinois' report, Strengthening Private Higher Education in Illinois: A Report on the State's Role, was generated in response to cries for help directed to the Illinois General Assembly during its 1967 session by friends and officials of private higher education in Illinois. Governor Richard Oglivie and the Illinois General Assembly responded by appointing a Commission to study non-public higher education headed by T. R. McConnell, Director of the Center for Research and Development in Higher Education, University of California at Berkeley. The Commission also included Samuel B. Gould, Chancellor of State University of New York, among other well-known educators and financiers. Despite strong recommendations for direct state assistance from the McConnell Commission, funding has been slow in coming.

It is significant to this review of literature that neither the Oregon nor Illinois study, despite the thoroughness of each, included any references to general literature on this topic. Those studies

relied almost exclusively on standard statistical sources as their chief references.

Recently, a number of states have developed position papers, undertaken special research and have appointed task forces to review the plight of independent higher education within their states and, in some cases, their regions. One of the more impressive efforts is in Connecticut. The Connecticut report entitled, An Assessment and Projection of the Resources and Needs of Independent Higher Education in Connecticut; filed in March 1971 and revised in July 1972, follows the format generally of that which was produced in Oregon in 1968. That report reasserts the case for the importance of a continued and healthy private higher education system.

The Connecticut recommendations include a state grant of $1,000 to go to independent colleges for each resident full-time equivalency for one year. The only stipulation is that 80 percent of the grant must be returned to the students in the form of financial aid. Unlike some of the other states, including Oregon, the Connecticut recommendations extend the privileges to part-time undergraduate and to graduate students. The Connecticut proposal is in many ways similar to Oregon's program of contract services although the premium paid by the state is substantially higher. But, it is also worth noting that the proviso for returning 80 percent of the grant to the student puts the program outside the strict definition of direct assistance as used in this investigation.

An important added facet to the Connecticut proposal is the inclusion of goal statements and planning statements of the 17 institutions involved in their program which further extends the concept of contract

services. That is to say, the state, by virtue of receiving and filing the statement of goals and objectives from each of the institutions, knows in advance basically the kinds of services for which it has contracted.

A Plan of Action for Financing Higher Education in the State of New York was completed in December 1971 by the State Commission on Independent Colleges and Universities. The Commission acknowledges the contribution that private higher education makes to the total educational system in New York and recommends a plan for public institutions to charge the full cost of tuition for students who can afford to pay. At the same time, the Commission report recommends expanding a "scholar incentive" plan which would facilitate attendance of those students who are interested in either public or private schools.

Since the December 1971 report, New York has continued to study its situation and has published two additional position papers dealing with the question of financing. "Financing Higher Education Needs in the Decade Ahead" was published by the Board of Regents in January 1972 and revised in June 1972. Accompanying that report, the publication New York State's Higher Education System: Progress and Problems was published and built a strong narrative case for the development of new methods of financing.

Minnesota published in 1970 a booklet, Minnesota Private Higher Education which like other states describes the role of private higher education in the statewide scheme for educational services.

Similarly, Virginia in its Report of the State Council of Higher Education for Virginia Responding to Senate Joint Resolution No. 211971 Session of the General Assembly concludes that the private sector has

something to contribute to the total educational offerings of the state and it is worthy of state consideration to contract for some of these services in order to maintain the health and welfare of the private institutions.

In 1971, the New Jersey State Board of Higher Education proposed a system of contracting for educational services and is expected to be operational in the 1972-73 academic year. The New Jersey Plan for Contracts with Independent Colleges calls for a three-pronged approach. The first covers an incentive for redistributing the enrollment patterns from public schools to private institutions. A second program suggests giving New Jersey residents a major portion of the institutional aid in the form of reduced costs to students. Finally, a third contract program offers the receiving institutions $300 for each resident receiving state-based financial assistance. Although the New Jersey State Board of Higher Education has budgeted $7 million for the program, it is not yet functioning.

Massachusetts and North Carolina have approached their investigations of the condition of private higher education in their states with more of a problem orientation. Massachusetts in January 1970 published Financial Problems of Massachusetts Private Higher Education. This report of a special study committee appointed by the Governor suggests simply that disaster appears to be around the corner for private higher education in Massachusetts unless a new approach to financing is found along with some new sources of funds which might reasonably include the state. The Committee proposed that institutional grants be offered based on a complicated formula of degrees awarded to Massachusetts' residents. The amount of the award to the institution

would be tied on the cost of completing a similar degree conferred by a state institution.

In April 1971, the North Carolina Board of Higher Education published Private Higher Education in North Carolina: Conditions and Prospects. The review of the financial plight of higher education in North Carolina resulted in recommendations for expanding the state-based student financial aid programs to include more funds going to a greater number of students in the private institutions.

Ohio, Washington, Missouri, and California among others have undertaken studies similar to those described above. The investigator became acquainted with the details of the studies, and in most cases read copies of the actual reports following a request for information from each of the fifty states. Appendix E is a copy of the letter requesting the information set forth in the following table which summarizes the condition of state interest in and/or assistance to private higher education as reported in the survey of July 1972.

	DIRECT ASSISTANCE	TUITION EQUALIZATION	STUDENT AID	NONE	NO RESPONSE
Alabama					X
Alaska					X
Arizona (Bill failed last year)				X	
Arkansas (Under study)				X	
California			X		
Colorado			X		
Connecticut (New laws being prepared)	X		X		
Delaware				X	
District of Col.					X
Florida			X		
Georgia					X

	DIRECT ASSISTANCE	TUITION EQUALIZATION	STUDENT AID	NONE	NO RESPONSE
Hawaii				X	
Idaho				X	
Illinois (One year old)	X		X		
Indiana (Great conf. report)				X	
Iowa			X		
Kansas					X
Kentucky (Very small)			X		
Louisiana					X
Maine		X			
Maryland (By degrees earned)	X				
Massachusetts					X
Michigan (Direct aid under study)			X		
Minnesota	X				
Mississippi (Bill failed in committee)				X	
Missouri					X
Montana				X	
Nebraska				X	
Nevada					X
New Hampshire				X	
New Jersey	X				
New Mexico				X	
New York (By degrees earned)	X				
North Carolina (Direct aid for increase over base year)	X		X		
North Dakota				X	
Ohio					X
Oklahoma (Defeated student aid bill 1971)				X	

	DIRECT ASSISTANCE	TUITION EQUALIZATION	STUDENT AID	NONE	NO RESPONSE
Oregon	X		X		
Pennsylvania (Big program)			X		
Rhode Island				X	
South Carolina			X		
South Dakota					X
Tennessee					X
Texas		X			
Utah					X
Vermont			X		
Virginia			X		
Washington					X
West Virginia					X
Wisconsin			X		
Wyoming				X	

A Ph.D. dissertation completed at Temple University in 1971 by J.R. Stang describes various proposed programs of state assistance as they existed prior to 1971. Mr. Stang urges states to consider state aid to private colleges in the interest of both the state and the private institutions.

PERIODICALS

Beyond these specific and proposal oriented publications described above, some research is beginning to appear in the trade journals. In May, 1972 College and University Business carried in article by John Wish, Romney Cook, and Gregory Maltby of the University of Oregon discussing the financial plight of the private institution. The authors used a chart showing how continually increasing tuition costs in the private schools led to simultaneous decline in plant and staff utilization. Basically,

they believe two alternatives for remedy are possible: (1) public subsidies to all institutions providing post-secondary educational services or (2 public support for citizens (students) desiring and qualifying for post-secondary educational services. The authors favor the second alternative which they argue will lead to a greater "diversity" of post-secondary institutions in response to diverse citizen demand, backed by buying power for post-secondary education.

U.S. News and World Report, September 1972 reinforces the argument made by Wish et al., regarding the declining utilization of physical plants in the private colleges and agree that rising tuition costs have contributed directly to the underuse of space and staff.

CONCLUSIONS

The only conclusions to be reached from reviewing the literature seem to be: (1) that a multitude of proposals of varying types are emerging from virtually all state legislatures and governing boards for a public-based support of higher educations in the United States, including partial support of the financing of private higher education; and (2) there seems to be clear recognition that the private sector has a contribution to make to the total educational system of the state and the nation.

Very little is reported in the way of success or actual implementation of any of these programs. The files that have been received through soliciting information from the other states are substantial and report a commonality of approaches as reflected in the foregoing chart. There really are few alternative approaches to the state support of independent higher education and with very little opportunity to date for studying the effect or the impact of any of the alternatives.

Hopefully, what follows will offer a possible approach to assessing the effect and can be used by states considering launching programs of assistance to private higher education. It is also hoped that federal attempts--if executed--may be preceded by some systematic means of evaluating the effectiveness of the assistance.

CHAPTER III

CONSTRUCTION OF AN INDEX OF INSTITUTIONAL FINANCIAL HEALTH

In answering the question--what is the impact of Oregon's program of providing direct financial assistance to independent colleges and universities?--one is faced immediately with the problem of understanding the basic nature and condition of the financial situation of each of the institutions receiving the funds. The understanding must be sufficient to permit analysis of interventions such as state aid. To complete such an analysis it is necessary to develop a quantified expression or index of institutional financial health capable of reflecting the financial character and condition of each institution for each year under consideration. At the same time, the bases of the index must be derived from a standard set of assumptions and variables.

After developing an index, it becomes possible to trace the financial condition of an independent institution over a number of years, and with varying degrees of specificity, observe which of the general financial characteristics are having the significant impact, and moving the index values in positive or negative directions.

It is further possible, once such an index is operational, to control various factors and isolate the effect of individual interventions. Thus, the creation and development of an index of institutional financial health is the key to the objective analysis of the impact of state assistance to independent colleges as provided for

under Oregon's program--Purchase of Educational Services from Independent Colleges 1971-73.

HEGIS REPORTS

Since 1966, the Oregon Educational Coordinating Council has been the agency coordinating the receipt and processing of the Higher Education General Information Survey (HEGIS) reports as required by the Department of Health, Education and Welfare. All institutions participating in any one of the several HEW programs are obligated to file annual reports in November following the close of the previous fiscal year. As is typical of the reports filed in most states, the reports of the first few years are sketchy and inconsistently completed. Thus, the data for the 1966-67 and 1967-68 fiscal years are replete with problems and on the whole are unreliable for use in researching financial questions. However, beginning with the 1968-69 fiscal year--presumably as a result of the growth and experience of the participating institutions and the commitment of the staff of the Oregon Educational Coordinating Council--the data are more consistent and lend themselves to reliable research efforts.

For purposes of this investigation, and another conducted under the auspices of the Oregon Educational Coordinating Council, the data from the HEGIS reports, beginning with the 1968-69 fiscal year and continuing through 1971-72, have been standardized, sifted and generally cleaned-up to enhance their reliability. When questions have arisen regarding any of data filed, calls directly to the financial offices and other appropriate administrators of the participating schools have

helped to clarify any uncertain points. Also, the data have been standardized by computer program to be consistent with the format of the 1971-72 HEGIS report forms. Thus, for the immediately preceding four years we have data that are quite dependable and usable in developing the Index of Financial Health.

The original design of this investigation included a five-year base period for each of the fourteen schools in the sample beginning with the fall of 1966. However, as mentioned above, the data for the first two of these years are unreliable and it was deemed inadvisable to include them. As the investigation progressed, a three-year base period (1968-69, 1969-70, and 1970-71) appeared to be adequate and permitted proper procedural controls.

The Index of Financial Health is based primarily on a series of computations drawn from the report, Financial Statistics of Institutions of Higher Education (OE Form No. 2300-4). The Financial Statistics report contains essential financial information including basic revenues and expenditures, physical plant values and indebtedness, and endowment information. (See Appendix C.)

For the purposes of the Index, the following nine variable categories were used:

1. Condition of institutional endowment
2. Tuition
3. Physical plant assets and debt
4. Student Aid Grants
5. Gift income

6. Sponsored research
7. Auxiliary enterprises
8. State assistance program
9. Year-end comparisons of expenditures and revenues (budget analysis).

These variable categories are not of equal consideration in defining the financial health of an institution. Therefore, it was necessary to weight each factor by deriving a constant value for each. These constants are used in developing quantitative aspects of the Index which are explained below.

In reviewing alternative ways of assigning weights to each of these categories there appeared to be no record of previous research or experience to guide the investigator. Recognizing that the weighting would inevitably be subjective in character, it seemed most appropriate to call upon administrative personnel from the institutions for assistance in assigning the weights.

Accordingly, each institution was visited and the president interviewed. The purpose of the interview was two-fold: (1) obtain his judgment regarding the weights of the variable categories, and (2) administer a general interview schedule to assist in completing a later section of the research design. (See Chapter V.)

Each president was asked to assign a percentage value to the nine variable categories discussed above in terms of their significance to the financial health of his institution. Each president was instructed that the aggregate of the values should not exceed 100.00. After collecting and analyzing the judgments of the 14 college presidents, each

variable category was assigned the average value or "consensus opinion" of the presidents. Variable number 9 was the only one where the constant value was not determined by the opinions of the presidents. Because of the general nature of that category, there is substantial overlap with the other variables causing an uncontrollable complication for the consensus procedures. The weighted constant value for that category was derived by the principal investigator in consultation with the research staff of the Oregon Educational Coordinating Council and mathematically integrated into those set by the presidents. In addition, the original list of variables as weighted by the presidents included a category that was eliminated after the interviews and upon the advice of the presidents.

The underlying purpose in weighting the variable categories is to establish the relative importance of each of the variables. Thus, it is possible to accomplish by simple mathematical procedures the removal of the category described above and the inclusion of another with a value assigned by the principal investigator, while keeping constant the internal relationships of the values as set by the presidents.

The following table shows first the adjusted averages of the actual responses to the variable categories as presented. The second column shows the actual response plus the inclusion of variable number 9 (value assigned by the investigator). The third column reflects the adjustments for both the inclusion of variable number 9 and the state assistance variable category.

Table 1

AVERAGE VARIABLE CATEGORY WEIGHTS
AS DETERMINED BY PRESIDENTS OF SAMPLE INSTITUTIONS

Variable Number and Identification	Adjusted[1] Actual Average Response	Adjusted[2] Ave. for Inclusion of Variable #9 Weighted by Investigator	Adjusted[3] for Inclusion of Variables #9, #8 (State Assistance)
1. Institution Endowment	5.01	3.99	3.81
2. Tuition	41.61	33.07	31.62
3. Physical Plant	11.63	9.25	8.84
4. Student Aid Grant	7.05	5.61	5.36
5. Gift Income	19.02	15.12	14.46
6. Sponsored Research	.52	.42	.40
7. Auxiliary Enterprises	9.41	7.48	7.15
8. State Assistance Program	5.78	N/A	4.39
9. Revenues/ Expenditures	N/A	25.10	24.00

[1]Adjusted to eliminate one variable category.

[2]Weighted constants used 1968-69, 1969-70, 1970-71 (factors out State Assistance during base period).

[3]Weighted constants used for 1971-72 (test year).

For the 1968-69, 1969-70, and 1970-71 fiscal years, column number two is the constant values for the weighted variables used in the development of the Index for the base period. Column number three is the constant values for the last year. Because state assistance is the intervention being measured, it was factored out of the base period and integrated into the test year.

VARIABLE CATEGORIES

The nine variable categories identified above need further definition and explanation to make the concept of the Index of Financial Health more intelligible. Within each of these variable categories there is a series of computations yielding percentages. The computations are based on actual data for each institution relative to each year under consideration. The results of the computations are analyzed in terms of the direction of their movement as they reflect positively or negatively on financial health. The variable categories are defined as follows:

(1) Institutional Endowment. Within the endowment category there are four basic computation sets comparing the endowment principal and income to the total current funds and expenditures, educational and general revenues, student tuition, and enrollment data.

(2) Tuition Income. There are five computation sets in the tuition income category including standard comparisons with the total of other sources of revenues, expenditures, head-count enrollment information, and direct comparisons with the state aid program.

(3) Physical Plant Assets and Debt. Beyond the standard comparisons of expenditure and revenue totals there are three other

computations including enrollment, auxiliary enterprises, and debt structure.

(4) Student Aid Grants. Again, comparisons are made with the total revenues and expenditures for each year, for each institution, plus other selected comparisons with tuition income. Altogether, there are six computation sets contributing to the values within this variable category.

(5) Gift Income. Computations extend beyond the basic comparisons to total revenues, expenditures and enrollment information and focus on student aid grants plus other selected revenue categories. Altogether, there are four computation sets within this category.

(6) Sponsored Research. Only three computation sets are developed with sponsored research and they are simply with the basic revenue and expenditure areas. The reason for so few is that in the collective judgment of the presidents the constant value was set at .52 on a scale of 100.00. (See above chart of weighted values).

(7) Auxiliary Enterprises. There are seven computation sets contributing to this variable category for each institution for each year, with several comparisons within the expenditure and revenue totals and the enrollment matrix series of the HEGIS Report. The value as determined by the Presidents is a moderate 9.41.

(8) State Assistance. Because this is the central variable to be tested there were seven computation sets relating the state assistance program to enrollment, revenue, expenditure, and

other selected variables. It is interesting to note that in the judgment of the Presidents the weighted value for this category was only 5.78 on a scale of 100.00.

(9) Revenue and Expenditure Comparisons. The weighted constant for this variable was 25.1 on a scale of 100.00. Therefore, it is a very influential contributor to the Index of Financial Health. The underlying computations on this category are essentially budget analyses showing percentage comparisons of operating surpluses and/or deficits for each institution each year. Altogether, there were eight internal computation sets in establishing the values for each school each year within this category.

DIRECTION OF INDEX VALUES

With the weighted constants for each of the variable categories, and with the computation sets within each of the categories identified and executed, the next step is to determine direction of movement of the computed percentages in terms of their effect on the financial health of the institutions they represent. In other words, does a higher percentage in any given computation indicate a greater degree of financial health or a lesser degree of financial health?

To illustrate the meaning of the above process, it may be helpful to review two of the over 2,700 actual computations forming the Index of Financial Health:

(1) When comparing educational and general expenditure totals for a one-year period against private gifts (with the educational general expenditures the denominator and the private gifts the numerator), the higher the resulting percentage, the greater degree of positive financial effect it represents. In this example, the higher numbers represent positive movement and the lower percentages negative movement.

To illustrate with hypothetical dollar amounts, assume that the total educational and general expenditures for institution A for one year was one thousand dollars. Assume further that the same institution for the same year had private gifts totaling one hundred dollars. Dividing the educational and general expenditures of one thousand dollars into the private gifts of one hundred dollars you can conclude that 10 percent of its educational and general expenditures could be covered from gift income. $\frac{100\ GI}{1000\ E + GE} = .10$

On the other hand, assume institution B had one thousand dollars in annual educational and general expenditures in a given year but had one hundred-fifty dollars in gift income. By the same computations described above, institution B would have 15 percent of its educational and general expenditures offset by private gifts. $\frac{150\ GI}{1000\ E + GE} = .15$. Thus, the positive impact is represented in the higher percentages.

(2) An example of positive impact being represented by movement toward smaller percentages can be found in one of the computations related to auxiliary enterprises. Specifically, when auxiliary enterprises expenditures are divided by auxiliary enterprises revenue, the smaller the percentage the more favorable the impact on the financial health of the institutions.

Because it was necessary to ascertain the negative or positive effect of the direction of each percentage within each computation set, each series of computations was reviewed and assigned the appropriate value direction. An example of a computation set would be auxiliary enterprises expenditures divided by auxiliary enterprises revenues for each year and for each institution.

CONVERSION SCALES AND VALUE ASSIGNMENTS FOR EACH PERCENTAGE

After completing the foregoing steps, there is assigned a value to each percentage frequency for each school, for each year by using a minus five to plus five value scale. Because there is no known or previously established means for assigning such a value, it was decided by the principal investigator in consultation with Chairman of the mathematics department of Willamette University to use the principles of a deviation method in assigning the values.

To do so, it is first necessary to determine the upper and lower limits of the frequencies in each set of computations. Next, the range is determined by simply subtracting the lower limit frequency from the upper limit frequency. The scale (ranging from minus five to plus five) values are then determined by calculating the mean of the set to which a factor equalling one-half the percentage covered by the first standard deviation of a normal distribution is added and subtracted.

In other words, a zero value is equal to one half of the first standard deviation times the range added to and subtracted from the mean. Plus one is equal to (assuming that higher percentages represent a positive effect on the financial health of the institution) one half of the first standard deviation times the range and added to the last frequency in the zero range. Minus one would be equal to the mean minus one half of one standard deviation times the range and so on through plus or minus three. Beginning with plus or minus four the factor becomes half the second standard deviation times the range. Plus or minus five is equal to half of the second standard deviation times the range for any frequencies beyond the upper limits of plus or minus four.

The following is an example set of computations (auxiliary enterprises revenues divided by student tuition and fees).

Table 2

HEGIS STATISTICS SUMMARY AND PREDICTION ANALYSIS

Variable Title
Auxiliary Enterprises - Total
Student Tuition and Fees

HEGIS CODE NO	Ratio Detail for Private Colleges			
	1968-69	1969-70	1970-71	1971-72
3191	2.39=N/A	3.22=N/A	2.19=N/A	2.25=N/A
3194	0.50=+1	0.62=+2	0.49=+1	0.46=0
3197	0.44=0	0.39=0	0.33=-1	0.33=-1
3198	0.71=+4	0.51=+1	0.55=+1	0.60=+2
3199	0.78=+4	0.82=+5	0.85=+5	0.59=+2
3202	0.41=0	0.35=0	0.30=-1	0.24=-2
3203	0.0=N/A	0.0=-5	0.09=-4	0.07=-4
3207	0.0=-5	0.0=-5	0.0=-5	0.0=-5
3212	0.50=+1	0.47=0	0.36=0	0.35=0
3217	0.32=-1	0.28=-1	0.26=-2	0.24=-2
3224	0.59=+2	0.48=0	0.39=0	0.37=0
3225	0.39=0	0.40=0	0.23=-2	0.33=-1
1339	0.0=N/A	0.86=+5	0.77=+4	0.70=+4
3227	0.54=+1	0.48=0	0.45=0	0.42=0
	11)5.18	13)5.66	13)5.17	13)4.70

Σ 20.71 ÷ 50 = .41

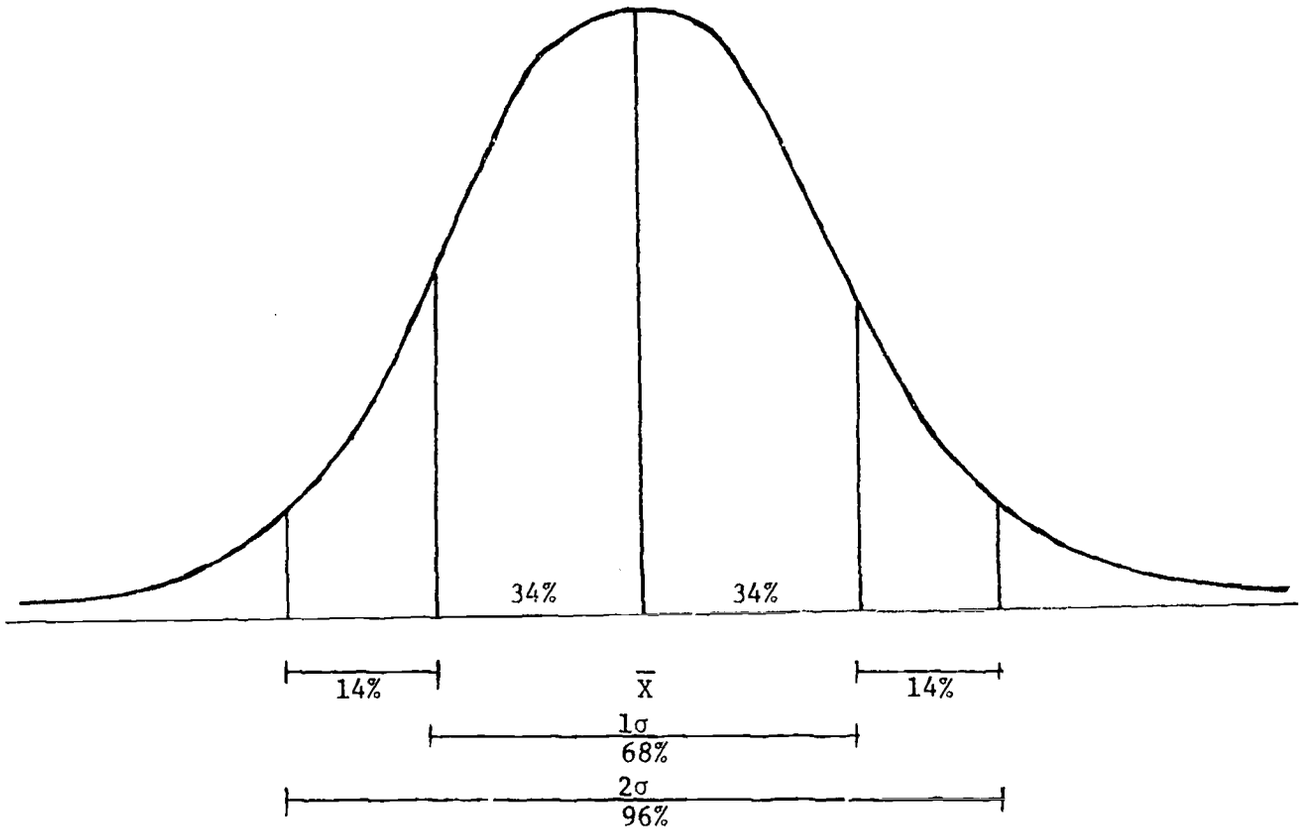
-5 = .00
-4 = .01 to .12
-3 = .13 to .19
-2 = .20 to .26
-1 = .27 to .33
0 = .34 to .48
+1 = .49 to .55
+2 = .56 to .62
+3 = .63 to .69
+4 = .70 to .81
+5 = .82 or above

σ.68 ÷ 2 = .34
σ.34 ÷ 4 = .085
σ.28 ÷ 2 = .14

.085 x .86 = .07
.14 x .86 = .12

Upper limit: .86
Lower limit: .00
Range: .86

The upper limit is .86 and the lower limit is .00. Thus, the range is .86. The mean for this set is .41. Accordingly, a zero value is equal to those percentages falling between .34 and .48. The zero value is derived by multiplying .085 by .86, which is the range of the distribution. The product rounds to .07. The multiplier is 0.85 as it represents one-half of the first standard deviation of a normal curve (first standard deviation encompasses 68% of the distribution). That percentage is divided in half, which in turn is divided by 4 (.68÷2=.34, .34÷4=.085). Therefore, in the case of this computation set zero is equal to the mean plus and minus .07 (.41-.07=.34 and .41+.07=.48).



σ.68÷2=.34
σ.34÷4=.085
σ.28÷2=.14

The .14 is used as the multiplier for the ± 4. and represents the additional portion of the distribution covered between the first and second standard deviations. The second standard deviation overall extends to .96. By substracting the second standard deviation of .96 from the first standard deviation of .68, there is an additional area of .28, half of which is .14. Thus, + 4 of the scale includes all frequencies of .70 to .81 (the next possible frequency beyond the plus 3 range is .70 and .11 added to that frequency results in an inclusive range of .11). The +5 value begins with the next available frequency above the last one of the +4 range and extends to all other higher frequencies. The minus values of the scale are determined by returning to 0 and applying the same factors in the opposite direction as was done for the positive values.

After the value scales are developed for each set of computations, each frequency is assigned its appropriate value ranging from -5 to +5. After assigning a value to each frequency within each set of computations, it is then necessary to group the sets of computations according to the nine variable categories described above. Appendix F is a copy of the index variable form used to compile the variable values by year and by institution for each frequency in each computation set. By using the index variable form, it is possible to sum the various frequencies and permits the calculation of a mean value. Again, this is done by variable category, by year, and by institution.

The average value is then added to a constant of five (by using a constant of five it is possible to convert from a -5 to +5 scale to a 0 to +10 scale and thereby eliminate negative numbers in the Index). After adding five to the average variable value, the sum is multiplied by the weighted constant value (as determined by the consensus procedures des-

cribed above for the appropriate variable category). The product is the variable value. After processing each variable category, the variable product values are summed and become the coefficient of financial health.

To illustrate this last phase of the development of the Index of Financial Health, the information from one of the index variable forms will be used to produce an actual situation. The case in point is institution #3191 (HEGIS Code Number). For the 1968-69 year, there were four sets of computations with frequency values of -2, -2, -4, -2. The sum of the four frequency values is -10. By dividing -10 by 4 (the number of frequency values) the average value is -2.5. By adding 5 to -2.5 the converted average value becomes 2.5. The average value of 2.5 multiplied by 3.99 (the weighted constant value for variable one for 1968-69) equals the variable product value of 9.98. The value 9.98 becomes one of eight values (in 1971-72 it would be one of nine) derived by similar methods by category, by year, and by institution. These values are summed to produce a coefficient of financial health ranging from 0 to 1,000.

Altogether there were 504 index variable forms used in this final phase of determining the Index coefficients. The tables in the next section of this report summarize by variable category, and by year the coefficients of the Index of Financial Health for each of the fourteen institutions in the sample.

CHAPTER IV

APPLICATION AND ANALYSIS OF THE INDEX OF INSTITUTIONAL FINANCIAL HEALTH

After completing the procedures described in the foregoing chapter and applying them to the institutions in the sample for years under consideration, there is produced a coefficient of Financial Health. In addition, the numerical value of the contribution to the coefficient coming from each of the variable categories is identified by year and by institution. The details regarding the variable categories are useful in analyzing specific fluctuations overall and by institutions from year to year.

Two of the colleges under consideration--Mount Angel Seminary and Western Baptist Bible College--do not have applicable data available from the HEGIS materials for the first year of the base period, 1968-69. Therefore, it is not possible to compare them with the other institutions in 1968-69 nor to develop the trends as fully for these two institutions.

The following four pages include summary information relative to the institutions in the sample beginning with 1968-69 and continuing through 1971-72. Please note that category variable number eight, State Assistance Program, is the test variable; thus, it is accounted for only in 1971-72. The weightings for the other variables have been calculated and adjusted to permit a consistently proportionate relationship among the categories.

Line number ten, identified as "Totals", is the summation or actual coefficient of the Index of Financial Health for the college

or university identified at the top of the column. Beneath the totals column on each of the summary charts, the mean Index value is identified. This is a collective mean for all the institutions for that year. In the far right column, there is a variable mean for each year against which comparisons can be made in analyzing the category variations within any one of the institutions. For example, tuition income mean in 1968-69 for all of the schools is 166.44. Comparisons by institution can be made against that overall variable mean. Thus, in analyzing the fluctuations from year to year, or institution to institution, it is possible to trace the movement within each of these variables.

Table 3

INDEX OF INSTITUTIONAL FINANCIAL HEALTH - 1968-69

SUMMARY CHART

Variable No. & Identification	Concordia 3191	George Fox 3194	Lewis & Clark 3197	Linfield 3198	Maryl-hurst 3199	Mt. Angel 3202	Mt. Angel Seminary 3203	Museum Art School 3207	Pacific University 3212	Reed 3217	U of Portland 3224	Warner Pacific 3225	West. Baptist Bible 1339	Willamette University 3227	TOTALS	Variable Mean
1. Institution Endowment	9.98	39.90	18.95	27.93	9.98	9.98	N/A	29.93	26.93	20.95	19.95	10.97	N/A	28.93	254.38	21.20
2. Tuition	198.36	185.19	152.12	152.12	191.81	171.96	N/A	132.28	158.74	138.89	171.96	178.58	N/A	165.35	1,997.36	166.44
3. Physical Plant	39.31	69.38	46.25	34.69	48.56	57.81	N/A	4.63	46.25	60.13	55.50	69.38	N/A	46.25	578.14	48.18
4. Student Aid Grant	27.10	30.86	29.90	23.39	26.20	25.25	N/A	15.88	29.90	36.47	29.29	25.81	N/A	29.90	329.95	27.50
5. Gift Income	143.64	75.60	60.48	60.48	147.42	98.28	N/A	15.12	52.92	75.60	75.60	109.62	N/A	52.92	967.66	80.64
6. Sponsored Research	1.96	1.96	1.96	2.10	1.96	1.96	N/A	1.96	1.96	3.78	3.78	1.96	N/A	1.96	27.30	2.28
7. Auxiliary Enterprises	48.62	35.23	40.62	57.67	41.66	37.40	N/A	0	39.57	29.92	39.57	34.18	N/A	45.93	450.37	37.53
8. State Assistance Programs																
9. Revenues/ Expenditures	147.59	125.50	135.04	128.76	125.50	109.69	N/A	37.65	135.04	169.43	131.78	107.18	N/A	128.76	1,461.92	123.49
10. TOTALS	616.56	563.62	485.32	487.14	593.09	512.33	N/A	237.45	491.31	535.17	527.43	537.68	N/A	500.00	6,087.10	

Mean Index Value 507.26

Table 4

INDEX OF INSTITUTIONAL FINANCIAL HEALTH - 1969-70

SUMMARY CHART

Variable No. & Identification	Concordia 3191	George Fox 3194	Lewis & Clark 3197	Linfield 3198	Maryl-hurst 3199	Mt. Angel 3202	Mt. Angel Seminary 3203	Museum Art School 3207	Pacific University 3212	Reed 3217	U of Portland 3224	Warner Pacific 3225	West. Baptist Bible 1339	Willamette University 3227	TOTALS	Variable Mean
1. Institution Endowment	9.98	29.92	18.95	23.94	9.98	9.98	7.99	27.93	34.91	20.95	19.95	17.97	9.98	35.91	271.33	19.38
2. Tuition	211.65	171.96	145.51	152.12	198.42	165.35	181.89	145.51	158.74	125.67	165.35	165.35	185.19	158.74	2,331.45	166.53
3. Physical Plant	33.30	64.75	47.82	37.00	49.40	61.70	35.43	29.60	52.45	57.07	46.25	55.50	43.11	52.45	665.83	47.56
4. Student Aid Grant	34.61	27.10	29.00	29.90	23.39	27.10	37.42	25.25	31.81	33.66	33.66	29.90	29.00	30.86	422.66	30.19
5. Gift Income	151.20	75.60	52.92	71.82	139.86	83.16	115.97	52.92	52.92	56.70	60.48	94.50	75.60	52.92	1,136.57	81.18
6. Sponsored Research	1.96	1.96	1.96	2.10	1.96	1.92	1.96	1.96	2.10	3.78	1.96	1.96	1.96	4.67	32.21	2.30
7. Auxiliary Enterprises	57.37	44.88	38.45	43.83	42.71	33.14	12.49	0	37.40	28.87	35.23	34.18	64.10	37.40	510.05	36.43
8. State Assistance Programs																
9. Revenues/ Expenditures	156.88	125.50	131.78	131.78	81.58	122.24	106.93	40.66	141.31	178.96	131.78	119.23	90.86	131.78	1,691.27	120.81
10. TOTALS	656.95	541.67	466.39	492.49	547.30	504.59	500.07	323.83	511.64	505.66	494.66	511.59	499.80	504.73	7,061.37	

Mean Index Value. 504.38

Table 5

INDEX OF INSTITUTIONAL FINANCIAL HEALTH - 1970-71

SUMMARY CHART

Variable No. & Identification	Concordia 3191	George Fox 3194	Lewis & Clark 3197	Linfield 3198	Maryl-hurst 3199	Mt. Angel 3202	Mt. Angel Seminary 3203	Museum Art School 3207	Pacific University 3212	Reed 3217	U of Portland 3224	Warner Pacific 3225	West. Baptist Bible 1339	Willamette University 3227	TOTALS	Variable Mean
1. Institution Endowment	9.98	29.93	18.95	20.95	9.98	31.92	9.98	17.96	17.96	20.95	15.96	9.98	9.98	36.91	261.39	18.67
2. Tuition	198.42	158.74	145.51	132.28	191.81	171.96	171.96	77.05	158.74	138.89	152.12	165.35	165.35	158.74	2,186.92	156.21
3. Physical Plant	48.56	67.80	47.82	18.50	46.25	58.55	41.63	25.44	47.82	58.55	47.82	52.45	27.75	49.40	638.34	45.60
4. Student Aid Grant	30.86	31.81	29.90	32.71	29.00	24.29	29.90	43.48	31.81	34.61	25.25	27.10	36.47	34.61	441.80	31.56
5. Gift Income	113.40	79.38	64.26	60.48	139.86	71.82	68.04	41.58	56.70	68.04	71.82	68.04	75.60	56.70	1,035.72	73.98
6. Sponsored Research	1.96	1.96	1.96	3.92	1.96	1.96	1.96	1.96	3.36	4.06	2.10	N/A	1.96	1.96	31.06	2.39
7. Auxiliary Enterprises	59.84	37.40	36.35	49.14	49.14	28.87	17.43	0	37.40	27.75	35.23	24.61	63.06	39.37	505.79	36.13
8. State Assistance Programs																
9. Revenues/ Expenditures	150.60	144.33	135.04	138.05	141.31	119.23	100.40	78.31	150.60	178.96	125.50	106.68	103.41	147.39	1,820.01	130.00
10. TOTALS	613.62	551.35	479.79	456.03	609.31	508.60	441.30	285.78	504.39	531.81	475.80	454.21	483.58	525.48	6,921.05	

Mean Index Value 494.36

Table 6

INDEX OF INSTITUTIONAL FINANCIAL HEALTH - 1971-72

SUMMARY CHART

Variable No. & Identification	Concordia 3191	George Fox 3194	Lewis & Clark 3197	Linfield 3198	Maryl-hurst 3199	Mt. Angel 3202	Mt. Angel Seminary 3203	Museum Art School 3207	Pacific University 3212	Reed 3217	U of Portland 3224	Warner Pacific 3225	West. Baptist Bible 1339	Willamette University 3227	TOTALS	Variable Mean
1. Endowment	9.53	26.67	18.10	18.10	9.53	9.53	32.39	22.86	20.60	20.96	15.24	9.53	9.53	36.91 35.71	258.88 257.69	18.49 18.41
2. Tuition	196.04	151.78	139.13	145.45	177.07	145.45	164.42	151.78	158.10	132.80	158.10	139.13	158.10	152.12 145.45	2,169.47 2,162.80	154.96 154.49
3. Physical Plant	56.58	64.80	49.70	22.10	44.20	55.96	50.12	79.56	33.86	51.54	44.20	45.70	28.02	50.88 48.62	673.22 670.96	48.09 47.93
4. Student Aid Grant	28.57	30.39	28.57	28.57	32.16	23.21	24.12	33.07	30.39	31.25	21.44	26.80	18.76	35.51 33.93	392.81 391.23	28.06 27.95
5. Gift Income	36.15	75.92	50.61	68.69	137.37	57.84	47.00	36.15	50.61	61.46	72.30	90.38	72.30	56.30 54.23	913.06 911.01	65.22 65.07
6. Sponsored Research	N/A	1.87	1.87	1.87	1.87	1.87	1.87	1.87	2.80	3.47	1.87	1.87	1.87	1.96 1.37	26.93 26.84	2.07 2.06
7. Auxiliary Enterprises	50.05	32.68	34.75	51.05	37.82	21.45	14.30	0	35.75	27.60	32.68	28.60	52.12	38.45 36.75	457.30 455.60	32.66 32.54
8. State Assistance Programs	22.56	28.23	20.68	29.46	25.07	31.34	28.84	38.24	16.29	9.39	20.06	17.56	14.44	N/A 3.78	302.16 305.94	21.58 21.85
9. Revenues/ Expenditures	144.00	147.12	126.00	138.00	168.00	123.12	84.00	90.00	132.00	159.12	126.00	138.00	102.00	156.88 150.00	1,834.24 1,827.36	131.02 130.53
10. TOTALS	543.48	559.46	465.41	503.29	633.09	469.77	447.06	453.53	479.80	497.59	491.89	497.57	457.14	529.01 510.34	7,028.09 7,009.42	

Mean Index Value 502.01 / 500.67

IMPACT AS MEASURED BY THE INDEX

In considering the broadest possible impact of state assistance, one trend seems clear--for the three years of the base period the mean Index value for the fourteen schools declines progressively from 507.26 in 1968-69 to 494.36 in 1970-71, which is the last year before the funding of Oregon's program to Purchase Educational Services from Independent Colleges. In 1971-72 there is a slight reversal of the trend; the mean coefficient for the fourteen institutions improves to 502.01.

While the impact on the overall financial health, as measured by the Index of Institutional Financial Health, appears slight, it should be remembered that state assistance in relation to the total educational and general revenues, accounts for, on the average, less than 5 percent of an institution's financial condition. Therefore, having state assistance appears to reverse a declining trend--however slight the reversal--reflecting impact which is consistent with one of the objectives of Oregon's program to Purchase Educational Services from Independent Colleges.

It is also worthy of noting that among some of the institutions in the sample, the trend in 1971-72 moved in the opposite direction, presumably owing to negative interventions of larger proportions than the positive effect represented in state assistance. Thus, the impact of state assistance may be greater than is, at first glance, reflected in the overall trend.

The mean for all categories in the base years exceeds the average values for the fourteen schools in the test year, with the exception of category nine, which is a comparison and analysis of revenues and expenditures (operating surpluses versus deficits). It may

be reasonable to interpret this to mean that a major impact of the state assistance monies is to be found in the general operating budgets of the institutions. It should also be noted that in comparing the means of variable catagories the 1971-72 means generally exceed in value the category means of 1970-71. This also seems to reverse a trend that was developing during the three years of the base period.

In comparing the variable category means of the base years to those of the test year, it must be noted that Willamette University did not include state assistance payments in their 1971-72 budget. Essentially, Willamette delayed a year in using the monies in order to allow the institution one year to adjust should the state assistance funds be discontinued. Thus, the totals for Willamette in 1971-72, and the resulting overall totals and variable means, are divided within the relevant sections of the tables. The values above the dividing line reflect the application of constant values used in the base years and those below the line are based on constants applicable to the test year. The quantitative effect of their decision is to permit only a 3.78 contribution from the state assistance category in 1971-72 as the revenues were simply recorded and not applied to the standard computation sets used for the other institutions. The more meaningful comparisons for the 1971-72 summaries are the figures above the dividing lines in the split cells as they more accurately portray Willamette's situation by excluding the state assistance variable.

Following is a table comparing each of the colleges and universities in the sample on the basis of 1970-71 budget information with the 1971-72 revenues from state assistance. (The information contained in this table was provided by the Oregon State Scholarship Commission.)

Table 7

PROPORTION OF TOTAL OPERATING BUDGET
REPRESENTED IN CONTRACT PAYMENTS

Colleges	1970-71 Total Revenue	1970-71 Total Expenditure	1970-71 Surplus Deficit	1971-72 State Contract Payment	1970-71 % Surplus Deficit of Total Revenue	1971-72 Contract Payment as % of Total Revenue
Concordia College	457,156	464,887	- 7,731	11,710	- 1.7%	2.6%
George Fox College	1,337,815	1,319,313	+ 18,502	55,080	+ 1.4%	4.1%
Lewis and Clark College	6,911,946	6,654,269	+257,677	203,506	+ 3.7%	2.9%
Linfield College	2,902,000	3,151,000	-249,000	135,455	- 8.6%	4.7%
Marylhurst College	1,596,785	1,550,327	+ 46,458	50,157	+ 2.9%	3.1%
Mt. Angel College	723,465	696,830	+ 26,635	30,271	+ 3.7%	4.2%
Mt. Angel Seminary	169,729	165,015	+ 4,714	7,004	+ 2.8%	4.1%
Pacific University	4,178,485	3,642,575	+535,910	82,175	+12.8%	2.0%
Reed College	5,364,500	5,321,126	+ 43,374	33,205	+ .8%	.6%
University of Portland	4,980,940	5,592,645	-611,705	141,182	-12.3%	2.8%
Warner Pacific College	988,635	1,083,345	- 94,710	24,283	- 9.6%	2.5%
Western Baptist Bible	821,077	729,313	+ 91,764	9,507	+11.2%	1.2%
Willamette University	5,091,997	5,080,444	+ 11,553	149,350	+ .2%	2.9%

The foregoing table is included to emphasize the importance of state assistance monies to those schools with operating deficits in 1970-71 and to show how the percentage of revenues represented in state assistance compares to the size of the deficit experienced by some institutions in the fiscal year preceding Oregon's program to Purchase Educational Services from Independent Colleges. Obviously, these comparisons cannot be made simply and without qualification as other interventions have undoubtedly also affected the overall percentage of budget surplus or deficit at many of the institutions. But, when all factors are taken into account it may be reasonable to conclude that state assistance, when added to the total institutional revenues in 1971-72, represents substantial relief to those schools experiencing operating deficits in 1970-71.

Quantitative Impact of State Assistance:

Individual Institutional Analysis

Prior to reviewing each institution *vis a' vis* application of the Index of Institutional Financial Health for the four years under consideration, it is necessary to point out that a few of the smaller budget institutions seem to have higher Index coefficients than most of the larger budget institutions. It is not precisely clear whether this is attributable to the potential for greater efficiency existing within smaller institutions, i.e., a closer balance of physical plant, faculty resources and student enrollment or whether it represents a bias in the concept of the Index of Financial Health itself, particularly as it relates to the extensive use made of percentage computations. Also, smaller institutions are subject to disproportionate impact as measured by the Index from such other factors as

unusually large one-time gifts or extraordinarily high auxiliary income in a given year.

Similarly, some of the lowest Index coefficients are among the small institutions. The same factors appear to be at work, except in reverse order. For example, a significant loss in auxiliary enterprises, tuition income, or any of the other significant variable categories can lead to an unusually sharp decline in the coefficients. Generally, this is a weakness in the Index concept as constructed for this investigation. The Index of Institutional Financial Health is limited to measuring the financial situation of an institution for a given year. The Index cannot be relied upon to project long-range financial health, particularly with the smaller budget institutions where single-year interventions can skew more readily the overall conditions.

The following are interpretations of the Index of Financial Health relative to each institution during the four years of the study. The utility of the Index extends beyond measuring the impact of state assistance as any intervention within any one of the categories can be isolated and assessed in the context of the institution's overall financial health.

Concordia College

Concordia, an example of one of the smaller schools alluded to above, operates on approximately one-half million dollars per annum. The basic division of its resources and the soundness of its financial management are reflected in the coefficient Index of Institutional Financial Health. The mean Index coefficient of Concordia for the three-year base period is 590.62, the highest of all institutions in the sample. Although there are substantial fluctuations among those three

years ranging from 616 to 541, the test year total coefficient of the Index was 543.48, 47 points below the mean of the base years.

The summary chart for Concordia shows that in 1971-72 the gift income category constituted only 36 points to the total Index value, whereas the average for the base period was 110 points. This represents a loss of 74 points while state assistance accounted for only 22.56 points. The difference between 74 and 22 more than accounts for the difference in means between the base period and the 1971-72 coefficients. This is an example of the impact of other interventions within a special category that can cloud the effect of state assistance. As is pointed out in a later section of this report, for state aid to offset other major interventions there would be required a percentage of state support beyond which the institutions themselves would feel comfortable in participating.

Table 8-a

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Concordia College (3191)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1.. Institution Endowment	9.98	29.92	9.98	16.63	9.53	- 7.10
2. Tuition	198.36	171.96	198.42	189.58	196.04	+ 6.46
3. Physical Plant	39.31	64.75	48.56	50.87	56.58	+ 5.71
4. Student Aid Grant	27.10	27.10	30.86	28.35	28.57	+ .22
5. Gift Income	143.64	75.60	113.40	110.88	36.15	- 74.73
6. Sponsored Research	1.96	1.96	1.96	1.96	N/A	
7. Auxiliary Enterprises	48.62	44.88	59.84	51.11	50.05	- 1.06
8. State Assistance Program					22.56	
9. Revenues/Expenditures	147.59	125.50	150.60	141.23	144.00	+ 2.77
10. TOTALS	616.56	541.67	613.62	590.62	543.48	- 47.14

George Fox College

George Fox operates with a moderate budget compared with other institutions in the sample and has a record of efficient management over the last several years. The institution has strong support and affiliation with a parent church and is among the top schools as measured by the Index of Institutional Financial Health. The mean value for the base period is 552.21 and the 1971-72 test-year coefficient is 559.46, an increase of 7.25. In looking specifically at each of the years in the base period, the trend at George Fox follows closely that of the average for all the fourteen schools as discussed above. The only significant decline from the means of the variable category is in tuition income in which during 1971-72 there was a loss of 20.18 from the average of the base period. However, in that same year in variable category number 9, the basic budget analysis, there is recovered an additional 15.34 points. These two most heavily weighted variable categories seem to offset one another, leaving the institution with a very high coefficient.

It should also be noted that among the smaller institutions, particularly those with strong religious affiliation, the general expenditures for teaching salaries and other personnel are disproportionately low as there is a tradition of low salaries accompanied by some volunteer service in the non-teaching functions. Typically, this pattern is reflected in variable category number 9. Someone making a casual subjective analysis of the financial health of an institution having some of the characteristics of George Fox College might conclude that the school is in a poorer financial condition than would be shown by the application of the Index of Institutional Financial Health.

The following chart on George Fox College reflects an annual and categorial review of the coefficients of the Index. The annual budget for George Fox is approximately 1.4 million dollars, making the school subject in part to the small college bias.

Table 8-b

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

George Fox College (3194)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. **Institution Endowment**	39.90	29.92	29.93	33.25	26.67	- 6.58
2. **Tuition**	185.19	171.96	158.74	171.96	151.78	- 20.18
3. **Physical Plant**	69.38	64.75	67.80	67.31	64.80	- 2.51
4. **Student Aid Grant**	30.86	27.10	31.81	29.92	30.39	+ .47
5. **Gift Income**	75.60	75.60	79.38	76.86	75.92	- .94
6. **Sponsored Research**	1.96	1.96	1.96	1.96	1.87	- .09
7. **Auxiliary Enterprises**	35.23	44.88	37.40	39.17	32.68	- 6.49
8. **State Assistance Program**					28.23	
9. **Revenues/Expenditures**	125.50	125.50	144.33	131.78	147.12	+ 15.34
10. **TOTALS**	563.62	541.67	551.35	552.21	559.46	+ 7.25

Lewis and Clark College

Lewis and Clark is one of the two most complicated institutions of the fourteen to interpret because it is difficult to reconcile the financial situation as reflected by the Index of Financial Health with general public impressions regarding the school's financial standing. The mean Index coefficient for Lewis and Clark during the base period is 477.16 which is one of the lower values within the sample. The test year of 1971-72 yields a decline of another 11.75 points. With the exception of 1970-71, the institution declines consistently beginning with the 1968-69 coefficient of 485.32. In the test year, the variations within each category compared with the base years show a decline in all variable categories.

In comparing the individual variable categories with the all-institution summary chart, Lewis and Clark is substantially below the mean in tuition income, endowment income and gift income. It is generally acknowledged that Lewis and Clark's institutional endowment is under a level generally regarded as desirable for institutions with an annual operating budget of approximately seven million dollars. Yet, these differences do not in and of themselves answer satisfactorily the discrepancy between the Index values and the subjective impressions regarding the overall financial standing of Lewis and Clark College.

Although such an interpretation cannot be validated, it appears possible that Lewis and Clark's values within the tuition category may be understated as a result of using headcount enrollment data rather than full-time equivilency. (Only headcount data were available for all of the schools in the sample on a consistent basis.)

Lewis and Clark, located in urban Portland, has a higher proportion of part-time students than do the other institutions in the sample which results in a lower per student tuition income than in institutions with a higher correlation between headcount and FTE. This tends to understate the contribution of the tuition income category.

Further, the tuition income could be understated *vis a' vis* the teaching and other personnel salaries. Lewis and Clark provides a high quality of instruction, a desirable student-teacher ratio and therefore may not have the efficiency factors of space, enrollment and staff in balance, particularly when looking at the costs of staff in comparison with the other institutions in the sample. In support of this interpretation, it should be noted that for the 1972-73 year--the year after the test period--Lewis and Clark made approximately a 20 percent increase in tuition. It would seem that in applying 1972-73 data to this model, with the adjustment in tuition for 1972-73, and assuming that other factors remain constant, Lewis and Clark would likely move substantially higher on the Index of Institutional Financial Health.

Table 8-c

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Lewis & Clark College (3197)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	18.95	18.95	18.95	18.95	18.10	- .85
2. Tuition	152.12	145.51	145.51	147.71	139.13	- 8.58
3. Physical Plant	46.25	47.82	47.82	47.30	45.70	- 1.60
4. Student Aid Grant	29.90	29.00	29.90	29.60	28.57	- 1.03
5. Gift Income	60.48	52.92	64.26	59.22	50.61	- 8.61
6. Sponsored Research	1.96	1.96	1.96	1.96	1.87	- .09
7. Auxiliary Enterprises	40.62	38.45	36.35	38.47	34.75	- 3.72
8. State Assistance Program					20.68	
9. Revenues/Expenditures	135.04	131.78	135.04	133.95	126.00	- 7.95
10. TOTALS	485.32	466.39	479.79	477.16	465.41	- 11.75

Linfield College

The base period at Linfield is typical of the average for the fourteen schools; that is, they show a basic decline in Index coefficients and a mean for the base period of 478.55. However, the impact of state assistance on the Index amounts to 29.46 points, bringing their coefficient in 1971-72 to 503.26 or 24.74 above the mean for the base period.

Linfield suffered some setbacks in category three and category one in 1971-72. Without state assistance Linfield would have likely continued a decline in the Index coefficients in 1971-72.

Linfield has been very careful to manage its financial affairs in ways that maximize the impact of state assistance and other special interventions, as the school has analyzed its own financial conditions with great care. The institution seems to be pulling together two of the three critical ingredients of the "efficiency" concept as developed by the Oregon Educational Coordinating Council in 1968 in student enrollment and faculty resources, but the physical plant category may be slightly out of balance given the size of its student body at this time.

Table 8-d

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Linfield College (3198)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	27.93	23.94	20.95	24.27	18.10	- 6.17
2. Tuition	152.12	152.12	132.28	145.51	145.45	0
3. Physical Plant	34.69	37.00	18.50	30.06	22.10	- 7.96
4. Student Aid Grant	23.39	29.90	32.71	28.67	28.57	- .10
5. Gift Income	60.48	71.82	60.48	64.26	68.69	+ 4.43
6. Sponsored Research	2.10	2.10	3.92	2.71	1.87	- .83
7. Auxiliary Enterprises	57.67	43.83	49.14	50.21	51.05	+ .84
8. State Assistance Program					29.46	
9. Revenues/Expenditures	128.76	131.78	138.05	132.86	138.00	+ 5.14
10. TOTALS	487.14	492.49	456.03	478.55	503.29	+ 24.74

Marylhurst College

Marylhurst is perhaps the most difficult of all the institutions to interpret in terms of the Index of Financial Health. Informed public opinion in the state is that Marylhurst College is in serious financial straits. These opinions are sometimes traceable to comments made by personnel of the institution. Yet, the Index of Financial Health shows Marylhurst to be one of the strongest institutions.

It must be pointed out that Marylhurst is one of the small budget schools and is subject to the possible biases described above. Also, Marylhurst has had a number of interventions beyond state assistance in the last few years that may be skewing the actual financial condition by depicting a much "healthier" situation than, in fact, may exist. As mentioned above the Index measures the financial condition for a given year and, in this situation, may be reflecting some very short-range factors that are overstating the Index coefficients. Again, the Index is not refined at this time to a point where it can be used to predict long-range financial health with confidence.

The mean of the three years in the base period for Marylhurst is 583.23, second highest in the sample. In 1971-72 it soared 49.86 points beyond that mean which is the highest Index value for 1971-72 of the fourteen schools measured. The state assistance category contributed 25 points to the 1971-72 variable category total. However, in addition to the input of over $50,000 in state assistance, the institution received a $150,000 one-time gift which offset what would have been a lower point producing category in gift income.

Also, the enrollment situation at Marylhurst has been unpredictable and is so reflected in the tuition category with a loss of almost 17 points from the mean of the base period. Nevertheless, there has been an overall balancing of the budget as reflected in category 9 where there is an increase of 51 points between the base period and 1971-72.

Marylhurst is a Catholic institution and has relatively low teacher and other personnel costs which offsets some of the loss in tuition income and reduces the impact on the institution generally. In other categories the deviations from the means are not especially significant.

From this analysis Marylhurst appears to be operating from year to year and does not reflect--despite the high readings on the Index of Financial Health--a stability that would enhance long-range financial standing. The nature and character of the institution is undergoing some changes as it is moving away from an all-women student body and becoming coeducational. At the same time, the school is beginning to develop more graduate curricula. As long as the offsetting, special income items (e.g., the $150,000 gift received in 1971-72 and state assistance) continue to occur, Marylhurst will likely continue to receive the high coefficients on the Index. Perhaps one of the most meaningful impacts of the program state assistance on Marylhurst has been to "buy" the time required to stabilize from the changes that are occurring in the character of the institution and cushion the resulting fluctuations and dislocations within the financial statement.

Table 8-e

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Marylhurst College (3199)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	9.98	9.98	9.98	9.98	9.53	- .45
2. Tuition	191.81	198.42	191.81	194.01	177.07	- 16.94
3. Physical Plant	48.56	49.40	46.25	48.07	44.20	- 3.87
4. Student Aid Grant	26.20	23.39	29.00	26.20	32.16	+ 5.96
5. Gift Income	147.42	139.86	139.86	142.38	137.37	- 5.01
6. Sponsored Research	1.96	1.96	1.96	1.96	1.87	- .09
7. Auxiliary Enterprises	41.66	42.71	49.14	44.50	37.82	- 6.68
8. State Assistance Program					25.07	
9. Revenues/Expenditures	125.50	81.58	141.31	116.13	168.00	+ 51.87
10. TOTALS	593.09	547.30	609.31	583.23	633.09	+ 49.86

Mount Angel College

Mount Angel College is also a difficult institution to interpret *vis a' vis* the Index of Institutional Financial Health. Like Marylhurst they have publicly expressed their financial difficulties over the past few months which at times have indicated that Mount Angel College is near financial collapse.

During the course of the base period the mean reading from the Index is 508.51. This places the institution generally in the center of the distribution of the fourteen schools of the sample. However, in the test year, 1971-72, there is a net loss of over 38 points, even though there was an additional 31 points picked up from state assistance. With only one exception, the test year values show a negative deviation from the mean of the base years; in tuition and gift income the deviations are especially significant.

Mount Angel College is a small institution operating with an annual budget of approximately three-quarters of a million dollars and has until recently enjoyed substantial support from the Catholic Church. Reduced support from the Church is reflected in the tuition and gift income categories. The decline is attributed to fewer students from Catholic high schools matriculating and in reduced gifts from the Church and private donors. Correspondingly, this is a loss of almost 12 points from the mean of 1971-72 in the auxiliary enterprises category.

Mount Angel's relatively high standing during the base period reflects part of the small college bias discussed above. The circumstances at Mount Angel also show the significance of such interventions as substantial changes in currucular emphases, and *defacto* disaffiliation with the Church. The trend for Mount Angel College does not point to an immediate turn-around in the school's basic financial

condition. Moreover, the public impressions of the difficulty at Mount Angel College tend to be self-fulfilling as students generally do not opt for a college with openly expressed financial problems. However, state assistance funds have had a significant impact in terms of keeping the budget balanced in 1971-72.

Mount Angel has been able to carry forward some of the advantages of church affiliation even though that status is changing. The teaching and personnel expenditures are relatively low which makes the institution more capable of absorbing losses in tuition and other revenue accounts and still salvaging a reasonable coefficient on the Index of Institutional Financial Health. Nevertheless, short range at least, Mount Angel College appears to be destined for financial difficulty and a continually declining Index coefficient.

Table 8-f

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Mt. Angel College (3202)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	9.98	9.98	31.92	17.29	9.53	- 7.76
2. Tuition	171.96	165.35	171.96	169.76	145.45	- 24.31
3. Physical Plant	57.81	61.70	58.55	59.35	55.96	- 3.39
4. Student Aid Grant	25.25	27.10	24.29	25.55	23.21	- 2.34
5. Gift Income	98.28	83.16	71.82	84.42	57.84	- 26.58
6. Sponsored Research	1.96	1.92	1.96	1.95	1.87	- .08
7. Auxiliary Enterprises	37.40	33.14	28.87	33.14	21.45	- 11.69
8. State Assistance Program					31.34	
9. Revenues/Expenditures	109.69	122.24	119.23	117.05	123.12	+ 6.07
10. TOTALS	512.33	504.59	508.60	508.51	469.77	- 38.74

Mount Angel Seminary

Mount Angel Seminary has an obvious and close affiliation with the Catholic Church and enjoys some direct benefits in the form of drastically reduced teaching and other personnel expenditures. Even beyond services of priests and nuns in the teaching and other personnel posts there is a substantial amount of volunteer service and relatively low pay to other administrative and support personnel. Mount Angel's budget is under $200,000 annually, so is subject to the small college bias described earlier.

As mentioned previously, the 1968-69 fiscal year information is not available for Mount Angel Seminary; thus the base period is limited to 1969-70 and 1970-71. The mean Index value for the base years is 470.69. In 1971-72, like the general pattern for all the fourteen schools, there was a slight increase over 1970-71 as the coefficient was 447.06. But it is still 23 points off the mean of the average of the two previous years.

Mount Angel Seminary suffers substantially in the tuition column, presumably because the institution has tried to keep student costs to a minimum in proportion to total costs of operation which are quite low. The most meaningful interpretations of the impact of state assistance on Mount Angel Seminary transcend the quantified interpretations represented in the Index and are to be found in the responses to the questionnaires and interview schedules gathered through direct contact with the campus. These are discussed in the following chapter. Again, because of the unique character of Mount Angel Seminary and its obvious dependency on the Catholic Church, the interpretations and the applications of the Index of Institutional Financial Health are less meaningful than they are with some of the other institutions.

Table 8-g

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Mt. Angel Seminary (3203)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	N/A	7.98	9.98	8.98	32.39	+ 23.41
2. Tuition	N/A	181.89	171.96	176.93	164.42	- 12.51
3. Physical Plant	N/A	35.43	41.63	38.53	50.12	+ 11.59
4. Student Aid Grant	N/A	37.42	29.90	33.66	24.12	- 9.54
5. Gift Income	N/A	115.97	68.04	92.01	47.00	- 45.01
6. Sponsored Research	N/A	1.96	1.96	1.96	1.87	- .09
7. Auxiliary Enterprises	N/A	12.49	17.43	14.96	14.30	- .66
8. State Assistance Program					28.84	
9. Revenues/Expenditures	N/A	106.93	100.40	103.67	84.00	- 19.67
10. TOTALS	N/A	500.07	441.30	470.69	447.06	- 23.63

Museum Art School

The Museum Art School is one of the smallest institutions in the sample and through the base period registered easily the lowest mean coefficient of 282.35. Yet the Art School registered a phenomenal recovery during the test year gaining 171 points bringing the coefficient to 453.53--still almost 50 points below the mean of the total sample. The Museum Art School is probably less typical in character than Mount Angel Seminary, although the uniqueness does not stem from church affiliation. The school has a very specialized curriculum and only limited appeal to Oregon residents. However, it has been able to maintain a reasonably "healthy" picture in the tuition and physical plant categories although even these categories are below the corresponding means of the entire sample.

If the institution is able to sustain the trend that has been established in 1971-72 resulting from state assistance and other positive interventions, it may become an increasingly viable--however specialized--educational option within the private sector of Oregon higher education.

Table 8-h

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Museum Art School (3207)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	29.93	27.93	17.96	25.27	22.86	- 2.41
2. Tuition	132.28	145.51	77.05	118.28	151.78	+ 33.50
3. Physical Plant	4.63	29.60	25.44	19,89	79.56	+ 59.67
4. Student Aid Grant	15.88	25.25	43.48	28.20	33.07	+ 4.87
5. Gift Income	15.12	52.92	41.58	36.54	36.15	- .39
6. Sponsored Research	1.96	1.96	1.96	1.96	1.87	- .09
7. Auxiliary Enterprises	0	0	0		0	
8. State Assistance Program					38.24	
9. Revenues/Expenditures	37.65	40.66	78.31	52.21	90.00	+ 37.79
10. TOTALS	237.45	323.83	285.78	282.35	453.53	+ 171.18

Pacific University

Pacific University has had a fluctuating financial pattern during the base period and an apparent decline in 1971-72. The mean for the base period is 502.45. In 1968-69 the coefficient was 491.31 and moves in the next year to 511.64. In 1970-71 the coefficient fell back to 504.39. In 1971-72 it drops from the mean of the base period 22 points to 479.80, the lowest coefficient of any of the four years. In 1971-72 there are substantial drops from the mean in gift income and physical plant categories in comparison to the other institutions. There was also a slight decline in the tuition category.

Pacific's annual operating budget is in the four million dollar range and, as recently as 1970-71, the school had an operating surplus of nearly half a million dollars which was about 12 percent of the total budget. However, this fact alone does not offset the other indicators of financial health, even with state assistance payments of over $82,000 in 1971-72.

Table 8-i

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Pacific University (3212)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	26.93	34.91	17.96	26.60	20.00	- 6.60
2. Tuition	158.74	158.74	158.74	158.74	158.10	- .64
3. Physical Plant	46.25	52.45	47.82	48.84	33.86	- 14.98
4. Student Aid Grant	29.90	31.81	31.81	31.17	30.39	- .78
5. Gift Income	52.92	52.92	56.70	54.18	50.61	- 3.57
6. Sponsored Research	1.96	2.10	3.36	2.47	2.80	+ .33
7. Auxiliary Enterprises	39.57	37.40	37.40	38.12	35.75	- 2.37
8. State Assistance Program					16.29	
9. Revenues/Expenditures	135.04	141.31	150.60	142.32	132.00	- 10.32
10. TOTALS	491.31	511.64	504.39	502.45	479.80	- 22.65

Reed College

Reed College, like Pacific University, shows a decline in the test year coefficient from the mean of the base period. Reed has fallen from 535 in 1968-69 to 505 in 1969-70. In 1970-71 the coefficient climbed back up to 531.81. The mean for the base period is 524.21. The coefficient for 1971-72 is 497.59, a deviation of 26 points.

Reed has the lowest proportion of resident undergraduates of any of the fourteen schools in the sample and is affected least by the state assistance program as the distribution formula is based on the number of undergraduate Oregon residents. The state assistance variable category produced only 9.39 points in 1971-72 for Reed, the lowest in the sample by more than 7 points (with the exception of Willamette which, as mentioned earlier, deferred for one year use of the state assistance funds).

In reviewing the variable categories and their point contributions to determine the greatest deviations from the other institutions, tuition income stands out as losing approximately 31 points. The collective mean for the base years of all of the institutions for the tuition category is 163.06. The 1971-72 point contribution for this variable for Reed is 132.80. Also, in gift income Reed loses another 17 points from the mean of the variable categories. In general, in the most heavily weighted variable, category number 9, Reed is higher by a few points and has been throughout the four years under consideration. Reed is substantially under in points contributed in the auxiliary enterprises category compared to the average of the sample institution.

The 1971-72 state assistance payments are only $33,000 and represent under one percent of the annual operating budget for Reed, which is over five million dollars.

Table 8-j

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Reed College (3217)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	20.95	20.95	20.95	20.95	20.96	+ .01
2. Tuition	138.89	125.67	138.89	134.48	132.80	- 1.68
3. Physical Plant	60.13	57.07	58.55	58.58	51.54	- 7.04
4. Student Aid Grant	36.47	33.66	34.61	34.91	31.25	- 3.66
5. Gift Income	75.60	56.70	68.04	66.78	61.46	- 5.32
6. Sponsored Research	3.78	3.78	4.06	3.87	3.47	- .40
7. Auxiliary Enterprises	29.92	28.87	27.75	28.85	27.60	- 1.25
8. State Assistance Program					9.39	
9. Revenues/Expenditures	169.43	178.96	178.96	175.78	159.12	- 16.66
10. TOTALS	535.17	505.66	531.81	524.21	497.59	- 26.62

University of Portland

The University of Portland received the third largest individual institutional payment through state assistance in 1971-72. Nevertheless, the Index coefficient for that year reflects a decline over the mean of the three years of the base period. However, as is true of the sample in general, state assistance may have stalled a downward trend as in 1970-71 the coefficient was 475.80 but pulled back to 491.89 in 1971-72, a recovery of 16 points. The University of Portland registered a coefficient of 527.43 in 1968-69, the strongest of the four years.

This pattern is typical of the entire sample. The University of Portland is below the mean in points contributed through the first four variable categories consistently but not substantially. For example, the mean for the base period of the total sample in tuition income was a contribution of 163 points. The University of Portland in 1971-72 contributed 158.10 in tuition. A similar variation exists throughout the remaining three of the first four variable categories. In gift income the reverse is true as it shows a slight increase. In auxiliary enterprises the value is slightly above the mean. In 1971-72 the University of Portland has a 126 point contribution from category number 9 which, in turn, is virtually equal to the mean of the base period of the entire sample of 124.77. Overall, the University of Portland is fairly well in the middle of the sample.

Table 8-k

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

University of Portland (3224)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
1. Institution Endowment	19.95	19.95	15.96	18.62	15.24	- 3.38
2. Tuition	171.96	165.35	152.12	163.14	158.10	- 5.04
3. Physical Plant	55.50	46.25	47.82	49.86	44.20	- 5.66
4. Student Aid Grant	29.29	33.66	25.25	29.40	21.44	- 7.96
5. Gift Income	75.60	60.48	71.82	69.30	72.30	+ 3.00
6. Sponsored Research	3.78	1.96	2.10	2.61	1.87	- .74
7. Auxiliary Enterprises	39.57	35.23	35.23	36.68	32.68	- 4.00
8. State Assistance Program					20.06	
9. Revenues/Expenditures	131.78	131.78	125.50	129.69	126.00	- 3.69
10. TOTALS	527.43	494.66	475.80	499.30	491.89	- 7.41

Warner Pacific

As has occurred with several of the other institutions, the pattern at Warner Pacific is one of a peak year in 1968-69 with a coefficient of 537. It dropped to 511 in 1969-70 and further declined to 454 in 1970-71 for a mean for the base period of 501.16. In 1971-72 there is recovery with a coefficient of 497.57, a gain of 43 points over the 1970-71 performance.

Warner Pacific contributes few points toward the coefficient from the institutional endowment category as the mean point contribution was 19.75 through the base years for the entire sample. In 1971-72 Warner Pacific point contribution was only 9.53. In tuition income it is below the mean by about 30 points. With slight variations the rest of the categories are similar to the normative point contributions with the exception of gift income where the performance has been stronger than many of the other institutions. In 1968-69 109 points were contributed from the gift income category while the mean for that category during the base period is 78.60. In the test year it was off some but considerably above the mean at 90.38.

In general, Warner Pacific seems to reflect a financial condition also near the middle of the sample institutions.

Table 8-1

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Warner Pacific (3225)

	196[illegible]69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
itution Endowment	10.97	10.97	9.98	10.64	9.53	- 1.11
ion	178.58	165.35	165.35	169.76	139.13	- 30.63
ical Plant	69.38	55.50	52.45	59.11	45.70	- 13.41
t Aid Grant	25.81	29.90	27.10	27.60	26.80	- .80
Income	109.62	94.50	68.04	90.72	90.38	- .34
ored Research	1.96	1.96	N/A	1.96	1.87	- .09
iary Enterprises	34.18	34.18	24.61	30.99	28.60	- 2.39
Assistance am					17.56	
ues/Expenditures	107.18	119.23	106.68	111.03	138.00	+ 26.97
S	537.68	511.59	454.21	501.16	497.57	- 3.59

Western Baptist Bible College

Western Baptist is one of the smaller institutions in the sample. The operating budget is under a million dollars and state assistance represents between one and two percent of its total budget. Unfortunately, as was the case with Mount Angel Seminary, there are no data available for 1968-69 fiscal year, leaving only two years in the base period.

State assistance and other interventions during the 1971-72 years do not appear to have been sufficient to improve the overall financial picture of Western Baptist. In 1969-70 it registered 499.80, the highest of its readings during the years under consideration. In 1970-71 there is a decline to 483.58 yielding a base period mean of 491.69. In 1971-72 the coefficient dropped 34.55 points to 457.14. The major decline occurred in variable category number one, where the point contribution from endowment is less than half of the mean of the total for the sample. In tuition, it is off only slightly. Physical plant arrangements are off some, but not substantially. Western Baptist is proportionately lower in student aid grants, and only slightly off the pace in gift income. The auxiliary enterprises category is above the overall mean, but in 1971-72, it is off in comparison with its own performance of earlier years. In the most significant variable category, number 9, there is a loss from the mean of 22 points which contributes to the smallness of the overall coefficient for 1971-72.

Western Baptist is one of those institutions subject to the small

Table 8-m

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Western Baptist Bible College (1339)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
tion Endowment	N/A	9.98	9.98	9.98	9.53	- .45
	N/A	185.19	165.35	175.27	158.10	- 17.17
Plant	N/A	43.11	27.75	35.43	28.02	- 7.41
id Grant	N/A	29.00	36.47	32.74	18.76	- 13.98
me	N/A	75.60	75.60	75.60	72.30	- 3.30
Research	N/A	1.96	1.96	1.96	1.87	- .09
Enterprises	N/A	64.10	63.06	63.58	52.12	- 11.46
istance					14.44	
xpenditures	N/A	90.86	103.41	97.14	102.00	+ 4.87
	N/A	499.80	483.58	491.69	457.14	- 34.55

Willamette University

The analysis of Willamette University in terms of the Index of Institutional Financial Health is complicated substantially by their decision to defer for one year use of the state assistance funds. However, this appears to have been a prudent administrative decision as "forward-funding" has clear planning and other budgetary advantages.

In general, Willamette's financial health seems quite solid. Willamette is the third largest of the schools as measured by the size of the annual budget and ranks highest among the larger institutions in the sample. The average Index coefficient for the base years is 510.7 and jumps--even without state assistance--to 529.01 in 1971-72. There are substantial, positive variations in institutional endowment and in category number 9. On the other hand, in 1971-72 Willamette shows a decline from the mean of the sample through the base years within the tuition category. Willamette suffered decline in enrollment in 1971-72 which is reflected accordingly in point contribution from that category.

Table 8-n

INDEX OF INSTITUTIONAL FINANCIAL HEALTH

SUMMARY CHART

Willamette University (3227)

	1968-69	1969-70	1970-71	Mean of 3 Base Years	1971-72	Variation From Mean
n Endowment	28.93	35.91	36.91	33.92	36.91 35.71	+ 2.99 + 1.79
	165.35	158.74	158.74	160.94	152.12 145.45	- 8.82 - 15.49
ant	46.25	52.45	49.40	49.37	50.88 48.62	+ 1.51 - .75
Grant	29.90	30.86	34.61	31.79	35.51 33.93	+ 3.72 + 2.14
	52.92	52.92	56.70	54.18	56.30 54.23	+ 2.12 + .05
esearch	1.96	4.67	1.96	2.86	1.96 1.87	- .90 - .99
nterprises	45.93	37.40	39.57	40.97	38.45 36.75	- 2.52 - 4.22
tance					N/A 3.78	
penditures	128.76	131.78	147.59	136.04	156.88 150.00	+ 20.84 + 13.96
	500.00	504.73	525.48	510.07	529.01 510.34	+ 18.94 + .27

The following table reflects the relative rankings of the fourteen schools in the sample covering the four years under consideration. Without analyzing them in detail, it should be noted that the conditions and potential biases as described above have had some effect on the relative standing of these institutions. For example, the very small colleges are at either extreme of the rank orderings, emphasizing once again the disproportionate impact of interventions--either positive or negative--on the coefficients of the Index of Financial Health for the smaller budget institutions.

Table 9

INDEX RANKINGS

1968-69 Index Value	Name of School	1969-70 Index Value	Name of School	1970-71 Index Value	Name of School	1971-72 Index Value
616.56	1. Concordia	656.95	1. Concordia	613.62	1. Marylhurst	633.09
593.09	2. Marylhurst	547.30	2. Marylhurst	609.31	2. George Fox	559.46
563.62	3. George Fox	541.67	3. George Fox	551.35	3. Concordia	543.48
537.68	4. Pacific Univ.	511.64	4. Reed College	531.81	4. Willamette Univ.	529.01 / 510.34
535.17	5. Warner Pacific	511.59	5. Willamette Univ.	525.48	5. Linfield	503.29
527.43	6. Reed	505.66	6. Mt. Angel	508.60	6. Reed	497.59
512.33	7. Willamette Univ.	504.73	7. Pacific Univ.	504.39	7. Warner Pacific	497.57
500.00	8. Mt. Angel	504.59	8. West. Baptist	483.58	8. Univ. of Port.	491.89
491.31	9. Mt. Angel Sem.	500.07	9. Lewis & Clark	479.79	9. Pacific Univ.	479.80
487.14	10. West. Baptist	499.80	10. Univ. of Port.	475.80	10. Mt. Angel	469.77
485.32	11. Univ. of Port.	494.66	11. Linfield	456.03	11. Lewis & Clark	465.41
237.45	12. Linfield	492.49	12. Warner Pacific	454.21	12. West. Baptist	457.14
N/A	13. Lewis & Clark	466.39	13. Mt. Angel Sem.	441.30	13. Museum Art	453.53
N/A	14. Museum Art	323.83	14. Museum Art	285.78	14. Mt. Angel Sem.	447.06

any one institution. Thus, based on the indirect suggestions of the personnel from the institutions, it was decided to withdraw the formal contact with other administrative personnel. However, each president was urged to discuss some of the perspectives that would be missed by reducing the number of interviews. Therefore, in addition to the actual responses to the interview schedule there are appended comments summarizing aspects of the discussion not formally a part of the interview schedule. These have been helpful in attempting to understand the peculiarity of specific concerns and interpretations of each institution. In some measure, as mentioned above, this has drawn out the perspectives that the Financial Aid Officer or the Trustees, for example, might have regarding state assistance. Appendix G is a sample copy of an unnamed institution showing the kind of information that was summarized and recorded.

The following is a summary of the responses to each of the questions from the interview schedule referred to above.

INTERVIEWS* WITH INSTITUTIONAL PRESIDENTS: RESPONSE SUMMARY

	Description	Yes	No	No Response
1.	Familiar with Oregon House Bill 1864? (1971 legislation authorizing State Assistance Program)	14	0	
	Familiar with distribution formula?	14	0	
	Satisfied with formula?	8	6	

(continued)

Description	Yes	No	No Response
3. Did you anticipate amounts from first year proceeds?	10	4	
4. Did you develop plans for using the money before 1971-72 academic year?	9	5	
5. How was money spent? (multiple choices)			
A. To expand the admissions program	4	N/A	
B. To improve salary for faculty/staff	7	N/A	
C. To improve student services (e.g., personal counseling, academic advising, academic support services, etc.)	5	N/A	
D. To improve physical plant	2	N/A	
E. To expand your development (fund raising) program	1	N/A	
F. To hire new faculty or staff	1	N/A	
G. To add a new program	1	N/A	
H. No specific use beyond adding to general revenue accounts	12	N/A	
I. Other	9		
6. Has the program had a significant impact on the financial health of your institution?	13	1	
7. Do you have long-range plans for using State Assistance Program funds?	6	8	
If yes (can be multiple response):			
A. To expand the admissions program	2	N/A	
B. Salary improvement for faculty/staff	4	N/A	
C. [illegible] student services (e.g., personal			

Description	Yes	No	No Response
F. To hire new faculty or staff	1	N/A	
G. To add a new program	0	N/A	
H. No specific use beyond adding to general revenue accounts	5	N/A	
I. Other	5	N/A	
8. Do you believe there is a critical percentage of your total educational and general revenues below which the impact of state assistance has minimum significance and above which there is a significant impact?	8	1	(5 - uncertain)
9. Familiar with 1968 E.C.C. Efficiency Concept (Enrollment, Faculty, Space)?	7	7	
If yes, considered using State Assistance Program funds to adjust these to greater advantage?	3	8	3
10. Conferred with Board of Trustees regarding S.A.P.?	14	0	
If yes:			
A. Formal agenda item	13	N/A	
B. Subcommittee of the Board of Trustees agenda item	10	N/A	
C. Private conference with the Chairman of the Board of Trustees	9	N/A	
D. Other	5	N/A	

	Description	Yes	No	No Response
	Prefer current S.A.P. contract approach?	13		
12.	Familiar with federal amendment regarding institutional aid?	12	2	
13.	Familiar with proposed federal distribution formula?	12	2	
	If yes, are you happy with impact you foresee on your institution?	3	10	1
14.	Any advantage to balance of federal and state programs and approaches?	8	5	1
15.	Have you, or others on your staff, considered the "costs" related to participating in this or similar programs of state assistance?	11	3	

Without reviewing unnecessarily each of the questions, a few points need to be emphasized and interpreted further. First, all of the presidents were familiar with the program details of the legislation, even though some had not yet assumed their current position or were very new to their institution at the time this legislation was being developed. Also, all were reasonably familiar with the distribution formula. Ten of the fourteen were involved in actual testimony, planning and in other ways the development of the enacting legislation.

How is the money actually used?

The expenditure patterns varied as the responses to question five indicate. Most of the schools appeared to add the monies directly to their general revenue accounts and expend the funds on the basis of whatever the demands were within the institution. Because the institutions had the choice in the questionnaire of listing more than one option, it is not possible to ascertain precisely what proportion of the total money was used within each of the listed options. Beyond adding it to the general revenue accounts, the next most popular specific expenditure option was to improve faculty and staff salaries.

Fewer than half of the presidents indicated that they had any long range plans for using state assistance funds. It is not clear whether this indicates a lack of confidence in the continuation of the program or reflects the fact that the program is new to their budget planning. Among those institutions that have developed some long range plans, the most popular was, "no specific use beyond adding to general revenue accounts," with salary improvements for faculty and staff the next most popular option.

Early in the study it appeared that there may be a critical percentage of the total educational and general revenues below which the impact of state assistance was of minimum significance, but above which there was a significant influence. In asking this question of the presidents, eight of the fourteen felt that there was a critical percentage range, one thought not, and five were uncertain.

The degree of commitment that the presidents have and have had to

schools had included the topic as a formal agenda item for the full Board with a variety of preliminary contacts with individual members or subcommittees of the Board preceding the formal agenda.

Finally, most of the Presidents were familiar with the federal amendments regarding direct institutional aid* and with the formulae for its distribution. Not surprisingly, most private college presidents are unhappy regarding the anticipated impact that the federal distribution formula would have on their institutions. Three of the fourteen were pleased with the formula; however, eight of the fourteen felt that if the federal program were to be funded, and as long as the state programs continued, there was some advantage to a balancing of the two formulae approaches to distributing direct financial assistance to independent colleges and universities.

Indirect "costs"

It is clear from talking with the presidents that at least some institutional personnel have been considering what indirect "costs" might be incurred by the institution resulting from the acceptance of financial assistance from the state. The presidents have expressed their concern about maintaining the autonomous, independent nature of the institutions they represent, while at the same time, selling educational services on a contract basis to the state under circumstances and intentions that are explicit in the legislation. Generally, the presidents seem satisfied that proper precautions have been taken to preserve the autonomy and basic character of their institutions and that what little

While most schools apparently placed the monies into a general account, thirteen of the fourteen felt that the program had had a "significant impact on the financial health of the institution". The evidence is unclear as to the exact character of that impact as discussed with the presidents. More may be learned by reviewing the information and opinions collected through the interviews described below.

REVIEW OF INDIVIDUAL INSTITUTIONS

Concordia College

The President of Concordia College discussed at some length possible conflicts between church and state that may arise from this approach to assisting the independent colleges. While he does not believe that this approach inherently leads to a conflict between these two forces, he has a series of contingency approaches ready to suggest should legal or church questions be raised. He had obviously given serious thought to the possible "costs" connected with accepting the funds.

Further, he believes very strongly that Concordia has benefited by state assistance and has been able to maintain a balanced budget while continuing to provide the quality of educational programming provided in the past. Concordia is not, according to its by-laws, permitted to incur indebtedness so a balanced budget takes on added significance. The President indicated that Concordia is operated in "tight ship" fashion and operates with reasonable efficiency.

The Index of Financial Health described and analyzed in the foregoing pages rates Concordia College consistently as one of the more "healthy" institutions of the fourteen in the sample. This would seem to bear out the conclusion that it is run with reasonable efficiency. Efficiency is a virtue much rewarded in the assumptions and approaches of the development

of the Index of Financial Health. Also, Concordia rates consistently above the mean in each of the variable categories, as well as over all, with the possible exception of their physical plant category, which fluctuates from year to year.

The 1971-72 disbursement of state funds to Concordia College was $11,710 which represents 2.6 percent of their 1971-72 budget.

George Fox College

The President of George Fox College was a member of the executive council of the Oregon Independent Colleges Association and president of that association while the bill was being drafted and passed by the 1971 legislature, so he is quite informed regarding the purposes of the Oregon Program.

He maintains that state money was one of the major reasons that George Fox was able to balance its budget this past year. The money was also used as incentives for the development fund. He believes they had one of the healthiest financial pictures in the recent past and he attributes that in large part to state assistance.

The President feels further that the dependency on government funding could become a danger if it were categorical funding. He indicates that he would refuse state funds for any special programs because the legislature could eliminate such a program and leave the institution "holding the bag". But he feels the present program, owing largely to its unrestricted nature, has safegaurds for both parties.

According to the Index of Institutional Financial Health, George Fox enjoyed one of its better years in 1971-72 with its revenue and expenditures category reflecting substantial improvements over the average of the base years.

Lewis and Clark College

The President of Lewis and Clark is very knowledgeable about the

state assistance program and was one of the leaders in its development. Like many other presidents, he feels that the formula is quite adequate for the disbursement procedures, except it should be extended to graduate programs and the dollar amounts should be increased.

Lewis and Clark is careful not to "isolate its funds" so those coming from state assistance have not been reserved for any special program expenditures. According to the president, however, receiving the state assistance funds of $203,506 in 1971-72 is roughly comparable to receiving the earnings from a three and one-half million dollar endowment.

The Lewis and Clark president feels there is substantial financial impact resulting from four to five percent of the educational and general revenues coming from this type of funding, and he feels that Lewis and Clark has been able to support some innovative efforts by hiring new faculty that would not have been available without state assistance. He is not sure about what a critical percentage might be as a general principle, but knows that the four to five percent Lewis and Clark is receiving has a positive impact.

The Index of Financial Health shows Lewis and Clark College to be below the mean of overall Index values of the other fourteen institutions. Most of this difference is accounted for in the endowment and gift income categories. The Index coefficients for Lewis and Clark show state assistance having little effect in improving the relative health of the institution as measured by the Index. The coefficients have declined from 485.32 in 1968-69 to 465.41 in 1971-72.

Linfield College

Like the presidents of Lewis and Clark and George Fox, Linfield's president was a central figure in the development of House Bill 1864,

authorizing state assistance to independent colleges and universities. He is, therefore, quite supportive of the program and criticizes it only in terms of the amounts available. He feels that the rate paid the independent colleges per Oregon resident receiving services is too low. Nevertheless, in connection with the question of a critical percentage of support, he views the five percent that Linfield receives as a crucial margin. Linfield is receiving 4.7 percent, which in actual dollars amounts to $135,455.

Linfield has deposited the monies in its general fund and feels the primary impact has been in helping reduce an operating budget deficit from $485,000 in 1970-71 to $85,000 in 1971-72. On the Index of Financial Health, Linfield shows one of the greatest gains in the test year. In 1970-71 Linfield's Index coefficient was 456.03, the lowest of any of the four years under review in this investigation. The 1971-72 value of 503.29 is 74 points higher than the average of the previous three years. It would appear that the President of Linfield is correct in assessing the impact of state assistance at his institution.

Marylhurst College

Marylhurst is the only coeducational Catholic institution in the Northwest, and in spite of the recent change to coed, there has been a drop in enrollment during the last few years. The primary use of the state assistance monies has been in improving and expanding the admissions program. Two students have been hired to travel throughout the state and contact a greater number of Oregon high schools than ever before. The President of Marylhurst, who was not as actively involved as some of the other presidents in the development of the state assistance legislation, believes that the greatest impact the state money has had is in protecting them from an $80,000 deficit

which would have been incurred in 1971-72 had the school not received state monies in addition to a one-time gift of $150,000. By removing the $150,000 gift from the budget and dividing the $565,000 of educational and general revenue into the state assistance funds of $150,000, state assistance would become 9 percent of the educational and general revenues. Indeed, in the opinion of Marylhurst's president, this is a critical percentage and helps to keep the school among those with a balanced budget. Some of the other data are also skewed by this single gift of $150,000, but these comments put into perspective what is regarded to be the true impact of state assistance.

The President is concerned further about the language of the legislation which refers to the instruction rendered undergraduate students. She would prefer to have the language refer to undergraduate instruction even though those receiving it may have completed a bachelor's degree prior to undertaking this current enrollment. The problem at Marylhurst seems to be one of a number of women students with bachelor degrees returning and working on certification programs or in other ways preparing for the changing status of women. Marylhurst expects more of these types of students in the near future.

Marylhurst rates well on the Index of Financial Health and shows the greatest amount of gain in the revenue and expenditure variable category. In 1971-72, the school gained 51 points over the average of base period in category 9. In the overall coefficient, if gained 49.86 from the mean of the previous three years. With the exception of 1969-70, Marylhurst shows a consistently healthy pattern as measured by the Index, except in the tuition income column where there are signs of decline, particularly in 1971-72.

Mt. Angel College

The general impression around the state is that Mt. Angel College is facing significant financial difficulties. The Index of Financial Health supports that impression, particularly in 1971-72.

The President of Mt. Angel is pleased indeed with the state program. He feels these funds and the Oregon Independent Colleges Foundation monies are the only significant non-tuition support Mt. Angel has. The development and annual giving programs are minimal, and the school has no appreciable endowment. Recently, the college has become independent and non-sectarian by virtue of losing the support of the diocese and many contributing members of the Church. The "cost" of the latter includes loss of support from Catholic high schools and the advancing of their graduates to Mt. Angel College.

The President of Mt. Angel has provided this investigator with a significant insight while discussing the "cost" of receiving state monies. He points out that the state money as delivered under House Bill 1864 affords greater independence to Mt. Angel College than church, private, or foundation monies do. Mt. Angel's unique stance on some educational objectives and approaches to delivery of educational services appears to have discouraged funding from the diocese and former donors. The state has not, on the other hand, refused the school funds because it meets all definitions called for under the conditions of House Bill 1864. As mentioned above, the Index of Financial Health shows a sharp decline in 1971-72, reflecting presumably the loss of church support as well as declines in gift and tuition incomes. The institution lost 38.74 points from its three-year mean of the 1968 to 1971 period in comparison with the 1971-72 Index Value. The coefficient fell from a 508.51 average for the base period to 469.77 in 1971-72. That is a substantial drop indeed. Without the 2.4 percent that the $30,270 represented in

state aid of the total operating budget of the college, the picture would have been even more bleak.

Mt. Angel Seminary

Unlike Mt. Angel College, the seminary continues to enjoy the support and funding of the diocese and the system of Catholic secondary schools. The President of Mt. Angel Seminary feels that basically three things have been accomplished at Mt. Angel Seminary that could not have occurred without state assistance.

1. State funds have been of assistance in maintaining the same level of educational effort which has been done without taking the institution's budget into the "red". In 1971-72, they finished with a small budget surplus. In 1970-71 they were within $2,000 of expending their $165,000 educational and general revenues.
2. The President maintains that the state assistance program has permitted improving the "quality of education" which in turn has allowed them to give a "better pitch" not only to potential Oregon resident enrollees, but to non-Oregonians as well.
3. The state program has helped their relationships with the archdiocese which is their ultimate accountability center. As a result, the archdiocese has helped direct a higher quality Oregon student to their institutions as they can report a financial gain for each Oregon resident enrolling.

For these and other reasons, the president feels that the 4.1 percent of his total budget represented in state assistance really understates the impact.

The Seminary president, at the time of the interview, was concerned that the Oregon Legislature not misread the intention of the potential funding and the distribution formulae under the proposed program of federal

aid to institutions and conclude that the state aid would no longer be needed. It is his opinion that the two programs complement each other well, but that it would be an error for the state to drop its support in view of potential federal support.

On the Index of Financial Health, the Seminary is below the average, but the 1971-72 year shows a slight turn around in what was fast becoming a sharply declining set of values from the Index. One complicating factor was that in the 1968-69 fiscal year there were no applicable data available in the HEGIS reports for the Seminary. Thus, the base years in this situation are limited to two years.

Museum Art School

In comparison with other institutions in the Oregon Independent Colleges Association and other schools receiving state assistance through House Bill 1864, the Museum Art School is atypical. This institution received $39,495 of state assistance and has used it to avoid tuition increases which the institution indicated would have been inescapable without the state revenue. State assistance has also helped retain faculty through a five percent increase in salaries. In addition, officials were able to increase student financial aid by five percent. Generally speaking, the institution has not involved its personnel extensively in the affairs of the Independent College Association and the political process leading to House Bill 1864. The Museum Art School is not a member of the Association.

The Index of Financial Health shows the school through the base period to be one of the weakest financially of the fourteen. The mean of three-year base period is 282.35, but the 1971-72 year boosted them to 453.53--a phenomenal 171 point increase. Most of the increase is in tuition, physical plant, and the revenue and expenditure categories.

Pacific University

The President of Pacific feels that state aid and "hard Management decisions" have prevented the school from experiencing an $80,000 deficit in 1971-72. Pacific received $82,340 for the 1971-72 fiscal year which represented two percent of their total educational and general expenditures. He characterizes the effect of the state funds on Pacific as the margin that frees the institution to concentrate on doing things other than just surviving. He would do little to change the approach to the program, but he would increase the dollar amount.

The President feels that Pacific has been affected negatively by drops in enrollment and by reduced funding for some federal programs that the institution has been involved with for the last few years. These have been reflected in the Index coefficients.

The Index of Financial Health shows that after a spurt in 1969-70, there was a significant decline in the Index coefficients for Pacific. Despite state aid in 1971-72, there is a drop from the mean of the three previous base years of 22.65 points. It would appear that short of drastic increases in enrollment and/or state assistance, Pacific will, in the short run, continue to face serious financial problems.

Reed College

The President of Reed College came to his position after the basic development of House Bill 1864 had occurred. However, he is knowledgeable regarding the rationale of the program and relates it to the New York program with which he is well acquainted. The New York program has no residency requirements and provides support on the basis of degrees conferred.

Reed College has the highest concentration of non-resident students of the fourteen institutions receiving state assistance. Because of the

high proportion of non-residents, Reed is helped proportionately less than the other institutions. The Reed president felt that five percent of the total educational and general revenues was a critical point after which accountability can begin to evolve into control.

On the Index of Financial Health, Reed fared slightly above average through the base year period, but for the 1971-72 year, showed a decline of over 26 points. It is possible to interpret this as a reflection of the overall impact of the state assistance program in that in relation to the other institutions, Reed received less and showed a decline in the overall financial health of the institution. However, such an interpretation cannot be documented with hard data at this time.

University of Portland

The President of the University of Portland has had many years of experience in Oregon and is well acquainted with the situation in Oregon. He is of the opinion that state assistance has allowed the University of Portland to maintain its status as a quality institution and, along with some other adjustments, allowed a $30,000 surplus for the 1971-72 fiscal year. Without the state program there would have been a substantial deficit as the state assistance amounted to $141,321 for the University of Portland, which represents 2.8 percent of its overall educational and general revenue budget.

The President took serious exception to the plans for distributing federal aid to institutions as proposed in the Higher Education Amendments of 1972, indicating that in his opinion, the federal approach provides no relief for the fiscal problems of the private college.

The Index shows the University of Portland to be in a declining position through the base period falling from 527.43 in 1968-69 to 475.80 in 1970-71. The 1971-72 picture though, turns the trend upward to 491.89 which is an increase of 16 points. It would appear that the president of

the University of Portland has analyzed well the impact of state assistance on his institution.

Warner Pacific College

The President of Warner Pacific personally has not been involved extensively in the development of the state program of Purchasing Educational Services from Independent Colleges but has had staff committed to the understanding and the executing of the program at Warner Pacific. His primary comments, beyond the questionnaire itself, had to do with his strong feeling that if independent institutions are to remain viable, a certain level of federal and state funding must be provided.

The Index of Financial Health shows Warner Pacific to be strong the first two years of the base period but dropping off radically in 1970-71 as there was a loss of 65 points between 1969-70 and 1970-71. However, in 1971-72 there was a strong upsurge, bringing the Index coefficient up by 97.57 points with most of the improvement in category nine. This would appear consistent with the use that Warner Pacific made of the $24,283 of state assistance which represents 2.5 percent of its educational and general revenue as they assigned the monies to general revenue accounts.

Western Baptist Bible College

The President of Western Baptist Bible College is perhaps the most concerned president regarding the "costs" of accepting the state money. He worries that potentially it could create changes in curriculum, philosophy, and/or objectives of the receiving institutions. Thus, he is happy to accept funds under the current conditions but is not willing to continue accepting them if they lead to changes in many of the characteristics of the institutions. He feels that Western Baptist Bible College has a well-defined mission and he intends to carry this mission out according to his understandings of it. If and when state assistance would be incon-

sistent with that mission, state assistance would be refused.

There are strong church relationships to this institution which is a relatively new institution in Oregon. The physical plant was purchased recently from the State of Oregon and is located in Salem.

The Index of Financial Health, which like Mount Angel Seminary, has only two applicable years in the base period, shows a decline in the coefficeint from 499.80 in 1969-70 to 475.14 in 1971-72.

Willamette University

The President of Willamette is an interim president and was on the job fewer than three months at the time of the interview. Thus, the Vice-President for Finance has been the major source of information in this investigation.

Willamette is unique among the fourteen institutions participating in the state program in that it has taken what might be called a prudent approach by deferring its expenditure of state assistance monies for one year. The purpose of such a deferral is to allow the institution one year of lead time in case of significant reductions in the amount or complete elimination of the program. Thus, it has been difficult to assess the actual impact in terms of specific programs. However, it is believed that tuition increases have been minimized as a direct result of receiving state assistance. The former president of Willamette was a central figure in developing the program of state aid and other staff members of the institution were active in helping progress it to its current form.

The Index of Financial Health shows Willamette to be in a desirable position financially with a steadily improving Index value beginning with the 1968-69 fiscal year and continuing through 1971-72. The 1971-72 figures are split as state assistance was computed both under base year and test year procedures.

As the questionnaire indicated, virtually all the schools feel that the state assistance program is a source of significant assistance and one that is critical to their maintaining quality and viable options of postsecondary training for Oregon citizens.

CHAPTER VI

CONCLUSION

Without attempting to restate the content of the preceding pages, it may be worthwhile to highlight and summarize a few aspects of this investigation that relate to the impact of state assistance on the independent colleges and universities in Oregon. Further, it may be important to discuss under what circumstances this approach to assessing the impact is transferable to other institutions in other years and under other circumstances.

The impact itself has been measured in two ways. First is the quantification process described in Chapter III, the results of which are interpreted in Chapter IV and depend on the concept of the Index of Institutional Financial Health. By applying the Index it is possible to trace the impact of not only the single intervention of state assistance but to isolate and account for interventions within others of the nine variable categories considered in the Index. In all cases, this is a quantification relative to conditions and circumstances of other institutions against which each one of the institutions is compared.

The Index of Institutional Financial Health is dependent upon a series of assumptions: (1) the judgments of presidents in weighting each of the categories as to their relative importance to the overall financial condition of institutions similar in character to those they administer; (2) that the HEGIS reports reflect accurate data about the institutions under consideration for each of the years

studied; and (3) that the computation sets are significant and indeed relevant to the issues one would assume to underlie variable categories in an index of financial health.

This type of analyses is not intended to be a prediction model. Rather, it is to analyze the situation as it is after data are recorded and processed. The only predictive use for this type of research can occur if it can be assumed that in the variable categories, other than the one being tested, values would remain constant from a base period to a prediction year.

Evaluation of direct assistance to private colleges on the potential scale of federal assistance as defined in the Higher Education amendments of 1972 could occur using this approach. In fact, an orderly pre-administration control system could enhance the validity by standardizing the reporting procedures and refining the computer programming to allow for more subtle deviations.

The computer program suffers two primary deficiencies: (1) inadequate information on payroll and the effects of this expenditure relative to the overall expenditures of each institution; and (2) having only headcount information as opposed to full-time equivalency information on the enrollment aspects of the comparisons. By using FTE, the standardizing potential is much greater as it allows the effect of part-time students and the resulting reduced tuition income. However in the case of the private colleges in Oregon, there is very little part-time enrollment; thus, the discrepancies are minimal. Nevertheless, in the broader applications of this approach, FTE is preferred over headcount. The use of FTE data was originally intended as part of the

design, but upon reviewing the available data, FTE information was not available.

Institutional Reviews

The second aspect of the investigation, which is described in Chapter V, is based on the several contacts with personnel from the colleges and universities. It is important to note in regard to the opinions of the campus personnel that virtually all of the institutions believe Oregon's program to Purchase Educational Services from Independent Colleges is worthwhile and should be continued. Indeed, they regard it to be significant to the financial health of the institutions receiving it and find little to complain about with the possible exceptions of the actual amounts being dispersed and some of the small details of the qualifying criteria.

There are considerable variations among the institutions in the uses of the state assistance funds, but overall there is firm commitment to continuing the program along the basic lines that are a part of current operating legislation.

According to an audit completed at the conclusion of the first year of actual payment, the Oregon Educational Coordinating Council found that the intent and criteria of the program were being met in a manner consistent with the legislation and the procedures established by the Oregon State Scholarship Commission.

Church and State

The issues of church and state relationships do not seem to surface. As was observed by the President of Mount Angel College, there may be fewer ties or constraints placed on the institution by state aid than other forms of non-tuition revenues. However, it is inter-

esting to speculate regarding the relative financial health of formerly church-related institutions which have recently become more secular in order to qualify for several of the programs of indirect federal assistance. The financial condition of these institutions might appear substantially different, if observed by the same quantitative methods underlying the Index of Institutional Financial Health, had the decision been made to stay with a maximum amount of church support and a minimum amount of indirect federal or state support.

In conclusion, it seems clear that the one million dollars Oregon has invested in the first year of state assistance has helped stem a trend of declining financial health in the independent colleges and universities. State assistance appears to have improved the overall financial conditions within the fourteen schools at a level at least proportionate to the percentage it represents of the total institutional revenue and expenditures of each of the receiving institutions.

APPENDIX A

CHAPTER 693, OR 1971

AN ACT

Relating to the State Scholarship Commission; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

Section 1. It is hereby determined and declared as a matter of legislative finding that:

(1) Independent institutions of higher education in the state educate a substantial share of all postsecondary students in Oregon and such nonpublic institutions make an important contribution to postsecondary education in Oregon.

(2) The state's duty to support the achieving of public welfare purposes in education may be, in part, fulfilled by the state's support of those nonsectarian educational objectives achieved through nonpublic postsecondary institutions.

(3) Many of Oregon's private and independent institutions of higher learning face serious financial difficulties and, should any of these institutions be forced to close, many of their students would seek admission in public institutions creating an added financial burden to the state and an impairment of postsecondary education in Oregon. Such hazards may be substantially reduced and all education in the state improved through the purchase of nonsectarian educational services from Oregon's private and independent institutions.

Section 2. As used in this Act, unless the context requires otherwise:

(1) "Commission" means the State Scholarship Commission.

(2) "Private and independent institutions of higher education" or "institution" means any nonpublic college or university in the State of Oregon accredited by the Northwest Association of Secondary and Higher Schools.

(3) "nonsectarian educational services" means the providing of instruction in secular subjects.

(4) "Secular subjects" means any course which is presented in the curriculum of a private and independent institution of higher education and which does not advocate the religious teachings or the morals or forms of worship of any sect.

Section 3. (1) The commission may enter into contracts with private and independent institutions of higher education for the performance of nonsectarian educational services to assist the state in providing educational opportunities for Oregon students.

(2) The commission may accept grants, gifts, bequests, and devises of real and personal property to carry out the purposes of this Act.

Section 4. Payments to private and independent institutions of higher education under contracts entered into under section 3 of this Act shall be determined by the commission and shall not exceed the rate of $250 for every 45 quarter hours, or equivalent, of approved and registered course work in nonsectarian subjects completed by undergraduate students enrolled in the institutions who are residents of Oregon, and shall not exceed the actual cost to the institution of providing such educational services. If funds are not adequate for payments as computed under this section, the dollar amount per 45-hour units may be reduced in the proportion that

the amount of funds available bears to the amount of funds required to satisfy all contracts at the rate specified.

Section 5. In accordance with any applicable provisions of ORS chapter 183, the commission may make such reasonable rules and regulations as are necessary or proper to carry out the provisions of this Act.

Section 6. There is appropriated to the State Scholarship Commission, for the biennium beginning July 1, 1971, out of the General Fund, the sum of $2 million, for the administration of the provisions of this Act.

Section 7. If a part of this Act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this Act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 8. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on July 1, 1971.

APPENDIX B

CHAPTER 624, OR 1969

AN ACT

Relating to financial aid for certain students; appropriating money; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

Section 1. The State of Oregon can achieve its full economic and social potential only if every individual has the opportunity to contribute to the full extent of his capability. It is therefore the policy of the Legislative Assembly and the purpose of this Act to establish an Oregon student financial aid program designed to assist students from among Oregon's high school graduates to continue their education in an approved postsecondary institution of their choice.

Section 2. As used in this Act, unless the context requires otherwise:
(1) "Approved postsecondary institutions" means any nonstate operated, four-year college or university in this state that is accredited by the Northwest Association of Secondary and Higher Schools.
(2) "Commission" means the State Scholarship Commission.
(3) "Full-time student" means any student graduated from a high school in Oregon and carrying at least 12 credit hours per term or its equivalent.

Section 3. To be eligible for a grant under this Act, a student must:
(1) Meet state residency requirements set by the commission.
(2) Meet minimum academic qualifications equivalent to those required for regular admission to an approved postsecondary institution.
(3) Be a citizen or permanent resident of the United States.
(4) Be accepted for admission to an approved postsecondary institution or be a full-time student therein.

Section 4. Grants established under this Act shall be awarded by the commission in the manner provided in this section.
(1) The commission annually shall review applications from students interested in obtaining grants established under this Act and may make grants to the first 6,484 eligible students in 1969-70 and to the first 6,767 eligible students in 1970-71.
(2) Each grant shall be for $100 for each school year.
(3) No grant shall be made to any student enrolled in a course of study required for and leading to a degree in theology, divinity or religious education.
(4) For any student who does not complete the school year for which the grant was received the college of his attendance shall refund to the commission the unused portion of the grant determined on the basis of the relationship of the months of the school year completed to the months in the total school year at the approved post-secondary institution in which he is enrolled.
(5) The commission may renew a grant as long as the recipient retains eligibility as defined in section 3 of this Act, and until the recipient has received a total of four undergraduate academic-year grants under this Act or until he has completed his undergraduate course of study, whichever is less.

Section 5. A grant recipient under this Act must attend the Oregon postsecondary institution upon which his grant application is based unless the commission authorizes the recipient to use the grant at a different institution. The commission may make

the grant payable jointly to the student and the approved postsecondary institution upon which his grant application is based.

Section 6. Nothing in this Act is intended to interfere with the authority of an approved postsecondary institution to evaluate admissibility to the institution. Admission remains the sole responsibility of the postsecondary institution to which students apply.

Section 7. There hereby is appropriated to the State Scholarship Commission for the biennium beginning July 1, 1969, out of the General Fund the sum of $1,325,100, which may be expended only for student grants prescribed in this Act.

Section 8. In accordance with any applicable provisions of ORS chapter 183, the commission may make such reasonable rules and regulations as are necessary or proper to carry out the provisions of this Act.

Section 9. If a part of this Act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this Act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 10. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act shall take effect upon its passage.

APPENDIX C

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

HIGHER EDUCATION GENERAL INFORMATION SURVEY

FINANCIAL STATISTICS OF INSTITUTIONS OF HIGHER EDUCATION FOR FISCAL YEAR ENDING 1972

INSTRUCTIONS AND DEFINITIONS

GENERAL

To avoid unnecessary overlapping of Federal surveys of the finances of your institution, this survey is designed to include the financial statistics previously collected by the U.S. Department of Commerce, Bureau of the Census Form F-15.

The definitions and instructions used here are compatible with those in College and University Business Administration, Revised Edition, published by the American Council on Education, One Dupont Circle, Washington, D.C. 20036.

Please attach supplemental information, comments, etc., on a separate sheet.

Please examine the definitions and instructions. If you need additional clarification on any of the items, please call Mr. Paul F. Mertins at (202) 962-7301, in Washington, D.C.

Data requested on this financial survey are for the fiscal year of your institution.

Data for your institution which are not kept on the books of account of your institution, but are kept on the records of another organization or agency for your institution, should be included (e.g., *State schools should report or estimate the value of physical plant even though records are maintained by a State agency).*

Exclude agency funds; i.e., funds handled by the institution in a custodial capacity only *(e.g., funds for student organizations).*

All data reported should be whole dollars only--omit cents.

Please complete this survey and return it to the U.S. Office of Education, National Center for Educational Statistics, ATTENTION Room 2136-HEGIS, 400 Maryland Avenue, SW., Washington, D.C. 20202, not later the October 31, 1972.

NOTE: *This year's form is in six parts. For any item in any part where exact data do not exist, please give estimates. Items referenced in specific instructions below will be referred to by their line numbers.*

SPECIFIC

PART A - CURRENT FUNDS REVENUES BY SOURCE FOR FISCAL YEAR ENDING 1972

LINE 1. This line is the sum of Lines 2, 3, 9, 10, 11, 18, 19, 26, 29, 30, and 31.

LINE 2. Report all tuition and fees assessed against students for educational and general purposes. Include here those tuition and fees which your State collects and returns in the form of State appropriations. Tuition and fee remissions or exemptions should be assessed and reported as student fees revenues although it is not intended to effect collection from the students. A corresponding amount, as well as the amount of other student aid granted out of current funds revenues, should be shown as expenditures of student aid grants *(Part B, Line 11).*

LINE 3. Governmental appropriations include all amounts received from governmental sources that are expendable for educational and general purposes. This item is the sum of Lines 4, 7, and 8.

LINE 5. Report Federal payments channeled through State finance agencies.

LINE 9. Report income from investments of restricted and unrestricted endowment, term endowment, quasi-endowment funds, Federal and State land-grant funds *(land-grant institutions),* and income from funds held in irrevocable trusts by others.

LINE 10. Report educational and general revenues given to the institution by any nongovernmental source. Include estimated value of services contributed by members of religious orders *(a corresponding amount should be reported under expenditures).* Include bequests. Do not include funds received for specified research or other sponsored programs in accordance with grants, contracts, or other written agreements.

LINE 11. Sponsored research includes revenues from outside organizations for specific research projects made in accordance with written agreements. Do not include recovery of indirect costs here. Do not include Federally Funded Research and Development Centers. Sum of Lines 12 through 15.

LINE 15. Include revenues from nongovernmental sources such as foundations, business corporations, other organizations, or individuals which are received in accordance with contracts, grants, or other written agreements. This line is the sum of Lines 16 and 17.

LINE 16. Report revenues from grants or contracts to do research of a philanthropic nature.

LINE 17. Report revenues from written agreements to do sponsored research which is not primarily philanthropic in nature *(i.e., proprietary research).*

LINE 18. Report gross revenues for separately organized research divisions that are not financed in the manner described for sponsored research (Line 11).

LINE 19. Include for sponsored programs all separately budgeted programs, other than research, which are supported by sponsors outside the institution. Examples are training programs, workshops, training and instructional institutes such as counseling institutes, college work-study programs, and similar activities for which payments are made in accordance with contracts, grants, or other written agreements. Sum of Lines 20 through 23.

LINE 23. Nongovernmental should include revenues from foundations and other nongovernmental sources *(Lines 24 and 25).*

LINE 26. Include recovery of indirect costs accruing from sponsored research and other sponsored programs *(Lines 27 and 28)*.

LINE 29. Incidental revenues of educational departments are included here.

LINE 30. This category should contain revenues of activities organized and operated in connection with instructional departments, and conducted primarily to provide instructional or laboratory training of students. Include, also, revenues for activities of a cultural nature, e.g., concerts, dramatic productions.

LINE 31. This item is for revenues for educational and general purposes not covered elsewhere. Important items and those of major magnitude which are reported here should be explained in a separate note, or attachment, accompanying this survey.

LINE 32. Student aid grants--do not include loans or work assignments. Report only grants, scholarships, and fellowships to students for which no services or repayments are required of the student. This item is equal to the sum of Lines 33 through 38, inclusive.

LINE 39. The figure reported here should be the sum of Lines 40 and 44.

LINE 40. Report revenues from hospitals in which service to the community or State is paramount (not infirmaries for students). This line is the sum of Lines 41, 42, and 43.

LINE 41. Report gross charges revenues of the public service hospital.

LINE 42. Report all revenues from the Federal Government for the hospital.

LINE 44. Report revenues from other major service programs or activities that are primarily community or public services performed by the institution, and are not essential in meeting the educational objectives of the institution. Examples are Federally Funded Research and Development Centers, international programs, and regulatory services.

LINE 45. Auxiliary enterprises represent the sum of Lines 46 and 47. Report gross revenues of activities which furnish a service to students, faculty, or staff, and which charge a fee to cover the cost *(or a portion thereof)* of the service.

LINE 47. Examples of other auxiliary enterprises would be college unions, revenues from intercollegiate athletics, etc. If of major magnitude, attach to this form a note explaining which items are included in this item.

LINE 48. This line should include ALL current funds revenues. It is the sum of Lines 1, 32, 39, and 45.

PART B - CURRENT FUNDS EXPENDITURES BY FUNCTION FOR FISCAL YEAR ENDING 1972

NOTE: For Part B, report expenditures of both restricted and unrestricted funds made for current operations.

LINE 1. Report the sum of Lines 2 through 10, inclusive.

LINE 2. Include all expenditures of the departments, colleges, schools, and instructional divisions of the institution.

LINE 3. Report expenditures for those activities listed on Line 3 *(Part A)*.

LINE 4. Report expenditures for those activities listed on Line 11 *(Part A)*. Do NOT include expenditures for indirect costs.

LINE 5. Report expenditures for research divisions and activities which are not for sponsored research or instruction and departmental research.

LINE 6. Other sponsored programs -- report expenditures for those activities mentioned on Line 19 *(Part A)*. Do NOT include indirect costs.

LINE 7. Extension and public service refers to educational and other activities designed primarily to serve the general public. However, do NOT include major service programs *(Lines 13 and 14)*.

LINE 8. Libraries -- report total expenditures for separately organized libraries, both general and departmental. Include operating expenses *(salaries, wages, etc.)*, books, subscriptions, etc.

LINE 9. Include salaries, supplies, materials, and other expenditures for maintenance and operation of all facilities except those properly charged to auxiliary enterprises and organized activities relating to instructional departments.

LINE 10. Include all expenditures of the general executive and administrative offices, expenditures for services to students, staff benefits expenditures, and other expenditures for educational and general purposes not included above. Do not include expenditures chargeable to auxiliary enterprises, organized activities, libraries, or physical plant operations.

LINE 11. Report expenditures for all student aid grants.

LINES 13 and 14. Report expenditures for those activities listed in Part A *(Lines 40 and 44)*.

LINES 16 and 17. Report gross expenditures of all auxiliary enterprises--include their physical plant charges, general institutional expenses, administrative charges, and other indirect costs.

LINE 18. Total current funds expenditures is the sum of Lines 1, 11, 12, and 15.

LINE 19. How much of total expenditures reported by your institution on Line 18 was expended for physical plant assets? If data are not available, then estimate the figure. Distribute this amount in columns (3), (4), and (5) of Line 19. Note that these amounts should NOT be included in columns (3), (4), or (5) at Lines 1 through 13, but only in column (2) of those lines.

LINE 20. How much of total expenditures reported by your institution on Line 18 was expended for agricultural experiment stations and extension services? This sum must appear in one or more of the above expenditures items.

COLUMN (2). This column should include expenditures of current funds only. If any current funds reported in column (2) went for capital outlays, see instruction at Line 19 above.

COLUMNS (3), (4), and (5). Report at Lines 1, 13, 14, 15, and 20, all expenditures for capital outlay from bond proceeds and all other funds except for current funds reported in Column (2). In Column (3), include purchase of equipment *(replacements as well as additions)*. In Column (4), report purchases of land and existing structures. In Column (5), report spending for new structures and other improvements, additions, replacements, and major alterations.

PART C - PHYSICAL PLANT ASSETS FOR FISCAL YEAR ENDING 1972

In part C, report data on physical plant assets: land, buildings, and equipment *(not plant cash or investments of plant cash)*. Data for your institution which are not kept on the books of account of your institution, but are kept on the records of another organization or agency for your institution, should be included *(e.g., State schools should report physical plant even though records are maintained by a State agency)*. Estimate value of plant even though it is rented or leased.

LINE 1. Report all land values except those land values which are a part of endowment or other capital fund investments in real estate.

LINE 2. Buildings include all buildings except those which are a part of endowment or other capital funds investments on real estate.

LINE 3. Equipment includes all equipment which your institution includes as an asset on inventory records.

COLUMN (2). Book value of plant at the beginning of the fiscal year is intended as the dollar amount of value as shown on the institution's accounting records. Provide estimates for assets not recorded in the accounts of the institution.

COLUMN (3). Additions during the year are additions to plant made through purchase, by gift-in-kind from donor, and from other additions.

COLUMN (4). Deductions from the plant are deductions resulting from selling, razing, fire or other hazards, or other disposition of assets, or from obsolescence.

COLUMN (5). Book value of plant at the ending of the fiscal year is intended as the dollar amount of value as shown on the institution's accounting records. Provide estimates for assets not recorded in the accounts of the institution.

PART D - INDEBTEDNESS ON PHYSICAL PLANT FOR FISCAL YEAR ENDING 1972

In Part D, report data on indebtedness liability *(principal only, not interest)* against the physical plant. Include auxiliary enterprises facilities as well as educational and general facilities. Examples of auxiliary enterprises facilities are those used for operation of housing, food service, bookstores, and other units which are classified as auxiliary enterprises. Enter zeroes or NA's if your institution has no indebtedness.

LINE 1. Balance owed on indebtedness principal at the beginning of the year is that amount shown in the liability section of the plant fund balance sheet.

LINE 2. Additional principal borrowed during the year is loans received through bonds, mortgages, notes, or any other type of financing *(including short-term notes)* and amounts borrowed from other institutional funds.

LINE 3. Payments on plant loans principal during the year is the amount expended to reduce the principal of loans, regardless of the source of funds.

LINE 4. Balance owed on indebtedness principal at the ending of the year is that amount shown in the liability section of the plant fund balance sheet. It is the sum of Line 1 plus Line 2, less

PART E - ENDOWMENT BY BOOK AND MARKET VALUES, EARNINGS, AND REALIZED GAINS FOR THE FISCAL YEAR ENDING 1972

In Part E, report data on investment of endowment, term-endowment, and quasi-endowment *(funds functioning as endowment)*. If your institution has no endowment, enter zeroes or NA's.

LINE 1. Book value at the beginning of the fiscal year is the value shown on the accounting records of your institution.

LINE 2. Market value at the beginning of the fiscal year is the value shown usually in the footnotes of the annual financial report. *(If market value on some investments is not available, use whatever value was assigned by your institution, as included in the footnote.)*

LINE 3. Book value at the ending of the fiscal year is the value shown on the accounting records of your institution.

LINE 4. Market value at the ending of the fiscal year is the value shown usually in the footnotes of the annual financial report.

LINE 5. Earnings include all earnings *(not realized gains)* on investments of endowment regardless of distribution made of the earnings to various institutional funds.

LINE 6. Net realized gains are appreciations *(amount selling price is greater than purchasing price)* on securities and other investments sold during the fiscal year. Not all investments are sold at a gain. Losses should be subtracted from gains in reporting here.

INSTRUCTIONS FOR PART F ON REVERSE.

112 PART F - TO BE COMPLETED BY PUBLIC INSTITUTIONS ONLY

LINE 1. Report all gifts and grants received during the fiscal year from private individuals and organizations. Include nonexpendable grants as well as benefactions available for plant expansion, or for current expenditure.

LINE 2. Report interest, dividends, rents, and other earnings on all invested funds, including endowment and plant funds. Exclude receipts from sale of securities other than any recorded profits. Exclude earnings of State land funds allocated to your institution.

LINE 3. Report total expenditures during the fiscal year for gross salaries and wages of the total academic and nonacademic staff, including paid student help and part-time employees. Include amounts for auxiliary enterprises.

LINE 4. Include such expenditures from all funds, both restricted and unrestricted. Exclude payments to students rendering services teaching fellows, etc.).

LINE 5. Report interest paid from all funds--general, auxiliary enterprise, plant funds, etc.

LINES 6 through 9. Report bonds, mortgages, etc., with an original term of more than one year, which are payable solely from pledged earnings, charges, or fees (e.g., dormitory, stadium, and student-union revenue bonds). Include any loans (not "Commitments") from H.H.F.A. and other Federal agencies. Exclude obligations backed by a pledge of credit of the State.

LINES 10 and 11. Report bond anticipation notes, interest-bearing warrants and other obligations with a term of one year or less. Exclude accounts payable and other noninterest-bearing obligations. Do not include interfund loans, or advances from State funds.

Lines 12 through 16. Report amounts of cash on hand and on deposit, and security holdings (at par value) as to all funds and accounts of your institution **except** agency accounts held in private trust or custodial capacity, and any contributory employee-retirement system funds. **Include** endowment funds, loan funds, and plant funds, as well as current funds. **Exclude** accounts receivable, value of property other than securities, and any amounts **held for your institution by the State Treasurer.** Sinking funds (Column (2)) are reserves held specifically for redemption of the long-term debt reported in Line 9 (but exclude any amounts for interest requirements). **Bond funds** (Column (3)) are funds established to account for the proceeds of bond issues pending their disbursement.

LINE 12. Report cash on hand and demand and time or savings deposits.

LINE 14. **Include** holdings of bonds and other securities issued by State and local government institutions and agencies. **Exclude** interfund loans and advances.

LINE 15. Report bonds, stocks (at book value), mortgages, notes, student loans, etc., not included in Lines 12 through 14.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF EDUCATION
WASHINGTON, D.C. 20202

HIGHER EDUCATION GENERAL INFORMATION SURVEY

FINANCIAL STATISTICS OF INSTITUTIONS OF HIGHER EDUCATION FOR FISCAL YEAR ENDING 1972

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

O.M.B. NO. 51-R0566
APPROVAL EXPIRES: 6/30/74

1. INSTITUTION CODE NUMBER

2. DUE DATE
October 31, 1972

Items 1, 3, 4, 5, and 6 MUST be completed by all institutions. If applicable, complete items 7 and 8. Submit a separate survey form for each of the campuses or branch campuses of the institution. If it is impossible to provide separate data for any branch campus, and the data for that branch must be included in the parent institution's report, indicate this in item 8 below.

3. NAME AND MAILING ADDRESS OF INSTITUTION OR CAMPUS COVERED BY THIS REPORT *(Include city, State, and ZIP code)*

4. NAME AND TITLE OF RESPONDENT

5. TELEPHONE NUMBER OF RESPONDENT *(Area code, local number and extension)*

6. THE INSTITUTION COVERED BY THIS REPORT IS *(Check only one)*

(a) ☐ A SINGLE-CAMPUS INSTITUTION

(b) ☐ A MAIN CAMPUS *("Parent" institution)* WITH ONE OR MORE BRANCH CAMPUSES AND/OR OTHER CAMPUSES *(Specify in item 8 below)*

(c) ☐ A BRANCH CAMPUS OF A PARENT INSTITUTION *(Write the name of parent institution below)*

(d) ☐ ONE OF THE ADMINISTRATIVELY EQUAL CAMPUSES OF A MULTI-CAMPUS INSTITUTION

7. IF THE INSTITUTION COVERED BY THIS REPORT IS INCLUDED IN AN "INSTITUTIONAL SYSTEM", WRITE THE NAME OF THE SYSTEM BELOW.

8. PARENT INSTITUTIONS *(As checked in item 6b)* SHOULD LIST THE NAMES OF ALL THEIR BRANCH CAMPUSES BELOW. USE THE FIRST COLUMN TO SHOW WHETHER DATA FOR ANY OF THESE UNITS ARE INCLUDED WITH THE DATA FOR THE "PARENT" IN THIS REPORT.

ARE DATA FOR THIS UNIT INCLUDED IN THIS REPORT?	NAME OF BRANCH CAMPUS AND/OR OTHER CAMPUS	ADDRESS *(City, State, and ZIP code)*
☐ YES ☐ NO		
☐ YES ☐ NO		
☐ YES ☐ NO		

DEFINITIONS

MULTI-CAMPUS INSTITUTION. An organization bearing a resemblance to an institutional system, but unequivocally designated as a single institution with either of two organizational structures: *(1)* an institution having two or more campuses responsible to a central administration *(which central administration may or may not be located on one of the administratively equal campuses)* or *(2)* an institution having a main campus with one or more branch campuses attached to it.

MAIN CAMPUS. In those institutions comprised of a main campus and one or more branch campuses, the main campus *(sometimes called the parent institution)* is usually the location of the core, primary, or most comprehensive program. Unless the institution-wide or central administrative office for such institutions is reported to be at a different location, the main campus is also the location of the central administrative office.

BRANCH CAMPUS. A campus of an institution of higher education which is organized on a relatively permanent basis *(i.e., has a relatively permanent administration)*, which offers an organized program or programs of work of at least 2 years *(as opposed to courses)*, and which is located in a community different from that in which its parent institution is located. To be considered in a community different from that of the parent institution, a branch shall be located beyond a reasonable commuting distance from the main campus of the parent institution.

INSTITUTIONAL SYSTEM. A complex of two or more institutions of higher education, each separately organized or independently complete, under the control or supervision of a single administrative body.

PART A - CURRENT FUNDS REVENUES BY SOURCE FOR FISCAL YEAR ENDING 1972

SOURCE	LINE NO.	AMOUNT (whole dollars only)	SOURCE	LINE NO.	AMOUNT (whole dollars only)
I. EDUCATIONAL AND GENERAL REVENUES - TOTAL *(sum of lines 2, 3, 9, 10, 11, 18, 19, 26, 29, 30, and 31)*	1	$	H. RECOVERY OF INDIRECT COSTS *(sum of lines 27 and 28)*	26	$
A. STUDENT TUITION AND FEES	2		1. SPONSORED RESEARCH	27	
B. GOVERNMENTAL APPROPRIATIONS *(sum of lines 4, 7, and 8)*	3	$	2. OTHER SPONSORED PROGRAMS	28	
1. FEDERAL GOVERNMENT *(sum of lines 5, and 6)*	4	$	I. SALES AND SERVICES OF EDUCATIONAL DEPARTMENTS	29	
a. FEDERAL PAYMENTS RECEIVED THROUGH STATE CHANNELS	5		J. ORGANIZED ACTIVITIES RELATED TO EDUCATIONAL DEPARTMENTS	30	
b. ALL OTHER FEDERAL APPROPRIATIONS	6		K. OTHER SOURCES	31	
2. STATE GOVERNMENT	7		**II. STUDENT AID GRANTS - TOTAL** *(sum of lines 33 through 38)*	32	$
3. LOCAL GOVERNMENT	8		A. FEDERAL GOVERNMENT	33	
C. ENDOWMENT INCOME	9		B. STATE GOVERNMENT	34	
D. PRIVATE GIFTS	10		C. LOCAL GOVERNMENT	35	
E. SPONSORED RESEARCH *(sum of lines 12, 13, 14, and 15)*	11	$	D. PRIVATE GIFTS AND GRANTS	36	
1. FEDERAL GOVERNMENT	12		E. ENDOWMENT INCOME	37	
2. STATE GOVERNMENT	13		F. OTHER STUDENT AID GRANTS	38	
3. LOCAL GOVERNMENT	14		**III. MAJOR SERVICE PROGRAMS - TOTAL** *(sum of lines 40 and 44)*	39	$
4. NONGOVERNMENTAL *(sum of lines 16 and 17)*	15	$	A. HOSPITALS *(sum of lines 41, 42, and 43)*	40	$
a. PHILANTHROPIC	16		1. HOSPITAL CHARGES	41	
b. OTHER NONGOVERNMENTAL	17		2. FEDERAL FUNDS FOR HOSPITALS	42	
F. OTHER SEPARATELY BUDGETED RESEARCH	18		3. OTHER HOSPITAL REVENUES	43	
G. OTHER SPONSORED PROGRAMS *(sum of lines 20 through 23)*	19	$	B. OTHER SERVICE PROGRAMS *	44	
1. FEDERAL GOVERNMENT	20		**IV. AUXILIARY ENTERPRISES - TOTAL** *(sum of lines 46 and 47)*	45	$
2. STATE GOVERNMENT	21		A. HOUSING AND FOOD SERVICES	46	
3. LOCAL GOVERNMENT	22		B. OTHER AUXILIARY ENTERPRISES	47	
4. NONGOVERNMENTAL *(sum of lines 24 and 25)*	23	$	**V. TOTAL CURRENT FUNDS REVENUES - GRAND TOTAL** *(sum of lines 1, 32, 39, and 45)*	48	$
a. PHILANTHROPIC	24				
b. OTHER NONGOVERNMENTAL	25				

Please attach a list of the names of Federally Funded Research and Development Centers for which these revenues were received.

PART B - CURRENT FUNDS EXPENDITURES AND ALL EXPENDITURES FOR CAPITAL OUTLAY *(ALL FUNDS)* BY FUNCTION FOR FISCAL YEAR ENDING 1972

FUNCTION (1)	LINE NO.	CURRENT FUNDS EXPENDITURES (2)	EXPENDITURES FOR CAPITAL OUTLAY (from all funds other than current funds)		
			PURCHASE OF EQUIPMENT (3)	PURCHASE OF LAND AND BUILDINGS (4)	CONSTRUCTION (5)
I. EDUCATIONAL AND GENERAL EXPENDITURES - TOTAL *(sum of lines 2 through 10)*	1	$	$	$	$
A. INSTRUCTION AND DEPARTMENTAL RESEARCH	2				
B. ORGANIZED ACTIVITIES RELATED TO EDUCATIONAL DEPARTMENTS	3				
C. SPONSORED RESEARCH	4				
D. OTHER SEPARATELY BUDGETED RESEARCH	5				
E. OTHER SPONSORED PROGRAMS	6				
F. EXTENSION AND PUBLIC SERVICE	7				
G. LIBRARIES	8				
H. PHYSICAL PLANT MAINTENANCE AND OPERATION	9				
I. OTHER EDUCATIONAL AND GENERAL	10				
II. STUDENT AID GRANTS	11	$			
III. MAJOR SERVICE PROGRAMS - TOTAL *(sum of lines 13 and 14)*	12	$			
A. HOSPITALS	13				
B. OTHER SERVICE PROGRAMS	14				
IV. AUXILIARY ENTERPRISES - TOTAL *(sum of lines 16 and 17)*	15	$	$	$	$
A. HOUSING AND FOOD SERVICES	16				
B. OTHER AUXILIARY ENTERPRISES	17				
V. TOTAL CURRENT FUNDS EXPENDITURES - GRAND TOTAL *(sum of lines 1, 11, 12, and 15)*	18	$			
ESTIMATE OF AMOUNT ON LINE 18 EXPENDED FOR PHYSICAL PLANT ASSETS	19	$			
ESTIMATE OF AMOUNT ON LINE 18 EXPENDED FOR AGRICULTURAL EXPERIMENT STATIONS AND EXTENSION SERVICES	20	$	$	$	$

PART C - PHYSICAL PLANT ASSETS FOR FISCAL YEAR ENDING 1972

TYPE OF ASSET (1)	LINE NO.	BOOK VALUE AT BEGINNING OF YEAR (2)	ADDITIONS DURING YEAR (3)	DEDUCTIONS DURING YEAR (4)	BOOK VALUE AT END OF YEAR (5)
LAND	1	$	$	$	$
BUILDINGS	2				
'MENT	3				

PART D - INDEBTEDNESS ON PHYSICAL PLANT FOR FISCAL YEAR ENDING 1972

BALANCE AND TRANSACTION	LINE NO.	AMOUNT (whole dollars only)
BALANCE OWED ON PRINCIPAL AT BEGINNING OF YEAR	1	$
ADDITIONAL PRINCIPAL BORROWED DURING THE YEAR	2	
PAYMENTS MADE ON PRINCIPAL DURING THE YEAR	3	
BALANCE OWED ON PRINCIPAL AT END OF YEAR *(line 1, plus line 2, minus line 3)*	4	$

PART E - ENDOWMENT BY BOOK AND MARKET VALUES, EARNINGS, AND REALIZED GAINS FOR FISCAL YEAR ENDING 1972

BALANCE AND TRANSACTION	LINE NO.	AMOUNT (whole dollars only)
VALUE OF ENDOWMENT AT THE BEGINNING OF THE FISCAL YEAR		
a. BOOK VALUE	1	$
b. MARKET VALUE	2	$
VALUE OF ENDOWMENT AT THE END OF THE FISCAL YEAR		
a. BOOK VALUE	3	$
b. MARKET VALUE	4	$
ENDOWMENT EARNINGS *(dividends, interest, rents, etc.)*	5	$
NET REALIZED GAINS OR LOSSES ON SALE OF INVESTMENTS	6	$

PART F - TO BE COMPLETED BY *PUBLIC* INSTITUTIONS ONLY

ITEM	LINE NO.	AMOUNT (whole dollars only)
I. REVENUES *(all funds)* A. ALL PRIVATE GIFTS	1	$
B. EARNINGS ON INVESTMENTS	2	
II. EXPENDITURES *(all funds)* A. PERSONAL SERVICES *(gross salaries and wages)*	3	
B. SCHOLARSHIPS AND PRIZES	4	
C. INTEREST ON DEBT PAID FROM ALL FUNDS *(enter amount here)* →	5	
If Part B includes any expenditures for interest, enter total amount here →		
III. DEBT OUTSTANDING, ISSUED, AND RETIRED		
A. NONGUARANTEED LONG-TERM DEBT		
1. TOTAL OUTSTANDING AT BEGINNING OF FISCAL YEAR	6	
2. TOTAL ISSUED DURING FISCAL YEAR	7	
3. TOTAL RETIRED DURING FISCAL YEAR	8	
4. *TOTAL OUTSTANDING AT END OF FISCAL YEAR (line 6 plus, line 7, minus line 8)*	9	$
B. SHORT-TERM *(interest-bearing)* DEBT 1. AMOUNT OUTSTANDING AT BEGINNING OF FISCAL YEAR	10	$
2. AMOUNT OUTSTANDING AT END OF FISCAL YEAR	11	

IV. CASH AND SECURITY HOLDINGS AT END OF FISCAL YEAR

TYPE OF ASSET (1)	LINE NO.	AMOUNT AT END OF FISCAL YEAR: HELD IN SINKING FUNDS *(see definitions)* (2)	HELD IN BOND FUNDS *(see definitions)* (3)	HELD IN ALL OTHER FUNDS, EXCEPT FOR ANY EMPLOYEE-RETIREMENT FUND (4)
A. CASH AND DEPOSITS	12	$	$	$
B. FEDERAL SECURITIES - U.S. TREASURY OBLIGATIONS	13			
C. STATE AND LOCAL GOVERNMENT SECURITIES	14			
D. OTHER SECURITIES	15			
TOTAL (sum of lines 12 through 15)	16	$	$	$

NOTE: Use attachments for comments, supplemental

Appendix D

EDUCATIONAL COORDINATING COUNCIL

IMPACT OF STATE FINANCIAL ASSISTANCE TO INDEPENDENT COLLEGES AND UNIVERSITIES

(This is one of five information gathering instruments being used on each campus in connection with the study of the State Assistance Program.)

1. Are you familiar with the development and purposes of House Bill 1864 as passed during the 1971 Oregon Legislative Session in which the Legislature authorized and appropriated funds for direct assistance to independent colleges and universities?

   Yes _____

   No _____

   If yes, are you familiar with the distribution formula?

   Yes _____

   No _____

   If yes, are you satisfied with the formula?

   Yes _____

   No _____

   If no, what would you modify? in what way? _____

   _____

   _____

   _____

   _____

2. Were you or any of your staff involved in the development and/or the preparation of House Bill 1864?

   Yes _____

   No _____

2. Continued

If yes, in what way? _____

_____

_____

_____

_____

3. Did your institution anticipate the amounts to be received from the first year or the program's operation?

Yes _____

No _____

4. Did you develop plans either before or during the '71-'72 academic year for specific uses of the state funds?

Yes _____

No _____

5. How was the money actually used?

A. _____ To expand the admissions program

B. _____ To improve salary for faculty and staff

C. _____ To improve student services (e.g., personal counseling, academic advising, academic support services, etc.)

D. _____ To improve physical plant

E. _____ To expand your development (fund raising) program

F. _____ To hire new faculty or staff

G. _____ To add a new program

H. _____ No specific use beyond adding to general revenue accounts

I. _____ Other (please specify) _____

_____

6. Has the program had a significant impact in terms of the financial health of your institution?

Yes _____

No _____

If yes, please comment on how the impact is measured. _____

_____

_____

_____

_____

_____

7. Does your institution have any deliberate plans for long-range use of funds generated from the State Assistance Program?

Yes _____

No _____

If yes, how do you plan to use funds?

A. _____ To expand the admissions program

B. _____ Salary improvement for faculty and staff

C. _____ To improve student services (e.g., personal counseling, academic advising, academic support services, etc.)

D. _____ To improve physical plant

E. _____ To expand your development (fund raising) program

F. _____ To hire new faculty or staff

G. _____ To add a new program

H. _____ No specific use beyond adding to general revenue accounts

I. _____ Other (please specify) _____

_____

8. Do you believe there is a critical percentage of your total educational and general revenues below which the impact of state assistance has minimum significance and above which there is a significant impact?

Yes _____

Uncertain _____

No _____

If yes, what percentage? _____

How did you derive the percentage? _____

_____

_____

_____

9. Are you familiar with a 1968 Oregon Educational Coordinating Council report in which there was developed a concept of efficiency among the three variables of student enrollment, faculty size, and physical plant?

Yes _____

No _____

If yes, have you considered using revenues from state assistance programs to adjust these variables to greater advantage?

Yes _____

No _____

10. Have you ever conferred with the Board of Trustees formally or informally regarding the state program?

Yes _____

No _____

If yes, please indicate in which of the following ways consultation has occured.

A. _____ Formal agenda item

B. _____ Subcommittee of the Board of Trustees agenda item

10. Continued

C. _____ Private conference with the Chairman of the Board of Trustees

D. _____ Other (please specify) _____

_____

11. During the '69-'70 and '70-'71 academic years, the state of Oregon offered indirect institutional assistance through a State Scholarship Commission program that granted financial aid to Oregon students enrolled in independent colleges. In addition,the legislature authorized granting the receiving institution $100 of direct assistance per enrolled grant recipient. Which approach to state financial assistance do you prefer, assuming equal funding levels?

_____ The student grant program

_____ Current state program (House Bill 1864) of contracting educational services

Would you comment on the advantages or disadvantages represented in either of these approaches. _____

_____

_____

_____

_____

12. Are you familiar with the provisions of the recently passed federal higher education legislation (Omnibus Higher Education Bill) and its provisions for direct institutional aid?

Yes _____

No _____

13. Are you familiar with the distribution formulas of the institutional aid provisions of the Omnibus Higher Education Bill?

Yes _____

No _____

If yes, do you agree with these as they affect your institution?

Yes _____

No _____

If no, what would you modify? in what way? _____

_____

_____

_____

_____

14. Do you believe it possible for an independent college or university to benefit from a balance of federal institutional aid and state institutional aid, assuming significantly different formulas for distribution?

Yes _____

No _____

If yes, please comment. _____

_____

_____

_____

_____

_____

15. Have you, or others on your staff, considered the "costs" related to participating in this or similar programs of state assistance?

Yes _____

No _____

15. Continued

If yes, could you list some categories of concern (e.g., eventual loses or diminution of autonomy, dependencies on government funding, etc.) that you feel may be affected by continued acceptance of direct financial assistance.

Comments:

_____

_____

_____

_____

_____

_____

_____

_____

APPENDIX E

EDUCATIONAL COORDINATING COUNCIL

COPY

4263 COMMERCIAL ST. S.E. • SALEM, OREGON • 97310 • Ph. 378-3921 (AC 503)

June 16, 1972

Mr. Frank T. Speed, Director
Division of Research and Higher Education
State Board of Education
State Office Building
Montgomery, Alabama 36104

Dear Mr. Speed:

I am writing to inquire regarding any programs of direct financial assistance to independent (private) colleges that your state government may be sponsoring.

In the 1971 Session, the Oregon Legislature authorized and funded a program of direct assistance to independent colleges, and we in the Educational Coordinating Council are currently examining its impact on the receiving institutions. If your state has any such program, it would be helpful to our research if you could provide us with basic information concerning its character (i.e., the type and amount of aid, formula for disbursement, and citations for specific legislative action). Also, we would appreciate receiving information regarding any plans or previous attempts to evaluate such programs.

Thank you for any assistance that you or someone on your staff might be able to provide us.

Sincerely yours,

/S/ Larry D. Large

Larry D. Large
Consultant

LDL:js

Appendix F

INDEX VARIABLE FORM

Variable Product Value [ ]

P. _____ Average Variable Value [ ] Weighted Constant [ ]

Variable # _____ HEGIS # _____ Year _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Matrix [ ] Equation scale value _____

Subtotal _____ _____

APPENDIX G

NOTES ON INTERVIEW WITH THE PRESIDENT OF SAMPLE INSTITUTION

A very interesting institution with a cooperative attitude and outlook with respect to the study. I was invited to join the President and the Academic Dean for lunch where we discussed the general terms and character of the study. They are interested in what we are interested in and are relieved to know that we are studying the impact not necessarily with an eye to terminate the program. It is the President's belief (he is new on the job and has just ended his first academic year) that the program is truly significant to the survival of the institution. It is his opinion, and that of the Academic Dean, that it really has accomplished three things:

1. It has allowed for the maintenance of effort and to do so without going into the "red". This year they will finish in the black; they did last year also but were very close, coming within $2,000 of their budget.

2. It has permitted an improvement in the quality of education which in turn they say gives them a better pitch, not only to Oregon residents but to non-Oregonians, in the sense they have the money and they are turning it into improvement in educational quality.

3. It helps them uniquely in relation to the archdiocese, their ultimate accountability center. It helps them, because they are getting a higher quality Oregon student than before, as they can report a financial source of revenue from it. It is also helping the diocese keep some quality Oregon students in the State. It is a good advantage to the institution and to the diocese.

The President feels that the 2 1/2% or something similar to that, represented in the State assistance program, really understates the impact and that it probably represents over a 5% impact of the total budget because the opportunity to recruit new students and benefit from the tuition revenues derived therefrom. The administration of the questionnaire was fairly successful. Item #8 about the critical percentage really needs an extra option having to do with an uncertain choice.

The President is concerned specifically that the State Legislature not misread the purposes, intention, and impacts of the Federal aid to institutions and conclude that the State aid is no longer needed because of the Federal aid. In fact, he believes that the two should complement one another and the State aid really gets at a different kind of a situation than the Federal program. There was a certain level of frustration of having to assign percentages to

the variables of the index. He understood how I might be frustrated with it, but nevertheless had difficulty in actually assigning the percentages. I suspect this will be a trend as I go to other colleges. I have made arrangements for the financial aid officer, which is also the Academic Dean, the business office, and admissions office, to complete their questionnaires.

The key point that the President kept returning to was that the program did two things very well. It was the difference between a deficit budget and one that was operating with a credit balance and that it presented the opportunity for them to improve educational quality. He must have repeated that statement four or five times in the 2 1/2 hours we spent together, which is an indication of his interest in it and his generosity in committing that much of his time to me.