My name is Dr. Jennifer Schuberth, I'm an assistant professor in Religion at PSU. I am also a founding member of CORE: Calling Oregon to Reinvest in Education.

At an October forum at PSU on how the OEIB will affect quality in higher education, Ben Cannon, the governor's education policy advisor, said, "a move towards this outcomes focused funding system, actually creates a real opportunity" for faculty concerned about growing class sizes and issues of quality, "because it will require the state and the investment board to establish what are the core purposes of education and then put the dollars behind them."[1] Cannon acknowledged that at the policy level, we only have pretty blunt tools, such as rates of completion of degree. These tools may play a role in investment decisions, but we also know that student-faculty relationship lead to better outcomes and these relationships are precisely where the dollars are not being spent at Portland State.

A quality higher education requires time, it requires that professors have a manageable workload so that they can meet with students and provide feedback on their work. This interaction has been shown to be even more important for non traditional students who make up the majority of PSU's student population.[2] Quality higher education requires that students not have to work two jobs and be in debt for the rest of their lives to get that education. You can't get much out of class if you're too tired to do the reading or you have to miss half your classes because of overtime.

Too often students and faculty are pitted against one another. The narrative has been that higher quality will mean higher tuition. But tuition has been increasing along with class sizes, while labor conditions and faculty salaries have been declining. We need to question this narrative in light of what's happening on the ground. The money is not being used to provide students with quality higher education and therefore we cannot assume that higher tuition will simply lead to higher quality.

Last year, Portland State University posted record breaking reserves: 19.8% of operating revenues or $54 million.[3] They are now projecting that they will end FY2012 with reserves totaling 18.5% of operating revenues, or $49 million.[4] OUS recommends a reserve of between 5-15%. In the face of record tuition increases, faculty pay cuts, increased class sizes, and increased course loads, faculty and students have repeatedly asked in private and public forums why this money, which is unrestricted, is

not being used for instruction and faculty research. The administration has repeatedly told students and faculty—many of whom, like me, have degrees in finance, statistics or economics—that they don't understand budgets. Last spring, the AAUP faculty union brought in an expert, Dr. Howard Bunsis, who holds a JD, as well as an MBA, and PhD from the University of Chicago, to audit PSU's own financial statements; Dr. Bunsis' research found huge surpluses that could be used for instruction and a decline in the university's overall financial commitment to teaching.[5] The university responded to this presentation by quibbling over numbers and engaged in an ad hominem attack both in writing and during private meetings in which they questioned Dr. Bunsis' credentials.[6] They never answered the basic question of why more money couldn't be spent on instruction.

Then, on November 16th, during an AAUP collective bargaining meeting, which included three student representatives, the faculty and students again brought up the reserve. The administration said they couldn't tell them the composition of the reserve because the new Vice President for Finance and Administration is so new that she doesn't have that level of knowledge yet. The administration essentially told the bargaining team that they had plans for the money, they just couldn't give them any details. The faculty and students have been asking these questions for months and the administration still cannot, or will not, answer them.

Portland State University is a public institution and its operations are being financed more and more by student tuition and fees. Students, faculty and the citizens of Oregon have the right to know how their money is being spent. However, access to budgets after the money has been allocated does us no good. Faculty and students need to be part of the decision making process from the very beginning and Portland State University's administration needs to reallocate funds in order to fulfill its core mission of educating students and conducting academic research.

We know where some of the money has been going; administrators' salaries have been increasing and more administrators have been hired in the past few years. The other place this money is going is into real estate. PSU certainly needs more space as its student population grows, but 40% of the proposed new construction is for commercial properties.[7] We need to ask what effect this kind of real estate investment,

which means long term debt obligations, is having and will have on the quality of education at PSU. In California and many other states, we've seen universities enter into risky real estate deals that have been financed by student tuition dollars. These risky deals often have the promise of research funding attached to them.[8] In 2010, the University of California finally acknowledged that its $3.5 billion in research revenues translated into a $720 million net loss, once overhead was factored in.[9] These huge losses mean that state money and student tuition dollars were used to subsidize private research. Portland State's proposal for a Sustainability Center building is one such example of a risky investment that is supposed to bring in research dollars, but has the potential for major losses.[10] Recently, Portland city commissioners Fish and Fritz questioned the city's financial commitment to the project because of its risks.[11] Before we build sustainability centers, which in this case will benefit private companies, we need to create a sustainable educational environment, one which practices sustainable labor practices and doesn't bury students in debt.

Ultimately, the most economically sound and the most socially just solution is free higher education for all Oregonians who qualify. However, we understand that is not possible at this moment and not the job of this board. What we are asking is for the state to help students and faculty play an active role in the decision making process at our own university. As an education investment board, we would like you to direct PSU to invest a higher percentage of its budget into instruction and research that is not privately owned. We believe the following steps are necessarily, but not sufficient, to maintain quality at PSU:

a. Freeze tuition and fees, with the goal of eventually decreasing them.
b. Cap class sizes. We suggest no more than 36 for lower level courses, based on general education (PSU's "university studies") course caps, and no more than 25 for upper division courses.[12] Online course should have no more than 25 students, and 15 for writing intensive courses.[13]
c. Require that at least 80% of the faculty be hired as full time employees.[14] Currently, over 40% of courses are taught by adjuncts, many of whom are working at 2 or 3

other colleges without benefits, do not have office space, cannot advise students about majors or classes, and are often not available to write recommendations.

d. Require that after three years of employment, faculty are put on 3-plus year rolling contracts, in order to ensure continuity of programs and availability of faculty for student advising, recommendations, and other work that requires a long term commitment by and to the university. Southern Oregon University already employs such contracts.[15]

We are requesting that the Oregon Education Investment board intervene into PSU's investment decisions because the current allocation of resources is leading to a lower quality of education for all our students, including many Oregonians. Faculty and students have attempted to address issues of tuition increases, workload, faculty hiring practices, and budget concerns with the administration in multiple venues. At November 15th press conference the day before a student walk, the administration told student reporters that PSU's administration couldn't address their concerns and that they should speak to their legislators. We are doing that and we hope that this board will help faculty and students change the direction of our university, because if it continues on its current path, we are headed towards a degree mill in which students pay a great deal for a piece of paper that signifies little.

[1] The forum can be viewed at: http://orcore.org/oeibforum.html

[2] From resource and data page at CORE: http://orcore.org/resources.html

- Joe Cuseo. "The empirical case against large class size: Adverse effects on the teaching, learning, and retention of first-year students." *The Journal of Faculty Development*, Volume 21 (1) Jan 2007. Scholar reviews 60+ research articles on effects of class size on retention. Findings: The research reviewed in this manuscript indicates that large class size is a contextual variable that has generally adverse effects on student learning, mediated primarily by lowering students' level of engagement (active involvement) with the course instructor, with classmates, and with the subject matter.
- Chapman, Lauren and Larry Ludlow, "Can Downsizing College Class Sizes Augment Student Outcomes?: An Investigation of the Effects of Class Size on Student Learning." *The Journal of General Education*. 59.2 (2010). Findings: "Neither student nor instructor variables individually or collectively were able to completely negate the negative effects of larger classes. Therefore, while increasing class sizes, especially during these times of increased education costs, presents a relatively seductive and easy way to save money, it may introduce a burden to learning that is difficult for students and instructors to overcome despite their best efforts."
- Dillon, Michael and E. C. Kokkelenberg, "The Effects of Class Size on Student Achievement in Higher Education: Applying an Earnings Function." Binghamton University State University of New York, June 2002. Finding: Student grades are negatively impacted as class size increases.
- Keil, Jack and Peter J. Partell, Office of Budget and Institutional Research, Binghamtom University, "The Effect of Class Size on Student Performance and Retention at Binghamton University." Finding: There is a negative relationship between class size and retention at Binghamton University.
- Shoemaker, Judy, DUE/Research & Evaluation, UC Irvine, "Overview of Class Size Research." Findings: "Smaller classes are more effective when the goals are problem-solving, critical thinking, long-term retention, and attitude toward the discipline." Also, "research has shown that the following types of students benefit most from small classes: most able, those with low motivation, those with high affiliation needs, beginners in the subject matter, students from low economic backgrounds, and those predisposed to learn facts rather than apply or synthesize."

[3] http://www.pdx.edu/budget/financial-reports-and-budget-exhibits: See PSU Financial Reports - Current Unrestricted Funds by College - Fiscal Year 2010-11

[4] http://www.ous.edu/state_board/meeting/dockets: "Agenda and Materials for the Nov. 4th OUS Board meeting," page 7.

[5] Link to Dr. Bunsis' report: http://orcore.org/resources.html#bunsis

[6] Link to PSU's official response to Dr. Bunsis' report: http://www.pdx.edu/news/legislature-cuts-university-funding-what-it-means-for-psu

[7] *Portland State Magazine*, Fall 2011. "Prepared for Growth": http://pdx.edu/magazine/magazine/news/prepared-growth

[8] Joel Norris, "The Crisis in Extramural Funding," Academe, Nov-Dec 2011.
http://www.aaup.org/AAUP/pubsres/academe/2011/ND/Feat/norr.htm
UC San Diego oceanographer explains why the prevailing idea that universities can sustain themselves by seeking extramural funding, especially in the sciences, is false from an economic perspective, and disastrous from a research and educational perspective.

[9] Chris Newfield, "Still Unmaking the Public University," Huffington Post, March 25, 2011.
http://www.huffingtonpost.com/christopher-newfield/still-unmaking-the-public_b_840727.html
In the summer of 2010, the University of California finally acknowledged that its $3.5 billion in research revenues translated into a $720 million net loss, once overhead was factored in. This article explains why private funding does not make up for public funding at universities, as well analyzes how administrators use tuition to fund risky investments and research that benefit private companies.

[10] Andrew Giegerich, "Oregon Sustainability Center turns to corporations for financial help." Sustainable Business Oregon. April 9, 2010. http://www.sustainablebusinessoregon.com/articles/2010/04/oregon_sustainability_center_turns_to_corporations_for_financial_help.html
This article explain the potential costs related to PSU partnerships with private companies. Among the most alarming issues mentioned is the high rent costs, which if not able to be recouped, could essentially lead to PSU subsidizing private rents with tuition money. The other other issue that has raised concern around the nation is the ownership of the research performed in the building. "Even though the building is constructed with public funds, companies could nonetheless demand that any research done within the building remains confidential."

[11] Denis C. Theriault, "Worst-Case Risk Scenario for Oregon Sustainability Center: Millions Bled from City Budget." Portland Mercury, Sept. 21, 2011.
http://blogtown.portlandmercury.com/BlogtownPDX/archives/2011/09/21/worst-case-risk-scenario-for-oregon-sustainability-center-millions-bled-from-city-budget
This article explains why the city of Portland is questioning the Sustainability Center. It does not address PSU's financial commitment, but shows that there is concern about the commercial viability of the project. If the project is not commercially successful, PSU tuition dollars could be diverted to support the debt obligations and pay rent for space that is at least $7 dollars/sq. feet above prime downtown real estate prices (estimate from email exchange with Monica Rimai, VP Finance and Administration, PSU).

[12] While research does not provide us with the "perfect" number of students, from personal experience and research(see endnote 2), these numbers are offered as a starting point. The argument that sciences should have large lecturers should also be challenged, in that universities such as MIT are moving away from large lecture courses and seeing higher rates of success amongst students. For a school like PSU, this can mean higher retention rates. See Sara Rimer, "At MIT, Large Lectures are Going the Way of the Blackboard." NY Times, January 12, 2009. http://www.nytimes.com/2009/01/13/us/13physics.html?_r=2
"The physics department has replaced the traditional large introductory lecture with smaller classes that emphasize hands-on, interactive, collaborative learning....Already, attendance is up and the failure rate has dropped by more than 50 percent. M.I.T. is not alone. Other universities are changing their ways, among them Rensselaer Polytechnic Institute, North Carolina State University, the University of Maryland, the University of Colorado at Boulder and Harvard. In these institutions, physicists have been pioneering teaching methods drawn from research showing that most students learn fundamental concepts more successfully, and are better able to apply them, through interactive, collaborative, student-centered learning."

[13] Concerning online course sizes see: Laura Pappano, "Before Signing On: A Checklist." NY Times, Nov. 4, 2011. http://www.nytimes.com/2011/11/06/education/edlife/before-signing-on-a-checklist.html?_r=1&emc=eta1

[14] While we recognize that there may be a value in having adjunct faculty who have expertise outside of the university, AFT, the adjunct faculty union, has reported that this group is a very small minority of those hired by PSU. The majority of faculty are hired below .49 so that the university does not have to provide benefits. For research concerning full time faculty and student success, see http://orcore.org/resources.html#fulltime and:

- Ehrenberg, R.L. and Zhang, L. (2004). "Do Tenured and Non-Tenure Track Faculty Matter?" National Bureau of Economic Research, Working Paper No. 10695. Findings: As proportions of full-time nontenured and part-time faculty increased, the graduation rates at these schools decreased and effects were greater at public than at private institutions. The study found that better faculty-student ratios were associated with higher graduation rates. The authors also found that a higher proportion of contingent faculty is not associated with greater external research volume for full-time tenure-track faculty. While larger proportions of contingent faculty may be financially lucrative to institutions, these data indicate that students do not reap similar benefits.
- Jaeger, Audrey J. "Contingent Faculty and Student Outcomes." Academe, November-December 2008.
  Findings: In each institutional type analyzed, the effect of exposure to part-time faculty, such as postdoctoral researchers, adjunct professors, and part-time lecturers, on student outcomes, was negative.
- Jaeger, Audrey and M. Kevin Eagan. "Examining Retention and Contingent Faculty Use in a State System of Public Higher Education." Educational Policy. June 13, 2010. Findings: The study found significant negative relationships between retention and high levels of exposure to part-time faculty persisted across three of four institutional types. Retention seems to be positively impacted by full time faculty teaching first-year "gatekeeper" or introductory courses. The study, unlike many others, takes into account different types of contingent faculty (part time, full time non-tenured, etc.) as well as different types of schools (doctoral, masters, etc.).
- Long, Bridget Terry and Eric Bettinger, "The Increasing Use of Adjunct Instructors at Public Institutions: Are we Hurting Students?" (2006) In Ronald Ehrenberg, Ed. What's Happening to Public Higher Education. Westport, CT: Greenwood Press for the American Council on Education. Findings: While adjuncts may teach effectively in many fields, students who have more adjunct instructors during their first semester are less likely to persist into their second year.
- Umbach, P. (2007). "How Effective Are They? Exploring the Impact of Contingent Faculty on Undergraduate Education," The Review of Higher Education, Winter 2007, Volume 30, No. 2, pp. 91-123. Findings: The researchers found that contingent faculty, particularly part-time faculty, have less time to interact with students, fewer opportunities to use active and collaborative learning techniques,

[15] Many fixed term faculty have been on one-year non-renewable contracts for 5+ years, some 10 or more. While these faculty are given benefits, their tenuous employment status leaves them open to dismissal without cause, as well as leads to constant turnover. See endnote 14 for resources on the importance of full time faculty. Examples of the importance of long term faculty include familiarity with resources, involvement in long term curriculum discussions, and availability for recommendations and advising over the course of students‘ studies.