Higher Education Governance Reform and OUS Transition

Overview

The critical need to educate more Oregonians to meet student, state and workforce needs prompted the Governor, the Legislature, and the State Board of Higher Education to seek a number of higher education reforms in recent years to improve student success and address the need for new ways of funding our public universities. These reforms, passed in the last few legislative sessions, intensified the focus on student outcomes through statewide and campus achievement compacts, and created a more flexible, decentralized governance structure. The reform process has brought valuable assets to the table: high quality universities and faculty; an excellent, diverse student pool; and a committed group of educators, policy makers and other Oregonians who are driven by a shared goal of better outcomes for students. The result of this reform is a unique alignment of purpose between the Legislature, the Governor, and the higher education sector, with a clear end goal: getting to 40-40-20, Oregon’s education attainment goal.

Summary of Campus Changes and University Governance

Beginning on July 1, 2014, OUS’ three largest public universities—Oregon State University, Portland State University, and University of Oregon—will have their own institutional governing boards, and will no longer be governed by the State Board of Higher Education, as delineated by Senate Bill 270 passed in the 2013 legislative session. This new model of governance for Oregon devolves strategy and decision making for Oregon’s largest campuses to their leadership – institutional boards, the presidents, and their teams—whose daily focus is on the needs of students and the campus.

The system’s four technical and regional universities—Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University, and Western Oregon University—will continue to be governed by the State Board of Higher Education through June 30, 2015, pending any legislative changes. State Board and legislative work groups are studying future governance of the technical and regional institutions, and outside experts, such as the Association of Governing Boards, will help the state determine our best options. The process to determine the final outcome will be made by the State Board in collaboration with the campuses and the Governor, after spending the next few months examining other state models of governance, hearing from our universities’ many faculty, students and communities, and determining what will best serve students and the state of Oregon over the long term.

The Technical/Regional campuses contribute in significant ways to Oregon and its communities, so it is important that a deliberate process be used to determine the governance option that best serves students and the state. These campuses educate over 22,000 Oregonians a year, 85% of them residents; produce 4,500 degrees a year; have a combined economic impact of $500 million, and employ 6,600 Oregonians across the state.

After July 1, 2014 all seven Oregon public universities will continue to collaborate with one another in many ways as they do now. The Higher Education Coordinating Commission (HECC) will ensure effective partnering with our community college partners as well as between our universities so that student graduation and other outcomes are reached, helping the state meet the 40-40-20 higher education attainment goal.

Transition of the Chancellor’s Office

The assets and authorities within the Chancellor's Office that facilitate student success and system efficiency will transition to a few different entities beginning on July 1, 2014, with the complete transition expected to be completed
by July 1, 2015. Most functions will transition to the Higher Education Coordinating Commission (HECC), a new Shared Services organization, the campuses, and perhaps other entities.

**HECC Transition**: House Bill 3120 amended the charge of the HECC and outlined specific duties for the newly constituted commission. The commission is now charged with making a comprehensive funding request to the Governor for all postsecondary institutions, allocating the appropriation that the legislature makes to these institutions, approving significant changes to academic programs, and, for the public universities, approving mission statements and degree programs. The HECC also assumes an advisory role with policy matters facing postsecondary institutions. The Board of Higher Education’s HECC Transition Work Group has been working closely with HECC and OUS leadership on the transition of key functions from the OUS Chancellor’s office to the HECC. The major categories of responsibilities to transition include academic affairs, budgeting and finance, and capital requests. The most recent update from the Working Group is at:

http://www.ous.edu/sites/default/files/state_board/meeting/dockets/ddoc140110-hecc.pdf

**Shared Services**: Senate Bill 270 established in section 166a the Work Group on University Shared Services, consisting of the presidents of the seven public universities or the presidents’ designees. The work group was tasked with developing a recommended shared services model that delivers efficient and effective administrative in a manner that focuses on quality, responsiveness, and customer service and that seeks to achieve cost savings, economies of scale, accountability, transparency, and streamlining. The Work Group’s **preliminary report was completed in December 2013**. Presidents agree that the shared services would likely be employee benefits (mandatory); risk management (mandatory); collective bargaining (mandatory); accounting and reporting; Fifth Site computer operations; payroll processing, and treasury operations (cash management, investment and debt financing). Oregon State University would be the host institution for most of these services. The full report and details of their recommendations are available at

http://www.ous.edu/sites/default/files/state_board/meeting/dockets/ddoc140110-usswg.pdf

More information on the reform and transitions within higher education will be forthcoming over the next 12-18 months as working groups on university shared services as well as Board and Legislative committees on university governance complete their work; and the short February 2014 and regular 2015 Legislative Sessions progress.

**Transition of the State Board of Higher Education**

Pending any changes by the Legislature, on July 1, 2014 the State Board of Higher Education will transition to a governing board of the four technical/regional universities and the three larger universities will be governed by their own institutional boards. As has been the practice in past years, in 2014 the Board of Higher Education anticipates setting 2014-15 tuition for all seven public universities at their June meeting, and in subsequent years will no longer set tuition for OSU, PSU, and UO as that responsibility will fall under their governing boards. The Board of Higher Education will be in place until July 1, 2015, after which the technical and regional universities will move to a new governance structure (see above). The State Board of Higher Education will continue to be supported by the Chancellor’s Office (or a similar central administrative unit depending on legislative changes) after June 30, 2014. The Board will have authority to set tuition, develop budget requests, hire and evaluate the university presidents, among the authorities pertaining to the TRUs. New members may be appointed to reflect the new constitution of the System.