a. **Access for Oregonians:** Would the establishment of institutional boards better enable the state to meet the enrollment needed to achieve 40-40-20, to do so with appropriate geographic and demographic equity, ensure that both Oregon high school graduates and community college students could be admitted, and ensure that collaborations among OUS institutions, community colleges and public schools could be enhanced?

The issue of access for Oregonians and of sufficient access to achieve the state’s ambitious educational goals is important. It has dimensions of financial adequacy as well as institutional efforts and intent. There is nothing inherent in the current structure or in one that establishes institutional boards that makes one approach superior in providing access to another. However, the current structure explicitly offers opportunities for collaboration that may not be as readily available in a more decentralized structure. Further, the policies about transfer and admissions that the Board establishes are tied to meeting the state’s goals. Independently developed policies by institutional boards may not offer an overall framework to facilitate those goals as easily. The financial incentives to serve Oregonians are lacking in the current system and likely would be even less in a system of independent institutions whose main objective must be institutional financial self-interest in order to ensure survival and reputational capital. This could lead to the universities serving fewer Oregonians than are needed to meet state goals. Further, institutional decisions about trying to serve students who are the best prepared academically or those with the most financial means could mean that not only fewer Oregonians were served but that those who were came from backgrounds of greater privilege—groups whose share of the population are declining.

**Would institutional boards improve access for Oregonians to higher education? Probably not. It could make collaboration harder and make it harder to align admissions and programs to meet a statewide goal.**

b. **Affordability for Oregonians:** Would the establishment of institutional governing boards improve affordability for Oregon students in terms of tuition, financial aid, net cost of attendance, the availability of low cost options, the availability of dual credit and other programs designed to reduce cost to students, and an open and participative tuition setting process?

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Experience in other states has shown that institutional boards have been associated with more rapid increases in tuition for resident undergraduate students. It also may be more difficult to facilitate programs such as dual credit in a more decentralized environment. The provision of need-based grant aid can address many affordability issues but sticker price has been shown often to be a deterrent for students of color—the group of Oregonians which must be educated more effectively in the future than ever before if the state is to achieve its goals.

Would institutional boards improve affordability for Oregonians? Probably not. If institutional boards could lead to more need based grant aid being available (which has not been shown to be the case in other states), it is possible that any tendency toward higher price or reduction of low cost program options could be mitigated.

c. **Student success**: Would the establishment of institutional boards lead to greater success in terms of degrees awarded (especially degrees awarded to Oregonians), completion rates and time to degree, equity in degree conferral for rural and underrepresented students, and achievement of student learning outcomes?

If the enrollment of Oregonians is increased and if the institutions have the motivation and resources to help effect student success, the presence or absence of institutional boards should have no difference. However, the question of whether the institutions would focus on Oregon students, especially hard to serve Oregon students, remains open.

Would institutional boards improve student success for Oregonians? Probably not. If the motivations of the universities and the rewards available to them focused on Oregon students and hard to serve Oregon students, improvement could be made regardless of the structure.

d. **Meeting state workforce needs**: Would the establishment of institutional boards lead to the awarding of more degrees in workforce shortage areas?

The issue here is congruence between the goals and motivations of institutions and those of the state. Many of the degree areas identified as being associated with workforce shortages are in disciplines whose current pedagogy involves higher costs than those associated with most other academic programs (e.g., engineering, health care, science). The current structure, arguably, may be better able to align institutions’ programs and rewards with state needs than would a more decentralized approach that does not take mission and program into account from a statewide perspective.

Would institutional boards better enable the state to meet its workforce goals? Probably not.
e. **Meeting changing state needs:** Would the establishment of institutional boards aid in the process of identifying state needs, developing programs to meet those needs and getting those programs authorized and implemented?

If the establishment of institutional boards led to more nimble development of academic programs, the answer would be yes. It is not clear that this would be true because the institutional presidents now have the authority to propose any program they wish through the Board’s approval process (which calls for review by the Provosts Council and approval by the Board’s Academic Strategies Committee as well as a determination of non-competitiveness with private programs by the Office of Degree Authorization). The Academic Strategies Committee does check to see that the programs being proposed align with the missions of the institutions. However, except in certain high cost disciplines (e.g., engineering), the Board’s review has tended to be only on graduate and professional programs, leaving the universities almost total autonomy with regard to undergraduate programs. The question of location of programs also is considered by the ASC, a fact that is construed by some of the universities as restraining them from market entry in various parts of the state.

If the Office of Degree Authorization continues to be the state’s gatekeeper of competition with the private institutions, the real question would revolve around whether universities would be free to change their mission focus and geographic reach if they had institutional boards. If they were granted greater freedom in these respects, the actions of some may have deleterious effects on others as they strive for market share in those disciplines and locations with higher margins.

Finally, the question of aligning seven boards with state needs should be considered in terms of how the state’s needs are defined and responsibility for meeting them assigned. Although it would be easy to say that this will become a function of the Education Investment Board, the fact that all universities receive such a small share of their income from the state would suggest that, absent a large increase in state appropriations for education, several universities with disparate motivations and incentives might not pursue those emerging areas of need in any kind of coherent and coordinated way. This could be of especial disadvantage to rural communities and in fields with high cost.

**Would the establishment of institutional boards better meet changing state needs? Possibly, but not clearly.**

e. **Academic quality and quality and currency of programs:** Would the establishment of institutional governing boards lead to improved quality? The main determinants of quality would be institutional focus on excellence, congruence with state needs, and adequacy of funding and other resources. The more direct focus on institutional boards on the operations of an institution could improve its focus on quality if that were the intense desire of the board. It may be more difficult to ensure congruence with state needs, however. A determination of what constituted quality would be difficult to make on a statewide basis if
there were institutional boards but it may not be much more difficult to do it in that circumstance than at present. Currently, the chancellor’s office engages provosts and faculty groups in systemwide efforts to define learning outcomes (as for general education and in the case of the just launched review of the efficacy of the Degree Qualifications Profile) and the surveys of employers and graduates that once were conducted and could be reinstated as part of an achievement compact. In any event, the quality of the programs largely is determined by the faculty, a situation unlikely to change regardless of board structure.

Would the establishment of institutional governing boards lead to improved quality? Arguably, it could.

g. Economic development: Would the establishment of institutional boards better foster economic development and innovation, improve the connection of the universities to the Oregon economy, enhance technology transfer, upgrade the productivity and effectiveness of the research enterprise, and improve economic development in Oregon communities? Although it is unlikely that Board structure has much effect on any of these matters, it is possible that institutional boards for regional universities could provide more focus and attention on economic development for some regions of the state.

Would the establishment of institutional governing boards better foster economic development? Arguably, it could for regional universities.

h. Financial viability of an institution and of the overall enterprise charged with meeting the state’s/board’s goals: Would the establishment of institutional governing boards improve the financial viability of the institutions and of the system as a whole? If an institution used its governing board to increase donations, it could be said that its financial viability would improve. However, there is no compelling evidence from other states that this has happened. The level of philanthropy seems independent of governance structure, based both on the statements of the experts who spoke to the committee and on the information that staff has been able to gather. There is a fear that independent board could shift the balance of political power and philanthropy in favor of a powerful institution with a puissant board and away from less well connected universities, whose financial viability then could be impaired. Although this is a very real fear expressed by several OUS presidents, it is not clear that this would necessarily be the case. Such an argument assumes that donors would eschew the other institutions in favor of one with an institutional board. As noted earlier, there is no compelling evidence for this in other states. Further, this argument assumes that political power would inure to an institution with a powerful independent board. The record in other states suggests there may be some truth in that (Washington, Virginia) but the political cultures and dynamics of states differ and the influence of institutions on elected officials is unlikely to remain constant over time.

Other dimensions of the financial viability question deal with tuition and financial aid policies. In states with institutional boards, tuition rates were seen to rise more quickly.
Cost control, another item, would seem to be more related to financial resources at any given time than to board structure. The experiences of OHSU, sometimes in stringent cost containment mode and sometimes in expansion mode, could be illustrative here.

Institutional boards and greater independence for the larger universities may lead paradoxically to less cost pressure on the smaller campuses since their faculty and staff would now be employed by a smaller entity and may not see themselves in competition with those at larger institutions for salaries and perquisites. However, this possible advantage could easily be overwhelmed by the pricing and admissions policies of larger independent institutions.

It also is not clear if all seven universities have the management and support capacity to thrive as separately governed institutions.

Would the establishment of institutional governing boards improve the financial viability of the institutions and of the enterprise as a whole? Probably not. Some may be better off and others worse off.

i. **Accountability:** The issues of accountability identified in last year’s legislative letter were many and varied and each of them demands a separate discussion as part of a broader look at the options. Each of them can be addressed under each option but each of them may affect the relative independence offered under the option. There is nothing inherently positive or negative with regard to accountability with respect to institutional governing boards.

Would the establishment of institutional governing boards affect accountability? No, but the issues of accountability need to be addressed directly.