AGENDA

1) Committee work plan review & meeting schedule for 2013
2) Foundation supplements for presidential compensation (issues framework)
3) Update on LC 759 and review of Board governance proposal
4) Shared services and impact on institutions (issues framework)

Attachment
LC 759.......Authorizes certain public universities to form and maintain institutional boards. Vests institutional boards with certain powers and duties.
OSBHE COMMITTEE WORK PLANS, 2012-13

GOVERNANCE & POLICY COMMITTEE

OUS CONTRIBUTIONS TO 40-40-20
  1) SB 909 Planning and Implementation

2012-13 STRATEGIC PRIORITIES
  1) Board Bylaws Update
  2) Foundation Supplements for Presidents
  3) 2013-2015 Legislative Concepts
      a. Legislative Institutional Governance Proposal

ONGOING ACTIVITIES
  1) Board Officer Elections
  2) Chancellor and Presidents Evaluations
  3) Induction of New Board Members
  4) Campus Visitations
### INSTITUTIONAL GOVERNANCE COMPARISON: OSBHE PROPOSAL AND LC 759

**Key:**
- Black Text = Both OSBHE and LC 759 address the issue
- Red Text = Issues addressed only in LC 759
- Blue Text = Issues addressed only in OSBHE proposal

NB: information in this document taken from the final OSBHE institutional boards proposal from June 2012; and from the latest Legislative Concept 759 from August 15, 2012 by the Joint Special Committee on University Governance.

<table>
<thead>
<tr>
<th>Function</th>
<th>Current Proposal</th>
<th>Details</th>
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</thead>
<tbody>
<tr>
<td>Allocation of state appropriations</td>
<td>OSBHE and OEIB</td>
<td>“There are economy-of-scale benefits to having a coordinated university system.” Dual fiduciary responsibility to the university and to the State of Oregon.</td>
</tr>
<tr>
<td>Requesting state funds (appropriations and bonds) for operations and capital</td>
<td>OSBHE</td>
<td>Submission of all budget requests, operating and capital</td>
</tr>
<tr>
<td>Interaction and advocacy with state government</td>
<td>OSBHE, Chancellor</td>
<td>“...(appropriate statewide entity)...responsible for the representation of the institutional board’s interests to the Governor, the Legislative Assembly, state agencies and others regarding budget requests...”</td>
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<tr>
<td>Achievement compacts with OEIB (“academic goals”)</td>
<td>OSHBE and Institutional Board</td>
<td>“Promote academic success of students in support of the mission of all education beyond high school...”</td>
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<tr>
<td>Performance targets and performance assessments</td>
<td>OSHBE and Institutional Board</td>
<td>“The Legislative Assembly has a responsibility to monitor the success of institutional boards at fulfilling their missions, their compacts and the principles stated...”</td>
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<tr>
<td>Property ownership</td>
<td>OSHBE on behalf of State of Oregon</td>
<td>Whether acquired before or after creation of institutional board, through state funding, revenue bonds or philanthropy, State of Oregon is owner.</td>
</tr>
<tr>
<td>Care, Custody, and Control of Property</td>
<td>Institutional Board</td>
<td>Authorization to take, hold and dispose of mortgages on property held in trust for the people of Oregon.</td>
</tr>
<tr>
<td>Design, Construction, Repair, and Renovation of Buildings</td>
<td>Institutional Board</td>
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<tr>
<td>Bonding and indebtedness</td>
<td>OSHBE and Institutional Boards</td>
<td>Institutional Board may issue revenue bonds; review by State Treasurer; cannot exceed 7% debt-to-income ratio. Other bond approvals must go through the process in place today with OSBHE.</td>
</tr>
<tr>
<td>Tuition-setting for residents</td>
<td>Institutional Board with OSBHE approval</td>
<td>May not increase tuition/fees by a total of 5% or more per academic year unless approval by OIEB and HECC; tie to CPI.</td>
</tr>
<tr>
<td>Tuition-setting for nonresident students</td>
<td>Institutional Board</td>
<td>IB can raise non-resident and graduate student tuition and fees to any level.</td>
</tr>
<tr>
<td>University housing rates</td>
<td>Institutional Board, presidents</td>
<td>These rates generally approved at same time as tuition and fees on an annual basis.</td>
</tr>
<tr>
<td>Mission and program approval</td>
<td>OSBHE, HECC, Institutional Board</td>
<td>Issue of program duplication, mission overlap not addressed in LC if program and mission approval become the authority of an institutional board, should changes be made in statute; LC states generally that institutional boards, “Do not negatively impact public universities that do not have institutional boards.”</td>
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OSBHE (June 2012) | OIEB; Legislative Assembly |
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<td>OSBHE (June 2012)</td>
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<td>OSBHE (June 2012)</td>
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<td>listed in the text as having program approval authority</td>
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<td>LC 759 (August 15, 2012)</td>
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<tr>
<td>Hiring, firing, evaluating the president</td>
<td>Institutional Board and OSBHE</td>
<td>Institutional Board and OSBHE “...in consultation with the State Board of Higher Education and the Governor or Governor’s designee.” Hiring committee will have at least one other president of a public university and representatives of university community.</td>
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<tr>
<td>Labor agreements</td>
<td>Possible shared</td>
<td>Institutional Board in partnership with OSBHE and other institutional boards For statewide bargaining units.</td>
</tr>
<tr>
<td>Term limits for Board members</td>
<td>Governor/ Legislature</td>
<td>Governor/ Legislature 4-year term for non-student members of board; 2-year term for student member(s)</td>
</tr>
<tr>
<td>Interlocking board membership</td>
<td>OSBHE</td>
<td>Governor/ Legislature</td>
</tr>
<tr>
<td>Choice of Board Chair, Vice Chair</td>
<td>Institutional Board</td>
<td>Institutional Board</td>
</tr>
<tr>
<td>Institutional Board appointments</td>
<td>Governor with Senate confirmation</td>
<td>Governor with Senate confirmation Governor appoints 11-15 members; institution president is ex officio, nonvoting member; Governor can remove any member for cause</td>
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<tr>
<td>Shared services</td>
<td>OSBHE</td>
<td>Statewide Entity (?) “Shared services may continue to be shared among universities.”</td>
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<tr>
<td>Terms and conditions of employment</td>
<td>Institutional Board</td>
<td>Institutional board This is probably inclusive of setting employee salaries, which the OSBHE proposed be done by the institutional board.</td>
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<tr>
<td>Who can establish institutional boards</td>
<td>Not stated in OSBHE proposal</td>
<td>Appropriate Statewide Entity makes UO and PSU are authorized to form and maintain institutional boards</td>
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<tr>
<td>Function</td>
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<tr>
<td>Evaluate whether any individual campus has capacity, etc. for an institutional boards</td>
<td>Not stated in OSBHE proposal</td>
<td>recommendations to Legislative Assembly</td>
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<tr>
<td>Evaluation of institutional boards annually</td>
<td>Not stated in OSBHE proposal</td>
<td>Appropriate Statewide Entity</td>
</tr>
<tr>
<td>Hiring and termination of all university employees</td>
<td>Not stated in OSBHE proposal</td>
<td>Institutional board</td>
</tr>
<tr>
<td>Establish employment policies for non-represented employees</td>
<td>Not stated in OSBHE proposal</td>
<td>Institutional board</td>
</tr>
<tr>
<td>Applicability of State rules and policies</td>
<td>Legislature</td>
<td>Not stated in LC</td>
</tr>
<tr>
<td>Data collection and analysis and system requirements for student and financial data</td>
<td>OSBHE (framework and requirements)</td>
<td>Not stated in LC</td>
</tr>
<tr>
<td>Financial statements and Financial System Requirements</td>
<td>OSBHE (framework and requirements)</td>
<td>Not stated in LC</td>
</tr>
<tr>
<td>Internal Audit</td>
<td>OSBHE and Institutional Board</td>
<td>Not stated in LC</td>
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<tr>
<td>Legal Advice</td>
<td>OSBHE and Institutional Board</td>
<td>Not stated in LC</td>
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<tr>
<td>Investment strategy of funds</td>
<td>State Treasurer</td>
<td>Not stated in LC</td>
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<tr>
<td>Capacity planning</td>
<td>OSHBE and Institutional Board</td>
<td>Not stated in LC</td>
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<tr>
<td>Risk management</td>
<td>OSHBE and Institutional Board</td>
<td>Not stated in LC</td>
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<tr>
<td>Incentives, requirements, and framework for</td>
<td>OSHBE, OEIB, HECC</td>
<td>Some of this may be included in the blanket statement,</td>
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<td>collaboration within PK-20</td>
<td></td>
<td>“Promote the academic success of students in support of the</td>
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<td>mission of all education beyond high school…”</td>
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<tr>
<td>Learning outcomes</td>
<td>OSBHE, Institution Board, OEIB, NWCCU,</td>
<td>Not stated in LC</td>
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<td></td>
<td>Others</td>
<td>This goes beyond the achievement compacts to national efforts as well.</td>
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<tr>
<td>Admission standards and residency requirements</td>
<td>OSHBE and Institutional Board</td>
<td>Not stated in LC</td>
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<td>Transfer requirements</td>
<td>OSHBE and Institutional Board</td>
<td>Not stated in LC</td>
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<tr>
<td>Employee benefits</td>
<td>OSHBE and Institutional Board</td>
<td>Institutional board responsible for terms and conditions of employment,</td>
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<td>but benefits not explicitly stated as being part of this.</td>
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<td>Diversity planning</td>
<td>OSHBE, Institutional Board and presidents</td>
<td>Not stated in LC</td>
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<tr>
<td>Financial aid policies—Statewide</td>
<td>Institutional Board and OSBHE</td>
<td>Not stated in LC</td>
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<tr>
<td>Campus-specific financial aid policies and</td>
<td>Institutional Board</td>
<td>Not stated in LC</td>
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<td>programs</td>
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<tr>
<td><strong>Financial aid awarding and administration</strong></td>
<td>OSBHE (June 2012)</td>
<td>LC 759 (August 15, 2012)</td>
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<td><strong>Graduation Requirements</strong></td>
<td>Institutional Board</td>
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<td><strong>Fundraising</strong></td>
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<td><strong>Foundation relations</strong></td>
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<td><strong>Intellectual property management</strong></td>
<td>Institutional Board</td>
<td>Not stated in LC</td>
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<td><strong>Academic Support/Library</strong></td>
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<td>Not stated in LC</td>
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<td><strong>Instruction</strong></td>
<td>Institutional Board</td>
<td>Not stated in LC</td>
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<td><strong>Research</strong></td>
<td>Institutional Board</td>
<td>Not stated in LC</td>
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<td><strong>Public Service</strong></td>
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<td><strong>Student Services</strong></td>
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<td><strong>Personnel policies and practices</strong></td>
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<td><strong>Campus safety and security</strong></td>
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<td>Information Technology</td>
<td>Institutional Board</td>
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<td>Partnership, joint venture, and business arrangements</td>
<td>Institutional Board</td>
<td>Not stated in LC</td>
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<tr>
<td>Prioritization and authorization of non-state capital projects</td>
<td>Institutional Board</td>
<td>Not stated in LC</td>
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</table>
SUMMARY

Authorizes certain public universities to form and maintain institutional boards. Vests institutional boards with certain powers and duties.

A BILL FOR AN ACT

Relating to education.

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

SECTION 1. (1) The Legislative Assembly finds that the State of Oregon may benefit from having public universities with institutional boards that:

(a) Provide transparency, public accountability and support for the university.

(b) Are close to and closely focused on the individual university.

(c) Do not negatively impact public universities that do not have institutional boards.

(d) Lead to greater access and affordability for Oregon residents and do not disadvantage Oregon students relative to out-of-state students.

(e) Are similar to the State Board of Higher Education in composition, constitution and transparency.

(f) Have a dual fiduciary responsibility to the university and to the State of Oregon as a whole.

(g) Promote the academic success of students in support of the mission of all education beyond high school as described in ORS 351.009.

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.
(2) The Legislative Assembly also finds that:
(a) There are economy-of-scale benefits to having a coordinated university system.
(b) Shared services may continue to be shared among universities.
(c) Ownership of all university property, whether acquired before or after the creation of an institutional board, through state funding, revenue bonds or philanthropy, resides with the people of Oregon.
(d) The Legislative Assembly has a responsibility to monitor the success of institutional boards at fulfilling their missions, their compacts and the principles stated in this section.

SECTION 2. The University of Oregon and Portland State University are authorized to form and maintain institutional boards as provided by law.

SECTION 3. (1) The (appropriate statewide entity) shall analyze and make recommendations to the Legislative Assembly as to whether, in addition to those authorized in section 2 of this 2013 Act, a public university listed in ORS 352.002 should be authorized to establish an institutional board.

(2) The (appropriate statewide entity) shall evaluate and determine whether the public university has the capacity and capability to be governed by an institutional board.

SECTION 4. (1) On an annual basis, the Oregon Education Investment Board shall submit to the Legislative Assembly an evaluation of each public university authorized in section 2 of this 2013 Act to have an institutional board. The Oregon Education Investment Board may make recommendations to the Legislative Assembly regarding the ability of the university to meet academic goals and fulfill its fiduciary responsibilities.

(2) The evaluation must include:
(a) A report on the university’s achievement of outcomes, measures of progress, goals and targets as described in the university’s
achievement compact with the Oregon Education Investment Board;
(b) An assessment of the university’s progress toward achieving the
mission of all education beyond high school as described in ORS
351.009; and
(c) An assessment as to how well the establishment of an institutional
board at the university comports with the findings described in
section 1 of this 2013 Act.

SECTION 5. (1) A public university authorized under section 2 of
this 2013 Act that establishes an institutional board shall do so as
provided in this section.

(2)(a) The Governor shall appoint 11 to 15 members of an institutional
board, subject to confirmation by the Senate in the manner
provided in ORS 171.562 and 171.565.

(b) For each appointment, the university shall nominate a slate of
candidates and shall forward the recommended candidates to the
Governor for consideration.

(c) The institutional board must include one person who is a member
of the State Board of Higher Education.

(d) The president of the university shall be an ex officio nonvoting
member of the institutional board.

(3)(a) Except for the president of the university, the term of office
for each nonstudent member of the institutional board is four years.

(b) The term of office of each student member of the institutional
board, if any, is two years.

(c) A member appointed to the institutional board may not be ap-
pointed to serve consecutively more than two full terms as a board
member.

(d) The Governor may remove any member of the institutional
board at any time for cause, after notice and public hearing, but may
not remove more than three members within a period of four years,
unless it is for corrupt conduct in office.
(e) Vacancies shall be filled by appointment by the Governor for the remainder of the unexpired term.

(4) The members of the institutional board shall elect a chairperson and a vice chairperson.

(5) The institutional board shall meet at least once quarterly, and may meet at the call of the chairperson or a majority of the members.

(6)(a) A newly formed institutional board shall convene for the first time not later than February of an even-numbered year.

(b) Notwithstanding the term of office specified in subsection (3)(a) of this section, the Governor may assign two-year terms of office to members of a newly appointed institutional board so that one-half, as nearly as possible, of the members of the board are appointed biennially.

SECTION 6. (1) An institutional board of a public university is vested with the powers and duties as provided by this section.

(2) The institutional board shall enter into an achievement compact with the Oregon Education Investment Board for each fiscal year.

(3)(a) The institutional board is responsible for the appointment, reappointment and removal of the president of the university, in consultation with the State Board of Higher Education and the Governor, or the Governor’s designee.

(b) The hiring committee for a president shall include at least one other president of a public university and representatives of the university community.

(c) The board shall evaluate the president of the university based on input from the State Board of Higher Education and other presidents of the public universities listed in ORS 352.002.

(4) The institutional board shall approve a mission statement and academic programs for the university, subject to ORS 351.047 and 351.049.

(5) The institutional board shall establish tuition rates and fees for
resident and nonresident students as follows:

(a) The institutional board may not increase tuition rates and fees for resident students by a total amount of five percent or more per academic year unless the board first receives approval from:

(A) The Oregon Education Investment Board, with advice from the Higher Education Coordinating Commission; or

(B) The Legislative Assembly.

(b) The institutional board shall attempt to increase tuition rates and fees for resident students per academic year by a percentage that is no greater than the percentage increase in the Consumer Price Index for All Urban Consumers of the Portland, Oregon, Metropolitan Statistical Area, as compiled by the United States Department of Labor, Bureau of Labor Statistics.

(c) The institutional board shall have complete discretion in establishing tuition rates and fees for nonresident students and graduate students.

(d) The institutional board shall have authority over employees of the university as follows:

(a) Except as provided in subsection (3) of this section, the institutional board is responsible for hiring and terminating all employees of the university or establishing procedures for the hiring and termination of employees.

(b) The institutional board shall enter into collective bargaining agreements with local bargaining organizations of the employees of the university.

(c) The institutional board shall participate in a collective bargaining partnership with the State Board of Higher Education and members of other institutional boards for the purpose of entering into collective bargaining agreements with statewide bargaining organizations of the employees of the university.

(d) The institutional board shall establish employment policies for
employees of the university who are not represented by a bargaining
organization.

(7) The institutional board may issue revenue bonds. Before issuing
revenue bonds, the institutional board shall submit the proposed bond
issuance to the State Treasurer for review. Except as provided by law,
revenue bonds issued pursuant to this subsection may not have a
debt-to-revenue ratio that exceeds seven percent.

(8) Notwithstanding ORS 351.060, the institutional board may take
and hold mortgages on real and personal property acquired by way of
gift or arising out of transactions based on revenue bonds issued sub-
sequent to the creation of the board. The institutional board may take
and hold or dispose of mortgages on property described in this sub-
section.

SECTION 7. (1) An institutional board of a public university shall
submit all budget requests regarding full-time equivalent funding or
capital construction general obligation funding to the (appropriate
statewide entity).

(2) The (appropriate statewide entity) shall be responsible for the
representation of the institutional board’s interests to the Governor,
the Legislative Assembly, state agencies and others regarding budget
requests described in this section.
August 15, 2012

TO: Interim Senate Education and Workforce Development Committee
    Interim House Higher Education Committee

FROM: Joint Special Committee on University Governance (HB 4061)

SUBJECT: Recommendations Regarding Establishment of Institutional Governing Boards

House Bill 4061 (2012) created the Special Committee on University Governance to review, discuss and analyze issues surrounding establishment of institutional governing boards for Oregon’s public universities and report its findings and proposed legislation to appropriate interim committees of the Legislative Assembly by August 15, 2012. This document and attached legislative concept constitute the first draft of the committee’s recommendations. As statutorily required, public comments will be accepted for thirty days and final recommendations will be submitted to the Governor and the Legislative Assembly no later than November 1, 2012.

The committee has met nine times as of this writing. In addition to reviewing prior legislative work and recommendations of national experts, the committee has heard from the Governor, the presidents of all seven public universities, the State Board of Higher Education’s Committee on Governance and Policy, the State Treasurer’s Office and representatives of students, faculty, alumni and other stakeholders. A high degree of overlap in concerns and interests expressed by those providing testimony formed the basis for the committee’s findings that Oregon may benefit from having public universities with institutional boards that:

1. Provide transparency, public accountability and support for the university.
2. Are close to and closely focused on the individual university.
3. Do not negatively impact public universities that do not have institutional boards.
4. Lead to greater access and affordability for Oregon residents and do not disadvantage Oregon students relative to out-of-state students.
5. Are similar to the State Board of Higher Education in composition, constitution and transparency.
6. Have a dual fiduciary responsibility to the university and to the State of Oregon as a whole.
7. Promote the academic success of students in support of the mission of all education beyond high school as described in ORS 351.009 (40-40-20).

The committee’s findings also include the following:

1. There are economy-of-scale benefits to having a coordinated university system.
2. Shared services may continue to be shared among universities.
3. Ownership of all university property, whether acquired before or after the creation of an institutional board, through state funding, revenue bonds, or philanthropy, resides with the people of Oregon.
4. The Legislative Assembly has a responsibility to monitor the success of institutional boards at meeting their missions, compacts and the principles stated above.

Based on these findings, the attached legislative concept contains the following provisions:

SECTION 2. Authorization for Portland State University and the University of Oregon to Form Boards
Authorizes Portland State University and the University of Oregon to form and maintain institutional boards.

SECTION 3. Authorization for Other Institutions to Form Boards
Provides that the appropriate statewide entity will evaluate the capacity of universities for self-governance according to specified criteria and make recommendations to the Legislative Assembly. Additionally, the appropriate statewide entity will submit annual evaluations to the Legislative Assembly of institutional boards created by this legislation.

SECTION 4. Annual Report from OEIB Evaluating Effectiveness of Institutional Boards
Requires the OEIB to report to the Legislative Assembly annually on ability of institutional boards created under Section 2 to meet academic goals and fulfill fiduciary responsibilities.

SECTION 5. Board Composition and Appointment Process
The Governor will appoint and the Senate will approve 11 to 15 members from a slate of candidates provided by the university, one of which must also be a member of the State Board of Higher Education (SBHE) and one of which must be the university president. This section also addresses removal of board members, vacancies, officers, and minimum meeting requirements.

SECTION 6. Powers and Duties of Institutional Boards
- Entrance into annual achievement compacts with OEIB
- Appointment, reappointment and removal of university president in consultation with the Governor and State Board of Higher Education
- Approval of mission statement and academic programs
- Establishment of tuition rates and fees for non-resident and graduate students and for resident students subject to specified limits
• Authority over all employment issues (with SBHE collaboration on collective bargaining with employees represented by statewide bargaining units)
• Ability to issue revenue bonds within stated limits and subject to review by the State Treasurer
• Authorization to take, hold and dispose of mortgages on property held in trust for the people of Oregon

SECTION 7. Submission of Budget Requests
Provides that institutional boards will submit budget requests to the appropriate statewide entity for consolidation and forwarding to the Legislative Assembly.

The Joint Special Committee on University Governance continues to work toward consensus on issues surrounding shared services provided by the Oregon University System and mitigation of any negative impacts to universities that choose not to establish institutional boards.
September 15, 2012

The Honorable Mark Hass, Co-Chair  
The Honorable Michael Dembrow, Co-Chair  
The Honorable Mark Johnson, Co-Chair  
Joint Special Committee on University Governance  
State Capitol, Room 453  
Salem, Oregon 97310  

Re: LC 759

Dear Co-Chairs Hass, Dembrow, and Johnson:

Thank you for the opportunity to provide comments concerning Legislative Counsel draft 759 regarding institutional boards for Oregon universities. The Oregon State Board of Higher Education appreciates that many of the precepts of the institutional boards proposal it provided to your committee continue in the current draft. The Board’s goal through that proposal was to ensure that the interests of the state are kept paramount when establishing institutional boards.

Although the draft differs from the Board’s proposal in many ways, and a determination has not yet been made as to what authority would ensure the overall interests of the state, at this point I have a few comments on the draft to respectfully share with the committee.

The first concerns revenue bonds. I question whether a pledge of property rather than just a pledge of a revenue stream is necessary for such bonds. After much discussion, the Board proposed that such a pledge was not appropriate since it would encumber a state property asset, so such a pledge was not included in the Board’s concept for revenue bonding. I ask that you consider again that provision. The second is both a desire and a practical approach for sharing certain appropriate services and functions among all of the universities as a means of saving money, ensuring needed consistency, and wise use of taxpayer dollars. That consistency is nowhere more important than as it pertains to the student and financial data so essential for helping us track and assess performance, and to map a course and follow it as we seek to achieve the state’s ambitious 40-40-20 goals. With state resources tighter than ever and a common statewide goal of doing more with less by doing things differently, the prospect of losing shared services goes against state mandates for efficient government and wise stewardship of state funds.

Third is an issue brought up frequently by Board members and campus presidents, which is the continuation of a unified OUS budget submission even if one or more campuses have an institutional board. This will simplify the budget presentation to the OEIB and reflect the alignment of the education sectors, and it will avoid multiple, competing lobbying efforts as well.
Fourth is to encourage that the LC 759 draft continue to reflect the need that academic program approval occur through a single statewide authority. This is an important means of avoiding program duplication while also recognizing that Oregon needs institutions with specific missions related to the particular students and regions they serve.

Finally, while many of the Board’s recommendations for potential institutional board authorities are reflected in the LC 759 draft, what are not yet included are clear criteria for when a university can and should establish an institutional board going forward. Please continue to carefully consider the impact of the move toward institutional boards on the effective functioning of a system of higher education within a broader P-20 education system for Oregon, and on the operations and viability of all seven universities.

Thank you again for all your hard work on this complex issue. The Board and I stand ready to assist in any way we can.

Sincerely,

George Pernsteiner
Chancellor

cc Matt Donegan
    Jill Eiland
    Paul Kelly
To: The Members of the Special Committee on Governance  
From: The Oregon Student Association  
Date: September 12th, 2012  
Re: Public Comment Legislative Concept 759

The Oregon Student Association is comprised of elected student leadership from public colleges and we represent over 100,000 students statewide. We have discussed Legislative Concept 759 at length and this letter is our collective public comment.

The Oregon Student Association has been asked by many of you to have an open mind where this committee’s work is concerned. Some of you have requested we make direct suggestions to improve the legislation. Please understand that we did not agree with the premise of this committee which we believe drew a conclusion on institutional boards before the research had been done. Despite our previous concern we have participated and listened to every meeting of this committee as well as the discussion around this issue happening within OUS, the OEIB, and amongst other individual legislators.

We believe this letter and accompanying public testimony gets at the spirit of our collaborative efforts and diligence as students in reference to the possible monumental change of adding institutional boards to our university governance structure. We are continuing to shape our highly nuanced opinion of institutional boards. With the information provided at this time we have developed a list of concerns and suggestions to bring to your attention. We have also included a list of questions surrounding issues we feel have yet to be addressed.

First, we know there was much debate as to whether students, faculty, and staff should be sitting on an institutional board for public universities. We are disappointed to see these key stakeholders were left out of this draft. At some of our institutions students are paying 80% of the operating budget of a public institution. When many of you were in public post-secondary education students paid 1/3 of the operating budget of a public college. As the demand on students has increased and student debt is higher than credit card debt in this country we believe that students play a valuable role in discussing the fate of our institutions. Furthermore, we were supportive of the board make-up you discussed in your July LC draft. We believe that 1 graduate student and 1 undergrad student would provide a balanced perspective on quality, price, and the student experience. It makes the most sense that students would choose their own representatives. The HECC and the State Board of Higher Education set precedence for
student seats on governing boards and students participating in the selection process for student seats.

Students across the public university system have an extensive election process. We suggest either the new student body president gets to appoint one 2-year seat or a student could run for a 2-year seat on the institutional board. We have heard arguments that say this could become a political process but we ask what part of these boards won’t be either appointed or elected in some sort of political process. That’s the nature of representative democracy and we would hope you would respect the student election process just as you would respect the university choosing their list of candidates.

Finally, we would like to reiterate the important role that we see faculty and staff playing on our campuses and in our shared governance processes every day. Faculty and staff are an integral part of our campus communities from getting the lights turned on to teaching our classes. If you believe an institutional board will be “closely focused on the individual university” we ask how that board can understand the campus culture without students, faculty, and staff at the table. These stakeholders are the heartbeat of our institutions. Members of this committee have stated concerns about having employees and students at the table. You have placed the president on the board even though the board has hire/fire authority so we ask if this board is meant to have close ties to the academics of an institution why wouldn’t you have faculty and staff on an institutional board.

We suggest you add language to this LC that places 2 students, 2 faculty, and 1 staff seat to these boards. We have also discussed the size of the board and we agree that a board with too many people can be difficult to manage. We suggest you put students, faculty, and staff on the board and pair down the number of at-large members and have 11-13 board members.

Secondarily, we would like to discuss tuition setting authority. Student leaders are still discussing which combination of governance layers would best hold institutions accountable to affordable tuition increases. We don’t have a definitive opinion at this time, but we will submit further testimony to this committee after you have a final draft. We do have concerns with a single entity authorizing institutional expenses while simultaneously raising tuition revenue to meet those costs. We believe the state legislature plays a key role in setting tuition caps and a statewide governing board does look out for the collective interests of Oregonians statewide. Finally, it is our definitive opinion that if an institutional board is seeking a tuition-increase above 5% in a single year the institution must seek approval from the Oregon State Legislature. Please know if we allow tuition to increase 5% annually tuition will double in 15 years. We must insure there is plenty of accountability for Oregonians if we are to try a new governing model for Oregon’s universities.

Third, we have appreciated the dialogue around admission ratios for out-of-state vs. in-state students. This is an important topic that all institutions should be forced to solve, not just those seeking an institutional board. At this time we are not prepared to suggest a perfect numerical ratio as statutes do not have the flexibility this discussion warrants. We do however ask that you
at least include in this bill that each institution with an institutional board must have an admissions policy that stipulates no less qualified out-of-state student be admitted before a qualified in-state student.

Fourth, frankly we are disappointed that this committee did not include any specific preparedness criteria for an institution before a college can request an institutional board. We are curious as to what led you to believe that UO and PSU should be grandfathered in? Your legislative concept directs the Oregon Education Investment board to address criteria for schools, other than PSU and UO, an entity that has been the most removed from this conversation in comparison to the Oregon University System or the Oregon State Legislature. Students, regardless of whether their college is seeking an institutional board, are concerned that a level playing field has not been set. We ask that you go back and create criteria so we can understand why you believe UO and PSU are ready for an institutional board and set an equitable playing field from the outset about what constitutes preparedness for an institutional board.

Finally, we have a list of questions for the legislators on the Special Committee on Governance. We ask that you consider these questions before you finalize this legislation. If this is to be the bill that gives institutional boards to PSU and UO and entirely changes the Oregon University System we feel there is still much to be considered:

- Is the intention behind an institutional board more flexibility or fundraising?
- How did you come up with a 5% tuition cap? Who should control tuition and what parameters can we put on tuition to protect out of state and graduate students?
- What is the relationship between donors and institutional board members?
- How will institutional boards affect regional campuses and funding for all campuses?
- What about the changes we have already made with the HECC and the OEIB, why now?
- We still don’t know how our universities’ are supposed to interact with the HECC and OEIB. Is a hybrid model is a good idea at this point in time?
- How will you limit competition between OUS institutions when it comes to general fund dollars and capital construction?
- Who or what constitutes a university and who decides if “a university wants an institutional board”?

Thank you for taking our comments. We would of course appreciate continued dialogue around these concerns and questions.

Sincerely,

The Board of Directors for the Oregon Student Association
To: Joint Special Committee on University Governance

From: President Wim Wiewel
Portland State University

Date: September 13, 2012

Re: Comments on August 15, 2012 Bill Draft Creating Institutional Boards (LC 759)

Portland State University thanks the members of the Joint Special Committee on University Governance and staff for the tremendous effort and progress made on the issue of institutional governing boards for Oregon’s public universities. The Committee’s recommendations and draft legislative proposal provide a strong and thoughtful starting point for legislation to accomplish the goal of establishing university institutional boards through legislation during the 2013 legislative session. As the Committee has found, such boards would be closely tied to and focused on their universities, better integrate the universities with their respective communities, and provide a heightened degree of transparency, public accountability and support for their universities. These conclusions are not meant to suggest that the current and previous members of the State Board of Higher Education and chancellors have not governed the system well or provided laudable service and support to the universities for many decades. Rather, these conclusions reflect a belief that a board solely focused on an individual institution can better govern and support that institution in addressing the challenges confronting public higher education in the 21st century and in accomplishing critical state goals such as the 40-40-20 mandate.

PSU is gratified that the Committee embraced many of the key principles that PSU has consistently put forward throughout this discussion. In particular, PSU supports the Committee’s recommendations that: (1) PSU be authorized to form an institutional board without further action by any other legislative or administrative entities; (2) the institutional board have authority to appoint, reappoint and remove the President of the University; (3) the institutional board be responsible for approving a mission statement and academic programs of the University; (4) the
institutional board have broad authority regarding the setting of tuition; and (5) the institutional board have authority to issue revenue bonds and to encumber property acquired from gift or by issuance of revenue bonds. We also agree with the Committee’s proposed accountability mechanisms—in particular, that the institutional board be responsible for entering into a performance compact with the Oregon Education Investment Board and that the OEIB provide the Legislative Assembly with an annual evaluation of the institution’s ability to meet its academic goals and fulfill its fiduciary obligations. Although there are details that remain to be discussed and revisions likely to be suggested in some of these areas, PSU agrees with and appreciates the Committee’s general approach to each of these issues.

In the coming months, it will be necessary to provide greater clarity and detail in the draft legislation creating institutional boards. In particular, the governing authority and responsibility of the board needs to be made clear. The bill should establish PSU as a public university governed by an institutional board vested with broad authority to exercise the powers, duties and responsibilities necessary to effectively govern the institution, including those powers currently vested in the State Board of Higher Education by ORS Chapter 351. It is important that governance responsibility and authority be clear and unambiguous. We believe this to be the intent of the Committee when recommending the creation of institutional boards in the first place and think it necessary that the bill be explicit on this point.

PSU also believes that continued statewide coordination of higher education is critical. We support the Committee’s recommendation that budget requests and capital construction general obligation requests should be made to, and coordinated by, an appropriate statewide entity and believe that such statewide entity should be responsible for allocating the state appropriation among the public universities. In order to provide a level playing field, however, it is essential that the statewide entity with these responsibilities not also be responsible for the governance of any of the individual institutions. PSU also believes that a statewide coordinating body must approve new academic programs, colleges and locations in order to prevent duplication and the inefficient use of public resources and requests that future drafts of this legislation be clearer on this point.

There are certain details in the current draft bill that likely warrant further conversation and consideration. For instance, although PSU is committed to affordability, we are concerned about the proposed establishment of a statutory tuition increase cap that is not tied in some way to the maintenance of the current level of state support. In addition, with regards to institutional revenue bonds, there should be further conversations with the State Treasurer and others about the most appropriate safeguards and procedures.
Finally, PSU appreciates the Committee’s finding that certain services may continue to be shared among Oregon’s public universities. PSU believes there are economies of scale in the continued sharing of certain services. Due to the evolving role and authority of entities such as the Oregon Education Investment Board and the Higher Education Coordinating Committee and the lack of clarity regarding their relationship to, and the respective ongoing roles of, the State Board of Higher Education, Chancellor’s Office, and institutional boards, it is difficult—and perhaps impossible—to make a concrete proposal at this time about the structuring of shared services. In fact, rather than solidifying such detail in a legislative proposal, we believe it best to leave the details of shared services to negotiation by the parties. That said, PSU recognizes the value and benefit of certain shared services currently provided by the Chancellor’s Office and funded to a large degree by the state appropriation to the Oregon University System. Areas that might be considered for continued shared services include auditing, risk management, employee benefits, etc. It is reasonable to expect that the parties can reach agreement about the services that are to be shared and a mechanism for continued funding of those services, particularly if the Legislature makes clear its expectation that such an agreement will be reached. One possibility may be to separate certain administrative functions currently performed by the Oregon University System from any particular governing board.

Again, thank you for the time and effort invested in shaping a brighter future for public higher education in Oregon. PSU looks forward to working with you on the refinement and evolution of this critical legislative proposal and stands ready to assist you however we can.
September 12, 2012

The Honorable Mark Hass, Co-Chair
The Honorable Michael Dembrow, Co-Chair
The Honorable Mark Johnson, Co-Chair
Joint Special Committee on University Governance
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: August 15, 2012 LC 759 – Creating an Institutional Board for Portland State University

Dear Co-Chairs and Members of the Committee:

We are writing in support of the LC 759, Rough Draft (8/15/12), which authorizes Portland State University to form and maintain an institutional board. Portland State University needs a governing board comprised of institutional and community stakeholders to focus directly on PSU’s mission so that the university may optimize the intellectual, social, cultural, and economic qualities of urban life in Portland and the Region.

The PSU Foundation was incorporated in 1963 as an independent tax-exempt organization. Our mission is to enhance private giving to PSU through our relationships, resources, and guidance. Gifts to the Foundation advance PSU by providing scholarships for outstanding students, supporting faculty research and instruction, and enhancing facilities and program development and growth.

Over the past decade, Portland State has emerged as one of the nation’s leading urban research universities. And in that time, public perception—both locally and nationally—has shifted to acknowledge the value of a university linked and engaged with its community to achieve our common goals. Partnerships are at the core of Portland State University and are reflected in courses, research and campus development. Partnerships with organizations like Oregon Health & Science University, Intel, and Portland General Electric are answering the region’s call for innovation, research and workforce development. The University is working with school districts, local government, nonprofits and social service providers to improve education and create opportunities for our area’s youth.
The PSU Foundation and university administration are committed to managing resources effectively, and matching investments to strategic priorities and measurable outcomes. We’re also diversifying our funding streams through these types of partnerships, increased research and private support. Private contributions to PSU in 2012 totaled $19.7 million, a 12-percent increase from 2011 and a 37-percent increase since Fall 2010. These gifts support student scholarships, improve teaching and research facilities, invest in strategic programs and build a stronger community.

With declining state support (now just 12 percent of PSU’s total budget), PSU must continue to innovate and seek avenues that demonstrate its value to the metropolitan community. To thrive, the university must strengthen community partnerships, seek new funding streams, control costs and find efficiencies, improve the quality of our research and academic programs, all while reaching the state’s goal and mission of providing affordable and accessible undergraduate degree programs for the region’s students. The PSU Foundation will continue to support these efforts by securing more private gifts, but an institutional board at Portland State University will provide critical oversight as the administration tackles the difficult tasks at hand and prepares PSU for the challenges of the next decade.

The metropolitan region recently made a significant investment in PSU in the passage of the Education Urban Renewal Area (EDURA), which will bring $50 million to the university over 30 years to help ensure our infrastructure meets the demands of enrollment growth. This investment is a step, not a solution. It is proof that the region values PSU and supports the University, but it expects the University to gain more say in its governance to further strengthen its existing relationships. The region needs and deserves an institutional board with authority to focus on and manage its urban research university.

Thank you again to the committee for all of your work on this issue. Your diligence in collecting input from stakeholders has been impressive and appreciated. We look forward to working with you as you continue to work on this legislative concept in the 2013 Legislative Session.

Sincerely,

P.A. ‘Tony’ Leineweber  
Executive Director  
PSU Foundation

Thomas P. Fink  
Immediate Past President  
PSU Foundation Board of Directors
The Honorable Mark Hass, Co-Chair
The Honorable Michael Dembrow, Co-Chair
The Honorable Mark Johnson, Co-Chair
Joint Special Committee on University Governance
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: August 15, 2012 LC 759 — Creating an Institutional Board for Portland State University

Dear Co-Chairs and Members of the Committee:

We are writing in support of LC 759, which allows Portland State University to form and maintain an institutional board. A governing board comprised of institutional and community stakeholders who are focused exclusively on PSU’s mission will enrich the university’s historic contributions to the intellectual, social, cultural, and economic qualities of urban life in Portland.

The PSU Advocates are a committee of the Alumni Association which works to promote the goals of Portland State University with decision makers. The Advocates have supported PSU and higher education since 1989. We are a network of alumni, students, families, and friends, guided by an all-volunteer committee which speaks out for the university in many ways, throughout Oregon and in the nation’s capital.

The Portland State University Alumni Association was established in 1987 and is a non-profit organization governed by a volunteer board of directors. PSUAA currently serves over 130,000 PSU alumni. PSU is proud to include such notable alumni as: Jean Auel, author of The Clan of the Cave Bear; Carolyn Davidson, creator of the Nike swoosh, D. Scott Davis, Chairman and CEO of United Parcel Service of America; Paul De Muniz, Oregon Supreme Court Justice, Katie Harman, 2002 Miss America; Neil Lomax, NFL quarterback for the Cardinals (81-89); Fariborz Maseeh, philanthropist and pioneer in the field of micro-electro mechanical systems (MEMS) who founded IntelliSense; and many other artistic, political, scientific, and business leaders.
The Portland State University of today bears little physical resemblance to the humble Vanport Extension Center that was created in June 1946 to serve the higher educational needs of returning World War II veterans going to school on the G.I. Bill. 221 students enrolled in the first summer term, however by the fall, enrollment ballooned to over 1,400 students. Today, PSU serves over 30,000 students, occupies over five million square feet of downtown Portland real estate, and last spring graduated 6,165 students — the largest ever class of graduates in Oregon.

Although our physical surroundings have dramatically changed, the “can and will do” spirit is still alive and well at Portland State University. After the Vanport flood of 1948, the college became known as “the college that would not die.” Our alumni association is still fortunate to have some active members of the Vanport days, and their pride in what “the U by the Slough” has now become is evident at every meeting. From the 1965 record-breaking win at General Electric’s College Bowl competition to the recent $25 million dollar award from The James L. and Marion L. Miller Foundation, PSU has consistently proven its ability to exceed everyone’s expectations.

With or without an institutional board, PSU will continue to provide access to quality education for undergraduates of all ages and will offer an appropriate array of professional and graduate programs relevant to metropolitan areas. Students, faculty, and staff will continue to conduct research and community service critical to issues important to the region. PSU will also continue to work with the area’s K-12 public schools system, Portland Community College, Mt. Hood Community College, Clackamas Community College, and Oregon Health and Science University to meet the educational needs of the region’s students. Finally, PSU will continue its commitment to diversity, affordability, and access for students. However, as alumni and supporters of PSU, we believe the university can achieve an even higher level if it had a dedicated governing board.

As the largest university, the only urban campus, and fastest-growing school, PSU needs the attention of a dedicated governing board. Our location in downtown requires complicated partnerships with the City of Portland, TriMet, retailers, developers, and property owners for PSU to acquire real estate to meet the demand of students. PSU’s diverse student body comprising international, commuter, traditional, transfer, graduate, and part-time do not reflect the student bodies of Oregon’s other campuses and might be better served by a dedicated board that could focus on their unique needs.

PSU is once again poised to exceed Oregon’s expectations. Those of us who started at Vanport Extension Center want to see PSU become a truly world class research and urban serving university. We are proud of the accomplishments of the past 66 years, and look forward to what new opportunities await PSU during the next 66 years. In 2011, PSU’s economic impact to
the region was $1.4 billion which will continue to grow with PSU's expanding role as an employer, purchaser, researcher, real estate developer, and community partner. A governing board focused exclusively on PSU and comprised of metropolitan stakeholders will help the university realize its full potential and best serve the economic and educational needs of the region.

We thank the committee for all of your work on this issue and we appreciate the opportunity to show our Viking pride and provide input on this legislation. We look forward to working with you on this important matter in the 2013 Legislative Session.

Sincerely,

Angela Wykoff
’70 BS Math, ’75 MS Math, ’80 Engineering
Portland State University

Robert Shrank
’93 BS, ’99 MS, Portland State University

Kelly Hossain
’90 BA, ’93 MURP Portland State University

W.T. Lemman
Vanport Student
’04 Honorary Doctorate PSU

Ron Adams
’60 BS, Portland State College

John W. Whearty
’91 BS Marketing, Portland State University

William S. Walker
’73 BS, ’83 MPA Portland State University

Roger Capps
’60, Portland State College
Gerald Scovil  
'65, Portland State College

Al Fitzpatrick  
Chairman of the Advocates  
'83, Portland State University

Gary D. Salyers  
'57 BS, Portland State College
September 13, 2012

To: Joint Special Committee on University Governance  
   Co-Chairs Senator Mark Hass, Representative Michal Dembrow, Representative Mark Johnson

Re: Recommendations on Preliminary Legislative LC 759 Neutral Comments

The League of Women Voters of Oregon is a nonpartisan, grassroots, political organization that encourages informed citizen participation in government. We have followed, with interest, the creation of the Oregon Education Investment Board and the implementation of SB 242 (2011) that allows a greater independence to the Oregon University System to manage its finances, obligations and operations. Along with the new Higher Education Coordinating, the League has been monitoring the discussions of the Special Committee on University Governance Council and the development of LC 759.

The League’s positions on Oregon public higher education, reached though member research, discussion and consensus include the following:

1. Cooperation and coordination should be emphasized by all Oregon public post-secondary institutions and governing boards.
2. It is imperative that in our institutions we have good fiscal management and accountability for the funding provided.
3. For the most effective use of state educational resources, OSSHE institutions should coordinate programs.
4. The roles and interrelationships of the present regional and research universities should be properly balanced.

While the League does not specifically address the issue of institutional boards, we believe these principles should guide any proposed legislation. We support the goal of Oregon's public postsecondary education – the provision of a broad spectrum of higher education for professional, vocational and personal enrichment to all qualified and motivated individuals. Thank you for this opportunity to comment on LC 759.

Robin Wisdom  
President

Kappy Eaton  
Governance Coordinator
September 7, 2012

Sen. Mark Hass, Co-Chair  
Rep. Michael Dembrow, Co-Chair  
Rep. Mark Johnson, Co-Chair  
Joint Special Committee on University Governance

RE: LC 759 – Establishment of Institutional Governing Boards

Co-Chairs and members of the Committee:

Oregon Business Association (OBA) supports the direction of the legislative concept establishing institutional governing boards for Oregon public institutions. We applaud your collaborative efforts on the findings and policies expressed in LC 759, and encourage the committee to focus on the broader issues that will allow institutional boards to be effective and accountable.

To that end, OBA believes that policies for University Governance should:

1. Require universities to coordinate with the other universities, community colleges and school districts in order to drive the state's 40/40/20 goal,

2. Further consolidate the number of state-level, education-related boards to better align and integrate the system and to increase the efficiency and effectiveness of the statewide governance structure,

3. Support providing institutional boards to universities that want one,

4. Grant institutional boards the statutory authority to hire/fire the President,

5. Authorize institutional boards to issue bonds, acting in conjunction with the State Treasurer's office,

6. Authorize institutional boards to set tuition with a limit set by the Legislature,

7. Provide broad governing authorities in statute to institutional boards to achieve the public mission of the university,

8. Require a university's institutional boards to enter into an Achievement Compact directly with the Oregon Education Investment Board to increase accountability.
Thank you for your consideration of our comments. We look forward to our continued work with the committee and the legislature to find a path for establishing institutional boards.

Best regards,

Ryan Deckert
President, Oregon Business Association
September 15, 2012

Joint Special Legislative Committee on University Governance
Oregon State Capitol, Room 453
900 Court St. NE
Salem, Oregon  97301

University of Oregon comments on LC draft 759 dated 8/15/12

Dear Co-Chairs Hass, Dembrow and Johnson, and all Committee Members:

I write to provide the University of Oregon’s comments on LC 759. Although I am new to Oregon, I have spent my entire career in higher education, including senior leadership positions at the University of Arizona and the University of California – Irvine. As a result of my experiences, I have great respect and admiration for your important work. Most of all, I embrace your efforts to ensure that Oregonians will have affordable access to quality higher education close to home.

The University agrees with the Committee’s findings about the benefits of a well-conceived institutional governing board. Such a board will be able to focus closely on the unique challenges and opportunities facing an individual institution; provide a high degree of transparency, public accountability and support; and encourage efficiencies and innovation in pursuit of the state’s educational and economic development goals. The current governance approach has served the state since 1929. However, the significant technological, financial, and demographic shifts of the last 20 years, all of which have been exacerbated by the current “Great Recession,” necessitate changes in how Oregon’s public universities educate students, finance and construct facilities, recruit and retain faculty and staff, and foster and wisely steward increases in private philanthropy. In doing so, we are committed to enhancing our public missions of teaching, research, service, and economic development.

Two of my distinguished predecessors, Bob Berdahl and Dave Frohnmayer, presented the essential elements of institutional governance in testimony before the Committee. Those elements are: hiring, evaluating, reappointing, and dismissing the president; the ability to issue revenue and other non-general obligation bonds; latitude in setting tuition for both resident and non-resident students; and authority to manage and control real property. It is, of course, appropriate that safeguards be deployed that protect the state’s interests in matters of resident enrollment and bonding.
We look forward to working with you and others to provide additional detail in a number of areas, especially in the statutory creation of an institutional board for the University of Oregon with a broad grant of authority that does not legislate operational details. Absent a broad grant of authority, the flexibility to respond rapidly to changing economic circumstances and opportunities may be unnecessarily impeded.

The University recognizes the prudence of certain responsibilities continuing to reside with a state-level entity. Achievement compacts, requests for state funds for enrollment, coordination of degree offerings, some shared administrative services and purchasing, and management of state-backed bonds should be handled similarly. We look forward to working with the Committee and the OEIB on these issues and to participating in the ongoing discussion about possible models for the overall structure of Oregon's four-year institutions.

As the University of Oregon seeks greater flexibility, it expects and accepts greater responsibility and accountability for outcomes. The challenges and opportunities are becoming increasingly complex: How can we ensure that a college degree is affordable, and valuable, for Oregon students and families, and be an effective partner with other institutions in meeting the state's bold 40-40-20 goals? How can we motivate our alumni and donors to invest even more in the university's public mission? And how can we leverage and deploy resources more effectively to enhance efficiency and innovation?

We seek the best possible structure to engage the intellectual and financial resources of our community to allow us to better serve our fundamental mission of providing affordable, high quality educational experiences to Oregon citizens and of bringing the wealth of discovery and innovation to our state.

Thank you once again for your important and thoughtful work.

Sincerely,

Michael R. Gottfredson
President
September 15, 2012

To: Joint Special Committee on University Governance (HB 4061)
From: Dr. Christopher G. Maples, President, Oregon Institute of Technology
Subject: Comments regarding Preliminary Legislative Concept 759

I am writing to provide very brief comments on the Rough Draft of Preliminary Legislative Concept 759 dated August 15, 2012 that was distributed at the Committee’s meeting on September 13, 2012. As I stated in my invited remarks to the Special Committee on June 7, 2012 (http://www.oit.edu/libraries/presidents_office/special-committee-higher-ed-testimony-key-points.pdf), Oregon Tech is seeking clear criteria for establishing institutional boards, and a level playing field for all seven universities to establish institutional boards now and in the future. In that testimony, I stated that, “I believe an advantage for some should be an opportunity for all.” To that end, whatever criteria are implemented for establishing university boards (1) should apply to all universities, irrespective of when a university board is established, and (2) should not prohibit any university in the OUS from doing so simply because of size.

As President of Oregon Tech, I am still uncertain about what criteria qualify a university to have an institutional board. I wonder what conditions Oregon Institute of Technology and our remaining sister universities will need to meet in the future should we decide to establish institutional boards. I also am extremely concerned about the differential evaluative measures proposed in the current legislation. Simply put, if I read this legislation correctly, a university that is included by name in the bill will not have to meet any of the criteria that might be established in the future that other universities would have to meet. Without this information, the legislation will provide a “proving process” for some, but not all, OUS universities.

Fundamental questions remain unanswered in the draft legislation:

- What criteria qualify a university to have an institutional board?
- How will the legislation ensure that all institutions comply with the same level of accountability in the process to gain approval for authority to form an institutional board?
- Do some criteria matter more than others (e.g., philanthropy, public support, student access, ability to contribute to 40-40-20 goals, etc.) in establishment of an institutional board?

I want to affirm that I do not ask these questions to disadvantage any other university in the OUS, but to seek equitable treatment and a transparent process for all universities in the OUS that are working with their faculty, staff, students, alumni, and communities to clearly explain the process, criteria, and reasons why their own institutions may or may not choose the institutional board option. I am convinced there is no perfect model of governance, the universities in the OUS already perform at levels in excess of their funding levels from the State, and financial investment in higher education is crucial to achieving student access, affordability, and the State’s 40-40-20 goal.

Thank you for your diligence and deliberations on this issue and for your commitment to the people of Oregon.

Hands-on Education for Real-World Achievement
LC 759  
Special Committee on University Governance  
September 12, 2012

Comments of AFT-Oregon

On behalf of the American Federation of Teachers-Oregon, who represent 15,000 members across the state we would like to offer our recommendations on LC 759, specifically commenting on the provisions on the make-up of the proposed institutional boards.

As you know, the 15,000 members of AFT-Oregon members live in every legislative district in Oregon and work in the private and public sectors in elementary and high schools, child care centers, community colleges and four-year colleges and institutions, to health care clinics and hospitals. AFT members work as classified employees, faculty, instructors, graduate teachers, early educators and in health care professions. We represent members at the University of Oregon, Portland State University, Oregon State University, Western Oregon University, and Eastern Oregon University.

As the debate has progressed around LC759 we are disappointed to see the role of faculty and classified employees of the universities excluded from the concept. Faculty members have successfully served on the Oregon State Board of Higher Education, and their knowledge and expertise have added to the discussion in a unique way. We believe that those who work on campuses bring an invaluable perspective to the table. Faculty and classified employees are on the frontlines of Oregon’s universities. They interact daily with students, they understand the inner workings of their campuses and they are passionate about enabling their institutions to succeed. Without their voices on their institutional boards the boards would miss out on a perspective that only faculty and classified workers can provide.

As we move forward, we must ensure a university governance system that works for students, faculty, university staff and the public. AFT-Oregon recognizes that this legislation is still in draft form and encourages the Special Committee on University Governance to recognize the role that faculty and classified workers provide by including them as equal members of the institutional boards.

Sincerely,

David Rives  
President, AFT-Oregon
To: Joint Special Committee on University Governance – 9/15/12

From: SEIU Local 503 – Len Norwitz, Political Staff

The following article was written by SEIU members at the UoO and will be circulating on campuses in the coming weeks. We thought it appropriate to submit it to the committee as it accurately summarizes our thoughts on the Committee’s work - at this time. Thank you.

Will University Employees Have Role in New Boards?

Those pushing for creation of institutional boards to govern the individual OUS campuses argue it will ensure that those people making decisions for our schools will have better knowledge of what our needs are and be more accessible to the people who work and study here. But that doesn’t mean they want employees and students to be voting members of such a board. In fact, the current proposal would leave us without any direct voice on these boards.

The Oregon Legislature’s Joint Special Committee on University Governance is responsible for developing a bill to set up such boards at the schools that want them and define their powers. That bill will then be considered and voted on by the 2013 Legislature.

In late July, the Special Committee issued a draft bill (LC 759) that described membership on their proposed 13-person institutional boards. All board members would be appointed by the governor. Seven people would be appointed at-large and six would represent various constituencies – two students, two faculty, one classified employee, and one representative of the State Board of Higher Education. Constituencies would be able to recommend people for appointment and all board members would have equal voting status.

After intensive lobbying and internal debate, however, the Special Committee released a revised draft bill during the second week of August. The institutional boards described in this bill look quite different than those in the first version. Now the Special Committee is recommending boards that could range in size from 11-15 people. All members would still be appointed by the governor, but now only one constituency would have a designated seat – the State Board of Higher Education. There is now no provision to ensure that any members of the university community would be represented on its institutional board!

This draft bill is not the final word, of course, but it does indicate how strong the forces are that don’t want university employees and students to have a fair say in how their school is run. SEIU, student groups, and faculty organizations will continue to push for our constituencies to have voting membership on institutional boards. In addition, SEIU is urging the Special Committee to make at least some of the board seats publicly elected, as occurs at community colleges. We are recommending that a “final” draft bill be circulated on campuses this fall for comment before being introduced at the Legislature in January – but at this point there is no promise of that happening.

So far the good news for SEIU members is that both versions of the draft bill contain provisions that would allow the 4,000+ classified employees on all seven OUS campuses to continue bargaining our contracts together with OUS, rather than bargaining in smaller groups with individual institutional boards. We will be watching closely as these discussions continue.
As a University of Oregon student, I find it incredibly frightening that a collection of wealthy individuals is, once again, paying for access and influence so they can do with the University what they please for their own personal gain - both monetary gain and some sort of adolescent pride in being down on the sideline at football games, pretending they have somehow overcome their nerdy youth spent studying accounting (or, in Mr. Kilkenny's case, not studying anything) and are now cool and part of it all. The emphasis on athletics in general here in Eugene, and football specifically, has already led the University far enough down the wrong path - away from its true mission of being an academic institution with high standards. Yes, the University's national profile is rising (thanks to slick, non-nutritive marketing as seems to be Knight's preferred method of communication) and applications are up - but who are these new freshman? Quite frankly, spoiled rich kids from Southern California with ambitions no greater than getting blackout drunk on weekends and maybe recalling the bits and pieces of Duck games that aren't lost in a Keystone Light-induced haze. Sure, their out-of-state tuition helps pay the (ever-increasing) bills, but I doubt they've even thought to put "education" and "excellence" in the same sentence before. Even non-revenue sports are getting too big for their britches down here and leaning on professors to give their athletes preferential treatment, even in clear cases of plagiarism and academic dishonesty. Serious students are being sold out in Phil Knight, et al's drive to raise the profile of Oregon athletics and thus increase the University's value as a branch of the Nike Marketing Department. It's gone too far, and it must stop. Caving to the demands of those who think institutions of higher education are best run without the direct input of students or faculty, using a "CEO model", is not the way to restore integrity and rigor to higher education. The policies advocated by Oregonians for Higher Education Excellence may well raise the profile of Oregon's public universities and improve their financial health, but I fear they will only accelerate the trend of indenturing academics to athletics.

- Keenan Robbins
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