I. Institutional Leadership, Oversight, & Accountability

1. For each university, how would an institutional board specifically improve student success, and advance regional/state interests, relative to alternative governance structures? What is the specific benefit?

   *Each TRU university has argued that an institutional board provides a greater degree of intimate knowledge of campus issues, and that this benefit outweighs the lost expertise otherwise provided by a central system staff. As of July 1, 2014, the four TRU schools will be the only institutions in Oregon’s P-20 community governed under a central staff and shared board of this kind.*

   As with the other TRU schools, Oregon Tech has described general benefits: an institutional board would better allow the university to assess the strategic landscape, identify and pursue opportunities, identify and mitigate risks, and take decisive action (e.g., creating regional partnerships, approving new projects, adjusting programs, changing presidential leadership).

   In addition, Oregon Tech has identified its programmatic distinction as another dimension of intellectual capital development for its board members. With board members solely focusing on the polytechnic mission, program, and strategic landscape unique to Oregon Tech in the Pacific Northwest, Oregon Tech believes the value-added of its own board would increase dramatically. As a corollary, Oregon Tech’s capacities for strategic partnerships would expand as its board members, equipped with deeper technical knowledge of Oregon Tech’s capacities, represent the university externally.

   *OIT states, “Oregon Tech believes having its own board will lead to additional enrollment growth in both Klamath Falls and Wilsonville, as well as online and other specialty offerings. Although the Wilsonville campus has been leading its recent growth on a percentage basis, Oregon Tech has seen increases across all campuses. In addition, Oregon Tech is rapidly approaching building capacity (which probably is ~1200 students) on the Wilsonville campus. Because it has additional room on the Klamath Falls campus, the academic plan (which is being revised now) reflects a focus on growth in Klamath Falls, including limited in-state tuition for some adjacent California counties, new programs, and added student-life opportunities. Oregon Tech also anticipates growth in its online programs and is investing to actualize that growth.”*

2. Can the university recruit a high-caliber board to provide appropriate leadership, oversight, and accountability?

   *Oregon Tech states, “Yes. At this point in time, Oregon Tech has firm commitments from 13 people in Oregon, Washington, California, and Nevada, from a variety of backgrounds and experiences, including some Oregon Tech alumni, previous college presidents,*
lawyer/politicians, and others invested in its success. Its goal is to provide a list of at least 20 names to the governor from which he can select up to 12 board members.”

3. Does the university have a realistic transition plan to implement an institutional board by July 1, 2015? How does this compare to a small system scenario, in which a small central administration and revamped TRU Board, provide oversight?

OIT states, “Oregon Tech is working on a governance transition year. Following the example of the large universities that are currently making this transition, Oregon Tech will change its governance-related policies and procedures, develop board bylaws, determine a board committee structure, and prepare board members to assume their legal responsibilities by July 2015. The current executive staff is stable, effective, and works well as a team. Oregon Tech will hire additional essential staff to guide this transition, and utilize consultants, as needed. Oregon Tech is seeking guidance from its sister universities with governing boards, and will share information, practices, and potentially board-related staff with the other technical and regional universities.”

II. Fiscal Implications

1. For each university, what are the incremental organizational costs (board, staff, and outsourced) directly attributable to institutional boards?

Chancellor’s Office (CO)/Oregon Tech estimate direct costs associated with the governance transition to be $1.58 million per year. Oregon Tech estimates the direct costs associated with supporting an institutional board to be $275,000\(^1\) per year.

In 2013-2015, State General Fund appropriation to the Chancellor’s Office was $9.1 million or $4.5 million per year. To calculate the incremental organization costs associated with the governance and dissolution of the CO, we assume that the HECC receives $3 million of the total $9.1 million biennial appropriation to fulfill their data and statewide coordination mission. We then allocate the remaining $6.1 million per biennium or $3.05 million per year per Fall 2013 Headcount data provided in the OUS Fact Book, p. 15. These figures are only estimates for discussion purposes only.

Based on the methodology above, Oregon Tech would receive an additional $644,179 per year. Incremental costs for an institutional board are therefore estimated to be $937,611 per year or $212 per student headcount, Fall 2013 of 4,414.

2. For each university, what are the incremental revenues (philanthropy, corporate partnerships, research, state appropriations, etc.) directly attributable to institutional boards?

Oregon Tech has cited strong community interest in institutional boards as a rationale for modest increased revenues, but has stated that specific estimates are very difficult. Also, as stated previously, enrollment growth would enhance tuition revenues. Again, enrollment

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\(^1\) Direct board costs include: Secretary/Support ($158.6K); Meetings, PRs, Refreshments ($75.4K); Legal ($41K). Direct board costs are in line with OSU board support ($265K, without legal) and UO board support ($254K, without legal).
increases directly linked to governance changes were not modeled, so this is viewed as a source of upside.

3. What are the net incremental costs/savings directly attributable to institutional boards?

Oregon Tech believes it is reasonable to expect incremental costs associated with an institutional board. The amount would approximate the figures cited in Question 1 above, reduced modestly by upside revenues described in Question 2.

4. How do the net incremental costs/savings affect the university’s financial sustainability?

Oregon Tech’s financial forecasts are provided in the Appendix. Forecasts include incremental costs, but no revenues from, for example, philanthropy or increased enrollment, and are therefore viewed as moderately conservative. Even so, financial sustainability is not affected by institutional boards, other than reduced execution risk, as Oregon Tech believes an institutional board will provide increased oversight and accountability in the execution of its business plans.

III. Institutional Mission & Identity

1. Under an institutional board, would the university be able to develop and implement a mission aligned with state and regional objectives? Is the campus’ current mission adequately developed in preparation for a transition?

Among OUS’ seven institutions, Oregon Tech’s mission is uniquely and distinctively defined. This would continue and deepen with the establishment of an institutional board. Oregon Tech is committed to statewide success, and would work with the HECC to optimize its role within the Oregon higher education portfolio. Oregon Tech would work with AGB or similar consultants to develop best practices for board members, with an eye toward achieving both institutional and statewide success on behalf of students.

2. Is there evidence an institutional board would substantially benefit esprit de corps community sense of ownership, and ability to attract students, faculty, and strategic partners?

Oregon Tech’s surveys and community outreach and education efforts indicate a clear preference for an individual institutional board model within the institution, community, and strategic partners. Letters of support for an Oregon Tech Board of Trustees are provided from the Wilsonville Chamber of Commerce and the Klamath Falls Chamber of Commerce (please see Appendix).