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. Thus far the benefits described have been general in nature: 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).*

*Board members may seek, and TRU presidents may provide, specific benefits during the March 31 special Board meeting.*

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

*As part of its feasibility assessment, WOU has developed a confidential list of prospective board members. President Weiss reports that preliminary outreach and feedback has been positive.*

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?

*WOU has developed a transition plan, including the recruitment of a new university President, which is included in the Appendix materials. This plan assumes that the State Board of Higher Education, in consultation with incoming WOU board members, leads a presidential search for WOU during the 2014-15 academic year.*

*Comparing the small-system and institutional board scenarios, the small system would require a new organizational design supporting by its revised functionality. While it would be expected that recruitment would draw heavily on the existing CO staff, some positions (e.g., a permanent lead) would be subject to search and potentially new
personnel. Likewise, a small system board would require near-wholesale recruitment and training of new board members. A WOU board would face similar start-up challenges for board members. Staffing would be more stable under an institutional board scenario, as staffing changes at WOU would be minimal (even if their staffing/costs forecasts are too aggressive, new staffing would only likely amount to <= 2FTE under any scenario). Of note, WOU wishes to discontinue an internal audit function in favor of outsourcing.

II. Fiscal Implications

1. For each university, what are the incremental organizational costs (board, staff and outsourced) resulting from a shift from a downsized system, to oversight by an institutional board?

   WOU estimates direct costs associated with the governance transition to be $900,000 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, WOU would receive an additional $903,077 per year. Incremental costs for an institutional board are therefore estimated to be $0 per year based Fall 2013 student headcount of 6,188.

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

   WOU has cited strong community interest in institutional boards as a rationale for modest increased revenues, but has stated that specific estimates are very difficult.

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

   WOU 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?

WOU’s financial forecasts are provided in the Appendix. Forecasts include incremental costs, but no revenues from philanthropy or the like, and are therefore viewed as modestly conservative. Even so, financial sustainability is not affected by institutional boards, other than reduced execution risk, as WOU 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?

WOU describes mission discipline as one of its core strengths, as well as one of the key factors (along with proactive fiscal management) underlying its financial strength. WOU recognizes the importance of mission discipline to the HECC’s mandate, and is eager to work constructively with the HECC (and OSBHE through 2015) to hone WOU’s mission to meet the needs of its students, the region, and the state. WOU’s board recruitment and training would emphasize WOU’s role within the state’s 40-40-20 strategy, as opposed to a single-institution perspective.

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?

Under the methods employed by WOU, surveys indicate a strong preference for institutional boards among the four governance options identified. Please see Appendix.