The Special Committee on University Governance and Operations is established, consisting of 10 members: Senators Peter Courtney, Richard Devlin, Fred Girod, and Bill Hansell; Representatives Peter Buckley, Michael Dembrow, Greg Smith, and Gail Whitsett; and two members of the Oregon Education Investment Board appointed by the Governor.

The special committee shall review, discuss and analyze: (a) Issues of administration within the state post-secondary education system with an emphasis on four-year public universities; and (b) Coordination of operations, academic programs, shared services and other elements of that system, after considering the recommendations of the Work Group on University Shared Services established under section 166a of this 2013 Act.

The special committee may recommend legislation on the future relationship between Oregon’s institutions of post-secondary education.

The special committee shall evaluate options related to institutional governance as Oregon’s public universities transition to new governing boards, with a focus on how best to coordinate academic services among the universities in order to increase student access, affordability and success in pursuit of the mission described in ORS 351.009. Options may include the role of a chancellor or an academic leader, the composition of the interim State Board of Higher Education between July 1, 2014, and June 30, 2015, or the composition and authorities of a consortium board for universities that do not request institutional governing boards.

With respect to university governance, any legislation recommended by the special committee shall: (a) Take into consideration the unique mission associated with each of Oregon’s seven public universities and identify how these missions can best be accomplished and sustained over the next 10 years; and (b) Ensure that the public missions of Oregon’s public universities, including access and affordability for residents of this state, are maintained and enhanced.

With respect to university operations, any legislation recommended by the special committee shall define the operating arrangements between the institutions in order to ensure: (a) That all post-secondary institutions, including public universities listed in ORS 352.002 and Oregon’s 17 community colleges, are able to achieve the goals and mission described in ORS 351.006 and 351.009; and (b) The achievement of cost efficiencies, economies of scale, cost effectiveness, accountability, administrative streamlining and the ability to provide the best quality education possible for the amount of state moneys spent.

Any shared services legislation recommended by the special committee must further consider the recommended shared services model provided by the Work Group on University Shared Services.
Services under section 166a (11) of this 2013 Act. The shared services subject to review by the special committee shall include, but are not limited to, risk management, cash management, asset management, treasury services, payroll, employee benefits, accounting, auditing, purchasing and contracting, information technology and any other administrative function that might benefit from the sharing or pooling of public university resources.

The special committee shall convene and begin work no later than September 15, 2013.

The special committee shall submit interim recommendations to the Governor and Legislative Assembly no later than January 15, 2014, for consideration during the 2014 regular legislative session.

The special committee shall continue to meet and submit final recommendations to the Governor and Legislative Assembly, if necessary, no later than November 15, 2014, for consideration during the 2015 regular legislative session.

The Legislative Administration Committee shall provide staff support to the special committee.

All agencies of state government, as defined in ORS 174.111, and public universities listed in ORS 352.002 are directed to assist the special committee in the performance of its duties and, to the extent permitted by laws relating to confidentiality, to furnish such information and advice as the members of the committee consider necessary to perform their duties.
If the president of Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University determines that the university should become a university with a governing board, the president shall notify the Governor and the State Board of Higher Education of the university’s intent.

Notification under this subsection must occur during the period beginning March 1, 2014, and ending June 1, 2015.

Within 45 days of receiving notification under this subsection from a university president, the State Board of Higher Education shall decide whether or not to endorse the university’s decision.

If the board endorses the request, the board shall immediately communicate any endorsement to the Governor.

Upon receiving notification that the State Board of Higher Education has endorsed a university’s decision to become a university with a governing board, the Governor shall:

A. Inform the President of the Senate, the Speaker of the House of Representatives and the Legislative Counsel that the university will become a university with a governing board; and
B. Not later than six months after receiving the notification, appoint all of the members of the governing board in the manner set forth in section 6 of this 2013 Act.

Notwithstanding section 169 of this 2013 Act, if Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University become a university with a governing board under subsection (2) of this section, the president of that university shall take over administrative responsibilities for the university from the State Board of Higher Education on either July 1, 2015 or when the Governor appoints the members of the governing board, whichever date comes later.

SECTION 169

Except as provided in section 168a of this 2013 Act, the State Board of Higher Education shall continue to have jurisdiction over the operations of a university with a governing board as defined in section 2 of this 2013 Act through June 30, 2014. However, the governing board shall propose funding requests pursuant to section 8 of this 2013 Act and ORS 351.052, as amended by section 42 of this 2013 Act, and shall prepare budgets, in cooperation with the Higher Education Coordinating Commission, for the biennium beginning July 1, 2015.
MEMORANDUM

Date: August 21, 2013
To: State Board of Higher Education
From: Presidents Mary Cullinan, Bob Davies, Chris Maples and Mark Weiss
Subject: Governing Board Criteria and Shared Services

At the SBHE Meeting on July 19, 2013, Ben Cannon, the Governor’s Education Policy Advisor, asked the Board to assist the Chancellor’s office and the seven campuses with outlining the process and options for regional and technical university governance as well as an effective shared-services enterprise.

Overview

Oregon’s technical and regional public universities have distinct missions that contribute significantly to the state’s 40-40-20 goal and provide significant economic, social, and cultural benefits to their regions. However, during this time of transition in higher education governance, strategic planning and well-informed management at the local, institutional level will be required to sustain and advance the institutions’ innovative teaching and research, community engagement, and support for rural and underserved populations in Oregon.

We strongly urge the SBHE to work with us to preserve the autonomy and uniqueness of each distinct institution. Section 172a of SB270 states: “This 2013 Act is intended to preserve the autonomy of the universities listed in ORS 352.002 whether they are governed by a university governing board or a university consortium board.” The four technical and regional university presidents stand ready to assist the SBHE as the transformations brought about by SB270 and HB3120 are implemented.

Criteria for Approval of University Governing Boards

The Governor has often stated that critical decisions are handled best by those closest to a situation, those most immediately affected. Thus, we strongly believe that each of the four university presidents should involve key constituents and stakeholders in an inclusive and transparent process regarding optimal governance structure for each of our universities.

If a university president, based on this process, notifies the SBHE and the Governor of the intention to seek an institutional board, in accordance with the language in SB270, the following key areas should be presented to support that decision.

Campus and community support. Each university would provide substantive evidence of support for an institutional board through forums and conversations with the university’s Foundation, legislators, alumni and advisory boards; open discussions with faculty, students, staff; and dialogue with communities most closely connected to the campus.
Benefit to the campus, the region, and the state of Oregon. Each university would present the rationale for maintaining the institution’s current mission and brand; for preserving local and statewide partnerships with K-14, local businesses and agencies; for achieving or maintaining financial viability and sustainability; and for furthering powerful local connections that support both 40-40-20 and the economy of Oregon, including the regions served by the institution.

Shared Services

Apart from governance, significant impacts of SB270 and HB3120 will result from the dissolution of the current shared-services model, which has spread the cost of services across seven campuses. SB270, Section 166A, requires that the Work Group on University Shared Services recommend a mechanism to mitigate or eliminate the negative fiscal impact caused by the dissolution of OUS.

Transitioning to an effective shared-services enterprise is an urgent issue for the state’s public universities. The state, the universities and, most importantly, Oregon students will benefit from a shared-services model that helps all campuses remain financially viable and does not significantly increase tuition and fees. We would welcome, also, collaboration with community colleges and other entities to provide further efficiencies. An effective model is crucial to all the universities’ operational budgets; this transition should be the highest priority for the State Board of Higher Education and the Special Committee on University Governance and Operations, which was established in Section 166 of SB270.

In addition to the direction from Mr. Cannon, we request that the SBHE deliberate how to ensure that no harm is done to the technical and regional universities, given a new shared-services model. With extensive knowledge of the system and expertise in the chancellor’s office, the SBHE is well prepared to provide such guidance to the Special Committee and Work Group.

Conclusion

The technical and regional university presidents share deep commitments to the students, faculty, staff, and communities that we serve. We share equally deep commitments to public higher education and serving the citizens of Oregon. We thank you for your commitments to our universities. We look forward to working with you during this period of transformational change within Oregon’s public universities to find the optimal solution for obtaining 40-40-20 while maintaining our collective commitment to the students of Oregon.