The Oregon State Board of Higher Education (OSBHE) University Governance Work Group is charged with evaluating alternative governance structures for Oregon’s technical and regional universities (TRU). The Honorable Governor Kitzhaber outlined process expectations in a September 30, 2013 letter to the OSBHE stating the following:

- The State Board of Higher Education shall work with the technical and regional universities to develop five-year business plans for each of the four institutions;
- Leadership of the four institutions should be permitted to lead in the development of the plans in consultation with local/regional stakeholders including faculty, staff, students, and community members; and
- The plan should be based on a realistic set of inputs and assumptions defined by the Board, including projections for tuition, state funding, and enrollment.

The goal of this exercise is to yield governance outcomes that will best serve the state’s interest in student achievement, represented by the 40-40-20 plan. While the analysis produced will reveal strengths and weaknesses of institutions under different governance constructs, the objective of this exercise is to put student interests and success first, as facilitated by institutional health. The OSBHE will receive the institutions’ plans and will use them both to make determinations on institutional Board requests, and to tender a report to the Legislative Special Committee on University Governance for its consideration in the TRU governance conversation.

Alternatives

Three alternative governance structures have been identified for the TRU institutions, two multi-institutional and one single-institution:

1. Multi-school “NewOrg”
   Often described as a “consortium board,” NewOrg would involve the start-up of a new board and staff governing multiple TRU institutions.

2. Multi-school “Affiliation”
   Affiliation would involve some form of governance relationship with Oregon State University (OSU), Portland State University (PSU), or the University of Oregon (UO).

3. Single-school
   Often described as an “institutional board,” Single-school would involve a similar path recently taken by the three larger universities.
A Different Model is Necessary

Governance of the TRU institutions will undergo wholesale change, under any scenario, due to the combined effects of (1) the shifting of policy functions to the Higher Education Coordinating Commission (HECC); (2) the establishment of institutional boards for OSU, PSU and UO; and (3) potential changes to the delivery of shared services. All three options therefore entail a discontinuation of the existing OSBHE/OUS model, and the creation of something different that will better serve the state’s goals in student success.

NewOrg requires the appointment of an entirely new board, the hiring of a new senior executive, and the build-out of key staff functions in light of NewOrg’s narrowed focus on governance. Affiliation would not require the appointment of a new board or senior executive, but would involve the rationalization of key functions and staffing. Single-school would require the appointment of a new board, and the addition of key functions (both internal staff and outsourced) at each campus that were previously shared centrally. Of note, it is expected that, under all three options, organizational build-outs would draw heavily upon the high-quality staff currently resident at OUS.

In addition, under any governance scenario, financial sustainability pressures will likely drive material changes at the campus-level. Both NewOrg and Affiliation would likely involve significant rationalization of key functions and staffing to achieve economies of scale and to realize the benefits of collaboration (these opportunities are less available under the Single-school option).

Business Planning Process

Each TRU institution will be asked to craft a distinct business plans for each governance structure described above. Each business plan will include its own five-year projection of financial sustainability, in order to identify marginal differences in financial outlook under each governance structure.

Each TRU institution will include a Comparative Analysis to contrast the three business plans, assessing the relative outlooks for delivering student success and for meeting the State’s 40-40-20 objectives.

Each TRU institution will then provide a first a second recommendation, along with a rationale for these recommendations.

Please see the accompanying “Business Plan Outline” document.