1. Policy Value Statements ........................................................................................................... 1
   a. Collaborative Education ....................................................................................................... 1
   b. Collaborative Research ....................................................................................................... 4
   c. Tuition Guidelines ................................................................................................................ 4
   d. Need-based Grant Aid ......................................................................................................... 6
2. Adjournment ............................................................................................................................ 7
Committee members present included Chair Paul Kelly and Directors Matt Donegan, Rosemary Powers, Kirk Schueler, and David Yaden. Other Board members present included Hannah Fisher, Jim Francesconi, and Dalton Miller-Jones.

Other participants included: Chancellor George Pernsteiner, Vice Chancellors Jay Kenton and Susan Weeks, Board Secretary Ryan Hagemann, Joel Alexander (IFS), Jenny Gardner (OIT), Emily McClain (OSA), President John Minahan (WOU), Provost Kent Neely (WOU), Vice President Weiss (WOU), Courtney White (UO), and Vice President MaryAnne Zemke (OIT). Chancellor’s Office staff present included Ruth Keele, Bob Kieran, Marcia Stuart, and Bob Turner.

Chair Kelly called meeting to order at 9:05 a.m.

1. Policy Value Statements

   a. Collaborative Education

Following Chancellor Pernsteiner’s introduction, he asked the following: “As part of the new compact with the state, could the Board require universities to continue to accept AAOT, OTM, etc.?“ and called for discussion.

Director Yaden opined that, as described, the policy appears to put constraints on collaboration. He stated that, depending on the budget situation framed, the current collaboration could be increased rather than decreased. He asked does this encompass enough of what the Board may want to explore in the future in terms of the need for collaboration between OUS institutions in order to create spires of excellence. Chair Kelly agreed with Director Yaden’s assessment and noted that the proposal includes “are there other areas of collaboration or commonality that could assist in meeting student success targets and fulfill PK-20 goals?” Pernsteiner noted that Director Yaden’s comments were broader than the examples included in the document. However, the policy does not necessarily need to detail the collaboration but state its support of collaboration. Yaden noted he is not suggesting duplication or cost elements but encouraging collaboration. If the governance structure is
changed and campuses are given more autonomy, how would collaboration then be defined? Director Powers strongly recommended making collaboration a primary criterion for establishing and meeting set goals even when campuses are given greater autonomy. Kelly asked if there is an area where collaboration should not be stressed under autonomy. Director Donegan asked for clarification as to what goals integration would seek to achieve (produced time to degree, reduced cost to the state, greater outcomes that integration is trying to achieve, quality education, efficiencies, etc.), adding that the description is helpful to describe the progress but how is that beneficial to the state. Pernsteiner noted that the strategy of the last five years is beginning to have payoff in the increased matriculation from community colleges and the increased overall enrollment at the institutions. The method to get to a greater educated citizenry has included increased collaboration among the education sectors. Donegan noted that there are trade-offs between integration with PK-12/community colleges and autonomy of universities; collaboration feels good and sounds good, and the general reaction is “why not?” but outcomes must be identified.

Pernsteiner said that the second requirement will be to set up a requirements framework (AP, IB, AAOT, OTM, etc.) that establishes the paths to take to prepare for admission into a university. We must go beyond that and actually provide incentives to the institutions to find ways to do more of this and to achieve the goal of a more educated Oregon citizenry. The third is to begin to set up conditions within which institutions and students must operate that are different and can have a greater affect on autonomy.

Yaden noted that these discussions are happening nationally. Director Miller-Jones expressed his confusion and noted that the primary conversation should ask what the role of the Board will be if the campuses are given more autonomy. He noted that campuses have expressed the desire for more autonomy due to fiscal constraints. But if a campus is given more autonomy then they would only have a “moral obligation” and not Board oversight to collaborate—what would the role of the Board be if the campuses have their own governing boards? Why would the Board have anything to say to the campuses to participate in collaboration if the Board is not clear about its relationship under this newly structured environment? Pernsteiner noted that the Board has discussed how to restructure the System to determine the governance and policy guidelines that would enable campus autonomy while meeting established System- and state-established goals. This restructuring will be discussed over the next year and framed for presentation to the legislature in the next Legislative Session. Chair Kelly stated that the Board has not approved of a restructuring but that it is currently in the discussion stage. Miller-Jones and Powers advised they have been working to draft a faculty viewpoint of these proposals.

Director Schueler pointed out the expressed support of presidents and IFS to a “continued commitment by all seven universities to work individually and in concert to meet the public higher education needs of Oregonians...” Miller-Jones stated that the level of these proposals do not answer the concerns raised by these discussions. Kelly noted that Miller-Jones’ concerns are premature given that the Committee’s discussions have yet to get to that level of detail to address the concerns.
Pernsteiner advised that today’s discussion is at the policy-level and not at the detail-level. However, the question he is expressing today is: does the Committee want to make the collaboration more of a policy framework (including reward/incentive) and/or begin to set guidelines for universities to collaborate with PK-12/community colleges to achieve student success? Or should the System be more centralized (as operated prior to mid-1990s)? In the 1990s, financial/HR/student systems were implemented on the campuses that allowed decentralization in these areas. Under current statutes, the Board is given authority to approve programs and other policies and, with increasing dual enrollment (university/community colleges and university/university), campuses have been given more authority to engage in these collaborations.

Is collaboration worth financial reward? Director Powers noted that, if incentives/rewards were established and the funding was not allocated, we would be in the same situation as in the past. Establishing incentive guidelines would be set under the policy framework and the incentive funding would be a mechanism to be used to reward collaboration; however, even if the funding was reduced or eliminated, the policy on collaboration would still be in place. Schueler noted that, if incentives were established, that outcomes and goals would need to be established for the incentives. There is, obviously, a distinction between financial incentives and policy-driven incentives. Pernsteiner advised that talking “collaboration” came about over the past four to six years ago and became an established value during that time. Yaden stated his support of collaboration; the degree to which collaboration is fostered will influence the degree to which we receive increased funding. He advised that campuses have found institutional barriers that prevent collaboration between universities; the Board needs to work on eliminating those barriers. Donegan expressed his support of targeted outcome-based collaboration and integration; he also supported continuing incentives but opined further discussion is needed to establish criteria. Francesconi noted that collaboration cannot be mandated but must be incentivized and that funding must be prioritized to support this and must be prioritized within collaboration outcomes set by the State. Fisher noted that it is the responsibility of the Board to establish safeguards to ensure collaboration for the future. Miller-Jones said that, if campuses support access and success, that the desire to collaborate would be there even in a reduced funding climate.

The state and federal Departments of Education are migrating back to supporting common financial aid forms, financial aid information sharing, common admissions process, automatic admission based on essential skills mastery. Dr. Turner noted that the value of the high school diploma will be based on the mastery of the essential skills; universities, under the Joint Boards of Education policy, will place value on the diploma for admissions. Pernsteiner agreed and stated that the fundamental question of autonomy is predicated on these policies.

To conclude this discussion, Chancellor asked, should the Board reserve the right to make decisions on these levels of collaboration/autonomy? Powers agreed; Miller-Jones agreed but noted that the Board can only influence the faculty of the universities and not the K-12 faculty; Francesconi disagreed with discussing, at present, the structural topics (in particular, financial aid).
b. Collaborative Research

Chair Kelly asked if there is anything, conceptually, that would not apply from the education discussion to the research collaboration. Powers stated that there should be emphasis on how outreach has been encouraged to engage with the smaller universities. She did acknowledge that the presidents’ principle did include all universities. Donegan stated that, again, outcomes for collaboration should be established in order to increase the value of research to the state.

c. Tuition Guidelines

Chancellor Pernsteiner provided a historical context on tuition-setting and noted that this topic and need-based financial aid go hand-in-hand. The question is: does the Board have a role in setting tuition levels, or should the state or local campus boards (similar to community colleges that have no process requirements, formulas, or state-governed mandates in setting tuition) set tuition levels. Although the Board sets tuition, the legislature sets caps on tuition rate increases. Director Powers affirmed the Board’s role in setting tuition. Dr. Joel Alexander, IFS president, stated his support of the community college methodology since campuses know what they need to meet their financial obligations. Director Schueler stated he needs more information to make an informed opinion; although he is a believer in the “free-market” system. Alexander admitted a bias as he is a professor at Western and that Western, in the recent past, was “punished” by the legislature because of high fund balance levels and high tuition rates. In response to that comment, Chair Kelly noted that the Committee should not assume that the legislature is going to give up its authority even if campuses are given tuition-setting autonomy. Donegan said he could not see how continuing Board authority over tuition setting can bring about positive outcomes. Pernsteiner said that the Board could set the framework on achieving the goal of access and success without retaining authority to set tuition. Director Yaden said that he has begun to think if this as “student cost” and not tuition-setting; that a progressive tuition policy would free up the institutions to establish tuition levels and state to the legislature that, if they set tuition caps, that the funding to support goals under caps would be necessary. Director Fisher reminded the Committee of the “perceived cost for students” and that the legislature setting caps can influence this perception. Melissa Unger, SEIU, advised that an important thing to keep in mind is that community colleges are given autonomy because they are locally-elected boards. She advised that this is a very political topic and is encouraged that the Committee is discussing the possibility.

Emily McLain, OSA, expressed her support of the involvement of the legislature and a strong statewide Board in setting tuition; the community colleges’ structure of locally-elected boards is a very different environment and is not supported by the students. In the topic of Western Oregon University, the students see the concern of the legislature over the conduct of the campuses as very positive. She asked Director Yaden for clarification on progressive tuition; caps on tuition are based on income level may give campuses flexibility to aggressively adjust
tuition to include a percentage set aside for need-based financial aid (high-tuition/high-aid). Director Francesconi said that some of the questions and guidelines cannot be addressed at present without engaging stakeholders.

Chair Kelly noted that he and Powers support a role for the Board; Directors Donegan and Schueler support a “free-market” framework that would eliminate or minimize the Board’s role in tuition setting; Director Yaden stated he was in the middle, supporting flexibility (student cost, state’s original investment is differential according to income, and tuition fills in the gap to get cover the total cost); Directors Francesconi and Donegan expressed support for this. Kelly noted that the Board will continue to have a role in setting tuition guidelines even under a new governance structure but that the specifics are yet to be determined. Powers agreed that the Board needs a role and that there are too many questions unanswered at present to go any other direction. Yaden explained that the Board should determine how much the cost-per-student is in order to achieve set goals and how much of a tuition increase the Board would support, how much the state would fund, and the level of tuition charged based on the student’s income level.

Miller-Jones, with the supposition that campuses desire tuition-setting authority, noted that faculty and students have concerns with supporting this direction. He suggested that the Chancellor’s Office should set the cost to students based on economy, market, etc., and that the Board should continue to establish rates due to that determined cost. Accountability measures for campuses pertaining to state-established outcome criteria (20-40-40) must also be clearly defined; Ms. McLain agreed and emphasized that affordability (“getting the student through the door”) is of greatest concern to students. She noted the visceral reaction of citizens is shock and caution when hearing campuses asking for autonomy to set their own tuition rates. Francesconi agreed that the Board must be concerned with the cost to students.

Pernstener said that one of the Board’s roles could be to establish procedural guidelines to involve stakeholders in the process and then ratify goals and tuition (ensuring the state’s need to educate as many Oregonians as possible would be met). Upon sharing this document with the presidents, they expressed concern with making it too mechanized (formula-based) and encouraged an informed flexibility. One of the negative effects of a downturn in the economy is the loss of legislative funding support for tuition-setting flexibility and financial aid policies.

Chair Kelly noted that, at present, there is not a consensus of the Committee on this issue other than that there should be a policy establishing that the Board should set guidelines and that there should be a participative process. Director Powers agreed to the participative process. Director Francesconi stated the Board should not set tuition but that they should set the process; he noted that a more thorough discussion should be held on outcomes. Director Schueler supported the institutions bringing their proposals to the Board and demonstrating how their proposal supported the goals of educating Oregonians. This would require a metrics to determine and measure outcomes. Director Donegan expressed his desire to explore a more participative process as described by the Chancellor and setting specific outcomes as to what the process would yield with the Board establishing the process and measurements to align
with Board and state goals. Dr. Alexander advised that each campus has a unique mission and autonomy is needed in order to meet funding needs; however, a participative process would be required. McLain stated that the students continue to be in opposition to increasing autonomy with regard to tuition-setting. She agreed with Director Fisher’s comment about perceived cost and how that impacts first-generation and rural populations and prevents them from accessing higher education. Director Fisher stated, if there is a new compact with the state, that there needs to be a new compact set with the students to include them in the discussion/process.

Dr. Turner noted that the topic language may need to be changed from tuition to affordability to avoid “loaded terms” in the conversation. Pernsteiner noted that quality of education from the institutions will need to be addressed (affordability, cost), asking what is the level of quality that we want to strive for? We cannot strive for the lowest price or lowest cost at the expense of quality because we would drive away the potential high-achieving and high-income students, further affecting quality. He opined that a disservice will be done to the state if we don’t think about future impact or needs of graduate education in the state.

d. Need-based Grant Aid

Pernsteiner supplied data concerning median family income for dependent students receiving financial aid, by campus (resident undergraduates only). Director Miller-Jones noted expressed surprise at some of the statistics ($50,514 at PSU to $71,354 at OSU). Last year, the Board set a policy that 30 percent of funding would be set aside for financial aid, to supplement Pell and Oregon Opportunity grants; this is the only financial aid policy established by the Board. Chancellor Pernsteiner asked does the Board want to have a financial aid policy. If so, should it be campus-based or based elsewhere? Schueler asked if there is data on the percentage of the need for financial aid on campuses and the degree to which the campuses are meeting that need (noting that this is excluding loans). Pernsteiner advised that a financial aid need framework was established under the Oregon Opportunity Grant and was based on funding received from grants, work-study, and loans (averaging $3,000 per year).

Chair Kelly directed the conversation to “should the Board not require any need-based aid, relying on the state instead?” McLain advised that students are supportive of the Board-approved tuition policy and the Oregon Opportunity Grant. In terms of where the moneys stay (#1, a-e), the students have not had the opportunity to discuss these options. She noted that OSAC has been discussing the formula for allocating funds to students enrolled at public universities, community colleges, and private institutions. She provided statistics on FAFSA requirements for family contribution rates.

Director Fisher noted that if the Board approves greater autonomy and then not require need-based aid funding, this sends a very negative message to students. Director Powers affirmed that a policy is needed, the Board should require campus guidelines, and that this topic should be folded into the tuition discussion. Pernsteiner asked that, to mull over for later discussion, if a Board policy were to continue, is the 30 percent set aside the right number?
2. Adjournment

Chair Kelly adjourned the meeting at 12:02 p.m.