Summary of Renewal Work Session

June 16, 1995

The Board Renewal Work Session began at 9:15 a.m. Governor John Kitzhaber opened the session with comments to the Board about his vision for higher education and how it fits into his six-year planning strategy.

The Governor discussed the changing role of higher education in Oregon, which is driven largely by economic factors, including the emergence of a global economy. One result of these changes for Oregon is the emergence of a clearer definition of 1) urban and 2) rural Oregon. A third Oregon is being created by attracting large high-tech companies. The recent announcement of the Hyundai plant in Eugene was given as an example. While such companies provide jobs, we must examine if we are creating a discrepancy in urban areas, offering a large number of lower-paying jobs to Oregonians while importing employees for fewer, higher-paying jobs. The Governor expressed concern that the new industries seem to be setting the state on a course of a low-wage economy. A result will be that Oregon becomes colonized.

Education, according to the Governor, must no longer be viewed as four separate components: preschool, K-12, community colleges, and higher education. He acknowledged that there has been a disproportionate amount of resources allocated to K-12, although they are not overfunded. Education in Oregon will be only as strong as its weakest link and, therefore, it must be viewed as a continuum and funded equitably.

Three aspects of higher education were outlined by the Governor. The first concerned three kinds of access problems:

- Equity -- ensuring that all Oregonians have equal access to public higher education.
- Financial -- setting a goal that promises that no qualified Oregon high school graduate is prevented from going to an Oregon institution because of financial reasons.
- Geographic -- setting and reaching an objective that no Oregon citizen is more than 30-50 miles from access to higher education. An important element of this is the passage of SB 994, which creates the Oregon Telecommunications Council.

A second important area of higher education discussed by the Governor is the area of quality -- choosing between tuition increases and spending in critical areas. He underscored that quality cannot be destroyed. An important element of quality is the issue of faculty salaries.

A third area is the cost of higher education and the Governor proposed framing the debate by identifying three objectives, similar to work done on the Oregon Health Plan:
The Governor postulated that there is frequently argument about the cost of higher education without debate about the benefits. To arrive at solid answers, there needs to be a dialogue with Oregonians so that people can understand what they’re getting for their investment. The planning should begin with the assumption that the amount of money that the State System is going to get, in terms of percent of General Fund dollars, is the same as it was this year.

OSSHE must be relevant to Oregonians -- and Oregonians must be able to recognize something as a contribution from OSSHE. AHEC and Extension Centers were cited as positive examples of this concept. There needs to be a better link between OSSHE and the community colleges and between OSSHE and regional strategy boards.

Finally, the Governor indicated that OSSHE must get more actively involved in what is seen as relevant, such as public safety. "If for no other reason than outright self-interest, you need to help figure out how to reduce public safety costs. If one thing can bankrupt this state, it is the corrections system. We have the ability, knowledge, and technology to resolve this dilemma. The question is: Do we have the courage and the resolve?"

The Governor invited the Board to become involved with him in development of a six-year business plan that will take the state into the 21st century. He outlined four key elements of the plan: a predictable revenue source, growth management, an educational continuum, and limiting expenditures on public safety and human resources.

Following the Governor’s remarks, the Board and institution presidents engaged in an exchange of comments and ideas. Once again the Governor underscored the importance of having a clear idea of what citizens want Oregon to look like in the future and the relationship of that vision to the role of higher education. "OSSHE, in the broadest sense, is a tool for people to achieve common, collective dreams. For a long time, higher education was an end, not a means to an end. It has to be a means," the Governor commented. The importance of connecting with regional economic development efforts was emphasized and several institution presidents shared examples illustrative of current efforts.

In conclusion, the Governor indicated that he would be interested in hearing how the Board synthesizes his comments and the discussion and determines how to use this input in development of his plan for the next six years.

In the remainder of the Renewal Work Session, the Board explored ways in which to move ahead on some of the comments of the Governor. Relative to exploring a new way of financing higher education, Dr. Aschkenasy asked, "What if we said we have x-high school graduates in Oregon and we want to subsidize their education to the tune of x-percent, so we
will appropriate the necessary number of dollars to provide that subsidy. This is a different approach, but we need to be thinking broadly."

President Gilbert observed that higher education is not part of a comprehensive plan -- there is no vision for how the State System should fit in, for example, with the regional strategies. "We are an economic engine for the region. But we frequently ask how this fits into the bigger picture? What are the policies and vision of the Board, of the System?" President Gilbert asked.

Using the Governor's planning matrix, Mr. Richardson asked what the objective is for higher education. Is there a single objective or a series of objectives?

President Byrne pointed out that he hadn't seen a plan that extends the 2010 Higher Education Vision beyond a political agenda/time period. He offered the opinion that there is a need to be thinking long-term. "The Governor has offered us a platinum opportunity."

One of the best ways to get involved in the Governor's planning effort, according to Mr. Imeson, "is to come in early and indicate that we think we have a role to play." He reminded the Board that the approach should be, "How can we help do that...rather than we have an interest to protect. A preliminary step is informally to get a better sense of the process. Then ideas can be directed to targets."

Dr. Aschkenasy suggested that in near future the Board have a work session or strategy planning session when "we are not in a rush to go somewhere. We have some major challenges in the near future," he commented. A follow-up observation was to be sure that institution strategic plans and mission statements are up-to-date and approved by the Board and then taking the next step to see how they should be incorporated into the larger picture of the Board planning.

President Swanson suggested that there be a work session during the next Board meeting where the afternoon would be used to continue the Renewal. "At that time, we should be more specific and hone in on the items discussed with the Governor. We need a task force with some presidents, staff, and Board members to work on this outside of the regular meeting context."

The Chancellor introduced an emerging concept paper, "Building Constituency," that he and Grattan Kerans had been working on. The operating principle is that no major progress can occur in terms of gaining public support for higher education without gubernatorial leadership and that will require significant business and civic support. The objectives are to ensure consistent and predictable appropriations for OSSHE and advance higher education in the political arena. Building this higher education statewide constituency will require the time and financial resources of leaders outside OSSHE, and that is the purpose of the proposal.
President Swanson summed up the discussion of the proposal by indicating this is "the beginning of the kind of process we need. I've always thought an organization like this of people in the state who have higher education at the top of their priority list, particularly vis-a-vis the legislature and political process, would be a very powerful tool."

President Byrne added that this would provide an arena for listening to what people want and need from public higher education similar to the land grant philosophy of the extension agents -- you listen first. Dr. Aschkenasy added that, "The high school population is growing and, with that, a growing need for our services. We need to address these issues on the fact that, in the short-term, the cost element is relatively inflexible. We should take the Governor seriously when he says we can expect about the same level of state funding. If our programs increase funds as well as friends, then we can increase the benefits. Making 'more friends of higher education' is a good idea and will probably eventually lead to more funds. In the meantime, we need to do some heavier thinking of where we are going."

There was general agreement that Chancellor Cox and staff should continue to refine the idea of constituency building and test the readiness of people around the state for participating in such an undertaking.

Chancellor Cox pointed out that the State Board of Higher Education has a number of functions -- selection, appointment, and evaluation of System and campus leaders; fiduciary accountability; and, program approval. The way the Board approves programs has been under review and the Board was presented with a proposal for changing the process. It was agreed that Board members would carefully review the document and be prepared for discussion and approval of it at the July 1995 meeting.

President Ramaley suggested that program approval be accompanied with periodic review of the campus mission and strategic plans.

Board members briefly discussed how to continue to streamline how they conduct business. Dr. Aschkenasy asked for an analysis of the kind of work in which the Board has been involved in the past few years. In addition, it was agreed that staff should propose some alternative meeting schedules that would reduce even further the number of Board meetings held in a year. In addition, it was agreed that Board orientation should be more systematic and mentoring of new members encouraged. The Chancellor agreed to design some alternatives and be prepared to present these to institution presidents (for consideration of alternative visit schedules) and Board members.

The renewal adjourned at 12:40 p.m. and, following lunch, a tour of the North Willamette Research and Extension Center was conducted.