



Background

In its long-term plan *An Investment in Oregonians for Our Future: A Plan to 2025 for the Oregon University System*, the State Board of Higher Education identifies three broad strategic priorities. In addition to increasing educational attainment and investing in globally competitive research, the plan includes as its final priority:

Assure the long-term financial viability of and adequate support for OUS and its institutions through creation of effective governance, organizational, and financial models.

- *As required to achieve the Board's goals and other strategic priorities, explore governance and/or organizational models in the context of the broader resource environment, and the legal structure required for their adoption, including public corporation status, institutional mergers, branch campuses, and inter-sector partnerships....*
- *Develop the role of the Chancellor as the Oregon University System's Chief Executive Officer, addressing more explicitly the policy, advocacy, and accountability functions of the Chancellor's Office and its relationship to the universities.*
- *Provide the policy support and expectation for OUS presidents to manage the academic and capital assets of their institutions with a strong sense of entrepreneurship and partnership with a framework of accountability, while developing new revenue streams and strategies that reduce financial and legal dependence on the state.¹*

The realities of demographic and economic change have placed the Oregon University System and its institutions at a crossroads. Over the past fifteen years, OUS experienced a discernible period of disinvestment, with the proportion of operational funding from the state dwindling and resources required from students through tuition dollars increasing dramatically. Further, in addition to the current financial situation, the demands of the global and state economy demonstrate institutions of higher education in the state must be responsive to the needs of Oregon, its citizens, and its students. In order to serve Oregon, respond to the realities of the 21st century, and mediate the precarious financial situation in which the System operates, the State Board of Higher Education included the above-mentioned strategic priority in its long-range plan. The Board and OUS feel that effective governance, organizational, and financial models are necessary for the System and its institutions to continue to meet the higher education needs of Oregon.

¹ Oregon State Board of Higher Education, *An Investment in Oregonians for Our Future: A Plan to 2025 for the Oregon University System*. March 2007. p. 28.

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Charge of the OUS Governance Subcommittee

To advise the subcommittee chair and to inform the deliberations of the Strategic Initiatives Committee, the OUS Governance Subcommittee will provide analysis and recommendations for various models of governance, including specific commentary and options on the roles and responsibilities of the State Board of Higher Education, the Chancellor, and OUS institutions and their presidents. The focus will be on options that optimize the ability of Oregon's public universities to meet the broad goals of the Board and best secure the long-term financial sustainability of those universities.

Scope of Subcommittee Work

The subcommittee's overall focus will be on the following areas:

- Roles and responsibilities of the State Board of Higher Education;
- Roles and responsibilities of the OUS Chancellor;
- Roles and responsibilities of OUS institution presidents;
- Models of governance for OUS and its member institutions;
- Operational accountability, efficiency, and entrepreneurship of the OUS; and
- Financial sustainability for OUS and its member institutions.

Deliverables

Although a more exact description of deliverables will require subcommittee discussion, the expectation is that by November 1, 2007, the subcommittee work will provide:

- An analysis of the current legal framework in which OUS and its institutions operates;
- An analysis of current legal, political, and financial obstacles facing OUS and its institutions;
- An analysis of the scope of authority that the State Board of Higher Education, the Chancellor, and the OUS institutions and its presidents currently possess;
- Recommendations on new and clarified roles and responsibilities for the State Board of Higher Education, with specific focus on how these new roles may permit the Board to achieve the goals identified in its strategic plan;
- Recommendations on new and clarified roles and responsibilities for the Chancellor, with specific focus on how these new roles may permit the Chancellor to operate as the System's Chief Executive Officer and assist the Board in achieving the goals identified in its strategic plan;
- Recommendations on new and clarified roles and responsibilities for OUS institution presidents, with specific focus on how these roles may permit the presidents to achieve the goals identified in the State Board of Higher Education's strategic plan; and

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- Identification, with specific treatment of advantages and disadvantages, of models of governance—including consideration of public corporation status, branch campuses, institutional mergers, and new political subdivisions—and the pathways necessary to navigate in order to achieve change in governance.
- Identification of how each of the alternative models of governance would ensure the long-term financial sustainability of the System and its institutions.

Key Questions

Although the OUS Governance Subcommittee may identify additional questions, or clarify its inquiry as its deliberations mature, the following key questions will guide its analysis and recommendations to its chair:

1. What are the current legal and statutory roles and responsibilities of the State Board of Higher Education?
2. What are the current legal and statutory roles and responsibilities of the OUS Chancellor?
3. What are the current legal statutory roles and responsibilities of OUS institution presidents?
4. Can the State Board of Higher Education achieve the goals and priorities identified in its strategic plan under the current legal framework in which it operates?
5. What changes in legal and political dependence on the state would permit OUS and its institutions to operate more efficiently for the benefit of Oregon, its citizens, and its students?
6. What changes in the roles and responsibilities are necessary for the Chancellor to operate as the Chief Executive Officer of the Oregon University System, with specific focus on policy, advocacy, and accountability functions?
7. Would public corporation status for one or more OUS institutions or the creation of a political subdivision or district allow OUS to better serve Oregon, its citizens, its students, and its economy? Would this change in status allow for the long-term financial sustainability of the System and its institutions?
8. Would a merger of one or more OUS institutions allow OUS to better serve Oregon, its citizens, its students, and its economy? Would this change in status allow for the long-term financial sustainability of the System and its institutions?
9. Would converting one or more OUS institutions as a branch campus of another OUS institution allow OUS to better serve Oregon, its citizens, its students, and its economy? Would this change in status allow for the long-term financial sustainability of the System and its institutions?