

Inter-Institutional Faculty Senate

Remarks by IFS President Peter Gilkey to the State Board 6 February 2009

Members of the State Board of Higher Education.

My name is Peter Gilkey – I am a Professor of Mathematics and I have the high honor and privilege to be President of the InterInstitutional Faculty Senate this year. This is my second term as President of the IFS as I held this office previously in 2004.

I come from a background in business -- I used to work for what we called TPC (The Phone Company) back when there was a fairly unitary system run by AT&T. I worked in a line department. We were trained to either fix problems or if that was not possible to report problems to our supervisors. But we were never to walk away from problems.

Public Higher Education in the State of Oregon has some very serious problems I will be discussing with you this year. My theme is that centralized detailed micro management directives from central administration can often be less efficient in accomplishing the desired outcomes than decentralized responses at the local level which are informed by centralized policy.

First let me talk about “administrative creep”, i.e. the tendency of bureaucratic systems to focus more and more on administration and less and less on line functions. To be honest, I don’t think that is our problem either in the OUS Universities or in the Chancellor’s office at this moment in time. Failure to provide appropriate administrative support puts everyone at risk. This is true in the traditional sense in which we all think about risk management, but it significantly threatens our ability to act entrepreneurially and maintain momentum in a complex and competitive environment. I am not urging the hiring or more administrators. But I do make the following plea. If it is necessary to make budget cuts this year (and that is in fact the most likely scenario), don’t target administration or student services or academic support. Don’t dictate where we are to take our cuts. Let each President as an officer of OUS in appropriate consultation with faculty governance organs on their individual campuses decide the best way to manage the financial crisis.

I prefer data driven discussions. SFTE=Student FTE, Adm \$\$=“administrative” costs in units of \$1000 dollars.

TABLE ONE¹

OUS				Comparator Group		
Univ.	Adm \$\$	SFTE	Ratio	Adm \$\$	SFTE	Ratio
OSU	56923	17864	3.19	144855	31109	4.65
PSU	33681	18741	1.79	64642	21595	2.99
UO	56943	19836	2.87	230947	30944	7.46
SOU	8406	4166	2.02	18582	7054	2.63
WOU	8135	4147	1.96	18582	7054	2.63

¹ Data from OUS board dockets

I have not presented data for OIT or EOU for technical reasons. And I urge the board NOT to compare apples and oranges – thus the fact that the ratios differ for OSU and for PSU is not important. What is important is the fact that the ratios for these 5 OUS schools are significantly lower than they are for their official OUS comparator schools.

The tuition picture is in relation to our comparators very different from institution to institution – there is no one size fits all model. Thus each President as an officer of OUS in consulting with appropriate faculty governance bodies on each individual campus should have the freedom to set tuition policy appropriately -- to decide what works and how best to deploy tuition strategies.

Full time resident tuition²

OUS Institution	Comparator average			
	2006-7 Tuition	%change 02-07	2006-7 Tuition	%chg 02-07
OSU	5643	42%	6235	63%
PSU	5210	40%	6493	66%
UO	5838	43%	6878	61%
SOU	5233	47%	5028	50%
WOU	4683	28%	5028	50%
EOU	5841	61%	5028	50%
OIT	5919	61%	4051	57%

Full time non- resident tuition

OUS Institution	Comparator average			
	2006-7 Tuition	%change 02-07	2006-7 Tuition	%chg 02-07
OSU	17559	26%	19053	43%
PSU	17435	36%	16647	53%
UO	18252	26%	23037	48%
SOU	16918	54%	12321	38%
WOU	14823	29%	12321	38%
EOU ³	5841	61%	12321	38%
OIT	16089	27%	11268	38%

I would like to close by making several points.

1. “Operating losses at several institutions are unsustainable”. This is a correct assertion but it does address the financial challenges of all institutions in this fragile economic environment. For too long Universities have survived by failing to provide the appropriate mix of faculty and by trying to operate in a thinly administered environment.

² Data from OUS board dockets

³ At EOU, In state and out of state tuition are equated.

2. The issues related to faculty compensation have been well documented and are well understood by the State Board of Higher Education. Enough said.