

A NEW PARTNERSHIP WITH OREGON

An Oregon University System Plan for the Future of Higher Education

Higher education in Oregon is at a crossroads. Public universities are in a precarious position following a decade of disinvestment, lacking the resources or ability to continue to succeed in the ways they have in the past. Without significant changes to higher education, access and quality will deteriorate.

The status quo is not an option.

The 1999 Oregon Legislature recognized the importance of higher education and established a new funding model, but the model has never been fully funded due to limited state resources. The state is faced with continued financial pressures and Oregon's system of public education faces a financial crisis at every level, extending from K-12 through higher education. Our universities are working together to solve these complex problems in ways that benefit the entire state. The Oregon University System has developed a strategic proposal for Oregon's public universities that will allow it to lead Oregon into the new economy, but not without significant changes in the relationship between higher education and the state. Oregon's future depends on fundamental changes in higher education. The Oregon University System proposal for greater system and institutional flexibility – A New Partnership With Oregon – will allow our public universities to continue to provide a high quality, affordable education to Oregonians despite the state's financial difficulties.

The Status Quo is Not an Option

Our universities are being pulled in two directions by rising enrollments and declining state support. Without significant new investments and significant policy and operational changes, quality and access will deteriorate. With the State facing a large revenue shortfall this biennium, it is clear universities must be given more autonomy to manage their own costs, income and programs. The current downward spiral of educating more students with less money, thereby further diluting both access and the quality of education for all students, is no longer sustainable. Furthermore, limiting access for Oregonians to their public universities and cutting back on the programs these universities offer should not be options. If Oregon is going to achieve sustainable economic growth it must have an excellent system of higher education. Our universities cannot sacrifice access to classes and

programs and the quality of the learning experience by continuing to add students without additional state support.

With the changes proposed in the New Partnership with Oregon, our public universities will be able to offer access to a quality education to more Oregonians than is achievable under current or foreseeable state funding. There is no reason why Oregonians should not have a nationally recognized system of public universities. These changes will allow Oregon's public universities to enhance their national competitiveness. The New Partnership is fair and reasonable and will create a win for Oregonians and the public universities that serve them.

A New Partnership with Oregon

A decade of disinvestment has left higher education in crisis. The Oregon University System believes that higher education needs a "New Partnership" with the state allowing our public universities to be market-oriented, entrepreneurial and flexible. To survive in today's environment, the OUS needs:

1. Greater flexibility and autonomy;
2. The ability to operate more efficiently;
3. Increase the state's investment in higher education from the current 74 percent of the national average for comparable universities to 80, 85 and 90 percent over the next three biennia.

Oregon's future depends on fundamental changes in higher education.

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GREATER FLEXIBILITY AND AUTONOMY

Affordability, Tuition and Enrollment Management

- Vest institutions with responsibility for setting tuition and fees, within boundaries established by the OUS Board.
- Give campuses greater flexibility to provide financial aid to students tied to flexibility in setting tuition.
- Relative to state support, limit the total number of resident students to a level that provides adequate funding for each student.
- Distribute funded students among institutions in an equitable way.

Academic Program Development

- Permit campuses, with OUS Board approval, to establish or expand academic programs based on market demand, academic priorities and available resources.
- Exempt OUS from program review authority of the Office of Degree Authorization (under the Oregon Student Assistance Commission), delegating this authority to the OUS Board.

ABILITY TO OPERATE MORE EFFICIENTLY

Fiscal Operations and Management

- Delegate to OUS the authority for establishing expenditure limits for non-State Education & General Operating Funds.
- Allow OUS institutions to retain interest earned on non-state dollars, including tuition and fees. (Interest earnings should not be used as a substitute for state support).
- Allow the OUS Board to review and approve Information Technology and telecommunications purchases and contracts.

- Obtain authority for greater flexibility in the use of private funds to match state bonding.
- Obtain statutory exemption (similar to that for OHSU) to protect personal information about donors to OUS institutions.
- Permit OUS universities to employ their own legal counsel in the areas of contract review, technology transfer and intellectual property rights. Grant OUS an exemption from Department of Justice mandatory contract review based on predetermined monetary limits.
- Obtain delegation of authority to OUS for approving capital projects that involve no General Fund expenditures.
- Within guidelines established by the OUS Board, obtain institutional authority to buy, hold and sell real and personal property, and thus, relief from legislative approval for such transactions.
- Request change in dollar-for-dollar match requirement for General Obligation bonds.
- Permit expansion of use of Certificates of Participation as a match for General Obligation bonds.
- Explore opportunities to offer OUS's own health care program for OUS employees and review alternatives to the Public Employees Retirement System (PERS).
- Give campuses full management responsibility for legal and financial issues related to research and technology transfer activities and intellectual property rights.

STATE SUPPORT

Increased State Support

- Increase the state's investment in higher education from the current 74 percent of the national average for comparable universities to 80, 85 and 90 percent over the next three biennia.