



**Oregon  
University  
System**

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August 2, 2010

The Honorable Mark Hass, Co-chair  
The Honorable Tobias Read, Co-chair  
Joint Legislative Higher Education Work Group  
900 Court St. NE., S-419 and H-490  
Salem, OR, 97301

Dear Senator Hass and Representative Read:

Thank you for the opportunity to provide information from the Oregon State Board of Higher Education and its universities for the Joint Work Group's consideration. At its July 9<sup>th</sup> meeting the Board unanimously approved a legislative concept seeking changes to the statutes that govern Oregon's seven public universities. That concept now is being considered by your counsel.

As the Chancellor and Presidents of all seven institutions we write to express our support for the state board's thorough and thoughtful review of the issues facing public higher education in Oregon, and its recommendation for legislation that creates a new compact between the University System and the state, establishing a statewide public university system rather than a state agency.

We are committed to retain the public nature of our institutions while providing specific, measurable education and research results. In return we seek the legislative provisions that provide reliable state funding and flexibility to achieve these results for Oregon.

The attached excerpt from the State Board's meeting packet summarizes the key points we are seeking in a legislative concept. Most importantly, these include changing the legal status of the university system from that of a state agency to a public university system with the same powers resident in Oregon's community college districts (except for the imposition of property taxes) and the authority to enter into performance agreements with the state to achieve critical state objectives such as an increased number of degrees and affordability for Oregon students.

The proposed legislation also permits OUS to retain all its current statutory authority and, among other items, grant the system authority over risk management, retention of all investment earnings, the expenditure of funds other than state appropriations of general fund and lottery funds, approval of construction when using funds other than state appropriations, and the ability to develop employee benefit programs. Tuition setting would be a responsibility retained by the State Board of Higher Education and a new requirement would be imposed for open and participative tuition development processes at each campus. Further, to help ensure affordability for students, fee remissions would be explicitly permitted for need based financial aid. The Board also would be permitted to delegate some of its powers to campus boards, at its discretion. The budget for OUS would be developed using the same process as is employed in the development of the budget for Oregon's community colleges.


These changes will create a more vital and flexible University System better suited to serve today's students than our current 80-year-old state agency governance structure. They will enable us to increase the number of Oregonians educated to meet the standards for success in the competitive world economy

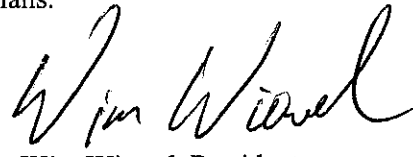
and to provide the research needed to spark the innovations that will improve the vitality of Oregon's economy and provide the sustainable prosperity Oregon so desperately needs.


We appreciate the time and effort you are devoting to address the issues we all face as more Oregonians seek to achieve a college degree and as the state continues to face severe budgetary constraints. We look forward to the work that remains to be done in terms of defining the goals and objectives to be achieved through the changes we are seeking.


Over the coming months as the Joint Higher Education Work Group considers proposals for consideration during the 2011 legislative session, we welcome continuing opportunities to work with you, students, the business community and others to forge and pass legislation that meets the needs of our state and its communities and helps us build a brighter future for all Oregonians.

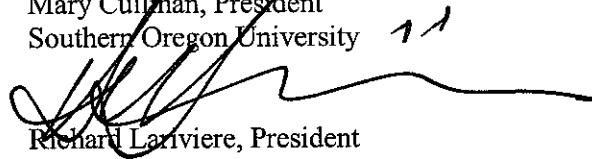
Sincerely,


  
George Pernsteiner  
Chancellor


  
Wim Wiewel, President  
Portland State University

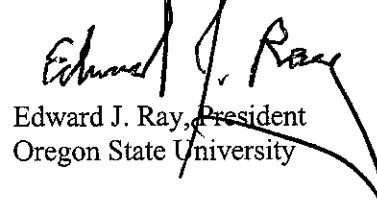
  
Mary Cullinan, President  
Southern Oregon University 11

  
Bob Davies, President  
Eastern Oregon University

  
Richard Lariviere, President  
University of Oregon

  
Chris Maples, President  
Oregon Institute of Technology

  
John Minahan, President  
Western Oregon University

  
Edward J. Ray, President  
Oregon State University

Attachment: State Board of Higher Education July 9<sup>th</sup> Governance Legislative Proposal

cc: The Honorable Peter Courtney, President of the Oregon State Senate  
The Honorable Dave Hunt, Speaker of the Oregon State House of Representatives  
The Honorable Theodore Kulongoski, Governor  
Members of the Joint Work Group on Higher Education  
Members of the State Board of Higher Education