



UNIVERSITY OF OREGON

Office of the President
University of Oregon
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A SYNOPSIS

NEW PARTNERSHIP: REIMAGINING THE PUBLIC UNIVERSITY AND RENEWING EDUCATIONAL EXCELLENCE THROUGH ACCESS AND AFFORDABILITY

Background

In May 2010, the University of Oregon released a proposal calling for a new partnership between public institutions of higher education and the state of Oregon for governance, accountability, and funding.

The complete proposal, background, legislative draft, resources, media coverage, and other materials are available at newpartnership.uoregon.edu.

A CALL TO ACTION

The time has come to reimagine higher education in Oregon.

Public higher education has been at the forefront of our state's ambitions since its founding. Land for a University of Oregon campus was promised when Oregon was admitted into the union in 1859. But the dream of a college education is slipping away for many Oregonians. For the first time in state history, today's young adults are less educated than their parents.

Our current structures for governing and financing the state's public universities must be reevaluated as we seek to preserve the mission of public higher education—that includes sustaining the UO as a public institution.

A generation ago, the state contributed twice as much revenue per student at the UO than those students paid in tuition. Today, state funding accounts for less than 9 percent of the UO budget and students pay more than three times as much for their education than the state provides. Of thirty public institutions in the Association of American Universities, the UO ranks dead last in the amount of state support received per student. The same finding is revealed in any comparison of UO to any set of peers.

Oregon's competitive position in a global, knowledge-based economy is at extreme risk. Parents of those in the state's twenty-five to thirty-four age group have a higher percentage of college degree attainment than their children, while the reverse is true nationwide and in most countries that are our economic peers.

We must replace a system that is no longer serving Oregon's needs with one that will renew the state's abilities to achieve its educational goals and reestablish its tradition of policy innovation.

As we seek to create a new Oregon model that includes tools to stabilize university funding, we should pay close attention to what is working elsewhere. The University of Washington and the University of Virginia each operate under systems in which state-level coordinating boards ensure individual universities' accountability while allowing them to manage their own business affairs.

Governance

Under this model, the UO proposes establishing a public governing board—a majority of its members appointed by the governor—that will focus on the UO's mission and public responsibility. The Oregon University System will be involved with the UO as a coordinating board responsible for setting and monitoring educational outcomes such as degree attainment, and will have authority to coordinate with other universities to prevent duplication of programs.

Funding

The UO was allocated \$64.9 million in FY2009–10 from the state and the federal American Recovery and Reinvestment Act. The FY2010–11 allocation is \$61.6 million, less than 9 percent of the UO's budget. It is not realistic to expect an increase, with an overall state budget shortfall of \$2.5 billion predicted for the next biennium. But by securing an assurance that the Oregon Legislature will maintain its present level of support in the form of bond payments—a creative reinvestment in the university's future—the UO can bring goals of the institution and state back within reach.

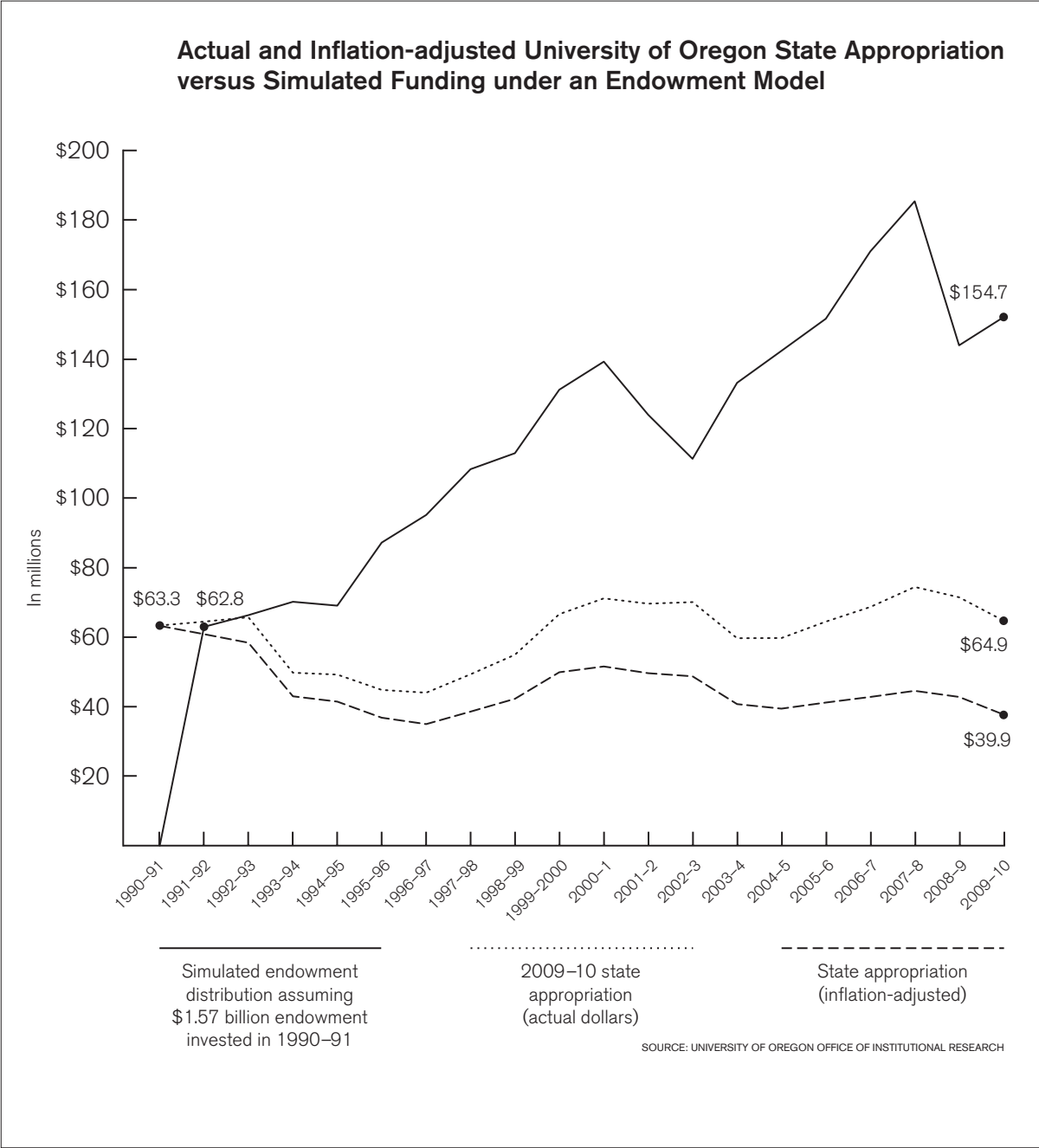
A state funding commitment of \$65 million per year over thirty years, for example, will be used to make annual payments on a new public endowment. The UO will match the funds with money raised from private donors, and manage the combined public-private endowment. That pool of money will create a stable, perpetual base to fund the UO's education mission and bring greater stability to resident undergraduate tuition costs. In its first year, the public endowment will generate sufficient operating revenue for the university and will continue to grow. The bond creates even greater incentives for philanthropists to give to the university. Had this endowment been established in 1991, the UO would now receive \$154.7 million from the endowment instead of about \$60 million from the state.

Accountability

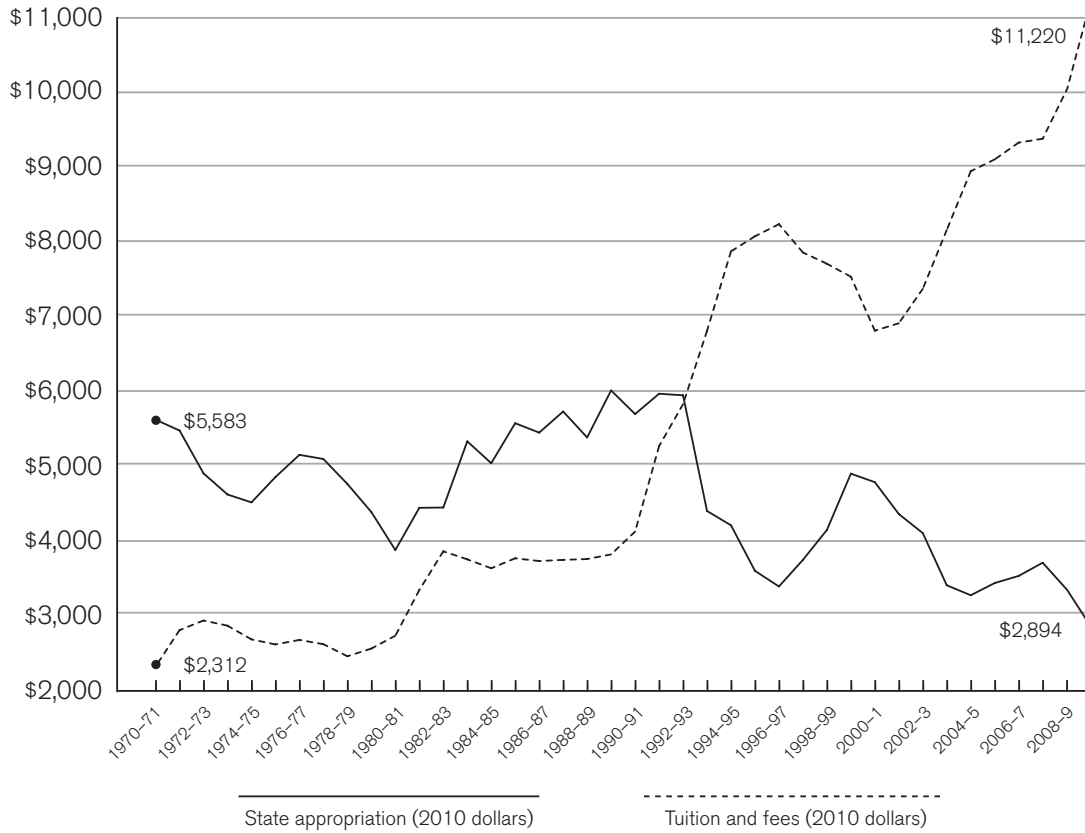
While this plan envisions a public governing board for the UO, a state-level coordinating body such as the Oregon University System will be charged with setting clear standards of success for the institution. It will hold the UO accountable for meeting those standards—including accessibility, affordability, diversity, economic development, and service impact.

The UO is in position right now to reassert its public mission. By reorganizing public assets and resolving to bolster private support, the university can build a stable and predictable funding structure. Statewide goals will be ensured by performance-based financial incentives. And public higher education will no longer be driven by the state's economic circumstances.

Data Illustrating Past and Current UO Funding Conditions

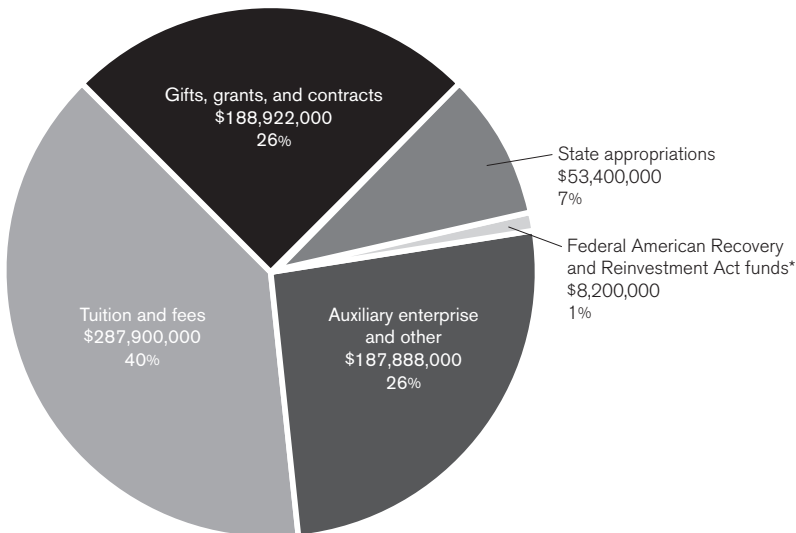


Comparison of UO State Appropriation and Tuition Revenue per Student Inflation-adjusted Dollars, 1970-71 to 2009-10



SOURCE: UNIVERSITY OF OREGON OFFICE OF INSTITUTIONAL RESEARCH

UO Total Projected Revenues, 2010-11
\$726.3 Million



* Operating support from the 2010 American Recovery and Reinvestment Act state fiscal stabilization funds

SOURCE: UNIVERSITY OF OREGON OFFICE OF INSTITUTIONAL RESEARCH