

Campuses need breathing room

University system's request for greater autonomy deserves a close look in Salem

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The Oregon University System is proposing to change the way the state's four-year institutions are governed, giving them more autonomy and greater control over their own financial destinies. The idea has a lot going for it, including the potential for saving a system in danger of slipping into a realm somewhere below mediocrity.

Oregon's universities are considered a state agency under Oregon law — the same as the Department of Human Services or the Department of Corrections. That means the Legislature adopts a budget for the Oregon University System every two years, and tightly manages how the money is spent.

This is true even though universities have their own income in the form of tuition and private fundraising. The proportion of university revenue provided by the state general fund has dwindled over the years and the state now contributes only 17 percent of the system's funding, while still demanding control of its operations.

Beyond that, as a state agency, the university system's resources are vulnerable to the whims of the Legislature, especially in lean times.

Lawmakers set limits on how much the schools can spend, and the Legislature can and does take reserve funds held by the campuses and redistributes the money to other parts of state government. Last year, the state "swept" \$34 million in this manner. Southern Oregon University's share was \$1.2 million.

A Colorado-based consulting firm hired to examine the University system called it the most micro-managed system its staff had seen anywhere in the country.

Oregon university officials are feeling especially vulnerable right now, because enrollment is skyrocketing as a result of the poor economy. SOU expects to see the highest enrollment in its history this year, and projects a record retention rate as well by next spring.

That means more tuition revenue, but the university cannot spend it all because of a state-imposed spending cap. At the same time, the surging enrollment means SOU needs to add class sections so students can complete their majors, and that means hiring more faculty.

Not only is SOU's spending capped, but the money it can't spend is at risk of being swept away again by the Legislature.

SOU president Mary Cullinan calls this unfair to students, and it's hard to argue with her. Students and their parents pay tuition — in many cases with borrowed money — expecting that it will pay for their college education. Instead, some of their money can be used to pay prison guards or fund human services.

University officials are proposing to shift from a state agency to a public university system that incorporates community colleges as well as the four-year schools. The system still would be required to

meet state performance standards, but it would be able to control its own financial destiny by building up reserves, planning ahead and offering students and their families predictable costs over four years of higher education.

Without these changes, university officials say some campuses could be forced to close in the not-too-distant future. Oregon Institute of Technology is particularly at risk because its technical degree programs are costly to provide under the spending constraints imposed by the state.

The plan may be a tough sell in Salem, where lawmakers are traditionally reluctant to give up control over tuition and spending. The campuses want the state to continue subsidizing them at the current level while giving up some of that control. They may have to consider accepting a somewhat smaller state contribution in exchange for the flexibility they say they need.

Legislators who question this plan, however, should be prepared to come up with their own — or to accept responsibility for riding the state's higher education system into the ground.