

# Lariviere's endowment plan would yield valuable certainty

By DON KAHLE  
For The Register-Guard

Today marks the final day of Oregon Days of Culture, but Saturday will be no different. Cultural events across Oregon are less subject to the vicissitudes of state budgets than they once were. And if there's one thing Oregon's budgets produce plentifully and reliably, it's vicissitudes.



Don Kahle

The Oregon Culture Trust has taken arts and heritage funding off that roller coaster. The endowment that began eight years ago as a public-private venture is stable and growing.

Lesson learned.

That brings us to University of Oregon President Richard Lariviere and his radical proposal for a "New Partnership" with the state of Oregon in general, and with the state Legislature in Salem in particular.

Except his proposal isn't radical at all. He's not asking the state's senators and representatives to do something new. He's

asking them to repeat themselves. In fact, Salem can do for higher education what they have been congratulated for these past eight days.

The Oregon Cultural Trust has worked. Nobody argues that point. But eight years ago, it had never been tried. Folks were nervous.

Luckily, the logic and the math both were compelling. The state's support of the arts would be made more stable and more substantial by leveraging private funding and treating the fund as an endowment. Now we can rewrite that last sentence, replacing "would be" with "is."

Lariviere is asking legislators now to do the same for Oregon's flagship university.

For the past generation, UO presidents have trooped up to Salem every two years to make their case for funding. Most years they have returned to campus with less than they got the biennium before.

Lariviere's "New Partnership" proposal would end that pageant. Here's how it would work.

The state would issue education bonds for \$600 million. That

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sounds like a lot of money, but the repayment of those bonds would cost the same each year as the state's current funding for the UO (which the bond repayment would replace.) The UO would then treat that amount as a matching grant, leveraging the same amount from private donors.

That public-private investment would produce an endowment worth \$1.2 billion. The interest on that endowment would fund the UO in perpetuity. The state would be funding higher education at its current modest level for 30 years until the bonds are paid off, but then it would be relieved of future budget obligations.

That's a good deal for Salem, and a good deal for

the University of Oregon. The expenditure-investment is purposely equivalent. It's not about the money.

The UO would be getting what a large, complex institution needs most — certainty. Annual payments from a large and well-managed endowment always will be more predictable than subcommittees in Salem looking at every line item in the university's budget.

If the university president is looking for some encouragement, he can walk down the proverbial hall to his own law school and have a chat with Mary Wood. Wood is the Philip H. Knight Professor of Law, faculty director of the Environment and Natural Resources Program — and also the mother of three.

For the past decade, Wood has been training future lawyers and current judges to look at our planet's natural resources as an endowment to be passed to future generations — a public trust. Trust management provides the environmental movement with centuries of precedent, a proven tool to battle conditions the world has never known.

Wood understands that it's all about certainty.

"Clean air and water is the natural endowment we were given," she reminds me. "When our children see what may be left to them, it is truly horrifying, especially because most of them can't yet or don't choose to vote. That natural endowment was given to every generation, not just ours." That's not the law professor speaking so much as the mother of three.

The importance of education for Oregon's quality of life only will grow over time. So why wouldn't we fund it in a way that does that too, earning our legislators fresh plaudits for recognizing their responsibility as a public trust?

Certainty matters for the university, and trust matters for the Legislature. Lariviere's bold plan brilliantly unites them.

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