SALEM – A bipartisan legislative task force Wednesday approved a plan that would give Oregon public universities more autonomy while bringing them under the authority of a new Higher Education Coordinating Commission.

The proposed legislation will be introduced to the Senate education committee Thursday morning to prepare for early work sessions and public hearings when the 2011 Legislature convenes next year.

The plan is the latest and most sweeping of several emerging legislative proposals to overhaul the governing structure of the state's higher education system, suggesting the system will almost certainly see major changes.

Most leaders agree the universities need more money, but this plan at least will give them more flexibility, autonomy and power, said Sen. Mark Hass, co-chairman of the higher education task force with Rep. Tobias Read, both Democrats from Beaverton.

"This feels like a good first step," Hass said during the group's final meeting in Salem on Wednesday.

The state Board of Higher Education and the University of Oregon also have prepared bills. Theirs, too, would give universities more freedom to manage their operations and seek more money in the face of declining state support. The UO also wants lawmakers to finance about $800 million worth of state bonds that it would match and put into its endowment so it could operate off the interest.
The legislative task force also will introduce two other measures. One would give high school students more opportunities to earn college credit in their junior and senior years.

The other bill would cement in law the 40-40-20 goal that many state leaders have embraced for Oregon higher education. The goal calls for ensuring by 2025 that 40 percent of Oregonians have earned a bachelor's degree or higher, 40 percent an associate's degree or post-secondary credential and the remaining 20 percent at least a high school diploma.

The proposed Higher Education Coordinating Commission would set goals and accountability measures for universities, evaluate and approve their missions and degrees, and develop a finance model for them. It would take over the job of administering student financial aid from the Oregon Student Assistance Commission, which would be abolished.

The new 15-member commission, appointed by the governor, also would coordinate the policies and operations of the state's seven public universities and 17 community colleges with the aim of creating more cohesion for the state's higher education system.

"The coordination is necessary to set up a long-term strategy," Hass said. "That has been the one thing that has been lacking in our system for as long as I can remember."

The legislation includes nearly all of the provisions in a bill the State Board of Higher Education intends to introduce in the House next month.

"I'm encouraged," said George Pernsteiner, chancellor of the Oregon University System.

Like the state board's proposal, the task force legislation would end the universities' state-agency status, giving them more of the independence and flexibility that community colleges enjoy. The universities, for example, would have more control over personnel, benefits, purchasing, bonding, fees and other operations.

The legislation also would allow the state board to exercise the power of eminent domain.

The task force plan, however, does not give the state board the authority it wants to establish governing boards at one or more of the universities if it so chooses.

Presidents of the University of Oregon and Portland State University have said they want local boards.

The University of Oregon Foundation said it plans to introduce a bill seeking a local board at the UO. The state board said it will oppose the bill because it conflicts with the board's proposed legislation. UO President Richard Lariviere argues the two bills are compatible.
"This is one of those things that will have to be hashed out in the legislative process," he said.

-- Bill Graves

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