

## Editorial: Time to allow EOU, other universities budget control

Posted: Thursday, September 30, 2010 12:00 am

Oregon university presidents are speaking with one voice. They want to control their budgets and how tuition and state funding is spent.

Simply put, they want power to govern their institutions in a similar fashion to local school districts or community colleges. The goals are to assure high-quality education for Oregon students, hold down tuition costs and ensure the long-term health of the university system.

All seven presidents have signed on to a set of guidelines that are being turned into legislation by the Oregon University System working closely with legislative leaders. The system includes Eastern Oregon University, the closest institution of higher learning to Wallowa County.

A bill should be ready for debate during the next session. It should be enacted into law.

It is not often the presidents of Oregon State, Portland State and the University of Oregon gather to plead their case with one voice. They did so last week in Pendleton at the East Oregonian, our sister paper.

The plea and plan they propose is to create a statewide school district for the university system. This would be governed by the State Board of Higher Education in a similar fashion to the role it performs today.

The big difference, said OSU President Edward Ray, would be that the university system would shift from being a state agency to having a new "school district" status.

The state Legislature would retain annual funding authority and continue to own all the assets of the OUS. However, it would cede to the OUS power over tuition, budgeting, the ability to negotiate and enter into contracts for risk management services and to purchase insurance.

The institutions would receive earnings associated with student tuition and all other revenues other than state appropriations. This generally means grants and donations.

They would have the ability to acquire property and to undertake capital projects without prior legislative authorization except when requiring state appropriations or state general obligation debt.

Other items would include authority for the OUS to offer employee benefit plans and programs and allocate funds and academic programs among institutions.

This starts getting complicated. But basically, the institutions would be gaining the power to govern without taking everything to the state. Community colleges can do this now.

The presidents make the point that state funding has now shrunk to less than 15 percent of the yearly budgets for the schools. They note tuition must be set even before the Legislature has voted on appropriations.

The result is a guess on how much to charge for tuition each year. Then, if all of the income from tuition is not needed, the schools must ask state permission to spend it on established needs.

Oregon President Richard Lariviere said his hope is to be able to tell parents and students what it will cost to attend the university. He cannot do so now. This goal requires the ability to do longer-term planning and to control how the university budget is spent.

PSU President Wim Wiewel said he cannot take advantage of lower real estate prices in Portland to purchase buildings at an historically low price for his fast-growing student body because of rules governing state agencies. It can take up to 18 months to buy real estate. That is just too long.

The presidents note millions could be saved by being able to buy their own health insurance, negotiate risk insurance and deal with

pension and labor issues along with other cost items they could control if they were governed as a statewide school district instead of a branch of state government.

The OUS governing board also would gain power to delegate some budget and decision-making authority to local governing boards at each institution. These boards are bound to be much closer to the needs and issues of their schools, resulting in a better use of dollars.

The presidents emphasize the governing changes they are proposing will not reduce accountability. They are willing to even strengthen the standards by which they are judged as to quality of education.

But, without more ability to control their own resources and costs, the tuition students must spend will continue to soar.

Oregon legislators should listen to their presidents. It should grant them the power they need to budget and manage their resources. The future health of the university system and the quality of education the institutions provide students is at stake.

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