

Leaders push for more university control

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PORTLAND (AP) — Two of Oregon's leading figures in higher education are pushing for loosening legislative and other government controls of public universities.

According to The Register-Guard, George Pernsteiner, chancellor of the Oregon University System, and Ed Ray, president of Oregon State University, made the case Friday at a City Club of Portland luncheon. They are advocating for legislation that would end the state's treatment of the seven public universities as a state agency.

Pernsteiner and Ray are supporting Senate Bill 242. The state Board of Higher Education's recommendation is to give the university system far greater autonomy from government regulations than other state agencies receive.

The bill is expected to be heard by the Senate Education Committee after the Legislature resumes Feb. 1.

Pernsteiner said under the current system universities are burdened with thousands of regulations. Tuition surpluses, which have resulted from ongoing record-level enrollment, are at risk of being diverted into other areas of state spending, such as operating prisons, he said.

For years, state higher-education officials have tried, and with only modest success, to reduce control that state legislators and others exert over the state's public universities.

This time around, the lobbying is complicated by the fact that the University of Oregon is pushing its own breakaway plan. Both the state board and the UO are arguing that their plans have merit given state government's severe budget crisis.

The state board's plan would allow the university system to operate with more independence from the Legislature, similar to how the state's community colleges are now run, but without the power to impose property taxes.

The plan doesn't include endowments, and the state would continue to allocate money each biennium for universities from the general fund. But universities would have more freedom to raise and spend tuition, manage their budgets, raise private money and construct buildings.

Also, universities would keep all their tuition revenue, including the interest earned on tuition while it is deposited in state accounts. Currently, that interest goes to the state general fund.

UO President Richard Lariviere's plan would shift much of the authority for setting tuition and managing the UO's affairs to a new, separate UO governing board, rather than keeping it with the Legislature and the state board.

Lariviere's plan also calls for the Legislature to allocate \$800 million in state-backed bonds matched by an equal amount in donations to be raised by the UO to establish a \$1.6 billion endowment that most likely would be controlled by the University of Oregon Foundation.

The state would pay principal and interest on the bonds, and the UO would use the earnings from the endowment to help run the school. In return for receiving the state bond proceeds, the UO would forgo its annual allocation currently about \$62 million a year from the state's general fund.

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