UO proposal questioned

Many at a town hall meeting raise concerns about public input in a new management and funding plan

By Greg Bolt
The Register-Guard

Questions over accountability were a common theme Wednesday when University of Oregon students and staff got a chance to hash out some of the issues raised by a novel plan to remake the way the school is run and financed.

At a town hall meeting that attracted about 200 people, many wanted to know how much of a voice they would have in the university's direction and management if the plan proposed by UO President Richard Lariviere is approved. Others questioned a new and probably unique funding scheme.

But Lariviere promised the crowd that the plan would provide stronger and more local control of the university and that it would remain subject to state laws on open meetings and records, ethics and accountability. And he said that while the funding idea is new and untested, it almost certainly would result in smaller tuition increases and less volatility than the existing system.

Richard Lariviere

He said continuing with the current system, in which state funding has now fallen below what it was 20 years ago, is a recipe for disaster, especially given the deep cuts expected in the coming year.

"If we don't take actions similar to what we've outlined here, history has demonstrated what our fate will be," he said. "Our budgets will be cut further, we will fall even further behind our peers and more and more of the cost of this enterprise will be

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placed on the shoulders of our students and their families. The time to act is now."

Overall, the meeting produced no fireworks and little in the way of outright opposition to the plan, although a statewide student association has come out against it and the state Board of Higher Education won't support it. One group handed out fliers for a rally next Thursday to voice opposition to the plan.

Known as the New Partnership, the plan would make substantial changes in how the UO is run by establishing its own appointed board to set goals and policy for the university. It also would make decisions on tuition and have substantial influence on the overall budget.

It also would establish a new way of funding the university by asking the Legislature to sell state bonds, to be matched dollar-for-dollar by private fundraising, to create an endowment. Rather than provide operating funds to the UO as it does now, the state would make the payments on the bonds and the university would use investment earnings from the endowment to replace state funding.

The new governing board was an issue for several people who wanted to know if the university would still be held publicly accountable for decisions and if people would still have a say in how it is run. Lariviere said he believed that the new model, already used in many other states, improves accountability because the board would be focused only on the UO and would hold all its meetings at the UO.

"The public is going to be in the business of the university in ways that they've never been before," he said. "It's a better way to govern an institution like this."

But some students oppose a UO board because it would be appointed rather than elected — as the boards that oversee local school districts and community colleges are. They fear that would limit their ability to influence university funding and management.

Students also question the idea of a funding plan that relies on earnings from an invested endowment. Amelie Rousseau, the UO's student body president, asked if that's a prudent way to finance higher education.

"It seems like a high-risk proposal to make," she said at the meeting.

Lariviere acknowledged that the funding side of the plan is different from anything ever done in Oregon or anyplace else. But he said even with the university's budget dependent on an invested nest egg, the returns almost certainly will provide more money than it has received under state funding, which he said has decreased by 43 percent over the past 20 years when adjusted for inflation.

"The short answer to 'Is there risk to the endowment funding model?' I think is no," he said. "In fact, an endowment funding structure will be more stable, compared to a state-dependent funding model, than we've ever seen before."