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Let Oregon's universities make university decisions

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By **The Oregonian Editorial Board**

In true Oregon fashion, the state universities' relationship with the Legislature has featured the worst of both worlds: little general fund money but lots of legislative control.

On higher education, the Legislature likes to play but not pay.

Even with the wave of additional students sweeping onto the system's seven campuses, budget realities make it unlikely that the first situation is going to change much. Understandably -- and rightly -- the State Board of Higher Education wants to change the second.

Currently, the state general fund covers about 15 percent of the universities' total costs, and the state's mandates dictate about 52 percent of the system's costs.

The state gives nearly 10 times as much money to K-12 schools with minimal strings; for the higher education system, the state now requires not only that the universities follow all its employment requirements and be part of its retirement and insurance systems, but often seeks to shape priorities for the campuses through the budget process.

Testifying before the Legislature last year, Oregon State University President Ed Ray recalls, "I urged the legislators that whatever they were going to give us, not to micromanage us. I later heard from the chancellor's office that the legislators thought it was charming that I'd said those things, but that's not the way things work."

Over two decades of sharply and steadily dropping general fund support, one way the system has kept afloat has been through increased tuition and increased enrollment, lately boosted by the bleak job situation. But the universities have no control over their tuition -- either setting rates, using additional tuition revenues or being able to direct interest from tuition to the benefit of the students who paid it -- without legislative approval, and the Legislature has been known to redirect such money to its own purposes.

The proposal from the state board and the chancellor's office would remove the Oregon University System from state agency status. In exchange, the board would commit to meeting performance standards regarding enrollment, graduation rates and tuition levels.

Besides traditional territorial tendencies, legislative resistance is likely to focus on preserving access, in making

sure that the universities would not sharply raise tuition for their financial protection. It's a legitimate worry, and so is the concern that the Legislature would respond to the governance change by cutting back its funding support even further. The experience of spinning off Oregon Health & Science University into quasi-independent status sends up red flags in both these areas, requiring clear commitments beforehand.

The board's plan is considerably different from former University of Oregon President Dave Frohnmayer's proposal for autonomy for each university, a plan that would clearly serve some campuses better than others. But the board's plan leaves space for developing greater campus autonomy in the future, including separate boards of trustees, not only for fundraising but to better connect institutions to local areas and other constituencies.

Many of the benefits from the reorganization wouldn't immediately help the Oregon University System's financial crunch, and the Legislature would still need to ask itself how strong a higher education system it wants and will support. But giving the university system more control of its own decisions -- and more control of its own tuition revenue -- would be a sizable advance.

As the funding balance has shifted away from the general fund and toward tuition -- which now provides the system twice as much funding as the Legislature does -- the people who bring in the money should have more say in how to spend it.

That would be a lesson of highest education.

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