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## State board members debate how to give Oregon universities more freedom

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Bill Graves/The Oregonian Portland

State University students recently protest proposal to make the university a public corporation, a concept the State Board of Higher Education is exploring for all universities in the state system.

How much power should state leaders give Oregon's seven universities if the schools were to become more autonomous public corporations as their presidents have requested?

That question is at the heart of policy issues that the **State Board of Higher Education's** governance committee wrestled over today and will continue to debate over the coming months.

In a teleconference today, board members concluded they want to continue fostering collaboration among the institutions, possibly with financial incentives, to help students move more smoothly among the state's 17 community colleges and the seven four-year universities. Most board members also said they want to retain some control over tuition.

At the same time, they want to strike a new compact with the state that gives the universities more freedom as Dave Frohnmayer, former president of the University of Oregon, recommended in a **report** to the board last

November. With declining state financial support, Frohnmayer argued, the universities need more freedom to raise money and sustain quality. Otherwise, the university system will starve financially, he said.

The board's governance committee is working out a restructuring plan to give universities more freedom that it will eventually present to the full board, probably sometime this summer. The board wants to propose a plan to the 2010 Legislature for approval.

Most board members today agreed they want to be sure that the universities, even with more independence, continue to collaborate for the benefit of students. Board member Matthew Donegan of Portland said he wanted to see collaboration focused on "targeted" student outcomes, such as higher graduation rates. Board member Dalton Miller-Jones of Portland said that the board would not have to provide universities incentives to collaborate because they derive intrinsic benefits from working together.

Chancellor George Pernsteiner said the board could give universities total control over tuition as community colleges do. But most board members said the board should have some role in setting tuition.

Board member David Yaden of Lake Oswego said the board should provide guidelines for a progressive tuition system that focus on student costs. Universities could, for example, set higher tuition for students from wealthier families and use some of that money to subsidize the tuition of students from low-income families, he said.

Jim Francesconi, vice president of the board, said tuition is a highly-charged political issue and "there has to be a state system that sets guidelines for tuition."

In his report prepared at the request of Pernsteiner, Frohnmayer recommended the Legislature give the state board authority to let the University of Oregon, Oregon State University and Portland State University become public corporations similar to Oregon Health & Science University.

He recommended each be given the power to manage its costs and revenues, establish its mission, create its own governing board, sell bonds, borrow against assets, possibly levy taxes, and set tuition, admission standards and faculty salaries. In return for this freedom, Frohnmayer said, each university would be expected to meet performance goals set by the state board for student access, retention, graduation rates and other outcomes.

Presidents of the state's four regional universities -- Western, Eastern, Southern and the Oregon Institute of Technology in Klamath Falls -- say they too want more independence.

Some student leaders have opposed the move to make Oregon universities public corporations, arguing they will put institutional needs above those of students, raise tuition and reduce access.

-- **Bill Graves**