

# Opinion

## The Register-Guard

### Help or get out of the way

*Oregon's universities need greater autonomy*

President Richard Lariviere's proposal to fund the University of Oregon's operations with a public-private endowment is going nowhere in Salem, even after he offered to include a cap on tuition increases as part of his plan.

Legislators and the Oregon University System alike are reluctant to surrender control of the UO, at least to the degree Lariviere's proposal entails. Before lawmakers consign the plan to a dusty shelf, however, they should at least try to understand where it came from. The real issue is the health of the university, not who controls it.

Lariviere's idea is that the state would sell \$800 million in bonds and give the money to the UO. The state would repay the bonds over 30 years with installments roughly equalling current appropriations for the university. The UO would raise another \$800 million from private sources and finance its operations with earnings from the \$1.6 billion endowment.

Over time the endowment would grow, so that by the time the bonds were retired the state would be free of any financial responsibility for the UO and the university would have a large, growing and independent revenue stream. Lariviere further proposes that the UO be governed by its own board of trustees.

The concept goes beyond the proposals for greater autonomy being advanced by the OUS and other higher education systems around the country. Oregon has reduced steeply state public support for its universities in recent decades, leaving them more dependent on self-generated revenue — notably tuition, research grants and private fundraising. It's reasonable that universities should be granted more authority over the

management of those revenues.

Lariviere's proposal, however, has larger implications. It arises not only in response to Oregon's past parsimony, but from an expectation that no improvement is on the horizon. Lariviere believes the UO will be better off if state funding can be locked in for 30 years at current low levels, discounted to present value and handed to the university as a lump sum.

Legislators also should pay attention to the other half of Lariviere's endowment plan: the \$800 million in private donations. The UO has shown that it can raise funds on such a scale, but the donations are often for specific capital projects or particular programs. It's harder to raise money for general university operations, because donors fear that for every dollar they pitch in the Legislature will withdraw a dollar in state support. The endowment plan would put to rest apprehensions that private funds would be used to backfill a decline in state appropriations.

There are practical obstacles to Lariviere's plan. The state's bonding capacity is strained already. Independence for the UO might further weaken Oregon's other six universities. Voter approval would be required. Even if those obstacles prove insurmountable, Lariviere's suggestion that continued budgetary ties to the state are an impediment deserves notice.

The Legislature, facing a \$2.5 billion budget shortfall, is not in a position to give higher education a boost, and Lariviere's proposal is generating little enthusiasm. But even if lawmakers can't embrace Lariviere's concept, they can absorb the message:

A state that can't help its universities should at least get out of the way so they can help themselves.