

Bill to loosen reins on colleges backed

The legislation would allow more campus control over money and operations

By **BILL GRAVES**
THE OREGONIAN

A bill that would free Oregon universities from hundreds of state agency regulations and give them more control over their money and operations appears to have all the support it needs to become law.

Legislators, university leaders, students and others all testified in support of Senate Bill 242 Wednesday during a public hearing in the Joint Ways and Means Subcommittee on Education. No one opposed the bill. The full Ways and Means committee likely will approve the bill soon and send it to the floors of the Senate and House for a vote.

Last summer, no one liked the bill, Sen. Mark Hass, D-Beaverton, told the subcommittee. But slowly, after scores of refinements, everyone came to support it, he said.

"I would not be surprised if we had (a unanimous) 30 votes in the Senate should it hit the floor today," said Hass, who chairs the Senate education committee and co-chaired a legislative work group that has been working on the legislation for more than a year.

The bill would end the Oregon University System's status as a state agency and make it a public university system similar to the state's 17 independent community colleges, with more control over how it raises and spends money.

The seven universities would be able to keep their tuition reserves and the interest they earn on them. The interest now goes into the state general fund where it often is used for other state services. The state Board of Higher Education has decided that if the universities get to keep interest on tuition, they will spend it on need-based financial aid to students.

The universities also could save money, officials say, if they had more flexibility and authority to issue bonds, make contracts and capital purchases, manage staff and benefits, hire legal services and buy health insurance plans other than those offered through the state.

In exchange for more freedom under the bill, the universities would be held accountable to meeting performance goals in enrollment, student retention, degree completion and other measures.

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