

Ending tuition whiplash

University of Oregon President **Richard Lariviere** has a bold new idea for public financing of higher education

With state support declining, University of Oregon President Richard Lariviere is trying to sell his Legislature on a huge, voter-approved public-private endowment. He says it would end the “whiplash” of tuition spikes for families and yield steady revenue for the university. Lariviere, former dean of arts and sciences at the University of Texas-Austin, discussed the plan from his office in Eugene.



POINT PERSON

Are people in higher education having a hard time making a case for public investment in colleges and universities?

Yes, they are. My sense is, the public has focused almost exclusively on the *private* good of public higher education and not so much any longer on the *public* good. So they're quite comfortable asking the student to pay for his or her education and reduce their subsidy.

Define “the private good.”

The number you most often hear in this conversation is that students who graduate from a university are going to earn a minimum of a million dollars more in the course of their career than kids who graduate from high school. Since they are going to make all that money, why should the public subsidize their education? That's the argument you hear most often.

Tell us about the idea you're promoting, to raise \$800 million in donations, get a state match and change the way the state supports your university.

We have recognized that the state of Oregon, like most states, is not going to significantly increase its investment in public higher education. So we have said, all right, let's take a different approach and see if we can't harness private money at the same time.

So we have asked the state to convert an annual appropriation to debt service on a 30-year bond. Our commitment is that we will raise, dollar for dollar, an amount from the private sector.

Who would you turn to for donations? People already in philanthropy and corporate giving?

We would go to our same donor base for this purpose that we [already] go to for academic purposes.

We're raising money right now at a rate that would almost virtually guarantee the amount we're talking about. We are very, very confident, judging from the response that we've had

already from our alumni and donor community, that we would be able to raise this amount or more.

Is this, in a sense, letting politicians off the hook if they hear that professional university fundraisers will raise the money that has traditionally come from the state?

The purpose of our proposal is simply to make predictable for a 30-year period the amount of money we're going to get from the state. Part of the whiplash effect from the increase in tuition is the unpredictability of the appropriation from the Legislature.

Is it going to be a 50 percent cut? Is it going to be a 10 percent increase? Almost never. And we often don't know how much we're getting until the February of an academic year that began the previous June.

And in that environment, the uncertainty for our families is almost as bad as the increase. If we could have a predictable revenue stream, as we would under this bonding idea, we would be able to flatten this rate of increase pretty significantly, I think.

Do you think this model would work in any other state, Texas perhaps?

I think this model would work in every other state. And one of the reasons I'm willing to invest as much as we've invested, in terms of time and energy and focus, is that I really do think this could be a solution for flagship institutions throughout the country.

What is your opinion of the new Texas program in which the state matches private grants that universities bring in for research?

I think it's a visionary and wise investment.

You did a study at UT into what you

referenced earlier, the earning power of college grads. But skeptics today say the picture is different, is far trickier for families, mostly because of the job market and higher debt from student loans. Is college still a smart investment?

I would say it's not only a smart investment, it's an urgent and necessary investment. People who raise questions about the wisdom of investing in a college education have virtually no evidence, other than the odd anecdote that they know somebody's cousin's brother's son who is unemployed and has a degree.

But if you look at unemployment rates throughout the country, we've just gone through a period where there were 10, 12 percent, and it's almost never been much above 4 percent for people with college degrees.

And why is it an urgent and necessary investment?

There will be no jobs paying [so-called] family wages that will not require competence in skills learned after high school. In years past, young people could look to the manufacturing sector if they wanted to make a decent living.

Manufacturing jobs are increasingly hard to come by, and those that remain in the U.S. frequently require advanced training. Not everyone will need a BA degree, but everyone aspiring to family-wages jobs will need more fundamental skills than currently being taught in K-12.



This Q&A was conducted, condensed and edited by Dallas Morning News editorial writer Rodger

Jones. His email address is rmjones@dallasnews.com. Richard Lariviere's email address is pres@uoregon.edu.

