

Opinion

The Register-Guard

ALTON F. BAKER, Publisher, 1927-1961
ALTON F. BAKER JR., Editor and Publisher, 1961-1982
EDWIN M. BAKER, Publisher, 1982-1987

ALTON F. BAKER III, Editor and Publisher
DAVID F. PERO, Chief Operating Officer
DAVE BAKER, Managing Editor

JACKMAN WILSON, Editorial Page Editor
PAUL NEVILLE, Associate Editor

An Independent Newspaper

The Register-Guard's policy is the impartial publication in its news pages of all news and statements on news. On this page, the editors offer their opinions on events of the day and matters of importance, endeavoring to be candid but fair and helpful in the development of constructive community policy.
A newspaper is a CITIZEN OF ITS COMMUNITY.

EDITORIALS

State cuts OUS strings

Legislature approves bill granting autonomy

The Oregon University System has sought greater freedom from state control for years, and now it's coming. By votes of 28-2 in the Senate and 55-5 in the House, the Legislature has approved Senate Bill 242, granting universities extensive authority to manage their own affairs. The lopsided votes raise the question of why it took so long — perhaps it took a budgetary crisis to bring legislators to the realization that the status quo had become an obstacle to efficiency and innovation.

Under the status quo, the OUS was a state agency like the Agriculture Department or the Department of Transportation. The state retained control over the seven universities' income, spending and borrowing. It controlled hiring, contracting, pay and benefits. Higher education budgets included thousands of separate line items, each one a thread in a dense fabric of micromanagement.

SB 242 loosens state control. When an enrollment surge brings in extra tuition money, universities will be able to spend it to hire additional faculty without seeking permission from Salem. If universities earn interest on tuition funds, they'll keep the income for their own purposes rather than turning it over to the state. If universities need to build or repair buildings, they'll be able to issue the contracts without state approval. If universities find that they can save money by forming their own health insurance pool, they'll be able to do it.

In the past, legislators have been reluctant to surrender their authority over university operations. But

OUS officials were able to demonstrate that greater autonomy would bring financial benefits — \$2 million in savings from an insurance pool, for instance. Lawmakers recognized that state funding for higher education has been declining for decades, and knew that it would decline still further in the budget period to come. Other than SB 242, there was little the Legislature could do to strengthen a higher education system that is widely understood to be a key to the state's future social and economic vitality.

SB 242 ensures accountability by requiring universities to meet broad performance targets in areas such as enrollment, graduation rates and affordability. But how universities meet those targets will be largely up to them. After years of telling universities to be more innovative and entrepreneurial, the Legislature has at last given them the freedom to try.

Other factors helped create the environment for approval of SB 242. Community colleges have long managed their own affairs successfully. The goals of SB 242 are consistent with the aims of a broader transformation of education in Oregon proposed by Gov. John Kitzhaber. And SB 242 looked like a modest proposal compared to a plan advanced by University of Oregon President Richard Lariviere for a bond-funded endowment leading to financial independence from the state.

The universities have gained their long-sought freedom and flexibility. Now they must demonstrate an ability to use it for the benefit of students and all Oregonians.