

**OUS Restructuring Discussion**  
**Presidential Consensus Principles**  
**February 22, 2013**

Oregon's seven public universities provide unique and critical services to Oregonians. Not only do they deliver a high-quality education to more than 100,000 students, but they are also key partners with businesses, community organizations, government and other educational institutions in solving problems, fostering innovation and creating economic growth.

The most significant challenge facing these universities is the long term trend in reduced public funding. Apart from reversing the decline in state financial support for public higher education, the greatest needs are for operating flexibility on the individual campuses and for alignment across multiple institutions – including high schools and community colleges - to achieve the goals of 40-40-20.

The universities must achieve a new measure of autonomy that will help them increase their administrative efficiency and contain costs. It is essential that any new governance structure provide greater flexibility for the institutions to remain fiscally viable, while also remaining accountable to the public.

A revised governance model should also support the state's 40-40-20 goals by making it easier for the universities to focus on partnerships and initiatives (with P-12, community colleges, businesses, public agencies, etc.) that meet community needs and promote institutional support. Governance that supports institutional missions and operating flexibility will enable Oregon's public universities to educate *more* students, with *greater* learning outcomes, while *containing* costs.

Any new governance model for the universities should be grounded in the following principles:

1. **Collaboration:** All seven universities will remain committed to work individually and in concert to meet the higher education needs of Oregonians as defined by state law and the 40-40-20 plan. The Presidents will continue to meet regularly as a Presidents' Council to support and enhance collaboration.
2. **Distinction:** Any new governance model must acknowledge the characteristics of each institution: their individual missions, histories, cultures, constituencies and geography. We acknowledge that each university has an interest in maintaining its status and identity as an individual university.
3. **Governance:** Each individual university should play a key role in the discussion of how it can best be structured to meet its unique missions and statewide goals. This discussion could result in the formation of an institutional board (either for an individual institution or a consortium of two or more universities) or in some other type of governance board/structure. Institutional boards should: 1) have the time and expertise to focus on the needs of their respective university/universities; 2) reflect the interests of regional and mission-related stakeholders; 3) support the objectives of the state's 40-40-20 plan;

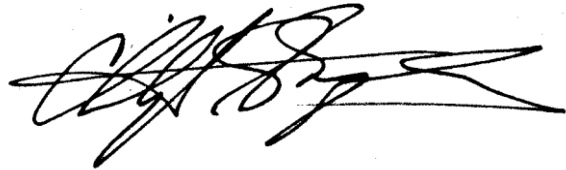
4) increase “ownership” of the university/universities among constituencies; 5) have the statutory authority to govern the institution(s), including hiring, firing and evaluating the President(s); and 6) provide transparency and public accountability. Budget processes established as part of governance changes should not disadvantage any university.

4. **State Funding:** Governance is only one aspect addressing the many challenges of a post-SB 242 system of public higher education in Oregon. State funding must be assured if our public universities are to fulfill their missions, while remaining fiscally viable, affordable, and accountable to Oregonians. Greater support is especially necessary if the universities are to increase the number of graduates, as called for in the 40-40-20 plan, while maintaining academic quality.
5. **Coordination:** To ensure transparency, public accountability and the most efficient and effective use of limited resources, a strong, statewide coordinating body must approve universities’ missions, academic programs, and new schools and colleges; develop, propose and distribute state operating and capital budgets; and negotiate and monitor achievement compacts. The roles and responsibilities of this coordinating body should be clearly delineated in statute, consistent with the direction of the legislative proposal for a Higher Education Coordinating Council that operates in partnership with the OEIB and is supported by a Department of Post-Secondary Education. Achieving this goal will require clarification of the respective roles and relationships of the HECC, the OEIB, the DPSE and their staffs.
6. **Shared Services:** The universities recognize that economies of scale can be realized by sharing certain administrative services. On a voluntary basis, with the possibility of limited exceptions, the universities will participate in a cooperative to maximize such economies. This cooperative could also include other higher education institutions outside of OUS. Base funding for shared services will come from annual state appropriations, as is currently the case.
7. **Operational Flexibility:** Although statewide coordination is important, the governing boards of Oregon’s public universities need significant operating flexibility and governance authority to manage the day-to-day affairs of the universities, including: bonding authority; the right to set tuition (within certain parameters for resident undergraduates) through established procedures that enable meaningful student participation; the ability to establish institutional policies; and other similar broad powers in order to achieve maximum efficiencies and effectiveness for the university and the state.

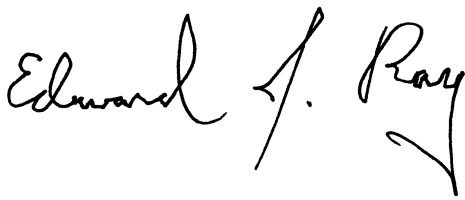
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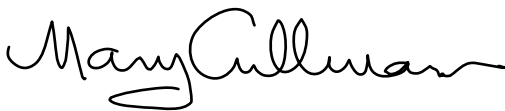
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