



December 12, 2013

Colleagues,

This Tuesday, the State Board of Higher Education's Task Force on University Governance met in Portland. It was a very informative and extremely productive meeting, resulting in an update on the process in determining our future governance model.

The meeting agenda included the following topics:

- Presentation from the TRUs on the "Hybrid" Model
- Discussion on the Affiliated Model
- Update from the Presidents on Financial Planning
- Presentation from AGB Consulting on a possible alternative model: single university with multiple (four) campuses

On EOU's [governance website](#) there are three new documents: 1) a PowerPoint of the Hybrid Model titled [Technical & Regional University Governance Update](#); 2) [EOU Business Plan Update](#); and 3) [AGB Additional Report](#).

The Hybrid Model presented to the committee was generally very well received. As a reminder, this model would entail each of the TRUs having its own institutional board tied together through a "Presidents' Council." The goal with this approach is to capitalize on the benefits of an institutional board and mitigate the political and cost disadvantages. The institutional board would focus on the specific institution it represents. The Presidents' Council would ensure collaboration and coordination between and among the TRUs, focusing on statewide advocacy as well as providing necessary and shared services to the TRUs in a cost-effective manner.

The committee members were very thoughtful in the discussion of this approach and each expressed their sincere appreciation that the four presidents and their respective universities were working together in such a collaborative manner. They also offered good suggestions on how to make this model even better. A majority of the recommendations hinged on formalizing the Presidents' Council and they asked us to consider providing more depth in its role and responsibilities. After the meeting, we—the TRU presidents—discussed briefly some interesting ways to make this occur, as well as ideas to move the concept forward. We will be meeting over the next several weeks to take the committee's suggestions and determine the best way to incorporate them into the model. As these discussions progress, I will keep you updated.

The next item on the agenda was a discussion of our work and progression on investigating the Affiliated Model. I reported on my ongoing discussions with President Ed Ray at Oregon State and the various dimensions and possibilities we have put forth. This includes many items ranging from program approvals, budget and capital requests, policies, etc. A key challenge President Ray has raised is that any formal agreements would need to be considered and approved by the new Oregon State University Board. In addition, we are talking about how costs of supporting the model would be shared between and among the universities if there were more than just EOU, (i.e., SOU, WOU and/or OIT) in funding the governance structure and its operations.

The third agenda item was a report from each TRU on the projected financial conditions for the next five years, beginning the discussion of how a Governing Board may or may not influence this outlook. We each submitted various reports/PowerPoints to this affect. (While they were all submitted nearly at the same time, EOU's report was not on the OUS website at the time of the meeting. It has since been uploaded.)

The report I submitted follows our Sustainability Plan efforts, and several key assumptions were made in projecting future revenues and expenses. A key element is enrollment. In setting this forecast, we used the most recent OUS projection, which for EOU is basically flat for the next five years. As noted on the report, we have made multiple scenarios with enrollment growth that include declining enrollment as well as increasing enrollment. However, as stated above, for the discussion with this committee we utilized the OUS projections to remain consistent with the other TRUs. The purpose of this exercise was to gain a high-level view of revenues and expenditures at each of the universities and again, to set the stage for future discussions regarding the role of governing boards in the financial modeling of the universities.

Regarding financial impacts of governing boards and in working with the Presidents of the TRUs on Monday, we developed a common template to analyze costs associated with governance. Based on the work we have recently completed on Shared Services, we will be able to better analyze and report on these costs. Also as part of this and based on the work of the vice presidents in providing initial data, it does look like the difference in costs associated with the institutional boards, consortium board or the Hybrid models are not significantly different. From the initial discussions, it also seems that the Affiliate Model does not represent significant savings at this point. Greater work still needs to be done on all of these estimates and we are working with the System Office and the other universities to complete it. We discussed this at the committee meeting and we will continue to develop these models for each individual university and report back soon.

The final agenda item was a report by AGB on an additional model. This model would create one university with four campuses, which the committee discussed in depth (the presidents did not weigh-in). In the end, it was determined that while intriguing, this model is most likely not suitable for Oregon for various reasons.

At the conclusion of the meeting, each of the committee members discussed their initial thoughts and ideas on the governance models going forward. At this time it is clear the committee is not of one mind and is open to many different plans and scenarios, i.e., one member is very much in favor of the Hybrid Model while another believes that an Affiliate Model is more appropriate for two, if not three, of the universities. It is expected that over the next month each of the universities will solidify the business plans and continue to work on the various models. In addition, it is expected that we will continue to develop and refine the Hybrid Model.

As I mentioned, this was a very informative meeting. We have not reached any conclusions, but I believe a great deal of progress has been made. The next meeting of this task force is not scheduled until January, and I will continue to provide updates when necessary and as information comes forward.

I know there are many individuals, inside and out of the university system, who are very involved and invested in this process. Every day it seems I hear a new rumor or notion of what our governance structure will look like. When you hear these rumors and discussions and you have questions, please ask me. If am aware I can best address your concerns and/or incorporate your thoughts into the process.

As this weaves through the legislative workgroup on governance and the State Board of Higher Education Task Force on Governance, I will be seeking your direct involvement in the process by talking with legislators and other decision-makers about the key issues of institutional autonomy and identity, regardless of the specific governance model. I will be working with shared governance leaders and other faculty and staff leaders to pull together individuals who can help me frame and forward these discussions on the “west side” for the benefit our university.

Thank you all for your input and advice. Again, if you have any questions, thoughts or ideas, please feel free to share them with me.

Sincerely,

Bob

Bob Davies
President, Eastern Oregon University