



JOHN A. KITZHABER, MD
Governor

September 30, 2013

Dear Chair Donegan and members of the State Board of Higher Education-

We share the goal of a well-coordinated post-secondary system that supports student access, affordability, and completion in the service of Oregon's 40-40-20 goal. While recent state policies have increased the autonomy of the university system and its three largest universities in particular, we take seriously the state's continuing obligation to ensure the success of *all* of Oregon's public universities.

As you know, SB 270 provides the Oregon University System and the Joint Committee on University Governance and Operations with shared responsibility for helping the Legislature to resolve the important questions of (a) how certain administrative services will continue to be shared among Oregon's seven public universities; and (b) how Oregon's technical and regional universities (OIT, WOU, SOU, EOU) will be governed after July 1, 2015.

With respect to the latter, SB270 sets forth a process by which a technical/regional university may move to the formation of an institutional board. It requires the endorsement of the State Board of Higher Education before the Governor acts on that notification. We appreciate that this will be a very important responsibility for the Board and will require long-term planning, clear data, and answers to a number of questions.

In order to clarify roles and responsibilities and promote the efficient arrival at answers to these questions, we propose the following:

1. Between now and February, 2014, the Joint Committee on University Governance and Operations will focus on overseeing the development of shared services arrangements for all seven public universities. It will receive updates and advice from the Presidential Work Group on Shared Services and, if necessary, introduce legislation for the February 2014 session.
2. Between now and February, 2014, the State Board of Higher Education shall work with the technical and regional universities to develop five-year business plans for each of the four institutions. The leadership of the four institutions should be permitted to lead in the development of the plans in consultation with local/regional stakeholders including faculty, staff, students, and community members. The plans should be based on a realistic set of inputs and assumptions defined by the Board, including projections for tuition, state funding, and enrollment, and should take into account whatever shared

services arrangements emerge from the Presidential Work Group and the Joint Committee.

3. Based on the completed business cases, the State Board of Higher Education shall determine (a) whether or not to endorse the decision by a regional or technical university to create an institutional board under Section 168a of SB 270; and (b) what different governing arrangements, if any, it will recommend to the Joint Legislative Committee for possible legislation (e.g. umbrella board, shared boards).

This process does not presuppose a particular answer to any of the questions posed by SB 270 about shared services or governance of the regional/technical universities. Rather, it is our hope that these decisions will be made on the basis of the rich evidence, rigorous analysis, and significant levels of collaboration with affected communities that the process proposed herein may provide.

Our shared objective is to move as quickly and deliberately as possible to a resolution that optimizes the roles played by all higher education institutions in meeting the state's education goals.

Thank you,



John A. Kitzhaber, M.D.
Governor



Fred Girod, Senate Co-Chair
Joint Committee on University Governance and Operations



Michael Dembrow, House Co-Chair
Joint Committee on University Governance and Operations