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Background Brief on...

Oregon University System

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Oregon University System

The Oregon University System (OUS) consists of Oregon's seven state universities, the Oregon State Board of Higher Education (OSBHE), and the Office of the Chancellor.

According to the OUS web page, the mission of the system is to:

- Provide affordable access to high-quality postsecondary education for all qualified Oregonians;
- Improve and enrich continuously the lives of the people in the state, the nation, and the world through the pursuit and application of ever-deeper understandings in the sciences, the social sciences, the humanities, the arts, and the professions;
- Infuse learning with the vigorous pursuit of free and open inquiry to assure that Oregon has the capacity to respond effectively to social, economic, and environmental challenges and opportunities.

Oregon's Public Universities

Eastern Oregon University (EOU) serves its regional mission through programs in the liberal arts; professional programs in business, education, and community service; and cooperative programs in agriculture and nursing.

Oregon Institute of Technology (OIT) the Northwest's only polytechnic institution, serves the state with programs in business, engineering and health technologies, and a cooperative program in nursing.

Oregon State University (OSU) is a land-, space-, and sea-grant university with programs in the liberal arts and sciences and professional programs in agricultural sciences, business, education, engineering, forestry, health and physical education, home economics, oceanography, pharmacy, and veterinary medicine.

Portland State University (PSU) is an urban university offering liberal arts and sciences programs and professional programs in business, education, engineering, health and physical education, performing arts, and urban and public affairs.

Southern Oregon University (SOU) provides liberal arts and sciences programs; professional programs in business, education, and performing arts; and a cooperative program in nursing.

The University of Oregon (UO) is a major liberal arts and sciences university with professional programs in architecture and allied arts, business, education, human development and performance, journalism, law, and music.

Western Oregon University (WOU) provides programs in liberal arts and sciences and professional programs in education, business, and public services.

SCHOOL	SITE	ENROLLMENT (Fall 2003)	RESIDENT UNDERGRAD TUITION* 2003-04
Eastern Oregon University	LaGrande	3,328	\$4326
Oregon Institute of Technology	Klamath Falls	3,246	\$4443
Oregon State University	Corvallis	19,104	\$4719
Oregon State University	Bend	376	\$4302
Portland State University	Portland	24,193	\$4278
Southern Oregon University	Ashland	5,510	\$4152
University of Oregon	Eugene	20,059	\$5511
Western Oregon University	Monmouth	5,001	\$4305
Total		80,817	

*Tuition may change during a school year; for purposes of this chart, tuition for fall term 2003 has been multiplied by three. Figures are based on 18 credit hours.

State Board of Higher Education

The unpaid, 11-member State Board of Higher Education controls the OUS. Members are appointed to two-year or four-year terms by the Governor and are subject to Senate confirmation. The board elects a president, who serves a one-year term. Subcommittees of the board meet regularly.

In November 2003, Governor Kulongoski asked for the resignation of five board members; two positions

were vacant. New members were confirmed by the Senate in January. Former governor Neil Goldschmidt was one of the new members, and was elected chair by the board. Regarding the board shake-up, Governor Kulongoski stated that he “wanted to send a very clear message to everybody that we are about trying to . . . actually stop the disinvestment in this system.” Goldschmidt has since resigned, and the governor has stepped in as chair.

The new board has stated that it plans to pursue ways to shorten the time needed for students to get a four-year degree, boost financial aid, ensure community college credits may be transferred to four-year universities, and create jobs through campus programs such as nursing, information technology and tourism.

Office of the Chancellor

The first chancellor was hired in 1931 to oversee a growing collection of schools behind a statewide mission, rather than have them battle over self-interest. It was believed that a central administration would save money by consolidating services, rather than duplicating them at each campus.

The chancellor is hired by the State Board of Higher Education and serves at its pleasure. The chancellor is entrusted to carry out the policies of the board and acts as its administrative officer. Functions include developing tuition rates, coordinating construction, negotiating labor contracts, administering federal grants, evaluating degree programs, conducting research, and overseeing budget preparation. The chancellor’s office has 152 employees at five sites.

The failure of Ballot Measure 30 in February 2004 reduced funding for higher education by \$7.5 million. At the governor’s direction, the new State Board of Education began a review of the chancellor’s office with the goal of shifting some of the office’s functions to individual campuses in an effort to realize savings and absorb some of the needed budget cuts, rather than raise tuition. An immediate \$1 million has been cut from the office, with the potential for additional cuts. Employees of the chancellor’s office have been notified they may lose their job at the end of the fiscal year in June 2004.

In view of the changing job duties, and after discussion with the governor, Oregon’s chancellor Richard Jarvis resigned his post March 30, 2003,

effective June 30, having been in the job less than two years. Former state budget director Jon Yunker has been hired as chief operations officer and executive vice chancellor to fill the void. He will work in a half-time capacity until the board determines the new duties and structure of the chancellor's office.

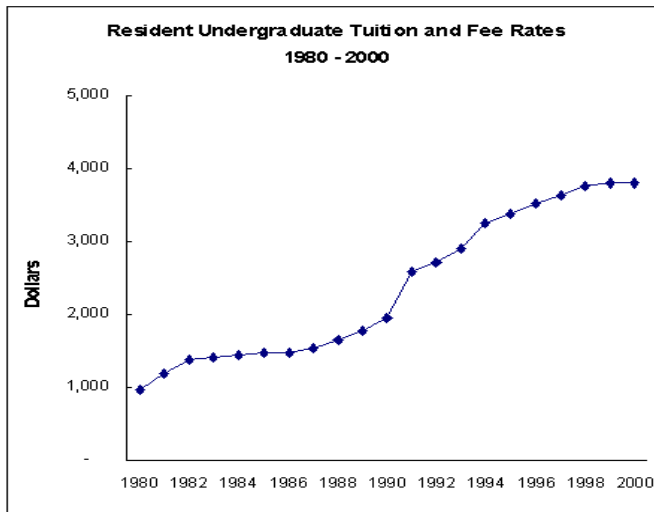
On April 2, 2004, the State Board of Higher Education issued a press release stating that it had determined the chancellor's office would be maintained but downsized, and decisions decentralized whenever possible.

Tuition and Access

After seven years of tuition increases totaling 81 percent, the Oregon Legislature froze resident undergraduate tuition for the 1997-2000 academic years. Since fall 2002 to fall 2004, tuition at the seven universities increased from a low of 39.6% to a high of 71.5%. Oregon's resident undergraduate tuition remains near the top for public universities in the West.

According to the Legislative Fiscal Office, tuition rate increases will average 12.5% over the 2003-05 biennium for resident undergraduate students. Even with these large tuition rate increases, 2003-05 full-time equivalent enrollment is expected to grow about 7% above the 2001-03 level.

College students face the largest college debt in the nation's history. A majority of today's students leave campus in debt. In 1980, taxpayers covered 69 percent of the cost of educating a student at a public university in Oregon. Today, it's 38 percent. In 2001, the average Oregon college student's debt



approached \$22,000. In terms of financial aid, Oregon spent \$5.81 per resident in need-based grants in 2002 compared with a national average of \$13.57. Oregon's combination of rising tuition and low financial aid earned the state an "F" for affordability on a national report.

Shrinking budgets have not enabled universities to expand to meet demand. Higher tuition and fewer classes result in students taking longer than four years to graduate.

Universities may change how tuition is charged. In the past, there has been a flat rate for "full-time" students—those taking 12 or more credit hours. Campuses have proposed to the board that they charge by the credit hour, instead. A decision is expected in July 2004.

During the 2003 Legislative session, the governor proposed amendments to a bill that would have set up a college fund for Oregon students. He is expected to bring a similar proposal to the 2005 Legislature.

OUS Budget Model

In December 1997 the board changed the way each university was allocated funds. Rather than pooling all funds and distributing them according to a formula, institutions are now allowed to keep the tuition funds they generate, effective during the 1999-00 fiscal year. This new model rewards institutions that attract, retain, and successfully educate students.

Move Toward Autonomy

In July 2002, the university presidents sent a letter to a planning committee of the State Board of Higher Education explaining that, in the absence of adequate public support, institutions needed more leeway to respond to the demands of the marketplace and were therefore seeking greater autonomy from the OUS.

During the 2003 Legislature, a measure was introduced to grant more autonomy to campuses and achieve greater efficiencies in administration, SB 437. While the enacted measure did not contain all the provisions originally requested, it did make changes the OUS believed to be significant. The bill:

- allowed OUS to buy and sell property, technology, or intellectual property;
- exempted OUS from state information technology rules;

- exempted OUS from competitive contracting procedures;
- shortened timelines for new programs to be approved and relaxed criteria that would have prevented the OUS from offering them; and
- allowed interest earned in donation accounts established for Article XI-G bond-funded capital projects to be credited to the accounts.

Oregon Health & Science University

Oregon Health & Science University (OHSU) is the only academic medical center in the state and primarily operates on its main campus adjacent to downtown Portland. It is Portland's largest employer. The Legislature separated OHSU from the Oregon University System in July 1995 and OHSU became a public corporation so it would have greater operating flexibility in competing in the health-care industry. OHSU academic programs and fees are still overseen by the State Board of Higher Education.

In 2001, OHSU merged with Oregon Graduate Institute of Science and Technology (OGI), a private nonprofit school to begin offering graduate degrees in electrical and computer engineering, computer science, biochemistry, molecular biology, and biomedical engineering.

The Legislature enacted SB 832 (2001), referred to as "The Oregon Opportunity Act." This law creates a public/private partnership that will provide OHSU with \$200 million in state-backed general obligation bonds. The proceeds of the bonds will be matched with \$300 million of privately raised funds to allow OHSU to build new research space and recruit new scientists. With this additional research infrastructure, OHSU hopes to increase the number of research discoveries helping to build a new bioscience industry in Oregon while improving the health of all Oregonians.

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