To: Members of the Oregon Education Investment Board
From: The Oregon Student Association
Date: December 11th, 2012
Regarding: Requested Feedback on Governance Straw Proposal

To the OEIB Subcommittee on Governance,

Thank you for reaching out to the Oregon Student Association (OSA) for feedback on the 11/26/12 Governance Straw Proposal. OSA represents over 100,000 students in post-secondary education from across Oregon. We would like to provide feedback on the 11/26/12 proposal with the caveat that this proposal seems to be a living document and subject to change before it is presented to the legislature. As this conversation evolves and the proposal solidifies we will have additional feedback. In today's letter you will find a summary of what we believe are the positive components of this proposal as well as the pieces that gravely concern us. Finally, we would like to end with a list of questions for your consideration before this concept is finalized.

We would like to start by applauding the committee for taking on such an important task in such a short amount of time and taking feedback all along the way. Students are encouraged to see a clearer and centralized governance model with the Department of Post-Secondary Education. This department could truly break down the silos that exist between community colleges, universities, and Oregon's financial aid specialists. If we are going to do away with the positive governance functions of OUS and CCWD, we want this more centralized model to have true decision making authority. Students are asking who makes decisions in post-secondary education. The Higher Education Coordinating Commission (HECC) came out with great recommendations to make textbooks more affordable but they don't have the teeth to require any of those recommendations are implemented. We hope the repurposing of the HECC includes authority over tuition setting, capital construction requests, collective bargaining, approval & removal of campus presidents, and other possible functions that maintain authority and ensure that this agency has the power to support the state's mission to providing affordable and quality education for all Oregonians.

In addition to giving the HECC and the Department of Post-secondary Education real authority we believe that elected officials also play an integral role in preserving affordability for Oregonians. We have a lot of questions about tuition setting authority for community colleges vs. universities and your solution will greatly change our opinion of this proposal. In the end we believe the State Legislature must maintain its integral role in setting tuition and that can be done in conjunction with the HECC. Students believe that caps on tuition increases set by the State Legislature would send a uniquely influential message to our colleges about what Oregonians can afford. Whatever the governance model of Oregon's executive branch the involvement of Oregon's legislative branch in setting tuition must be maintained.

We want to be very clear that we believe that student representation is a key component to the success of any governance change. With students paying far more than the state for public education, students are essential decision makers on any governing board. If we are adding to the work load of the HECC we want to make sure if the membership of the HECC grows, so does the student representation. We also would like to encourage methods of ensuring student selection of student representatives.

Where you lose our support of this proposal is with the assumed addition of institutional boards for PSU and UO. Your committee did not hear from any experts or advocates as to whether institutional boards are right for Oregon universities. This leads us to believe that you are looking to past work and simply adding institutional boards to your plan, which we are disappointed to see. The Oregon Student Association is opposed to LC 759, the governance proposal from the 2012 Special Committee on Governance. That committee was tasked with describing what institutional boards should look like and not whether they should be part of Oregon's governance structure. Local boards for K-12 education and community colleges are elected and accountable to

the people of Oregon. How do you suggest these university boards will stay accountable to Oregonians? Furthermore, in a world with ever increasing competition for scarce state resources and pressure for institutional success how will you ensure college stays affordable and one institution does not overshadow others, especially our regional campuses?

Our answer is that a centralized oversight board, like the Department of Post-Secondary Education, will have to the holistic vision for what is best for all our schools and the needs of students at large institutions as well as regional campuses. A centralized board could limit competition in the legislature for limited capital construction and general fund dollars. Furthermore, we know that a centralized board that focuses on the statewide picture can limit unnecessary duplication of programs and provide shared services that can limit administrative bloat. As UO and PSU have been working to fortify their administrations and prove "institutional board readiness," their administrative costs have gone up 166% at the UO and 144% at PSU since 1996, increasing campus lawyers, contracting personnel, student affairs, etc. These increased administrative costs have led to tuition increases and fewer and fewer direct services for students.

Most importantly, we don't see the rush. It is short sighted to make governance changes that put our regional campuses at risk for more expensive shared services, especially when we haven't had a conversation about whether these institutional boards will actually bring in increased philanthropy and preserve accountability to the people of Oregon. It doesn't appear that you have asked yourselves what the benefits are and more importantly the risks of adding additional layers of bureaucracy at the local level.

In conclusion, we agree with the need for increased efficiencies and simplification of our education governance structure. We are also encouraged by decreased costs that could be found with a single Department of Post-Secondary Education. We do not see the value or the necessity of hasty experimentation with institutional boards for PSU or UO when we haven't seen what a Department of Post-Secondary could do for the whole university system. We don't see the value of increasing cost to students through new and unnecessary layers of governance. A centralized model makes sense for this next step in governance changes and we should stop there. As you deliberate on our feedback please also consider our questions below. Thank you.

Questions from OSA:

- Which board(s) will set and/or approve tuition and capital construction requests?
- Why have you done away with CCWD and not OUS? Who will make budget requests for community colleges to the Oregon Legislature?
- What are the implications of commission vs. a board? How can we ensure that the people at the top will have real decision-making authority?
- How will you insure that the Department of Post-Secondary Education has enough authority to actually govern and make decisions as opposed to simply providing constructive feedback?
- Who will have the authority to make Oregon Administrative Rules?
- Will the Chancellor's office go away and which OUS functions will be moved to the Department of Post-Secondary Education?
- What's the cost of these proposed changes? Will this model be more expensive and if so how will those expenses be covered?
- Who is setting tuition and how are those people accountable to Oregonians and not just to institutions' administrations?
- When will this idea become draft legislation?

Sincerely, The Oregon Student Association