Oregon State University Faculty Senate Resolution to Support SB242

Preamble

The importance of higher education to the future of the State Oregon cannot be over stated. The basic legal and financial relationships between the State of Oregon and its state supported universities have been essentially unchanged since the 1920’s. The changes in society, education, finance, and state operations have been vast in the intervening 90 years. This document seeks to present the faculty perspective on the currently proposed changes to the operational relationship between the Oregon University System (OUS) and the State of Oregon embodied in Senate Bill 242 (SB242).

The faculty strongly supports establishing financial independence of the OUS from the day-to-day operations of the state. This will significantly increase the ability of OUS institutions to provide services to the students and state. As with any proposal as comprehensive and far-reaching as this effort, there are some areas where we believe the plan could be improved through closer consideration. For example, the faculty’s primary concern is for the quality of experience provided to students, and how well they will be prepared to engage in the social and economic fabric of the state. Whereas the proposal presents very lofty goals (for instance in Section 31 line 39-40 “accessible public education for every Oregon resident who is qualified and interested in pursuing higher education”), we are concerned that no connection is made between these public goods and the investment by the state. Our ability to reach the goals of the proposal will ultimately rest to a large degree on the state’s willingness to invest general funds to support higher education.

Further, we support a clarification that SB 242 will ensure that benefits provided by the university system will be at least equal to those provided by the state to other state employees. This was in the early draft of the measure, and we would be very supportive of reestablishing this principle.

With this as background, we formally declare:

Whereas, Key provisions of SB242 would ensure that the tuition paid by students (and the interest on this tuition) would be spent to support student instruction and not to support other state agencies; and

Whereas, The legislature could no longer set tuition revenue expenditure limits nor remove fund balances from OUS control; and

Whereas, For the current biennium, $17 million in tuition revenues collected from students to educate them were initially unavailable; and

1 Because HB 2118 includes the same provisions as SB 242 – less the creation of an Education Coordinating Commission – the discussion in this resolution is also applicable to that bill, as well, in the event that HB 2118 becomes the vehicle by which these changes are legislatively adopted.
Whereas, Under the provisions of SB 242 the State Board of Higher Education would continue to set tuition with more student involvement in the process and to explicitly include consideration of affordability; and

Whereas, Structural changes resulting from the adoption of SB 242 are expected to generate cost savings that will lead to lower administrative overhead, greater flexibility to manage university affairs, and greater control over revenue, costs, and administrative efficiency. These improvements will enable public universities to be more nimble in response to challenges and opportunities; and

Whereas, Funding of higher education would be by a block grant system driven by performance outcomes and accountability. Appropriations and performance metrics would be developed by the OUS, the Governor, and the Legislature. These would include such items as affordability, enrollment, degrees awarded, employment of graduates, funded research, workforce enhancement and other state goals; and

Whereas, OUS employee collective bargaining will continue unchanged; and

Whereas, Current PERS pension plans will be unaffected by SB 242; therefore, be it

Resolved, That the Oregon State University Faculty, as represented by its Faculty Senate, strongly supports the passage of SB 242.