

OSBHE INSTITUTIONAL GOVERNANCE PROPOSAL

Function	Responsible Entity		Explanation
	Current	OUS Proposal	
Interaction and advocacy with state government	OSBHE, Chancellor	OSBHE, Chancellor	Clarity, consistency and a single voice are essential in dealings between the university system and state government. State executives and legislative leaders have expressed a desire for such consistency. Competition among universities for resources could cause some universities to lose out to others in ways that could reduce the state’s and some regions’ success in achieving its education attainment goals.
Allocation of state appropriations	OSBHE	OSBHE and OEIB	Just as there needs to be a single voice for the universities in seeking state funding, there should also be a single allocator of base funding received from the state and a single entity responsible for ensuring that state conditions attached to appropriations be honored.
Achievement compacts	OSBHE	OSHBE and Institutional Board	Achievement compacts with the OEIB contain both system and institution-specific elements. Universities are responsible to OSBHE for their “share” of the state-level elements. This suggests that OSBHE should retain a major voice in defining the statewide elements and in ensuring that any institution-specific elements do not conflict with statewide goals.
Performance targets and performance assessments	OSBHE	OSHBE and Institutional Board	OSBHE should maintain responsibility for statewide performance targets while any institution-specific assessments would be the province of an institutional board. The development and assessment of performance targets called for under SB 242 should remain a responsibility of the OSBHE unless ORS 351 is amended to remove that authority.

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Property ownership	OSBHE on behalf of State of Oregon	OSBHE on behalf of State of Oregon	<p>The real property of all seven universities are currently owned by OSBHE and are assets of the state. These assets have been accumulated over more than a century and have a value in the billions of dollars. They represent some of the most valuable assets of the state and are a direct connection between Oregonians and their universities.</p> <p>The property should continue to be owned by OSBHE and be administered as a public asset on behalf of the university. The sale of real property or its encumbrance by any university must be subject to approval by the OSBHE as a fiduciary agent of the people of Oregon.</p>
Bonding and indebtedness	OSBHE	OSBHE and Institutional Boards	<p>State backed debt should remain a responsibility of the OSBHE and only the OSBHE should be able to encumber state property as collateral for debt.</p> <p>Institutional boards could have the responsibility for prudent use of revenue bonds and short-term debt instruments whose repayment is entirely from university sources and does not involve the pledge of a state asset or the state’s full faith and credit.</p>
Tuition setting for residents	OSBHE	Institutional Board with OSBHE approval	<p>Resident tuition rates pertain directly to the affordability of Oregonians and the achievement of 40-40-20 goals. As such, the OSBHE should maintain responsibility for approving resident tuition rates.</p> <p>Institutional Boards could be responsible for approving tuition rates for nonresident students.</p>
Financial aid policies	OSBHE	Institutional Board and OSBHE	<p>Institutional boards should consider and approve financial aid policies and programs based on the unique mission, student body, resource base, and enrollment strategy of the university. Institutional Boards with delegated authority from OSBHE would be subject to the OSBHE directive on minimum affordability guidelines. Public universities are required to meet at least 12 percent of unmet financial need for Oregon resident undergraduate students from institutional sources. Further, all investment earnings from tuition proceeds must be used for need-based financial aid for resident undergraduate students as outlined in SB 242.</p>

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Mission and program approval	OSBHE	OSBHE and HECC	The mission of public universities, the academic programs they offer, where they offer such programs, and the degree of collaboration among the programs of the universities, appropriately is within the province of the OSBHE. Program approval by the OSBHE ensures that close attention be paid to duplication of expensive programs and facilitates the essential collaboration often necessary to provide critical programs and competition in certain locales. SB 242 defines the HECC as having a role in mission approval.
Applicability of State rules and policies	Legislature	Legislature	The Oregon University System and each of its institutions are subject to certain statutes, policies and rules of state government. Institutional Boards that derive their authority from OSBHE would continue to be subject to these rules.
Data collection and analysis and system requirements for student and financial data	OSBHE	OSBHE (framework and requirements)	Consistent information about students and finances is essential to effective governance, the success of the achievement compacts, and the overall vision of OEIB. The current OUS data framework and its congruence with Oregon's other public education entities must be maintained and deviation resisted. Large federal and foundation grants also require consistent data formats for state and national comparisons. This does not necessitate the centralized operations of data systems but does require centralization of information definitions and rules to ensure the integrity and alignment of data.
Financial statements	OSBHE	OSBHE (framework and requirements)	Data consistency is essential to the governance of Oregon's public universities. Currently the OSBHE has fiduciary responsibilities under federal tax law and state accounting requirements. The chart of accounts used by universities, the fiscal calendars they employ, and other matters that affect the consistency of the financial data upon which state-level decisions are made, suggest that the responsibility should remain with the OSBHE, even if the actual accounting is done under the control of an institutional board.
Internal Audit	OSBHE	OSBHE and Institutional Board	Both OSBHE and institutional boards need internal audit capability. The integration of student and financial data systems requires that the OSBHE internal audit function remain the primary point of contact with the Secretary of State Audit Division and an important link to external auditors.

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Legal Advice	OSBHE	OSBHE and Institutional Board	<p>Legal matters that pertain to the OSBHE (e.g., property) would require consistency of advice. Similarly, inter-institutional disputes and litigation should remain with the OSBHE.</p> <p>Advice regarding university operations and matters within the purview of the institutional board could be guided by the framework of federal and state law and can be managed by the institution.</p>
Hiring, firing, evaluating the president	OSBHE	Institutional Board and OSBHE	<p>OUS recommends a system in which the institutional board hires and reappoints the president with the advice and consent of the OSBHE. Presidential evaluations should be a joint effort between the institutional board, the Chancellor, and the OSBHE member serving on the institutional board. Termination should be the responsibility of the institutional board after consultation with or with the advice and consent of OSBHE.</p>
Requesting state funds for operations and capital	OSBHE	OSBHE	<p>Similar to “interaction and advocacy with state government” above, it is critical to have single appropriation strategy and request. Even states without governing state systems often have this requirement.</p>
Investment strategy of funds	State Treasurer	State Treasurer	<p>Although the investment of funds could be controlled by an institutional board, actual investment strategies should be decided in consultation with the State Treasurer. Questions regarding asset allocation, the different tranches of cash, risk profile, and pooling of cash to maximize returns all have elements of shared services.</p>
Capacity planning	OSBHE	OSHBE and Institutional Board	<p>OSBHE is responsible for large portion of the 40% target (within the 40-40-20) and must work with institutional boards to determine and seek support to meet capacity needs (i.e., programs, faculty, facilities, and technology).</p>
Intellectual property management	OSBHE	Institutional Board	<p>The intellectual property management of discoveries within a single institution is appropriately a responsibility of an institutional board. Intellectual property whose ownership is shared among two or more universities may remain a responsibility of the OSBHE.</p>
Risk management	OSBHE	OSHBE and Institutional Board	<p>As the owner of state property, OSBHE share the responsibility for risk management. This is an area that could be considered for shared service given the lower costs achieved in a larger risk pool.</p>

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Labor agreements	OSBHE	Possible shared	There is nothing inherent in labor agreements that require them to be within the scope of either an institutional board or the OSBHE. Current contracts are systemwide but this could be changed through collective bargaining, legislation, or a ruling by the State Employment Relations Board.
Employee benefits	OSBHE	OSHBE and Institutional Board	Benefit plans could be developed and administered by each university or managed systemwide. Issues of cost, pool size, coverage and statewide strategies relating to healthcare insurance and pensions are important considerations when deciding how to structure plans. This is an area that could be considered for shared service.
Institutional Board appointments	NA	Governor with Senate confirmation	OUS proposes a 15 person board made up of both public members and members from the university community. The majority of these members should be appointed by the governor and confirmed by the state senate. An example of the composition of such a board includes: 12 members appointed by the governor and confirmed by the state senate, including 9 public members and one member each from the institution’s faculty, student body, and staff; one member appointed by the OSBHE from among its members; one member appointed by the university foundation board from among its members; and one member appointed by the board of the university alumni association from among its members.
Term limits for Board members	NA	Governor/ Legislature	OUS proposes that public members would serve a maximum of two six-year terms. Faculty, student, and staff members would serve a maximum of two two-year terms each.
Interlocking board membership	NA	OSBHE, Institution Foundation Board	OUS recommends that an institutional board include one member of the OSBHE, appointed from among its members; one member of the university foundation board, appointed from among its members; and one member of the board of the university alumni association. All interlocking positions serving a maximum of two six-year terms.
Foundation relations	Presidents and OSBHE	Institutional Board and Presidents	This is an appropriate role for institutional boards. The respective roles of foundation boards and institutional governing boards should be clearly articulated.

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Incentives, requirements, and framework for collaboration within PK-20	OSBHE, Joint Boards	OSBHE, OEIB, HECC	These statewide entities will collaborate on cross-sector issues and common goals that will further 40-40-20 goals.
Shared services	OSBHE	OSBHE	Possibilities for sharing services among campuses include: risk management, investment of funds, debt management, financial statement preparation, payroll reporting, volume purchases, retainer agreements for architects/engineers and contactors, personnel services, information technology/data system operations, labor agreements, employee benefit plans, etc. A fuller discussion of these opportunities should be undertaken with an eye toward maximizing revenue and/or minimizing cost.
University housing rates	OSBHE, OUS presidents	Institutional Board, presidents	Campuses can set housing rates based on their standard determinants and use an institutional board to approve those.
Diversity planning	OSHBE, OUS presidents	OSHBE, Institutional Board and presidents	System-level achievement compacts with OEIB and performance compacts required under SB 242 necessitate some OSBHE responsibility in this area but diversity planning is often coordinated at the institution level and is a logical shared responsibility with an institutional board. All diversity efforts must take statewide needs and actions into account.
Learning outcomes	OSHBE, Northwest Commission on Colleges and Universities (NWCCU), Others	OSBHE, Institution Board, OEIB, NWCCU, Others	The achievement of learning outcomes is a shared effort of several entities including the OSBHE, OEIB, institutional boards, and accreditation entities.
Admission standards	OSBHE	OSHBE and Institutional Board	OSBHE has a statewide responsibility to ensure that enough Oregonians are educated to meet state goals. This requires that the OSBHE work with institutional board and other state entities in setting admissions and transfer requirements.
Transfer requirements	OSBHE	OSHBE and Institutional Board	