

Good morning – my name is Rob Fullmer and I am a member of the Service Employees International Union - Local 503. SEIU represents about 4,000 classified workers who support students and faculty in the Oregon University System. We work in food and custodial services, facilities and grounds maintenance; financial and academic offices, IT and campus libraries. I am a steward and PSU's bargaining delegate, and am representing our chapter in the ongoing financial restructuring at PSU.

Professionally, I work as one of two IT staff in the College of Liberal Arts & Sciences serving the IT support and planning needs of over six hundred faculty and staff in the College, a capacity in which I've served since 2005. I've spent my career in higher education because I believe in the mission of preparing our youth to be able to make contributions to our society as a fundamental responsibility.

I am here today to offer testimony on H.B. 2159 – pertaining to the establishment of institutional boards for public universities. While classified workers are pleased that a single bargaining unit is maintained in the bill, we have continued concerns about the bills that have been brought forward to this date. We remain skeptical of the merit of the formation of boards to the state overall – but have comments to make this bill/idea better.

We see three issues with this bill which I will speak to here today:

1. Composition of the board which may end up shutting out the campus community
2. Unfettered tuition setting for students other than resident undergraduates at the institutional level
3. Ambiguity about the role and scope of shared services that makes it difficult to accurately predict how much boards will cost

SEIU strongly believes that the effort to craft an Institutional Governance Pathway in HB 2149 *must* include internal staff on these boards. This summer the Joint Committee on Governance worked with LC 759 that listed 2 faculty; 2 students and 1 staff (classified) in its language and we believe that this should be the makeup with an 11-15 person board. To keep these selections representative, it is critical that internal groups choose these board members - with confirmation by the Governor's office and/or the Senate.

There is a narrative you may have heard about internal representation I would like to speak to, one that we firmly believe is inaccurate. That is, that internal representatives, because of their position as either payers of tuition or collectors of salary, are sure to be narrowly focused on those issues and therefore a poor choice to serve on institutional boards. The fact is, everyone who serves on a board - whether it's a business leader, alumnus, or philanthropist, brings an array of self-interests to the table. But just as a realtor or a banker on the board would not participate in discussions about purchasing property that could benefit their private interest, internal constituents would demur on issues directly related to their own financial self-interests.

I'd remind you that there was opposition to internal representation on the state board of higher education too. Turns out, even though that hasn't worked everywhere, over time it has proven to work in Oregon, and it will work on institutional boards.

The second issue is that this bill does nothing to curtail tuition rate spikes for any group other than resident undergraduates. Specifically, we are worried about the implications for resident graduate students, and strongly urge that in-state graduate tuition be capped.

The third concern we have with the bill is how little it speaks to the scope of "shared services" between the public universities with institutional boards and those that remain in OUS. You may be aware of the presentation made by the Governance and Policy Committee of the State Board of Higher Education on March 16<sup>th</sup> 2012 that estimated the service costs that each of these boards could incur – somewhere between \$3.1 and \$8 million per board per year. We recognize not everyone found these figures credible, but we have yet to hear anything different from the protesting institutions. Without having a better understanding of how shared services will work, the real cost of the independence that this bill would establish is elusive.

This leads me to the first of our two global concerns about the institutional boards this bill would create. At a time when public higher education in Oregon has been feeling increasing financial pressure while inflation adjusted state funding has steadily declined, they come at a price, and their overall benefit is uncertain. We know the autonomy they would provide is highly valued by the power brokers at the universities that seek them, but whether the interests of students and taxpayers will be well served by them is unclear. As a general rule, we see efficiencies result from consolidating services and coordinating programming among peer institutions. Institutional Boards move the state's public universities in the opposite direction.

Finally, there's history available to remind us about what happens when Oregon universities came individually to ask for resources. The state board of higher education and the Oregon University System were formed for good reasons, and if this legislation passes, there are good reasons to believe, based on that history, that Oregonians who attend the smaller regional universities will end up losing. Interim President of Western Oregon University testified in May 2012 to the Special Committee on University Governance. I have attached his entire testimony as an additional document. And I will leave you with his words on the topic of competing universities: "I ask - are we better separating and becoming seven competitors? This might be good in the corporate world – pitting one against the other in the competition to survive, to maximize profits and even promote innovation – however it also creates winners and losers. Oregon and Oregonians cannot afford losing institutions of higher education in supporting the 40-40-20 goal and competing universities does a disservice to its citizenry."



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Comments to the Special Committee on University Governance  
May 22, 2012

Mark Weiss, Interim President - Western Oregon University

Governance Structures at Oregon Institutions of Higher Education

Members of the Special Committee on University Governance, thank you for inviting me to speak with you today. My name is Mark Weiss and I am the interim president for Western Oregon University.

I think it's safe to say all Oregonians in this room believe Higher Education is an essential public asset that provides its citizens the opportunity to participate in raising their standard of living and bringing the state's local communities to higher levels. To be meaningful, Oregon public higher education must reach all corners of the state, with high expectations for all, while serving even those Oregonians among us experiencing the despair of poverty. I believe a truly strong and valued unified university system best meet the needs of Oregon's citizens, businesses and communities – and, is in the best interest of our future generations.

Not all students are alike and Oregonians deserve the right to have a choice from among high quality universities that offer different educational settings - from urban to rural; small to large; and research intensive to teaching intensive. I believe Oregon has a moral obligation to provide all its citizens with access to a quality public education that is affordable to her citizenry – that is the essence of public higher education. We all understand that affordability is the product of the level of state funding support, philanthropy received, and the financial well-being of our citizens. We have seen record enrollment levels in spite of the economic downturn, and future demographics indicate

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that while growth may slow, record enrollment levels will likely continue. We, as a state, are obligated to ensure that all campuses can continue to offer a quality and affordable education so that no qualified Oregonian with desire, talent or interest is turned away or leaves with an insurmountable debt burden upon graduation.

Some universities possess sufficient political strength and expertise to succeed in plans to distance themselves from the Oregon University System. They also have the capacity to amass large fortunes from benefactors and TV rights. Other institutions have comparatively very little capacity to succeed at such largess. I believe that independent governing boards – vying for similar treasures from the state and others, could turn the efforts of individual institutions into a free-for-all. By my last count, most institutions are not in favor of individual governing boards that have powers independent of the State Board of Higher education - those institutions serve the majority of Oregonians. There is nothing that Western Oregon University can do or should do to alter the actions of other universities that believe it is in their best interest for autonomy. What we have an obligation to do is to attempt to influence how this change may occur.

I believe a major threat to public higher education in Oregon is the state bonding proceeds and taxing authority once requested by some institutions. I am not sure if that is still on the table. Such a bonding deal will have both an immediate and long-term impact on the funding conversation about higher education and the impact on other projects and priorities throughout the state cannot be predicted in these economic times. Advocates for other important state needs such as human services, K-12, prisons or transportation will use the “bond funding” concept – that is, mortgaging Oregon’s future today - in their conversations as evidence that higher education is already well funded and that it is “their turn” to receive support. Additional taxing authority by any campus in a major population center will have the impact of stifling alternative funding sources that must be found – statewide – for future decades to sustain public higher education. WOU and all other remaining campuses will be forced not only to advocate for their own appropriations but we will also be forced to defend ourselves against those that carry more influence by virtue of their success and power.

Recently, I spoke to a smaller university president in the state of Washington and asked how he liked the appropriation process there. His response indicated that whenever he leaves an office in Olympia and sees a large school president in the halls, he knows he needs to schedule a return visit.

Over the few years I have worked within the Oregon University System and attended State Board of Higher Education meetings, I have seen changes in the board's membership occur several times, with the constant challenge of Board members coming up to speed to be effective in their responsibilities. Multiply this number of dedicated citizens times seven institutions, and I believe we will have an extreme challenge that will be difficult to manage, much more expensive to maintain – clearly an expense that Western cannot afford; and will result in yet another cost driver that quality higher education should not accept.

I don't oppose change because it is required for improvement, but my deepest hope is that change is consistent with what Oregonians deserve - effectiveness and efficiency; the Oregon University System and its institutions already do far more with much less by providing consolidated functions and decreasing duplication of efforts which benefits all of us and our students by providing high value and efficiencies. I think that by having all institutions continuing to participate in the System maximizes these benefits for Oregonians. I also believe that institutional Boards and independent institutions will add costs and reduce efficiencies at a time when institutions and the students within them can ill afford these added costs or lost efficiencies.

I am concerned by the advantages of the influential, by virtue of their means, whose efforts may or may not be in the interest of what is best for Oregon and her citizens. And, I am concerned that those institutions that do not have high levels of political and philanthropic support may not be there to serve the best interests of Oregonians as they now do. Some of our institutions serve 85% Oregonians and some only serve just over 50% - yet the buildings, land, and supporting appropriations are all state assets; assets that have been utilized by Oregonians and supported with public dollars for many years. They should not be bought or sold, nor should they be overseen by anything

other than a public body with custodial responsibilities for all university assets as they are part of our heritage and will play a defining role in the future of our State.

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I ask - are we best separating and becoming 7 competitors? This might be good in the corporate world - pitting one against the other in the competition to survive, to maximize profits and even promote innovation -- however, it also creates winners and losers.

Oregon, and Oregonians cannot afford losing institutions of higher education in supporting the 40-40-20 goal and competing state Universities does a disservice to its citizenry. Regional universities possess significant student capacity for growth. Large institutions wield power and influence which, if uncoordinated by the State Board may not serve the best interests of Oregonians.

Until very recently, the most compelling argument for individual governance was the ability to amass significantly more philanthropy for general educational purposes. If the state elects to allow such independence, I believe that institutions should have goals consistent with this rationale and be measured against those goals. But first, these institutions must make a much more compelling case for the need for this change and what Oregonians will garner as a result.

There has been no sentiment of support for separate governance at the Western Foundation Board and I have not heard such sentiments from our faculty, staff, or alumni. As for WOU, we believe the current structure, although underfunded due to a global/national/and regional economic disaster, is still best for Oregon.

Thank you for the opportunity to provide my comments.