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# PERSPECTIVES

## Time will judge new system's success

*The new financial distribution system for Oregon's universities shows potential, but it could also be harmful*

**AN EMERALD EDITORIAL**

The fact that the state Board of Higher Education voted to overhaul the financial structure for Oregon's universities should not come as a surprise. What should come as a surprise is that the vote was unanimous.

Thursday's vote, which was endorsed by all seven of the state's university presidents, changed the way Oregon's universities will be funded. Instead of each school pooling its funds within the Oregon University System and then waiting for the disproportionate redistribution, schools will keep their own tuitions and fees. In addition, state-supplied funding will be loosely allocated on a per-student basis, and the new system includes financial incentives for keeping students in school and increasing graduation rates, among other things.

On the surface, University of Oregon students should be pleased with this vote, which is being heartily endorsed by Gov. John Kitzhaber. The University of Oregon is the state's largest institution and thus, the highest-grossing university. Oregon's faculty regularly win prestigious awards, and that is a factor for gaining bonus funding included in the new package.

Beginning in the 1999-2000 biennium, when students attend Oregon they can be sure all money they pay the University will stay at the University. Oregon universities will ultimately be forced to compete for students. They will make themselves more attractive to students in the hopes of increasing enrollment or just keeping enrollment steady. For students, this could mean better programs, better professors and more of a commitment from the University.

This sounds like a win-win situation for students. The universities will be forced to offer better services, and they will keep all the funds students contribute. However, there are several drawbacks.

In competition, there are always winners and losers. It is hard to imagine the University of Oregon becoming a loser, but officials concede it is a definite possibility that smaller Oregon universities could be forced to close.

The University of Oregon has a definite head start on other Oregon universities such as Western Oregon University. Oregon has more financial resources, a larger alumni base and a broader reputation. By decentralizing the funding process, the smaller universities are being forced to compete against economic superiors.

This could be devastating if the smaller universities are forced to start cutting departments because they simply cannot compete. Many students like to attend college near home, and if schools begin cutting departments, this may no longer be a possibility for many Oregon high school graduates.

If students simply cannot find what they are looking for near home, they may decide to leave the state for the nation's best programs. This situation would be counter-productive and possibly destructive within Oregon.

The board hopes the financial changes will promote positive competition, resulting in strong Oregon universities.

Board officials understood the challenges when they unanimously voted for the changes, and even the presidents of the small institutions endorsed the change. They are accepting the financial challenges. The state of higher education in Oregon now stands to gain a lot, but it is also at risk of losing a lot.

*This editorial represents the opinion of the Emerald editorial board. Responses may be sent to ode@oregon.uoregon.edu.*



KILEY ARROYO/Emerald

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The Oregon Daily Emerald will attempt to print all letters containing comments on topics of interest to the University community.

Letters must be limited to 250 words or less. The Oregon Daily Emerald reserves the right to edit any letter for length, clarity, grammar and style.

All letters must be signed and provide a telephone number where the writer can be reached during regular business hours. Writers may be contacted to confirm identity.

Letters to the Oregon Daily Emerald can be e-mailed to ode@oregon.uoregon.edu, delivered in person to Suite 300 EMU or mailed to P.O. Box 3159, Eugene, Oregon, 97403.

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The Oregon Daily Emerald is published daily Monday through Friday during the school year and Tuesday and Thursday during the summer by the Oregon Daily Emerald Publishing Co. Inc., at the University of Oregon, Eugene, Oregon. A member of the Associated Press, the Emerald operates independently of the University with offices in Suite 300 of the Erb Memorial Union. The Emerald is private property. The unlawful removal or use of papers is prosecutable by law.

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