



Legislative Bulletin

UPCOMING EVENTS

Thursday, March 29

Joint Ways & Means

Education Subcommittee

Field trip to

PCC Sylvania Campus

4:00p -7:00p

Performing Arts Ctr.

Tuesday, April 10

Portland State University Day

Tuesday, April 17

Oregon State University Day

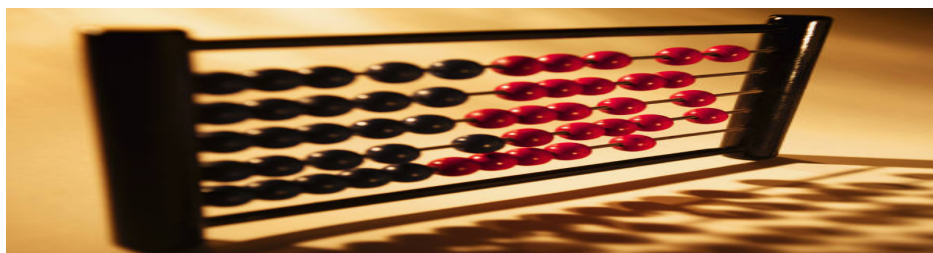
Contact Your Legislator

There are a number of ways to contact your legislator to voice your opinions, concerns and ask for their support or opposition to legislation or budgets.

You can send an email through the Legislature's Interactive website at:
<http://www.leg.state.or.us/wr/itegsltr/>

If you don't know who your legislator is, you can find your legislative representatives at <http://www.leg.state.or.us/fin/dlegsltr/home.htm> and find their mailing and email address at: Senate and House District Listing
<http://www.sos.state.or.us/elec/other.info/shlist.pdf>
or
<http://www.leg.state.or.us/senate/>

<http://www.leg.state.or.us/home/>



Ways and Means Co-Chairs' Budget Released

Although we still await the finer details, the overall news for OUS isn't good. The Ways and Means Co-Chairs' Budget, released on Thursday, makes drastic cuts to higher education from funding levels proposed by Governor Kulongoski in both operating and in capital budgets. Ways and Means Co-Chairs Sen. Kurt Schrader (D-Canby) and Rep. Mary Nolan (D-Portland) summarized their budget proposal before a joint session of the House and Senate Thursday morning.

The proposal features a substantial increase in K-12 funding, nearly \$200 million more for a total budget of \$6.245 billion. Oregon's public universities and community colleges will feel substantial pain as a result of this increase. Initial estimates are cuts in the range of \$35 million to \$54 million to OUS' operating budget, but the largest and most draconian of cuts come in the OUS capital budget. The Co-Chairs' budget provides only \$50 million for new capital projects, capital repair and deferred maintenance; one-third of what was proposed by the Governor to address OUS' huge deferred maintenance backlog and to address critical program areas such as health care education. This is a glaring inconsistency in the Co-Chairs' budget. For example the Co-Chairs stressed the need to finance health related education initiatives and maintained the Governor's proposal of \$7.4 million for health care related educational programs, yet the capital budget, as proposed, would not be sufficient to pay for the capital projects needed to provide that education.

The Governor's recommended budget made significant investments in post-secondary education recognizing that the key to Oregon's future lies in innovation and in educating and training a skilled workforce for Oregon. Oregon's ability to compete globally will be jeopardized if the cuts recommended by the Co-Chairs stand. The elements of the operating budget that were most impacted were:

- The various packages proposed by the Governor in enrollment funding, increases in faculty salaries, mitigating a growing student-faculty ratio and for the regional colleges were reduced by \$8M (20%),
- ETIC was reduced by \$10M (59%),
- State wide public service programs (Agriculture Experiment Station, Extension Services and Forest Research Laboratory) were reduced by \$5.5M (100%); and
- Lottery debt service was eliminated (\$8.5M, 100%).

Rural Access was also hit hard. The Co-Chairs' budget cut support for OUS regional universities, OIT and OSU's Cascades Campus by \$7 million and the Co-Chairs zeroed out any funding for one of OUS priority packages of \$1.6 million for rural access which was designed to provide assistance to rural Oregonians in accessing higher education.

Bills of Interest

HB 3318: *Redesignates special campus security officers within Oregon University System as public safety officers. Includes public safety officers employed by Oregon University System in statutes relating to police officers.*

SB 1003: *Requires state and local agencies to conduct tsunami emergency drills. Directs Office of Emergency Management, in consultation with State Department of Geology and Mineral Industries, to adopt rules governing conduct of emergency drills. (Anyone in the Salem Chancellors office on Thursday, March 22 experienced a tsunami drill).*

HB 2823: *Allows a state institution of higher education to award post-secondary degree to person ordered to internment camp if certain qualifications are met.*

HB 2578: *Specifies percentage of undergraduate courses to be taught by full-time tenured and tenure-track faculty at public institutions of higher education. Directs public institutions to determine salary standard for part-time and adjunct faculty based on salary of tenured and tenure-track faculty.*

HB 2579: *Increases number of directors appointed to State Board of Higher Education. Reapportions representation of faculty at public institutions of higher education between two members.*

SB 5508: *Appropriates moneys from General Fund to Economic and Community Development Department for Oregon Arts Commission. Limits biennial expenditures by department from lottery moneys or federal funds.*

Ways and Means Co-Chairs' Budget continued

Capital Construction: Despite testimony received by the Ways and Means Education Subcommittee and most recently, the Senate Revenue Committee on the positive economic impact and return on investment from capital investments made at Oregon's public universities, the Co-Chairs' budget decimates the Governor's recommended budget for capital construction with a \$275 million reduction (85%) in state financed bond funding for new capital projects, capital repair and deferred maintenance projects.

Capital construction needs have historically been woefully under-funded. The Co-Chairs' budget provides the university system only a third of what the Governor's budget recommends. Not only does it allow the amount of deferred maintenance to increase, costing the state more money in the long run, it fails to provide our universities with the bonding authority needed to address the needs of our evolving centers of learning. In fact, the Co-Chairs' budget poses real threats to the continued use of some buildings on OUS campuses, particularly Lincoln Hall at PSU. Continued use of that building has been granted by the City of Portland contingent on the university's intent to conduct major repair and renovation. Additionally, many of the capital construction projects in the Governor's budget were related to science and health care education improvements, and the universities have diligently raised private monies to match those investments. Those private donations would also be placed at risk. In discussing the capital reductions, the Co-Chairs said the level of debt needed to finance university construction is "unsustainable" in future years because it will require general fund allocations to meet debt payments.

Earlier this week, the Senate Finance Committee began discussions on Oregon's debt capacity and heard from both OUS and community colleges on the capital budget request and how the projects included in the budget serve to drive Oregon's economy in positive ways presenting tangible benefits to Oregon students, Oregonians and Oregon's economy. The Senate Finance Committee, Chaired by Sen. Ryan Deckert (D-Beaverton) will continue these discussions in the coming weeks.

Also of interest are the Co-Chairs' reductions to Oregon Innovation Council initiatives. The proposal cut the Governor's \$38 million proposal to \$19 million. Budget documents do not indicate how the reduction would affect individual initiatives proposed by Oregon INC.

Through reductions to the Oregon Student Assistance Commission budget, the Co-Chairs have placed access to higher education for low-income and first generation students further beyond reach. The decision to attend college involves more than financial support; students need good academic guidance and mentoring while in high school, assistance in deciding which college or training program will best meet their goals and assistance and support in completing the required applications. The Co-Chairs' suggested budget does not provide funds to expand the volunteer-based ASPIRE mentoring program that would have provided this help to another 70 high schools throughout Oregon.

The Co-Chairs' budget funds the Governor's Shared Responsibility Model, which will ensure that students who want to go to college can do so. Unfortunately, the Co-Chairs' budget also makes it harder to enroll those students with the cuts to the general operating and support budgets as well as the cuts to regional universities. While the goal of the Shared Responsibility Model is to provide access for all eligible students, the Co-Chairs' budget makes it likely that fewer students will be supported as they attempt to pursue a post-secondary education, thus making empty promises to low- and middle-income students.

"The budget plan continues the disinvestment in Oregon's higher education at a time when other states are making substantial commitments to their universities," said President Dan Bernstine, Portland State University.

Chancellor Pernsteiner noted that "building the society and workforce for Oregon to be successful in the 21st century is in jeopardy".

We will continue to report to you as more information is made available. You can access the Co-Chairs' presentation material at:

http://www.leg.state.or.us/comm/lfo/2007_2009_cochair_budget.pdf

MARK YOUR CALENDAR

**Monday, April 16 –
Thursday, April 19**
**OUS Ways & Means Budget
Hearings**
Monday, April 23
Public Testimony Day

BUDGET COMMITTEES HIT THE ROAD

The Joint Ways and Means Committee takes the budget discussions on the road visiting several cities throughout Oregon in the next few weeks. Citizens in those areas should attend these hearings and voice their concerns about the budget for higher education.

The tentative schedule for the hearings is: You can find more up to date schedule and location information by checking the legislative website at:
<http://www.leg.state.or.us/07reg/agenda/webagendas.htm>

Wednesday April 4, Eugene 6-7pm

Friday, April 6, Astoria – 7 pm

Wednesday, April 11, Portland

Thursday, April 12, Video
Connection to Bend/Ontario/The
Dalles/Pendleton. 6-9 pm

Friday, April 13, Medford – 7 pm

Saturday. April 14, Coos Bay –
noon



HOUSE SUBCOMMITTEE ON HIGHER EDUCATION HOLDS PUBLIC HEARING ON HB 3024

On Monday, March 19, the House Subcommittee on Higher Education held a public hearing on HB 3024. HB 3024 would establish Portland State University (PSU) as a public corporation and remove it from the Oregon University System for business purposes. The bill would change the name of the Oregon Health and Science University Board of Directors to the Portland Metropolitan Universities Board of Directors and place Portland State University under its control.

First to testify on the bill was Rep. Mitch Greenlick (D-Portland), one of the primary sponsors of the bill. Rep. Greenlick indicated to the committee that it is his belief that a comprehensive university is needed in the Portland metropolitan area and that this is the only way he believes it is possible to create one.

Rep. Greenlick told the committee that there are three reasons why this is a compelling bill. The first is that Portland needs a large university to influence economic development and to attract the industry we need in Oregon. Secondly, educational programming is critical in the Portland metropolitan area. Finally, Rep. Greenlick believes that the bill would create economies of scale in administration which would, in his opinion, save millions of dollars which could be used for instruction.

Rep. Greenlick then went on to share with the committee his background and the fact that he has taught at both PSU and at OHSU. He pointed out that the bill would allow the Portland Metropolitan Universities Board of Directors to spend up to ten years or more examining how to integrate the two universities and ultimately merge them. He mentioned that the two could run parallel tracks as long as necessary. He said that the bill is substantially similar to the bill he introduced in the 2005 session but said that the major change was in asking the Board to consider ways to create a tax base to help support the universities.

Roy Koch, Provost and Vice President for Academic Affairs of PSU addressed the committee next. Dr. Koch began with a discussion of PSU's mission and organization. He told the committee that Portland State is a comprehensive, doctoral granting university. He spoke of their position as Oregon's urban university and their clear and focused mission. Dr. Koch stated that PSU serves more students than any other university in Oregon and added that, despite their focus as a metropolitan university, they serve students from all over the state, from most of the United States and from 88 countries around the world.

Dr. Koch then turned his attention to ongoing collaborative programs at PSU. While PSU has a number of collaborative programs with OHSU, they also have co-admission agreements with community colleges and community-based research activities with local agencies and industries.

Dr. Koch next shared PSU's concerns with the bill. Primary among them was being recreated as a public corporation, a process he noted, with significant uncertainties. He also noted that they are equally concerned that the process was being externally imposed rather than growing out of an interest expressed by the two institutions. He said that their experience suggests that approaching collaboration in that fashion does not typically result in success. He then highlighted the differences in mission, organization, administrative requirements, employee relations, governance and financial models between the two universities. Finally, Dr. Koch noted that he expected there to be substantial transition costs.

Dr. Lesley Hallick, Provost for OHSU testified next. She addressed concerns related to faculty, merger process considerations, fiscal considerations, and focus. She noted that OHSU studied the issue for five years before seeking to become a public corporation and noted that it was not without its trials.

George Pernsteiner, OUS Chancellor spoke next. He shared the statewide mission of OUS and said that he must consider this bill as the OUS Board would, namely from what is best for Oregon and the Oregon University System. He told the group that the OUS has hired a consultant to study the benefits and costs of such a merger as well as to look at areas short of the full measure that might save costs or improve service. He has also asked the consultant to study how PSU might better meet the needs of the Portland area. He has also asked the consultant to review what other resources might be brought to Portland as well as what kind of investment might be necessary to insure the success of such a venture. He indicated that the study would be available at the latter part of April.

Also testifying on concerns raised by the bill were the Oregon Student Association and Service Employees International Union.





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OUS LEGISLATIVE NEWSLETTER

The Government Relations office of the Chancellor's Office will be sending you this electronic newsletter about important events of the past week in Salem and things to come in the days ahead. The newsletter will be published every Friday at 4:00 p.m. throughout session. If you wish to suggest items for inclusion or comments on coverage of issues affecting OUS interests at the Legislature, please feel free to e-mail or phone the Salem Government Relations office.

(mary_robinson@ous.edu, 503-373-7490).

BILLWATCH AVAILABLE FOR TRACKING

A comprehensive OUS bill tracking system called BillWatch, has been developed to record information about bills affecting the OUS, and to track their progress through the legislative process. BillWatch is designed to be used by members of the Oregon State Board of Higher Education, Chancellor's Office staff, campus leadership and OUS advocates. BillWatch is a secure system and users must obtain a user name and password from the Office of Government Relations to use this service.

Subscribing to BillWatch allows users to subscribe and designate particular bills of interest or to provide a broader search of all legislation. A second benefit of subscribing is notification: upon subscribing to a particular bill, users will receive automatic email notification when action is taken on the bill, e.g., hearings scheduled, amendments engrossed, etc. To request access, go to <http://billwatch.ous.edu/>. From there, choose *Request an Account*. Your request should be processed within 24 hours. An electronic users guide is available by clicking on HELP at the BillWatch main login menu.

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