



Legislative Bulletin

OUS BUDGET HEARINGS UNDERWAY IN WAYS & MEANS

HIGHER ED BUDGET HEARINGS

Continue

Monday, 4/23
Testimony

Tuesday, 4/24
Testimony

Wednesday 4/25
Public Testimony

Thursday, 4/26
Carry over testimony

JOINT WAYS & MEANS
HR F 3:00pm

**SB5515: Appropriates
moneys from General Fund to
Department of Higher
Education for biennial
expenses, for debt service and
for administrative costs
relating to general obligation
bonds sold to support higher
education institutions.**

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<http://www.oregonchannel.org/>



State Board of Higher Education President, Henry Lorenzen, kicked the hearing off with a discussion of the Board's long range planning and the associated long term budget which the Board submitted to the Governor last summer. Lorenzen told the subcommittee that the financial viability of Oregon's institutions is dependent on strategic investments in areas of critical need and that the Board gave careful and thoughtful consideration to the disinvestments, constraints and opportunities facing Oregon and post-secondary education. Lorenzen stated that the Governor's Recommended Budget (GRB) was a good start to address those areas of need. Lorenzen stated that support for the GRB will be necessary now in order to build on and carry out the Board's long term strategy.

Chancellor George Pernsteiner next addressed the subcommittee and focused on key budget drivers and issues facing Oregon's public universities. Pernsteiner also discussed the distressing trend in educational attainment levels of Oregonians, and how those trends are changing the focus and strategies toward reversing this trend. Pernsteiner noted that the economic health of Oregon is reliant on students who are and will be entering college in the very near future. Pernsteiner stressed the need for policy makers and budget writers to take this trend seriously and what it means and represents to Oregonians.

To conclude the OUS testimony on Wednesday, Board Vice President Kirby Dyess shared with the committee the work that she has done recently with the Board's Academic Excellence and Economic Development Working Group. From that work, Dyess reported, she learned how vitally important the OUS faculty were as key driver for student success as well as knowledge creation and innovation.

On Thursday, April 19, Day 2 of the OUS hearings, University of Oregon President Dave Frohnmayer addressed the issue of the "return on investment" that Oregon gets from its public universities. Frohnmayer highlighted the economic impacts to Oregon from fostering an educated citizenry. Frohnmayer stressed that OUS institutions provide tangible returns to Oregon; however, the areas of strengths renowned in Oregon's institutions are now at risk and are financially vulnerable.

Mr. Fred Ziari, President and CEO of EZ Wireless and member of the Engineering and Technology Industry Council (ETIC) described the successful leveraging of the private investments since the inception of ETIC a decade ago. Ziari further discussed the strategies and associated investment sought by the Council for the next biennium.

Portland State University (PSU) Physics Professor Jun Jiao and PSU Ph.D. candidate Sarah Courbis provided excellent testimony on the profound importance of research grants awarded to research at OUS institutions.

The budget hearings continue next week. On Monday, April 23, the topic of discussion will be the learning environment, student success and assessing learning outcomes. Lee Ayers, Associate Professor, Criminology & Criminal Justice at Southern Oregon University will present an overview of the new approaches to assessing learning in OUS, what contributes to student success and the impact of resource declines on the learning environment and student outcomes.

PSU Professor and Board member Dalton Miller-Jones and OUS Vice Chancellor Susan Weeks will discuss measuring performance in public universities with an overview of the OUS performance measures and the new performance framework driven by the Board's long range planning strategies. Weeks will also discuss the key outcomes and their relationship to state funding.

On Tuesday, April 24, OUS Budget priorities will be a key feature of the hearing. Vice Chancellor Jay Kenton and Board member Tony VanVliet will discuss the program priorities, system financial sustainability, and the policy option packages which strive to advance those goals.

On Wednesday, April 25, the Deans of the OSU Agriculture Experiment Station, Extension Service and the Forest Research Lab will testify on the budget request for those programs and the important role those programs play throughout Oregon and primarily in rural areas.

Also on Wednesday and following on Thursday, April 26, the Subcommittee will receive public testimony. Anyone wishing to testify on elements of the OUS Operating Budget may do so.

Hearings Of Interest

Mon. 4/23 HR D 1:00pm **House Education**

HB 3267: Creates Task Force on Coordination of Behavioral Sciences Research.

HB 2790: Directs Oregon 529 College Savings Board to award grant to parent of each child born in Oregon.

Tue. 4/24 HR B 8:00am **Senate Edu. & Gen. Gov.**

SB 378: Removes provision specifying that laws enacted after January 1, 1995, do not apply to Oregon Health and Sciences University unless otherwise specified.

Mon. 4/23, Tues. 4/24 **Wed 4/25 & Thurs 4/26** **Joint Ways & Means** **Higher Ed. Hearings** **HR F 3:00pm**



Capital Construction Budget **Proposal Increased**

On Wednesday, April 11th, the Senate Finance and Revenue Committee, chaired by Senator Ryan Deckert (D-Beaverton), amended the higher education capital construction bill (SB 5516), dramatically increasing the overall debt authorizations above the recently released Ways and Means Co-Chair budget.

The newly authorized debt for higher education is now estimated at eight percent less than the Governor's original General Obligation Bond debt and 23 percent less than the Governor's original lottery bond debt. The Co-Chairs of Ways and Means had proposed cutting the Oregon University System capital construction budget by 83 percent.

This is progress in the right direction according to OUS officials but will take a few more turns before the session is over.

President Bernstine Presents to **Higher Education Committee**

PSU President Dan Bernstine returned to Salem to testify in front of the House Committee on Education's Subcommittee on Higher Education on Monday, April 9th.

President Bernstine highlighted Portland State's mission and programs, faculty research, the University District, PSU's status as Oregon's largest University, Governor Kulongoski's Budget and the Co-Chairs Recommended Budget, PSU's Internationalization Initiative and the economic impact on the region.

Kulongoski Speaks out for Higher **Education Funding**

In a speech to the Portland City Club on Friday, April 13, Governor Ted Kulongoski made an impassioned plea to increase funding for higher education in Oregon and spoke out against the continued disinvestment proposed by the Co-Chairs. Here is a portion of his speech:

"What has this disinvestment cost us? For starters – proportionately fewer young Oregonians are graduating from our colleges and universities now than just 10 years ago. To their credit, the co-chairs provide full funding for our "Shared Responsibility Model," to open wide the doors of higher education to Oregon's working families.

"Under this model, students pay a portion of their tuition and living expenses. The federal government pays a portion. And the state pays a portion. But here is where the co-chairs budget goes astray.

"Affordability is an empty promise without first rate faculty, state-of-the-art research facilities, modern buildings and adequate maintenance. Today, for example, the Oregon University System alone has more than 640-million in deferred maintenance.

"I proposed funding 325-million in capital construction projects. The co-chairs cut that to 50-million. Without these funds, we will lose matching gifts from private donors – and many existing buildings will continue to decay."

Read the full speech by visiting:
http://governor.oregon.gov/Gov/speech/speech_040607.shtml

Hearings Of Interest Continued

Mon. 4/23 HR C 8:00am

HB 2831: Makes legislative findings on effects of international outsourcing of jobs.

**Tues. 4/24 Rm 357
1:00pm**

HB 3308: Allows members of Oregon National Guard to enroll in specified classes at state institution of higher education or community college at no cost.

Fri. 4/27 HR F 1:00pm

HB 2217: Increases corporate minimum tax that applies to C corporations.

Fri. 4/27 HR B 1:00pm

SB 951: Directs community colleges and state institutions of higher education to adopt plans to encourage students to register to vote and to vote in elections.



More from Governor Kulongoski

On Monday, April 16, during a tour of Lincoln Hall at Portland State University, Governor Ted Kulongoski urged state lawmakers to restore capital construction funding for urgently needed maintenance and improvements for Oregon's universities and community colleges to the 2007-2009 budget.

"In order to compete in the global economy, we need to have the most skilled, highly educated workforce in the country. We can't do that if our classrooms are crumbling, our labs have limited capacity and our students can't access the coursework they need to graduate," the Governor told a group of students during a roundtable discussion. "We need to stop the trend of disinvestment in our colleges and universities. And that begins with the funding levels I proposed in my budget."

Under the Governor's proposed budget, state universities would receive \$325 million through state bonding for construction projects, including \$89 million for deferred maintenance and seismic remediation. That funding was reduced by 85 percent to \$50 million under the initial budget released by the Co-chairs of the Ways and Means Committee last month. The Ways and Means Committee is currently examining potential revisions to their budget before sending it to the full Legislature for consideration.

"The Senate took a landmark step forward last week, passing the Shared Responsibility Model so we can make higher education truly affordable for all Oregonians," the Governor said. "But affordability is an empty promise without first rate faculty, state-of-the-art research facilities, modern buildings and adequate maintenance. That's why we must invest in our buildings *and* our students and faculty."

The Governor began his visit to Portland State with a tour of Lincoln Hall, which was originally constructed in 1911 and was given to the University in 1949 because it was deemed unusable by Portland Public Schools. The building was condemned by the city several years ago, but continues to be used for classes under a waiver due to the lack of classroom space at the University.

"How can we expect our students to excel when they are attending class in a building with tiles falling off the ceiling and walls that are compromised?" the Governor asked. "With hundreds of millions of dollars in deferred maintenance across the Oregon University System, we simply cannot push these projects off to another budget, another legislature or another generation of students."

In addition to Lincoln Hall, the Governor's proposed budget would pay for critically needed improvement projects across the state, including:

- **University of Oregon** - Maintenance and seismic improvements to Fenton Hall, which was constructed in 1905 and requires replacement of heating system, doors, windows and its plumbing.
- **Oregon State University** - Reconstruction of the university's electrical grid, which failed in March leaving the campus blacked out for two days.
- **Western Oregon University** - Seismic upgrades to the Humanities and Social Science facilities, including mechanical and electrical systems deficiencies.

In addition to capital investments in the universities, the Governor's budget includes \$86 million for capital construction for Oregon's 17 community colleges. The Co-Chairs budget reduced that investment by 90% for capital expenditures.

The Governor also applauded the action last week by the Senate Revenue Committee, who voted to restore capital investments cut in the Co-chair's budget, increasing the level of capital construction bonding to 80 percent of the Governor's budget. The Governor will continue fighting to ensure that the final state budget for the next biennium makes the needed investment in the state's universities and community colleges.

OUS LEGISLATIVE NEWSLETTER



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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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