

THE OREGON IDEA

SUPPORTING STUDENTS, COMMUNITY COLLEGES, AND UNIVERSITIES TO BUILD A BETTER OREGON

Testimony of Margaret Kirkpatrick
on behalf of The Oregon Idea
re: OUS Budget

Joint Committee on Ways and Means Subcommittee on Education
March 27, 2013

Co-Chairs Komp and Monroe and Committee members, I am Margaret Kirkpatrick, representing The Oregon Idea. We are a coalition of business and community leaders, students and supporters of our public colleges and universities who have come together around one unifying idea – that investment in post-secondary education is essential to create a pathway to opportunity for our people and prosperity for our state.

In my professional life, I am Senior Vice-President and General Counsel for Northwest Natural and one of several business representatives on the board of the Oregon Idea who have been donating our time to broaden that pathway to opportunity and prosperity that our post-secondary institutions provide.

Two years ago, you established one of the most ambitious goals for education in the country: 40-40-20. It has been called, with great hope and sometimes with a dash of skepticism, an *aspirational* goal. But when one looks at the desire of Oregonians for opportunity and fulfillment, the demands of a rapidly-changing economy and the needs of our state, this is an aspiration that represents more than a hopeful scenario for a better Oregon. It is an aspiration that recognizes an imperative for our future. States that invest in post-secondary education will be best-positioned to succeed in the knowledge-based global economy; those that fail to do so will shortchange their people and stunt their progress.

Our 40-40-20 goal recognizes this imperative. But it is up to us now to make it real. At some point, aspiration requires action. We are now two years into the 13-year timeframe you created to achieve 40-40-20. That point is now.

The data show that we will need to produce an additional 5,000 degrees, above the roughly 15,000 we are producing now, to achieve the first 40 by 2025. That will require an increase in degree production of approximately 500 per year. As you learned from the presentations by OUS here last week, our public universities are innovating, collaborating with our community colleges, doing more with less and managing, in spite of declines in per-student funding from the state, to produce degrees just as fast and at far less cost to the state than most public university systems in the U.S.

The challenge now is to expand the capacity of our universities to meet our 40-40-20 goal and to do so without shifting financial burdens to our students and their families greater than they can bear.

To meet this challenge, we request that you allocate an additional \$50.3 million to the Oregon University System, on top of the amounts recommended by the Governor and the Co-Chairs.

“Making progress” in this context means enabling our universities to produce an additional 1,000 degrees in the next biennium at an estimated cost of \$20 million. We consider this to be a minimal next step on the path to 40-40-20. Anything less would create a steeper climb in future biennia. And, it is worth noting: After the 2013-15 budget, you will only have five budgets left to reach our goals by 2025. If we don’t step up the pace of investment over the next two years, we will leave both our people and our state further behind.

It may be obvious that the aspiration of 40-40-20 will require increased investment. But it has not always been obvious that the funding which sustains our post-secondary education system has become increasingly shaky on the student side. It costs the state approximately \$20,000 to fund a four-year degree; but it costs the student another \$30,000 in tuition and fees. We have to look at both funding streams. As tough as it is for the state to increase its contribution to this effort, it is becoming even harder for students and their families to do the same.

Students are paying more and borrowing more to complete their educations, but an increasing number of them and their families will be priced out of this pathway to opportunity under the Governor’s and the Co-Chairs’ budget. We cannot expect Oregon’s working families to continue to pay tuition increases of six percent a year when median family incomes are rising at half that rate. For this reason, the Oregon Idea requests \$30.3 million of the additional \$50.3 million to be used to limit tuition increases to three percent a year in the next biennium.

In support of our request, you will hear next from an OUS graduate and a current community college student who represent both the reality and the potential of our 40-40-20 goals.

Following their testimony, we will be pleased to answer any questions you may have.

Thank you.