



ASSOCIATION OF OREGON FACULTIES

740 Oakway Circle, Ashland, OR 97520

March 2, 2015

To: House Higher Education, Innovation and Workforce Development Committee

From: Association of Oregon Faculties

Re: HB 2611 – University Shared Services

Chair Read and members of the committee,

The Association of Oregon Faculties (AOF) is an independent, non-union based organization representing a variety of faculty from Oregon's seven public universities located throughout the state. AOF seeks to protect and improve the working conditions and fair compensation of Oregon university faculty as well as helping to ensure that the Oregon University System gets adequate funding in the state appropriations process.

AOF would like to thank the House Higher Education, Innovation, and Workforce Development Committee for the opportunity to submit testimony in *support of HB 2611*. There have been a lot of sweeping changes to Oregon's higher education system in the past several years, but the fact remains that pooling resources saves money throughout the system. In fact, even though in 2013 universities were allowed to decide whether or not to continue to share certain services, the legislature saw fit to continue to require that three of the shared services (risk management, benefits, and collective bargaining) continue through the first part of 2015 at a minimum.

Spreading the costs of risk management and benefits throughout a larger pool brings down the overall costs to the system. Allowing universities to opt out of PEBB and PERS would place greater pressure and increased costs on those participants that are left behind and be detrimental to controlling increasing health care costs. In addition, PEBB and PERS are vital incentives for continuing to encourage high quality teaching professionals to Oregon universities as teaching salaries are among the lowest in the nation.

HB 2611 helps address these issues by requiring shared services for risk management, collective bargaining, and benefits through PERS and PEBB for the next 6 years. AOF believes this policy is a sensible and necessary measure to help save costs to the higher education system and ensure comparable treatment for faculty and staff at Oregon's universities.

Thank you for your consideration of our comments.

Sincerely,

Greg Monahan
Vice President – Association of Oregon Faculties