

Southern OREGON UNIVERSITY

GOVERNMENT RELATIONS

TESTIMONY OFFERED IN RELATIONSHIP TO HB 2649

Offered by Marc Overbeck, Director of Government Relations

Southern Oregon University deeply appreciates the concerns that Representative Evans has raised regarding the structural challenges Oregon's Technical and Regional Universities (TRUs) face in terms of long-term financial sustainability.

It's important to emphasize that the challenges for SOU and other TRU universities in Oregon are not a function of mismanagement, wasteful spending, or a university that is failing to deliver on its mission. The formula that HECC uses to distribute public funds has not been adjusted since prior to the Pandemic, despite a requirement that the formula be reviewed and evaluated every five years. And we would offer that the formula is seriously out of date.

Life—including, and perhaps, particularly—in education, looks very different than it did in 2019. Many students have come into college and university life missing part of the academic foundation that their predecessors had. Students today are dealing with housing, mental health and economic challenges that many of their predecessors did not. It takes more resource than it did in the past to bring all students up to a place where they are successful—and our commitment to our students is that they are.

Our public universities also face increased personnel costs, that are largely outside our control. There are the increased costs of retirement benefits and health care benefits—which are required by law—and there are increased salaries, as a result of statewide bargaining that we are obligated to honor. In fact, around 74% of all expenses at SOU are related directly to personnel. That's the reality we face. State support for public universities—although higher in dollars than it was 10 years ago, simply has not kept pace with real inflation in way that leaves each institution whole.

For the record, if HB 2649 were to be approved, Southern Oregon University does **not** intend to increase tuition by 21 percent, which we project is the amount required to keep university operations on par with revenues if the Governor’s Recommended Budget ends up as the final appropriation for Oregon’s public universities.

In fact, the last thing we want to do is increase tuition. Increased tuition only pushes students away from pursuing their post-secondary educational goals, and adds to the narrative that a college or university education isn’t affordable.

How SOU determines tuition today is based far less on the statutory requirement that tuition increases beyond 5% must receive approval by the HECC, than by the rigorous and inclusive process we use to set tuition at our institution, which includes our Tuition Advisory Council, conversations with all partners in our shared university governance, and finally, our Board of Trustees review.

We appreciate Representative Evans identifying tools that potentially could bring more revenue. Increasing tuition beyond 5% is not a tool we seek to take advantage of. In our view, pursuing increased tuition as a way to balance our budget only serves to mask the structural and size deficiencies of the way we currently fund higher education in the state. We believe this is one of the factors leading to the State Economist last month proclaiming “Oregon has lost momentum”.

However, one of the aspects of Representative Evans’ broader economic development package—having TRU universities offer in-state tuition rates for students from Taiwan—could be. SOU is prepared to do this. That strategy likely won’t bring a great deal of revenue and won’t begin to make up for a chronic disinvestment in higher education by the state, but we welcome the opportunity to serve additional students and provide them a quality education. President Bailey was honored to join the representative last year in Taiwan for a dialogue with Taiwanese educational and political leaders in support of greater partnerships between our people and organizations.

We thank Representative Evans for his support of Oregon’s Technical and Regional Universities. Not every proposed solution will resolve the challenges of inadequate state funding in the face of increased costs and greater acuity faced by many students; but this kind of support and creative

looking will be something that helps Oregon turn the page on a too-long chapter of failing to support public higher education to the degree our neighboring states do. We do need to stop the slide toward “brain-drain” in Oregon. We urge the committee—and your colleagues in the Ways and Means process—to keep looking for solutions to help Oregon once again invest in Oregon’s students as an investment in Oregon’s future.