



OFFICE OF THE BOARD OF TRUSTEES

April 17, 2017

Oregon Legislative Assembly  
Joint Committee on Ways and Means  
Subcommittee on Education  
900 Court St. NE  
Salem, OR 97301

Dear Co-Chair Senator Monroe, Co-Chair Representative Smith Warner, and Members of the Subcommittee,

On behalf of the Board of Trustees of Southern Oregon University (SOU), in the interest of all Oregon Public Universities (OPU) and especially, the students we serve, I strongly encourage your additional investment in the Public University Support Fund (PUSF) and the Sports Lottery.

This week, the SOU Board of Trustees will be asked to make a difficult decision. In order to continue providing students with a high-quality education and supportive programs and services, SOU's President has recommended that the board approve a 12 percent tuition increase. While expressed with a somber heart and grounded in the belief that higher education must remain accessible and affordable--especially to those historically underrepresented and economically disadvantaged--the President made this recommendation based on comprehensive, concrete economic analyses. Board deliberations on this proposal have not yet taken place, but I know that we will seriously consider how to balance our fiduciary responsibilities regarding the sustainability and excellence of SOU with our responsibility to the citizens of Oregon.

Determining the state budget also presents legislators with difficult choices regarding higher education. The Oregon Public Universities are seeking \$765 million—an additional \$100 million beyond the Governor's Recommended Budget (GRB)—as well as reinstatement of sports lottery funding at \$8 million, and funding for statewide programs. The requested funding will allow SOU to keep its tuition increase in the single digits and provide targeted institutional aid to our most vulnerable students to help them attend, persist and graduate.

The elimination of the \$8 million sports lottery funding would curtail several of SOU's athletics programs. SOU depends on this funding for a significant portion of athletic operations. At 89 percent, SOU's athletes have the highest retention rates on campus, nearly double the average graduation rate, account for a significant portion of the diversity on SOU's campus, and as a group, maintain GPA's above the campus average. In support of the state's ambitious goals for degree attainment, funding athletics is paramount.

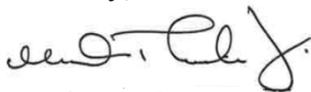
The GRB may appear to offer flat funding over the biennium, but it does not provide any increase to address the escalating costs of medical and retirement benefits that SOU is facing. These are the primary cost drivers behind the recommended tuition increase and are factors beyond the university's control. With few exceptions, the state's disinvestment in higher education over more than two decades has created a statewide environment where the cost of a public university education has shifted from the state to our students and their families.

The public universities serve as centers of higher learning, sources of a highly-skilled taxpaying workforce, and are economic engines in Oregon's communities. For SOU's part, the university is the largest employer in Ashland and an essential workforce partner with businesses in the region. According to a 2015 study, Southern Oregon University generates \$210 million in annual economic activity and 1,789 jobs in the State of Oregon, with much of this impact remaining inside the two-county region in which SOU operates—Jackson and Josephine Counties. Approximately one-third of SOU's operating budget derives from state sources, thus proving the state's allocation to the university is not simply an expense, but is an investment in Southern Oregon. The legislature has the unique ability to continue investing in these economic centers which generate financial impact in meaningful ways, payable to the People and the State of Oregon.

We all recognize the significant challenges presented to legislators over the 2017-19 biennium budget and the difficult decisions they undoubtedly involve. On behalf of the SOU Board of Trustees, I urge you to help students and their families, our communities and our state, by increasing Oregon's investment in the PUSF, State Lottery, and statewide programs. By doing so, you can ensure greater affordability and access to high-quality education and supportive programs and services for students. The promise of a better future for the great State of Oregon is inherent in opportunities for higher education.

Thank you for your consideration.

Sincerely,



Bill Thorndike  
Chair, Board of Trustees

Cc: Senator Roblan  
Senator Thomsen  
Representative Hernandez  
Representative Lively  
Representative Parrish  
Representative Whisnant  
Senator Devlin  
Representative Nathanson  
SOU Board of Trustees