

May 23, 2008
Office of the Governor
State Capitol, Room 160
900 Court Street NE
Salem, OR 97301-4707

Dear Governor Kulongoski,

As you know, investment in higher education is critical for economic progress in Oregon, particularly as the state transitions towards a service and technology-based economy. In 2007, by working with the Legislature to significantly increase funding for higher education, you demonstrated your commitment to the principle that outlays to K-12 and OUS are investments in Oregon's future, not simply budget items to be controlled.

We therefore feel that you must share our frustration over the actions of our Legislative budget leaders, who have chosen to delay disbursement of the \$125 million salary pool until the June revenue forecast is available. The economic picture for Oregon has taken a downturn since the salary pool was appropriated in 2007. Revenues are down by just over one percent, but reallocation of the pool will only have a negative impact on state revenue in the medium- to long-run.

You are aware that withholding the salary pool would not affect salary increases for this second year of the biennium; in particular at Western Oregon University, our Administration is committed to equitable pay and has made the decision to fund appropriate increases by drawing down our fund balance. Western had been asked by the OUS Board to maintain a fund balance of 15% to mitigate the moderate financial risks associated with our progressive Tuition Promise program (whereby tuition for entering students does not increase for 4 or 5 years), which has proved to play a significant role in increasing our enrollment for this and next year. Should the salary pool be withheld, Western stands to lose \$1.6 million in state appropriations, which would lead to a corresponding decrease in our fund balance, reducing it by about 27-28%.

The most alarming aspect of this scenario is the longer-term implication. Clearly Western cannot continue such a strategy year-over-year. In the event that withholding the salary pool sets a precedent, Western would necessarily take other measures. Cutting programs, reducing the number of faculty members, and offering fewer classes would be the only choices. We would be faced with the prospect of reversing many of the crucial gains of the past two years, which have helped take Western from serious financial difficulties to a position of financial strength. Recruitment and retention have grown considerably in the last two years, in large part due to the fact that Western has become a very attractive option for students both from within Oregon and outside the state.

We applaud your commitment to Pre-K-12 education; as you know part of our mission at Western is to train K-12 teachers, and we excel at it. Western has however grown from a teacher's college to a strong university with many outstanding programs. At our Preview Days, students and their families

visit the campus and speak directly to their future professors and are invariably impressed with the campus and the faculty, often citing that faculty members are knowledgeable, collegial, and approachable as primary factors for their decision to attend Western. Recruiting and retaining such faculty is a priority at Western, as it doubtless is at other OUS campuses. Three years ago, the starting salary for a Ph.D. assistant professor at Western was \$38,124. Many candidates who were extended offers to join Western's faculty turned down their offer because the salary was too low. Currently our starting salary for 2008-09 stands at \$42,000. This is still not equitable, but it does represent progress, made possible in large part by continuing support from state appropriations.

The most important aspect of Western is our students. To keep a sufficient number of students, we need an outstanding faculty. To attract and retain a sufficient number of outstanding faculty members, we need equitable pay for support staff. To move toward equitable pay, we rely on you and on the Legislature for financial support. Should that support falter, and the Legislature find that it can treat salary increases (which often do not even keep up with cost-of-living increases) as optional, one longer-term consequence is that the excellent quality of education students have come to expect from Western would certainly suffer, with ramifications extending well beyond our campus. We would be able to send fewer well-qualified graduates into the workforce, and Oregon's economy would see a significant part of its support wane.

Much of the good work you have done for higher education in the last year would be negated if the salary pool is withheld. A slippery slope would be established, which could easily lead to another disastrous period like 2002-03. We urge you to take whatever steps you can to help the Legislature take note of the longer-term consequences of withholding the salary pool, and to make the right decision on its release, irrespective of the revenue forecast.

We thank you for your attention to this critical issue.

Sincerely,

Shaun Huston
President, WOU Faculty Senate

Peter Callero
President, WOUFT, AFT, AFL-CIO

cc: State Senate President Peter Courtney
Speaker of the House Jeff Merkley
State Senator Ted Ferrioli
State Representative Bruce Hanna
State Senator Kurt Schrader
State Representative Mary Nolan
State Senator Frank Morse
State Representative Sara Gelser