



Office of the President
Oregon State University
600 Kerr Administration Building
Corvallis, Oregon 97331

P 541-737-4133

F 541-737-3033

oregonstate.edu

July 25, 2018

Neil Bryant, Chair
Higher Education Coordinating Commission
255 Capitol Street NE, Third Floor
Salem, OR 97310

Dear Chair Bryant:

I am writing to both express my appreciation and reiterate concerns regarding the capital ranking process under review by the Higher Education Coordinating Commission (HECC).

First, I am grateful for the time your staff took to work with us to address our questions regarding the scores that were applied to our capital submittal. Following a request for clarification and a brief review, we were pleased with the subsequent staff recommendation to increase the score assigned to the Oregon State University (OSU) Arts and Education Complex on the Corvallis campus. As we understand it, that project will receive an additional three points from the original staff ranking as a result of clarifications regarding the amount of match currently in hand for that project.

Second, I continue to have concerns about applicability of the current rubric to a new, small branch campus. Although I fully understand that, following an intensive study, the rubric will undergo significant changes in the coming year, I believe it is worth noting how, for the last two biennia, it has shown to be inapt when applied to the unique circumstances presented by the construction of a new campus in an under-served region.

Commissioners may recall that in the last biennium the rubric resulted in buildings on the OSU-Cascades campus being ranked higher than the site preparation necessary to construct those buildings. Fortunately, the Commission recognized that site preparation was necessary before proceeding to construction, and, as a result, reconsidered the staff ranking. This change enabled the legislature to fund the site preparation work during the 2017 session.

I believe the HECC is facing a similar situation for the coming biennium as it considers the Student Success Center at OSU-Cascades. In a March 12, 2018, [letter to the commission](#) (p. 3), I indicated that OSU-Cascades is at an unintended and distinct disadvantage under the current rubric because, as a new campus, it has no deferred maintenance and, due to our own internal policies, it will not have deferred maintenance in the future. As we presented to the HECC during its consideration of the rubric in the spring, proactive steps have been taken to devote a stream of revenues to meet all future maintenance needs at OSU-Cascades. Unfortunately, the rubric provides no consideration for this.

In that March 12 letter, I also indicated that, as a new campus, OSU-Cascades has unique needs that no other campuses face, including:

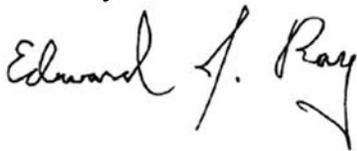
. . . significantly higher infrastructure costs that are devoted to such factors as local system development charges to compensate cities and service districts for expanded services, new roads, traffic management, transportation, and other investments that appropriately allocate the cost of growth to new developments. If these costs are not reflected in the Commission's ranking system, investments in existing campuses will always be favored over those that are new and expanding to serve growing needs in Oregon.

I understand that the current schedule, process, and expectations do not provide for reopening the ranking process, especially because the rubric itself is destined to be restructured following a thorough review.

Nevertheless, this unfortunately is of little comfort to the students who attend OSU-Cascades and who, in the spring of 2017, approved a \$50 per quarter increase in their fees to help finance this building. To date they have devoted nearly \$200,000 in fees and will continue to pay those fees regardless of the HECC's recommendation. No other project currently before the HECC involves funds explicitly approved by a majority vote taken by students to increase their cost of attendance in order to contribute to that project's construction. Given the project's current ranking under the existing rubric, it is likely that the earliest possible date the Student Success Center will be available to students will be the fall quarter of 2023, six years after students began paying the fees to finance its construction.

Thank you for your consideration. Should you have questions, I would be happy at any time to provide additional information.

Sincerely,

A handwritten signature in black ink that reads "Edward J. Ray". The signature is written in a cursive style with a large, stylized "R" at the end.

Edward J. Ray
President