

November 8, 2022

Terry Cross
Chair
Higher Education Coordinating Commission (HECC)
32245 25th Street SE
Salem, Oregon 97302

DELIVERED VIA EMAIL: info.HECC@state.or.us

Dear Chair Cross:

On Thursday, November 10, 2022, the Higher Education Coordinating Commission (HECC) will consider a temporary administrative rule to change the existing language of Oregon Administrative Rule (OAR) 715-013-0040. As the presidents of Oregon Institute of Technology (Oregon Tech), Southern Oregon University (SOU), and Western Oregon University (WOU), we offer public comment to agree with the need for clarity between the rules and the implementation of those rules.

But perhaps more importantly, we call on the HECC and Oregon Legislature to consider the *spirit* of funding rules like this one and how dramatically funding allocations, or the lack thereof, can impact higher education. This is particularly true for the smaller institutions, and made more dramatic in times of declining enrollments. Indeed, the discussions around the application and interpretation of this specific rule have been so robust primarily because of the financial stresses our institutions are experiencing.

This rule was designed, in part, to capture an economy of scale for Oregon's smaller institutions and to provide additional financial support to an institution whose enrollment dropped below a specific threshold. The *rule* language requires an allocation for universities with less than 4000 resident FTE based on their total resident FTE. The *practice* memorialized in the workbook, however, allocates the additional funds on the *delta* between actual enrollment and 4000.

We do not wish to debate today whether the *practice* or the *rule as written* is the most effective, logical means to ensure an economy of scale and the stability of all Oregon's technical and regional institutions. Even though it would greatly help our three institutions, we are not asking for a sudden shift in the application of the rule only because such a shift would harm EOU so drastically. Instead, we ask for a new and robust discussion about the impact of the allocation models and enrollment philosophies at the various institutions to ensure Oregon's regional and technical universities can continue to fulfill our respective missions.

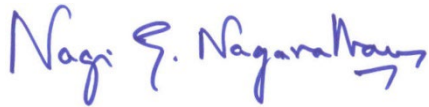
The technical and regional universities often serve the most underserved students while providing educational access throughout Oregon. They are also economic engines within the state and offer pathways for social mobility in the various corners of the state. Yes, these things also happen at our larger institutions, but smaller institutions provide needed and necessary alternatives for many citizens of our state. Yet, because we are so much more tuition dependent, even a small percentage drop in enrollment means that we must start to cut staff and services to survive. Particularly when we are working so diligently to support students with the much-needed wrap-around services and trying new and innovative ways to increase their success, we are also faced with decisions to cut budgets that stand up those programs; that is an irony we can't afford. And no one wants to increase tuition dramatically.

Our point is that Oregon's regional and technical universities are indispensable to the vitality of Oregon and its future. After HECC considers the proposed rule change, it will hear about the NCHEMS report commissioned by OCOP and OCCA. The report states: "In comparison to other states, Oregon underinvests in higher education; this is particularly the case in its funding of four-year institutions." We argue the underfunding that NCHEMS describes is even more acute and

consequential at Oregon's regional and technical universities, institutions that don't have access to the same types of donor support, external funding sources, partnerships, grant dollars, endowments, etc. that some of the larger schools do.

In the context of the NCHEMS report and the upcoming legislative sessions, we urge HECC, as it considers amending this rule, to consider how the SSCM model as well as university enrollment philosophies could be modified in the future and how stable, predictable funding might be secured, thus providing smaller schools a pragmatic way to continue to fulfill their mission and assure student success.

Sincerely,



Dr. Nagi Naganathan
Oregon Tech President



Dr. Rick Bailey
SOU President



Dr. Jesse Peters
WOU President