



OFFICE OF THE PRESIDENT

August 10, 2020

Ben Cannon  
Executive Director,  
Higher Education Coordinating Commission  
3225 25<sup>th</sup> Street SE  
Salem, OR 97302

Dear Ben,

While I am gravely disappointed to hear that there will be no change to the Student Success and Completion funding model (SSCM) affecting distribution of funds this year, I want to express my sincere appreciation for how you and your staff have handled the funding model review process. Your office has been transparent, has communicated well about both process and guiding priorities, and worked hard to maintain a positive dialog through what has occasionally been a contentious process.

From that point of appreciation, and operating from my core values of collaboration, honesty and respect for others, I feel it is necessary to put in writing some hard truths:

- Southern Oregon students are paying the price for inequity in the funding model.
- There will never be consensus about changing the funding model as long as we are struggling to share a shrinking pie.
- Without additional funding *in the current fiscal year* SOU faces what may be irreparable harm for the students, employees, and community in this region.

As you know, the Mission Differential portion of the funding model was adopted without review five years ago. That legacy portion of the old model does not provide sufficient base funding for essential operations for smaller schools; does not reward the out-of-state talent we pull in to Oregon; and undervalues the liberal arts, identified as essential to an innovation economy by ECONorthwest in a study commissioned by the HECC itself. The result: **the SSCM produces fewer dollars per degree awarded by SOU than any other university, causing SOU students to bear sharper tuition increases than students at the other public universities and to have fewer support services to ensure their success and completion.** This inequity does not fit with the Commission's stated commitment to "a future in which all Oregonians—and especially those whom our systems have underserved and marginalized—benefit from the transformational power of high-quality postsecondary education and training."

You and I have talked through SOU's institutional finances and the many steps we have taken to control costs and support student success. We tightly manage faculty release time and course loading; our staff – *all of us* – have taken a 20-40% pay cut through furloughs since May, and will

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continue to do so through December; critical positions--such as our Director of Campus Public Safety and our Director of Facilities--have been kept vacant indefinitely. Even with low funding through the SSCM, we continue to prioritize equity through educational pipeline investments and to deliver the working professionals – teachers, mental health counselors, business professionals - the state needs. The modest investments we've made are paying off, with increased efficiency in financial aid leveraging and better retention due to new student-serving technology. We have excelled at maximizing limited funds, but after five years of this, *our backs are against the wall*. We cannot keep increasing tuition sharply; we cannot in good conscience cut student support further.

Without at least \$3M in additional funding this fiscal year, the choices facing SOU are dire. While not the underlying cause of our immediate issues, COVID is a proximate cause; it has robbed us of the narrow maneuvering room we've used for five years to manage the SSCM issues and imposed costs that far exceed the \$3M we are requesting to address the annual structural shortfall from the SCCM. Furthermore, this pre-COVID structural shortfall in annual funding robs us of the ability to plan for the budget challenges coming with the next biennium. If you are unable to fix the SSCM this year, **I urge you to make clear your commitment to other funds to stabilize SOU.** Sources might include the Governor's Emergency Education Relief (GEER) Funds, other federal dollars not yet in hand, or other sources within HECC's control. Ensuring the continuing stability of existing higher education institutions is the very purpose of those funds, and by investing in SOU, you ensure our ability to continue to serve our diverse student body and this region. There is no better investment the state can make in Southern Oregon than in SOU, and we need that investment *now*.

Most Sincerely,

A handwritten signature in cursive script that reads "Linda Schott".

Linda Schott, Ph.D.  
President