

Public and Government Affairs Update

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STATE RELATIONS

State revenue forecast down half a billion dollars

The revenue forecast released May 25 in Salem reports state revenues to be down \$511 million relative to the March forecast for the current 2009-11 biennium. Revenue from April income tax returns was down significantly more than projected earlier this year, leaving the state's general fund with a negative ending balance of \$562.6 million, equivalent to 9 percent of state agency budgets for the remainder of the biennium.

Oregon's constitution requires a balanced budget, which can only be accomplished through a special session of the legislature or by across-the-board cuts ordered by the governor.

As provided under statute, Governor Ted Kulongoski announced his plans to take action by exercising the allotment authority to reduce state agency spending for public services to rebalance the budget in alignment with the latest forecast. As required by state law, the reduction will be equally distributed among state agency budgets and schools. At this time, the Department of Administrative Services is estimating the reduction will equate to about 9 percent of each agency's budget for the remaining 12 months of the biennium.

The State Board of Higher Education is scheduled to meet next week in Portland.

The governor also issued a letter to state employees saying that layoffs and reductions in services in the state's general fund programs will be unavoidable. The governor is directing all state agencies where layoffs appear likely to explore options, such as

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STATE RELATIONS

Legislative leaders form work group to consider higher education reforms

Legislative leaders announced Tuesday the formation of an interim work group to review and propose reforms to Oregon's higher education system.

House Speaker Dave Hunt and Senate President Peter Courtney said the work group will be tasked with proposing reforms to:

- Ensure access to and affordability of quality post-secondary education;
- Consider long-term funding models including the management of tuition increases; and
- Consideration of a governance model that optimizes system-wide efficiencies to produce an educated workforce.

Senator Mark Hass (D-Beaverton), and Rep. Tobias Read (D-Beaverton), will lead the work group.

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PUBLIC AND GOVERNMENT AFFAIRS

Office of Communications ▪ Development Communications ▪ Government and Community Relations
KWAX-FM ▪ Marketing and Brand Management ▪ Oregon Quarterly

State revenue forecast

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additional furlough days or reduced workweeks, to minimize layoffs.

The governor also announced the following personnel actions to be effective immediately, including:

- Extending the salary freeze for executive service, management and unrepresented employees through June 2011, the end of the current biennium. This action will save the state \$7.9 million in general fund.
- Requesting public employee unions meet with the state to discuss extending the salary freeze to all represented employees, which would deliver a total savings of \$12 million in general fund.
- Asking the Public Employees Benefits Board (PEBB) to explore benefit changes to keep cost increases to 5% for the next plan year, as opposed to the nearly 10% increase as currently projected. Achieving this cost containment goal could save approximately \$30 million in total state funds in the next plan year, which begins in January 2011.

Work group on higher ed reforms

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According to Hass, the purpose of the work group is to re-establish clear goals aimed at enrolling more Oregonians in state universities and colleges. The group will focus on the common good of all Oregonians. Read added that now is the time to find smart, cost-effective ways to reenergize the higher education system, keep it among the best in the country and ensure that opportunities are there for all Oregonians who desire a higher education.

Other members of the Higher Education work group include Senators Chris Edwards (D-Eugene); Frank Morse (R-Albany), and Dave Nelson (R-Pendleton); and Representatives Sara Gelser (D-Corvallis), Michael Dembrow (D-Portland), Betty Komp (D-Woodburn), Greg Smith (R-Heppner), and Sherrie Sprenger (R-Scio).

The work group had its first meeting on Wednesday. The three items of discussion were the 40/40/20 Goal in Oregon, the proposed new shared responsibility model for the Oregon Opportunity Grant, and an update from the Oregon Student Assistance Commission.

STATE RELATIONS

Legislative committee hearings take place in Salem

Legislative committees returned to the State Capitol for three days of hearings this week as lawmakers continued preparations for the 2011 session.

Last year, the Legislature initiated the practice of having three days of hearings that brought all lawmakers back to the capitol as a cost savings measure. There are two more sets of Legislative hearing days at the capitol this year. The other sessions are scheduled for September and December.

Monday May 24 was a busy day for the UO at the capitol.

The House Education Committee heard an agenda item about the role of athletics in the Oregon University System. One of the topics the committee discussed were the findings by the Oregon Attorney General John Kroger that the Mike Bellotti separation agreement was reasonable. UO President Richard Lariviere assured the committee that no state general fund money, tuition, or student fees would be used to pay for it.

In the afternoon, the Senate Business & Transportation Committee had an agenda item related to the construction of the UO Matthew Knight Arena project. Chair Rick Metsger had requested an update about the audit of the project commissioned by the Oregon Secretary of State.

UO Vice President of Finance and Administration Frances Dyke shared with the committee that the UO welcomes the audit and, "has been in conversation with the Internal Audit Division of the OUS since the beginning to discuss timing for an audit of this project. Both the UO and the OUS are committed to clear accountability."

Vice President Dyke told the committee that the project is "on time and on budget." The arena construction project provides on average over 300 jobs a day during a time of great economic difficulty for the state and the Eugene-Springfield area. Of the \$121.4 million in subcontracted work that has been awarded for the arena, 82.4% has been awarded to Oregon companies.

In addressing concerns expressed by members of the construction industry regarding the project, Dyke reiterated that the UO has met with these parties and worked collaboratively to explore their concerns and address them as appropriate.

STATE RELATIONS**New Partnership with the state**

Earlier this month, the University of Oregon released a white paper proposing a “new partnership” with the state. The paper makes recommendations about governance, financing, and accountability. The University of Oregon’s public involvement [web site](#) allows for stakeholder comments and includes a list of resources, media reports, and other information useful in understanding the proposal.



The proposal adds the University of Oregon’s voice to on-going discussions about how to ensure Oregonians’ access to institutions of higher education. The Oregon University System is expected to make recommendations to the governor later this summer. Any consideration of legislative changes will occur during the 2011 legislative session. Other proposals can also be found at the newpartnership.uoregon.edu.

FEDERAL AFFAIRS**Senator Merkley to visit UO**

US Senator Jeff Merkley (D-Oregon) will be on campus Tuesday, June 1 to meet with students and university officials.

The meeting will take place in the Ben Linder room of the EMU at 10:00 a.m. It will involve a discussion about changes to the Pell grant program and feature students who receive Pell grant funds, including Pathway Oregon participants. Both University of Oregon President Richard Lariviere and 2009-10 ASUO President Emma Kallaway will attend the meeting.

Merkley is a member of the US Senate Health, Education, Labor and Pensions Committee which has jurisdiction over higher education matters.

ELECTION RESULTS**Oregon primary**

The Oregon Primary was May 18. Democrat John Kitzhaber and Republican Chris Dudley won their respective party nominations in the gubernatorial race and will face off in the general election in November.

State Treasurer Ted Wheeler beat out Democratic challenger Rick Metsger in the primary to face State Senator Chris Telfer in November. Telfer ran unopposed in the Republican race. Wheeler was appointed Treasurer by the governor earlier this year after the sudden death of Ben Westlund. Telfer is a state senator from central Oregon.

The race for Superintendent of Public Instruction is still too close to call with two-term incumbent Susan Castillo (D) maintaining a slight lead over Ron Maurer (R), a two-term state representative from Grants Pass. In order to win outright, one of the candidates must win at least 50 percent plus one vote. Some provisional ballots were still being counted, and with more than 2,000 write-in votes so far, it is possible that neither Castillo nor Maurer could win outright, which means they would face a run-off in November.

Measure 69, which allows universities access to low-cost financing to purchase existing facilities, passed with 72 percent support from voters.

In Lane County, Jay Bozovich and Jerry Ruse will compete in a November run off for the open West Lane County Commissioner position. Sid Leiken and Pat Riggs-Henson will face off for the open Springfield County Commissioner position. Faye Stewart won re-election outright for the East County Commissioner position with 64 percent of the vote.

In Eugene’s City Council races, Alan Zelenka (Ward 3), George Poling (Ward 4) and Mike Clark (Ward 5) easily won re-election with little or no opposition. In the open race for Ward 6, voters returned Pat Farr to City Council, a position he held previously from 1995 to 2002.

In Springfield’s City Council races, Christine Lundberg (Ward 1) and Hillary Wylie (Ward 2) easily won re-election with no opposition. In Ward 5, Marilee Woodrow ran unopposed for the seat previously held by her husband John Woodrow who died in 2009.

John Simpson and John Brown won seats on the EWEB board.

COMMUNITY RELATIONS

UO community relations staffer recognized

Karen Hyatt, UO government and community relations associate, was recognized last month for her work with the university's neighbors. Karen



was among several individuals recognized at the We-gene Awards ceremony for their efforts in making significant and important contributions to the livability of Eugene's neighborhoods. Each of the honorees was nominated by one of the 19 neighborhood associations recognized by the City of Eugene. Karen was nominated by the West University Neighbors. Mayor Kitty Piercy was on hand to present the awards.

COMMUNITY RELATIONS

Spring Explore Oregon event focuses on College of Education

Local decision makers attending the April 30 edition of Explore Oregon heard about some of the College of Education's many outstanding programs. Dean Mike Bullis hosted the session at the new HEDCO Building and provided an overview of the college's degree programs and research.

Ellen McWhirter shared work focusing on Latino high school students' career development with a focus on perceived barriers and environmental supports.

Cynthia Anderson explained the School Wide Positive Behavior Support program, a framework for social behavior interventions used by more than 10,000 schools in 48 states.

Jill Baxter shared National Science Foundation-funded research supporting elementary teachers in their efforts to engage students in science inquiry using mathematical problem solving.

Lauren Lindstrom described the Statewide youth Transition program, a program that over the last 20 years has served 12,000 young people with learning and emotional disabilities in 37 communities in Oregon.

Terri Ward shared work regarding college and career readiness that helps students succeed beyond high school and improves high school alignment with postsecondary requirements.

COMMUNITY RELATIONS

UO is open for business

On Wednesday, May 19, the UO hosted the first ever Reverse Vendor Trade Fair at the Club Room at Autzen Stadium. The packed house included 200 local business vendors representing a variety of goods and services and sixty UO departments with procurement authority.

The day began with presentations by Frances Dyke, UO VP for Finance and Administration, Robin Holmes, UO VP for Student Affairs, Darin Dehle, UO Director of Capital Construction, Patricia Stewart, Contracts Specialist with the Oregon University System Retainer Program, Lydia Muniz with the Governor's Office, Elizabeth Lopez with the Oregon Office of Minority, Women Owned and Emerging Small Business, and Lorraine Davis, UO Interim Director of Intercollegiate Athletics.

Participants then mingled with UO department representatives as well as other governmental partners with contracting opportunities, including Lane Community College, Oregon State University, Portland State University, and Northwest Christian University. The event was organized by UO Purchasing and Contracting Services with assistance from the Office of Government and Community Relations, the Office of Institutional Equity and Diversity, and the Office of Communications.

Eugene City Council tours Lokey Labs

On May 26 Eugene Mayor Kitty Piercy and the City Council heard the latest about UO's research and innovation enterprise mission and toured the UO's high tech extension center.

Rich Linton, Vice President for Research and Graduate Studies and Dave Johnson, Professor of Chemistry shared information about the research and innovation cycle and the Lokey Labs role in local economic development, and John Donovan and his staff led tours of the facility.

HERE TODAY, GONE TOMORROW

Farewell to GCR staffer

May 28 marks the last day at the university for Eric Stillwell, government and community relations associate and editor of this newsletter. Eric heads south to join his spouse Debra Stillwell who made a career move to Burbank, California, earlier this year. Eric, a lifetime member of the UOAA, graduated in 1985 with a political science degree and has worked at the university for the past three years.