



CITY OF
PORTLAND, OREGON

Tom Potter, Mayor
Sam Adams, Commissioner
Randy Leonard, Commissioner
Dan Saltzman, Commissioner
Erik Sten, Commissioner

April 5, 2007

Senator Schrader
Representative Nolan
Co-Chairs, Joint Ways and Means Committee
900 Court St., NE H-178
Salem, OR 97301

Dear Co-chairs Schrader and Nolan:

Welcome. I am Sam Adams, Commissioner for the City of Portland. I am here tonight on behalf of the Mayor and City Council.

Thank you for making Portland one of the stops on your road trip. We are honored.

Portland has a number of proposals we have brought before you. Tonight, on behalf of the City Council, I am here to speak to you about education.

- Thank you for the K-12 numbers in your Co-Chairs' Budget Proposal. We understand there is still discussion and work to be done. But the figure of \$6.245 billion clearly demonstrates that Education is one of your major priorities. Thank you for this important step forward.
- Support for higher education is another of Portland's legislative priorities. This proactive role is new for Portland and some have asked us why:
 - We identify our 34 post secondary educational institutions as our "knowledge industry". It includes all of our accredited colleges and universities, public and private, community colleges, & career colleges.
 - This knowledge industry is the largest industry in the City itself. There are more than 40,000 employees at these institutions.
 - Their combined annual payroll exceeds \$1.8 billion dollars. Their work and deeply-rooted commitment to Portland is important to our ongoing economy. We depend upon them for anchoring our community and educating our leaders, workforce, and citizens.
 - Your budgets directly impact the largest of these institutions, our public colleges and universities: OHSU, PSU, and PCC, as well as U of O's new satellite campus.

- “Never before has the academic mission of colleges and universities- to generate and impart knowledge- been so fundamentally tied to regional economic success.”
In the past, we have centered primarily on the educational mission of our higher education institutions. But it is becoming more evident that our need for a robust economy is linked tightly to higher education and workforce training.
- I know you are aware of the high unemployment Oregon experienced between 2001-2005. Portland’s unemployment rate even exceeded Oregon as a whole, soaring two percentage points above the national average; ranging from 6.1% to 8.3%.
- We all know that Oregon needs to develop a more resilient economy. Our higher education institutions are crucial to that goal.
- Education levels bode well for a city and state’s economic success given that college graduates earn an average of nearly \$2.1 million in their lifetimes, almost twice as much as those with only a high school diploma.
- Our intent is to build and strengthen a regional economy by developing high value-added goods and services created through research, creativity, technology, and brainpower.
- The Governor’s budget recognized the need for bold increases in operating and capital expenditures. For the first time in many years, it gave real hope to those who have worried about the future of higher education in Oregon.
 - We understand that much work is yet to be done. We support increasing the Co-Chairs’ Proposal for the Community Colleges and OUS systems.
 - We are concerned about the reductions in capital construction budget proposals: 85% reduction from the Governor’s proposal for the OUS system, and a 94% reduction in the Community Colleges proposal.
 - In particular we know that PSU has a couple of Capital Projects – namely Lincoln Hall and the Science Building, that are crucial to PSU and to the City.
 - And we are very supportive of PCC’s efforts to continue and expand workforce training and provide affordable and accessible general education. We have great need for the welding and building construction expansions planned at Portland Community College’s SE Campus. Those programs can be available at the \$529 million funding level, but not at the current proposed level of \$458 million.

We are immersed in our budget season as well, and have great compassion for the difficult balance between resources and needs. We are ready to support efforts to generate new revenues and are always prepared to help with overall tax reform.

Thank you for your work, and again, thank you for making Portland one of your stops.

Respectfully yours,

Sam Adams
Commissioner of Public Utilities
City of Portland