

RE: STATE SALARY PACKAGE FUNDS AND THE EMERGENCY BOARD

May 27, 2008

Office of the Governor
State Capitol, Room 160
900 Court Street NE
Salem, Oregon 97301-4047

Dear Governor Kulongoski:

As representatives of several of Oregon's major business associations, we are writing to request that you work with legislative leaders to release the \$125 million in state salary funds at the June meeting of the Joint Legislative Emergency Board.

We are especially concerned about the negative impacts upon our higher education system if the funds are not released in June. You and the Legislature made great strides in the 2007 session to invest in higher education and student scholarship support. Such investments are paying off. Applications to state campuses are up; morale is improving; new partnerships are being formed with the private sector.

The Oregon University System stands to lose nearly \$30 million if the salary funds aren't released. And we understand that salaries for classified employees and faculty have already been raised. Without the E-Board funds, higher education and other important state agencies will have to cut programs, putting at risk the very momentum you and the Legislature began in 2007.

We realize that there are concerns about the economy and the upcoming revenue forecast. But it seems to us that holding back funds already appropriated in the budget is not the solution to any downturn. You and the Legislature have other tools at your disposal, including making targeted budget adjustments or using existing reserve funds to cover a revenue shortfall.

We applaud your strong support for higher education and we share your deep desire to provide opportunity for students and to bring the private sector and higher education even closer together to grow Oregon's economy.

Thank you for your consideration. Please contact any one of us below if you have questions about our coalition's position.

Jim Craven
AeA, Oregon Council

Jay Clemens
Associated Oregon Industries

Ryan Deckert
Oregon Business Association

Duncan Wyse
Oregon Business Council

Mark Nelson
Northwest Food Processors Association
Oregon Metals Industry Council

cc: Senate President Peter Courtney
Senate Majority Leader Richard Devlin
Senate Republican Leader Ted Ferrioli
Speaker of the House Jeff Merkley
House Majority Leader Dave Hunt
House Republican Leader Bruce Hannah
Members of the Joint Legislative Emergency Board