From: salem_update-bounces@lists.oregonstate.edu on behalf of Mills, Jock
To: CAS DeanStaff; CAS Unit Leaders; Salem Update Listserv
Subject: [Salem Update] More on the state salary pool
Date: Monday, May 12, 2008 3:43:51 PM
Attachments: Salary pool letter.pdf
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Last week there were a number of developments on the state salary pool front.

The Faculty Senate considered the issue on Thursday, and -- without a dissenting vote -- passed a resolution calling for the Governor and the Legislature to release all $125 million of the salary pool in June, regardless of the June revenue forecast. I have attached a copy of the resolution and a letter to the Governor signed by the Presidents of the Faculty Senate, SEIU, and ASOSU.

<<Salary pool letter.pdf>>

I also would like to correct my last update in which I wrote:

> Some state agencies have more pressing problems than others. For example, if the E-Board withholds the more than $30 million in the pool designated for the State Department of Corrections, that agency may be forced to release prisoners - not a popular step, especially at a time when voters will be considering two ballot measures calling for mandatory prison sentences.

In fact, the legislature would have to amend statutes to authorize the release of prisoners. This would take a special session and could not be accomplished by the E-Board. I sincerely apologize for any confusion I may have created. I should never have commented on another state agency's budget situation without first directly discussing the matter with the agency. I have since discussed this matter directly with Max Williams, Director of Corrections.

He informs me that indeed, Corrections is facing a number of difficult budget challenges that began with a $12 million reduction to his budget at the end of the 2007 legislative session, and that have been compounded by increased prisoner medical costs and other factors. The Department has responded by imposing a hiring freeze, limiting training only to that which is statutorily mandated, and severely restricting procurements. While these steps have helped to improve the Department's budget situation, it still faces a possible $50 million shortfall if the salary package is withheld. The Department's salary pool allotment is some $36 million.

Regardless of who is authorized to release prisoners, it isn't going to happen. But if the legislature does not release some $30 million for Corrections in June, it is setting the agency up for extremely difficult choices. These decisions cannot wait until September and need to be made in June.

The purpose for raising the Corrections budget is that it is clear to most observers that the E-Board will have to release *some* of the salary money to address that agency's budgetary issues. So if that discussion is underway, it is appropriate to ask

the Legislature to examine the impacts of the salary package upon all affected agencies. Bottom line is that if the salary dollars aren't released, OSU may be subjected to a 4 to 5 percent budget cut, when the state's general fund revenues are currently forecast to be down by a little more than 1 percent.

If you have questions or concerns regarding this e-mail, do not hesitate to contact me.

Jock

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Jock Mills
Director, Government Relations

524 Kerr Administration Building
Corvallis, OR 97330
(541) 737-0725
http://oregonstate.edu/
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