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February 26, 2025

Members of the House Committee on Higher Education and Workforce Development

900 Court St. NE
Salem, Oregon 97301

Dear Chair Hudson, Vice-Chairs Fragala and Harbick, and members of the House Committee on Higher Education and Workforce Development,

For the record, my name is Sam Schwartz, writing as an individual citizen. I graduated last year with a PhD from the University of Oregon in computer science, and I write to you **in opposition** to HB 2389.

However, I first want to thank Rep. Evans for his thoughtfulness around higher education issues and for sponsoring this legislation. Although I am opposed to this particular bill, I genuinely appreciate his ongoing concern for Oregon's college students and universities.

I am opposed to this unamended bill for three reasons:

1. The bill's potential for prolonging budget crunches.
2. Definitional ambiguity in the language of the bill text itself.
3. There exists a different solution to the problem which this bill seeks to rectify.

I elaborate on each reason below.

The potential for prolonged budget crunches.

Having participated in the University of Oregon's tuition and fee advisory board process some years ago, I saw how unpredictable annual enrollment swings can be at both small and large universities. This bill will prevent universities from making a speedy financial recovery after an enrollment dip.

Imagine the following scenario:

Year 1: University X has 10,000 students in total.

Year 2: University X has an enrollment decline. Only 9,000 students in total enroll that year, leading to a budget crunch. Luckily, the university can rely on reserves so faculty and staff don't suffer layoffs.

Year 3: Should this bill pass, University X could only legally recruit an additional 5% of the previous year's enrollment, or 9,450 students total, even if there's enough student interest to return back to 10,000 students. Having exhausted their financial reserves in year 2, University X must now fire faculty due to lack of student tuition revenue.

Imagine another scenario:

Year 1: University X has 10,000 students.

Year 2: University X has an enrollment decline of 5% of 10,000. A total of 9,500 students enroll.

Year 3: University X can only legally enroll an additional 5% of 9,500 students, which is 9,975 students.

We're still below our starting point of 10,000 students.

This bill may cause significant budget issues for all universities trying to recover from enrollment dips, because they would be legally prohibited to recruit back to their starting point in a timely manner.

Definitional ambiguity in the language of the bill text itself.

I am unaffiliated with the University of Oregon (although I am an alumnus), but do I use the University of Oregon's approximate numbers in the following example.

There are multiple stages to the recruitment process, each with customary definitions in higher education.

- *Prospects*: potential students who might apply to a university.

At all Oregon universities, this pool includes every high school student in America, and certainly every high school student in Oregon.

- *Applicants*: potential students who have actually applied to the university.

At the University of Oregon, this is roughly 30,000 to 40,000 people depending on the year.

- *Admitted Students*: applicants who have been accepted to enroll at the university.

The acceptance rate for admission to the University of Oregon is around 75%-85% depending on the year.

- *Enrolled Students*: accepted students who have paid tuition and have shown up to class.

The *yield rate*, the percentage of admitted students who enroll, is roughly 15% at the University of Oregon. This is roughly 4,000 to 5,000 new freshman/transfer students, depending on the year.

Current enrollment at the University of Oregon is around 24,000 students.

The bill has the following language:

For any public university that receives a number of applications for enrollment in excess of the limit provided under this subsection, that public university shall refer each application received in excess of the limit on enrollment to the nearest community college to that applicant, if that applicant resides in this state, and to Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University and Western Oregon University.

A typical enrollment cap for the University of Oregon next year will be an additional five percent of ~ 24,000 total enrollment, which is ~ 25,200.

So, given "*a number of applications for enrollment*" (of ~ 40,000 applications) "*in excess of the limit*" (so 40,000 – 25,200 ≈ 15,000 applications in excess of the limit) "*the university shall refer each application received in excess of the limit on enrollment*" (again, 15k applications or 38% of all applicants, although the bill does not say which of these 38% of total applicants) "*to the nearest community college to that applicant, if that applicant resides in this state, and to Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University and Western Oregon University.*"

Meanwhile, of these 40,000 applicants, I suspect the University of Oregon is hoping at least 4,000 of them (if not more) eventually show up for classes and pay tuition; the University of Oregon missed its enrollment projections last year and is currently facing a budget deficit. Yet the legislature wants to force the University of Oregon (and Oregon State, and likely Portland State) to refer tens of thousands of unspecified applicants (but not all) to other universities while, at this very moment, the university is also desperate for more students and grappling with the specter of a possible faculty strike within the next few weeks? This is not the best public policy for Oregon, and I submit that it's due to mis- and unused definitions of enrollment vs applicant vs admitted in the bill text.

Solution

I am still opposed to this bill. But if the bill is to pass, I would appreciate an amendment replacing the above quoted language to something along the following lines:

"If a public university declines to admit an applicant, the public university shall then refer the application to the nearest community college to that applicant, if that applicant resides in this state, and to all other public universities in this state."

There exists a different solution to the problem which this bill seeks to address.

I submit that the problem is to help with enrollment of Oregon's regional universities. The solution isn't more regulation which burdens all universities, and particularly burdens the University of Oregon and Oregon State University. Rather, the solution is more funding from the legislature via PERS reform, along with better advertising/recruitment outreach from the regional universities and community colleges to Oregon high schools.

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Thank you for your consideration! I appreciate you reading through these remarks.

Sincerely,



Sam Schwartz
An Optimistic Oregonian