



Legislative Bulletin

OUS BUDGET HEARINGS CONTINUE NEXT WEEK



Monday, June 4

**Ways & Means
Education
Subcommittee
Higher Education
Work Session
Continues
HR F @ 3:00pm**

Possible continuation Tues. 6/5

Bills of Interest

SB 582: Allows public university to direct affiliated foundation to administer university venture development fund.

Mon, 6/4 HR A 1:00pm

The Education Subcommittee of Ways and Means began work sessions on the OUS operating budget, SB 5515, on Tuesday, May 29. The Subcommittee was scheduled to wrap up the work sessions on Thursday, May 31. On Thursday, however, the Chancellor was informed that the Subcommittee would continue its work on Monday, June 4. This extension is due to the considerable amount of time spent on the finer details of the Co-Chairs' budget and the Legislative Fiscal Office's recommended changes, (see page 2 for budget details).

As expected, committee members had several questions about the Co-Chairs' cuts from the Governor's Recommended Budget (GRB) particularly in program areas such as the OSU Statewide Public Services (SWPS) and the Engineering and Technology Industry Council. Rep. Bob Jenson (R-Pendleton) was particularly interested in the impacts of the Co-Chairs' budget to two elements of the budget requests – the SWPS and the Rural Access Initiative. Rep. Jenson asked for further detail on the impacts to the SWPS and further questioned the targeted impacts of the Rural Access Initiative. Rep. Susan Morgan (R-Myrtle Creek) asked how the Co-Chairs' budget would impact access to the program and would that limit our ability to engage students. Morgan further questioned the impacts of the Co-Chairs' budget to the activities of the OSU Natural Resource Institute.

Several members were keenly interested in Package 451 "Investment Income".

This item was included in the GRB as a General Fund offset in lieu of the revenue anticipated the OUS could receive through investments of interest earnings. The GRB included this offset as the Governor's office approved the filing of HB 2198 (currently in Ways and Means). The Co-Chairs' reinstated the General Fund dollars but the Ways and Means Committee has not, as yet, approved HB 2198. The discussion of the potential outcomes of allowing the OUS more latitude in investment of interest earnings was extensive. There appears to be a considerable amount of support for the concept with Rep. Morgan, Rep. Phil Barnhart (D-Eugene), Sen. Ryan Deckert (D-Beaverton) and Sen. Frank Morse (R-Albany) encouraging further study of the issue, if not passage of [HB 2198](#).

Other items covered during the work sessions were proposed OUS performance measures for 2007-2009. In total, 29 Key Performance Measures are being proposed to track progress in such areas of cost of attendance, financial aid, participation, persistence and completion, employer and graduate satisfaction and research.

Rep. Larry Galizio (D-Tigard), Chair, intends to move SB 5515 to the full committee on Monday. The hearing will be held from 3:00-4:30 p.m. in Hearing Room F at the State Capitol.

We anticipate Legislative Leadership will announce a special committee to deal with capital budgets next week. Hearings on OUS' capital budget are expected to occur in the next two weeks.

OSU Requested Budget vs. Governor's Recommended Budget vs. Ways & Means Co-Chair's Budget (as revised May 15, 2007)

	<u>OUS Request</u>	<u>GRB</u>	<u>May Revised Co-Chairs</u>	<u>GRB vs. Co- Chairs Difference</u>	<u>OUS vs. Co- Chairs Difference</u>
<u>Operating Budget</u>					
EBL - GF	\$785,026,055	\$785,383,235	\$785,383,235	\$0	\$357,180
EBL - LF	\$15,473,802	\$15,473,802	\$15,473,802	\$0	\$0
Base Adj. - 1st Priority Policy Package					
Regionals	\$13,000,000	\$9,000,000	\$9,000,000	\$0	(\$4,000,000)
Energy costs	\$2,200,000	\$2,200,000	\$2,200,000	\$0	\$0
Faculty Student ratio	\$16,960,000	\$6,860,000		(\$6,860,000)	(\$16,960,000)
Faculty salaries	\$12,500,000	\$8,000,000		(\$8,000,000)	(\$12,500,000)
Enrollment growth	\$16,000,000	\$14,600,000		(\$14,600,000)	(\$16,000,000)
Employee mix change	\$1,582,116	\$0	\$0	\$0	(\$1,582,116)
Basic Support - unspecified	<u>\$0</u>	<u>\$0</u>	<u>\$29,460,000</u>	<u>\$29,460,000</u>	<u>\$29,460,000</u>
Base Adj. - Subtotal	\$62,242,116	\$40,660,000	\$40,660,000	\$0	(\$21,582,116)
ETIC	\$34,440,000	\$17,000,000	\$10,000,000	(\$7,000,000)	(\$24,440,000)
Healthcare	\$7,396,000	\$7,396,000	\$7,396,000	\$0	\$0
SWPS	\$15,000,000	\$5,500,000	\$3,000,000	(\$2,500,000)	(\$12,000,000)
IDTS	\$837,000	\$837,000	\$837,000		\$0
Rural Access	\$4,630,000	\$1,600,000	\$0	(\$1,600,000)	(\$4,630,000)
Natural Resources	\$0	\$250,000	\$0	(\$250,000)	\$0
Oregon Solutions	\$0	\$1,500,000	\$0	(\$1,500,000)	\$0
Other enhancements (Rural Access, Nat'l Res. or OR Sol.)	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000
Sports Lottery revenue increase	\$0	\$7,559,165	\$7,559,165	\$0	\$7,559,165
General Fund offset due to sports lottery increase	\$0	(\$4,900,000)	(\$4,900,000)	\$0	(\$4,900,000)
Lottery Debt Service - new capital	\$0	\$8,479,435	\$5,850,000	(\$2,629,435)	\$5,850,000
Transportation Lab	\$2,000,000	\$0	\$0	\$0	(\$2,000,000)
ECO System	\$800,000	\$0	\$0	\$0	(\$800,000)
Risk Management	\$600,000	\$0	\$0	\$0	(\$600,000)
OSU Veterinary Diagnostic Laboratory	\$1,575,000	\$0	\$750,000	\$750,000	(\$825,000)
Capital Repair EBL - moved to capital budget	<u>\$0</u>	<u>(\$12,162,015)</u>	<u>(\$12,162,015)</u>	<u>\$0</u>	<u>(\$12,162,015)</u>
Total Operating Budget	\$930,019,973	\$874,576,622	\$860,847,187	(\$13,729,435)	(\$69,172,786)

UPDATE ON THE PROGRESS OF THE OREGON INC PACKAGE

The legislative team and the Oregon InC legislators are working hard to secure funding for the Oregon InC. initiatives. Governor Kulongoski will distribute a letter to Legislative Leadership reiterating his priority for a funding level of at least \$28.154 million for the Innovation Package.

Additionally, Senate Bill 579 (the Oregon Growth Account bill) has been signed into law by the Governor. Senate Bill 582 (the University Venture Fund bill) will most likely pass out of the House Revenue Committee on Monday and then go on to the House floor for its final vote and to the Governor for his signature within the next 2 weeks.



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OUS LEGISLATIVE NEWSLETTER

The Government Relations office of the Chancellor's Office will be sending you this electronic newsletter about important events of the past week in Salem and things to come in the days ahead. The newsletter will be published every Friday at 4:00 p.m. throughout session. If you wish to suggest items for inclusion or comments on coverage of issues affecting OUS interests at the Legislature, please feel free to e-mail or phone the Salem Government Relations office.
(mary_robinson@ous.edu, 503-373-7490).

BILLWATCH AVAILABLE FOR TRACKING

A comprehensive OUS bill tracking system called BillWatch, has been developed to record information about bills affecting the OUS, and to track their progress through the legislative process. BillWatch is designed to be used by members of the Oregon State Board of Higher Education, Chancellor's Office staff, campus leadership and OUS advocates. BillWatch is a secure system and users must obtain a user name and password from the Office of Government Relations to use this service.

Subscribing to BillWatch allows users to subscribe and designate particular bills of interest or to provide a broader search of all legislation. A second benefit of subscribing is notification: upon subscribing to a particular bill, users will receive automatic email notification when action is taken on the bill, e.g., hearings scheduled, amendments engrossed, etc. To request access, go to <http://billwatch.ous.edu/>. From there, choose *Request an Account*. Your request should be processed within 24 hours. An electronic users guide is available by clicking on HELP at the BillWatch main login menu.

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