



Governmental Affairs Update

January 8, 2001

University of Oregon Office of Governmental Affairs

Table of Contents

| | |
|---|---|
| State legislature convenes today | 1 |
| 106 th Congress year-end report | 3 |
| 107 th Congress legislative agenda | 3 |
| Central Oregon branch campus | 3 |
| 2001 Legislature at a glance | 5 |
| 107 th Congress at a glance | 5 |

- Shifts funds from the OUS Board’s number one priority (fully funding the CSL) to selected policy packages
- Recommends \$8 million for small school support, but does not fully fund the new enrollment-based model or current service level
- 2001-2003 compensation increases are not funded.

The governor’s budget recommends \$53.5 million for selected policy packages including the following:

- \$20 million for engineering enhancements (\$2.5 million for the University of Oregon)
- \$17 million to support anticipated enrollment growth (\$2.4 million for the University of Oregon)
- \$7.2 million to initiate a branch campus in Central Oregon
- \$1.3 million for OWEN and Secretary of State Audit assessments.

State legislature convenes today

GOVERNOR’S BUDGET PRESENTS CHALLENGES

We are gearing up for the next session of the Oregon Legislature. The 1999 Legislature reversed the trend of disinvestment in higher education by significantly increasing public funding for Oregon’s universities for the first time in a decade. Based on Governor John Kitzhaber’s proposed 2001-2003 budget, the next legislature will be challenged to build on the momentum and investment made during the previous session.

The Oregon University System (OUS) budget recommended by the Governor **seriously underfunds** the current service level (CSL) budget. The Governor submitted his budget in an era of limited revenues. When the budget was released he stated, “it is a very tight budget and reflects the need to cover unanticipated revenue losses from lawsuits, a reduction in federal matching dollars, a 60 percent increase in prescription drug costs, and the \$159 million income tax cut adopted by voters in Measure 88.” The projected state revenues for the next biennium are \$700-\$800 million less than the amount required to meet the 2001-2003 current service level requirements of all state agencies.

The governor’s budget has the following implications for the Oregon University System:

- Eliminates significant General Fund support for 1999-2001 salary increases for faculty
- Eliminates all inflationary increases
- Eliminates a significant number of targeted programs including funding for research and public services
- Includes a four percent annual tuition increase to generate \$25.2 million to partially offset a proposed reduction of \$94.3 million in General Fund support to the OUS

The budget picture for the next biennium presents challenges, but we look forward to working with the governor and the legislature this session to increase support for higher education amid efforts to balance the needs of all state agencies. *continued on page 2*

Welcome

The University of Oregon Office of Governmental Affairs (OGA) would like to welcome you to our first newsletter. We will keep you regularly informed throughout the next sessions of Congress and the Oregon Legislature.

Contacting OGA

Office of Governmental Affairs
1292 University of Oregon
10 Johnson Hall
Eugene OR 97403-1292
(541) 346-5020
oga@darkwing.uoregon.edu
<http://darkwing.uoregon.edu/~oga>

Michael Redding
Associate Vice President
(541) 346-5022
mredding@oregon.uoregon.edu

Betsy Boyd
Federal Affairs Director
(541) 346-0946
eboyd@oregon.uoregon.edu

Tim Black
Advocacy Director
(541) 346-5023
timblack@oregon.uoregon.edu

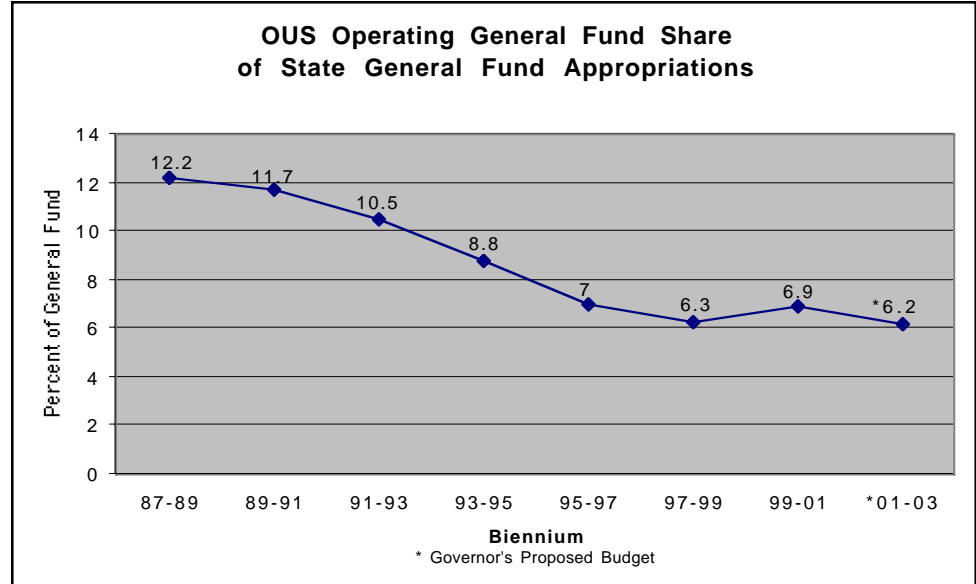
Karen Scheeland
Governmental Affairs Coordinator
(541) 346-5021
karensch@oregon.uoregon.edu

Governmental Affairs Update

January 8, 2001

Our top priorities are to fund the current service level and to fully fund the new model. Other issues related to the university that will likely be considered by the legislature include the following:

- Capital construction projects:** The UO schools of education and music request General Fund appropriations and/or bonding authority for construction projects that were identified as the university's top two capital priorities in the 2001-2003 OUS budget request submitted to the governor.
- Bioscience Spires of Excellence:** The university proposes a one-time investment of \$2 million to establish a Function Genomics and Proteomics Center. This item was included in the OUS budget submitted to the governor, but was not included in the governor's budget. The Center will advance the university's position as a leader in bioscience research by enabling UO scientists to capitalize on discoveries that were developed from the human genome project.
- Central Oregon branch campus:** The university will work to build support for the governor's proposal to fund the development of a branch campus to be located in Bend. The governor has proposed a \$7.2 million General Fund allocation for the new branch. A Request for Proposals to become the managing university of the



Comparison of OUS Budget Request vs. Governor's Budget Recommendations

in millions of dollars

| | OUS Request | Governor's Recommended | Dollar Difference | Percent Difference |
|----------------------------------|------------------|------------------------|-------------------|--------------------|
| 2001-2003 Current Service Level | 804.8 | 708.7 | (96.1) | -11.9% |
| 2001-2003 Policy Packages | | | | |
| Operating Budget | 251.5 | 53.5 | (198.0) | -78.7% |
| Capital Budget | 176.3 | 0.0 | (176.3) | -100.0% |
| 2001-2003 Total Budget | \$1,232.6 | \$762.2 | (\$470.4) | -38.1% |

new branch campus was issued in September 2000, and selection will be made on February 16, 2001. The University of Oregon and Oregon State University submitted proposals on December 1. ([related story on page 3](#)).

- Institute for Violence and Destructive Behavior:** We seek continuing support for expanding the First Step violence prevention program for kindergarten children. The governor's budget proposes to continue this funding for the next biennium at the 1999-2001 level of \$500,000. We will work to build legislative support for the governor's proposed funding for this program.

Oregon legislature online is updated regularly, including:

- legislator lists with contact information
- committee assignments and regular meeting schedules
- daily calendar of scheduled committee and floor action on bills
- full text of all bills introduced
- history of legislative action taken on every bill introduced

Governmental Affairs Update

January 8, 2001

- **Other legislative issues** on OGA's 2001 work plan include student services, financial aid, the Uniform Computer Information Transactions Act (UCITA) and Uniform Electronic Transactions Act (UETA), engineering investments, telecommunications, tuition tax credits, public contracting, liability insurance for students, public safety officers, admissions tax and more.

106th Congress year-end report

The U.S. Congress concluded its 106th session in mid-December, after much maneuvering around key pieces of legislation. The last appropriations bill to pass was a catch-all measure governing spending for Labor, Health and Human Services and Education. This bill, which was signed by President Clinton, is an important bill to institutions of higher education and the University of Oregon, representing the largest increase ever for federal education spending (both higher and primary-secondary). The bill directly affects financial aid for students and ongoing scientific research at the University of Oregon, especially in the following areas:

- **Pell Grants:** Total funding is \$8.756 billion, up \$1.117 billion, or 14.6 percent. The maximum award increased by \$450 from \$3,300 to \$3,750. Approximately 40 percent of UO students are eligible for Pell Grants.
- **National Institutes of Health (NIH) appropriations:** FY2001 funding for NIH totals \$20.3 billion, which is \$2.5 billion, or 14 percent, above the FY2000 level, and NIH funding is on track to double by 2003. This represents the largest increase NIH has ever received. Research funds account for about a fifth of the UO's budget, and almost 70 percent of those funds come through Health and Human Services – which NIH is under – and the U.S. Department of Education.

UO and OUS earmarks

The University of Oregon's **Brain, Biology and Machine Initiative** again secured funds through an earmark in the Department of Defense (DOD) spending bill. In FY01 \$500,000 was earmarked for further neuroscience research, thanks to significant help from Representatives Greg Walden (R-Medford) and David Wu (D-Portland). This represented add-on funding for a project first funded in FY00 by the DOD to bring a functional Magnetic Resonance Imaging machine (fMRI) to the university, making the University of Oregon one of only two non-medical school universities in the country to have an fMRI.

The University of Oregon's success is notable for the basic research orientation of its project. Many earmarks, including other OUS earmarks, have some political content to them where the earmark also supports a local issue. The Chronicle of Higher Education reported Oregon schools rank 24th in direct legislative funding for projects. Nationwide, earmarks have tripled since 1996 and tend to go to constituents represented by members of the House and Senate Appropriations Committee. Oregon has not been represented on the Appropriations Committee since Senator Mark Hatfield retired in 1996.

What is an earmark?

An earmark is a device used in appropriation acts to direct or restrict how funds will be spent in a given agency account. It generally does not represent "new" money for an agency, but rather is a set-aside for a specified program. Earmarks are often done through report language (as opposed to authorizing language) which does not have the force of law, but explain congressional intent and tend to be followed by agencies. Earmarks are an important tool to augment an institution's capacity, particularly in securing expensive equipment or extra resources for unusual collaborations.

107th Congress legislative agenda

The Office of Governmental Affairs is coordinating the development of the University of Oregon's 2001 congressional priorities. We will continue to seek support for financial aid for students and seek funds for continuing scientific research at the university. The Brain, Biology and Machine Initiative continues to be a top research priority for the university, and OGA will again seek congressional support for an earmark for this project.

Central Oregon branch campus

On December 1, the University of Oregon submitted a proposal to the chancellor of the Oregon University System to establish a Central Oregon campus. Funding the new Central Oregon campus is one of our legislative priorities in the coming session.

The proposal was developed with careful and thorough consultation with interested parties in Central Oregon, including Central Oregon Regional Advisory Board members, elected officials, representatives of the business and technology communities, leaders in K-12 education, and the administration and faculty of Central Oregon Community College. At our proposal's center is the continuing development of science, social science and humanities programs, building on the success of programs

continued on page 4

Governmental Affairs Update

January 8, 2001

already in place through the University Center. The university believes that such solid liberal arts programs form the essential core of any college or university.

The University of Oregon proposal also provides for a multitude of applied and professional offerings to meet the educational needs of Central Oregon, both by us and our partner institutions. Specifically, we have cooperative agreements with Eastern Oregon University, Oregon Institute of Technology, Portland State University, Southern Oregon University, Oregon Health Sciences University and Linfield College.

In the next of numerous community outreach efforts, on January 26, President Frohnmayer and Provost Moseley will meet with Bend area alumni and officials to brief them on the University of Oregon proposal.

The Oregon University System board is reviewing the proposals submitted by the University of Oregon and Oregon State University and will announce its decision on February 16, 2001. The University of Oregon proposal is available online at <http://comm.uoregon.edu/Bend/>.

OGA online

<http://darkwing.uoregon.edu/~oga>

The web site of the Office of Governmental Affairs provides information on legislative issues at the state and federal level, election results, UO alumni serving in Congress and the state legislature, advocacy information and more.

Please contact OGA if you have any questions about state and federal issues, governmental affairs or any information contained on our web site or in this newsletter.

Governmental Affairs Update

January 8, 2001

2001 Oregon Legislature at a glance

Senate 16 Republicans, 14 Democrats
Senate President: Gene Derfler (R-Salem)
Education Chair: Charles Starr (R-Hillsboro)
Ways & Means Co-Chair: Lenn Hannon (R-Ashland)

House 33 Republicans, 27 Democrats
Speaker of the House: Mark Simmons (R-Elgin)
Student Achievement and School Accountability
Chair: Vic Backlund (R-Keizer)
Ways & Means Co-Chair: Ben Westlund (R-Bend)

Lane County Delegation

with committee assignments

Senator Lee Beyer (D-Springfield)
Room S-306, (503) 986-1721
Revenue (Vice Chair)
Rules and Redistricting

Senator Susan Castillo
Room S-316, (503) 986-1720
Education (Vice Chair)
Revenue

Senator Tony Corcoran
Room S-305, (503) 986-1722
Business, Labor and Economic Development
Revenue

Representative Robert Ackerman
Room H-389, (503) 986-1439
Agriculture and Forestry
Judiciary

Representative Phil Barnhart
Room H-471, (503) 986-1440
Health and Public Advocacy
Student Achievement and School Accountability

Representative Cedric Hayden
Room H-278, (503) 986-1443
Ways & Means

Representative Al King
Room H-492, (503) 986-1444
Advancing E-Government
Water and Environment

Representative Bill Morrisette
Room H-374, (503) 986-1442
Health and Public Advocacy
Student Achievement and School Accountability

Representative Vicki Walker
Room H-491, (503) 986-1441
Business, Labor and Consumer Affairs
Judiciary

<http://www.leg.state.or.us>

107th Congress at a glance

Senate 50 Republicans, 50 Democrats

House 221 Republicans, 211 Democrats
2 Independents, 1 Vacancy

Oregon Delegation

with committee assignments

Senator Gordon Smith (R-Pendleton)
404 Russell, Washington, DC 20510-3704
(202) 224-3753

Agriculture, Nutrition and Forestry
Budget
Energy and Natural Resources
Foreign Relations

Senator Ron Wyden (D-Portland)
516 Hart, Washington, DC 20510-3703
(202) 224-5244

Budget
Commerce, Science and Transportation
Environment and Public Works
Special Committee on Aging

Representative Earl Blumenauer (D-Portland)
1406 Longworth, Washington, DC 20515-3703
(202) 225-4811

Transportation and Infrastructure

Representative Peter DeFazio (D-Springfield)
2134 Rayburn, Washington, DC 20515-3704
(202) 225-6416

Resources
Transportation and Infrastructure

Representative Darlene Hooley (D-Salem)
1130 Longworth, Washington, DC 20515-3705
(202) 225-5711

Banking and Financial Services
Budget

Representative Greg Walden (R-Medford)
1404 Longworth, Washington, DC 20515-3702
(202) 225-6730

Agriculture
Government Reform
Resources

Representative David Wu (D-Portland)
510 Cannon, Washington, DC 20515-3701
(202) 225-0855

Education and the Workforce
Science

<http://www.senate.gov>

<http://www.house.gov>