



2021-23 Biennial Funding Request to HECC: Operating

Finance & Administration Committee
May 26, 2020



2021-23 Biennial Funding Request

Oregon's seven public universities prepare a Consolidated Funding Request (CFR) to the Higher Education Coordinating Commission for operating appropriations including:

- **Public University Support Fund (PUSF)** – the primary state support for operations
- **State Programs** – line-item appropriations for specific programs
- **Statewide Public Services (SWPS)** – the Agricultural Experiment Station, Extension Service, and Forest Research Laboratory.
- **Outdoor School** – a pass-through program funded by lottery revenues and administered by OSU Extension Service.
- **Sports Lottery** – revenues to support athletics (primarily funds to support student athletes) and graduate student scholarships.

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Continuing Service Level (CSL) Differences

Cost Category	Estimated State CSL	Universities' Base Cost Increase
Salary and Pay	2.5%	4.0%
Retirement benefits	1.5%	2.3%
Health benefits	0.7%	1.0%
Operating expenses	0.8%	0.8%
Total biennial growth %	5.5%	8.1%

HECC requested scenarios of no change, -20%, -10%, +8.1%, +10%, and funding level required to keep tuition increases less than 5%

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Universities' Consolidated Funding Request:

Appropriation category	2021-23 Request	\$ Increase	% Increase	Basis of Request	OSU Est. Allocation
Public University Support Fund	\$975.0M	\$138.1M	16.5%	First of four biennial installments to reach 2010 level (35%) of state support for operations	\$312.2M
State Programs	\$46.4M	\$3.8M	8.9%	8.1% estimated increase in base costs plus restoration of a previously cut program	\$24.0M
Statewide Public Services	\$155.1M	\$11.6M	8.1%	8.1% estimated increase in base costs	\$155.1M
Sports Lottery	\$16.1M		14.4%	Set at statutory amount per March forecast	\$1.0M
Outdoor School	\$44.0M		-2.9%	Set at statutory amount per March forecast	\$44.0M
Total	\$1,236.6M		14.0%		\$536.3M

Next Steps:

- The HECC uses the CFR to inform its Agency Request Budget (ARB) submitted to the Governor by August 31, 2020.
- The Governor's Recommended Budget (GRB) will be published by December 1, 2020.
- The legislature convenes in February 2021; a series of cumulative budgetary decisions made through the end of the session in June will result in the Legislatively Adopted Budget (LAB).

Recommendation

Propose that the Committee recommend to the Board endorsement of the public universities' 2021-23 Consolidated Funding Request to the Higher Education Coordinating Commission, which includes a request for base funding for all appropriation categories and an additional increase for the Public University Support Fund.