



2021-2023
OREGON
PUBLIC
UNIVERSITIES'
**CONSOLIDATED
FUNDING
REQUEST**

MAY 19, 2020

EASTERN OREGON UNIVERSITY

OREGON STATE UNIVERSITY

OREGON INSTITUTE OF TECHNOLOGY

PORTLAND STATE UNIVERSITY

SOUTHERN OREGON UNIVERSITY

UNIVERSITY OF OREGON

WESTERN OREGON UNIVERSITY

May 19, 2020

Higher Education Coordinating Commission
David Rives, Chair
Ben Cannon, Executive Director
255 Capitol Street NE, 3rd Floor
Salem, OR 97301

Dear Chair Rives and Members of the Commission,

Much of what we knew to be true, and impossible, has changed in the last month. From AP tests in Spring through planning Fall term opening, the delirium of March Madness to the solemn rites of June commencement, public universities are experiencing the same enormous disruptions that are rippling across the globe and throughout all corners of our society. In the middle of this chaos we have affirmed a new certain fundamental truths: faculty commitment to student learning; how the exchange of ideas opens minds and touches hearts; Oregon students' hunger for opportunity that pushes against barriers; and the often under-acknowledged role of Oregon's universities in the fabric of communities throughout the state.

The wholesale re-engineering of work and social interactions over these past two months creates both uncertainty about the future, and opportunity to re-imagine the role of higher education in Oregon's future. For decades, higher education has increasingly been portrayed as a private good, useful for inflating individual wealth and access to opportunity. Now is the time to reclaim the role of higher education in transforming communities and improving civic life through the cultivation of this state's most significant natural resource: our human talent.

Difficult choices lie ahead. Oregon leaders could be tempted to easily repeat the mistakes of the past, cutting funding for community colleges, universities, and student financial aid programs. Pre-COVID-19 food and housing insecurity plus high levels of debt have already made higher education more difficult to access and complete; further divestment from the state would only amplify social inequity in Oregon. Or, the state of Oregon may encounter anew this truth: higher education is one of the state's most valuable tools for economic recovery, social equity, and civic engagement.

In the coming biennium, policymakers should ensure that Oregon invests a minimum of \$975 million in the public university support fund, and at least maintains funding for the Oregon Opportunity Grant, state programs and statewide public service programs at levels that will preserve opportunity for Oregon students.

Public higher education is a public good. While its value is neither nebulous nor unquantifiable, it is the case that universities stimulate over \$3 billion in economic impact for the state. Dollars spent on higher education attract philanthropic investment; build physical infrastructure across Oregon; develop new intellectual property and research that drives the state economy; provides economic development hubs in rural communities across the state; and develops the human capital that drives the economy today and tomorrow. It does all that while also changing the life trajectory of individual Oregonians.

This moment, when so many doors have shut due to the global pandemic – this is the time to discover what has suddenly become both possible and desperately necessary for Oregon. This is the moment to reclaim higher education’s role as a public good, and commit to a three-biennium investment cycle to build the path out of poverty for Oregonians and communities looking for hope during the difficult days that lie ahead.

We look forward to our continued work together for Oregon students, families, and businesses.

Sincerely,



Thomas A. Insko
President
Eastern Oregon University



Michael H. Schill
President
University of Oregon



Edward J. Ray
President
Oregon State University



Linda Schott
President
Southern Oregon University



Stephen Percy
Interim President
Portland State University



Rex Fuller
President
Western Oregon University



Nagi Naganathan
President
Oregon Institute of Technology

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Oregon Public Universities

2021-2023 Consolidated Funding Request

Executive Summary

An Equitable Path to a Better Tomorrow

In the midst of the single most significant societal challenge many of us have ever faced, Oregon's seven public universities join the Higher Education Coordinating Commission (HECC) in re-affirming our shared commitment to Equity, Access, and Quality for students, faculty, and workers. Through the transformative power of learning, we can emerge a stronger more resilient state.

It is a pivotal moment. The willingness of policymakers to commit resources to protect the state's fragile cradle-to-career public education system may determine if the impact of COVID-19 is measured in years or in generations. Preserving investments in today's students will create a brighter future. More than ever before, we must offer steady, supported pathways out of poverty for our most severely impacted citizens and provide hope for all Oregonians across the state.

Oregon's public universities are committed partners in reimagining a better tomorrow. The work is well underway. Creative instructors went remote in weeks. Researchers pivoted immediately to understand and cure the virus. Innovation is accelerating. Education is adapting. Business as usual is not an option. We cannot just rebuild our economy; we must rediscover our confidence.

Empower Equitably

COVID-19 is uniquely impacting communities of color – their physical and financial well-being. It is exacerbating socioeconomic disparities across all demographics, across all of Oregon. Investments in public universities promote equity, increase opportunity, and erode income inequality. The increasingly diverse face of Oregon is reflected in the 130,000 students that enroll at Oregon's public universities.

- 1 in 3 are students of color,
- 1 in 5 are first generation students,
- 2 in 5 receive need-based grants,
- 3 in 5 are unable to meet expenses.

These first-generation, Pell-eligible, and traditionally underserved students face new and different challenges. Studies show they are more likely to be at a disadvantage before they even step onto campus. Robust student services and affordable tuition are critical to their success. Many face profoundly disruptive housing and food insecurity that threatens their education. Empowering the new generation of Oregon university-bound students will uplift communities and help address systemic inequities that have pervaded Oregon since its founding.

Preserve Access

A university degree continues to be one of the most important steps on the path to economic prosperity. Yet without affordable tuition, too many Oregonians simply cannot attend a public university and opportunity is extinguished. For those who can attend, too many of today's students and their families are stretched to their financial limit. Students cannot afford more debt. State investments are critical to affordability, to containing student debt, to preserving access, and to creating opportunity. Too often, economic crises lead to disproportionate disinvestments in public university funding. The burden is shifted to students and the impacts are felt long after the economy recovers, as exemplified by the Great Recession of the late 2000s.

- Student portion of tuition in 2008: 60 percent, student portion today: 76 percent (Oregon),
- Student debt in 2008: \$859 billion; student debt today: \$1.57 trillion (U.S),
- Average Oregon university tuition in 2008: \$7,346, average tuition today: \$10,111.

Oregon's university students are still paying the bill for the last recession. They cannot afford another. Maintaining state investment is critical to ensure that Oregon does not foreclose post-secondary education to an entirely new generation of students.

Protect Quality, Promote Community and Rebuild the Economy

It is vital that Oregon's public post-secondary education system retain the resources necessary to respond to the needs of communities across the state. Universities are regional bedrocks that curate the arts, convene community leaders, promote civic engagement, and drive economic vitality.

- Universities employ more than 40,000 Oregonians in living wage jobs.
- Universities stimulate over \$3 billion in economic impact for the state.
- Universities graduated 5,000 engineers in five years.
- Universities graduated nearly 2,800 educators in 2018, almost a quarter of whom were people of color.

Oregon public universities serve as engines for economic growth, anchors for cultural activity, and inspiration to legions of dreamers. Today, more than ever, it is these unique features of Oregon's collegiate enterprise that will help drive recovery that reaches all corners of the state.

An Equitable Path to a Better Tomorrow

The challenges ahead are severe, and we do not always agree on the best solution for each problem. However, we are united in our commitment to protecting our collective well-being and rebuilding our way of life. A critical component of our recovery is equitable access to a quality higher education for Oregonians. Such access provides a pathway out of poverty for the many Oregon students who are working hard to overcome difficult obstacles, and a path to healing for communities and a state looking for hope in the days that lie ahead. Policymakers should pursue the following goals for post-secondary education:

- Avoid shifting the financial burden to students;
- Undertake a multi-biennial effort to restore state funding to 2008, pre-Recession levels;
- Promote town and gown integration thorough strong community programs;
- Encourage lifelong learning.

To accomplish these goals the HECC, Governor Brown, and Legislature should work together to:

- Increase funding in the Public University Support Fund (PUSF) and university programs by 8.1 percent to ensure state funding covers ongoing base costs, and the state continues to pay 24.5 percent of the cost of education for Oregon students. This would increase the PUSF by \$68 million and bring total funding for the PUSF to \$905 million, and
- Go further by beginning a four-biennium reinvestment in higher education that would return to a model where the state paid 35 percent of the cost of attendance, just as they did in 2010. This investment would increase the PUSF by \$138 million, bringing the total PUSF to \$975 billion. An investment of this magnitude would keep tuition increases low, and allow campuses to invest in proven wrap around services for students thus increasing retention and graduation rates for Oregonians.

Introduction

2020 is a year that will be remembered for generations. The unsettling impacts of the novel coronavirus pandemic on the world's health and economy will require years, if not decades, to fully recover. No industry or individual will be untouched. Oregon's public universities and students face significant emerging challenges, but also offer hope. Hope for the present by being directly engaged in the response – through research and education. And hope for the future by accelerating the economic recovery through education, retraining and reemployment.

When the universities began the exercise of compiling the consolidated funding request, the intent was to propose investments that would cover full base funding costs and close persistent gaps in retention and completion for underrepresented students on our campuses. The goal was to make a case for sustained investments in conjunction with conversations occurring in the legislature associated with HB 4160 (2020). As the 2020 legislative session came to a close and the true magnitude and impact of the coronavirus pandemic came into focus, it became clear that the commitment to achieving academic equity must run parallel to efforts to restore a vibrant and productive economy.

Although it should be noted that public higher education and research are core component of recovering from an economic recession and public health crisis, there is a recognition that the State of Oregon may not be in a revenue position to make transformative investments the way it was prior to the onset of the pandemic.

Facing inevitable and significant reductions in state revenue, it is vital that Oregon's public post-secondary education system retain the resources necessary to respond to the needs of our communities. The institutions, student organizations, faculty, staff and HECC will need to be aligned and dedicated to ensuring that the Legislature makes choices informed by outcomes of actions taken during past economic downturns. Collectively every effort must be made to protect budgets for public universities, community colleges and student financial aid programs and make clear that raising tuition or cutting already lean programs and services is not a viable option to supplant state cuts.

- OSU has contributed \$1.603 billion in gross output and 20,691 jobs to the Benton and Linn counties in 2017.
 - ♦ An increase of 20 percent (\$269 million) over 2014.
- PSU is a top ten employer in the Portland Metropolitan Region, providing over 7,000 living wage jobs.
 - ♦ In 2018, PSU employees contributed \$14.2 million in employer-based taxes to pay for local and state services.
- Technical and Regional Universities (TRUs) account for more than 2,500 campus jobs and support a total of 7,500 jobs in Oregon. TRUs extend state investment to all regions of the state.
 - ♦ SOU produces \$282.5 million in annual output in Jackson County, and 2,146 direct, indirect and induced jobs in its home county.
- In 2018, \$692 million of UO spending left an economic footprint on the Oregon economy of \$1.5 billion.
 - ♦ Created \$856 million in value added.
 - ♦ Supported \$507 million of household earnings.
 - ♦ 18,838 full- and part-time jobs.

Partners in Economic Prosperity and Recovery

Since the establishment of the Morrill Act in 1862, America's public universities have been integral partners in helping society move beyond crises and chart a course to economic recovery—and prosperity. This partnership comes through direct employment in communities, providing avenues for individuals to acquire new skills and obtain employment or advancement, and research activity that sparks innovation, business creation, and growth.

Across Oregon, public universities serve as anchors for economic activity in our respective communities. Combined, Oregon's public universities employ over 40,000 Oregonians in family-wage jobs that provide healthcare and retirement benefits that exceed those offered in other sectors of the economy.

In addition to being employers in our own right, public universities supply the workforce for Oregon's employers. Public Universities offer degrees in science, technology, engineering, mathematics (STEM), and public health, as well as education, journalism, business, law, and the liberal arts. Faculty members work with Oregon businesses to update, expand, and adapt their offerings to quickly and effectively meet the workforce needs of the 21st century.

Then and Now Budget Lessons from the Great Recession and a More Diverse, At-risk Student Population Today

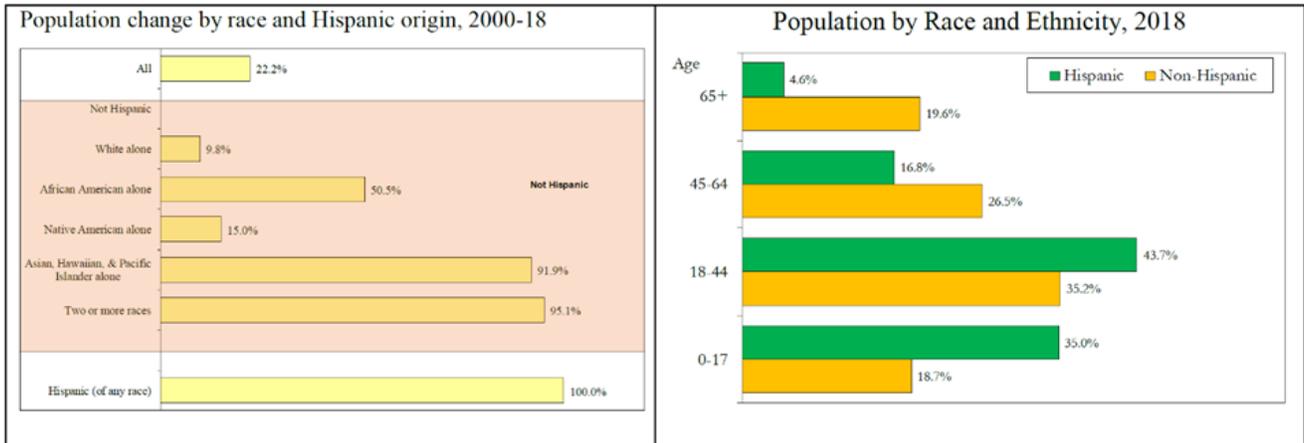
Historically during times of economic downturn, Oregon's universities have been called upon to serve more students with fewer resources. The result: increasing tuition and surging student debt. The model of the past will not work today. The face of our state and student population has changed dramatically since the last economic downturn of 2008. Today's public university students are far more diverse, are much more likely to be first generation, and have fewer financial resources. Increasing tuition and expanding student debt are not an option.

According to the Office of Economic Analysis, Oregon's population continues to grow and become more diverse.¹ Primarily driven by immigration, the state now has a population of just over four million residents, which represents a 9.5 percent increase since 2010. This growth has altered the racial and ethnic profile of Oregon.

Since the year 2000, Oregon's Hispanic population has doubled, and the Asian, Hawaiian, and Pacific Islander (AHPI) has also increased nearly two-fold. Since 2000, Oregon's population increased by over 20 percent, compared to a 91.9 percent increase in AHPI and a 100.0 percent increase in Hispanic populations.

These demographic trends are reflected in the enrollment at Oregon's public universities. Enrollment for students of color has steadily increased since 2010, a trend that is expected to continue. In addition, universities are admitting greater numbers of first-generation and Federal Pell Grant-eligible students. With nearly half of Oregon's K-12 population qualifying for free or reduced lunch, the pipeline of college-bound students face a range of challenges that universities must be prepared to address.

¹ State of Oregon Department of Administrative Services, Office of Economic Analysis. *Oregon's Demographic Trends*. December 2017. DOI: http://www.oregon.gov/das/OEA/Documents/OR_pop_trend2017.pdf. https://www.oregon.gov/das/OEA/Documents/OR_pop_trend2019.pdf



First-generation, Pell-eligible, and traditionally underserved students need a different type and level of student services to ensure completion. First-generation students are more likely to have lower college retention and completion rates than their counterparts.³ They are more likely to come from underrepresented backgrounds, have lower socioeconomic status, have English as a second language, and have lower test scores.⁴ In fact, a National Study of Student Learning report found that, compared to their peers, first-generation students completed fewer first-year credit hours, took fewer humanities and fine arts courses, worked more hours per week, were less likely to participate in an honors program, were less likely to perceive that faculty members were concerned about their learning, and made smaller first-year gains on a standardized measure of reading comprehension.⁵

These and other factors tend to mean that first-generation and underrepresented minority students are more likely to be at a disadvantage before they even step onto campus. This can lead to a higher probability of attrition and increased loans and debt. Studies show that a student’s sense of belonging is directly related to their persistence in school, which is directly influenced through interaction with the academic and social environments of the university.⁶

² State of Oregon Department of Administrative Services, Office of Economic Analysis. Oregon’s Demographic Trends. December 2019. https://www.oregon.gov/das/OEA/Documents/OR_pop_trend2019.pdf

³ Ishitani, T. T. “Studying attrition and college degree completion behavior among first-generation college students in the United States.” The Journal of Higher Education, 77(5). September/October 2006. The Ohio State University. DOI: <https://doi.org/10.1353/jhe.2006.0042>.

⁴ Cordoza, K. “First-generation college students are not succeeding in college, and money isn’t the problem.” The Washington Post. 2016.

⁵ Ishitani, T. T. “Studying attrition and college degree completion behavior among first-generation college students in the United States.” The Journal of Higher Education, 77(5). September/October 2006. The Ohio State University. DOI: <https://doi.org/10.1353/jhe.2006.0042>.

⁶ Darling, R. A.; Smith, M. “First-generation college students: First year challenges.” National Academic Advising Association. Academic Advising: New Insights for Teaching and Learning in the First Year. 2007.

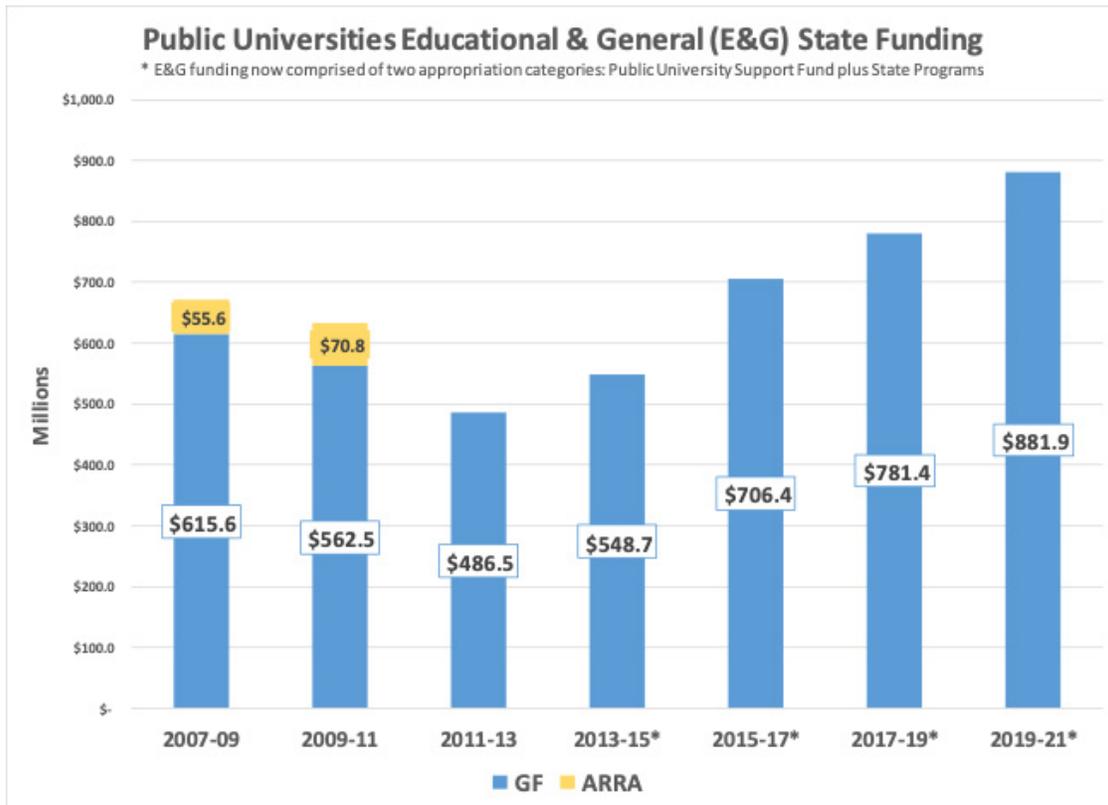
- At PSU, Hispanic/Latino students rose from 5.6 percent of the student body to 14.4 percent between Fall 2010 and Fall 2019.⁷
- UO has nearly doubled its share of ethnic minority students (16.0 percent to 29.9 percent) over the last decade.⁸
- Between 2010 and 2019 EOU has nearly tripled its share of students who identify as students of color, from 10.8 percent to 28 percent.

Our campuses today largely reflect the diversity of both Oregon and the world, and are significantly more diverse than the student populations during the last recession in 2008-2009.

When the great recession hit in 2008, Oregon saw state revenues drop precipitously. Lacking significant balances in the state’s rainy day fund, or education stability fund, lawmakers had to act quickly to balance the state budget.

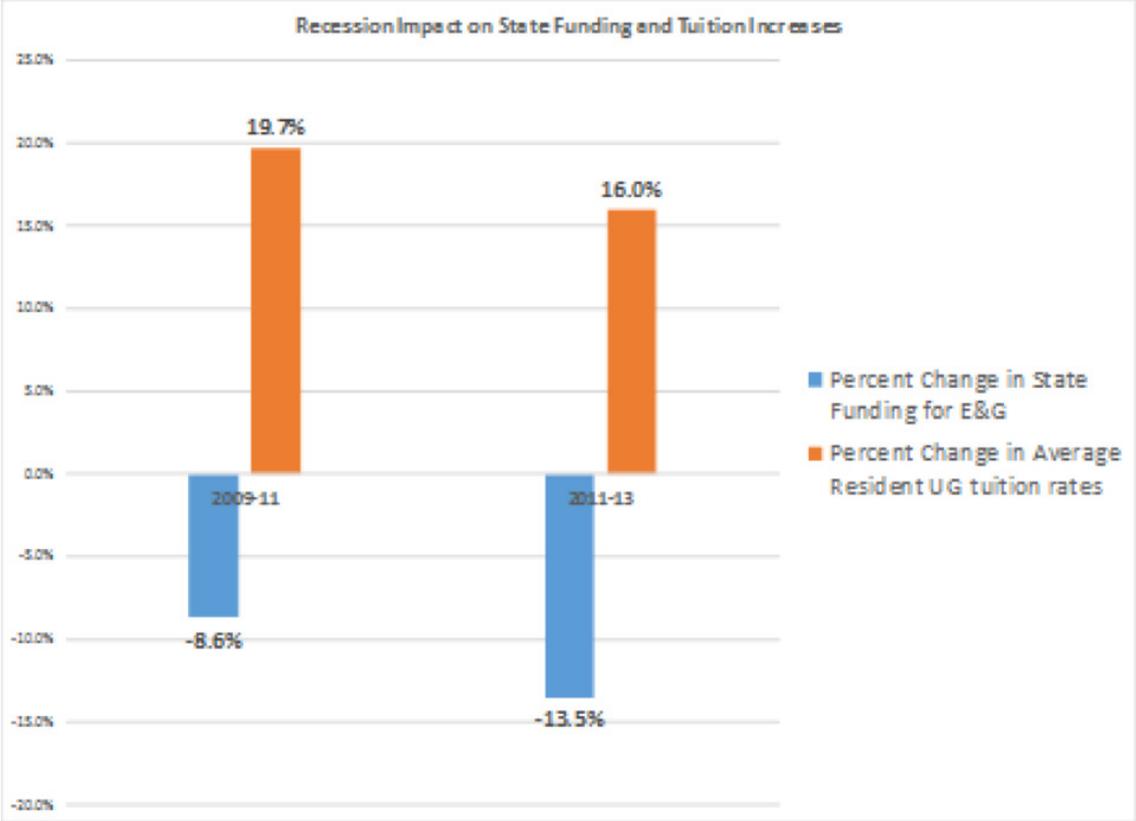
The cuts made to higher education greatly exceeded those applied to most other sectors of the state budget, at a time when Oregonians were turning to community colleges and universities to obtain new skills and degrees. Between the 2007-09 biennium and 2009-2011 biennium the Public University Support Fund was reduced from \$615 million to \$486 million a cut of over \$129 million, or a 26.5 percent reduction.

During this time, universities were forced to balance budgets through a variety of strategies, including spending one-time funds, significant workforce reductions, large increases in nonresident enrollment, and double-digit tuition increases across all campuses.



⁷ <http://tableau.services.pdx.edu/Students/Student%20Profile.html>

⁸ <https://registrar.uoregon.edu/statistics/ethnic-identity#>

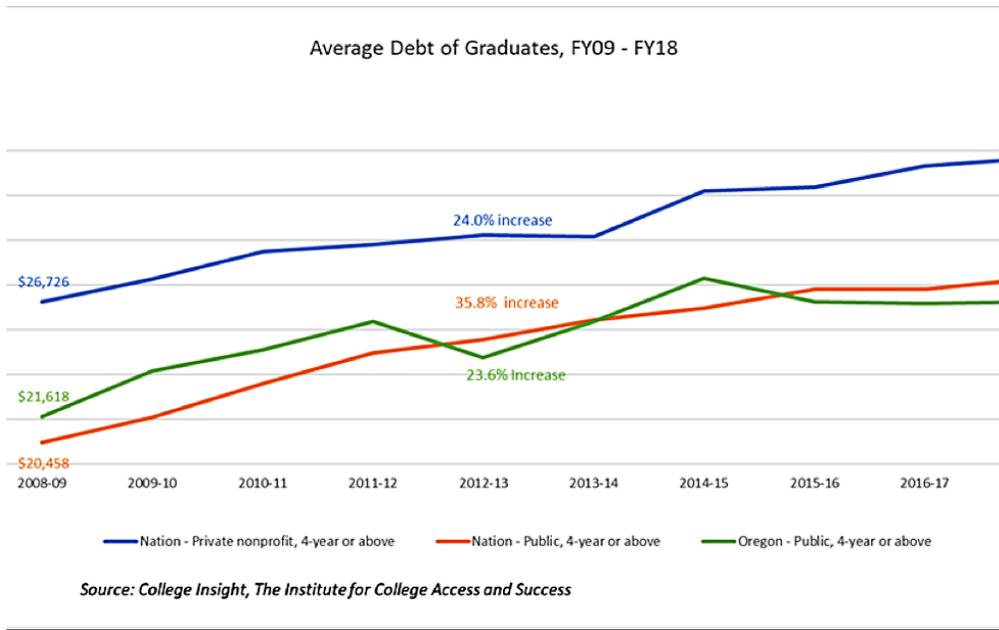


	2007-09		2009-11		Biennial Change	2011-13		Biennial Change
PUSF State Programs Total E&G	615,639,614		562,502,731		-8.6%	486,520,696		-13.5%
			562,502,731			35,988,769		
			562,502,731			486,520,696		
Average Resident Undergraduate Tuition Rates	AY08	4,473	AY10	5,358		AY12	6,237	
	AY09	4,817	AY11	5,759		AY13	6,658	
	Avg	4,645	Avg	5,559	19.7%	Avg	6,448	16.0%

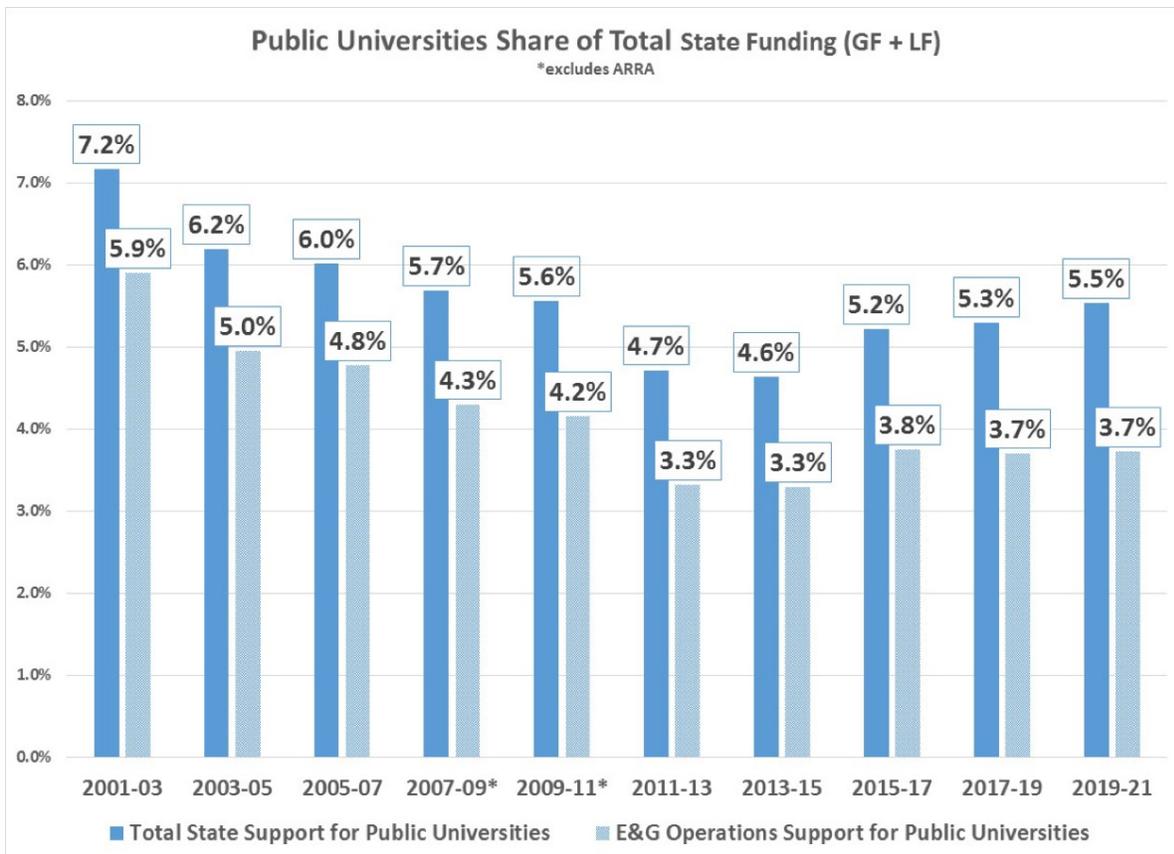
Many of these strategies are not viable options for campuses today, due to a lack of tuition elasticity for both resident and nonresident students. It is not hyperbole to state that if our universities were forced to return to these past practices, a significant portion of today's student population would fail to persist and obtain a degree.

Between 2007-2009 and 2009-2011, average resident undergraduate rates went up 19.7 percent. Between 2009-2011 and 2011-2013, they went up another 16 percent.

Nationally, as well as here in Oregon dramatic increases in tuition corresponded with significant increases in overall student debt. Average student debt levels in Oregon rose over 23 percent between 2008-2009 and 2017-2018.



In the past, Oregon universities have argued that continued and increased investment was needed to close structural and persistent achievement gaps. Today those investments are necessary to ensure that our state doesn't foreclose post-secondary education to an entirely new generation of students, one that is dramatically more diverse than the cohort enrolled during the great recession of 2008-2009.



COVID-19 – A Global Pandemic with Real Implications for Oregon Students

In late February 2020, Oregon confirmed its first known case of the novel corona virus. This occurred as the State of Washington became the United States' first hot spots for COVID-19 infections. That same month Oregon's public universities began to make plans for how they would manage financially and academically through a global pandemic in which we could not operate as residential campuses during the Spring term. Institutions along with the HECC were working collaboratively to respond to both short-term operational challenges as well as long-term impacts that could change how public higher education operates in Oregon and across the country.

On March 19, 2020, Governor Kate Brown issued Executive Order 20-09, which directed that public and private colleges and universities in Oregon shift to a remote instruction model beginning March 21, 2020, and extending through April 28, 2020. On April 17th, Governor Brown amended Executive Order 20-19 extending the effective date to June 13, 2020.

The public universities' first priority through this crisis has been to ensure the health and safety of our students, faculty, and staff, and to the greatest extent possible continue to deliver high-quality remote instruction that keeps students on path to complete their degree.

The first wave of impact from COVID-19 was felt almost immediately. Within seven days—and through the tireless effort of faculty and staff working during Spring break—classes shifted to remote instruction and students were encouraged to remain in residence halls only if they did not have another safe option for housing. As a result, on-campus student populations dropped precipitously during the month of March and we saw many of our residential campuses empty. For example, at the UO, there are fewer than 200 students living in residence halls, in contrast to the normal 4,500 students during any given term.

The reduction of on-campus student populations resulted in a significant loss of revenue in auxiliary budgets. Public universities do not often focus on auxiliary units when working with policymakers or the HECC because they are primarily self-funded and self-sufficient; separate and apart from the Education and General fund. Auxiliary budgets include student housing, dining services, student unions, parking, athletics, and other revenue-generating units on campuses. These net revenue losses have forced campuses to engage in a variety of cost-cutting measures that have included laying off or furloughing staff until students are safely able to return to campus and their work resumes.

The second wave of impact from the pandemic centered around enrollment. Unlike peer institutions across the country, universities up and down the West Coast are based on a quarter system as opposed to a semester system. As a result, the pandemic hit at the end of the term rather than in the middle of a semester where students were already past add/drop dates for classes.

At the outset, campuses feared that shifting to remote instruction and the timing in the academic calendar would lead to significant reductions in enrollment for Spring term—effectively creating a disproportionate impact compared to many of our peers. This issue was a big component of our advocacy to the Oregon federal delegation in getting a higher education stabilization fund in the CARES Act passed in March 2020. Fortunately, while overall course withdrawal rates were higher than normal, the anticipated significant reductions in Spring term enrollment did not materialize. Lost tuition revenue varied by campus, with the largest revenue loss around \$4.5 million on one campus.

University-based federal research has also been significantly disrupted. This has had a direct impact on the people who comprise the federal research enterprise – the scientists, technical support staff, and students, including undergraduates, graduates and post-docs.

With limited or no access to research facilities, laboratories or the field since mid-March, many research teams have been unable to advance their federal grant work. Federal research agencies

have worked hard to provide flexibility so researchers can continue to receive salaries from federal grant funding while their research has been stopped.

As the disruption continues, without certainty that current federal grants will have access to supplemental funds to offset increased costs and lost productivity from the disruption, increasing numbers of the research workforce will be at risk for stop-work requirements in order to retain sufficient grant funds to complete the required work. Further, some grants may have insufficient funds remaining to hire needed workers to complete lab or field work. Over time, an increasing number of individuals will have limited or lost access to planned income. At UO, PSU, OHSU, and OSU, in total, 5,780 individuals, including students, currently rely on federal grants for the majority or entirety of their income. This number will increase over the summer months.

Workers with a high school degree, or less, represent more than half of Oregon's new jobless claims – more than double their share of the workforce. Those with some college are underrepresented among the job losses.⁹

Nationally, some are predicting universities will see enrollment declines of as much as 15 percent for Fall 2020. State and national associations predict that Fall enrollment will be significantly impacted by whether campuses are able to return to some version of in-person instruction. Ultimately, the full impact of the COVID-19 pandemic on Oregon's universities and students will not be known for many months.

At a broader societal level, COVID-19 has reinforced the importance of higher education in an individuals economic security and exposed yet again how persistent disparities between retention and attainment between first-generation and students of color perpetuate systemic inequalities. A recent study from the California Policy Lab found that, "Since March 15th, 37 percent of all workers with a high school degree or less filed for unemployment — compare that with just 6 percent of those who had a bachelor's degree."¹⁰

While it will take several months before universities have a full understanding of how COVID-19 will change higher education and our way of life, our focus remains on providing a quality, accessible education and ensuring the safety of faculty, staff, students, and broader campus communities.

Public University Support Fund Budget Scenarios

Background: Oregon's public universities receive state support through two primary funding channels:

- Public University Support Fund**
 The PUSF is the state's General Fund contribution to the operation of the educational programs of the seven universities. On average of the universities' education and general (E&G) funding, 75.5 percent is derived from student tuition and fees. E&G funds pay for the operation of instructional and support services to students, faculty members, and campus public service programs, and administrative support services.
- State Programs & Statewide Public Service Units**
 Funding for centers, institutes, and programs addressing statewide economic development, natural resources, and other needs are included in the State Programs and Statewide Public Services units. This appropriation is discussed in more detail later in the document.

⁹ <https://www.capolicylab.org/california-unemployment-insurance-claims-during-the-covid-19-pandemic/>

¹⁰ <https://www.oregonlive.com/business/2020/04/oregon-insight-coronavirus-layoffs-especially-hard-on-those-in-small-communities-and-with-less-education.html>

Nexus Between Increased Investment in the PUSF and the HECC's Strategic Plan

The HECC has identified "Funding for Success" as one of four key areas of activity, with the goal of achieving affordability, economic and community impact, equity, and student success.

- **Affordability** – The HECC's recently released Statewide Higher Education Snapshots¹¹ report that across Oregon's public universities, students are struggling to make ends meet. Most students, between 58 percent and 68 percent, depending on the institution, are unable to meet expenses with just family contributions, student earnings, and grant aid, and thus take on debt. Frequently, the burden of affordability weighs most heavily on historically underserved students. Because tuition and the PUSF together fund the cost of providing higher education, the amount invested by the state in the PUSF impacts tuition rates, and thus debt that students incur to earn a degree.
- **Economic and Community Impact** – A world-class faculty, academic and research opportunities, and a diverse, intellectually curious student body are the pistons that will drive the state's economic engine and revitalize communities both urban and rural. To move forward, universities need adequate resources to foster innovation and seed research. Students need pathways to achieving degrees that limit debt through scholarship opportunities and hold tuition increases at bay. Absent investment in the PUSF, the road ahead leads to diminished economic and cultural vitality in all 36 counties.
- **Equity** – Oregon's public universities share the HECC's commitment to diversity, equity, and inclusion. Collectively and individually, universities endeavor to address cultural and ethnic barriers in recruitment and retention. This work is critical to make tomorrow's workforce reflect our collective demographics and values. Pursuing these moral and societal imperatives requires investments in human and economic capital. Student support services, staff, trainings and institutional aid such as PathwayOregon at the UO and Four Years Free at PSU ensure that low-income and first-generation resident students have access to scholarships that help them stay in school and incentivize success.
- **Student Success** – Retention is a critical component of the financial well-being of the institution, and we recognize that one of the worst outcomes is for students to incur debt without attaining a degree. Curbing outgoing transfers and promoting academic success bolster outcomes. As noted above, student success programs put upward pressure on university budgets. While improved enrollment and degree-attainment generate offsetting resources, they do not adequately defray all costs. Again, enhanced PUSF funding will improve student success.

Recent History of PUSF Investments and Other Education Revenue Sources

The PUSF has received important increases since 2015 that are helping to restore per student state funding to the levels they were at prior to the Great Recession in 2008 on a real versus nominal basis. However, as reflected in the table below, the increases are making modest inroads in the overall percentage of state support for public universities as compared to the total education and general costs.

As with most Oregon public bodies, mandated cost drivers such as PERS and PEBB outpace increases in state funding. Because the majority of public university costs are now paid through tuition and other revenue, those mandated costs have been shifted to those who can least afford it – the students.

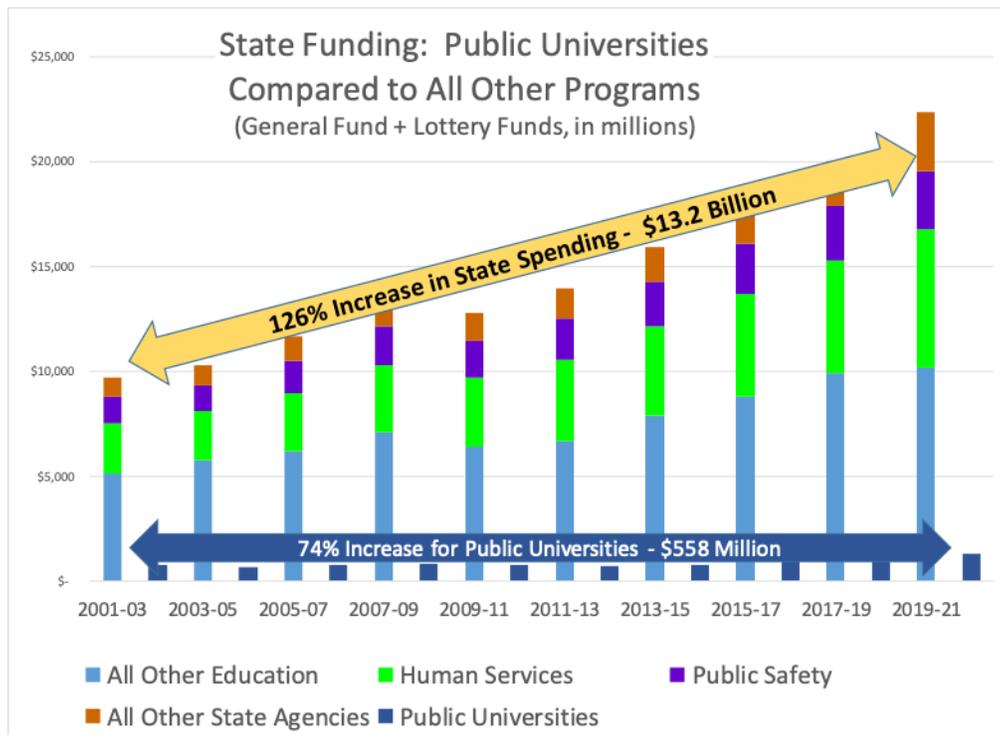
¹¹ <http://www.oregon.gov/highered/research/Pages/snapshots.aspx>.

Public Universities' State Appropriation (General Fund plus Lottery Funds)

Public University Support Fund									
2007-09 Final* LAB ^{1,2}	2009-11 Final* LAB ^{1,2}	2011-13 Final* LAB ¹	2013-15 Final* LAB	2015-17 Final* LAB	2017-19 Final* LAB	2019-21 To Date	2021-23 Request Development		
							ESTIMATED DAS CSL	University Base Costs	Request
\$ 568,487,771	\$ 522,352,575	\$ 450,531,927	\$ 522,845,511	\$ 666,900,000	\$ 736,898,583	\$ 836,898,583			
55,636,352	70,823,654	-	-	-	-	-			
\$ 624,124,123	\$ 593,176,229	\$ 450,531,927	\$ 522,845,511	\$ 666,900,000	\$ 736,898,583	\$ 836,898,583	\$ 882,928,005	\$ 904,687,368	\$ 975,000,000
\$ Change:	\$ (30,947,894)	\$ (142,644,302)	\$ 72,313,584	\$ 144,054,489	\$ 69,998,583	\$ 100,000,000	\$ 46,029,422	\$ 67,788,785	\$ 138,101,417
% Change:	-5.0%	-24.0%	16.1%	27.6%	10.5%	13.6%	5.5%	8.1%	16.5%
Appropriations adjusted to 2008 dollars (current dollars needed to have equivalent spending power as in 2008)			\$ 574,814,363	\$ 743,409,196	\$ 859,429,792	\$ 1,012,208,040	\$ 1,113,399,691	\$ 1,140,838,925	\$ 1,229,505,341

* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding
 1) For biennia prior to 2013-15, E&G appropriations are retroactively split into PUSF and State Programs for comparability with subsequent biennia
 2) For 2007-09 and 2009-11, E&G funding included federal stimulus funds passed through the state for operational support

Public Universities' Share of State Funding (General Fund plus Lottery Funds)



State investments are improving Oregon's per student investment nationally. Prior to the 2017-2019 legislative session, Oregon ranked among the lowest in appropriations per FTE. While progress is being made, state investment remains the lowest among our western peers.

Increased Costs for Students and Cuts to Services

Current Service Level (PUSF: \$882.8 Million)

The “current service level” (CSL is defined as the amount of state funding needed in a subsequent biennium to enable the same programs as are being provided in the current biennium. This calculation is made based on a specific formula set by the Department of Administrative Services (DAS) and State Office of Budget and Management (BAM). Notably for public universities this calculation does not include negotiated salary increases for employees.

For the 2021-2023 biennium, the Universities, in consultation with staff within BAM, Legislative Fiscal Office and HECC estimate CSL funding to be \$46 million a 5.5 percent increase over the 19-21 biennium.

It is important to note that because the PUSF is routed through the Student Success and Completion Model (SSCM), there is not a direct correlation between the aggregate CSL amount and what individual universities receive. Some receive more, and others less than CSL. This issue is due to the fact that the SSCM model distributes PUSF funding based on activity levels and outcomes, as discussed in more detail later in this submission.

Preserving Opportunity and Ensuring a Generation of College Students is Not Priced Out of a Lifetime of Opportunity

Minimum University Recommended Budget “Full Base Funding” (PUSF: \$905.8 Million)

The minimum additional PUSF funding needed to maintain current services, and limit impact on students is \$68.9 million, bringing the total PUSF appropriation to \$905.8 million. Funding at this level will allow most institutions to keep tuition increases at or below 5 percent. State investment at this level represents an 8.1 percent increase over 2019-21 funding levels, and would maintain the existing ratio where students and their families pay 75.5 percent of the cost of education, with the state covering 24.5 percent.

The main difference between how DAS and LFO calculate CSL for the universities and how the universities calculate their cost to continue current operations is that the universities factor in salary increases (driven by collective bargaining agreements).

The single most important factor affecting college affordability over the last decade has been a shift in who is paying most of the cost of a college degree from the state and onto students and their families. Failure to fund actual costs, particularly mandated employee benefits and negotiated salaries, whether it is for the PUSF or the State Programs or Statewide Public Services Programs (SWPS), has a real and enduring effect on the ability of universities to fulfill their public service missions to the people of Oregon.

As detailed in the chart below, such an increase does not augment university programs. Rather, it provides for “full base funding” ensuring the state continues to pay 24.5 percent of the cost of education and that students are not asked to pay more than the 75.5 percent that they do today.

A Note on Retirement Costs: As has been the past practice in recent biennium, the “Full Base Funding” request includes a state investment that covers retirement cost increases on the portion of the budget that is funded by the state. The universities were instructed to use the 2019 advisory rates when calculating our costs going forward. Based on market performance in the last quarter of

2019 and recent changes adopted as a result of the passage of SB 1049 (2019), we anticipate that the PERS Board will revise rates down for 2021-2023 in the Fall of 2020. Should rates fall in the manner we anticipate, the University base funding request could be reduced by as much as \$6 million.

The work of dedicated represented employees, allow universities to effectively operate and comprehensively support students. Universities must build in costs for state-mandated services to employees such as retirement and healthcare coverage as well as collective bargaining. Once executed, bargaining agreements dictate and determine employment conditions and benefits. It is important that the state share these mandated costs with institutions.

Optimal University Budget Request (Public University Support Fund: \$975 Million)

As Oregon works to recover from the economic recession created from COVID-19, public universities are requesting the state return to covering the same percentage of the cost of attendance for students as it did during the Great Recession in 2010. Today, students and their families pay 75.5 percent of the cost of education, while the state pays 24.5 percent. In 2010 students paid 34.9 percent, and the state paid the remaining 65.1 percent. If Oregon were to return to this funding split in the coming biennium the public university support fund would need to increase by over \$554 million, for a total PUSF of \$1.39 billion.

We recognize that an increase of this magnitude would be unprecedented, and unattainable so are suggesting that the state aim to return to these funding levels by the 2027-2029 biennium, making a sustained increased investment each biennium. In order to return to funding levels where Oregon students and their families pay 35 percent (2010 levels), over four biennia the state would need to increase funding for the PUSF in 2021-23 by \$138.6 million.

An investment of \$138.6 million in the PUSF would allow most campuses to keep tuition increases at or below 5 percent for the upcoming biennium, and facilitate investments in wrap around student services that have been shown to increase retention and completion.

HECC Requested PUSF Funding Scenarios and Impacts on Key Metrics

As requested by 2021-2023 PUSF Budget Development Information Request from HECC dated April 29, 2020.

Reduction Scenarios

Universities would need to address the worsening situation by various combinations of larger tuition increases and programmatic cuts. Most tuition increases would be in the 5-10 percent range, with some higher, even exceeding 20 percent. This would detrimentally affect access and affordability, with underrepresented students likely to be more severely impacted. Students nearing completion might be forced to drop out. Entering students might be forced to delay matriculation.

Universities cannot address significant state funding decreases merely by raising tuition. The ability of an institution to increase tuition again is constrained by the inability of our students and their families to pay more during this economic crisis. Once increases go into double digits, incremental revenues will be offset by enrollment declines. There is a national indicator that tuition increases approaching 8 percent, but certainly double-digit increases, can trigger this effect. The other option is to cut expenditures and there are inherent limitations to that action. Tenure and bargaining agreements prescribe handling of workforce reductions and often require an implementation timeline much further out than the state's budget cycle. Program closures can require teaching-out current students for another 2-3 years.

At each institution payroll is the largest cost, representing approximately 80 percent of the budget. It is impossible to reduce budgets without impacting people. Cutting jobs puts university budget managers in a difficult position. Institutional leaders must strike a challenging balance between providing a high-quality and affordable education for students while also providing employees with fair wages and support to be successful. This reality, combined with the fact that many of our service and supplies costs are fixed (e.g. utility costs, leases, debt payments), means that recouping lost revenue of this magnitude would unfortunately, but necessarily, have a significant impact on our employee base.

For these reasons, it is likely that at least 80 percent of this state cut would need to come out of personnel budgets. A rough estimate of salary and benefits cost per employee is \$100K per year, inclusive of compensation and OPE.

10 Percent Reduction Scenario 2.7 Percent Decrease in PUSF

10% decrease to incremental funding		<i>EOU</i>	<i>OIT</i>	<i>OSU</i>	<i>PSU</i>	<i>SOU</i>	<i>UO</i>	<i>WOU</i>	<i>Total</i>
	<i>FY22</i>	20,169,115	28,750,988	132,668,000	95,470,878	21,639,511	73,774,839	26,493,798	354,637,448
	<i>FY23</i>	20,892,262	29,815,520	138,143,840	99,517,401	22,460,135	76,885,185	27,537,160	369,112,447
	2021-23	41,061,377	58,566,508	270,811,840	194,988,279	44,099,646	150,660,024	54,030,958	814,218,632
Change from 2019-21 PUSF	(22,679,952) -2.7%	(1,430,605) -3.4%	(1,435,095) -2.4%	(5,475,396) -2.0%	(7,889,712) -3.9%	(1,953,274) -4.2%	(3,391,361) -2.2%	(1,104,509) -2.0%	(22,679,952) -2.7%
Change from University TBF	(90,468,737) -10.0%	(4,391,078) -9.7%	(6,320,865) -9.7%	(30,194,306) -10.0%	(21,921,679) -10.1%	(4,792,772) -9.8%	(16,909,672) -10.1%	(5,938,364) -9.9%	(90,468,736) -10.0%

20 Percent Reduction Scenario 13.5 Percent Decrease in PUSF

20% decrease to incremental funding		<i>EOU</i>	<i>OIT</i>	<i>OSU</i>	<i>PSU</i>	<i>SOU</i>	<i>UO</i>	<i>WOU</i>	<i>Total</i>
	<i>FY22</i>	17,928,103	25,556,434	117,927,108	84,863,004	19,235,121	65,577,635	23,550,043	354,637,448
	<i>FY23</i>	18,570,902	26,502,685	122,794,521	88,459,912	19,964,561	68,342,389	24,477,477	369,112,447
	2021-23	36,499,005	52,059,119	240,721,629	173,322,916	39,199,682	133,920,024	48,027,520	723,749,895
Change from 2019-21 PUSF	(113,148,689) -13.5%	(5,992,977) -14.1%	(7,942,484) -13.2%	(35,565,607) -12.9%	(29,555,075) -14.6%	(6,853,238) -14.9%	(20,131,361) -13.1%	(7,107,947) -12.9%	(113,148,689) -13.5%
Change from University TBF	(180,937,474) -20.0%	(8,953,450) -19.7%	(12,828,254) -19.8%	(60,284,517) -20.0%	(43,587,042) -20.1%	(9,692,736) -19.8%	(33,649,672) -20.1%	(11,941,802) -19.9%	(180,937,473) -20.0%

DAS CSL - 5.5 Percent Increase in PUSF

PUSF	Increase over 2019-21	Access and Affordability	Student Outcomes	Progress to Degree	Student Services	Other Measures
\$882 million	+\$46 million	<p>Significant tuition increases on most campuses.</p> <p>Fewer Oregonians will seek a degree, especially students from families in poverty.</p> <p>Student debt will accelerate at an even higher rate.</p> <p>Recent progress toward 40-40-20 will be imperiled.</p>	<p>Increased costs will force students to choose between academic progress and life needs.</p> <p>Support for students will diminish as the need for student support increases.</p> <p>Cuts to academic programs will limit the ability of students to graduate on time.</p>	<p>Increased costs will result in more students leaving without degree attainment, but with significant debt.</p> <p>Longer duration to degree attainment will result in increased costs to students.</p>	<p>Cuts to student services including academic advising and financial aid advisors.</p> <p>Increases in key programs assisting veterans, minorities, LGBTQ students, and <u>low income</u> students will be reduced or eliminated.</p>	<p>The majority of salary driven cost increases are borne by students and their families.</p> <p>Achievement / opportunity gaps widen.</p>

University Full Base Funding 8.1 Percent Increase in PUSF

PUSF	Increase over 2019-21	Access and Affordability	Student Outcomes	Progress to Degree	Student Services	Other Measures
\$905 million	+\$68.9 million	<p>Moderate tuition increases at most universities for both years of the biennium.</p> <p>Preserves some recent investments in financial aid for rural, first generation, and under-represented students.</p>	<p>Gains made over the past two biennia will be sustained.</p> <p>Continued pressure on affordability and increased student debt.</p>	<p>Minimal progress in degree attainment.</p>	<p>Maintaining most recent investments in student services including academic advising and financial aid advisors.</p> <p>Recent investments in key programs assisting veterans, minorities, LGBTQ, and low income students may be maintained.</p>	<p>State assumes responsibility for benefits-driven cost increases, ensuring they do not fall on the backs of students and their families</p> <p>Minimal progress in closing systemic achievement / opportunity gaps.</p>

University Budget Request 16.6 Percent Increase in PUSF

PUSF	Increase over 2019-21	Access and Affordability	Student Outcomes	Progress to Degree	Student Services
\$975 million	+\$138 million	<p>Tuition increases at most campuses below 5 percent for both years of the biennium. Many campuses at or below 3 percent.</p> <p>Preserves recent investments in financial aid for rural, first generation, and under-represented students.</p>	<p>Investments in enrollment and recruitment for more Oregonians.</p> <p>Augmented academic programs to better meet workforce needs and accelerate pathways to graduation.</p> <p>Increased remissions leading to lower post-graduation student debt.</p>	<p>Expanded services to students result in increased degree attainment.</p> <p>Investments in completion grants aid students in graduating without lifetime of debt and no degree.</p> <p>Investments in Emergency micro grants to help students persist through personal difficulties.</p>	<p>Preserve and expand recent investments in student support services and academic advising.</p> <p>Integrated career services to better guide and prepare students for employment after graduation.</p>

Investment Needed to Keep Resident Undergraduate Tuition Rate Increases for Most Students at or Below 5 Percent 14.7 Percent Increase in PUSF

The question of what funding level would be needed to keep tuition rate increases at or below 5 percent for all campuses remains challenging to answer due to the different financial situations at each institution. Each campus is faced with unique fiscal challenges due to their current fund balances, operating surplus/deficit, tuition rates, labor agreements, retention rates and recruiting challenges.

It is important to note, as well, that although the CSL calculations used by DAS and the Universities look at the increase of aggregate costs across the institutions, the Student Success and Completion Model does not distribute PUSF funds based on cost increases but instead primarily based on activity levels (Student Course Hours) and outcomes, as was its intention. Survey results indicate that for all universities to achieve resident undergraduate tuition rates at or below 5 percent, the PUSF would need to increase by \$413 million. For most institutions to keep resident undergraduate tuition at or below 5 percent, state investment would need to increase by \$123 million, bringing the PUSF to \$960 million.

State Programs and Statewide Public Service Programs

The universities joint priority for State Programs and Statewide Public Service Programs (SWPS) is to participate in a full base funding level of 8.1 percent to avoid erosion of program effectiveness and delivery over time.

State Programs

In 2013-15, the state divided education and general funding into the PUSF and an appropriation category of "State Programs." These consist of line-item appropriations to programs that "address economic development, natural resource, and other issues rather than provide support for student and institutions."

The State Programs facilitate the integration of the universities' multiple missions of instruction, research, and service. Rarely do university activities solely fall into a single silo. For example, while OSU Ocean Vessels Research is devoted to the "research and study of the waters of the Pacific Coast," students from OSU, UO, and Clatsop Community College all benefited educationally from participation in "Oceanography Boot Camp." While the Institute for Natural Resources at OSU and PSU is focused on the state's natural resources, more than 65 students both contribute to its efforts and participate in a learning experience.

Another example is the TallWood Design Institute, which is a collaboration between OSU's College of Forestry and UO's College of Design. It offers applied research, expanded degree programs, incorporates technical training programs, and expands the potential economic development of an important natural resource in Oregon. While the weighting of expenditure categories vary from one state program to another, overall the predominance of compensation costs mirror that of the PUSF.

State Programs	Legislative Origin	2007-09 Final* LAB ¹	2009-11 Final* LAB ²	2011-13 Final* LAB ²	2013-15 Final* LAB	2015-17 Final* LAB	2017-19 Final* LAB	2019-21 To Date	Incr Over 2017-19	2021-23 Request Development			
										ESTIMATED OAS CSL	University Base Costs	+ Initiatives ³	Request
Engineering Technology Sustaining Funds (ETSF, previously ETIC)	SB 504 (1997)	37,280,000	30,981,350	27,387,573	14,225,106	24,451,274	25,596,618	27,004,433	5.5%	28,489,677	29,191,792		29,191,792
OSU (w UO) TallWood Design Institute (prev Ctr for Advanced Wood Products)	SB 5507 (2015)					2,500,000	3,558,605	3,754,328	5.5%	3,960,816	4,058,429		4,058,429
UO & PSU Dispute Resolution programs (previously 65/35%, now 60/40%)	SB 904 (2003)	2,267,275	2,107,233	2,297,895	2,435,769	2,516,149	2,634,011	2,429,882	-7.7% (3)	2,563,526	2,626,702	377,269	3,003,971
PSU Oregon Solutions	HB 3948 (2001)	2,600,000	2,416,355	2,061,637	2,185,335	2,257,451	2,363,195	2,493,171	5.5%	2,630,295	2,695,118		2,695,118
OSU Fermentation Science	HB 5008 (2013)				1,200,000	1,239,600	1,297,665	1,369,036	5.5%	1,444,333	1,479,928		1,479,928
UO (47.5%), OSU (47.5%), and PSU (5.0%) Signature Research	HB 5077 (2003)	1,143,186	950,315	950,316	1,007,335	1,040,577	1,089,319	1,149,231	5.5%	1,212,439	1,242,319		1,242,319
UO Labor Education Research Center (LERC)	(1977)	696,936	649,089	657,542	656,867	678,544	710,328	1,098,396	54.6% (3)	1,158,808	1,187,366		1,187,366
OSU Marine Research Vessel program	HB 3451 (2013)				300,000	619,800	648,833	684,519	5.5%	722,168	739,965		739,965
OIT Oregon Renewable Energy Center (OREC)	HB 5006 (2017)						500,000	527,500	5.5%	556,513	570,228		570,228
PSU Population Research Center	(1956)	472,744	439,187	374,427	421,407	435,313	455,705	480,769	5.5%	507,211	519,711		519,711
OSU Institute for Natural Resources	HB 3948 (2001)	459,675	427,196	364,484	386,353	399,103	417,797	440,776	5.5%	465,019	476,479		476,479
Clinical Legal Education program (currently UO)	HB 2961 (2007)	231,678	331,750	318,450	337,557	348,077	364,381	384,422	5.5%	405,565	415,560		415,560
OSU Climate Change Research Institute	HB 3543 (2007)	180,000	334,858	285,701	302,843	312,837	327,490	345,502	5.5%	364,505	373,488		373,488
PSU Criminal Justice Policy Research Institute (Profiling)	HB 2002 (2015)						250,431	262,162					-
PSU Willamette Falls Locks Commission	SB 256 (2017)						190,000	200,450	5.5%	211,475	216,686		216,686
OSU College of Ag Channel Study (expected to continue through 2023-25)	HB 2437 (2019)							239,583			234,553		234,533
Programs Subsequently Transferred Out		1,820,349	1,512,823	1,290,744	1,368,185								
Rounding							1						
Subtotal Ongoing State Programs		47,151,843	40,150,156	35,988,769	24,826,757	37,049,156	40,416,110	42,601,998		44,926,903	46,028,304	377,269	46,405,573
Increase over prior biennium			-14.8%	-20.4%	-31.0%	49.2%	9.1%	5.4%		5.5%	8.0%		8.9%
Targeted/One-time Appropriations													
OIT Oregon Manufacturing Innovation Center (OMIC) (one-time)	HB 5050 (2019)							450,000					
OIT System Integration (one-time)	HB 5050 (2019)							300,000					
OSU PacWave (one-time)	HB 5024 (2019)							1,600,000					
Prior Biennia Targeted/One-time					929,000	2,498,707	3,850,000						
Subtotal Targeted/One-time					929,000	2,498,707	3,850,000	2,350,000					
State Programs Total		47,151,843	40,150,156	35,988,769	25,755,757	39,547,863	44,266,110	44,951,998					

* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding

1) For Biennia prior to 2013-15, E&G appropriations are retroactively split into PUSF and State Programs categories for comparison purposes

2) HB 5050 (2019) transferred responsibilities of the Criminal Justice Policy Research Institute's Law Enforcement Contacts Policy & Data Quality Review Committee from PSU to the Criminal Justice Commission

3) HB 5050 (2019) transferred \$349,000 from UO's Dispute Resolution to the LERC at UO; previously Dispute Resolution funding was split 65% to UO, 35% to PSU; effective with this 2019 transfer, the resulting shares are 60% UO, 40% PSU initiatives include restoration of \$349,000 for UO Dispute Resolution plus 8.1% base increase for a total restoration of \$377,269

Continued State Funding at the Labor Education Research Center at 2019 LAB Levels: Nearly all State Programs are funded entirely by the State of Oregon, with minimal amounts of funding from institutions or tuition being allocated to these budgets. A notable exception to this is the Labor Education Research Center (LERC) at the UO. Historically, LERC has relied on roughly equal funding from the State of Oregon and the UO. As part of an effort to make just over \$11 million in cuts to recurring expenses the UO reduced its tuition supported funding of LERC by \$460,000 in 2019 over the course of two to three years. At the close of the 2019 session, the Legislature allocated \$349,000 from the Oregon Office of Community and Dispute Resolution (OOCDR) to LERC to help offset these cuts.

It is the universities' position that the \$349,000 cut to OOCDR be restored by the Legislature at their earliest possible opportunity¹² and that the \$349,000 increase to LERC be treated as an ongoing investment.

¹² HB 5204 in 2020 was amended to include an increase of \$349,000 to the Oregon Office of Community Dispute Resolution. The bill was approved by the Joint Committee on Ways and Means on May 3rd, 2020, but was never considered by the full House or Senate before the Session ended at midnight on March 8th, 2020.

Statewide Public Service Programs

The three programs that constitute the (SWPS) – the Agricultural Experiment Station (AES), the Extension Service (ES), and the Forest Research Laboratory (FRL) – are longstanding services administered through OSU and benefitting Oregonians in all 36 counties and nine federally recognized tribes of Oregon. The SWPS activities are a primary example of how Oregon’s land-grant university intentionally integrates instruction, research, and service missions to enhance lives and livelihoods in all Oregon communities. As noted with the PUSF and State Programs, it is vital to the integrity of these services that state support reflects the true base cost increases.

When managed by attrition, budget shortfalls and reductions leave little opportunity for strategic planning and no opportunity for maintaining investments in critical, developing areas of need. Instead, even in times of deficit, we have continued to work with stakeholders to set priorities for investment and address new and emerging needs for Oregon.

The SWPS absorbed a 12.5 percent reduction in actual funding over the 2011 and 2013 biennia that forced a fundamental assessment and reprioritization of our programs based on input from our stakeholders. In subsequent biennia we have continued to systematically reallocate funding to our stakeholders’ highest priority needs via prioritized staffing decisions and investments. Thanks to strong stakeholder support, the Legislatively Approved Budget for the SWPS’s current biennium (2019-2021) included an increase of 15.7 percent over the prior biennium. This level of increase incorporated a “catch-up” amount that recognized state appropriations had not been keeping up with continuing service level cost increases and allowed maintenance of ongoing services.

It also included \$5.2 million per biennium in continuing new initiatives, including \$2 million for wildfire resilience and recovery, \$2.7 million for water quality and quantity programs, and \$375,000 for organic agriculture. The request for 2021-23 reflects only what is needed to cover base cost increases and maintain current high priority programs that are crucial to Oregonians all across the state.

Statewide Public Services (SWPS)	2007-09 Final* LAB	2009-11 Final* LAB	2011-13 Final* LAB	2013-15 Final* LAB	2015-17 Final* LAB	2017-19 Final * LAB	2019-21 LAB through 2020 session	2021-23 Request Development		
								ESTIMATED DAS CSL	University Base Costs	Request
State General Fund										
Agricultural Experiment Station	58,937,209	53,498,403	51,793,494	55,275,282	63,121,066	66,088,861	76,058,861	80,242,098	82,219,629	82,219,629
Extension Service	42,642,380	39,087,553	37,463,402	39,909,526	45,601,540	47,717,403	56,002,403	59,082,535	60,538,598	60,538,598
Forest Research Laboratory	6,590,714	5,829,217	5,698,684	6,070,772	9,771,107	10,224,041	11,424,041	12,052,363	12,349,388	12,349,388
SWPS Total	108,170,303	98,415,173	94,955,580	101,255,580	118,493,713	124,030,305	143,485,305	151,376,996	155,107,615	155,107,615
<i>Increase over prior biennium</i>		-9.0%	-3.5%	6.6%	17.0%	4.7%	15.7%	5.5%	8.1%	
One-time SWPS funding										
HB 5006 (2017) AES organic farming positions						380,000				
HB 5050 (2019) AES Berry Initiative						-	125,000			
Subtotal One-time						380,000	125,000			
Lottery Funds										
Outdoor School (Administered by Extension Service) ¹						24,000,000	45,305,847			44,000,000
* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding										
1) Per Ballot Measure 99 (2016), the lesser of 4% of Lottery transfers (adjusted for inflation) - \$49,656,000 as of March 2020 OEA Forecast - or \$22M per year										

Engineering and Technology Sustaining Funds

Formed in 1997, the Engineering and Technology Industry Council (ETIC) was established to provide a private-public partnership between the OUS and the Oregon Graduate Institute (OGI). Starting in 2005, ETIC was overseen by the OUS' Industry Affairs Department. Its mission was "to make postsecondary engineering and technology education a strategic resource that fuels the Oregon economy and creates opportunity for all Oregonians." It established success criteria and measurements for investments in these areas, made specific investment recommendations, and monitored the results of these investments.

As part of the transition from OUS to the HECC, ETIC was renamed the Engineering and Technology Sustaining Fund (ESTF) and 80 percent of its prior biennium funding—about \$25 million—transitioned to the HECC for distribution. Universities that receive ESTF funding are providing the workforce and advanced research for the engineering and technology companies.

The premise of ESTF was to use modest state funding to build a nucleus of faculty members and programs that would leverage those dollars to create opportunities and impact across Oregon's high-technology sector. With this investment over the past twenty years, Oregon's seven public universities have tripled the degrees awarded in engineering, computer science, and related fields. 1,600 of those degrees in 2016 were awarded to Oregonians. Of the individuals receiving degrees in those fields in 2016, 1,308 were employed in Oregon in 2017. ESTF has assisted increasing the diversity in these fields. PSU has increased underrepresented minorities students in engineering to 37 percent and at the UO underrepresented students make-up 50 percent of their engineering graduate internship program.

The ESTF also helped build research and development in high-technology fields. Public universities increased annual externally funded research expenditures in these areas to more than \$70 million in fiscal year 2016. From 1999 through 2016 OSU's College of Engineering alone increased research expenditures more than 350 percent for a total over those years of more than \$458 million. Those funds employ faculty members, students, and research staff members across Oregon and contribute significantly to the communities in which the work is done.

The state's investment in ESTF created innovation and opportunity:

- Oregon Tech launched its Data Science program and has continually retooled its mechanical, electrical and renewable engineering programs with support from ETSF funds. These funds support the ongoing operations of the College of Engineering, Technology and Management and in particular industry connected faculty who run on project based undergraduate degree programs.
- OSU built the nation's 11th largest College of Engineering, in terms of undergraduates, and has licensed innovative technologies such as transparent semi-conductors.
- UO created a graduate internship program that forged partnerships with more than 75 organizations to advance the careers of hundreds of students. historically close to 98 percent of students have successfully completed internships and close to 90 percent receive regular job offers within three months of finishing their internships.
- ETSF dollars allowed SOU to offer competitive salaries that turned around a pattern of failed searches for new Computer Science faculty. With this infusion to improve salaries, our CS program is expanding security offerings and resolving bottlenecks to ensure students can progress steadily to graduation.
- PSU more than tripled the number of enrolled engineering students to over 3,200 and it is the university's fastest growing college. ETSF is transforming lives at PSU, one in three students are first generation, over 40 percent are Pell-eligible, and 25 percent have children. Nearly 700 students graduate each year and over 80 percent of them stay in Oregon.

If the state reduced or dissolved the ESTF, universities could not cover the loss with tuition or other cuts. This is a key source of funds that powers research and innovation at Oregon's public universities.

Oregon Opportunity Grant

The Oregon Opportunity Grant (OOG) is Oregon's largest state-funded, need-based grant program for college students. During the current biennium, the legislature appropriated 109.5 million to the program.

Awards are prioritized according to each student's federal calculated expected family contribution (EFC), starting with EFCs of \$0, until OOG funds are exhausted. During the 2020-21 academic year, students with an EFC of \$3,500 or less received a \$3,600 grant.

The process by which the Office of Student Access and Completion (OSAC) allocates funding ensures that those students with the most need are served first. However, because the OOG is chronically underfunded, many students with a high degree of need do not receive any state aid. Approximately 15,000 students who qualify for the Federal Pell Grant, which provides assistance to students with an EFC of \$5,576 or less (that amount increased from \$5,486 in 2018-2019), are unsupported by the OOG. In addition, an untold number of potential students are not served because they do not apply and/or they do not attend. Because the \$2,250 grant covers approximately 10 percent of the cost of attendance, many students are unable to attend even if they qualify and are awarded a grant. Inadequate funding for the OOG can lead students on a pathway to high college debt. Further, if those students cannot complete their education due to the high cost of attendance, they also lack the incomes to pay off that debt.

For the 2018-2019 academic year, OSAC chose to implement a two-tier award system with community college students receiving up to \$2,600 and four-year students receiving up to \$3,200. This decision addresses the higher cost of attendance at the four-year institutions and is preferable to retaining grants at a lower amount but extending them to more students.

The Oregon Promise has increased the importance and awareness of the OOG for several reasons. First, 46 percent of community college students who participate in the Oregon Promise also receive supplemental aid from the OOG. Second, it creates a new pathway for students who may ultimately transfer to four-year institutions. In the coming years, it is reasonable for universities to anticipate an increase in the number of transfer students with high levels of need seeking the OOG to continue through to a four-year degree.

Oregon has set ambitious goals to increase the number of Oregonians attending and finishing college. Attaining these goals will rely on a sustained increase in funding for the OOG, especially for historically underserved populations and low-income families.

To carry through recent OSAC decisions, at least \$126 million will be needed to support students attending the four-year universities (17,500 students X \$3,600 grants X two years). This is an increase of \$47.25 million (\$112 million less the current \$78.75 million from 17,500 students X \$2,250 grants X two years) over the current level of funding for OOG for students attending four-year universities. Increases will also be needed to support students attending community colleges. These increases could be included in either the Oregon Promise or the OOG.

Sports Lottery and Equity Scholarships

Background

In 2005, the Oregon legislature passed HB 3466, which removed the Oregon State Lottery Commission’s authority to operate “Sports Action” games. Prior to 2005, the proceeds of Sports Action games were used by the State Board of Higher Education to fund athletic programs at state institutions of higher education. This legislation established a new funding source for athletics programs by replacing the funds with **1 percent** of the State Lottery transfers to the Economic Development Fund.

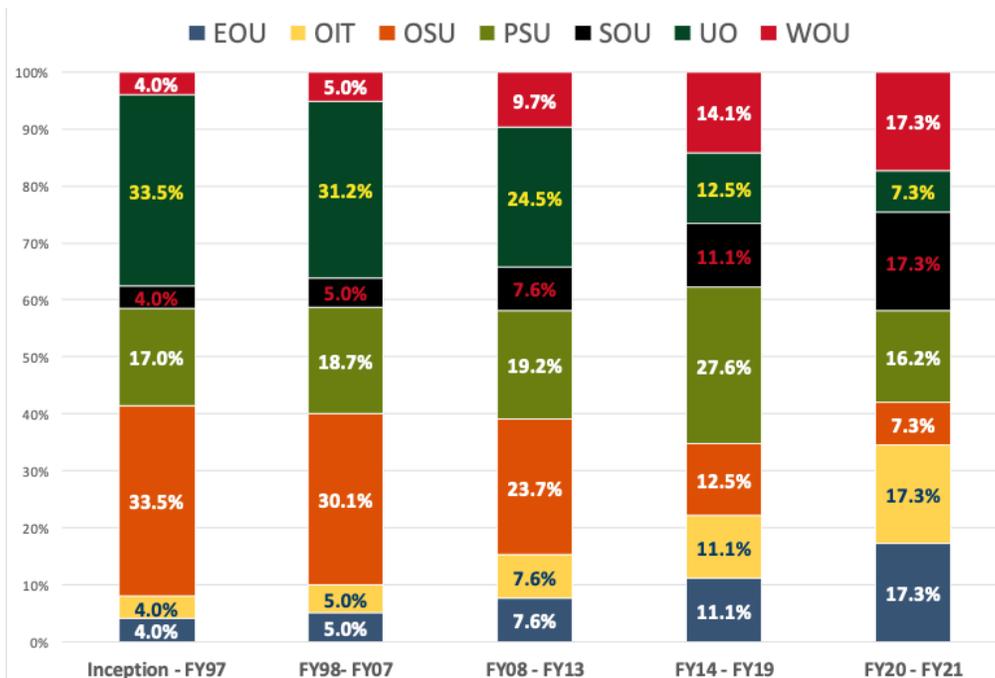
The legislation was necessary because the National Collegiate Athletic Association (NCAA) does not allow states that sponsor gambling on athletic events to host NCAA championship tournaments. The elimination of Sports Action games in Oregon made the state eligible to bid on opportunities to host NCAA tournaments. Since the passage of the bill, a wide range of tournaments have been held in Oregon, driving millions of dollars into the economy. During that same period of time, the state has allocated the statutorily required 1 percent only one time to the universities. The recent United States Supreme Court rule that the federal prohibition on state sports betting is unconstitutional may have an impact on Oregon’s sports betting structure, but the impacts at this time are unknown.

Maintaining the Statutory 1 Percent Supporting Diversity and Equity

Across Oregon, Sports Lottery funding allows students who might otherwise not have had access to college to attend universities. Funding intercollegiate athletics and graduate academic scholarships through Sports Lottery revenue has a proven positive effect on enrollment, retention, and diversity. **Sports Lottery funding is a primary way that campuses are able to meet Title IX requirements to equitably fund women’s athletics.** Taking part in intercollegiate athletics while pursuing a degree generally has a positive multiplier effect on students. It promotes the skills that universities are teaching in the classroom: teamwork, problem-solving, and informed decision-making.

Sports Lottery funding increases the overall goal of student diversity at every level: gender, geographic, ethnic, and economic background. The student-athletes who benefit from these

Share of Sports Lottery as Allocation Methods Have Changed



investments strongly support a continued and sustained investment of 1 percent of lottery funds for Sports Lottery.

2019-2021 LAB Investments

HB 5029 (2019) increased investments in Sports Lottery funding from \$8.2 million to \$14.1 million. HB 5050 (2019) allocated those additional funds to Oregon's TRUs as outlined in the table above.

2021-2023 Sports Lottery Request

Recognizing that lottery revenues for 2019-2021, and 2021-2023 are likely to suffer significant losses due to COVID-19, the Governor and Legislature should work to provide as much funding as possible for the Sports Lottery program at Oregon's public universities, making every effort to provide a full one percent of lottery proceeds to Oregon students.

Student Success and Completion Model Update

Before the passage of the Student Success Act (2019), the PUSF was the only sector of the educational budget that allocated General Fund resources using outcome-driven metrics. The HECC utilizes the Student Success and Completion Model (SSCM) to distribute state funding based on the success of Oregon students. Additional priority is placed on graduating Oregon students who are low-income, underrepresented minorities, rural students, and veteran students. Oregon was an early adopter in instituting an outcomes-based funding system, and this links directly with the state's 40-40-20 educational attainment goal.

When the commission adopted the SSCM in 2015, it included language that required that the formula be reexamined after five years. In the Fall of 2019, the HECC appointed a workgroup to advise staff on any changes that should be made to the existing formula. The SSCM Evaluation Workgroup has met monthly, beginning in October 2019. Originally the workgroup had planned to have a final report to present to the Commission in May 2020; however, due to the COVID-19 pandemic, commission staff have indicated that more time is needed to conduct this important work.

Phase 1 of this work concluded in early April. The commission hopes to complete the work of phase two by the Fall of 2020. Issues identified by the workgroup in phase 1 include cost weights, mission differentiation, the interaction of incentive structures for high-cost/high-demand programs, transfer degrees, collaboration, student affordability, and non-controversial technical corrections.

As the workgroup and commission consider adjustments to the SSCM, it is important to note that despite the appropriate focus on outcomes, the existing model has resulted in some significant practical, financial, and communication challenges for our public universities. Namely, as policymakers consider investments in the PUSF, they do so in the context of CSL, the impact on tuition, workforce, and student support services. However, it is important to note that while funding may be added to the entire PUSF due to aggregate CSL or full cost calculations, the funds are not allocated on a cost basis. Instead they are allocated to individual universities on an activities (SCH) and outcomes (degrees or completions) basis. This means that not all universities receive funding that provides for CSL or full continuing operational cost increases.

The universities continue to support a funding formula that is driven by student outcomes and look forward to working with the commission to address the issues identified in phase 1 of the workgroup process as well as the challenges around distribution that exist today.

Conclusion

As Oregon begins to fully understand the economic toll wrought by the COVID-19 pandemic, policymakers will inevitably be faced with difficult choices around state budgets. In past recessions, state leaders cut funding for Oregon's community colleges, public universities, and student financial aid programs assuming the budget shortfall would be mitigated through one of the other major revenue levers these institutions have: Tuition revenue. That is no longer an option. Our student bodies are notably different than those who were studying in 2008-2009. They are more diverse, include more first-generation students, and have significant percentages of students that are facing food and housing insecurity. Importantly, today's students already face much higher tuition rates than students from 2008-2009. Deep cuts to higher education in 2020 will mean a decrease in student success despite all our best efforts. We cannot ask Oregonians and their families to take on further debt, and we must sustain investment to the extent possible to increase attainment and lifelong success.

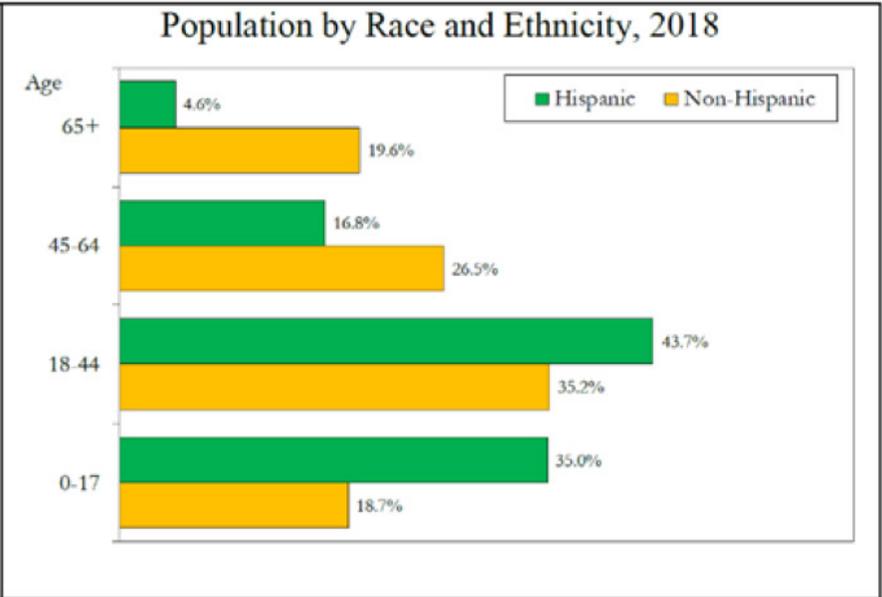
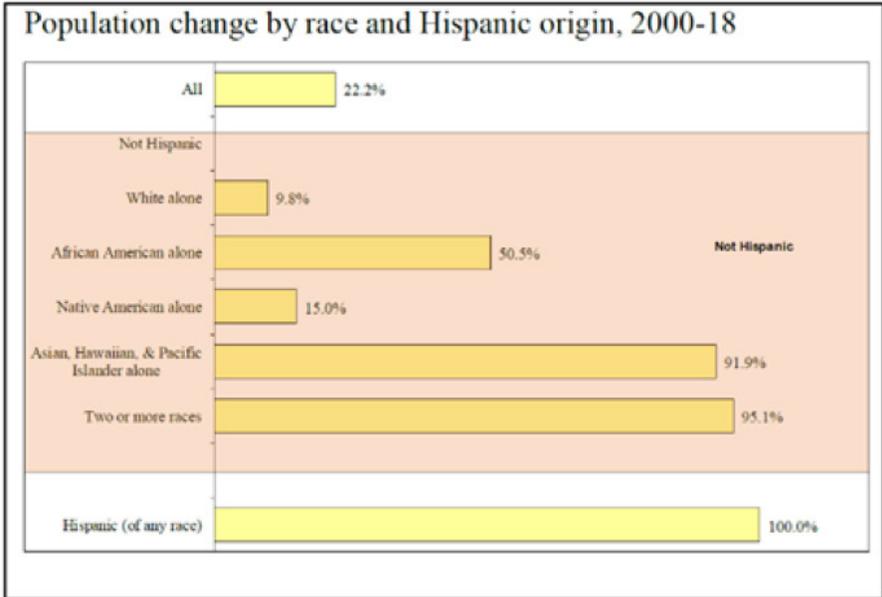
In the coming biennium, policymakers should ensure that Oregon invests a minimum of \$905 million in the PUSF, increases funding for the Oregon Opportunity Grant, as well as State Programs and statewide public service programs at levels that will preserve opportunity for Oregon students.

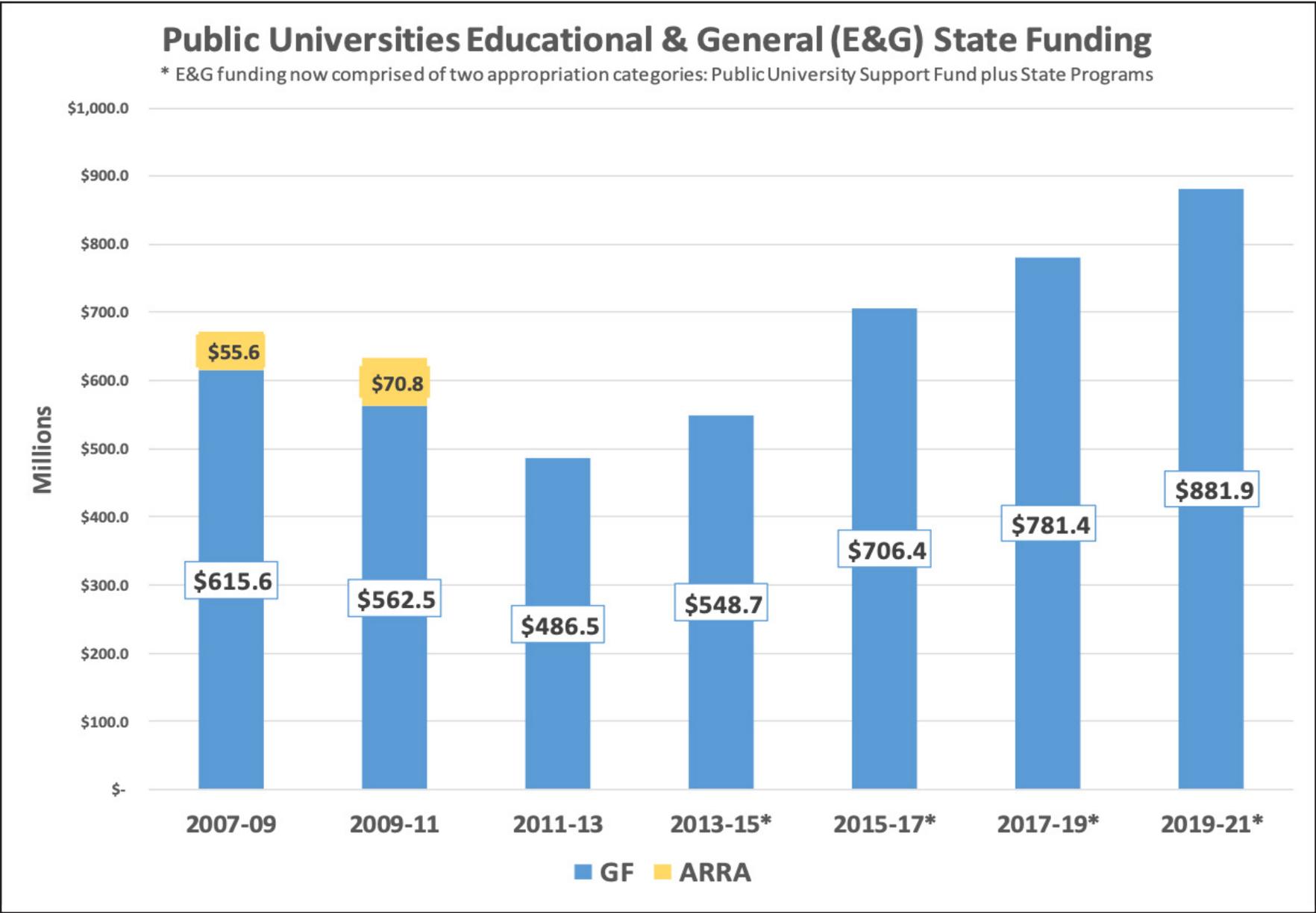
Communities and employers across our state rely on our postsecondary education system to be economic engines that lift individuals and entire regions of the state out of poverty and produce the educated workforce of tomorrow.

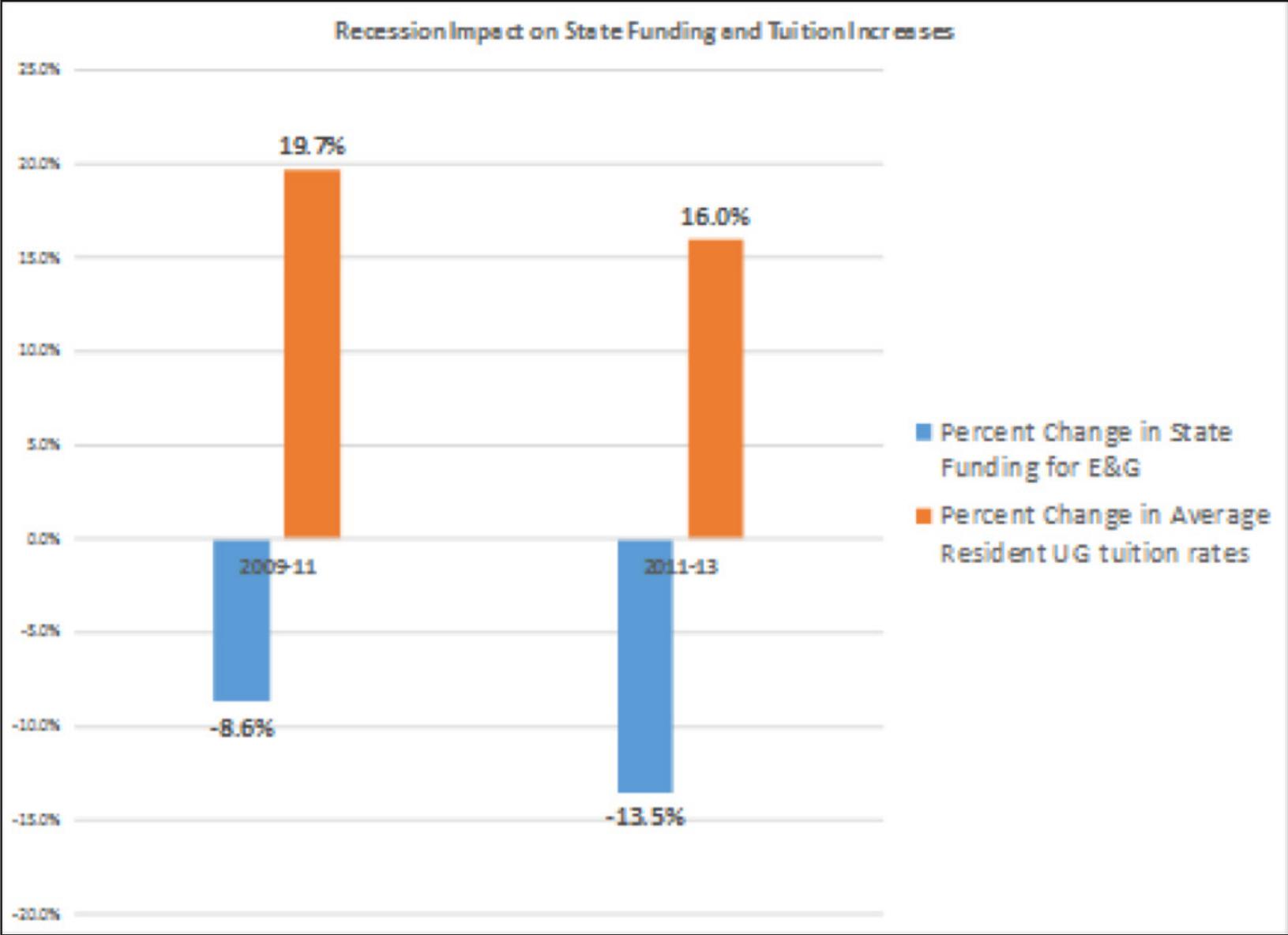
This budget submission identifies various funding scenarios and their impact on students, institutions, and the state. Despite the many challenges ahead, a \$1.38 billion investment in the PUSF will keep access and affordability a priority in Oregon. We should not simply settle for historical norms where students and their families are asked to bear the brunt of disproportionate cuts to higher education budgets in Oregon. We should strive for investment that will set Oregon ahead of other states on the road to economic recovery following the economic collapse associated with COVID-19.

Together, we can make sure that a college education continues to provide a path to prosperity for the many Oregon students who are working hard to overcome difficult obstacles and a path to recovery for communities and a state looking for hope during the difficult days that lie ahead.

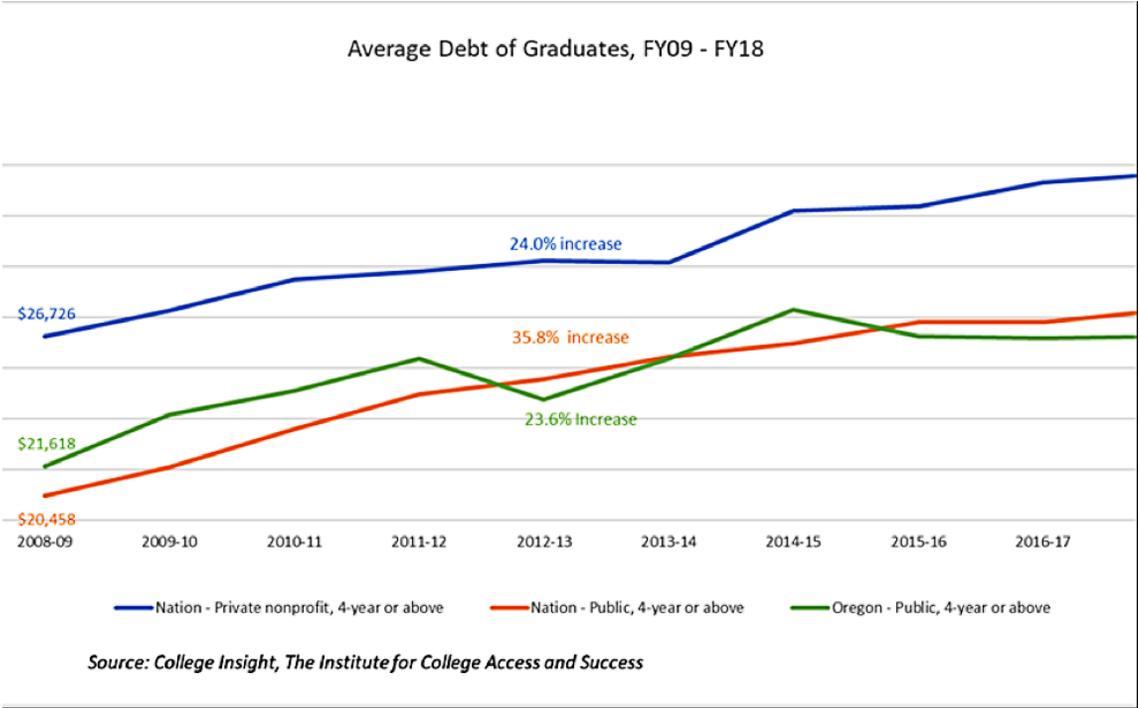
**APPENDIX
TABLES
AND
CHARTS**

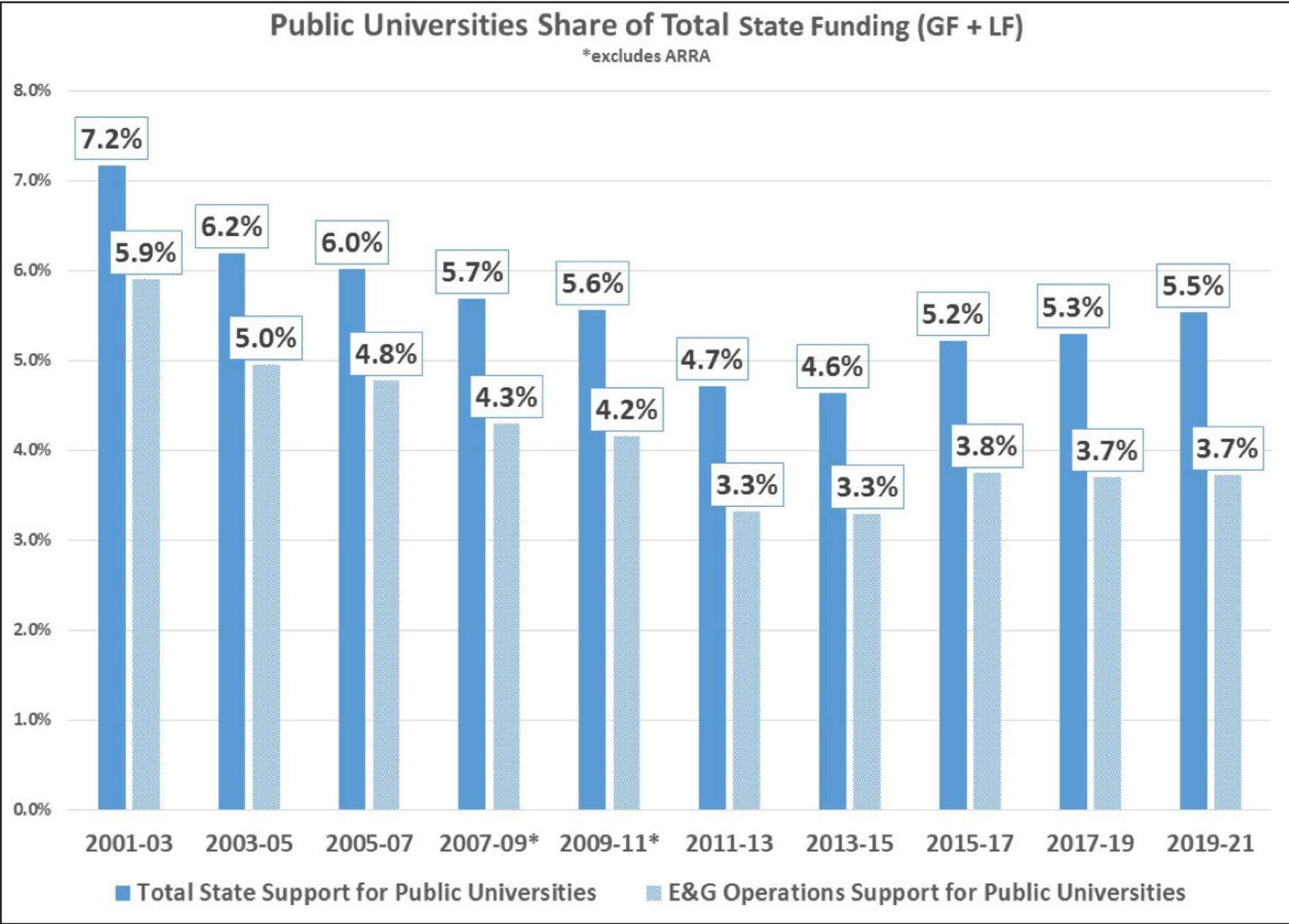




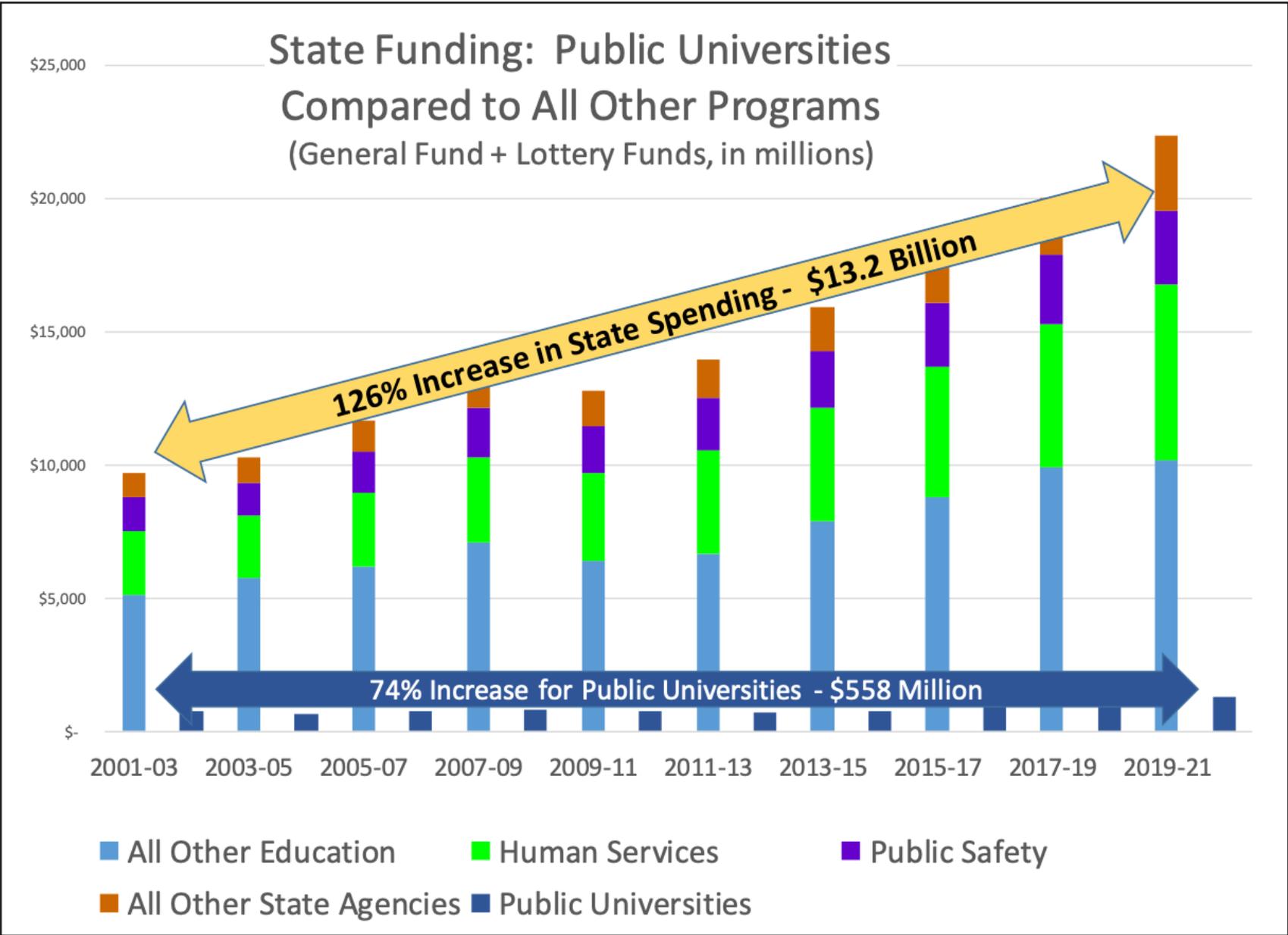


	2007-09		2009-11		Biennial Change	2011-13		Biennial Change
PUSF State Programs						450,531,927		
Total E&G	615,639,614		562,502,731		-8.6%	35,988,769		
			562,502,731			486,520,696		-13.5%
Average Resident Undergraduate Tuition Rates	AY08	4,473	AY10	5,358		AY12	6,237	
	AY09	4,817	AY11	5,759		AY13	6,658	
	Avg	4,645	Avg	5,559	19.7%	Avg	6,448	16.0%





Public University Support Fund									
2007-09 Final* LAB ^{1,2}	2009-11 Final* LAB ^{1,2}	2011-13 Final* LAB ¹	2013-15 Final* LAB	2015-17 Final* LAB	2017-19 Final* LAB	2019-21 To Date	2021-23 Request Development		
							ESTIMATED DAS CSL	University Base Costs	Request
\$ 568,487,771	\$ 522,352,575	\$ 450,531,927	\$ 522,845,511	\$ 666,900,000	\$ 736,898,583	\$ 836,898,583			
55,636,352	70,823,654	-	-	-	-	-			
\$ 624,124,123	\$ 593,176,229	\$ 450,531,927	\$ 522,845,511	\$ 666,900,000	\$ 736,898,583	\$ 836,898,583	\$ 882,928,005	\$ 904,687,368	\$ 975,000,000
<i>\$ Change:</i>	<i>\$ (30,947,894)</i>	<i>\$ (142,644,302)</i>	<i>\$ 72,313,584</i>	<i>\$ 144,054,489</i>	<i>\$ 69,998,583</i>	<i>\$ 100,000,000</i>	<i>\$ 46,029,422</i>	<i>\$ 67,788,785</i>	<i>\$ 138,101,417</i>
<i>% Change:</i>	<i>-5.0%</i>	<i>-24.0%</i>	<i>16.1%</i>	<i>27.6%</i>	<i>10.5%</i>	<i>13.6%</i>	<i>5.5%</i>	<i>8.1%</i>	<i>16.5%</i>
<i>Appropriations adjusted to 2008 dollars (current dollars needed to have equivalent spending power as in 2008)</i>									
			\$ 574,814,363	\$ 743,409,196	\$ 859,429,792	\$ 1,012,208,040	\$ 1,113,399,691	\$ 1,140,838,925	\$ 1,229,505,341
<p>* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding</p> <p>1) For biennia prior to 2013-15, E&G appropriations are retroactively split into PUSF and State Programs for comparability with subsequent biennia</p> <p>2) For 2007-09 and 2009-11, E&G funding included federal stimulus funds passed through the state for operational support</p>									



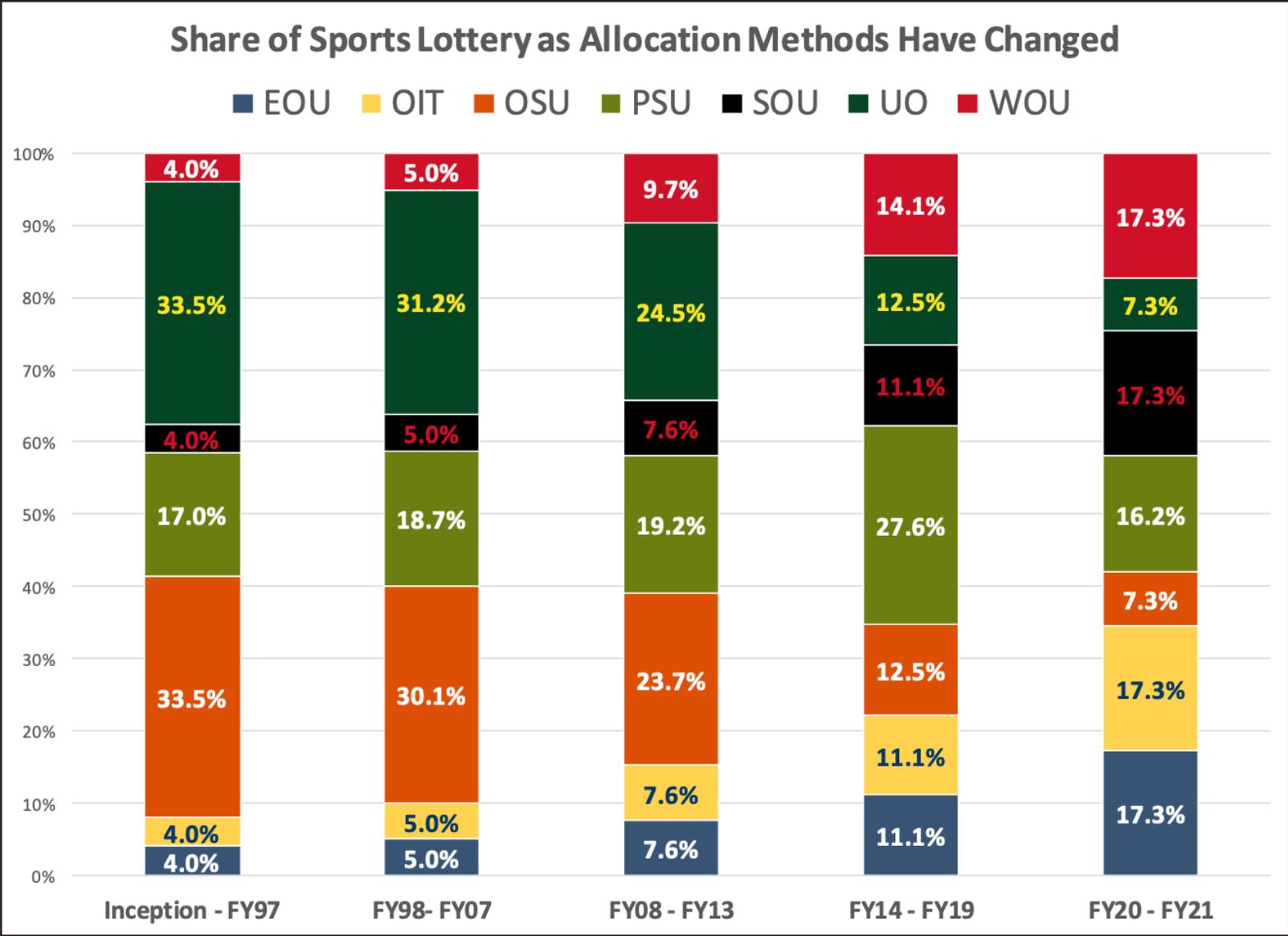
10% decrease to incremental funding	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total	
	FY22	20,169,115	28,750,988	132,668,000	95,470,878	21,639,511	73,774,839	26,493,798	354,637,448
	FY23	20,892,262	29,815,520	138,143,840	99,517,401	22,460,135	76,885,185	27,537,160	369,112,447
	2021-23	41,061,377	58,566,508	270,811,840	194,988,279	44,099,646	150,660,024	54,030,958	814,218,632
Change from 2019-21 PUSF (22,679,952) -2.7%	(1,430,605) -3.4%	(1,435,095) -2.4%	(5,475,396) -2.0%	(7,889,712) -3.9%	(1,953,274) -4.2%	(3,391,361) -2.2%	(1,104,509) -2.0%	(22,679,952) -2.7%	
Change from University TBF (90,468,737) -10.0%	(4,391,078) -9.7%	(6,320,865) -9.7%	(30,194,306) -10.0%	(21,921,679) -10.1%	(4,792,772) -9.8%	(16,909,672) -10.1%	(5,938,364) -9.9%	(90,468,736) -10.0%	

20% decrease to incremental funding	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total	
	FY22	17,928,103	25,556,434	117,927,108	84,863,004	19,235,121	65,577,635	23,550,043	354,637,448
	FY23	18,570,902	26,502,685	122,794,521	88,459,912	19,964,561	68,342,389	24,477,477	369,112,447
	2021-23	36,499,005	52,059,119	240,721,629	173,322,916	39,199,682	133,920,024	48,027,520	723,749,895
Change from 2019-21 PUSF (113,148,689) -13.5%	(5,992,977) -14.1%	(7,942,484) -13.2%	(35,565,607) -12.9%	(29,555,075) -14.6%	(6,853,238) -14.9%	(20,131,361) -13.1%	(7,107,947) -12.9%	(113,148,689) -13.5%	
Change from University TBF (180,937,474) -20.0%	(8,953,450) -19.7%	(12,828,254) -19.8%	(60,284,517) -20.0%	(43,587,042) -20.1%	(9,692,736) -19.8%	(33,649,672) -20.1%	(11,941,802) -19.9%	(180,937,473) -20.0%	

State Programs	Legislative Origin	2007-09 Final* LAB ¹	2009-11 Final* LAB ¹	2011-13 Final* LAB ¹	2013-15 Final* LAB	2015-17 Final* LAB	2017-19 Final* LAB	2019-21 To Date	Incr Over 2017-19	2021-23 Request Development				
										ESTIMATED DAS CSL	University Base Costs	+ Initiatives ³	Request	
Engineering Technology Sustaining Funds (ETSF, previously ETIC)	SB 504 (1997)	37,280,000	30,981,350	27,387,573	14,225,106	24,451,274	25,596,618	27,004,433	5.5%		28,489,677	29,191,792		29,191,792
OSU (w UO) TallWood Design Institute (prev Ctr for Advanced Wood Products)	SB 5507 (2015)					2,500,000	3,558,605	3,754,328	5.5%		3,960,816	4,058,429		4,058,429
UO & PSU Dispute Resolution programs (previously 65/35%, now 60/40%)	SB 904 (2003)	2,267,275	2,107,233	2,297,895	2,435,769	2,516,149	2,634,011	2,429,882	-7.7% (3)		2,563,526	2,626,702	377,269	3,003,971
PSU Oregon Solutions	HB 3948 (2001)	2,600,000	2,416,355	2,061,637	2,185,335	2,257,451	2,363,195	2,493,171	5.5%		2,630,295	2,695,118		2,695,118
OSU Fermentation Science	HB 5008 (2013)				1,200,000	1,239,600	1,297,665	1,369,036	5.5%		1,444,333	1,479,928		1,479,928
UO (47.5%), OSU (47.5%), and PSU (5.0%) Signature Research	HB 5077 (2003)	1,143,186	950,315	950,316	1,007,335	1,040,577	1,089,319	1,149,231	5.5%		1,212,439	1,242,319		1,242,319
UO Labor Education Research Center (LERC)	(1977)	696,936	649,089	657,542	656,867	678,544	710,328	1,098,396	54.6% (3)		1,158,808	1,187,366		1,187,366
OSU Marine Research Vessel program	HB 3451 (2013)				300,000	619,800	648,833	684,519	5.5%		722,168	739,965		739,965
OIT Oregon Renewable Energy Center (OREC)	HB 5006 (2017)						500,000	527,500	5.5%		556,513	570,228		570,228
PSU Population Research Center	(1956)	472,744	439,187	374,427	421,407	435,313	455,705	480,769	5.5%		507,211	519,711		519,711
OSU Institute for Natural Resources	HB 3948 (2001)	459,675	427,196	364,484	386,353	399,103	417,797	440,776	5.5%		465,019	476,479		476,479
Clinical Legal Education program (currently UO)	HB 2961 (2007)	231,678	331,750	318,450	337,557	348,077	364,381	384,422	5.5%		405,565	415,560		415,560
OSU Climate Change Research Institute	HB 3543 (2007)	180,000	334,858	285,701	302,843	312,837	327,490	345,502	5.5%		364,505	373,488		373,488
PSU Criminal Justice Policy Research Institute (Profiling)	HB 2002 (2015)					250,431	262,162			(2)				-
PSU Willamette Falls Locks Commission	SB 256 (2017)							190,000	5.5%		211,475	216,686		216,686
OSU College of Ag Channel Study (expected to continue through 2023-25)	HB 2437 (2019)							239,583			234,553	234,533		234,533
Programs Subsequently Transferred Out		1,820,349	1,512,823	1,290,744	1,368,185									
Rounding		-	-	-	-	-	1	-			-	-	-	-
Subtotal Ongoing State Programs		47,151,843	40,150,156	35,988,769	24,826,757	37,049,156	40,416,110	42,601,998			44,926,903	46,028,304	377,269	46,405,573
Increase over prior biennium			-14.8%	-10.4%	-31.0%	49.2%	9.1%	5.4%			5.5%	8.0%		8.9%
Targeted/One-time Appropriations														
OIT Oregon Manufacturing Innovation Center (OMIC) (one-time)	HB 5050 (2019)							450,000						
OIT System Integration (one-time)	HB 5050 (2019)							300,000						
OSU PacWave (one-time)	HB 5024 (2019)							1,600,000						
Prior Biennia Targeted/One-time		-	-	-	929,000	2,498,707	3,850,000	-						
Subtotal Targeted/One-time		-	-	-	929,000	2,498,707	3,850,000	2,350,000						
State Programs Total		47,151,843	40,150,156	35,988,769	25,755,757	39,547,863	44,266,110	44,951,998						

* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding
 1) For biennia prior to 2013-15, E&G appropriations are retroactively split into PUSF and State Programs categories for comparison purposes
 2) HB 5050 (2019) transferred responsibilities of the Criminal Justice Policy Research Institute's Law Enforcement Contacts Policy & Data Quality Review Committee from PSU to the Criminal Justice Commission
 3) HB 5050 (2019) transferred \$349,000 from UO's Dispute Resolution to the LERC at UO; previously Dispute Resolution funding was split 65% to UO, 35% to PSU; effective with this 2019 transfer, the resulting shares are 60% UO, 40% PSU
 Initiatives include restoration of \$349,000 for UO Dispute Resolution plus 8.1% base increase for a total restoration of \$377,269

Statewide Public Services (SWPS)	2007-09 Final* LAB	2009-11 Final* LAB	2011-13 Final* LAB	2013-15 Final* LAB	2015-17 Final* LAB	2017-19 Final * LAB	2019-21 LAB through 2020 session	2021-23 Request Development		
								ESTIMATED DAS CSL	University Base Costs	Request
State General Fund										
Agricultural Experiment Station	58,937,209	53,498,403	51,793,494	55,275,282	63,121,066	66,088,861	76,058,861	80,242,098	82,219,629	82,219,629
Extension Service	42,642,380	39,087,553	37,463,402	39,909,526	45,601,540	47,717,403	56,002,403	59,082,535	60,538,598	60,538,598
Forest Research Laboratory	<u>6,590,714</u>	<u>5,829,217</u>	<u>5,698,684</u>	<u>6,070,772</u>	<u>9,771,107</u>	<u>10,224,041</u>	<u>11,424,041</u>	<u>12,052,363</u>	<u>12,349,388</u>	<u>12,349,388</u>
SWPS Total	108,170,303	98,415,173	94,955,580	101,255,580	118,493,713	124,030,305	143,485,305	151,376,996	155,107,615	155,107,615
<i>Increase over prior biennium</i>		-9.0%	-3.5%	6.6%	17.0%	4.7%	15.7%	5.5%	8.1%	
One-time SWPS funding										
HB 5006 (2017) AES organic farming positions						380,000				
HB 5050 (2019) AES Berry Initiative						-	125,000			
Subtotal One-time						380,000	125,000			
Lottery Funds										
Outdoor School (Administered by Extension Service) ¹						24,000,000	45,305,847			44,000,000
<p>* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding</p> <p>1) Per Ballet Measure 99 (2016), the lesser of 4% of Lottery transfers (adjusted for inflation) - \$49,656,000 as of March 2020 OEA Forecast - or \$22M per year</p>										



2021-23 Public Universities Consolidated Funding Request					
Appropriation Category State General Fund (GF) Lottery Funds (LF)		2017-19 Final LAB	2019-21 LAB To Date	2021-23 Consolidated Funding Request	
Public University Support Fund	GF	736,898,583	836,898,583	975,000,000	16.5%
State Programs					
Ongoing	GF	40,416,110	42,601,998	46,405,573	8.9%
Targeted/One-time	GF	3,850,000	2,350,000	-	
Subtotal State Programs		44,266,110	44,951,998	46,405,573	
Subtotal Education & General (E&G)		781,164,693	881,850,581	1,021,405,573	
Statewide Public Services (SWPS)					
Agricultural Experiment Station (AES)	GF	66,088,861	76,058,861	82,219,629	8.1%
AES one-time	GF	380,000	125,000		
Extension Service (ES)	GF	47,717,403	56,002,403	60,538,598	8.1%
Forest Research Laboratory (FRL)	GF	10,224,041	11,424,041	12,349,388	8.1%
Subtotal SWPS		124,410,305	143,610,305	155,107,615	
Sports Lottery	LF	8,240,000	14,099,809	16,128,000	14.4% (1)
Outdoor School (Administered by ES)	LF	24,000,000	45,305,847	44,000,000	-2.9% (2)
Debt Service					
General Fund	GF	150,990,324	191,502,929	Actual	
Lottery	LF	31,881,610	33,744,795	Obligations	
State Funding Grand Total		<u>1,120,686,932</u>	<u>1,310,114,266</u>		
			16.9%		
		1,122,626,932			
1) Statutory 1% Per March 2020 OEA Revenue Forecast					
2) Per Ballet Measure 99 (2016), the lesser of 4% of Lottery transfers (adjusted for inflation) - \$49,656,000 as of March 2020 OEA Forecast - or \$22M per year					