



Southern Oregon University

Public Meeting Notice

July 10, 2015

TO: Southern Oregon University Board of Trustees
FROM: Sabrina Prud'homme, University Board Secretary
RE: Notice of Special Meeting

The Southern Oregon University Board of Trustees will hold a special meeting on the date and at the location set forth below.

Topics of the meeting will include committee meeting reports, an update on the SOU Student Recreation Center and McNeal Pavilion renovation design, Higher Education Coordinating Committee information, the Fiscal Year 2015-16 Budget, and an executive session, pursuant to [ORS 192.660(2)(f)].

The meeting will occur as follows:

Friday, July 17, 2015
12:00 p.m. to 5:00 p.m. (or until business concludes)
Hannon Library, DeBoer Boardroom, 3rd Floor, Room #303

The Hannon Library is located at 1290 Ashland Street, on the campus of Southern Oregon University. **If special accommodations are required, please contact Jennifer Athanas at (541) 552-6111 at least 72 hours in advance.**

Board of Trustees

1250 Siskiyou Boulevard, Ashland, OR 97520 T (541) 552-6111 sou.edu/governance

**Southern Oregon University Board of Trustees
Special Meeting**

Friday, July 17, 2015

12:00 p.m. – 5:00 p.m. (or until business concludes)

DeBoer Boardroom, Hannon Library, 3rd Floor, #303

AGENDA

Call to Order

Roll Call

Public Comment

Lunch and Campus Events Update

Student Recreation Center and McNeal Pavilion Renovation Design

Education Item

- Introduction to Higher Education Coordinating Commission (HECC) (President, Roy Saigo)
 - HECC Overview (Ben Cannon)
 - Public University Funding Model (Brian Fox)

BREAK (approximately 15 minutes)

Legislative Update

- Liz Shelby, Chief of Staff and Director of Government Relations

Reports of Board Standing Committees

- Academic and Student Affairs Committee
- Finance and Administration Committee
- Executive and Audit Committee

Action Item

- FY 2015-16 Budget

Executive Session [Pursuant to ORS 192.660(2)(f)]

Adjourn

HIGHER EDUCATION IN OREGON



July 17, 2015

BEN CANNON, Executive Director, HECC

OREGON HIGHER EDUCATION

2

1. A High Goal

2. Clear Pathways

3. Investment (in outcomes)



OREGON'S 40-40-20 GOAL

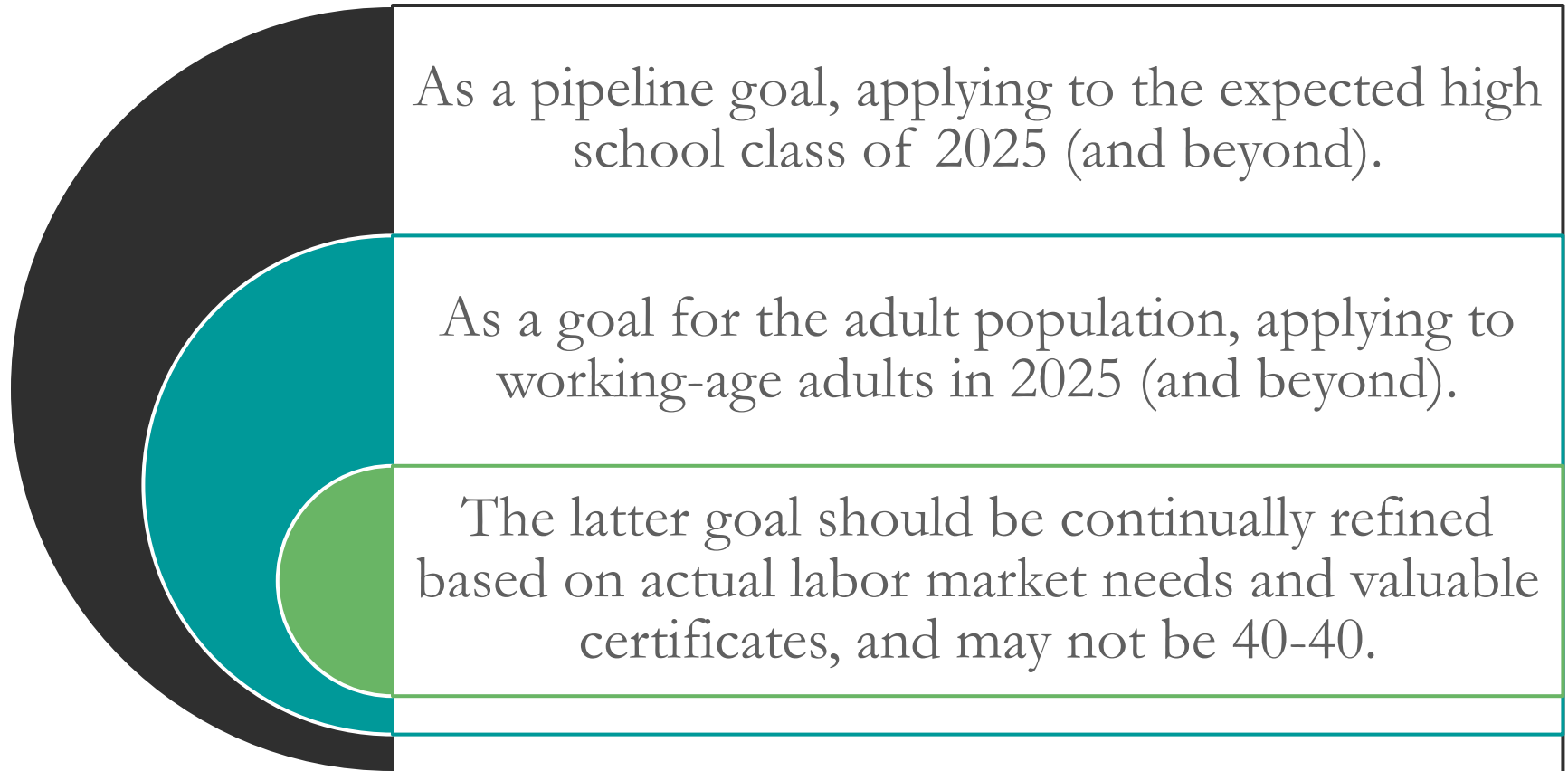
4

By 2025, 40% of adult Oregonians will hold a bachelor's or advanced degree, 40% will have an associate's degree or a meaningful postsecondary certificate, and all adult Oregonians will hold a high school diploma.



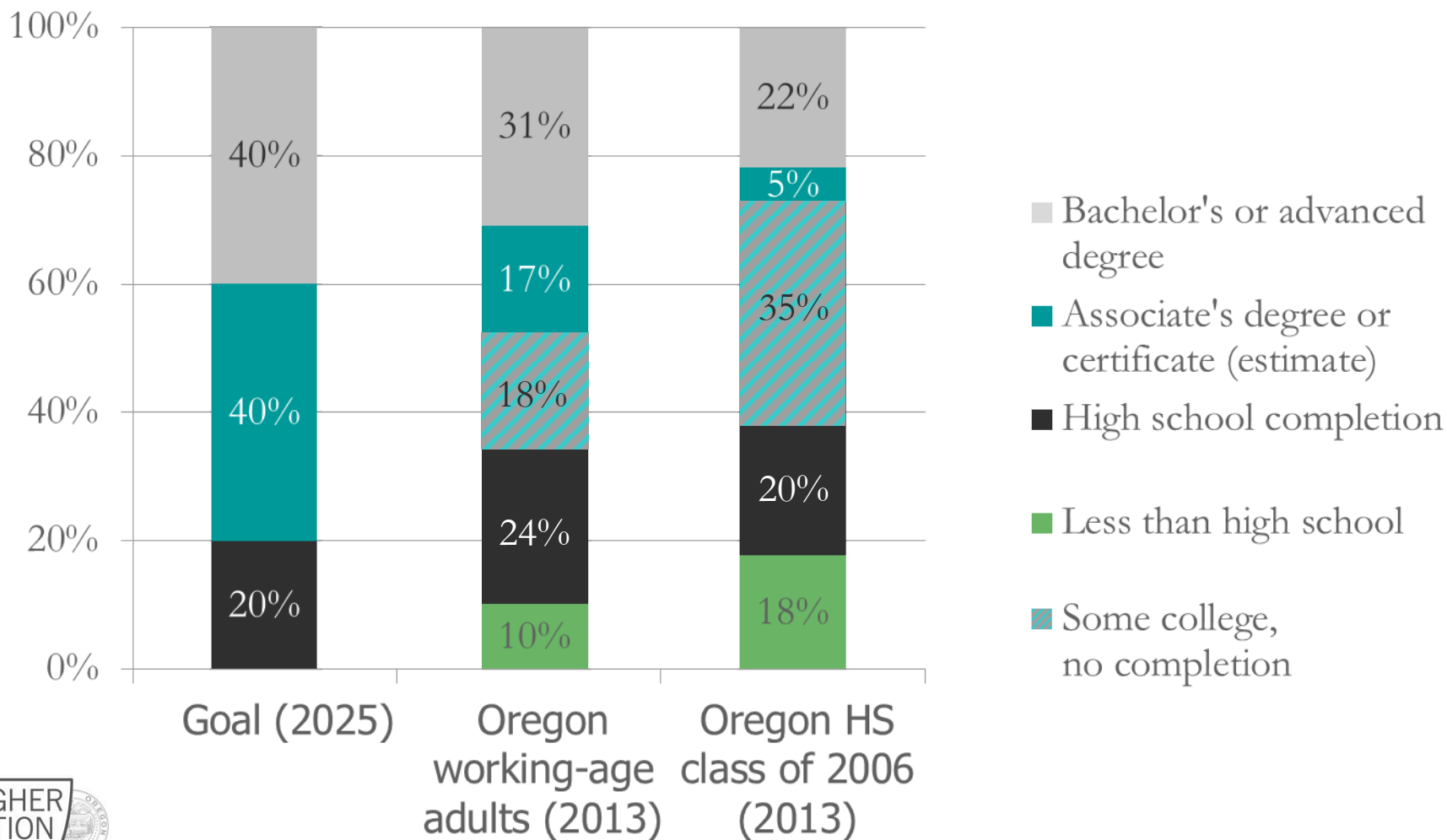
40-40-20: "ALL ADULTS"? THE "PIPELINE"?

5



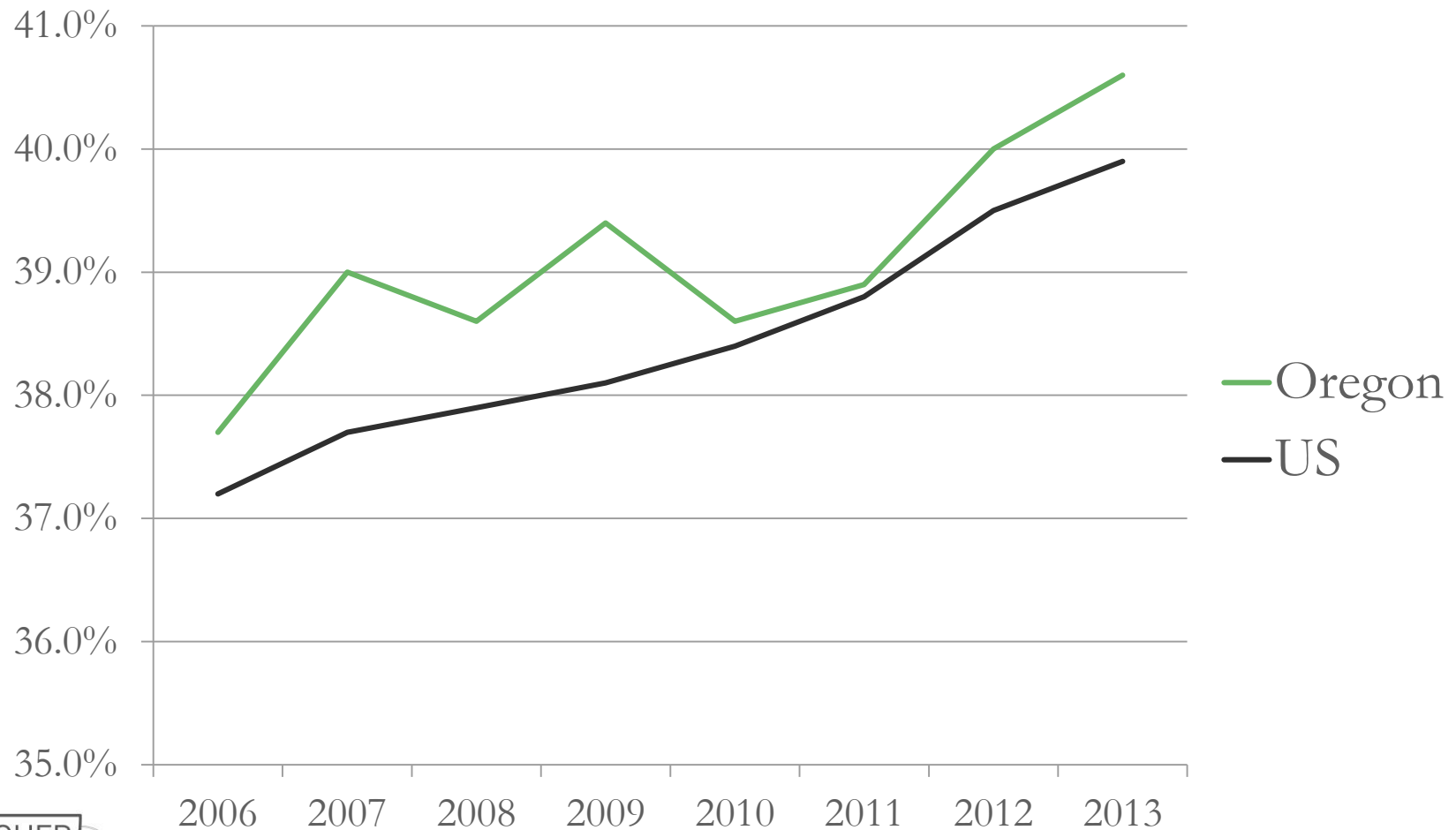
MEASURING OREGON AGAINST 40-40-20

6



40-40-20 TRENDS: PERCENTAGE OF ADULTS WITH ASSOCIATE'S DEGREE OR HIGHER

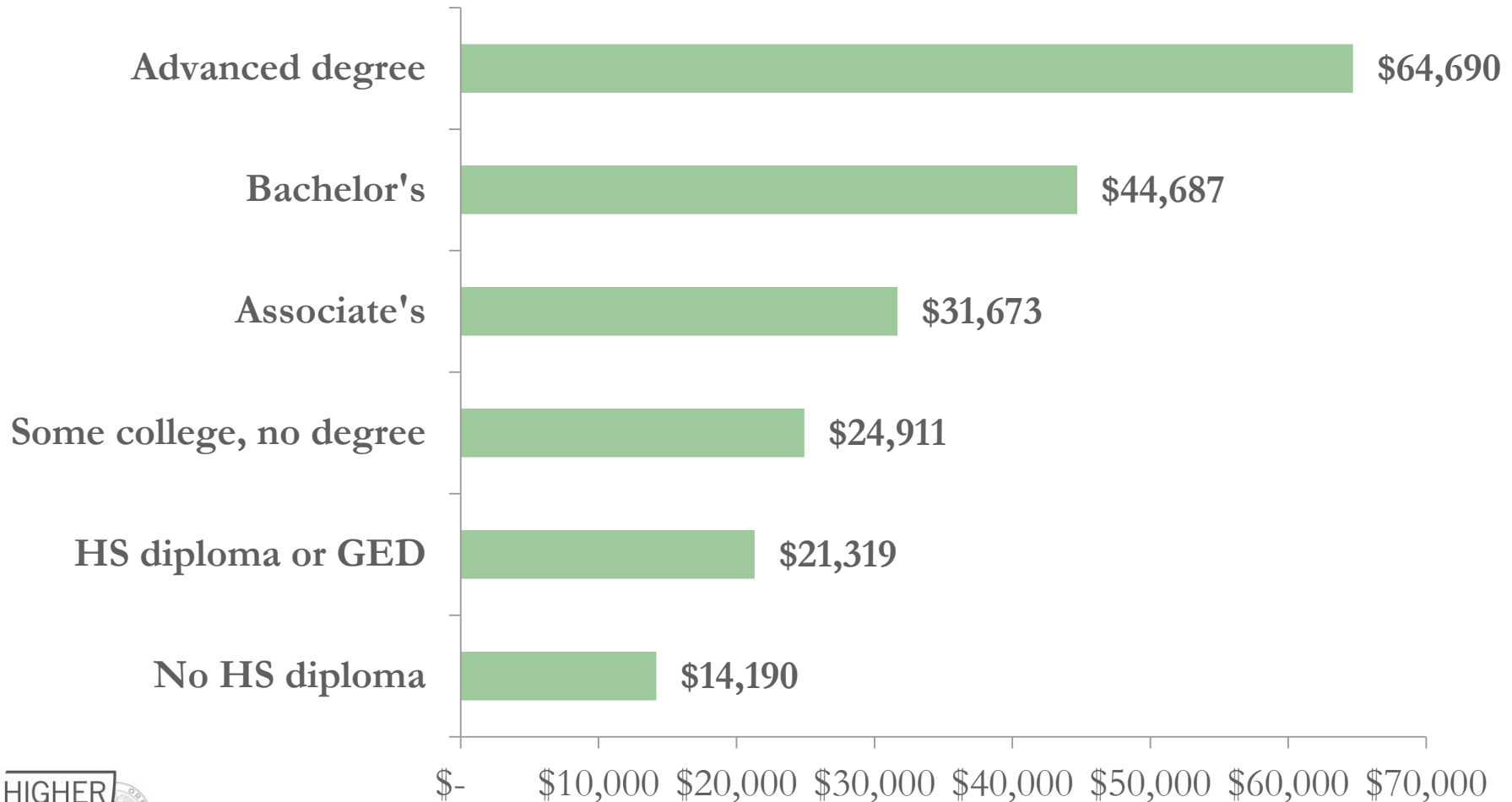
7



Source: American Community Survey data. Does not include people for whom a post-secondary certificate or apprenticeship is their highest form of educational attainment.

MEAN WAGES BY EDUCATIONAL ATTAINMENT FOR WORKING AGE (25-64) OREGON ADULTS

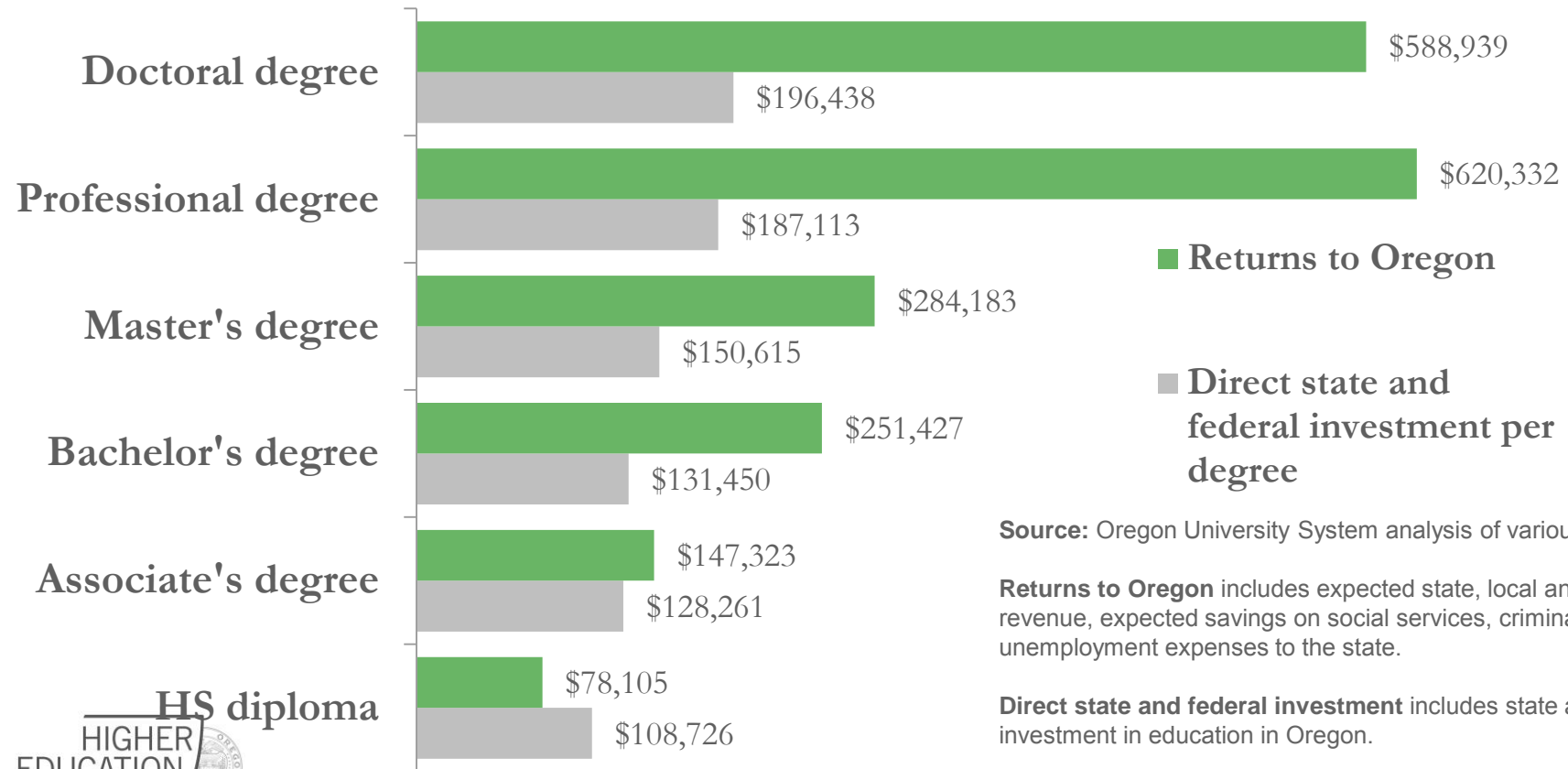
8



RETURNS TO OREGON

9

Direct State and Federal Investments per Degree and Estimated Returns



Source: Oregon University System analysis of various data sources

Returns to Oregon includes expected state, local and federal tax revenue, expected savings on social services, criminal justice and unemployment expenses to the state.

Direct state and federal investment includes state and federal investment in education in Oregon.

HECC'S STATUTORY ROLE

10

1. A High Goal

- Advise Legislature and Governor on state goals
- Develop state strategic plan
- Monitor state and institutional progress
- Maintain and report data
- Annually evaluate universities



OREGON HIGHER EDUCATION

12

1. A High Goal

2. Clear Pathways

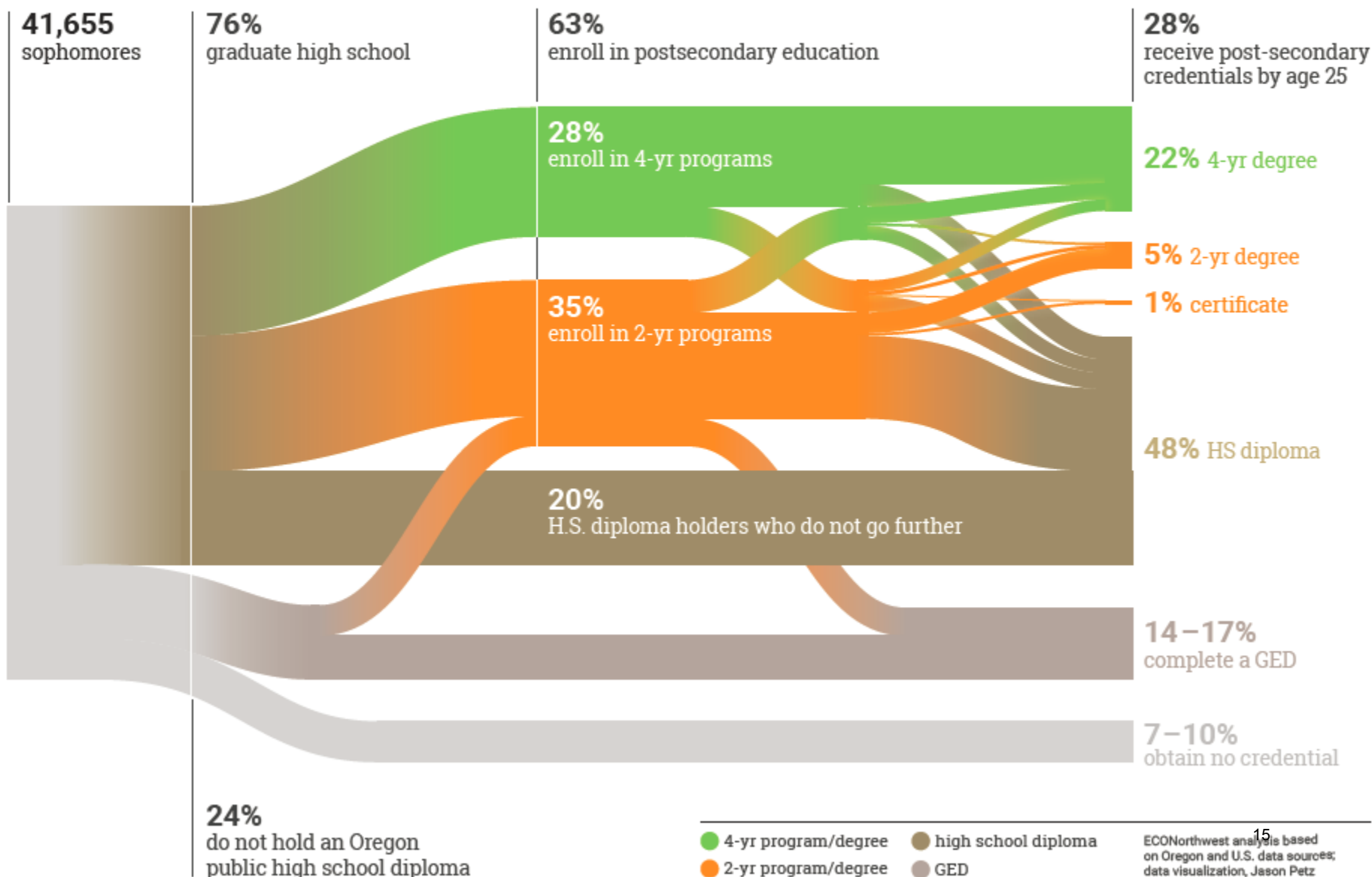
3. Investment (in outcomes)



The Education Pathway

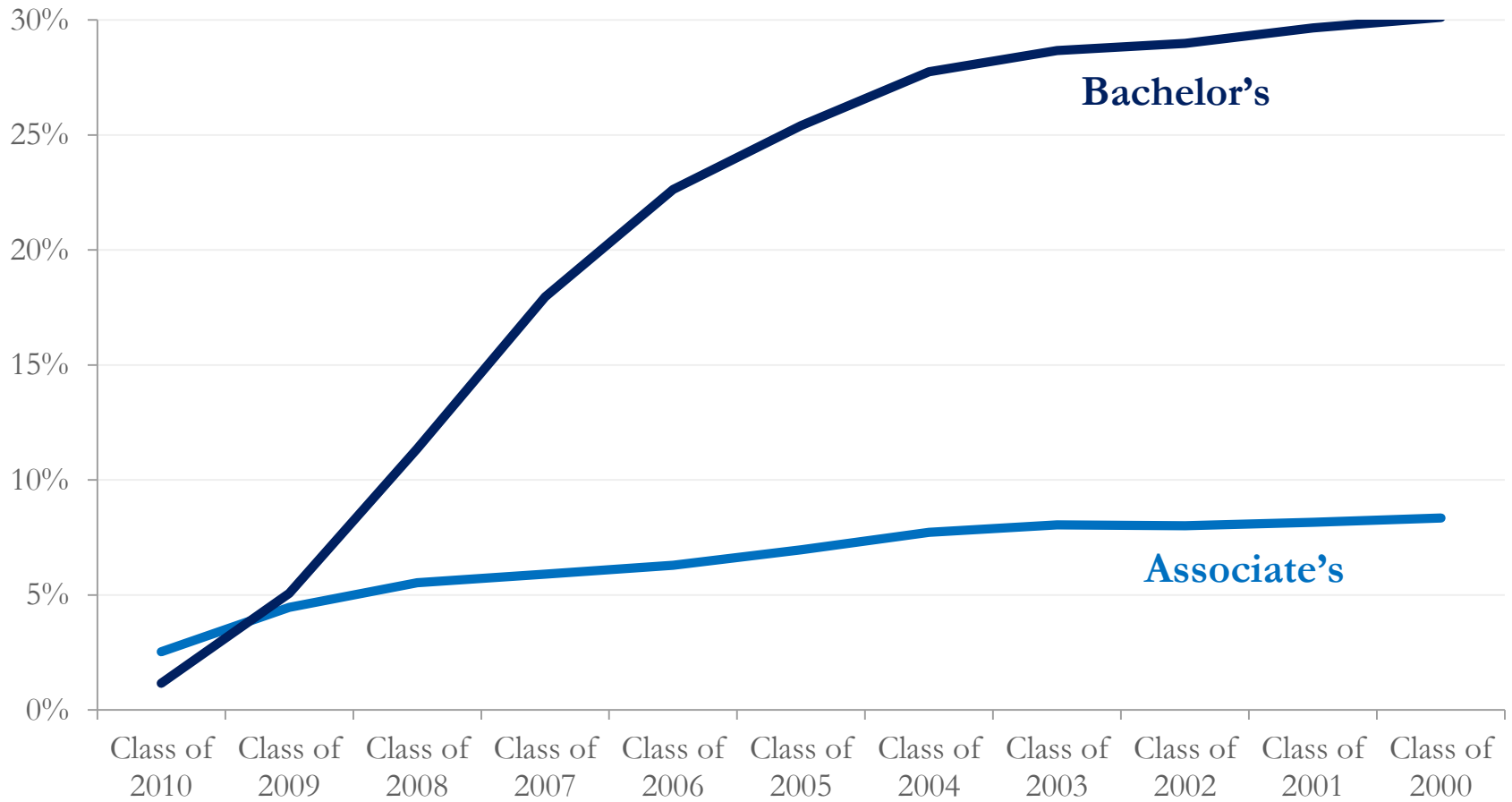
Where the Oregon public high school class of 2006* went over the next nine years

*sophomores in 2003–04



COLLEGE COMPLETION RATES FOR RECENT OREGON HIGH SCHOOL GRADUATES

15



Bachelor's

Associate's

PATHS THAT END TOO SOON (OR TAKE TOO LONG)

16

	Completion Within Six Years		Not Enrolled or Completed	
	OR	US	OR	US
Public Universities	62%	61%	22%	23%
Private Universities	77%	72%	32%	15%
Community/2 yr Colleges	26%	36%	51%	44%

HECC'S STATUTORY ROLE

17

2. Clear Pathways

- Approve degrees
- Approve programs
- Articulate institutions
- Coordinate initiatives

A photograph of a garden path made of stone pavers, curving through a lush garden. The path is flanked by various flowers, including purple and yellow blooms. In the background, a house with a brown roof is visible among trees. A person in an orange shirt is standing on the left side of the path.

workforce
transfer
guidance & support
developmental ed.
dual credit

OREGON HIGHER EDUCATION

19

1. A High Goal

2. Clear Pathways

3. Investment (in outcomes)

20000000000 RESERVE BANK OF ZIMBABWE

20000000000

*I promise to pay
the bearer on demand*

TWENTY
BILLION
DOLLARS

for the Reserve Bank of Zimbabwe

*Dr. G. Gona
Governor*

HARARE 2008



AB2243572

HECC'S STATUTORY ROLE

21

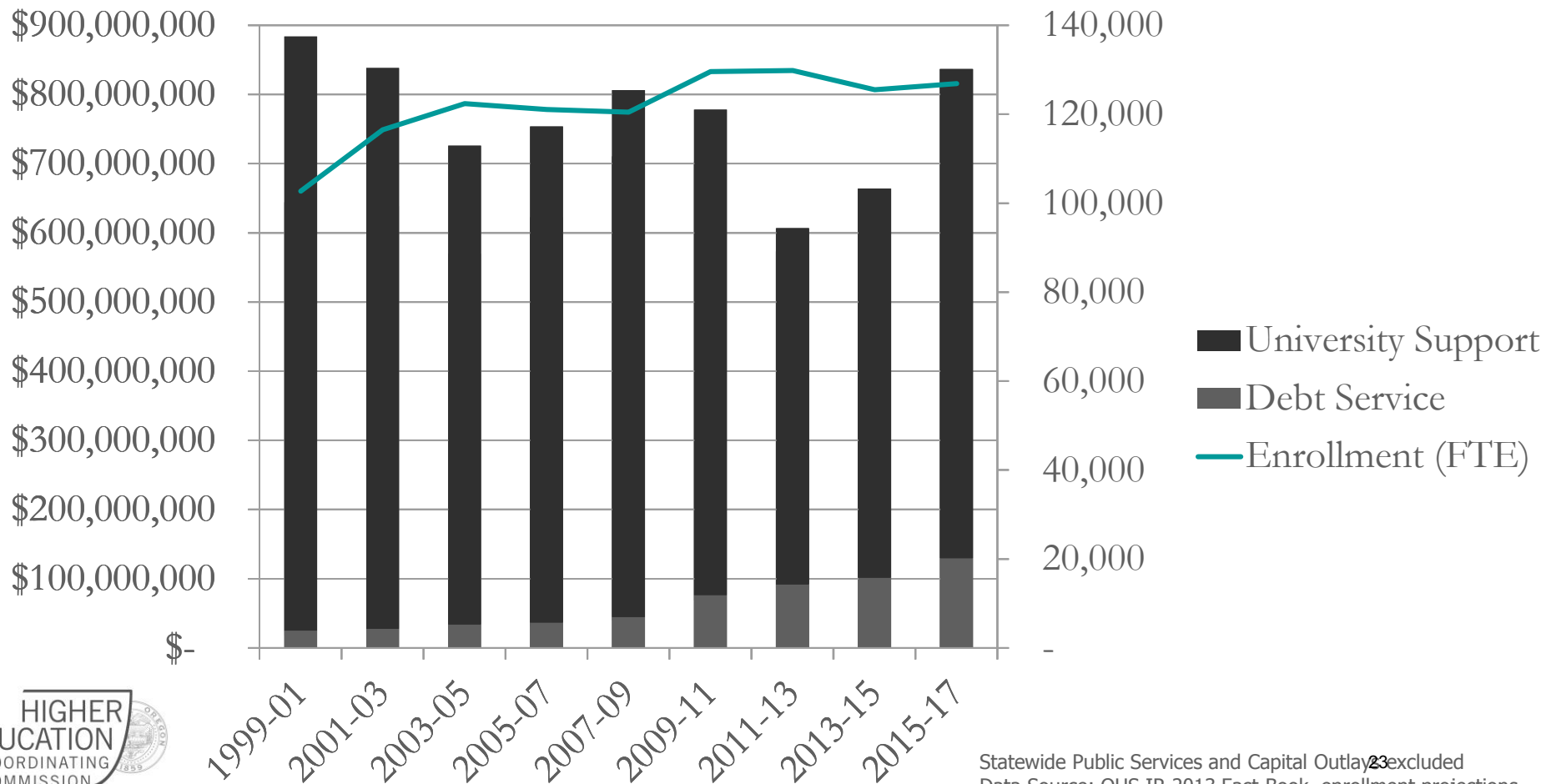
3. Investments (in outcomes)

- Plan state budgets
- Allocate state funding
- Fund strategic initiatives
- Improve affordability

PUBLIC UNIVERSITY FUNDING HISTORY

22

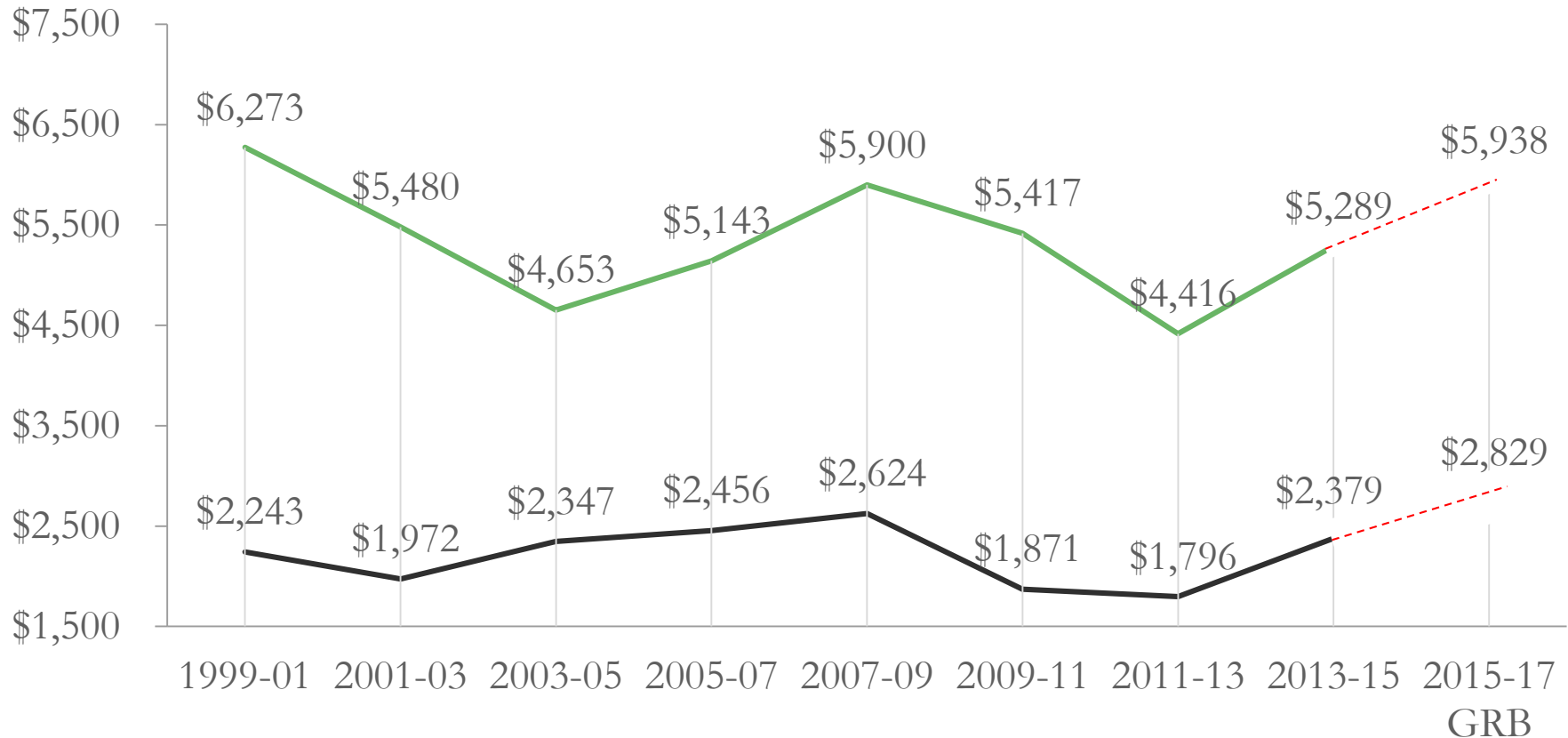
STATE APPROPRIATION AND RESIDENT ENROLLMENT (CPI-adjusted)



STATE APPROPRIATIONS PER STUDENT

NON-INFLATION ADJUSTED STATE APPROPRIATIONS, INCLUDING EDUCATION AND GENERAL FUNDS AND DEBT SERVICE

23

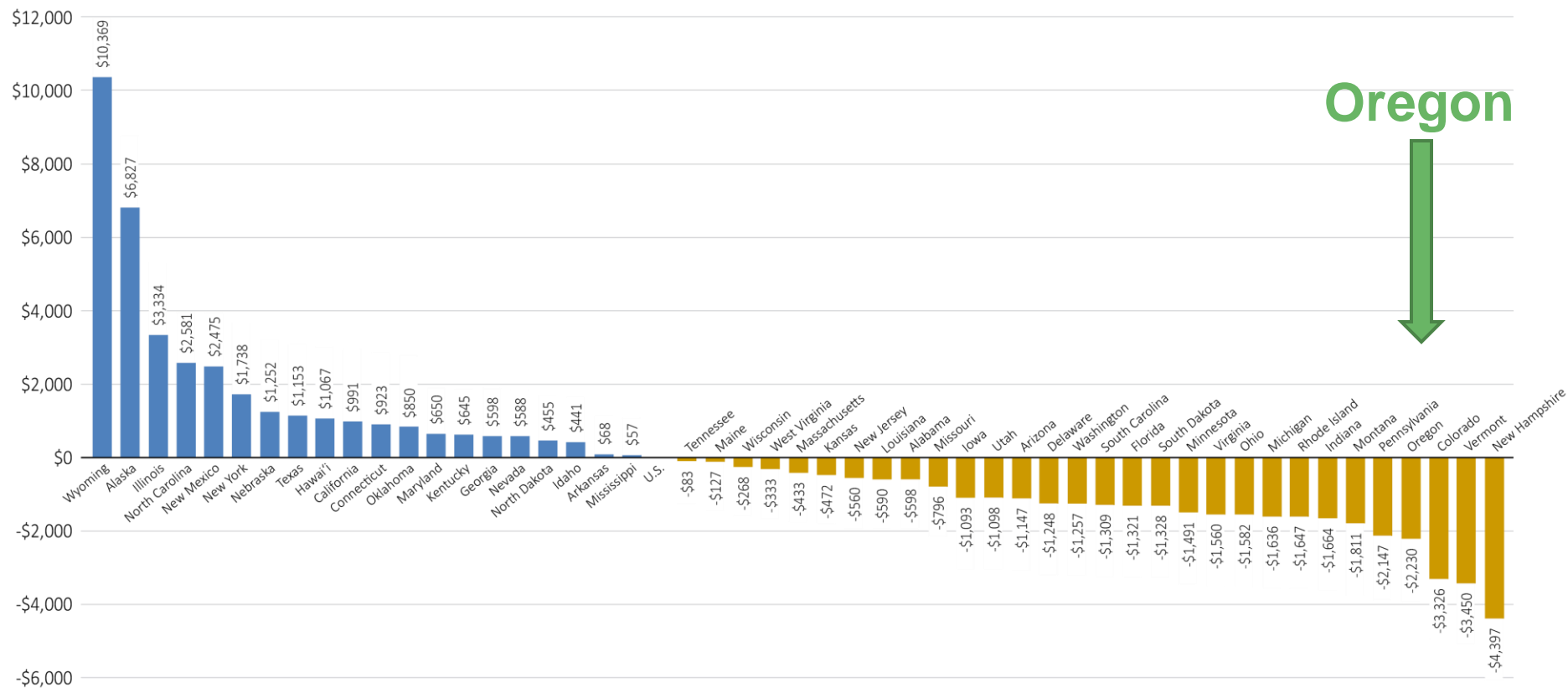


— University Funding per FTE Student

— Community College Funding Per FTE Student

EDUCATIONAL APPROPRIATIONS PER FTE STATE DIFFERENCES FROM U.S. AVERAGE, FISCAL 2013

24



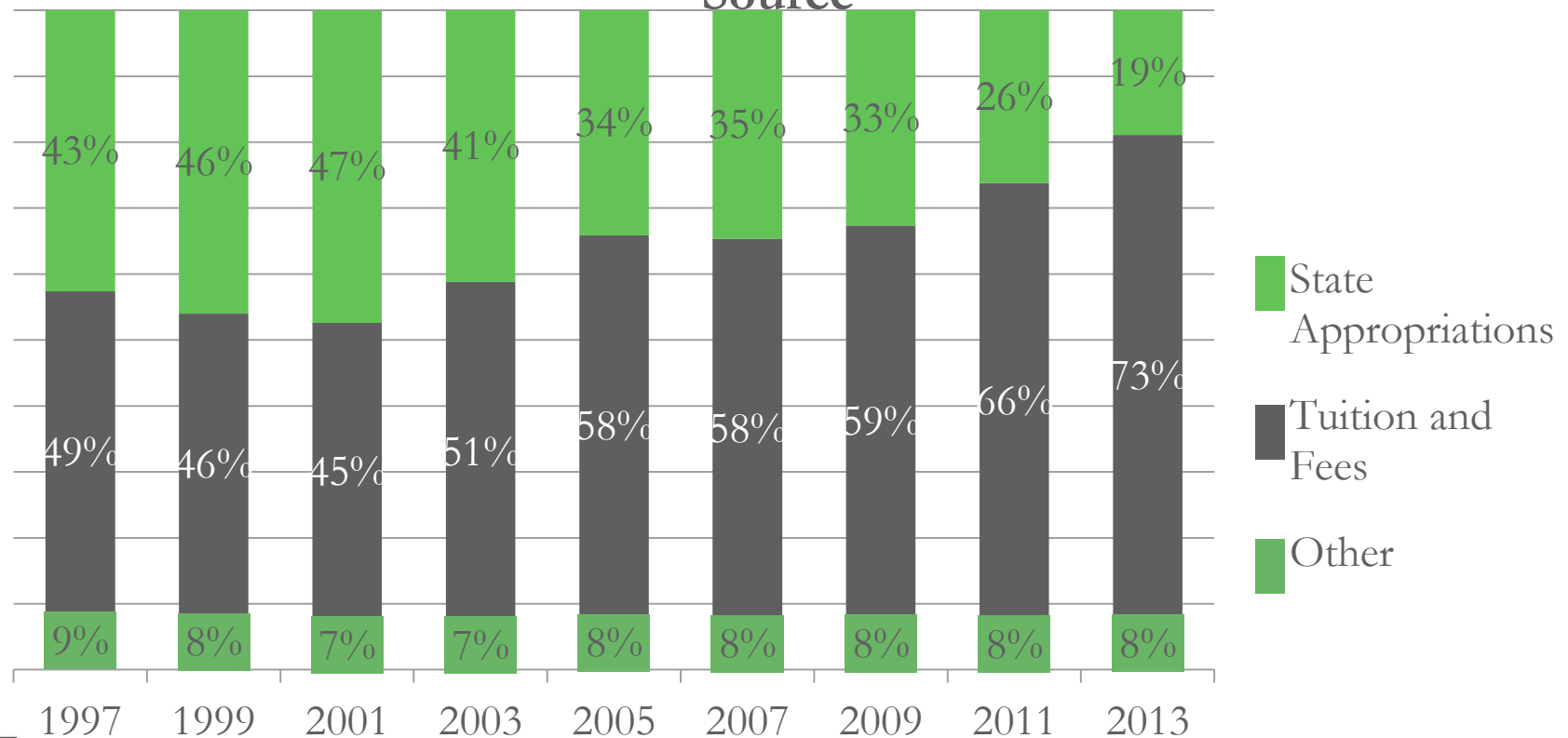
Note: Dollars adjusted by Cost of Living Adjustment and Enrollment Index.

Source: State Higher Education Executive Officers.

UNIVERSITY: SHIFT OF COSTS FROM STATE TO STUDENT

25

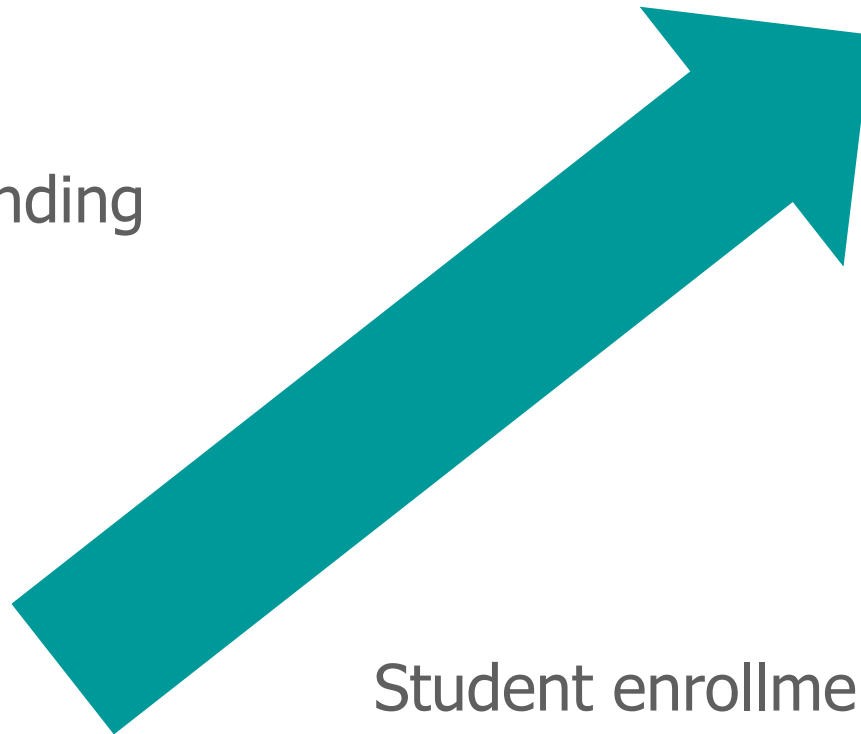
Public University Percentage of Total Revenue by Source



FUNDING ALLOCATION - BY ENROLLMENT

26

State funding

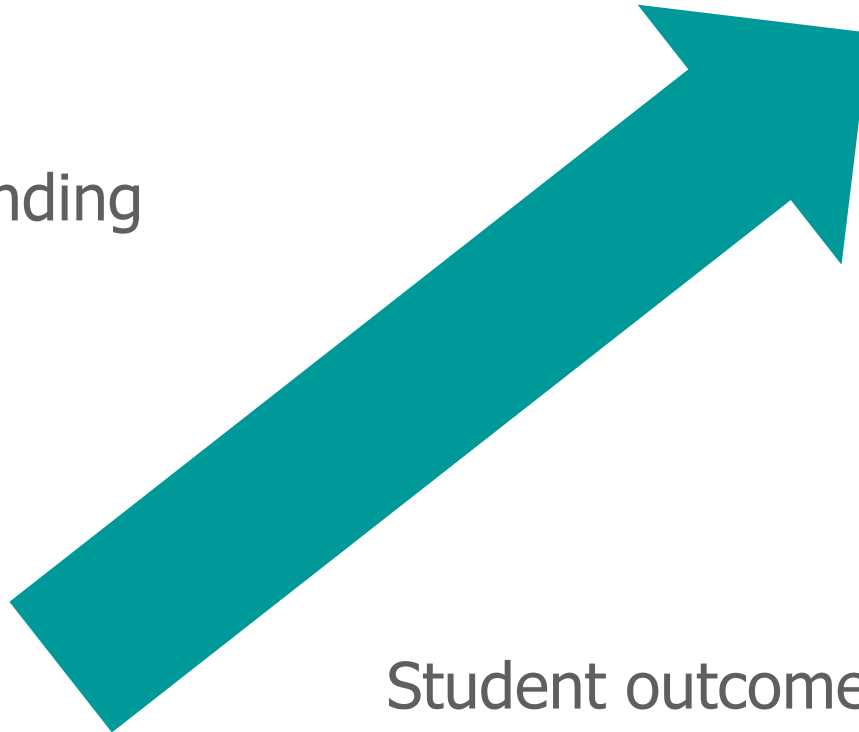


Student enrollment

FUNDING ALLOCATION – BY OUTCOMES

27

State funding

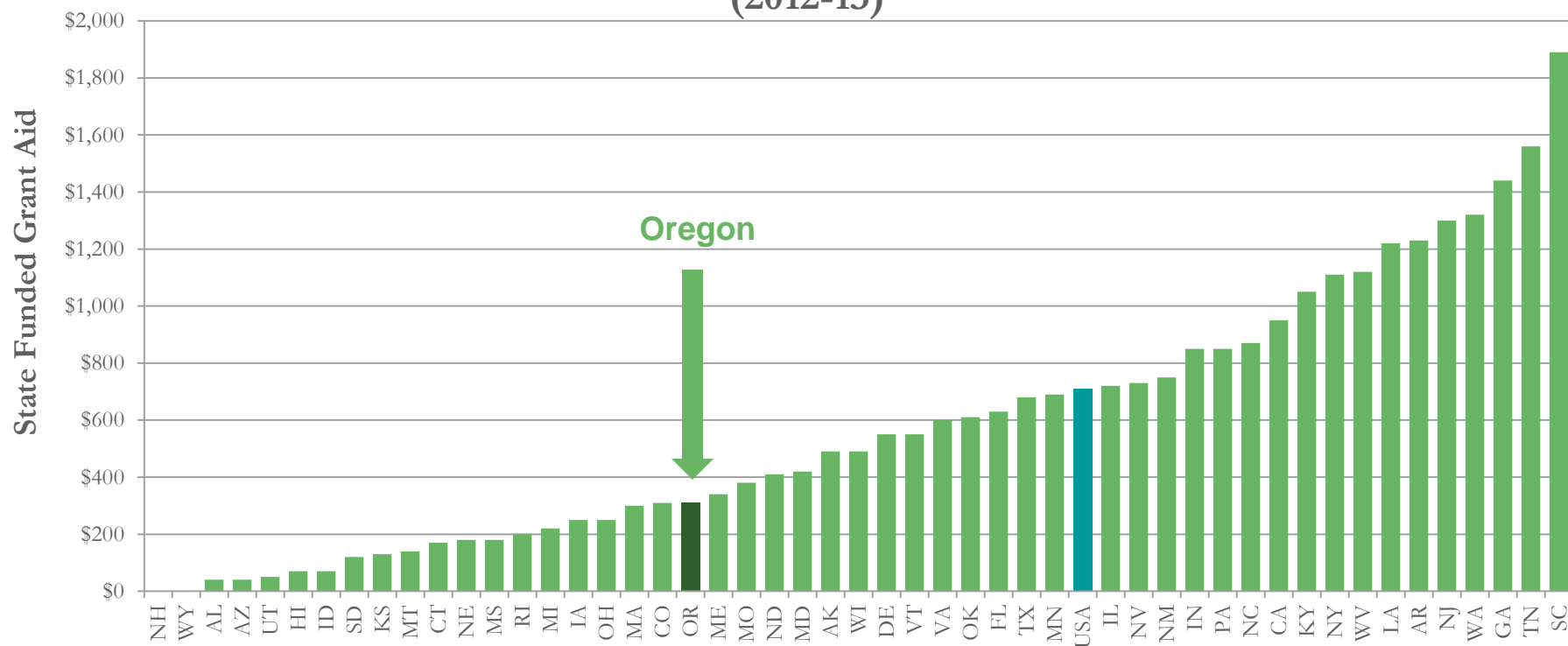


Student outcomes

PER STUDENT STATE FUNDED GRANT AID

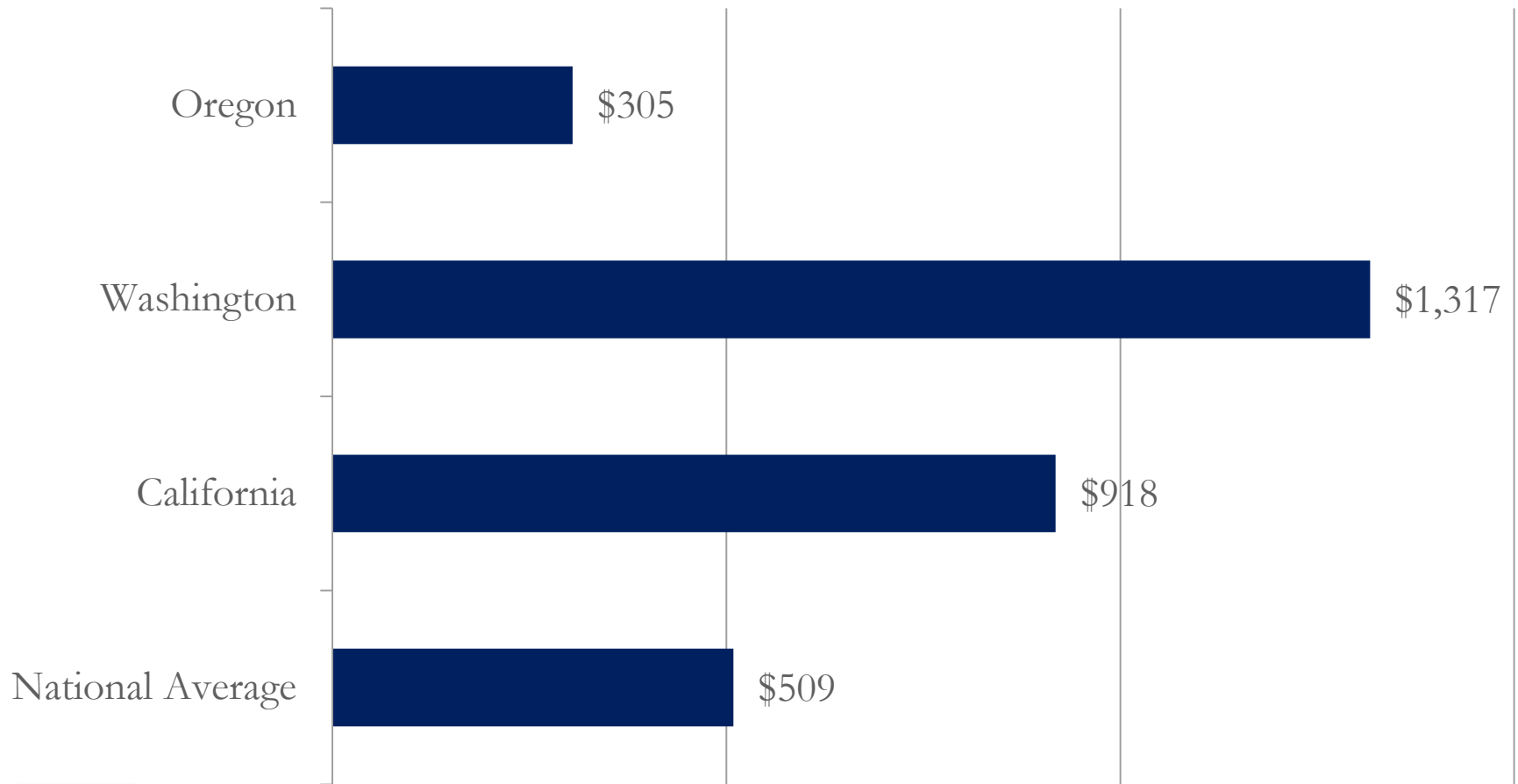
28

State Funded Grant Aid Per Resident Undergraduate Student
(2012-13)



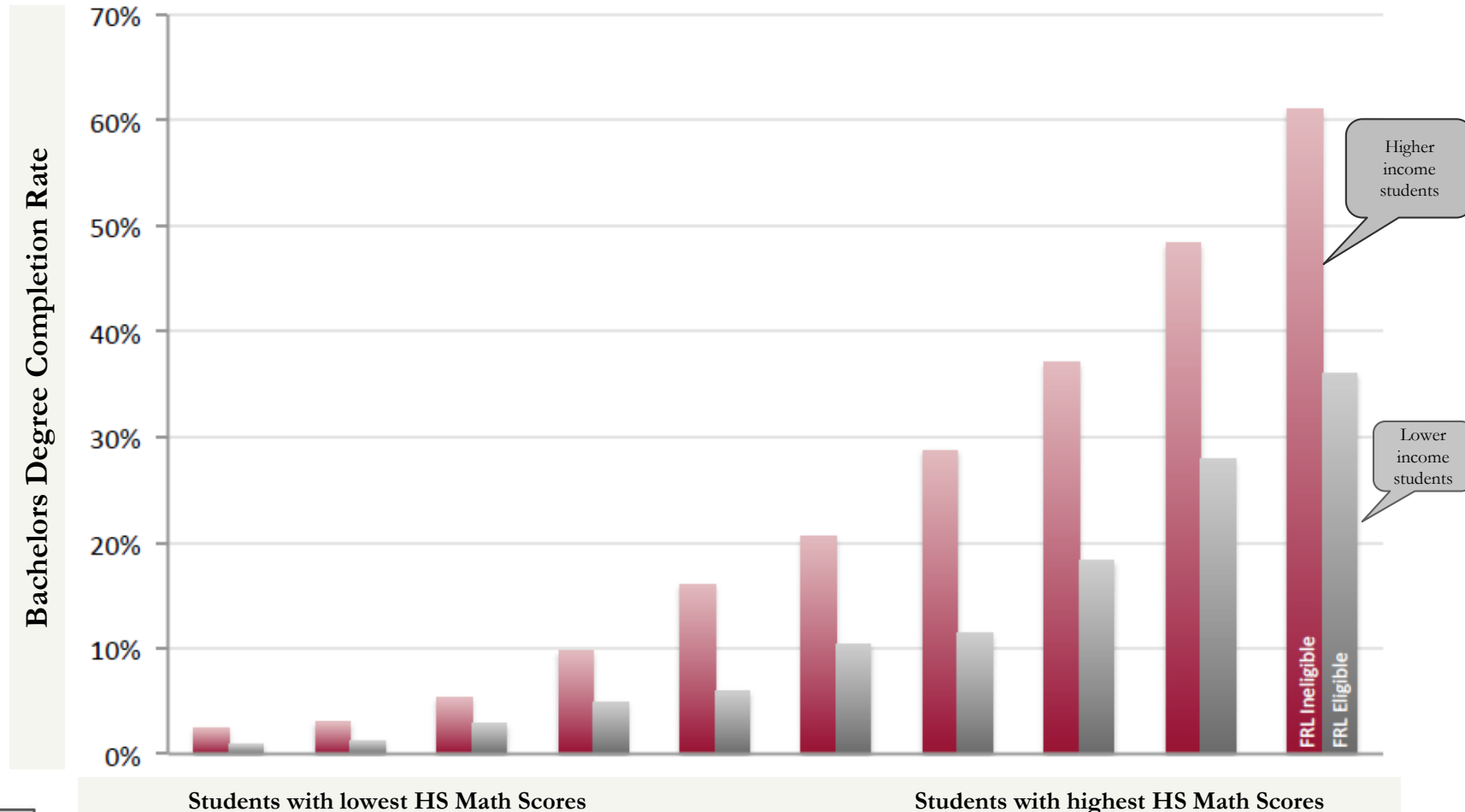
STATE NEED-BASED AID PER STUDENT

29



STUDENTS IN POVERTY COMPLETE COLLEGE AT LOWER RATES REGARDLESS OF THEIR ACADEMIC SKILL LEVEL

30



The ten pairs of red/gray bars above show all Oregon students divided into 10 equal-sized groups based on their high school math scores. The vertical bars show the Bachelors degree completion rate for students eligible for free/reduced price lunch vs. those who are not eligible.

Source: ECONW longitudinal analysis using matched ODE, OUS, CCWD, and NSC records

AFFORDABILITY OPPORTUNITIES

31

- Use institutional funding incentives to diminish time-to-degree
- Increase funding for state need-based aid (the Oregon Opportunity Grant)
- Restructure the OOG to focus on the neediest students and maximize its impact on student success

HECC AGENCY ORGANIZATIONAL STRUCTURE

32

The HECC agency is responsible for carrying out the directives, initiatives, and statutory requirements of the Higher Education Coordinating Commission. The proposed budget organizes the integrated agency into eight units described below and on the following pages.

Executive Director



**Policy &
Operations**



**Office of
Research &
Data**



**Office of
Student
Access &
Completion**



**Office of
Community
Colleges &
Workforce
Development**



**Office of
University
Coordination**



**Office of
Private Post-
secondary**



**Center for
Community
Innovation**

OREGON'S HIGHER EDUCATION COORDINATING COMMISSION

33



Higher Education Coordinating Commission

TIM NESBITT
Chair

BETTY DUVALL
Vice-Chair

NEIL BRYANT

KIRBY DYESS

RAMON RAMIREZ

DAVID RIVES

LARRY ROPER

CARMEN RUBIO

DUNCAN WYSE

Non-voting members:

LEE AYERS-PREBOSKI

ROB FULLMER

FRANK GOULARD

ANAYELI JIMENEZ

LAMAR WISE

34

“Steering, Cheering, and Persevering”



HECC 2015-17 LEGISLATIVELY ADOPTED BUDGET (LAB) UPDATE, 7.8.15

This initial update reflects [House Bill 5024](#) and [House Bill 5005](#) (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with funding implications.

SUMMARY: *House Bill 5024, the Higher Education Coordinating Commission (HECC) 2015-17 budget bill, was approved by the Oregon Legislature and was signed by signature by Governor Kate Brown on July 6, 2015. This budget represents the largest single biennial reinvestment in Oregon's public colleges and universities in at least two decades, with a strategic focus on achieving results for Oregon students and communities.*

- ✓ The 2015-17 Legislatively Adopted Budget (LAB) supports the HECC's strategic priorities to advance the state's 40-40-20 goal, improve affordability, and reinvest in our campuses and programs with an intentional focus on student success. HB 5024 includes investments in state funding for Oregon's 17 community colleges and 9 Local Workforce Investment Boards, Oregon's 7 public universities and the Oregon Health & Science University (OHSU), state need-based aid and student access programs operated by the Office of Student Access and Completion (OSAC), the Office of Community Colleges and Workforce Development (CCWD), and HECC agency operations and offices. The LAB for all postsecondary education and workforce entities represented in the HECC budget totals \$2,192.9M. General Funds and Lottery Funds total \$1,810.3M, a 22.3% increase from the comparable 2013-15 LAB. Per resident student funding at community colleges and universities is at its highest mark in at least two decades (see page 4). In addition to HB 5024, new capital construction bonding projects are included in House Bill 5005, and postsecondary education funding is impacted by numerous other policy bills which will be summarized in detail in future updates. A chart detailing the components in the HECC budget bill HB 5024 is included as Table B, and key components are summarized below:

A. KEY POSTSECONDARY EDUCATION INVESTMENTS, HB 5024

	Fund	2013-15 LAB	2015-17 LAB	% change from LAB, notes
STUDENT FINANCIAL AID	Oregon Opportunity Grant	\$113.9M GF/LF/OF	CSL: \$117.3M GF/LF/OF	See also HB 2407 described below
	POP 131: Expansion	--	+\$23.6M GF/LF/OF	+23.6%
	Total:	\$113.9M	Total: \$140.9M	
PUBLIC UNIVERSITY SUPPORT	Public University Support Fund	\$520.5M GF	CSL: \$513.6M	Budget note on \$30M described below
	POP 102: Additional PUSF	--	+\$151.4M GF	+27.8%
	Total:	\$520.5M	Total: \$665.0M	
COMMUNITY COLLEGE SUPPORT	Community College Support Fund	\$466.9M GF	CSL: 455.0M GF	Budget note on funding model described below
	POP 111: Additional CCSF	--	+94.99M GF	+18.0%
	Total:	\$466.9M	Total: \$550M	
DEBT SERVICE	Community College Debt Service	\$26.1M	CC: \$35.1M GF/LF	
	Public University Debt Service	\$114.7M GF/LF	Univ: \$151.6M GF/LF	
	Total:	\$140.8M	Total: \$186.7M	+32.6%

LAB: Legislatively Adopted Budget. CSL: Current Service Level. GF: General Fund. LF: Lottery Fund. OF: Other Fund. Budget notes described below.

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

The Legislature approved significant investments to make postsecondary education more affordable, with a strategic focus on those who are most challenged by college costs, including:

- ✓ A total of \$140.9M, representing a 23.6% increase of funding over the 2013-15 LAB, for the **Oregon Opportunity Grant (OOG)—Oregon’s need-based grant program**—to improve affordability for Oregon’s highest-need students. Approximately **16,000 additional students will be served through this new investment**.
- ✓ **House Bill 2407, the HECC’s recommended restructuring of the OOG**, targeting the grant program to Oregon’s high-need, high-promise students who are on track to succeed academically but struggling with college costs. This bill improves the grant’s predictability by creating an extended application period and guaranteeing the grant for a second year to eligible students who receive it their first year.
- ✓ Significant reinvestment in Oregon’s community colleges and public universities, a 21.6% increase from the previous biennium and the **highest percentage biennial increase in at least two decades**, which will contribute to keeping tuition manageable while supporting student success (more details below).

The 2015-17 budget reinvests in Oregon’s public universities and community colleges after years of underfunding, supporting HECC’s strategic focus on student success outcomes.

- ✓ The **Public University Support Fund (PUSF)** supporting Oregon’s 7 public universities increased to \$665.0M, a 27.8% increase over the 2013-15 LAB. All funds will flow through the new student success and completion funding allocation model approved by the HECC in April 2015 for the public universities. This adjustment better aligns state investment with access and completion to achieve the state’s ambitious 40-40-20 attainment goal.
 - The public university budget includes a **\$30M additional investment** above the Co-Chairs’ initial recommended budget. A **budget note** pertaining to this investment indicates that additional funds are to be used for campus investments in targeted tuition remissions for undergraduate Oregonians and programs to improve student graduation; the universities will report to the HECC and legislative committees how they have invested these funds.
 - The **Sports Action Lottery** which primarily funds scholarship programs for athletes and graduate students is funded at \$8.2M, a 3.0% increase from the 2013-15 LAB.
 - With the large influx of additional state resources being made available to universities, SB 501 instructs any public university which increases resident undergraduate tuition or mandatory enrollment fees by more than three percent in the second half the biennium must report the justification for the increase to the HECC and the Legislature.
- ✓ The **Community College Support Fund (CCSF)**, supporting Oregon’s 17 community colleges, increased to \$550M, an 18.0% increase over the 2013-15 LAB. Distribution of the funds will follow the existing distribution formula for the first year of the biennium; HECC anticipates developing and implementing outcomes-based components to the distribution formula for the second year of the biennium, in part based on student completion of degrees and certificates as well as successful transfer to four-year institutions.
 - The community college budget includes a **budget note** indicating that prior to the final adoption of any significant change to the distribution of the CCSF, the HECC is directed to consult with the appropriate legislative committees.

The 2015-17 debt service on previously approved capital projects is supported as follows:

- ✓ **Debt service on previously approved capital projects for the universities and community colleges** totals \$186.7M, an increase of 32.6% over the 2013-15 LAB. Public university debt service is \$151.6M, which includes \$119.6M General Fund and \$32M Lottery Funds. Community college debt service is \$35.1M, which includes \$24.6M General Fund and \$10.5M Lottery Funds. OHSU bond related costs will be paid through the Department of Administrative Services (DAS) and are not included in this budget.

The Legislature has authorized bonding for substantial improvements in the capital infrastructure of Oregon's community colleges and public universities:

- ✓ Through HB 5005, **bonding for new capital projects are authorized at all seven public universities**, totaling \$244.8M in new state bonding for Article XI-G and Article XI-Q Bonds and \$53M in campus-funded Article XI-F(1) bonds. This includes 11 new projects at public universities and significant expansion of classroom and laboratory capacity; it continues several biennia of large investments in the construction of new buildings and repurposing and refurbishing of existing infrastructure needed to meet the state's ambitious 40-40-20 educational attainment goal.
- ✓ The budget more than doubles spending on capital repair and renewal from \$30M in the 2013-15 biennium to more than \$65M in the 2015-17 biennium.
 - A **budget note** is included requiring the HECC and DAS to evaluate whether statutory or administrative rule changes are needed to facilitate the use of capital repair and renewal funds on ADA accessibility projects.
- ✓ Oregon's community colleges had one new bond-funded project authorized at \$1.7M and eight bond-funded projects reauthorized that were originally approved in the 2013-15 biennium. The total amount for new and reauthorized projects is \$53.3M.

The budget makes critical investments in Oregon Health & Science University, Statewide Public Services, and State Programs:

- ✓ **OHSU** is budgeted at \$77.3 General Fund, 6.4% above the 2013-15 LAB including \$66.8M for education and rural programs, \$8.0M for the Child Development and Rehabilitation Center (CDRC), and \$2.6M for the Oregon Poison Center.
- ✓ **The Statewide Public Services** including the Agricultural Experiment Station, Forest Research Laboratory, and OSU Extension Service budgets increased by 17.1% from the 2013-15 LAB.
 - A **budget note** was included requiring the Statewide Public Service programs to report to the Legislature on the use of the additional \$14.0M that was provided above CSL.
- ✓ The budget for **State Programs** addressing economic development, natural resources, and other priorities is \$34.3M General Fund, an increase of 34% percent from the 2013-15 LAB, though this increase is largely an artifact of a transfer of funds previously associated with the Engineering and Technology Industry Council (ETIC). Apart from this transfer, funding for State Programs increased by 3%. The budget includes a significant proportion of previous ETIC funding transferred from the Oregon Education Investment Board to the HECC for distribution to the universities to support engineering and technology programs.

Key transitions from K-12 to college and from postsecondary education to career are supported by investments in workforce programs and pre-college programs:

- ✓ **Senate Bill 81, the "Oregon Promise"**, was passed by the Legislature and awaits the Governor's signature; it provides a \$10M appropriation targeted toward tuition payments for students who are recent Oregon high school graduates attending and pursuing a certificate or degree at one of Oregon's 17 community colleges. The bill funds grants at a minimum of \$1,000 for each community college student awarded, to be administered by the Office of Student Access and Completion (OSAC) under the HECC.
- ✓ The budget includes increases in **outreach and pre-college programs, including OSAC's ASPIRE Mentoring** program, which is funded at \$1.7M General Fund and \$2.65M total funds. This budget level will allow ASPIRE to continue to support the 145 existing sites across the state and to use federal College Access Challenge Grant (CACG) funds to expand on a one-time basis in the second year of the biennium. A portion of the CACG will also be used to support expansion of OSAC's outreach programs, which include College Goal Oregon and FAFSA Plus+, OSAC's FAFSA completion project.
- ✓ The budget continues the current service level for **workforce programs** at \$10.9M to support efforts to convene business and industry in key sectors to identify skill shortages and assist job seekers and workers in increasing their skills and abilities, and repurposes certain ongoing initiatives. The Work Ready Communities Program funding increased from \$0.75M to \$1M, Local Workforce Investment Boards (LWIBs) are funded at \$2.5M, technical assistance for local workforce areas

at \$1.0M, and best practices work among LWIBs is funded at \$0.4M. Funding for Back to Work Oregon on-the-job training is reduced from \$6.2M to \$5.0M. The budget eliminates allocations of \$1.5 million to the National Career Readiness Certificate and \$1.5 M for Supporting Sector Strategies.

- ✓ The budget also provides \$2.0M to support underserved students in obtaining a high school equivalency credential such as the GED, and \$0.6M to Skills Centers providing career and technical education to high school students, evenly divided between the Margaret Carter Skills Center housed at Portland Community College, and the Sabin-Schellenberg Skills Center in the North Clackamas School District.

Support for the HECC agency consolidation and infrastructure, preparing the agency to be fully functional in its roles to strategically coordinate postsecondary policy and funding for Oregon:

- ✓ The budget makes investments and adjustments related to **agency infrastructure and consolidation of the HECC, the Office of Private Postsecondary Education, CCWD, and OSAC**, as well as the responsibility for distributing state support to public universities and the OHSU. Information technology, human resources, and fiscal services positions are offset by reductions in contracted services. The budget also establishes a consolidated research and data team, realigns funding for community college staff, and upgrades OSAC's Student Financial Aid Management System. The HECC is organized in the following offices: Policy and Operations, Student Access and Completion, Research and Data, University Coordination, Community Colleges and Workforce Development, and Private Postsecondary Education.
 - A **budget note** pertaining to HECC Operations specifies in the development of the 2017-19 budget, the HECC will prepare a consolidated budget merging certain administrative functions currently in numerous offices into a single division or unit.

For more information, this document includes detailed information in the following sections:

- ✓ *Pages 5-7, TABLE B: KEY BUDGET ITEMS: HECC POSTSECONDARY EDUCATION CONSOLIDATED BUDGET*
- ✓ *Pages 8-9, C: HISTORICAL INVESTMENT DATA, 1995-2015*
- ✓ *Pages 10-13: D. HB 5005 CAPITAL INFRASTRUCTURE INVESTMENTS*

TABLE B. KEY BUDGET ITEMS: HECC POSTSECONDARY EDUCATION CONSOLIDATED BUDGET

LAB: Legislatively Adopted Budget. CSL: Current Service Level. GF: General Fund. LF: Lottery Fund. OF: Other Fund. TF: Total Fund. POP: Policy Option Package. Budget notes explained in text above.

ACTIVITY	BUDGET ITEMS	2013-15 LAB	2015-17 LAB	% CHANGE from LAB, NOTES
TOTAL CONSOLIDATED POSTSECONDARY BUDGET (not including capital budget)	Total HECC Budget, HB 5024	Total: \$1,643.4M	Total: \$2,192.9M	+33.4%
FINANCIAL AID: OREGON OPPORTUNITY GRANT	Oregon Opportunity Grant	\$113.9M GF/LF/OF	CSL: \$117.3M GF/LF/OF	See also HB 2407: OOG redesign
	POP 131: Expansion	--	+\$23.6M GF/LF/OF	
	Total: \$113.9M	Total: \$140.9M		+23.6%
PUBLIC UNIVERSITY SUPPORT	Public University Support Fund	\$520.5M GF	CSL: \$513.6M	Budget note on additional \$30M PUSF
	POP 102: Additional PUSF	--	+\$151.4M GF	
	Total: \$520.5M	Total: 665.0M		+27.8%
	Sports Action Lottery scholarship programs	Total: \$8.0M LF	CSL: \$11.4M LF -\$3.2M LF Total: \$8.2M	+3%
COMMUNITY COLLEGE SUPPORT	Community College Support Fund	\$466.9M GF	CSL: \$455.0M GF	Budget note on funding model
	POP 111: Additional CCSF	--	+\$94.99M GF	
	Total: \$466.9M	Total: \$550M		+18.0%
DEBT SERVICE	Public University Debt Service	\$114.7M GF/LF	Univ: \$151.6M GF/LF	+32.6%
	Community College Debt Service	\$26.1M	CC: \$35.1M GF/LF	
	Total: \$140.8M	Total: \$186.7M		
ASPIRE AND OUTREACH	ASPIRE base funding	\$1.6M GF, \$0.19M OF	CSL: \$1.8M GF, \$0.19M OF	+44%
	POP 211 & 212: ASPIRE	--	+\$.66M FF	
	POP 213: Outreach	--	+\$.73M FF	
	Total: \$1.8M	Total: \$3.2M		
NEW CAPITAL PROJECTS	Public University New bond capacity (repaid from GF/LF)	\$246.4M	\$244.8M	-0.6%
	Public University New bond capacity (campus-repaid)	\$383.8M	\$53.0M	-86.2%
	Total: \$630.2M	\$297.8M		-52.7%
	Community College New Bond Capacity (Repaid from GF/LF)		\$1.7M	See HB 5005
OHSU	OHSU support funding	Total: \$72.6M GF	\$77.3M GF	+6.4%

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

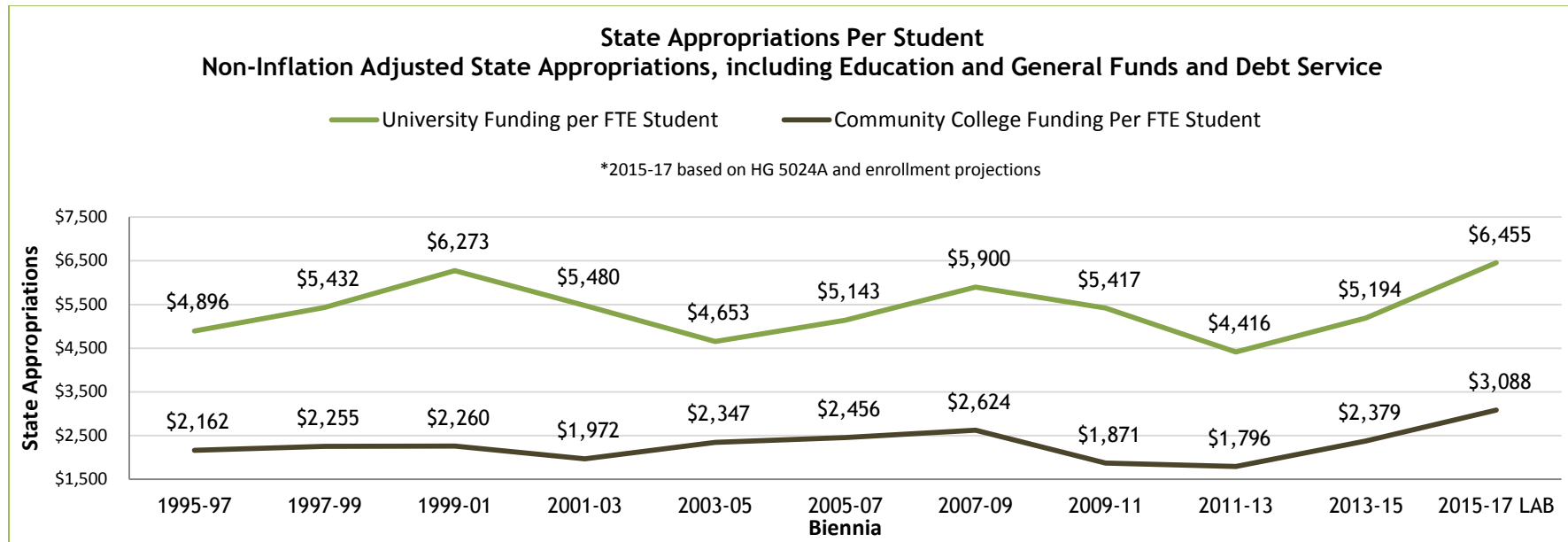
ACTIVITY	BUDGET ITEMS	2013-15 LAB	2015-17 LAB	% CHANGE from LAB, NOTES
STATE PROGRAMS	Public University State Programs	\$25.5M GF	CSL: \$10.6M -\$749K GF	Oregon Metals Initiative transferred to OBDD
	POP 231 & 806: ETIC Funding Transition		+\$24.5M GF	
	Total: \$25.5M GF		Total: \$34.3M GF	+34%
STATEWIDE PUBLIC SERVICES	Agriculture Experiment Station (AES), Extension Service (ES), Forest Research Lab (FRL)		AES: \$57.0M CSL +\$6.1M GF ES: \$41.2M CSL +\$4.4M GF FRL: \$6.3M CSL +\$3.5M GF	Budget note on \$14M investment
	Total: \$101.2M GF		Total: \$118.5M	
				+17.1%
HECC AGENCY INFRASTRUCTURE AND INTEGRATION OFFICES: EXECUTIVE DIRECTOR, POLICY & COMMUNICATIONS OPERATIONS RESEARCH & DATA COMMUNITY COLLEGES AND WORKFORCE DEVELOPMENT (CCWD) – see HB 2408 CCWD/HECC merger* STUDENT ACCESS AND COMPLETION (OSAC) PUBLIC UNIVERSITY COORDINATION PRIVATE POSTSECONDARY EDUCATION (including PCS – Private Career Schools, ODA-Office of Degree Authorization, and Veterans Education)	Policy Option Packages, HECC Offices			
	POP 080/303: Research/data		\$1.4M GF (HECC OPS)	
	POP 301: management streamlining		+\$1.3M (HECC OPS) -\$510K OSAC +\$217K CCWD -\$75K ODA	
	POP 304: education association memberships		\$381K GF (HECC OPS)	
	POP 804, 808: position clean-up, technical adjustments, WICHE grant		-\$99K GF + increase of OF/FF HECC -\$146K GF + equal increase FF CCWD +\$74K HECC +28K OSAC	
	POP 302: ODA/PCS Program Approvals		+\$450K ODA	
	POP 311: CCWD work reconciliation		+\$963K GF -\$909K FF -\$54K OF (CCWD)	
	POP 802: CCWD information Systems		+\$290K GF (HECC)	
	POP 203: CCWD Restructuring Ongoing Workforce Initiatives		Included in CSL redirected components of the \$10.9M between activities	
	POP 131: OSAC OOG expansion implementation		+\$250K GF (OSAC)	
	POP 213: OSAC Student Outreach		+\$732K (OSAC)	
	POP 214: OSAC scholarship restoration		+\$271K (OSAC)	
	POP 313: OSAC IT needs		+\$800K (OSAC)	
	POP 70: OSAC Revenue Reduction		-\$510K (OSAC)	

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

ACTIVITY	BUDGET ITEMS	2013-15 LAB	2015-17 LAB	% CHANGE from LAB, NOTES
	Subtotals			
	General HECC operations funding (OPS)	\$2.7M GF	CSL: \$3.7M GF \$3.7M TF +POPs above Total: \$7.2M GF \$7.4M TF	+167% (GF to GF)
	HECC-CCWD operations funding	\$14.1M GF	CSL: \$14.1M GF \$31.9M TF +POPs above Total: \$14.8M GF \$31.7M TF	+5% (GF to GF)
	HECC-OSAC operations funding	\$2.1M GF, 2.6M OF	CSL: \$1.98M GF, \$2.6M OF +POPs above Total: \$3.3M GF \$6.1M TF	+57% (GF to GF)
	Total HECC agency staffing and infrastructure	\$18.9M GF	CSL: \$40.2M TF (19.7M GF) +POPs above Total: \$45.2M GF/FF/OF (\$25.3M GF, \$19.9M FF/OF) Including CCWD, OSAC, and POPs	*Budget note on administrative positions +34% (GF to GF)
NEW POSTSECONDARY PREPARATION POPS: SKILLS CENTERS, GED/HS EQUIVALENCY	POP 803 Skill Centers- PCC and SSC		+\$.60M GF (Centers)	
	POP 801 GED/HS Equivalency		+\$2M GF (GED)	
	Total: \$18.9M GF		Total: \$47.8M GF/FF/OF (\$27.9M GF)	+48% (GF to GF)

* The Department of Community Colleges and Workforce Development (CCWD) is renamed the Office of Community Colleges and Workforce Development due to the enactment of HB 2408. The bill also changes the title of the department head from "Commissioner" to "Director." These changes create consistency with other offices of the HECC.

C. HISTORICAL INVESTMENT DATA, 1995-2015



PUBLIC UNIVERSITY SUPPORT (NOT INFLATION ADJUSTED)

Historical University Appropriations (actual dollars)

	Education & General Appropriation (millions)	General Fund Debt Service (millions)	E&G + Debt Service (millions)	Fundable FTE	(E&G + Debt Service)/FTE
1995-97	\$422.6	\$15.7	\$438.3	89,531	\$4,896
1997-99	\$498.0	\$17.2	\$515.2	94,842	\$5,432
1999-01	\$626.2	\$18.1	\$644.3	102,714	\$6,273
2001-03	\$617.1	\$21.2	\$638.3	116,486	\$5,480
2003-05	\$543.1	\$26.5	\$569.6	122,416	\$4,653
2005-07	\$592.2	\$30.3	\$622.5	121,044	\$5,143
2007-09	\$671.3	\$39.4	\$710.7	120,456	\$5,900
2009-11	\$633.3	\$68.7	\$702.0	129,600	\$5,417
2011-13	\$486.5	\$86.8	\$573.3	129,816	\$4,416
2013-15	\$562.6	\$89.2	\$651.8	125,494	\$5,194
2015-17 LAB	\$699.3	\$119.7	\$819.0	126,872	\$6,455

Statewide Public Services, Sports Lottery and Capital Outlays excluded.

Data Source: OUS IR 2013 Fact Book, p. 114. and enrollment data is courtesy of OUS IR

*2015-17 based on HB 5024A and enrollment projections.

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

COMMUNITY COLLEGE STATE SUPPORT (NOT INFLATION ADJUSTED)

Historical Community College Support Fund (actual dollars)

	General Fund (GF) Appropriations (millions)	General Fund Debt Service (LAB) (millions)	GF + Debt Service (millions)	Reimbursable FTE	(GF + Debt Service)/FTE
1995-97	\$329.7	\$5.1	\$334.8	152,486	\$2,162
1997-99	\$389.6	\$4.9	\$394.5	174,962	\$2,255
1999-01	\$420.8	\$4.7	\$425.5	189,685	\$2,243
2001-03	\$375.0	\$4.4	\$379.4	192,415	\$1,972
2003-05	\$411.0	\$3.3	\$414.3	176,496	\$2,347
2005-07	\$428.0	\$2.3	\$430.3	175,203	\$2,456
2007-09	\$494.5	\$3.5	\$498.0	189,757	\$2,624
2009-11	\$432.0	\$8.0	\$440.0	235,129	\$1,871
2011-13	\$395.5	\$15.7	\$411.2	229,010	\$1,796
2013-15	\$464.9	\$16.6	\$481.5	202,386	\$2,379
2015-17*	\$550.0	\$24.6	\$577.0	186,290	\$3,088

General Fund Appropriations for 1999-01 represent LAB. Other biennia as reported by CCWD.

Debt Service figures represent LAB.

Assumes all reported FTE are in-district.

*2015-17 based on HB 5024A and enrollment projections.

OREGON OPPORTUNITY GRANT (OOG) STATE SUPPORT (in millions)

	1995-97	1997-99	1999-01	2001-03	2003-05	2005-07	2007-09	2009-11	2011-13	2013-15	2015-17
OOG Appropriations	\$30.1	\$31.4	\$37.8	\$37.7	\$45.5	\$78.1	\$106.2	\$94.1	\$99.5	\$113.9	\$140.9
OOG Disbursements	\$26.9	\$28.9	\$34.2	\$37.2	\$44.9	\$62.2	\$102.7	\$95.4	\$95.0	\$112.3	NA

*Data for the 2014-15 academic year will not be available until mid-July.

POSTSECONDARY EDUCATION DEBT SERVICE (in millions)

	1993-95 Actuals	1995-97 Actuals	1997-99 Actuals	1999-01 Actuals	2001-03 Actuals	2003-05 Actuals	2005-07 Actuals	2007-09 Actuals	2009-11 Actuals	2011-13 Actuals	2013-15 Approved	2015-17 LAB (
Public Universities	\$12.7	\$15.7	\$17.2	\$18.3	\$21.7	\$29.6	\$35.8	\$51.3	\$82.0	\$101.1	\$114.6	\$151.6
Comm. Colleges	\$4.7	\$5.1	\$4.9	\$4.7	\$4.3	\$3.3	\$2.3	\$3.2	\$16.5	\$23.0	\$26.5	\$35.1
Total	\$17.5	\$20.9	\$22.1	\$23.0	\$26.0	\$51.3	\$69.9	\$86.4	\$129.0	\$155.4	\$172.6	\$235.3

Institution bonds not included.

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

D. HB 5005 CAPITAL INFRASTRUCTURE INVESTMENTS

NEW UNIVERSITY CAPITAL PROJECTS (in millions) **Updated with correction on OIT projects 7.8.15*

INSTITUTION	PROJECT	STATE FUNDED DEBT	CAMPUS-FUNDED DEBT	OTHER CAMPUS FUNDING	PROJECT TOTAL
ALL	Capital Repair, Renewal and Accessibility	\$65.8 (XI-Q Bonds)	\$0	\$0	\$65.8 <i>Budget note on capital repair and renewal</i>
EASTERN OREGON UNIVERSITY	Hunt Hall Demolition and Site Restoration	\$3.0(XI-Q Bonds)	\$0	\$0	\$3.0
OREGON INSTITUTE OF TECHNOLOGY	Center for Excellence in Engineering Technology Phase I	\$10.4 (XI-Q Bonds) \$0.8 (XI-G Bonds) Total: \$11.2	\$0	\$0.8 (XI-G Match)	\$12.0
OREGON STATE UNIVERISTY	Forest Science Complex	\$30.1 (XI-G Bonds)	\$0	\$29.7 (XI-G Match)	\$59.8
	Marine Studies Campus, Phase I	\$25.2 (X-G Bonds)	\$0	\$24.8 (XI-G Match)	\$50.0
PORTLAND STATE UNIVERSITY	Neuberger Hall Deferred Maintenance and Renovation	\$50.7 (XI-Q Bonds) \$10.2 (XI-G Bonds) Total: \$60.9	\$0	\$10.0 (XI-G Match)	\$70.9
	Broadway Housing Purchase	\$0	\$53.7 (XI-F(1) Bonds)	\$0	\$53.7
SOUTHERN OREGON UNIVERSITY	Britt Hall Renovation	\$4.8(XI-Q Bonds)	\$0	\$0	\$4.8
UNIVERSITY OF OREGON	Klamath Hall Renovation	\$6.3 (XI-G Bonds) \$6.1 (XI_Q Bonds) Total: \$12.4	\$0	\$6.3 (XI-G Match)	\$18.7
	College and Careers Building	\$17.3 (XI-G Bonds)	\$0	\$17.0 (XI-G Match)	\$34.3
	Chapman Hall Renovation	\$5.6 (XI-Q Bonds) \$2.6 (XI-G Bonds) Total: \$8.2	\$0	\$2.5 (XI-G Match)	\$10.7
WESTERN OREGON UNIVERSITY	Natural Sciences Building Renovation	\$6.0 (XI-Q Bonds)	\$0	\$0	\$6.0

Capital Repair/Renewal/Accessibility:

- This provides for an omnibus capital funding category to address current capital repairs, code compliance, ADA and safety related projects. Funding will be allocated to each institution on a request basis and proportionate to their total education and general (E&G) square footage.

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

EOU:

- **Hunt Hall Demolition/Site Restoration:** The project will remove a 72,300 sf facility that is deteriorating, undesirable and has the highest cost/sf ratios on the campus for utilities, repair and maintenance. That building will be replaced with a 36,700 sf, extremely desirable and highly efficient facility that will fulfill needs critical to EOU's mission.

OIT:

- **Center for Excellence in Engineering and Technology Phase I:** The project will provide additional needed expansion for the College of Engineering, Technology & Management (ETM) through a new 40,000 square foot, LEED Silver facility with six flexible classroom/lab spaces and four smart classrooms. Phase I construction will include special purpose engineering spaces unique to OIT's program mix. These include a wind tunnel, tensile strength testing machine and welding labs. This is critical first step in the renovation and modernization of the current Cornett Hall.

OSU:

- **Forest Science Complex:** The project will establish an applied research center in partnership with private sector manufacturers to drive the innovation, testing and educational programs necessary for private investment in advanced wood products manufacturing capacity in Oregon's rural communities.
- **Marine Science Complex Phase I:** The Marine Studies Campus represents OSU's strategic effort to achieve OSU's full potential as a leader in marine studies by bringing together key resources for research, education, and engagement.

PSU:

- **Broadway Housing Purchase:** The purchase of the building by PSU would allow the University to reduce the overall operating cost of the building by eliminating the lease payments and switching to a lower interest debt payment.
- **Neuberger Hall-Demolition and Renovation:** Neuberger Hall is in very poor condition. The building is in urgent need of significant upgrade or replacement of its major systems to remain operational and address safety issues. Operating costs of the building have skyrocketed as the university has fought to keep this critical building open for students. There is a growing concern of a catastrophic failure that would force a closure of the building and cause a major disruption for students.

SOU:

- **Britt Hall Renovation:** This project would "stiffen" the building to meet current seismic standards and modify the existing HVAC system to meet current loads.

U of O:

- **Chapman Hall Renovations - Seismic Upgrade and Deferred Maintenance:** The University has an extremely urgent need to address critical deferred maintenance and seismic upgrade needs in Chapman Hall, the home of the Clark Honors College and one of the campus highest ranking historic buildings. This project will strengthen the Honors College's identity and will consolidate College functions in one location.
- **College and Careers Building:** The College and Careers Building project will enhance student recruitment, retention, graduation, and future success by merging core academic activities with advising on career opportunities.
- **Klamath Hall for 21st Century Chemistry:** This proposal converts all of the lab space on the 3rd floor of Klamath Hall into state-of-the-art, synthetically-oriented, high-density hooded laboratories and concurrently builds/outfits a new 4th floor of Klamath Hall for faculty and student offices.

WOU:

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

- **Natural Science Building Renovation:** This project will make it possible to reorganize and expand Western's science program to accommodate new and relevant trends in science, and the anticipated increase in student enrollment.

UNIVERSITY CAPITAL PROJECT REAUTHORIZATIONS (in millions)

INSTITUTION	PROJECT	STATE FUNDED DEBT	CAMPUS-FUNDED DEBT	OTHER CAMPUS FUNDING	PROJECT TOTAL
OREGON STATE UNIVERSITY	Modular Data Center	\$0	\$7.1 (XI-F(1) Bonds)	\$0	\$7.1
PORTLAND STATE UNIVERSITY	University Center Land Purchase	\$0	\$10.2 (XI-F(1) Bonds)	\$0	\$10.2

OSU Modular Data Center: The reauthorization is critical to support increased operational efficiencies and capacity for OSU's Information Technology infrastructure. The project's modular approach will allow OSU to disperse data centers throughout the OSU Corvallis campus to provide additional capacity, flexibility, and enhanced resilience for university instructional, research, and administrative activities.

PSU University Center Land Purchase: PSU currently owns the University Center Building (UCB) but not the underlying land. PSU has a long-term land lease that expires in 2023 at which time the improvements revert back to the landlord. Debt service on the land, if owned by PSU, is anticipated to be less than the current lease rate until 2018 and significantly less beginning in 2018. This reauthorization will therefore result in a net savings to PSU.

NEW COMMUNITY COLLEGE CAPITAL PROJECTS (in millions)

INSTITUTION	PROJECT	STATE FUNDED DEBT	CAMPUS-FUNDED DEBT	OTHER CAMPUS FUNDING	PROJECT TOTAL
LINN BENTON COMMUNITY COLLEGE	Alternative Fuels Center	\$1.7 (Lottery Funds)	\$0	\$0	\$1.7

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.

COMMUNITY COLLEGE PROJECT REAUTHORIZATIONS (in millions)

INSTITUTION	PROJECT	STATE FUNDED DEBT	CAMPUS-FUNDED DEBT	OTHER CAMPUS FUNDING	PROJECT TOTAL
BLUE MOUNTAIN	Animal Science Education Center	\$3.3M	\$0	\$0	\$3.3M
COLUMBIA GORGE	Advanced Technology Center	\$7.3M	\$0	\$0	\$7.3M
KLAMATH	Student Success and Career-Technical Center	\$7.9M	\$0	\$0	\$7.9M
MT HOOD	Technology Innovation Center	\$8.0M	\$0	\$0	\$8.0M
ROGUE	Health and Science Center	\$8.0M	\$0	\$0	\$8.0M
SOUTHWESTERN OREGON	Health And Science Technology Building	\$8.0M	\$0	\$0	\$8.0M
TREASURE VALLEY	Workforce Vocational Center	\$2.8M	\$0	\$0	\$2.8M
UMPQUA	Industrial Technology Building	\$8.0M	\$0	\$0	\$8.0M

NOTE: Updated 7.8.15. This initial update reflects House Bill 5024 and House Bill 5005 (2015) but does not yet reflect Senate Bill 5507 and numerous policy bills with additional funding implications.



PREAMBLE

On April 4, 2014, the State Board of Higher Education endorsed presidential requests for institutional governing Boards for Eastern Oregon University (EOU) and Southern Oregon University (SOU) subject to mutually agreed upon conditions that are endorsed by the Governor. These conditions in no way speak to the authority of the Institutional Board of Trustees. Rather, they are conditions relative to whether or not the Boards continue as the duly empowered governing bodies or whether those responsibilities are fulfilled through a different governing structure at a future date. The Boards of Trustees of Eastern Oregon University and Southern Oregon University, once established, are fully empowered to fulfill the responsibilities of a university governing board and are expected to carry out those duties on behalf of the State of Oregon.

HECC shall have the authority and responsibility at any point to recommend to the Governor that governance of the university be modified should there be substantial evidence of lack of progress toward plans, negative trend lines or other factors indicating that a university is failing in its mission or is no longer fiscally viable. Likewise, the Governor has authority under HB 4018 (2014) to act based on such recommendation.

Additionally, the State Board of Higher Education and institutions recognize that at any time, the Governor has the authority to recommend governance modifications of Oregon public universities to the Legislature.

The intent of the identified conditions and process is to work in collaborative partnership with the State Board of Higher Education, Higher Education Coordinating Commission, the Governor's Office and institutions. This collaboration is intended to resolve current challenges at EOU and SOU and remove additional conditions not required of other Oregon public universities and to see EOU and SOU flourish under institutional governing boards. To that end, the following principles, timeline and conditions are established.

INSTITUTIONAL BOARD CONDITIONS

Principles

1. Institutional Board Conditions should be as simple and clear as is possible.
2. Institutional Board Conditions should be limited to the core issues that necessitate conditionality, namely financial sustainability consistent with a focused mission in alignment with state and regional needs.

3. Institutional Board Conditions should focus on the operating condition of the institution absent extra-ordinary and discretionary revenue and expense items, specifically including appropriations not available to a majority of the public universities.

CONDITIONS: METRICS AND TIMETABLE

June 30, 2015: Mission Review

The State Board of Higher Education and Chancellor's Office, from now through June 30, 2015, will work with the EOU and SOU administrations and in consultation with appointed, but not serving, institutional board trustees as possible, to clarify and strengthen their mission, to develop strategies to foster a competitive niche within the institution's mission, and provide a pathway towards long-term financial viability. These strategies should include the unique role of these institutions in meeting the state's 40-40-20 goal, aligning with regional economic development needs, and supporting the Higher Education Coordinating Commission's strategic priorities.

December 31, 2015: Second Review

Continuing to recognize the Governor's authority, the purpose of the Second Review is to provide feedback to the institutions to assist them in succeeding in removing these conditions. Through the Initial Review, HECC should provide feedback related to institutional progress and suggested areas of emphasis and needed improvement. By December 31, 2015, on behalf of the EOU and SOU Boards of Trustees, the respective Presidents shall present to the HECC an interim progress analysis on:

- Mission refinement;
- Program rationalization;
- Contribution towards 40-40-20; and
- Financial stability progress and trajectory.

December 31, 2017: Third and Final Review

No later than December 31, 2017, the Boards of Trustees of Eastern Oregon University and Southern Oregon University will submit to the Higher Education Coordinating Commission a comprehensive report demonstrating the institution's unique mission, program focus, and long-term financial viability. The Commission will evaluate whether the institution effectively demonstrates a clear institutional focus and durable niche within the portfolio of public higher education assets in Oregon and that this niche:

- Supports the state's and region's civic, cultural, economic and 40-40-20 needs;
- Enables a cohesive and sustainable enrollment model; and
- Supports the long-term viability of the institution.

To these ends, EOU and SOU are required to provide:

- Pro-forma financial statement of no less than five-years;

- Audited financial statements – which may include current OUS statements unaudited at the institutional level;
- All relevant and material assumptions; and
- Any requested supporting documentation.

Particular HECC attention will be focused on the institution's ability to maintain financial stability within the outlined mission and program framework and absent extra-ordinary and discretionary revenue (e.g., state appropriations) and expense items.

While not serving as a single decision point, a trend analysis of the following metrics will substantially inform the HECC report:

1. Primary Reserve Ratio, target: 5%-7% minimum;
2. Debt Burden Ratio: target <7%;
3. Contribution Ratio Analysis;
4. Current Ratio: target at least 2:1; and
5. Enrollment Analysis.

These five indicators will be informed by generally accepted financial standards best practices (indicated above), institutional peer data where available, and in reference to the other Oregon public universities.

Following the Third Review (December 31, 2017), the HECC will determine if the universities have not met the necessary conditions and per HB 4018 (2014), notify the Governor. Should HECC determine the institutions have made significant progress towards achieving stability, HECC may recommend to the Governor that conditions be removed and that the SOU and/or EOU governing board(s) be on the same status as the other Oregon public universities.

In order for the Commission to effectively evaluate each review period, the institutions will grant full and unfettered access to business records, including financial and enrollment information, and university personnel as deemed necessary by the Commission. At its discretion the Commission may retain third-party experts to assist in the evaluation and testing of the facts and assumptions imbedded within the report.

In both the Second and the Final Review reports, HECC will evaluate institution performance relative to existing pro-forma, retrenchment plans, enrollment projections, and other institutional planning.

Enrolled Senate Bill 493

Sponsored by Senator BATES (Presession filed.)

CHAPTER

AN ACT

Relating to disbanding governing boards at public universities; amending section 168a, chapter 768, Oregon Laws 2013; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 168a, chapter 768, Oregon Laws 2013, as amended by section 1, chapter 83, Oregon Laws 2014, and section 10, chapter 113, Oregon Laws 2014, is amended to read:

Sec. 168a. (1) If the president of Oregon State University notifies the Governor between August 2, 2013, and January 1, 2014, that the university will become a university with a governing board:

(a) Within two weeks after receiving the notification, the Governor shall inform the President of the Senate, the Speaker of the House of Representatives and the Legislative Counsel of the notification; and

(b) Not later than February 1, 2014, the Governor shall appoint all of the members of the governing board in the manner set forth in ORS 352.076.

(2)(a) If the president of Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University determines that the university should become a university with a governing board, the president shall notify the Governor and the State Board of Higher Education of the university's intent. Notification under this subsection must occur during the period beginning March 1, 2014, and ending May 15, 2014.

(b) Within 45 days of receiving notification under this subsection from a university president, the State Board of Higher Education shall take one of the following actions:

(A) Endorse the university's decision. If the State Board of Higher Education endorses the university's decision, the board shall immediately communicate any endorsement to the Governor.

(B) Not endorse the university's decision.

(C) Endorse the university's decision subject to conditions recommended by the State Board of Higher Education and endorsed by the Governor.

(3) If the university's decision is endorsed by the State Board of Higher Education and the Governor under subsection (2)(b)(C) of this section, the following apply:

(a) The State Board of Higher Education and the president of the university seeking a governing board must mutually agree on the conditions that will be recommended by the board to the Governor. In order for a university to be endorsed under subsection (2)(b)(C) of this section, the Governor must receive and choose to endorse the recommended conditions not later than the date set forth in subsection (2)(b) of this section.

(b) The conditions recommended for a university seeking a governing board may include, but are not limited to, financial thresholds that must be met by the governing board or other coordi-

nation conditions to ensure the university's financial stability and the stability of the university's programs.

(c) The university becomes a university with a governing board in the same manner and under the same time frame, and functions in the same manner, as a university endorsed by the State Board of Higher Education under subsection (2)(b)(A) of this section, subject to the conditions recommended by the board and endorsed by the Governor.

[(4)(a)] (4) A university whose decision is endorsed with conditions under subsection (2)(b)(C) of this section must fulfill the conditions not later than the date, if any, specified by the State Board of Higher Education and university president and endorsed by the Governor. If the Higher Education Coordinating Commission determines, as a result of a financial review and performance audit of the university and its governing board, that the university has not met the necessary conditions by the specified date, the commission shall notify the Governor, **the Legislative Assembly and the governing board of its determination.**

[(b) Within 90 days of receiving a notification under paragraph (a) of this subsection, the Governor may suspend the governing board and direct the university's administration to report to the governing board of a different university, direct the university to adopt a different governance structure or decide that the university should retain its governing board. Absent legislative action, the Governor's action is final and, unless the Governor decides to retain the governing board of the university, the governing board is disbanded at the conclusion of the next regular session of the Legislative Assembly.]

(5) Upon receiving notification that the State Board of Higher Education has endorsed a university's decision to become a university with a governing board under subsection (2)(b)(A) of this section, or upon endorsing a university's decision to become a university with a governing board under subsection (2)(b)(C) of this section, the Governor shall:

(a) Inform the President of the Senate, the Speaker of the House of Representatives and the Legislative Counsel that the university will become a university with a governing board; and

(b) Not later than six months after receiving the notification, appoint all of the members of the governing board in the manner set forth in ORS 352.076.

(6) Notwithstanding section 169, chapter 768, Oregon Laws 2013, if Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University becomes a university with a governing board under subsection (2) of this section, the president of that university shall take over administrative responsibilities for the university from the State Board of Higher Education on July 1, 2015.

SECTION 2. This 2015 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect on its passage.

Passed by Senate April 23, 2015

Repassed by Senate June 9, 2015

.....
Lori L. Brocker, Secretary of Senate

.....
Peter Courtney, President of Senate

Passed by House June 4, 2015

.....
Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2015

Approved:

.....M.,....., 2015

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2015

.....
Jeanne P. Atkins, Secretary of State

POSTSECONDARY FUNDING DISTRIBUTION MODELS



PRESENTED TO:

Southern Oregon University
Board of Trustees

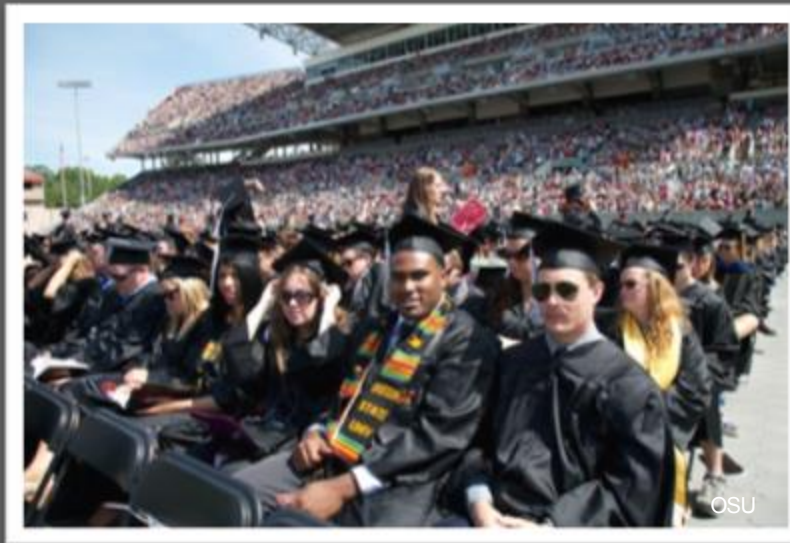


July 17, 2015

BEN CANNON, Executive Director, HECC
BRIAN FOX, Director, University Budget and Finance

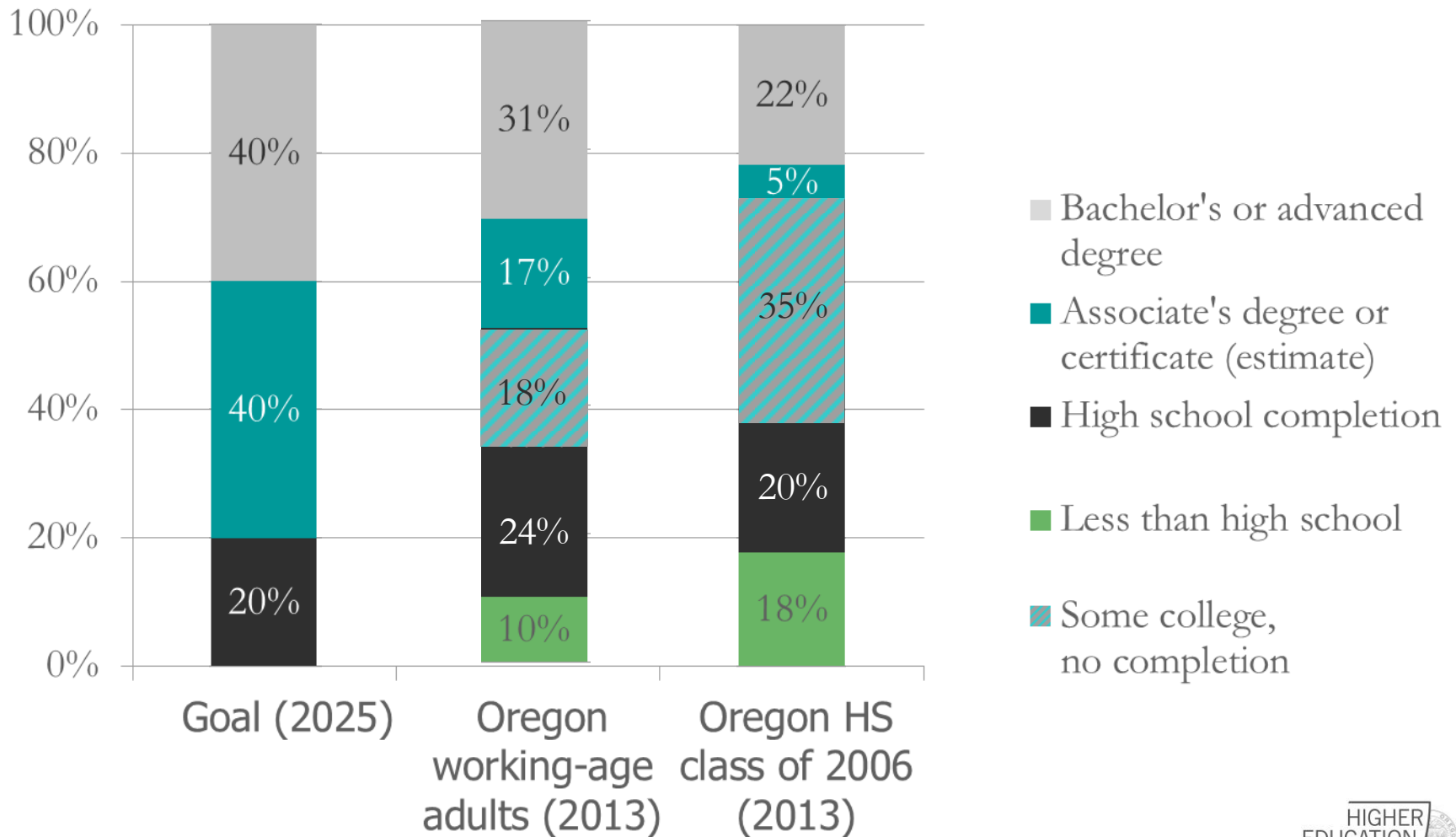
INTRODUCTION

BEN CANNON, Executive Director, HECC



CONTEXT: 40-40-20

3

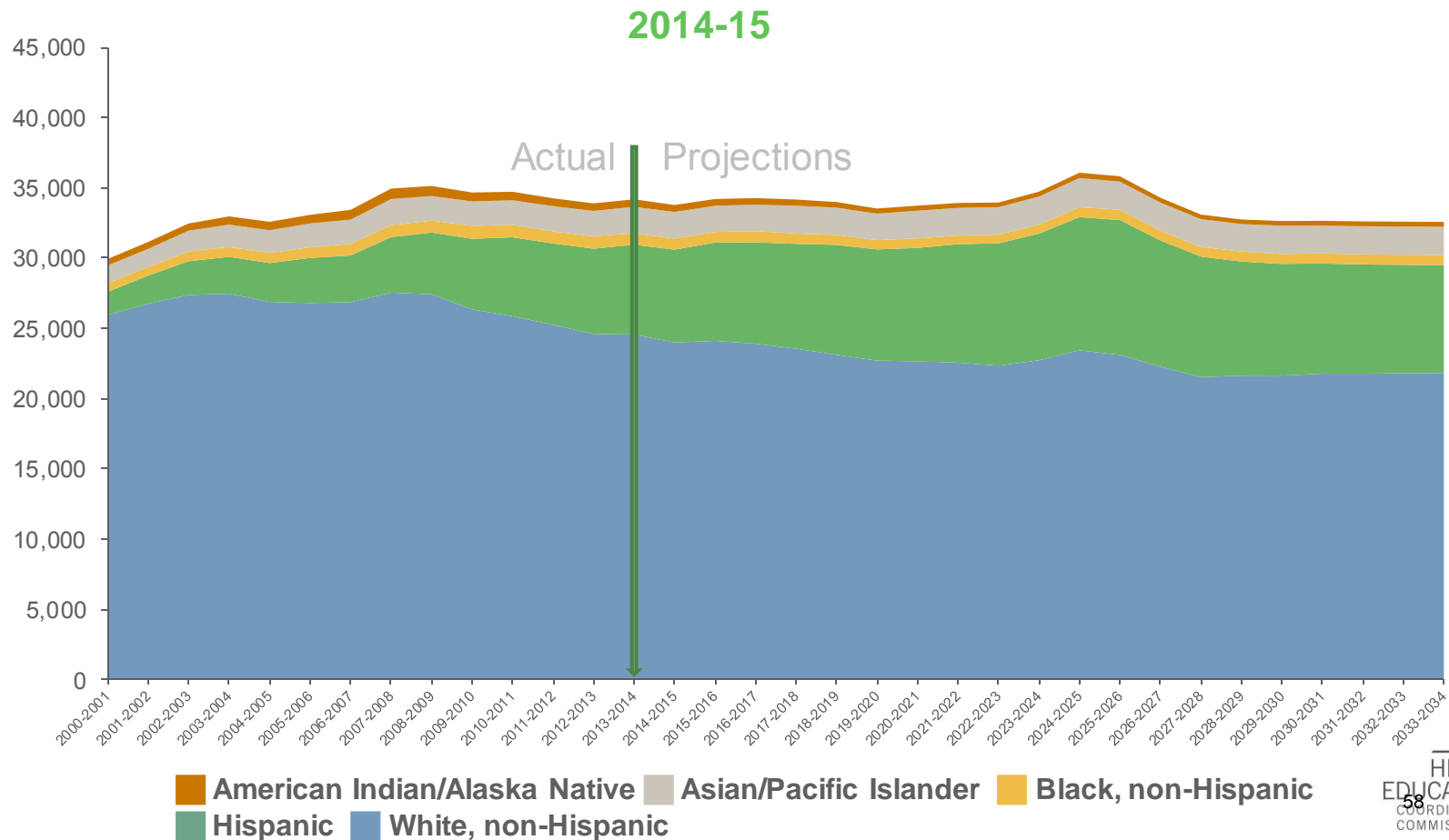


Source: HECC analysis of the American Community Survey, ECONW

CONTEXT: INCREASING DIVERSITY

4

Oregon Public High School Graduates by Race/Ethnicity, Actual and Projected



LEGISLATIVE MANDATE AND HECC PROCESS

5

ORS 351.735(3)(d)

- 3) The Higher Education Coordinating Commission shall:
 - d) Adopt rules governing the distribution of appropriations from the Legislative Assembly to community colleges, public universities listed in ORS 352.002 and student access programs. These rules must be based on allocation formulas developed in consultation with the state's community colleges and public universities, as appropriate.

WHAT IS OUTCOMES BASED FUNDING?

6

Outcomes-Based Funding (OBF)

- Links the distribution of state funding to state educational attainment goals
- Directs state investment to completions (including course completions, degree and certificate completions)
- Designed to reward and reinforce institutional investments in student success and support services
- Focused on achieving equity goals

25 states currently have some form of OBF system and 9 more are currently developing them

- Colorado recently approved an outcomes based funding formula for both 2 and 4 year institutions

COMMON CONCERNS

7

Primary concerns of stakeholders

- Equity and access
- Degree and program quality

Some HECC considerations

- Fund underrepresented students at a significantly higher rate.
- Conduct annual evaluations of universities that include a robust set of qualitative and quantitative evaluations of academic and programmatic quality.

COMPARING ENROLLMENT AND OUTCOMES FUNDING DISTRIBUTIONS

8

	Enrollment-based distributions	Outcomes-based distributions
Incentives to increase student success	No	Yes
Incentives to increase enrollment	Yes	No
Incentives for academic quality	No	No
Includes adjustments/weights for underrepresented students	No	Yes
Includes adjustments/weights for low income students	No	Yes
Reflects institutional missions	Yes (access)	Yes (student success)

OUTCOMES-BASED FUNDING

9

A method for the distribution of state resources

Not a substitute for the need for additional state resources

An appropriate alternative to tight state oversight of institutions

Its aims should be modest, and should reflect the state's particular higher education context

DESIGN PRINCIPLES FOR PERFORMANCE FUNDING

10

(with thanks to Dennis Jones, NCHEMS): Outcomes Based Funding; the Wave of Implementation)*

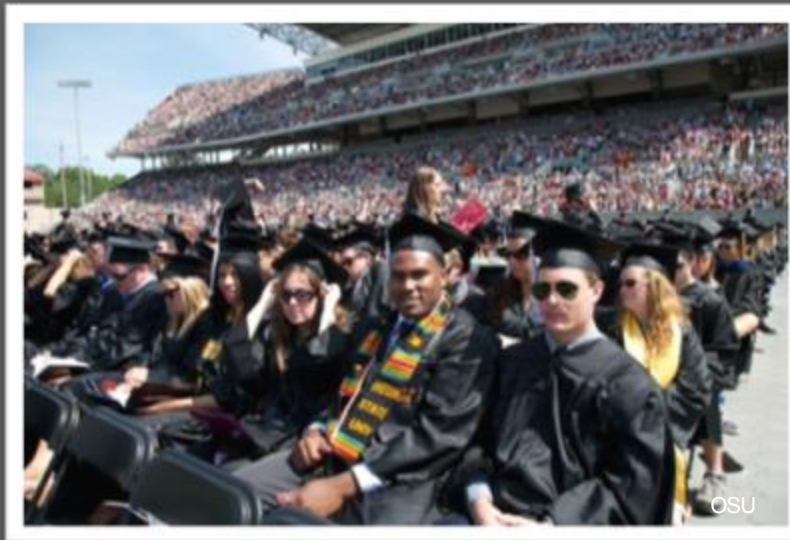
- Begin at the beginning
- Measure what you want to get
- Fund what you measure
- Understand (and appreciate) the angst
- Recognize performance funding as one piece of the puzzle

*<http://www.nchems.org/pubs/docs/Outcomes-Based%20Funding%20Paper%20091613.pdf>

UNIVERSITY STUDENT SUCCESS AND COMPLETION MODEL



BRIAN FOX, Director, University Budget and Finance, HECC



THE RESOURCE ALLOCATION MODEL (RAM)

The RAM allocates the Public University Support Fund (PUSF) to the seven public universities

The RAM contains two primary funding items: line item and enrollment funding

- The majority of funds flow through a cost-weighted enrollment driven formula (70%)
- A set of line items, including Regional Support, Research and Public Service are supported (29%)
- A small incentive fund for student success allocates resources based on degrees completed and emphasizes underrepresented minority or rural students (1.5%)

RAM uses single year data and is highly volatile, particularly dangerous for institutions that are more reliant on state funding and are enrollment dependent

WORKGROUP'S PROCESS & OUTCOMES

13

HECC convened a workgroup including senior financial, academic, and student affairs administrators from each university as well as student and faculty leaders.

HECC used existing states' models and literature to create an OBF model that builds from others yet meets Oregon's unique institutional context.

The HECC articulated the following principles to guide the workgroup:

- Reflect HECC strategic plan and OEIB Equity Lens
- Focus on student access and success with an emphasis on underrepresented populations
- Encourage high demand/high reward degrees
- Recognize/reward differentiation in institutional mission and scope
- Use clearly defined, currently available data
- Maintain clarity and simplicity
- Utilize phase-in period to ensure stability, beginning with 2015-17 biennium

Workgroup convened in June 2015 and through an iterative process delivered the fully developed SSCM to HECC staff in February 2015.

STUDENT SUCCESS AND COMPLETION MODEL

14

The Student Success and Completion Model (SSCM) has three primary components:

- **Mission Differentiation Funding** supporting regional, research and public service mission of each university
- **Activity-Based Funding** which invests in credit hour enrollment of Oregon resident students
- **Completion Funding** which focuses investment in degree and certificate completion of Oregon resident students with particular emphasis on underrepresented student populations and priority degree areas

Transition mechanisms are in place to smooth the transition from RAM to SSCM:

- **Graduated increase** in completion funding and measured transition from enrollment funding
- **Stop-loss and stop-gain** mechanism to ensure all institutions have predictable funding levels and share in increased resources

SSCM uses three-year rolling average to reduce volatility in funding to universities

MISSION DIFFERENTIATION ALLOCATION

15

There are **three types** of mission differentiation funding:

- **Regional Support** allocations provide resources for the higher cost mission of the four Technical and Regional Universities (TRU) and OSU Cascades which serve a unique and critical public purpose
- **Research Support** allocations provide resources for key economic development and innovation needs of the state
- **Mission Support** allocations provide funding for non-instructional activities, as diverse as the Veterinary Diagnostic Laboratory (OSU) and NEW Leadership Oregon (PSU)

Funding indexed to Portland CPI/legislative funding

Mission Differentiation Funding comes “off the top”

TRU Shared Services will be incorporated into Regional Support allocation.

ACTIVITY BASED ALLOCATION

16

Replicates cost-based weighting factor approach in previous funding model

Supports and incentivizes enrollment, and provides intermediate payment

Continues to support partnerships between institutions and across sectors

Funds enrollment and courses for all resident students

HECC will convene a workgroup to update cost weighting factors which were developed over 15 years ago

COMPLETION FOCUSED ALLOCATION

17

Degrees at all levels are funded: Bachelor's through PhD's as well as graduate certificates

Cost adjustments are made to reflect program duration, program type, and for transfer students

Additional weighting is provided for students who complete from traditionally underserved student populations, including:

- Low income, underrepresented minority, rural, and veteran students

Additional weighting is provided for students who complete in areas of critical need for the state, including:

- STEM, Healthcare and Bilingual Education

TRANSITIONING TO NEW FUNDING SYSTEM

18

Stop loss

- Brackets downside risk for institutions. During the transition period, the stop loss is set such that no institution can lose funding and ensures that during the first year all institutions see at least a 4.5% increase in funding.

Stop gain

- The stop-gain tool is designed to prevent an institution from receiving an abnormally large increase in allocation in excess of a pre-determined threshold when compared to the prior year

Phase in of completion funding

- During the first year a relatively small portion of total funding is based on degree completions. Over subsequent years completion funding will increase until it accounts for 60% of formula based allocation.

EVALUATION FRAMEWORK AND TIMELINE

19

On advice of the workgroup and in line with national best practices a prescribed re-evaluation process for the SSCM was built into the model



Every other year, the HECC, in consultation with stakeholders, will examine definitions, weighting factors and similar items to ensure that unintended consequences are understood and accounted for and adjustments are made if necessary



Every six years the HECC will undertake a more comprehensive process to ensure that the Model reflects the needs of institutions and priority of the state in directing resources

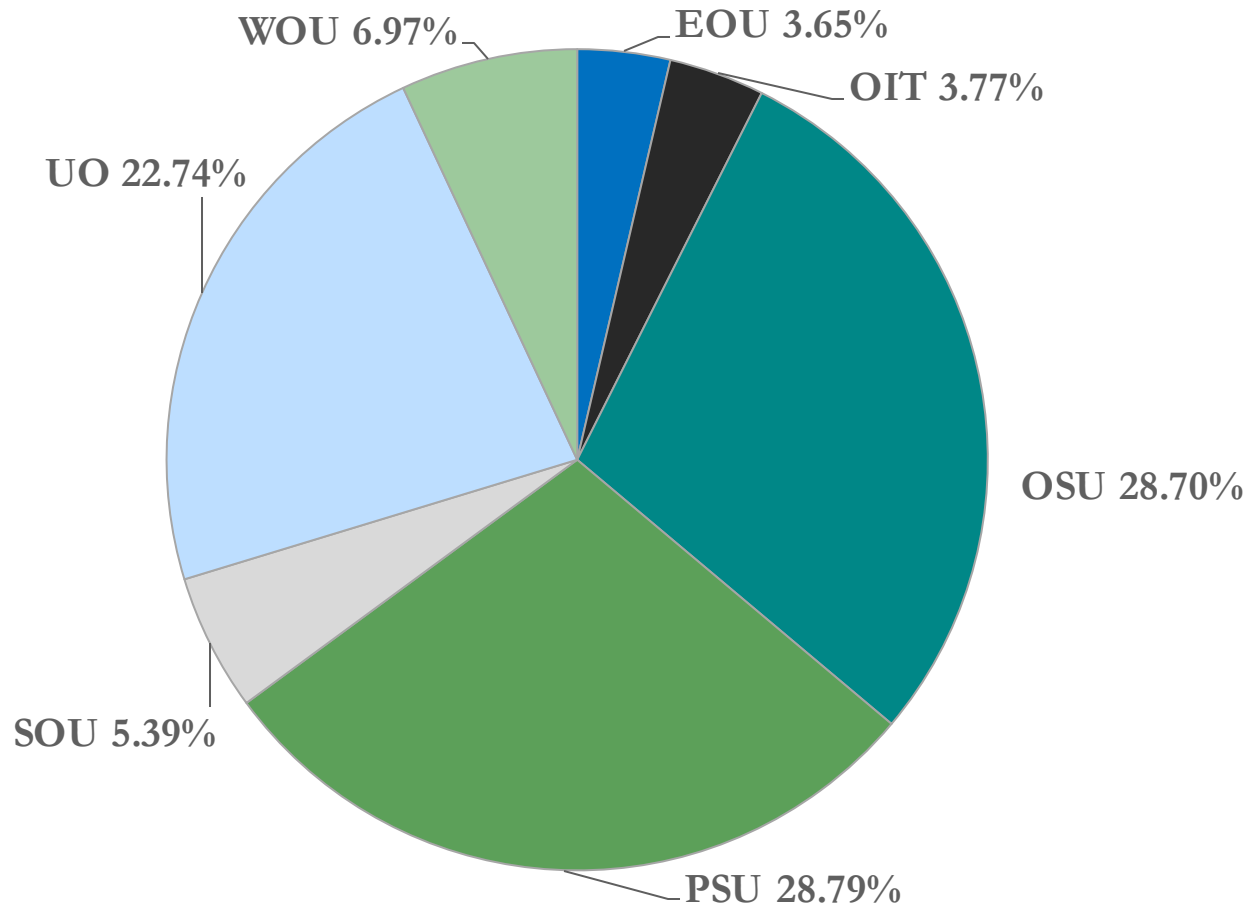


Through the evaluation of institutions with institutional boards the HECC will focus on academic quality financial integrity and productivity of institutions to inform funding model re-evaluations

ENROLLMENT AND COMPLETIONS BY INSTITUTION

20

Proportion of Resident Student Credit Hour Completions

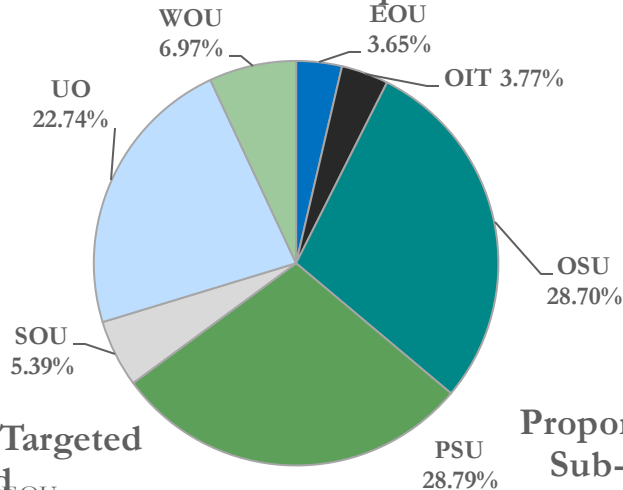


Three-year rolling average of resident SCH production, degrees conferred and degrees conferred to targeted student sub-populations and in targeted fields of study.

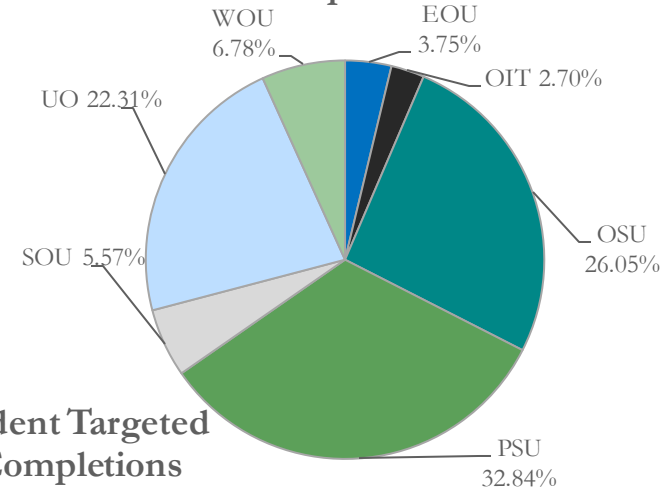
ENROLLMENT AND COMPLETIONS BY INSTITUTION

21

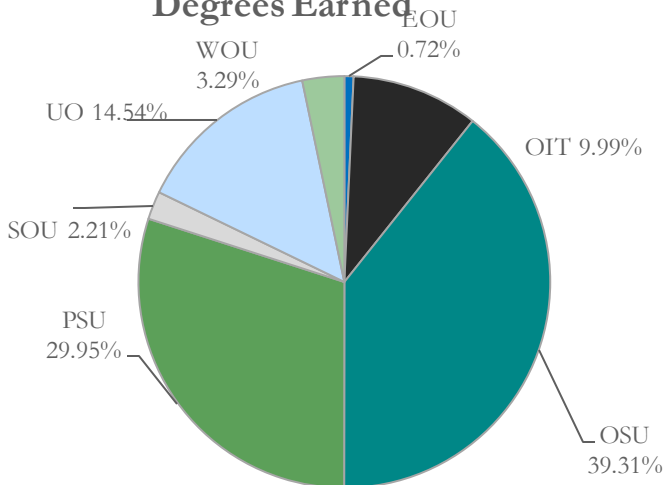
Proportion of Resident Student Credit Hour Completions



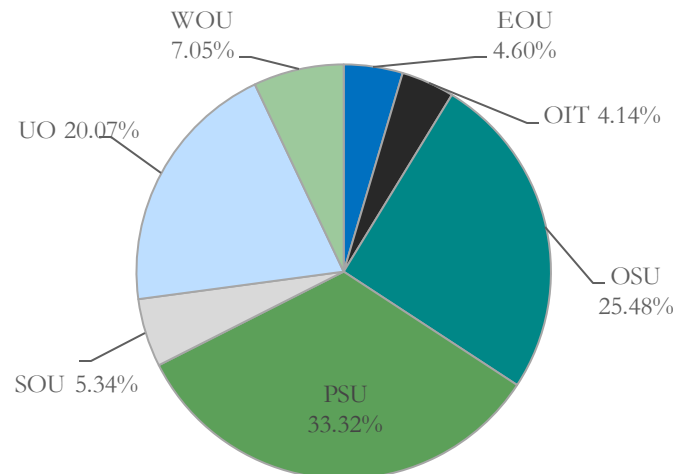
Proportion of Resident Degree Completions



Proportion of Resident Targeted Degrees Earned



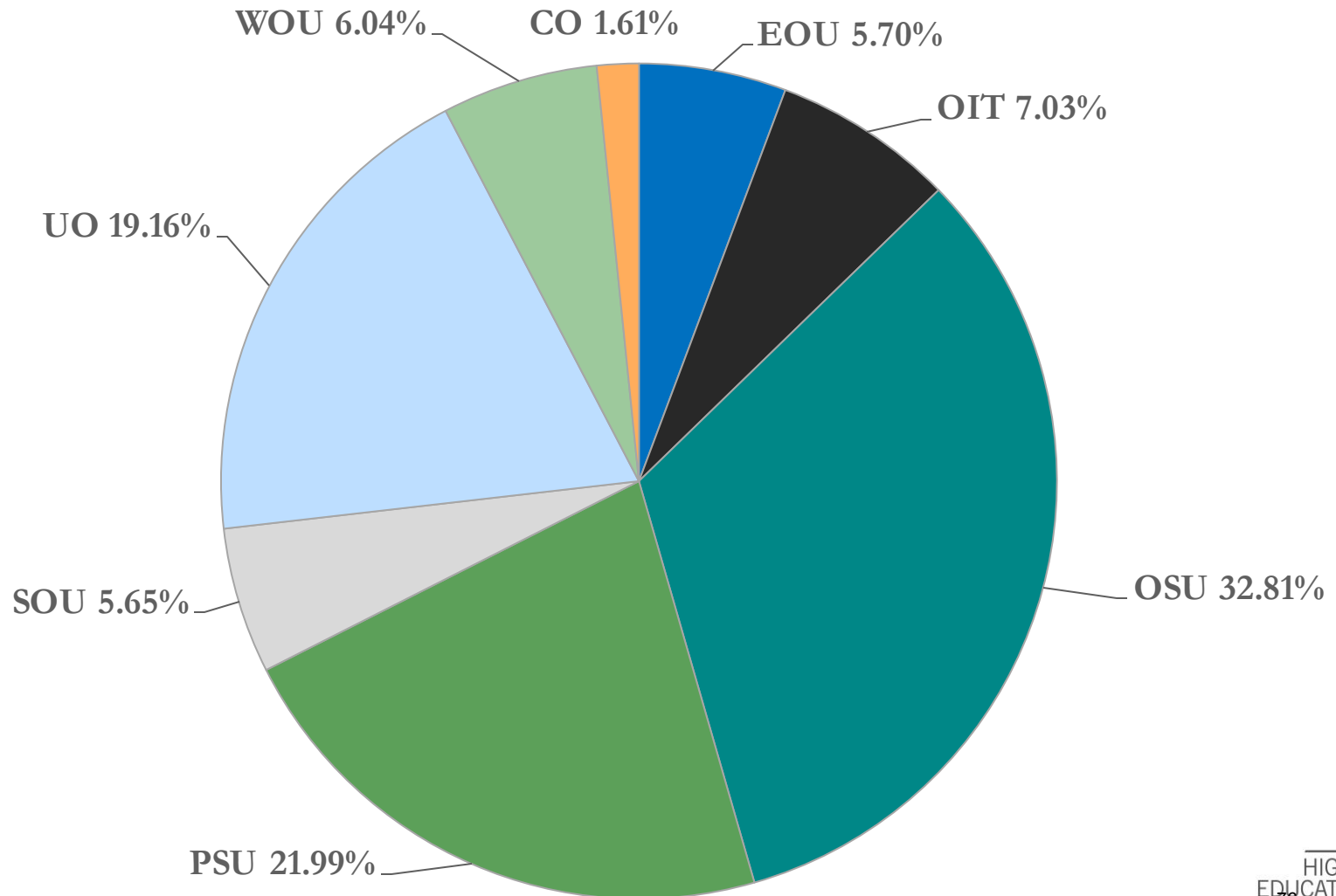
Proportion of Resident Targeted Sub-Population Completions



Three-year rolling average of resident SCH production, degrees conferred and degrees conferred to targeted student sub-populations and in targeted fields of study.

PROPORTIONAL FUNDING BY INSTITUTION – 2013-15

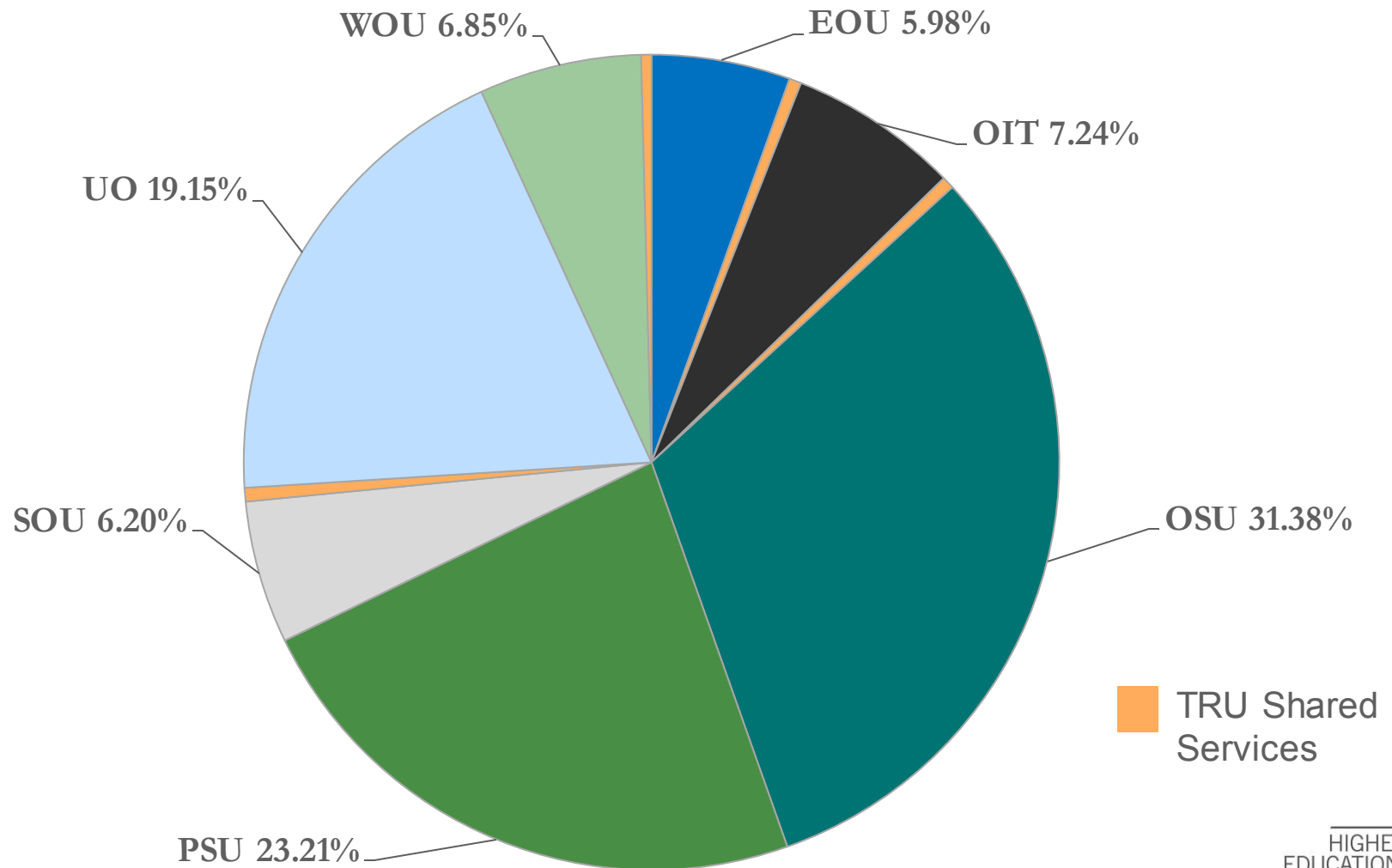
22



Estimated amount as FY15 settle up will take place during fall of 2015 when final data is available.

ESTIMATED PROPORTIONAL FUNDING BY INSTITUTION – 2015-17 (CO-CHAIRS')

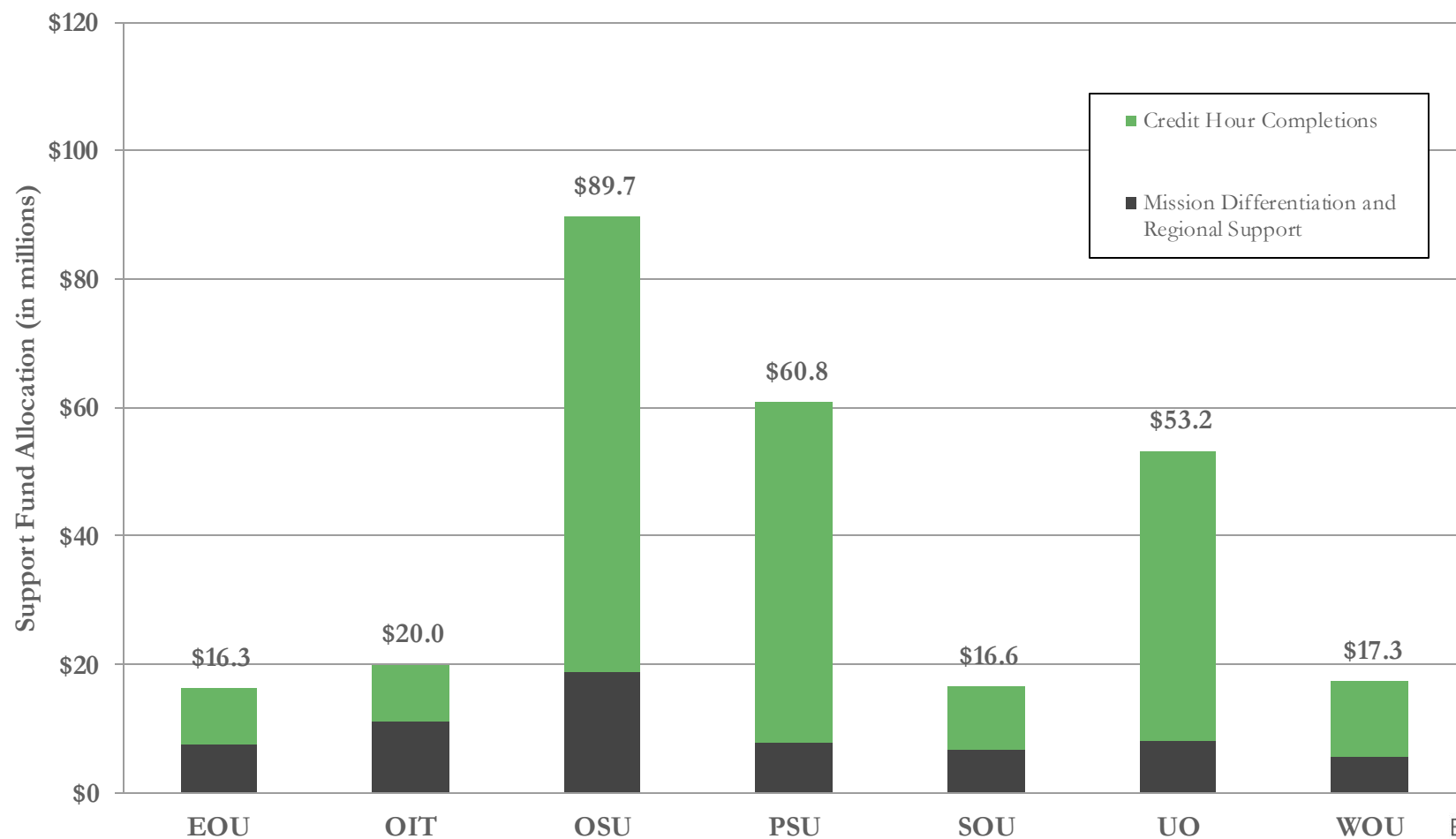
23



Assumes Co-Chairs' Budget Framework funding of \$635M and historical enrollment and completion information

2015 FUNDING ALLOCATION

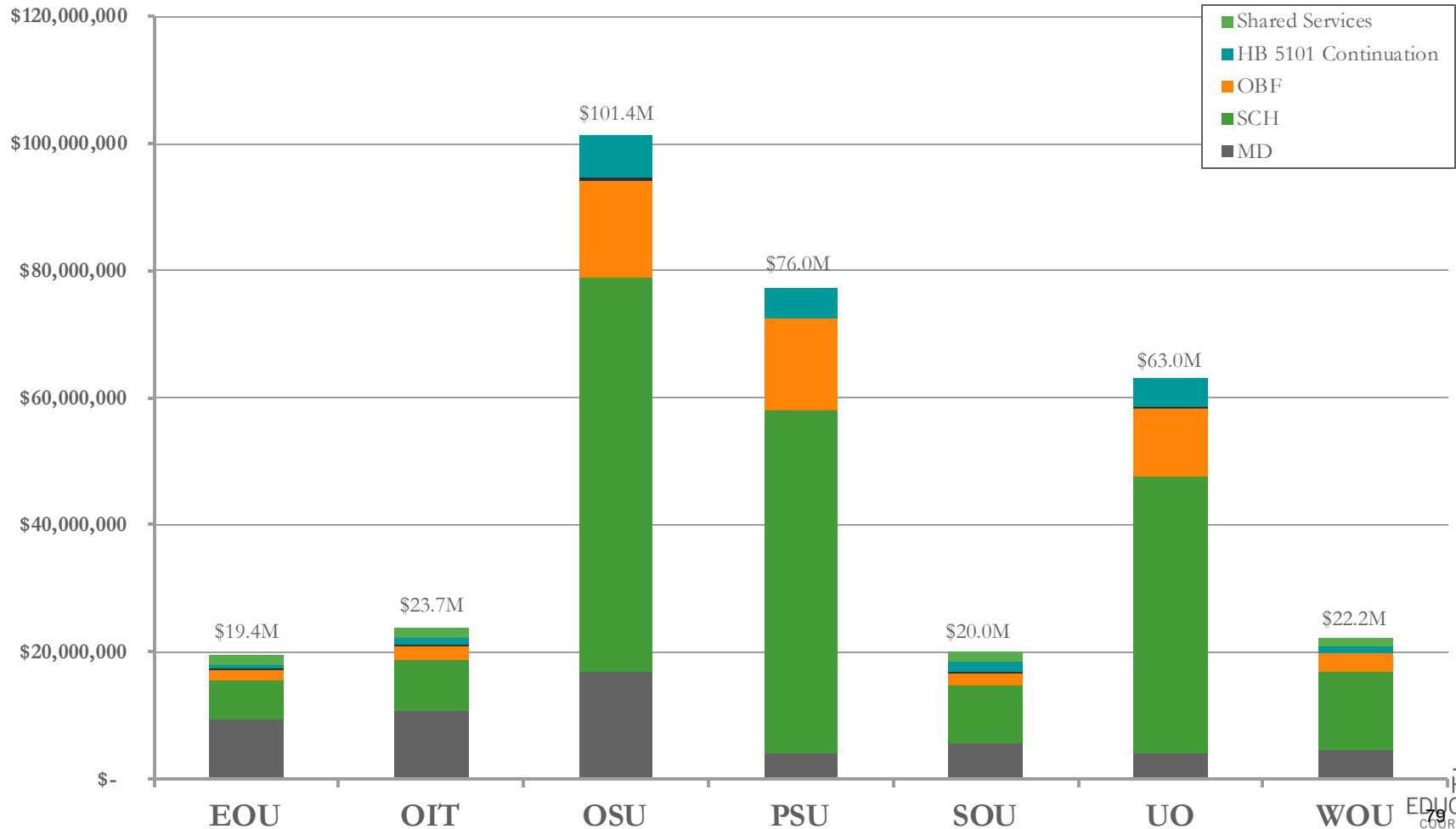
24



Estimated amount as FY15 settle up will take place during fall of 2015 when final data is available.

2016 PRELIMINARY SSCM FUNDING ALLOCATION – \$665M LAB

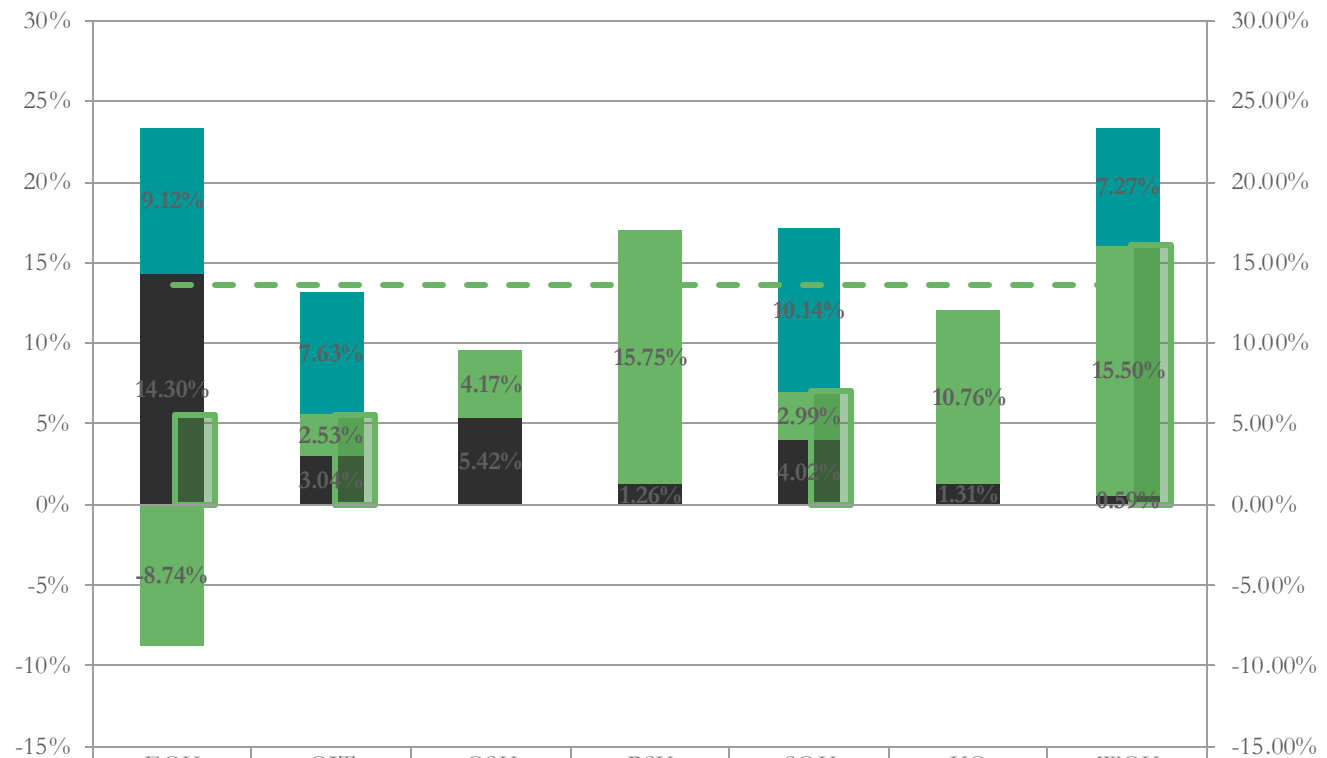
25



NOTE: Actual 2015-17 biennial funding at \$665M.

ESTIMATED FUNDING INCREASE FROM FY15 TO FY16 (CO-CHAIRS')

26



	EOU	OIT	OSU	PSU	SOU	UO	WOU
Shared Services	9.12%	7.63%	0.00%	0.00%	10.14%	0.00%	7.27%
Degree and Credit Completion Differentiation	-8.74%	2.53%	4.17%	15.75%	2.99%	10.76%	15.50%
Mission Differentiation	14.30%	3.04%	5.42%	1.26%	4.02%	1.31%	0.59%
Total Allocation	14.68%	13.20%	9.59%	17.00%	17.15%	12.06%	23.37%
Allocation without Shared Services	5.55%	5.58%	9.59%	17.00%	7.01%	12.06%	16.09%
'Average change'	13.61%	13.61%	13.61%	13.61%	13.61%	13.61%	13.61%

2016 PRELIMINARY PER DEGREE FUNDING

27



WRAP-UP

28

- University funding model development began in June 2014 with a meeting of HECC leadership and the Presidents' Council.
- HECC convened a workgroup in June 2014 which developed the evolutionary SSCM.
- The SSCM provides increased stability and predictability to public universities and focuses resources on meeting 40-40-20 and the equity lens through investments in underserved students and degrees in critical fields.
- The SSCM balances mission, enrollment and completion funding.
- Regional support funding is continued and the cost of TRU shared services are funded “off the top”.
- Funding model effectively links state investment with the state's 40-40-20 goal and rewards institutions for focusing on the most at risk Oregonians.



This presentation was revised on Tuesday, August 11, 2015
The original presentation inadvertently listed a year seven
date of 2017. It should have read 2016.

Accreditation

- Overview and Priorities
- Resources and Documents
- Timeline and Planning
- Questions

Overview and priorities:

Getting to Year Seven

Quick facts

- Our accrediting body is the Northwest Commission on Colleges and Universities
[NWCCU](#)
- 7-year cycle which addresses five Standards for Accreditation

Accreditation Standards

- **Standard One:** Mission, core themes and expectations (Year One, 2011)
- **Standard Two:** Resources and capacity (Year Three, 2013)
- **Standard Three:** Planning and implementation (Year Seven, 2016)
- **Standard Four:** Effectiveness and improvement (Year Seven, 2016)
- **Standard Five:** Mission fulfillment, adaptation and sustainability (Year Seven, 2016)

** Standards are interconnected and build on each other, so as we focus on a standard for a given year, we also address, update, expand or modify previously addressed standards*

Purposes of Accreditation

- Self-Regulation through Continuous Improvement
- Academic Integrity Demonstrated by Mission Fulfillment
- Collective Responsibility of Higher Education Institutions to Constituents

Institutional Integrity

- Degree to which institutional intentions match institutional accomplishments
- Enables accountability and quality assurance
- What do we claim to do?
- How well are we doing it?
- What evidence can we provide to support our claims?

Mission

Intended Purpose (1.A and 1.B)

- Contract with constituencies
- Promise to students
- Honors diversity of institutions
- Assess the institution in terms of its own distinctive expectations of itself (targets, benchmarks, thresholds, accomplishments)



Year Seven Report

- Assess and explicitly document achievement of **intended institutional and student outcomes** to substantiate claims of quality and effectiveness (mission fulfillment)
- Provides a “show me” view from constituents; or, in NWCCU terminology, adheres to a **culture of evidence**
- Artifacts, exhibits and tangible evidence

How do we know we are fulfilling our mission?

- Critical exploration questions the validity of the quality of an institution based solely on intentions (mission and planning – Standards 1 and 3) and resources (inputs – Standard 2)
- Evidence demanded for achievement of outcomes and incorporation of results for improvement upon mission fulfillment (Standards 4 and 5)

The Year Seven Report

Standards 3, 4, and 5:

- Identifying an institution's self-regulation planning, processes, and methodologies for establishing institutional integrity through evidence of mission fulfillment
- Linking to the language of the accreditation standards

Standard Five

Summative – All Standards and all years in the cycle to assess
Mission Promise Kept & Sustained Over Time

Mission Fulfillment	Adaptation and Sustainability
Core Theme Objectives Realized to a Sufficient Level	Infrastructure Preserved through Planning Efforts
Quality Education Outcomes – Value Added	Processes are Effective and Enhanced
To what extent?	Monitoring Patterns, Trends, and Expectations

Resources and Documents

Accreditation Steering Committee



- Sue Walsh, Provost
- Jody Waters, Associate Provost (Chair)
- Chris Stanek, Director of Institutional Research
- Craig Morris, VP Finance & Admin
- Brad Christ, IT Director
- Vicki Suter, Director, Center for Instructional Support
- Kristin Nagy Catz, Director University Assessment
- Lee Ayers, Director of Undergraduate Studies
- Lisa Garcia-Hanson AVP for Enrollment and Retention
- Deb Brown, Director, University Seminar
- Jim Hatton, Chair, University Assessment Committee

Resources and Documents

- Internal site for the [Steering Committee](#)
- SOU [IR Accreditation Site](#)
- [NWCCU](#)
- Annual Report, Ad Hoc Reports and Substantive Change Reports
- [Other institutions](#) who have completed their Year Seven [report](#) and visit
- SOU administrators who have been on site visits

Year Seven Report

- September 2016: Year Seven Report Due and site visit scheduled
- August 1: print ready copy (all information and editing; all exhibits; table of contents)
- July 2015 – August 2016: information gathering, analysis, collaboration, commiseration, writing, revision and celebration

Questions?

FY16 Budget Notes

- # 1. State funding increased by \$30M. SOU's share is approximately \$582K each year. There is a budget note requiring that the \$582K be spent exclusively, in both years, on tuition remissions and student support and success initiatives.
- # 2. The budget includes shared services funding and associated costs, as well as new unfunded positions for board support.
- # 3. The budget includes an additional \$104K in IT funding for our computer lease/replacement program.
- # 4. The budget includes a shift of budgeted software license and maintenance contract costs from various departments to IT.
- # 5. The budget includes a 3% compensation increase pool. This should be adequate to cover the current cost of negotiated salary packages. The challenge is the roll-up of the agreed to salary packages into FY17.
- # 6. Enrollment budget is based on retrenchment target of down 1.1%.
- # 7. If actual Fall 2015 enrollment is flat or better compared to last year, additional adjunct faculty and graduate assistants will need to be hired. Provost has identified the financial impact at \$363K for adjuncts and \$57K for graduate assistants.
- # 8. Services and Supplies budget fixed at FY15 budget, with noted exceptions.
- # 9. The budget includes the elimination of furlough days for faculty and administrators.
- # 10. The budget includes a new unfunded position for diversity.
- # 11. The budget includes the funding of summer chairs.
- # 12. The budget includes the transfer of 1.5 FTE general fund positions from housing back to student affairs.
- # 13. All auxiliary and designated operations department budgets are balanced with the exception of Athletics. That budget is a budgeted deficit of approximately \$400K that includes the addition of two new sports teams.

	FY14 Final Results	FY15 Original Budget	FY15 Projected close	FY16 Proposed Budget	FY16 Retrenchment	Variance from FY15 Orig Bud	Variance from FY16 Retrench	Notes
EDUCATION & GENERAL								
State General Fund	\$ 13,762	\$ 16,779	\$ 16,989	\$ 20,393	\$ 14,624	\$ 3,614	\$ 5,769	(1)
Tuition & Resource Fees, net of Remissions	33,278	31,974	33,262	33,672	32,123	1,698	1,549	(2)
Other	3,008	2,101	1,806	1,863	2,135	(238)	(272)	
Total Revenues	<u>\$ 50,048</u>	<u>\$ 50,854</u>	<u>\$ 52,057</u>	<u>\$ 55,928</u>	<u>\$ 48,882</u>	<u>\$ 5,074</u>	<u>\$ 7,046</u>	
Personnel Services	\$ 43,948	\$ 43,794	\$ 42,875	\$ 45,447	\$ 42,320	\$ 1,653	\$ 3,127	(3)
Supplies & Services & Capital Outlay	7,229	7,231	8,073	8,472	5,994	1,241	2,478	(4)
Total Expenditures	<u>\$ 51,177</u>	<u>\$ 51,025</u>	<u>\$ 50,948</u>	<u>\$ 53,919</u>	<u>\$ 48,314</u>	<u>\$ 2,894</u>	<u>\$ 5,605</u>	
Net from Operations	<u>\$ (1,129)</u>	<u>\$ (171)</u>	<u>\$ 1,109</u>	<u>\$ 2,008</u>	<u>\$ 568</u>	<u>\$ 2,179</u>	<u>\$ 1,440</u>	
Net Transfers	1,855	2,530	1,737	(652)	(501)	(3,182)	(151)	(5)
Fund Additions/(Deductions)	-	-	-	-	-	-	-	
Change in Fund Balance	\$ 726	\$ 2,359	\$ 2,846	\$ 1,356	\$ 67	\$ (1,003)	\$ 1,289	
Beginning Fund Balance	<u>1,018</u>	<u>1,745</u>	<u>1,745</u>	<u>4,591</u>	<u>3,731</u>	<u>2,846</u>	<u>860</u>	
Ending Fund Balance	<u>\$ 1,744</u>	<u>\$ 4,104</u>	<u>\$ 4,591</u>	<u>\$ 5,947</u>	<u>\$ 3,798</u>	<u>\$ 1,843</u>	<u>\$ 2,149</u>	
Ending FB as a % Operating Revenues	<u>3.5%</u>	<u>8.1%</u>	<u>8.8%</u>	<u>10.6%</u>	<u>7.8%</u>			

AUXILIARY ENTERPRISES (Including North Campus Village)

Enrollment Fees	\$ 5,125	\$ 5,521	\$ 5,276	\$ 5,043		\$ (478)		(6)
Sales & Services	12,725	11,484	10,507	10,883		(601)		(7)
Other	1,466	1,725	1,064	1,914		189		
Total Revenues	<u>\$ 19,316</u>	<u>\$ 18,730</u>	<u>\$ 16,847</u>	<u>\$ 17,840</u>		<u>\$ (890)</u>		
Personnel Services	\$ 6,453	\$ 6,533	\$ 6,071	\$ 6,602		\$ 69		
Supplies & Services & Capital Outlay	11,643	10,981	11,042	12,446		1,465		(8)
Total Expenditures	<u>\$ 18,096</u>	<u>\$ 17,514</u>	<u>\$ 17,113</u>	<u>\$ 19,048</u>		<u>\$ 1,534</u>		
Net from Operations	<u>\$ 1,220</u>	<u>\$ 1,216</u>	<u>\$ (266)</u>	<u>\$ (1,208)</u>		<u>\$ (2,424)</u>		
Net Transfers	(747)	(3,150)	(1,912)	1,120		4,270		(9)
Additions/(Deductions) to Unrestricted Net Assets	227	-	1,775	-		-		
Change in Unrestricted Net Assets	\$ 700	\$ (1,934)	\$ (403)	\$ (88)		\$ 1,846		
Beginning Fund Balance Available for Operations	<u>3,109</u>	<u>3,811</u>	<u>3,811</u>	<u>3,408</u>		<u>(403)</u>		
Ending Fund Balance Available for Operations	<u>\$ 3,809</u>	<u>\$ 1,877</u>	<u>\$ 3,408</u>	<u>\$ 3,320</u>		<u>\$ 1,443</u>		
Ending FB as a % Operating Revenues	<u>19.7%</u>	<u>10.0%</u>	<u>20.2%</u>	<u>18.6%</u>				

DESIGNATED OPERATIONS, SERVICE DEPARTMENTS, CLEARING FUNDS

Enrollment Fees	\$ 721	\$ 1,078	\$ 813	\$ 921		\$ (157)		
Sales & Services	1,669	1,870	1,936	2,216		346		
Other	1,534	1,847	1,606	1,272		(575)		
Total Revenues	<u>\$ 3,924</u>	<u>\$ 4,795</u>	<u>\$ 4,355</u>	<u>\$ 4,409</u>		<u>\$ (386)</u>		
Personnel Services	\$ 2,355	\$ 2,888	\$ 2,592	\$ 3,047		\$ 159		
Supplies & Services & Capital Outlay	1,875	1,998	1,738	1,748		(250)		
Total Expenditures	<u>\$ 4,230</u>	<u>\$ 4,886</u>	<u>\$ 4,330</u>	<u>\$ 4,795</u>		<u>\$ (91)</u>		
Net from Operations	<u>\$ (306)</u>	<u>\$ (91)</u>	<u>\$ 25</u>	<u>\$ (387)</u>		<u>\$ (296)</u>		
Net Transfers	(114)	152	300	330		178		
Additions/(Deductions) to Unrestricted Net Assets	76	-	(54)	76		76		
Change in Unrestricted Net Assets	\$ (344)	\$ 61	\$ 271	\$ 19		\$ (42)		
Beginning Fund Balance Available for Operations	<u>871</u>	<u>527</u>	<u>527</u>	<u>798</u>		<u>271</u>		
Ending Fund Balance Available for Operations	<u>\$ 527</u>	<u>\$ 588</u>	<u>\$ 798</u>	<u>\$ 817</u>		<u>\$ 229</u>		
Ending FB as a % Operating Revenues	<u>13.4%</u>	<u>12.3%</u>	<u>18.3%</u>	<u>18.5%</u>				

- (1) Increased funding from State, based on projected outcomes and enrollment projections
- (2) Despite 1.1% enrollment decline, 5% tuition increase and student mix changes
- (3) New positions from OUS dissolution, 3% Step/COLA reserve, and Furlough elimination
- (4) S&S for new positions, increases for Computer lease and software maint increases
- (5) End of large one-time transfers from Auxiliaries, increases for Athletics, end of Housing contribution to GF
- (6) 1.1% enrollment decline projection, no increase in Incidental, minimal in health fee, increased housing remissions, reduced support of Other Auxiliaries from Student Fee
- (7) SCC not in budget
- (8) Increased Ath spending - 2 new teams, SCC not in budget, increased spending in Housing
- (9) End of large one-time transfers to General Fund, reduced support to Athletics, end of Housing contribution to GF

Southern Oregon University Budgeted Operations Pro Forma

	2011-13 Biennium		2013-15 Biennium		2015-17 Biennium		2017-19 Biennium	
	2011-12 Actual (000's)	2012-13 ACTUAL (000's)	2013-14 ACTUAL (000's)	2014-15 FORECAST (000's)	2015-16 BUDGET (000's)	2016-17 FORECAST (000's)	2017-18 FORECAST (000's)	2018-19 FORECAST (000's)
(in thousands of dollars)								
Budgeted Operations								
State Appropriations	12,642	13,195	13,762	16,989	20,392	20,800	21,008	21,008
Tuition, net of Remissions	32,837	33,526	33,278	33,262	33,672	34,682	35,723	36,794
Other	1,657	1,851	3,008	1,806	1,863	2,000	2,100	2,200
Total Revenues & Transfers In	47,136	48,572	50,048	52,057	55,927	57,482	58,830	60,002
Personnel Services	(42,343)	(42,360)	(43,948)	(42,875)	(45,447)	(47,265)	(49,628)	(52,110)
Supplies & Services	(6,809)	(9,388)	(7,229)	(7,823)	(7,890)	(8,127)	(8,371)	(8,622)
Program Investment				(250)	(582)	(582)	(250)	(250)
Total Expenditures & Transfers Out	(49,152)	(51,748)	(51,177)	(50,948)	(53,919)	(55,974)	(58,249)	(60,981)
Net from Operations and Transfers	(2,016)	(3,176)	(1,129)	1,109	2,008	1,508	582	(979)
Net Transfers	(166)	328	1,855	1,737	(652)	(750)	(850)	(950)
Change in Fund Balance	(2,182)	(2,848)	726	2,846	1,356	758	(268)	(1,929)
Beginning Fund Balance	5,551	3,869	1,019	1,745	4,591	5,947	6,705	6,326
Ending Fund Balance	3,869	1,019	1,745	4,591	5,947	6,705	6,437	4,397
% Operating Revenues	8.1%	2.1%	3.5%	8.8%	10.6%	11.7%	10.9%	7.3%
Retrenchment Plan			1.9%	7.6%	7.8%	10.2%	11.0%	

Primary Assumptions:

Goal of 5% ending fund balance by FY15 and 10% or better by FY17
 State Allocations - FY17 2%, FY18 1%, FY19 0%
 Enrollment (decrease) - FY16 (1.1%), FY17 0%, FY18 0% , FY19 0%
 Tuition increase - 3% FY17, 3% FY18, 3% FY19
 Salary Increase pool - 3% FY16, 4% FY17, 5% FY18, 5% FY19

FY 16 Preliminary PUSF Allocation							
FY 15 Data				FY 16 Breakdown			
	RAM Funding	FY 16 SSCM Funding		FY 16 Shared Services		FY 16 Total	
	Total (\$)	FY 16 (\$)	Y/Y % Change	FY 16 (\$)	Y/Y % Change	FY 16 (\$)	Y/Y % Change
EOU	\$ 16,330,249	\$ 18,628,409	14.1%	\$ 1,489,522	9.1%	\$ 20,117,931	23.2%
OIT	\$ 19,954,392	\$ 22,208,059	11.3%	\$ 1,521,622	7.6%	\$ 23,729,681	18.9%
OSU	\$ 89,688,613	\$ 101,435,702	13.1%	\$ -	0.0%	\$ 101,435,702	13.1%
PSU	\$ 60,775,189	\$ 76,026,034	25.1%	\$ -	0.0%	\$ 76,026,034	25.1%
SOU	\$ 16,582,340	\$ 18,327,100	10.5%	\$ 1,681,992	10.1%	\$ 20,009,092	20.7%
UO	\$ 53,214,967	\$ 63,029,235	18.4%	\$ -	0.0%	\$ 63,029,235	18.4%
WOU	\$ 17,326,098	\$ 20,923,136	20.8%	\$ 1,260,448	7.3%	\$ 22,183,584	28.0%
Total	\$ 273,871,848	\$ 320,577,675	17.1%	\$ 5,953,584	2.2%	\$ 326,531,259	19.2%

Notes:

PUSF = Public University Support Fund

SSCM = Student Success and Completion Model

Calculations based on HB 5024 approved PUSF Budget of \$665M, 49% allocated in FY16

FY15 allocation will change due to settle-up process, this may change Stop Loss and Stop Gain calculation in SSCM Model

FY16 allocation will change due to settle-up process that will include re-calculation using 2015 degree data when available (Fall 2015)

HB 5101 (2013 Special Session) is continued at FY15 level for each year of the 2015-17 biennium per HB 5507