

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5532-A

**Carrier – House: Rep. Sprenger
Carrier – Senate: Sen. Monroe**

JOINT COMMITTEE ON WAYS AND MEANS

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 24 – 0 – 1
House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc: Nolan

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: June 8, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Oregon University System	B-18	17	2011-13 2009-11

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget (1)	Current Service Level	Governor's Budget	Committee Recommendation	2009-11 Leg Approved	
					\$ Change	% Change
General Fund	\$ 640,146,754	\$ 830,989,584	\$ 632,138,848	\$ 587,324,407	\$ (52,822,347)	-8.3%
General Fund Debt Service	\$ 59,508,106	\$ 85,737,255	\$ 82,569,681	\$ 93,033,072	\$ 33,524,966	56.3%
Lottery Funds	\$ 9,665,082	\$ 11,417,306	\$ 11,335,315	\$ 8,825,680	\$ (839,402)	-8.7%
Lottery Funds Debt Service	\$ 13,439,349	\$ 17,180,329	\$ 17,180,329	\$ 16,583,484	\$ 3,144,135	23.4%
Other Funds	\$ 1,535,344,047	\$ 1,554,491,055	\$ 1,709,390,324	\$ 1,914,535,128	\$ 379,191,081	24.7%
Other Funds Debt Service	\$ 22,533,019	\$ 22,038,899	\$ 23,541,337	\$ 30,443,533	\$ 7,910,514	35.1%
Other Funds Capital Improvement	\$ 21,000,000	\$ 41,984,000	\$ 41,000,000	\$ 41,000,000	\$ 20,000,000	95.2%
Other Funds Nonlimited	\$ 2,118,620,859	\$ 2,117,403,411	\$ 2,046,911,164	\$ 2,045,327,067	\$ (73,293,792)	-3.5%
Other Funds Nonlimited Debt Service	\$ 135,062,065	\$ 190,634,491	\$ 186,041,535	\$ 187,625,632	\$ 52,563,567	38.9%
Federal Funds	\$ 70,820,104	\$ -	\$ -	\$ -	\$ (70,820,104)	-100.0%
Federal Funds Debt Service	\$ 1	\$ 4,922,076	\$ 4,922,075	\$ 4,922,075	\$ 4,922,074	492207400.0%
Total	\$ 4,626,139,386	\$ 4,876,798,406	\$ 4,755,030,608	\$ 4,929,620,078	\$ 303,480,692	6.6%

Position Summary

Authorized Positions	18,541	18,869	18,557	18,628	87
Full-time Equivalent (FTE) Positions	13,077.56	13,191.48	12,945.96	12,998.52	79.04

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

2009-11 Supplemental Expenditure Limitation

Other Funds	\$ -	\$ -	\$ -	\$ 2,100,000
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Summary of Revenue Changes

The Oregon University System's General Fund appropriation is distributed to the campuses and centralized services by the Resource Allocation Model (RAM). The RAM distributes the majority of the General Fund that campuses receive for their Education and General programs based on full-time equivalent student enrollment.

Remaining General Fund support to campuses, and all General Fund support for centralized services, is distributed in the RAM through targeted programs. Targeted programs are established by the Legislature or the Board of Higher Education to address specific academic, institutional, research, or state economic concerns.

Lottery revenues are received to pay debt service on Lottery-backed bonds and to support intercollegiate athletics.

The primary sources of Other Funds for the Education and General Program are tuition and fees. Other sources include sales and charges for services, indirect cost recovery on grants, and other miscellaneous revenues. Federal grant funds received by the department are expended as Other Funds.

The Oregon State University statewide public service programs receive Other Fund revenues from sales and service fees, indirect cost recovery on federal grants, interest earnings, donations, research contracts with private entities and miscellaneous income.

Nonlimited revenues are dedicated to a specific purpose and are independent of programs supported by General Fund and limited Other Funds. Sources include student aid funds, food service and other enterprise sales, dormitory fees, health service fees and course fees for non-credit continuing education programs, among others. Nonlimited funds also include gifts, and sponsored research financed by the federal government, private industry and other private groups. These Nonlimited funds, the major source of support for research, also directly benefit and enhance the instruction and research programs supported by the General Fund and tuition revenue.

The Subcommittee approved Article XI-Q bond revenue to fund information technology and equipment purchases; this project has previously been funded with Certificates of Participation. Debt service is paid with campus revenues.

The Subcommittee increased tuition and fee revenues to accommodate anticipated enrollment growth and planned tuition rate increases, including the limits on resident undergraduate tuition included in the Budget Note below.

Summary of Education Subcommittee Action

The Oregon University System includes seven educational institutions, the Board of Higher Education, central administration, support services, and public services. The institutions consist of the University of Oregon, Oregon State University, Portland State University, the three regional universities (Eastern, Western, and Southern Oregon Universities), and the Oregon Institute of Technology. Funding for the three Oregon State University statewide public service programs, the Agricultural Experiment Station, the Extension Service, and the Forest Research Laboratory, is also included in the Department's budget.

The Subcommittee approved an operating budget of \$680,357,479 General Fund, \$25,409,164 Lottery Funds, \$4,929,620,078 total funds, and 12,998.52 full-time equivalent positions. General Fund, total funds, and FTE are reduced from the 2009-11 Legislatively Approved Budget through March 2011 (LAB) by 2.8 percent, 8.3 percent, and 0.6 percent, respectively. Lottery Funds are increased by 10 percent.

The recommended budget for this agency includes a reduction of General and Lottery Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

The approved budget includes the following Subcommittee actions:

- Education and General Services, which includes campus and Chancellor's Office operations, was funded at \$495.3 million General Fund, seven percent less than the 2009-11 LAB. The approved funding level includes \$6 million in funding for regional campuses proposed in the Governor's budget. The Subcommittee directed that OUS not reduce funding for targeted programs, including campus public service programs, below the level included in the Governor's budget.
- The Other Funds expenditure limitation for Education and General Services was increased to reflect enrollment growth and tuition increases in the 2011-13 biennium. The Subcommittee adopted the following budget note to limit tuition increases on resident undergraduate students.

Budget Note:

In adopting the budget for the Oregon University System, the Legislature intends that increases in the rates for tuition paid by resident undergraduate students at Oregon Institute of Technology, Oregon State University, Portland State University and the University of Oregon may not exceed an average of eight percent for the two years of the biennium and may not exceed nine percent in any given year. Increases in the rates for tuition paid by resident undergraduate students at Eastern Oregon University, Southern Oregon University and Western Oregon University may not exceed an average of 6.5 percent for the two years of the biennium, and 7.5 percent in any given year. The Chancellor shall report to the Legislature by March 1, 2012 regarding increases in the rates for tuition paid by resident undergraduate students for the 2011-12 academic year. If the State Board of Higher Education proposes to increase rates in excess of the legislatively intended rates stated above, the Chancellor shall report to the Joint Committee on Ways and Means or the Emergency Board prior to the Board approving any such increases.

- Funding for the OSU statewide public service programs was increased by \$9.1 million General Fund above the Governor's budget.
- Funding adjustments resulting from proposed legislation to allow OUS to retain interest earnings on its accounts was deferred pending action on the enabling legislation.
- Funding for the Sports Action Lottery program was continued at the 2009-11 LAB level.
- Standard adjustments were approved to biennialize 2009-11 allotment cuts, eliminate inflation, reduce Personal Services by 5.5 percent, reduce General Fund Services and Supplies by 6.5 percent, and establish a supplemental statewide ending balance.

- Implementation of 2009-11 allotment reductions on the campuses was discussed and the following budget note was adopted regarding equity in possible compensation reductions during the 2011-13 biennium.

Budget Note:

If there are reductions to the total compensation for staff and/or faculty due to budget cuts, management and administrators should be subject to similar reductions to ensure equity between administrators and front line staff.

Education and General Services

This program unit includes the instruction, research, public service, and operating costs of the seven institutions that make up the Oregon University System and the centralized administration and support services of the system.

The Subcommittee approved a budget of \$495,255,313 General Fund, \$3,118,979,317 total funds, and 10,240.18 full-time equivalent positions. General Fund and total funds are reduced from the LAB by seven percent and 2.2 percent while FTE is increased by 0.4 percent.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 082 that biennializes an increase in Other Funds expenditure limitation approved by the Emergency Board at its June 2010 meeting to reflect increased tuition revenues due to enrollment growth and indirect cost recovery revenues from additional federal grant awards.
- Approved Package 085 that biennializes the 2010 allotment cuts, Package 086 that eliminates inflation, and Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 090 that includes General Fund reductions in the Governor's budget. The package includes \$6 million targeted for support of regional universities.
- Approved Package 091 as a revenue only package that increases tuition by 1.8 percent per year to cover expenditures and leave a five percent ending balance.
- Denied Package 092 that shifts \$7 million from General Fund to Other Funds in anticipation of legislation that allows OUS to retain interest earnings on its accounts. Any General Fund reduction associated with legislation allowing OUS to retain interest earnings will be considered in the implementing bill.

- Approved Package 101 that funds anticipated 2011-13 enrollment growth entirely with Other Funds from tuition and fee revenues.
- Approved Package 108 that includes \$8.2 million Other Funds for campus technology projects, to be funded with Article XI-Q bonds. Debt service on the bonds will be paid with university funds and are budgeted in Package 109. Following is a list of specific projects; use of the bond revenue for any other purpose requires prior approval of the Joint Committee on Ways and Means or the Emergency Board.

Campus	Project	Other Funds
UO	Classroom, Laboratory, and IT Systems Upgrades	\$5,000,000
PSU	Storage and Server Expansion	\$600,000
PSU	Datacenter Expansion	\$400,000
PSU	Network Equipment Upgrades	\$775,000
PSU	Campus Distributed Antenna Systems Expansion	\$250,000
OSU	Spinning Disc Confocal Microscope	\$400,000
OSU	Nanometer Pattern Generation System for Dual Beam Electron Microscope	\$200,000
SOU	Video Equipment and Improvements to the Multimedia Center Building	\$200,000
EOU	Cable Plant Infrastructure	\$130,000
EOU	Network Security Upgrade	\$110,000
EOU	Network Infrastructure	\$70,000
EOU	Storage Expansions	\$50,000
Total		\$8,185,000

- Approved Package 109 as a revenue only package that transfers tuition and fee revenues from the Education and General Services program to the Debt Service program to pay debt service on the Article XI-Q bonds recommended in Package 108.
- Approved Package 201 that increases Other Funds by \$199,387,000 to accommodate additional tuition and fee revenues from the increase in resident undergraduate rates allowed in the Budget Note above.
- Approved Package 801 that reduces General Fund support for Services and Supplies by 6.5 percent, resulting in a \$5,939,177 General Fund reductions.
- Approved Package 810 that shifts \$10,560,000 from General Fund to Other Funds on a one-time basis, backfilling the General Fund reduction with tuition revenue. The Subcommittee expressed its intention that targeted programs, including campus public service programs, not be reduced as a result of these actions.
- Approved Package 811 that shifts \$9,100,000 from General Fund to Other Funds on a one-time basis to restore reductions in the Agricultural Experiment Station, Extension Service, and Forest Research Laboratory budgets and backfill the reduction with tuition revenue.

- Approved Package 819 that reduces General Fund by \$17,832,293 to create a supplemental ending balance that may be allocated to the agency in the 2012 legislative session.

Agricultural Experiment Station

The Agricultural Experiment Station conducts research and demonstrations in the agricultural, biological, social, and environmental sciences. Research is conducted at a central station at Corvallis and at eleven branch stations in major crop and climate areas of the state.

The Subcommittee approved a budget of \$50,220,072 General Fund, \$127,253,223 total funds, and 573.63 full-time equivalent positions. General Fund and FTE are reduced from the LAB by 6.1 percent and 7.5 percent, respectively. Total funds are increased by 1.7 percent.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 085 that biennializes the 2010 allotment cuts, Package 086 that eliminates inflation, and Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 090 includes General Fund reductions in the Governor's budget.
- Approved Package 801 that reduces General Fund support for Services and Supplies by 6.5 percent, resulting in a \$246,784 General Fund reduction.
- Approved Package 811 that restores \$5,700,000 General Fund and 45 positions (34.99 full-time equivalent) in reductions made in the Governor's budget.
- Approved Package 819 that reduces General Fund by \$1,807,436 to create a supplemental ending balance that may be allocated to the agency in the 2012 legislative session.

Extension Service

The Extension Service is the educational outreach arm of Oregon State University in its capacity as Oregon's Land Grant and Sea Grant University. Extension faculty on campus and in county offices throughout the state work with researchers and volunteers to develop and deliver non-credit educational programs based on locally identified needs. The majority of Extension faculty is assigned to county locations. Extension Specialists are OSU faculty members who develop educational programs and serve as technical resources for county-delivered programs. Extension Agents are OSU faculty assigned to county field locations. Generally, counties provide office space and operating expenses, including support staff. Programs are delivered with the assistance of thousands of volunteers.

The Subcommittee approved a budget of \$36,324,578 General Fund, \$67,651,537 total funds, and 290.60 full-time equivalent, reduced from the LAB by 7.1 percent, 1.1 percent, and 27.3 percent, respectively.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 085 that biennializes the 2010 allotment cuts, Package 086 that eliminates inflation, and Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 090 includes General Fund reductions in the Governor's budget.
- Approved Package 801 that reduces General Fund support for Services and Supplies by 6.5 percent, resulting in a \$94,824 General Fund reduction.
- Approved Package 811 that restores \$2,800,000 General Fund and 22 positions (14.26 full-time equivalent) in reductions made in the Governor's budget.
- Approved Package 819 that reduces General Fund by \$1,307,333 to create a supplemental ending balance that may be allocated to the agency in the 2012 legislative session.

Forest Research Laboratory

The Forest Research Laboratory (FRL) at Oregon State University conducts research on sustainable forest yields, use of forest products, and stewardship of Oregon's resources. This research is conducted in laboratories and forests administered by the University and cooperative agencies and industries throughout the state. Research results are made available to potential users through educational programs and publications that are directed to forest landowners and managers, manufacturers and users of forest products, leaders of government and industry, the scientific community, the conservation community, and the general public.

The Subcommittee approved a budget of \$5,524,444 General Fund, \$37,316,937 total funds, and 171.40 full-time equivalent positions. General Fund and FTE are reduced by 5.2 percent and 22.1 percent respectively. Total funds are increased by 4.6 percent.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 070 that reduces Other Funds by \$2.2 million and eliminates 10 positions (8.41 FTE) due to the scheduled sunset of the Forest Products Harvest Tax. Restoration of a portion of the Forest Products Harvest Tax revenues is included in Package 103.

- Approved Package 085 that biennializes the 2010 allotment cuts, Package 086 that eliminates inflation, and Package 087 that reduces Personal Services by 5.5 percent.
- Approved Package 090 that includes General Fund reductions in the Governor's budget.
- Approved Package 103 that restores \$2.2 million Other Funds expenditure limitation and 10 positions (8.41 FTE) from the reductions in Package 070 in anticipation of the extension of the Forest Products Harvest Tax in House Bill 2124.
- Approved Package 801 that reduces General Fund support for Services and Supplies by 6.5 percent, resulting in a \$16,089 General Fund reduction.
- Approved Package 811 that restores \$600,000 General Fund and four positions (3.31 full-time equivalent) in reductions made in the Governor's budget.
- Approved Package 819 that reduces General Fund by \$198,826 to create a supplemental ending balance that may be allocated to the agency in the 2012 legislative session.

Other Services (Nonlimited)

The Nonlimited expenditure authority included in this program unit consists of self-support activities such as residence halls, bookstores, parking, health centers, and food services; self-support instruction; and student aid and loan repayments. The program unit also includes: internal service activities such as campus printing services where funds are moved between campus departments in exchange for services; pass-through accounts for specific accounting purposes such as payroll activities; and authorized but vacant positions for which funding is not allocated to individual operating budgets. Most Nonlimited funds (including federal support for research) are shown in the appropriate program level (Education and General, the OSU statewide public service programs, or Debt Service), to provide a clearer picture of program costs and funding.

The Subcommittee approved a budget of \$1,195,985,588 Other Funds Nonlimited and 1,722.71 full-time equivalent positions. Expenditure authority is increased from the 2009-11 LAB by 28.3 percent while FTE is increased by 5.4 percent. The Subcommittee approved the base budget and essential packages, Package 086 that eliminates inflation, and Package 087 that reduces Personal Services by 5.5 percent.

Debt Service

This program includes the cost of Debt Service on Capital Construction and information systems projects financed with general obligation bonds, Lottery Bonds, energy loans, and Certificates of Participation. General Fund appropriations are made to pay the Debt Service on Article XI-G bonds, traditionally used to finance instructional and public service facilities, COPs approved for some capital and technology projects, and energy loans. Lottery Funds are allocated for Debt Service on lottery-backed revenue bonds. Nonlimited Other Fund revenues from self-supporting programs and student building fees are the sources of Debt Service for repayment of Article XI-F(1) bonds, which are traditionally a revenue source for construction of student unions, dorms, parking structures, and similar self-supporting programs. Limited Other Fund

revenues, including tuition and fees, are used to pay debt service on some Article XI-F (1) bonds. Other Funds are used to pay debt service funded with tuition and other limited revenues.

The Subcommittee approved a budget of \$93,033,072 General Fund, \$16,583,484 Lottery Funds, and \$332,607,796 total funds. General Fund and Lottery Funds are increased from the LAB by 35.3 percent and 23.4 percent respectively. Total funds are increased by 36.2 percent. There are no positions or FTE in this program unit.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 090 that reduced General Fund by \$3.2 million, Lottery Funds by \$0.6 million, and Other Funds Nonlimited by \$5 million based on revisions in bond sale schedules.
- Approved Package 109 that increases Other Funds by \$2.1 million to accommodate debt service on Article XI-Q bonds included in Package 108 in the Education and General Services program unit that will be sold to finance campus technology projects.
- Approved Package 819 that reduces General Fund by \$3,348,288 and Lottery Funds by \$596,845 to create a supplemental ending balance that may be allocated to the agency in the 2012 legislative session.

Sports Action Lottery

By statute, OUS receives one percent of Lottery Funds deposited into the Department of Administrative Services Economic Development Fund, which is transferred to the Sports Action account to finance intercollegiate athletics and graduate student scholarships. Prior to July 2007, the OUS received revenues from the Sports Action lottery game, which was authorized by the 1989 Legislature. House Bill 3466 (2005) eliminated the game and established the one percent transfer.

Eighty-eight percent of the revenues deposited into the Sports Action Account, not to exceed \$8 million annually, are used to finance intercollegiate athletics. The remaining 12 percent are for graduate student scholarships that are not awarded on the basis of athletics. Of the athletic funds, 70 percent must be used for non-revenue producing sports, and at least 50 percent must be used for women's athletics. The Board of Higher Education determines allocation among the campuses.

The Subcommittee approved a budget of \$8,825,680 Lottery Funds, reduced from the LAB by 8.7 percent. There are no positions for FTE in this program unit.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.

- Approved Package 090 that adjusted expenditures to match the December 2010 revenue forecast.
- Approved Package 801 that reduces General Fund and Lottery Funds support for Services and Supplies by 6.5 percent, resulting in a \$522,643 Lottery Funds reduction.
- Approved Package 810 that reduces Lottery Funds by \$1,670,233, back to the 2009-11 level of \$9,665,082, prior to the Package 810 Services and Supplies reduction and the Package 819 supplemental ending balance holdback.
- Approved Package 819 that reduces Lottery Funds by \$316,559 to create a supplemental ending balance that may be allocated to the agency in the 2012 legislative session.

Capital Improvement

The Capital Improvement program unit includes capitalized expenditures less than \$1 million for improvement to land or existing buildings that increase the value, extend the useful life of the asset or make it adaptable to a different use. Land acquisition for a project that has total, complete project costs of less than \$1 million are included in this program unit. Capital Improvement is funded by a transfer of tuition and fee revenues from the Education and General Services program unit.

Projects in excess of \$1 million that build, acquire, adapt, replace, or change the use or function of a facility are included in the Capital Construction program unit. All capital projects in excess of \$1 million require a separate Capital Construction expenditure limitation established by the Legislature or the Emergency Board.

Activities and projects that keep a facility operating without increasing asset value or operating life, such as maintenance, repairs, replacement of components, or adaption, are not capital projects. Projects that reduce maintenance costs or increase efficiency are generally not considered capital projects. These costs would be included in the appropriate program unit (Education and General Services, Agricultural Experiment Station, Extension Service, and Forest Research Laboratory).

The Subcommittee approved a budget of \$41,000,000 Other Funds, increased from the LAB by 95.2 percent. The approved budget is unchanged from the 2009-11 close of session budget; it restores a one-time reduction made by the Emergency Board during the biennium. The Subcommittee approved the base budget, essential packages, and Package 086 that eliminates inflation. There are no positions or FTE in this program unit.

2009-11 Biennium Supplemental Expenditure Limitation

The Subcommittee increased the Other Funds expenditure limitation for the OSU Extension Service by \$2,100,000. Due to reductions in state General Fund support, the Extension Service has increased some user fees charged for program participation and created others, such as a new

state 4-H fee, which has increased Other Fund revenues beyond the level previously anticipated. Revenue from shared services with counties has also increased beyond what was assumed in the 2009-11 legislatively approved budget.

Summary of Performance Measure Action

The Subcommittee approved Key Performance Measures and targets as submitted by the agency. Measures and targets are shown on the Legislatively Adopted 2011-13 Key Performance Measures form attached.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5532-A

**Oregon University System
Bill McGee 503-378-2078**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$699,654,860	\$23,104,431	\$1,578,877,066	\$2,253,682,924	\$70,820,104	\$1	\$4,626,139,386	18,541	13,077.56
2011-13 ORBITS printed Current Service Level (CSL)*	\$916,726,839	\$28,597,635	\$1,618,513,954	\$2,308,037,902	\$0	\$4,922,076	\$4,876,798,406	18,869	13,191.48
2011-13 Governor's Recommended Budget *	\$714,708,529	\$28,515,644	\$1,773,931,661	\$2,232,952,699	\$0	\$4,922,075	\$4,755,030,608	18,557	12,945.96
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>SCR 001: Education and General Services</u>									
Package 092: Fund shifts/Sweeps									
Personal Services	5,570,684	0	(5,570,684)	0	0	0	0	0	0.00
Services and Supplies	1,283,347	0	(1,283,347)	0	0	0	0	0	0.00
Capital Outlay	145,969	0	(145,969)	0	0	0	0	0	0.00
Package 201: Tuition Increase									
Services and Supplies	0	0	199,387,000	0	0	0	199,387,000	0	0.00
Package 801: Targeted Statewide Adjustments									
Personal Services	0	0	0	0	0	0	0	0	0.00
Services and Supplies	(5,939,177)	0	0	0	0	0	(5,939,177)	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
Package 810: LFO Analyst Adjustments									
Personal Services	(10,560,000)	0	10,560,000	0	0	0	0	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
Package 811: Prioritize Statewides									
Personal Services	(9,100,000)	0	9,100,000	0	0	0	0	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(17,832,293)	0	0	0	0	0	(17,832,293)	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>SCR 002: Agricultural Experiment Station</u>									
Package 801 Targeted Statewide Adjustments									
Personal Services	0	0	0	0	0	0	0	0	0.00
Services and Supplies	(246,784)	0	0	0	0	0	(246,784)	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
Package 811: Prioritize Statewides									
Personal Services	5,700,000	0	0	0	0	0	5,700,000	45	34.99
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00

*Excludes Captial Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Package 819: Supplemental Statewide Ending Balance</u>									
Personal Services	(1,807,436)	0	0	0	0	0	(1,807,436)	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>SCR 003: Extension Service</u>									
<u>Package 801 Targeted Statewide Adjustments</u>									
Personal Services	0	0	0	0	0	0	0	0	0.00
Services and Supplies	(94,824)	0	0	0	0	0	(94,824)	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>Package 811: Prioritize Statewides</u>									
Personal Services	2,800,000	0	0	0	0	0	2,800,000	22	14.26
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>Package 819: Supplemental Statewide Ending Balance</u>									
Personal Services	(1,307,333)	0	0	0	0	0	(1,307,333)	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>SCR 004: Forest Research Laboratory</u>									
<u>Package 801 Targeted Statewide Adjustments</u>									
Personal Services	0	0	0	0	0	0	0	0	0.00
Services and Supplies	(16,089)	0	0	0	0	0	(16,089)	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>Package 811: Prioritize Statewides</u>									
Personal Services	600,000	0	0	0	0	0	600,000	4	3.31
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>Package 819: Supplemental Statewide Ending Balance</u>									
Personal Services	(198,826)	0	0	0	0	0	(198,826)	0	0.00
Services and Supplies	0	0	0	0	0	0	0	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>SCR 009: Other Services (Non-limited)</u>									
<u>SCR 013: Debt Service</u>									
<u>Package 819: Supplemental Statewide Ending Balance</u>									
Services and Supplies	(7,295)	0	0	0	0	0	(7,295)	0	0.00
Special Payments: loans repaid to state agencies	(472,522)	0	0	0	0	0	(472,522)	0	0.00
Debt Service	(2,868,471)	(596,845)	0	0	0	0	(3,465,316)	0	0.00
<u>SCR 016: Sports Action Lottery</u>									
<u>Package 801 Targeted Statewide Adjustments</u>									
Services and Supplies	0	(522,843)	0	0	0	0	(522,843)	0	0.00
Capital Outlay	0	0	0	0	0	0	0	0	0.00
<u>Package 810: LFO Analyst Adjustments</u>									
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*Excludes Captial Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Services and Supplies	0	(1,469,805)	0	0	0	0	(1,469,805)	0	0.00
Special Payments									
Dist to Individuals	0	(200,428)	0	0	0	0	(200,428)	0	0.00
Package 819: Supplemental Statewide Ending Balance	-								
Services and Supplies	0	(316,559)	0	0	0	0	(316,559)	0	0.00
TOTAL ADJUSTMENTS	(\$34,351,050)	(\$3,106,480)	\$212,047,000	\$0	\$0	\$0	\$174,589,470	71	52.56
	\$680,357,479	\$25,409,164	\$1,985,978,661	\$2,232,952,699	\$0	\$4,922,075	\$4,929,620,078	18,628.00	12,998.52
% Change from 2009-11 Leg Approved Budget									
% Change from 2011-13 Current Service Level		-11.1%	22.7%				1.1%		
% Change from 2011-13 Governor's Recommended Budget		-10.9%	12.0%				3.7%		

*Excludes Capital Construction Expenditures

Legislatively Approved 2011-2013 Key Performance Measures

Agency: OREGON UNIVERSITY SYSTEM

Mission: The Legislative Assembly declares that the mission of all higher education in Oregon is to: 1) Enable students to extend prior educational experiences in order to reach their full potential as participating and contributing citizens by helping them develop scientific, professional, and technological expertise, together with heightened intellectual, cultural, and humane sensitivities and a sense of purpose; 2) Create, collect, evaluate, store, and pass on the body of knowledge necessary to educate future generations; 3) Provide appropriate instructional, research, and public service programs to enrich the cultural life of Oregon and to support and maintain a healthy state economy.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - COST MINUS GRANT AID AS A PERCENT OF INCOME - Cost of attendance at OUS for a resident undergraduate (tuition & fees, room & board, other expenses) minus grant aid as a percent of median income.		Approved KPM	25.70	25.00	25.00
2 - FIRST-TIME FRESHMEN - Number of entering first-time freshmen.		Approved KPM	11,778.00	11,811.00	11,811.00
3 - COMMUNITY COLLEGE TRANSFERS - Number of students who are new Oregon community college transfers.		Approved KPM	4,657.00	4,850.00	5,000.00
4 - FRESHMAN PARTICIPATION - Oregon freshman participation rate in OUS institutions.		Approved KPM	20.20	21.00	21.00
5 - PERSISTENCE - Percent of full-time freshmen who demonstrate progress by returning for the second year.		Approved KPM	82.40	81.00	81.00
6 - COMPLETION - Percent of full-time freshmen starting and completing a bachelor's degree at an OUS university (6-year graduation rate).		Approved KPM	58.90	60.25	60.25
7 - TRANSFER STUDENT COMPLETION - Percent of college transfers completing a bachelor's degree at an OUS university (4-year graduation rate).		Approved KPM	69.40	71.00	71.00
8 - TIME TO DEGREE - Average time to degree for students entering as full-time freshmen (years).		Approved KPM	4.56	4.60	4.60
9 - TRANSFER STUDENT TIME TO DEGREE - Average time to degree for community college transfers (years).		Approved KPM	2.61	2.60	2.60
10 - GRADUATE SATISFACTION - Average rating of overall quality of experience by recent OUS bachelor's graduates (5-pt scale)		Approved KPM	4.20	4.20	4.20

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
11 - STUDENT/FACULTY RATIO - Ratio of students to full-time faculty.		Approved KPM	27.20	27.00	27.00
12 - INTERNSHIPS - Percent of bachelor's graduates completing an OUS-approved internship.		Approved KPM	90.00	90.00	90.00
13 - GRADUATE SUCCESS - Percent of graduates employed and/or continuing education.		Approved KPM	92.00	90.00	90.00
14 - EMPLOYED IN OREGON - Percent of employed graduates working in Oregon.		Approved KPM	76.00	80.00	80.00
15 - BACHELOR'S DEGREES - Total number of bachelor's degrees granted.		Approved KPM	13,315.00	15,135.00	15,554.00
16 - ADVANCED DEGREES - Total number of advanced degrees granted (master's, doctoral, and professional).		Approved KPM	4,605.00	4,901.00	4,957.00
17 - ENGINEERING AND COMPUTER SCIENCE DEGREES - Total number of degrees granted in engineering and computer sciences (all levels; includes multiple majors).		Approved KPM	1,458.00	1,394.00	1,394.00
18 - SPONSORED RESEARCH - Total sponsored research and development dollars supported by external fund sources (\$ in millions) a) Total, b) Federal sources, c) Private sources.		Approved KPM	380.20	407.70	417.10
19 - RESEARCH DOLLARS PER FACULTY - Sponsored research dollars per faculty at research/doctoral universities - OSU, PSU, UO (\$ in thousands).		Approved KPM	165.90	170.00	170.00
20 - Philanthropy - Total gifts from philanthropic sources (\$ in millions). A) Total, B) Capital Projects, C) Faculty Support (including chairs), D) Scholarships, E) Other.		Approved KPM	209.70	117.50	117.50
21 - STATEWIDE PUBLIC SERVICES EXTERNAL FUNDS - External funds generated per state dollar invested in Statewide Public Services (SWPS).		Approved KPM	1.54	1.86	1.93
22 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.		Approved KPM	87.40	87.00	87.00

Agency: OREGON UNIVERSITY SYSTEM

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Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
22 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	84.70	87.00	87.00
22 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	82.80	87.00	87.00
22 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	90.40	87.00	87.00
22 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	86.40	87.00	87.00
22 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	86.60	87.00	87.00
22 - CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	86.10	87.00	87.00
23 - Boards and Commissions Best Practices: Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00

LFO Recommendation:

Approve the Key Performance Measures.

Sub-Committee Action:

Approved the LFO recommendations