

OREGON HEALTH AND SCIENCE UNIVERSITY

The Oregon Health and Science University (OHSU) provides services across the state through its full service and trauma center hospital, clinics, research centers, community outreach programs, and health care professional training programs. The state provides direct funding for the Schools of Medicine, Nursing, and Dentistry as well as for Rural Health Programs, the Child Development and Rehabilitation Center, and the Poison Center. Indirect funding for OHSU is provided through the Oregon Health Plan, health services for state and other public employees, and other state funded programs.

OREGON HEALTH AND SCIENCE UNIVERSITY	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
General Fund	77,012,354	66,041,261	69,794,258	65,596,178	0	5.7%
Other Funds	30,520,386	31,634,760	31,639,826	31,639,826	0	0.0%
Other Funds Nonlimited	66,435,465	69,307,022	0	0	0	-100.0%
TOTAL FUNDS	\$173,968,205	\$166,983,043	\$101,434,084	\$97,236,004	\$0	-39.3%
Positions	0	0	0	0	0	N/A
FTE	0.00	0.00	0.00	0.00	0.00	N/A

Note: The Governor’s budget proposes a Department of Post-Secondary Education (DPSE) which includes the payments made for programs at the Oregon Health and Science University (OHSU) the state funds. The figures in the 2013-15 Governor’s budget column represent the amount allocated to OHSU programs in the proposed agency

Major Revenues	Budget Environment	Comparison by Fund Type
<ul style="list-style-type: none"> General Fund resources are used for the Schools of Medicine (\$24.3 million in 2013-15 CSL), Nursing (\$21.1 million), and Dentistry (\$9.9 million). General Fund is also used for Rural Health Programs (\$4.3 million), the Child Development and Rehabilitation Center (\$7.7 million), and the Poison Center (\$2.5 million). Other Funds are for the debt service payments for bonds sold to enhance OHSU’s research programs in genetics and biotechnology. Revenues from the Master Tobacco Settlement Agreement are used to make these payments, scheduled to be completed in 2024. The nonlimited Other Funds expenditures in the table above represent refinancing expenditures. 	<ul style="list-style-type: none"> OHSU has been a public corporation since 1995 and no longer subject to the budgetary and other controls that other state agencies operate under. Funding is directly provided to OHSU for specific functions. Direct state appropriations make up roughly 2% of OHSU’s total revenues – by far the largest revenue source are patient service revenues which includes indirect state resources through the Oregon Health Plan and state employee health services. The Governor proposes to include the funding stream for OHSU into the proposed Department of Post-Secondary Education. 	

MAJOR CHALLENGES AND DECISION POINTS

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| <ol style="list-style-type: none"> 1. Since the 2005 school year, the state appropriation share of total spending for the Schools of Medicine and Nursing had increased until 2008 and then fell as state finances have been constrained. For 2011, state funds accounted for 26% of the School of Medicine's total spending and 42% for the School of Nursing. For the School of Dentistry, the state's share has continuously decreased to 20% for 2011. 2. By the time the Legislature has reached final decisions on the OHSU budget, tuition rates for the first school year of the biennium have been usually set. Therefore, the budget decisions generally only affect the second year's tuition. 3. In 2009, OHSU officials made a policy decision (after discussions with legislative leadership) to hold increases in tuition rates for the Schools of Medicine and Nursing at a smaller rate of growth than for the School of Dentistry. This was based on how each school's tuition rate compared with similar schools around the country and since dental students have more immediate earning potential. 4. Based on information provided by OHSU, the School of Medicine's tuition is ranked high compared to schools that have similar quality, program and mission. For the 2012-13 school year, OHSU's rate was \$43,682 for residents (\$58,480 for non-residents) compared to the mean of a group of comparable schools of \$33,255 (\$55,952 for non-residents). Data provided by OHSU demonstrated that their tuition for 2011-12 was the third highest of public medical schools. 5. For the School of Nursing, OHSU's 2012-13 resident tuition rate of \$16,192 for the undergraduate program was near the average for comparable schools. For the graduate program, the resident tuition of \$25,687 was significantly higher than that for comparable schools while non-resident tuition was over 10% lower than the mean for comparable schools. 6. The Dentistry school's tuition of \$44,004 was also higher than comparable schools but not as much as the School of Medicine. | <ol style="list-style-type: none"> 6. Under the CSL budget assumptions, OHSU anticipates tuition increases. For the School of Medicine, tuition is expected to increase 4% for each school, for the School of Nursing the expected increase each year is between 2% and 4%, and for the School of Dentistry the increase is anticipated to increase 8% for both years. Under the Governor's budget which funds the budgets of all three schools at 5.5% (\$1,066,000 General Fund) under CSL, tuition increases would be higher except at the School of Medicine where OHSU would expect to hold tuition at the CSL level given the relative higher tuition than other states. For the Schools of Nursing and Dentistry, tuition would likely increase another one percentage point each year. Other impacts at the Governor's level of funding would be the potential closure of the 3 year undergraduate nursing program, but not the Oregon Consortium of Nursing Education partnerships with other nursing schools across the state. The rural Medical School rotations, which are now mandatory for all third year students, would be reduced by 30 to 40 students per year. OHSU does not believe that the number of applications for any of the schools will decrease significantly as a result of higher tuition rates, but higher tuition rates apparently raise concerns for accreditation organizations who do not like to see students completing with high debt levels. 7. Under the Governor's budget, the Office of Rural Health and the Area Health Education Centers (AHEC) are also funded at 5.5% less than CSL. The Rural Health Office will have to reduce their visits to provide technical assistance by an estimated 10% to clinics, Federally Qualified Health Centers, and other rural providers. Currently the Office makes approximately 130 visits annually for practice assessments, board trainings, assistance with certification, and other guidance. For AHEC, the Governor's budget will likely result in the elimination of funding for rural K-12 pipeline programs. |
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8. Both the Child Development and Rehabilitation Center (CDRC) and the Poison Center are funded at the CSL level in the Governor's budget. At this level the Poison Center has sufficient funding to maintain its national certification and its 24/7 operating hours. For the CDRC, the CSL level allows it to add back some services lost in prior years including family support funds and a reduction in the wait-list time for the Autism program.