

Oregon Tech State Budget Update and Timeline

Governor's Recommended Budget

Traditionally, the Governor submits one recommended budget biennial budget – the Governor's Recommended Budget or GRB – to the legislature, which reflects her policy and funding priorities in early winter in even numbered years. The GRB establishes the starting place for universities to begin budget modeling and as a basis for the tuition setting process. In late November, 2019 Governor Brown submitted two GRBs for the 2019-21 Biennia; one based on current state revenue forecasts the “base budget” and, the second assumed the legislature would pass a significant revenue package to fund additional priorities the “investment budget”

In the “base budget,” which used only current state revenues, Governor Brown flat funded the Public University Support Fund (PUSF), eliminated the Engineering Technology Support Fund (ETSF) and Sports Lottery, a significant net cut for the universities. This scenario presents significant financial challenges to Oregon Tech, as well as all seven public universities. This would require either significant budget reductions, tuition increases, use of reserves or a combination of the three.

In the “investment budget” the Governor assumed that a significant tax increases, on the order of \$2 billion dollars would be approved by the legislature, and that it would survive a likely referral to the ballot. In this budget scenario, the Governor proposed an increase of \$120 million dollars to the PUSF (currently at \$765 million dollars), an increase to \$60 million dollars for the ETSF (currently \$25.6 million dollars) and a modest increase in Sports Lottery funding (currently \$8.24 million dollars). In this budget scenario Oregon Tech is likely to receive significant incremental investment from the state, maintain tuition below 5% and make some investments in critical services. The Governor has indicated that university funding tied to the investment budget would come with certain commitments from the regarding investments and tuition.

These two budget scenarios create a high level of uncertainty, including what initial budget allocation to base tuition setting and planning around. The size, composition and likelihood of passage for a revenue package, and whether it would survive a referral to voters (January 2020) are all very difficult to predict. Thus, the GRB is a much less reliable starting place for budget and tuition planning than in prior years.

Co-Chairs Budget

After Governor Brown submitted the GRB in late November, the conversation around operating dollars shifted to the legislature. The legislature is responsible for writing and passing a balanced budget for all state agencies, including the PUSF, as well as for writing and enacting changes to the state's tax code. The Co-Chairs of the Joint Ways and Means Committee are responsible for issuing a “Co-Chairs Budget” which provides an outline or starting place for the budget development process during the 2019 legislative session. The Co-Chairs budget will be issued, in late February to mid-March.

At this point it remains unclear what, the legislature plans to do with the Governor's recommendations. There appears to be support from legislative leadership for a continues revenue package, which would be necessary in order for the PUSF to see meaningful levels of investment, though it is not clear whether or not the university funding will benefit from such a measure. Until the disposition of a revenue measure is understood no meaningful budget predictions can be made. If no revenue measure passes the Legislature, then it is unlikely meaningful investments in the PUSF will come to fruition. However, the floor investment level is also uncertain. It could be as low as the GRB flat funding level, or marginally above that level.

The public universities remain far from certain of legislative leadership's funding plan or intention for the main university funding streams. No reasonable estimates can be made beyond wide ranges of possible funding levels until the Co-Chairs Budget is released

State Budget Timeline

	2018		2019						
	November	December	January	February	March	April	May	June	July
Tuition Setting Process					X		X		
GRB	X								
Co-Charis Budget									
Revenue Package									
Legislatively Adopted Budget									
Board of Trustee Meetings			X		X		X	X	
HECC Meetings (Tuition)							X	X	X