2007-08 Salary Funding
Settle-up and Incentives
2008-09 Proposed Budgets

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Guiding Principles

- Compliance with Board expectations and priorities;
- Compliance with Legislative expectations and budget notes;
- Equitable distribution among campuses;
- Incentives for fundable enrollment and retention (both freshmen and transfer students); and
- RAM renormalization is phased over two biennia (2007-2009 and 2009-2011) in accordance with budget note requiring such (subject to available funding).
Four Issues to be Discussed

1. Adjustment to 2007-08 operating budgets to reflect distribution of General Fund salary funding received in June 2008;

2. The settle-up process for 2007-08 enrollments and incentives for enrollment and retention;

3. Proposed 2008-09 General Fund distribution by campus based on updated enrollment projections, incentives and other changes; and

4. Proposed 2008-09 total budgets from all sources, including expenditure limitation allocation and projected lottery funding.
Salary Funding Allocation

• Funding received from June Legislative Emergency Board allocated 1/3 in 2007-08 ($7.5M) and 2/3 in 2008-09 ($14.9M);

• Allocated in 2007-09 based on 2006-07 actual salaries by institution as modified by fund splits;

• See Attachments A and C for amounts by campus;

• This funding to be allocated as enrollment-driven cell funding in future biennia.
2007-08 Settle-up

• Settle-up for 2007-08 Fundable Enrollments:
  – One campus (WOU) above projections and budget;
  – Two campuses (EOU and OIT) above projections, but below budget floor (due to RAM renormalization phasing);
  – Four campuses (OSU, PSU, SOU, and UO) below projections and budget;
  – Results in a net negative adjustment of –$2.043M; and
  – Settle-up for enrollment-driven targeted supplement for engineering technology UG and engineering graduates result in additional negative adjustment of –$632K.
2007-08 Incentives

• To incentivize improved retention $1.5M allocated to campuses that improved retention:
  – Applies to both freshmen and transfer students
  – Allocated based on:
    • % improvement;
    • Increased cohort headcount students retained; and
    • Bonus for campuses that exceeded high targets.

• An additional $263K allocated to schools (EOU, OIT, and WOU) who served more fundable students (Oregonians) than budgeted.

• All incentives are one-time, non-recurring funding.

• See Attachment B for Settle-up and Incentives.
Proposed 2008-09 General Fund Allocations

• Re-indexed RAM funding based on latest enrollment projections as reconciled with campus projections—this resulted in a negative net adjustment of –$484K;
• Includes settle-up and incentives;
• Includes balance (2/3rds) of salary funding;
• Includes other adjustments from June 2008 Legislative Emergency Board—honey bee research and FRL December 2007 storm damage funding; and
• Includes $1.9M reserve for 2008-09 enrollment settle-up and incentives—to be allocated in January/February 2009.
• See Attachment C.
2008-09 OUS Total Budget

- Attachment D contains proposed 2008-09 budget from all sources;
- State General Fund allocated as discussed and approved capital projects and Article XI-G bond debt service;
- Other Funds Limited expenditure limitation allocated based on campus revenue estimates for tuition, fees, indirect cost recoveries, etc.;
- Other Funds Nonlimited allocated based on campus estimates of gifts, grants, and contracts; auxiliary revenues, etc.; and
- Lottery funds to be distributed based on Board-approved allocations for athletics/scholarships and legislatively-approved lottery bond debt service.
Four Actions Requested

Approval of the following:

• Adjustment to 2007-08 operating budgets to reflect distribution of General Fund salary funding received in June 2008;

• The settle-up process for 2007-08 enrollments and incentives for enrollment and retention;

• Proposed 2008-09 General Fund distribution by campus based on updated enrollment projections, incentives, salary funding, and other changes (bee research and storm damage); and

• Proposed 2008-09 total budgets from all sources, including expenditure limitation allocation and projected lottery funding.
Questions?