Hello Jock, Debbie, Hans, and Chuck-

On behalf of the Higher Education Coordinating Commission (HECC), I wanted to provide this follow-up guidance as you respond to our February 14, 2014 letter inviting you to submit budget-related information to the HECC:

Question #1 of the letter asks you to estimate the amount of resources you project your institution would require in 2015-17 in order to maintain your current level of service provision and learning outcomes, assuming that tuition and enrollment remain at their 2014-15 levels. Question #2 asks you to itemize the major cost drivers behind your answer to #1.

For the sake of simplicity and standardization, we request that you use the following assumptions:

1. General inflation will be 3.0 percent for the biennium.*
2. Total compensation (salary plus benefits) will increase at the midpoint of the state economist’s prediction for the statewide labor market: 3.2 percent annually for each year of the biennium.*
3. Deferred maintenance projects larger than $1 million will be eligible for debt funding, either via specific capital projects that the HECC requests from the Legislature or through a capital renewal/capital repair fund that the HECC will request and allocate.**

* These projections are provided only for the purposes of providing information to HECC in its budget planning. The projections will not be used by the state in developing the 2015-17 Governor's Recommended Budget or in collective bargaining between the state and its labor organizations.

** The $1m threshold for debt-funded deferred maintenance projects has not been adopted by the HECC, but it will help to standardize your treatment of deferred maintenance for the purpose of this exercise.

-Ben Cannon

Ben Cannon
Executive Director
Oregon Higher Education Coordinating Commission