OUS – HECC Transition Brief: Budget Activities
April 4, 2014

Several budget activities now have specific transition plans that have been developed in concurrence with the Chancellor’s Office (CO) and the Higher Education Coordinating Commission (HECC):

- **Allotments**
  Allotments are the cash distributions of OUS state appropriations from the Department of Administrative Services (DAS) to the CO, which has historically further distributed the funds to the seven institutions based on budgets approved by the State Board of Higher Education (SBHE). With the governance changes on July 1st, DAS will need to make four distributions instead one, in accordance with the HECC’s funding allocations to the institutions. To alleviate some of the complexity of the additional distributions, DAS will move to quarterly instead of monthly distributions but will continue to allow “front-loading” in the schedule (i.e., larger distributions in the first few months of a fiscal year to compensate for lower tuition revenues in those early months). This cash flow consideration is of particular importance to the technical and regional universities (TRUs). The plan is sufficiently developed for General Fund operations allotments and Lottery Funds, but additional discussion will be needed, including with the Treasurer’s Office, regarding how debt service payments will be made.

- **Annual Appropriation and Tuition Surveys**
  CO Budget Operations annually participated in several national surveys (regarding state support and tuition and fees), providing responses on behalf of the seven public universities. This coordinated participation will transfer to the HECC on July 1st but CO personnel will provide training and the transfer of historical records to HECC staff.

- **Clinical Legal Education**
  One of the State Programs administered by the CO is the Clinical Legal Education program legislatively-established in 2007. It provides funds to clinical legal education programs at accredited institutions of higher education that provide civil legal services to victims of domestic violence, stalking, or sexual assault. The CO administers an application process as defined by statute and then makes quarterly distributions to the eligible institutions. The UO Domestic Violence Clinic and the Lewis & Clark Legal Clinic have been regular recipients. The transition plan calls for the CO to administer the application process this spring, and then make the distribution payments in FY15. The HECC would assume both application and distribution processes going forward.

- **Fiscal Impact Statements**
  Senate Bill 270 transfers the responsibility of responding to legislative requests for information from the OUS to the HECC. The most significant requests occur during legislative sessions in the form of requests for “fiscal impact statements” (FIS) related to
pending bills. The CO has historically coordinated these responses on behalf of OUS and the public universities, thus there is a “library” of prior responses including the underlying calculations. The transition plan commits CO personnel to transfer the more recent and significant fiscal impact statements and underlying calculations to the HECC and provide an overview of how the CO approached the calculation of certain estimates.

- **Sports Lottery Allocations**
  Effective July 1, 2014, the HECC will be responsible for allocating Sports Lottery funding to the public universities. The transition plan provides a history of the program, the funding levels, and various allocation methodologies used since its inception in 1989. It is recommended that the HECC allocate FY15 Sports Lottery funds using the FY14 methodology that was approved by the State Board of Higher Education in October 2013. The HECC can elect to further consider other allocation methods, within legislative parameters, for 2015-2017 and beyond.

- **WICHE Membership Dues**
  OUS has received state funding to pay the annual state membership in the Western Interstate Commission for Higher Education (WICHE). After July 1, 2014, the OUS will no longer have state wide responsibilities but, for FY15, would potentially still have funding for the membership dues. (This funding is allocated in the Systemwide Expenses targeted program line of the RAM 1.) While the HECC will be able to direct the allocation of OUS funding among the universities, it cannot transfer any funding to itself to pay for these dues. If the HECC allocates sufficient funding for the FY15 dues to the CO through the Statewide Expenses, the CO would be able to make the FY15 payment to WICHE on behalf of the HECC. The HECC can then take other actions, as needed, to ensure it has the funding to pay membership dues going forward.

- **Other Transfer of Information**
  Other budgetary information will be transferred such as the calculation history of Current Service Level funding for OUS, origination and funding history of State Programs, and other topics as requested by the HECC.

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1 Resource Allocation Model