Higher education 2013-2015 operating and capital budgets passed by Legislature

A last minute infusion of $15 million will reduce tuition increases to an average of 3.5% per year over biennium

PORTLAND, July 8, 2013 – Today the higher education budget process was completed in the Legislature with the approval of the Oregon University System capital budget for 2013-2015, a substantial increase over the current budget that also creates approximately 6,000 construction-related jobs across the state. The OUS operating budget for 2013-2015 completed its passage through the Senate and House last month. With this week’s infusion of another $16.7 million, that equals a 10% increase from last biennium, with $15 million of that for a “tuition buy down,” giving Oregon students some much needed relief on rising tuition costs. Overall, the budget will enable the OUS to keep on track in meeting the state’s 40-40-20 goal to increase the number of students with high school diplomas and college and university degrees and certificates.

“We are grateful to the Governor and Legislature for this budget, and what it represents for students and families across the state,” said Dr. Melody Rose, interim chancellor of the Oregon University System. “We have a lot of ground to make up as enrollment has soared over the last decade and funding has gone in the opposite direction. With this operating budget, tuition increases can be held down to an average of 3.5%, the lowest increase in many years, and we can maintain our focus on student success, and quality teaching and learning. Additionally, the capital budget will create employment for Oregonians to build and modernize university classrooms and facilities. This will spur much needed economic growth across the state.”

The 2013-2015 OUS operating budget totals $761.5 million in state General Fund and Lottery funding, up more than 10% over 2011-2013 funding. This increase is a welcome change for OUS’ public universities and their 100,000 students after several years of decreases, including the 16% decline experienced in the most recent biennium. It has been a continuing challenging for campuses to accommodate more students with less funding for multiple years. For example, OUS state funding 12 years ago almost the same as this newly approved budget, despite an additional 34,000 students—the equivalent of adding another Portland State University and Oregon Tech to the system.

The capital budget totals $567 million in bonding authority, with $213 million to be funded by the state and $354 million by the universities through fees and revenues generated by the facilities such as rent from retail spaces and dormitories. This is an increase of 104% over 2011-2013, and enables OUS campuses build or recondition classrooms, labs and other facilities to ensure student access and success for generations to come.

Jay Kenton, OUS vice chancellor for finance said, “The capital budget marks a significant investment by the Legislature and the Governor in higher education facilities that will allow universities to continue to serve growing enrollments and address the statewide 40-40-20 education attainment goal. We can continue to make progress on addressing deferred maintenance needs, add critically needed student learning centers, renovate and expand existing facilities, and enable OSU-Cascades to continue building a new four-year campus in Bend. This is not only an investment in our students and our future, it also creates jobs today.”

The Oregon University System (OUS) makes college a reality for Oregonians statewide by keeping higher education accessible, affordable and high quality. We integrate Oregon’s public universities with the entire PreK-20 education system to ensure student success. OUS’ higher education offerings meet the needs of Oregon’s economy today and in the future, contributing to the vitality of the state and the success of more than 20,000 graduates a year. For additional information, go to www.ous.edu.