From: salem_update-bounces@lists.oregonstate.edu on behalf of Mills, Jock
To: CAS DeanStaff; CAS Unit Leaders; Salem Update Listserv
Subject: [Salem Update] Governor warns of possible veto, tuition level rise
Date: Friday, July 10, 2009 2:29:28 PM
Attachments: ATT12109832.txt

Today Governor Kulongoski issued a notice of a possible line-item veto of a section in the end-of-session budget reconciliation bill that stripped $13.4 million in state general funds from the Oregon University System (OUS) budget. The Governor's press release and a link to an Oregonian story regarding the possible veto are below.

This is clearly an improvement for Oregon's universities, taking them back up to a higher step than they were at the end of the session. But given the magnitude of the uncertainties in the state's finances over the next two years, OUS continues to face significant long term challenges to its operating budget over the 2009-11 biennium. Nevertheless, it is better to be starting the possible budget reductions at a higher -- rather than lower level -- and with a clear message from the Chief Executive that he will not accept disproportional reductions to Oregon's public universities.

In other action today, the state board of higher education approved tuition levels for the next academic year. A link to a story in the Oregonian regarding tuition also appears below.

The possible veto:
http://www.oregonlive.com/politics/index.ssf/2009/07/gov_ted_kulongoski_plans_to.html

Tuition hikes:
http://www.oregonlive.com/politics/index.ssf/2009/07/tuition_and_fees_go_up_at_oreg.html

The Governor's release:

NEWS RELEASE
FOR IMMEDIATE RELEASE
July 10, 2009

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Governor Kulongoski Issues Notice of Possible Intent to Veto
Governor's concern relates to reduction of funds for Oregon University System

Salem— Pursuant to Article V, Section 15a of the Oregon Constitution, Governor Kulongoski today announced his possible intent to veto the following single items in appropriation bills:

> House Bill 5054, Section 61(4) related to the reduction of General Funds and Other Funds for Department of Higher Education

This notice does not necessarily mean that the Governor will veto this bill or the specified items within this bill. Rather, this notice allows the Governor to take such action five days after the date

of this notice, or later, if he chooses to do so.

The Governor is considering this action to help keep the cost of public higher education in Oregon affordable and to help maintain the quality of the state's university system.

Related to these goals, the Governor is concerned that the underfunding of the Oregon Opportunity Grant program in the legislatively adopted budget, coupled with this reduction to the university system, will add barriers to access and affordability at a time of increasing enrollments in Oregon's post-secondary system.

If the Governor proceeds to veto the disappropriations identified above, he will restore $13.4 million in General Funds to the university system generally and to separately-budgeted programs at Oregon State University.

The impact of this action on the General Fund can be offset with new revenues from the tax amnesty program in Senate Bill 880, which the Governor intends to sign.

The Governor, by his veto, could also reduce the disappropriation of Other Funds budgets of the university system and Oregon State University, which would simply restore spending authority for funds to be collected from tuition and grants. Thus, a veto of these disappropriations would not throw the budget out of balance.

This notice is not exhaustive and may be followed by subsequent notices of intent to veto.

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