



EXECUTIVE ORDER NO. 07 – 12

GOVERNOR'S PROCESS FOR CALCULATING THE ESSENTIAL BUDGET LEVEL FOR THE COMMUNITY COLLEGE SUPPORT FUND

The State's calculation of the "essential budget level" for the Community College Support Fund is not developed to a level of detail that captures the true costs of the system, and it does not support effective decision-making. The Governor and the Legislature need additional detailed and timely information about the reasonable assumptions of its essential budget level for Oregon's community colleges in order to adequately plan future budgets.

Oregon's current process for calculating the essential budget level for the K-12 and Oregon University Systems utilizes a database initiative (DBI) that provides the detailed information necessary for budget planning. The Community College Support Fund requires a similar process. The Department of Community College and Workforce Development is working to develop and implement a database initiative capacity similar to that used by the Department of Education for K-12 financial data. The DBI model will provide to the Community College Support Fund the level of detailed financial information necessary for sound budget planning.

IT IS HEREBY ORDERED AND DIRECTED:

1. No later than May 1, and December 1, of each even-numbered year, the Oregon Department of Administrative Services (DAS) shall calculate the essential budget level (EBL) for the Community College Support Fund for the upcoming biennium. That forecast shall consider and include:

- a. Projected changes in the cost of personal services including salary and compensation changes negotiated and/or approved by the college districts, changes in health benefit costs, changes in retirement program costs and staff turnover;
- b. Projected increases in the cost of services and supplies and capital outlay based on the methodology included in the DAS Budget Instructions;
- c. Adjustments resulting from legislatively approved phase-ins, phase-outs and one-time expenditures;
- d. Forecasted local revenues for community colleges as provided by the Department of Administrative Services, Legislative Fiscal Office, Legislative Revenue Office and Department of Revenue;



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- e. Projected tuition revenues based on an economic indicator (e.g. change in median family income);
- f. Projected revenues available to community colleges from other local, state and federal sources.

2. The required calculation of an EBL for the Community College Support Fund using the factors listed above is dependent upon successful implementation of the the Database Initiative project by the Department of Community Colleges and Workforce Development.

3. The Department of Administrative Services shall form and chair a "Community College Forecast Committee" to review the statewide budget forecasts. This committee shall consist of representatives from the Office of the Governor, the Department of Community Colleges and Workforce Development, the Legislative Fiscal Office, the Legislative Revenue Office, the Legislative Assembly and stakeholders from community colleges and labor unions. This committee shall meet in each even-numbered year prior to each EBL calculation and at other times as may be determined to be appropriate.

Done at Salem, Oregon this 28th day of August, 2007.


Theodore R. Kulongoski
GOVERNOR

ATTEST:


Bill Bradbury
SECRETARY OF STATE

