

## **AOF Board Minutes, March 7, 2015**

Present: Kemble Yates, Jacqueline Arante, Greg Monahan, Alan Bakalinsky, Christian Vukasovich, and DeAnna Timmermann. Chris Parta, AOF Lobbyist, and Brian Fox from HECC was also present.

Meeting was called to order at 10:10 by President Alan Bakalinsky.

### **Brian Fox, HECC**

Brian shared a packet of material from HECC overviewing their budget planning process up to the moment. He talked a bit about the philosophy of outcomes-based budgeting. He admits there are (at least) two problems with outcomes-based funding: quality (e.g. “degree mill”) and “cream skimming” (only taking the “best and brightest” who are most likely to finish). Institutional evaluations will be a key piece in implementing any outcomes-based funding model. Of course there will still be lots of room for multiple definitions and perspectives on what a “quality” component to a completed degree entails. The other HECC workgroup is one tasked with administering the implementation of measures, and their assessment and reward, for “quality”. Truthfully, there won’t be any direct tie between quality and funding. We suggested “carrots” for incentives, but Brian believes this would devolve into “No Child Left Behind” issues.

HECC intends to adopt some form of a model which makes allocations of part of the funding to Oregon public universities using outcomes-based criteria, but final details won’t be available until the Legislature funds HECC – probably in June. For the coming biennium, their vision is the 2015-16 split will be 80-20, RAM to OBF. This will gradually shift to a 2020-21 split of 40-60.

Brian made it clear he wants to engage with us. Greg suggested that each institutional evaluation include a separate report from each Faculty Senate and (perhaps) each Student Senate. One power HECC does have is the ability to influence the Governor who does have naming (& removing) rights for individual boards’ members. Kemble suggested to Brian that “Value added” really ought to be the outcome measured, not simply degree counts.

### **Lobbyist Report (CP)**

Kicker. There is now a real possibility that revenue will be high enough that the kicker would kick. If it does, it would create a \$300 M hole in all emerging budget proposals. The Ways & Means co-chairs have already developed a plan to cope with this. There will be one more important revenue forecast on May 14 – this one will be key in determining the final amount to be allocated in the 2015-17 biennial budget.

Legislature news. We looked at our comprehensive bill summary and our positions/priorities. Since we last met, of course, Governor Kitzhaber resigned and Governor Brown is now in charge. Democrats have been trying to get several priority bills passed now that the gubernatorial distraction is passed. Clean fuels, motor-voter, insurance changes – all have already passed. Chris mentioned that HB 3307 is now in play – this bill would put in statute faculty tuition benefits. We are still hopefully the institutions will agree in writing to a continuation of the current policy rather than getting the benefit through statute. But the bill is there in case the institutions fail to deliver.

### **Campus Reports**

Due to time constraints, we did not have time to conduct these.

### **Newsletter**

We approved the text for our Winter newsletter, and DeAnna (EOU) agreed to write the campus piece for the Spring newsletter.

**Next Meetings**

We will meet next on May 9, and tentatively July 11.

The meeting adjourned at 1:15 PM.