

OVERVIEW

The 80th Oregon Legislative Assembly and Governor Kate Brown approved the 2019-21 Oregon postsecondary education Legislatively Adopted Budget (LAB) in July, 2019. The Higher Education Coordinating Commission (HECC) budget includes funding for: Oregon’s 17 community colleges; Oregon’s seven public universities and Oregon Health & Science University (OHSU); state financial aid and student access programs; capital bonding authority for the public institutions; Oregon’s 9 Workforce Investment Boards; Oregon Volunteers; Oregon Youth Conservation Corps; and HECC agency operations. Investments summarized in this fact sheet include those in the Higher Education Coordinating Commission (HECC) budget approved in House Bill 5024, as well as the final budget reconciliation bill (House Bill 5050), and capital investments approved through House Bill 5005 and 5006. This document focuses primarily on General Fund (GF) and Lottery Fund (LF) dollars.

Postsecondary education total funding: The funding for all postsecondary education and workforce entities represented in the HECC budget totals \$2.77B, including all types of funds, State, Federal, and Other Funds.

	2017-19 LAB	2019-21 CSL	2019-21 LAB	PERCENT CHANGE
OREGON POSTSECONDARY EDUCATION BUDGET excluding capital	\$2.49B Total:	\$2.65B Total:	\$2.77B Total:	Total +11.3% From 17- 19 LAB
INCLUDES ALL SPECIAL PAYMENTS, PERSONAL SERVICES, SERVICES AND SUPPLIES, AND DEBT SERVICE FUNDS	\$1.95B GF \$96.6M LF \$141.8M FF \$306.6M OF	\$2.10B GF \$128.5M LF \$151.6M FF \$271.7M OF	\$2.20B GF \$139.6M LF \$151.8M FF \$288.0M OF	+4.8%From CSL <hr/> GF increase: +12.6% from 17-19 LAB +4.7% increase from CSL

STATEWIDE FINANCIAL AID PROGRAMS

The LAB continues investments in Oregon's key state financial aid programs:

The Oregon Opportunity Grant (OOG), Oregon’s longstanding need-based financial aid program serving the lowest-income Oregonians with grants toward postsecondary expenses, increases to \$164.2M, an increase of \$18.1M or 12.4 percent above 17-19 LAB, which allows the grant to serve approximately 2,500 more applicants. The grant currently serves 30,000-40,000 students per year. The OOG supports low-income students and families, including both recent high school graduates and adults, who attend eligible public and private Oregon colleges and universities. The increase is attributable to proceeds from the 2018 College Opportunity Grant Tax Credit Auction.

The Oregon Promise, Oregon’s grant program to support most or all tuition at Oregon community colleges for recent high school graduates and GED recipients, is funded at \$40.2M, a small increase of \$200K from 17-19 LAB. At this funding level, HECC will not have to limit the number of new students eligible for the program based on “expected family contribution” (a measure of a student/family’s ability to pay for college) for the first year of the

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2019-21 biennium. The grant is designed to support students for approximately two years, and served 9,530 students in 2017-18.

The Oregon National Guard State Tuition Assistance (ONGSTA) Program is funded at \$3.7M for the biennium. Previously, it was funded at \$2.5M for the 2018-19 academic year.

PUBLIC COMMUNITY COLLEGES AND UNIVERSITIES

The LAB increases the state investment in public colleges and universities to promote the ability of campuses to support student success and completion.

State support to Oregon’s community colleges funds educational and operational expenses for the 17 colleges. The LAB increases funding for Oregon’s community colleges to a total of \$644.8M, an increase of \$70.9M or 12.3 percent from LAB. The Community College Support Fund (CCSF), which constitutes the majority of this is funded at \$640.9M. It will mean that tuition increases at almost all community colleges are expected to grow by less than five percent. The \$3.9M above the CCSF includes support for the Sabin-Schellenberg and Margaret Carter Skills Centers and grants to colleges to support underserved and first generation students.

State support to Oregon’s public universities through the Public University Support Fund (PUSF) supports operational expenses at the seven public universities. The budget increases the PUSF by \$100M or 13.6 percent from the 17-19 LAB for a total of \$836.9M. While this funding level mitigates the need for higher double-digit tuition increases that had been planned at some Oregon public universities, three institutions (Oregon Institute of Technology, Southern Oregon University, University of Oregon) will enact resident undergraduate tuition increases above five percent for 2019-20.

Public University State Programs are funded at \$45.6M GF. This continues to fund existing programs including engineering and technology-related investments to the universities, and adds \$1.6M for OSU’s PacWave South wave energy test site.

Statewide Public Service Programs: The Agriculture Experiment Station’s budget grows by 15.2 percent or \$10.1M over 17-19 LAB for a total of \$76.5M. Extension Service grows by \$29.2M or 40.7 percent over 17-19 LAB for a total of \$100.9M to fully fund Outdoor School for the biennium. Forest Research Laboratory increases by \$1.2 million or 11.7 percent over 17-19 LAB for a total of \$11.4M.

Sports Action Lottery funds are increased to \$14.1M, \$5.9M or 71.1 percent above the 17-19 LAB. Funds are dedicated primarily to intercollegiate athletics and graduate student scholarships.

Oregon Health & Science University (OHSU) support increases by \$2M or 2.4 percent above 17-19 LAB for a total of \$79.1M for 2019-21. The new funding is dedicated for the OHSU Center for Evidence-based Policy for the Children’s Integrated Health Database.

University Innovation Research Fund is established and housed in the Oregon Business Development Department. This fund provides \$10M in state match to support universities in securing competitive federal grants.

STATEWIDE COORDINATION OF POSTSECONDARY EDUCATION

HECC Agency Funding: The LAB for HECC agency operations supports its work as the statewide coordinating agency for postsecondary education and workforce development, with a total of 148 positions (137 FTE) for 2019-21 funded through state general funds, fees, and federal dollars. HECC agency operations was funded at

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\$64.4M total funds including \$25.8M General Funds (an increase of 9.6 percent GF from 17-19 LAB and 7.4 percent from 19-21 CSL). This supports the addition of 5 new FTE in the areas of procurement, internal auditing, and human resources, as well as 5 additional new policy/program FTE to support the continuation of the credit transfer initiative that began under HB 2998 in 2017, coordination of statewide education and workforce strategies, leading the agency's diversity, equity, and inclusion work, the Teachers as Scholars program, and capital construction fiscal analysis. In addition, administration of the **Statewide Longitudinal Data System**, including 9 positions, was transferred to the HECC from the Chief Education Office, which by statute sunset on July 1, 2019. Although SLDS is an inter-agency project governed jointly by the Oregon Department of Education, the HECC, and the Department of Employment, it requires an agency home for its funding, accountability, operational support and administration.

- **Open Educational Resources:** The budget contains \$669K for the HECC to continue the Open Education Resources initiative to develop and market free textbooks and course materials for use in Oregon colleges and universities.
- **Workforce:** Workforce funds grow by 7.3 percent from 17-19 LAB, with some of this increase resulting from a transfer of increased Other Funds from DHS to expand the impact of the youth employment program on low-income youth. The targeted workforce initiatives including the National Career Readiness Certificate, industry sector strategies, on-the-job trainings, and others, were continued at 2017-19 funding levels.

CAPITAL BONDING AUTHORITY

The LAB invests in capital construction to ensure access and capacity to achieve Oregon's long-term education and economic development goals. These were in the capital investment House Bills 5005 and 5030. The Governor and Legislature left open the possibility of allocating bond funds to universities in the 2020 legislative session in order to permit the HECC to complete its work on a 10-year strategic plan for public university capital.

University Capital Funding: The total LAB of \$78.6M new capital includes a new project at OIT for the Oregon Manufacturing Innovation Center in the amount of \$12.9M and the HECC's priority request for a \$65.7M investment in capital repair and renewal at public universities. These totals include costs of issuance.

Community College Capital Funding: The LAB supports three new capital construction projects at Oregon's community colleges, including the Central Oregon CC Classroom Building Redmond Campus, Klamath CC Apprenticeship and Industrial Trades Center, and the Treasure Valley CC Nursing-Allied Health Professions Center. It also reauthorizes eight previously approved projects under the Article XI-G bond program. These projects also include \$6.5M in new lottery bond issuance for Blue Mountain CC. The investment totals \$81.8M, including costs of issuance. Community Colleges are matching \$74.1M in capital investments.

PARTNER INVESTMENTS: The Student Success Act

Though outside of HECC's purview, the Student Success Act represents significant investments in K-12 education, specifically seeking to improve outcomes for marginalized students who have experienced disparities in the education system. Using revenue from corporate taxes, the bill includes significant investments in early learning, expands instructional time, addresses student health and safety, reduces class size, increases access to school meals, funds greater equity in education, introduces new youth reengagement programs, and funds services for students with disabilities, among other accomplishments. When fully implemented, the measure is expected increase investment s in K-12 education by \$2B per biennium. The Student Success Act also transfers responsibility for the State Longitudinal Data System to HECC along with its staff and budget.

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2017-19 HECC LEGISLATIVELY ADOPTED BUDGET (excluding capital bonding authorization)

DESCRIPTION		2017-19 LAB	2019-21 CSL	2019-21 LAB	PERCENT CHANGE	
STATE FINANCIAL AID	OREGON OPPORTUNITY GRANT	\$146.1M Total: \$125.2M GF \$20.7M LF* \$163K OF	\$151.7M Total: 130M GF \$21.5M LF* \$169K OF	\$164.2M Total: 109M GF \$40M LF* \$14.6 OF	12.4% from LAB 8.2% from CSL	
	OREGON PROMISE	\$40.0M GF	\$41.5M GF	\$40.2M GF	0.5% from LAB -3.1% from CSL	
COMMUNITY COLLEGES	COMMUNITY COLLEGE FUNDING including COMMUNITY COLLEGE SUPPORT FUND (CCSF) and additional funds	\$573.9M Total: \$573.9M GF \$46K OF	\$594.8M Total \$594.8M GF \$46K OF	\$644.8M Total \$644.7M GF \$46K OF	12.3% from LAB 8.4% from CSL	
PUBLIC UNIVERSITIES	PUBLIC UNIVERSITY SUPPORT FUND (PUSF)	\$736.9M GF	\$777.4M GF	\$836.9M GF	13.6% from LAB 7.6% from CSL	
	SPORTS LOTTERY	\$8.24M LF	\$14.099M LF	\$14.09M LF	71.1% from LAB No change from CSL	
	Statewide Public Services, OSU	AGRICULTURAL EXPERIMENT STATION	\$66.5M GF	\$69.7M GF	\$76.5M GF	15.2% from LAB 9.8% from CSL
		FOREST RESEARCH LABORATORY	\$10.2M GF	\$10.8M GF	\$11.4M GF	11.7% from LAB 5.9% from CSL
		OSU EXTENSION SERVICE	\$71.7M Total: \$47.7M GF \$24M LF	\$97.1 Total: \$50.3M GF \$46.8M LF	\$100.9 Total: 55.6M GF \$45.3 LF	40.7% from LAB 3.9% from CSL
	State programs	STATE PROGRAMS	\$77.2 Total: \$46.2M GF \$31.0M NL-OF	\$42.6M GF**	\$45.6M GF**	-40.9% from LAB 6.9% from CSL
OHSU	OHSU	\$77.3M GF	\$77.2M GF	\$79.2M	2.4% from LAB 2.6% from CSL	
HECC AGENCY OPERATIONS	HECC AGENCY OPERATIONS	\$62.08M Total: \$23.5M GF \$19.8M OF \$18.7M FF	\$57.1M Total: \$24.0M GF \$10.6M OF \$22.4M FF	\$64.4M Total: \$25.8M GF \$15.4M OF \$23.08M FF	3.8% from LAB 13.0% from CSL	

*Lottery Funds are investment earnings from Education Stability Fund

** Phases out one-time grant funding that was expended last biennium.