



FACT SHEET: HECC GOVERNOR’S RECOMMENDED BUDGET (GRB)

For more info, see Office of the Governor, [Governor’s Budget](#)

The Higher Education Coordinating Commission (HECC) is responsible for recommending to the Governor and the Oregon Education Investment Board (OEIB) a consolidated budget request for postsecondary education statewide. The Governor’s Recommended Budget (GRB) was announced on December 1, 2014, and the HECC budget in the GRB includes: state funding for Oregon’s 17 community colleges and 7 Local Workforce Investment Boards, Oregon’s 7 public universities and Oregon Health & Science University (OHSU), state need-based aid and student access programs operated by the Office of Student Access and Completion (OSAC), the Department of Community Colleges and Workforce Development (CCWD), and HECC agency operations. **The Governor’s Recommended Budget (GRB) for all postsecondary education and workforce entities represented in the HECC budget totals \$1,927.9M.** General Funds and Lottery Funds total \$1,739M, an 18.2 percent increase from the comparable 2013-15 Legislatively Adopted Budget (LAB).

KEY GRB POSTSECONDARY EDUCATION INVESTMENTS

	2013-15 LAB	2015-17 GRB	Change from 2013-15 LAB
OREGON OPPORTUNITY GRANT	\$113.8M	\$143.3M \$128.1 M General Fund \$13.9 M Lottery Fund	+25.8%
PUBLIC UNIVERSITY SUPPORT FUND <i>Includes anticipated correction</i>	\$520.5M	\$589M General Fund	+13.2% <i>Includes 3.1% to reflect the increased cost of sustaining the 2013-15 tuition offset over a full biennium (\$16.1M)</i>
COMMUNITY COLLEGE SUPPORT FUND	\$466.9M	\$500M General Fund, \$45.8K Other Funds	+7.1% <i>Includes 3.2% to reflect the increased cost of sustaining the 2013-15 tuition offset over a full biennium (\$15M)</i>
DEBT SERVICE	\$140.8M	\$216.7M	+53.9%

The GRB includes two **significant program investments to make postsecondary education more affordable**, including:

- ✓ **An expansion and redesign of the Oregon Opportunity Grant** to improve affordability for Oregon’s highest need students.
- ✓ A \$71.1M continuation of the tuition offset investment approved in the 2013 Special Legislative Session, eliminating the need for community colleges and public universities to “catch-up” with tuition increases that were not imposed in 2013-15.

The GRB also supports HECC’s other major initiative for an **increased focus on postsecondary completion**. The initiative includes increased funding for community colleges and universities, supports redesign of distribution formulas among institutions, and an expansion of student support and outreach efforts.

- ✓ The **Community College Support Fund** supporting Oregon’s 17 community colleges, described above.
- ✓ The **Public University Support Fund** supporting Oregon’s seven public universities for instruction, research, public services, and operation of the institutions, described above. *NOTE: The GRB describes this investment as \$593.7M General Fund, however, a correction is anticipated to this figure, which is noted in the chart above.*

In conjunction with increasing funds for university and community college support, the **HECC is developing new distribution formulas which focus on student success outcomes**. This adjustment better aligns state investment with access and completion to achieve the state’s ambitious 40/40/20 attainment goal.

The GRB includes **14 new capital construction projects at all seven public universities** totaling \$322.5M in general obligation bond proceeds. Thirteen of these projects, totaling \$275.5M are funded with Article XI-G and Article XI-Q bonds repaid by the General Funds. Projects include capital renewal, code and safety at all campuses as well as: EOU’s Hunt Hall Demolition & Site Restoration; OIT’s Bovin Hall Modernization and Center for Excellence in Engineering & Technology Pre-Development; OSU’s Forest Science Complex and Marine Studies Campus Phase I; PSU’s Broadway Housing Purchase and Neuberger Hall Deferred Maintenance & Renovation; SOU’s Britt Hall Renovation; UO’s Chapman Hall Renovation, College and Careers Building, Klamath Hall Renovation 6, and Learning & Innovation Hub - School of Architecture & Allied Arts; and WOU’s Natural Sciences Building Renovation.

Debt service on previously approved capital projects for the universities, community colleges, and OHSU is \$216.7M. Public university debt service is \$161.4M, including \$129.4M General Fund and \$32M Lottery Funds. Community colleges debt service is \$37.7M, including \$27M General Fund and \$10.7M Lottery Funds. OHSU bond related costs include General Fund to pay debt service on bonds issued for the OHSU Knight Cancer Institute. OHSU bond related costs total \$48.6M, including \$17.7M General Fund.

OHSU and hospital operations support is budgeted at \$77.3 General Fund, including \$66.8M for education and rural programs, \$7.96M for the Child Development and Rehabilitation Center (CDRC), and \$2.55M for the Oregon Poison Center. *NOTE: the figures noted above incorporate an anticipated correction; the GRB describes the OHSU budget as \$72.6M General Fund, including \$62.4 M for education and rural programs, \$7.7M for the CDRC, and \$2.5 M for the Oregon Poison Center.*

The GRB includes a **\$31.9M investment to help workers and job seekers increase their skills and abilities**, provide employers with a highly qualified workforce, and improve public workforce programs. The initiative includes: \$10.9M in previously approved funds, repurposed to support local workforce boards and Back to Work Oregon, National Career Readiness Certificates, and on-the-job training programs; \$6M to fund an Oregon Employer Workforce Training program; and \$15M for a Youth Employment program. The \$31.9M for Workforce programs is generated by a transfer of Employment Department Supplemental Employment Department Administration Fund revenues to the General Fund.

A Community Leverage Fund is established with \$25M General Fund to support innovative public-private collaboratives in health, education, workforce, and economic development to advance 40/40/20 and statewide goals. An additional \$1.6M General Fund creates a Community Innovation Center to serve as the backbone organization to promote innovation and cross-sector collaboration in local communities and statewide.

The Agricultural Experiment Station, Forest Research Laboratory, and OSU Extension Service budgets increase by 3.3 percent from the 2013-15 LAB.

The GRB for **Public University State Programs** addressing economic development, natural resources, or other statewide priorities is \$35M General Fund, an increase of 37.4 percent from the 2013-15 LAB. The budget includes 80 percent of Engineering and Technology Industry Council (ETIC) and Industry Partnerships funding that was transferred to OEIB; the funds are subsequently shifted to the HECC for distribution to the universities, while the remaining 20 percent stays at OEIB to support science, technology, engineering, and mathematics (STEM) programs. The large increase from the 2013-15 LAB is an artifact of the ETIC transfer. **The programs are increased by three percent from the prior biennium**, including the 80 percent of ETIC funds.

The GRB makes investments and adjustments related to **consolidation of the HECC, CCWD, and OSAC**, as well as the responsibility for distributing state support to public universities and OHSU. Information technology, human resources, and fiscal services positions are offset by reductions in contracted services. The budget also establishes a consolidated research and data team, realigns funding for community college staff, and upgrades OSAC's Student Financial Aid Management System.

The budget transfers the one percent of net Lottery Funds proceeds that are currently statutorily dedicated to the **Sports Lottery Account** to **OSAC's Opportunity Grant program**, to support access and affordability.

OSAC's ASPIRE college outreach program is funded at \$1.7M General Fund and \$2.5M total funds. This budget level will allow ASPIRE to continue to support the existing 145 sites across the state and to use federal College Challenge Access Grant funds to expand ASPIRE on a one-time basis for the second year of the biennium.

RELATED: The following budget items described in the K-12 and OEIB budgets have clear connections to postsecondary education, supporting pathways from high school to career and research across sectors.

- ✓ High school to postsecondary pathway development through **accelerated learning and math alignment and redesign**. Investment: \$21M.
- ✓ **STEM hubs** and strategies: \$15M.
- ✓ Revitalization of **career technical education**: \$13M
- ✓ Development of the **Statewide Longitudinal Data System**: \$10.0M in debt capacity and \$2.6M in operations and debt service as placeholders.