



Legislative Session Update June 2015

As summer arrives in Oregon, the Legislature is steadily progressing toward *sine die*. Although the Constitutional deadline to end Session is July 11th, June 26th continues to be a target date for the Legislature to adjourn until next year. Policy committees other than Rules and Revenue closed last week. Much of the action will now shift to remaining policy bills and budgets that are in the Joint Ways & Means Committee.

HECC's Policy Bills

As of today, all of the agency's bills are still alive and three have been signed by the Governor. Those are:

House Bill 2410 – that will allow community colleges to offer noncredit training certificates, **Senate Bill 219** – that changes the quorum requirements for HECC Commission action, and **House Bill 2408** – formalizing the merger of the Department of Community Colleges and Workforce Development and the Higher Education Coordinating Commission agency.

Another bill, **House Bill 2409**, that is a statutory clean up bill from OSAC, is awaiting a vote on the Senate Floor. If it is approved, it will go to the Governor for signature.

One remaining policy bill, **Senate Bill 218**, and an accompanying fee ratification bill, **House Bill 5025**, were heard in the Education Subcommittee of Ways & Means earlier this week. Senate Bill 218 would revise fees that are assessed by through the Office of Private Postsecondary Education.

House Bill 2407, that would redesign the Oregon Opportunity Grant (OOG), passed out of the Ways & Means Committee last week. Senator Girod voted against the bill in committee because it did not prioritize grants to students in STEM fields. Senator and Representative Whitsett also voted against the measure. As mentioned previously, the remaining issue around this bill is how much the Legislature will invest in it which we will discuss further as we review the agency's budget.

Additional Bills of Interest

In addition to those bills, we are closely tracking the following bills:

- **House Bill 3516** would authorize the ODA to require a surety bond from private, non-exempt regulated institutions in Oregon. This bill is awaiting the Governor's signature.

- **Senate Bill 80**, that will dissolve the Oregon University System, the State Board of Higher Education, and the Chancellor's Office, moved out of the Senate Revenue Committee earlier this week and is now in Ways & Means.
- **House Bill 2662**, that would establish the Pay It Forward program, was heard earlier this week in the House Revenue Committee. As currently drafted, it would require the Office of Student Access and Completion to draft rules for implementation whether or not a funding source for the program is identified.

There has been a lot of buzz around **Senate Bill 81** that would implement a free community college program. The questions identified by the Commission in its study of a program of this sort remain front and center in legislative discussions around this bill. Some proposals for funding the program would pay for it by shifting dollars from the State School Fund that are currently being used for "5th Year Programs" that permit high school students who have not graduated to attend a community college for a year or more. There is controversy around this idea.

Senate Bill 215 that would dissolve the OEIB and institute in its place a Chief Education Office received approval by the Senate and is awaiting consideration by the House. As described previously, the Office and its administrative and coordinating duties would continue for four additional years.

In addition to those bills, several other bills that we have been tracking have passed. They include bills related to the ASPIRE program (HB 2847), course placement in community colleges (HB 2681), preventing sexual assault at postsecondary institutions (SB 759 and HB 3476, maintaining university shared services (HB 2611) and requiring low-cost degree options (HB 2973).

We continue to track bills that pertain to expanding access to Open Education Resources; institutional contracts for student financial aid services; developing a General Education Credential to be awarded by universities; staffing ratios at colleges and universities; addressing disparities in higher education for underrepresented communities; and student complaints at exempt institutions.

HECC's Budget

As you may know, the Legislature has relatively few discretionary budget items. The amount that must be set aside for corrections costs and providing human services is largely mandated by the number of "users" which the Legislature does not control. Setting appropriations for discretionary budget items such as the Community College Support Fund (CCSF), the Public University Support Fund (PUSF), and the OOG, is key to producing a balanced budget. For that reason, they are often some of the last budget items that are considered. That being said, we believe they will take up the HECC's agency bill that includes the CCSF, PUSF, OOG appropriation and the agency's budget soon.

As you may recall, the original request for CCSF funding in the Governor's Recommended Budget (GRB) was \$500M. The Co-Chairs of Ways & Means projected an appropriation of \$535M and the community colleges advocated for an appropriation of \$550M. At this time, all signs point to a \$550M appropriation for the CCSF.

For the PUSF, the GRB allocated \$589M while the Co-Chairs projected an appropriation of \$635M. If statewide programs are included, this figure would total \$670M. The universities have advocated for a \$755M total appropriation. It is unclear how much the final level of support for the PUSF and statewides will increase over the Co-Chairs initial \$670M projection. It could increase by as little as \$15M, which would match the amount of the expected increase to the CCSF, or it could be much higher. The universities, joined by the students, have submitted a proposal to members of legislative leadership for a \$35M increase now that would be invested in targeted tuition remissions to undergraduate resident students and programs to improve completion. If an additional investment of \$50M is made in the second half of the biennium, the universities would commit to tuition increases of no more than 2% with exceptions for Eastern and Southern Oregon Universities to remain consistent with campus retrenchment plans.

Lastly, the proposed appropriation for the OOG in the GRB was \$143.3M. The Co-Chairs projected the appropriation at \$137M with a possible increase of \$5M following the May revenue forecast. We are anticipating an appropriation of no less than \$137M.