



**Docket Item:**

2017-19 Agency Request Budget (ARB).

**Summary:**

Oregon's Comprehensive Postsecondary Education Budget:

The HECC is responsible for developing and submitting to Oregon's Governor a comprehensive and integrated higher education agency budget request aimed to support state goals.

Each even-numbered year, state agencies prepare their individual budget requests for the Governor's consideration. These requests include estimated funding requirements to continue ongoing agency work (Current Service Level requests, or CSL), and proposals for new initiatives or expansions of current work (Policy Option Packages or POPs).

The Governor and her advisers consider these requests as she builds her own proposed budget for review by the Legislature.

When complete, the HECC Agency Request Budget (ARB) binder that goes to the Governor's Office will run to several hundred pages, as it includes many detailed, standardized reports and narrative descriptions of each budgeted agency division. Being respectful of the Commission's time and interest, staff has prepared an Executive Summary, which includes:

- Financial and FTE Overview Spreadsheet -
  - Current biennium Legislatively Approved Budget
  - Current Service Level Budget for 2017-2019
  - Policy Option Packages for 2017-2019
  - Recommended Agency Request Budget for 2017-2019
- Organizational Charts –
  - 2015-2017 Legislatively Approved
  - 2017-2019 Agency Request (featuring proposed new positions)
- Policy Option Package Descriptions
- Capital Budget Requests

**Background:**

The state postsecondary education budget, presented by the HECC, includes recommendations for state funding for Oregon's 17 community colleges and 9 Local Workforce Investment Boards, Oregon's 7 public universities and the Oregon Health & Science University (OHSU), statewide programs, workforce programs, state need-based aid financial aid, as well as HECC operations and initiatives.

As part of the state budget process, HECC develops an Agency Request Budget (ARB) in close collaboration with Oregon's public campuses and partners and in alignment with its most recent Strategic Plan. Over the course of several public meetings, the Commission established its budget priorities and closely reviewed staff recommendations for the major funding obligations.

In preparation for the Agency Request Budget, HECC staff identified new funding requests which are proposed in discrete policy packages, including significant increases to sufficiently fund and sustain institutional operations of the public colleges and universities, key state financial aid programs, and strategic investments to support student success, pathways, affordability, workforce development and other areas. The initial proposals are described below, and the Commission plans further discussions to prioritize the items in coming months.

- **Community College Support Fund (CCSF):** a total of \$795M including a proposed increase of \$244.8 M in order to support campus operations and improve the ability of colleges to invest in affordability, quality and student success. The 2015-17 investment in the CCSF was \$550M.
- **Public University Support Fund (PUSF):** a total of \$943M including a proposed increase of \$278M in order to support campus operations, mitigate tuition increases and improve the ability of universities to invest in quality and student success. The 2015-17 investment in the PUSF was \$665M.
- **Oregon Opportunity Grant (OOG):** a total of \$200M including a proposed increase of \$60.6M to help approximately 31,000 additional low-income students afford and complete college through need-based grant support of the OOG. The 2015-17 funding level for this program was \$140M.
- **Oregon Promise:** proposed increase of \$34M including \$30M in additional funding to continue the existing funding level for Oregon's new state grant program which helps recent high school graduates at all income levels afford and complete two years of community college, and \$4M for possible enhancements to the program to promote degree completion. The 2015-17 funding level for this program is \$10M for the first year of the student cohort, which is the 2nd year of the current biennium.
- **Workforce Investment:** proposed funding at current service level for HECC workforce activities, and a proposed POP of \$15M in new funds for youth employment, to respond to increasing and clearly expressed business demand for skilled workers.
- **HECC agency information technology and infrastructure needs:** a proposal of \$1.7M for HECC infrastructure, staffing, and information technology needs.

- **Other Policy Option Packages (POPs):** in addition to the funding items already noted, staff has identified additional new state investments supporting the Commission’s six Key Strategies, as outlined in its 2016 Strategic Plan, ranging from \$151K to \$1M, including:
  - **Investing in the reporting and tracking of state goals:** through information in the integrated postsecondary data system.
  - **Simplifying and enhancing student pathways:** through improving transfer student pathways, establishing a statewide transfer course equivalency platform, as well as staff support, research, and campus workgroup convening; and assuring quality in accelerated learning programming through staff and data reporting mechanisms.
  - **Fostering student success:** by strengthening consumer protection and veteran student support; continuing and expanding the high-impact, low-cost ASPIRE college and career mentoring program to more schools; and the creation and implementation of a new scholarship for culturally and linguistically diverse future teachers.
  - **Improving college affordability:** investments in the OOG and Oregon Promise described above; continuing and expanding the FAFSA completion initiative to all Oregon public high schools, and expanding college, career, and financial aid outreach.
  - **Strengthening economic and community impact:** through investment in youth employment as well as an increase in the Renewable Energy Center state program housed at Oregon Tech.
  
- **Capital funding recommendations for the public institutions:** The Commission considered detailed presentations in May and June on public university capital requests, including a presentation detailing individual university projects, and community college capital requests that included prioritization of projects, deferred maintenance, and campus safety needs. On June 8, the Commission received a letter from Governor Kate Brown regarding capital investments, affirming that all public university capital requests need be prioritized by the HECC, and encouraging the HECC in its recommendations to “prioritize investments that facilitate the ability for underrepresented students, first-generation, low income students, and students from rural areas of the state to pursue their degrees.” In light of this guidance, HECC staff will review the current recommendations for further Commission consideration at an upcoming meeting.

**Staff Recommendation:**

Approve the Agency Request Budget as presented, including the policy option packages and capital recommendations, and delegate authority to the Chair to review and authorize the final budget submission by September 1st.

**Appendix A**

**Financial and FTE Overview Spreadsheet**

**OPERATING BUDGET**

SCR #	Name	2015-2017 Legislatively Approved Budget				2017-2019 Current Service Level Budget				2017-2019 Policy Option Packages				2017-2019 Agency Request Budget				
		Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	
<b>101</b>	<b>HECC Operations</b>																	
	Director's Office	OP	\$ 2,284,490	\$ 5,409,778	\$ 54,217	8.83	\$ 2,481,693	\$ 96,659	\$ 79,501	8.00	\$ 825,620	\$ -	\$ -	4.00	\$ 3,307,313	\$ 96,659	\$ 79,501	12.00
	POP 109 - infrastructure	OP																
	Central Operations	OP	\$ 4,941,170	\$ 1,240,506	\$ 4,325,257	29.96	\$ 4,361,250	\$ 1,593,402	\$ 3,537,135	29.50	\$ 7,616,000	\$ -	\$ -	3.00	\$ 12,993,126	\$ 1,593,402	\$ 3,537,135	35.00
	POP 105 - Replace FAMIS	OP									\$ 188,861	\$ -	\$ -	1.00				
	POP 106 - Oregon Promise	OP									\$ 694,455	\$ -	\$ -	1.00				
	POP 109 - infrastructure	OP									\$ 132,560	\$ -	\$ -	0.50				
	POP 116 - Teacher Equity Schl	OP																
	Community Colleges & Wrkforce Dev	OP	\$ 3,474,438	\$ 2,895,857	\$ 8,340,922	32.03	\$ 1,276,768	\$ 2,121,656	\$ 2,551,664	14.70					\$ 1,786,768	\$ 2,121,656	\$ 2,551,664	15.70
	POP 110 - Transfer Pathways	OP									\$ 510,000	\$ -	\$ -	1.00				
	Workforce Investments	OP	\$ -	\$ -	\$ -	-	\$ 2,682,775	\$ 112,447	\$ 7,071,259	17.33					\$ 2,871,775	\$ 112,447	\$ 7,071,259	18.33
	POP 112 - Youth Work Exper	OP									\$ 189,000	\$ -	\$ -	1.00				
	Research and Data	OP	\$ 3,051,785	\$ 126,773	\$ 356,856	10.19	\$ 2,576,228	\$ 198,368	\$ 369,061	9.00					\$ 3,576,228	\$ 198,368	\$ 369,061	9.00
	POP 108 - Integ Data System	OP									\$ 1,000,000			0.00				
	Student Access and Completion	OP	\$ 2,625,790	\$ 1,302,056	\$ 83,986	13.82	\$ 1,858,435	\$ 1,706,703	\$ -	12.75					\$ 2,730,878	\$ 4,037,703	\$ -	20.00
	POP 106 - Oregon Promise	OP									\$ 369,467	\$ -	\$ -	2.25				
	POP 107 - Outreach & ASPIRE	OP									\$ 626,400	\$ -	\$ -	4.00				
	POP 109 - infrastructure	OP									\$ 43,121	\$ -	\$ -	0.00				
	POP 116 - Teacher Equity Schl	OP									\$ 164,455	\$ -	\$ -	1.00				
	POP 117 - Scholarship Rebal	OP									\$ (331,000)	\$ 331,000	\$ -	0.00				
	POP 119 - Ntl Grd Scholarship	OP									\$ -	\$ 2,000,000	\$ -	0.00				
	Private Postsecondary	OP	\$ -	\$ 2,454,352	\$ 391,468	9.74	\$ -	\$ 2,779,343	\$ 408,934	9.74					\$ 781,000	\$ 2,779,343	\$ 408,934	14.74
	POP 111 - Cons Affrs & Vets	OP									\$ 781,000	\$ -	\$ -	5.00				
	University Coordination	OP	\$ 2,547,407	\$ -	\$ -	8.92	\$ 2,433,260	\$ (2,585)	\$ (4,219)	8.00					\$ 2,606,990	\$ (2,585)	\$ (4,219)	8.50
	POP 115 - Data Report Analyst	OP									\$ 173,730	\$ -	\$ -	0.50				
	ASPIRE	OP	\$ 1,151,935	\$ 117,800	\$ 133,160	7.14	\$ 1,268,932	\$ 219,995	\$ 77	6.50					\$ 2,291,916	\$ 219,995	\$ 77	13.00
	POP 109 - infrastructure	OP									\$ 127,224	\$ -	\$ -	1.00				
	POP 114 - ASPIRE Expansion	OP									\$ 895,760	\$ -	\$ -	5.50				
<b>111</b>	<b>OYCC</b>	OP	\$ -	\$ 733,310	\$ 78,072	3.00	\$ -	\$ 777,473	\$ 80,452	3.00					\$ -	\$ 777,473	\$ 80,452	3.00
<b>113</b>	<b>Public University Debt Service</b>	OP	\$ -				\$ 216,773								\$ 216,773	\$ -	\$ -	0.00
<b>117</b>	<b>Community College Capital Construction</b>	OP	\$ -	\$ 42,827	\$ -	0.00	\$ -	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	0.00	\$ -	\$ -	\$ -	0.00
	OPERATING SUBTOTAL		\$ 20,077,015	\$ 14,323,259	\$ 13,763,938	123.63	\$ 19,156,114	\$ 9,603,461	\$ 14,093,864	118.52	\$ 14,006,653	\$ 2,331,000	\$ -	30.75	\$ 33,162,767	\$ 11,934,461	\$ 14,093,864	149.27

**SPECIAL PAYMENTS**

SCR #	Name		2015-2017 Legislatively Approved Budget				2017-2019 Current Service Level Budget				2017-2019 Policy Option Packages				2017-2019 Agency Request Budget			
			Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE
<b>101</b>	<b>HECC Operations</b>	SP	\$ 13,822,814	\$ 727,689	\$ 1,137,000		\$ 2,972,088	\$ 77,865						\$ 17,982,088	\$ 77,865	\$ -		
	POP 110 - Transfer Pathways	SP								\$ 10,000								
	POP 112 - Youth Work Exper	SP								\$ 15,000,000								
<b>102</b>	<b>Support to Community Colleges</b>	SP	\$ 564,365,440	\$ 45,810			\$ 569,684,137	\$ 45,810						\$ 814,484,137	\$ 45,810	\$ -		
	POP 103- CCSF	SP								\$ 244,800,000								
<b>103</b>	<b>Public University Ops &amp; Student Support</b>	SP	\$ 667,327,500				\$ 693,320,718							\$ 978,748,645	\$ -	\$ -		
	POP 102 - CSL									\$ 7,427,927								
	POP 104 - PUSF	SP								\$ 278,000,000								
<b>104</b>	<b>Public University State Programs</b>	SP	\$ 39,120,363				\$ 39,532,014							\$ 40,940,536	\$ -	\$ -		
	POP 102 - CSL									\$ 423,522								
	POP 113 - OTREC	SP								\$ 985,000								
<b>105</b>	<b>Agriculture Experiment Station</b>	SP	\$ 63,121,066				\$ 65,765,960							\$ 66,470,407	\$ -	\$ -		
	POP 102 - CSL									\$ 704,447								
<b>106</b>	<b>Extension Service</b>	SP	\$ 45,601,540				\$ 47,484,263							\$ 47,993,188	\$ -	\$ -		
	POP 102 - CSL									\$ 508,925								
<b>107</b>	<b>Forest Research Laboratory</b>	SP	\$ 9,771,107				\$ 10,174,088							\$ 10,283,136	\$ -	\$ -		
	POP 102 - CSL									\$ 109,048								
<b>108</b>	<b>OHSU Programs</b>	SP	\$ 77,332,846				\$ 80,503,492							\$ 80,503,492	\$ -	\$ -		
<b>109</b>	<b>Student Assistance</b>																	
	<b>Opportunity Grant</b>		\$ 139,700,000	\$ 1,213,213			\$ 145,963,789	\$ 163,213						\$ 206,523,789	\$ 163,213	\$ -		
	POP 101 - Opportunity Grant	SP								\$ 60,560,000								
	<b>Oregon Promise</b>		\$ 9,562,292				\$ 19,832,194							\$ 53,273,866	\$ -	\$ -		
	POP 106 - Oregon Promise	SP								\$ 33,441,672								
	<b>Other Student Assistance</b>		\$ 948,619	\$ 14,529,568			\$ 983,718	\$ 15,067,163						\$ 983,718	\$ 15,967,163	\$ -		
	POP 118 - Move Barbers Endow	SP											\$ 900,000					
<b>110</b>	<b>Workforce and Other Special Payments</b>	SP	\$ -	\$ 427,582	\$ 114,901,221		\$ 8,493,977	\$ 1,139,373	\$ 118,438,984					\$ 8,493,977	\$ 1,139,373	\$ 118,438,984		
<b>111</b>	<b>OYCC</b>	SP		\$ 1,782,219	\$ 1,089,941			\$ 1,848,162	\$ 1,130,269					\$ -	\$ 1,848,162	\$ 1,130,269		
<b>112</b>	<b>Sports Action Lottery</b>	SP	\$ 8,240,000				\$ 12,456,604							\$ 12,456,604	\$ -	\$ -		
<b>113</b>	<b>Public University Debt Service</b>	SP	\$ 13,501,645				\$ 13,424,701							\$ 13,424,701	\$ -	\$ -		
<b>116</b>	<b>Public University Capital Construction</b>	SP		\$ 372,066,587														
<b>117</b>	<b>Community College Capital Construction</b>	SP		\$ 1,500,001														
SPECIAL PAYMENTS SUBTOTAL			\$ 1,652,415,232	\$ 392,292,669	\$ 117,128,162	0.00	\$ 1,710,591,743	\$ 18,341,586	\$ 119,569,253	0.00	\$ 641,970,541	\$ 900,000	\$ -	0.00	\$ 2,352,562,284	\$ 19,241,586	\$ 119,569,253	

**DEBT SERVICE**

SCR #	Name	2015-2017 Legislatively Approved Budget				2017-2019 Current Service Level Budget				2017-2019 Policy Option Packages				2017-2019 Agency Request Budget				
		Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	
<u>113</u>	<u>Public University Debt Service</u>	DS	\$ 137,874,231	\$ 224,585,215	\$ 1		\$ 180,016,000	\$ 212,898,797	\$ 625,977					\$ 180,016,000	\$ 212,898,797	\$ 625,977		
<u>114</u>	<u>Community College Debt Service</u>	DS	\$ 35,099,981		\$ 1		\$ 44,999,499		\$ 1					\$ 44,999,499	\$ -	\$ 1		
<u>115</u>	<u>OHSU Debt Service</u>						598,400							\$ 598,400	\$ -	\$ -		
	DEBT SERVICE SUBTOTAL		\$ 172,974,212	\$ 224,585,215	\$ 2	0.00	\$ 225,613,899	\$ 212,898,797	\$ 625,978	0.00	\$ -	\$ -	\$ -	0.00	\$ 225,613,899	\$ 212,898,797	\$ 625,978	0.00

**SUMMARY**

SCR #	Name	2015-2017 Legislatively Approved Budget				2017-2019 Current Service Level Budget				2017-2019 Policy Option Packages				2017-2019 Agency Request Budget			
		Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE	Gen Fnd/Lottery	Other Funds	Federal Funds	FTE
<u>101</u>	<u>HECC Operations</u>	\$ 33,899,829	\$ 14,274,811	\$ 14,822,866	120.63	\$ 21,911,429	\$ 8,903,853	\$ 14,013,412	115.52	\$ 29,016,653	\$ 2,331,000	\$ -	30.75	\$ 50,928,082	\$ 11,234,853	\$ 14,013,412	146.27
<u>102</u>	<u>Support to Community Colleges</u>	\$ 564,365,440	\$ 45,810	\$ -	0.00	\$ 569,684,137	\$ 45,810	\$ -	0.00	\$ 244,800,000	\$ -	\$ -	0.00	\$ 814,484,137	\$ 45,810	\$ -	0.00
<u>103</u>	<u>Public University Ops &amp; Student Support</u>	\$ 667,327,500	\$ -	\$ -	0.00	\$ 693,320,718	\$ -	\$ -	0.00	\$ 285,427,927	\$ -	\$ -	0.00	\$ 978,748,645	\$ -	\$ -	0.00
<u>104</u>	<u>Public University State Programs</u>	\$ 39,120,363	\$ -	\$ -	0.00	\$ 39,532,014	\$ -	\$ -	0.00	\$ 1,408,522	\$ -	\$ -	0.00	\$ 40,940,536	\$ -	\$ -	0.00
<u>105</u>	<u>Agriculture Experiment Station</u>	\$ 63,121,066	\$ -	\$ -	0.00	\$ 65,765,960	\$ -	\$ -	0.00	\$ 704,447	\$ -	\$ -	0.00	\$ 66,470,407	\$ -	\$ -	0.00
<u>106</u>	<u>Extension Service</u>	\$ 45,601,540	\$ -	\$ -	0.00	\$ 47,484,263	\$ -	\$ -	0.00	\$ 508,925	\$ -	\$ -	0.00	\$ 47,993,188	\$ -	\$ -	0.00
<u>107</u>	<u>Forest Research Laboratory</u>	\$ 9,771,107	\$ -	\$ -	0.00	\$ 10,174,088	\$ -	\$ -	0.00	\$ 109,048	\$ -	\$ -	0.00	\$ 10,283,136	\$ -	\$ -	0.00
<u>108</u>	<u>OHSU Programs</u>	\$ 77,332,846	\$ -	\$ -	0.00	\$ 80,503,492	\$ -	\$ -	0.00					\$ 80,503,492	\$ -	\$ -	0.00
<u>109</u>	<u>Student Assistance</u>	\$ 150,210,911	\$ 15,742,781	\$ -	0.00	\$ 166,779,701	\$ 15,230,376	\$ -	0.00	\$ 94,001,672	\$ 900,000	\$ -	0.00	\$ 260,781,373	\$ 16,130,376	\$ -	0.00
<u>110</u>	<u>Workforce and Other Special Payments</u>	\$ -	\$ 427,582	\$ 114,901,221	0.00	\$ 8,493,977	\$ 1,139,373	\$ 118,438,984	0.00					\$ 8,493,977	\$ 1,139,373	\$ 118,438,984	0.00
<u>111</u>	<u>OYCC</u>	\$ -	\$ 2,515,529	\$ 1,168,013	3.00	\$ -	\$ 2,625,635	\$ 1,210,721	3.00					\$ -	\$ 2,625,635	\$ 1,210,721	3.00
<u>112</u>	<u>Sports Action Lottery</u>	\$ 8,240,000	\$ -	\$ -	0.00	\$ 12,456,604	\$ -	\$ -	0.00					\$ 12,456,604	\$ -	\$ -	0.00
<u>113</u>	<u>Public University Debt Service</u>	\$ 151,375,876	\$ 224,585,215	\$ 1	0.00	\$ 193,657,474	\$ 212,898,797	\$ 625,977	0.00					\$ 193,657,474	\$ 212,898,797	\$ 625,977	0.00
<u>114</u>	<u>Community College Debt Service</u>	\$ 35,099,981	\$ -	\$ 1	0.00	\$ 44,999,499	\$ -	\$ 1	0.00					\$ 44,999,499	\$ -	\$ 1	0.00
<u>115</u>	<u>OHSU Debt Service</u>	\$ -	\$ -	\$ -	0.00	\$ 598,400	\$ -	\$ -	0.00					\$ 598,400	\$ -	\$ -	0.00
<u>116</u>	<u>Public University Capital Construction</u>	\$ -	\$ 372,066,587	\$ -	0.00	\$ -	\$ -	\$ -	0.00					\$ -	\$ -	\$ -	0.00
<u>117</u>	<u>Community College Capital Construction</u>	\$ -	\$ 1,542,828	\$ -	0.00	\$ -	\$ -	\$ -	0.00					\$ -	\$ -	\$ -	0.00
<b>TOTAL</b>		<b>\$ 1,845,466,459</b>	<b>\$ 631,201,143</b>	<b>\$ 130,892,102</b>	<b>123.63</b>	<b>\$ 1,955,361,756</b>	<b>\$ 240,843,844</b>	<b>\$ 134,289,095</b>	<b>118.52</b>	<b>\$ 655,977,194</b>	<b>\$ 3,231,000</b>	<b>\$ -</b>	<b>30.75</b>	<b>\$ 2,611,338,950</b>	<b>\$ 244,074,844</b>	<b>\$ 134,289,095</b>	<b>149.27</b>

POP SUMMARY

POP 101 - Opportunity Grant	\$ 60,560,000	\$ -	\$ -	0.0
POP 102 - University CSL	\$ 9,173,869	\$ -	\$ -	0.0
POP 103- CCSF	\$ 244,800,000	\$ -	\$ -	0.0
POP 104 - PUSF	\$ 278,000,000	\$ -	\$ -	0.0
POP 105 - Replace FAMIS	\$ 7,616,000	\$ -	\$ -	3.0
POP 106 - Oregon Promise	\$ 34,000,000	\$ -	\$ -	3.3
POP 107 - Outreach & ASPIRE	\$ 626,400	\$ -	\$ -	4.0
POP 108 - Integ Data System	\$ 1,000,000	\$ -	\$ -	0.0
POP 109 - infrastructure	\$ 1,690,420	\$ -	\$ -	6.0
POP 110 - Transfer Pathways	\$ 520,000	\$ -	\$ -	1.0
POP 111 - Cons Affrs & Vets	\$ 781,000	\$ -	\$ -	5.0
POP 112 - Youth Work Exper	\$ 15,189,000	\$ -	\$ -	1.0
POP 113 - OTREC	\$ 985,000	\$ -	\$ -	0.0
POP 114 - ASPIRE Expansion	\$ 895,760	\$ -	\$ -	5.5
POP 115 - Data Report Analyst	\$ 173,730	\$ -	\$ -	0.5
POP 116 - Teacher Equity Schl	\$ 297,015	\$ -	\$ -	1.5
POP 117 - Scholarship Rebal	\$ (331,000)	\$ 331,000	\$ -	0.0
POP 118 - Move Barbers Endow	\$ -	\$ 900,000	\$ -	0.0
POP 119 - National Guard Schol	\$ -	\$ 2,000,000	\$ -	0.0
	<b>\$ 655,977,194</b>	<b>\$ 3,231,000</b>	<b>\$ -</b>	<b>30.75</b>

**Appendix B**

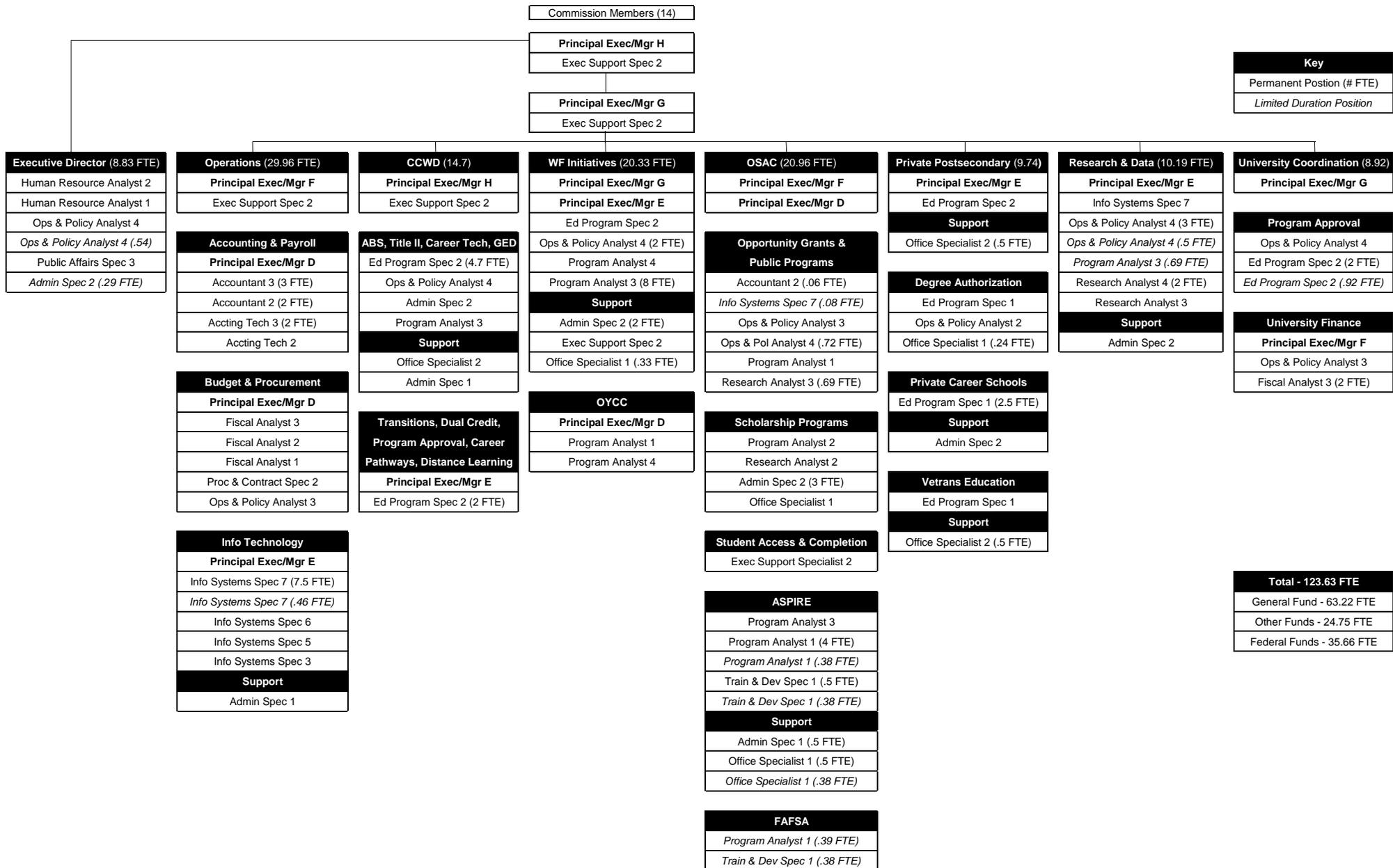
**Organizational Charts**

# Higher Education Coordinating Commission Agency

## 2015-17 Organization Chart

142 positions (123.63 FTE)

As of July 25, 2016 - Legislatively Approved Budget

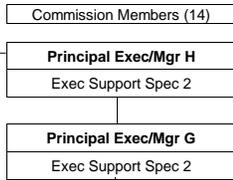


# Higher Education Coordinating Commission Agency

2017-19 Organization Chart

158 positions (149.27 FTE)

As of July 29, 2016 - Agency Requested Budget



Key
Permanent Position (# FTE)
New or Reclassed Pos.

Executive Director (12 FTE)
Human Resource Analyst 3
Human Resource Analyst 2
Human Resource Analyst 1
Internal Auditor 3
Ops & Policy Analyst 4
Ops & Policy Analyst 4
Public Affairs Spec 3
Support
Exec Support Spec 2

Operations (35 FTE)
Principal Exec/Mgr F
Exec Support Spec 2
Accounting & Payroll
Principal Exec/Mgr D
Accountant 3 (3 FTE)
Accountant 2 (2 FTE)
Accting Tech 3 (2 FTE)
Accting Tech 2
Support
Admin Spec 1

Budget & Procurement
Principal Exec/Mgr D
Fiscal Analyst 3
Fiscal Analyst 2
Fiscal Analyst 1
Proc & Contract Spec 2
Proc & Contract Spec 1
Ops & Policy Analyst 3

Info Technology
Principal Exec/Mgr E
Info Systems Spec 7 (7.5 FTE)
Info Systems Spec 6
Info Systems Spec 6 (2 FTE)
Info Systems Spec 5
Info Systems Spec 5 (.5 FTE)
Info Systems Spec 4 (2 FTE)
Info Systems Spec 3

CCWD (15.7)
Principal Exec/Mgr H
Exec Support Spec 2
ABS, Title II, Career Tech, GED
Ed Program Spec 2 (4.7 FTE)
Ops & Policy Analyst 4
Admin Spec 2
Program Analyst 3
Support
Office Specialist 2
Admin Spec 1

Transitions, Dual Credit, Program Approval, Career Pathways, Distance Learning
Principal Exec/Mgr E
Ed Program Spec 2 (2 FTE)
Ops & Policy Analyst 3

WF Initiatives (21.33 FTE)
Principal Exec/Mgr G
Principal Exec/Mgr E
Ed Program Spec 2
Ops & Policy Analyst 4 (2 FTE)
Program Analyst 4
Program Analyst 3 (8 FTE)
Project Mgr 2
Support
Admin Spec 2 (2 FTE)
Exec Support Spec 2
Office Specialist 1 (.33 FTE)

OYCC
Principal Exec/Mgr D
Program Analyst 1
Program Analyst 4

OSAC (33 FTE)
Principal Exec/Mgr F
Principal Exec/Mgr D
Opportunity Grants & Public Programs
Ops & Policy Analyst 3
Ops & Policy Analyst 3
Program Analyst 3
Program Analyst 1
Admin Spec 2 (2 FTE)

Scholarship Programs
Program Analyst 1
Program Analyst 2
Program Analyst 2 (3 FTE)
Research Analyst 2
Office Specialist 1

Student Access & Completion
Exec Support Specialist 2

ASPIRE
Program Analyst 3
Program Analyst 2
Program Analyst 1 (4 FTE)
Program Analyst 1 (2.5 FTE)
Training & Dev Spec 1
Support
Admin Spec 2
Admin Spec 1 (2 FTE)
Office Specialist 1 (.5 FTE)

Outreach & FAFSA
Program Analyst 1
Program Analyst 2
Support
Admin Spec 1
Office Specialist 2

Private Postsecondary (14.74)
Principal Exec/Mgr E
Ed Program Spec 2
Support
Office Specialist 2 (.5 FTE)
Degree Authorization
Ed Program Spec 1
Ops & Policy Analyst 2
Office Specialist 1 (.24 FTE)

Private Career Schools
Ed Program Spec 1 (2.5 FTE)
Support
Admin Spec 2

Vetrans Education
Compliance Spec 1 (3 FTE)
Ed Program Spec 2
Ed Program Spec 1
Support
Office Specialist 2 (.5 FTE)
Office Specialist 2

Research & Data (9 FTE)
Principal Exec/Mgr E
Info Systems Spec 7
Ops & Policy Analyst 4 (3 FTE)
Research Analyst 4 (2 FTE)
Research Analyst 3
Support
Admin Spec 2

University Coordination (8.5)
Principal Exec/Mgr G
Research Analyst 3 (.5 FTE)
Program Approval
Ops & Policy Analyst 4
Ed Program Spec 2 (2 FTE)

University Finance
Principal Exec/Mgr F
Ops & Policy Analyst 3
Fiscal Analyst 3 (2 FTE)

Total - 149.27 FTE
General Fund - 88.56 FTE
Other Funds - 26.96 FTE
Federal Funds - 33.75 FTE

**Appendix C**

**Policy Option Package Descriptions**

**POLICY PACKAGE #101**  
**2017-2019 Budget**  
**Oregon Opportunity Grant**

**PURPOSE: Support financial aid for low-income students with the Oregon Opportunity Grant**

The affordability gap continues to grow for Oregon's low income students and families, and Oregon falls well below the national average of state-provided financial aid per resident undergraduate student (FTE). According to a 2013-14 survey of state financial aid programs – the most recent for which data is available -Oregon ranks 32nd in student grant dollars awarded at \$323.38 per undergraduate FTE, and 21st in need-based grant aid at \$327.38 per undergraduate FTE. For the same school year, the all-states average of Student Grant Dollars Awarded per Undergraduate FTE was \$705, and for Need-based Grant Dollars Awarded per Undergraduate FTE was \$533 (*44<sup>th</sup> Annual Survey Report on State-Sponsored Student Financial Aid*, National Association of State Student Grant and Aid Programs).

The Oregon Opportunity Grant (OOG) is the state's primary need-based financial aid program and has been in existence since 1971. In 2007, the Shared Responsibility Model (SRM) was adopted as the methodology for determining individual award amounts, and it was first implemented in 2008-09. This model prescribes a formula that allocates the "shared" cost of a student's higher education between the student, the student's family, the federal government, and the State of Oregon via the Oregon Opportunity Grant. Under the SRM, the full "state share" was intended to completely fill the unmet need ("affordability gap") between the student's total cost of attendance and costs not covered from student, family, or federal sources. However, state investments from 2007 to the present have not been sufficient to cover the full calculated state share as modelled, and the gap for students has increased. Over time, the cost of attendance at postsecondary institutions in Oregon has risen faster than federal student aid, family incomes, and the state's minimum wage (a key component in calculating the "student share"). The Oregon Opportunity Grant award amount has not kept up with annual increases in costs of attendance, and state investments in the OOG have not kept up with the number and need of eligible students.

As the calculated amount of the "state share" continues to increase, the Oregon Opportunity Grant award amount has not kept up. To control costs, staff have capped the maximum annual grant award amount and limited the number of grants to meet the budget available, leaving an increasingly larger unmet need. The percentage of a student's average Cost of Attendance covered by the maximum Oregon Opportunity Grant has decreased by 37% between 2009-10 and 2014-15.

After adjusting for inflation and undergraduate enrollment, bringing the state's investment in the Oregon Opportunity Grant up to the national, per-student average for the 2017-19 biennium would cost \$200,560,265. This calculation assumes that the grant should grow at the same rate as the average increase in cost of attendance, or 2.4% annually between 2013-14 and 2015-17.

### **HOW ACHIEVED**

Increased funding for the Oregon Opportunity Grant enables the program to help more low-income students pay for college. This increase could lead to more awards, larger awards, or a combination of the two.

### **STAFFING IMPACTS**

None identified, unless the application process needs to change to accommodate changes with the current application process, which uses the Free Application for Federal Student Aid (FAFSA).

### **QUANTIFY RESULTS**

The current maximum Oregon Opportunity Grant award for the 2016-17 academic year is \$2,250. A 6.7% increase for cost inflation would result in a maximum grant of \$2,400. Even at this higher award level, the budgetary increase in the grant would enable the state to serve about 31,000 more students per biennium. Total students served would be about 104,450 per biennium or 52,225 per year.

### **REVENUE SOURCE**

General Fund: \$60,560,000

**POLICY PACKAGE 102-A**  
**2017-19 Budget**  
**Public University Support Fund Current Service Level Adjustment**

**PURPOSE**

In accordance with a budget note on SB 5701 (2016), package 102 is designed to establish a new methodology for calculating the Public University Support Fund Current Service Level (CSL) based on the method approved in 2009 by the Joint Committee on Ways and Means for the Community College Support Fund CSL. This revised Public University Support Fund CSL methodology reflects health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

**HOW ACHIEVED**

SB 5701 (2016) contained a budget note that included the following language: *“To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.”*

This Policy Option Package reflects the adjustment required, beyond the past Public University Support Fund CSL methodology, to achieve the Current Service Level calculated in accordance with the SB 5701 (2016) budget note.

**STAFFING IMPACT**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

**QUANTIFYING RESULTS**

None.

**REVENUE SOURCE**

General Fund \$7,427,927

**POLICY PACKAGE 102-B**  
**2017-19 Budget**  
**Public University State Programs Current Service Level Adjustment**

**PURPOSE**

In accordance with a budget note on SB 5701 (2016), package 102 is designed to establish a new methodology for calculating the Public University State Programs Current Service Level (CSL) based on the method approved in 2009 by the Joint Committee on Ways and Means for the Community College Support Fund CSL. This revised Public University State Programs CSL methodology reflects health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

**HOW ACHIEVED**

SB 5701 (2016) contained a budget note that included the following language: *“To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.”*

This Policy Option Package reflects the adjustment required, beyond the past Public University State Programs CSL methodology, to achieve the Current Service Level calculated in accordance with the SB 5701 (2016) budget note.

**STAFFING IMPACT**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

**QUANTIFYING RESULTS**

None.

**REVENUE SOURCE**

\$423,522 General Fund

**POLICY PACKAGE 102-C**  
**2017-19 Budget**  
**Agricultural Experiment Station Current Service Level Adjustment**

**PURPOSE**

In accordance with a budget note on SB 5701 (2016), package 102 is designed to establish a new methodology for calculating the Agricultural Experiment Station Current Service Level (CSL) based on the method approved in 2009 by the Joint Committee on Ways and Means for the Community College Support Fund CSL. This revised Agricultural Experiment Station CSL methodology reflects health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

**HOW ACHIEVED**

SB 5701 (2016) contained a budget note that included the following language: *“To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.”*

This Policy Option Package reflects the adjustment required, beyond the past Agricultural Experiment Station CSL methodology, to achieve the Current Service Level calculated in accordance with the SB 5701 (2016) budget note.

**STAFFING IMPACT**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

**QUANTIFYING RESULTS**

None.

**REVENUE SOURCE**

\$704,447 General Fund

**POLICY PACKAGE 102-D**  
**2017-19 Budget**  
**Extension Service Current Service Level Adjustment**

**PURPOSE**

In accordance with a budget note on SB 5701 (2016), package 102 is designed to establish a new methodology for calculating the Extension Service Current Service Level (CSL) based on the method approved in 2009 by the Joint Committee on Ways and Means for the Community College Support Fund CSL. This revised Extension Service CSL methodology reflects health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

**HOW ACHIEVED**

SB 5701 (2016) contained a budget note that included the following language: *“To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.”*

This Policy Option Package reflects the adjustment required, beyond the past Extension Service CSL methodology, to achieve the Current Service Level calculated in accordance with the SB 5701 (2016) budget note.

**STAFFING IMPACT**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

**QUANTIFYING RESULTS**

None.

**REVENUE SOURCE**

\$508,925 General Fund

**POLICY PACKAGE 102-E**  
**2017-19 Budget**  
**Forest Research Laboratory Current Service Level Adjustment**

**PURPOSE**

In accordance with a budget note on SB 5701 (2016), package 102 is designed to establish a new methodology for calculating the Forest Research Laboratory Current Service Level (CSL) based on the method approved in 2009 by the Joint Committee on Ways and Means for the Community College Support Fund CSL. This revised Forest Research Laboratory CSL methodology reflects health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

**HOW ACHIEVED**

SB 5701 (2016) contained a budget note that included the following language: *“To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.”*

This Policy Option Package reflects the adjustment required, beyond the past Forest Research Laboratory CSL methodology, to achieve the Current Service Level calculated in accordance with the SB 5701 (2016) budget note.

**STAFFING IMPACT**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

**QUANTIFYING RESULTS**

None.

**REVENUE SOURCE**

\$109,048 General Fund

**POLICY PACKAGE 103**  
**2017-19 Budget**  
**Community College Support Fund**

**PURPOSE: Increase state investment in Oregon community colleges**

Package 103 is designed increase the state investment in the Community College Support Fund (CCSF). State General Fund support for community colleges provides investment in a range of educational activities, including associate degrees, transferable postsecondary undergraduate coursework, career and technical education, pre-college, adult basic education, literacy, and local workforce training.

Community college activities support all three aspects of Oregon’s 40/40/20 educational goal. These activities not only serve the “middle 40,” but also include services to Oregonians at large. For example, community colleges provide additional pathways to achieve a high school credential for those lacking a diploma. In addition, community colleges provide a viable path to achieving a bachelor’s degree for students who might otherwise not be able to afford tuition or may not have the educational skillset to directly enter a four-year postsecondary institution.

**HOW ACHIEVED**

Package 103 proposes a \$244.8 million increase to the support fund for a total of \$794.8 million to support campus operations and improve the ability of colleges to invest in affordability, quality and student success.

In the recent years Oregon colleges have experienced new or expanded state and federal mandates, including: Cleary Act/ Title IC Compliance, Public Employee Retirement System (PERS), health care costs related to the Affordable Care Act (ACA), paid sick leave, minimum wage increases and the Fair Labor Standards Act (FLSA). Additional cost drivers include funding for academic counselors and the first-year experience related to the Oregon Promise. *The total projected cost of these external cost drivers is estimated at \$70.2 million.* While the 2015-17 biennium included a significant restoration in the community college support fund, continued restoration of funding for Oregon’s community colleges is necessary in order to continue the progress towards meeting 40-40-20 while ensuring access and affordability for all Oregonians.

Oregon community colleges will assist Oregon in meeting the education attainment goal of 40-40-20 by focusing on two main areas: pathways to student success and affordability. The pathways to student success umbrella includes expansion of successful student support programs, developmental education redesign, increased advising, improved student placement, better use of data, and improved alignment with K-12 and with the university system. The affordability umbrella may include activities such as helping students address housing and food insecurity, providing emergency loans to students, improved transportation and childcare options,

expanded use of open educational resources, and keeping tuition affordable. These investments are expected to have significant positive impacts on retention and completion. CTE/STEM expansion: Meeting the needs of the Oregon economy and the state's employers will require additional investments in Career and Technical Education and improvements in the way students are supported through STEM (Science, Technology, Engineering, and Math) degree programs. These investments will be particularly helpful in helping Oregon's community colleges to meet the growing demand for certificates and other industry recognized credentials. These investments are expected to have a significant positive impact on certificate production and workforce readiness.

### **STAFFING IMPACT**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

### **QUANTIFYING RESULTS**

The impacts of this investment will be validated by increased degree production and degrees per students in subsequent years. This investment will also increase the state investment on a per student basis.

### **REVENUE SOURCE**

General Fund: \$244,800,000

**POLICY PACKAGE 104**  
**2017-19 Budget**  
**Public University Support Fund**

**PURPOSE: Increase state investment in Oregon public universities**

Package 104 is designed to increase the state investment in Oregon public universities on a per resident student basis through the Public University Support Fund (PUSF). This should allow institutions to make investments in student success and completion, thereby raising completion rates and helping meet the 40-40-20 completion goal.

Oregon public universities awarded over 22,000 degrees and certificates in 2014-15. From undergraduate degrees to advanced and professional degrees, the universities play a vital role educating Oregon students in support of the State's ambitious 40-40-20 postsecondary attainment goals.

**HOW ACHIEVED**

Package 104 proposes a \$242.7 million increase to the support fund for a total of \$978.7 million in order to support public university campus operations, and support the ability of the universities to invest in affordability, quality and student success

The HECC seeks an incremental investment beyond Current Service Level for the Public University Support Fund (PUSF). In the recent years Oregon universities have experienced new or expanded state and federal mandates, including: Cleary Act/ Title IC Compliance, Public Employee Retirement System (PERS), health care costs related to the Affordable Care Act (ACA), paid sick leave, minimum wage increases and the Fair Labor Standards Act (FLSA).

This proposal supports the HECC's strategic plan for higher education in Oregon, which prioritizes investments in student access and completion. In April 2015, the HECC adopted the Student Success and Completion Model (SSCM), a new allocation model which shifted the method for PUSF allocation from an enrollment-based model to a model focused on access and completion, as well as other state priorities. Although the 2015-17 PUSF represented a significant reinvestment in Oregon's public universities, years of prior disinvestment in public higher education mean Oregon's universities continue to rank near the bottom nationally in both state funding and in total resources available.

In real terms, this means that our public universities lack the ability to invest in student support and completion programs that drive the difference between dropping out and finishing strong for many Oregonians. Continuation and enhancement of the 2015-17 support

fund, combined with the new funding allocation formula, continues the turnaround of investment in Oregon's future and progress toward the State's ambitious 40-40-20 goal. Without continued and enhanced funding, meaningful progress towards 40-40-20 can be reasonably expected to slow or stall. In this new era of institutional governance, reinvestment, and collaboration, there is hope for every student to be able to enroll in a public university, complete a degree, and enter the workforce prepared for success. That hope, however, is overshadowed by past disinvestments, and looming, largely exogenous cost increases. It will take a continued 2017-19 reinvestment to enable progress towards Oregon's higher education goals while ensuring access and affordability for Oregonians.

### **STAFFING IMPACT**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

### **QUANTIFYING RESULTS**

The impacts of this investment will be validated by increased degree production and degrees per students in subsequent years. This investment will also increase the state investment on a per student basis.

### **REVENUE SOURCE**

General Fund: \$242,713,703

**POLICY PACKAGE #105**  
**2017-2019 Budget**  
**Replace Financial Aid Management Information System**

**PURPOSE: Replace Financial Aid Management Information System**

As the federally designated repository for Oregon residents' FAFSA data (Free Application for Federal Student Aid), the managing agency for the Oregon Opportunity Grant, and the administrator of nearly 500 privately-funded scholarships, the Higher Education Coordinating Commission's Office of Student Access and Completion (OSAC) handles sensitive student data from hundreds of thousands of Oregon residents annually. To do this work, OSAC relies heavily on a robust, secure, and reliable Information Technology (IT) infrastructure. This package requests a one-time capital expenditure to fund the replacement of the agency's aging and unstable Financial Aid Management Information System (FAMIS). A business case for this FAMIS purchase is under development. The FAMIS will also be a critical component in linking OSAC's student records to the proposed State Longitudinal Database. By supporting all of the agency's direct programs, the IT unit supports the HECC goal of making the pathways to higher education more accessible, affordable and supportive for students.

**HOW ACHIEVED**

In 2015, the Legislative Assembly approved \$800,000 for OSAC to develop a business case document to determine the most appropriate course of action for replacing OSAC's internally developed legacy FAMIS. OSAC expects approval to proceed once the business case has been completed and the course of action determined. Upon completion of the evaluation, OSAC will begin the process of replacing the legacy FAMIS in one of three possible directions: 1) by purchasing an off-the-shelf product and working with the vendor to tailor the product to meet the specific needs of the agency; 2) by working with a third-party contracting firm to develop a software solution to address the current and projected future needs of the agency; or 3) by using OSAC's internal programming resources to internally develop a replacement FAMIS.

**QUANTIFY RESULTS**

The replacement FAMIS will be stable, predictable, scalable, secure, and ability to be modified to meet new and emerging needs.

**STAFFING IMPACTS**

This package requires the following position within the Higher Education Coordinating Commission:

- 1.0 FTE, Information Systems Specialist 4
- 2.0 FTE, Information Systems Specialist 6

HECC-OSAC is waiting on the outcome of the business analysis currently being performed by an independent contracting company to evaluate the best course of action for replacing OSAC's current legacy FAMIS. The staffing level built into the project budget is based on the last business case created for the project. Depending on the Return on Investment (ROI) evaluations, the cost of a new FAMIS will either be in the form of allocation for the purchase of a commercial product or in labor costs associated with developing a system. The labor would either be performed by external contractors or internal staff.

**REVENUE SOURCE**

General Fund: \$7,616,000.

**POLICY PACKAGE #106**  
**2017-2019 Budget**  
**Continue and Expand Oregon Promise Grant Program**

**PURPOSE: Support financial aid for community college students of all income levels with the Oregon Promise**

Continued funding and expansion of the Oregon Promise grant helps students at all income levels enroll in and complete two years of community college through state financial support. The grant program supports the State's 40-40-20 initiative by encouraging and supporting recent high school and GED graduates to attend and afford community college.

This policy option package includes funding for the Oregon Promise that enables the first cohort of students to complete their second year of higher education, expansion that enables a second and third cohort to participate at the same grant levels as the first, and a modest enhancement to the program.

In 2015, the Legislative Assembly passed Senate Bill 81, which established the Oregon Promise to be administered by the HECC's Office of Student Access and Completion (OSAC). The program provides grants to cover some or all tuition costs for eligible students. The first cohort of students to receive the grant will be those who graduate high school or a GED program during 2015-16 and enroll in an eligible certificate or degree program at a community college within six months of graduation.

To be considered for Oregon Promise, students must demonstrate a cumulative high school grade point average of 2.5 or better, and must complete both an Oregon Promise application and the Free Application for Federal Student Aid (FAFSA) or equivalent. Award amounts are equal to actual or average community college tuition, whichever is lower, net of a \$50 per term student co-pay and the total amount of federal and/or state grant aid the student receives. The minimum annual award is \$1000 for students whose tuition costs are fully covered by federal and state grants. Students continue to receive the grant, providing they have not yet completed 90 credit hours and continue to meet all other eligibility requirements.

The first cohort of students will receive Oregon Promise grants in 2016-17. Funding for the cohort's first year was included in the budget for 2015-17. For the initial year of operation, OSAC estimates that the program will serve a first-time cohort of 6,000-8,000 recent high school and GED graduates. Based on applications received through June 2016, the average Oregon Promise student may also bring up to \$2,617 per year in federal financial aid into the state.

## **HOW ACHIEVED**

This package for the Oregon Promise supports eligible students of all income levels in affording community college, including grants enabling the first cohort of recent high school graduates and GED recipients to complete their second year of higher education, grants enabling a second and third cohort to participate, and a compliment to the program that supports adult students.

Serve Oregon Promise cohorts: Assuming continued program funding for the 2017-19 biennium, two cohorts of Promise recipients will receive grant funds during each year of the 2017-19 biennium.

During the first year of the biennium, the first cohort of Promise recipients will be in their second year of community college, and the second cohort will begin their first year of community college. OSAC anticipates that tuition costs will increase, meaning that the total cost in 2017-18 for the two cohorts will be roughly \$10 million per year each, or \$20 million total. Estimates also recognize that some students in the first cohort may have completed their program during their first year, and others may stop out or reduce attendance for other reasons.

During the second year of the biennium, the second Promise cohort will enter their second year of community college, and the third cohort of Oregon Promise students will enter their first year of community college. Again, assuming some increase in participation and an increase in cost, OSAC estimates total cost in 2018-19 for the two cohorts at roughly \$10 million per year each, for a total of \$20 million, bringing the total biennial cost for the Oregon Promise program, as originally envisioned, to \$40 million.

Authorizing legislation passed in 2015 (Senate Bill 81) specified a fixed amount of \$10 million for the 2015-17 biennium to be expended for creation and implementation of the program as well as provision of grants. Going forward, this creates an unfortunate spending limitation that affects future program funding. Legislative Concept 522 (52500-17) has been introduced to request statutory changes and correct this oversight.

The 2017-2019 initial staff budget recommendation for the status quo Oregon Promise is \$40,000,000. Student supports for first-year Oregon Promise recipients, including advising, are addressed in a separate budget request.

Complement the Oregon Promise with a new “tuition-free” program focused on adult students: A significant portion of Oregon’s population is identified by the US Census as having “some college – no degree.” Statistically, this population carries a disproportional share of student loan debt, and is much more likely to default on student loans. This policy package includes a proposal to complement the Oregon Promise with a version of the program that assists students who are relatively close to completing a degree or certificate but have dropped out of college for some period of time. Assisting these students could enable them to complete a degree or

certificate, correlating to higher income, lower unemployment, fewer loan defaults, and greater tax revenue for the state. These students are also likely to qualify for federal financial aid, bringing in more federal dollars.

The 2017-2019 initial staff budget recommendation for this complement to the Oregon Promise program is \$4,000,000. The program could be scaled up or down to serve any subset of this population.

### **STAFFING IMPACTS**

This package requires the following position within the Higher Education Coordinating Commission:

- 1.0 FTE, Information Systems Specialist 4
- 1.0 FTE Administrative Specialist 2
- 0.25 FTE Operations and Policy Analyst 3 (increase to 1.0 FTE from prior biennium and downclass from OPA 4)
- 0.75 FTE Administrative Specialist 2 (increase to 1.0 FTE from prior biennium and downclass from Account 2)
- 0.25 FTE Policy Analyst 2 (increase to 1.0 FTE from prior biennium and downclass from Research Analyst 3)

### **QUANTIFY RESULTS**

The initial cohort of 6,000-8,000 recently graduated students could complete up to 90 credit hours, begun in the 2015-2017 biennium, under the original program.. A second cohort of students could begin and complete their 90 credit hours over the 2017-2019 biennium. A third cohort of students could begin their 90 credit hours in year two of the new biennium.

For the complement to the Oregon Promise, an appropriation of \$2 million per year (\$4 million per biennium) could assist 700 or more students complete their education each year.

### **REVENUE SOURCE**

General Fund: \$34,000,000

## **STAFFING IMPACTS**

This package requires the following positions within the Higher Education Coordinating Commission:

- 1.0 FTE ISS4 (Software Development/Maintenance – junior level)
- 1.0 FTE OPA3 (Program Administration/Coordination)
- 1.0 FTE AS2 (program support)
- 1.0 FTE eMentoring Coordinator

## **QUANTIFY RESULTS**

Continued funding of the Oregon Promise Grant will enable those students who received grants during the program's first year to complete two years of higher education and will sustain the program to serve future cohorts. Results will be measured both after the first cohort enrolls in their first year of community college, but also as they continue into a second year to determine how many have reapplied and persisted in receiving the grant for a second year. Funding anticipates serving two cohorts of students each year of the biennium – a cohort of new applicants and the second year of support for the cohort that started the previous year.

## **REVENUE SOURCE**

General Fund, \$44 million, including \$10 million in continued funding, \$30 million in additional funds to award new cohorts, and \$4 million for expansion to support degree completions for adults with some college but no degree.

**POLICY PACKAGE #107**  
**2017-2019 Budget**  
**Continue and Expand FAFSA Completion and Outreach Programs**

**PURPOSE: Make FAFSA completion and outreach tools available to all high schools and eligible organizations**

Increasing funding for the Free Application for Federal Student Aid (FAFSA) Completion and Outreach programs supports college access and completion by encouraging young adults and adult learners to consider postsecondary education through community and school outreach, college fairs and events.

Strong progress has been made with increasing the number of students completing the FAFSA in Oregon, but not all high schools across the state receive support. This policy option package expands FAFSA Plus+ (Oregon's FAFSA completion initiative) to all high schools, school districts, tribal education coordinators, and other eligible student access organizations. The package also supports outreach staff in providing on-site trainings, webinars, website podcasts, information, and publications to students and families to learn about the benefits of college, financial aid options, how to fill out the FAFSA, college-career connections and postsecondary options, among other outreach efforts.

In Spring 2014, the HECC's Office of Student Access and Completion (OSAC) piloted a FAFSA completion project with four high school sites with a goal of increasing the number of students completing a Free Application for Federal Student Aid (FAFSA) at participating high schools. During the first full year of implementation in 2015-16, OSAC saw an 8% increase in FAFSA filings – among the highest percentage increases nationwide. More FAFSA completions results in higher Federal Pell Grant funding coming into the state to help Oregonians pay for their college education. Participating sites that have data-sharing agreements with OSAC receive information about which students in their graduating senior class or currently enrolled at their college have or have not completed and submitted a FAFSA for the upcoming school year. OSAC provides technical assistance to help participating sites reach students through 1:1 mentoring, classroom activities and presentations, FAFSA workshops, and FAFSA webinars and provides technical support, training, resources, and materials around filling out the FAFSA.

**HOW ACHIEVED**

Continue and expand Outreach activities –This policy package will enable OSAC staff to attend more events throughout Oregon and inform more students, parents, communities, schools, universities, and organizations about the OSAC scholarship application, completing the FAFSA, applying for scholarships, and other college access topics. Further, requested funding will help maximize

OSAC's partnerships with other college access organizations and entities by sharing resources, hosting joint events, co-presenting at conferences and workshops, presenting at each other's events, and promoting the access to postsecondary education for all students.

Continue and expand FAFSA PLUS+ (FAFSA Completion Program) – This policy option package expands the FAFSA completion initiative to all high schools, school districts, tribal education coordinators, and other eligible organizations, increasing FAFSA data-sharing relationships from 110 sites to all Oregon public high schools. Dedicated staff will work with schools and school districts to share FAFSA completion data and create and run FAFSA completion events and will provide college planning and financial aid information through training, college fairs, and financial aid nights, with a special emphasis on targeting rural communities and underserved populations.

### **STAFFING IMPACTS**

This package requires the following positions within the Higher Education Coordinating Commission:

- 1.0 FTE Program Analyst
- 1.0 FTE Trainer
- 1.5 FTE Outreach Specialist (3 part-time employees)
- 0.5 FTE Office Specialist 1

### **QUANTIFY RESULTS**

Using program results from the 2014 pilot and the 2015-16 academic year, OSAC will develop a reporting process that will track annual data on in FAFSA completions at participating schools, with a goal of increasing completions by 10-20% during the biennium.

### **REVENUE SOURCE**

General Fund: \$626,400

**POLICY PACKAGE #108**  
**2017-2019 Budget**  
**Integrated Postsecondary Data System**

**PURPOSE: support Integrated Post-Secondary Data System**

Currently available higher education data are not sufficient to answer current and upcoming legislative questions and create mandated reports. The proposed policy option package will gather data into a central location with necessary crosswalks to meet existing legislative needs and to improve HECC's ability to provide data to partner agencies.

The Integrated Post-Secondary Data System will broaden and deepen the analytic capability of data currently collected on Oregon students at Oregon's higher education institutions. Current data come from over 250 different offices and institutions, lack crosswalks to combine them, and have inconsistent reliability and rudimentary functionality. As a result, considerable staff time is spent collating, cleaning, and processing data, and many basic research questions cannot be answered because data are insufficient or staff time is unavailable. These include questions related to Oregon's 40-40-20 educational attainment goal (Senate Bill 253, 2011) and the supplemental Equity Lenses, and especially questions that cross educational sectors, such as the evaluation of transfer credits from community colleges to four-year public universities required by House Bill 2525 (2015). Further, the demand for integrated data continues to grow as new reports emerge, such as those for the federal Workforce Innovation and Opportunity Act. Other research questions, including tabulation of the HECC's key performance metrics, take extensive staff time to complete. This policy option package relates directly to the HECC's agency infrastructure strategic goal by building a foundational data system. It proposes to solve deficiencies by unifying Oregon's higher education data into one reliable system on which the HECC and agency partners can draw to answer state-level and cross-sector questions currently out of reach, and to create existing reports with greater efficiency.

The proposed system will integrate data from Oregon's four-year public universities, community colleges, and private post-secondary schools, all of which are currently disparate sources. It will create systematic identification of persons, programs, and institutions throughout the state to permit valid and reliable tracking across educational sectors. This will also result in more accurate submissions of data to the State Longitudinal Data System (SLDS), improved data reporting, and greater insight into progress toward Oregon's 40-40-20 goal. Finally, it will both expand and facilitate analyses to answer more complex research questions and to do so in less time. In the end, the integrated system will enable the HECC and its partner institutions to analyze students, programs, and institutions in ways that are fundamental to effective higher education policy, to do so with data that are substantially more reliable than current systems offer, and to do so with significantly greater efficiency. The system will benefit the HECC, post-secondary institutions, the SLDS, and the public.

## **HOW ACHIEVED**

This policy option package will secure IT professional services to integrate disconnected data sources to enable tracking across individuals, programs, and institutions. Specifically, it will:

- Create a database of student, staff (where available), and approved program data from more than 208 private, post-secondary schools.
- Combine data sources.
  - 208+ private post-secondary schools
  - 7 four-year, public universities
  - 18+ Title II providers
  - Data for Post-Secondary Analysis (D4A) system, which includes community college student data, approved career technical education programs, community college financial information systems, and GED examinee information.
- Build a database of approved educational programs across private, post-secondary schools, community colleges, and four-year, public universities.
- Develop systematic identification of individuals, programs, and institutions to enable tracking at each of these levels of analysis. Document identification algorithm to facilitate linking of future data sources.
- Create hierarchical levels of access to make data available outside of HECC staff while preserving security of identifiable information. Stratify levels of access by data security for public access, partner access, and HECC access.
- Test and validate final system.

These tasks require contracting with a vendor to obtain the time and skills needed. Existing HECC staff time is fully expended with processing current data extracts for four-year, public universities and community colleges. Private, post-secondary school data are not currently processed and analyzed because of a lack of available staff. The skill sets needed for the required work include experience with Visual Studio.NET, ComponentOne Active Reports, Infragistics NetAdvantage, Telerik, and Microsoft SQL Server. HECC staff have only two of these five skill sets (MS SQL Server and Visual Studio.NET). Further, hiring limited duration positions is less economical than a vendor because potentially four different Information Systems Specialist 7 positions would be required, and they would be needed only intermittently over the course of the project.

### **STAFFING IMPACTS**

This policy option package requires no additional staff hires. The completed data system will save costs by reducing staff time for future processing of data extracts. It will result in greater analytic and research output of current staff because their data tabulations will take significantly less time and because they will be able to answer questions currently not possible.

### **QUANTIFY RESULTS**

The data system will be tested and validated by the vendor, HECC staff, and partner institutions for accuracy, consistency, accessibility, and timeliness of results. Central to this process will be replication of existing reports and comparisons of baseline measures to establish each of these outcomes. Testing and validating will also involve confirmation of consistency in definitions, decreased data, greater data consolidation, and improved data submission.

### **REVENUE SOURCE**

General Fund: \$1,000,000. This includes \$996,000 for the information services contract and \$4,000 for supplies and services.

**POLICY PACKAGE 109**  
**2017-19 Budget**  
**HECC Agency Infrastructure**

**PURPOSE**

Address identified needs within the agency to effectively function as a more complex organization. In 2015-17, the agency was the Oregon's 4<sup>th</sup> largest General Fund agency (\$1.8 billion), with a total funds budget of almost \$3 billion. This request addresses critical needs in program oversight, agency IT security, staffing in HR, Diversity and Inclusion and approved position reclassification requests.

**HOW ACHIEVED**

**Fiscal Performance and Security:** Currently the agency is operating without a designated Internal Audit function. This request includes one Internal Auditor who will report to the Executive Director and provide ongoing oversight and recommendations to ensure that the agency establishes and maintains the highest standards for fiscal management.

**Staffing Gaps:** There are several discrete components to this portion of the request.

(1) In the 2015 budget process, HECC requested human resources (HR) staff to support what was then a new agency. The 2015 LAB included 2 staff (HRA1 and HRA2). The agency had also requested an HRA3 to be the lead, but that position was inadvertently left out. This package includes the HRA3 in order to provide appropriate HR support for an agency the HECC's size.

(2) The Governor has directed agencies to add resources for diversity and inclusion. This package requests an OPA4 who will focus on diversity and inclusion issues. This position will help ensure that the HECC's equity lens is applied both internally to the agency as well as to the HECC's work on higher education policy and coordination.

(3) The HECC agency currently has 2 positions dedicated to contracting/procurement. After the combination of the various entities that formed the HECC, in the first 7 months of operation the combined agency executed over 275 contracts and agreements, with at least an additional 175 in the queue. Standard workload is about 100 contracts/agreements per procurement professional. The lack of adequate staffing results in significant delays in the agency's ability to execute contracts and disburse funds. HECC is requesting a Procurement and Compliance Specialist 1 (PRCS 1) to help relieve workload.

(4) This package requests a position to provide administrative support to the Deputy Executive Director.

**Reclassifications and moving positions from part time to full time due to workload:** 3 positions in the OSAC office have been reclassified due to Article 81 requests through the collective bargaining contract and DAS's finding that the work is of a higher classification. This package requests permanent funding for these positions because the office is extremely limited in its ability to absorb the permanent funding internally. Two positions ( PA1 and AS1) in OSAC are requested to move from 0.50 FTE to 1.0 FTE (full time) due to ongoing workload needs.

**Information Technology:** This package requests \$105,000 GF for lifecycle replacement of desktops in accordance with HECC's recently adopted IT Governance Policy. \$50,000 GF is requested for various other IT needs around 2-factor authentication and to increase OSAC's network bandwidth. Additional funding (\$400,000) is requested for penetration testing of IT systems, as required by SB 1538 (2016 session).

### **STAFFING IMPACT**

This package requires the following positions within the Higher Education Coordinating Commission:

- 1.0 FTE Internal Auditor 3
- 1.0 FTE Human Resource Analyst 3
- 1.0 Operations and Policy Analyst 4 (Diversity and Inclusion)
- 1.0 Executive Support Specialist 2 (support for the Deputy Director)
- 1.0 Procurement and Contracting Specialist 1 (contracting)
- 2 positions from 0.5 FTE to 1.0 FTE
- Permanent funding for 3 positions due to Article 81 reclass

### **QUANTIFYING RESULTS**

This package will primarily address administrative needs within the enterprise. Success will be measured by administrative efficiency and effectiveness, along with system security. Areas measured will be timely and appropriate HR actions, effective and timely procurement activities.

The enterprise will develop standards for each area in early 2017-19.

**REVENUE SOURCE**

\$1,690,420 General Fund

**POLICY PACKAGE #110**  
**2017-2019 Budget**  
**Improve Transfer Pathways**

**PURPOSE: Improve transparency and consistency in credit transfer between colleges and universities in Oregon**

As noted in the Higher Education Coordinating Commission Strategic Plan, one of the agency's goals is to create clearer and stronger pathways between post-secondary sectors by "improving the alignment of learning standards and outcomes . . . between higher education institutions." That work was strengthened by the passage of HB 2525 (2015). The HECC report in response to that bill noted a number of systemic barriers to efficient transfer student pathways. This POP seeks to address several of those, including:

- The need for greater state level coordination of lower division general education
- The need to reassess the statewide transfer degrees
- The lack of a statewide transfer student portal

**HOW ACHIEVED**

Oregon will acquire a statewide license to Transfer Equivalency System (TES), a course database currently used by 17 public higher education institutions in Oregon. Use of a common course articulation system will allow for greater uniformity in acceptance and application of transfer credits across the state. In addition, one new limited duration position will be hired to convene faculty workgroups to develop transfer pathways that enable students to transfer courses to meet major requirements for English, math, and the state's three most popular majors. Funding will be used to support workgroup meetings, including faculty time for participation, enable institutions and HECC to resolve inefficiencies in transfers across the state, and conduct research that builds upon work completed under HB 2525.

Workgroups will include participants from the Joint Transfer Articulation Committee (JTAC), faculty from English/Writing, Math, and from the most popular transfer majors (Business, Psychology, Biology). Staff will report to the Commission and the Legislature as appropriate on the implementation strategy and results of this Policy Option Package.

A separate related workgroup will also convene to explore the feasibility of a common statewide transfer portal ("Transfer Portal"). Oregon is one of only nine states with community colleges and public universities that do not have such a portal. Evidence presented in HECC's report on HB 2525 indicates that the lack of a common resource for students to navigate a confusing array of transfer policies and articulation agreements. (The Transfer Portal is a student-facing service, whereas TES is available to registrars, advisers and other college and university staff.)

## **Implementation Timeline**

Fall 2017:	Implementation of College Source TES statewide
Fall 2017-Spring 2018:	Convenings to align the state's public institutions on curricular pathways initiatives
Spring 2018:	Report on Common Transfer Portal
Fall 2018:	First report on implementation of Transfer Student Pathways Measures
Fall 2019:	Second/Final Report on Transfer Student Pathways Measures, including new/enhanced transfer student success reporting

## **STAFFING IMPACTS**

This package requires the following positions within the Higher Education Coordinating Commission:

- 1.0 FTE Operations and Policy Analyst 3

## **QUANTIFY RESULTS**

Results will show in several areas:

- Improved alignment of transfer curriculum in several key majors, and in lower division general education.
- Emergent consensus on how to realign and renew the statewide transfer degrees to improve credit mobility and efficiency (such as the AAOT).
- Improved data collection and reporting on transfer student success, including graduation rates, and credits accumulated for graduation.
- Over time, transfer students will complete bachelor's degrees with approximately the same number of credits as their "direct entry" counterparts.

## **REVENUE SOURCE**

General Fund: \$510,000

**POLICY PACKAGE #111**  
**2017-2019 Budget**  
**Consumer Protection and Veterans' Support**

**PURPOSE: Strengthen consumer protection and veterans' support**

To serve the needs of Oregon students, increased support is needed to oversee programs participating in veterans' education benefit programs, strengthen consumer protection related to the fast-changing regulated postsecondary sector, and provide an integrated process for student complaints across private and public institutions.

Recent federal decisions will add additional responsibilities to the Higher Education Coordinating Commission (HECC) in the oversight of programs participating in veterans' education benefit programs. The HECC is the Oregon State Approving Agency (SSA) for Veterans Education Programs. The office oversees Oregon's federal contract with the SAA, monitoring postsecondary institutions participating in veterans' education benefit programs (GI Bill benefits) administered by the U.S Department of Veterans Affairs to ensure compliance with applicable state and federal laws. Recent federal decisions will add the approval of vocational flight schools, apprenticeship, and on-job-training programs for training services to GI's returning home. Protection of our veterans' education benefits can be enhanced through increased technical assistance to schools, apprenticeship sites, and on-the-job training sites that serve veterans. Key objectives include the ability to conduct more direct outreach, provide technical support, and enhance compliance with VA guidelines.

To support and strengthen protections for students attending career schools and other private, regulated postsecondary institutions in Oregon, a small but significant public investment is required. In 2015-17, Oregon has seen more cases of private institutions closing and making decisions that negatively impact students in achieving higher education goals. This also has a negative impact on Oregon's progress towards 40-40-20 goals. The HECC and the Oregon Department of Justice (DOJ) have worked diligently to coordinate efforts and increase responsiveness. Recent and current cases teach us that more proactive efforts are needed to prevent future impacts on students, structure proactive plans for closure of schools prior to sudden corporate meltdowns, and closely monitor schools at risk or on probation in addition to taking timely action to place and support schools at risk through improvement plans and close monitoring. Moreover, the last several years have seen an increase in fly-by-night postsecondary operators attempting to do business in Oregon without proper licensing and authorization. This negatively impacts the students these institutions enroll, the employees they hire, and local businesses. Early identification and regulatory action on illegal operators is essential to minimize the impact on Oregonians.

Finally, the HECC has a need for a more centralized, efficient, and customer-friendly student complaint process. This proposal creates an integrated streamlined approach to student complaints across the public and private postsecondary sector.

### **HOW ACHIEVED**

By establishing a coordinated, integrated and centralized approach to protecting students, the HECC seeks to increase systemic response in three essential areas of need: supporting veteran's education services, strengthening oversight of regulated schools, and resolving student complaints. Having dedicated staff will secure consistent, coordinated, and timely attention to the areas of need.

**Veteran's Support:** An increase in staffing will allow the HECC to respond to new VA-SAA responsibilities for the oversight, approval, and monitoring of vocational flight schools, and apprenticeship and on-the-job training programs. Such staffing support will result in more timely responses to program and institutional approvals, technical assistance to approved sites, as well as guidance on national GI-Bill/VA changes and compliance notifications to all institutions. An increase in dedicated staff will support veterans and their approved training providers, and increase coordinated policy guidance for veteran education services.

**Strengthening Oversight of the Regulated Sector:** This oversight will result in increased monitoring of struggling schools, and early detection of unlicensed and unauthorized illegal operators, thus reducing the negative economic and societal impacts on Oregonians. Increased monitoring of struggling schools will result in timely structured improvement plans, proactive teach-out planning, when necessary and collaborative student supports. Furthermore, this strengthened oversight will increase collaboration on cases and investigations with other states, DOJ, other state agencies and federal entities.

**Integrated Student Complaints:** Dedicated staff will handle complaints, compliance, and investigations working within and across all units of the HECC, collaborate with other state or federal entities as needed, and proactively review cases and issues with school leaders to achieve prompt case resolution. Funding will centralize HECC's response to student complaints, implement common forms, and streamline administrative rules and processes – all while recognizing the distinctive HECC authorities for student complaints originating in different sectors. It will produce a common tracking system, with integrated reports to the Commission on the number of cases, trends and topics by sector or school. This will enable the creation of a systemic approach and analysis of trends to inform policy and regulatory planning

### **STAFFING IMPACT**

This package requires the following positions within the Higher Education Coordinating Commission:

- 1.0 FTE Education Program Specialist 2 (team lead)  
Note: This position serves as Complaints, Compliance and Investigations team leader
- 3.0 FTE Compliance Specialist
- 1.0 FTE Office Specialist 2

### **QUANTIFY RESULTS**

Proactive review and approval of programs serving veterans under the GI Bill Program will be measured not just by the number of programs approved, but also increases and diversification of options across the state. Increased training/workshops for approved institutions and outreach sessions to new providers will not only enumerate the educational/training services provided, but also the overall improvement in proactive compliance with federal guidelines resulting in timely evaluative compliance surveys.

Timely response to adverse action notices in the regulated sector will result in smooth academic transition to students, restitution of prepaid tuition, as well as increased accountability and transparency in the sector. Data reports will outline the number of student graduates, students employed in their field of study, and affordability indicators (cost of attendance, debt, and earnings).

Timely response to student complaints will produce reports to the HECC that include the amount of staff time spend on cases, case resolution, administrative hearings scheduled, identification of trends and relevant systemic issues for further consideration by the Commission.

### **REVENUE SOURCE**

781,000 General Fund:

**POLICY PACKAGE #112**  
**2017-2019 Budget**  
**Youth Work Experience**

**PURPOSE: Address shortages in youth work experience**

Oregon's competitiveness is fundamentally linked to the availability of a skilled workforce. However, Oregon is facing a critical shortage that impacts economic growth—thousands of youth are not finding opportunities to develop the academic and job skills they must have in order to succeed in today's global economy.

The number one issue Oregon employers reported in statewide forums was the business need for young people to obtain basic workplace skills including those referenced as 'soft skills'—showing up on time, working a complete shift, interacting with others, taking direction, being drug free, participating in teams, and acting with respect for the employer and co-workers. When these skills are not learned at home or in the course of traditional education, they are most successfully taught in a hands-on environment through real work experience. In response to this business input from every county in the state, the Oregon Workforce Investment Board (OWIB) prioritized investments in Youth Employment in its 2016 Strategic Plan.

Oregon has a history of very successful youth employment models including summer youth jobs and paid internships.

In order to address these shortages in youth work experiences, the HECC's Office of Workforce Investments will collaborate with Oregon's nine Local Workforce Development Boards (LWDBs) and the Oregon Youth Conservation Corps (OYCC) programs to provide meaningful work experience and workforce training for Oregonians between the ages of 14 and 24.

**HOW ACHIEVED**

The resources will be distributed by formula to the nine LWDBs and the OYCC program. The jobs will pay youth at least the Oregon minimum wage, and these local funds will be used to cover wage/fringes, payroll processing, and related participant expenses (including additional case management expenses).

Programs will be modeled after, and supplement, existing proven work experience programs. Programs will be competency-based in their approach and include workforce and academic preparation. Youth will be required to demonstrate skills along a continuum of career readiness. Funded programs will be required to include experiences in in-demand occupations with particular emphasis on targeted sectors and pre-apprenticeship opportunities.

This package will provide work experiences for youth ages 14 to 24 in each of Oregon's 36 counties. Work experiences will include youth recruitment, preparation and support, recruitment and involvement of employers, matching youth to appropriate worksites, assessing youth progress, program evaluation and modification. The program participants will be provided with case management and support services, and local boards will collect data and ensure the identification and dissemination of the most promising practices.

### **STAFFING IMPACTS**

This package requires the following position within the Higher Education Coordinating Commission:

- 1.0 FTE, Project Manager 2

### **QUANTIFY RESULTS**

The results of these resources will be measured by:

- Number of jobs
- Number of hours worked
- Wages earned
- Certification of Work Readiness Skills
- Employment completion rate
- Retention in education or employment
- Credentials received (industry or credit)
- Entry into college or retention in high school

### **REVENUE SOURCE**

General Fund: \$15,000,000

**POLICY PACKAGE #113**  
**2017-2019 Budget**  
**Oregon Tech Renewable Energy Center**

**PURPOSE: Establish new funding for the Oregon Renewable Energy Center at Oregon Institute of Technology**

This request is designed to establish new Public University State Program funding to the Oregon Renewable Energy Center (OREC), housed at the Oregon Institute of Technology in Klamath Falls. Authorized in 2001 by the Legislature (ORS 352.221) but never directly funded, OREC is designed to speed the integration and optimization of renewable energy resources with current power generation systems, and to accelerate clean energy technologies in collaboration with industry partners. Its affiliation with OIT provides enhanced student training opportunities and faculty sharing opportunities. OREC is similar to other Public University State Programs in its multifaceted mission of economic development, natural resource development, and learning enhancement.

**HOW ACHIEVED**

OREC serves small and medium-sized companies seeking a university collaborator to prototype, test, validate and accelerate clean tech products, and renewable energy applications. OREC's geo-heat center maintains a geothermal library of over 5,000 publications, and provides information and technical assistance on the use of geothermal energy to thousands of constituents worldwide, with a focus on assisting small Oregon-based businesses with applications of geothermal energy.

OREC and OIT currently work with a multitude of partner industry organizations, universities, and community-based economic development entities. The partnerships help OREC expand its reach to both small and medium-sized companies and fulfill its mission for public service in energy systems and applied research, and engage undergraduate and graduate students in relevant experiential learning to prepare the next-generation energy workforce.

OREC's projects will increase the relevance and quality of the student experience at Oregon Tech, increasing output of Bachelor's and Master's level engineering students, while meeting the economic development needs of companies in rural Oregon. Undergraduate and graduate students will participate in industry research projects, providing career-related learning and increasing educational attainment and global competitiveness. OREC will offer multi-disciplinary projects for students in the College of Engineering, Technology and Management to ensure that Oregon Tech can contribute to the State's attainment of its 40-40-20 goals by 2020.

The addition of OIT program staff and research faculty will allow the development of sustaining funding, provide part-time teaching of undergraduate and graduate students, encourage collaborations with companies on applied research projects, and leverage private and federal funds.

### **STAFFING IMPACTS**

None; institutions are not under position control authority and may adjust staff to meet the needs of their institution as determined by management.

### **QUANTIFY RESULTS**

The Success will be measured within two years through the following metrics:

- Value of contracts, grants or revenue from sponsored applied research;
- BS and MS-level degrees awarded by Oregon Tech in energy and related fields;
- Percent Employment of Oregon Tech graduates in Oregon;
- Number of internships and industry-supported undergraduate/ graduate projects in related fields.

quantifiable measure associated with this Policy Package will be a more robust Oregon National Guard capable of providing support

### **REVENUE SOURCE**

General Fund: \$985,000

**POLICY PACKAGE #114**  
**2017-2019 Budget**  
**Expand the ASPIRE Mentoring Program**

**PURPOSE: Expand ASPIRE mentoring program by 65 sites to help students plan for college and career success**

Expand the ASPIRE mentoring program throughout Oregon to reach more middle schools, high schools, community-based organizations, and colleges across the state. Expanding the program provides the opportunity to help more students plan careers, apply for admission to postsecondary institutions, understand the financial aid process, and learn how to apply for grants and scholarships.

**HOW ACHIEVED**

This policy package builds on the successful 2015-17 ASPIRE program model that serves 160 sites. It will allow for expansion to 65 additional sites statewide in the coming biennium for a total of 225 sites with an emphasis on middle schools, rural communities, and colleges.

ASPIRE was initiated in 1998 as a joint pilot program of The Oregon Community Foundation and the Oregon Student Access Commission, now the HECC Office of Student Access and Completion. Passage of HB 2245 by the 2007 Legislative Assembly established ASPIRE as Oregon's official mentoring program to help students access education and training beyond high school. The ASPIRE program has a proven record of producing positive outcomes:

- Students who attend school or participate in an organization that has an ASPIRE program are more likely to attend college than students who don't.
- ASPIRE is sought by sites that have underrepresented student populations.
- ASPIRE Partnership Grants strengthen the site-based program, which increases the number of students entering college.
- The longer a site participates, the greater the program's impact on students' college attendance.
- Sites with an ASPIRE program increase the number of students applying for and receiving scholarships. Also, their applicant pools change to reflect more applicants from traditionally excluded groups.

Many students lack awareness of the options available to them for postsecondary education, have limited financial resources, or have cultural and family environments that do not support their exploration of the unfamiliar territory of postsecondary education. Traditionally, high school counselors provided information about postsecondary options. However, ongoing budget constraints have led to increasingly smaller counseling staffs, who face ever growing demands. For example, while the National Association for College Admission Counseling recommends a student-to-counselor ratio of 100:1 for college and academic counseling, the average

Oregon counselor's student-to-counseling caseload is 600:1. Because counselors' workloads allow them little time to provide postsecondary access information to all students, often the counseling students do receive in high school is not effective in helping them enroll in college.

In 2010-11, OSAC expanded ASPIRE to involve community-based organizations that engage students outside of their school day year-round through after-school programs, tribal events, libraries, high school completion programs, and summer programs. In 2012-13, OSAC expanded ASPIRE to pilot a program for colleges. Such activities extend the mentoring relationship from high school graduation to the student's first day of college by maintaining contact with graduates throughout the summer to combat "summer melt," which can be especially important for students from underserved populations.

Rooted in community development and local ownership, ASPIRE relies on local citizen volunteers. ASPIRE provides Partnership Grants to qualified sites to help them pay for an ASPIRE Coordinator, who can mobilize local human and financial community resources by drawing upon networks of parents, retired educators, local citizens, and business owners to serve as ASPIRE volunteer mentors. A qualified site can be a middle school, high school, community-based organizations, or college that is participating in the ASPIRE program.

Site-based ASPIRE Coordinators are essential for ASPIRE expansion and sustainability:

- Site coordinators can be designated employees or even community members who recruit, train, coordinate, and encourage Volunteer Mentors.
- Most sites can provide a modest amount of funding, such as monies from a dedicated vending machine, private foundation grants, or community fundraising.
- OSAC has been successful in working with private foundations to consider provide funding for sites that lack sufficient financial resources, on a short-term basis.

### **STAFFING IMPACTS**

This package requires the following positions within the Higher Education Coordinating Commission:

- 4.0 FTE Program Analyst 1
- 3.0 FTE Program Analyst 2
- 0.5 FTE Training and Development Specialist (increase existing position from 0.5 to 1.0 FTE)
- 1.0 Office Specialist

**QUANTIFY RESULTS**

With increased funding for 2017-19, ASPIRE expects to reach more than 5,600 new students, create 65 new sites, and recruit 1,850 new volunteers at a value of \$1,242,000. This will permit ASPIRE to significantly enhance the results described in the general description of ASPIRE contained above.

In addition to tracking how many students are receiving one-on-mentoring and the number of volunteers serving with ASPIRE, the program also tracks the impact of these auxiliary services:

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>ASPIRE Sites</b>	<b>134</b>	<b>145</b>	<b>160</b>	<b>225</b>	<b>253</b>	<b>305</b>
<b>Student Contacts</b>	80,975	87,622	102,400	135,965	152,886	184,309
<b>1:1 Mentoring</b>	9,393	10,164	10,300	15,772	17,735	21,380
<b>Volunteers</b>	1,559	1,687	1,700	2,618	2,943	3,548
<b>Volunteer Hours</b>	44,849	48,531	51,300	75,306	84,678	102,082
<b>Value of Volunteer Hours</b>	\$1,049,203	\$1,135,332	\$1,129,800	\$1,761,722	\$1,980,958	\$2,388,111

**REVENUE SOURCE**

General Fund: \$641,260

**POLICY PACKAGE #115**  
**2017-2019 Budget**  
**Accelerated Learning Data Analyst**

**PURPOSE: Create Data Analyst position to support accelerated learning programs**

This request is designed to clarify the data reporting mechanisms necessary to assure quality in accelerated learning programming (ORS 340.310). Accelerated learning includes a variety of educational experiences that may include dual credit, Advanced Placement (AP) courses, and more, that provide high school students with the opportunity to earn college credit while in high school.

The Higher Education Coordinating Commission's (HECC) coordinating role includes the commitment to "engineer simpler, more effective, and efficient learning pathways for students." The HECC adopted Accelerated Learning standards in June 2016 that affect all public universities and colleges in the state. Through package 115, the HECC seeks to ensure the quality, rigor and fidelity of offerings in Accelerated Learning and support the growth in student enrollments. This POP seeks to address the following:

- The need to engineer new data reporting mechanism to coincide with Accelerated Learning Standards (June 2016)
- The data reporting mechanism will identify and differentiate among types of Accelerated Learning

**HOW ACHIEVED**

Important questions remain for Oregon policy makers, leaders and legislators as to how specific types of high school based college credit influence students' trajectory to college and career success. The Higher Education Coordinating Commission has adopted statewide standards that will streamline and ensure the quality and transferability of college credits available to high school students in Oregon. The workgroup that developed and recommended the standards for Oregon was charged by the Public University Provosts' Council and the Community' Colleges Council of Instructional Administrators to collaboratively establish standards that all high school based college credit partnerships would conform to. In order to build on our knowledge about dual credit and other forms of accelerated college credit as an educational strategy to support students, this data reporting mechanism will identify which high school students in Oregon participate and what type of accelerated learning they take. To this end, the group recommended a research agenda that will be critical to informing progress and in measuring the success of a student success, and in particular the influence of dual credit.

The creation of a data workgroup will assist in building stronger partnerships between campus researchers and the HECC with the purpose of continuous problem solving and dialogue around data. Upon the creation of a data reporting mechanism, convening of institutional researchers and campus representatives will be necessary to troubleshoot and coordinate the implementation of the data

reporting mechanism. In addition, one new limited duration position will be hired to staff the workgroup. This position would also be responsible for acting as a liaison to institutional researchers and information technology professionals who report accelerated learning data to the HECC.

### **STAFFING IMPACTS**

This package requires the following position within the Higher Education Coordinating Commission:

- 0.5FTE, Research Analyst 3

### **QUANTIFY RESULTS**

The success will be measured within two years through the following areas:

- Ability to make evidence based policy around educational strategies for high school students
- Improved data collection and reporting on students earning college credit during high school
- Improved measurement of learning pathways and determine whether they are effective and efficient for student success

### **REVENUE SOURCE**

General Fund: \$173,730

**POLICY PACKAGE #116**  
**2017-2019 Budget**  
**Educator Equity Scholarship and Network**

**PURPOSE: Create and fund a scholarship program and social network to attract and retain underrepresented populations in the teaching profession**

This Package is a combined effort between the Higher Education Coordinating Commission and the Chief Education Office. CEEdO will be submitting their own companion package separately.

The Minority Teacher Act (now called the Oregon Educator Equity Act) was passed in 1991 by the Oregon Legislature. Since that time, Oregon has made intermittent efforts to address the gap between the demographics of the state's public K-12 educator workforce and that of the K-12 public school students they serve. These efforts have had a limited impact on a gap that continues to widen. In 2016, 36.6% of Oregon's K-12 students served were culturally and linguistically diverse while only 10.2% of classroom teachers were culturally and linguistically diverse.

The Governor's Council for Educator Advancement has reviewed the 2016 Educator Equity report required by law to be submitted to legislators annually and reviewed the recommendations of the Oregon Educator Equity Advisory Group formed by the Chief Education Office. The issues undergirding the lack of culturally and linguistically diverse educators in Oregon's schools are complex and nested with each stage of an educator's career continuum: recruitment, preparation, hiring, mentoring, and career advancement.

Recruitment of diverse educators must be deliberate and will need dedicated resources that support candidates with the high cost of becoming a teacher. Other states have created Minority Teacher Fellowships and special scholarships, but Oregon still lacks a designated scholarship fund for recruiting, preparing, hiring, and mentor, and support more culturally and linguistically diverse educators. This Package would create an Oregon Fellows program that supports Oregon students of color pursuing a TSPC teaching or administrative license. The funding should include not only scholarship funds but also the tools, supports, and connections needed to complete an educator prep program, gain employment in a public school, remain in teaching long term and advance in the profession.

The Educator Equity Advisory Group has also identified promising practices resulting from pilot district/postsecondary partnerships (TeachOregon) that can grow supports for local teacher pathways that support entry of more culturally and linguistically diverse teachers into the teaching profession.

## **HOW ACHIEVED**

1. Create and fund a scholarship program and social network infrastructure that:
  - a. Includes peer-to-peer mentoring, designed to recruit and retain a cadre of students of color in the teaching profession across multiple universities. Communication social network would be developed and housed at OSAC (similar to ASPIRE network) (Administered by OSAC)
  - b. Leveraging Oregon Promise and other financial assistance resources such as PELL grants and Oregon Opportunity Grants, offers each Oregon Fellow a two-year scholarship not to exceed \$10,000 to culturally and linguistically diverse students transferring from a community college to a Commission-approved teacher education program at an Oregon four-year institution.(Administered by OSAC)
2. Provide seed funding to grow and expand postsecondary/district partnership models like the Portland Teacher Program, TeachOregon, and Chemeketa Community College Bilingual Pathway Program in communities where students of color exceed 40% of the student population. (To be administered by CEEdO and separate from this Package)

## **STAFFING IMPACTS**

This package requires the following positions within the Higher Education Coordinating Commission:

- 1.0 FTE Information Systems Specialist 5 (Limited Duration)
- 1.0 FTE Program Analyst 1

## **QUANTIFY RESULTS**

Scholarships and network goals include:

- Fund 100 new teacher candidates of color who would then be matched with school districts seeking to diversify their educator workforce. Most of these teacher candidates would be ready for employment by 2020.
- Leverage the fiscal savings from PELL, Oregon Opportunity Grants, loan forgiveness, and Oregon Promise funding. (Students of color often start their postsecondary education at the community college level)
- Graduate another 100 teachers of color could almost double the number hired in the current biennium and would generate renewed interest in the career.
- Provide seed funding to develop strong partnerships between more of Oregon's most diverse school districts and educator preparation programs that would:

- Increase enrollment in teacher pathway programs;
- Improve transfer of course credits from high school-based Teacher Cadet Programs and community college programs into educator preparation programs;
- Increase access to anti-bias training to help refine educator preparation program application processes and school/district hiring procedures; and
- Increase focus on culturally responsive teaching for all educators.

**REVENUE SOURCE**

General Fund: \$297,015 (HECC Component Only)

**POLICY PACKAGE #117  
2017-2019 Budget  
Scholarship Rebalance**

**PURPOSE: Establish and maintain Private Scholarships program at HECC-OSAC as a self-supporting service**

The Higher Education Coordinating Commission's Office of Student Access and Completion (OSAC) coordinates and manages the application process for more than 500 privately-funded scholarship programs, awarding approximately 3,800 individual scholarships totaling approximately \$18 million per year.

The program unit that administers this function has historically been self-sustaining through the collection of administration charges from scholarship donors. Over time, office agency expenses have landed disproportionately on this program. Reallocating some shared costs that have been budgeted disproportionately in this program will be a more equitable and defensible allocation.

The Scholarship Program supports the HECC goal of making higher education pathways more accessible, affordable and supportive for students. Reallocating costs would allow OSAC to continue providing excellent customer service and retain positive donor relation efforts through equitable cost-sharing of agency expenses.

**HOW ACHIEVED**

Reallocate fixed Services and Supplies (S&S) budgets across programs proportionally.

**STAFFING IMPACTS**

There are no staffing impacts.

**QUANTIFY RESULTS**

These changes will reflect actual, audited workload attributable to the scholarship program, and reestablish it as being self-supporting.

**REVENUE SOURCE**

General Fund: \$331,000

Other Funds: -\$331,000

**POLICY PACKAGE #118**  
**2017-2019 Budget**  
**Move Barbers' and Hairdressers' Endowment**

**PURPOSE: Move Barbers' and Hairdressers' Grant corpus to Oregon Community Foundation**

Moving the corpus of this program will result in increasing the number and size of grants awarded to Oregon students under the Barbers' and Hairdressers' grant program.

**HOW ACHIEVED**

By law, only the earnings of this fund can be distributed as student grants. This package moves the corpus of this state-funded, continuously-appropriated grant fund from the Treasury to the Oregon Community Foundation, which traditionally generates larger investment returns. This change will enable OSAC to award more and larger student grants.

The Barbers' and Hairdressers' endowment originated around 1991. At that time, it was discovered that the Board of Cosmetology had retained licensing fees in excess of expenses. Rather than issuing individual refunds to hundreds of license-holders, it was decided that those fees would be converted to a fund whose interest would provide scholarships to students at cosmetology schools. The original fund received a deposit of \$750,000 and the first round of scholarships were made during the 1992-1993 academic year. In 1995-1996, an additional \$150,000 was deposited into the account, bringing the balance of the corpus up to \$900,000.

Students apply by completing the Free Application for Federal Student Aid (FAFSA) by February 1st. The student must be eligible for a Federal Pell Grant, be an Oregon resident and a U.S. citizen, and must be enrolled at an eligible institution. No other application is necessary. Eligible students must be enrolled full time in a program that is at least nine months or 900 clock hours long and must demonstrate significant financial need (e.g., be eligible for Federal Pell Grant). Distribution of funds is based on the amount of Pell grants awarded at each eligible institution.

Selected students receive a one-time award amount that may vary from \$100 to \$1,500 per academic year or nine-month period. The number of awards varies each year depending on investment earnings of the endowment fund. OSAC sends letters to the schools with the amounts available to award and blank award confirmation forms. Recipients are chosen by selection committees at the schools, which make their selections based on Commission criteria, financial need, and merit.

In years when the fund's endowment generates higher interest earnings, students receive higher awards and the grant serves more students per school. Over time, the award amounts for the Barbers' and Hairdressers' grant have ranged from a high of \$1,000 to a low of \$225, depending on interest earnings. Due to low rates of returns on government investments, for 2015-16, 13 recipients received a total of \$4,095, or about \$315 per student.

The Oregon Community Foundation (OCF) is a tax-exempt foundation in Oregon with assets of \$1.5 billion and 1,900 charitable funds. As a public charity, OCF adheres to the highest standards; stewardship of charitable funds is one of OCF's most important responsibilities. Permanent funds are invested to provide a perpetual resource for Oregon, and have historically provided a greater rate of return than can be realized on Treasury deposits. The anticipated disbursed amount on permanent funds endowed with OCF is currently 4.5%.

### **STAFFING IMPACTS**

No new FTE. This is a one-time fund transfer only.

### **QUANTIFY RESULTS**

With increased returns on the \$900,000 balance in the Barbers' and Hairdressers' fund, the annual payout would be approximately \$40,500, allowing for more grants at higher amounts to be awarded each year.

### **REVENUE SOURCE**

General Fund: \$900,000.

**POLICY PACKAGE #119**  
**2017-2019 Budget**  
**National Guard Tuition Assistance**

**PURPOSE: Recognize transfer to finance state tuition assistance for members of the Oregon National Guard**

This Policy Package is a companion package to a request from the Military Department of \$2 million General Fund Special Payments to finance state tuition assistance for members of the Oregon National Guard. This package recognizes the transfer of the revenue from the Military Department and creates expenditure authority within the Higher Education Coordinating Commission's Office of Student Access and Completion to make awards to eligible students.

Oregon Revised Statute 399.275 states that, subject to the availability of funds, the Oregon Military Department may contract with the Higher Education Coordinating Commission to disburse to eligible post-secondary institutions funds for tuition waivers for members of the Oregon National Guard. Statute states that any member of the Oregon National Guard, or a surviving family member, who registers for classes at an eligible postsecondary institution may receive a tuition waiver of up to 100 percent of the resident tuition charges imposed by that institution. There is an exception that in the case of a not-for-profit independent institution, the tuition waiver may not exceed 100 percent of the resident tuition at Oregon State University. Members of the Oregon National Guard, or their surviving family members, may receive the tuition waiver authorized by statute at any time so long as the member maintains satisfactory performance with the Oregon National Guard, and pursues a course of study in the eligible post-secondary institution in a manner that satisfies the usual requirements of the institution.

A primary goal of the companion policy package is to act as an incentive for individuals who are choosing, or have chosen, to serve their state and their nation by enlisting in the Oregon National Guard. Currently Oregon is one of only three states and territories not offering any form of state-sponsored tuition assistance to their National Guard members, the others being Arizona and Guam. Funding this type of program will provide critical assistance to citizen soldiers and airmen who need to meet educational requirements in order to be competitive for positions of greater responsibility in the future, regardless of whether or not they choose to remain a career member of the Oregon National Guard.

### **HOW ACHIEVED**

This Policy Package is achieved by appropriating \$2,000,000 in General Fund to the Administration Program within the Oregon Military Department. The Special Payment would be made to the Higher Education Coordinating Commission for disbursement to the applicable colleges and universities.

### **STAFFING IMPACTS**

There are no staffing impacts.

### **QUANTIFY RESULTS**

The quantifiable measure associated with this Policy Package will be a more robust Oregon National Guard capable of providing support to both domestic and international missions. Additionally, Oregon National Guard members who participate in this program will be better prepared to obtain higher level positions both internal and external to the Oregon National Guard. This request ties to both the Governor's Seamless System of Education Priority as well as the Healthy, Safe Oregonians Priority.

### **REVENUE SOURCE**

Other Funds: \$2,000,000

**Appendix D**

**Capital Budget Requests**

**Docket Item:**

Community College Capital Requests

**Summary:**

The community college capital request is presented in three categories: Safety and Security, Capital Construction and Deferred Maintenance. The first category, Safety and Security, is based on the self-assessed safety and security needs of Oregon's community colleges and is approximately \$15 million. While a request was presented to the Legislature during the 2016 session, the Governor has convened a task force to examine safety and security needs on college campuses and this figure may need to be adjusted based on that group's findings.

The second category, Capital Construction, is based on a blind review by members of the Capital Construction Workgroup and presented in a ranked list. Tier I projects were reviewed and scored by four community college presidents and the Director of the Office of CCWD. After the blind ranking process, Umpqua Community College's request was moved to the top of the list at the request of the Oregon President's Council. Colleges may not have more than one project approved for XI-G bond funding that are awaiting matching funds, other than projects approved prior to January 1, 2014. Mt. Hood Community College, Southwestern Oregon Community College, Rogue Community College and Umpqua all plan to meet their match for previous capital construction requests this year. The total request is for \$86,996,990.50 in XI-G Bonds.

The third category, Deferred Maintenance, is based on the total identified need for deferred maintenance projects at Oregon's community colleges. Each college was asked to submit a ranked list to the Office of Community Colleges and Workforce Development. The total cost for all projects on the lists is **\$244,593,521.00.**

Docket Material:

<u>Community College Tier I Capital Requests</u>		
Safety and Security (all colleges)	\$ 15,000,000.00	
<b>Capital Construction Ranked List</b>		
<u>College</u>	<u>XI-G Bonds Requested*</u>	<u>Total Project Cost</u>
Umpqua Community College	\$ 8,000,000.00	\$ 20,110,414.00
Linn Benton Community College	\$ 7,500,000.00	\$ 15,062,670.00
Chemeketa Community College	\$ 6,000,000.00	\$ 17,060,313.00
Portland Community College	\$ 8,000,000.00	\$ 22,500,000.00
Lane Community College	\$ 8,000,000.00	\$ 16,200,000.00
Southwestern Oregon Community College	\$ 2,749,997.00	\$ 5,499,995.00
Clackamas Community College	\$ 8,000,000.00	\$ 24,700,000.00
Mt Hood Community College	\$ 8,000,000.00	\$ 23,000,000.00
Blue Mountain Community College	\$ 5,000,000.00	\$ 10,000,000.00
Oregon Coast Community College	\$ 8,000,000.00	\$ 16,000,000.00
Rogue Community College	\$ 6,000,000.00	\$ 12,000,000.00
Treasure Valley Community College	\$ 3,750,000.00	\$ 7,500,000.00
Clatsop Community College	\$ 7,996,993.50	\$ 15,993,987.00
<b>Capital Construction Subtotal</b>	<b>\$ 86,996,990.50</b>	<b>\$ 205,627,379.00</b>

**Deferred Maintenance Totals**

<b>College</b>	<b>Total Project Cost</b>	<b>Notes</b>
Blue Mountain Community College	\$3,614,000.00	
Central Oregon Community College	\$12,009,764.00	
Chemeketa Community College	\$19,325,000.00	\$34,400,000 is the 5 year projection based on 2016 assessment by VFA Consultants.
Clackamas Community College	\$39,864,474.00	
Clatsop Community College	\$2,794,120.00	
Columbia Gorge Community College	\$2,136,028.00	
Klamath Community College	\$1,320,499.00	
Lane Community College	\$35,744,000.00 +2,807,000.00 =38,551,000.00	*Submitted additional Safety and Security list for \$2,807,000.00 Requested that we process separately from Deferred Maintenance.
Linn Benton Community College	\$16,933,107.00	Total Cost includes a 10% Contingency Cost
Mt. Hood Community College	\$6,394,350.00	
Oregon Coast Community College	\$564,300.00	Total Cost includes a 10% Contingency Cost
Portland Community College	\$68,923,200.00	*The total they submitted is a combined total for Deferred Maintenance \$36,231,200.00 and Safety and Security 32,692,000.00
Rogue Community College	\$5,376,200.00	
Southwestern Oregon Community College	\$16,632,000.00	
Tillamook Bay Community College	\$906,400.00	Total Cost includes a 10% Contingency Cost
Treasure Valley Community College	\$6,360,000.00	
Umpqua Community College	\$2,889,079.00	
<b>Deferred Maintenance (all colleges)</b>	<b>\$244,593,521.00</b>	
<b>TOTAL REQUEST including: Safety and Security, Capital Construction, and Deferred Maintenance</b>	<b>\$346,590,511.5</b>	

**Capital Construction Project Summaries:**

**Blue Mountain Community College**

Tier I:

Funding Request: \$5,000,000.00

Total Cost: \$10,000,000.00

The proposed project will design, build, and establish a BMCC facility complex supporting animal science programming; specifically, Veterinary Assistant/Technician, Equine and the Livestock Judging and Rodeo Teams.

**Chemeketa Community College**

Tier I:

Funding Request: \$6,000,000.00

Total Cost: \$17,060,313.00

The proposed development of a new Agricultural Complex on the main Salem Campus. The project will include the construction of a new classroom/partner building having an area of between approximately 30,000 and 44,000 sq. ft.

**Clackamas Community College**

Tier I:

Funding Request: \$8,000,000.00

Total Cost: 24,700,000.00

Construction of an 18,500 sq. ft. addition to the DeJardin building to house state-of-the-art science laboratories for chemistry, biology and microbiology along with informal learning space lab support/shared prep space for staff efficiency and general purpose classrooms.

Once completed, vacated labs in Pauling can be renovated/repurposed to support other STEM programs such as engineering. This renovation will affect approximately 20,000 sq. ft.

**Clatsop Community College**

Tier I:

Funding Request: \$7,996,993.50

Total Cost: \$15,993,987.00

Redevelopment and expansion of the Marine Science Center building on the MERTS Campus to include the addition of second floor, classrooms, labs and expanded faculty and staff support space, as well as updated infrastructure throughout and in support of the new building and programs space.

**Lane Community College**

Tier I:

Funding Request: \$8,000,000.00

Total Cost: \$16,200,000.00

A new Health Care Village on the main campus for the Dental Clinic, Dental Lab, Medical Office Assistant, faculty offices, and support spaces. The new facility will provide sufficient space for program consolidation, sterilization, student workspace, and modern equipment/technology for the dental programs.

**Linn Benton Community College**

Tier I:

Funding Request: \$7,500,000.00

Total Cost: \$15,062,670.00

Renovation of the student affairs and campus safety spaces, including creation of a new Student Advising Center, will allow the school to improve student retention and completion. Renovated and expanded space for public safety and disability services.

**Mt Hood Community College**

Tier I:

Funding Request: \$8,000,000.00

Total Cost: \$23,000,000.00

Replacing the current Maywood Park building with an efficient, code compliant new building called the Maywood Park Center. The new building will house the College's western district workforce training, certificate and degree programs. Benefits of the project include:

- Seismic and structural upgrades to meet local code requirements.
- Improved vehicular and pedestrian access to the programs
- Improved and complete degree offerings at a location better served by mass transit
- 60,000 new square feet of classroom, student service/support, workforce support, administrative support, Head Start Administrative space, community meeting space, and building support.

**Oregon Coast Community College**

Tier I:

Funding Request: \$8,000,000.00

Total Cost: \$16,000,000.00

An approximately 30,000 square foot, 2-story building to house workforce development academic programs and associated student study and success areas, and associated administrative and faculty offices.

**Portland Community College**

Tier I:

Funding Request: \$8,000,000.00

Total Cost: \$22,500,000.00

Renovation of the Health Training (HT) Building. This project will include: demolishing the 55,800 sq. ft. interior space, reconstructing instructional spaces, replacing antiquated toilets and locker rooms, incorporate seismic standards, and replacing non code compliant mechanical, electrical and plumbing systems.

**Rogue Community College**

Tier I:

Funding Request: 6,000,000.00

Total Cost: \$12,000,000.00

Renovation of the existing Elk Building science facility (10,086 sq. ft.) and adding space (16,000 sq. ft.) to provide the colleges nursing and allied health programs with a more modern science facility. This project will increase instructional capacity, redesign lab spaces and expand infrastructure to meet current and future and academic needs.

**Southwestern Oregon Community College**

Tier I:

Funding Request: \$2,749,997.00

Total Cost: \$5,499,995.00

A significant remodel of Dellwood Hall including construction of a 12,100 square foot second floor to the one story building that exists. The proposed solution will integrate all student services into one building to create a comprehensive Student Services Center.

**Treasure Valley Community College**

Tier I:

Funding Request: 3,750,000.00

Total Cost: \$7,500,000.00

Construction of a new 30,000 sq. ft. Nursing-Allied Health Professions Center that will provide modernized and flexible spaces equipped to deliver support services, training, and instruction that is consistent with modern academic buildings and health care facilities.

**Umpqua Community College**

Tier I:

Funding Request: \$8,000,000.00

Total Cost: \$20,110,414.00

Construction of a two level 68,000 sq. ft. Industrial Technology Building that will bring together automotive, welding/fabrication, and manufacturing programs into one facility. There will be a 20 bay automobile service shop, tools room, auto classroom, lab, small lobby, and four faculty offices.

**Staff Recommendation:**

Information item.



**Docket Item:**

Public University Capital Requests

**Summary:**

The 2017-19 Agency Request Budget development process includes an opportunity for public universities to request funding for capital construction projects, including state-backed debt. In recognition of the limited resource nature of state-funded debt service, a prioritization process was established for projects proposed to be backed in whole or in part by state-funded debt service. Adoption of such a list is an essential element of the HECC Agency Request Budget. This document presents a prioritization of project requests based on July 21, 2016 action by the Funding & Achievement Subcommittee. One proposed adjustment to the priority order is outlined below but not reflected in the docket materials.

**Docket Material:**

Included in this docket item is a prioritized list of brief descriptions for each project, reflecting the priority order adopted by the Funding & Achievement Subcommittee on July 21, 2016. Also attached is a list of university capital requests with project financial details, including the total State debt sought for each project and campus resources and/or campus debt pledged for the projects.

One adjustment to the prioritized list has been requested by Oregon State University-Cascades: Movement of *Cascades Expansion: c. Academic Building 2* above *Cascades Expansion d: Student Success Center*. This action would move the Academic Building 2 project from 18<sup>th</sup> on the prioritized list to 17<sup>th</sup>, producing the opposite effect on the Student Success Center project. OSU-Cascades believes this re-ordering may ease projected capacity constraints in the future and may create a more optimal sequencing of campus development. The requested re-ordering does not directly impact other institutions.

**Staff Recommendation:**

Option 1: Adopt an amended prioritized project list reflecting the request of OSU-Cascades to re-order the Academic Building 2 project from 18<sup>th</sup> to 17<sup>th</sup> and the Student Success Center from 17<sup>th</sup> to 18<sup>th</sup>, advancing the amended prioritized list to the full Commission for Agency Request Budget consideration.

Option 2: Affirm the July 21, 2016 Funding & Achievement Subcommittee prioritized project list for consideration by the full Commission for inclusion in the Agency Request Budget.

<b>Prioritized 2017-19 University Capital Construction Requests Summary</b>					
<b>Priority Rank</b>	<b>Project Name</b>	<b>University</b>	<b>Project Total</b>	<b>University Funding</b>	<b>State Funding</b>
<b>1</b>	<b>Capital improvement and renewal</b>	<b>System wide</b>	<b>\$65,000,000</b>	<b>\$0</b>	<b>\$65,000,000</b>
Capital improvements, capital renewals, compliance with building codes, safety and accessibility improvements. The \$65,000,000 funding level will provide universities the opportunity to generate operational savings and appropriately invest in existing facilities and infrastructure.					
<b>2</b>	<b>4th &amp; Montgomery for Graduate School of Education</b>	<b>PSU</b>	<b>\$103,000,000</b>	<b>\$58,000,000</b>	<b>\$45,000,000</b>
The 4th & Montgomery Project for the Graduate School of Education will result in a new, approximately 205,000 sq. ft., seven to nine story, mixed use building. The project includes partnership commitments from Portland Community College, City of Portland and an educational non-profit organization.					
<b>3</b>	<b>Gilkey Hall Renovation</b>	<b>OSU</b>	<b>\$5,000,000</b>	<b>\$2,000,000</b>	<b>\$3,000,000</b>
The Gilkey Hall renovation project will provide a general interior space renewal for the academic directors for Undergraduate Studies, the Academic Success Center, the Writing Center, Computer Lab, and OSU International Programs. The project scope includes upgrades to the fire and life safety, plumbing and HVAC systems.					
<b>4</b>	<b>Oregon Quality Foods &amp; Beverage Center</b>	<b>OSU</b>	<b>\$18,000,000</b>	<b>\$9,000,000</b>	<b>\$9,000,000</b>
The Oregon Quality Foods and Beverages Initiative will create three new research and learning pilot facilities, for Brewing Science, Wine Science and Dairy Science.					
<b>5</b>	<b>Information Technology Equipment Facility</b>	<b>EOU</b>	<b>\$1,200,000</b>	<b>\$0</b>	<b>\$1,200,000</b>
Construction of a new 3,000 SF technology infrastructure equipment facility serving as the campus hub for all communication and network infrastructure, the facility will include a temperature and humidity controlled server room; fiber distribution rack space; equipment shop space; staff office and support space; equipment and general storage; equipment staging space.					
<b>6</b>	<b>Cordley Hall Renovation Phase I</b>	<b>OSU</b>	<b>\$15,000,000</b>	<b>\$0</b>	<b>\$15,000,000</b>
The Cordley Hall renovation project will include mechanical and electrical systems replacement, upgraded fire and life safety systems including a fire suppression system and modern fire alarms with strobes for the 236,317 square foot research building.					
<b>7</b>	<b>Center For Excellence In Engineering And Technology/Renovation Of Cornett Hall</b>	<b>OIT</b>	<b>\$42,000,000</b>	<b>\$2,000,000</b>	<b>\$40,000,000</b>
The Center for Excellence in Engineering and Technology will feature approximately 61,000 GSF of classroom and laboratory space, 12,000 GSF of office space, 2,000 GSF IT Data Center, and 15,000 GSF of common space. This project will also renovate the Cornett Hall building envelope, mechanical systems, emergency egress ADA accessibility, and seismic improvements.					
<b>8</b>	<b>Classroom and Faculty Office Building</b>	<b>UO</b>	<b>\$85,000,000</b>	<b>\$30,000,000</b>	<b>\$55,000,000</b>
The University Classroom and Faculty Office Building project will be a four-to-five story, approximately 105,000-gsf new building built in the academic core of campus. The space will roughly break down as follows: classrooms 60%, faculty offices 20%; other offices and other support and technical work areas 20%. Additionally, approximately 30,000 GSF of other core academic space will be renovated.					
<b>9</b>	<b>Central Hall Modernization</b>	<b>SOU</b>	<b>\$6,000,000</b>	<b>\$0</b>	<b>\$6,000,000</b>
The Central Hall Modernization project includes replacing the 60-year-old HVAC system, electrical systems, upgrades to the fire alarm system to meet current fire code requirements, and address water penetration of the exterior concrete façade. Additionally, the building needs significant upgrades for current ADA compliance.					
<b>10</b>	<b>Oregon Military Academy – Phase 2 Renovation</b>	<b>WOU</b>	<b>\$8,200,000</b>	<b>\$500,000</b>	<b>\$7,700,000</b>
The scope of the OMA phase 2 renovation project encompasses a redesign and repurpose of the existing military training facility, located within the north perimeter of Western’s campus for year-round academic program use, upgrade ADA accessibility throughout, and modernize mechanical, electrical, and plumbing systems.					

Priority Rank	Project Name	University	Project Total	University Funding	State Funding
11	<b>Information Technology Center – Phase 3 Building Renovation</b>	<b>WOU</b>	\$6,000,000	\$500,000	\$5,500,000
The third and final phase of renovation of the Information Technology Center will address significant life safety concerns with seismic improvements to the structure, replace antiquated mechanical, electrical and plumbing systems, and remodel the first two floors of the building.					
12	<b>Loso Hall Renovation, Phase One</b>	<b>EOU</b>	\$5,500,000	\$0	\$5,500,000
The Loso Hall renovation will repair and replace theater department performance and practice spaces, equipment, lighting and staging systems, stages and support spaces and make accessibility improvements in theater seating and building access.					
13	<b>Fairbanks Hall Renovation</b>	<b>OSU</b>	\$11,000,000	\$0	\$11,000,000
The renovation of Fairbanks Hall, OSU's second-oldest building will create critically needed space in the currently unutilized fourth floor; reduce building energy costs with planned energy conservation measures; and make the building fully accessible.					
14	<b>Athletics, Physical Activity &amp; Health Field House</b>	<b>EOU</b>	\$8,000,000	\$2,000,000	\$6,000,000
Construction of a 30,000 SF field house to support EOU Athletics, Physical Activity & Health education, EOU's Outdoor Program and Outdoor Recreation and Leadership minor, and student recreation.					
15	<b>Cascades Expansion- Site Reclamation</b>	<b>OSU-Cascades</b>	\$9,000,000	\$0	\$9,000,000
Site restoration will include partial fill and compaction of the pumice mine bringing the site to a condition ready for infrastructure development. The property, a 46-acre pumice mine site is adjacent to OSU-Cascades' 10-acre campus and is near downtown Bend.					
16	<b>Cascades Expansion- Campus Infrastructure</b>	<b>OSU-Cascades</b>	\$11,000,000	\$0	\$11,000,000
The Campus infrastructure project includes new roadways, multi-modal pathways, parking, storm water facilities, utilities and building pads in order to accommodate the future building and open space development per the Long Range Development Plan.					
17	<b>Cascades Expansion- Student Success Center</b>	<b>OSU-Cascades</b>	\$15,000,000	\$5,000,000	\$10,000,000
A new 22,500 GSF three-story building including a combination of flexible use spaces for classroom, learning commons or tutoring space, advising or counseling space, arts presentation space, informal gathering spaces, maker spaces, and student involvement spaces (e.g. multicultural/ social/outdoor programs).					
18	<b>Cascades Expansion- Academic Building 2</b>	<b>OSU-Cascades</b>	\$49,000,000	\$10,000,000	\$39,000,000
The new 55,000 square foot academic building will include lab space for bio-sciences, kinesiology and engineering, general purpose classrooms, faculty offices, and other learning support and research spaces. Academic Building 2 will include the development of an outdoor learning and study space. The project will also include structured and surface parking in order to support enrollment growth.					
19	<b>Cascades Graduate &amp; Research Center Renovation</b>	<b>OSU-Cascades</b>	\$490,000	\$0	\$490,000
The renovation of the Graduate and Research Center will create office spaces for teaching and research faculty at OSU-Cascades to accommodate the increase in faculty and staff. Approximately 60% of the Graduate and Research Center was renovated when the building was originally purchased in 2012.					

## Article XI-F (University Paid) Bond Requests

Project Name	University	Project Total	University Funding	State Funding
<b>Track &amp; Field Facilities Restoration Project</b>	<b>EOU</b>	\$750,000	\$750,000	\$0
<p>This project will include removal of the existing track &amp; field athletic surfaces along with the asphalt and concrete underlayments. A new rock base and drainage system will be installed with a permeable asphalt base surface. New permeable track &amp; field competition athletic surfaces will be installed over the permeable asphalt base.</p>				
<b>University Center Building land</b>	<b>PSU</b>	\$15,000,000	\$15,000,000	\$0
<p>PSU is requesting \$15 million authorization for the purchase of land under the university-owned University Center building. The 2015-17 Legislatively Approved Budget reauthorized \$10,220,000 Article XI-F (1) bonds for the purchase originally authorized in the 2013-15 Legislatively Approved Budget. PSU was unable to execute a purchase of the land since the authorization and therefore requests reauthorization along with an additional \$5,000,000 in bonding authority.</p>				
<b>12th and Market Residence Hall</b>	<b>PSU</b>	\$53,500,000	\$53,500,000	\$0
<p>PSU proposes construction of a new 6 story housing building with 201 units and 11,000 sq. ft. for dining services.</p>				
<b>Student Recreation Center</b>	<b>OIT</b>	\$5,000,000	\$5,000,000	\$0
<p>The concept is to re-use the existing Athletics Building lower level for a new Recreation Center. The project would include updating existing locker rooms and showers, a multi-use studio, expanding the existing fitness area and restoration of the tennis courts.</p>				

Project Financial Summary												
Priority Rank	Institution	Project	State-Paid Debt				State Paid Cumulative Total	Campus Paid Debt & Resources			All Sources Total	Cumulative Total (All Prioritized Projects)
			XI-G	XI-Q	Lottery Bonds	State-Paid Total		XI-F	Gifts/Other	Campus Total		
1	All	Capital Improvement & Repair	\$ -	\$65,000,000	\$ -	\$ 65,000,000	\$ 65,000,000	\$ -	\$ -	\$ -	\$ 65,000,000	\$ 65,000,000
2	PSU	4th & Montgomery for Graduate School of Education	\$36,000,000	\$ 9,000,000	\$ -	\$ 45,000,000	\$ 110,000,000	\$ 6,000,000	\$ 52,000,000	\$ 58,000,000	#####	\$ 168,000,000
3	OSU	Gilkey Hall Renovation	\$ 2,000,000	\$ 1,000,000	\$ -	\$ 3,000,000	\$ 113,000,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 5,000,000	\$ 173,000,000
4	OSU	Oregon Quality Foods & Beverage Center	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000	\$ 122,000,000		\$ 9,000,000	\$ 9,000,000	\$ 18,000,000	\$ 191,000,000
5	EOU	Information Technology Equipment Facility	\$ -	\$ 1,200,000	\$ -	\$ 1,200,000	\$ 123,200,000	\$ -	\$ -	\$ -	\$ 1,200,000	\$ 192,200,000
6	OSU	Cordley Hall Renovation Phase I	\$ -	\$15,000,000	\$ -	\$ 15,000,000	\$ 138,200,000	\$ -	\$ -	\$ -	\$ 15,000,000	\$ 207,200,000
7	OIT	Center For Excellence In Engineering And Technology/Renovation Of Cornett Hall	\$ 2,000,000	\$38,000,000	\$ -	\$ 40,000,000	\$ 178,200,000	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 42,000,000	\$ 249,200,000
8	UO	Classroom and Faculty Office Building	\$30,000,000	\$25,000,000	\$ -	\$ 55,000,000	\$ 233,200,000	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 85,000,000	\$ 334,200,000
9	SOU	Central Hall Modernization	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000	\$ 239,200,000	\$ -	\$ -	\$ -	\$ 6,000,000	\$ 340,200,000
10	WOU	Oregon Military Academy – Phase 2 Renovation	\$ 500,000	\$ 7,200,000		\$ 7,700,000	\$ 246,900,000	\$ -	\$ 500,000	\$ 500,000	\$ 8,200,000	\$ 348,400,000
11	WOU	Information Technology Center – Phase 3 Building Renovation	\$ 500,000	\$ 5,000,000	\$ -	\$ 5,500,000	\$ 252,400,000	\$ -	\$ 500,000	\$ 500,000	\$ 6,000,000	\$ 354,400,000
12	EOU	Loso Hall Renovation, Phase One	\$ -	\$ 5,500,000	\$ -	\$ 5,500,000	\$ 257,900,000	\$ -	\$ -	\$ -	\$ 5,500,000	\$ 359,900,000
13	OSU	Fairbanks Hall Renovation	\$ -	\$11,000,000	\$ -	\$ 11,000,000	\$ 268,900,000	\$ -	\$ -	\$ -	\$ 11,000,000	\$ 370,900,000
14	EOU	Athletics, Physical Activity & Health Field House	\$ 2,000,000	\$ -	\$ 4,000,000	\$ 6,000,000	\$ 274,900,000		\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	\$ 378,900,000
15	OSUC	Cascades Expansion- a. Site Reclamation	\$ -	\$ 9,000,000	\$ -	\$ 9,000,000	\$ 283,900,000	\$ -	\$ -	\$ -	\$ 9,000,000	\$ 387,900,000
16	OSUC	Cascades Expansion- b. Campus Infrastructure	\$ -	\$11,000,000		\$ 11,000,000	\$ 294,900,000		\$ -	\$ -	\$ 11,000,000	\$ 398,900,000
17	OSUC	Cascades Expansion- d. Student Success Center	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 10,000,000	\$ 304,900,000	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 15,000,000	\$ 413,900,000
18	OSUC	Cascades Expansion- c. Academic Building 2	\$10,000,000	\$29,000,000	\$ -	\$ 39,000,000	\$ 343,900,000		\$ 10,000,000	\$ 10,000,000	\$ 49,000,000	\$ 462,900,000
19	OSUC	Cascades Graduate & Research Center Renovation	\$ -	\$ 490,000	\$ -	\$ 490,000	\$ 344,390,000	\$ -	\$ -	\$ -	\$ 490,000	\$ 463,390,000
N/A	EOU	Track and Field Facilities Restoration Project	\$ -	\$ -	\$ -	\$ -	N/A	\$ 750,000	\$ -	\$ 750,000	\$ 750,000	N/A
N/A	PSU	University Center Building Land Purchase	\$ -	\$ -	\$ -	\$ -	N/A	\$ 15,000,000	\$ -	\$ 15,000,000	\$ 15,000,000	N/A
N/A	PSU	12th and Market Resident Hall	\$ -	\$ -	\$ -	\$ -	N/A	\$ 53,500,000	\$ -	\$ 53,500,000	\$ 53,500,000	N/A
N/A	OIT	Student Recreation Center	\$ -	\$ -	\$ -	\$ -	N/A	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 5,000,000	N/A

Principles to Guide the Prioritization of University Related State General Obligation and State Backed  
Debt Financed Projects

The Higher Education Coordinating Commission (Commission) is tasked by ORS ~~351.735~~350.075 to evaluate and prioritize capital investments of the state of Oregon in its higher education enterprise for recommendation to the Governor for inclusion in the Governor's Recommended Budget. The Commission recognizes that the most cost-efficient means of meeting the State's ambitious 40-40-20 goal is to maintain and increase the utilization and productivity of the current array of university-related capital assets. As necessary in order to meet the education, civic, cultural and research needs of Oregon and Oregon students, the Commission will recommend that additional state capital resources be deployed to support the renovation of existing facilities and the addition of new facilities.

On a biennial basis the Commission will receive from each institution requesting state-backed capital investments a report including how these investments, along with their current capital portfolio, unite the mission and strategy of the institution to key outcomes measures established by the HECC. To these ends the Commission adopts the following statement of principles.

- All state backed debt prioritized and approved by the Commission will support the Commission's strategic plan as well as class, lab, research or student services needs identified by the public university from which the request was received.
- A plan for supporting the ongoing operational and maintenance needs of current and proposed capital assets, including deferred maintenance and building renewal, must be in place if an institution seeks to expand their capital portfolio.
- General Obligation debt incurred by the state on behalf of institutions for the construction, purchase, or refurbishment of real property will principally serve either to (a) ameliorate constraints within the post-secondary system of higher education by expanding institutional capacity to support student access and completion; (b) extend the useful life of capital assets; or (c) develop or extend key competitive advantages that comport with the state's education, civic, cultural, and economic needs.
- The HECC will encourage projects that generate operational cost savings through the refurbishment or repurposing of existing facilities or the construction of new facilities.
- The HECC, in conjunction with the institutions, will evaluate the efficient utilization and proper maintenance of current capital assets in determining the need for the purchase or construction of additional capital assets.
- Collaboration between multiple educational, civic, state and private institutions will be encouraged.
- Where possible the leveraging of non-state resources will be encouraged in order to maximize mission attainment.
- The HECC will advocate for a level of state-paid capital debt that is adequate to provide institutions with the most cost-effective means of addressing deferred maintenance, life-safety, and code compliance needs that rise to the level of capital expenditures.

The Commission will explore the development of a mechanism for rationalizing the total investment of state resources, capital and operating through the state's funding allocation model to institutions. Only state-paid capital debt authorized during the 2015-2017 legislative session or after will be incorporated into this mechanism. A workgroup including representatives of the HECC and institutions will be convened ~~in July of 2015~~ before the 2017 Legislative Session for the purposes of developing this mechanism, exploring its potential consequences and reporting on its feasibility to the Commission.

On a biennial basis, the Commission will produce a scoring rubric designed to incorporate and operationalize the principles enumerated above.

**2017-19 University Capital Project - Prioritization Scoring**

Presented to the Higher Education Coordinating Commission Funding & Achievement Subcommittee

April 2016

Points	Category	Detail	
<b>A 0 Pts</b>	HECC Strategic Plan & Institutional Master Plan Compliant	The project must relate to the HECC Strategic Plan 2016-2020 (adopted February 2016), as well as the campus's Master Plan and primarily serve class, lab, research or student services needs.	
<b>B 1-30 pts</b>	HECC Priorities (State Priorities)		
	Pts	Priority Category	
	10	Eases capacity constraint within entire system	
	10	Supports student completion	
	5	Supports research & economic development capacity of institution	
	5	Collaboration between education institutions	
<b>C 1-10 pts</b>	Cost Savings	Projects are scored based on cost savings generated by eliminating or limiting deferred maintenance projects, and/or operational savings.	
<b>D 1-10 pts</b>	Life, Safety & Code Compliance	Projects are scored based on the priority of the project to meet life, safety and code compliance needs of mission critical items, including lifecycle cost analysis or projects that support key programs and initiatives.	
<b>E 4-20 pts</b>	Campus Priority		
	Tranche	Pts	
	1	20	
	2	18	
	3	16	
	4	14	
	5	12	
	6	10	
	7	8	
	8	6	
	Each campus will determine the weighted average priority points by projects based on \$20 million dollar priority tranches. Each priority tranche is worth the points indicated in this section.		
<b>F 1-5 pts</b>	Finish what we start	Projects are scored based on how the capital investment could best enhance or complement existing academic and completion program efforts.	
<b>G 1-15 pts</b>	Leveraging Dollars		
	Projects were scored based on the following schedule:		
	% Campus Match	pts	Majority pledged or in-hand
	50% or over	10	100% add
	40%	8	75% add
	30%	6	50% add
	20%	5	25% add
	10%	4	0% ≥ 10% add
	0%	0	
<b>H 1-10 pts</b>	Strategic Priority	Projects are scored based on their ability to bridge gaps and serve identified needs that support the educational, civic, cultural and economic development needs of the state.	

**Potential Points 100 pts**

## Oregon Public University Council

Post Office Box 751    503-725-4411  
Portland, OR 97207



April 29, 2016

Neil Bryant, Chair  
Higher Education Coordinating Commission  
775 Court Street NE  
Salem OR 97301-3827

Dear Chair Bryant,

We have enclosed a consolidated 2017-19 capital request for consideration by the Higher Education Coordinating Commission (HECC). As requested by HECC staff, each university will separately provide detailed information on each of the projects included on the attached list.

We developed this capital request through a collaborative process conducted by the Vice Presidents for Finance and Administration from each of the seven public universities. This process involved a rigorous consideration that sought to address Oregon's overwhelming need for capital renewal and investment, while balancing campus-specific opportunities and challenges. The attached document lists the projects in three "priority tiers". All of these projects have been reviewed and/or approved by our respective Boards of Trustees, senior administrations, and wide-ranging campus constituencies as the most justifiable investments needed to support and advance student success through the built environment.

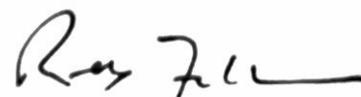
As a matter of perspective, the universities began the process working from an initial list for the 2017-19 biennium that included over \$614 million in state-paid debt. The collaborative effort among the seven universities narrowed the state-paid debt requested for Tier 1 projects to \$284 million. This figure includes \$65 million for Capital Improvement and Renewal. (As a matter of comparison, the consolidated Tier 1 request from the seven universities for the 2015-17 biennium was significantly higher -- \$346 million.)

Within the listing of Tier 1 projects, all seven universities agree that the \$65 million requested for Capital Improvement and Renewal remains our number one priority. We believe the HECC should carefully review and recommend all of the capital projects on the Tier 1 list for inclusion in the Governor's proposed capital budget for 2017-19.

The legislature and the universities work together to invest in infrastructure. Since 2007, the state has authorized \$1.05 billion (58.4%) of state-paid debt accompanied by \$750 million (41.6%) of university funding in the form of privately raised funds or university debt -- a partnership total of \$1.8 billion. (This figure does not include funding for revenue supported debt for non-educational activities such as athletics and residence halls.) We deeply appreciate that the state has been able to keep capital support in pace with the significant enrollment growth we have experienced over this period. These investments are just as crucial for student success as operating support.

We look forward to working collaboratively with you as the HECC considers the universities' priorities for future state capital investments, as well as the appropriate balance between capital and operating expenses for Oregon's public higher education institutions.

Sincerely,



Eastern Oregon University  
President Thomas A. Insko

Oregon State University  
President Ed Ray

Southern Oregon University  
President Roy H. Saigo

Western Oregon University  
President Rex Fuller

Oregon Institute of Technology  
President Chris Maples

Portland State University  
President Wim Wiewel

University of Oregon  
President Michael Schill

cc: Ben Cannon, Executive Director, HECC  
Andrew Rogers, Director of University Finance, HECC

Campus	Public University Project	2017-19 Consolidated Capital Request								
		State-Paid Debt				University-Paid Debt and Other Sources			PROJECT TOTAL (excluding COI)	
		XI-G	XI-Q	SELP	Lottery	State-Paid Total	XI-F	Gifts/Other		Univ Total
<b>TIER 1 PROJECTS:</b>										
ALL	Capital Improvement and Renewal		65,000,000			65,000,000			-	65,000,000
EOU	Information Technology Equipment Facility		1,200,000			1,200,000			-	1,200,000
EOU	Loso Hall Renovation, Phase I		5,500,000			5,500,000			-	5,500,000
EOU	Athletics & Physical Education Fieldhouse	2,000,000			4,000,000	6,000,000		2,000,000	2,000,000	8,000,000
OT	Cornett Hall Renovation/Center for Excellence in Engineering Education	2,000,000	38,000,000			40,000,000		2,000,000	2,000,000	42,000,000
OSU	Cordley Hall Renovation Phase I		15,000,000			15,000,000			-	15,000,000
OSU	Fairbanks Hall Renovation		11,000,000			11,000,000			-	11,000,000
OSU	Gilkey Hall Renovation	2,000,000	1,000,000			3,000,000		2,000,000	2,000,000	5,000,000
OSU	Oregon Quality Foods & Beverage Center	9,000,000				9,000,000		9,000,000	9,000,000	18,000,000
OSU-CC	Cascades Expansion-Site Reclamation		9,000,000			9,000,000			-	9,000,000
OSU-CC	Cascades Graduate & Research Center Renovation		490,000			490,000			-	490,000
PSU	Grad Education Building	36,000,000	9,000,000			45,000,000	6,000,000	45,000,000	51,000,000	96,000,000
SOU	Central Hall Deferred Maintenance		6,000,000			6,000,000			-	6,000,000
UO	Classroom and Faculty Office Building	30,000,000	25,000,000			55,000,000		30,000,000	30,000,000	85,000,000
WOU	Oregon Military Building Renovation	500,000	7,200,000			7,700,000		500,000	500,000	8,200,000
WOU	IT Building Renovation	500,000	5,000,000			5,500,000		500,000	500,000	6,000,000
		82,000,000	198,390,000	-	4,000,000	284,390,000	6,000,000	91,000,000	97,000,000	381,390,000
<b>TIER 2 PROJECTS:</b>										
EOU	Inlow Hall Grand Staircase Reconstruction	1,650,000				1,650,000		1,650,000	1,650,000	3,300,000
OT	Student Services Center/Recreation Center		15,000,000			15,000,000	5,000,000		5,000,000	20,000,000
OSU	Magruder Hall Teaching Hospital and Class Expansion	12,500,000				12,500,000		12,500,000	12,500,000	25,000,000
PSU	School of Art Design Building	25,000,000	25,000,000			50,000,000	10,000,000	25,000,000	35,000,000	85,000,000
SOU	Boiler Replacement		2,700,000			2,700,000			-	2,700,000
UO	Deady Hall Deferred Maintenance		13,500,000			13,500,000			-	13,500,000
WOU	New PE Building Renovation		9,400,000			9,400,000			-	9,400,000
		39,150,000	65,600,000	-	-	104,750,000	15,000,000	39,150,000	54,150,000	158,900,000
<b>TIER 3 PROJECTS:</b>										
EOU	Inlow Hall Seismic, Phase II		4,300,000			4,300,000			-	4,300,000
OT	Boivin Hall Renovation		7,400,000			7,400,000			-	7,400,000
OSU	Art Museum	7,500,000				7,500,000		7,500,000	7,500,000	15,000,000
PSU	Science 1	5,000,000	60,000,000			65,000,000		5,000,000	5,000,000	70,000,000
UO	Huestis Deferred Maintenance		40,000,000			40,000,000			-	40,000,000
UO	Condon Hall Deferred Maintenance		21,000,000			21,000,000			-	21,000,000
WOU	Administration Building Renovation		8,100,000			8,100,000			-	8,100,000
		12,500,000	140,800,000	-	-	153,300,000	-	12,500,000	12,500,000	165,800,000
<b>UNIVERSITY-PAID XI-F PROJECTS:</b>										
EOU	Track & Field Restoration					-	750,000	750,000	1,500,000	1,500,000
PSU	UCB land purchase					-	15,000,000		15,000,000	15,000,000
		-	-	-	-	-	15,750,000	750,000	16,500,000	16,500,000
<b>GRAND TOTAL</b>		133,650,000	404,790,000	-	4,000,000	542,440,000	36,750,000	143,400,000	180,150,000	722,590,000



KATE BROWN  
Governor

June 7, 2016

Higher Education Coordinating Commission  
775 Court Street NE  
Salem, OR 97301

Dear Commissioners,

Thank you for your service to our state and your expertise and leadership in higher education. As members of the Higher Education Coordinating Commission (HECC), you serve the important role of ensuring that our state meets its 40/40/20 goal by advancing higher education priorities.

I write to you to provide guidance for your review of the 2017-2019 public university capital budget requests. As you are aware, state-funded debt is a limited resource and as a result, not all projects will be funded in the 2017-2019 biennium. The recent high-water mark for public university capital requests was approximately \$250 million allocated for the 2015-2017 biennium. As such, I direct you to take that information into consideration as you develop your rankings. In addition, I ask that you ensure that your recommendations prioritize investments that facilitate the ability for underrepresented, first generation and low income students and students from rural areas of the state to pursue their degrees.

It is my expectation that public universities submit all capital requests for which they intend to seek state funding to the HECC for its review and ranking. HECC bears the responsibility for reviewing university capital requests, and I reiterate my support for HECC to fulfill its statutory authority.

Finally, in the longer-term, I look forward to working with the HECC on a long-range planning process that will take a broad view of higher education investments – both operating and capital investments – as we continue along the path to meet the state's 40/40/20 goal.

Thank you for your commitment to the state. I look forward to reviewing your recommendations for public university capital projects.

Sincerely,

  
Governor Kate Brown



# State Bond Type Descriptions

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Public universities utilize the following types of debt:

- **General obligation bonded debt** (e.g. XI-G, XI-F, XI-Q, *Alternate Energy Bonds, Pension Obligation Bonds*) – General Obligation (GO) bond debt is secured by the full faith and credit of the State of Oregon. In the State’s case, each GO bond program was created by a constitutional amendment passed by state voters. Therefore, the People of the State have unconditionally pledged to pay debt service (i.e. principal and interest) payments, over the life of each GO issue. This means that, barring the existence of other adequate repayment sources, all unrestricted public revenues must be used as needed to support debt service payments. This may include the levy of a statewide property tax if necessary and allowed by law.
- **Direct revenue bonded debt** (e.g. *Lottery Bonds, Revenue Bonds*) - Unlike GO bonds, direct revenue program debt is not secured by the State’s unlimited pledge to fund debt service with unrestricted public revenues or, where permitted, a statewide ad valorem property tax. Rather, funds to pay debt service are provided by a specific and dedicated revenue stream. Further, revenue programs typically do not require a vote of the People, but must be authorized by the Legislative Assembly. The State Legislature at all times holds the right to refer program approval to Oregon voters. Direct revenue bond programs are each considered fully self-supporting, and have no general obligation backing from the State. However, if program revenues were to become insufficient to support debt service payments, this does not preclude the State from providing a funding stream.
- **Appropriation credits** (e.g. *COPs*) - These credits are special limited obligations of the State payable solely from funds appropriated or otherwise made available by the State Legislative Assembly. The obligation of the State to provide appropriated moneys and to pay the bonds is subject to future appropriation by the Legislature for the fiscal period in which payments are due. As with State direct revenue bond programs, appropriation credits do not require a vote of the People, but must be authorized by the Legislative Assembly. Similar to revenue program debt, appropriation credits are not secured by the State’s unlimited pledge to fund debt service with unrestricted public revenues or, where permitted, a statewide ad valorem property tax. The State currently uses two types of appropriation credits: Appropriation Bonds and Certificates of Participation.

The legislature has been granted the authority by the Oregon Constitution to authorize, on behalf of the HECC and public universities, the issuance of bonds for construction, equipping, rehabilitation, remodeling, and repair of facilities. The Legislature has authorized the following types of debt for public universities: Under the terms of HB 3199<sup>36</sup>, the HECC is responsible for managing these debt types for public universities in concert with the Department of Administrative Services and the Oregon State Treasurer’s Office.

## 1) Article XI-G Bonds

These bonds are general obligation bonds issued for facilities that are of a general classroom and/or laboratory nature including Education & General type buildings (which could include administration buildings such as Kerr or Oregon Hall). Dedicated State General Funds are appropriated each biennium for debt service payments on Article XI-G Bonds for capital construction. Due to the likelihood for a late biennium bond sale, the state does not budget debt service in the biennium an XI-G funded capital project is approved for higher education. The debt service costs are rolled up in the next biennium’s budget. In the biennium for which the bond issuance is approved, the institution for which the bond is issued must fund any debt payment due. XI-G bonds may be structured or timed so that no debt service is due until the following biennium. Alternatively, interest earnings on unspent bond proceeds may be used to pay any interest expense due.

### *Article XI-G Bond History:*

In November 1960, Oregon voters approved a legislatively referred constitutional amendment that authorized the State of Oregon to issue XI-G bonds in order to finance the construction of buildings on Oregon public university and community college campuses. Originally under Article XI-G, the state legislature was required to “match” dollar for dollar the amount of XI-G bonds with upfront general fund appropriations before the state could undertake debt through the sale of bonds. This meant Oregon taxpayers would pay the entire bill, half of which was paid up front with general fund appropriation, and half financed over time. The legislature retires the bonds through general fund appropriations over the 20-30-year lifespan of the bonds. Funding can be used for both new buildings and to maintain or restore existing buildings. Beginning in the late 1980s and following the passage of Ballot Measure 5 in 1990, the legislature essentially eliminated the use of direct appropriations of general funds to be used as the only match for the construction of new buildings financed under Article XI-G. However, after the inception of the state lottery in 1985,

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<sup>36</sup><<https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/HB3199/Enrolled>>

the legislature began to use lottery bonds, both as a match for Article XI-G bonds and as an alternative form of financing. In the 1993 session, the legislature also began to use privately raised funds as the match for Article XI-G financing. This approach enabled individual universities to raise the necessary match through philanthropic contributions. Once a project was approved by the legislature, foundations would deposit funds with the State Treasury so that they could be considered as the general fund match for the bonds. In the 2000s the legislature approved XI-G projects matched with proceeds from the sale of COPs and SELP alternative energy bonds.

Historically the legislature has not approved Article XI-G financing for a building until the university demonstrated that it had the money in hand, or would be able to deposit the entire amount in the Treasury at some point during the biennium. The HECC is now responsible for such determinations under HB 3199.

## **2) Article XI-F (1) Bonds**

Article XI-F (1) bonds are general obligation bonds used to finance capital projects on facilities where an individual university has “sufficient revenues to pay the indebtedness and operate the projects financed with the proceeds of the indebtedness” (revenues includes all funds available to the constructing authority except amounts appropriated by the legislative assembly from the General Fund).

Revenues from auxiliaries, gifts, grants, investment earnings and building fees are used for debt service payments. Under HB 3199, the HECC is responsible for conducting revenue sufficiency tests required to issue XI-F (1) bonds.

## **3) Article XI-Q Bonds**

These bonds are general obligation bonds to finance the costs of acquiring, constructing, remodeling, repairing, equipping or furnishing real or personal property that is or will be owned or operated by the State of Oregon. Oregon voters approved a constitutional amendment in November 2010 authorizing the use of general obligation bonds (including XI-Q bonds) to finance or refinance the costs of acquiring, constructing, and equipping real or personal property. Statutory authority to issue XI-Q bonds is provided in ORS 286A.816-826. Article XI-Q bonds are expected to replace certificate of participation debt issuances in the future, resulting in significant savings in borrowing costs. Under HB 3199, the HECC will serve as the “project agency” for XI-Q bonds involving public universities.

## **4) Lottery bonds**

Lottery bonds are direct revenue bonds. Unlike general obligation bonds, revenue bonds are not secured by the state’s unrestricted public revenues (ORS 286A.560 to 286A.585). Lottery bonds have been used to fund a variety of Education & General related deferred maintenance and other projects. Dedicated lottery revenues pay the debt service on these bonds.

### *Lottery Bond History:*

Reliance upon foundations for matching Article XI-G bonds has created disparities in access to capital across public university campuses. Those campuses with larger foundations have been better able to fill the gap created by the elimination of general funds for new capital projects. The legislature responded by using lottery bonds at the regional campuses to fill in some of the gaps. In some instances, lottery bonds have also been used by the state to fund non-deferred maintenance capital projects when there has been a shortage in General Obligation bond debt capacity from other financing instruments.

## **5) Small Scale Energy Loan Program (SELP) loans**

Alternate Energy, or XI-J, bonds are general obligation bonds sold to provide loan funds for energy projects that promote energy conservation and renewable energy resource development. Eligible projects include those involving energy conservation, producing energy from renewable resources, using recycled materials to create new products, or producing or using alternative fuels. Universities have used SELP loans for a variety of deferred maintenance and other energy conservation capital projects in the last decade.

### *State Energy Loan Program History:*

In 1979, the legislature created the Small Scale Energy Loan Program (SELP). In 1980, voters approved an amendment to the Oregon Constitution (Article XI-J) authorizing the sale of general obligation bonds to finance small scale, local energy projects. The self-supporting program often makes loans that conventional lenders will not make. In other cases, SELP’s tax-exempt rates or long-term, fixed-rate loans make a project economically viable.

Campuses request energy loans directly from the Department of Energy for various non-deferred maintenance related SELP projects. Beginning in the 2005 legislative session the OUS began requesting approval through the legislative capital budget process for SELP loans for E&G related deferred maintenance projects. As a result, OUS began receiving General Fund Appropriation for debt service on those deferred maintenance projects whose energy savings were not enough to cover the full debt service payment.

#### **6) Certificates of Participation (COPS) ORS 283.085 to 283.092**

COPs are appropriation credits (tax exempt) and are not secured by the State's unlimited pledge to fund debt service with unrestricted public revenues. These credits are special limited obligations of the State payable solely from funds appropriated or otherwise made available by the State Legislative Assembly. The obligation of the State to provide appropriated moneys and to pay the debt service of the bonds is subject to future appropriation by the Legislature for the fiscal period in which payments are due. Because COPs are not secured by the full faith and credit of the issuer, the Legislature must approve the COP repayment amounts prior to each biennium for which payments are scheduled. In other words, the Legislature could deny a budget request for COP debt service. Should the State fail to make scheduled COP payments, the state may be denied use of the financed building(s) and equipment. Furthermore, the ability of the State to obtain financing for future needs would be lost. COPs were used to finance capital costs related to construction or acquisition and could not be used to finance ongoing operating costs. Universities have used COPs to finance certain equipment, computer software purchases as well as various construction projects. COPs were an attractive debt instrument for financing deferred maintenance projects since there is no requirement for matching funds. While debt service related to technology projects has historically been funded by operating revenues from the campuses (primarily tuition), construction related debt financed with COPs have been primarily funded by state appropriation.

As a result of the 2010 constitutional amendment allowing the use of XI-Q bonds to finance the costs of acquiring, constructing, and equipping real or personal property, XI-Q bonds are expected to replace the Certificate of Participation program and result in significant savings in borrowing costs due in part to a more favorable credit rating of general obligation bonds.