FACT SHEET: GOVERNOR'S RECOMMENDED BUDGET (GRB) FOR HECC 2017-2019
Last updated 12.7.16. For the full budget document, see Governor's Budget

"Affordable, accessible higher education is essential to Oregon's future." -2017-19 GRB

The Oregon Governor's Recommended Budget (GRB) was announced on December 1, 2016. The Higher Education Coordinating Commission (HECC) budget includes funding for: Oregon's 17 community colleges, Oregon's seven public universities and Oregon Health & Science University (OHSU), state financial aid and student access programs to support college success, capital bonding authority for the public institutions, Oregon's 9 Workforce Investment Boards, and HECC agency operations to support its work as the single statewide coordinating entity for postsecondary education. The GRB for all postsecondary education and workforce entities represented in the HECC budget totals $2,789M. General Funds (GF) and Lottery Fund (LF) total $1,962.1M, a 6.3 percent increase from the comparable 2015-16 Legislatively Adopted Budget (LAB). The overall state budget faces a deficit of $1.7 billion, which represents 8 percent of state's total GF/LF budget, which will require the Governor and Legislature to make cuts to existing programs and/or raise new revenue. The Governor's recommended budget includes a combination of both.

This fact sheet focuses primarily on General Fund (GF) and Lottery Fund (LF) dollars, not Other Funds. LAB: Legislatively Adopted Budget, GRB: Governor's Recommended Budget, CSL: Current Service Level

KEY GRB POSTSECONDARY EDUCATION INVESTMENTS

	2015-17 LAB	2017-19 GRB	Change from 2015-17 LAB
COMMUNITY COLLEGE SUPPORT FUND (CCSF)	$550.0M	$550.0M GF	0.0%
PUBLIC UNIVERSITY SUPPORT FUND (PUSF)	$667.3M	$667.3M GF	0.0%
OREGON OPPORTUNITY GRANT (OOG)	$140.9M	$151.1M ($132.4M GF $18.5M LF)	+8.1% *Anticipated to serve 5,000 additional students.*
OREGON PROMISE	$9.5M *(Funded only 2nd year of biennium, 1st cohort)*	$39.7M GF	*N/A - Funds continuing students and two cohorts for biennium by grant design*
NEW CAPITAL BONDING REQUESTS	$308.9M University ($252.0M State Paid, $56.9 M University Paid)	$349.8M University ($269.6M State Paid, $80.3M Univ. Paid) $75.2M College $15.0M All – Campus Safety	

Statewide financial aid programs: The GRB invests in college affordability and opportunity by increasing and sustaining investments in Oregon's key financial aid programs:

- ✓ Increases funding by 8.1 percent (an increase of 3.4 percent above Current Service Level) for the **Oregon Opportunity Grant** (OOG), Oregon's longstanding need-based financial aid program serving the lowest-income Oregonians with grants of $2,250 toward postsecondary expenses. The new funds are expected to increase the number of students served by approximately 5,000 to a total of 85,000 students. The OOG supports low income students and families, including young students and adults, attending eligible public and private Oregon colleges and universities.
- ✓ Fully funds the **Oregon Promise** for the biennium, providing grants to support most or all tuition at Oregon community colleges for recent high school graduates and GED recipients, supporting college access for families of all income levels. First awarded in 2016, the grant is designed to support students for up to 2 years. The GRB funds the current level of support for the program, continuing the support current recipients, as well as providing grants to eligible students in the high school classes of 2017 and 2018.
- ✓ Increases funding by four percent (to a total of $983,718) for the **Student Childcare Grant**, a small HECC-administered grant program that supports student parents in paying for child care costs.

Public Community Colleges and Universities: The GRB preserves critical investments made last biennium to public colleges and universities, and makes significant investments in capital and campus safety to support the ability of campuses to support student success and completion. (see page 2)

State support to Oregon's community colleges funds educational and operational expenses for the 17 colleges:

- ✓ The GRB preserves the 2015-17 LAB investment level at $550M in the **Community College Support Fund (CCSF).**
- ✓ The community college budget also includes $5.3M for skills center, grants to serve underserved students, and Oregon Promise student success supports, as well as $46K other funds.

The Public University Support Fund (PUSF) is the primary fund for state support of operational expenses at Oregon's public universities.

- ✓ The GRB preserves the 2015-17 LAB investment level in the PUSF at $667.3M.
- ✓ In 2015-2016, the HECC began implementing a new formula for the distribution of state resources to public universities that takes into account completions and student support, as well as other state priorities.

Future Public University Current Service Level (CSL) budget: The GRB includes approval of the policy decision to implement but does not fund a new Current Service Level valuation method for the Oregon public universities. This method (directed by SB 5701 in 2016) is based partially on the CCSF methodology.

The Public University State Programs are funded at $39M with no change to 2015-17 LAB. This includes $25M to sustain engineering and technology related investments to the universities.

The Agricultural Experiment Station, and Forest Research Laboratory are funded with no change to 2015-17 LAB. **The OSU Extension Service** existing programs are also funded with no change to 2015-17 LAB; however, $44M in Lottery Funds are included in the Extension Service budget to implement Measure 99 (2016) that establishes an Outdoor Schools Program.

The GRB eliminates Lottery Funds for the **Sports Action Lottery program**, which in prior years were dedicated primarily to intercollegiate athletics and graduate student scholarships.

Capital Bonding Authority: The GRB also invests significant increases in capital construction and campus safety systems, to ensure access and capacity to achieve Oregon's long term education and economic development goals, including:

- ✓ **18 new capital construction projects at all seven public universities** totaling $349.8M in new general obligation bond proceeds, $269.6M of which will include state paid debt service and $80.3M in projects where debt service will be paid by universities. Thirteen of these projects are entirely funded with Article XI-G and Article XI-Q bonds repaid by the General Funds. $45.7M is provided for capital repair, improvement and renewal projects funded with Article XI-Q bonds. Funded projects include: a new PSU Graduate School of Education facility, OIT's Center for Excellence in Engineering & Technology, initial funding for the Phil and Penny Knight Campus for Accelerating Scientific Impact at the UO, investments to build out the OSU Cascades campus, and campus renovations and modernizations around the state.
- ✓ **Eleven campus infrastructure projects at community colleges** under the Article XI-G bond program, totaling $75.2M. These projects include a new industrial technology building at Umpqua CC, a new agricultural complex at Chemeketa CC, a new health care village at Lane, a new workforce and academic building at Oregon Coast CC, a new animal science facility at Blue Mountain CC, and other renovations and expansions.
- ✓ **Campus safety investments for public campuses** totaling $15M in lottery bond proceeds related to safety infrastructure recommendations of the Oregon Campus Safety Workgroup, convened by the Governor in the wake of the 2015 UCC tragedy.

Debt Service: Debt service on previously approved capital projects for the universities, community colleges, and OHSU total $238.1M General Fund and Lottery Fund. Public university debt service is $193.8M, including $161.9M GF and $31.9M LF. Community colleges debt service is $43.8M, including $32.1M GF and $11.7M LF. OHSU bond related costs include GF to pay debt service on bonds issued for the OHSU Knight Cancer Institute is included in the Dept. of Administrative Services budget.

OHSU and hospital operations support is unchanged from 2015-17 LAB at $77.3M GF, including $66.8M for education and rural programs, $8M for the Child Development and Rehabilitation Center (CDRC), and $2.5M for the Oregon Poison Center.

Workforce Investments: Although the HECC- administered workforce investment programs are primarily funded federally, in the 2015-17 biennium it received $8.2M GF for payments to providers for National Career Readiness Certificates, Back-to-Work Oregon, and other workforce activities. The Governor's budget reduces these GF payments by 9 percent to $7.5M.

HECC Agency Operations: The GRB for HECC's agency office operations including 125 staff members was funded at $53.3M total funds (a reduction of 11 percent total), including $23.2M GF (a reduction of 3 percent GF). Reductions eliminate one-time funding and limited duration positions. Permanent positions are funded as well as a one-time investment to upgrade the HECC Office of Student Access and Completion financial aid data system (FAMIS), and two positions in auditing and human resources. One-time funding that has been eliminated includes Open Education Resource (OER) grants (HB 2871), support for College Possible (SB5507), and support for students transitioning from high school to college (SB5701). The Governor also announced required cost-saving measures for all agencies effective immediately for the current biennium including delays to hiring vacant positions, and elimination of non-essential work travel.