

2023-25 HECC Agency Request Budget

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Deputy Director



BUDGETING



EWWAAH

HECC: Agency Budget (Total Funds)

Activity	2021-23 Leg. Approved Budget	2021-23 CSL	2021-23 ARB
Director's Office	\$38.12 Million	\$24.60 Million	\$126.07 Million
Operations	\$21.31 Million	\$15.63 Million	\$28.85 Million
Research and Data	\$7.21 Million	\$8.00 Million	\$10.46 Million
Academic Policy Authorization	\$11.24 Million	\$5.77 Million	\$6.61 Million
Community Colleges & Workforce Dev.	\$55.01 Million	\$39.20 Million	\$46.08 Million
Office of Workforce Investments	\$323.98 Million	\$179.75 Million	\$316.12 Million
Oregon Student Access & Completion	\$298.05 Million	\$281.63 Million	\$1.121 Billion
<u>Postsecondary Finance & Capital</u>	<u>\$3.18 Billion</u>	<u>\$2.772 Billion</u>	<u>\$3.647 Billion</u>
TOTAL HECC AGENCY BUDGET	\$3.939 Billion	\$3.328 Billion	\$5.302 Billion

Change from
2021-23

+ 48.1 from LAB
+25.7% from Leg.
Approved Budget
+37.2% from CSL

'21-'23 "Budget Swings" unrelated to POPs

The LAB grew by 10.1% or \$360M this biennium. HECC's current Legislatively approved budget is \$3.94B Total Funds. This increase is due to one-time investments in Future Ready Oregon, Oregon Student Tribal Grants, Strong Start, Oregon Conservation Corp, and debt service growth that occurred during the short session.

One-time investments, along with certain types of ongoing budget commitments "phase out" or disappear from the Current Service Level budget. For example, limited duration positions, bond funded capital projects, and certain other projects need to be re-requested through POPs.

Our budget must factor in the "cost of money." When we request new bond funds, we must also include cost of issuance expenses, and debt service for current and past debt continues to grow and compound long after the projects are completed.

Programmatic and organizational changes within and outside of HECC can cause shifts in where funds are located in our budget. For example, next biennium Carl Perkins vocational funds will remain with the agency instead of transferring to ODE and Future Ready Oregon positions will move from OWI to their permanent homes in other offices.

After these changes are accounted for, only then do we factor in Policy Option Packages or requests for "new" money. HECC is requesting \$1.975 Billion in money for policy option packages in the 2023-25 ARB.

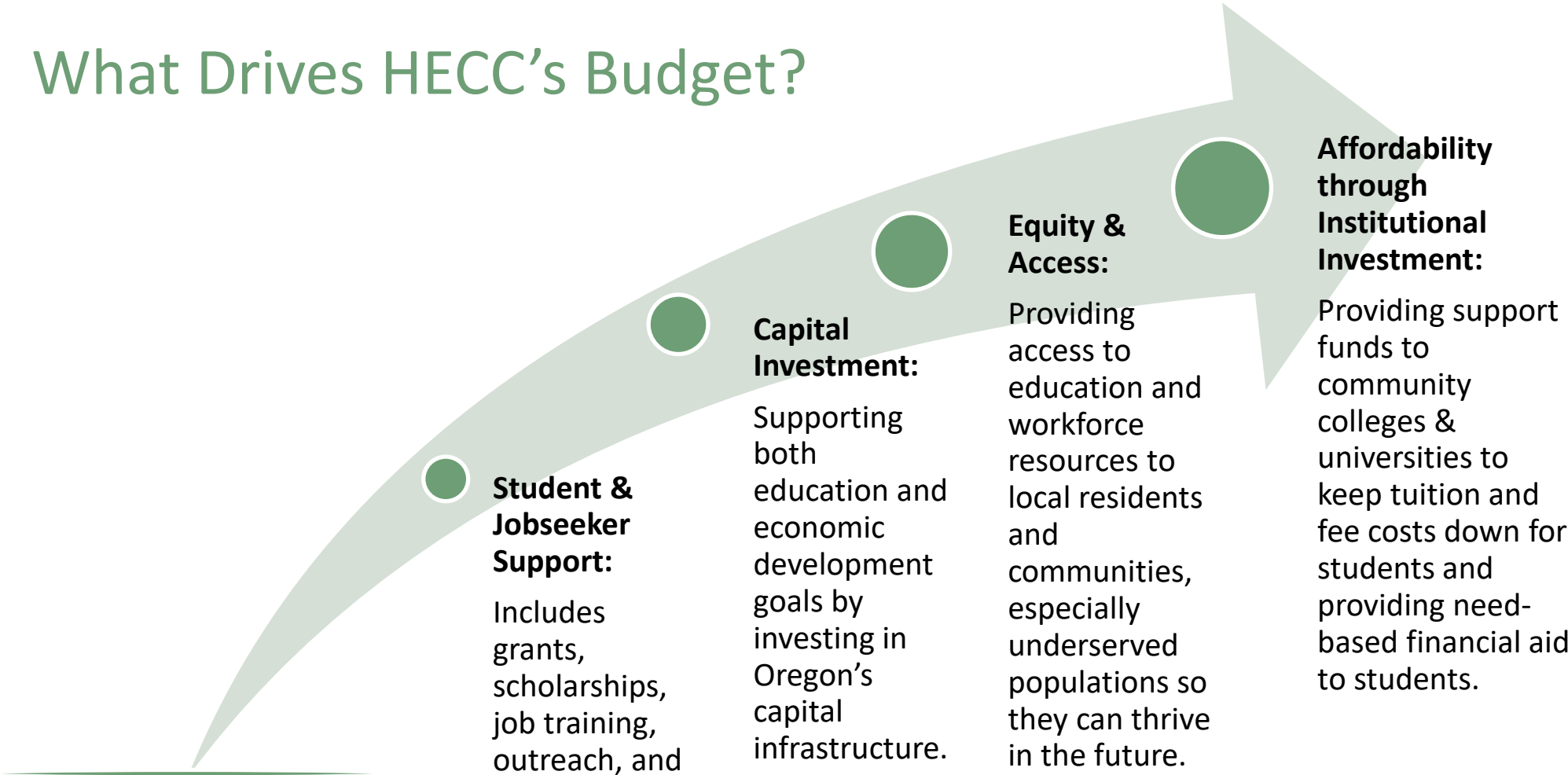
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What Drives HECC's Budget?



Student & Jobseeker Support:
Includes grants, scholarships, job training, outreach, and other direct assistance to Oregonians.

Capital Investment:
Supporting both education and economic development goals by investing in Oregon's capital infrastructure.

Equity & Access:
Providing access to education and workforce resources to local residents and communities, especially underserved populations so they can thrive in the future.

Affordability through Institutional Investment:
Providing support funds to community colleges & universities to keep tuition and fee costs down for students and providing need-based financial aid to students.

Operational Support

HECC Policy Option Packages—Financial Aid & Affordability

101 Oregon Tribal Student Grant *\$40.25M GF*

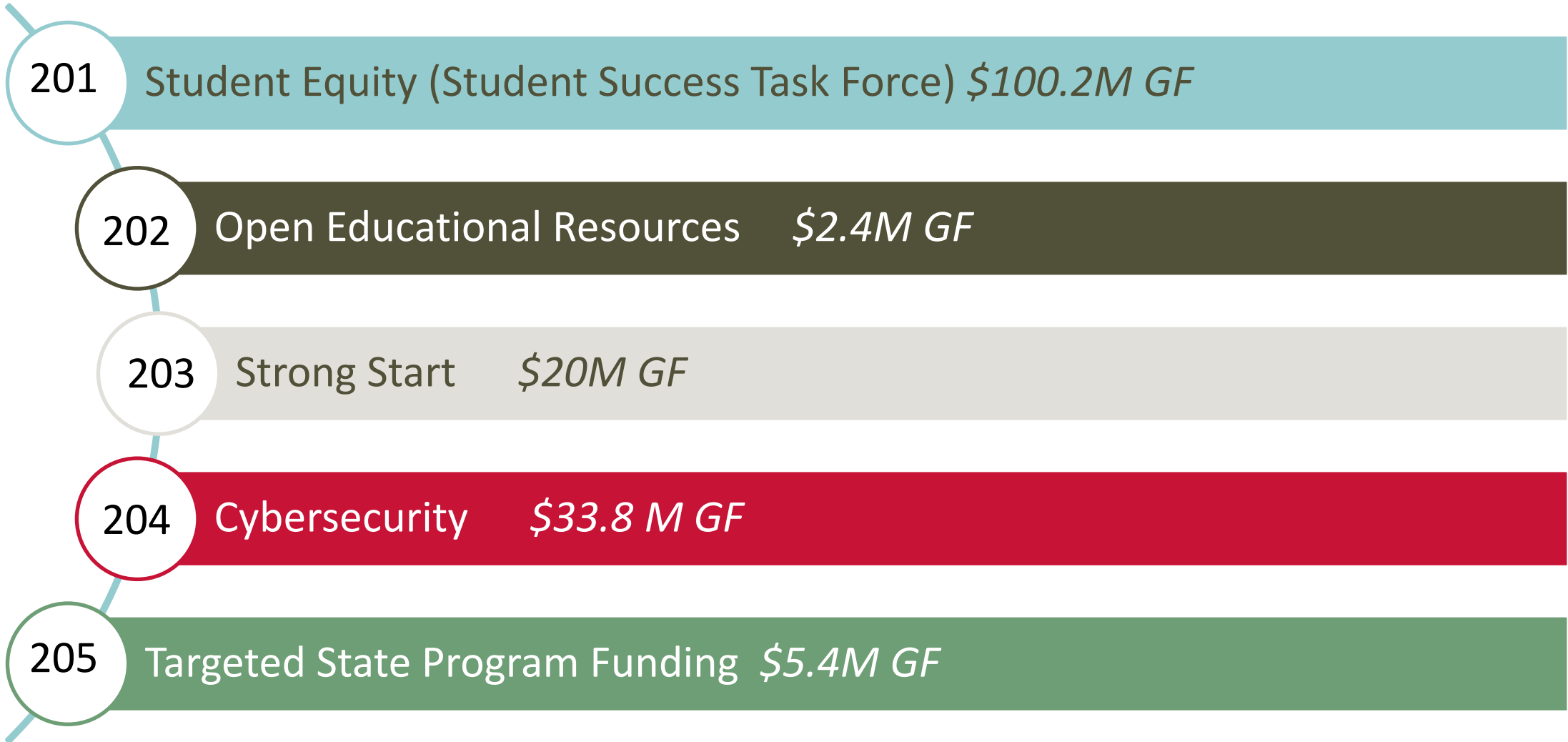
102 Oregon Opportunity Grant/Oregon Promise *\$729.4M GF, \$50M LF*

103 Aspire/FAFSA *\$6.7M GF*

104 Student Child Care Grants *\$4.2M GF*

105 Oregon National Guard Education Grants *\$4.08M GF*

HECC Policy Option Packages—Institutional Support



HECC Policy Option Packages—Institutional Support (cont'd)

206

Public University Support Fund *\$21.47M GF*

207

Community College Support Fund *\$140.85M GF*

208

Public University Capital Projects *\$610.2M OF*

209

Community College Capital Projects *\$38.04M OF*

HECC Policy Option Packages—Career Development & Support

301 Oregon Youth Works *\$12M GF*

302 Early Learning Educator Grant *\$5.2M GF*

303 Career Information System *\$2M GF*

304 AmeriCorps Education Incentives *\$2M GF*

HECC Policy Option Packages—HECC Operational Support

401 Student and Jobseeker Enterprise IT System *\$1.12M GF, \$9.35M OF*

402 Comprehensive Data and Reporting *\$1.4M GF*

404 Transfer Portal *\$10M GF*

405 Rural Student Policy *\$274.7K GF*

406 Future Ready Oregon *\$112.09M OF*

HECC Policy Option Packages—HECC Operational Support (cont'd)

407 Program Support \$449.4K GF, \$707.5K OF

408 Reclassifications \$414.2K GF, 88.9 OF, (32.5K) FF

409 Private Career School Compliance \$237.1K GF

410 OregonServes \$215.2K GF, \$214.5K FF

411 Access to Transcripts \$274.7K GF

POP 101: Oregon Tribal Student Grant

Challenge:

Earlier this year, Oregon made a historic investment in equitable college access when it created the Oregon Tribal Student Grant, which pays cost of attendance for enrolled members of Oregon's nine federally recognized tribes.

Unfortunately, it was funded with one-time money and will sunset at the end of the biennium unless it is renewed.

Solution: POP 101

POP 101 will provide ongoing funding for the Oregon Tribal Student Grant so that the program extends beyond one year. Renewal of the program supports equity and access, affordability, and student support goals.

Cost: \$40.245M GF

POP 102: Oregon Opportunity Grant/Oregon Promise Expansion

Challenge:

One out of every two Oregon students cannot afford their education and struggle to make ends meet.

The current funding level for the Oregon Opportunity Grant does not adequately meet student need. The award amounts are often not sufficient for those who receive the award, and not all students who have need can be served.

Solution: POP 102

The Oregon Opportunity Grant Expansion increases access and affordability by increasing base funding to expand current awards, providing tiered awards based on need and sector costs, and making targeted awards to students near completion.

The Promise Expansion removes accelerated learning discount, removes GPA requirements, and allows the award to be used at any eligible Oregon postsecondary institution, including four-year colleges and universities.

Cost: \$729.4M GF, \$50M LF

Additional Financial Aid Programs

POP 103: ASPIRE/FAFSA \$6.66 GF

- Expand college readiness program to serve more communities.
- Establish competitive ASPIRE grants to support underserved communities
- Work with partners to increase FAFSA application completion

POP 104: Child Care Grant \$4.2M GF

- Increase number of student parents served. Current resources cannot serve all eligible students.

POP 105: Oregon National Guard Education Grants \$4.08M GF

- Current resources do not meet existing demand.
- SB 101 (2021) changed grants from “last dollar” to “first dollar” program and there has been extensive overseas demobilization.
- OMD is also proposing the expansion of eligibility to spouses and dependents.

Institutional Support Policy Option Packages

POP 201: Student Equity \$100.26M GF

- Intended to sustain and grow existing, successful student service programs for traditionally underrepresented students
- Could include scaling existing programs and also new programs modeled after best practices nationwide
- Should align with recommendations from Legislative Task Force on Underrepresented Student Success

POP 202: Open Educational Resources \$2.4M GF

- Program has been repeatedly received grant funding, but this POP places it in the base budget and allows for program expansion to increase equity-based course design and translation into additional languages

POP 203: Strong Start \$20M GF

- Continues existing Strong Start program
- A summer bridge program that provides wrap around services and skill building for incoming and returning students

POP 204: Cybersecurity \$33.8 million

- Includes funding for additional personnel, technology to secure cloud access and ensuring intrusion detection, and training
- Education is the number 1 target of cyberattacks internationally
- Institutions lack the resources to address

Institutional Support Policy Option Packages (cont'd)

POP 205: Targeted State Program Funding

- Includes carryforward funding for two programs (PSU/OSU Environmental Justice Mapping Tool and OSU Wildfire Risk Map) (\$1M). The other \$4M is a request to increase funding levels for ongoing state programs and statewide services at the universities. The programs include: Engineering Technology Sustaining Funds, TallWood Design Institute (OSU), Dispute Resolution (UO and PSU), Oregon Solutions (PSU), Signature Research (PSU, UO, OSU), Labor Education Research Center (UO), OSU Ocean Vessels Research, Oregon Renewable Energy Center (OIT), Population Research Center (PSU), Institute for Natural Resources (OSU), Clinical Legal Education (UO), Oregon Climate Change Research Institute (OSU), Veterinary Diagnostic Lab (OSU), and the statewide services are Agricultural Experiment Station, Extension Service, and Forest Research Lab.

POP 206: Public University Support Fund

Current	CSL	Orig. Base Request	HECC Recommendation
\$900.0 million	+8.0% to \$972.0M	+8.7% to \$978.0M	+10.3% to \$992M
Use of fund balances ongoing	Tuition increases above 5% on most campuses	Would allow most universities to keep tuition at or below 5%	Meets identified operational needs
Existing enrollment declines for some	Reduced student affordability	Preserves affordability and student support investments	Does not place dedicated equity funds in support fund (as requested); instead relies on investment in direct student aid through OOG/OP
Completion improvement over time	Potential use of fund balances	Maintains progress toward statewide goals	

POP 207: Community College Support Fund

Current	CSL	Orig. Request	HECC Recommendation
\$699.0 million	+9.3% to \$764.1M	+44.3% to \$1,005.2M	+20.1% to \$855M ongoing + \$50M one-time (29.5% Total)
Use of fund balances ongoing	Due to enrollment declines, and the resulting loss in tuition revenue, the colleges are reporting a larger need for state funding in 2023-25	Annual average tuition increases of 3.2%	Provides funds to cover increasing cost drivers and operational expenses, but does not replace use of one-time federal funds
Existing enrollment declines		Annual enrollment growth of 1.3%	
Completion improvement over time		No use of fund balance	Includes one-time investment of \$50 million to enable colleges to adapt to emerging enrollment trends and employer demands.
		No new programs or staffing increases	

POP 208: Public University Capital Projects

Focus on improvement and replacement

- Two projects are new construction while two include both renovations and new construction. All other projects focus on improvement and renewal.

Focus on STEM and student success

- Of the top five projects, three are primarily major renovations of STEM, and Health Sciences, two are Language, Arts and Mathematics based.

\$128.2 million in institutional matching

- Most institutional matching comes from donor funds.

\$232.5 million in eliminated deferred maintenance

POP 208: Prioritized Public University Capital Projects

2023-25 Biennium, in \$ millions

University and Score		Project	XI-Q Bonds	XI-G Bonds	Institution Funds	Total Project
ALL	-	Capital Improvement and Renewal	90.0	-	-	90.0
UO	98	Friendly Hall DM	67.9	7.5	7.5	83.0
OSU	94	Collaborative Innovation Complex	-	75.0	91.0	166.0
PSU	91	Vernier Science, Gateway*	54.7	4.3	4.3	63.3
WOU	89	Health Sciences Renovation	40.9	1.3	1.3	43.5
SOU	87	Central Hall Escalation*	13.4	0.7	0.7	14.8

*previously appropriated projects. Additional funding being requested.

POP 208: Prioritized Public University Capital Projects (cont'd)

2023-25 Biennium, in \$ millions

University and Score		Project	XI-Q Bonds	XI-G Bonds	Institution Funds	Total Project
SOU	86	Creative Industries/Student Success	40.8	1.1	1.1	43.0
OIT	85	Learning Resource Center Renovation	25.2	1.4	1.4	28.0
EOU	83	Loso Hall Renovation Phase II	36.2	1.2	1.2	38.5
WOU	82	Center for Human Achievement	26.9	0.9	0.9	28.7
OIT	80	Semon Hall Renovation	19.8	1.1	1.1	22.0
OSU-C	74	Health, Science, and Rec Center	30.0	15.0	15.0	60.0
OIT	73	Center for Student Success	22.7	1.3	1.3	25.2
Totals			468.5	110.8	126.7	706.0

POP 208: Self-Funded University Projects

2023-25 Biennium, in \$ millions

	Project	XI-F Bonds	Institution Funds	Total Project
PSU	Smith Memorial Student Union	\$8.2	\$1.5	\$9.7
PSU	Vernier, Science, Gateway	\$16.0	*	*
	TOTALS	\$24.2	\$1.5	\$25.7

*This is in addition to the funding noted for this same project on the previous slide. Total project is \$79.3M.

Article XI-F bond requests are not prioritized according to the rubric. However, HECC staff performs a revenue sufficiency analysis as part of the review process.

POP 209: Community College Capital Projects

Focus on improvement and replacement

- Two projects are a blend of renovation and new, three projects are renovations reducing deferred maintenance

Focus on Technical Skills Development

- Of the five projects, four are related to STEM and technical skill development aligned with workforce needs. Three projects improve student success centers

\$86.7 million in institutional matching

- Most institutional matching comes from donor funds.

\$73 million in eliminated deferred maintenance

POP 209: Prioritized Community College Projects

2023-25 Biennium, in \$ millions					
Priority and College		Project	XI-G Bonds	Institution Funds	Total Project Cost
1	Lane	Science Building Improvements	\$8.0	\$15.5	\$23.5
2	Southwestern	SUCCESS Project	\$8.0	\$14.7	\$22.7
3	Columbia Gorge	Facility Renovations	\$5.5	\$5.5	\$11.0
4	Umpqua	Welcome Center	\$8.0	\$9.4	\$17.4
5	Portland	Rock Creek Building Replacement	\$8.0	\$41.6	\$49.6
		TOTALS	\$37.5	\$86.7	\$124.2

Career Development & Support Policy Option Packages

POP 201: Oregon Youth Works

\$12M GF

- Continues \$10M investment from SB 762 (2021) for the Oregon Conservation Corps
- Includes \$2M to perform outreach to Tribal Youth

POP 302: Early Learning Educator Grant

\$5.2M GF

- Provides grants to students pursuing early childhood education, mental health and behavioral health degrees

POP 303: Career Information System

\$2M GF

- Funds statewide access to Oregon's Career Information System and makes *Credentials that Work* available to all Oregonians

POP 304: AmeriCorps Education Incentives

\$2M GF

- Provides in-state tuition rates and matches federal Segal grants up to \$3,500 per AmeriCorps member
- Will provide incentive to attract and retain AmeriCorps members

HECC Operational Support POPs

POP 401:
Student and
Jobseeker
Enterprise
System
\$9.34OF,
\$1.1M GF

POP 402:
Comprehensive
Data and
Reporting
\$1.4M GF

POP 404:
Transfer
Portal
\$10M GF

POP 405: Rural
Student Policy
\$274K GF

POP 406:
Future Ready
Oregon
\$112.09M OF

POP 411:
Access to
Transcripts
\$274.7K GF

POP 407:
Program
Support
\$449K,
\$707.5K OF

POP 408:
Critical
Reclasses
\$414K GF,
\$88K OF

POP 409:
Private
Career School
Compliance
\$237.1K GF

POP 410:
OregonServes
Education
Incentive
\$215.2K GF,
\$214.5K FF