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## **Docket Item**

2022 Meeting Topics and Projects

## **Summary**

During 2022, a number of topics and projects will be brought before the HECC's Funding and Achievement (F&A) subcommittee for consideration. This docket item provides a summary of meeting topics and the timing associated with them for commissioner input and feedback.

## **Docket Material**

The first half of the year, through the June 2022 meeting, will focus on a number of existing projects including the financial conditions report, public university tuition setting, HEERF spending, and the budget development process. Summary explanations of these projects are included below.

The second half of the year will focus on a mix of existing and new projects. Existing projects include public university capital (CIR formula data and calculations) and an update on university finances. The new projects include a potential funding equity analysis and a draft of tuition setting administrative rules. The CCSF review process will persist throughout the year. More information on each is included below.

### **Public University Tuition Setting**

The Commission is responsible for considering tuition increases for undergraduate, resident tuition and mandatory enrollment fees that exceed five percent. The universities begin the tuition setting process during the fall and conclude with board recommendations in the spring. HECC staff monitors the process throughout.

As part of the process, the universities must utilize a tuition advisory body, provide training to the members of that body, provide for student engagement, and describe the process while posting applicable materials on its website. If the university recommends an increase greater than five percent, it must document the potential impact of higher tuition on historically underserved students, the impact on the institution's mission, and describe alternative scenarios involving smaller increases.

HECC staff will provide updates to the Commission throughout the spring. This begins with an overview of the process including background information during April. It continues with calculations of tuition and mandatory fee increases in May. Should any of the universities seek approval for an increase greater than five percent, consideration of that request will occur in June during the full commission meeting. HECC staff will provide more information on that process as necessary in May.

### **Higher Education Emergency Relief Fund (HEERF) Spending**

Across three federal relief acts, \$780.6 million was provided to 66 Oregon institutions within the HEERF to respond to the pandemic. Funding was earmarked for emergency student financial aid and for institutional purposes. The institutions are required to provide quarterly reporting to the US Department of Education (US DOE) on how they use the funds.

Annual reports for 2021 are due to the US DOE by February 5, 2022. HECC staff will present summary of how much funding has been spent along with more detail around the use of emergency student financial aid in April.

**2023 Budget Request Development Process**

HECC staff will complete 2023 Agency Request Budget (ARB) development work, guided by the Commission’s Strategic Plan. At key junctures in the process, staff will request feedback and input from the F&A subcommittee as noted in the table below. Staff will present the final ARB to the F&A subcommittee and the full Commission for approval at their August 2022 meetings.

<b>April</b>	Summary of POPs	A presentation of potential policy option packages (POPs) including a high-level summary of each.
<b>May</b>	Stakeholder presentations	The institution associations, workforce advocates and student financial aid advocates will be invited to provide context and perspective.
<b>June</b>	Agency overview	An agency overview with an update on POPs along with staff recommendations for support funding and capital proposals.

**Capital Improvement and Renewal (CIR) Data and Calculations**

Historically the State of Oregon provides CIR funding to the public universities to address urgent, capital needs. This often includes code compliance issues, Americans with Disabilities (ADA) Act projects, and critical deferred maintenance. For the 2021-23 biennium, the Legislature appropriated \$80 million for this purpose.

The HECC uses a formula that incorporates educational and general (E&G) space and a density factor to allocate the funding. Data is collected in September to update the distribution. The proposed allocation, based on updated information, will be reviewed with the Commission in October, 2022.

**Funding Equity Analysis**

Recent research suggests that completion rates are correlated to the amount institutions spend on education-related activity, and that the financial resources available to an institution matter greatly for student success. With that in mind, a funding equity analysis can be performed to examine trends including how much institutions spend per student, how much they receive in state appropriations and tuition revenue, and how these financial patterns vary across institutions.

This analysis can be conducted with existing data readily available to HECC staff. The analysis will include community colleges and public universities. The intent of the analysis is to identify persistent financial inequities that exist among public institutions, and how addressing them could improve opportunities and outcomes for underrepresented students. The goal is to share this analysis with commissioners in August.

**Tuition Setting Administrative Rules**

The public university tuition setting process has evolved over time to include a number of components. Currently, there are no administrative rules covering this topic, and it has been recommended one be adopted.

Staff’s goal is to have a conversation with the commissioners in November about which of the existing process components should be included in a potential rule and how specific should the rule language be written. The draft rule would then follow the established rule making process including a public hearing. The earliest the Commission could consider a proposed rule would likely be February 2023.

**Staff Recommendation**

For discussion and informational purposes only.