

Docket Item: 8.0 - May Legislative Update

Budget Updates

The final economic and revenue forecast prior to the adoption of the 2023-2025 budget will be issued on May 17th. After this date, the legislature will begin the process of fine-tuning the budget bills that will need to be passed prior to adjournment on or before the constitutionally required June 25th *sine die* adjournment. Assumptions regarding the next forecast remain relatively unchanged from the prior legislative update. With little in the way of additional resources projected to be available in the upcoming biennium, the largest single unknown factor in terms of determining overall budget levels is how much the legislature will set aside for budget reserves. The fewer dollars set aside in the coming biennium, the more resources are available for appropriations.

Even though the final forecast has not been released, the legislature is beginning to pencil in budget line items. At this stage, it appears as though the most likely funding scenario includes funding for the continuation of the Tribal Student Grant, modest increases to the Oregon Opportunity Grant above current service level, and increases above the initial co-chair's budget framework to the two institutional funding formulas (the Community College and Public University Support Funds).

Two areas of the budget are more uncertain. First, institutional capital investments appear yet to be determined, and it is typically not until later in session when these decisions are made. Second, there is very little clarity on whether there will be room for any other new program bills, task force bills, or continuation of programs funded with one-time resources for the current biennium.

HECC Sponsored Legislation

The following HECC-sponsored initiatives are moving through the legislative process:

[SB 217](#) – Removing the responsibility for developing the cosmetology curriculum from HECC and placing it with the Health Licensing Office. This bill has passed the Senate but will need to be amended in the House and returned to the Senate for final passage, to insert language requested by cosmetology schools of HLO. The House Behavioral Health and Health Care Committee has drafted this amendment and is expected to vote on the bill on 5/10. (Senate vote: 27-2)

[HB 3560](#) – Provides immunity to HECC for actions it takes related to psilocybin. The bill has passed the House and is scheduled for a vote in the Senate Education Committee on 5/9. (House vote: 52-5)

[HB 3561](#) – Expands the yet-unfunded Early Childhood Care and Education grant program to include students studying early childhood behavioral and mental health. The bill has passed the House and has a vote scheduled in the Senate Education Committee on 5/16. (House vote: 42-1)

[HB 3563](#) – Consolidates the Oregon Youth Corps and Oregon Conservation Corps advisory boards into one board to oversee these programs as well as the Oregon Youth Employment Program. The bill has passed the House and has a vote scheduled in the Senate Education Committee on 5/16. (House vote: 42-1)

[HB 3564](#) – The Commission’s minor and technical revisions bill that adjusts Commission membership to account for the addition of a 6th congressional district. The bill has been amended to include changes necessary to align state statutes and rules to federal accreditation terminology, as well as make minor modifications to the ASPIRE program. It will likely be further modified in the Senate Education Committee to restore expired HECC student complaint authority. The bill has passed the House and has a vote schedule in the Senate Education Committee on 5/11. (House vote: 53-1)

[HB 3565](#) – The bill codifies the Tribal Student Grant Program as an ongoing and permanent state financial aid program. The bill has passed the House Higher Education Committee and is in the Joint Ways and Means Committee.

HECC had proposed modifications to the Oregon Opportunity Grant and Promise programs thought [HB 3566](#). This bill did not receive a public hearing and is no longer viable this session. The Oregon Opportunity Grant alterations in this bill are included in [SB 262](#).

Other Legislation

The following is a list of other legislation staff is tracking.

Access and Affordability

[SB 129](#)– These bill deals with the Oregon Opportunity Grant tax credit program. Over the course of the first several years of the program, the sale of these credits produced between \$13 and \$14m in revenue each year. However, the auction now costs more in credits issued than revenue it produces, and it may be eliminated in favor of a direct appropriation.

[HB 2615](#) – Expands the Oregon Promise program by providing that veterans may enroll in the program up to 12 months after discharge from active duty.

[HB 3089](#) – Creates a \$5m program to fund campuses making progress on student hunger and allows HECC to designate an institution as a “Hunger Free Campus.”

[SB 270](#) – Allows an adult in custody to enroll in any community college or post-secondary program in the state provided that enrollment is consistent with Department of Corrections policy.

Capital Construction

[HB 5005](#) – Allocates bond proceeds for capital construction projects at institutions of higher education.

Governance

[HB 2611](#) – Modifies the requirements for institutions related to part-time faculty health care by extending coverage to dental and vision benefits and including any employee that works at least 30% of full-time equivalent status.

[HB 2740](#) – Establishes that one classroom hour constitutes 2.67 hours of employment for the purpose of determining benefits eligibility for faculty.

[SB 273](#) – Adds one voting and one non-voting undergraduate student to each university governing board. Requires governing boards also include a graduate student if the institution has a significant graduate student population. Grants faculty and non-faculty staff voting rights on the board. Requires HECC to provide regular convenings and trainings for governing board members.

Pathways

[SB 523](#) – Authorizes community colleges to offer a Bachelor of Science degree in nursing.

Workforce

[HB 2977](#) – Establishes a grant program to assist higher education institutions and the state workforce system in producing more graduates and trainees in behavioral health fields.

[HB 2979](#) – Requires the WTDB to create a module for chairside dental assistant education and training intended to support the development of dental assistants, particularly in rural settings.

[HB 3254](#) – Establishes a semiconductor industry consortium similar to those established as part of Future Ready Oregon.

[SB 849](#) – Establishes a program that connects individuals with international educational credentials with programs and services designed to ease such individuals path to employment in the state in a career field related to their international education and training.

Staff Recommendation:

No Commission action is required. This is an informational item.