

FACT SHEET: GOVERNOR’S RECOMMENDED BUDGET Higher Education Coordinating Commission 2021-23

Last updated December 9, 2020

All information is based on preliminary unaudited budget reports and the GRB narrative summary and will be updated as more information becomes available.

The Oregon Governor’s Recommended Budget (GRB), announced on December 1, 2020 is available here: [Governor’s Recommended Budget 2021-23](#).

The Higher Education Coordinating Commission (HECC) budget recommended by Governor Kate Brown 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; capital bonding authority for the public institutions; Oregon’s nine Workforce Investment Boards; Oregon Volunteers; Oregon Youth Corps; and HECC agency operations. The funding for all postsecondary education and workforce entities in the HECC budget totals \$3.18B, including all fund types, General Fund (GF), Lottery Funds (LF), Federal Funds (FFF), and Other Funds (OF); this is an increase of 9.6 percent from 2019-21 LAB and 11.2 percent from CSL. General Funds and Lottery Funds total \$2.43B.¹

GRB STATE INVESTMENTS IN POSTSECONDARY EDUCATION AND TRAINING

Legislatively Adopted Budget (LAB), Current Service Level (CSL)², Governor’s Recommended Budget (GRB)

	2019-21 LAB	2021-23 CSL	2021-23 Modified CSL	2021-23 GRB	GRB Change from LAB	GRB Change from CSL
HECC BUDGET Total Funds and State (GF and LF) Funds <i>OF and FF not shown</i>	\$2.90B TF including: \$2.18B GF \$144.4M LF	2.86B TF, including: \$2.30B GF \$154.3M LF	2.88B TF, including: \$2.32B GF \$151.6M LF	3.18B TF, including: \$2.28B GF \$152.5M LF	+9.6% TF +4.4% GF +5.6% LF	+11.2% TF -1.2% GF -1.2% LF
SUPPORT TO OREGON COMMUNITY COLLEGE SUPPORT FUND (CCSF) <i>OF not shown</i>	\$645.8M TF, including: \$645.8M GF	\$673.2M TF, including: \$673.1M GF	\$673.2M TF, including: \$673.1M GF	\$645.8M TF, including: \$645.8M GF	No change TF No change GF	-4.1% TF -4.1% GF
PUBLIC UNIVERSITY SUPPORT FUND (PUSF)	\$836.9M TF, including: \$836.9M GF	\$886.1M TF, including: \$886.1M GF	\$886.1M TF, including: \$886.1M GF	\$836.9M TF, including: \$836.9M GF	No change TF No change GF	-5.6% TF -5.6% GF
OREGON OPPORTUNITY GRANT (OOG)	\$164.2M TF including: \$109.5M GF \$40M LF \$14.7M OF	\$171.25M TF, including: \$114.2M GF \$41.7.0M LF \$15.3M OF	\$168.5M TF, including: \$114.2M GF \$39.0M LF \$15.3M OF	\$171.2M TF, including: \$114.2M GF \$41.7M LF \$15.3M OF	+4.3% TF +4.3% GF No change LF +4.3% OF	No change TF, GF, LF, OF
OREGON PROMISE	\$40.97M TF, including: \$40.97M GF	\$42.2M TF, including: \$42.2M GF	\$42.2M TF, including: \$42.2M GF	\$42.2M TF, including: \$42.2M GF	+13.0% TF +13.0% GF	No change TF No change GF

PUBLIC COMMUNITY COLLEGES AND UNIVERSITY OPERATING FUNDS

STATE SUPPORT TO OREGON’S 17 COMMUNITY COLLEGES for educational and operational expenses:

Community College Support: The GRB funds the Community College Support Fund (CCSF) at \$645.8M TF, with the same 2019-21 LAB General Fund levels as in 2019-21 and a small increase in OF. This is a 4.1 percent reduction from CSL. The GRB

¹ Note: This fact sheet focuses primarily on General Fund (GF) and Lottery Fund (LF) dollars, not Other Funds (OF) and Federal Funds (FF). Other abbreviations include: Current Service Level (CSL), Governor’s Recommended Budget (GRB), Legislatively Adopted Budget (LAB).

² Current Service Level (CSL) includes LAB plus inflation factors and state government service charges. Modified current service level includes LAB, current service level, and any E-Board actions or legislative actions taken after the agency request, so includes adjustments made in the August 2020 Special Session.

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also funds the Sabin-Schellenberg and Margaret Carter skills centers and grants to colleges to support students who are first generation and historically underserved at the 2019-21 LAB level.

STATE SUPPORT TO OREGON'S SEVEN PUBLIC UNIVERSITIES for educational and operational expenses:

Public University Support Fund (PUSF): The GRB funds the PUSF at 2019-21 LAB investment level of \$836.9M General Fund. This is a 5.6 percent reduction from CSL.

HEALTH CARE: In addition to the funds above, the GRB invests **\$10.0M GF to support health care benefits for public institution part-time faculty** who provide instruction at multiple institutions.

FINANCIAL AID AND ACCESS PROGRAMS

The Oregon Opportunity Grant (OOG), Oregon's longstanding need-based financial aid program serving the lowest-income Oregonians with grants toward postsecondary expenses, is funded at CSL which is \$171.2 TF. The OOG supports low-income students and families, including both recent high school graduates and adults, who attend eligible public and private Oregon colleges and universities. This reflects 4.3 percent increase from LAB. In 2018-19, the grant served 32,794 students.

The Oregon Promise, Oregon's grant program to support tuition at Oregon community colleges for recent high school graduates and GED recipients, is funded at CSL which is \$42.2M GF. In 2018-19, nearly 10,500 eligible students received Oregon Promise grants.

The Oregon National Guard State Tuition Assistance (ONGSTA) Program is funded at \$1.7M GF for the biennium; this does not restore the cut made in the special session of 2020, so reflects a decrease of 59.2 percent from CSL and 53.4 percent from LAB for a program supporting undergraduate tuition for current Oregon National Guard members.

The Governor's budget includes \$5.0M in new GF dollars in the HECC budget to fund **college outreach and support programs, including:**

\$1.0M new funding for a total of \$3.1M TF to Oregon ASPIRE, the State of Oregon's mentoring program to help students access education and training beyond high school. This is an increase of 48.4 percent from CSL and 52.2 percent from LAB.

\$1.0M to AVID (Advancement Via Individual Determination): a nonprofit that partners with K-12 schools on equitable, student-centered approaches to preparing students for college and career.

\$1.0M to The BUILD EXITO Directors Fund: a non-profit supporting scientific scholarship and research by providing mentorship and instruction to historically underrepresented students.

\$1.0M to College Possible: a non-profit that supports college admission for students from low-income backgrounds through an intensive curriculum of coaching and peer support.

\$1.0M to The Oregon TRIO Association: a non-profit focused on promoting educational equity by increasing access for low-income and traditionally underserved students in higher education.

College support for COFA students: The GRB also includes \$4M GF to support tuition equity for eligible students who are citizens of the Republic of Marshall Islands, the Federated State of Micronesia, and the Republic of Palau who live in Oregon under the Compact of Free Association (COFA).

OTHER UNIVERSITY FUNDING

Public University State Programs: The regular Public University State Programs are funded at \$47.8M GF. Existing programs are funded at the 2019-21 LAB level. The Governor's Budget moved \$2.8M GF for the Veterinary Diagnostic Lab out of the Public University Support Fund and added it to this program.

Statewide Public Service Programs (The Agricultural Experiment Station, Extension Services, and Forest Research Laboratory): The total funding is \$193.0M. While the existing programs, including Outdoor School, are funded at 2019-21 LAB levels, additional funding comes from moving funding for building maintenance of statewide public services facilities (\$4.1M GF) from the Public University Support Fund to this program.

Sports Action Lottery: The GRB includes \$15.1M in Lottery Funds for the Sports Action Lottery program, which is dedicated primarily to scholarships for underrepresented and women's intercollegiate athletes and graduate student scholarships. If revenues

exceed the annual caps, the remaining funds are to be transferred to the Oregon Opportunity Grant program. This is an increase of 7.3 percent from LAB and 11.8 percent increase from CSL and is based on the December 2020 Economic Forecast.

OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)

The GRB funds OHSU at \$79.2M GF. This supports the OHSU schools of Medicine, Dentistry, and Nursing; the Office of Rural Health; the Area Health Education Centers; the Child Development and Rehabilitation Center; the Oregon Poison Center; and the Oregon Child Integrated Dataset.

HECC AGENCY OPERATIONS AND WORKFORCE FUNDING

Agency Operations Total: The GRB for HECC's agency office operations in general sustains its work as the statewide coordinating agency for postsecondary education and workforce training and development with a total of \$49.6M TF including \$35.0M GF, but reduces HECC staffing by nine positions (six FTE) for 2021-23. Despite the reduction in staff, the agency budget shows an increase of 8.1 percent from CSL and 26.5 percent from LAB due to the new investments described here as well as a fund shift of positions and services and supplies to GF in order to comply with the U.S. Department of Labor's approved Indirect Rate Model. The GRB supports the following Policy Option Packages (POPs) proposed by HECC.

\$11.7M for Oregon Youth Employment Program (POP 202): Provides paid work experience and workforce training to underserved youth ages 14-24 by funding grants to local workforce development boards, community-based organizations, and other youth-serving organizations that manage these programs. This will provide an estimated 1,500 youth with eight weeks of work experience being paid at least at minimum wage.

\$550K for the Transfer Portal (POP 204): Builds on HB 2998 (2017) to fund the research and consulting necessary for an actionable plan for future technology investments to effectively communicate the new transfer pathways to students. It lays the ground work for a Transfer Portal, a single web-based tool where students, advisors, families, and educators can go to understand how courses articulate at public institutions.

\$5.1M for HECC IT FAMIS Replacement (POP 401): At 40 years old and with substantial security risks and process inefficiencies, this package modernizes the Financial Aid Management Information System (FAMIS), the primary technology the agency uses to administer financial aid programs to Oregonians.

\$540K for DEI Staffing (POP 402): Supports POP 402 funding HECC staffing to enhance diversity, equity, and inclusion (DEI) efforts and to operationalize the Equity Lens, provide outreach, community engagement, dedicated tribal consultation, and support to eliminate systemic racism in agency policies and practices.

\$674K for the HECC Salem Building Lease (POP 405): Supports the consolidation of HECC staff into one building, located at 3225 25th Street SE.

CAPITAL BONDING AUTHORITY

The GRB supports state-paid capital bonding authority for numerous capital investments to ensure access and capacity to achieve Oregon's long-term education and economic development goals.

University Capital Funding: The GRB supports the HECC's request for an \$80M investment in capital repair and renewal at public universities plus the following capital construction projects at the public universities, including: EOU Inlow Hall Renovation Phase II, OSU Corley Hall Renovation Phase II, OSU-Cascades Student Success Center, PSU Gateway Center Reuse and Extension, and UO Heritage Building Renovation. The total state-paid bonding is \$306.6M.³

Community College Capital Funding: The GRB supports \$32.5M in state-paid bonding for five capital construction projects at Oregon's community colleges, including: Tillamook Bay CC CTE Building, Renovations; Rogue CC Transportation Technology Complex; Linn-Benton CC Agricultural Center; Chemeketa CC Building 7 Remodel for the Health and Fitness Center; and Klamath CC Childcare Learning Complex.

The budget also provides General Fund and Lottery Funds debt service for previously approved projects for the public universities, community colleges, and the Oregon Health and Science University.

³ An error in the GRB narrative with respect to one university project is corrected here. The OSU-Cascades project supported is the Student Success Center, previously listed as Phase II Remediation & Campus Infrastructure, and the total state-paid bonding is \$306.6M, previously listed as \$309.4M.