



FACT SHEET: GOVERNOR’S RECOMMENDED BUDGET Higher Education Coordinating Commission 2019-2021

Last updated December 6, 2018

OVERVIEW

The Oregon Governor’s Recommended Budget (GRB), announced on November 28, 2018, is available below and at budget.oregon.gov.

- [Turning Point for Oregon’s Future, Governor’s Budget and Policy Agenda](#) (condensed budget summary)
- [Governor’s Recommended Budget](#) (full GRB)

Governor Kate Brown presented her recommendations in the form of a base budget plus an accompanying \$1.9B education investment plan, with plans to work with the Legislature, the business community, and stakeholders to fund the investment plan. The figures for both the full education investment plan and the base budget included in it are summarized here.

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; capital bonding authority for the public institutions; Oregon’s 9 Workforce Investment Boards; Oregon Volunteers; Oregon Youth Conservation Corps; and HECC agency operations. The base HECC budget is \$2,722.4M Total Funds, a 9.3 percent decrease from the 2017-19 Legislatively Adopted Budget (LAB). Seventy-one percent of HECC’s overall budget is comprised of General and Lottery Funds (a 0.4 percent increase over the same time period). The Governor’s proposed investment package would add \$583.2M General Fund (GF), a 28.6 percent increase to HECC’s GRB base budget. *Note: 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

	2017-19 LAB	2019-21 GRB Base Budget	Base Budget Change from 2017-19 LAB	2019-21 GRB including Base and Investment Package	Investment Package Change from 2017-19 LAB
COMMUNITY COLLEGE SUPPORT FUND (CCSF)	\$573.9M GF	\$543.0M GF	-5.4%	\$646.7M GF	12.7%
PUBLIC UNIVERSITY SUPPORT FUND (PUSF)	\$736.9M GF	\$736.9M GF	0%	\$856.9M GF	16.3%
OREGON OPPORTUNITY GRANT (OOG)	\$145.9M \$125.2M GF \$20.7M LF	\$152.0M \$121.3M GF \$30.7M LF	4.2%	\$273.5M GF	87.5%
OREGON PROMISE	\$40.0M GF	\$19.9M GF	-50.2%	\$40.0M GF	0%

STUDENT SUCCESS AT PUBLIC COMMUNITY COLLEGES AND UNIVERSITIES

The GRB with the investment package increases the state investment in public colleges and universities to keep tuition increases below five percent, and promote the ability of campuses to support student success and completion. In addition to the specific investments below, the GRB with the investment package makes a \$15M investment to implement safety recommendations of the Oregon Task Force on School Safety, which was convened after the Umpqua Community College tragedy.

STATE SUPPORT TO OREGON'S 17 COMMUNITY COLLEGES funds educational and operational expenses:

- **Community College Support Fund (CCSF):** The GRB with the investment package increases the 2017-2019 LAB level for the CCSF by \$103.7M to \$646.7M, a 12.7 percent increase. The base budget would be \$543M, a 5.4 percent decrease from the 2017-19 LAB.
- **Community College Career and Technical Education (CTE) programs:** The GRB with the investment package includes a \$70M new investment in high-demand programs to double the number of CTE certificate and degrees awarded in next three years. This is a new investment and not included in the GRB base budget.

STATE SUPPORT TO OREGON'S 7 PUBLIC UNIVERSITIES funds educational and operational expenses:

- **Public University Support Fund (PUSF):** The GRB with the investment package increases the 2017-19 LAB investment level for the PUSF by \$120M to \$856.9M, a 16.3 percent increase. The GRB base budget is the same as 2017-19 LAB at \$736.9M.

Other University Funding supports the diverse missions of the public universities:

- **Public University State Programs:** The GRB with the investment package increases funding for these programs to \$74.8M total, an 85 percent increase from 2017-19 LAB. This includes \$60M in engineering and technology-related investments to the universities (Engineering and Technology Sustaining Funds, or ETSF), a significant increase to expand engineering graduates across Oregon's public universities. The GRB base budget for the State Programs is \$14.8M, a 68 percent decrease, and this GRB base budget discontinues ETSF entirely.
- **The Agricultural Experiment Station, Extension Services, and Forest Research Laboratory:** The GRB base budget for all three programs remains at 2017-19 LAB levels: \$66.1M for Agriculture Experiment Station, \$47.7M for Extension Services, and \$10.2M for the Forest Research Laboratory. The investment package adds an additional \$20M to the three programs.
 - **Measure 99 Outdoor Schools Program** (hosted by OSU Extension Service): The GRB base budget funds the program at \$24M, the same level as 2017-19 for one year of the biennium, while the investment budget provides funding for both years of the biennium.
- **Sports Action Lottery:** The GRB investment package would increase funding to \$14.1M LF for the Sports Action Lottery program, while the base budget eliminates funding for the program, which is dedicated primarily to scholarships for underrepresented and women's intercollegiate athletes and graduate student scholarships.

FINANCIAL AID AND OUTREACH

Oregon Opportunity Grant: The OOG is Oregon's longstanding need-based financial aid program for the lowest-income Oregonians, serving 39,758 students in 2017-18. The OOG supports low-income students and families, including young students and adults, attending eligible public and private Oregon colleges and universities.

- The GRB with the investment package increases OOG funding by \$121.5M GF/LF, increasing the investment by 87.5 percent from 2017-19 LAB levels, with \$20M targeted for students enrolling in a nursing program to incentivize growth in that industry. The new funds are expected to increase the number of students served by approximately 13,000 students and increase the impact of this award by benchmarking it to college costs. Without the investment package, the OOG funding in the base budget is \$152M.

Oregon Promise: Oregon Promise: This program provides 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 approximately two years (up to 90 credits), and served 9,530 in 2017-18, and 7,063 in 2016-17.

- The GRB with the investment package continues funding for the Oregon Promise for the biennium at the current 2017-19 LAB level of support of \$40.0M GF for the program. This funding level would maintain support for current Promise recipients as well as provide grants to eligible students graduating in the high school classes of 2019 and 2020. Without the investment package, the GRB base budget funds the Oregon Promise for the first year of the biennium with \$19.9M in funding, then discontinues this program for all students.

College and Career Navigation: The GRB investment package supports HECC partnerships with community-based culturally specific organizations, K-12, and higher education institutions to ensure that diverse students across the state receive support to navigate pathways to college. The GRB investment package provides \$2.6M in new funds, while the base budget does not include this funding.

Oregon National Guard Tuition Assistance Program: Funding for this program is increased in the GRB base budget from \$2.5M to \$5.19M, enabling HECC to fund the program for both years of the biennium.

OTHER WORKFORCE INVESTMENTS

HECC Workforce Investments: Although HECC- administered workforce investment programs are primarily funded federally, there is a modest state GF investment in the base budget for strategic workforce activities. These activities include locally driven competitiveness strategies, industry engagement, convening, as well as individual work experiences. The GRB includes \$139.7M in Total Funds, an increase of 9.4% from the 2017-19 LAB. An additional \$4.1M GF is provided in the base budget to support these strategic investments in workforce programs.

Youth Employment: Supporting HECC’s work to implement the Governor’s Future Ready Oregon initiative, the GRB investment package includes an addition of \$15M to fund the Oregon Youth Employment Program, which will provide Oregonians ages 14-24 with work experiences, including internships, summer jobs and on-the-job training as well as exposure to career information, including required education or training.

CAPITAL BONDING AUTHORITY

The GRB base budget invests in capital construction to ensure access and capacity to achieve Oregon's long-term education and economic development goals. The total investment in capital bonding for public institutions is \$240.7M, which is 39.3 percent less than the 2017-19 investment.

University Capital Funding: The GRB supports six capital construction projects at the public universities, including four new projects and two reauthorizations. This investment totals \$173M in new general obligation bond proceeds, \$80M of which will include state paid debt service and \$93M in projects where debt service will be paid by universities. The GRB includes the HECC’s priority request for a \$65M investment in capital repair and renewal at public universities and funds lower-priority projects at EOU and UO, as well as two reauthorizations at PSU. The Governor recommends reserving an additional \$225M in bonding authorization for the 2020 session in order to permit the HECC to complete its work on a 10-year strategic plan for public university capital.

Oregon Public Universities Capital Projects Proposed				
Institution	Project	XI-Q (state paid)	XI-F (university paid)	Total
All Universities	Capital Improvement and Renewal	\$65M		\$65M
EOU	Residence Hall		\$14M	\$14M
EOU	Inlow Hall Grand Staircase Replacement	\$3M		\$3M
PSU	12th & Market Residence Hall		\$60.5M	\$60.5M
PSU	Land Acquisition for University Center Building		\$15M	\$15M
UO	ShakeAlert & AlertWildfire Seismic Station Installation	\$12M		\$12M
WOU	Valsetz Dining & Auxiliary Services Renovation		\$3.5M	\$3.5M
Total		\$80M	\$93M	\$173M

Community College Capital Funding: The GRB supports two new capital construction at Oregon’s community colleges projects (at Central Oregon CC and Klamath CC), as well as reauthorization of seven previously approved projects under the

Article XI-G bond program. These projects also include \$8M in new lottery bond issuance for Blue Mountain CC. The investment totals \$67.7M.

Oregon Community Colleges Capital Projects Proposed				
Institution	Project	XI-G (state paid requiring match)	Lottery Bonds	Total
BMCC	Facility for Agricultural Resource Management	\$5.0M	\$8.0M	\$13.0M
CCC	Marine Science Center Renovation & Expansion	\$8.0M		\$8.0M
COCC	Classroom Building Redmond Campus	\$8M		\$8M
KCC	Apprenticeship and Industrial Trades Center	\$3.9M		\$3.9M
LCC	Health Care Village Facility	\$8M		\$8M
MHCC	Maywood Park Center	\$8M		\$8M
OCCC	Workforce Education & Resiliency Center	\$8M		\$8M
SOCC	Dellwood Hall Remodel & Expansion	\$2.7M		\$2.7M
UCC	Industrial Technology Building	\$8M		\$8M
Total		\$59.7M	\$8M	\$67.7M

OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)

The GRB is \$74.1M, a decrease of 4.2% from the 2017-19 LAB. The budget provides \$63.1M for education and rural programs, \$8.3M for the Child Development and Rehabilitation Center (CDRC), and \$2.7M for the Oregon Poison Center.

HECC AGENCY OPERATIONS

The GRB for HECC’s agency office operations supports its work as the statewide coordinating agency for postsecondary education and workforce development, with 125 FTE for 2019-21 funded through state general funds, fees, and federal dollars. HECC Operations was funded at \$24.3M general funds (an increase of 3.4 percent). It provides the HECC agency with necessary new capacity in procurement, internal auditing, and human resources while protecting the agency from cuts to any existing, filled positions.

Oregon Volunteers and the Oregon STEM Council joined HECC midway through the 2017-2019 biennium; the full biennial budget for Oregon Volunteers is included in the HECC GRB, and the STEM Council was not funded.

PARTNER FUNDING

The GRB includes investments in partner agencies that have implications for the PK-20 education enterprise and progress toward postsecondary education and workforce goals, including investments to improve high school graduation, the creation of a Public University Innovation Fund, scholarships through Scholars for a Healthy Oregon Initiative, OHSU Graduate Medical Education, Measure 98 funding for CTE programming, Regional Promise funding for Accelerated Learning, scholarships for early childhood education educators, and more. HECC will be working with stakeholders and partner agencies—including Oregon Department of Education, Business Oregon, and the Employment Department— on initiatives that have cross-sector impact.