



OREGON'S INVESTMENT IN ITS 17 COMMUNITY COLLEGES

PATRICK CRANE, Director, HECC Office
of Community Colleges and
Workforce Development

JIM PINKARD, Director, HECC Office of
Postsecondary Finance and Capital

Presented to: Joint Committee on Ways and
Means, Subcommittee on Education

2019 PRESENTATION, DAY 6

Presentation Schedule

Days 1-2	<ul style="list-style-type: none"> • Introduction to Postsecondary Education and Training in Oregon: Agency Overview, Mission, Goals, Budget Components, History of Funding, National Context
Day 3	<ul style="list-style-type: none"> • Affordability: Key Factors, State Financial Aid Programs
Day 4	<ul style="list-style-type: none"> • Learner Pathways and Transitions: Pre-College Programs and Outreach, Transitions to Career Success, Industry Needs, Supporting Learners in a PK-20 System, Private Postsecondary Oversight and Coordination
Day 5	<ul style="list-style-type: none"> • Public Testimony
Days 6-7	<ul style="list-style-type: none"> • State Support for Community Colleges: Students Served, Funding Impacts, Capital Construction • Community College presentations
Day 8	<ul style="list-style-type: none"> • Public Testimony
Days 9-10	<ul style="list-style-type: none"> • State Support for Public Universities: Students Served, Funding Impacts, Capital Construction • University presentations
Day 11	<ul style="list-style-type: none"> • Other Missions of Universities: Statewide Public Services, State Programs
Day 12	<ul style="list-style-type: none"> • Public Testimony
Day 13	<ul style="list-style-type: none"> • OHSU, Public Testimony
Day 14	<ul style="list-style-type: none"> • An Integrated Postsecondary Agency: HECC Operations Agency Budget, Conclusion

HECC Offices represented by presenters:

OFFICE OF COMMUNITY COLLEGES AND WORKFORCE DEVELOPMENT, OFFICE OF POSTSECONDARY FINANCE AND CAPITAL

State Support for Community Colleges

The CCSF is 22.5% of the HECC budget.

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Community College Support Fund (CCSF)	Funds critical investments made to public community colleges to support educational and operational expenses	\$573.9M Total \$573.9M GF \$46K OF	\$594.8M Total \$594.8M GF \$46K OF	\$546.8M Total \$546.8M GF \$46K OF
Change from 2017-19				-4.7% from LAB -8.1% from CSL
Debt Service on Previous Community College Capital Projects	Supports debt service on previously approved capital infrastructure projects for the community colleges	\$39M Total \$26.5M GF \$11.7M LF \$777.6K OF	\$46.3M Total \$34.8M GF \$11.5M LF	\$46.3M Total \$34.8M GF \$11.5M LF
Change from 2017-19				+18.8% from LAB 0% Change from CSL

Community Colleges: New Capital Infrastructure Funding

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Community College Capital Infrastructure Funding	Bond proceeds support two new capital infrastructure projects at Central Oregon CC and Klamath CC, and reauthorize seven additional projects through the Article XI-G bond program.	\$102.9M OF Limitation	\$0	\$67.7M OF Limitation <i>Includes \$8M in Lottery Bonds for BMCC.</i>

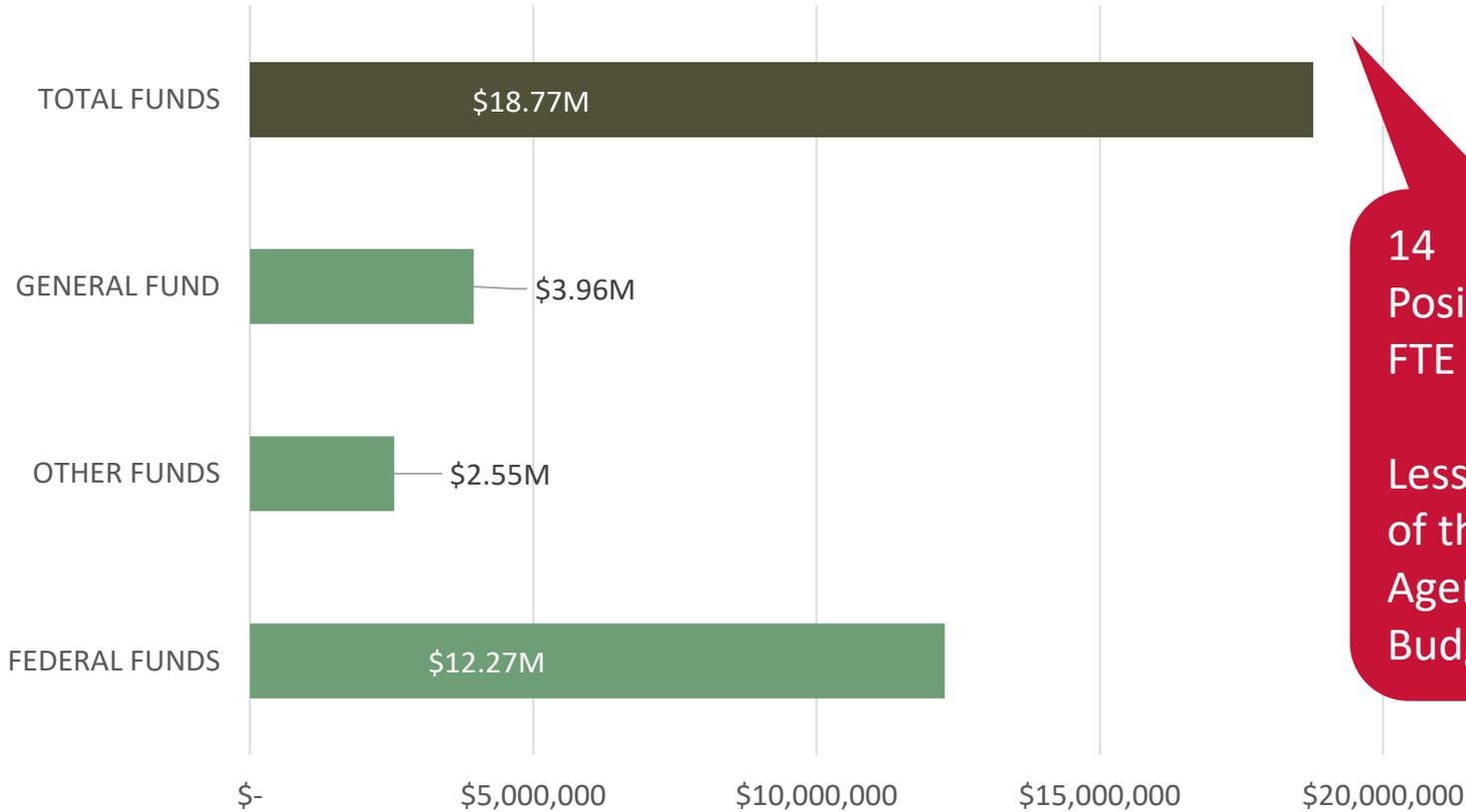
Change from 2017-19 -34.4% from LAB



Current Service Level (CSL):

HECC Office of Community Colleges and Workforce Development (CCWD) Coordinates With the Colleges

In the HECC Agency, the Office of Community Colleges and Workforce Development (CCWD) coordinates with the community colleges. Funding for the CCWD comes predominantly from Title II of the federal Workforce Innovation and Opportunity Grant and Carl D. Perkins Career and Technical Act. Federal funds makes up 65.4% of the total budget. The remainder comes from General Fund (21%) and Other Funds (13.6%).



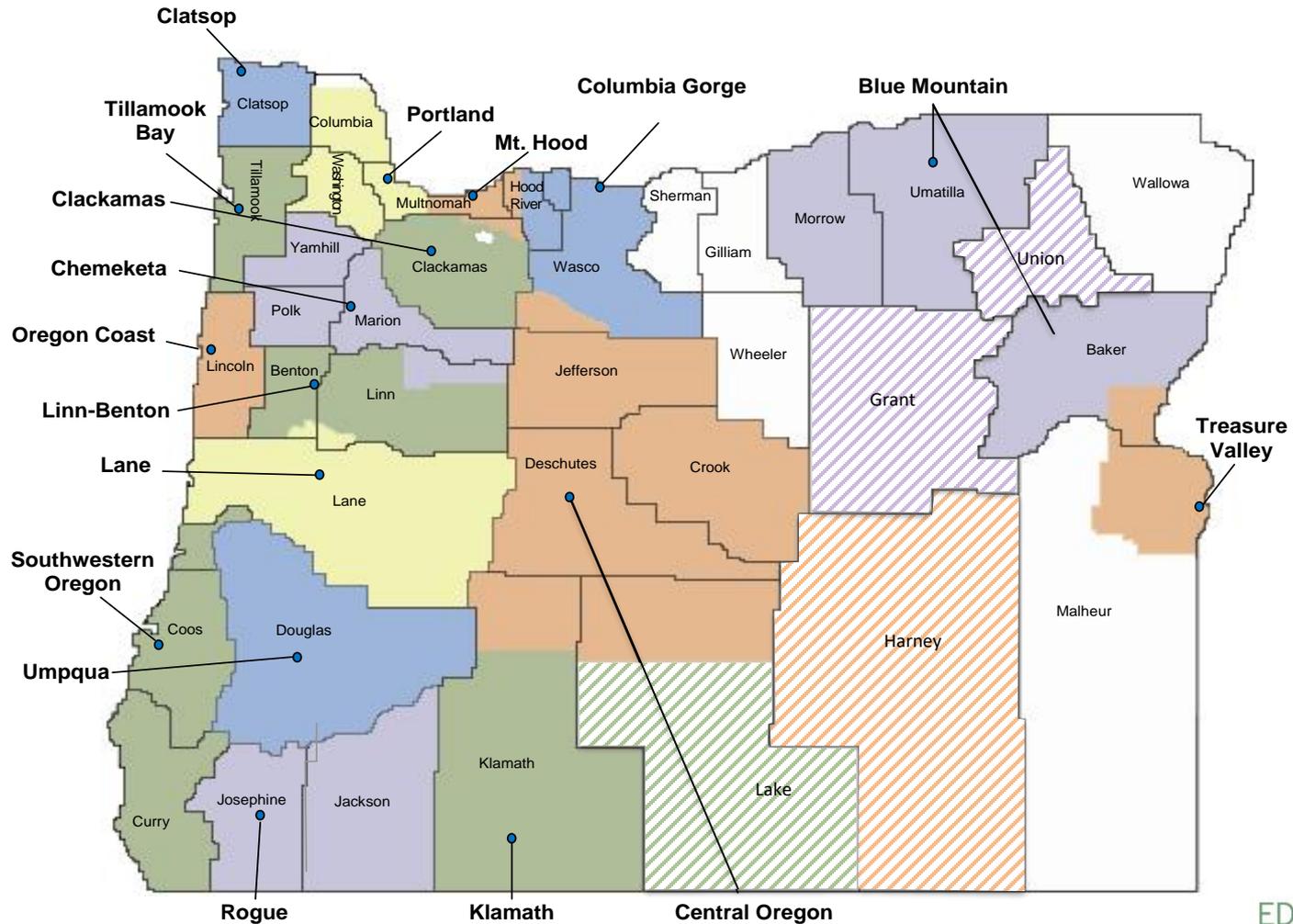
14
Positions/13.7
FTE

Less than 1%
of the Total
Agency
Budget

OREGON COMMUNITY COLLEGE STRUCTURE AND GOVERNANCE



Oregon Community College and Community College Districts



Community College and HECC Roles

Community colleges:

- Provide open access for all Oregonians to advance their education and training
- Are a critical part of Oregon's workforce system and meeting the state's "Middle 40" goal and Adult Attainment Goal
- Work with local businesses to deliver customized workforce training programs designed to meet local labor market demand

HECC:

- Disburses Community College Support Fund (CCSF)
- Provides technical assistance and approves programs in career and technical education
- Awards funding and oversees Adult Basic Education
- Coordinates statewide programs and activities
- Collects and reports student level data

Governance and Coordination

The 17 community colleges are independent and are governed by locally elected boards.

HECC-CCWD engages with the 17 colleges directly, and through their advocacy and affinity groups, including:

- Oregon Community College Association (OCCA)
- Oregon Student Success Center
- Oregon Presidents Council (OPC)
- Council of Student Service Administrators (CSSA)
- Council of Instructional Administrators (CIA)
- Community College Business Officers

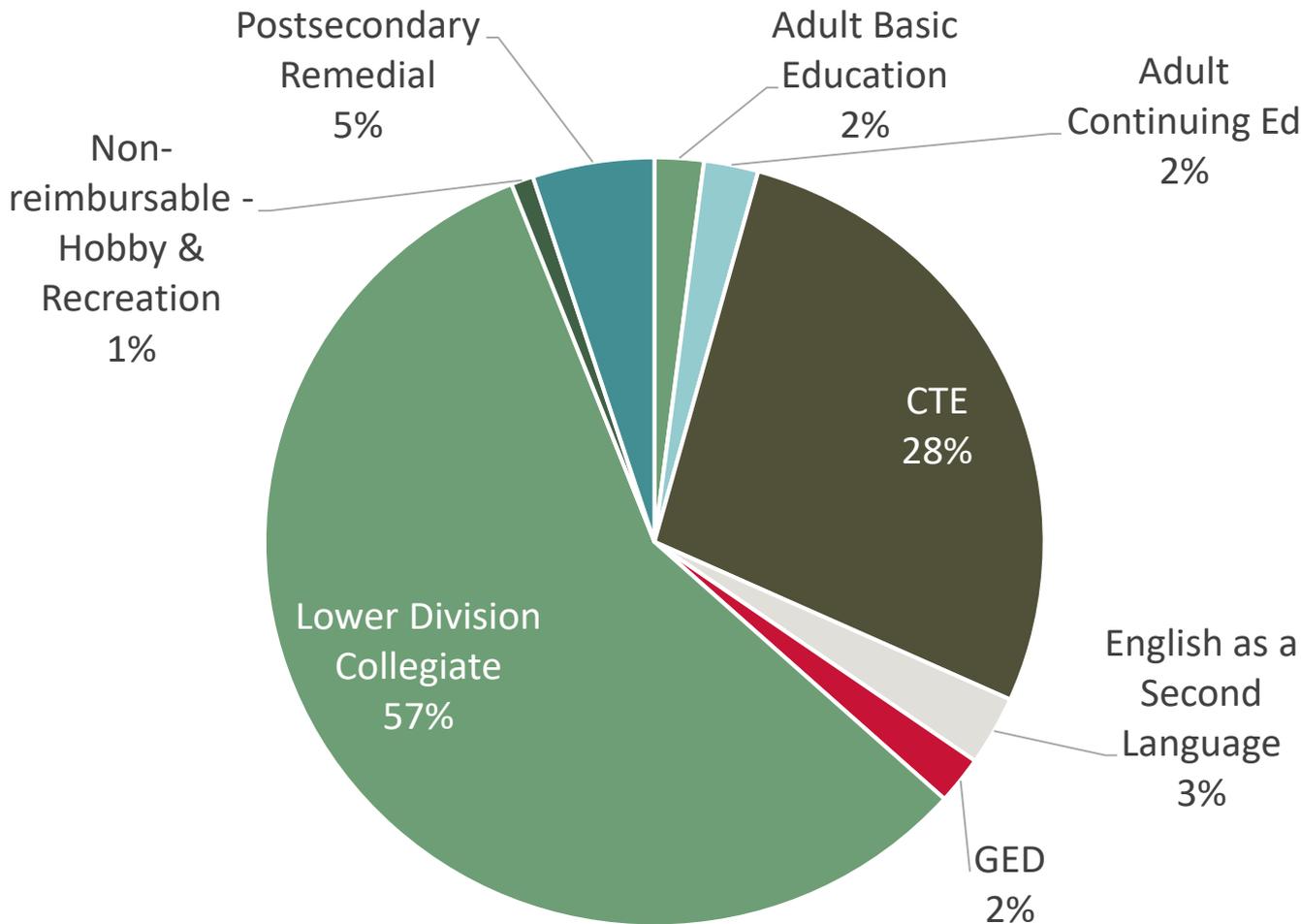
Coordinated activities include:

- Career Pathways
- Guided Pathways
- Data collection and research
- Adult Basic Skills
- Student Success initiatives
- Workforce system engagement

INVESTMENT IMPACTS: OREGON COMMUNITY COLLEGE STUDENTS AND THEIR SUCCESS



Community Colleges' Multiple Missions

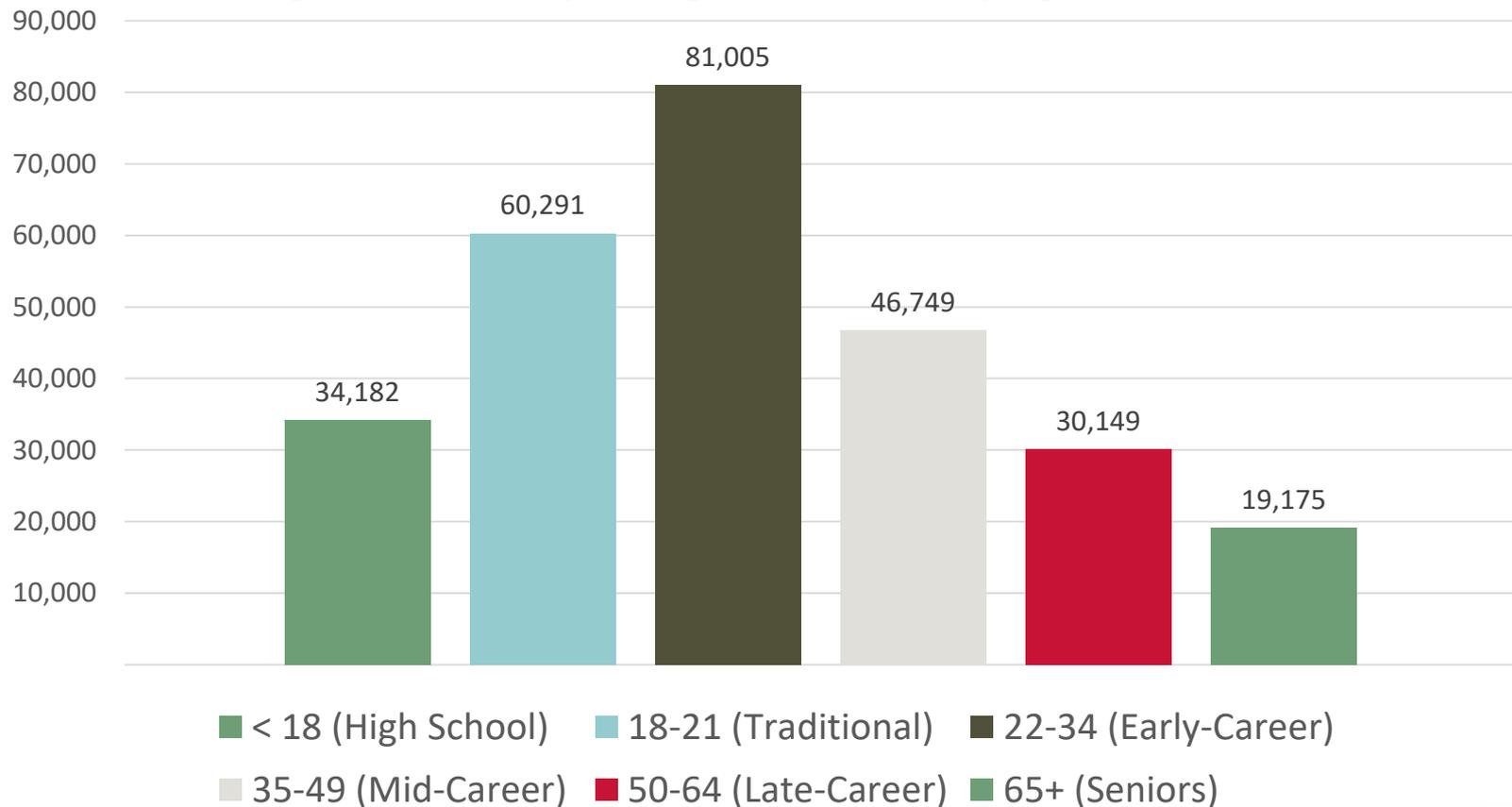


Total Student FTE Enrollment at All Institutions (2017-18):
90,387

Reimbursable FTE Enrollment at All Institutions (2017-18):
85,641

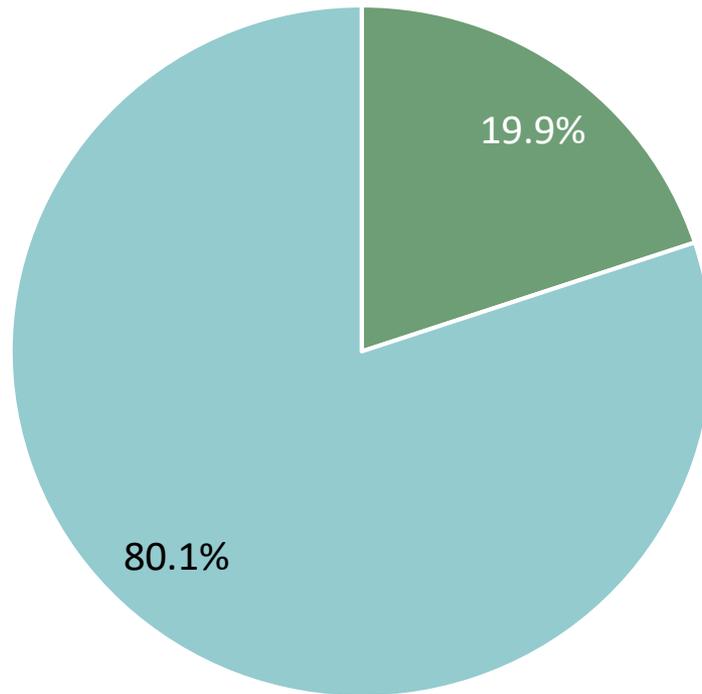
Most Community College Students Do Not Enroll Directly from High School

Oregon Community College Enrollment by Age, 2017-18



Vast Majority of Students Are Attending Part Time

Part-time v. Full-time Students
(for-credit students excluding accelerated learning)



■ Full-time ■ Part-time

For-credit students not in accelerated learning

Full-time credit load:
36+

Average credit load
(all): 19.8

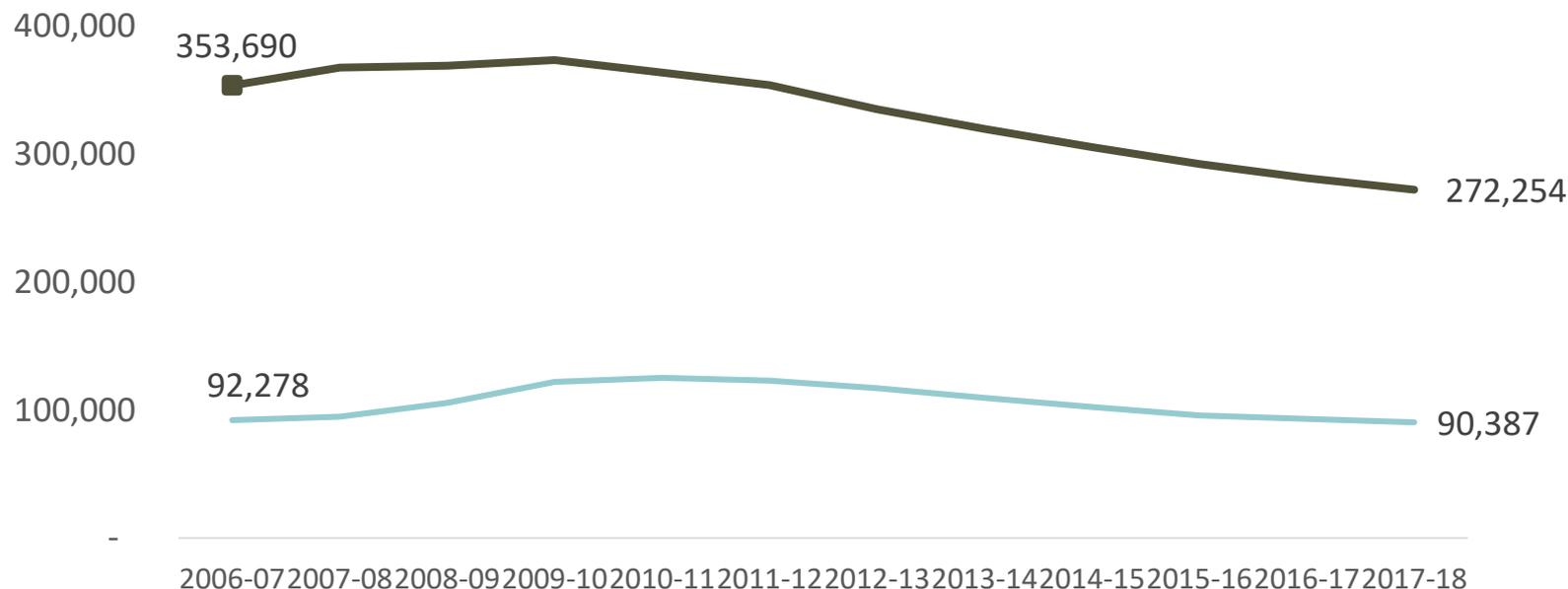
Average credit load
(full-time): 42.4

Average credit load
(part-time): 14.2

Enrollment Has Fallen at Community Colleges

Community college enrollment follows economic trends, with declining enrollment since 2010 following the strong economic recovery.

Annual number of students, 2006-07 to 2017-18



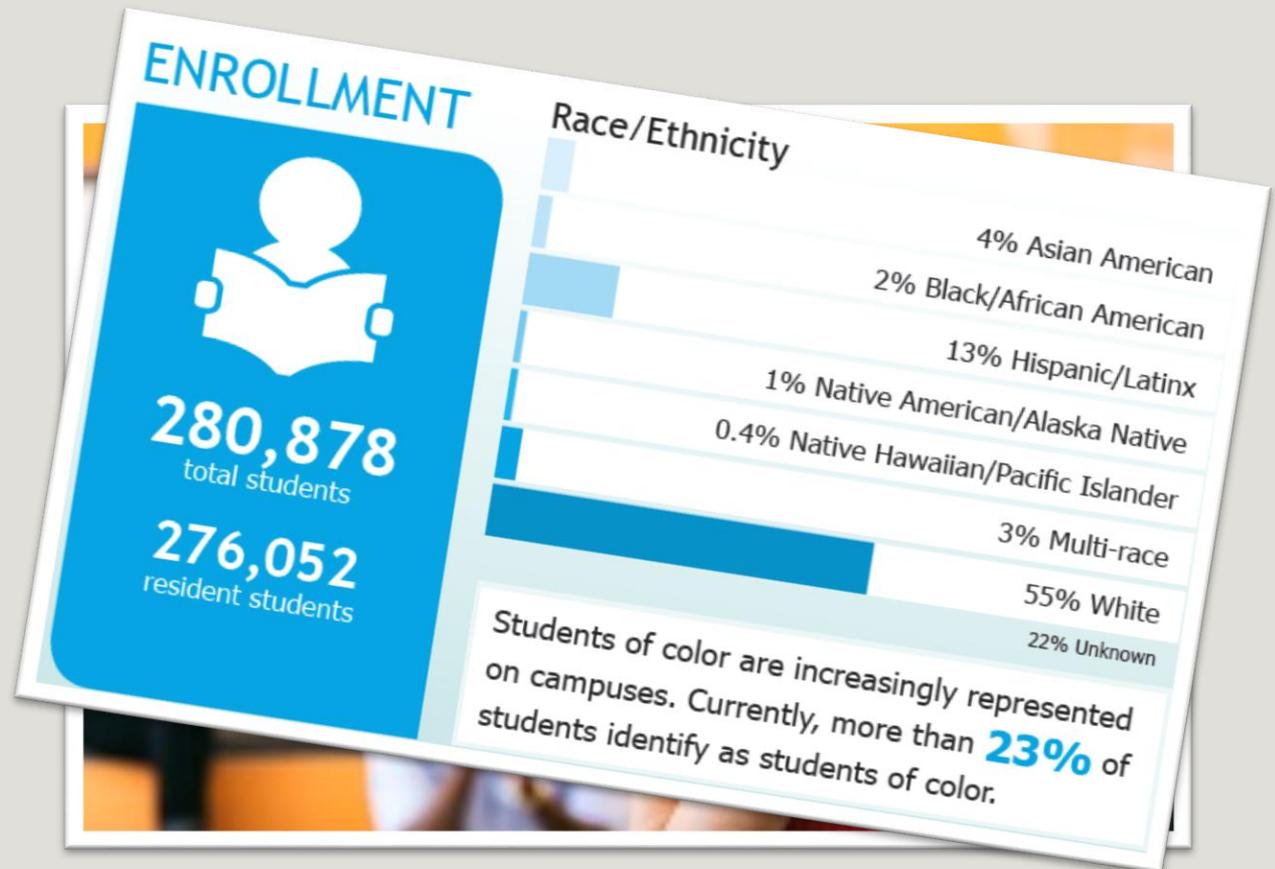
Community College Enrollment Diversity

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Community Colleges, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

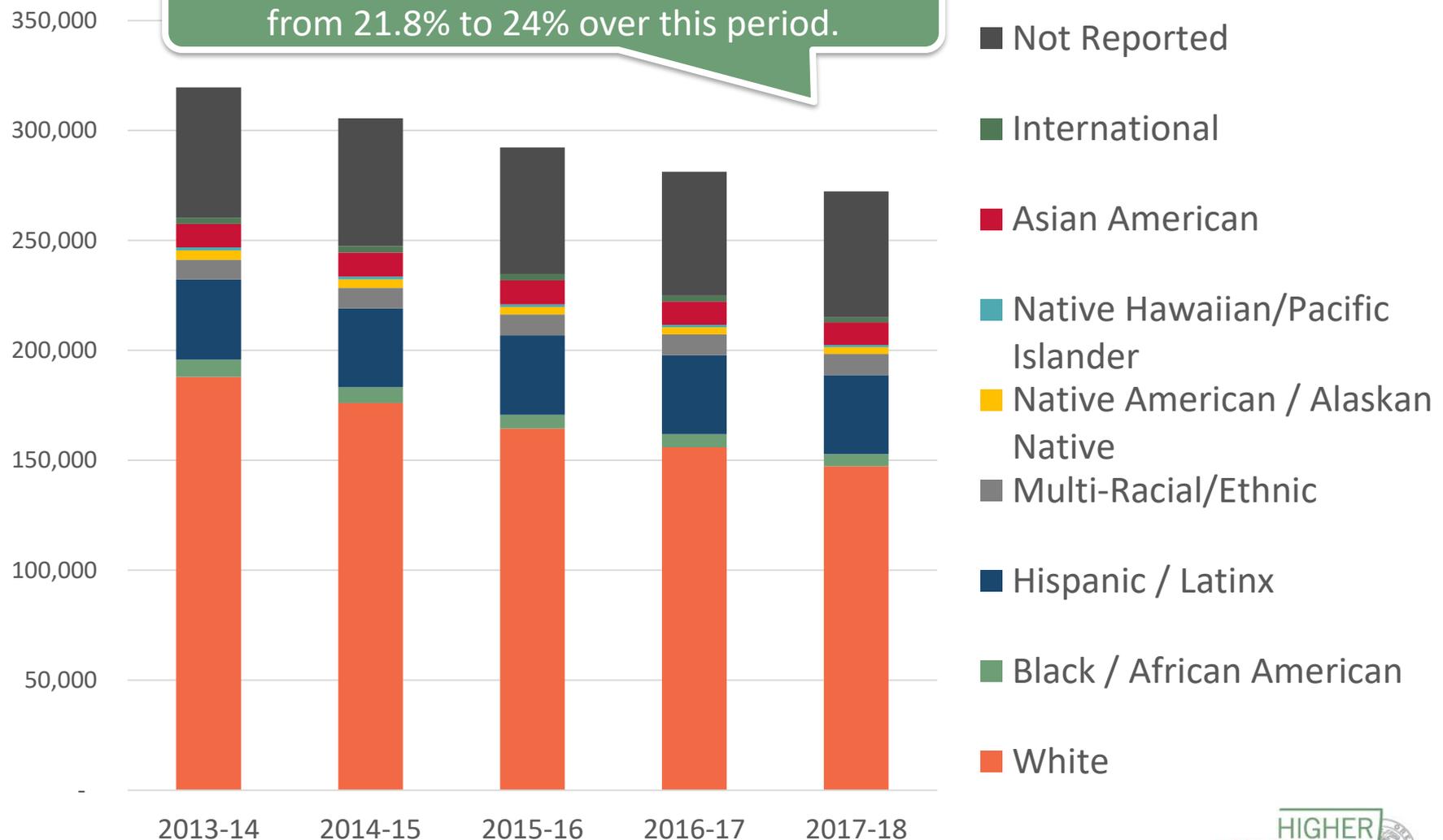
Oregon's community colleges enrolled 280,878 students in 2016-17, including 276,052 resident students.

Students of color are increasingly represented on campuses. Currently, more than 23% of students identify as students of color.



Community Colleges Increasingly Diverse Over Time

The percentage of students of color increased from 21.8% to 24% over this period.



OREGON COMMUNITY COLLEGE LEARNER OUTCOMES



Blue Mountain
Community College



Mt. Hood
Community College



Clackamas
Community College



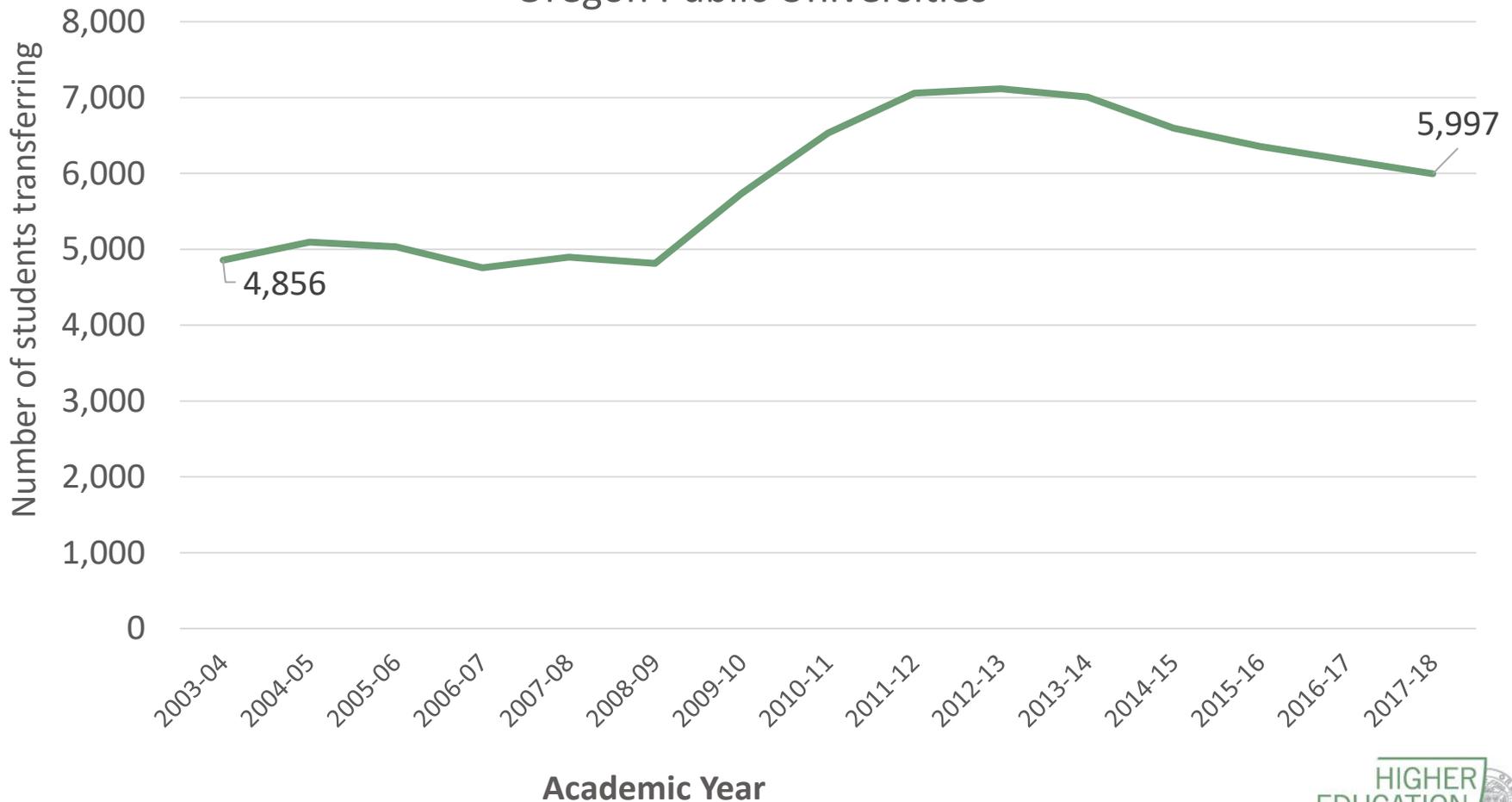
Southwestern Oregon
Community College

2018 Community College Completions



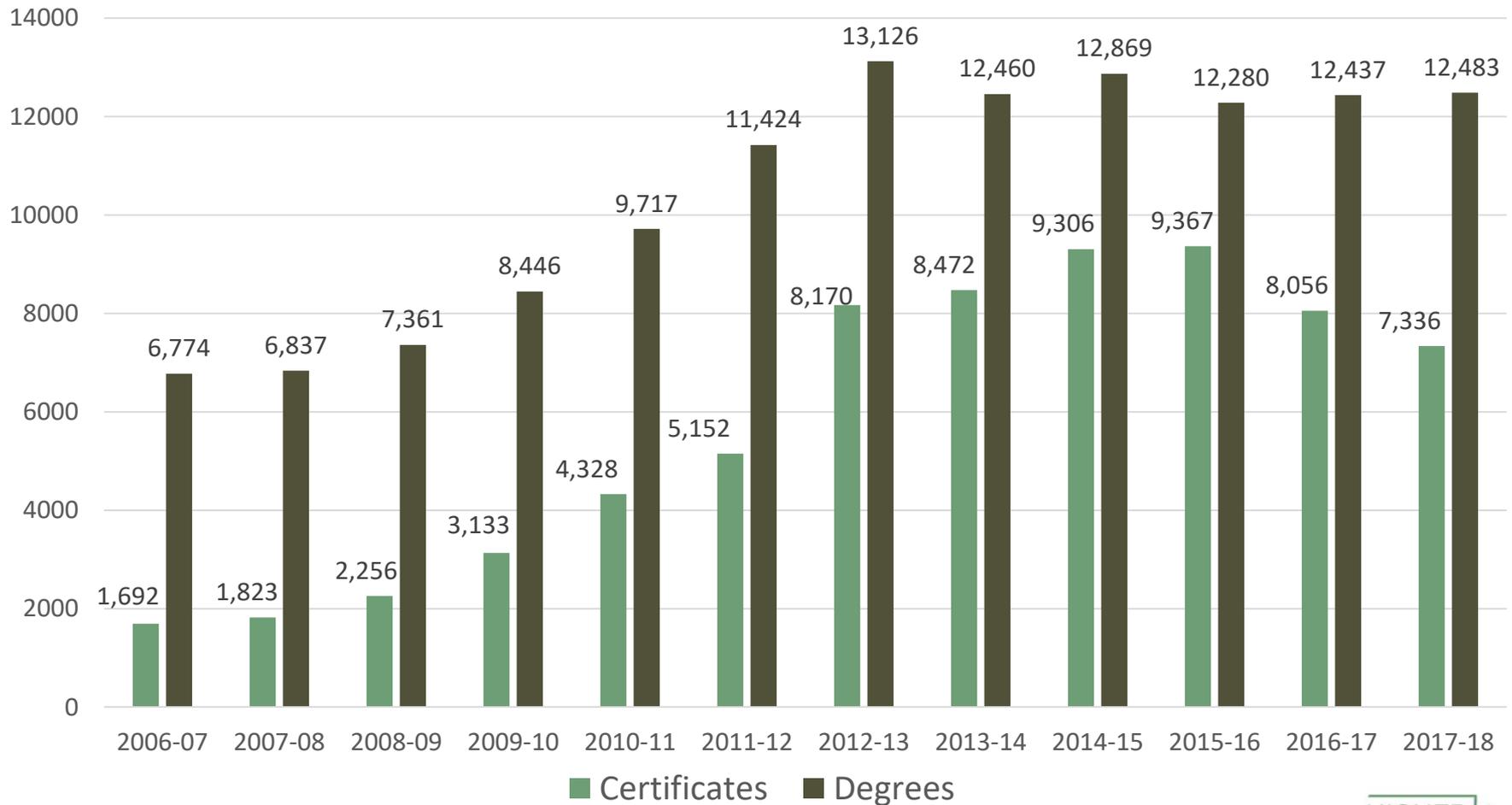
Many Oregonians Transfer From Community Colleges to Universities

Transfers from Oregon Community Colleges to Oregon Public Universities



Certificate and Degree Completion

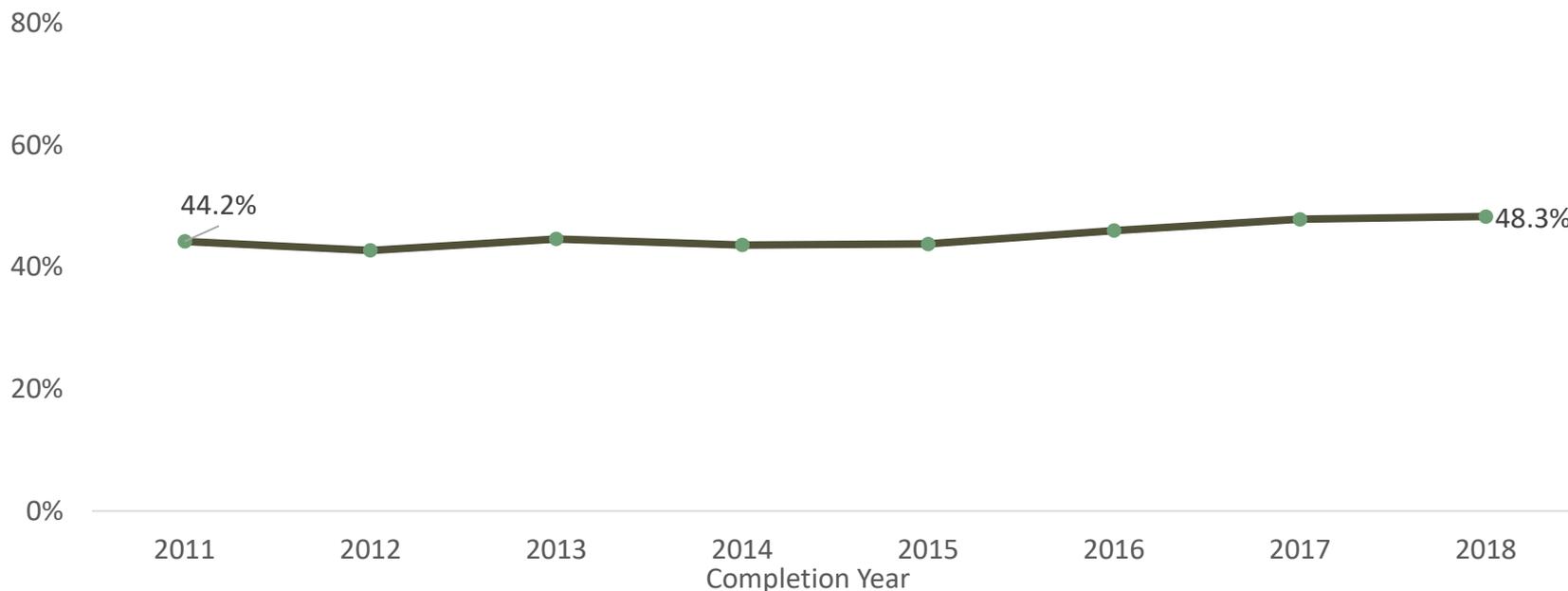
Total Degrees and Certificates Awarded to Community College Students



Completion Rates Are Rising

Key Performance Metric
#5

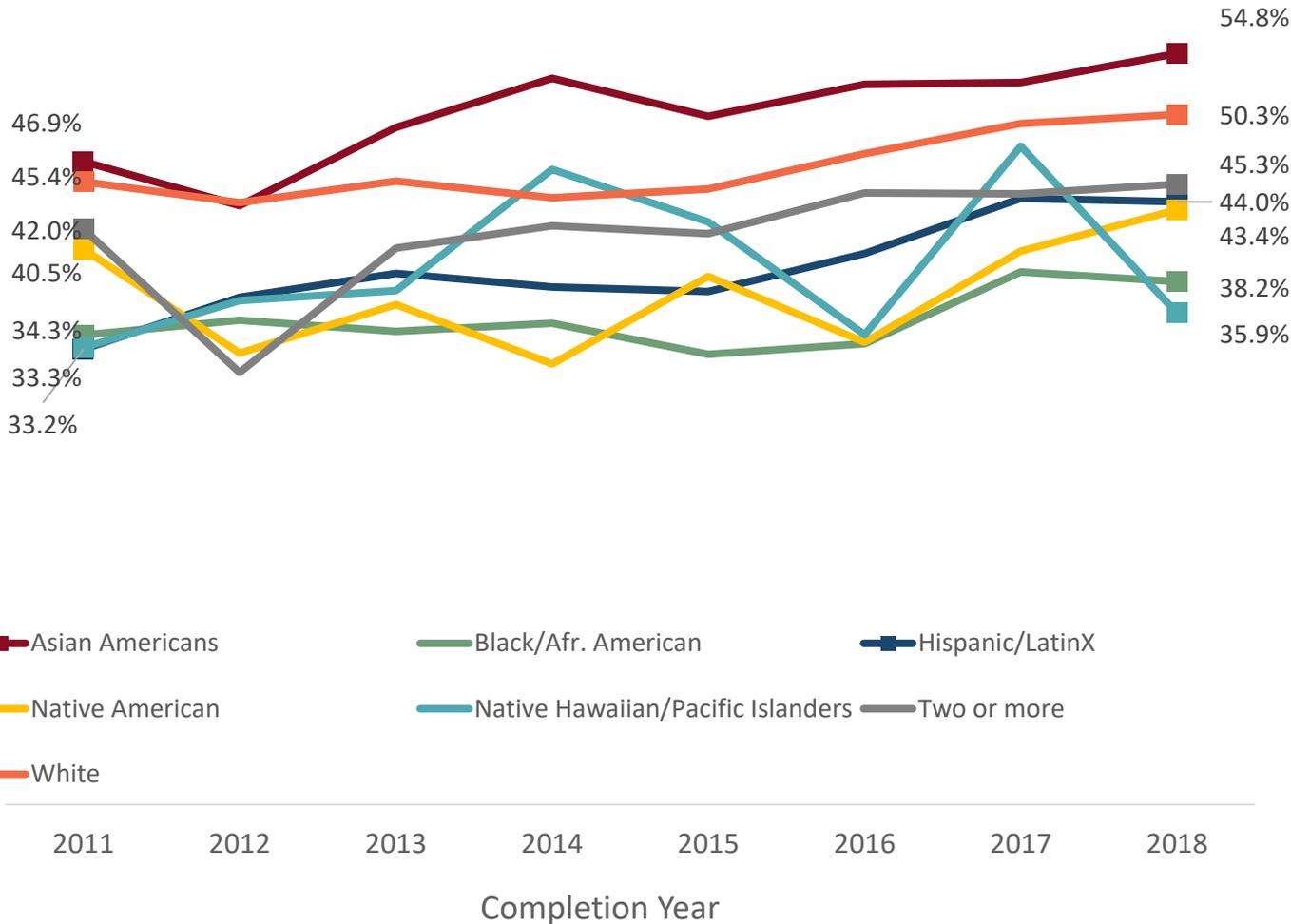
At community colleges, the percentage of students new to the college (full-time and part-time) who earned a career certificate, associate degree, or transferred to any four-year institution nationwide within four years rose **from 44.2% to 48.3%** since 2011.



Source: HECC analysis of student-level data from 17 community colleges and seven public universities. University rates include resident and non-resident, first-time, full-time freshmen and inter-institutional graduations. Community college rates include students who attended full- or part-time, enrolled for the first time at the college, completed at least 18 quarter credits in their first two years at the college, and completed a certificate, degree, or transfer to any four-year university nationwide. This overestimates the completion rate to the extent that it excludes credential-seeking students unable to complete 18 credits in two years. The 2011 community college rate may be biased upward because data are left-censored, and the 2018 excludes summer term completions (data not yet available).

Equity Gaps at Community Colleges: Completion Rates

Key Performance Metric #6



Although rates have risen across groups, substantial racial/ethnic gaps remain. Only about one-third of African American and Native Hawaiian/Pacific Islander students earn a credential or transfer to a four-year institution within four years.

Source: HECC analysis of student-level data from 17 community colleges. Rates include students who attended full- or part-time, enrolled for the first time at the college, completed at least 18 quarter credits in their first two years at the college, and completed a certificate, degree, or transfer to any four-year university nationwide. This overestimates the completion rate to the extent that it excludes credential-seeking students unable to complete 18 credits in two years. The 2011 community college rate may be biased upward because data are left-censored, and the 2018 excludes summer term completions (data not yet available).



A Close Look at *Certificates in Oregon*



Provide a \$10,000 wage boost to Pell Grant recipients

Help adults reskill and change careers

27% of certificate completers are from communities of color

62% are 25 or older

Outcomes: Gaps Exist in Completion Rates for Students of Color and Transfer Students

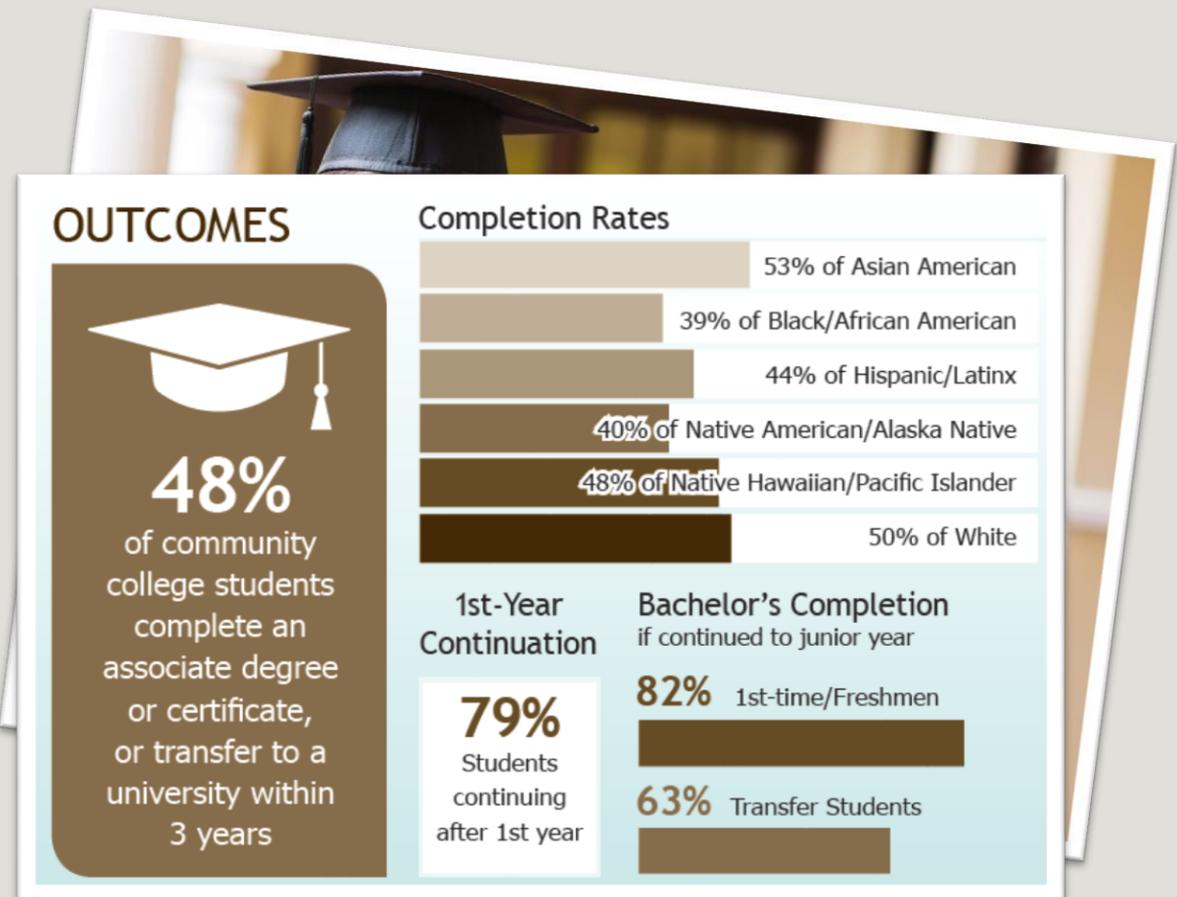
HECC Statewide and Institutional Snapshots (Oregon Resident Students at Community Colleges, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

48% of community college students complete an associate degree or certificate, or transfer to a university within 3 years.

The completion gap between students of color and their white classmates continues to be significant.

The completion rate for transfer students who continue to the junior year is 63% compared with 82% for first-time freshmen.



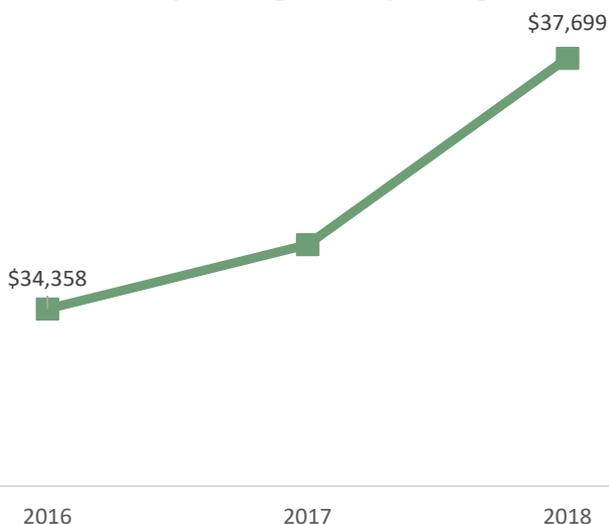
Earnings for Community College Completers

Over Time and by Race/ethnicity

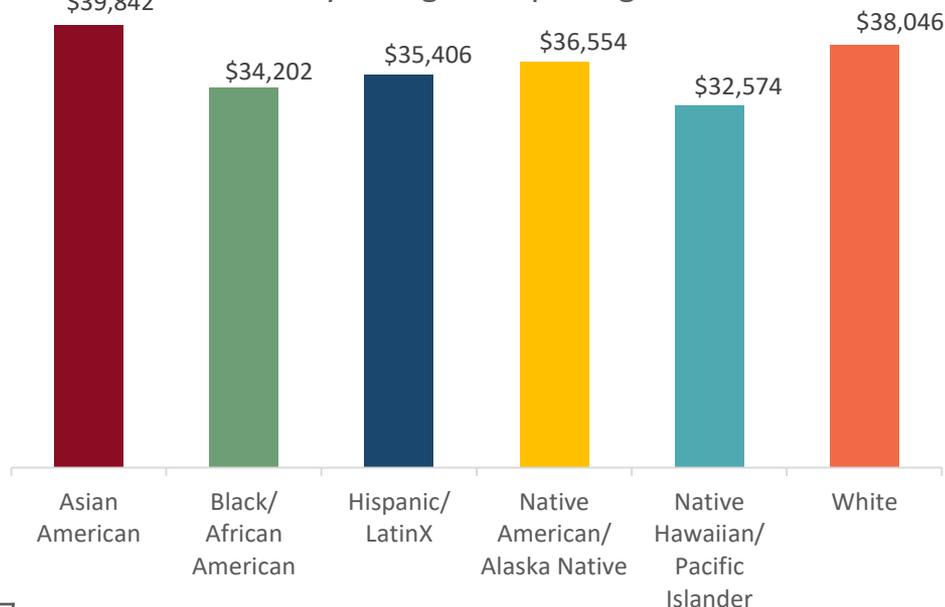
Key Performance Metrics
#11,12

Description: Median earnings of community college completers, five years after completion, over time and disaggregated by race/ethnicity.

Community College Completing Cohort



Community college completing cohort



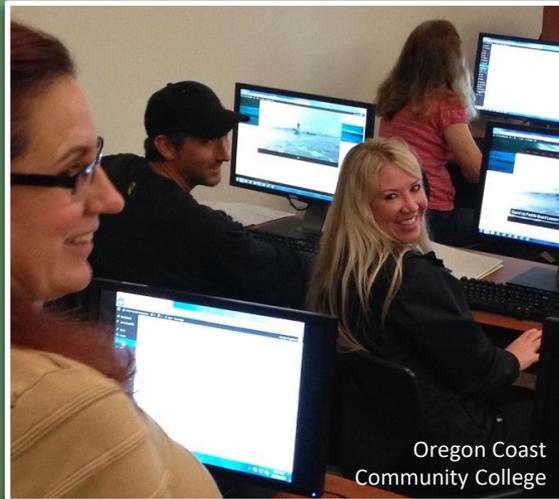
2018 Targets

Community Colleges	\$35,745.00
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COMMUNITY COLLEGE FUNDING IN OREGON

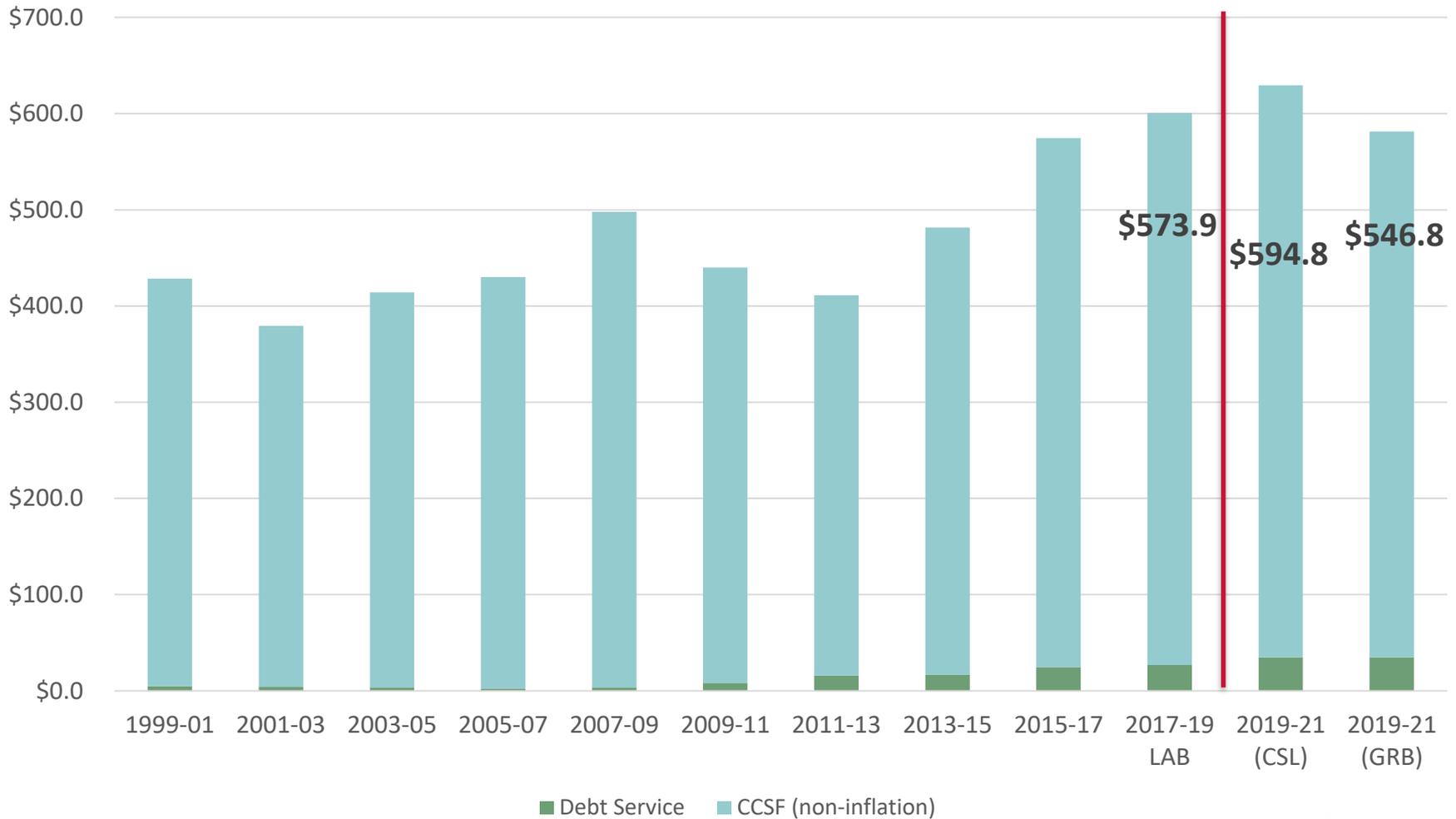
PATRICK CRANE, Director,
HECC Office of Community
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JIM PINKARD, Director, HECC
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Finance and Capital

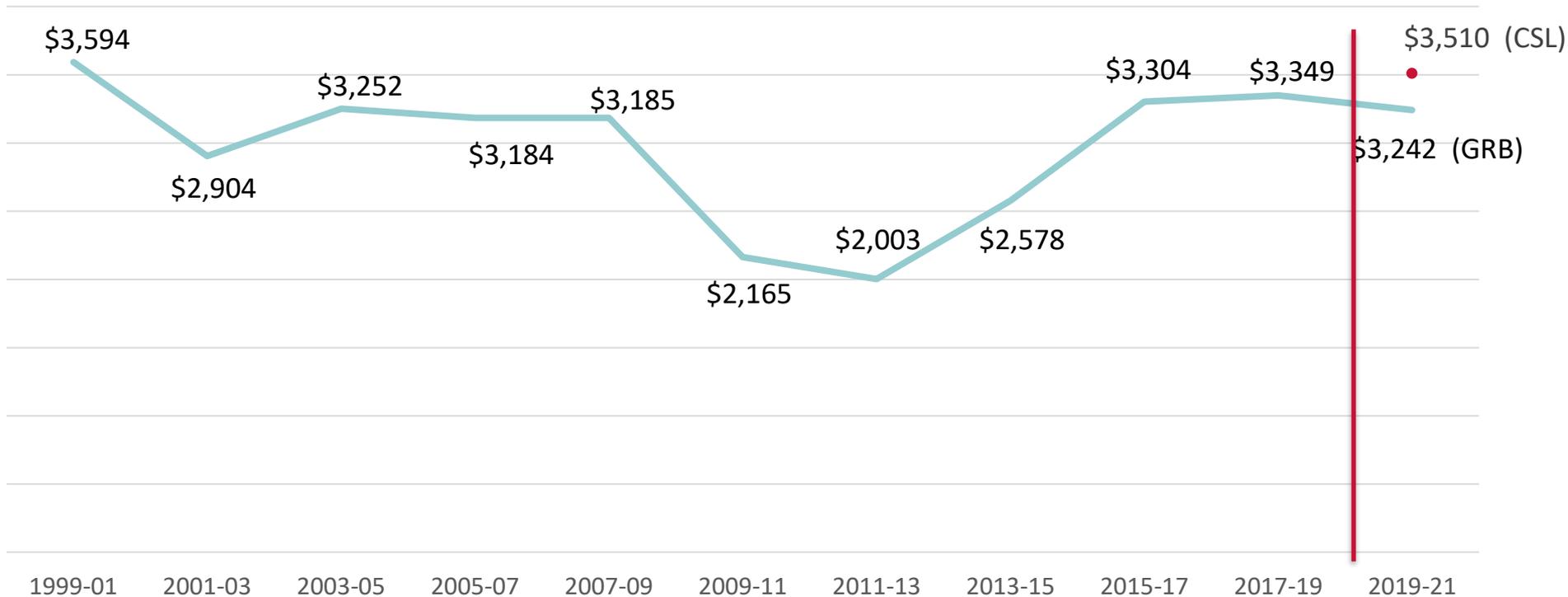


Community College State Funding

State Appropriations (In Millions)



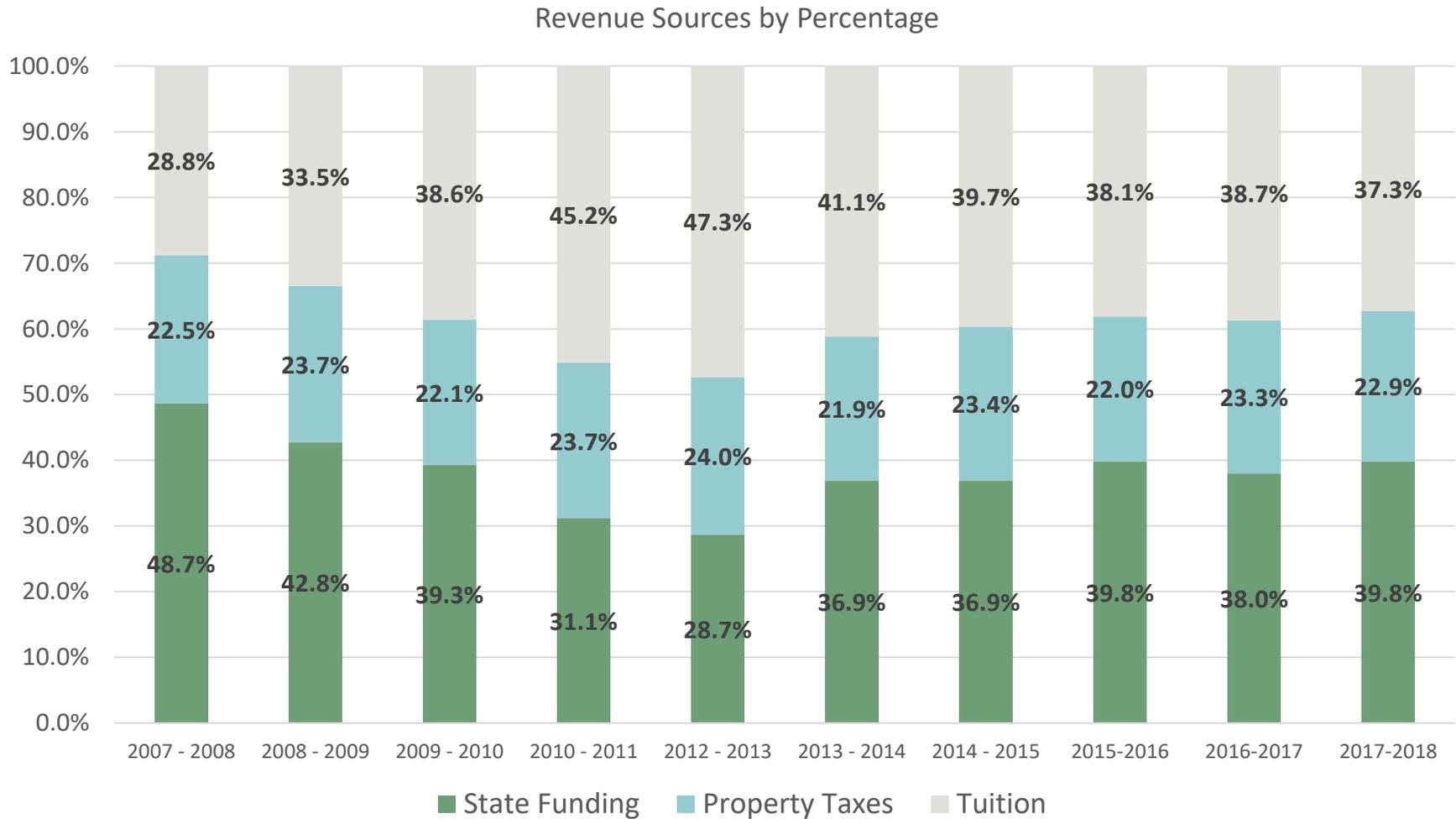
State Appropriations to Community Colleges Per Resident Student (FTE)



Notes:

- Includes Debt Service
- Community College data includes only CCSF distributed by funding formula
- Enrollment for 2017-19 assumed at 2015-17 levels
- Inflation adjustment based on HECA

Revenue Sources as Percent of Total Over Time



INVESTMENT IMPACTS: AFFORDABILITY

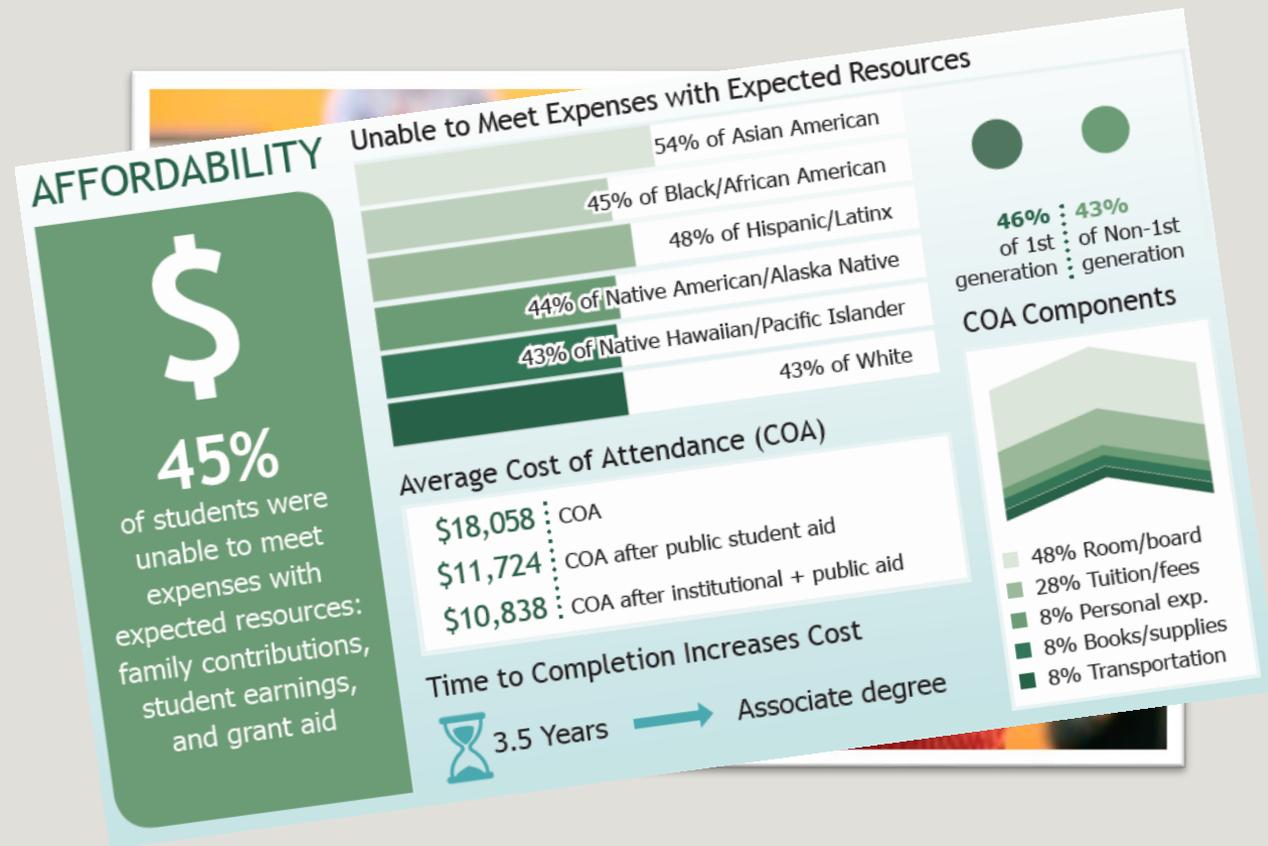


Affordability at Oregon's Community Colleges

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Community Colleges, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

45% of students were unable to meet expenses with expected resources: family contributions, student earnings, and grant aid



Affordability at Oregon's Community Colleges

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Community Colleges, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

65% of students did not receive any public grant aid

Of students eligible for the Oregon Opportunity Grant, only 33% received it

Students Receiving Financial Aid

Federal Pell

41,939

OR Opportunity Grant

22,684

OR Promise

6,903

Institutional Aid

21,014

Students Receiving Public Grant Aid



35% : 65%

Received : Not received

Students Eligible for OR Opportunity Grant

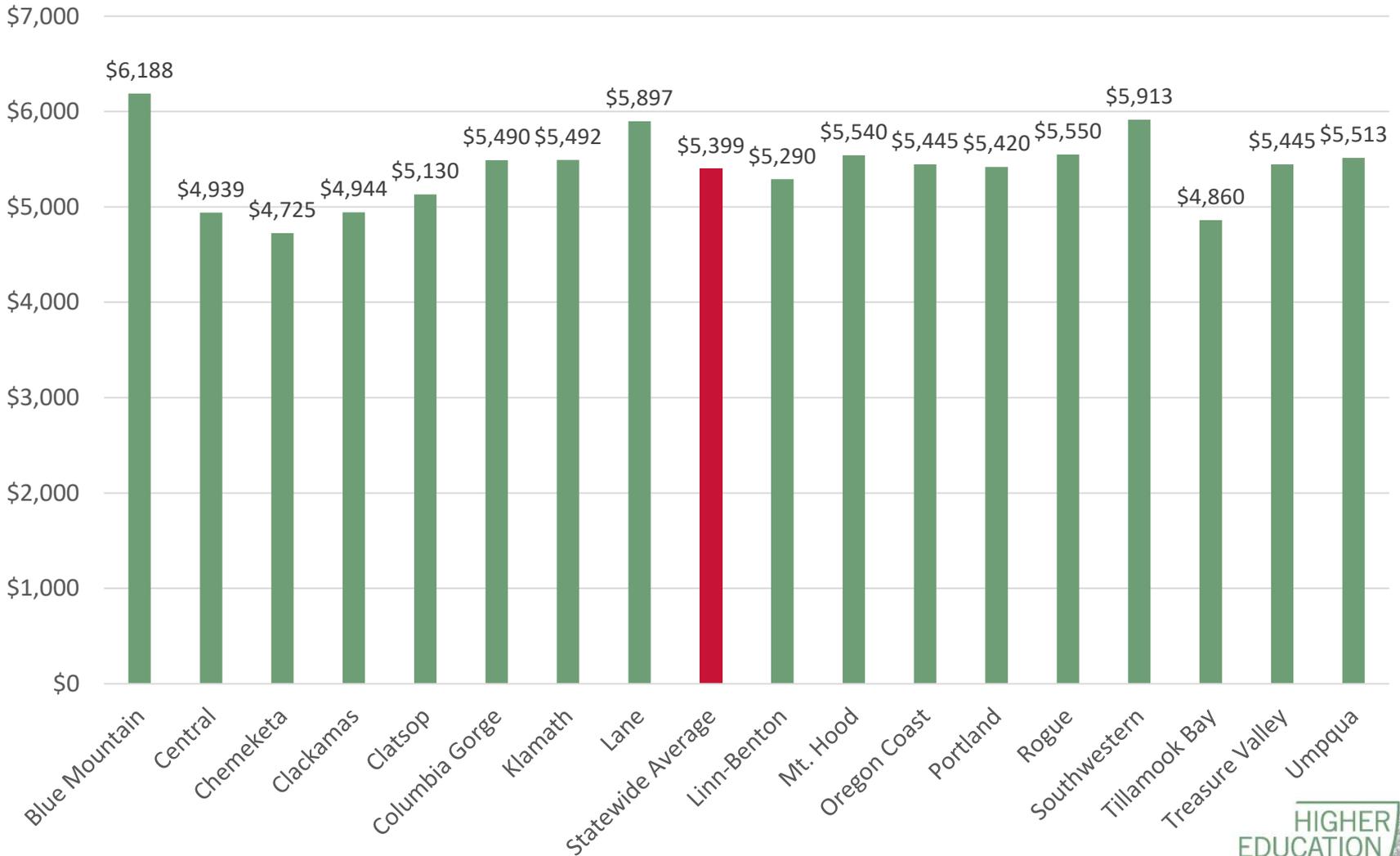


33% : 67%

Received : Not received

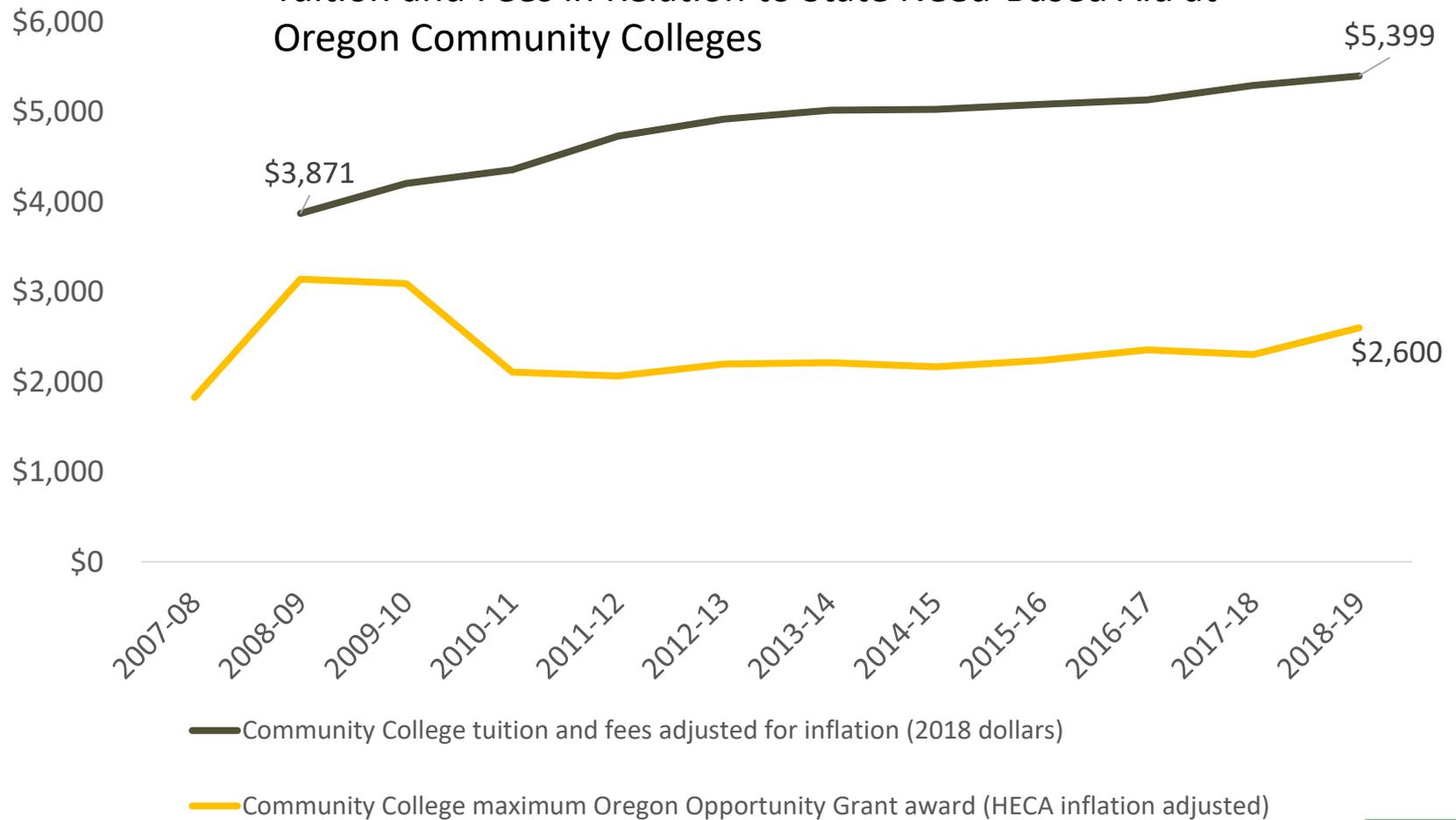
Students who cannot receive federal aid through the FAFSA can apply for Oregon aid through the Oregon Student Aid Application. This increases the opportunities available to undocumented or DACA students.

Community College Tuition and Fees Vary Slightly Across Campuses (2018-19)



While Tuition has Increased, Need-Based Grants Have not Kept Pace (inflation-adjusted)

Tuition and Fees in Relation to State Need-Based Aid at Oregon Community Colleges



OREGON COMMUNITY COLLEGE SUPPORT AND DISTRIBUTION



Blue Mountain Community
College Tim Park
Photography Bend, OR



Central Oregon
Community College



Mt. Hood
Community College



Lane Community College

Community College Support Fund (CCSF)

“(1) It is in the state's interest to support a strong local community college system that meets local, regional and state economic and workforce development needs.”

– OAR 589-002-0100

The Community College Support Fund (CCSF) provides funding based on Full Time Equivalent (FTE) student enrollment in approved courses, including:

- Career and Technical Education (CTE)
- Adult Basic Skills (ABS) and English as a Second Language (ESL)
- Postsecondary Remedial
- Lower Division Collegiate
- Workforce Development

State reimbursement is not available for hobby and recreation courses.

HECC Allocation of the Community College Support Fund (CCSF)

Community College Support Fund Distribution: **3 primary components**

CATEGORICAL FUNDING

- Taken off the top to support contracts out of district, Department of Corrections, distance learning and strategic fund.

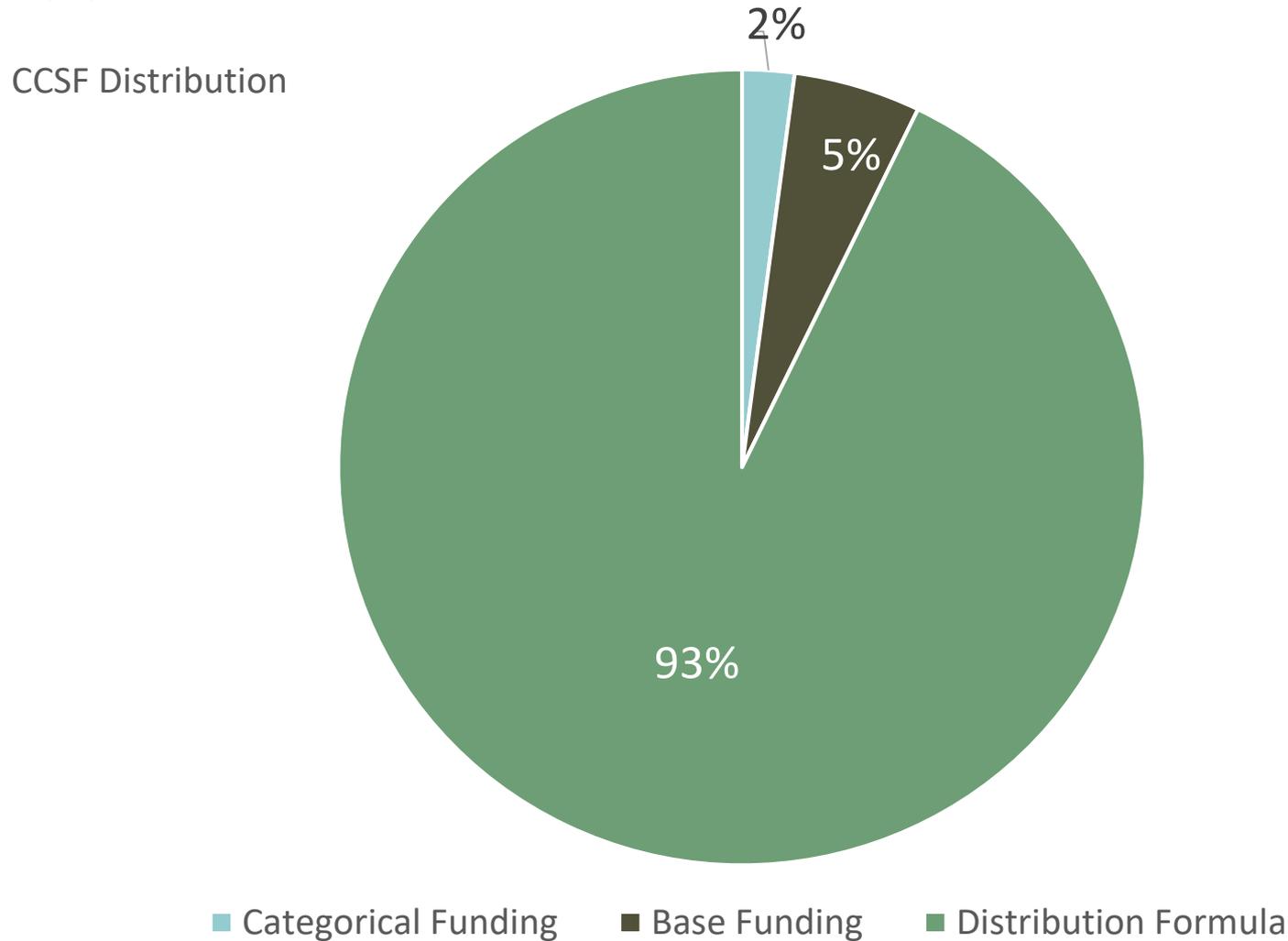
BASE FUNDING

- Provides stable, predictable funding for basic district operations. Weighted to provide sufficient resources to small districts.

DISTRIBUTION FORMULA

- Calculation considers Total Public Resources (General Fund and property taxes) to ensure equity, three-year weighted average of enrollment to ensure stability, and Growth Management to prevent erosion of the level of funding per student and provide predictability.

HECC Allocation of the Community College Support Fund (CCSF)



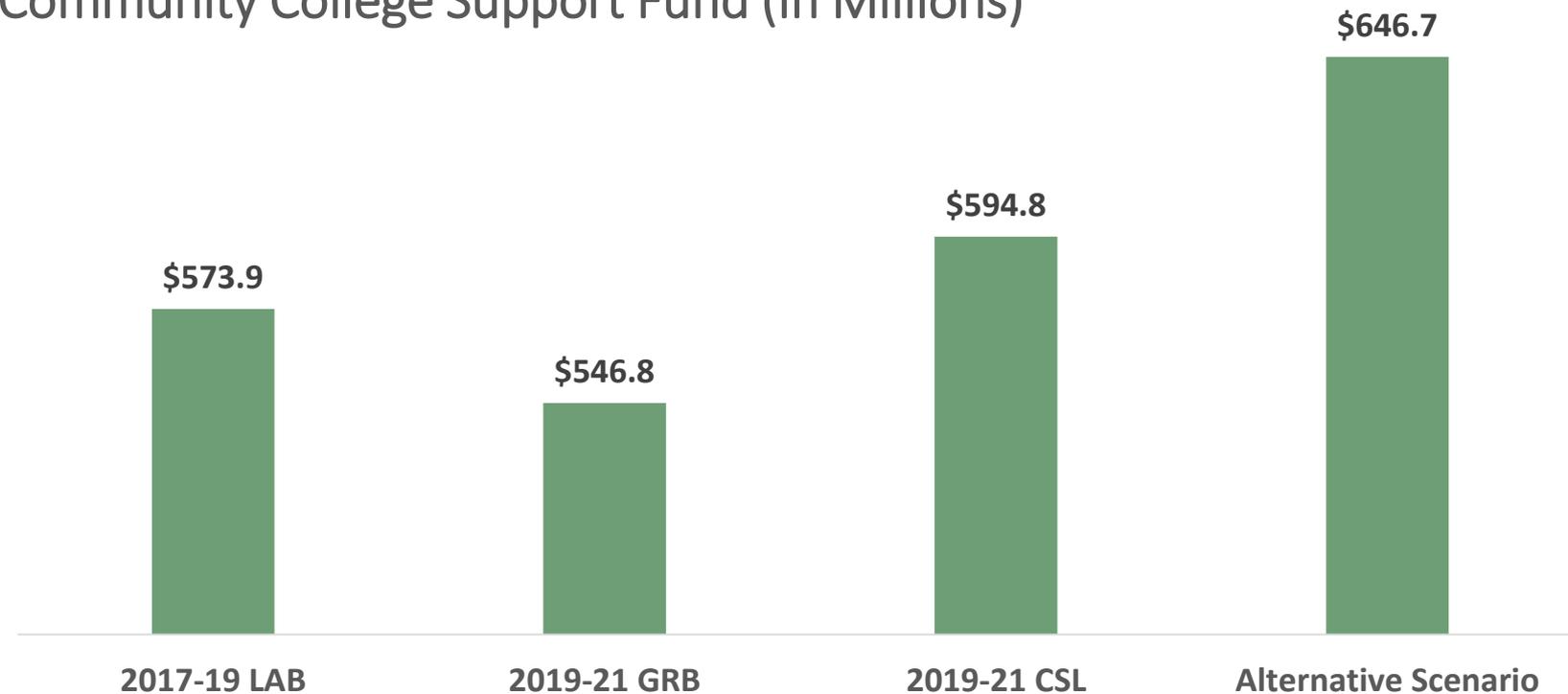
Personnel Costs Drive Budget Increases

Personnel costs will add \$81M to community college budgets in 2019-21. New unfunded state and federal requirements will add \$19M.

Budget Cost Drivers		
	Projected Increase over 2017-19	
Compensation	\$34,753,880	3.8%
Health Benefits	\$8,366,432	5.3%
Retirement Benefits	\$37,935,238	21.2%
Services & Supplies	\$6,953,278	3.3%
Deficit Expenses	\$33,365,631	2.0%
New Requirements	\$19,081,037	1.1%
Total	\$140,455,766	8.8%

Minimizing Tuition Increases

Community College Support Fund (in Millions)



Increase in
Funding:

(4.7%)

3.6%

12.7%

Likely Annual
Tuition Impact:

>17%

10-12%

3.5%



CAPITAL CONSTRUCTION REQUEST: PUBLIC COMMUNITY COLLEGES



Community College Capital Construction Rules

Community college capital construction projects are funded by XI-G bonds or lottery funds.

Colleges may not have more than one project approved for XI-G bond funding that are awaiting match funds.

For biennia beginning on or after July 1, 2015, the aggregate amount authorized for the issuance of XI-G bonds for projects at a single college may not exceed \$8 million.

Community College Capital Process

Due Diligence Report templates sent to colleges: February

Due Diligence Reports due to HECC: March

Capital Construction Workgroup conducts blind review and ranking, makes recommendations to HECC staff: April

HECC staff presents overview of process and proposals to Funding and Achievement subcommittee: April

Oregon Presidents Council finalizes recommendations for HECC staff: April

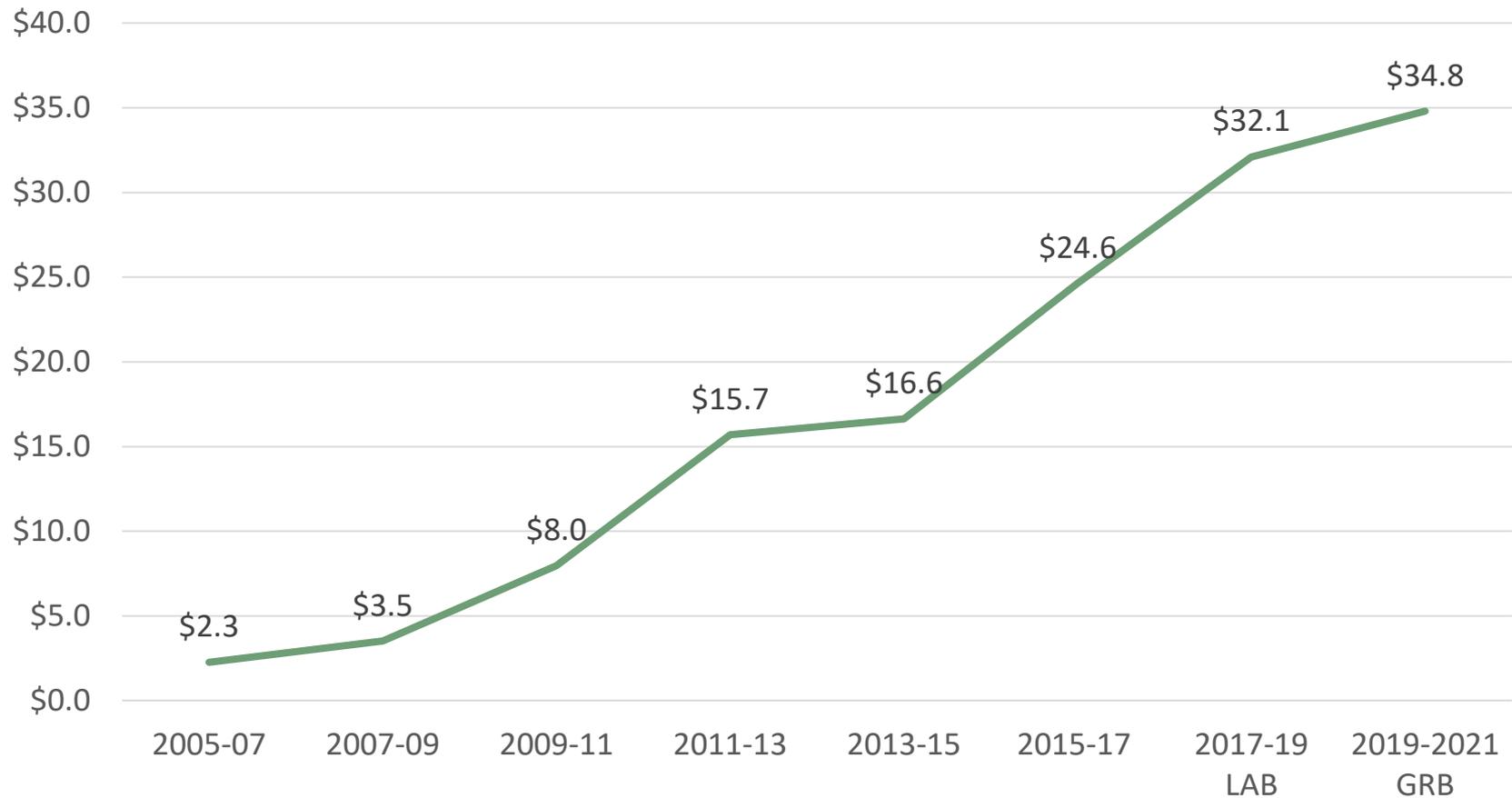
HECC reviews final staff recommendations for projects: May

CC Capital Construction Projects

Prioritized Capital Construction Request, 2019-2021 Biennium GRB (in thousands \$)				
Institution	Project	XI-G – State Paid	Lottery – State Paid	Total
Blue Mountain	Facility for Agricultural Resource Mgt.	\$5,000	\$8,000	\$13,000
Clatsop	Marine Science Building	\$7,996	-	\$7,996
Central Oregon	Classroom Building Redmond Campus	\$8,000	-	\$8,000
Klamath	Apprenticeship and Industrial Trades Center	\$3,910	-	\$3,910
Lane	Health Care Village Facility	\$8,000	-	\$8,000
Mount Hood	Maywood Park Center	\$8,000	-	\$8,000
Oregon Coast	Workforce Education & Resiliency Center	\$8,000	-	\$8,000
Southwestern Oregon	Dellwood Hall Remodel & Expansion	\$2,749	-	\$2,749
Umpqua	Industrial Technology Building	\$8,000	-	\$8,000
Totals		\$59,655	\$8,000	\$67,655

Community College Debt Service History

Community College GF Funded Debt Service
(In Millions)



A Vital Role in Shaping Oregon's Economic Prosperity

Oregon community colleges enroll 76% of the students attending public higher education, produce 45% of the credentials, and receive 23% of the funding appropriated to the HECC. In a tomorrow where 61% of new jobs will require postsecondary training, community colleges will continue to play a vital role in shaping Oregon's economic prosperity.



OREGON'S 17 COMMUNITY COLLEGES

INVITED TESTIMONY

Presented to: Joint Committee on Ways and
Means, Subcommittee on Education

2019 PRESENTATION, DAY 7



JOINT COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON EDUCATION

CAM PREUS, OCCA EXECUTIVE DIRECTOR
MARCH 25, 2019

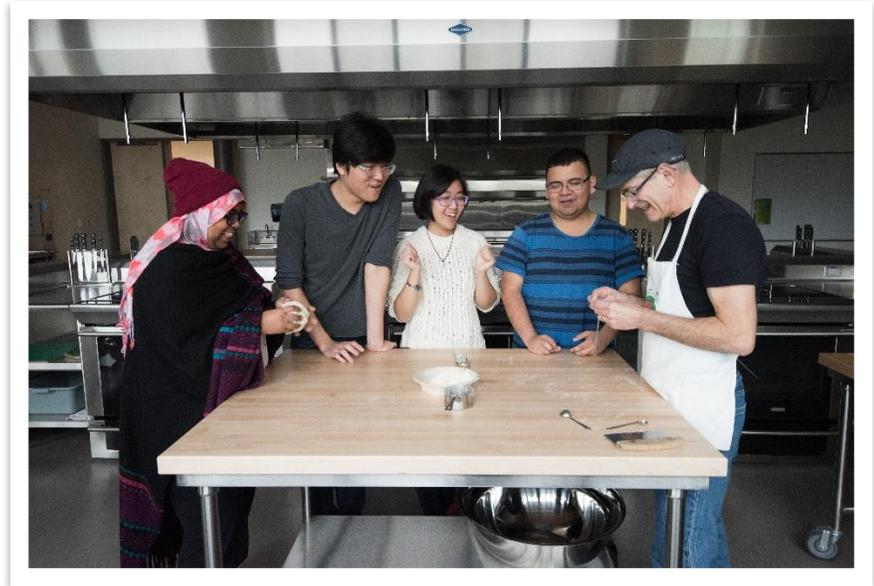
COMMUNITY COLLEGES ARE OREGON'S FUTURE

- Deeply engrained in local communities
- Where diversity meets opportunity
- Flexible, affordable learning options

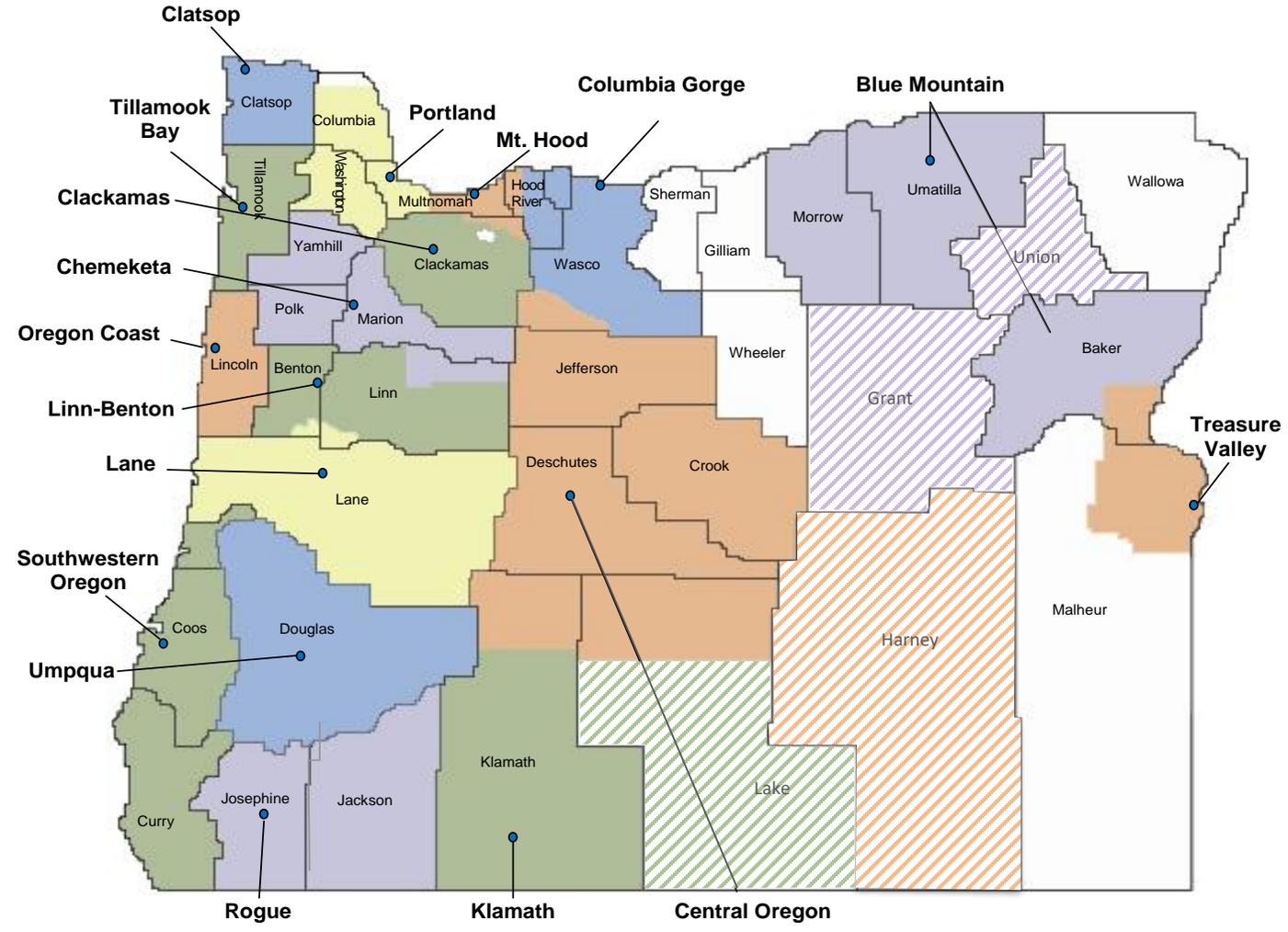


COMMUNITY COLLEGES ARE OREGON'S FUTURE

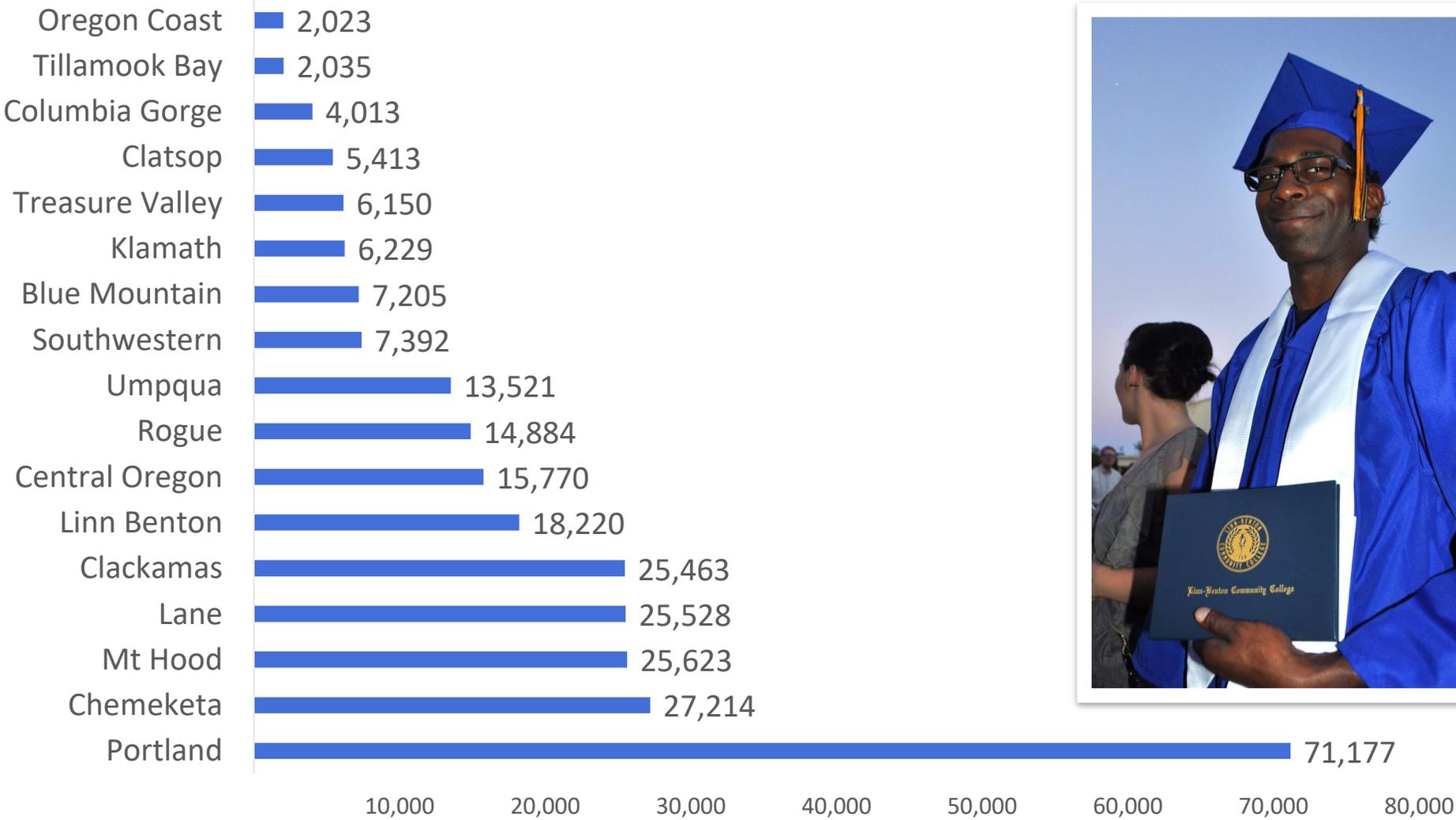
- Provide successful transfer to 4 year universities
- Partner with business for work ready employees
- Create pathways for all high school students to have accelerated options into college



DEEPLY ENGRAINED IN LOCAL COMMUNITIES

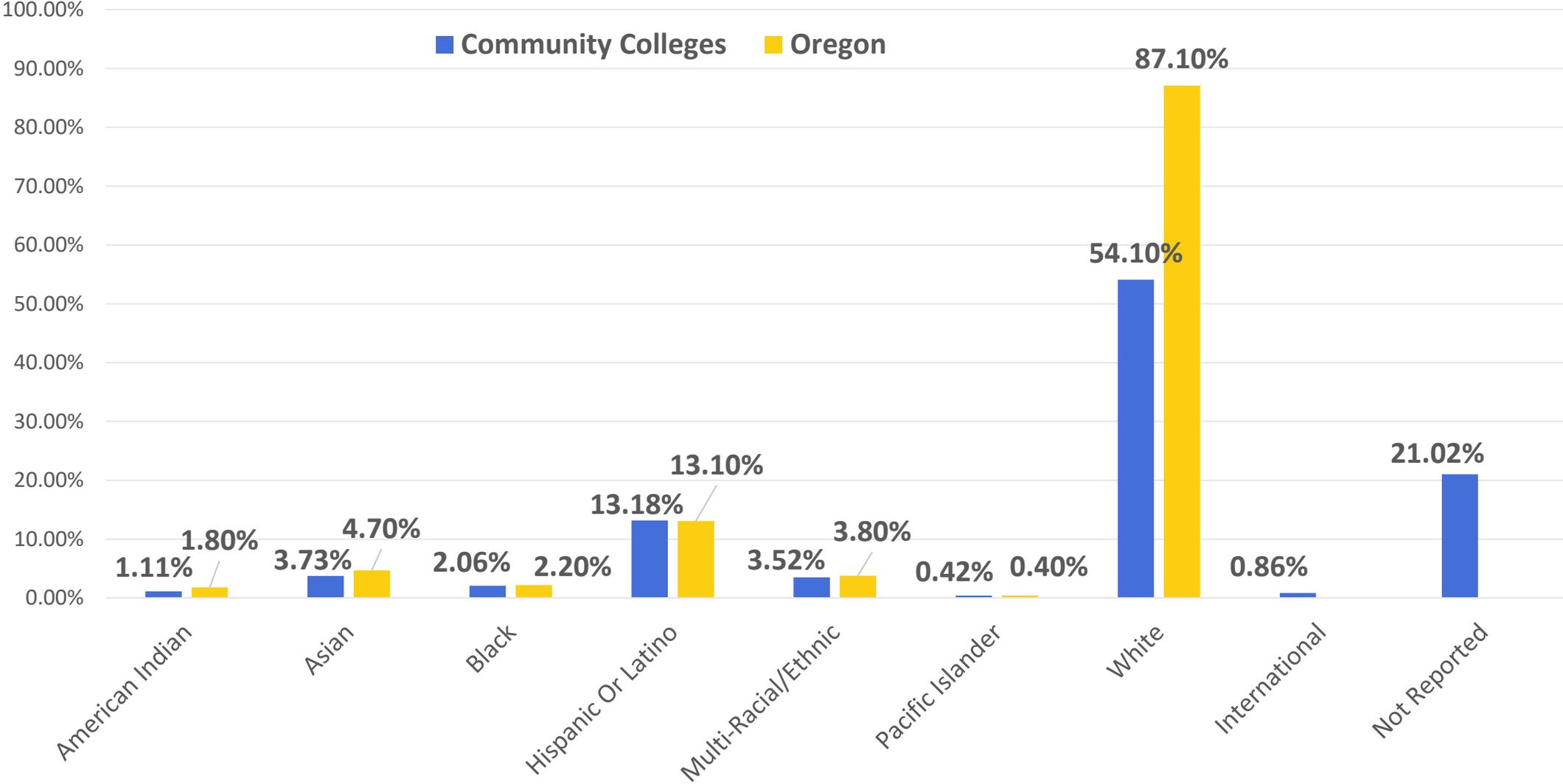


WHERE OREGONIANS FIND OPPORTUNITY



Source: Data retrieved from D4A, Oregon Community Colleges Data Mart, "State Level Student Head Count", accessed March 2019.

DEMOGRAPHY AS OPPORTUNITY



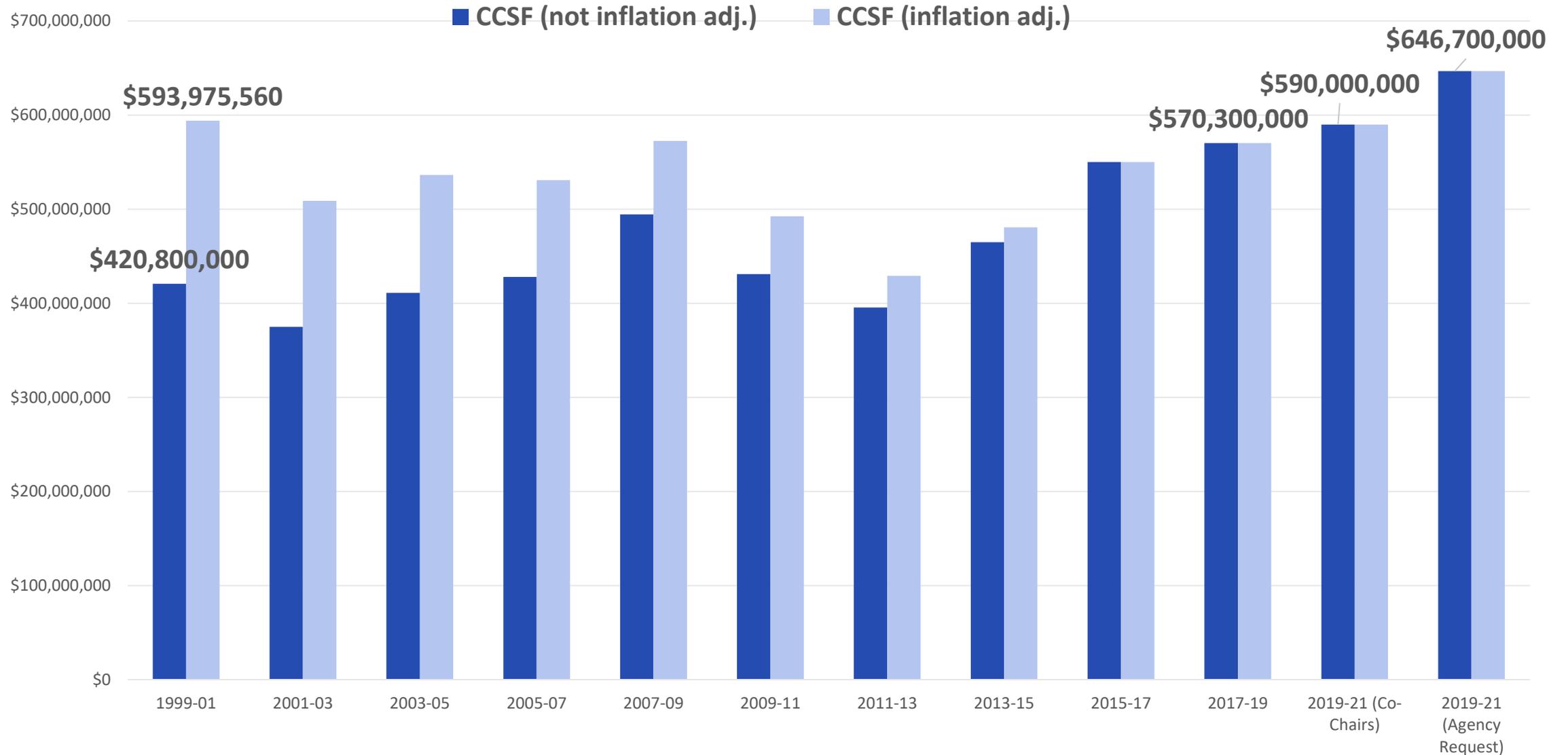
Source: Data retrieved from D4A, Oregon Community Colleges Data Mart, "State Level Student Head Count", accessed March 2019 and US Census Bureau, "Population estimates," July 1, 2018, accessed March 2019..

THE FRONT LINES OF INCLUSIVITY AND OPPORTUNITY

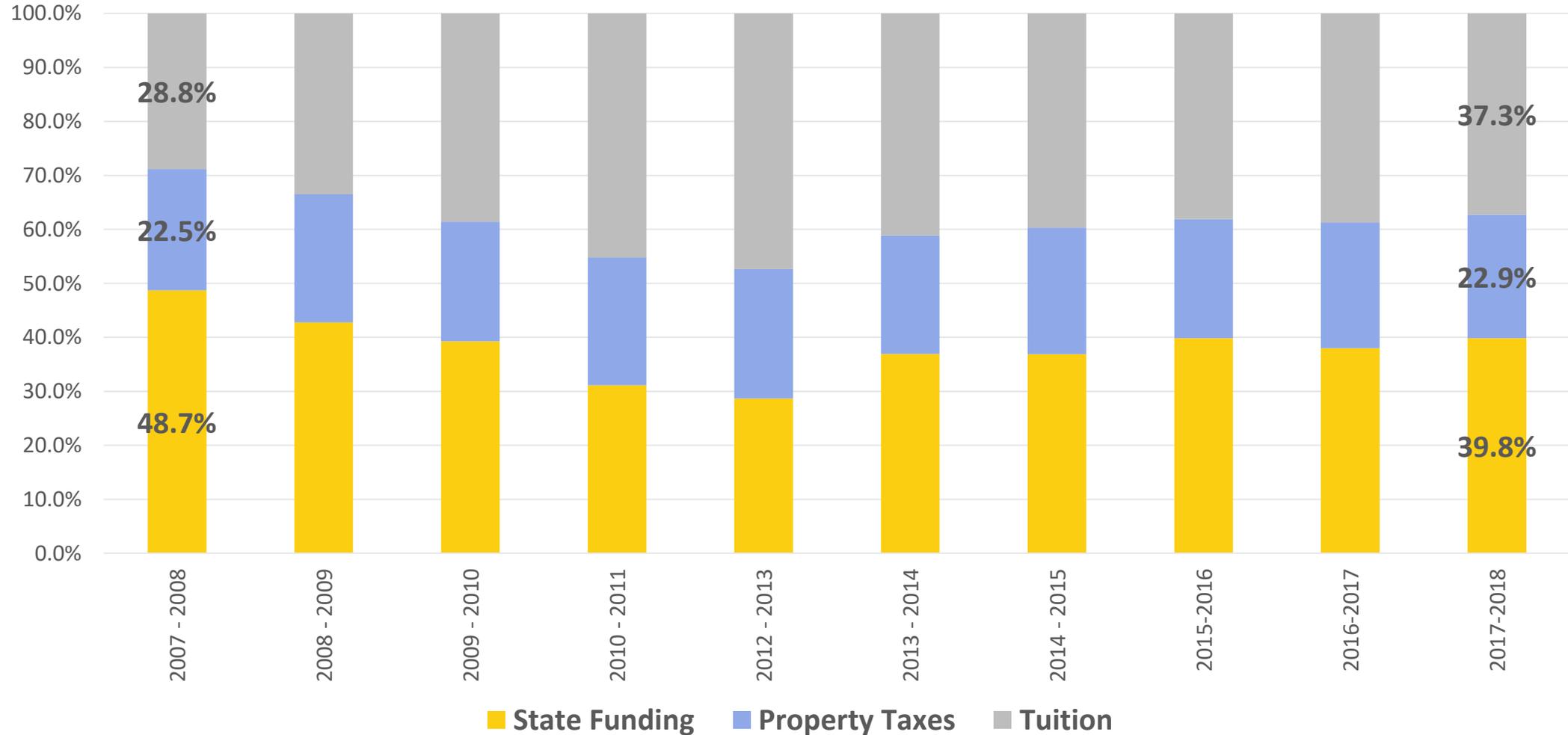
- Know your students
- Understand the obstacles to their success
- Adopt and adapt responsive policy and practice
- Scale and institutionalize continuous improvement



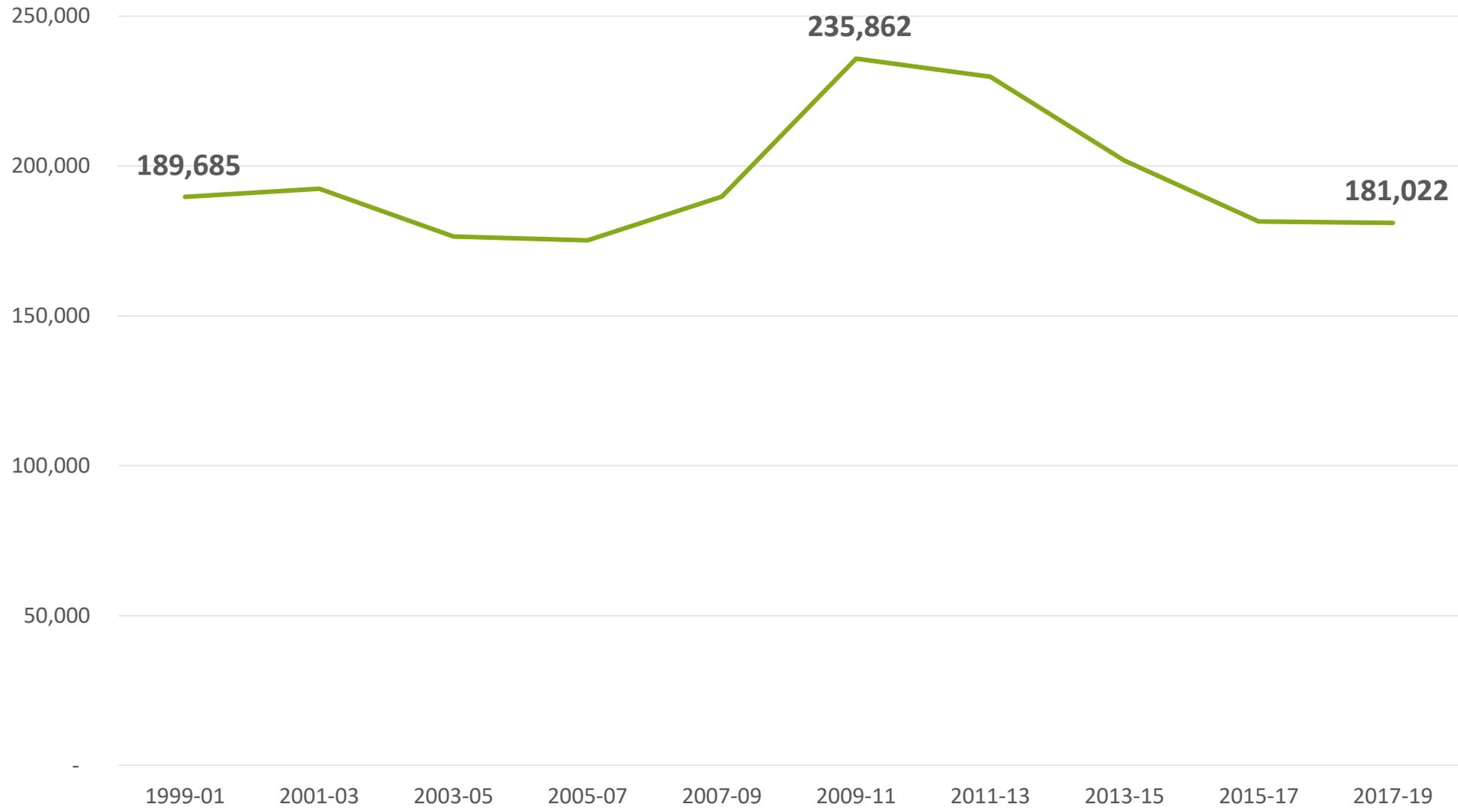
STATE FUNDING FALLS BEHIND



LACK OF STATE FUNDING BURDENS STUDENTS

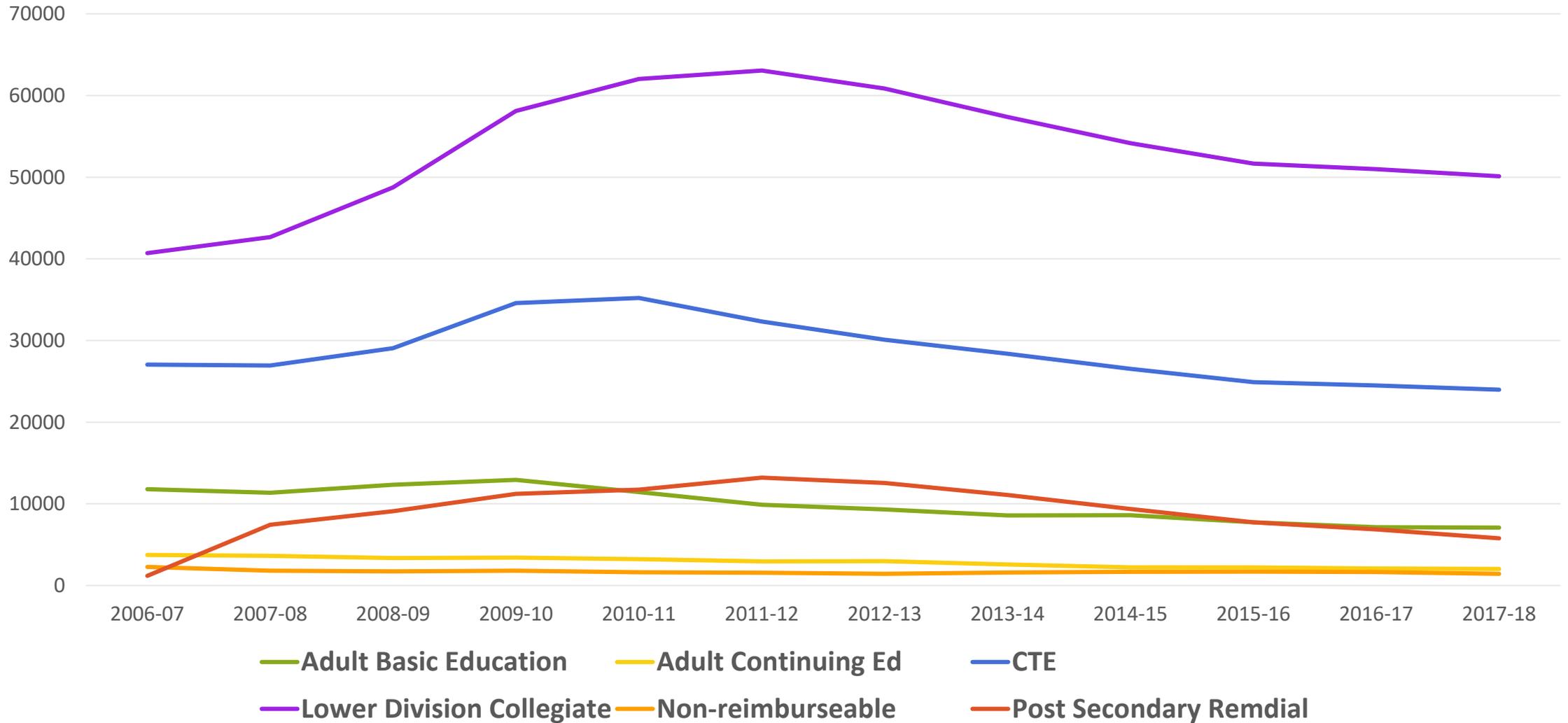


ENROLLMENT IS COUNTER-CYCLICAL TO ECONOMY



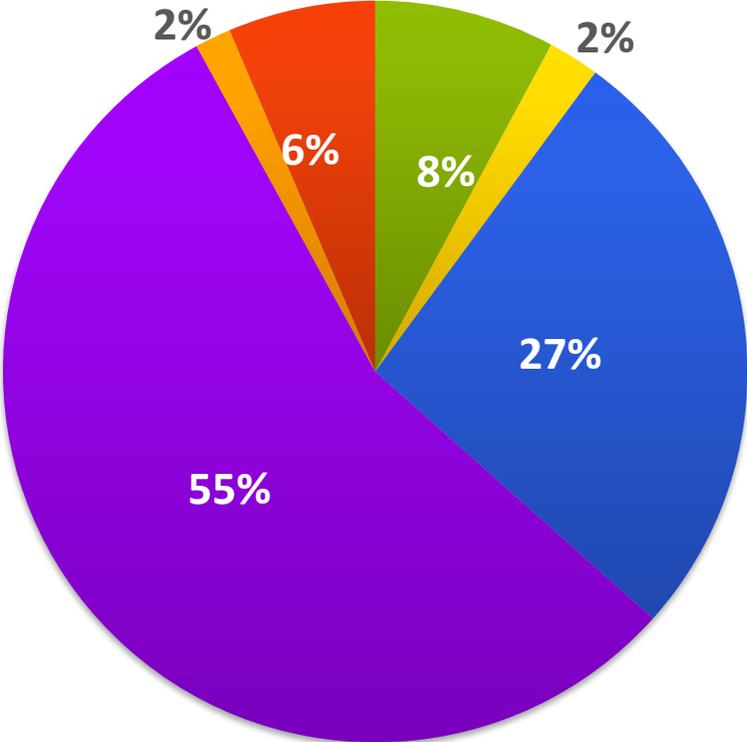
Source: HECC analysis of state appropriation and student-level data.

PROGRAMS MEET STUDENTS' NEEDS



Source: Data retrieved from D4A, Oregon Community Colleges Data Mart, "Student Full Time Equivalent (FTE) Comparison", accessed March 2019.

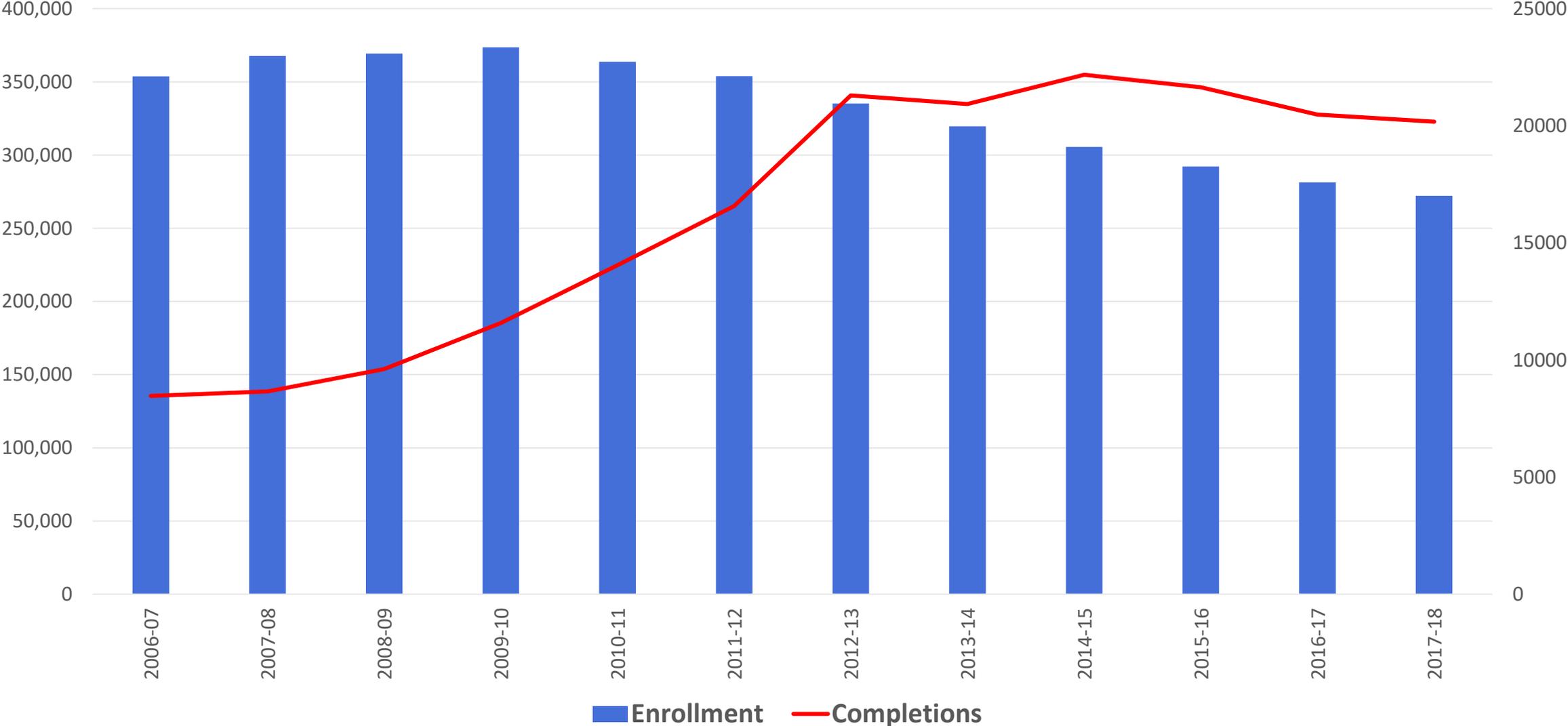
SNAPSHOT OF 2017-18 ENROLLMENT



- Adult Basic Education
- Adult Continuing Education
- CTE
- Lower Division Collegiate

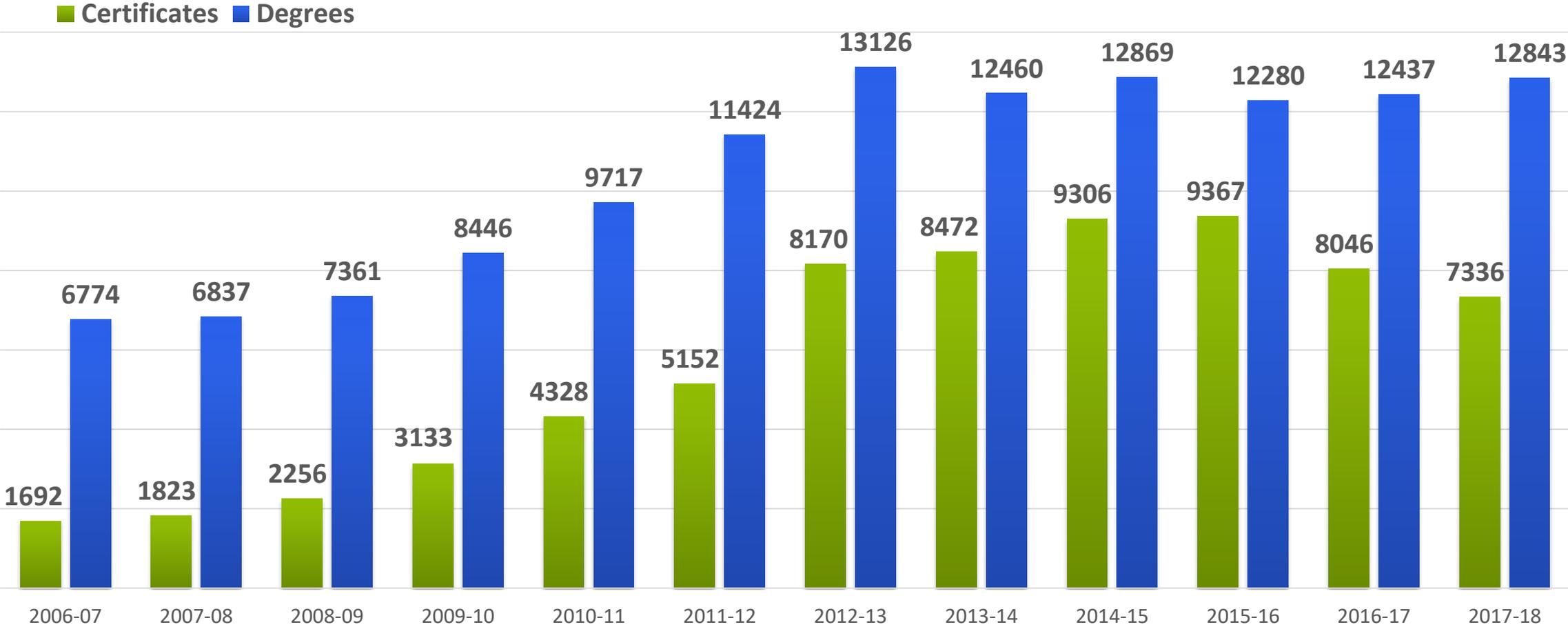
Source: Data retrieved from D4A, Oregon Community Colleges Data Mart, "Student Full Time Equivalent (FTE) Comparison", accessed March 2019.

INCREASING PRODUCTIVITY



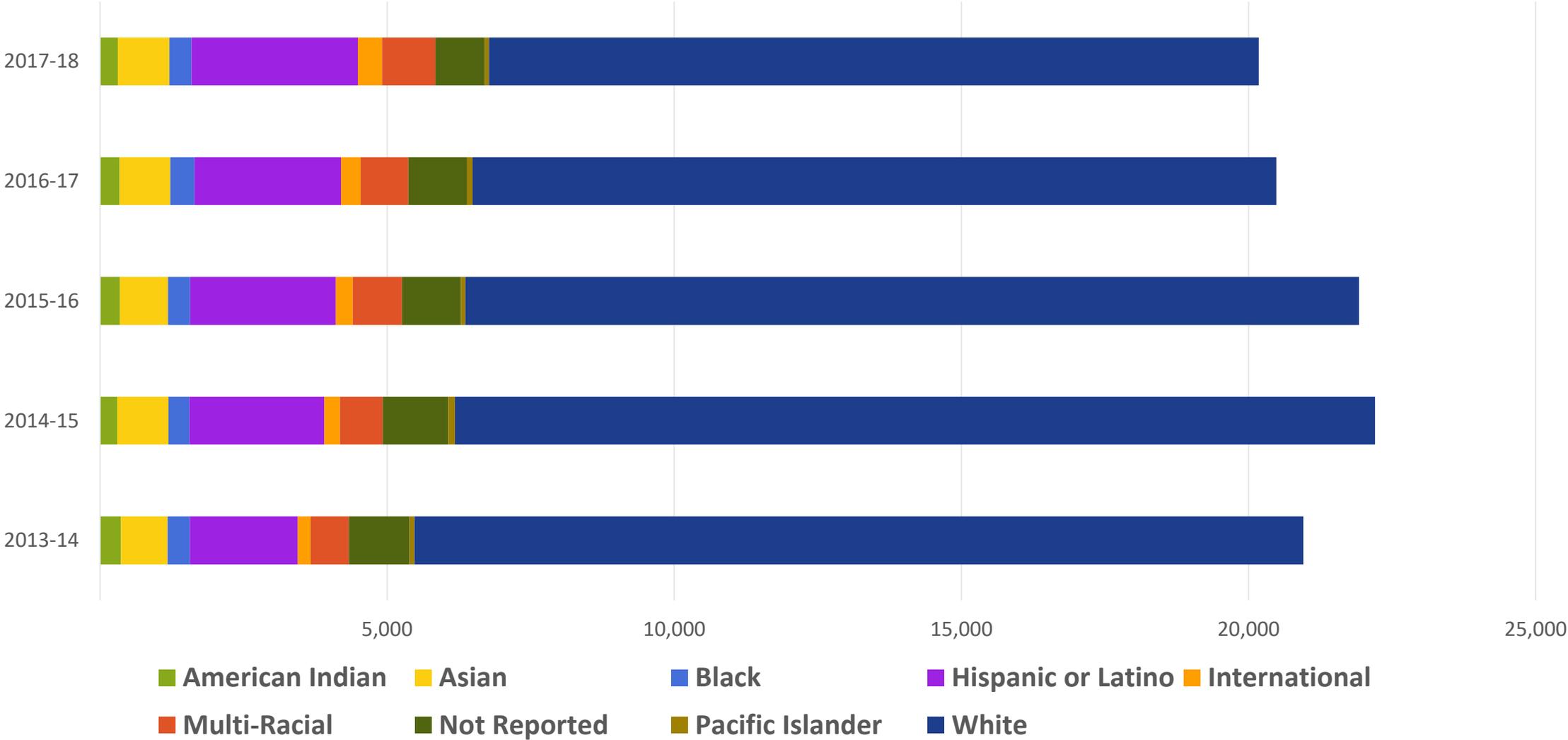
Source: Data retrieved from D4A, Oregon Community Colleges Data Mart, "General Fund Operating Revenues Percent of Total Revenues by Category", accessed March 2019.

STUDENT COMPLETIONS



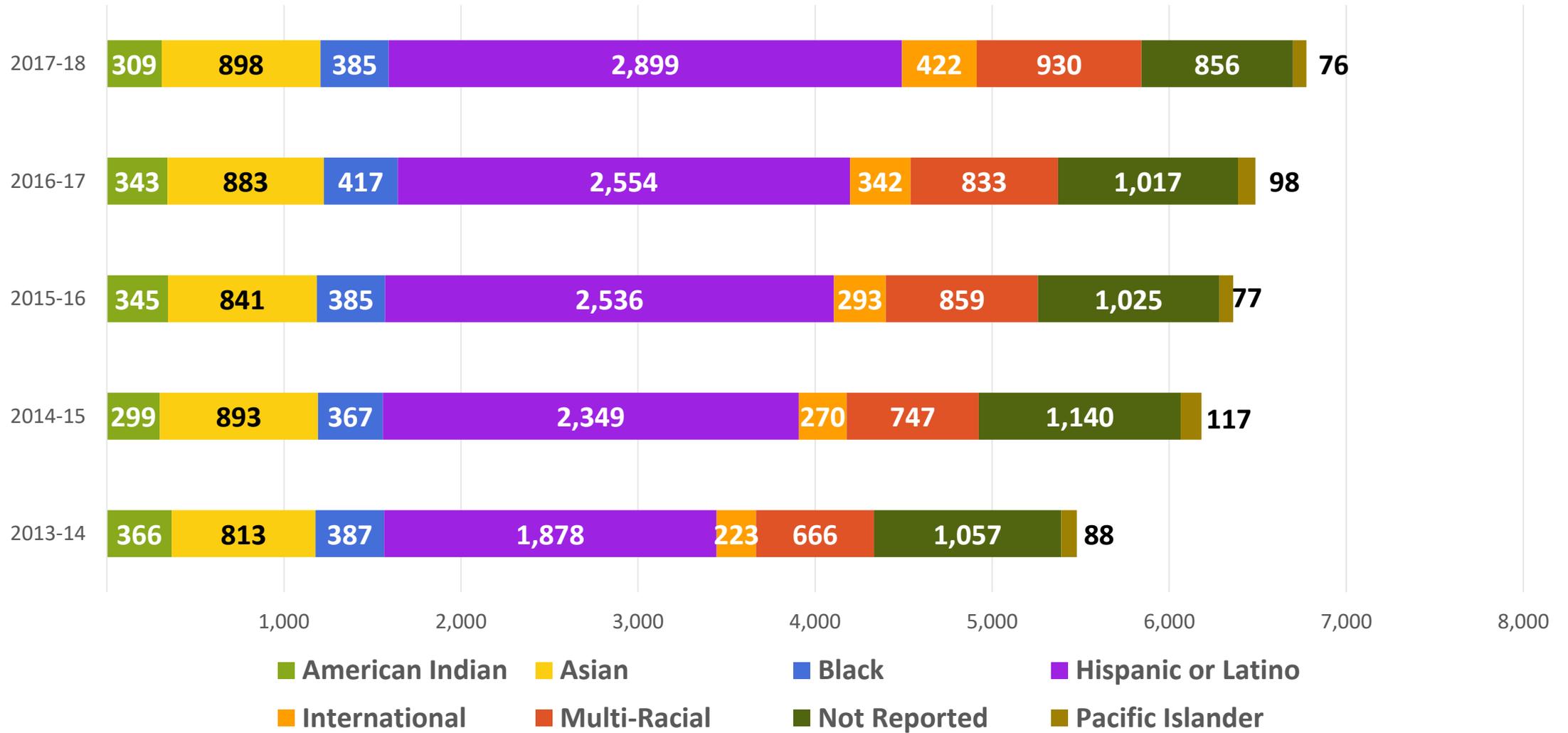
Source: Data retrieved from D4A, Oregon Community Colleges Data Mart, "Community College Institution Level Count of Awards by Type and Subtype", accessed March 2019.

COMPLETIONS BY ETHNICITY

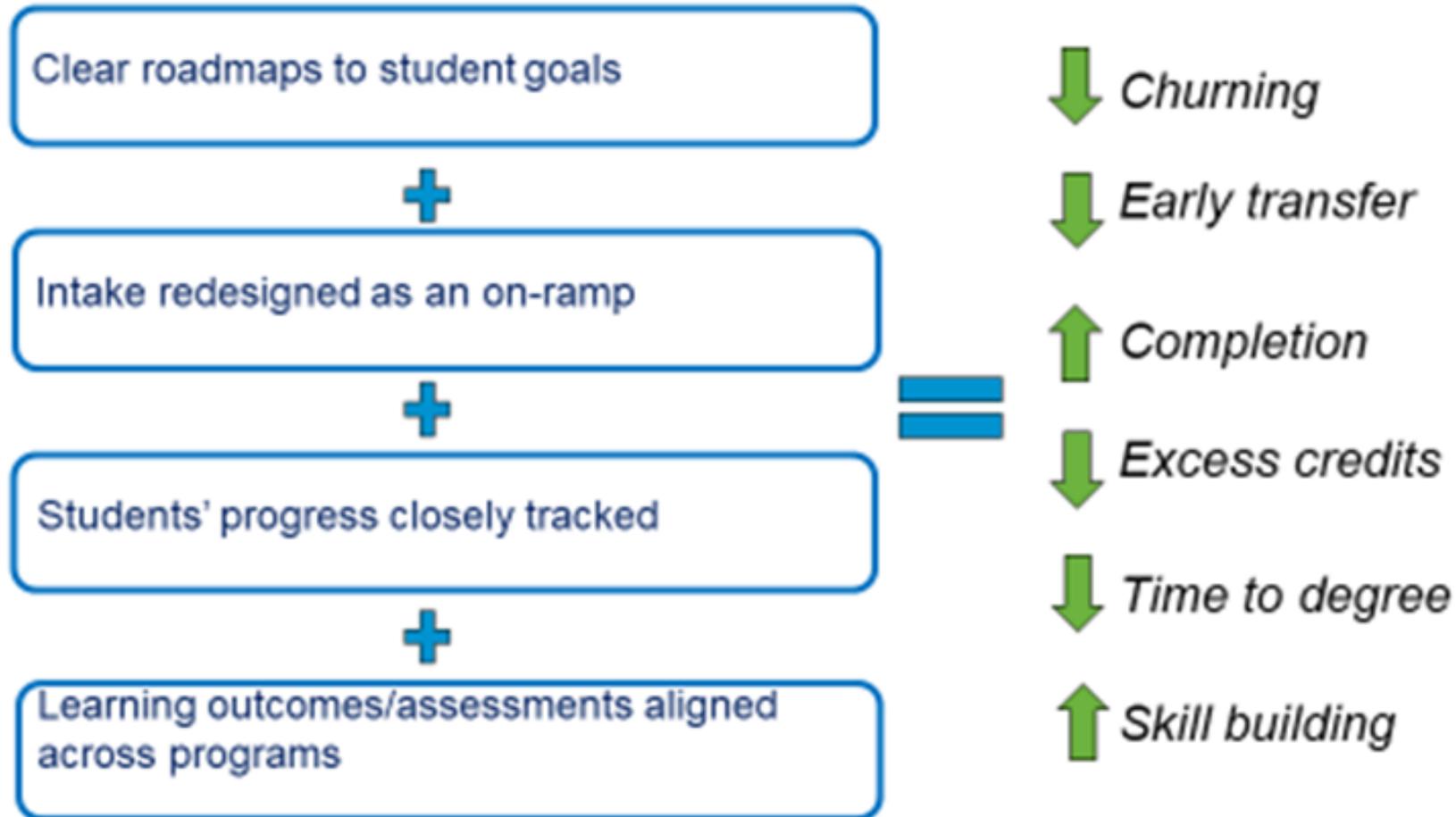


Source: Data retrieved from D4A, Oregon Community Colleges Data Mart, "Community College Institution Level Count of Awards by Type and Subtype", accessed March 2019.

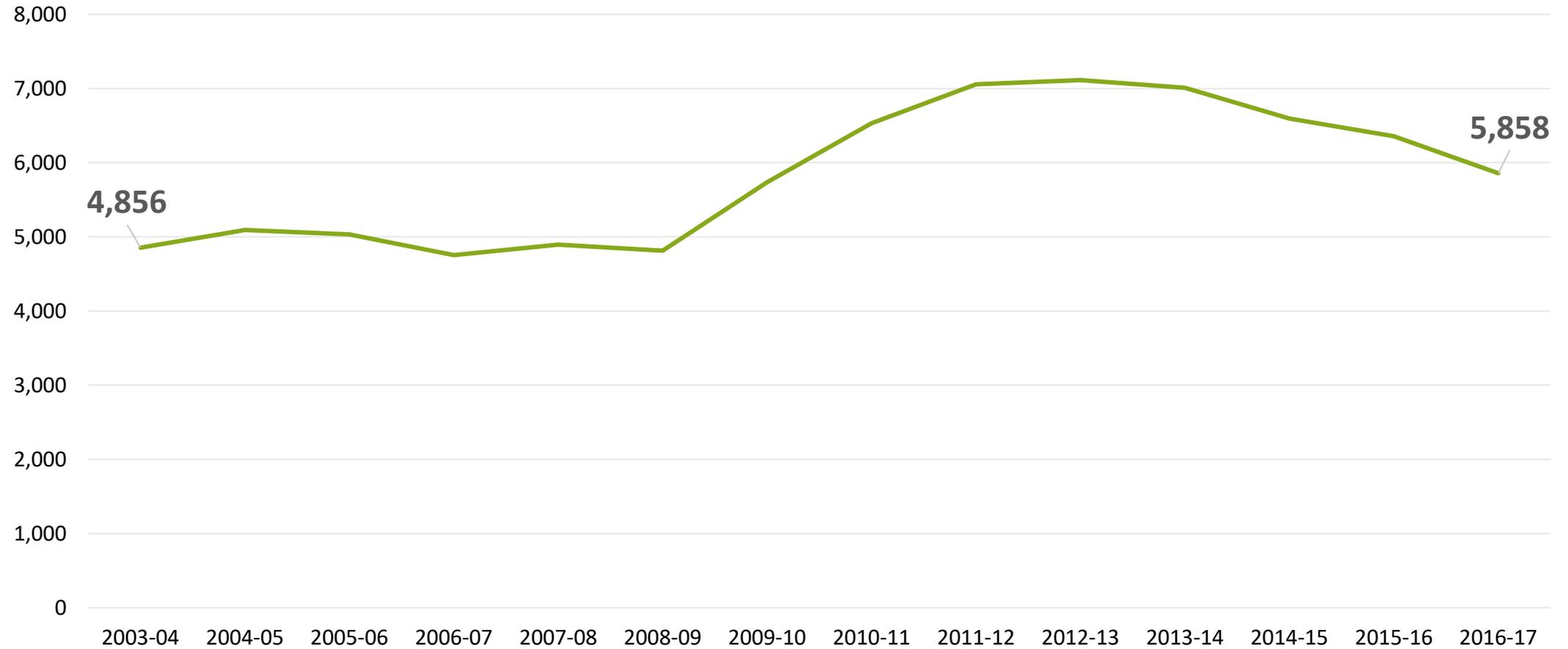
CLOSING THE ATTAINMENT GAP



GUIDED PATHWAYS TO STUDENT SUCCESS



PREPARING STUDENTS FOR TRANSFER SUCCESS





Oregon's community colleges and public universities are working with the HECC to improve transfer pathways.



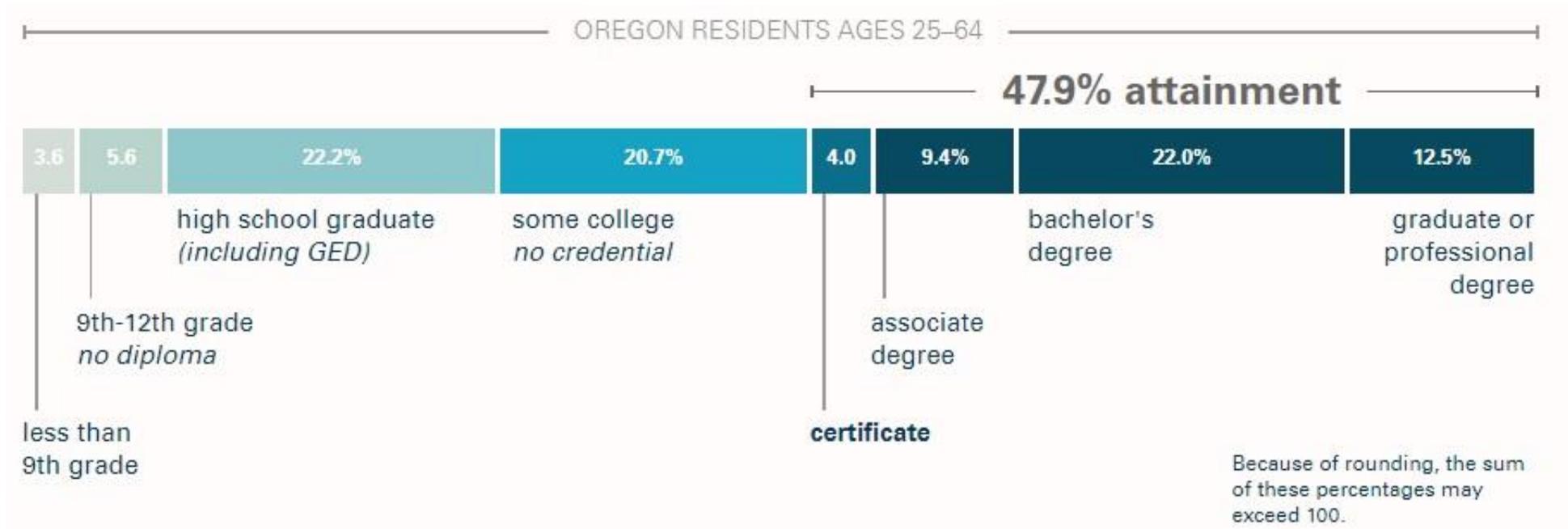
Tera Roberts

Associate Medical Director for School Based Health Centers,
Virginia Garcia Memorial Health Center

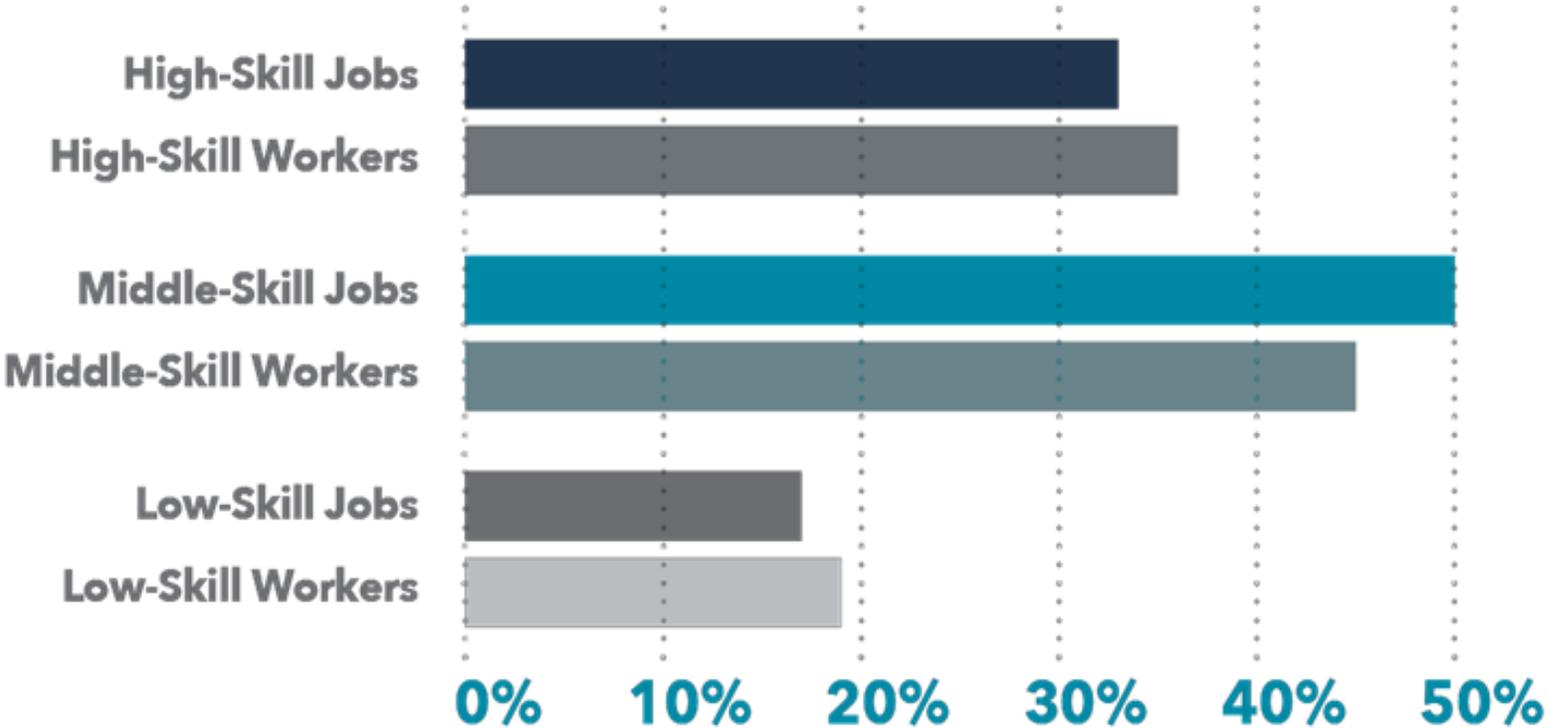
<https://vimeo.com/317328107>

COMMUNITY COLLEGES CLOSE THE SKILLS GAP

- 442,000 adults 25 and older in Oregon are unemployed or working making less than \$15/hr. without postsecondary credentials
- 453,685 or 20.7% of adults with some college, no credential



MIDDLE-SKILL JOBS ARE EXPANDING



Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015 and American Community Survey data, 2015.



Mitch Leslie
Industrial Maintenance Mechanic
Oregon Freeze Dry

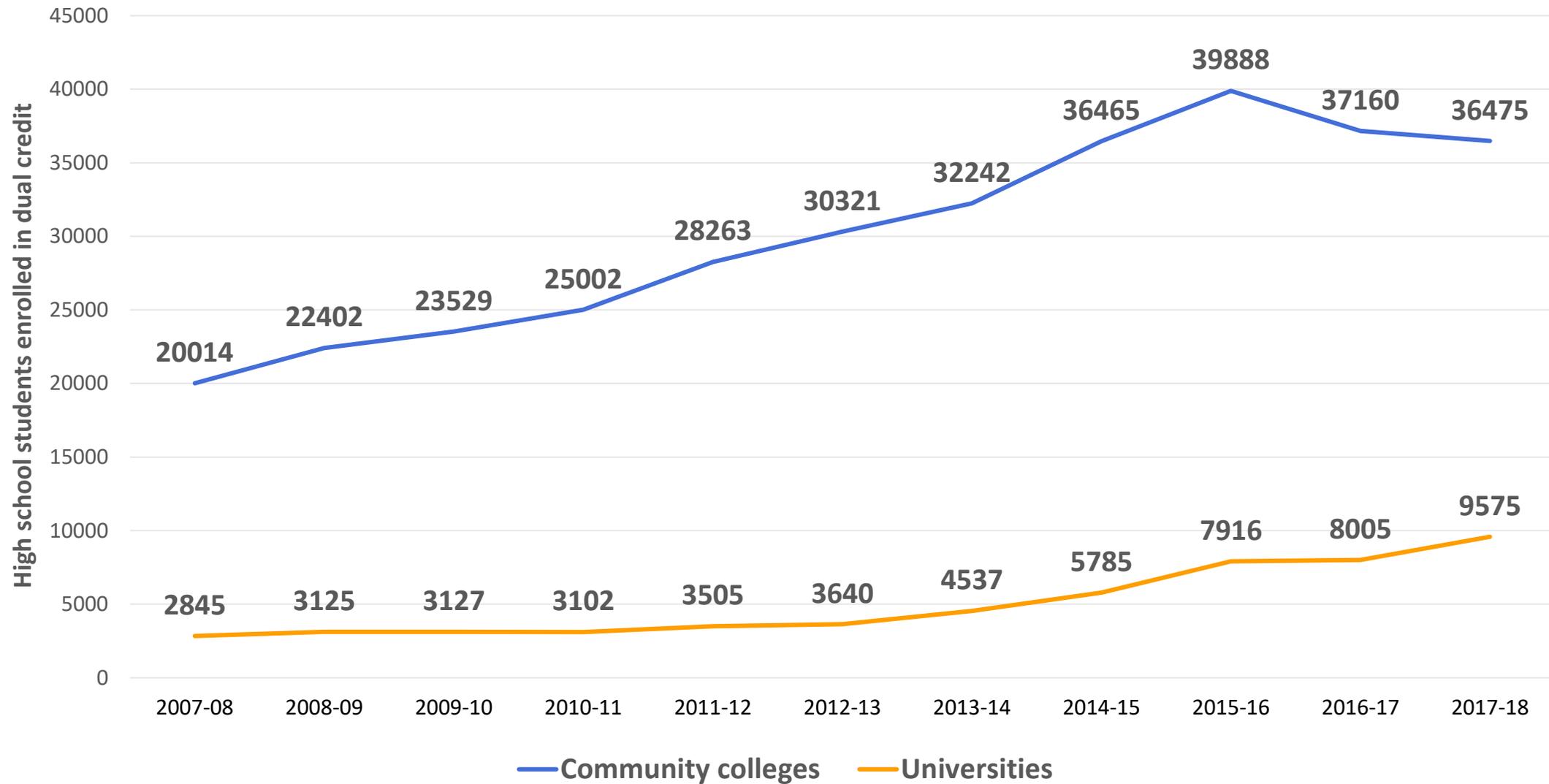
<https://vimeo.com/317325067>

CRITICAL CTE PROGRAMS

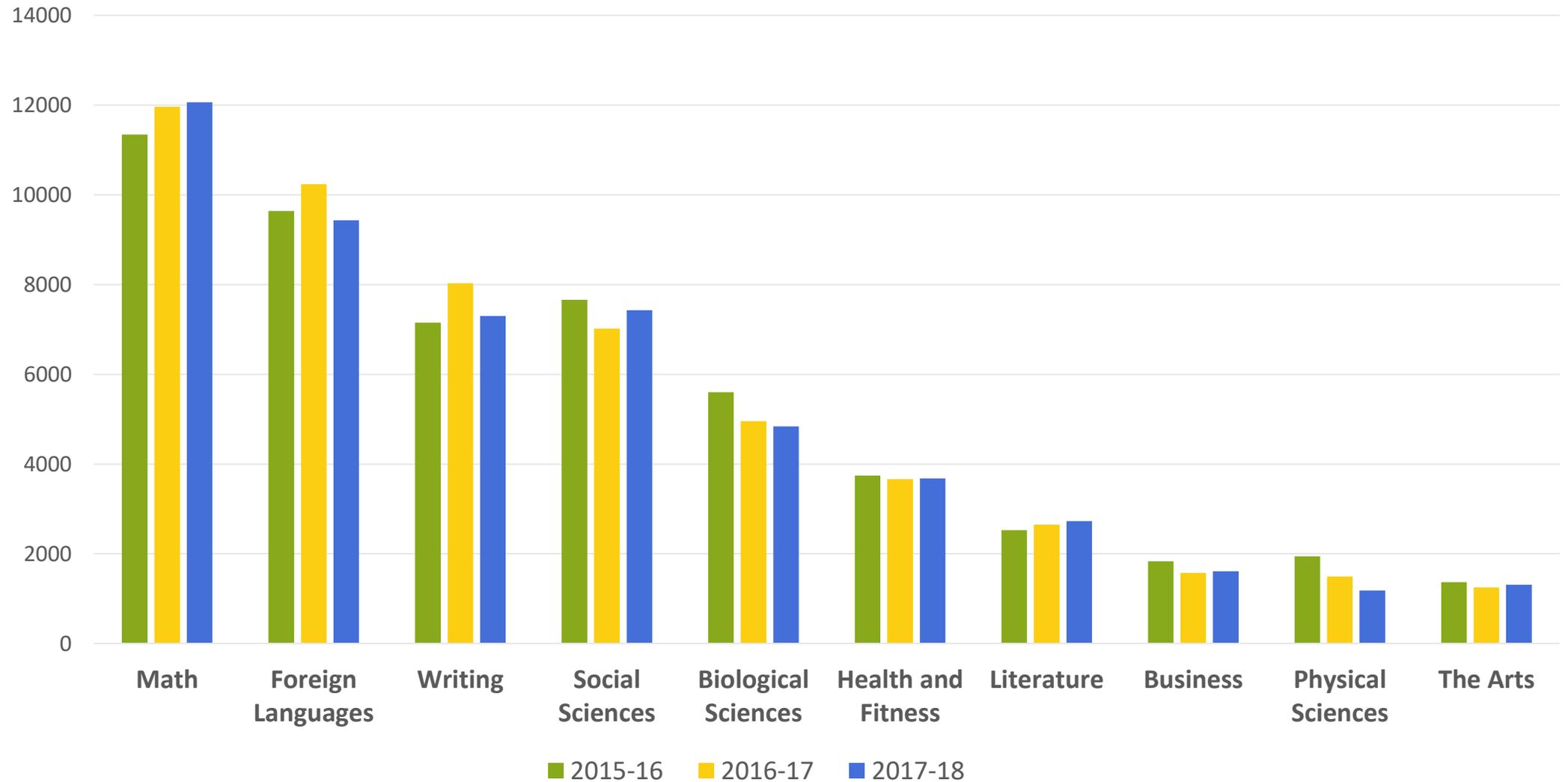


- Welding
- Cardiac Rehab
- Criminal Justice
- Construction
- Veterinary Tech
- Fire Science
- Machinery
- Emergency Management
- Medical Assistant
- Advanced Manufacturing
- Animal Plant Science
- Physical Therapy Assistant
- Automotive/Diesel
- Forestry/Natural Resources

ACCELERATED COLLEGE CREDIT STUDENTS



HIGHEST DEMAND ACCELERATED CREDIT COURSES



BENEFITS OF ACCELERATED COLLEGE CREDIT

For the class of 2015, Oregon students enrolled in accelerated learning were:

 **30%**
more likely to graduate from high school

 **22%**
more likely to persist in college

 **25%**
more likely to enroll in college

ACCELERATED COLLEGE CREDIT

- Students who take college credit in high school are more likely to graduate from high school and enroll and persist in college.
- These courses are especially beneficial to students traditionally underrepresented in higher education.
- Accelerated learning programs make pursuing a college degree more affordable.

• Families saved: **\$38 million**

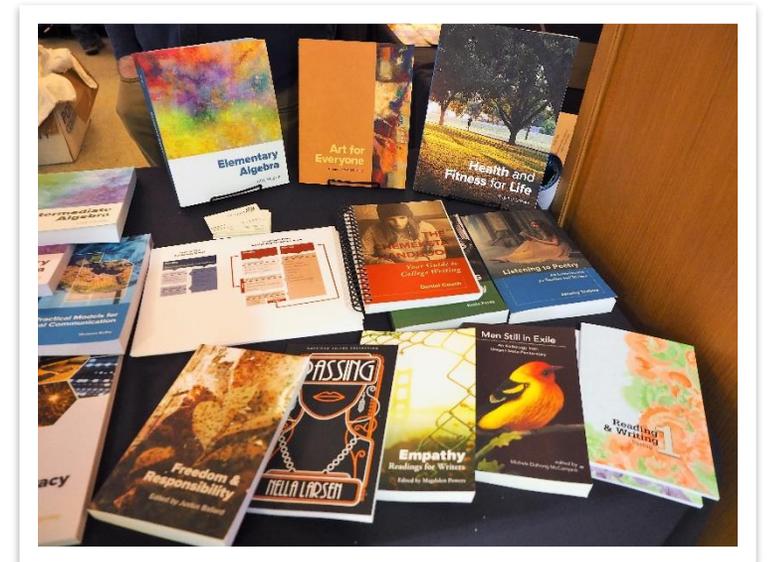


<https://vimeo.com/322920265>

MAKING TEXTBOOKS MORE AFFORDABLE

32,896 number of students served

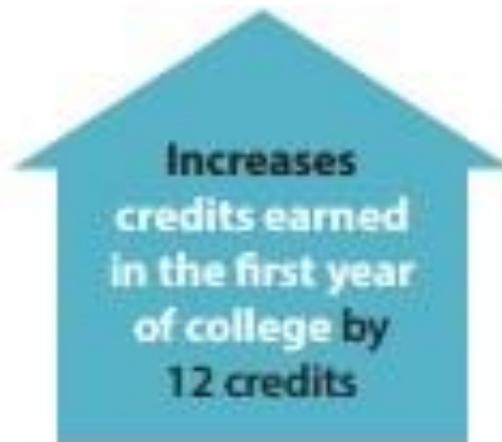
\$3,738,333 student money saved



FIRST GENERATION STUDENT SUCCESS: FUTURE CONNECT



“[Future Connect] makes me feel like I have a powerful reason to be here in college. It makes me feel like I am valuable as a student and makes me feel like I belong here in college and in this program.”



SERVING STUDENTS AND BUILDING COMMUNITIES

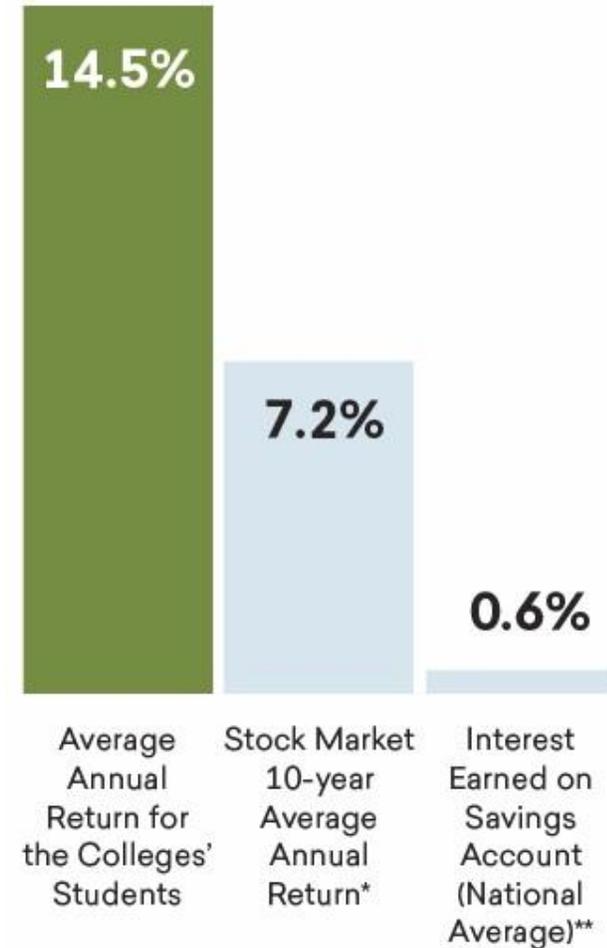
- **Personal success and fulfillment**
- **Economic stability and mobility**
- **Thriving families and communities**
- **Effective democracy**



MEASURABLE POSITIVE IMPACT ON OREGON



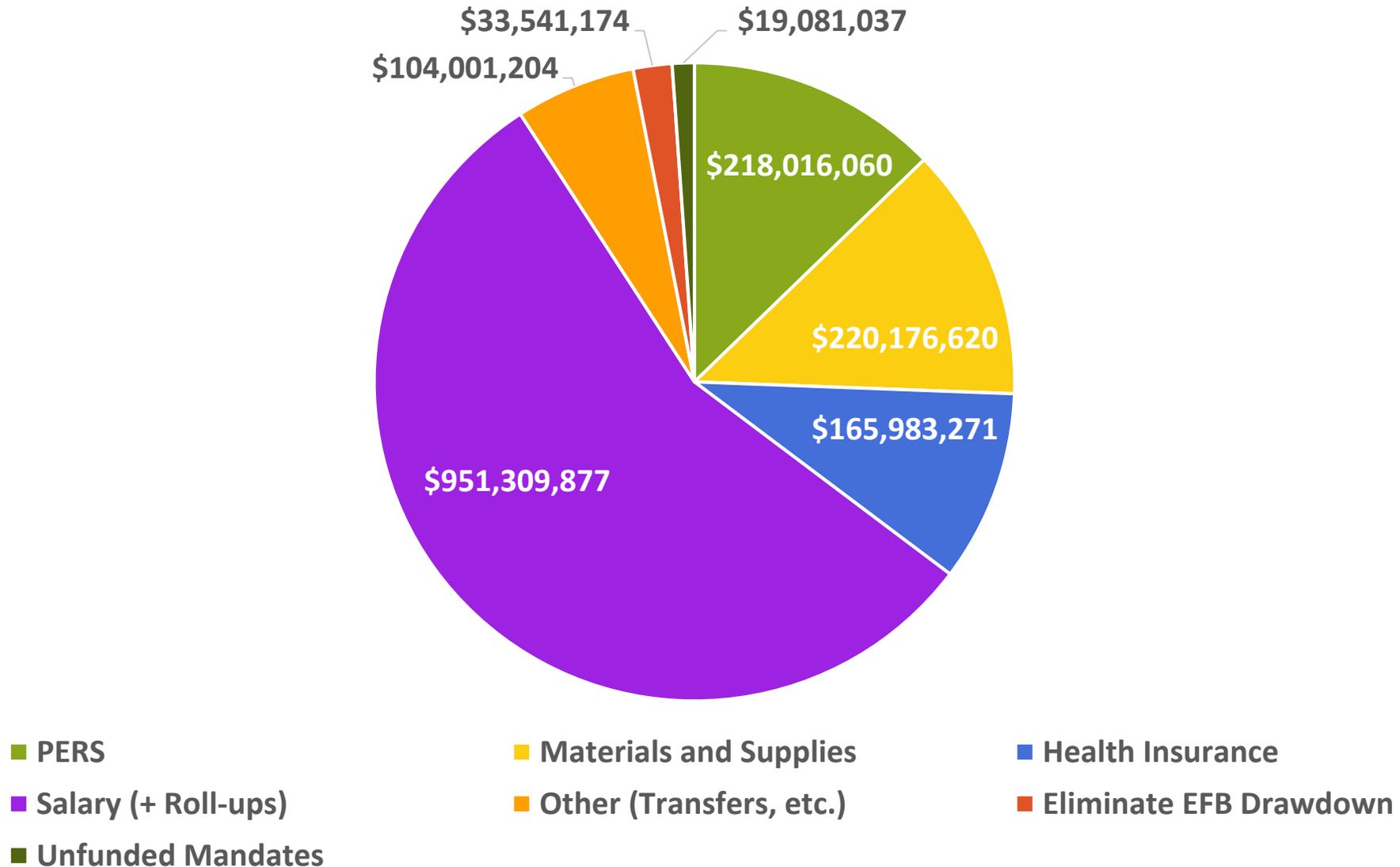
STUDENT RATE OF RETURN



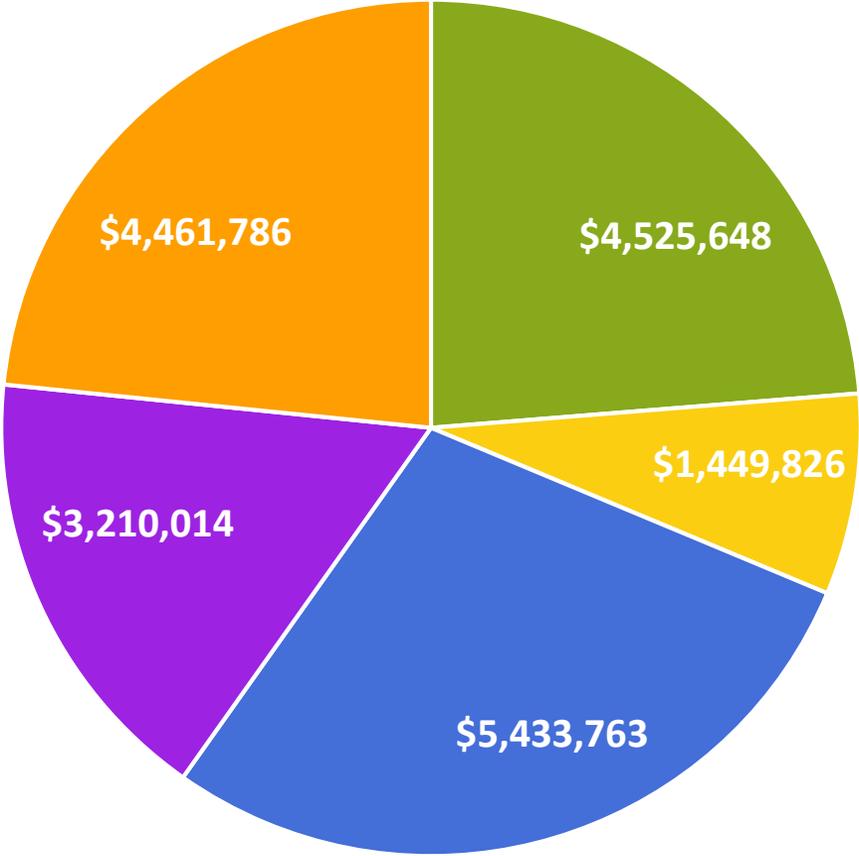
RECOMMENDED BUDGETS OVERVIEW

	2017-19	2019-21		
	Legislative Approved Budget (LAB)	HECC Budget Request for Community Colleges	Governor-Investment Budget (\$2 billion in new revenue)	Co-Chairs' Budget
Community College Support Fund	\$570 million			
Current Service Level (CSL)		\$646.7 million	\$646.7 million	\$590 million
CTE Investment		\$70 million	\$70 million	Not funded
Student Success Investment		\$70 million	Not funded	Not funded
Statewide Tuition Increase w/o program cuts	4%	3.50%	~5%	11.65%

BUDGET COST DRIVERS \$1,712,109,243



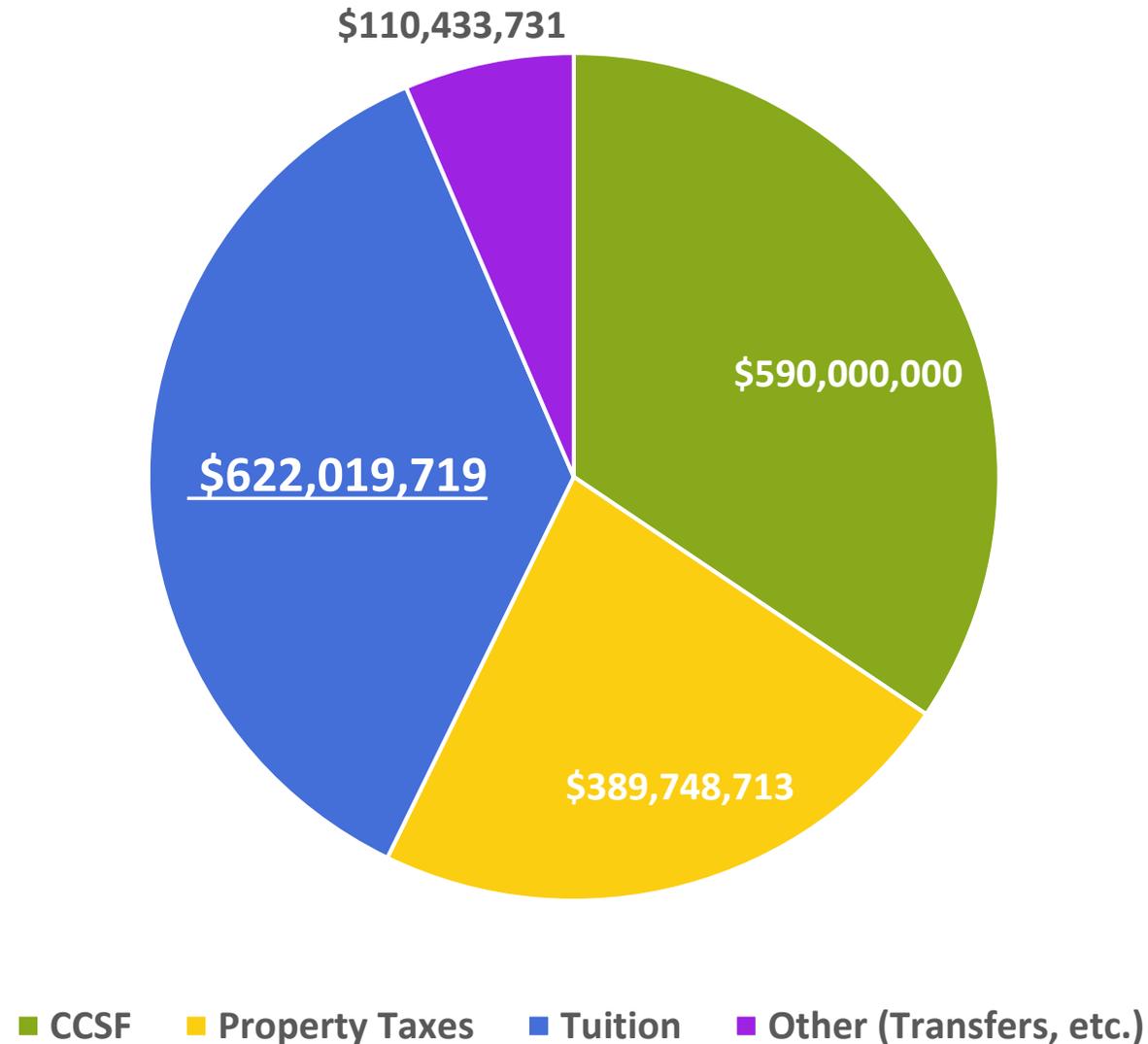
UNFUNDED MANDATES \$19 MILLION



■ Clery Act/Title IX ■ Health care ■ Paid sick leave ■ Minimum wage ■ FLSA

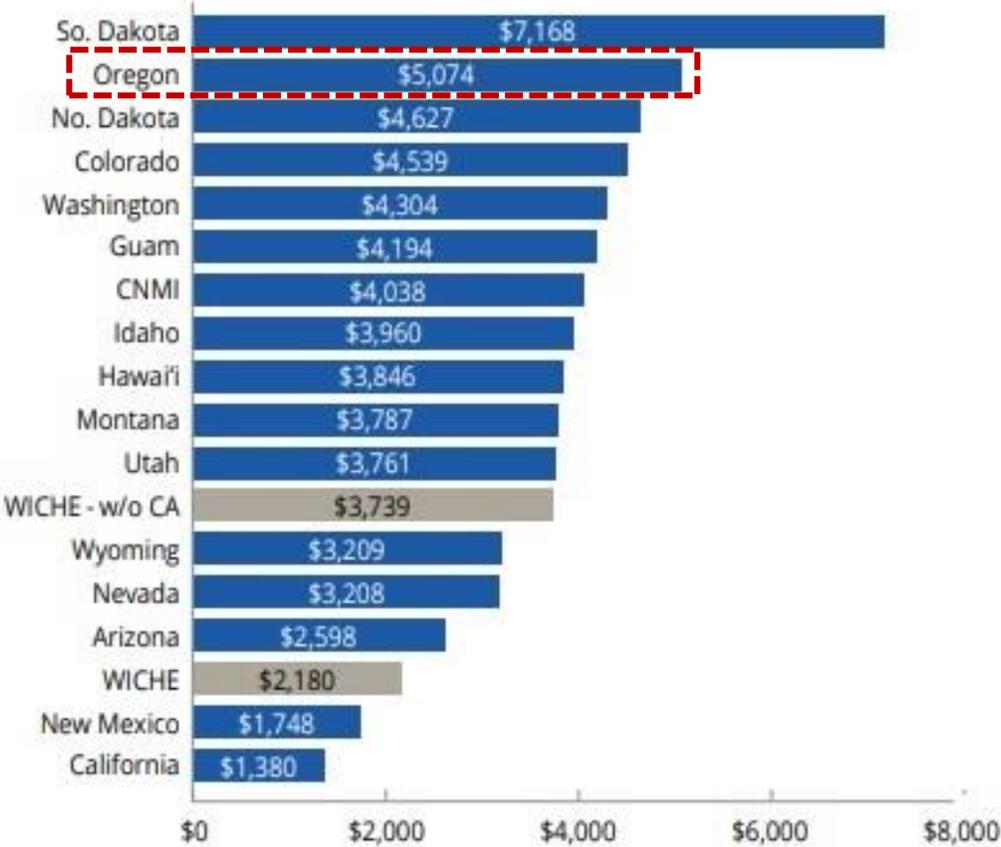
Source: Analysis of financials from across all 17 community colleges, compiled December 2018.

TUITION REVENUE PROJECTION AT CO-CHAIRS' BUDGET



OREGON'S TUITION AMONG HIGHEST IN THE WEST

Resident In-District/County Tuition and Fees at Public Two-Year Institutions, 2017-18



Oregon Average Tuition and Fees, 2018-19



State Average Change in Tuition and Fees



Source: WICHE, May 2018, WICHE Insights, Tuition and Fees in the West, 2017-18: Trends and Implications, accessed March 2019 from <https://www.wiche.edu/pub/ff>.

FINANCIAL AID SUPPORTS STUDENTS

9,530

community college students received the **Oregon Promise Grant**

21,150

community college students received the **Oregon Opportunity Grant**

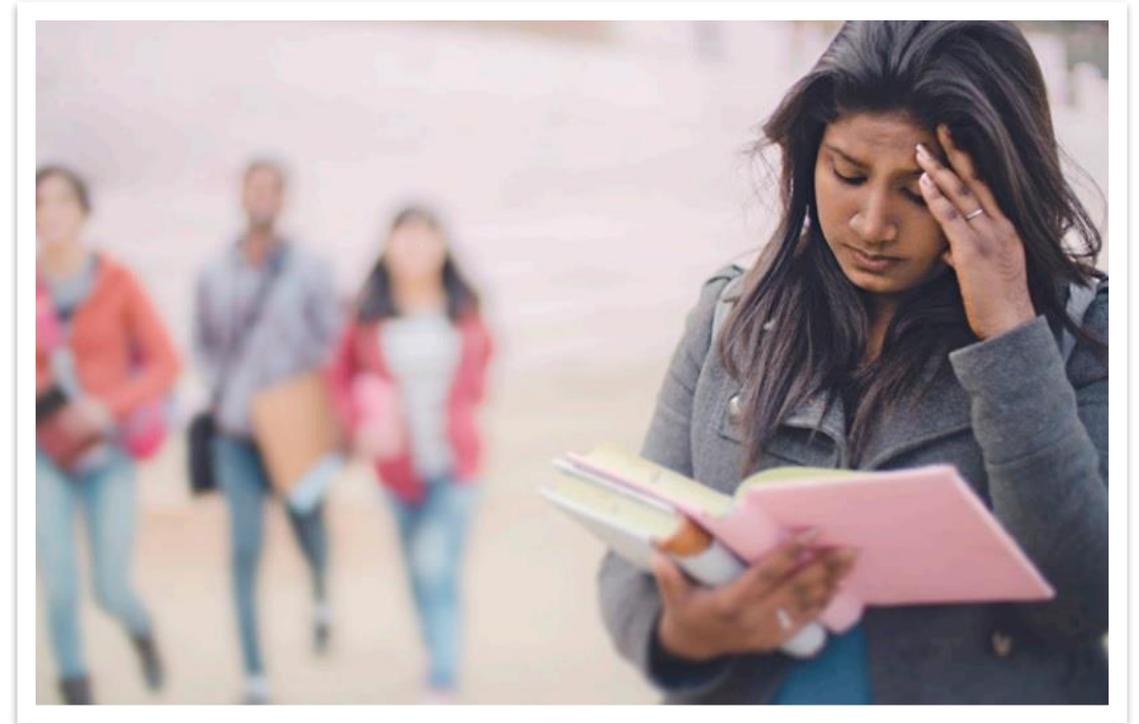
38,557

community college students received the **Pell Grant**



OTHER FINANCIAL PRESSURES FACING STUDENTS

- Only 41% of students report being financially secure
- 46% report they are housing insecure
- 42% report they are food insecure
- 12% report they are homeless



“They [community colleges] are the Marine Corps of higher education — useful, efficient, no-nonsense, mission-oriented.”

-East Oregonian, 2019





CAM PREUS, EXECUTIVE DIRECTOR
CAM@OCCA17.COM



OREGON'S INVESTMENT IN ITS SEVEN PUBLIC UNIVERSITIES

VERONICA DUJON, Director
HECC Office of Academic Policy and
Authorization

JIM PINKARD, Director, HECC Office of
Postsecondary Finance and Capital

Presented to: Joint Committee on Ways and
Means, Subcommittee on Education

2019 PRESENTATION, DAY 9

Presentation Schedule

Days 1-2	<ul style="list-style-type: none"> • Introduction to Postsecondary Education and Training in Oregon: Agency Overview, Mission, Goals, Budget Components, History of Funding, National Context
Day 3	<ul style="list-style-type: none"> • Affordability: Key Factors, State Financial Aid Programs
Day 4	<ul style="list-style-type: none"> • Learner Pathways and Transitions: Pre-College Programs and Outreach, Transitions to Career Success, Industry Needs, Supporting Learners in a PK-20 System, Private Postsecondary Oversight and Coordination
Day 5	<ul style="list-style-type: none"> • Public Testimony
Days 6-7	<ul style="list-style-type: none"> • State Support for Community Colleges: Students Served, Funding Impacts, Capital Construction • Community College presentations
Day 8	<ul style="list-style-type: none"> • Public Testimony
Days 9-10	<ul style="list-style-type: none"> • State Support for Public Universities: Students Served, Funding Impacts, Capital Construction • University presentations
Day 11	<ul style="list-style-type: none"> • Other Missions of Universities: Statewide Public Services, State Programs
Day 12	<ul style="list-style-type: none"> • Public Testimony
Day 13	<ul style="list-style-type: none"> • OHSU, Public Testimony
Day 14	<ul style="list-style-type: none"> • An Integrated Postsecondary Agency: HECC Operations Agency Budget, Conclusion

HECC Offices represented by presenters:

OFFICE OF ACADEMIC POLICY AND AUTHORIZATION, OFFICE OF POSTSECONDARY FINANCE AND CAPITAL

State Support for Public Universities

The PUSF is 29.3% of the HECC budget.

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Public University Support Fund	Funds critical investments to public universities to support educational and operational expenses	\$736.9M GF	\$777.4M GF	\$736.9M GF
Change from 2017-19				0% from LAB -5.3% from CSL
Support Debt Service on Previous University Capital Projects	Supports debt service on previously approved capital projects for the universities	\$186M Total \$151M GF \$31.9M LF \$ 3.1M OF	\$238.5M Total \$204M GF \$34.5M LF	\$238.5M Total \$204M GF \$34.5M LF
Change from 2017-19				+30.1% from LAB

Public Universities: New Capital Funding

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
University New Capital Funding	<p>New general obligation bond proceeds funding 6 new capital construction projects and Capital Improvements and Renewals for all universities. Two of these projects are funded with Article XI-Q bonds repaid by state General Fund.</p>	<p>\$405.5M OF Limitation (\$331.4M State Paid, \$74.1M University Paid)</p> <p>\$1.69M GF</p>	<p>N/A</p>	<p>\$173M OF Limitation (\$80M State Paid, \$93M Univ. Paid)*</p> <p><i>*GRB recommends reserving an additional \$225M in bonding authority for 2020 session to complete work on 10-year strategic plan for capital investments.</i></p>
<p>Change from 2017-19</p>				<p>-50.9% from LAB -69.9% of State Paid from LAB</p>

INTRODUCTION: OREGON UNIVERSITIES, OVERVIEW AND GOVERNANCE



Oregon State University-
Cascades



Portland State
University

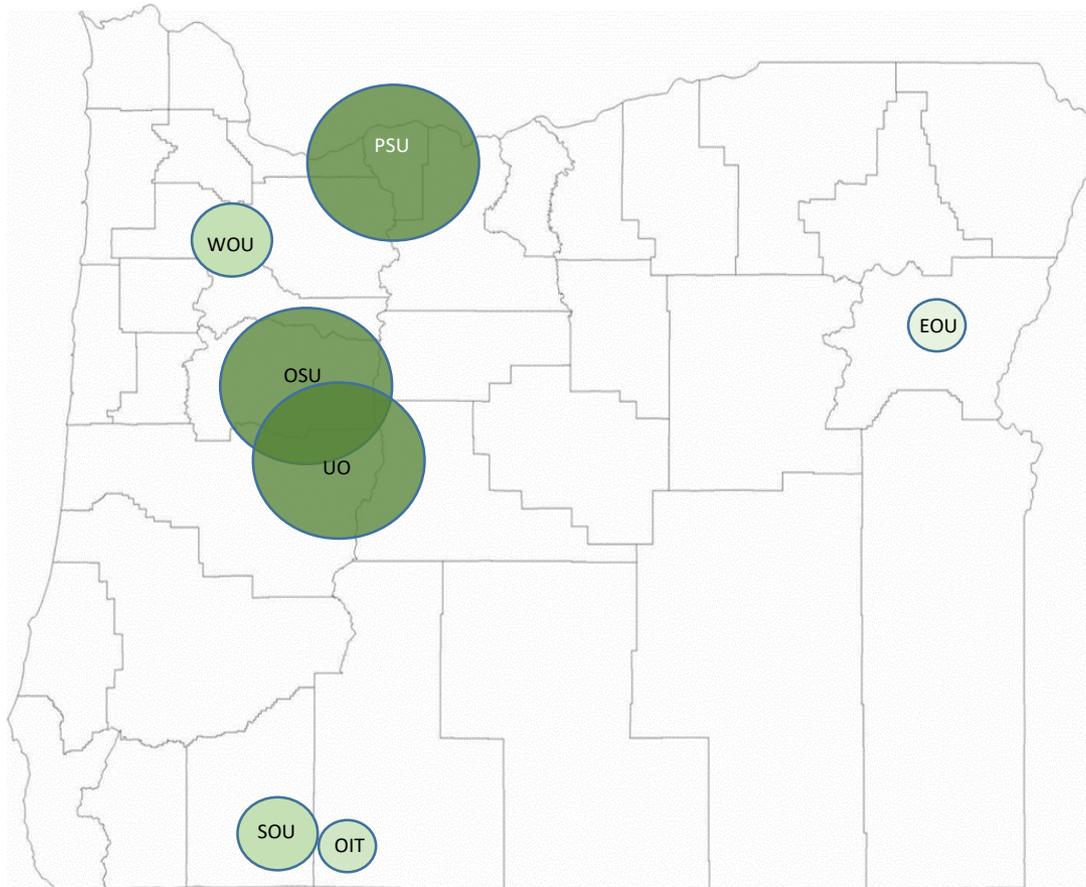


Oregon Institute of
Technology



Western Oregon
University

7 Public Universities, Diverse Missions



With relative size of enrollments noted.

Approximately 80% of total public university enrollment is at the three largest institutions.

Governance and Coordination

The 7 public universities are independent with Governor-appointed and Senate-confirmed governing boards.

HECC engages with the 7 universities directly and through their advocacy and affinity groups, including:

- Inter-Institutional Faculty Senate (IFS)
- Oregon Council of Presidents
- Oregon Student Association (OSA)
- Oregon Presidents' Council (OPC)
- University Vice Presidents of Financial Affairs

Coordinated activities include:

- Fiscal coordination of the public university support fund, public university state programs, and statewide public services
- Capital bond funding administration
- Allocation of state funding to public universities
- Mission and program approval

IMPACT OF THE
INVESTMENT IN
OREGON'S PUBLIC
UNIVERSITIES:
UNIVERSITY
STUDENTS AND
THEIR SUCCESS

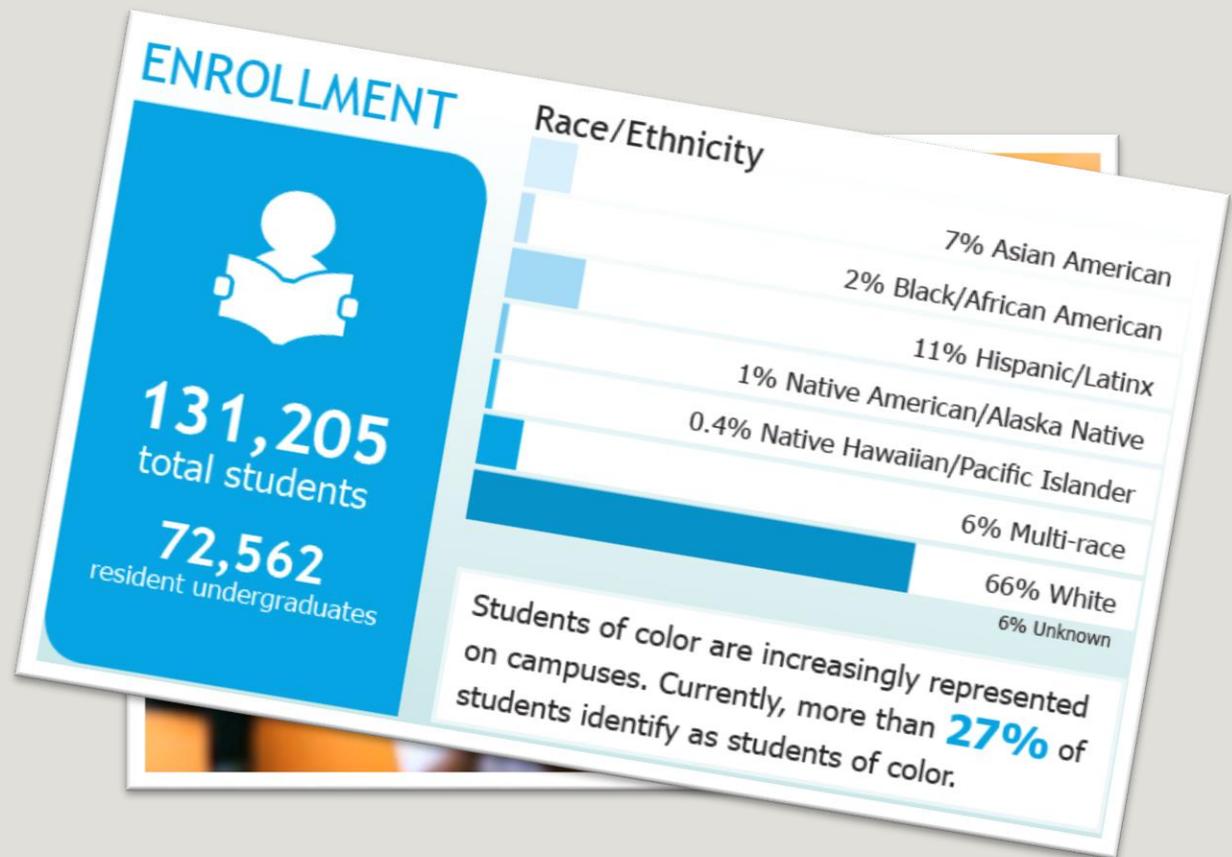


Enrollment at Oregon's Public Universities

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Universities, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

Oregon's universities enrolled 131,205 students in 2016-17, including 72,562 resident undergraduates.



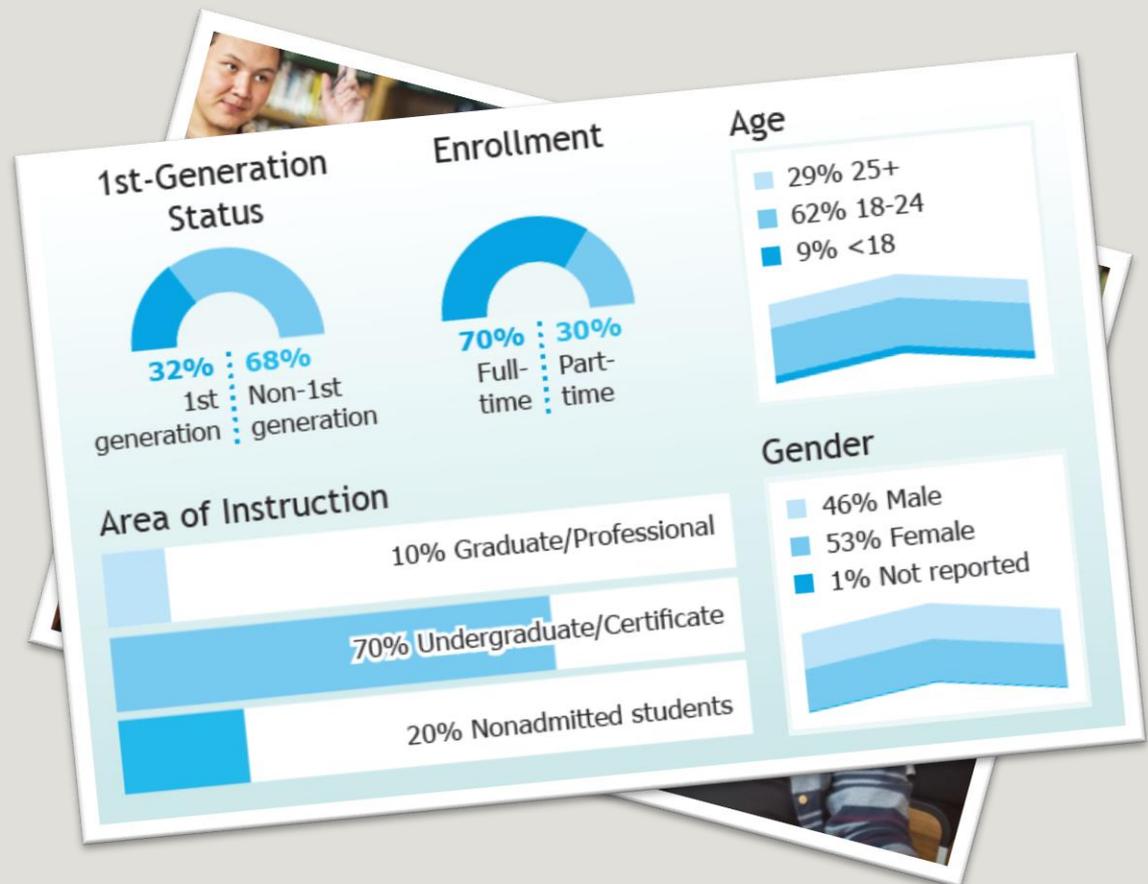
Enrollment and Student Characteristics at Oregon Public Universities

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Universities, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

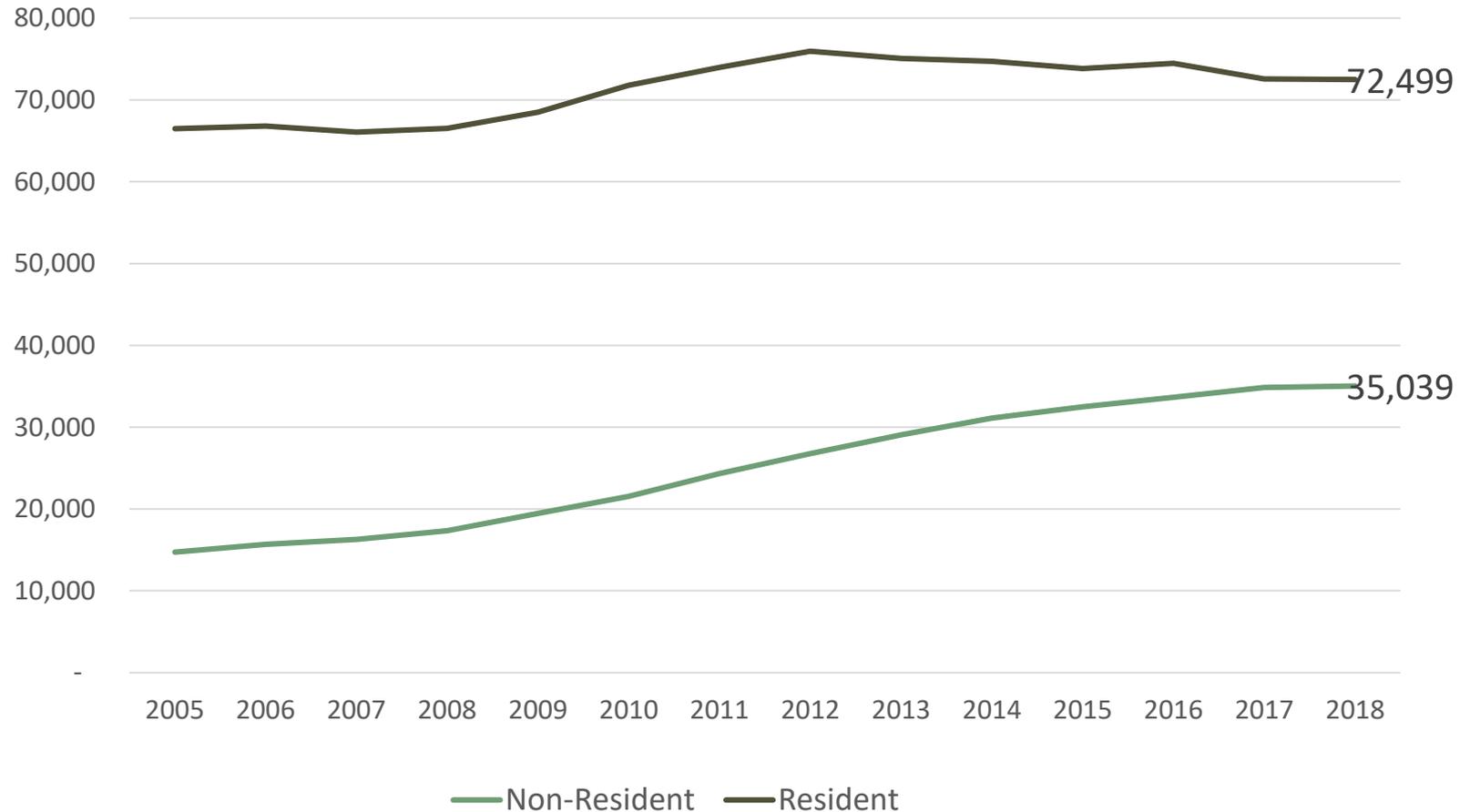
Of resident students in universities, 32% were 1st generation college students.

Of resident students, 70% were pursuing an undergraduate degree or certificate.

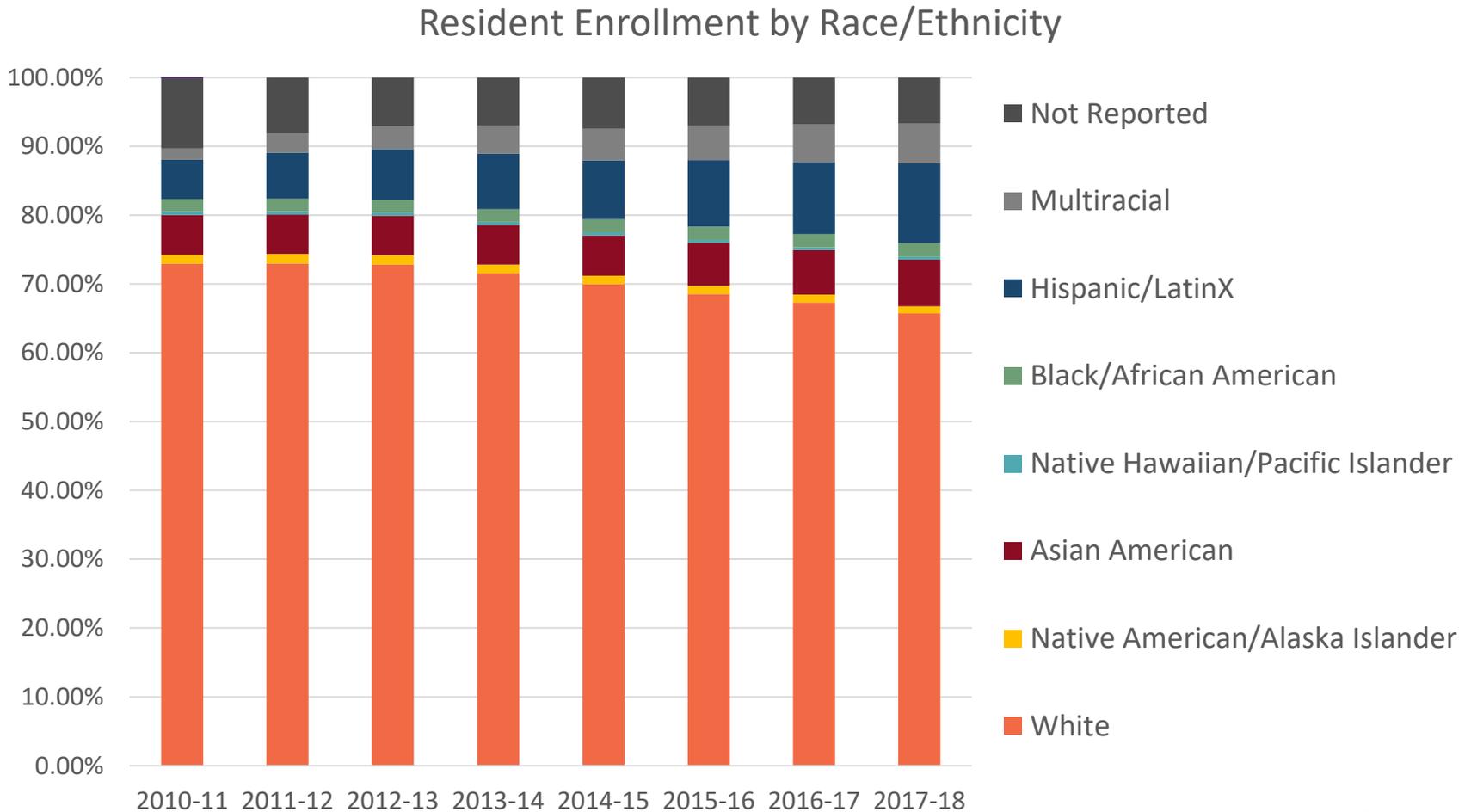


Undergraduate Enrollment has Risen in the Universities

Public University Undergraduate Enrollment by Headcount and Residency



Serving a More Diverse Student Body: Resident Enrollment by Race/Ethnicity



UNIVERSITY COMPLETIONS



2018 Completions



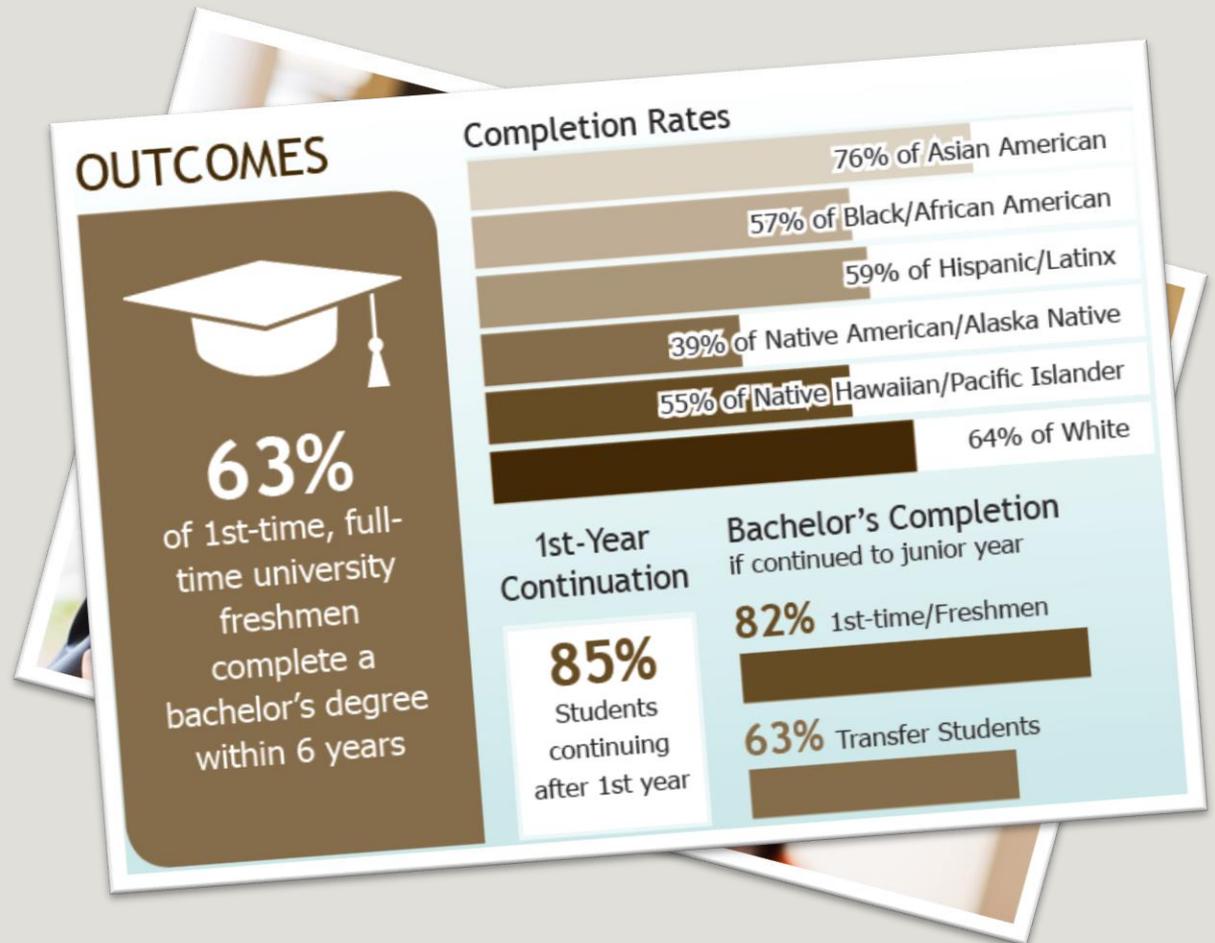
Outcomes: Completion at Oregon Public Universities

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Universities, 2016-17)

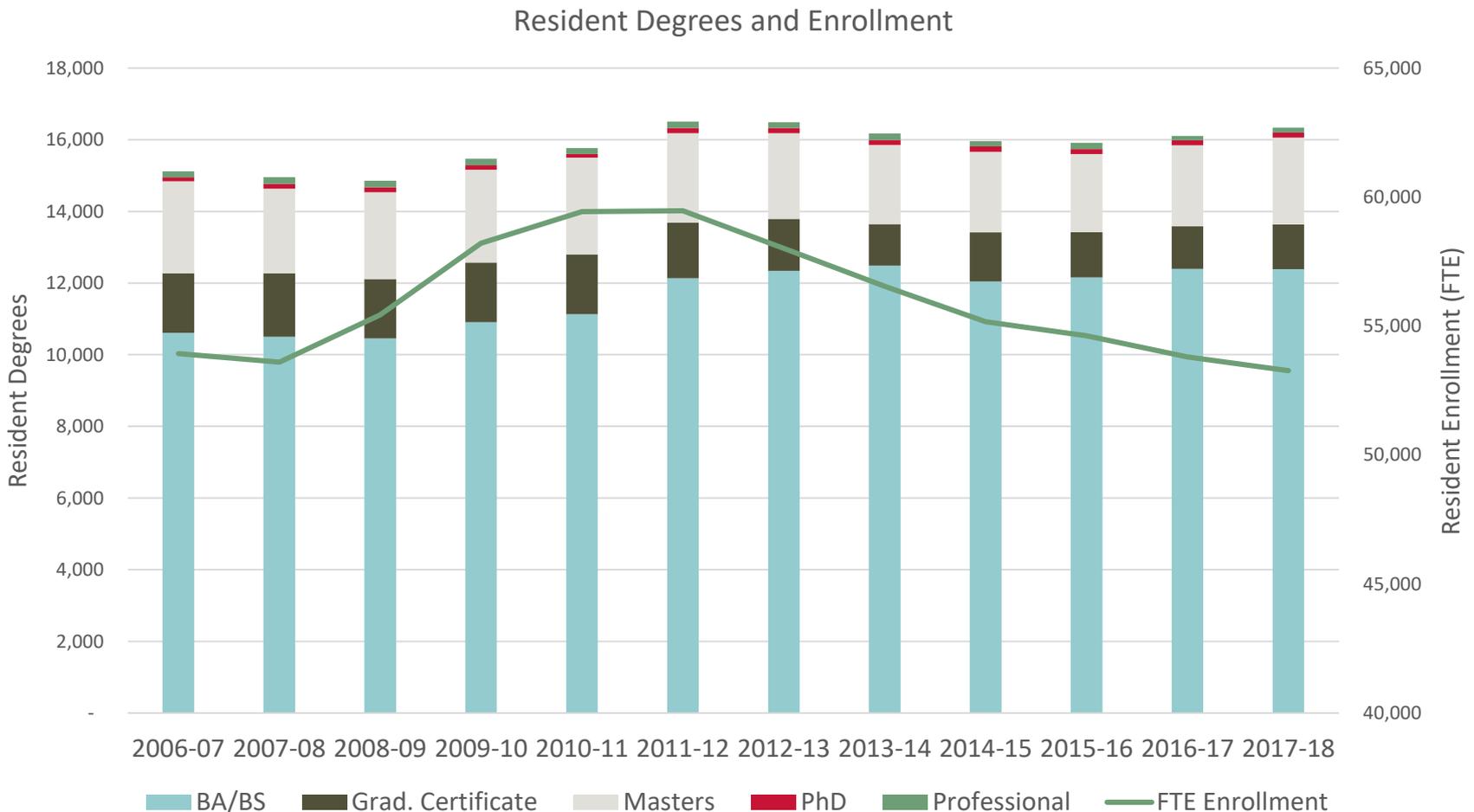
- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

In 2016-17, 63% of 1st time, full-time university freshmen completed a bachelor's degree within 6 years.

The completion gap between students of color and their white classmates continues to be significant.



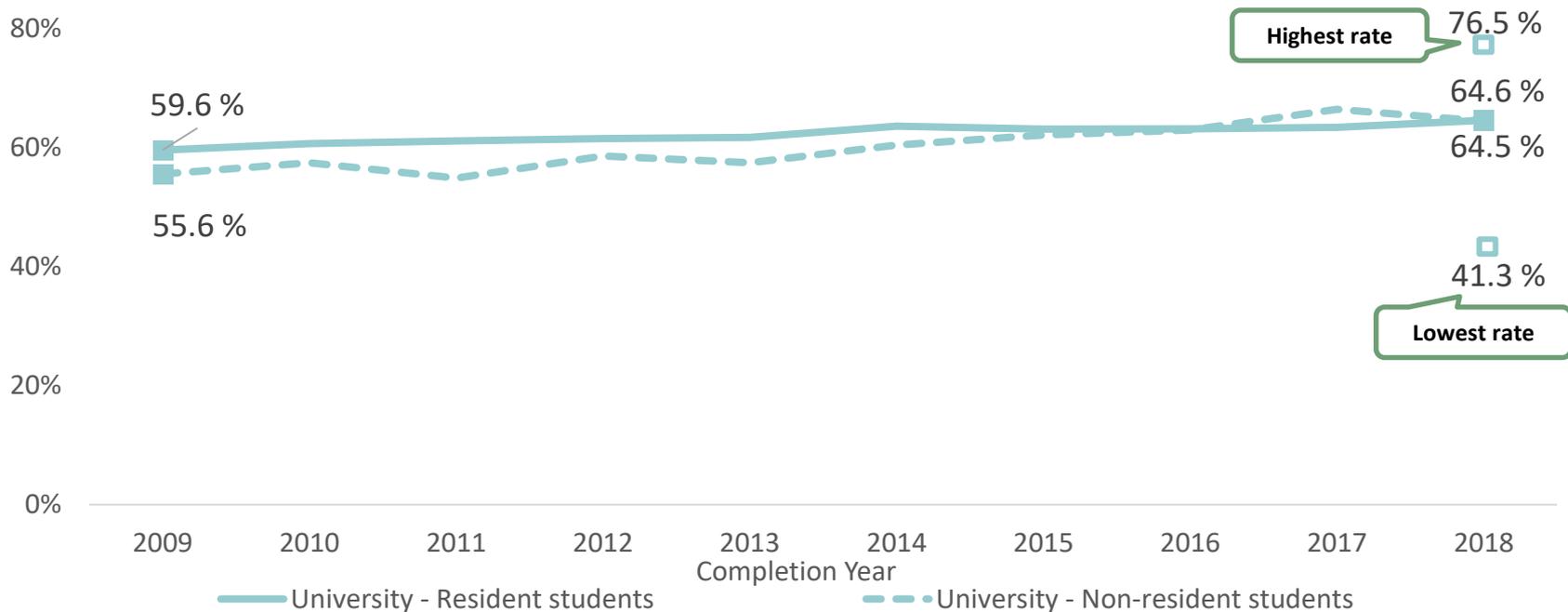
Resident Degree Production has Increased Even as Resident Enrollment has Declined



Beyond Growing Enrollment and Degree Production, Students Are More Likely to Graduate

Key Performance Metric
#7

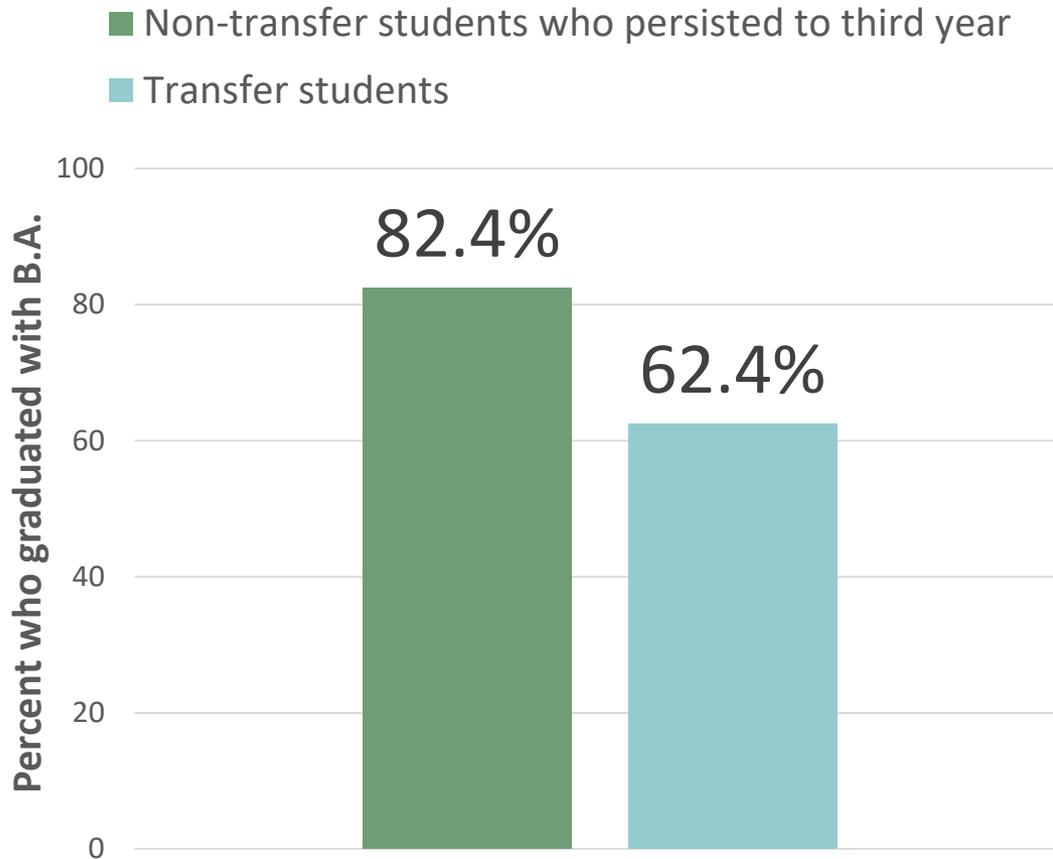
At public universities, the percentage of first-time, full-time freshmen who earn a bachelor's degree within six years rose from 59.6% to 64.6% in the last decade



283 Source: HECC analysis of student-level data from 17 community colleges and seven public universities. University rates include resident and non-resident, first-time, full-time freshmen and include inter-institutional graduations. Highest and lowest rates for 2018 reflect the highest and lowest rates by institution for Oregon resident students.

The Majority of Transfer Students Complete, but not at Rates Equivalent to Peers

GRADUATION RATE (6-YEAR) BY TRANSFER STATUS, 2015-16



University	Students starting in cohort	Rate
EOU	278	51.8%
Oregon Tech	306	49.7%
OSU	1,198	62.4%
OSU Cascades	48	77.1%
PSU	2,275	60.9%
SOU	409	58.4%
UO	1,202	66.1%
WOU	442	63.6%

Notes: For this analysis, “transfer students” are defined as those who were admitted based on their college GPA, which generally requires having earned at least 24-36 credits. Total rate is transfers from Oregon community colleges. Institutional rates are for all transfer students.

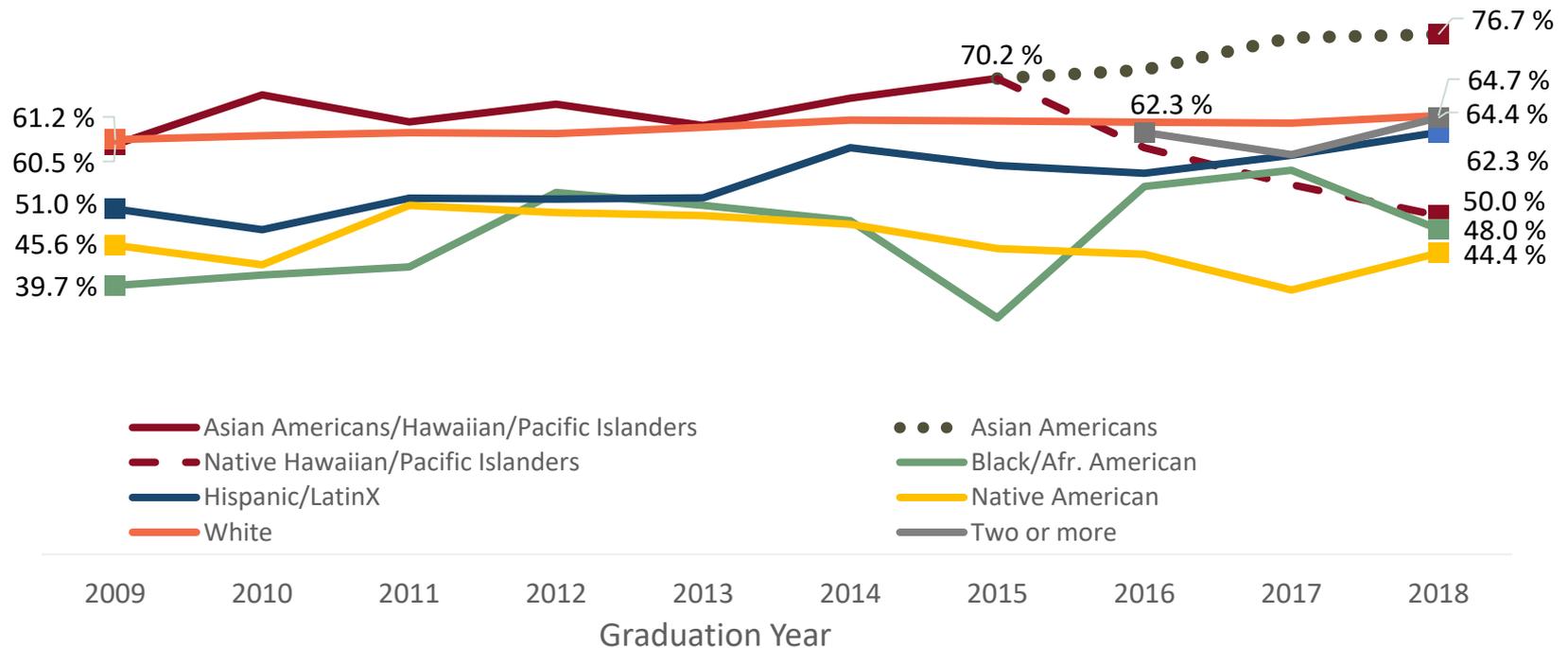
Source: HECC analysis of student-level data.



Equity Gaps at Public Universities: Completion Rates

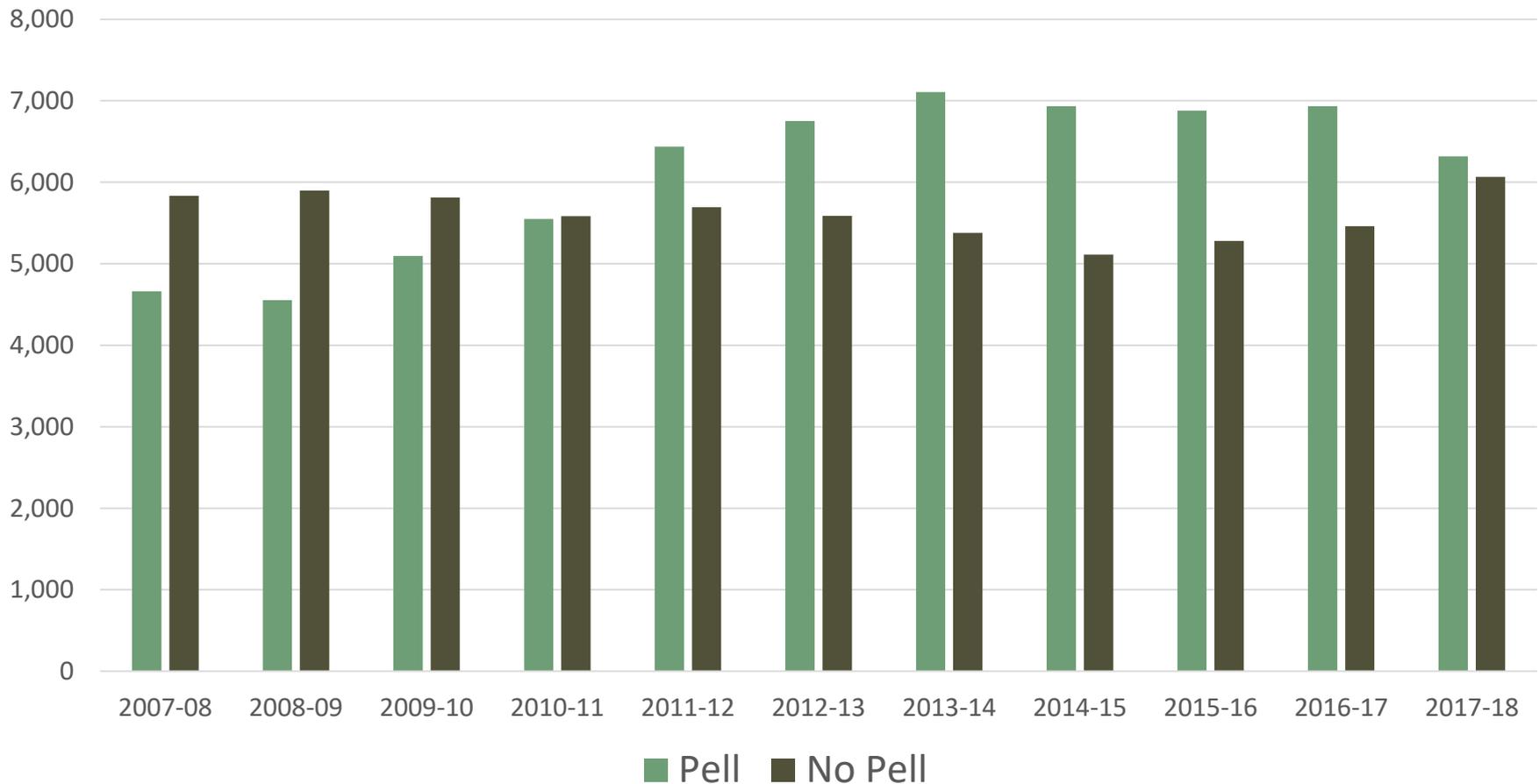
Key Performance Metric
#8

African American, Native American/Alaska Native, and Native Hawaiian/Pacific Islander students face the largest barriers to graduation, with about half graduating from the public universities within six years



Resident Undergraduate Degrees Awarded at Oregon Public Universities, by Pell Grant Status

Resident Undergraduate Degrees by Pell Status



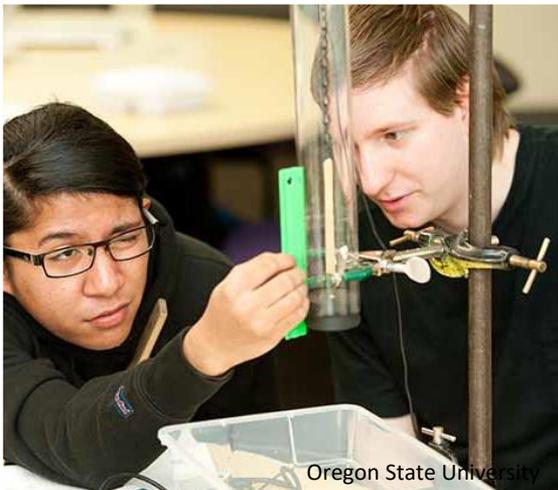
Source: HECC analysis of student-level records from public universities. Notes: Degree totals do not include certificates or Associate degrees. Collection of Pell data began in 2002-03. A student receiving a Pell in any year before graduating is included in the Pell category. **In 2008 Pell Grant eligibility was expanded significantly.**

Source: HECC Office of Research and Data

PUBLIC UNIVERSITY FUNDING IN OREGON



Eastern Oregon University



Oregon State University



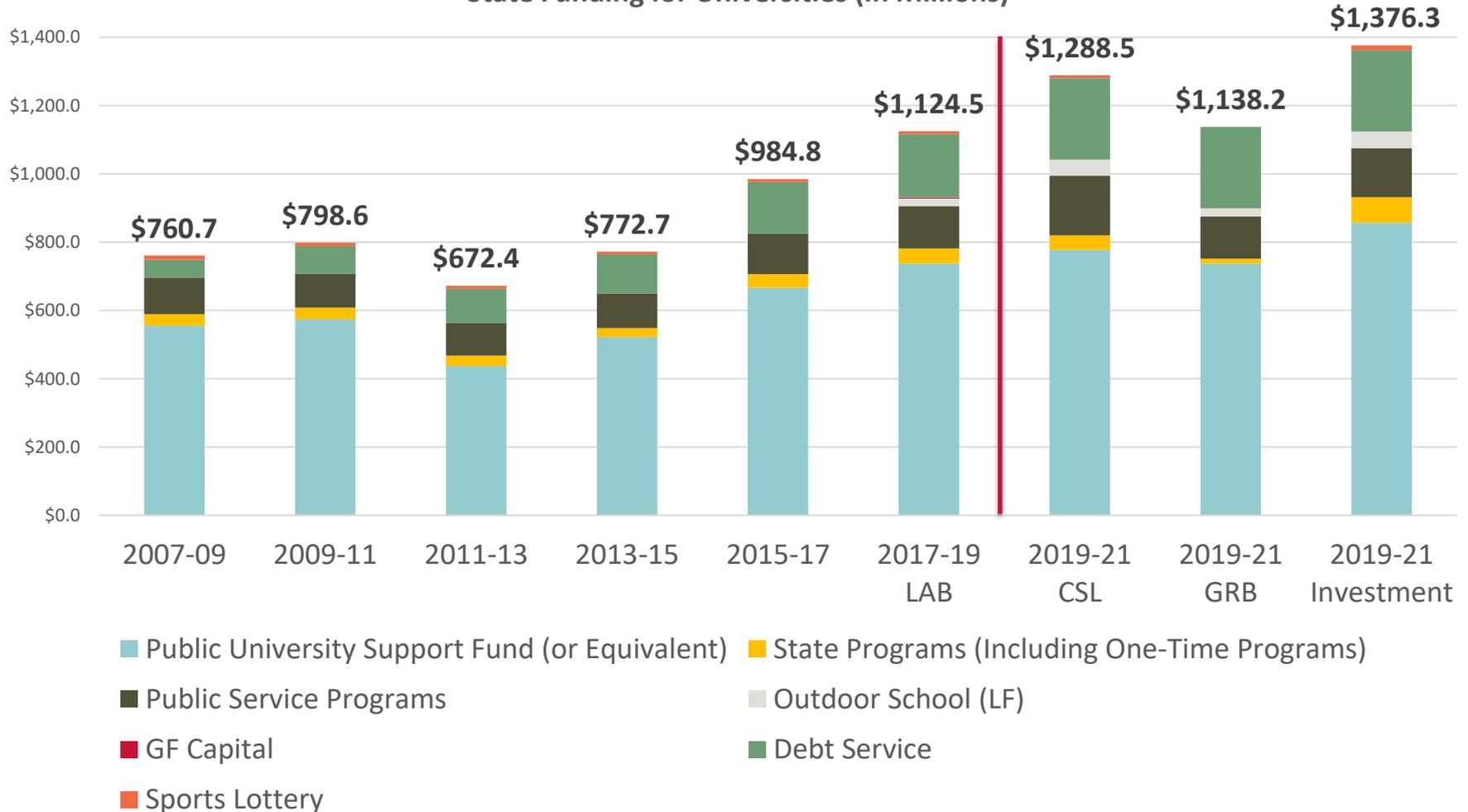
Oregon State University-
Cascades



Oregon Institute of
Technology

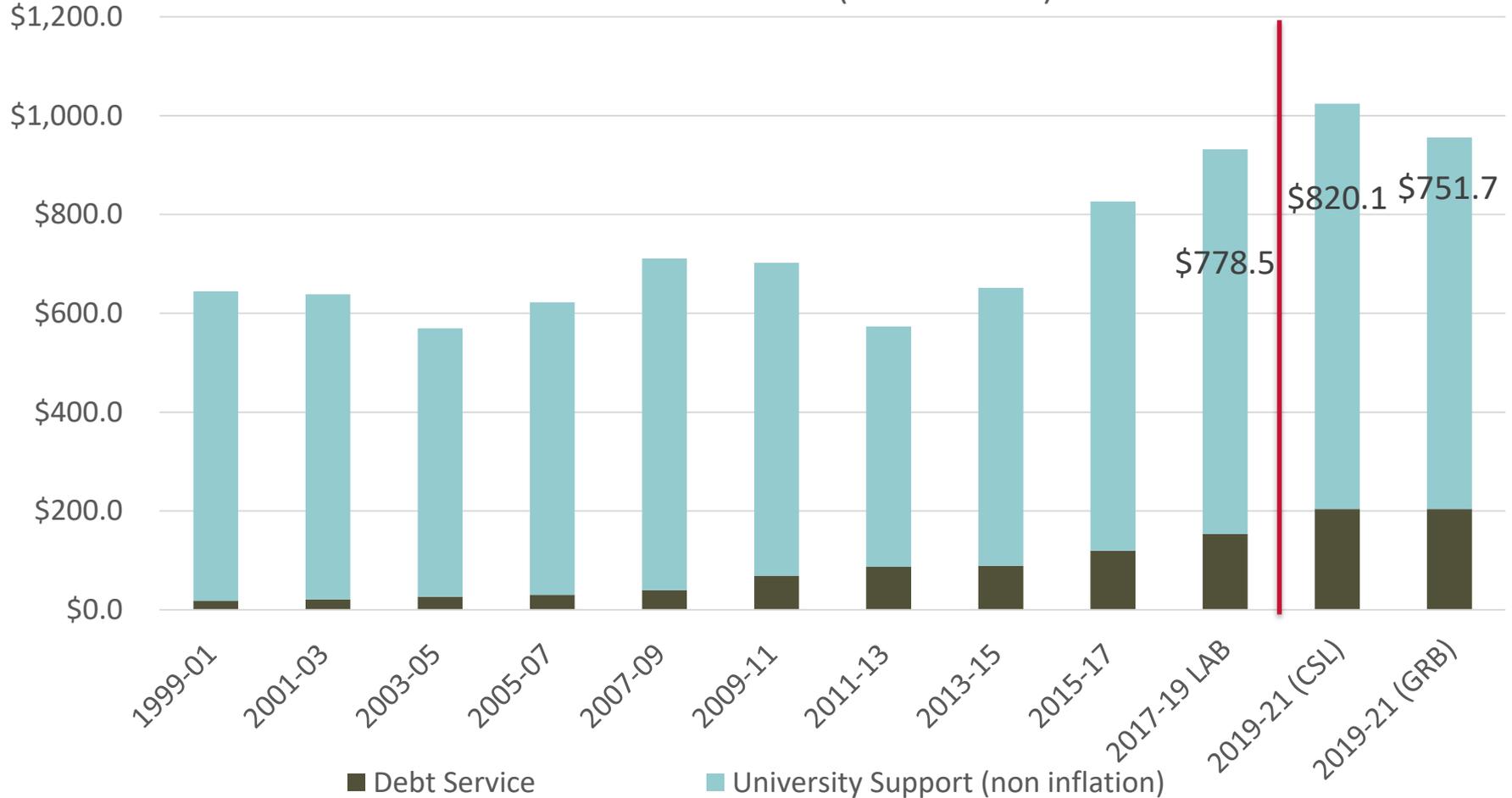
History of Public University Investment

State Funding for Universities (In Millions)

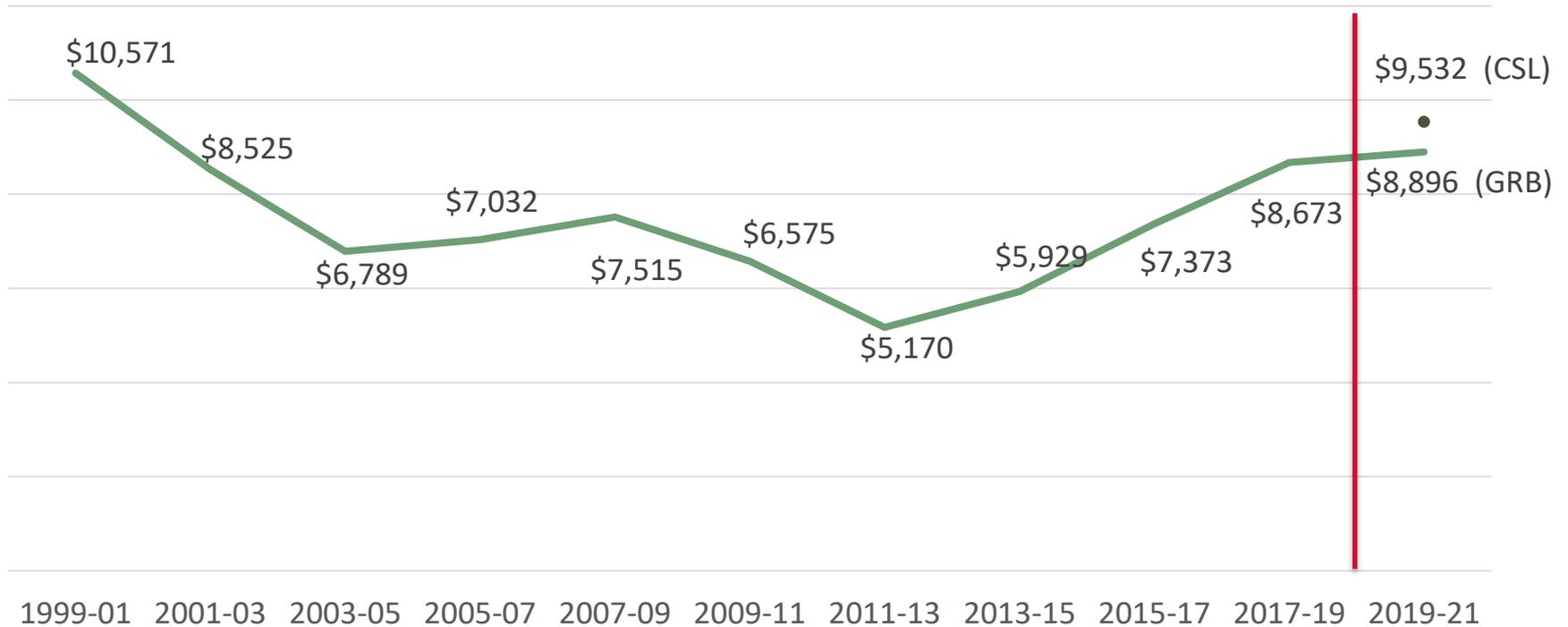


Public University State Funding (GF Only)

STATE APPROPRIATIONS (IN MILLIONS)



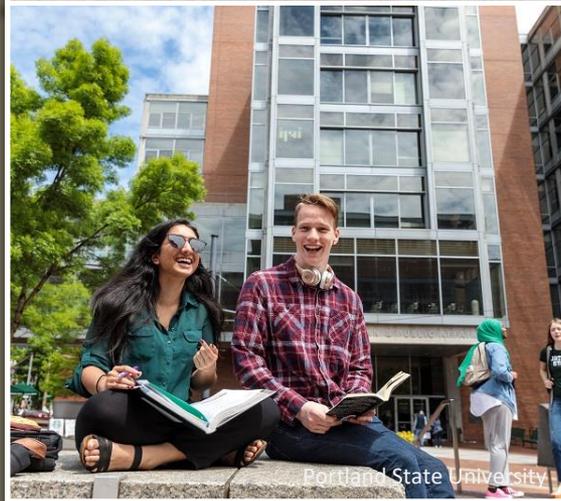
State Appropriations per Resident Student (FTE) Adjusted for Inflation



Notes:

- Includes Debt Service
- University data includes PUSF and State Programs
- Enrollment for 2017, 2018, 2019 assumed at 2016 levels
- Inflation adjustment based on HECA
- Excludes non-resident university enrollment

STUDENT
SUCCESS AND
COMPLETION
(SSCM)
FUNDING
MODEL DRIVES
INCENTIVES



An Overview of How We Got Here

In 2014, the HECC committed to replace the Resource Allocation Model (RAM), which for decades had allocated state support to Oregon's seven public universities based almost entirely on enrollment.



A HECC-convened workgroup of university, student, faculty and other representatives met for nearly a year to develop a new funding formula with the following principles:

A focus on student outcomes, including course and degree completion

A commitment to the HECC's Equity Lens

Support for high-demand and high-reward degrees

Recognition of differences in institutional mission and scope

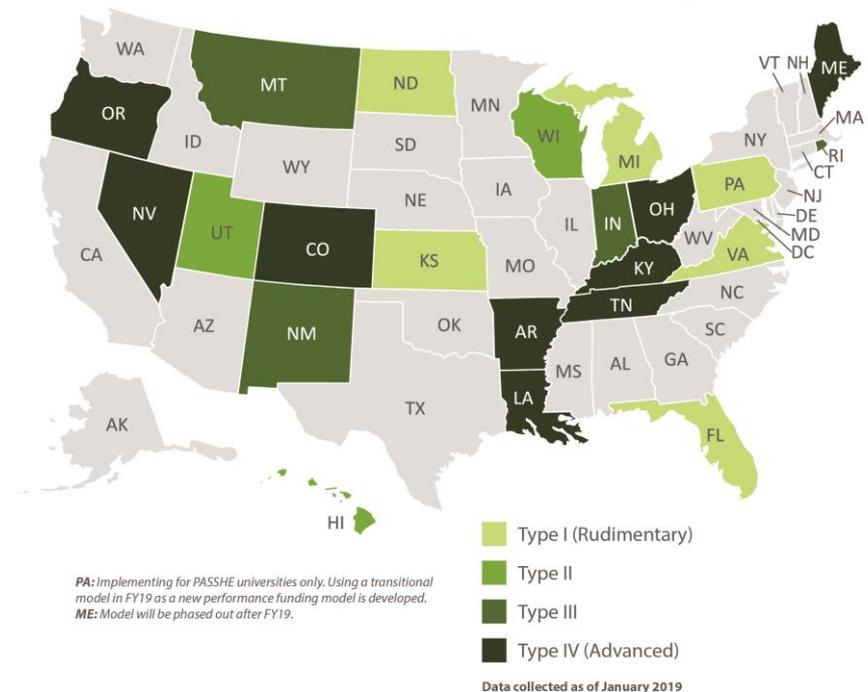


In 2015, the HECC adopted the new formula for the distribution of state funding to public universities. At its core, the formula aligns state resources with our desired outcomes for students, including degree completion.

Outcomes-based Formulas Are Common

- Forty states have developed or are in the process of developing an outcomes-based formula for allocating post-secondary resources—some formulas were implemented as early as 2007.
- Oregon is among the most closely aligned with best practices. Type IV indicates highest level of alignment.
- Oregon is among the states that base a higher proportion of funding on degree completion.

Outcomes-Based Funding in Four-Year Sector by Type in FY 2019



Grounding Principles

Promote resident student success

Incentivize progress to degree

Incentivize degree outcomes

Incentivize underrepresented population completions

Incentivize in-demand degrees

Support public service activity and regional missions

Differential mission support

Regional university support

Research support

Provide funding stability

Data averaging

Phased-in focus on completion

Stop Loss/Stop Gain

Funding Model Components

Mission Differentiation – 18%

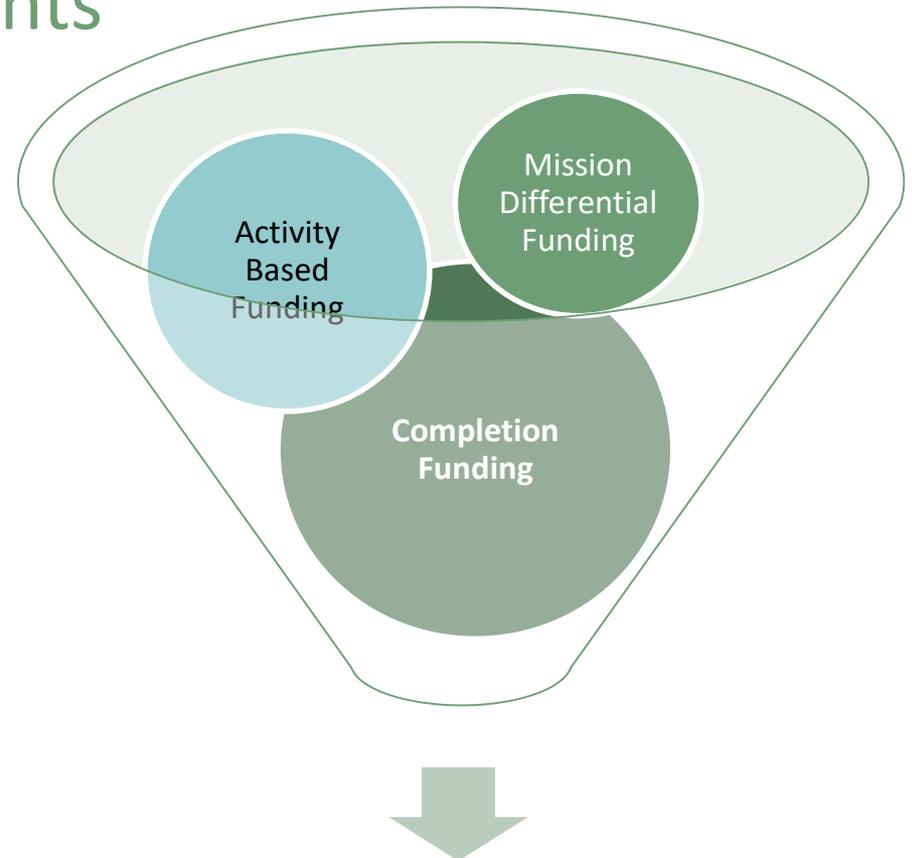
- Allocation off the top
- Based on historical levels + inflation
- Provides funding stability for regional institutions and acknowledges mission-specific needs

Activity-Based – 33%

- Based on course completions
- Cost-weighting of courses by discipline

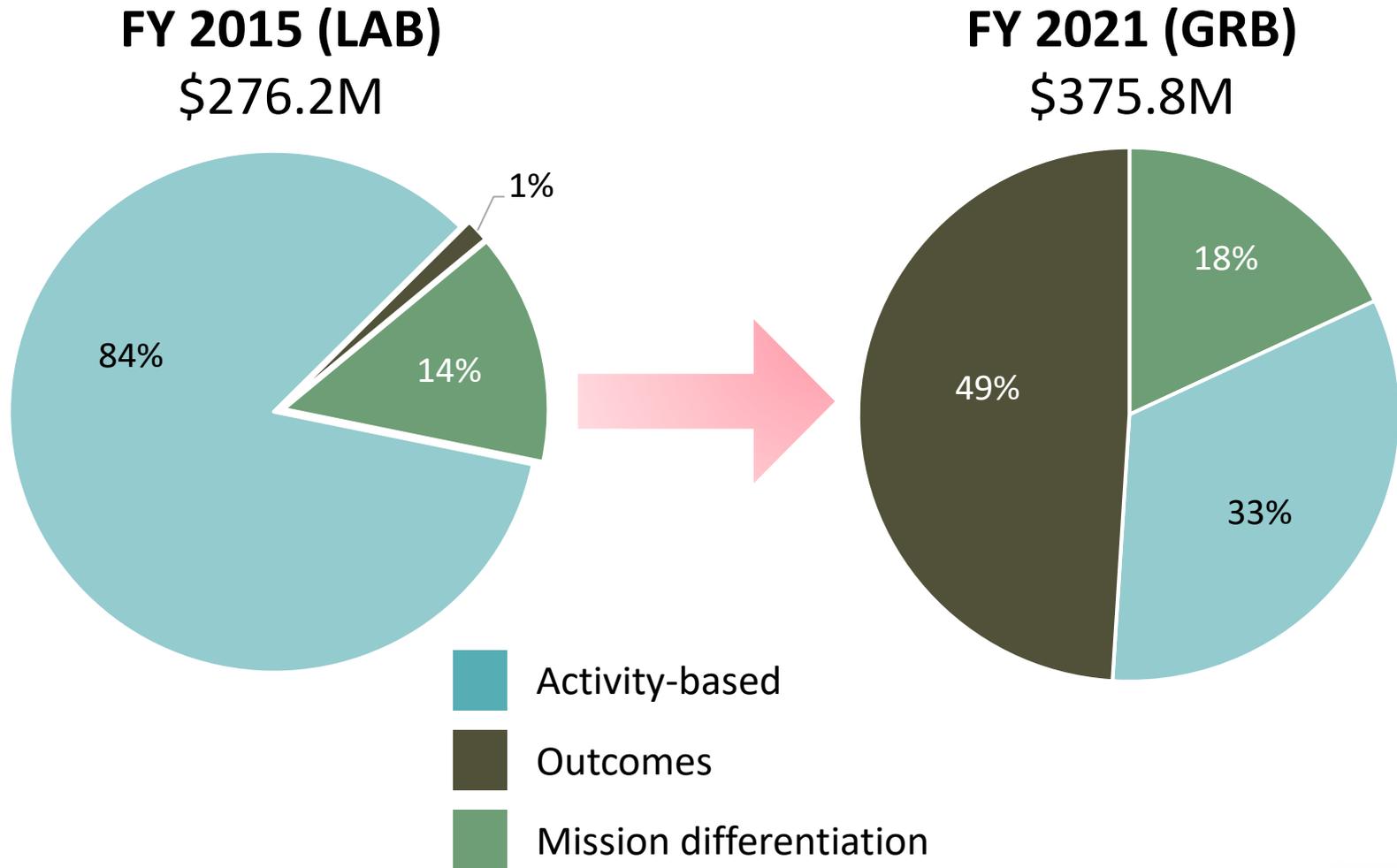
Outcomes-Based – 49%

- Includes degree completions at undergraduate and graduate levels
- Transfer bachelor degrees are discounted
- Additional weights for traditionally underserved students and students who complete in critical areas for the state



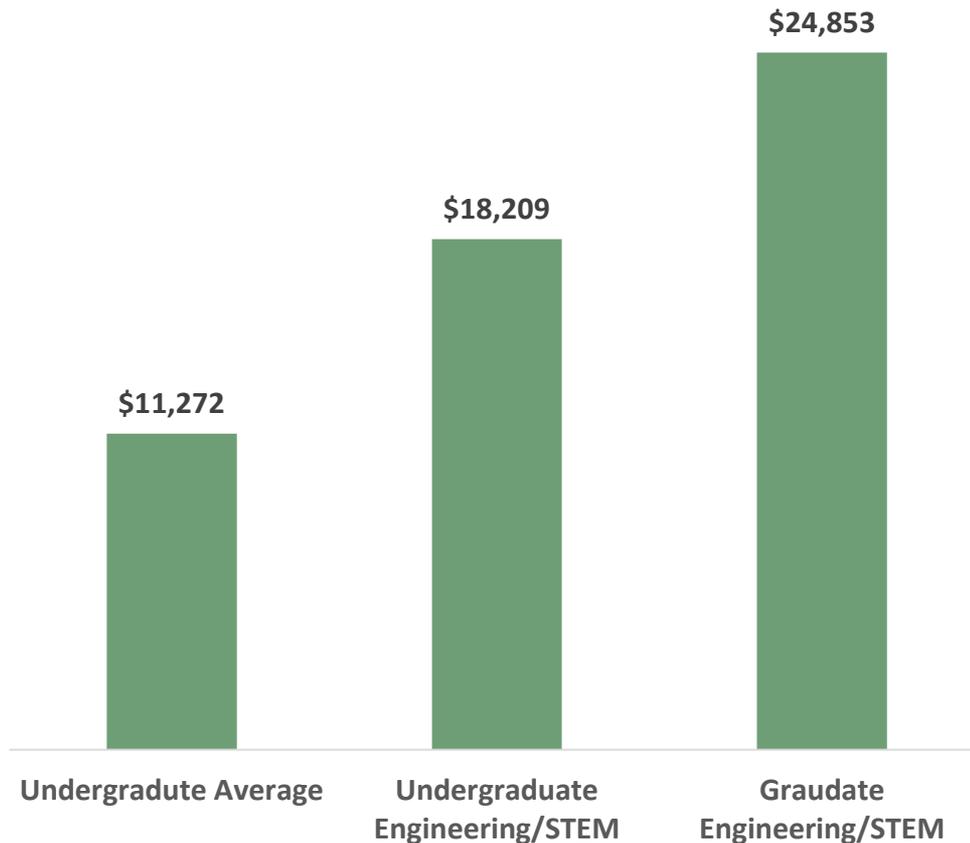
Total Allocation

Increasing Focus on Completions



Allocation per Degree and Equity Funding

Degree Funding Range



Targeted Populations

Additional points applied to undergraduate completions for students who identify as:

- Low-income
- Underrepresented Minority
- Rural
- Veteran

Additional dollars are allocated per degree per characteristic

- 1 characteristic - \$3,280
- 2 characteristics - \$4,101
- 3 characteristics - \$4,511

AFFORDABILITY AND INSTITUTIONAL COSTS



Oregon Institute of
Technology



Oregon State University-
Cascades



Western Oregon University



Portland State University

Affordability at Oregon Public Universities

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Universities, 2016-17)

- <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

In 2016-17, 64% of public university students were unable to meet expenses with expected resources, including family contributions, student earnings, and grant aid.



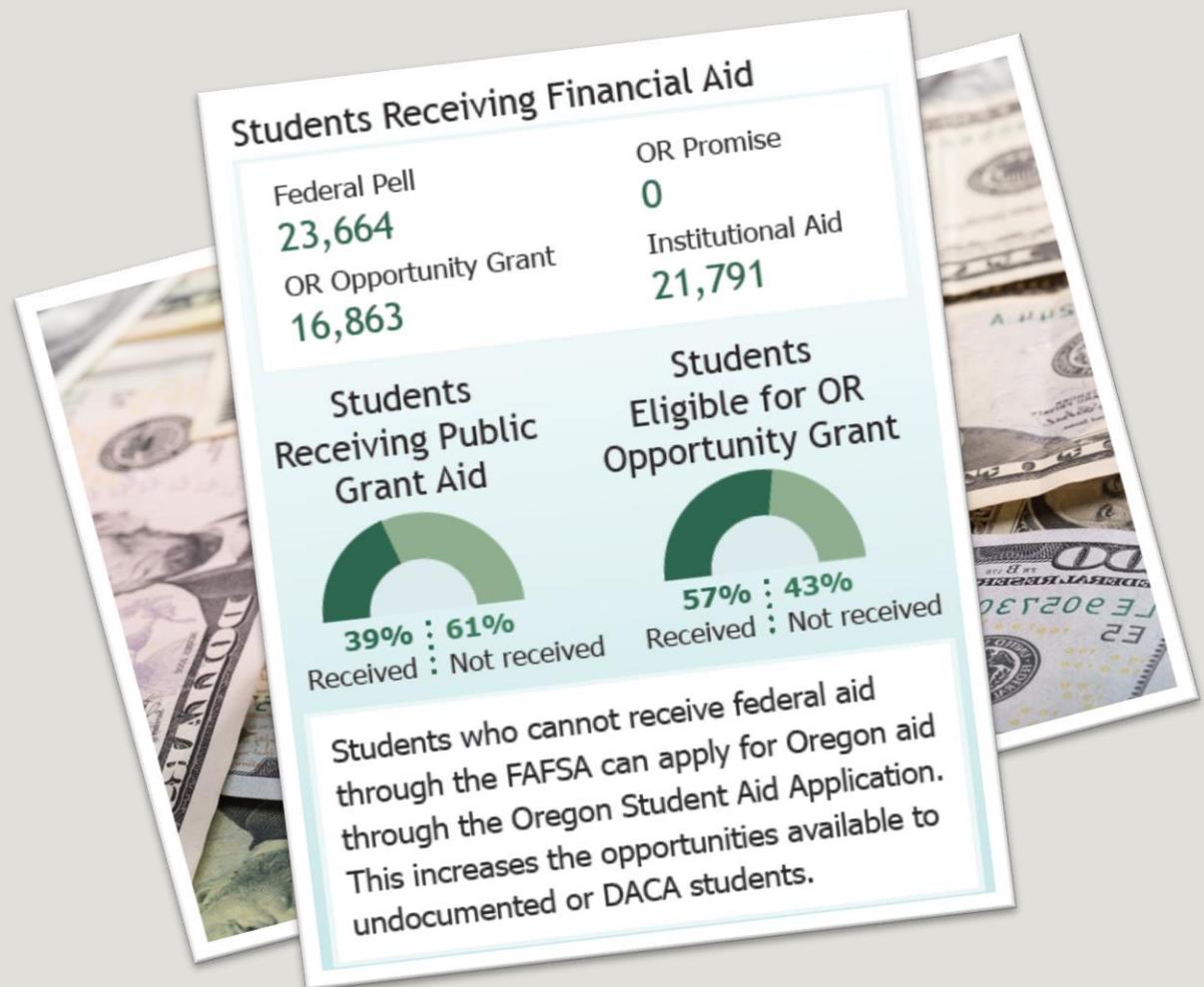
Affordability at Oregon Public Universities

HECC Statewide and Institutional Snapshots (Oregon Resident Students at Universities, 2016-17)

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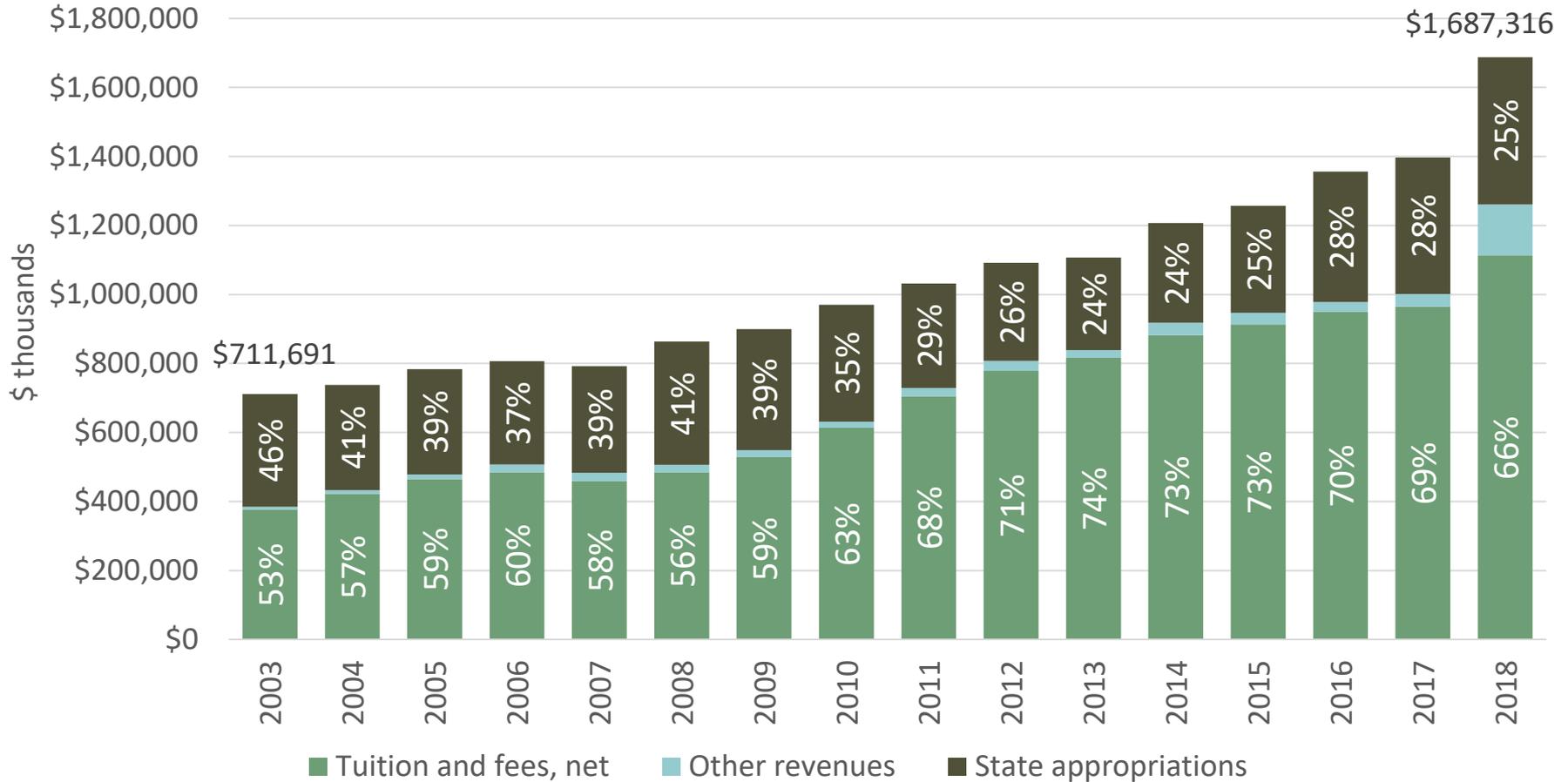
In 2016-17, 61% of public university students did not receive any public grant aid

Of students eligible for the Oregon Opportunity Grant, only 57% received it



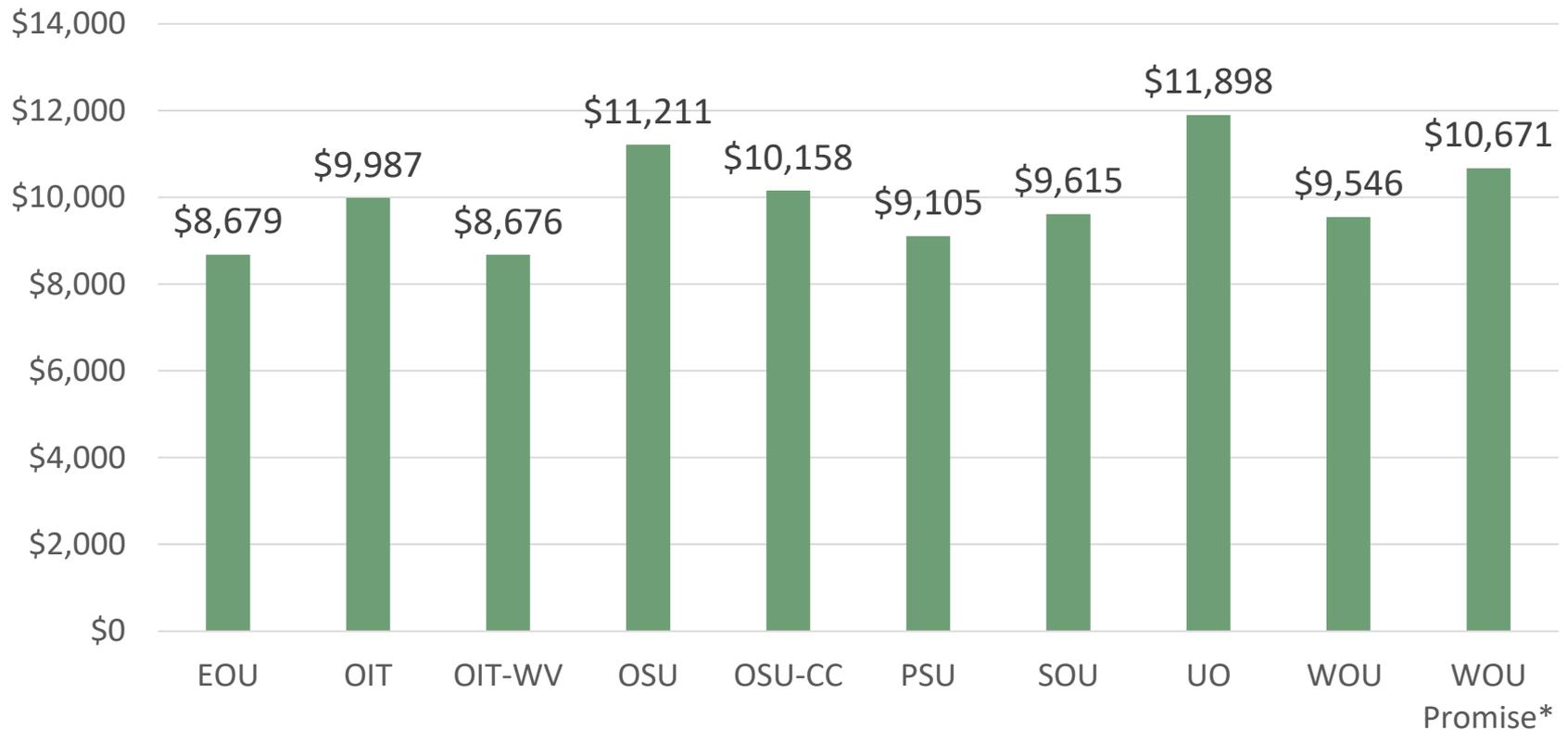
Shift of Costs From State to Student

University Revenues by Source

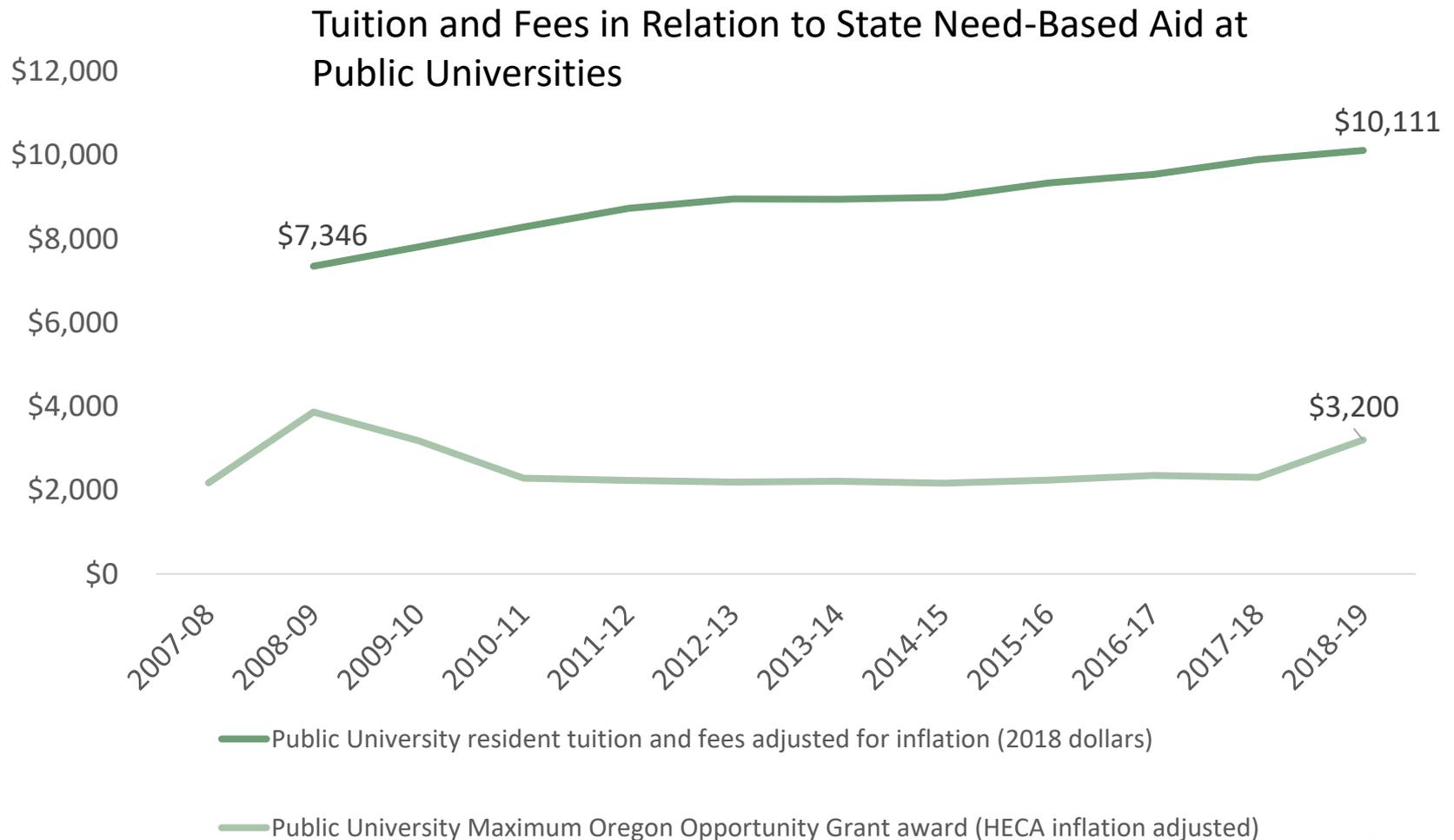


Current Tuition and Mandatory Fees for Full-Time Resident Undergraduates

Resident Tuition and Mandatory Enrollment Fees for the 2018-19 Academic Year



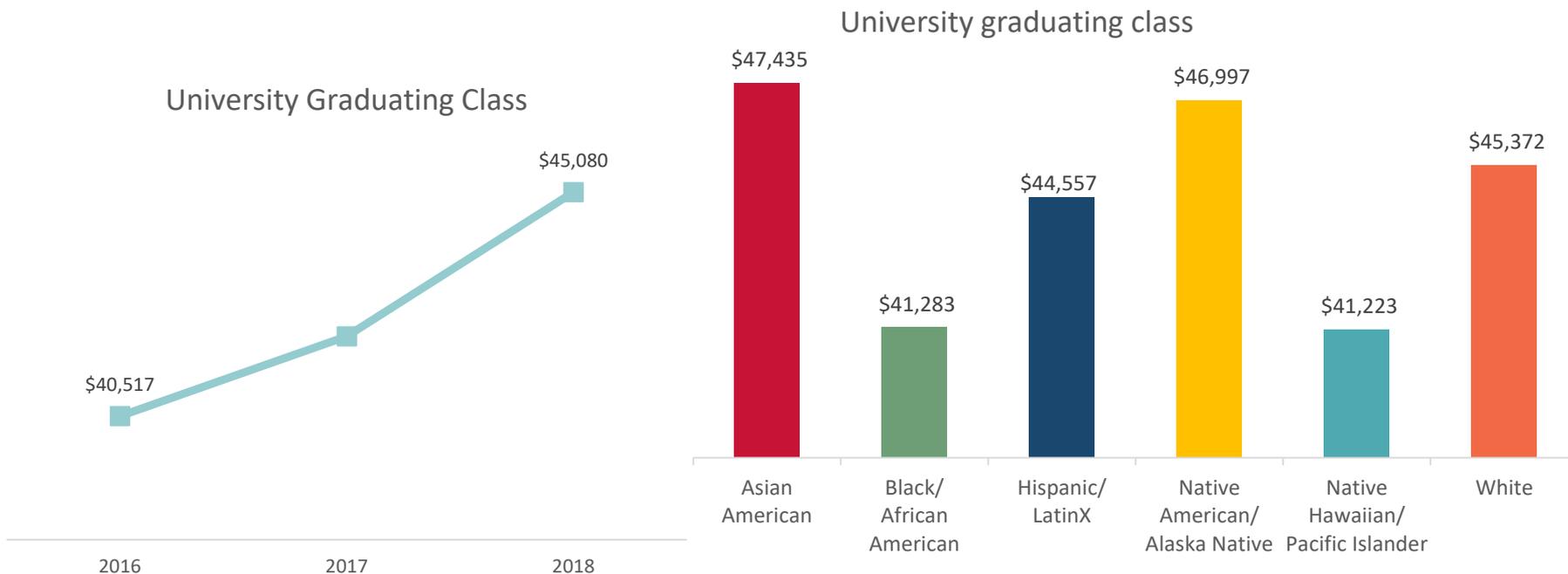
While Tuition has Increased, Need-Based Grants Have not Kept Pace (inflation-adjusted)



Earnings for University Graduates Over Time and by Race/Ethnicity

Key Performance Metrics
#13, 14

Description: Median earnings of university graduates with bachelor's degrees, five years after completion, over time and disaggregated by race/ethnicity.



2018 Targets

Universities	\$42,145.00
--------------	-------------

University Cost Drivers (Mandates)

The universities identified nearly 400 mandates they are required to fulfill.

- Nearly 250 of these are federal, ranging from discrimination provisions to financial aid provisions to copyright requirements.
- 91 state mandates apply to all universities and 33 to specific universities with an additional 25 imposed by OAR.
- These state level or OAR mandates range from mandates on health care to veterans to underrepresented students to faculty and beyond.

University Cost Drivers

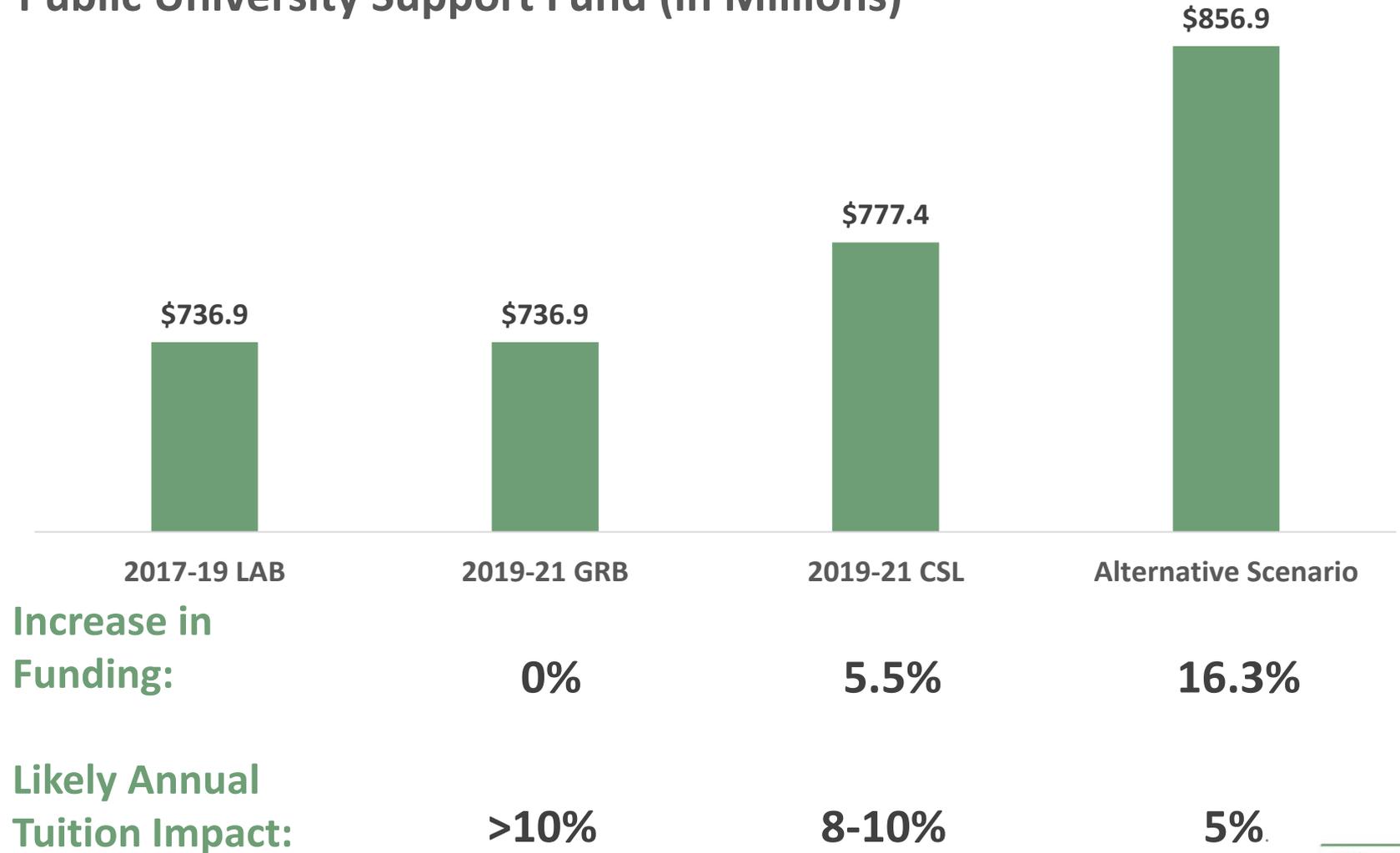
Budget Cost Drivers – Educational & General

90% of additional costs are salary and related benefits

	Projected Increase over 2017-19	
Compensation	\$118,688,390	7.0%
Health Benefits	\$32,568,375	9.3%
Retirement Benefits	\$76,133,005	22.2%
Other Personnel Costs	\$15,894,167	6.9%
Services & Supplies	\$25,900,428	3.7%
Total	\$269,184,365	8.1%

Minimizing Tuition Increases

Public University Support Fund (in Millions)



CAPITAL CONSTRUCTION REQUEST: POSTSECONDARY



HECC Strategic Capital Plan – Ten Year

Provides a high-level summary of capital need based on demographic, economic, industry, and other environmental factors

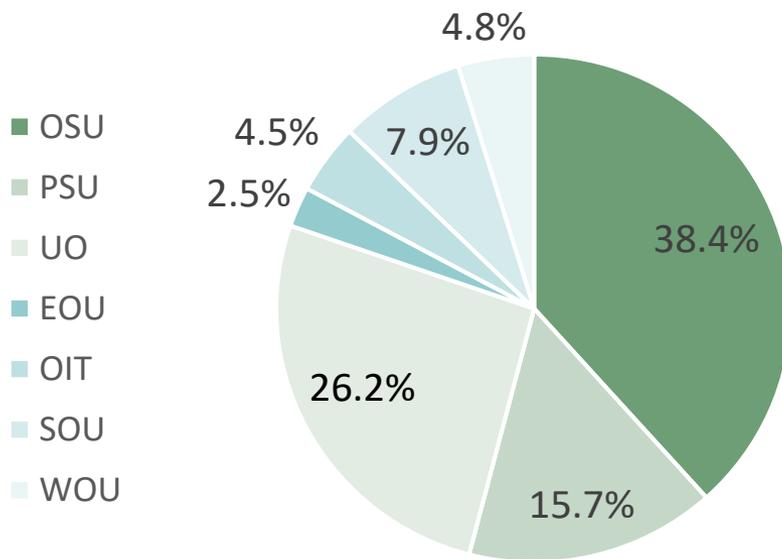
Identifies potential future capital portfolio according to ideal usage and utilization

Estimates space need for different academic disciplines, by degree levels and space function

Partners HECC with public universities and outside experts to develop a ten-year state-wide capital plan

Distribution of Education and General (E&G) Gross Square Feet by Institution

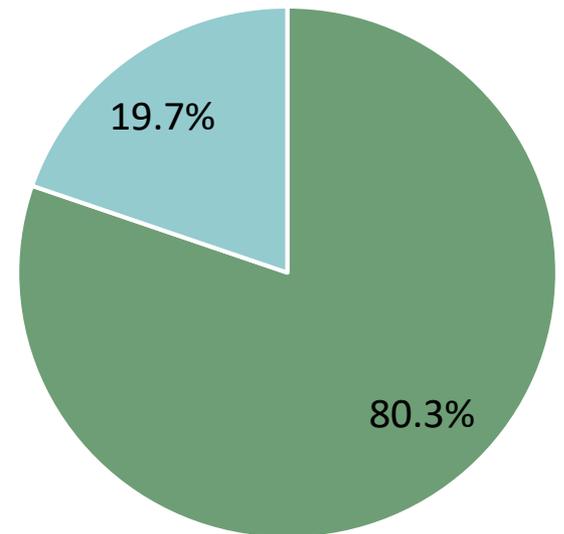
Overall Gross Square Feet (GSF)
16,023,397



OSU/PSU/OU -
12,865,730 GSF

TRU Institutions -
3,157,668 GSF

OSU/PSU/UO vs. Technical Regional Universities (TRUs)



■ OSU/PSU/UO ■ TRU Institutions

University Capital Process

HECC Capital Principles and Scoring Rubric development: February-May



University Presidents develop Tier I, II and III capital list: April



University capital submission: May



HECC Scoring and ARB development: May-November



Assist in GRB Considerations: November



GRB finalized list: December

HECC University Capital Principles

All state-backed debt will support the Commission's Strategic Plan through investments in:
Classroom, Laboratory, Research or Student Services space

Institutions must plan for ongoing operational and maintenance needs of current and future capital portfolio.

State-backed debt will serve either to:

- Extend the useful life of current capital assets
- Expand capacity to meet needs of students
- Develop or extend key competitive advantages

Projects that generate operational cost savings will be prioritized.

HECC University Capital Principles, Continued

The HECC, in conjunction with institutions, will evaluate key capacity constraints across the portfolio of institutions to prioritize investment.

Public-private and multi-party collaborations will be encouraged.

Leveraging of non-state resources, including private and university funds, will be encouraged.

Deferred maintenance and capital debt prioritization will focus on aligning economic incentives of institutions and state capital investment.

Current 2019-21 Capital Rubric

Project must meet institution's campus master plan and HECC strategic plans	<ul style="list-style-type: none"> • Minimum threshold
HECC priorities	<ul style="list-style-type: none"> • Ease capacity constraints within portfolio <ul style="list-style-type: none"> • 10 pts • Support student completion <ul style="list-style-type: none"> • 10 pts • Support research & economic development <ul style="list-style-type: none"> • 5 pts • Collaboration <ul style="list-style-type: none"> • 5 pts
Cost savings	<ul style="list-style-type: none"> • 10 pts
Life, safety and code compliance	<ul style="list-style-type: none"> • 10 pts
Institutional priority	<ul style="list-style-type: none"> • 20 pts
Clear Identification of Student Focus	<ul style="list-style-type: none"> • 5 pts
Leveraging campus and external support	<ul style="list-style-type: none"> • 15 pts
Strategic priority	<ul style="list-style-type: none"> • 10 pts

Brief Overview of Bond Types

XI-F(1) BONDS: Backed by university revenues. Can be utilized for non education and general (E&G) projects.

- University pays full debt service.

XI-G BONDS: University provides dollar-for-dollar match to state bonding commitment. Restricted to higher education facilities (University, OHSU and Community Colleges)

- State pays debt service.

XI-Q BONDS: Fully state paid, restricted to state-owned buildings only.

- State pays full debt service.

Public University Capital Request (GRB)

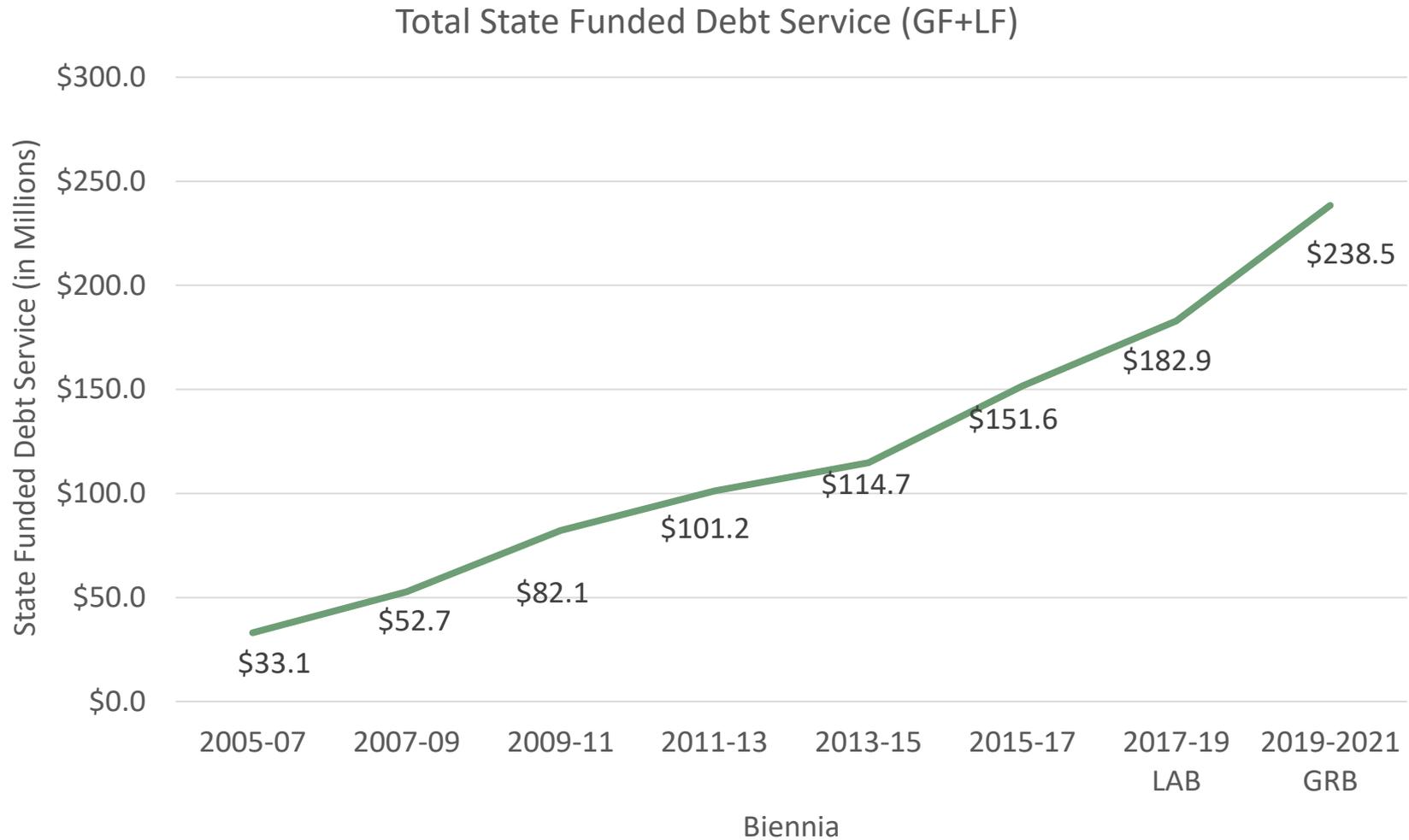
Prioritized Capital Construction Request, 2019-2021 Biennium GRB (in thousands \$)				
Institution	Project	XI-Q State Paid	XI-F Campus Paid	Total
ALL	Capital Improvement and Renewal	\$65,000	-	\$65,000
EOU	Residence Hall		\$14,000	\$14,000
EOU	Inlow Hall Grand Staircase Replacement	\$3,000	-	\$3,000
PSU	12 th & Market Residence Hall	-	\$60,500	\$60,500
PSU	Land Acquisition for University Center	-	\$15,000	\$15,000
UO	Shake Alert and Wildfire Alert Seismic Stations	\$12,000	-	\$12,000
WOU	Valsetz Dining & Auxiliary Services Renovation	-	\$3,500	\$3,500
	Totals	\$80,000	\$93,000	\$173,000

Capital Repair and Renewal

Provides an omnibus capital funding category to address

- Current capital improvements
- Code compliance
- ADA and safety-related projects
- Allocated based on adjusted E&G GSF (buildings not built in past 10 years) and density (total employees and students divided by E&G GSF)

State-Funded University Debt Service History



Providing a Key Route to Upward Mobility

Oregon universities enroll over 130,000 students, produce over 24,000 graduates annually and receive 25% of the funding appropriated to the HECC. In a tomorrow where 61% of new jobs will require postsecondary training, universities will continue to provide a key route toward upward mobility for all citizens.



OREGON PUBLIC UNIVERSITIES INVITED TESTIMONY

Presented to: Joint Committee on Ways and
Means, Subcommittee on Education

2019 PRESENTATION, DAY 10



JOINT COMMITTEE ON WAYS & MEANS SUBCOMMITTEE ON EDUCATION

OREGON PUBLIC UNIVERSITIES

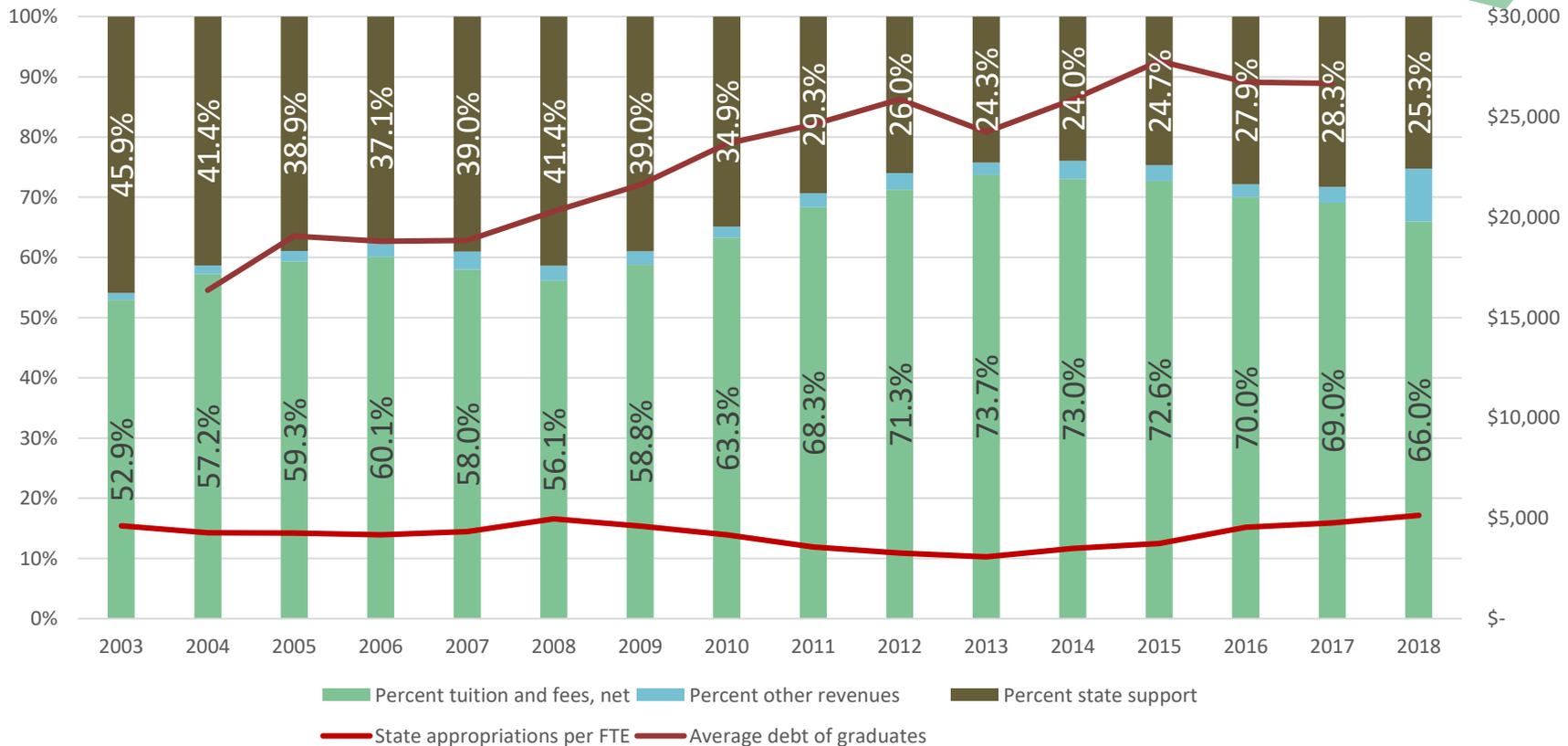
DAY 1



Invest in Oregon: Historic Snapshot



The Shifting Burden of Paying for College

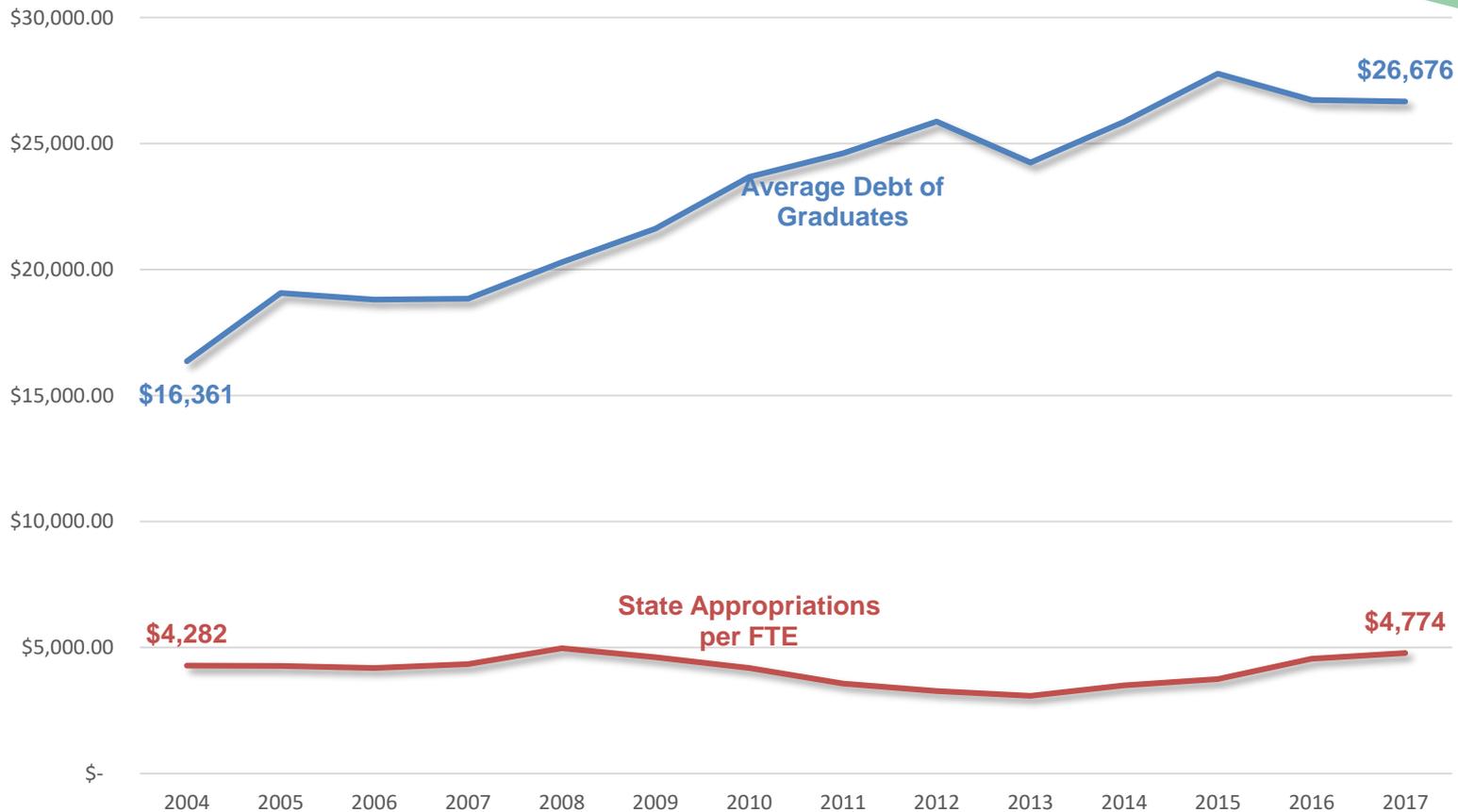


Source:
Higher Education Coordinating Commission, 2019.
The Institute for College Access and Success, 2018.

Invest in Oregon: Historic Snapshot



State Funding Per Student FTE vs Average Debt of Graduates



Source:
Higher Education Coordinating Commission, 2019.
The Institute for College Access and Success, 2018.

The World Then and Now

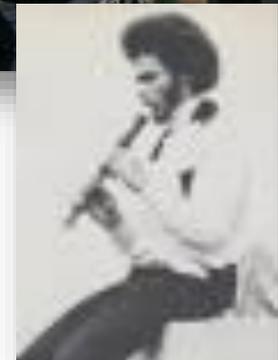


The Class of 2019

Has seen the number of shootings in K12 schools rise by 131% since they were born.

Has never known a world where you couldn't Google the answer.

Bill who? He's Hillary's husband.

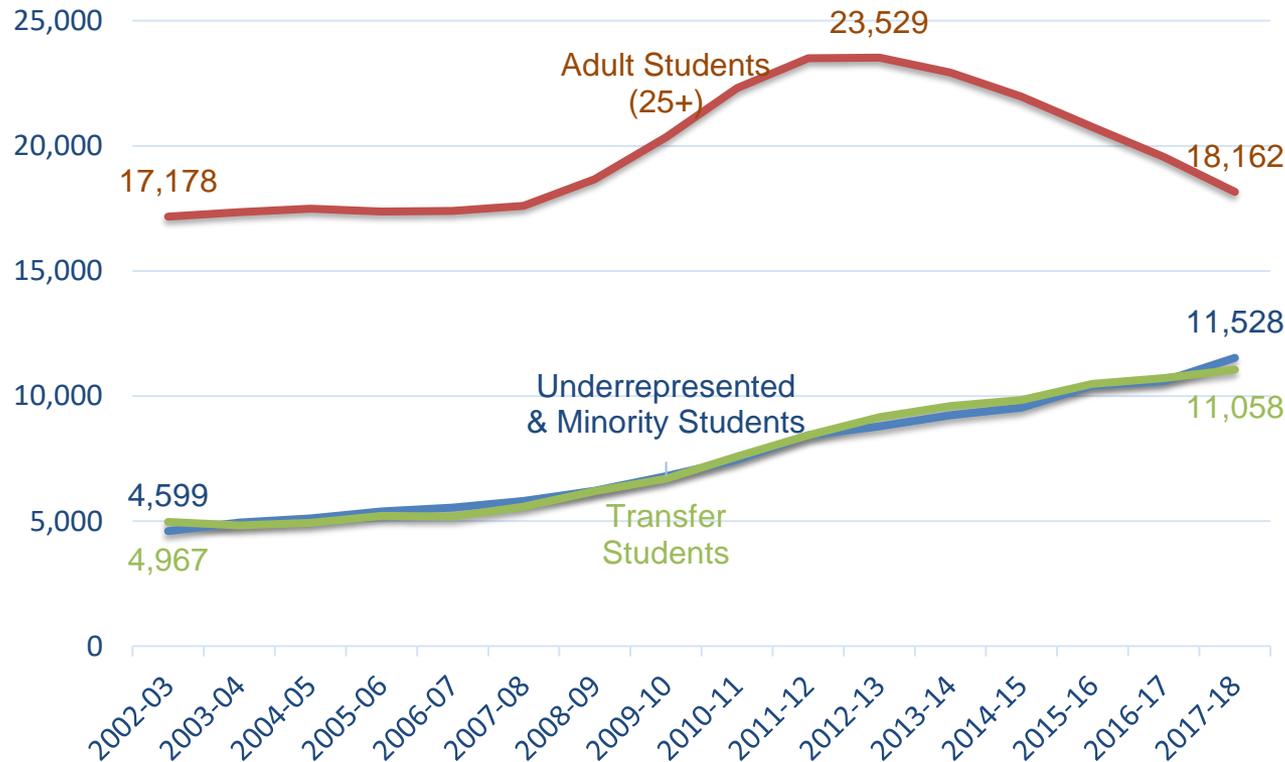


Sources:
<http://themindsetlist.com/lists/the-mindset-list-for-the-class-of-2019/>
<https://www.chds.us/ssdb/incidents-by-year/>

Invest in Access & Diversity



**Enrollment Demographics at Oregon Public Universities
(resident students only)**

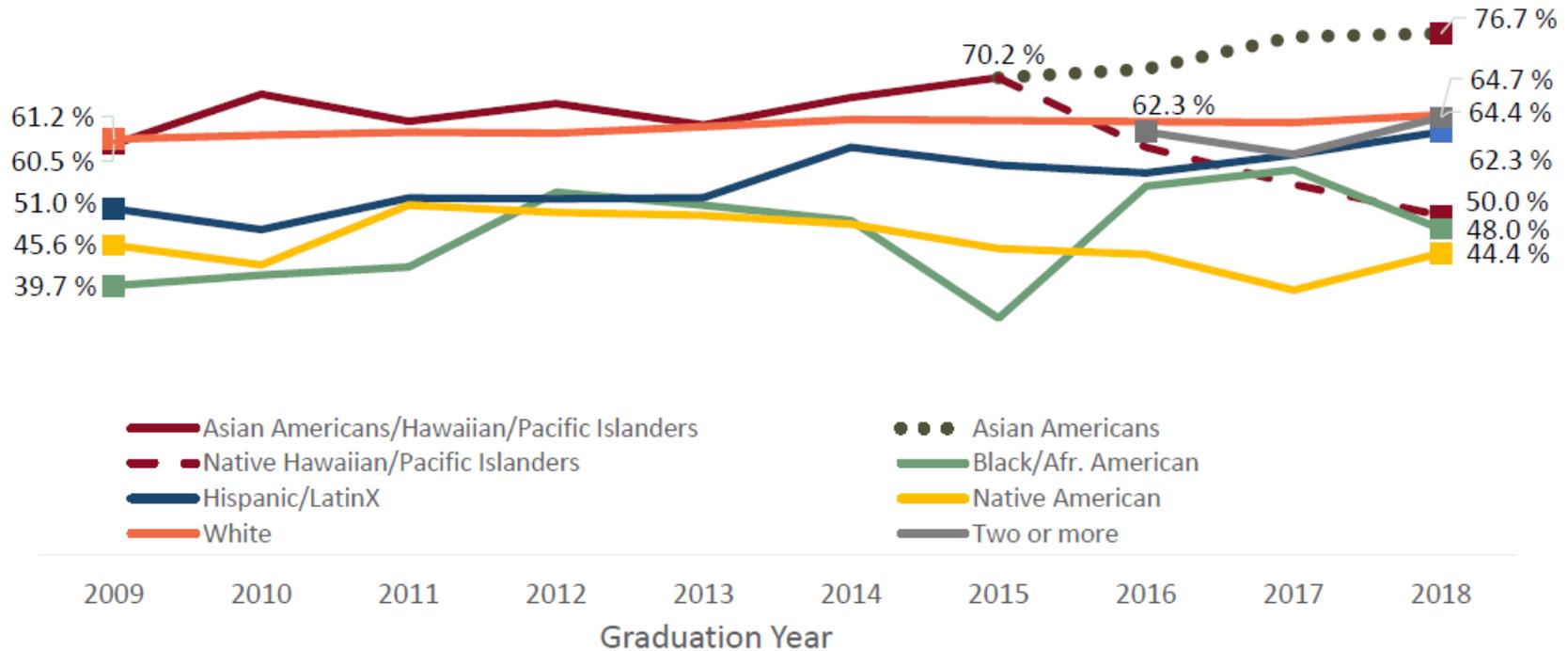


The underrepresented and minority student body (resident, undergraduate) has gone up by more than 65% in less than 20 years.

Invest in Access & Diversity



Graduation Rates



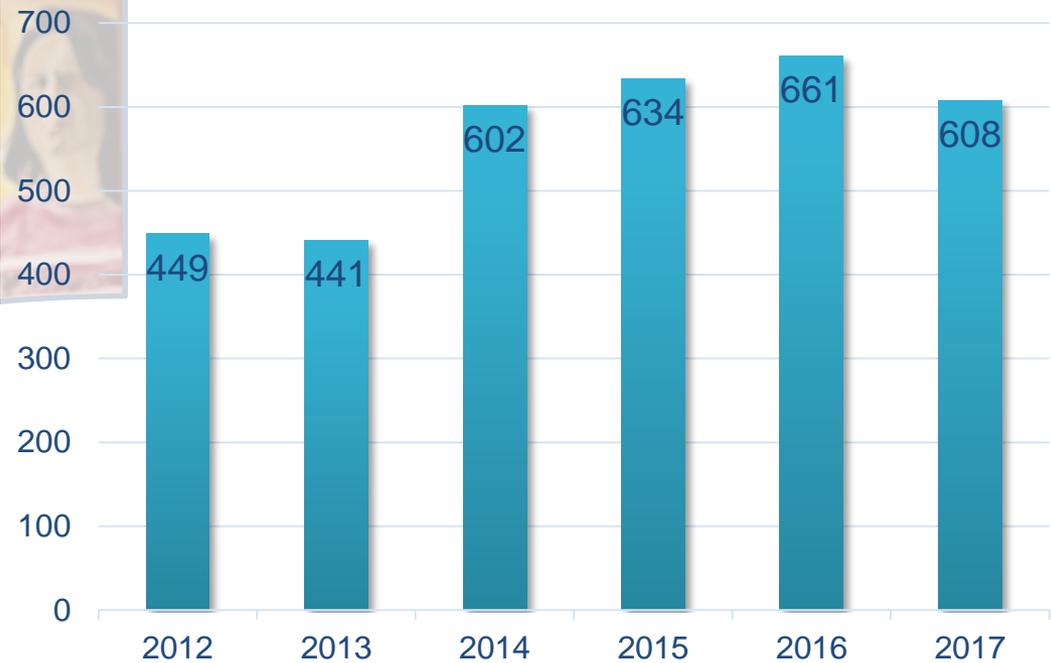
Invest in Access & Diversity



Carlos Crespo, Director of Community Health, PSU

Working to achieve parity between faculty and the student body.

Faculty Members of Color



Invest in Access & Diversity



- **Multicultural Centers**
- **Mental Health Services**
- **Resource Centers**
- **Academic Advising**
- **Degree Mapping**
- **Financial Aid Counseling**
- **Pathways Programs**
- **Emergency Loans**
- **Food Pantries**
- **Child Care**
- **Open Source Textbooks**

INVESTMENT

\$1 Billion
PUSF

\$922.9 Million
PUSF

\$856.9 Million
PUSF

\$777.4 Million
PUSF

+\$40.5 Million

+\$120 Million

+\$186 Million

+\$263 Million

Co-Chair's Budget

Affordability

Investment

Opportunity

Impact Scenarios



Co-Chair's Budget

- Consideration of tuition increases as high as 12-19% on most campuses.
- Millions of dollars in cuts to programs that reduce debt and reduction in university workforce that will limit the ability of students to graduate on time.
- Student debt will accelerate at an even higher rate.
- Benefits-driven cost increases are borne by students and their families.
- Outcome gaps widen, especially for underrepresented students.



Affordability

- Tuition increases at or below 5% for two years.
- Preserves most recent investments in financial aid for rural, first generation, and underrepresented students.
- Gains made over the past two biennia will be sustained.
- The state assumes responsibility for benefits-driven cost increases, ensuring they do not fall on the backs of students and their families
- Minimal progress in closing systemic achievement/opportunity gaps.



Investment

- Tuition increases at or below 3%.
- Preserves recent investments in financial aid for rural, first generation, and under-represented students.
- Augmented academic programs to meet workforce needs and accelerate pathways to graduation.
- Investments in completion grants aid students in graduating without lifetime of debt and no degree.
- Continued progress in closing achievement/opportunity gaps.

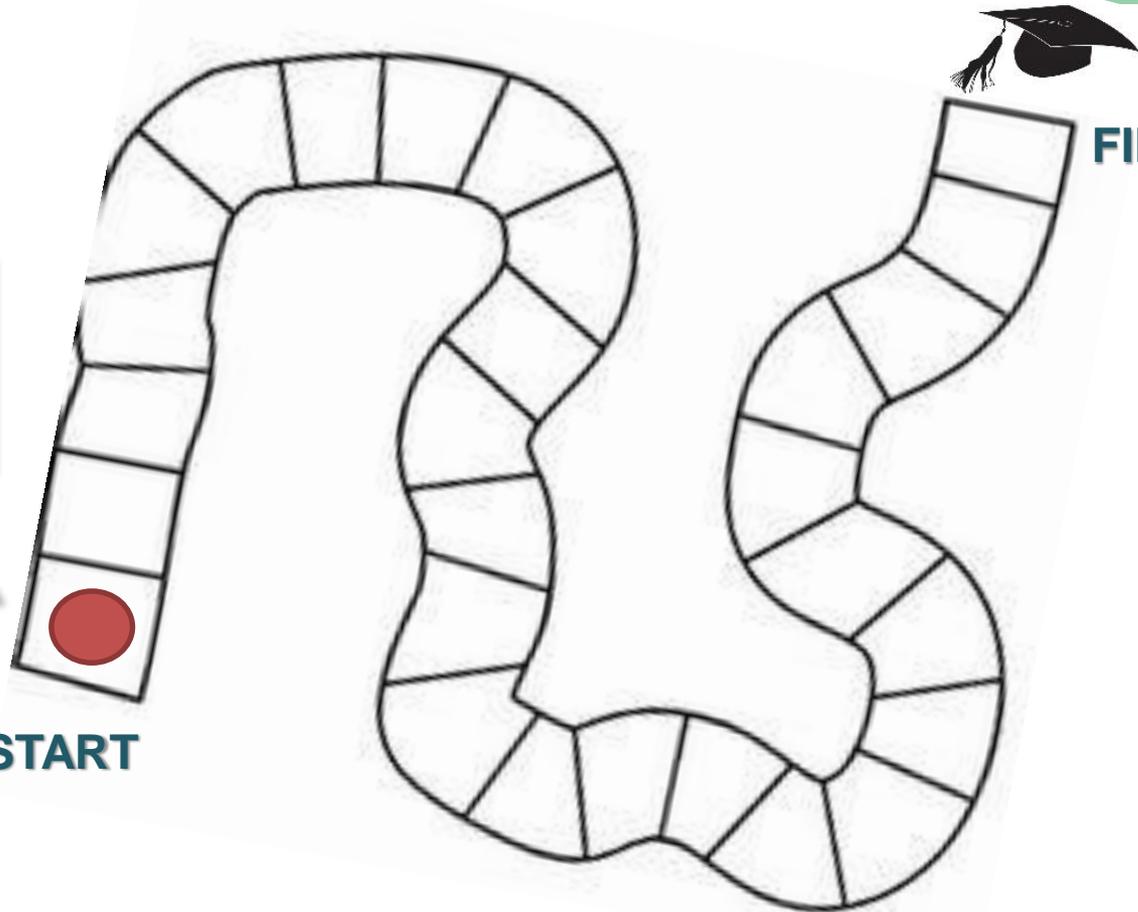
The Student Journey



WHY SHOULD I GO
TO COLLEGE?

YOU ARE HERE

START



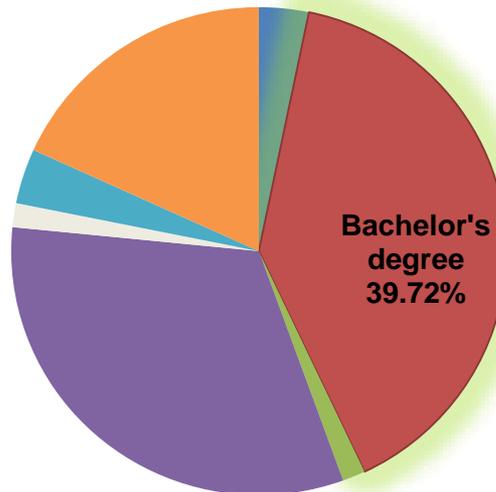
FINISH

Invest in the Future-Ready Jobs



Jobs of the future demand a college degree.

**Oregon High-Wage, High Demand, High Skill Job Projection, 2017-2027, Job Openings:
Typical Entry-Level Education**



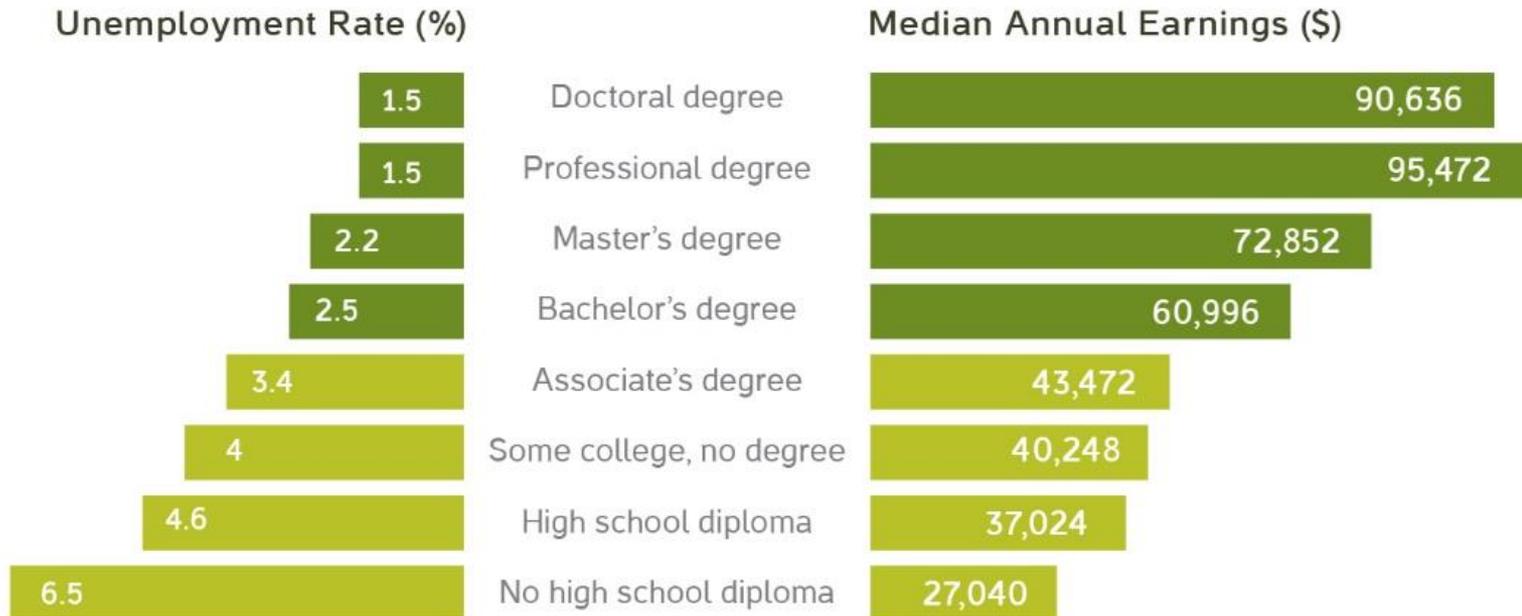
- Associate's degree
- Bachelor's degree
- Doctoral or professional degree
- High school diploma or equivalent
- Less than high school
- Master's degree
- Postsecondary training (non-degree)

Invest in the Future



Economic return on investment for students.

Education Pays



The Student Journey



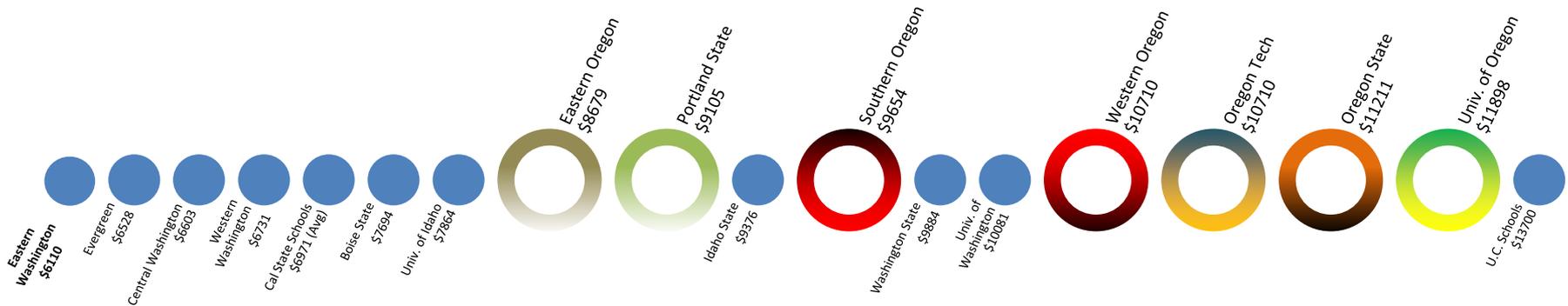
FINISH



Invest in Reducing Student Debt



Oregon public universities are consistently more expensive than other Western states, with consistently less state funding per FTE.



Fiscal Year 17 State Appropriation Per FTE
 Oregon – \$5,959
 Washington – \$6,982
 Idaho – \$9,793

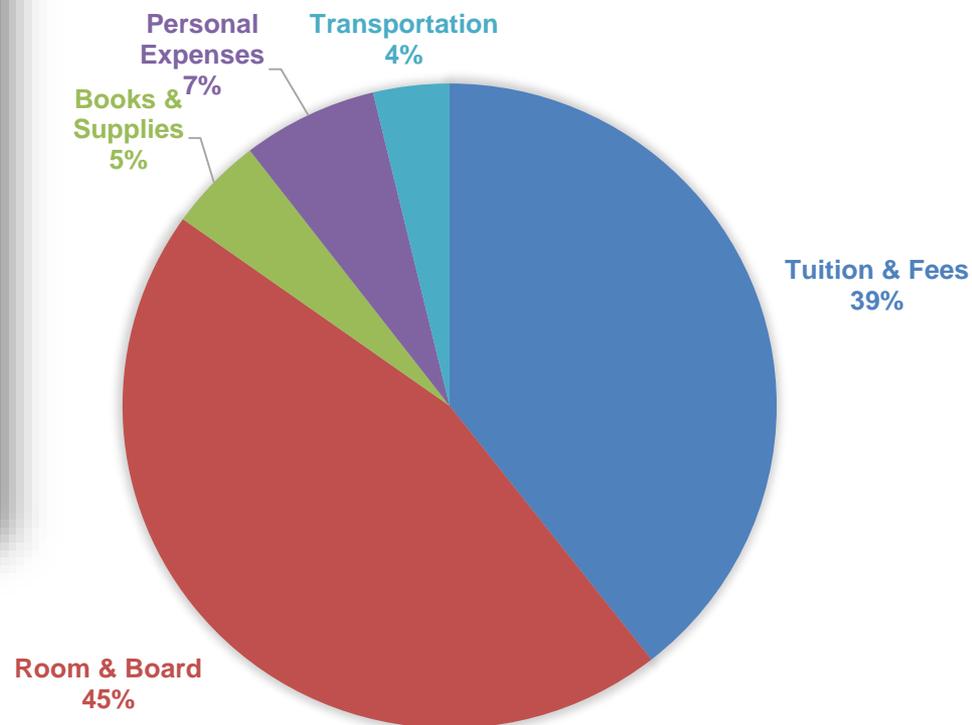
There's Tuition. Then What?



Total Cost of Education (All Seven Campuses)



Tuition is only one piece of the cost of a university degree.

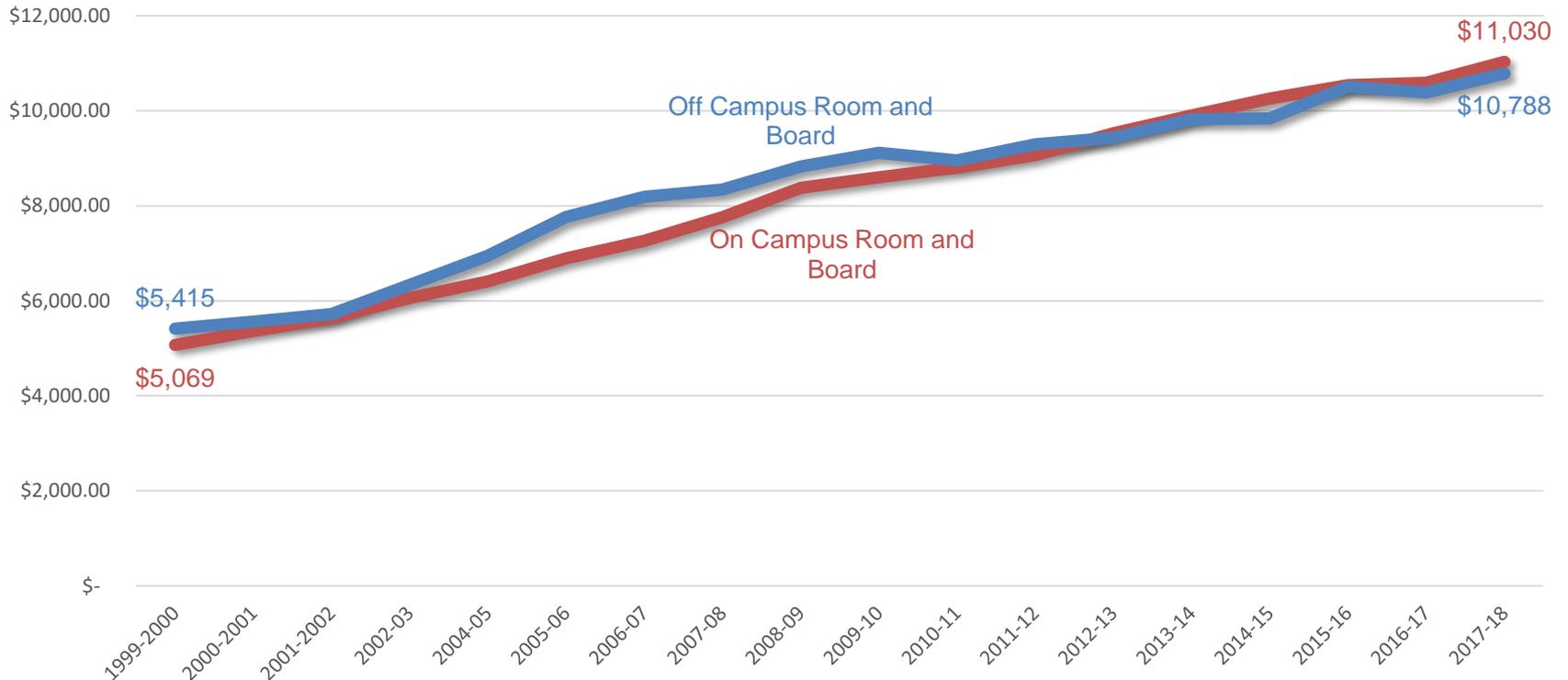


There's Tuition. Then What?



Housing is as much or more than tuition.

Room and Board, Oregon Public Universities Average

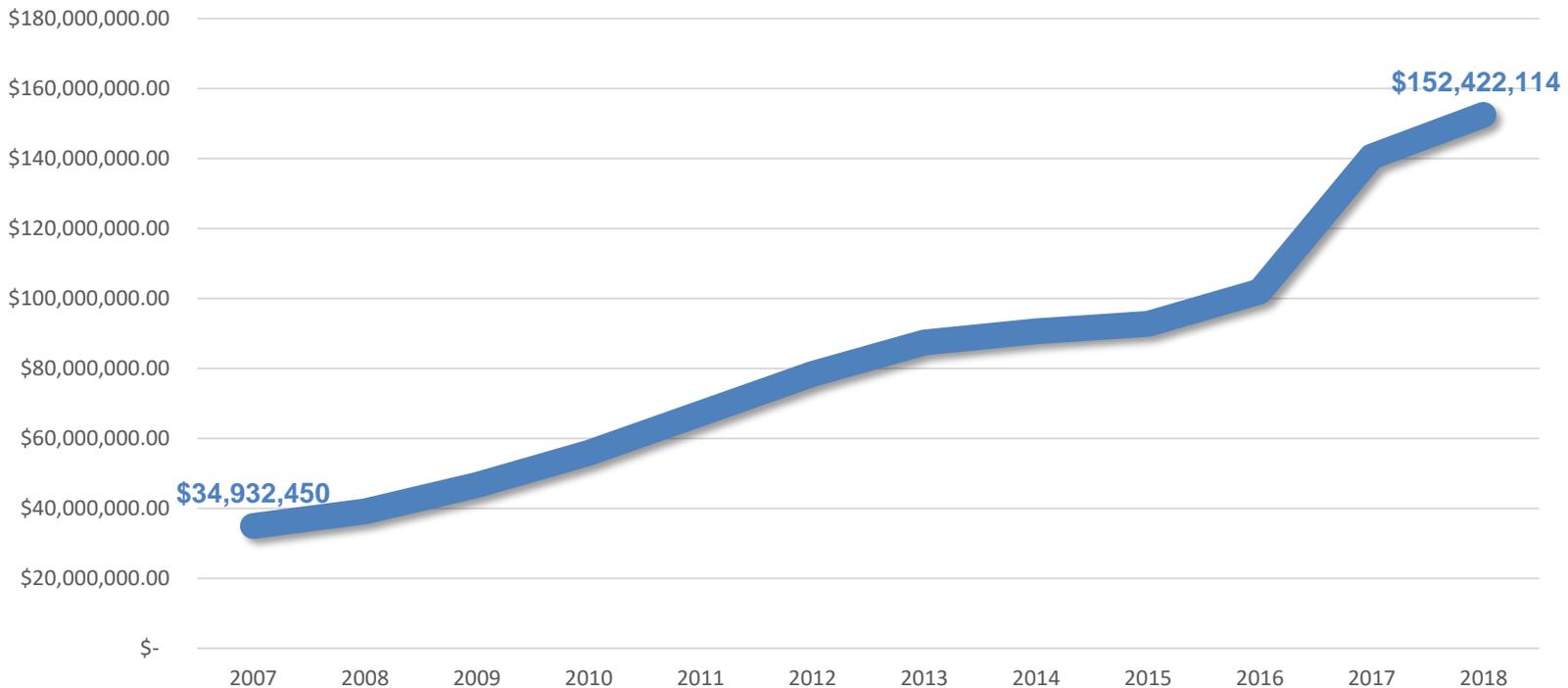


Invest in Reducing Student Debt



Universities are dramatically increasing remissions to address affordability outside of state funding.

Total Fee Remissions, Oregon Public Universities



Invest in Reducing Student Debt



How institutions are addressing the financial barriers.

Financial Aid & Tuition Remission Programs



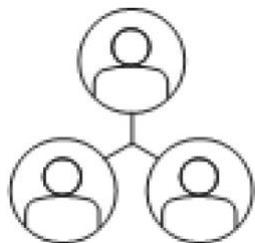
PathwayOregon

OREGON OPPORTUNITY GRANT

EO
EASTERN OREGON UNIVERSITY

Emergency Hardship Fund

Textbook Affordability Programs



 Available OSU open textbooks	 Open textbook catalogs	 Textbook upload guide
Oregon state faculty have authored many open textbooks, and dozens more are in production.	The beauty of open textbooks is they are freely accessible, so check out these databases.	House Bill 2871 requires faculty to indicate when open textbooks or other low-cost/no-cost course materials are used.
Browse OSU textbooks	Browse catalogs	View the guide

Invest in Reducing Student Debt



How institutions are addressing the barrier.

Access to Transportation



Food Security Programs



Food Pantry Usage
 Students SNAP eligibility
 Students not eligible for low-income housing
 (PSU Food Pantry Data)

Total Visits	Summer	Fall	Winter	Spring	TOTAL
2015-16	1785	4015	3992	3343	13,135
2016-17	2881	4546	4212	4541	16,180
2017-18	3351	4747	4783	4441	17,322

Impact Scenarios: Invest in Reducing Student Debt



Co-Chair's Budget

- Cuts to programs and services that help students pay for college.
- No new investments in financial aid or programs and services that help students cover the full cost of school
- Debt likely to increase for most vulnerable students.



Affordability

- No new investments in programs and services that help students pay for college, but would allow for maintenance of most existing programs.
- Investments made only in limitation of tuition increase – at or below 5% for the next two years.

Invest in Reducing Student Debt



\$2.2 Million Tuition and fee increases of 2% or less (impacts ALL EOU students).

\$150,000 Additional scholarships for diverse students.

\$650,000 Investments in wrap-around services such as career services, academic support, internships, experiential learning.



\$4.5 Million Rebuild the 'Bridge to Success' program to serve an additional 1,500 students with financial aid packages covering full tuition and fees, reducing the average unmet need for those students by at least \$3,000.

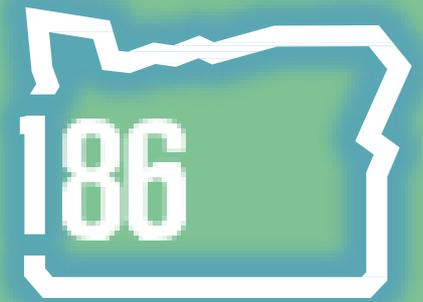
\$800K-\$1M Provide an additional 400-500 students with graduation completion grants.



\$860,000 Address textbook affordability for 22,000 students, including scaling up Open Educational Resources, purchasing new laptops for students using OER materials.

\$2 Million Invest in providing secure living spaces for PSU students who report being unhoused or experiencing housing insecurity.

Invest in Reducing Student Debt



**\$1.3
Million**

Expand financial aid and support services for students studying to be bilingual teachers and for LatinX students.



\$1 Million

Scholarships for underrepresented students.



\$150,000

Invest in “Earn and Learn,” which partners with employers to provide low income students with one year of professional work experience and no debt by graduation.



\$2 Million

Expand Pathway Oregon, providing full four-year tuition and fee scholarships and wrap-around advising support to academically qualified, Pell Grant-eligible, first-year resident students. The program has served more than 6,000 since 2008.

**\$1.25
Million**

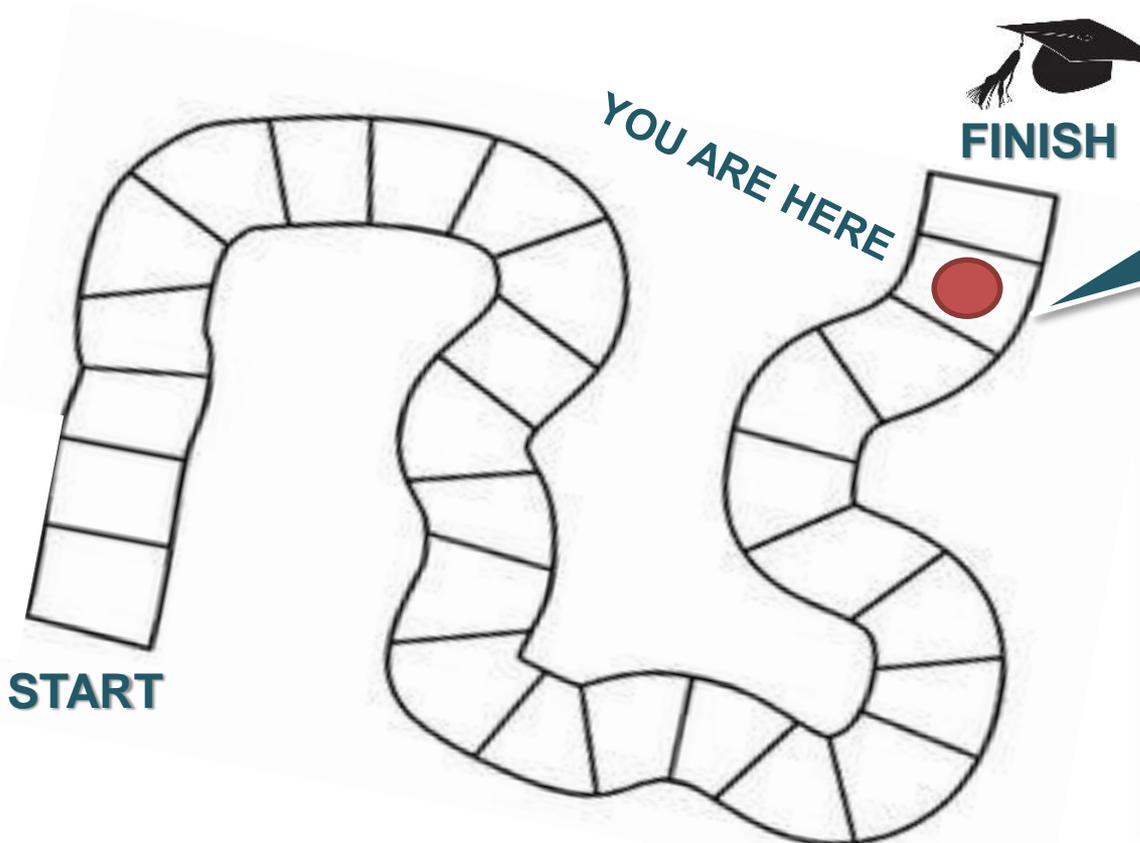
Establish new student emergency funds and expand food security initiatives, which would provide funding for UO’s Food Pantry, Produce Drops, Ducks Feeding Ducks, Leftover Textover, and SNAP workshops.



\$1 Million

Student debt reduction, including tuition increases below 4%, increasing student emergency funds, completion grant program, mandatory personal finance education course, increased scholarship for transfer students.

The Student Journey



CAN I COMPLETE COLLEGE?



Invest in Pathways, Student Success, & Career-Ready Graduates



How institutions are addressing the barriers.

University Degree-Mapping

Student: Amy Smith | ID: 987654321

Back to all degree plans

BA in Accounting
Bachelor of Arts - Accounting (Catalog Year: 2016-17)

EDIT DEGREE PLAN

Projected Graduation: SPRING 2021

COURSE PLAN | Financial Aid | Degree Requirements

SEND TO ADVISOR | COMPARE PLAN

Proposed Degree Plan 21 Courses | 78 Credits

Fall 2018

4 Courses | 16 Credits

ACTG 422 - Advanced Taxation ●
4 Credits
Requirement Major Elective

ACTG 383 - Financial Accounting an... ●
4 Credits

BA 339 - Operations and Quality Ma... ●
4 Credits

FIN 319 - Intermediate Financial Ma... ●
4 Credits

Winter 2019

5 Courses | 15 Credits

FR 101 - First-Year French Term 1 ●
4 Credits
Language Requirement

ACTG 281 - Accounting Mechanics: ... ●
1 Credits

ACTG 430 - Governmental and Not... ●
2 Credits

ACTG 492 - Auditing Concepts and ... ●
4 Credits

BA 303 - Business Finance ●
4 Credits

Spring 2019

4 Courses | 18 Credits

FR 102 - First-Year French Term 2 ●
4 Credits
Language Requirement

ACTG 495 - Integrated Accounting I... ●
4 Credits

BA 385 - Business Environment ●
4 Credits

BA 495 - Business Strategy ●
6 Credits

Summer 2019

0 Courses | 0 Credits

Why It Matters:

- Course sequencing
- Maximizing financial aid
- Simple and clear pathways to graduation

Feedback

Fall 2019

2 Courses | 5 Credits

Winter 2020

1 Courses | 4 Credits

Spring 2020

0 Courses | 0 Credits

Summer 2020

1 Courses | 4 Credits

Invest in Pathways, Student Success, & Career-Ready Graduates



How institutions are addressing the barriers.

Accelerated Credit

Accelerated Learning Savings at Technical & Regional Oregon Universities- 2017-18			
	Student Credit Hours (SCH)	Charge to Students	Savings to Families
EOU	4,393	\$31-\$71/cr	\$519,058
OIT	20,416		\$3,288,720
SOU	14,723	\$43/credit	\$2,190,189
WOU	15,865	\$30/student	\$2,561,380
Total	55,397		\$8,559,347
	Most classes = 4 SCH		
	Savings = SCH x in-state tuition rate		

Invest in Pathways, Student Success, & Career-Ready Graduates



How institutions are addressing the barriers.

Health, Wellbeing & Belonging

Multicultural Centers

Support for DREAMers

Peer Mentoring

LGBTQIA Centers

Veteran's Services



Invest in Pathways, Student Success, & Career-Ready Graduates



How institutions are addressing the barriers.

Career and Workforce Preparedness Programs



Oregon Tech senior, Brooke Vaughan, interns at the university-run **Behavioral Improvement Group (B.I.G.)** Clinic as a therapist helping autistic children in rural Oregon.



“Our partnership with **Oregon Tech** is a natural fit since we are both highly engaged in serving our community...to empower the most vulnerable residents of Klamath County.” *Tayo Akins, President and CEO, Cascade Health Alliance, awarded recent grant to Oregon Tech BIG Clinic to expand clinic services*

Impact Scenarios: Pathways, Student Success, & Career-Ready Graduates



Co-Chair's Budget

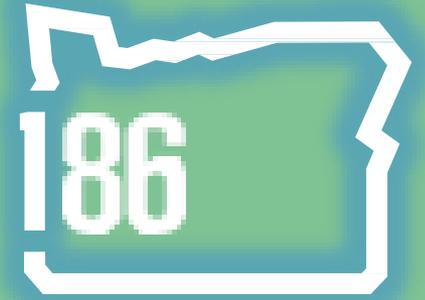
- Cuts made to investments in student success programs.
- **Examples:**
 - Reduction of academic and career advisor positions.
 - Enrollment restrictions in computer science programs at PSU.
 - Eliminate trailing sections (multiple sections of same intro course across terms), supplemental learning curriculum that allow flexibility in progressing at OSU.



Affordability

- No new investments in student success programs, but would allow universities to maintain most services and programs.
- Investment would be driven into limitation of tuition increases, keeping them at or below 5% for the next two years.

Invest in Pathways, Student Success, & Career-Ready Graduates



\$200,000

Leverage technological solutions to improve student academic progress and degree attainment through advising and early alert programs.

\$400,000

Staff and software to accelerate implementation of Southern Oregon Higher Education Consortium in order to improve credit transfer and degree completion.

\$50,000

Career readiness for underserved populations through a micro-credential and digital badge program, and new software and networking capabilities.



\$2.5 million

Reduce student to advisor ration from 748:1 to industry best practice of 300:1 by permanently funding new wrap-around academic and career advising program targeted at vulnerable first and second year students.

\$250,000

Financial aid for LatinX students. Adding cultural programming and empowerment opportunities for students to participate in such as speaker series, travel to conferences, and student research opportunities.

\$500,000

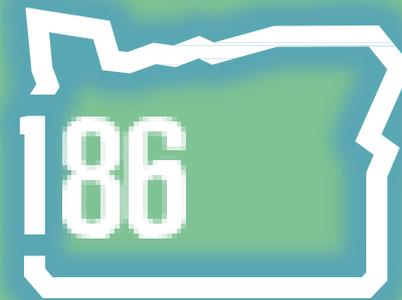
Expand the Oregon Research Schools Network from the UO College of Education. ORSN areas of focus include chronic absenteeism, ninth grade on-track, trauma-informed practices, classroom management, engagement strategies, and math success.



\$1 Million

Establish a Transfer Student Success Center to increase PSU's three-year graduation rate to 60% by 2025 and increase the PCC-PSU pipeline to improve time-to-degree, clarity of degree planning, financial aid navigation, and career services.

Invest in Pathways, Student Success, & Career-Ready Graduates



\$150,000

Additional scholarship investment for historically underserved students.

\$650,000

Investments in wrap around services to reduce time to completion and workforce readiness, such as career services, academic support, internships, experiential learning.



Hire 2.0 FTE

Experiential learning facilitation and career services to support workforce readiness.



\$1.1 Million

Establish STEM programs in high schools, embed Oregon Tech advisors at partner community colleges, and increase STEM-focused dual credit.

\$840,000

Advising and mentoring, including implementing predictive analytics suite, expanding mental and behavioral health counseling, and testing support center.

\$1.2 Million

Create pathways for 500 new community college transfer students by fall 2020 including hiring advisors and purchasing materials for those students.

**\$250,000 -
\$500,000**

Advancement scholarships for transfer students.

\$2.3 Million

Expand the Willamette Promise, WOU's primary accelerated learning program.



University Fiscal Stewardship



Budget Cuts, Cost Savings & Efficiencies

- UO has cut or saved **\$16 million** in *recurring* costs since 2016.
- OSU cut costs by **\$20 million** in the 2017-18 fiscal year.
- PSU has cut more than **\$26 million** since 2012, including closing its Perkin loan program and position termination of 100 employees.
- SOU cut **\$1.4 million** in various recurring cost savings through strategic purchasing and new initiatives like optimized faculty time that saved **\$250,000**.
- OIT cut **\$3.4 million** through salary savings by holding open vacant positions and reduced utility spend through investments in retrofitting and rebuilding core campus infrastructure.
- WOU reduced labor force by **\$2 million** (reallocation of resources upon retirements, program and class efficiency implementation, reorganizations).
- EOU has saved **\$2 million** through on-going program and class efficiency implementation, personnel reorganizations, and contracting services rather than hiring new FTE.

A New Look at Administrative Costs

At PSU, only **1.54%** of its FY19 General Budget was composed of personnel costs for senior administrators and deans.

At EOU, **6.9%** of its total personnel costs are from executive compensation, including OPE.

University Fiscal Stewardship



Examples of further budget reductions at public universities.



Operating costs will be cut by another **\$10 - \$11 million** this year, including reducing central administrative units by **3%** and schools and colleges by **2.5%**.



For first time, PSU will restrict enrollment in Computer Science Programs and potentially reduce number of Academic and Career Advisor positions, filled through the state's 2016 strategic investment.



SOU will cut supplies and services by 5% and hold vacant positions open.



OSU will reduce faculty positions, eliminate trailing sections (multiple sections of same intro course across terms), supplemental learning, curriculum that allow flexibility in progressing (particularly hits transfer students).



WOU will use \$2 million of reserves to cover the deficits in the next year avoiding cutting services to students.

Outcomes-Based Funding



The PUSF funding formula distributes funds based on graduation rates, service to underrepresented, rural, and first-gen students, and high-demand degrees.

SSCM Allocations at Co-Chair's Budget

Institution	FY18	FY19	2017-19	FY20	FY21	2019-21	Year-to-Year Difference FY20	Year-to-Year Difference FY21	2019-21 Percent Change
EOU	\$19,898,918	\$20,186,726	\$40,085,644	\$19,980,353	\$20,469,682	\$40,450,035	\$(206,373)	\$489,329	0.91%
OIT	\$26,034,493	\$27,455,306	\$53,489,799	\$27,770,186	\$28,791,807	\$56,561,993	\$314,880	\$1,021,621	5.74%
OSU	\$114,798,771	\$121,751,891	\$236,550,662	\$124,519,399	\$130,287,438	\$254,806,837	\$2,767,508	\$5,768,039	7.72%
PSU	\$87,900,756	\$91,390,178	\$179,290,934	\$92,705,699	\$96,741,968	\$189,447,667	\$1,315,521	\$4,036,269	5.66%
SOU	\$20,845,008	\$21,270,176	\$42,115,184	\$21,598,730	\$22,474,079	\$44,072,809	\$328,554	\$875,349	4.65%
UO	\$67,773,522	\$69,090,988	\$136,864,510	\$69,273,894	\$71,289,489	\$140,563,383	\$182,906	\$2,015,595	2.70%
WOU	\$23,828,838	\$24,673,012	\$48,501,850	\$25,091,462	\$26,433,822	\$51,525,284	\$418,450	\$1,342,360	6.23%
Total	\$361,080,306	\$375,818,277	\$736,898,583	\$380,939,723	\$396,488,285	\$777,428,008	\$5,121,446	\$15,548,562	5.50%

INVESTMENT

\$1 Billion
PUSF

\$922.9 Million
PUSF

\$856.9 Million
PUSF

\$777.4 Million
PUSF

+\$40.5 Million

+\$120 Million

+\$186 Million

+\$263 Million

Co-Chair's Budget

Affordability

Investment

Opportunity



DIVERSE MISSIONS OF PUBLIC UNIVERSITIES: PUBLIC SERVICES, STATEWIDE PROGRAMS

JIM PINKARD, Director, HECC
Office of Postsecondary Finance
and Capital

Presented to: Joint Committee on Ways
and Means, Subcommittee on Education

Presentation Schedule

Day 1-2	<ul style="list-style-type: none"> • Introduction to Postsecondary Education and Training in Oregon: Agency Overview, Mission, Goals, Budget Components, History of Funding, National Context
Day 3	<ul style="list-style-type: none"> • Affordability: Key Factors, State Financial Aid Programs
Day 4	<ul style="list-style-type: none"> • Learner Pathways and Transitions: College/Career Navigation, High School and College Partnerships, Transfer, Workforce Preparation and Adult Engagement, Private Postsecondary Education
Day 5	<ul style="list-style-type: none"> • Public Testimony
Days 6-7	<ul style="list-style-type: none"> • State Support for Community Colleges: Students Served, Funding Impacts, Capital Construction • Community College presentations
Day 8	<ul style="list-style-type: none"> • Public Testimony
Days 9-10	<ul style="list-style-type: none"> • State Support for Public Universities: Students Served, Funding Impacts, Capital Construction • University presentations
Day 11	<ul style="list-style-type: none"> • Other Missions of Universities: Statewide Public Services, State Programs
Day 12	<ul style="list-style-type: none"> • Public Testimony
Day 13	<ul style="list-style-type: none"> • OHSU, Public Testimony
Day 14	<ul style="list-style-type: none"> • An Integrated postsecondary agency, HECC Operations Agency Budget, Conclusion

Offices represented by HECC presenters:
OFFICE OF POSTSECONDARY FINANCE AND CAPITAL

Public University Sports Action Lottery

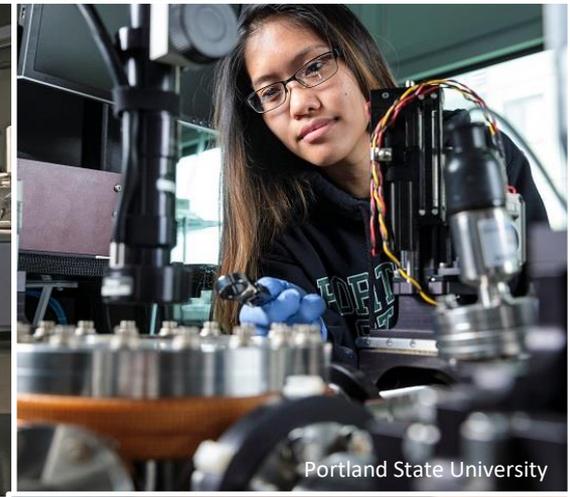
The Sports Action Lottery was established in ORS 461.535 and ORS 461.543 to provide funding for intercollegiate athletics at public universities. The statute sets aside 12% of funds for non-athletic graduate student scholarships. The remaining 88% is distributed to the intercollegiate athletic departments at public universities.

Activity	Description	2017-19 LAB	2019-21 CSL	2017-19 GRB
Sports Lottery Program	Reduction in scholarships impedes access, affordability, and retention, lowering potential progress toward increased graduation rates and attainment of overall 40-40-20 goals. Campuses with athletic programs that are reliant on lottery funding would be disproportionately affected.	\$8.24M LF	\$14.099M LF	\$0* * Program eliminated in Governor's Recommended Budget.
Change from 2019-21				-100% from LAB -100% from CSL

PUBLIC UNIVERSITY STATE PROGRAMS



University of Oregon



Portland State University



Oregon State University



Portland State University

Public Universities: State Programs

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Public University State Programs	<p>Continues investments to the universities for Dispute Resolution Center, Oregon Solutions, Signature Research Centers, and others programs.</p> <p>* Phases out one-time grant funding for (1) EOU (2) OSU (3) Molluscan Broodstock (4) Ocean Acidification (5) PSU/OHSU Violence Prevention Research and one-time match for the OSU Northwest National Marine Renewable Energy Center.</p> <p>**Eliminates funding for Engineering and Technology Sustaining Funds.</p>	<p>\$77.2 Total</p> <p>\$46.2M GF</p> <p>\$31.0M NL-OF</p>	<p>\$42.6M GF*</p>	<p>\$14.8M GF**</p>

Change from
2017-19

-68% from LAB
-65.2% from CSL

Public University State Programs

Programs operated largely by the three research universities that focus on economic development, industry and public service needs of Oregon.

Legislatively appropriated line items that support and extend key capacities of research universities for the betterment of the state.

Programs range from mediation and conflict resolution training to demographic forecasting and maritime research.

Some Key Impacts of the Governor's Recommended Budget on Programs in These Areas

The Sports Action Lottery is eliminated, taking away funding for scholarships for underrepresented students, women's intercollegiate athletics and graduate students.

The Engineering and Technology Sustaining Fund (ETSF) is not funded, ending a program that has increased engineering graduates over decades.

Measure 99 Outdoor School support is not funded after the first year of the biennium.

STATEWIDE PUBLIC SERVICE PROGRAMS

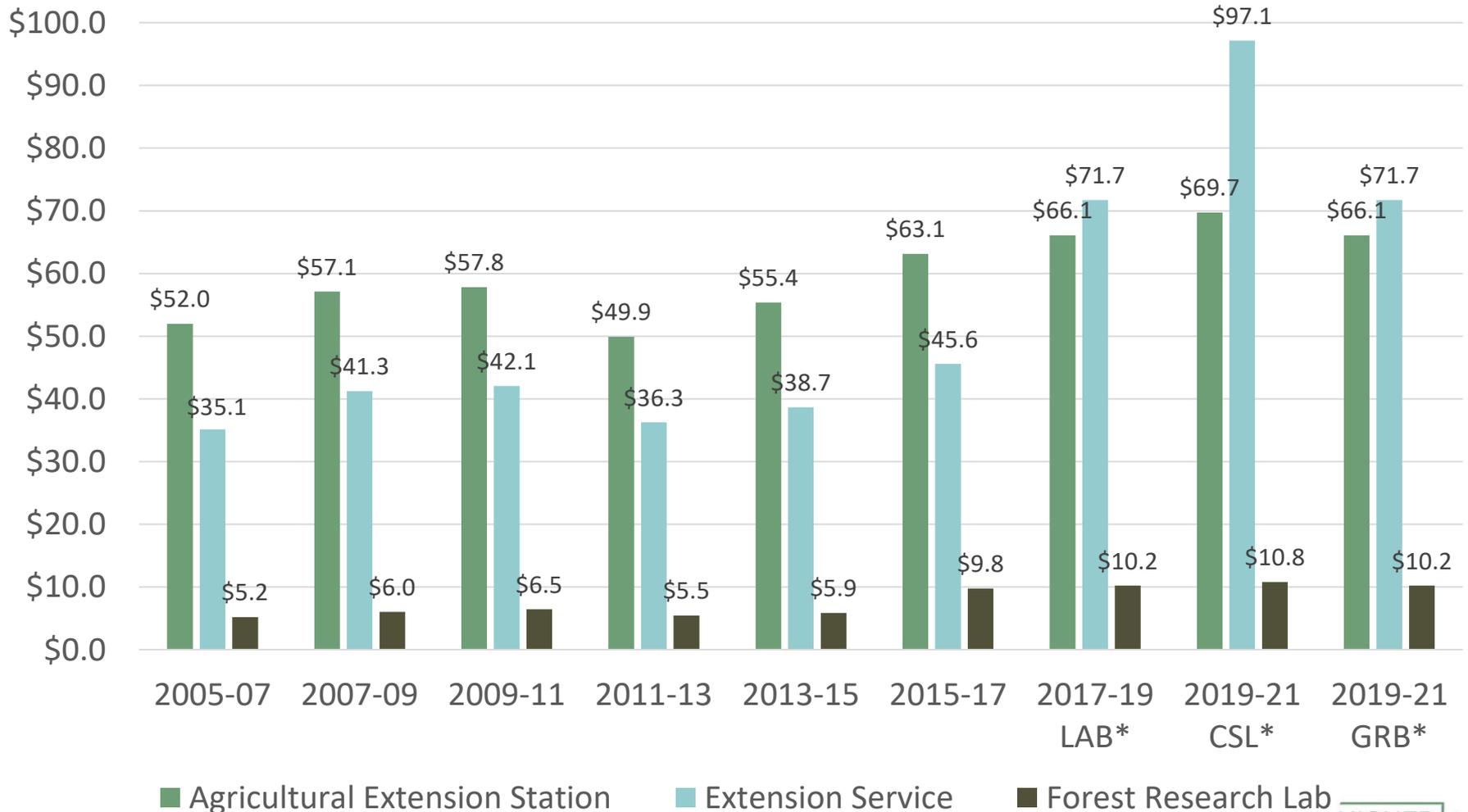


Public Universities: Statewide Programs

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Agricultural Experiment Station	Provides funding at close to 2017-19 LAB level for the Agricultural Experiment Station.	\$66.5M GF	\$69.7M GF	\$66.1M GF
Change from 2017-19				-0.6% from LAB -5.2% from CSL
Forest Research Laboratory	Preserves funding at 2017-19 level for the Forest Research Laboratory.	\$10.2M GF	\$10.8M GF	\$10.2M GF
Change from 2017-19				0% from LAB -5.5% from CSL
OSU Extension Service	Preserves General Funds at 2017-19 level for OSU Extension Service, but removes voter-approved Measure 99 (2016) Lottery Funds for year two of the Outdoor Schools Program.	\$47.7M GF \$24M LF	\$50.3M GF \$46.8M LF	\$47.7M GF \$24M LF
Change from 2017-19				0% from LAB -26.2% from CSL

SWPS Historical Funding

OSU Statewide Public Service Funding History (In Millions)





DIVERSE MISSIONS OF PUBLIC UNIVERSITIES: PUBLIC SERVICES, STATEWIDE PROGRAMS

INVITED TESTIMONY

Presented to: Joint Ways and
Means Committee, Subcommittee
on Education

2019 PRESENTATION, DAY 11



Eastern Oregon University
Portland State University
Oregon Institute of Technology
Oregon State University
Southern Oregon University
University of Oregon
Western Oregon University



Oregon **TECH**



Engaging and Serving Oregonians and Their Communities

Oregon Public Universities *Day 2*



Oregon **TECH**





Overview of Today's Presentation

- State Appropriations to Public Universities
- State Programs
- Economic Impact and Research
- Statewide Public Service Programs
- Outdoor School
- Sports Lottery Funding





State Appropriations to Public Universities

Public University Support Fund ➤ Outcomes (Degrees) ➤ Activities (Enrollment) ➤ Mission Differentiation <ul style="list-style-type: none">• Regional Support• Research• Public Service	Statewide Public Services at Oregon State University <ul style="list-style-type: none">➤ Agricultural Experiment Station➤ Extension Service➤ Forest Research Laboratory
	Public University State Programs 14 Research and Public Service Programs across the universities
	Sports Lottery <ul style="list-style-type: none">➤ Grants to Student Athletes➤ Graduate Scholarships

A Brief History: State Programs

Research

Service

Instruction



State Programs

Engineering Technology Sustaining Funds - (All)

TallWood Design Institute - (OSU & UO)

Dispute Resolution - (UO & PSU)

Oregon Solutions - (PSU)

Fermentation Science - (OSU)

Signature Research - (OSU, PSU, UO)

Labor Education Research Center - (UO)

Marine Research Vessel - (OSU)

Population Research Center - (PSU)

Institute for Natural Resources - (OSU)

Domestic Violence Legal Clinic - (UO)

Climate Change Research Institute - (OSU)

Criminal Justice Policy Research Institute - (PSU)

Oregon Renewable Energy Center - (OT)

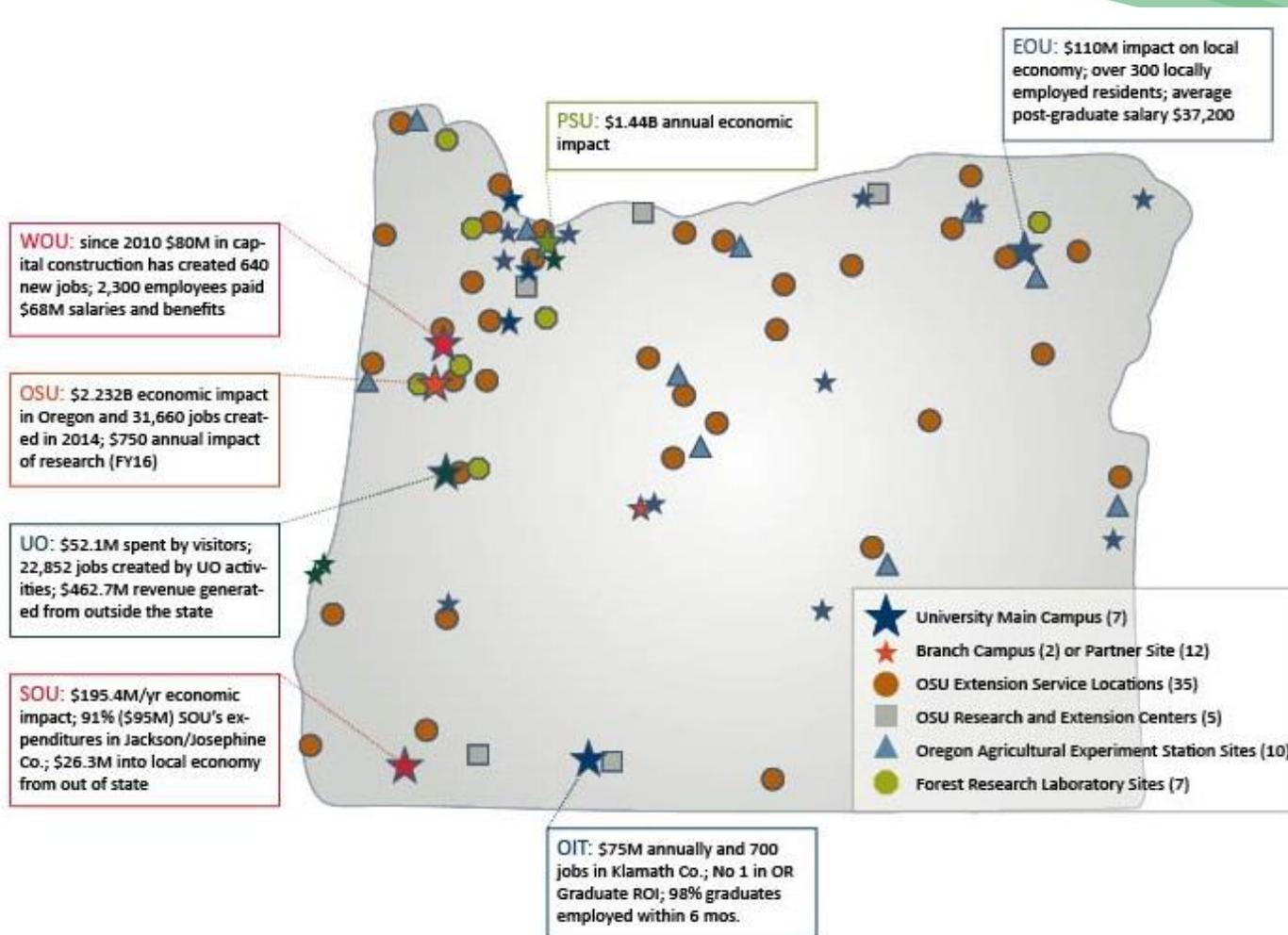
19-21

Request
\$43.6 M

The image features a dark teal, irregularly shaped graphic that resembles a map of Oregon, centered on a light green background. The background is decorated with a pattern of thin, light green lines that form a series of nested, slightly offset rectangular shapes, creating a subtle grid or architectural effect. The text is centered within the dark teal shape in a white, serif font.

Oregon Public Universities: Economic Impact and Research

Statewide Economic Impact



Research at Universities is a smart investment



- ✓ **Develop talent for businesses**
- ✓ **Conduct research** (ONAMI, OTRADI, Oregon BEST, Federal Grants, Private Grants)
- ✓ **Increase employment in communities** (Employees and New Businesses/Startups)
- ✓ **Develop and contribute to community** (Volunteer Hours and Community Service Programs)
- ✓ **Introduce new technologies** (Patents, Inventions, Technology Transfer)
- ✓ **Create new business opportunities and support new businesses** (Technology Transfer, Small Business Development Centers, Business Accelerators)
- ✓ **Attract talent from around the world**

Statewide Public Service Programs:

Extension Service, Agricultural Experiment Station, Forest Research Laboratory

2019-21 FUNDING REQUEST

Scott Reed

Vice Provost, University Outreach and Engagement
Director, OSU Extension Service

Alan Sams

Dean, College of Agricultural Sciences
Director, Oregon Agricultural Experiment Station

Anthony S. Davis

Interim Dean, College of Forestry
Interim Director, Oregon Forest Research Laboratory



**Oregon State
University**

OSU is Oregon's land grant university

1862 Morrill Act



SWPS are line items in Oregon's budget, leveraged by federal, local, and external funds



Extension Service 1914 Smith-Lever Act

Connecting Oregonians to expertise, education, and partnerships

More than \$12 M from funding partnerships with Oregon counties, including 25 tax service districts



Agricultural Experiment Station 1887 Hatch Act

Focusing the power of science on Oregon's critical issues

More than \$58 M in external funding leveraged by state support



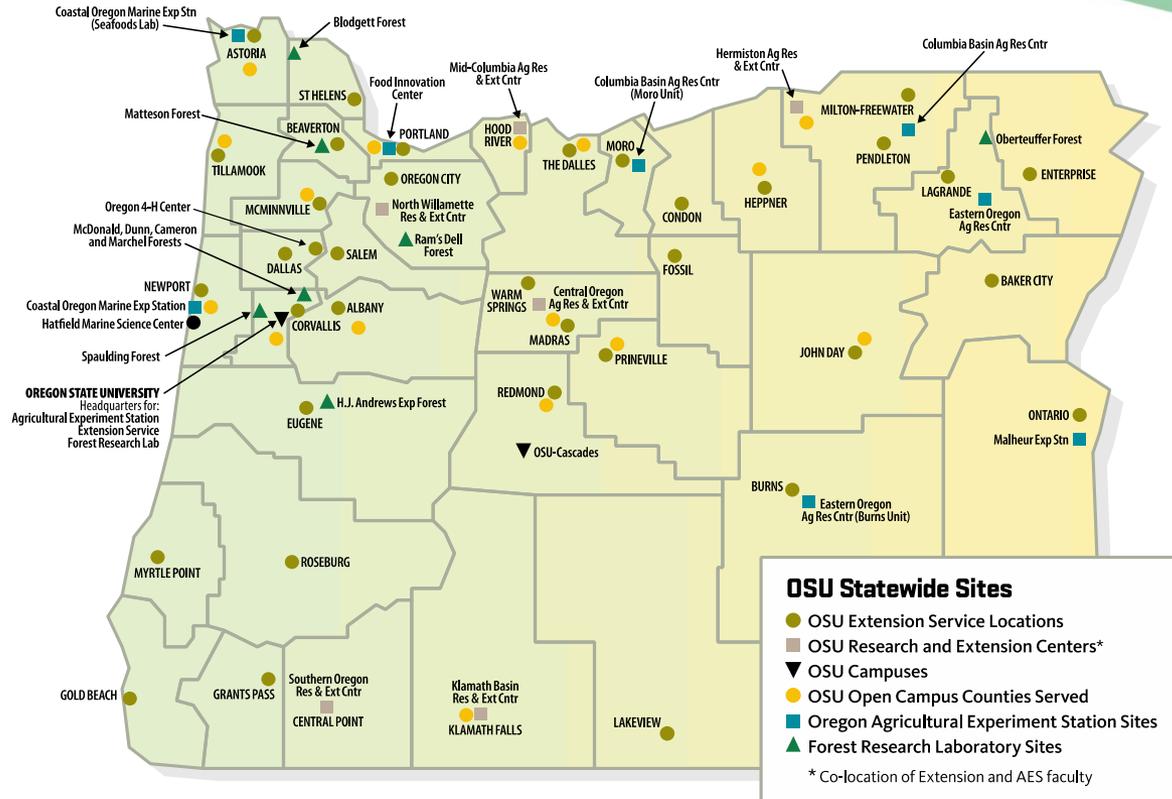
Forest Research Laboratory 1941 ORS 526.225

Researching innovative approaches for managing forest resources

More than \$17 M in external funding leveraged by state support, including \$3.6 M per year through the Forest Products Harvest Tax

Out There: Serving Oregon

Solving problems and creating economic opportunity across the state



The Statewides: Our Impact

<https://ourimpact.oregonstate.edu/>



Students fly high in STEM aviation program

- Connecting rural, underserved youth to a STEM career pathway
- Grew from 4-H aviation program to 6th grade field day and camps
- More than 2,000 youth over 6 years: 67% want to take more STEM classes, 98% learned new STEM content, being replicated in other locations



To market, to market – with help from OSU's Food Innovation Center

- Classes on product formulation, cost, market research, packaging, FDA labeling, marketing
- Commercial kitchen incubator and sensory lab
- Has helped 4,000 entrepreneurs and helped launch 1,200 new food products



Citizen Fire Academy helps homeowners protect property from wildfire

- More than 9,000 high-risk properties in Oregon's wildland-urban interface
- 60 trained volunteers lead firewise community activities, workshops reached 235 landowners
- More than 60 homeowners created wildfire protection plans

SWPS 2019-21 funding request



Statewide Public Service	2015-17 Legislatively Approved	2017-19 Legislatively Approved	2019-21 Request	Increase from 2017-19
Agricultural Experiment Station	\$63.1 M	\$66.1 M	\$82.1 M	\$16 M
OSU Extension Service	\$45.6 M	\$47.7 M	\$59.2 M	\$11.5 M
Forest Research Laboratory	\$9.8 M	\$10.2 M	\$12.7 M	\$2.5 M
Total	\$118.5 M	\$124 M	\$154 M	\$30 M

The \$30M package for the Statewides is incorporated in **SB 257**

Collaborative investment in critical areas

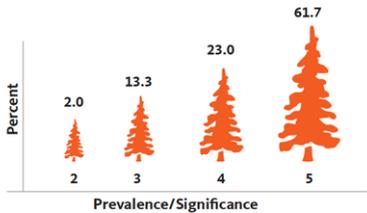


Integrated Pest Management (IPM)	Integrated River Basin Water Quality and Quantity	Climate Change Resilience
<ul style="list-style-type: none"> • Urban, school, agency, and production ag IPM • Pesticide safety education • Pollinator health 	<ul style="list-style-type: none"> • Water conservation, storage, and instream flows • Water and fertilizer management • Irrigation efficiency 	<ul style="list-style-type: none"> • Management strategies for fisheries and seafood • Resilient crop varieties • Precision tech to increase efficiency and resilience
Fire resilience and resistance	Workforce development and security	Community health and resilience
<ul style="list-style-type: none"> • Pre-fire response efforts • Fire and drought information • Partnerships to mitigate risk and improve forest health 	<ul style="list-style-type: none"> • Enhanced youth development, 4-H • College and career readiness • Skill development in Oregon’s rural workforce in growing sectors 	<ul style="list-style-type: none"> • Poverty and underemployment • Health and nutrition • Food insecurity and resilient community food systems • Opioid and mental health challenges in rural communities

Outdoor School Year One 2017-2018

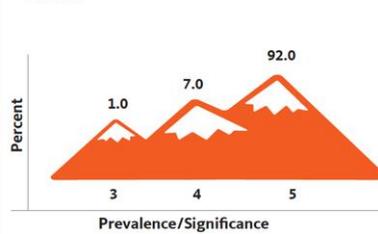
- 82 new schools
- 7,137 new students

Student Leadership, Critical Thinking, and Decision-Making



When asked to rate the development of students' leadership, critical thinking, and decision-making skills, early 85 percent of schools rated this a 4 or a 5.

Science



92 percent of schools reported that their outdoor school curriculum and content significantly addressed science.

BY THE NUMBERS

CATEGORIES	2017-2018 ¹	2018-2019 ²	2018-2019 ³
School districts receiving funding	128 of 197	146 of 197	147
Schools funded	385	490	512
Number of students	30,739	42,456	43,643
Number of days outside	115,131	167,126	171,283
State sponsored charters*	2 of 4	3 of 4	3 of 4

*All four participated in the first two years of the program.

¹Actual participation for 2017-2018

²Applications as of July 31, 2018

³Applications as of January 1, 2019



Oregon State University
Extension Service
Outdoor School

Opening the Door for Oregonians: Sports Lottery

Positive Effect on:

- Enrollment
- Retention
- Diversity



2017-18 Academic Year
2600+ students benefitted

A Brief History: Sports Lottery

17-19 LAB
\$8.24M



Equity for Oregonians: Sports Lottery



Funding Women's Athletics

More than just athletics: Sports Lottery

- 12% Graduate Scholarships
- \$500,000 a year
- 200+ Graduate students



RESTORE THE 1%
Sports Lottery



Restore 1%
\$14.4M*



OREGON HEALTH & SCIENCE UNIVERSITY

JIM PINKARD, Director, HECC Office
of Postsecondary Finance and
Capital

Presented to: Joint Ways and
Means Committee, Subcommittee
on Education

2019 PRESENTATION, DAY 13

Oregon Health & Science University (OHSU)

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Oregon Health & Science University programs	Provides funding for education and rural programs, the Child Development and Rehabilitation Center, and the Oregon Poison Center.	\$77.3M GF	\$77.2M GF	\$74.1M GF
Change from 2017-19				-4.1% from LAB -4.0% from CSL



OREGON HEALTH & SCIENCE UNIVERSITY (OHSU)

INVITED TESTIMONY

Presented to: Joint Ways and
Means, Education Subcommittee

2019 PRESENTATION, DAY 12



OHSU and the State of Oregon: A Powerful Partnership

Ways and Means Subcommittee on Education

DATE: April 3, 2019 PRESENTED BY:

Danny O. Jacobs, M.D., M.P.H., President, OHSU
Elena Andresen, Ph.D., Executive Vice President and Provost, OHSU

Agenda

- About the powerful partnership between OHSU and the State of Oregon
- Educating tomorrow's scientists and health care providers
- Leading on values important to Oregonians
- Providing health care services and training throughout Oregon
- Performing innovative research to find tomorrow's cures
- Maintaining good overall financial health

Statewide Vision, Mission and Impact

The state's only public academic health center

*OHSU will partner to make
Oregon a national leader
in health and science
innovation and education for
the purpose of improving the
health and well-being of
Oregonians.*



Keys to a Powerful Partnership

The State provides:

- Public corporation structure
- Direct appropriation
- Federal funds through Medicaid
- Capital infusion, periodically

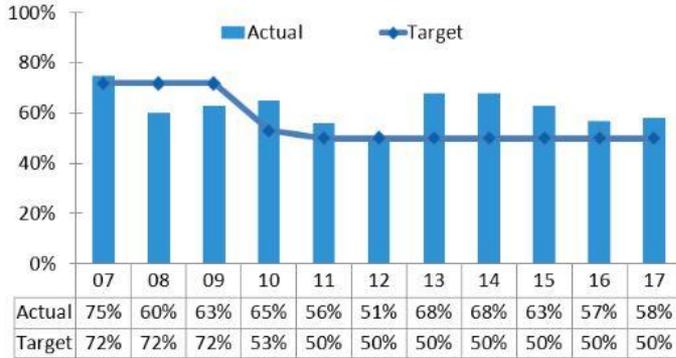
Keys to a Powerful Partnership

OHSU delivers:

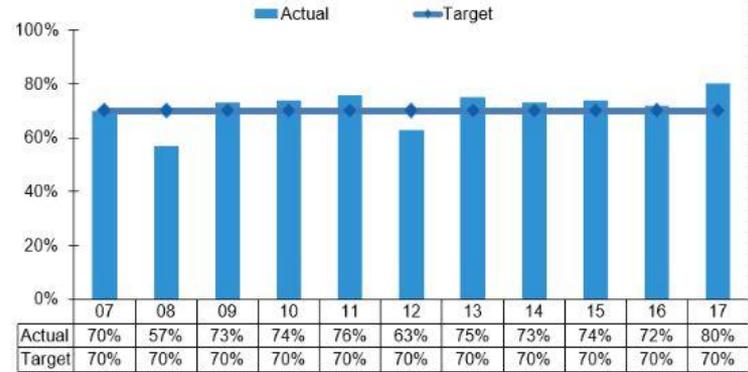
- World-class public health care university
- Statewide education programs
- Biomedical innovation
- Health care services statewide
- Safety net services
- Access to specialists

Leveraging Partnership for Education

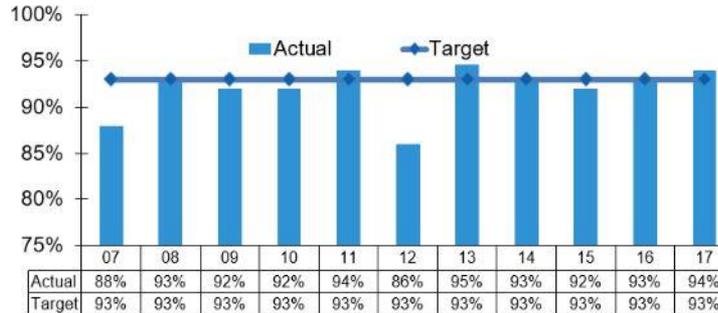
OHSU KPM:
First-Year D.M.D. Students Who Are Oregon Residents



OHSU KPM:
First-Year M.D. Students Who Are Oregon Residents



OHSU KPM:
First-Year Nursing Students Who Are Oregon Residents



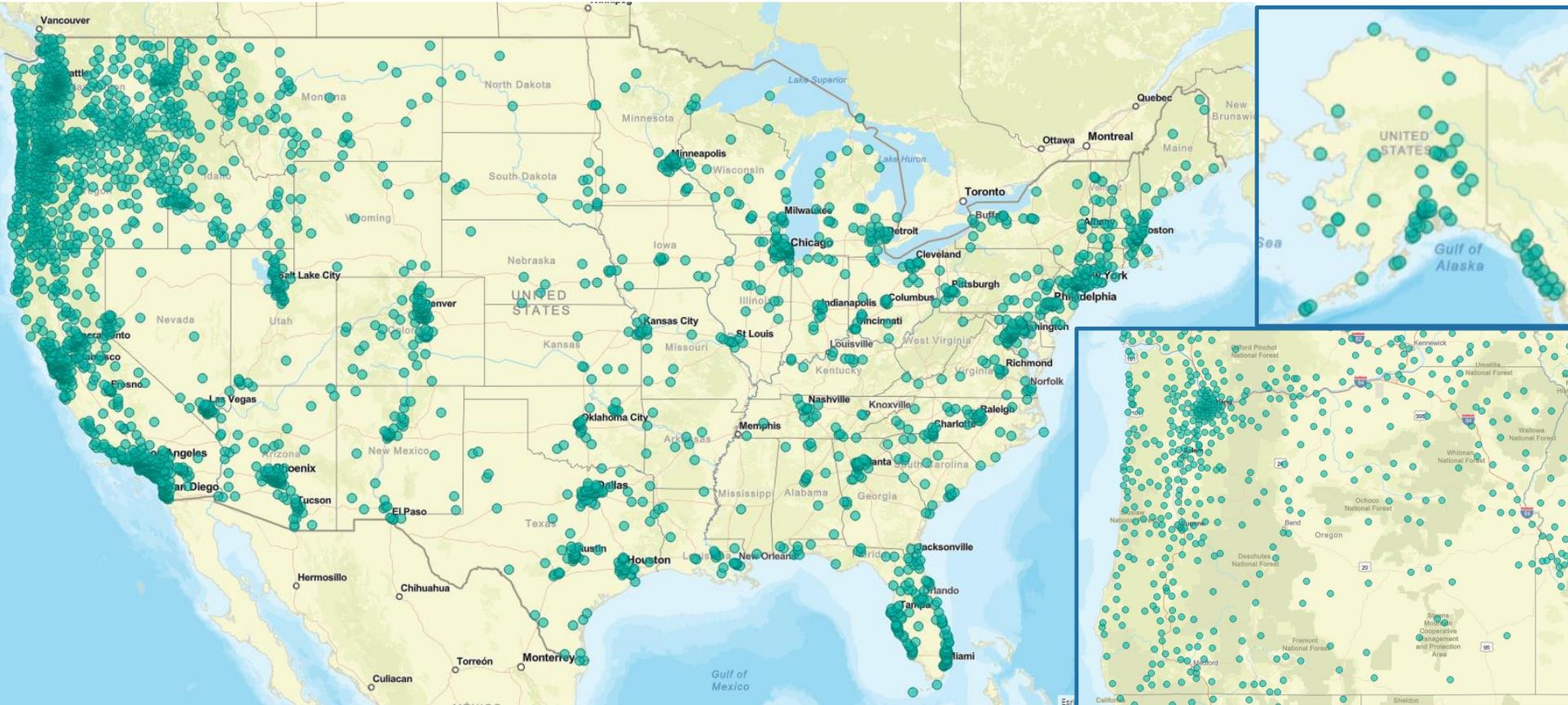
Leveraging Partnership for Health Care



- More than **1,085,362 patient visits** in FY18 from every county in Oregon and beyond
- Doernbecher Children's Hospital is **nationally ranked** in 7 pediatric specialties by *U.S. News & World Report*
- Only hospital in Oregon to be **nationally ranked** in 6 adult specialties by *U.S. News & World Report*
- Only hospital in Oregon on **Becker's America's Best Hospitals 2019 list**
- Oregon's only National Cancer Institute-designated comprehensive cancer center: **Knight Cancer Institute**

Serving Oregon and the Nation

Where OHSU patients came from in 2018



Leveraging Partnership for Research

- \$462 million in funding brought to Oregon in FY18
- OHSU is one of the top 20 research institutions in the world, according to leading journal *Nature**, which evaluated the impact of academic research institutions on innovation
- *Time* magazine named OHSU's Shoukhrat Mitalipov, Ph.D., one of America's 50 most influential people in health care for 2018

Optimizing the State's Investment

Fiscal Year	Operating Revenue	State Appropriations	Employees	Students
1975	\$80 million	\$34 million	4,325	1,610
1985	\$190 million	\$53 million	5,200	1,200
1990	\$340 million	\$65 million	6,500	1,536
1995	\$499 million	\$60 million	6,651	1,855
2000	\$882 million	\$56 million	10,100	1,854
2005	\$1.18 billion	\$43 million	11,500	2,511
2010	\$1.85 billion	\$38 million	13,292	2,721
2012	\$2.04 billion	\$35 million	13,984	2,802
2013	\$2.13 billion	\$30 million	14,135	2,849
2014	\$2.28 billion	\$35 million	14,616	2,838
2015	\$2.46 billion	\$33 million	15,098	2,895
2016	\$2.71 billion	\$36 million	15,652	2,899
2017	\$2.91 billion	\$37 million	15,958	2,895
2018	\$3.05 billion	\$37 million	16,478	2,672

The State also provides periodic capital support, such as funding for the Oregon Opportunity and the OHSU Knight Cancer Challenge



Summary: A Powerful Partnership

- Oregonians share a common desire to have access to the best available health care and health education
- OHSU partners with the State and communities across Oregon to turn the Legislature's general fund investment into a big impact for Oregonians through:
 - Health care workforce training
 - Biomedical research
 - Health care services

State-Supported Programs

Elena Andresen, Ph.D.
Executive Vice President and Provost

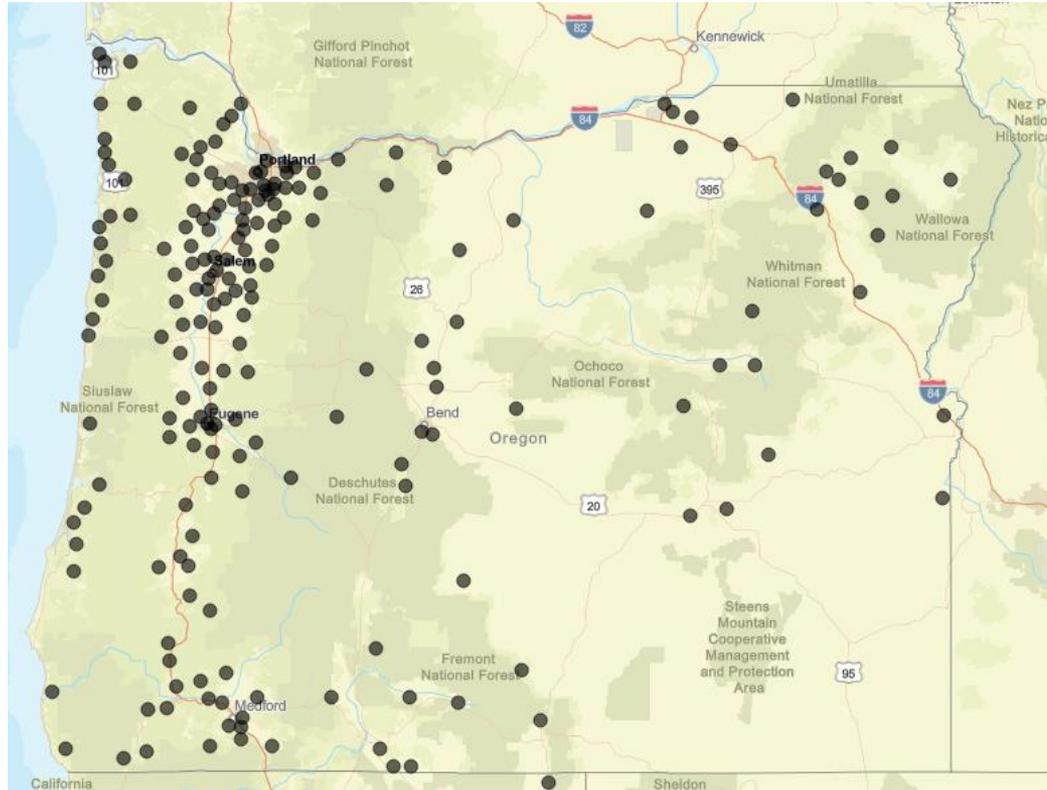
Current Service Level

	17-19 LAB	19-21 CSL	19-21 GRB
Education & General	\$63,107,291	\$65,757,797	\$63,107,291
School of Medicine	\$25,786,445	\$26,869,476	\$25,786,445
School of Nursing	\$22,300,801	\$23,237,434	\$22,300,801
School of Dentistry	\$10,451,100	\$10,890,046	\$10,451,100
AHEC/ORH	\$4,568,945	\$4,760,841	\$4,568,945
CDRC	\$8,290,972	\$8,639,192	\$8,290,972
Poison Center	\$2,653,112	\$2,764,543	\$2,653,112
Total	\$74,051,375	\$77,161,532	\$74,051,375
SHOI	\$2,688,383		
Loan Forgiveness	\$537,677		
OHSU Cancer Challenge Debt Service (Article XI-G)	\$21,200,000	\$23,565,250	\$23,565,250
Oregon Opportunity Program (Article XI-L)	\$30,865,850	\$30,871,500	\$30,871,500
OUS Legacy Debt (Article XI-F(1))	\$7,922,028	\$7,298,890	\$7,298,890
OUS Legacy Debt (Article XI-G)	\$598,400	\$299,210	\$299,210
Grand Total	\$137,863,712	\$139,196,382	\$136,086,225



Mission: Education

Educating Oregonians From Across the State



* This maps represents locations in Oregon from which OHSU students originate

School of Dentistry

By the numbers

- Students: 290
- Percent Oregonian: 58%
- Competency: 93%
- Rural student weeks: 240



“Missing or grossly decayed teeth hinders a person’s ability to find a job, have confidence in one’s self, and even eat. Providing dental care can have a huge impact on helping people transition out of homelessness.”

-- Bridges dental team lead Joseph Jamus, a fourth-year student in the OHSU School of Dentistry



School of Medicine

By the numbers

- Students: 592
- Percent Oregonian: 80%
- Competency: 98%
- Rural student weeks: 708



“Some injuries, like a broken arm, are fairly straightforward because it’s easy to see what needs to be remedied. Pain’s different. Historically, it’s been really hard to tackle pain in a way that helps patients feel heard and cared for.”

-- Hannah Dischinger, a third-year medical student who intends to go into internal medicine



School of Nursing

By the numbers

- Students: 1,016
- Percent Oregonian: B.S.N. = 94%; M.S.N./D.N.P. = 70%
- Competency: 94%
- Rural student weeks: N/A – regional-based education model



"Rural communities face such barriers ... They don't (always) have access to primary care and health services and can have life-threatening consequences if they become emergency situations or have a disease caught in the late stages."

-- Lindsey Adkisson, D.N.P. student specializing in family practice in rural Oregon



National Recognition

- Nationally ranked by *U.S. News & World Report's* 2020 Best Graduate Schools:
 - Family Medicine #1
 - Primary Care #6
 - Physician Assistant #1
 - Obstetrics and Gynecology #12
 - Anesthesiology #21
 - Nursing Graduate Programs #24



Immediate Challenges

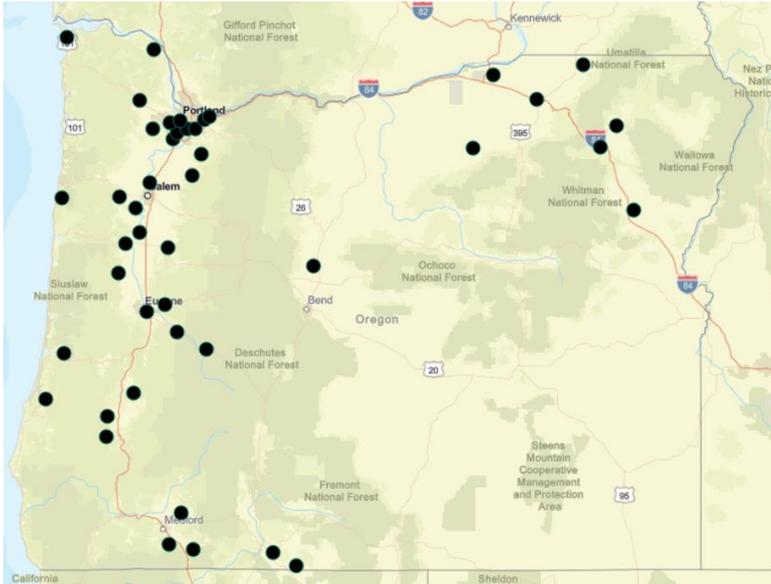
- The cost of providing high-quality health profession education will continue to rise
- Student debt does influence selection of specialty and practice location, which does disadvantage rural and underserved areas
- The pipeline to create qualified Oregon applicants is struggling to keep up with increased workforce needs

Working to Keep Tuition Increases Low

Given OHSU's limited options for using more traditional methods for offsetting the cost of its educational programs, the institution has adopted alternative and innovative approaches:

- OHSU has kept first-year tuition increases for State-supported programs to **<3%** over the past biennium years
- The ***Tuition Promise*** has been a commitment to students in our health profession programs that their tuition will remain the same throughout the regular length of their program
- Since 2012, OHSU has employed a ***certified financial planner*** who has established a debt counseling and financial management program that has been extremely successful and nationally recognized
- OHSU provides **an additional \$4.1 million annually** to students in the form of scholarships generated through endowed funds and other philanthropic gifts
- OHSU has been able to keep tuition increases at **2.5% or below** for Oregon residents
- Funding at CSL will keep tuition increases **below 2.5%** for Oregon residents in FY20

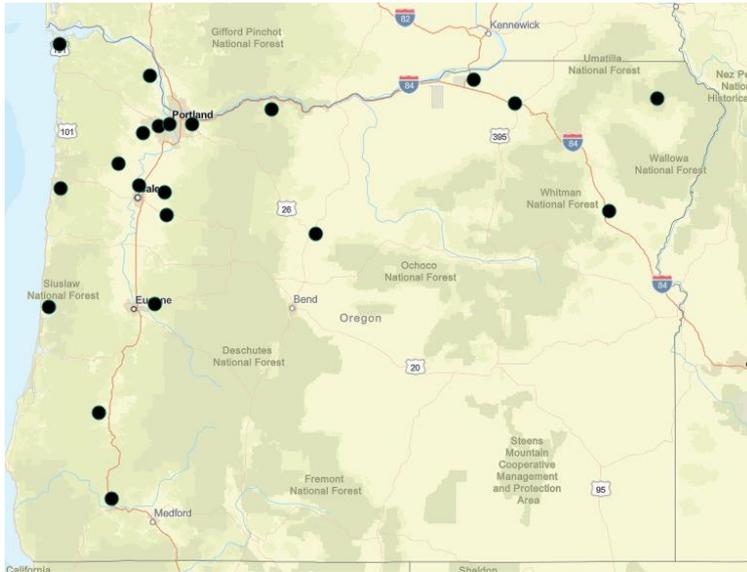
Scholars for a Healthy Oregon Initiative



* This map represents locations where SHOI students originate from

- The **Scholars for a Healthy Oregon Initiative (SHOI)** was established in 2013 by the State of Oregon to address **two critical challenges** that exist when educating health providers for the state of Oregon: the high cost of tuition for students and the maldistribution of providers throughout the state
- **97 students** enrolled in the program from 2014 through the 2018-19 academic year; 29 in Medicine, 14 in Dentistry, 23 in Physician Assistant, 31 in Graduate Nursing, who've been awarded full tuition and fee funding for the entire length of their program
- Secured a service **obligation of 377 years of practice** in a rural or underserved community in Oregon by these 97 students
- Reduced potential indebtedness for these 97 students by a grand total of **approximately \$12.4 million**

SHOI Students Practice Around the State



(* This map represents where SHOI graduates are practicing)

Cassandra Hanks, D.M.D.



- Originates from Rainier, OR
- Currently working at Adventist in Hermiston
- Will soon move to begin work in an Eastern Oregon correctional institution

36 SHOI students have graduated: 31 have started their service commitment

- 5 doctors; 2 dentists ; 13 physician assistants; 16 graduate level nurses

OHSU Students Do Amazing Things



Bridges Collaborative Care Clinic



Health Care Equity Week

On Track! OHSU



I-CAN
Interprofessional Care Access Network

OHSU is Improving Integration

Interdisciplinary Training in Rural Oregon

- The Oregon Area Health Education Centers, Office of Rural Health and the Campus for Rural Health all work together to serve students
- These programs are integrated to create a more seamless, higher quality experience for students across all education programs – from medicine, dentistry and nursing to public health

Campus for Rural Health

Coos Bay/
South Coast
144 Students



Northeast Oregon
38 Students



Klamath Falls
155 Students



Oregon Area Health Education Center - AHEC

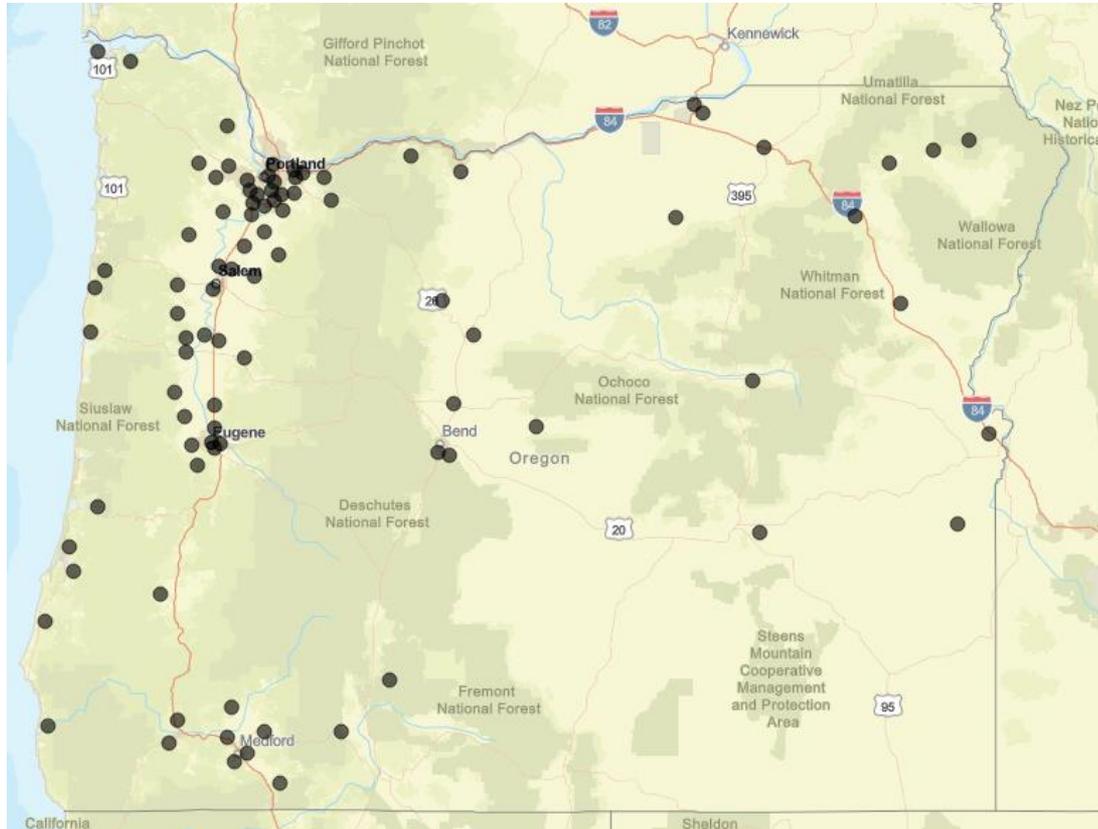
About AHEC

- Funded through a 5-year, \$2.6 million grant from HRSA awarded in 2017
- Requires an OHSU match derived from State Appropriations
- Awarded additional \$124,000 in project year 2 for opioid education

About AHEC Scholars

- 87 students in year 1 cohort
- 32 have a service obligation in Oregon after graduation
- 14 are from economically disadvantaged background
- 23 are from educationally disadvantaged background
- 84 have prior health care experience with medically underserved populations/communities

Education Sites Across Oregon

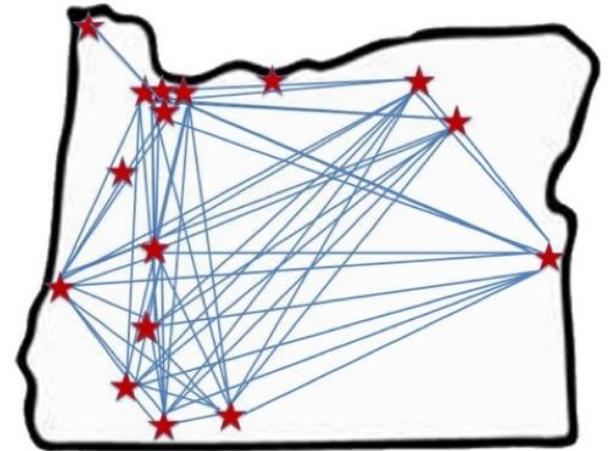


* This map represents locations where OHSU students receive clinical training.



Oregon Consortium for Nursing Education

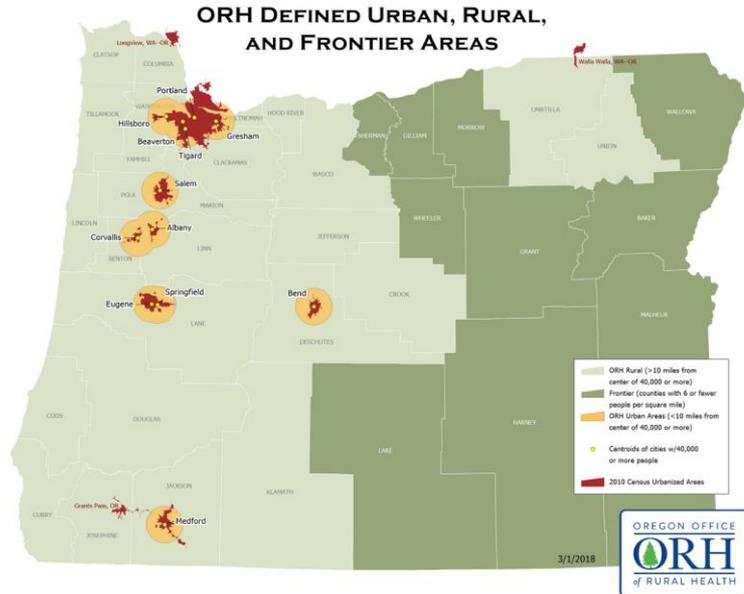
- OCNE is a nationally recognized collaboration of 11 Oregon community colleges, four public universities and OHSU
- Offers Bachelor of Science in Nursing (BSN) degree to students in 16 locations throughout Oregon
- Has dramatically expanded Oregon's nursing program capacity and enrollment, particularly in rural areas
- Has responded to the growing state health care education needs by adding an OHSU online degree and programs in 11 out of the 17 Oregon Community Colleges
- Our newest partner, Columbia Gorge Community College, began delivering the OCNE nursing curriculum in fall 2018



Do not copy without permission

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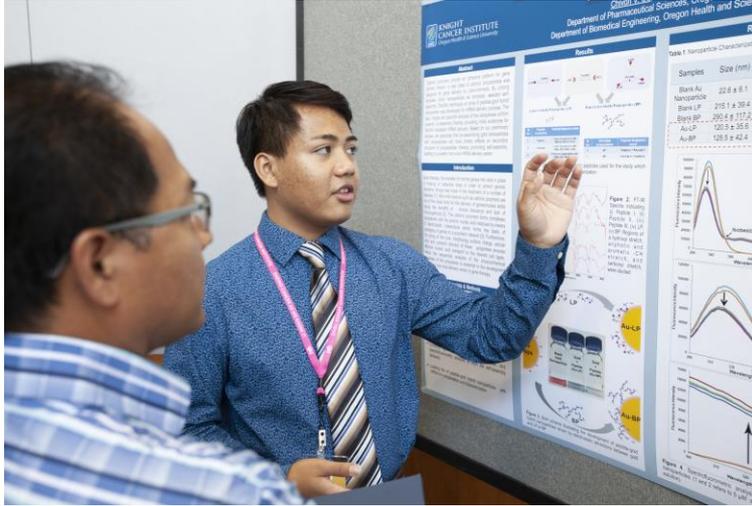
Office of Rural Health



Supporting hospitals, clinics and communities to strengthen the rural health care delivery system

- **Provider recruitment and placement:** Recruitment and Retention Technical Assistance; 3RNet
- **Field services:** Data and analysis for providers, government agencies, educators and public
- **Technical assistance:** Policy development and advocacy, legislative proposals
- **Provider Incentive Programs:** Loan Repayment; Loan Forgiveness; Rural Medical Practitioners Insurance Subsidy; Tax Credits

Founded in 1979 and supported by the Federal Office of Rural Health Policy, the State of Oregon and OHSU



Training a Culturally Competent Workforce

Improving Workforce Diversity

Academic health centers, like OHSU, must address pervasive racial and ethnic disparities in health care, including unequal access to quality services and disproportionately negative health outcomes for specific populations

OHSU – 2014 - 2018

	Students	Residents/ Fellows	Faculty
Total	↑	↑	↑
Minority	↑	↑	↑
% increase in diversity from 2014	43%	17%	24%

Improving Access to Training for Underrepresented Populations

OHSU National Native American Center of Excellence (NNACOE)

Works to increase the Native American voice in the U.S. health professional workforce:

- Recruit, train, retain AI/AN students and faculty into health professions
- Train future health workforce in AI/AN health
- Enhance tribal-academic partnerships in education, research and service

NNACOE is currently the only Native American-specific Center of Excellence funded by the U.S. government

Addressing Diversity in the Pipeline

On Track! OHSU Program



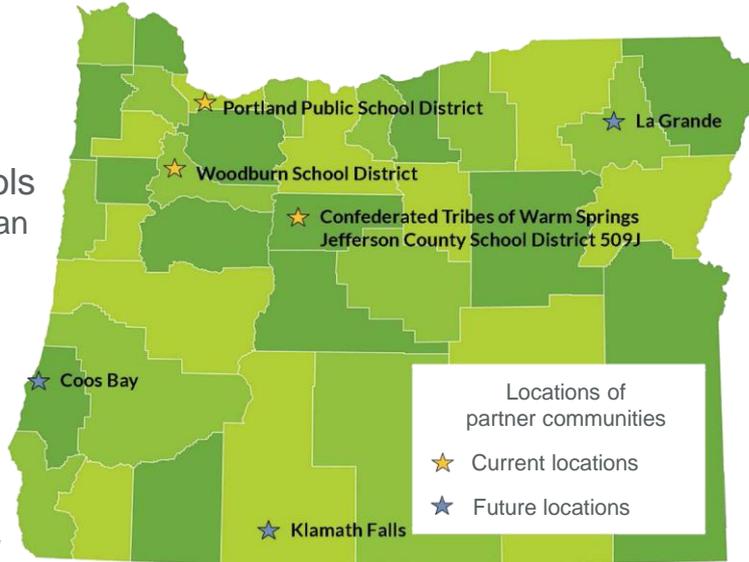
Portland *On Track!* schools

- 40 - 57% African-American
- 54 - >95% economically disadvantaged



Woodburn *On Track!* schools

- 77 - 90% Hispanic Latino
- >95% economically disadvantaged



Confederated Tribes of Warm Springs

- 100% American Indian/Alaska Native
- >95% economically disadvantaged



Chiloquin

- 36% American Indian/Alaska Native
- >95% economically disadvantaged

Improving OHSU Student Diversity

President's Fund

- Created in 2012 to provide funding for students from racial or ethnic groups underrepresented in the health care professions, from rural environments or who've experienced significant disadvantage
- To date, **72 students** -- 30 M.D., 12 D.M.D., 17 P.A., 8 B.S. Nursing, 5 Graduate Nursing -- have been awarded funding, with many students receiving full tuition and fee funding for the entire length of their program
- To date, funding is anticipated to reduce indebtedness for these 72 students by more than **\$8.8 million**
- Funding has resulted in recruiting diverse students to OHSU by enabling OHSU to become the school of choice for these students

Educating Health Care Providers to Treat Diverse Oregonians

OHSU Diversity and Inclusion Highlights

- OHSU-wide unconscious bias training is underway for all 16,000 employees and all OHSU students
- Bystander training - "see something, do something"
- Culturally diverse actors and cases in standard patient simulation
- Increased the cultural inclusivity of the cases and situations in the curriculum
- Student feedback sought on all courses regarding the cultural inclusivity of the curriculum
- Resources being developed to provide faculty and staff tools to help ensure their content and delivery is culturally sensitive and equitable

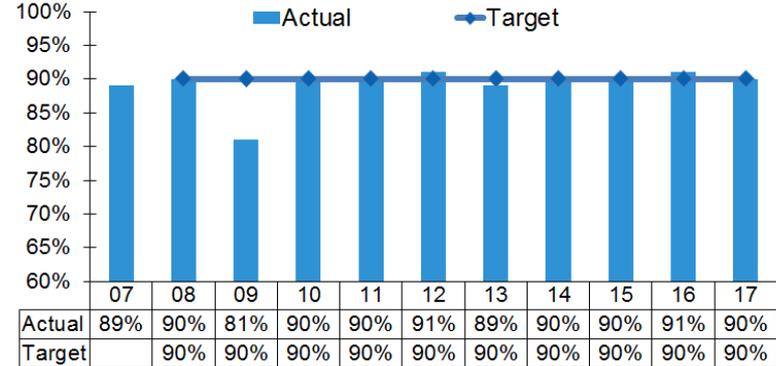


Mission: Health Care

Oregon Poison Center

- Statewide 24-hour health care information and treatment resource staffed by physicians, pharmacists and nurses trained in toxicology
- 52% of patients receiving assistance from the Oregon Poison Center are children and teens
- With state general fund money, the Poison Center can leverage federal funds 2 to 1
- Saved an estimated **\$21 million** in alternative health care costs in 2018

OHSU KPM:
Accidental Poisoning or Toxic Exposures Managed at Home



* 90% of accidental poisonings or toxic exposures are managed at home

Child Development and Rehabilitation Center

OHSU Child Development and Rehabilitation Center (CDRC) provides services to Oregon children and youth with special health care needs (CYSHN)

Oregon's Children and Families with Special Health Care Needs:

- **1 in 6** children in Oregon has a disability or special health need, and more than half of these children have **multiple disabilities**
- 25% of rural Oregon residents who have children with special health needs report having unmet needs for specific health care services or equipment
- The CDRC is working to meet these needs. Its services increase every year with **58,253 services provided** in FY17



Who The CDRC Serves

Most services provided at CDRC are not available elsewhere in Oregon

CDRC serves children, youth with developmental disabilities and complex health care needs, including:

- Developmental delays
- Cerebral palsy
- Intellectual disabilities
- Learning disabilities and ADHD
- Communication disorders
- Autism
- Hearing and visual impairments
- Spina bifida
- Cleft palate/craniofacial disorders
- Metabolic disorders
- Genetic disorders
- Hemophilia
- Feeding and swallowing disorders
- High-risk infants
- Congenital brain anomalies
- Down syndrome
- Pediatric stroke



Mission: Research

OHSU Is a Research Powerhouse



Justin Merritt awarded \$7.8 million to study oral microbiome

OHSU awarded \$25 million over five years to establish and lead the new National Center for Data to Health (CD2H)

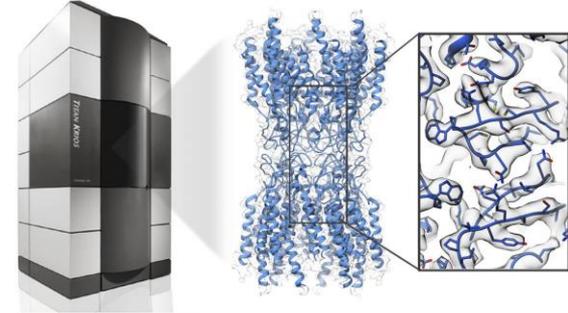


OHSU receives \$46 million to become one of three national centers established by the National Institutes of Health in Cryo-Electron Microscopy

OHSU Knight Cancer Institute scientists create new clinical trials platform, SMMART, to stop tumors before they can adapt or become drug-resistant

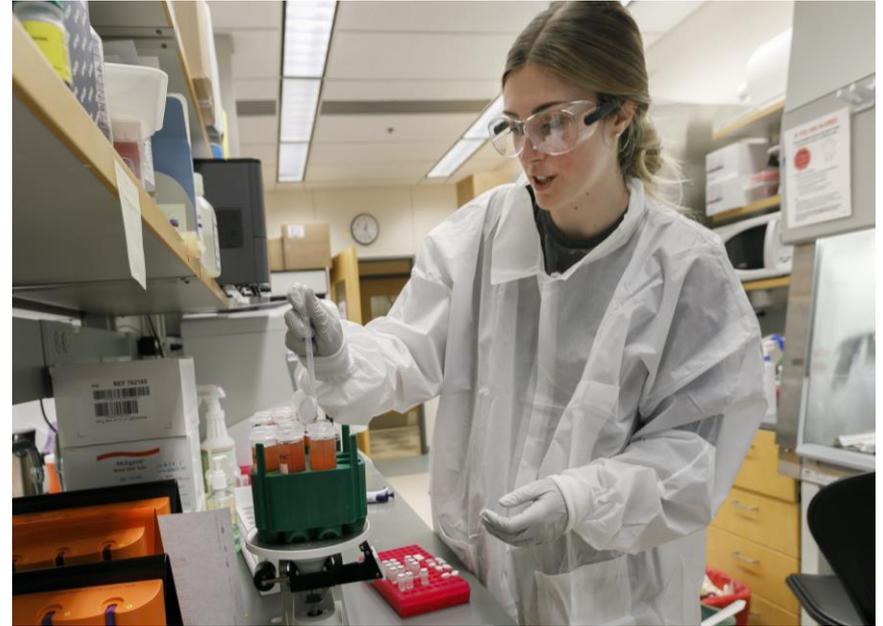


Atomic-Resolution Imaging & 3D Structure of Biomolecules



Research Impacts

- OHSU's research grants are estimated to have a **2.13 "business multiplier effect"**
 - For every dollar awarded, the institution generates an additional \$2.13 for Oregon's economy
- Research investment leads to new discoveries, cures and jobs
- OHSU contributed an additional **\$984 million** to the state economy in FY18
- About 90% of sponsored awards come from outside Oregon



OHSU Research to the Marketplace

- In FY18, research and innovations produced by OHSU faculty, staff and students led to:
 - 131 invention disclosures
 - 122 license and option agreements
 - 40 U.S. patent applications
 - 6 new startups launched
- Since 1998, OHSU has launched **69 startup companies** from its research activities



Knight Cancer Research Building



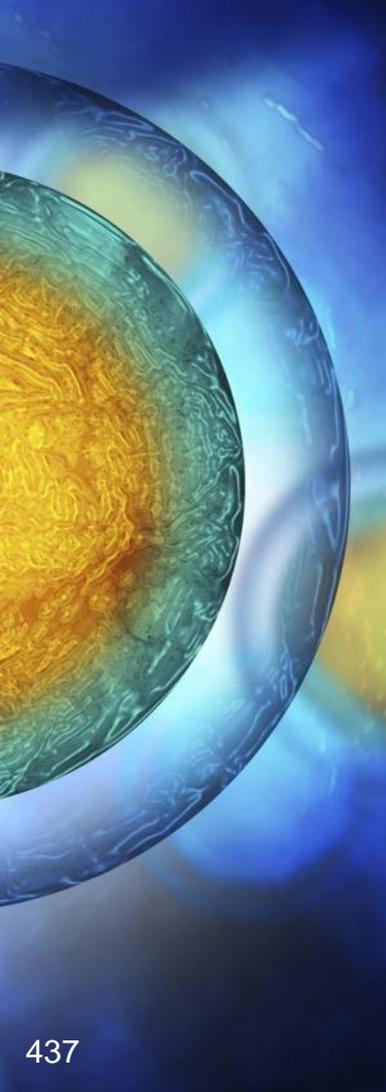
- The state's \$200 million investment was critical to meeting the \$1 billion challenge
- 73% of contract value issued to Oregon-based firms
- 18% of project value awarded to minority, women-owned and emerging (MWESB) small businesses, to date (includes Knight Cancer clinical space in CHH2)
- The Knight Cancer Institute is in the process of recruiting around 250 researchers, post-docs and clinicians

KCI Community Partnership Program

Statewide cancer program -- impact on Oregonians

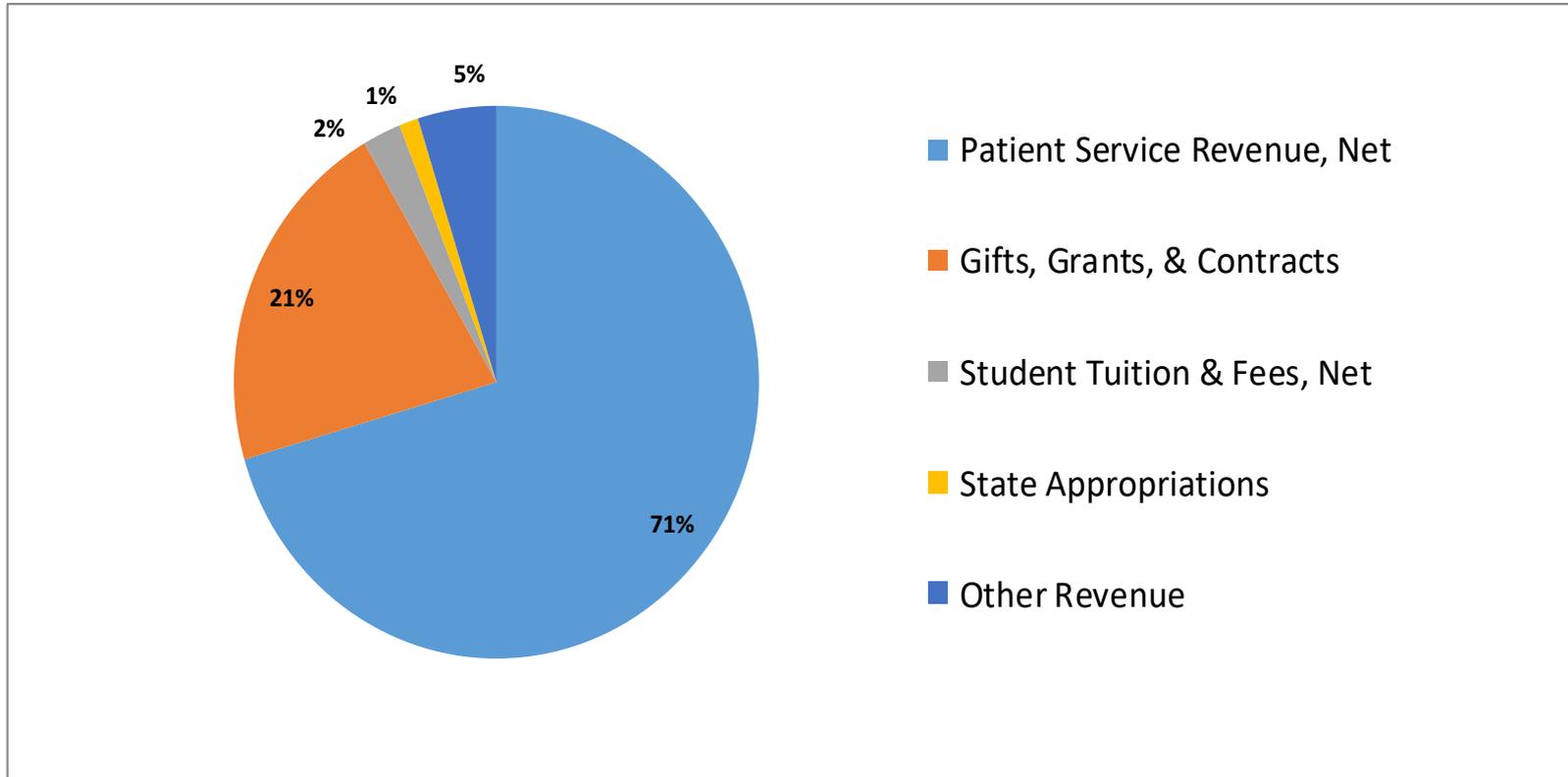
Goal: Fund and support programs designed by communities to meet their identified needs

- Total: 102 community-based projects (in all 36 Oregon counties)
- 83 percent in rural communities
- Nationally recognized
- \$10 million in 10 years
- Partnerships with communities across the state



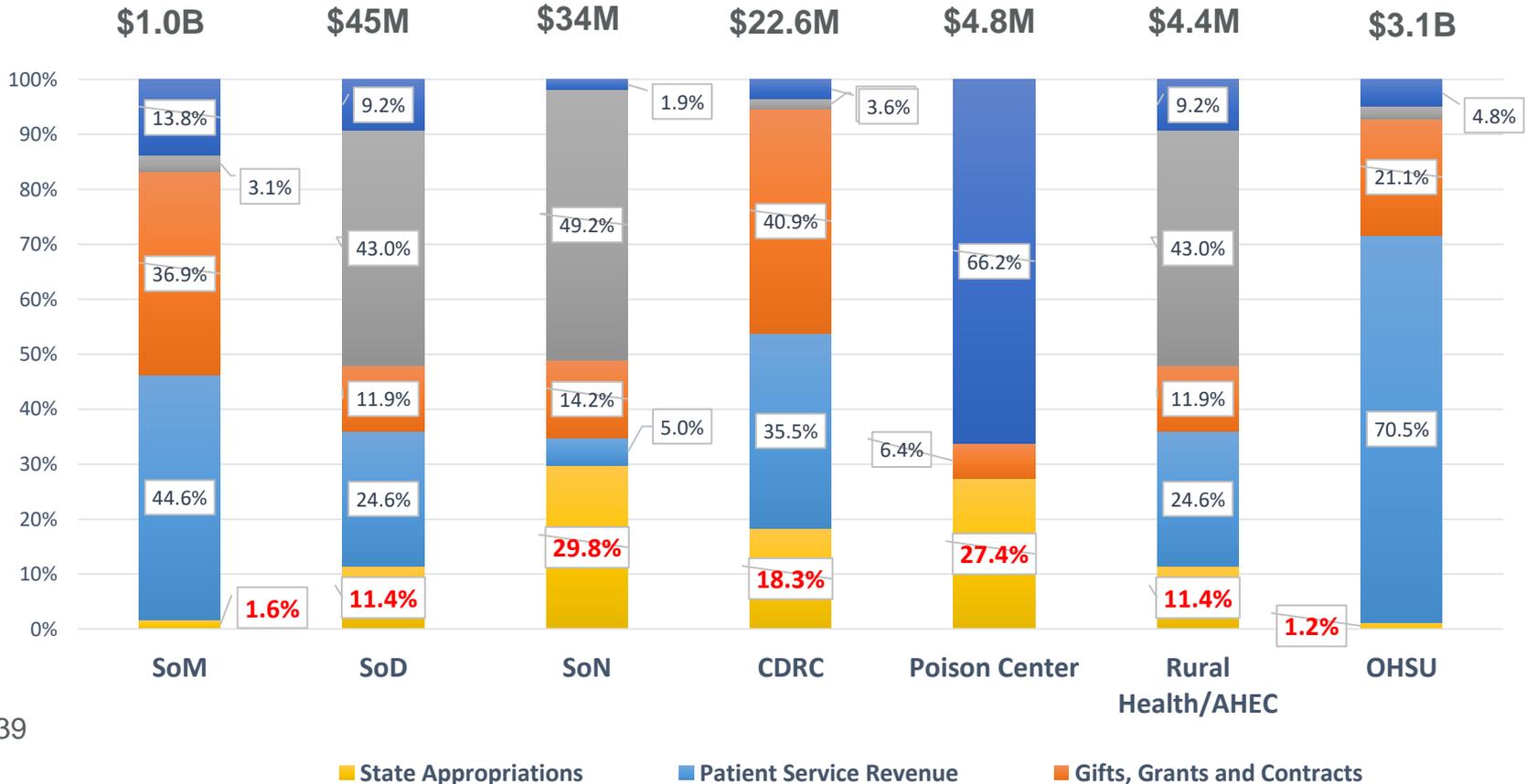
OHSU Finances

Operating Revenue – FY18: \$3.1 Billion

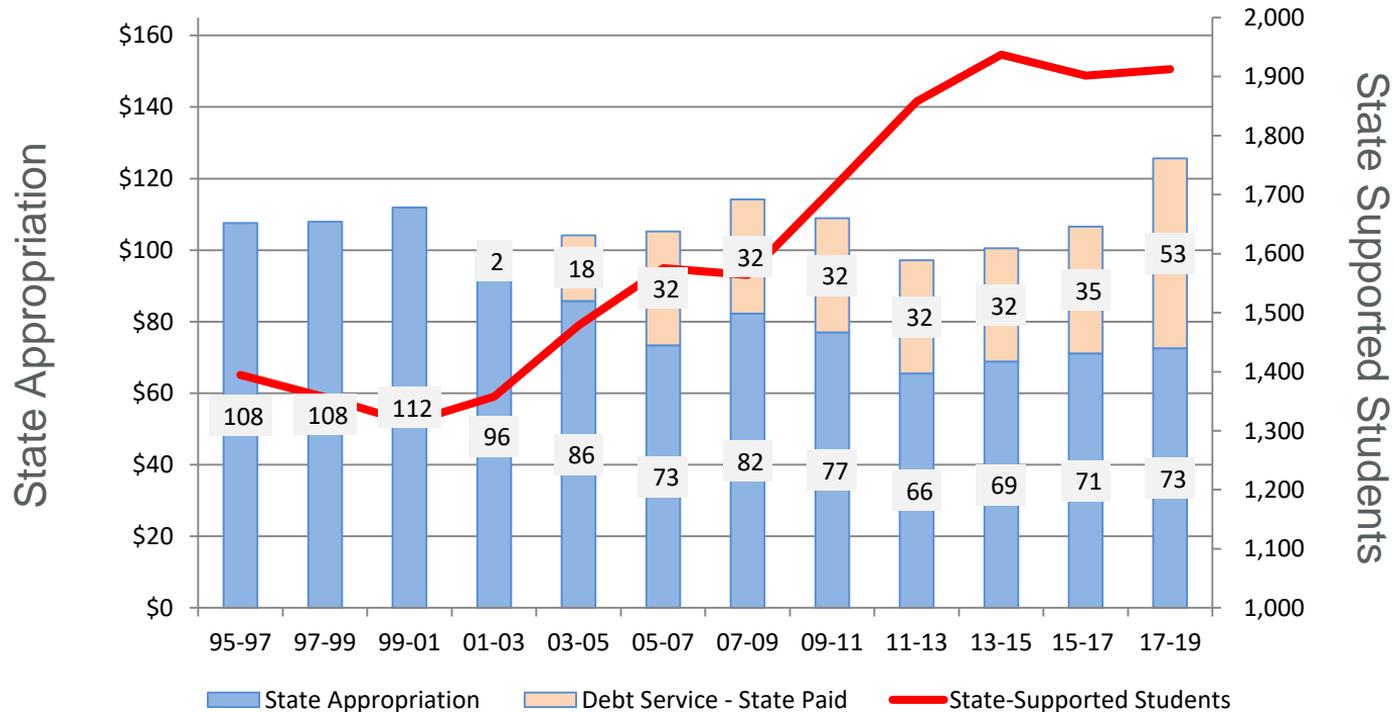


Note: Patient Service Revenues include reimbursement from Oregon Medicaid.

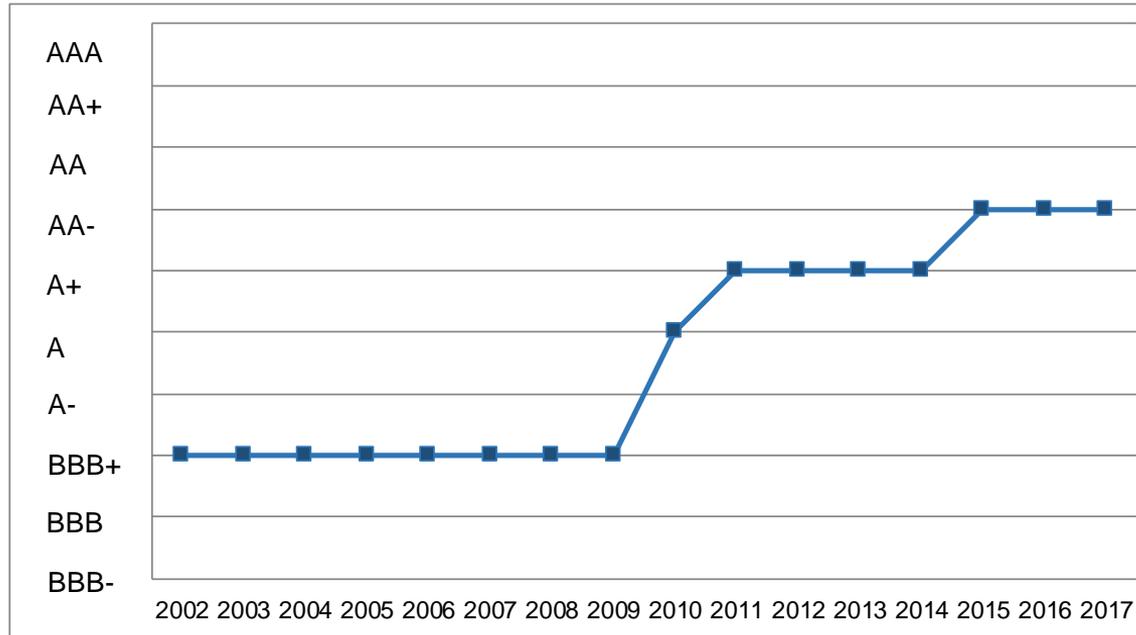
FY18 Operating Revenue: How Directed State Appropriation Is Leveraged



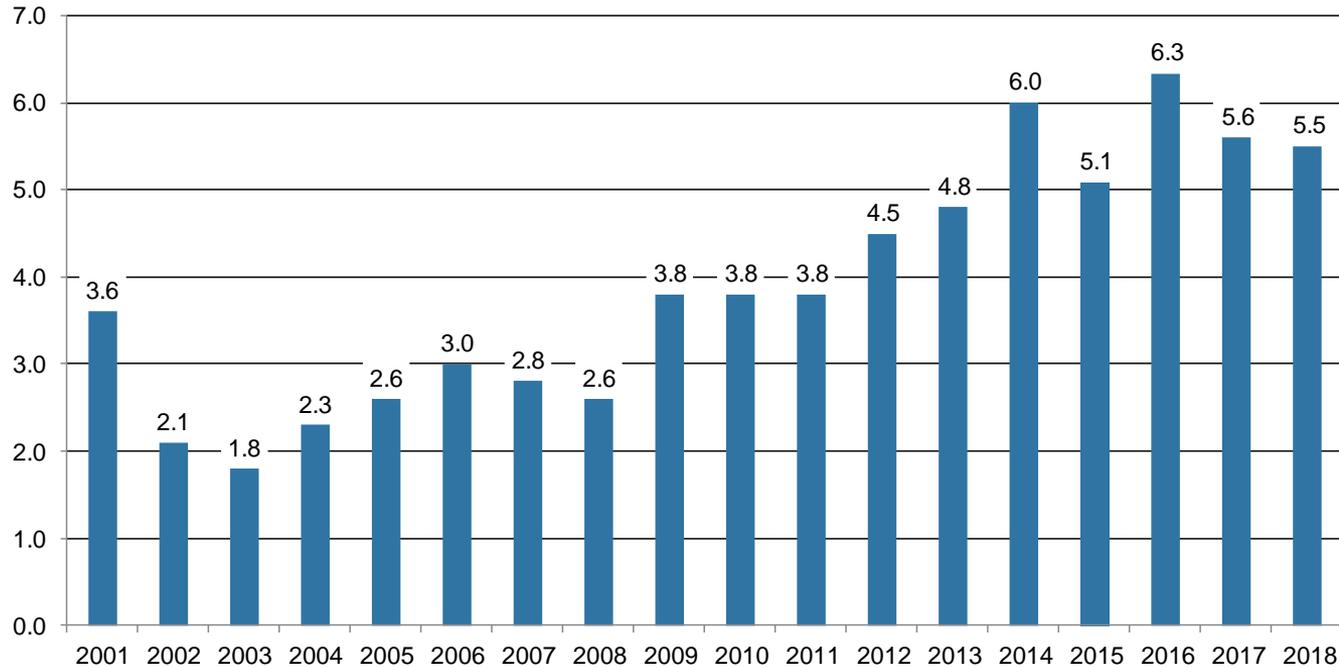
OHSU State Appropriation, Including Debt Service *(in Millions)*



OHSU S&P Bond Ratings



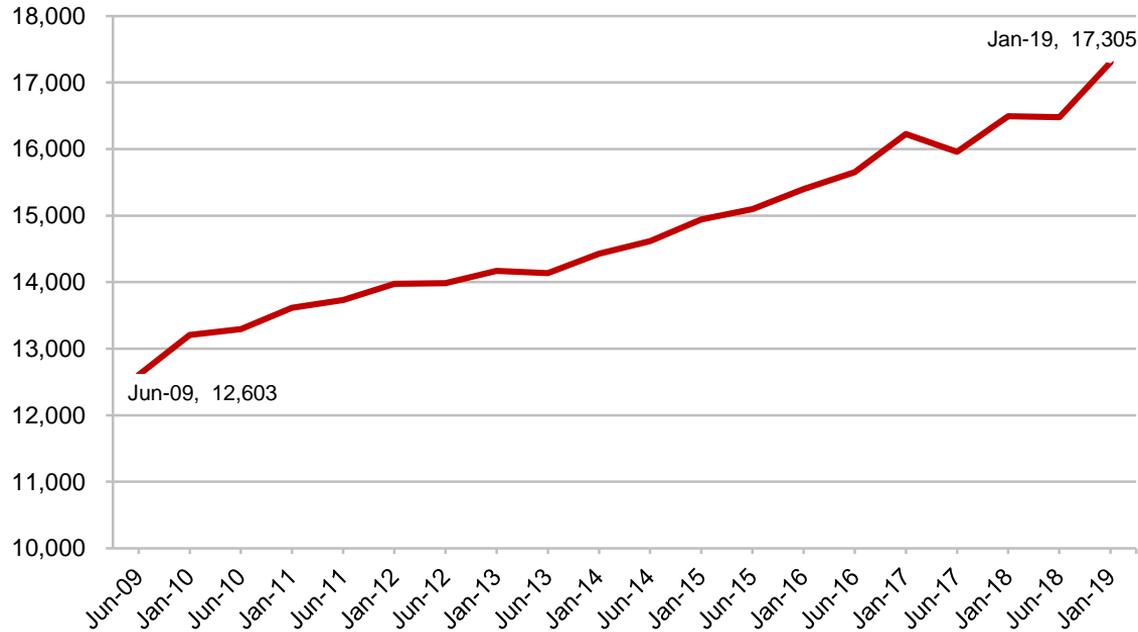
OHSU Debt Service Ratio



Note: This ratio represents the amount of cash flow available from operations to meet the maximum annual interest and principle payment on debt.

OHSU Has Created 4,700+ Jobs Since Financial Crisis

Trend in OHSU Headcount



In Closing ...

- The State's partnership with OHSU is critical to ensuring that Oregonians have access to statewide health care training programs and high-quality health care services
- By investing in OHSU, the State's resources are leveraged tenfold, helping build a world-class public academic health center for all Oregonians

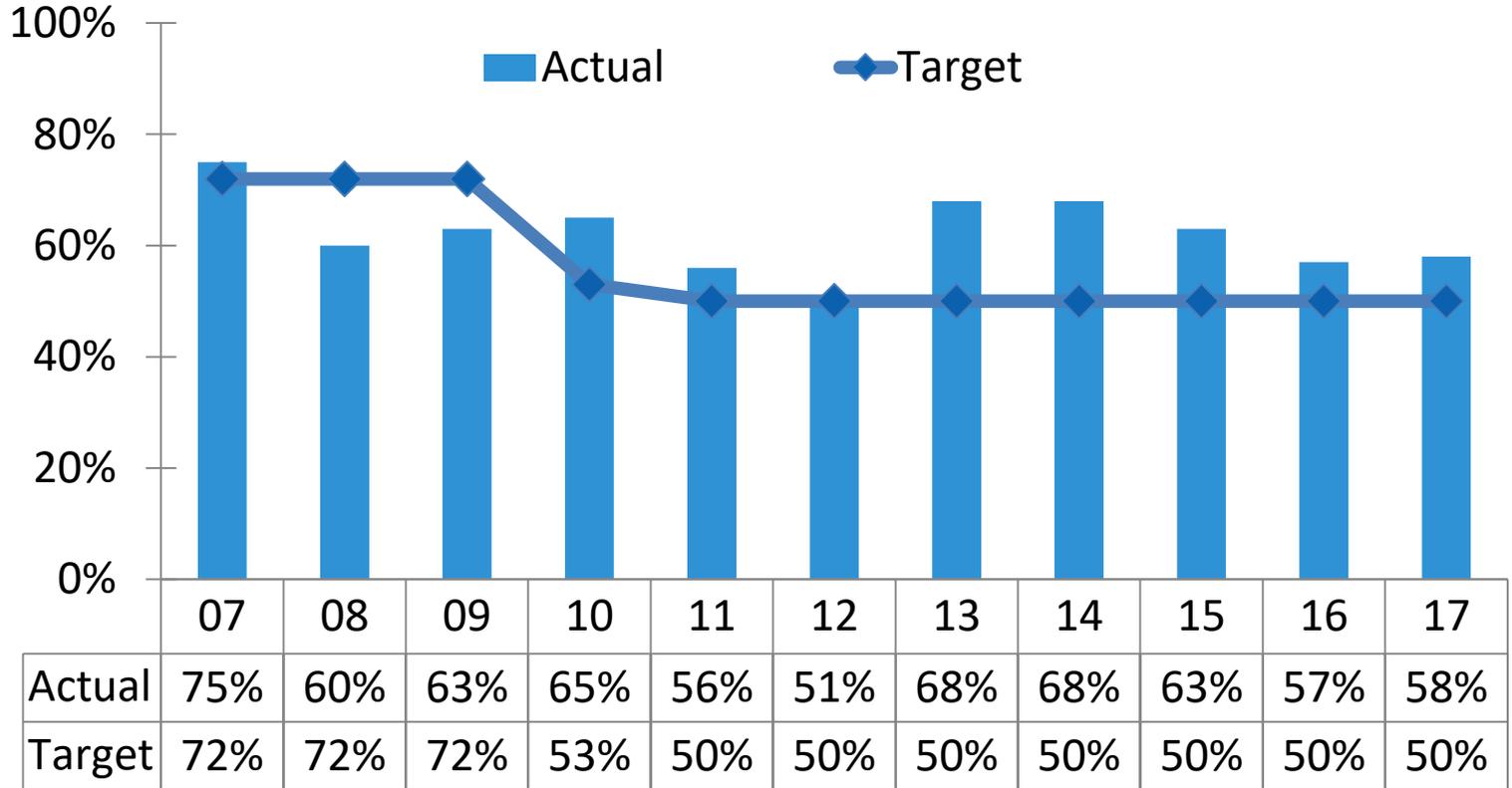
Questions?



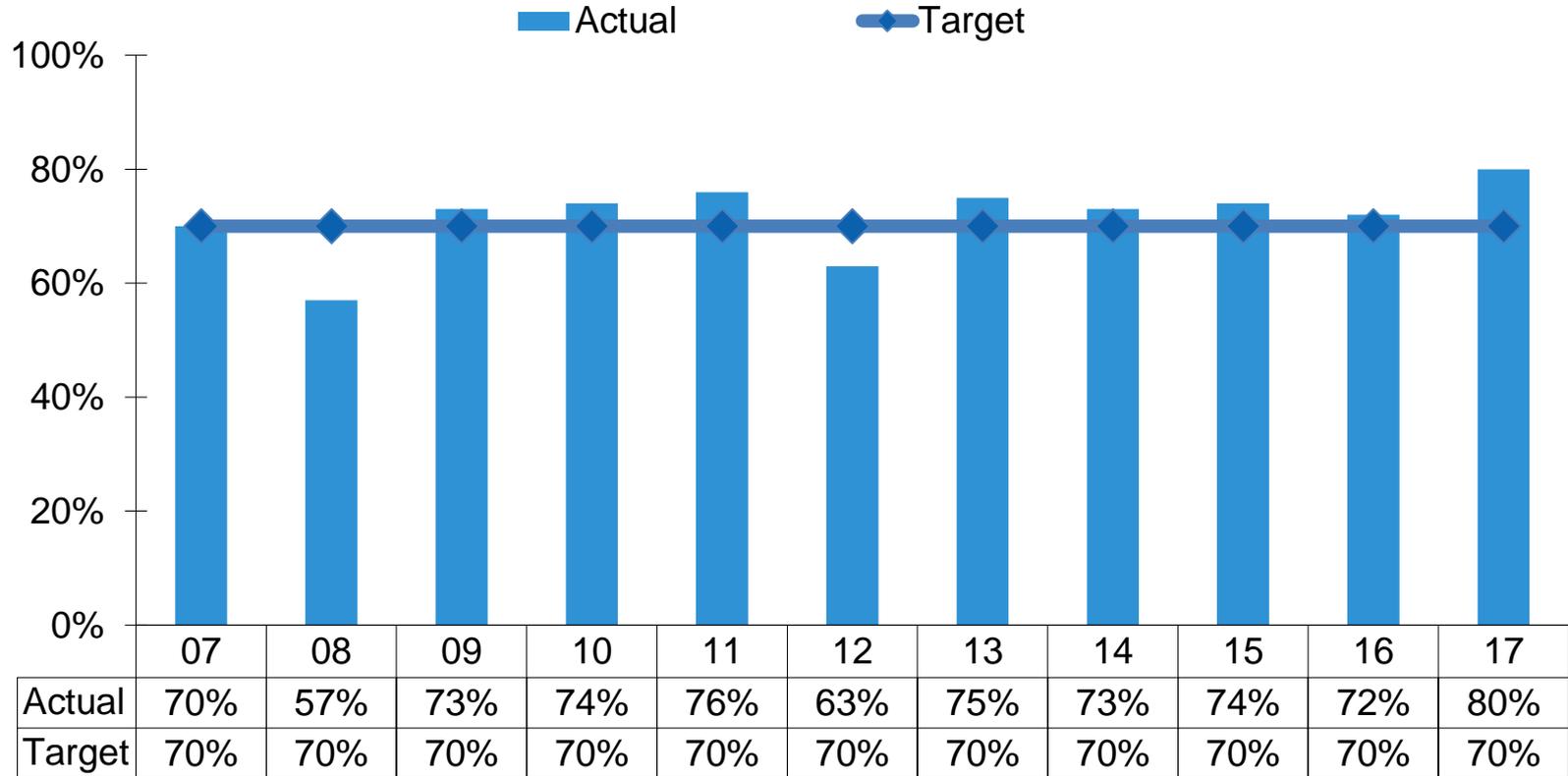
Thank You

OHSU Key Performance Measures (KPMs)

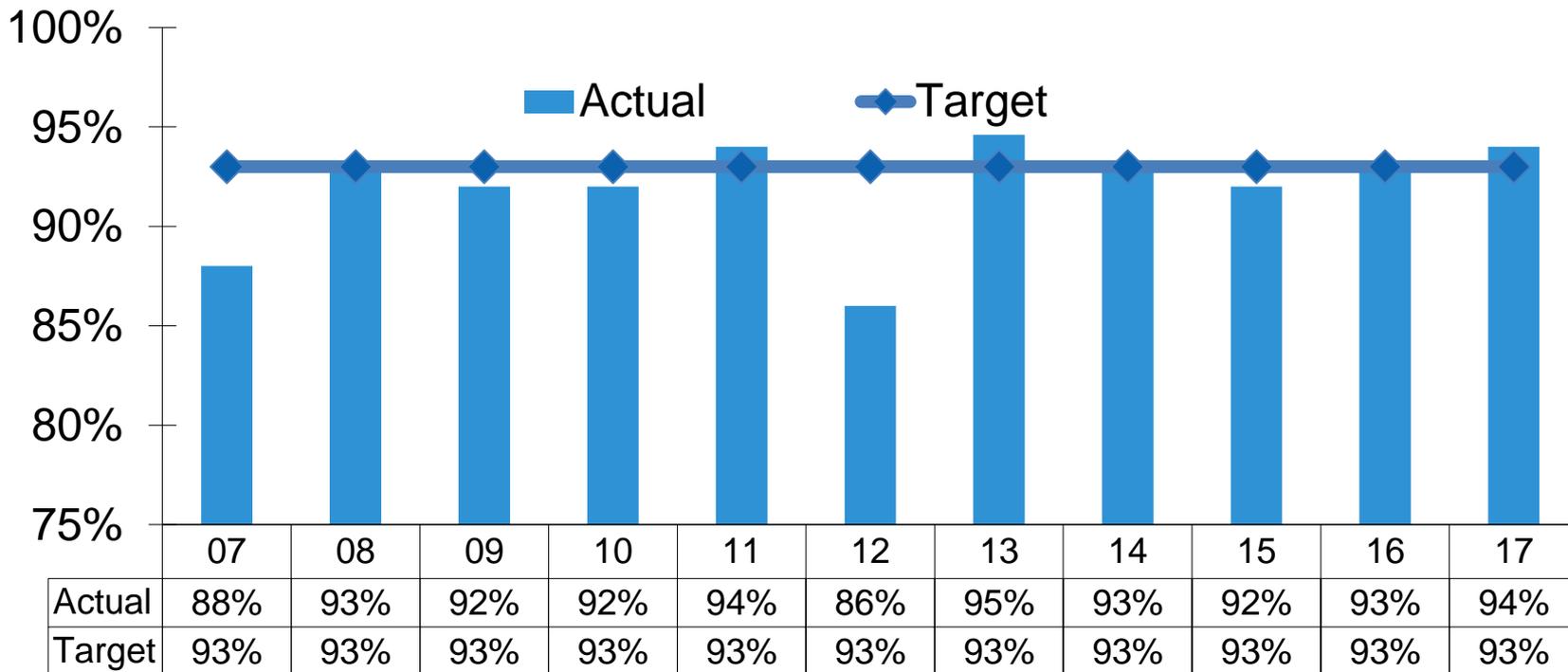
OHSU KPM: First-Year D.M.D. Students Who Are Oregon Residents



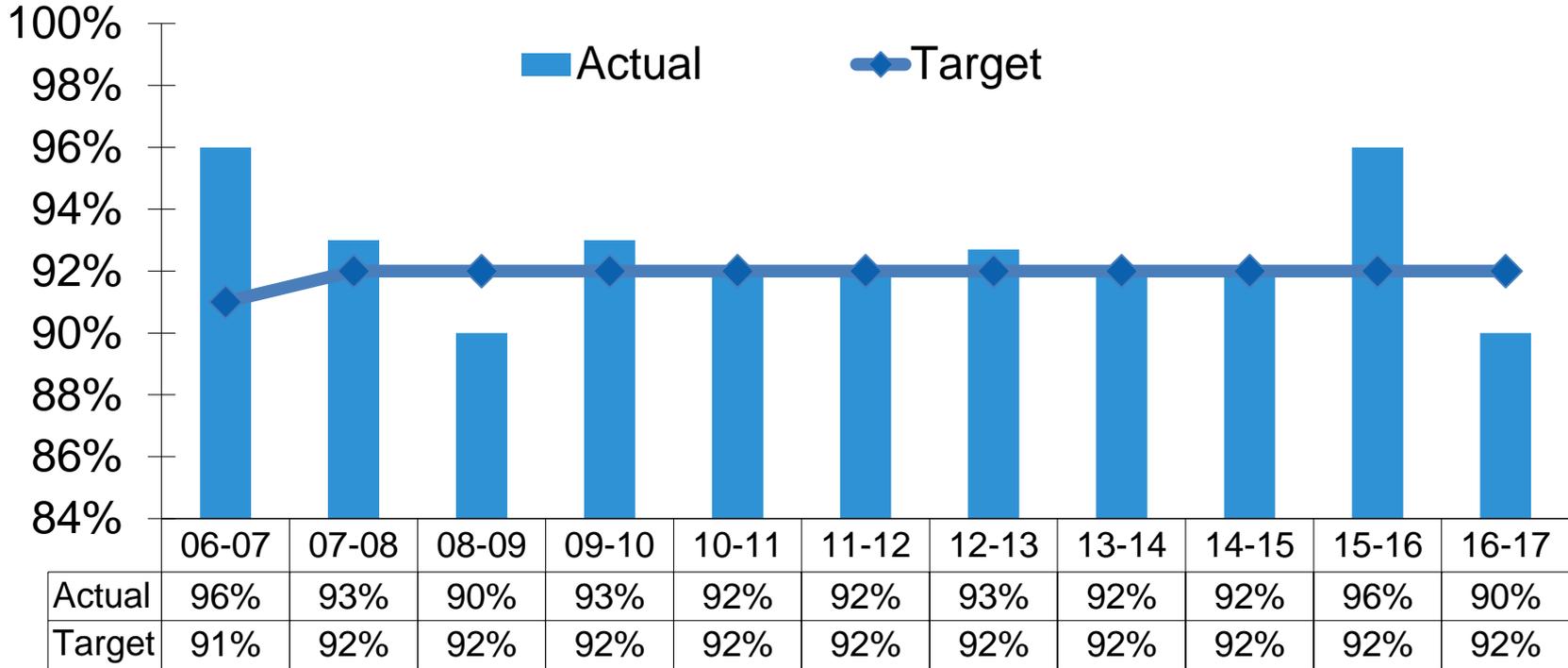
OHSU KPM: First-Year M.D. Students Who Are Oregon Residents



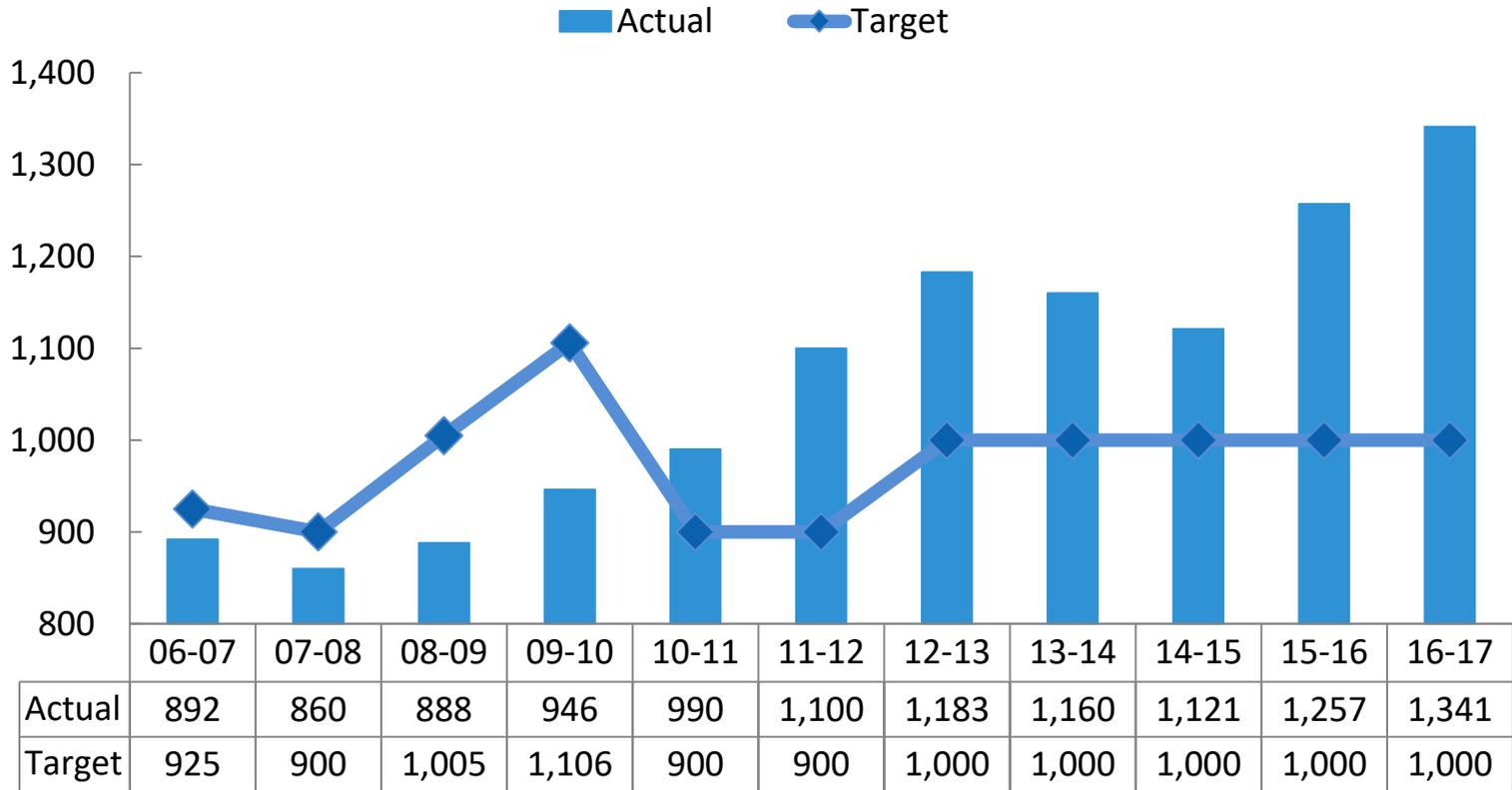
OHSU KPM: First-Year Nursing Students Who Are Oregon Residents



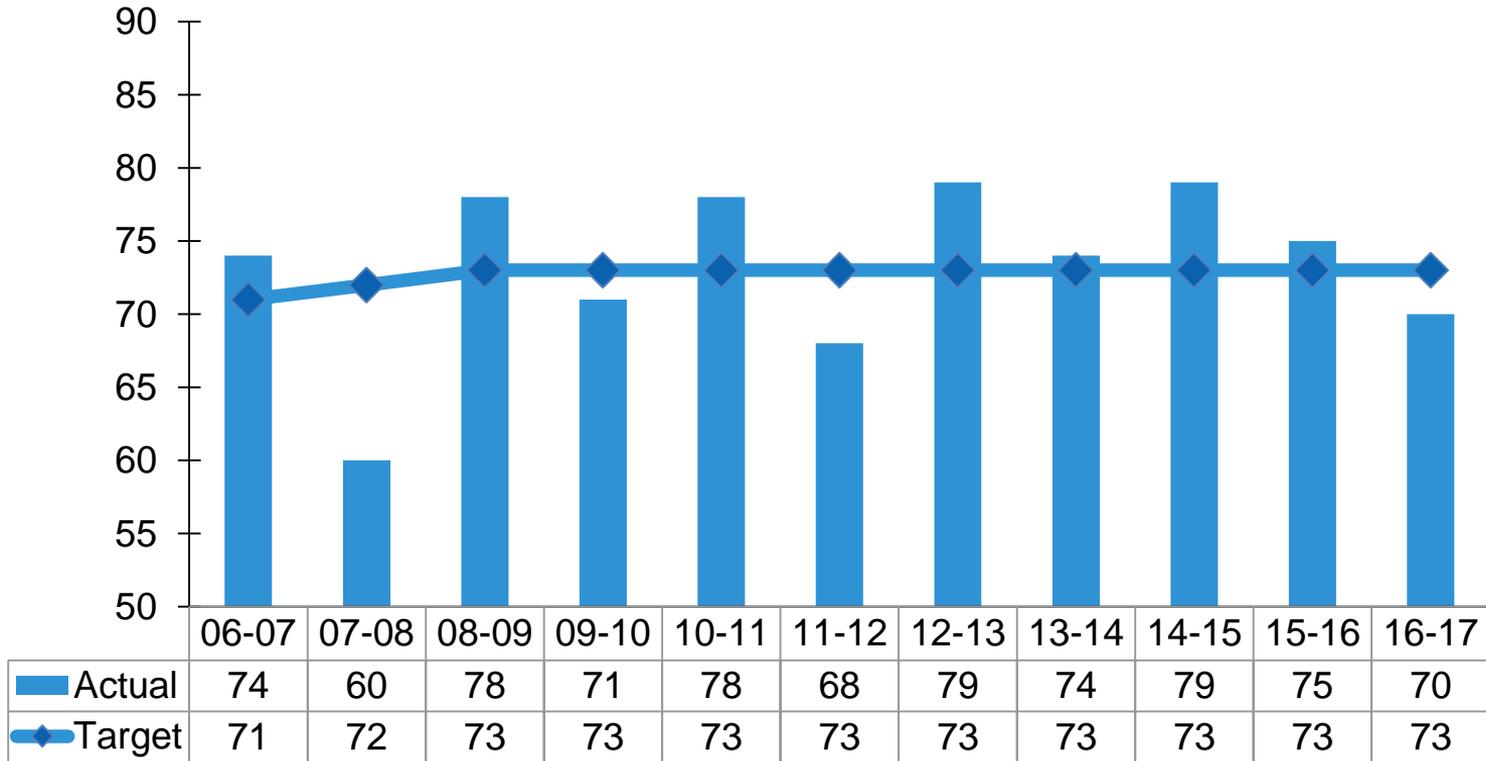
OHSU KPM: Nursing Students Completing Bachelor's Degrees Within 150% of Normal Timeline



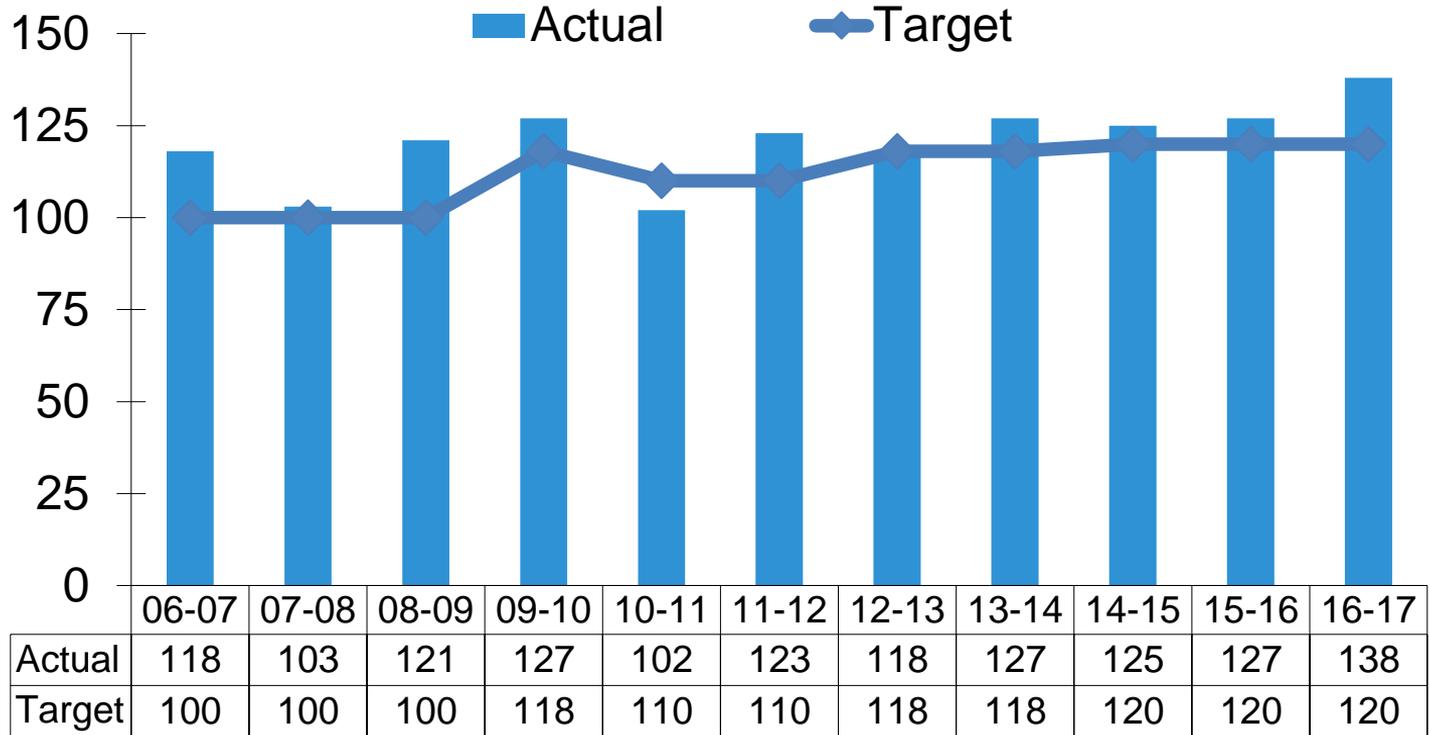
OHSU KPM: Total Degrees and Certificates Awarded



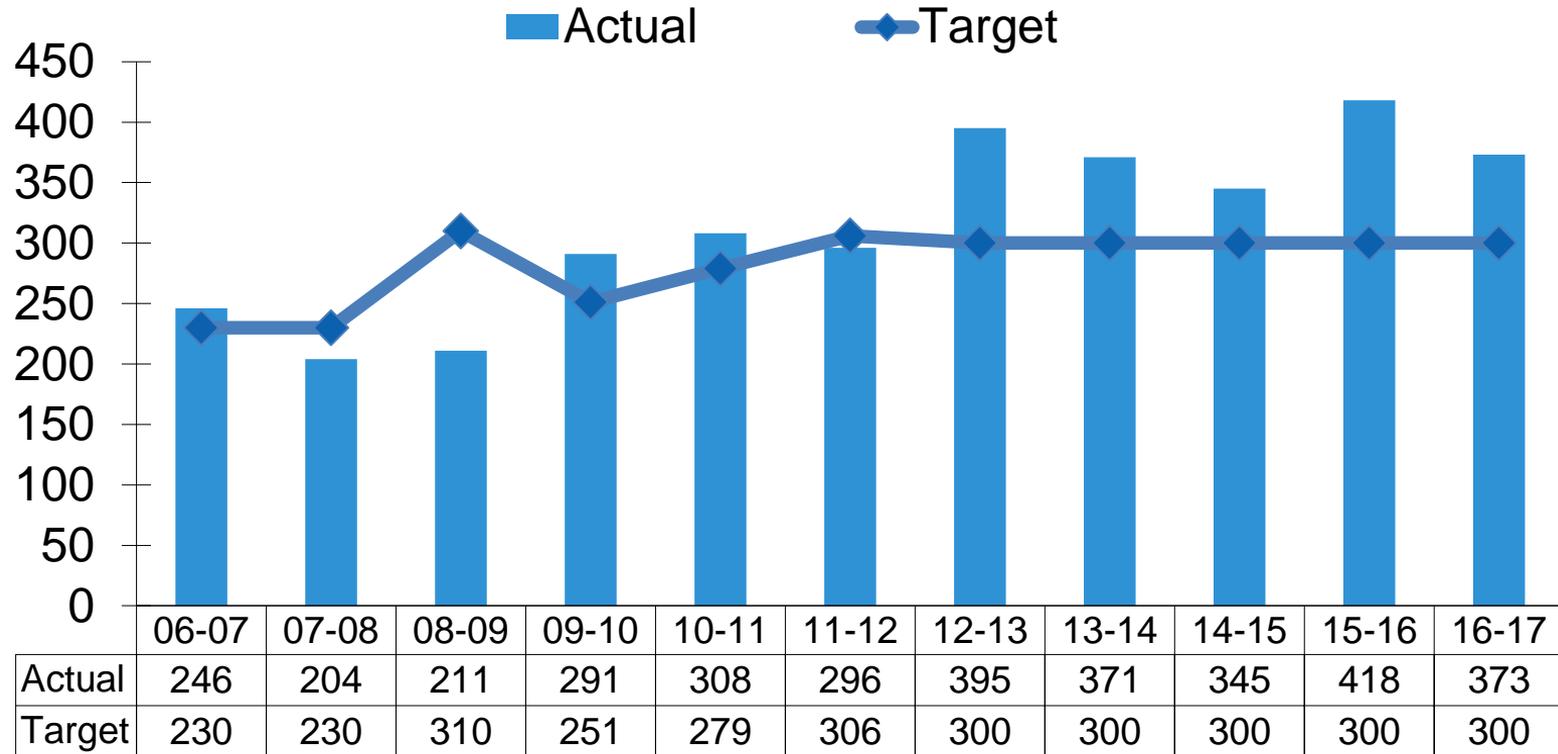
OHSU KPM: Total D.M.D. Degrees Awarded



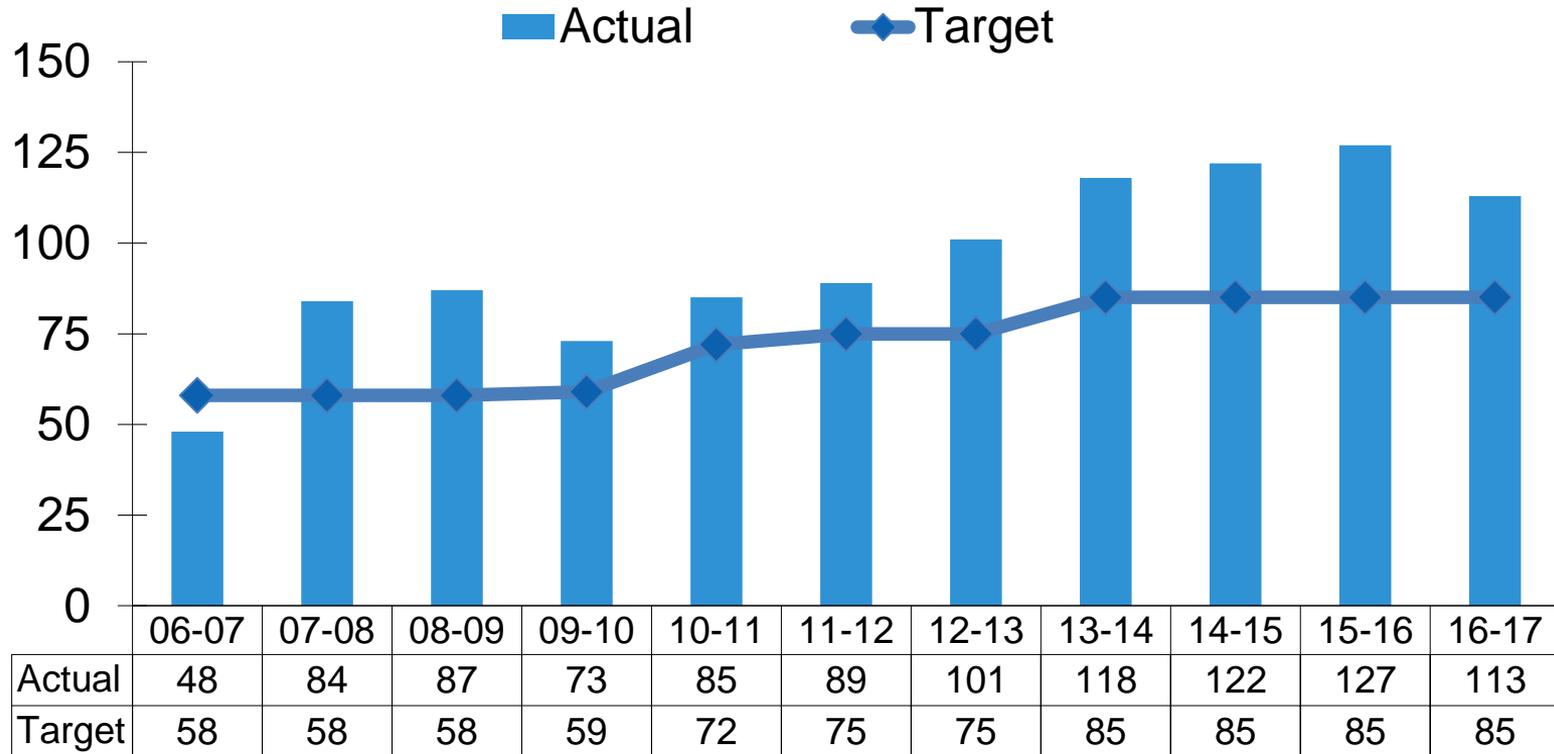
OHSU KPM: Total M.D. Degrees Awarded



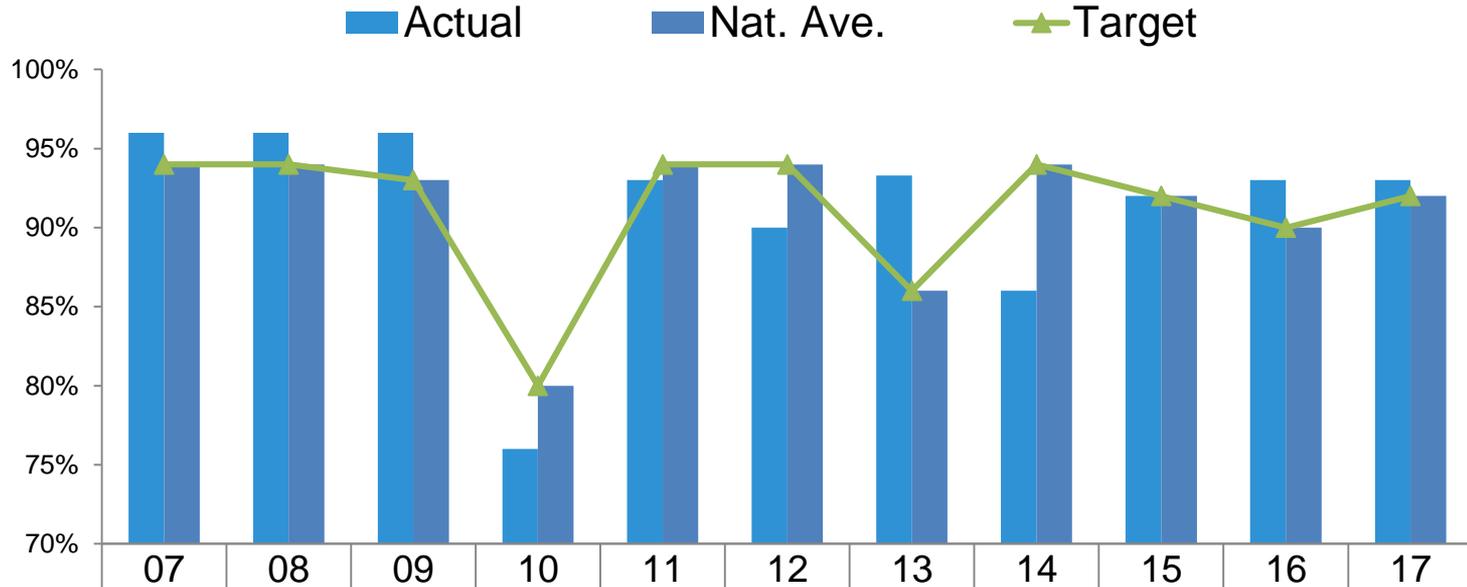
OHSU KPM: Undergraduate Degrees Awarded in Nursing



OHSU KPM: Graduate Degrees and Certificates Awarded in Nursing



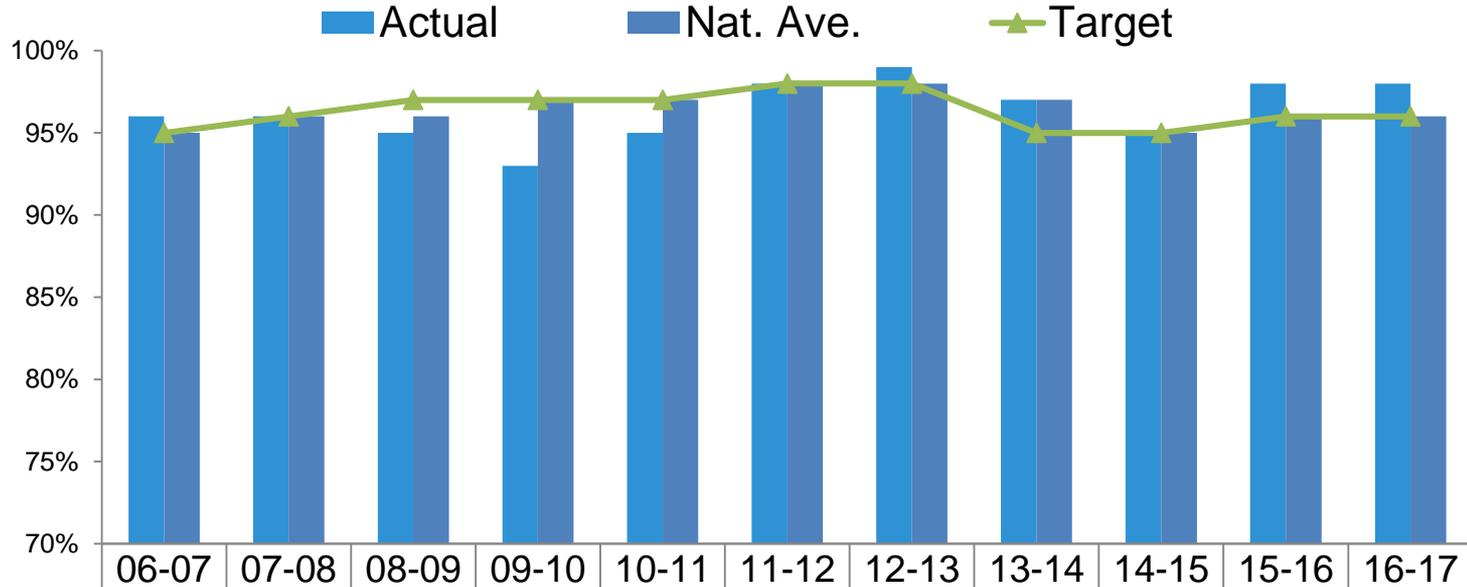
OHSU KPM: Percent of D.M.D. Students Passing Senior-Level Credentialing Exams on the First Attempt



Actual	96%	96%	96%	76%	93%	90%	93%	86%	92%	93%	93%
Nat. Ave.	94%	94%	93%	80%	94%	94%	86%	94%	92%	90%	92%
Target	94%	94%	93%	80%	94%	94%	86%	94%	92%	90%	92%

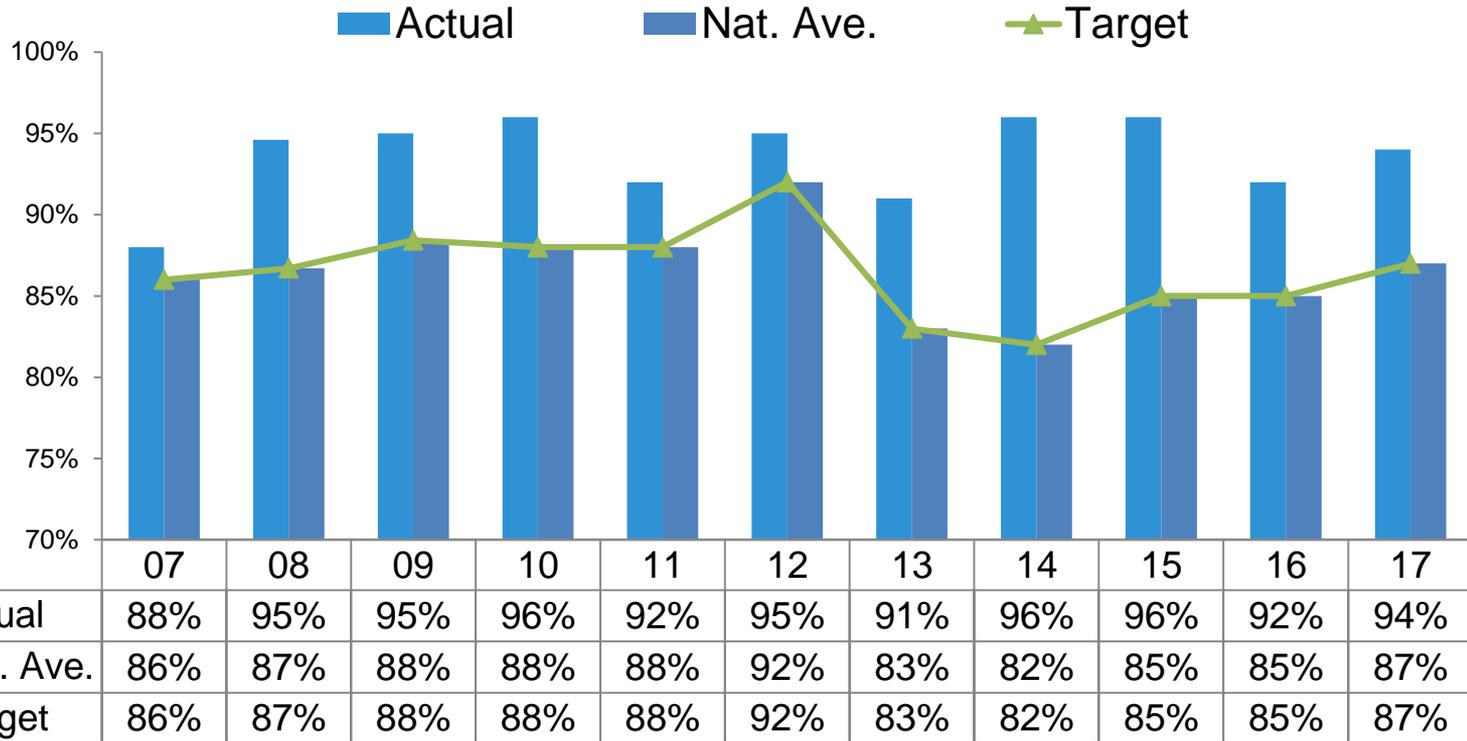
OHSU KPM

Percent of M.D. Students Passing Senior-Level Credentialing Exams on the First Attempt

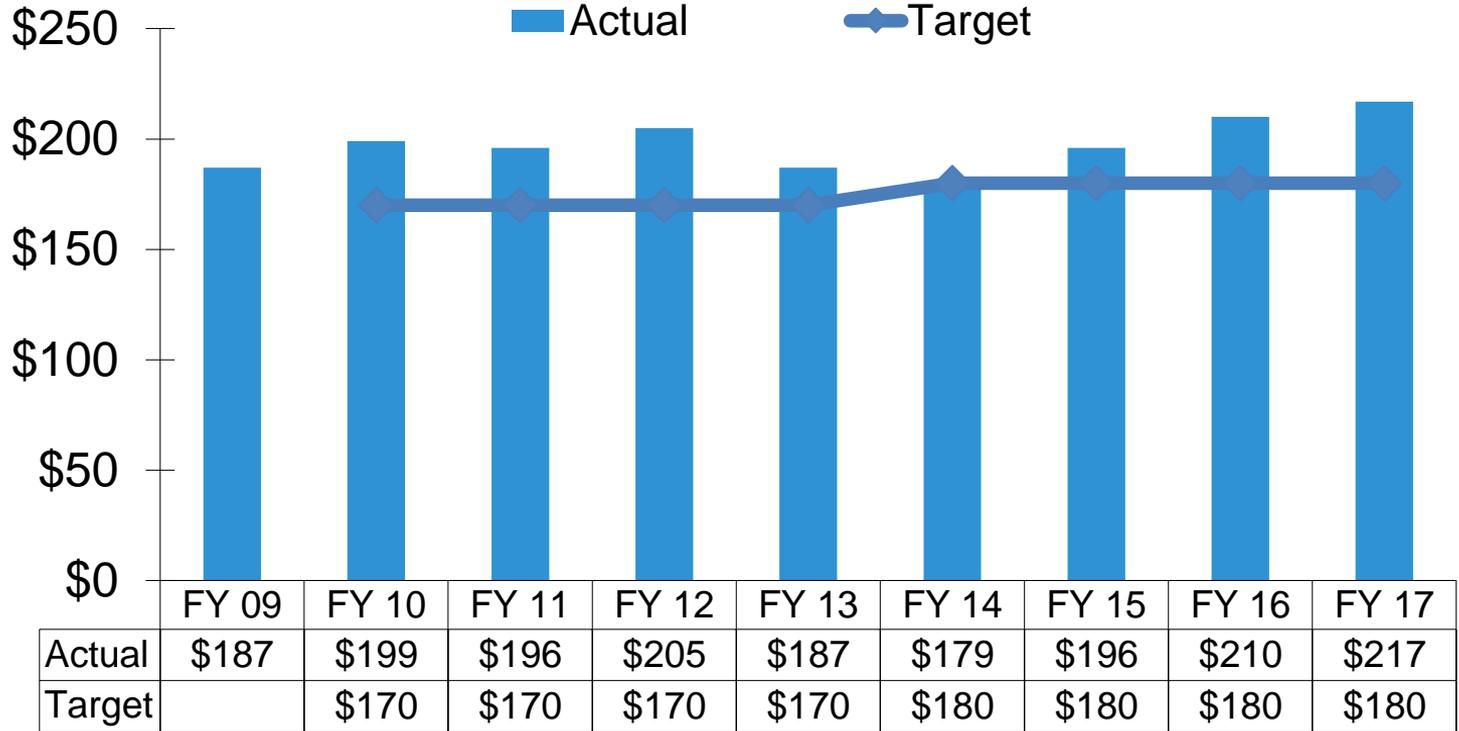


Actual	96%	96%	95%	93%	95%	98%	99%	97%	95%	98%	98%
Nat. Ave.	95%	96%	96%	97%	97%	98%	98%	97%	95%	96%	96%
Target	95%	96%	97%	97%	97%	98%	98%	95%	95%	96%	96%

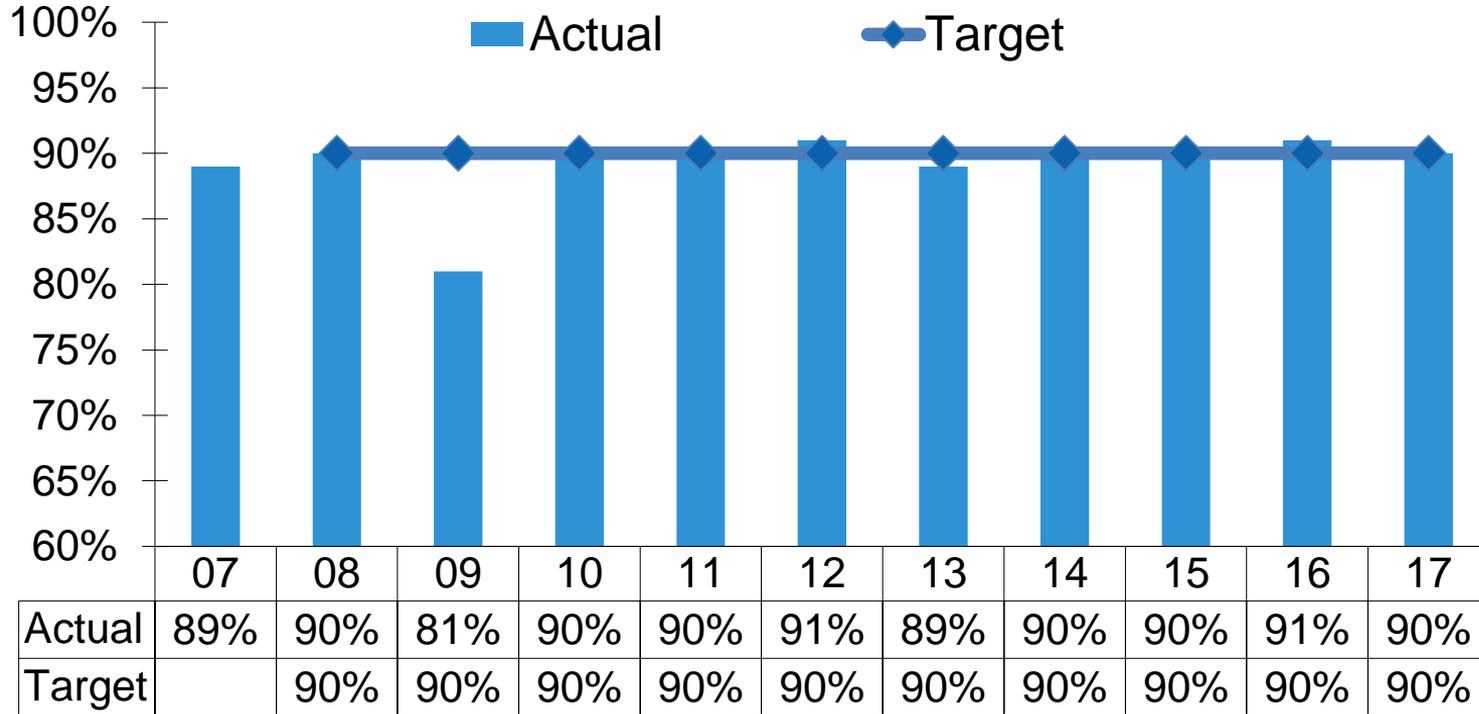
OHSU KPM: Percent of Bachelor's-Level Nursing Students Passing Senior-Level Credentialing Exams on the First Attempt



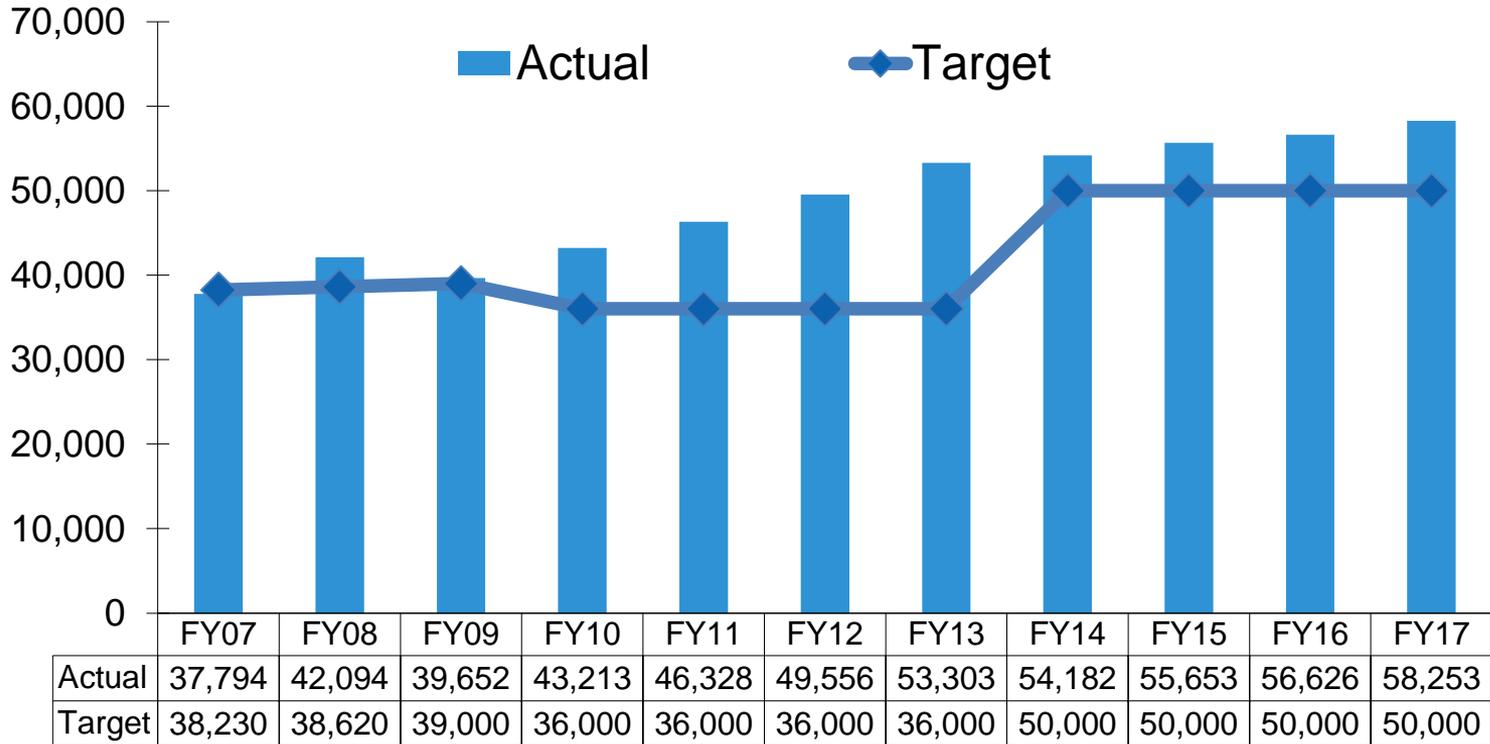
OHSU KPM: Research Dollars Per Faculty Member (In Thousands)



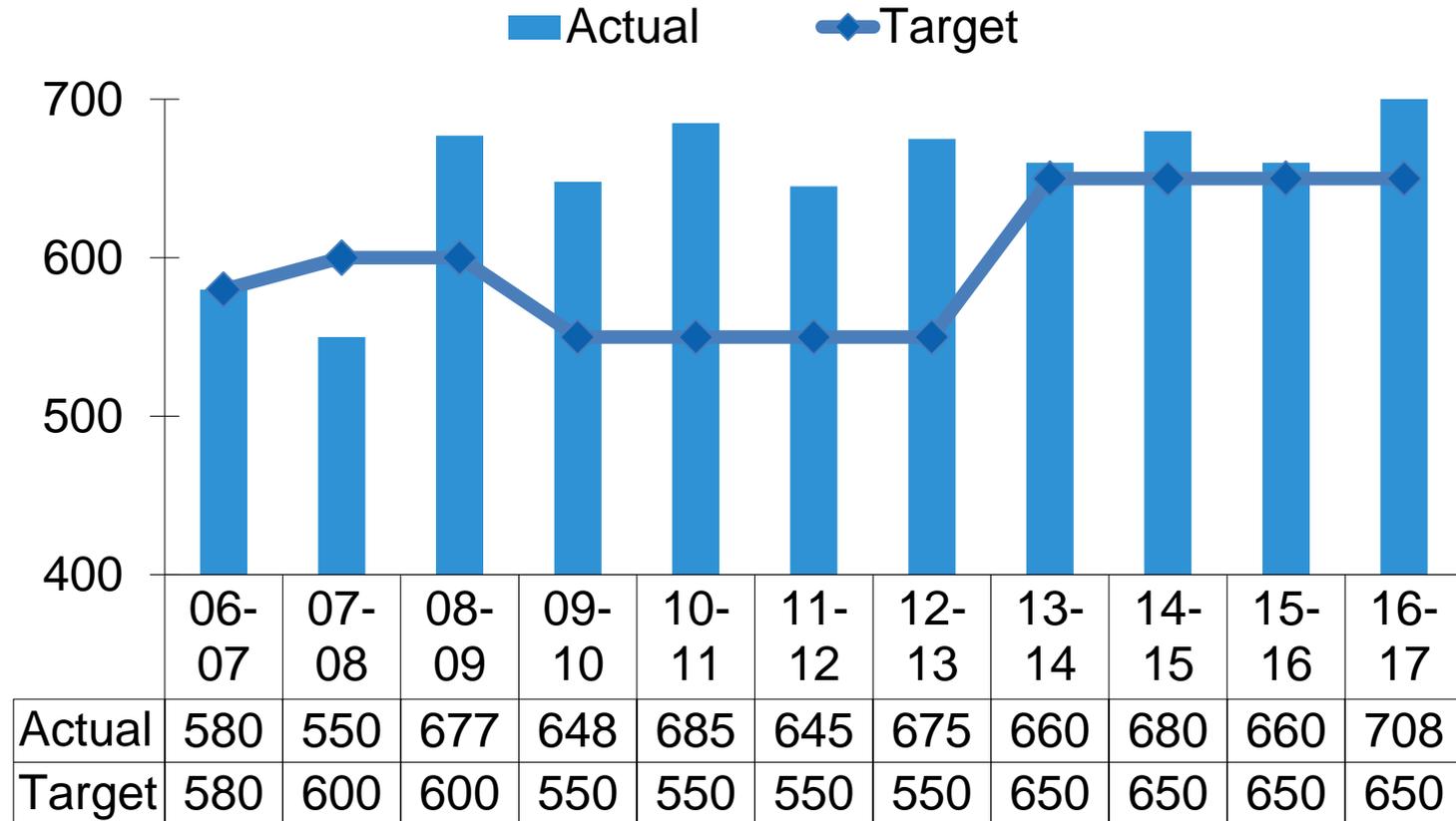
**OHSU KPM:
Accidental Poisoning or Toxic Exposures Managed at Home**



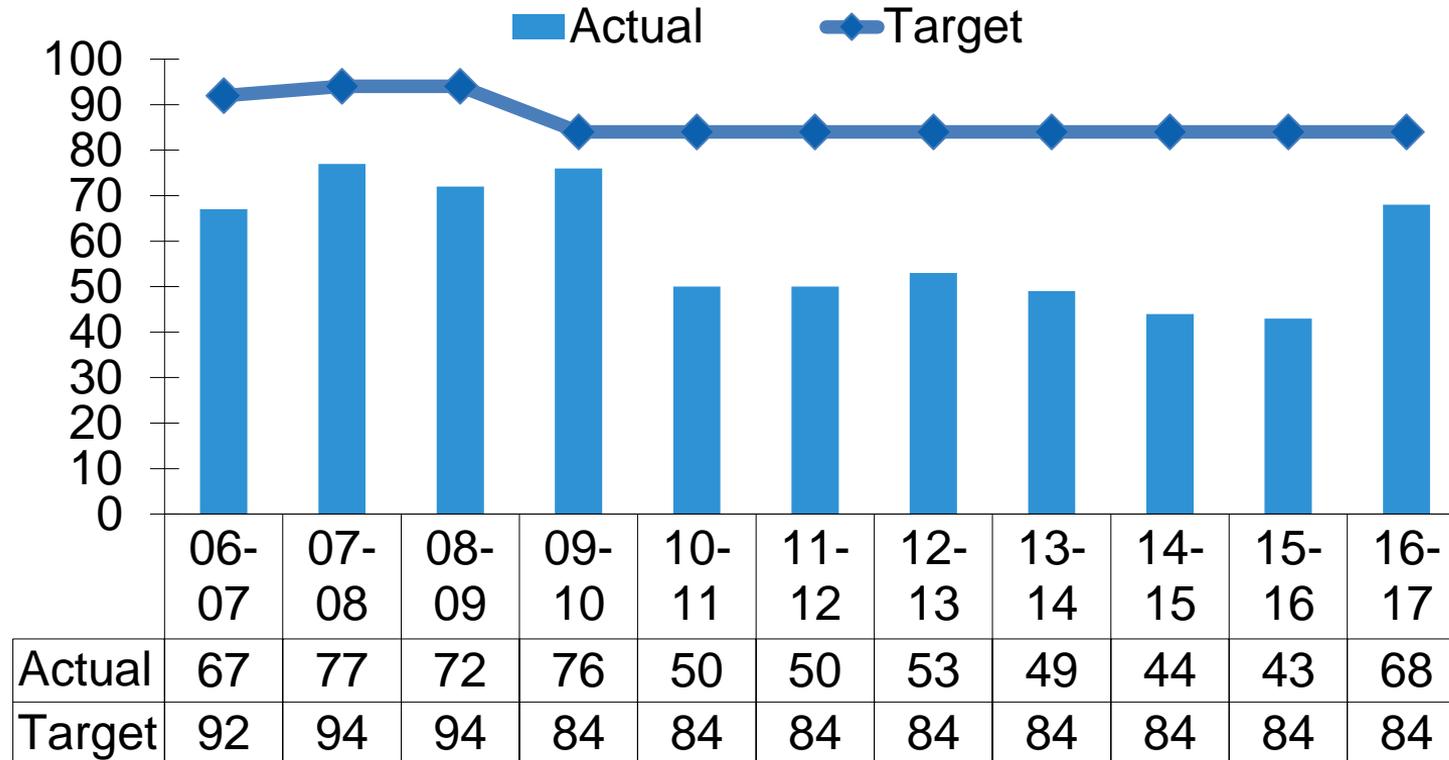
OHSU KPM: CDRC Services Provided to Patients



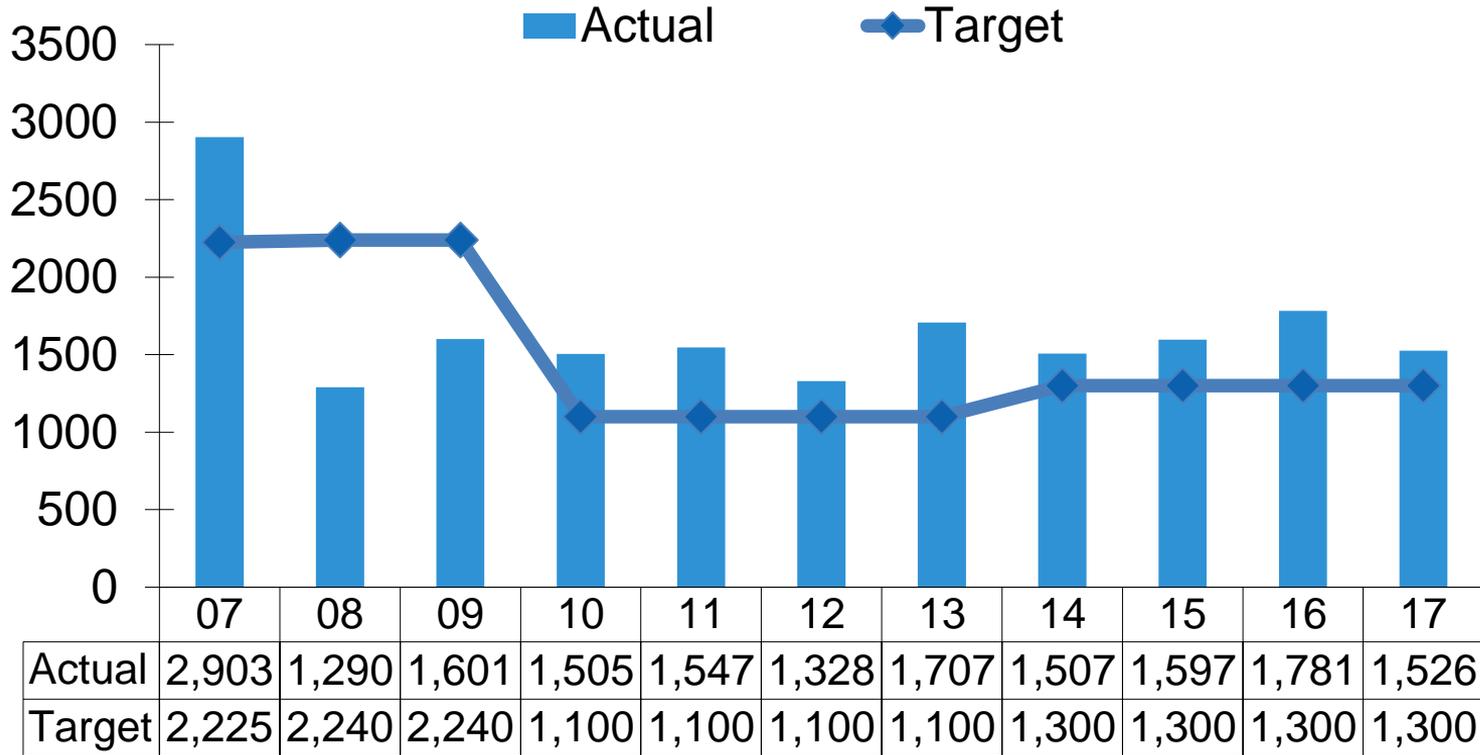
OHSU KPM: M.D. Student-Weeks Served in Rural Communities



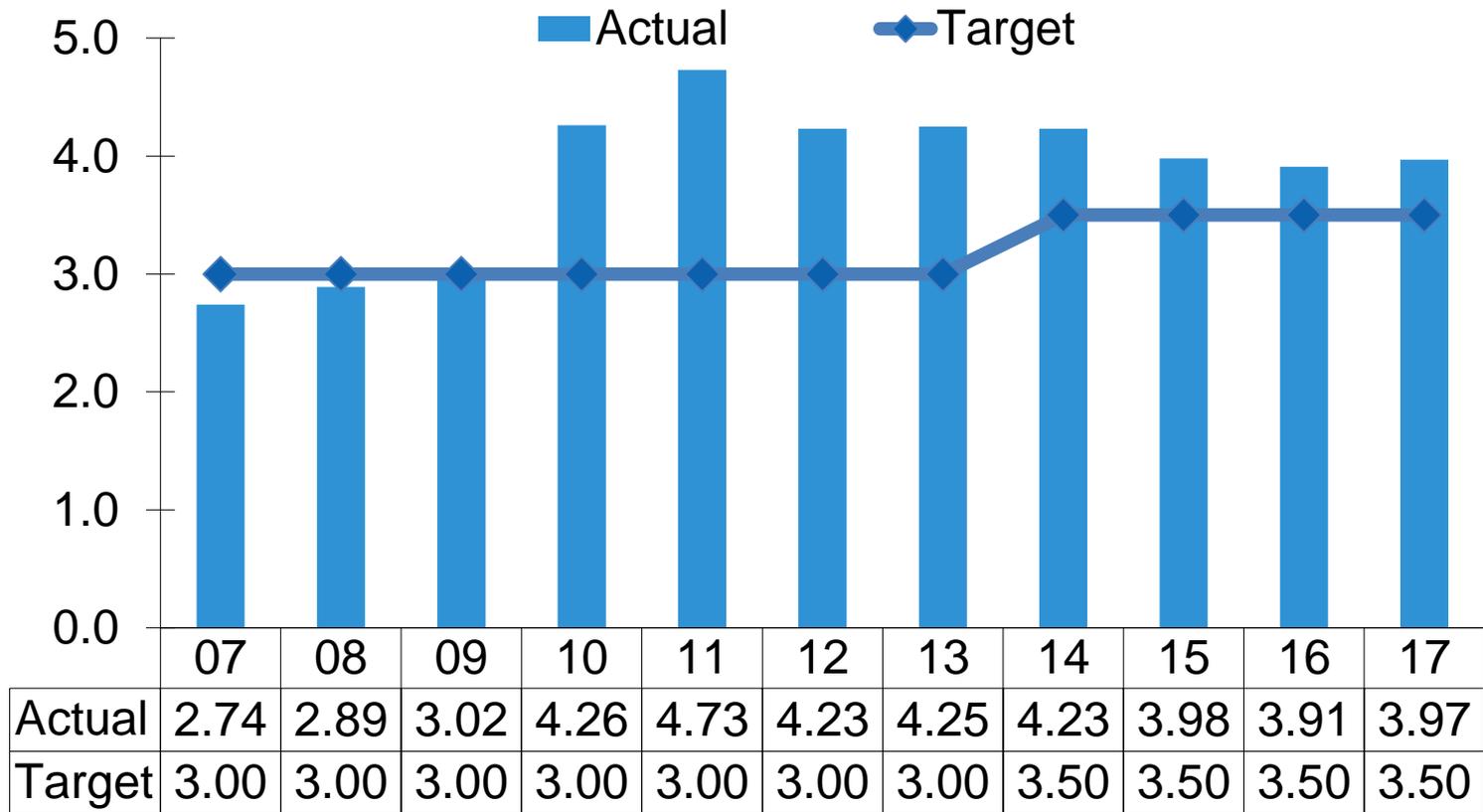
OHSU KPM: Physicians Supervising Medical Students in Rural Communities



OHSU KPM: Rural Health Care Education Pipeline Participants



**OHSU KPM:
Ratio of Federal Funds to State Funds Contributed
to the Office of Rural Health**





HECC AGENCY OPERATIONS BUDGET, CONCLUSION

BEN CANNON, HECC Executive
Director

RAMONA RODAMAKER, Director,
HECC Office of Operations

Presented to: Joint Committee on Ways
and Means, Subcommittee on Education

2019 PRESENTATION, DAY 14

Presentation Schedule

Days 1-2	<ul style="list-style-type: none"> • Introduction to Postsecondary Education and Training in Oregon: Agency Overview, Mission, Goals, Budget Components, History of Funding, National Context
Day 3	<ul style="list-style-type: none"> • Affordability: Key Factors, State Financial Aid Programs
Day 4	<ul style="list-style-type: none"> • Learner Pathways and Transitions: Pre-College Programs and Outreach, Transitions to Career Success, Industry Needs, Supporting Learners in a PK-20 System, Private Postsecondary Oversight and Coordination
Day 5	<ul style="list-style-type: none"> • Public Testimony
Days 6-7	<ul style="list-style-type: none"> • State Support for Community Colleges: Students Served, Funding Impacts, Capital Construction • Community College presentations
Day 8	<ul style="list-style-type: none"> • Public Testimony
Days 9-10	<ul style="list-style-type: none"> • State Support for Public Universities: Students Served, Funding Impacts, Capital Construction • University presentations
Day 11	<ul style="list-style-type: none"> • Other Missions of Universities: Statewide Public Services, State Programs
Day 12	<ul style="list-style-type: none"> • Public Testimony
Day 13	<ul style="list-style-type: none"> • OHSU, Public Testimony
Day 14	<ul style="list-style-type: none"> • An Integrated Postsecondary Agency: HECC Operations Agency Budget, Conclusion

HECC Offices represented by presenters:

OFFICE OF EXECUTIVE DIRECTOR, ALL HECC

A Vision for Oregon Postsecondary Education

*“The Higher Education Coordinating Commission (HECC) envisions a future in which **all Oregonians** -- and especially those whom our systems have underserved and marginalized – **benefit from the transformational power of high-quality postsecondary education and training.**”*

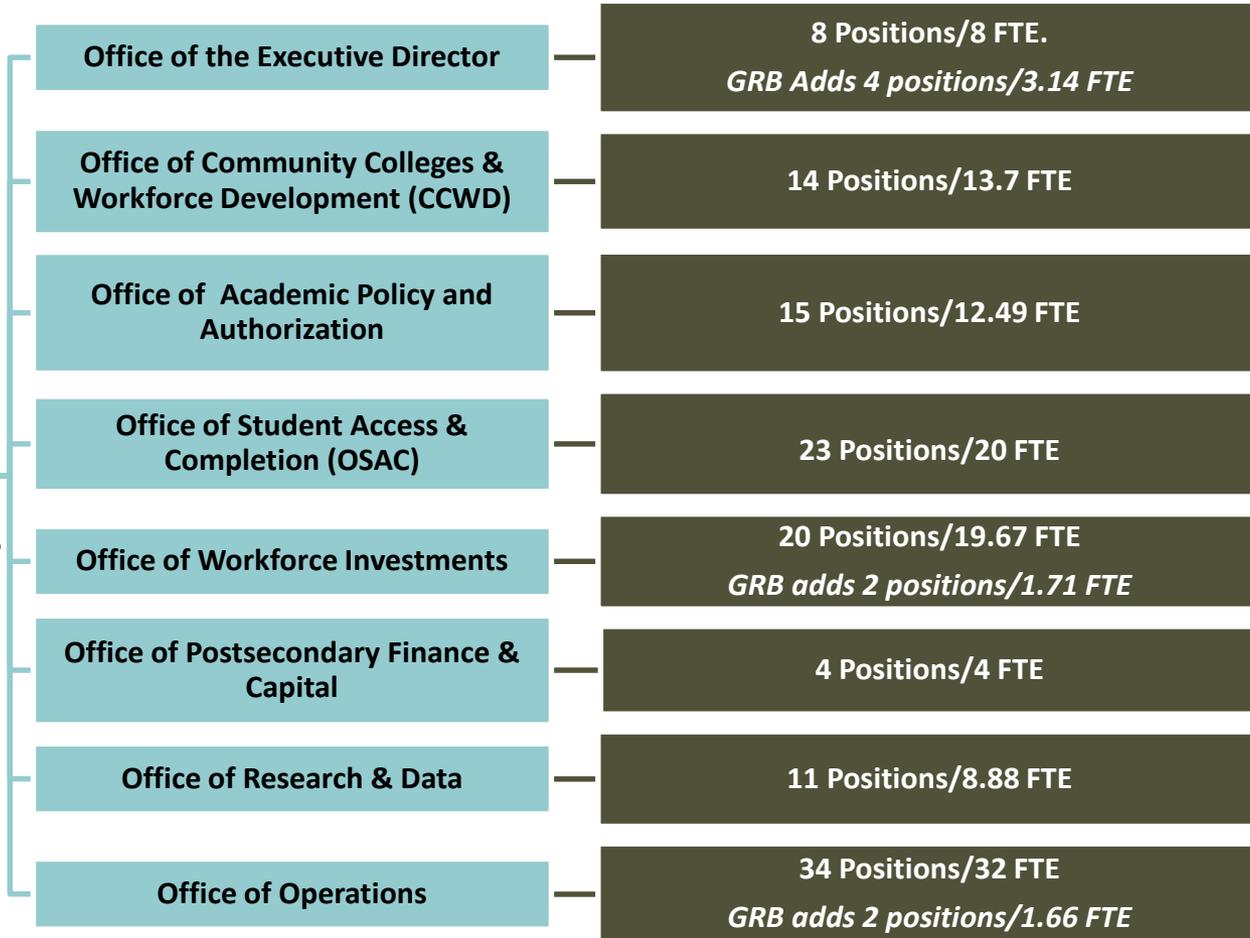
*“It is a future where **innovative colleges, universities, and training providers**, both public and private, help Oregonians to reach their highest potentials, **build trajectories to family-wage careers, foster a more just society, and break patterns of intergenerational poverty.**”*

*“It is a future where **postsecondary education fuels a resilient economy** by anticipating workforce needs and by fostering innovation, research, and knowledge. In the future we envision, all Oregonians enjoy well-lived lives thanks to the myriad benefits of postsecondary education and training...”*

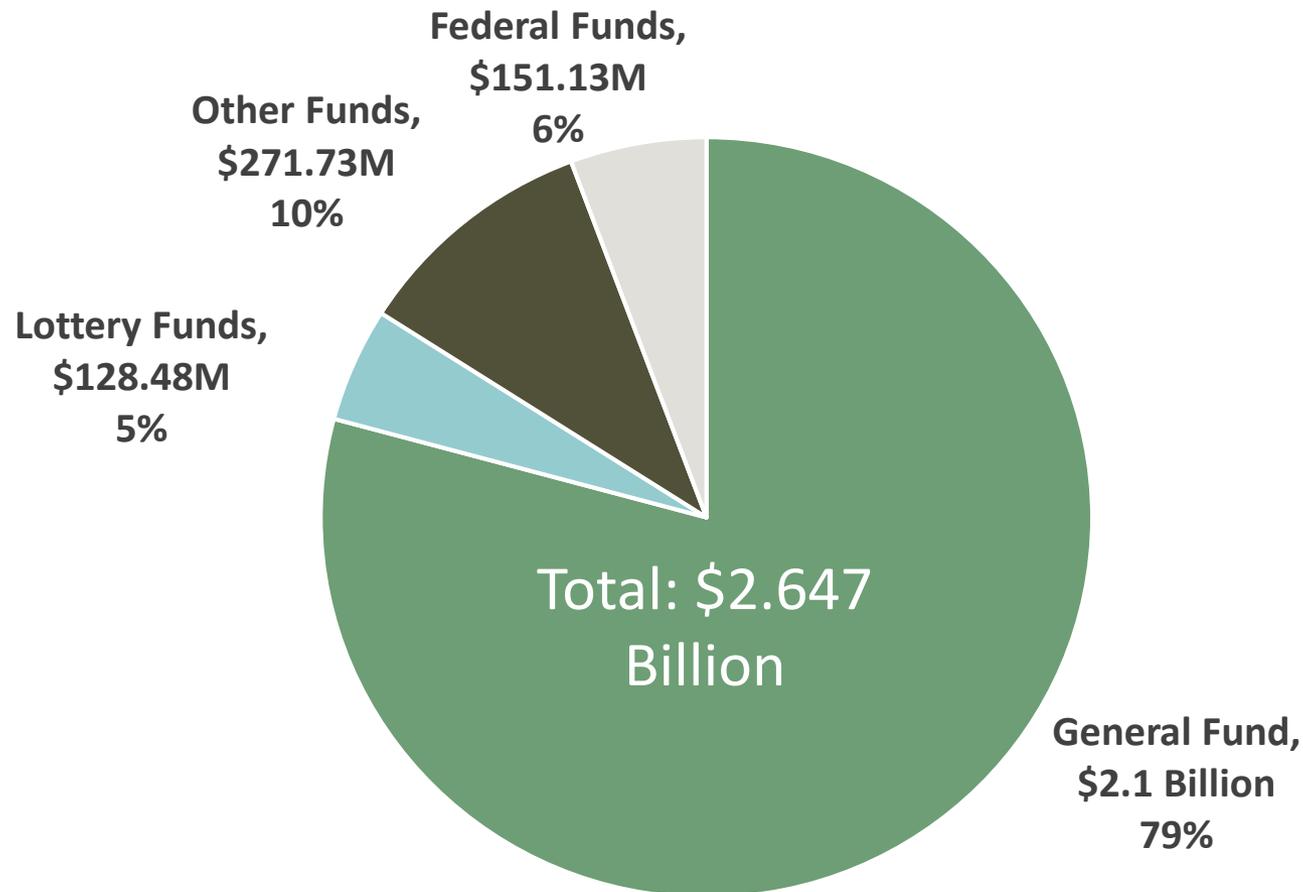
HECC Organizational Chart and Positions

The Higher Education Coordinating Commission is a 14-member volunteer commission appointed by the Oregon Governor. The Commission is supported by the Higher Education Coordinating Commission state agency, comprised of eight distinct offices.

Executive Director



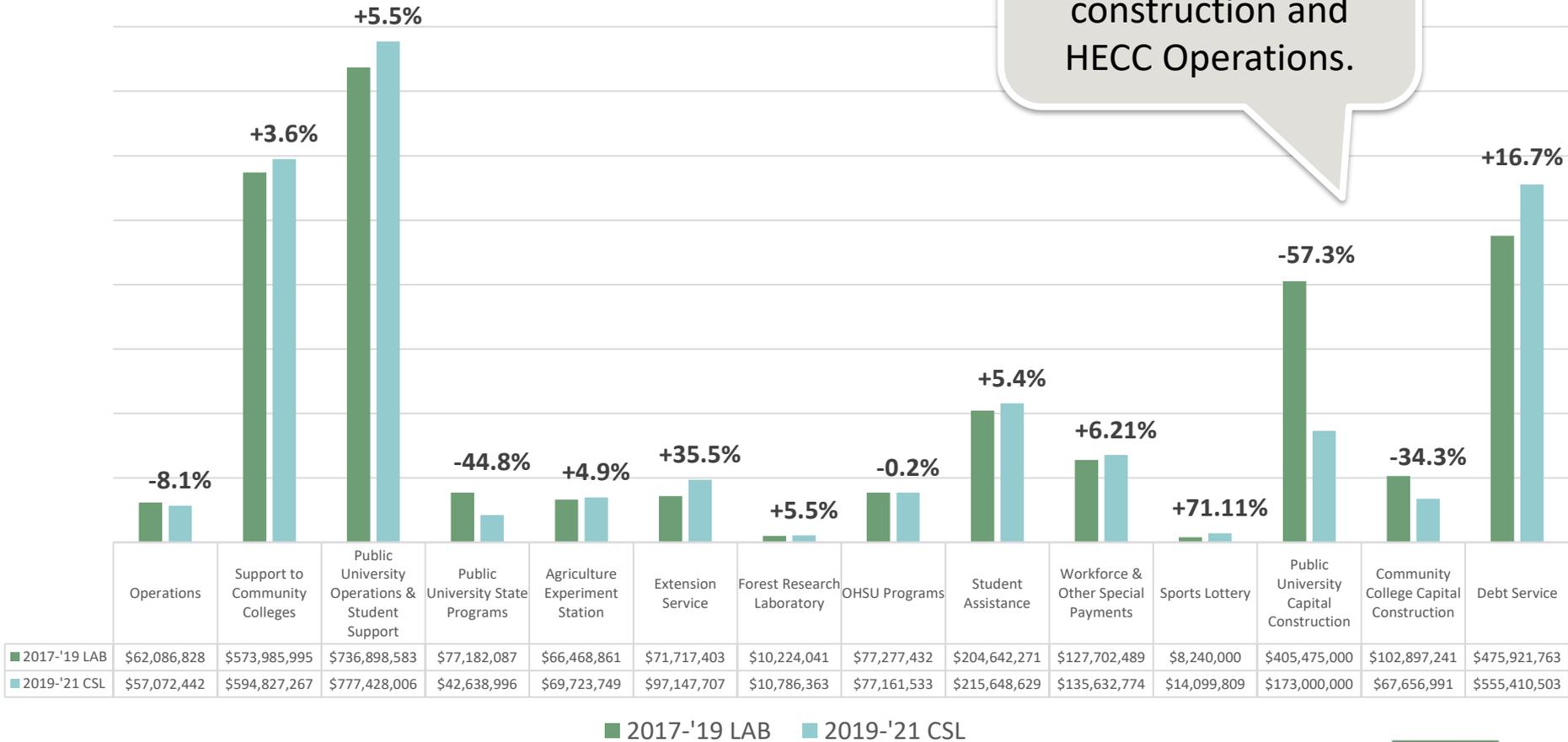
Higher Education Coordinating Commission Current Service Level Budget (CSL) by Fund Type



Net Change in CSL From 2017-'19 LAB

Overall Change: -11.77% or \$353,142,216 Reduction

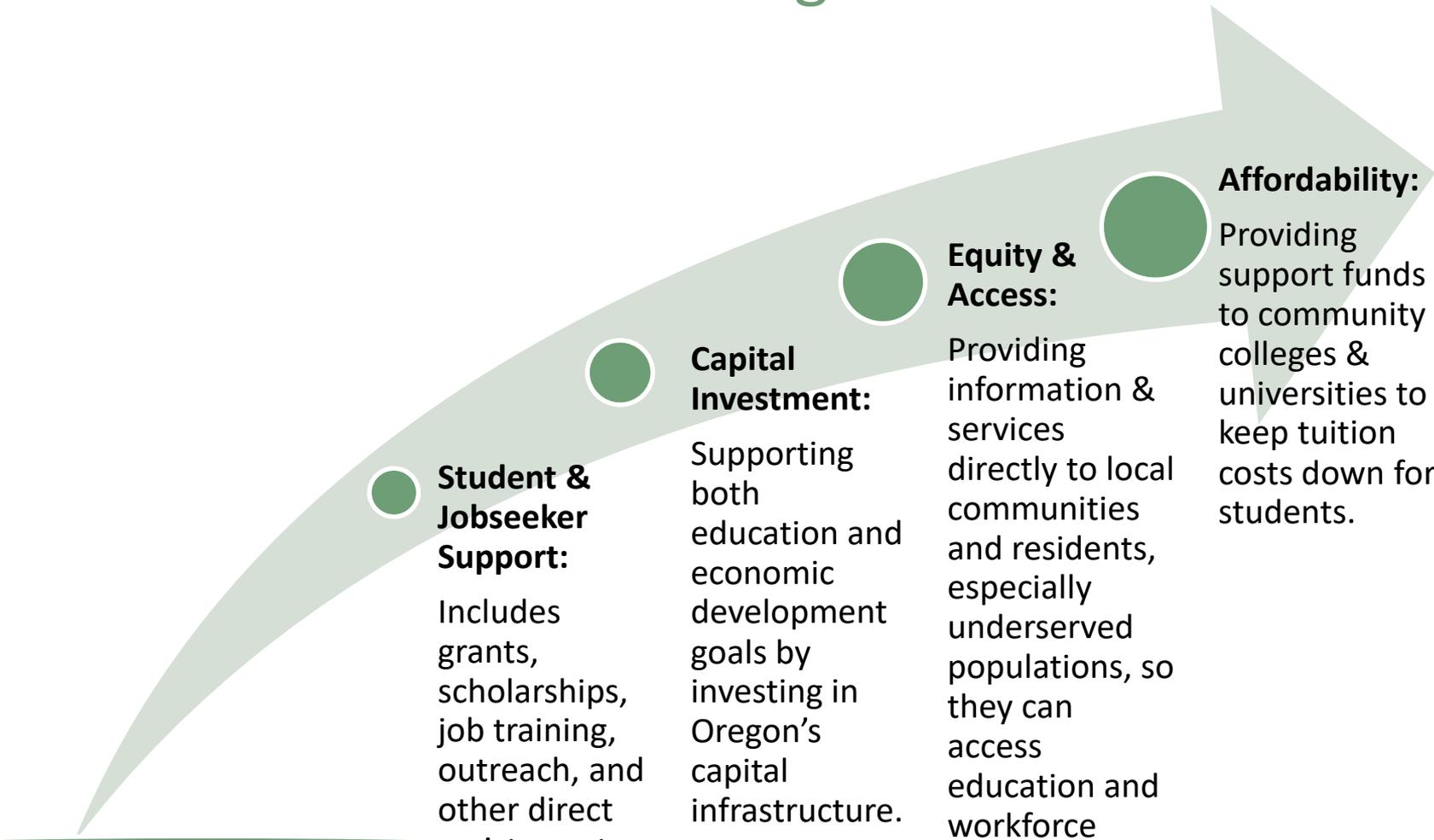
Reductions in CSL occur in capital construction and HECC Operations.



HECC: Total Agency Budget

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Higher Education Coordinating Commission Agency Budget	Includes all special payments, personal services, services and supplies, and debt service funds for all HECC programs.	\$3,000.7M Total \$1,949.0M GF \$96.57M LF \$813.4M OF \$141.7M FF	\$2,647.6M Total \$2,096.2M GF \$128.5M LF \$271.7M OF \$151.1M FF	\$2,722.4M Total \$1,945.7M GF \$100.7M LF \$524.5M OF \$151.5M FF
Change from 2017-19				-9.27% from LAB +2.74% from CSL

What Drives HECC's Budget?



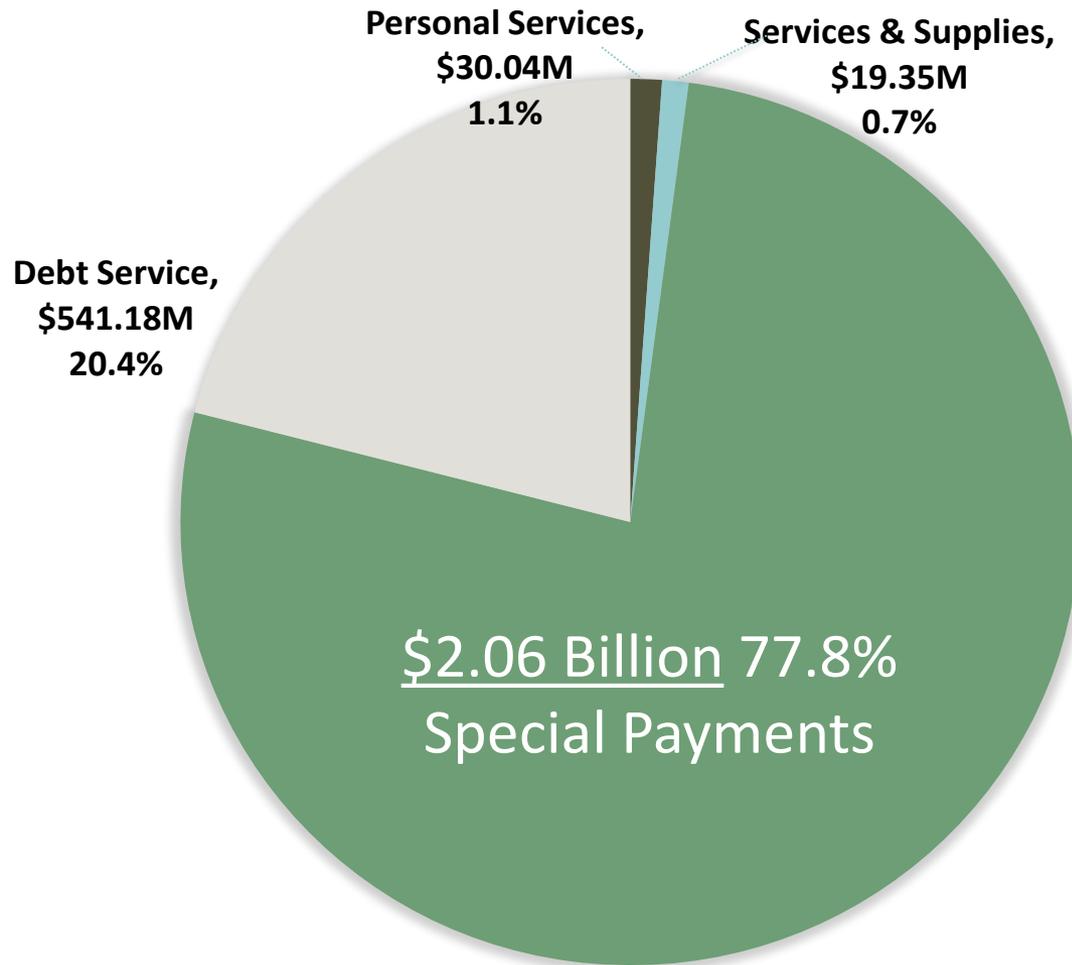
Student & Jobseeker Support:
Includes grants, scholarships, job training, outreach, and other direct assistance to Oregonians.

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

Equity & Access:
Providing information & services directly to local communities and residents, especially underserved populations, so they can access education and workforce resources to make them Future Ready.

Affordability:
Providing support funds to community colleges & universities to keep tuition costs down for students.

2019-21 Current Service Level Budget by Expenditure: \$2.648 Billion



Overall HECC Budget



77.8% of HECC's \$2.647 billion CSL budget is distributed directly to public universities, community colleges, students through financial aid, and to Local Workforce Development Boards.



20.4% of HECC's budget funds debt service on current and past capital construction projects at universities and colleges.



HECC operations, including all personnel and supplies, account for **1.8%** of the agency's total budget.

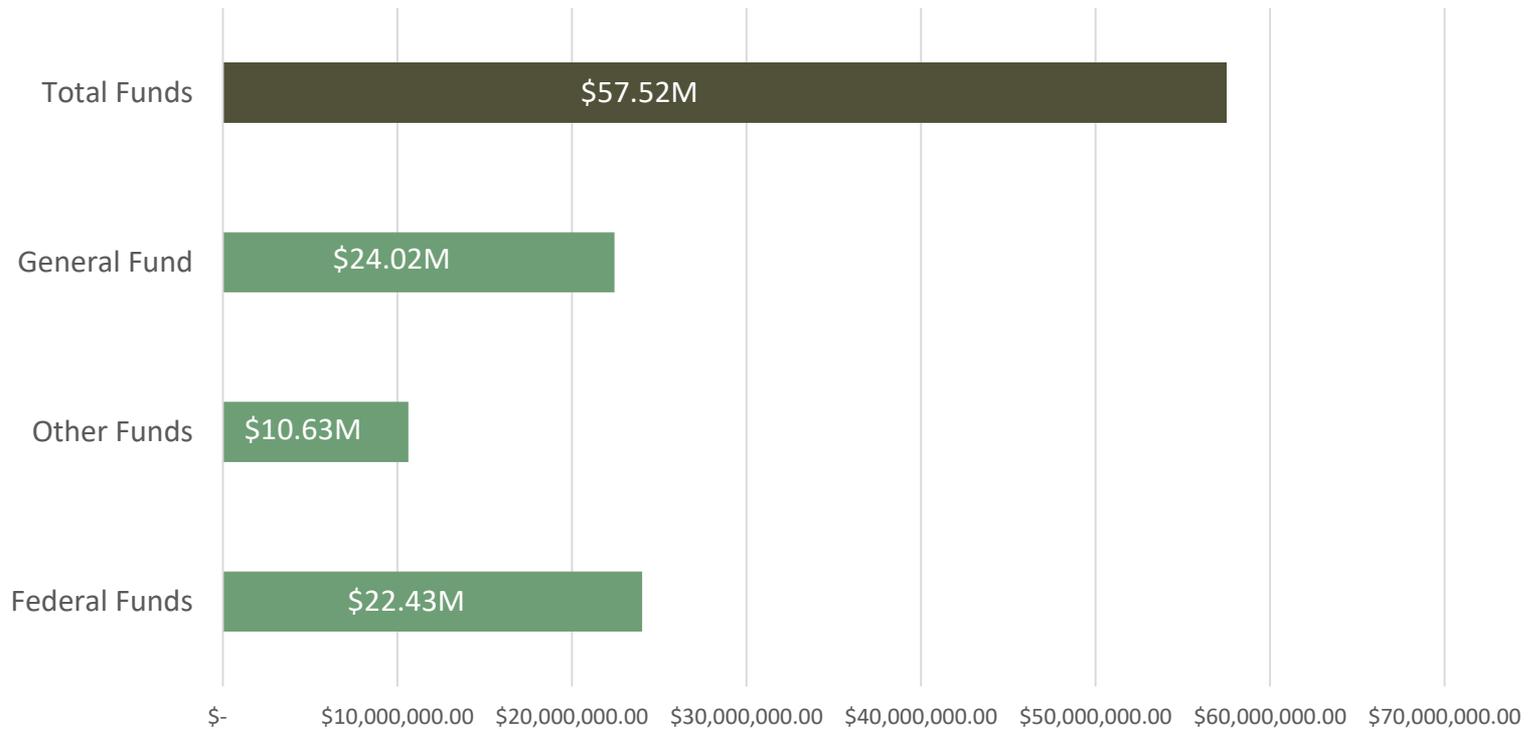
AN INTEGRATED APPROACH TO HIGHER EDUCATION: AGENCY OPERATIONS



Clackamas Community
College

Current Service Level (CSL): HECC Agency Operations

The HECC agency operations budget is funded with a mix of General Fund, fee revenues, and federal grants.



- 130 Positions/120.07 FTE
- 1.8% of the Total Agency Budget

HECC Agency Operations

Activity	Description	2017-19 LAB	2019-21 CSL	2019-21 GRB
Higher Education Coordinating Commission (HECC) agency operations	Supports HECC's agency office operations including 137 permanent staff members performing policy and funding coordination across all sectors of postsecondary education and workforce.	\$23.5M GF	\$24.0M GF	\$24.3M GF
		\$19.8M OF	\$10.6M OF	\$23.2M OF
		<u>\$18.7M FF</u>	<u>\$22.9M FF</u>	<u>\$22.8M FF</u>
		\$62.1M TF	\$57.5M TF	\$70.2M TF
	Budget growth in GRB comes from:			
	<ul style="list-style-type: none"> ▪ \$9M Transfer from ODE for student support strategies, including early learning educator scholarships and Oregon Teacher Scholar scholarships ▪ \$3.4 M Transfer for Oregon Volunteers program (from DAS) ▪ Policy Option Packages 101 (Procurement), 102 (Internal Auditor), 103 (Human Resources), and 210 (Statewide Workforce Initiatives). 			

Change from 2017-19

+3.4% from LAB GF

+1.3% from CSL GF

+13% from LAB TF

+22% from CSL TF

POLICY OPTION PACKAGES



Oregon Institute of
Technology



Portland State University



Chemeketa Community
College



Tim Park Photography
Bend, OR
Blue Mountain Community College

Policy Option Package 101: Procurement Staff

Adds procurement staff to address legal compliance issues identified in 2017 and 2018 Secretary of State procurement audits.

- Two positions, (1.66 FTE)
 - Procurement & Contracting Specialist 3
 - Procurement & Contracting Specialist 2
- \$163,478 GF + \$36,698 OF + \$133,451 FF = \$333,627 TF

Procurement Need

In December 2017, the Secretary of State conducted a performance audit and found HECC was out of compliance with Oregon's procurement laws.

65% or 486 of HECC's 748 open contracts totaling \$117M were executed after their effective date

53 contracts were backlogged

HECC offered insufficient training on procurement issues

HECC lacked defined procurement policies, roles, and responsibilities

In August 2018, the SOS followed up and found that the agency had not fully implemented its recommendations due to an ongoing lack of staff.

HECC has two budgeted procurement specialists and manages an open portfolio of over 700 agreements. Seventy-seven percent of HECC's \$2.722B budget is paid out through special pay contracts, creating significant risk for errors and delays.

Policy Option Package 102: Internal Auditor

Establishes one Internal Auditor position (.88 FTE), which would be responsible for financial, performance, operational, and information technology audits within HECC:

- Internal Auditor 2: Responsibilities would include forming an audit committee with an audit charter, performing an annual risk assessment, developing an audit plan, and conducting 5-6 internal audits per year.
- \$82,784 GF + \$18,552 OF + \$67,323 FF = \$168,659 TF

Internal Auditing Needs

Currently, HECC is a state agency with 134 staff positions, 88 Board and Commission members, and a budget of over \$3 billion. Rapid growth of the agency has occurred despite a lack of mature systems, policies and procedures, and internal controls to guide the work.

Potential audit risks include:

bond management, capital construction programs and budgets, data systems, cost allocation, data security, cost recovery, data sharing, budget management and federal reporting processes.

In 2017-19, HECC requested an Internal Auditor position that was approved in the GRB but ultimately was not funded.

In 2018, a SOS audit of Oregon's Internal Auditing resources identified that HECC should have 6-7 Internal Audit positions. Despite the need, this position has never been budgeted.

HECC's Recent Audit History

Procurement Practices December 2017

SOS Findings:

1. Address backlog of contracts and agreements.
2. Define governance structure, including noncompliance process.
3. Align policies with state procurement practices.
4. Develop and deliver training.
5. Assess procurement needs and adjust resources accordingly.

Management Response: Agreed with all recommendations and have submitted POP 101 to address.

Selected Financial Accounts for 2017 April 2018

SOS Findings:

1. No deficiencies in internal control were found to be material weaknesses.

Management Response: Agreed.

HECC's Recent Audit History (continued)

Statewide Audit of Federal Programs for 2017 April 2018

SOS Findings:

1. Ensure onsite sub-recipient monitoring activities are timely and adequately documented.
2. Improve controls over review of contract invoices.
3. Ensure employee time is coded properly and reviewed by management.

Management Response: Agreed with all recommendations and worked with US DOL to resolve identified issues.

Follow up to Procurement Practices Audit September 2018

SOS Findings:

1. Fully resolved two recommendations: implemented governance structure and aligned policies with statewide procurement practices.
2. Partially implemented remaining three recommendations due to lack of procurement resources/staff (backlog, training, and procurement resources).

Management Response: Agreed with all recommendations and have submitted POP 101 to address.

Policy Option Package 103: Human Resources Staff

Adds additional Human Resources staff to focus on recruitment, diversity and inclusion, compliance with human resources law, and employment and labor relations.

- Three positions, (2.26 FTE)
 - Principal/Executive Manager D
 - Training & Development Specialist 2
 - Human Resources Assistant (.5 FTE)
- \$214,408 GF + \$48,129 OF + \$175,021 FF = \$437,558 TF

Human Resources Need

Since its creation in 2013, HECC's HR unit has been cobbled together and staffed through loaned positions. The unit serves 134 staff and 88 Board members and has primary responsibility for administering all HR functions, but the budget does not include a manager, training specialist or any support staff positions.



If funded, the unit will be able to:

Establish agency-specific policies and procedures

Enhance cultural diversity, equity and inclusion efforts

Conduct annual training needs, assessments and training plans

Improve the speed and quality of recruitment processes

Policy Option Package 210: Statewide Workforce Initiatives

Provides funding for nine Local Workforce Development Boards to support the Talent Marketplace, which ensures businesses have skilled workers and jobseekers receive needed skills training and on-the-job training.

- One position, (.88 FTE)
 - Program Analyst 3
- \$4,100,000 GF

Policy Option Package 210: Statewide Workforce Initiatives

Restores General Funds for Statewide Workforce Initiatives to 2015-17 levels, supporting Oregon's employers and workers.

Local Competitiveness

Supports Local Workforce Development Boards to convene partners, broker training services, and leverage local resources.

Work Experience

- ▲ On-the Job Training
- ▲ Customized training
- ▲ Incumbent worker training
- ▲ Apprenticeships
- ▲ Internships

Industry Engagement

Funds employer and community-driven strategies to assist local businesses and industries.

Capital Bonding Policy Option Packages

Total investments in capital projects to achieve long-term education and economic development goals is \$240.7M, a 39.3% decrease from 2017-19

- The Governor recommends reserving \$225M in bonding authority for the 2020 session after work on a 10-year strategic plan for university capital has been completed.
- GRB supports seven capital construction projects at public universities, five new projects and two reauthorizations. Total investment would be \$173M.
- GRB supports two new capital construction projects at Oregon's community colleges and reauthorizes seven existing projects. Total investment is \$67.7M.

Other Changes Reflected in the GRB

Reductions:

- Engineering Technology Sustaining Fund eliminated: **(\$25.6M) GF**
- Outdoor School Programs reduced: **(\$22.8M) LF**
- Oregon Promise year-two funding eliminated: **(\$20M) GF**

Additions/Transfers:

- Private Career School Fee Increase requested: **\$300K OF**
- Transfer from ODE for student support strategies including early learning educator scholarships and Oregon Teacher Scholar scholarships: **\$9M OF**
- New System Alignment Manager (P/EM E) position: **\$200K GF**

Overall Staffing Changes in GRB 2019-21

The Governor's budget adds staffing capacity in Procurement, Internal Audits, Human Resources and Workforce programs. Overall, the agency's permanent positions increase from 134 to 137 and FTE grows from 121.32 to 126.56. Funding these POPs will ensure that the Internal Audit, Procurement, and Human Resource offices are adequately staffed for the first time since HECC was established.



+ 1 Internal Auditor

+ 2 Procurement & Contract Specialists

+ 2.5 Human Resources Staff

+ 2 Workforce positions

- 2 Veterans Education positions

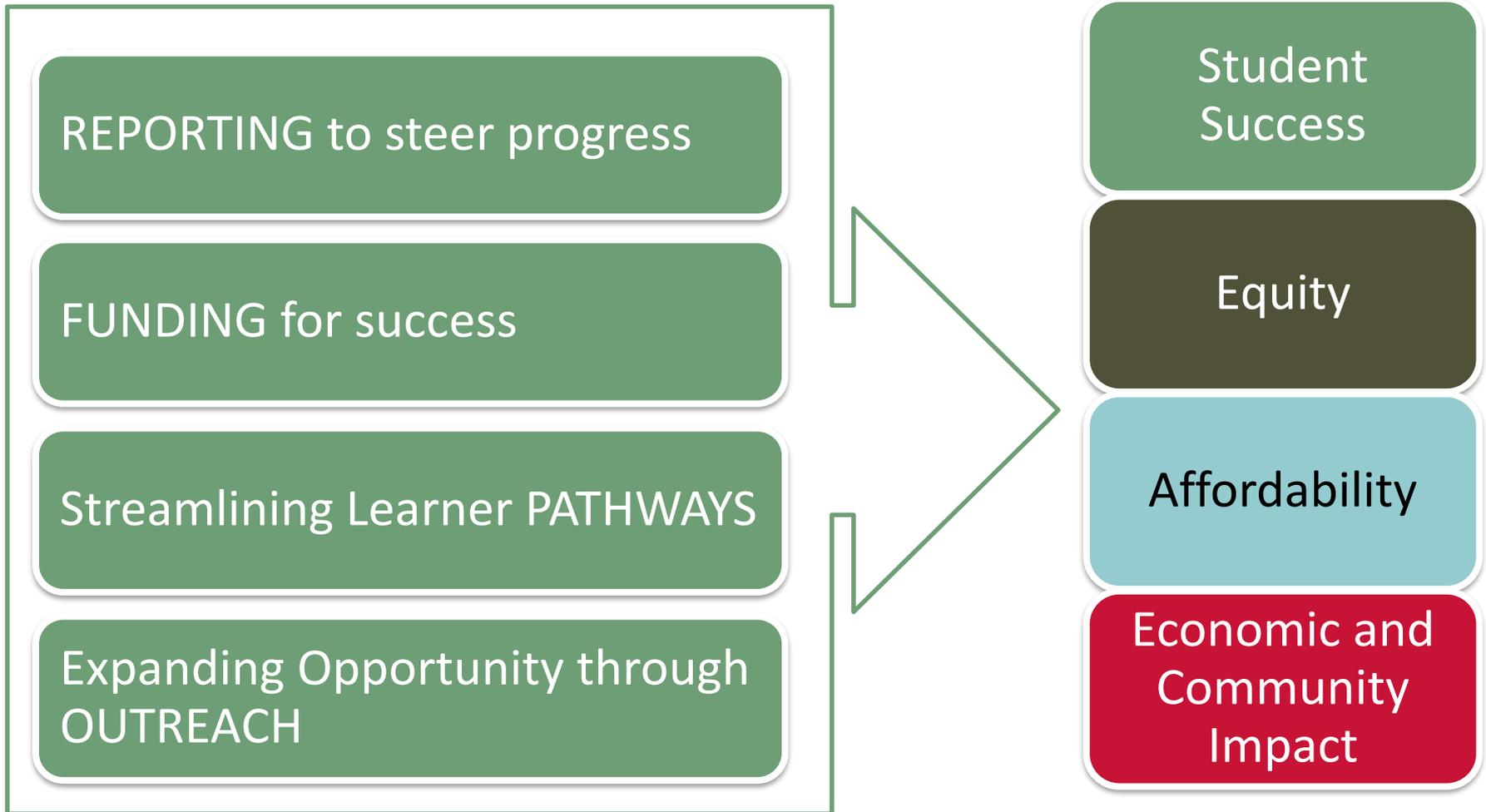
2 Operations positions reclassified within existing resources (No cost)

- POP 311 Reclassifications

HIGHER EDUCATION BUDGET PRIORITIES: CONCLUSION



Four Strategic Action Areas Guide HECC's Work to Achieve Four Key Goals



Featured HECC Projects and Accomplishments 2017-19*

REPORTING to steer progress

- Finalized Strategic Framework 2017-2021 as an update to the HECC Strategic Plan.
- Established a goal for adult postsecondary attainment (HB 2311, 2017).
- Developed and published first annual set of statewide institutional snapshots.
- Developed a dashboard of state progress toward higher education and workforce goals.
- Published numerous legislatively directed reports: analysis of the Oregon Promise in its third year, the Mental Health Task Force Report, as well as reports on 529 College Savings plan, Competency-Based Education, and more.
- Redesigned HECC Key Performance Metrics with an increased focus on equity.
- Partnered with Georgetown University Center on Education and the Workforce on study of community college certificates.

FUNDING for success

- Determined that SOU and EOU met conditions established upon the creation of their Boards of Trustees for fiscal stability and program alignment.
- Marketed and coordinated the first Oregon Opportunity Grant Tax Credit Auction.
- Awarded “wrap-around grants” to high school equivalency preparation organizations statewide to support the success of Oregonians seeking a GED® test credential.
- Continued implementation of the Student Success and Completion Model, the outcomes-based funding allocation model for public university funds established by the HECC in 2015.

Featured HECC Projects and Accomplishments 2017-19*

Streamlining Learner PATHWAYS

- With institutions, finalized the foundational coursework agreements (“Core Transfer Maps”) to improve transfer pathways, as directed by HB 2998.
- Led a peer review process for accelerated learning, maximizing opportunity for students to receive high-quality, transferable college credit while in high school.
- Partnered with the Workforce and Talent Development Board and others to produce the Oregon Talent Assessment.
- In partnership with PCC and the Oregon Legislature, established teach-out pathway for graduation of nursing students after the closure of ITT Tech.
- Updated private career school cosmetology curriculum to more accurately reflect the knowledge and skills that are required today to be successful in the industry.

Expanding Opportunity through OUTREACH, Financial Aid

- Added new outreach resources on state financial aid opportunities, including webinars, bilingual materials, and more.
- Successfully launched the Oregon National Guard State Tuition Assistance Grant.
- Collaborated with ODE and others on informational resources for DACA and undocumented students on college access.

Initiatives Planned or Underway

REPORTING to steer progress

- Develop and publish annual county-by-county reports of educational and workforce attainment.

FUNDING for success

- Develop long-term strategic funding model to meet state goals.
- Develop 10-year university capital plan for state investment.

Streamlining Learner PATHWAYS

- Continue to implement HB 2998 in support of transfer pathways, developing major-specific transfer agreements.
- Lead the public process to consider the petition for a community college boundary change in North Lake County.

Expanding Opportunity through OUTREACH

- Develop an outreach plan to better connect Oregonians with college and career opportunities.
- Increase postsecondary completion for underrepresented Oregonians of color with a focus on Oregon adults, through support of a grant from the Lumina Foundation.

Oregon's 40-40-20 Goal for Young Adults

(HS class of 2025 and beyond)

40-40-20 GOAL



With the passage of HB 2311 in 2017, effective January 1, 2018, Oregon clarified the 40-40-20 educational goal to focus strategically on young Oregonians rising through the education system.

By 2025, 40% of Oregonians will complete a 4-year degree, 40% of Oregonians will complete a 2-year degree or certificate, and 20% will earn a high school diploma or the equivalent.

-ORS 350.014 (2011)

Oregon's New Adult Educational Attainment Goal

As directed by HB 2311 in 2017, the HECC worked with the Oregon Workforce Talent and Development Board and partners on the development of this new goal, which was formally approved in November 2018.

Oregon anticipates more than 120,000 additional jobs requiring postsecondary training or education between now and 2030.

In order to meet this need, **300,000 additional adult Oregonians should earn a new degree, certificate or credential valued in the workforce during that time.** Because Oregon has substantial attainment gaps among minority, low income and rural Oregonians, the state will also commit to reducing those attainment gaps by half during the decade.

300,000 includes credentials Oregonians are expected to earn at status quo completion rates, **plus 120,000 new credentials needed.**

Budget Decisions Impact Oregon's Goals for Educational Attainment

**VISIONARY
STATE GOALS** for
postsecondary
educational
attainment

Promising
evidence of
progress in
**STUDENT
SUCCESS**

**SIGNIFICANT
UNDERFUNDING
OF HIGHER
EDUCATION AND
WORKFORCE
SYSTEM**

Investment choices
can:

- Stagnate or reverse state progress OR
- Sustain and foster continued progress for Oregonians now and in the future.

Budget Decisions Impact Students

GRB:

- Large spikes in tuition & fees and program cuts
- Diminished financial aid including flat funding for Oregon Opportunity Grant, elimination of the Oregon Promise, and elimination of scholarships funded by Sports Action Lottery
- Fewer opportunities for engineering students

Higher Investment could:

- Limit tuition increases to 5% or less at universities
- Protect educational programs at public institutions
- Expand need-based financial aid through the Oregon Opportunity Grant
- Continue the Oregon Promise
- Restore the Sports Action Lottery
- Fund the Engineering and Technology Sustaining Fund
- Improve campus safety
- Expand outreach to underserved students statewide to connect Oregonians with college and career pathways
- Increase youth employment opportunities
- Invest in CTE programs to make students Future Ready

Postsecondary Education Priorities, 2019



Transform
Lives, Build
Economic
Mobility



Eliminate
Inequity and
Ensure
Opportunity
for All



Protect
Affordability
of Public
Colleges and
Universities



Ensure
Oregonians
can Navigate
the Fast-
Changing 21st
Century
Economy



Foster
Smooth
Pathways and
Informed
Investments
of Time and
Money

APPENDIX A

HECC KEY PERFORMANCE METRICS 2016



HECC Agency Key Performance Metrics (KPMs) Revised With Increased Focus on Equity

At the end of the 2017 legislative session, HECC revised its KPMs

- Existing KPMs reflected the initial development of the HECC and included the KPMs from all of the previous organizations.
- Legislators requested a greater focus on equity to match the HECC Equity Lens.
- With the opportunity available to revise the KPMs, the Legislative Fiscal Office worked with agency staff to reduce the number and maintain a high-level focus.

The revised list reduces HECC KPMs from 29 to 16

- Eight did not change.
- Six are racial/ethnic disaggregations of other KPMs.

HECC 2018 Key Performance Metrics (1 of 2)

KPM	Milestone	New in 2017
1	Oregon high school graduates attending college Percentage of Oregon students enrolled in college within 16 months of their 4-year high school cohort graduation date	
2	Racial/ethnic differences among Oregon high school graduates attending college	X
3	College credits earned by K-12 students Amount of postsecondary credit per graduate awarded to K-12 students	
4	Oregon educational attainment Percent of young Oregon adults with post secondary degree or certificate	X
5	Community college completion and transfer rate Percentage of community college students who complete an associate degree or certificate or who transfer to the university system within three years	X
6	Racial/ethnic differences for community college completion and transfer rate	X
7	Public university graduation rate Percentage of public university college students who complete a bachelor's degree within 6 years	
8	Racial/ethnic differences for public university graduation rate	X

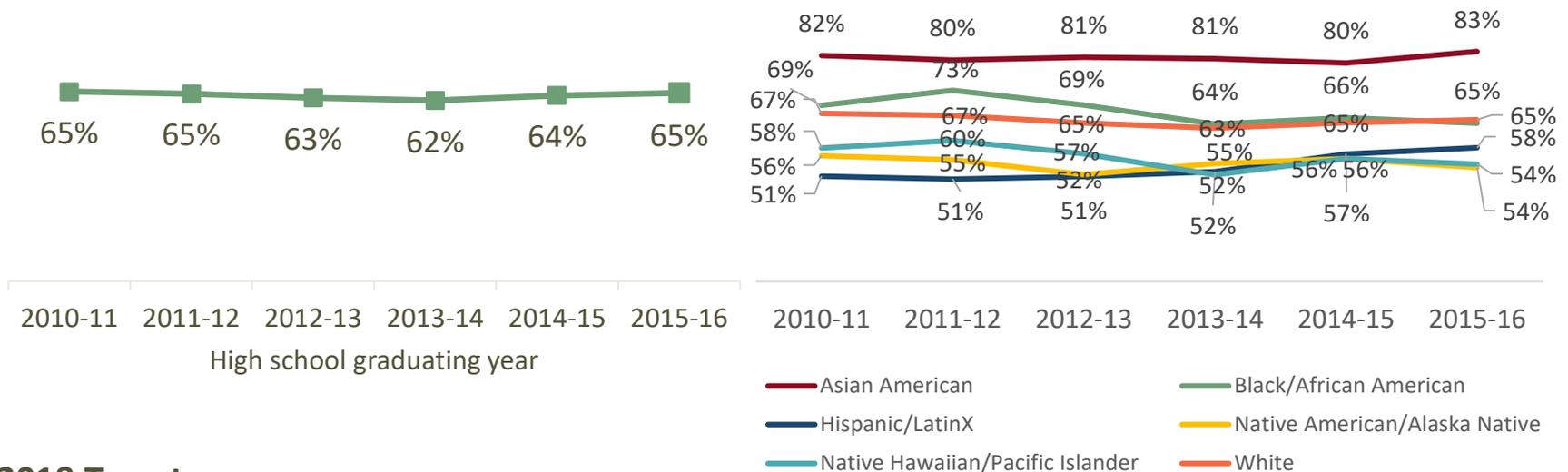
HECC 2018 Key Performance Metrics (2 of 2)

KPM	Milestone	New in 2017
9	Percentage of resident enrolled students who are incurring unaffordable costs Percentage of resident enrolled students who are incurring unaffordable costs adjusted with institutional aid	
10	Racial/ethnic differences in percentage of resident enrolled students who are incurring unaffordable costs	X
11	Earnings of community college completers Median earnings of community college completers five years after completion	
12	Racial/ethnic differences in earnings of community college completers	X
13	Earnings of bachelor's degree completers Median earnings of graduates with bachelor's degrees five years after completion	
14	Racial/ethnic differences in earnings of bachelor's degree completers	X
15	Customer service (required) Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent:" overall, timeliness, accuracy, helpfulness, expertise, availability of information	
16	Commission best practices (required) Percent of total best practices met by the Commission	

KPM #1-2: College-going Rate Among Oregon High School Graduates

Description: Percentage of Oregon students enrolled in any college nationwide within 16 months of their 4-year high school cohort graduation date.

College-going rates are relatively stable. After a slight decline in the first years of the economic recovery, rates have risen in the last two years. By race/ethnicity, many rates have been stable, while the rate for Hispanic/LatinX students rose.



2018 Targets

All	Asian American	Black/African American	Hispanic/LatinX	Native American/Alaska Native	Native Hawaiian/Pacific Islander	White
66.0%	66.0%	66.0%	61.7%	62.5%	61.3%	65.2%

508 Source: HECC analysis of university and community college data. High school graduates include all students who received a regular four-year diploma, a modified four-year diploma, or a GED within the four years of high school.

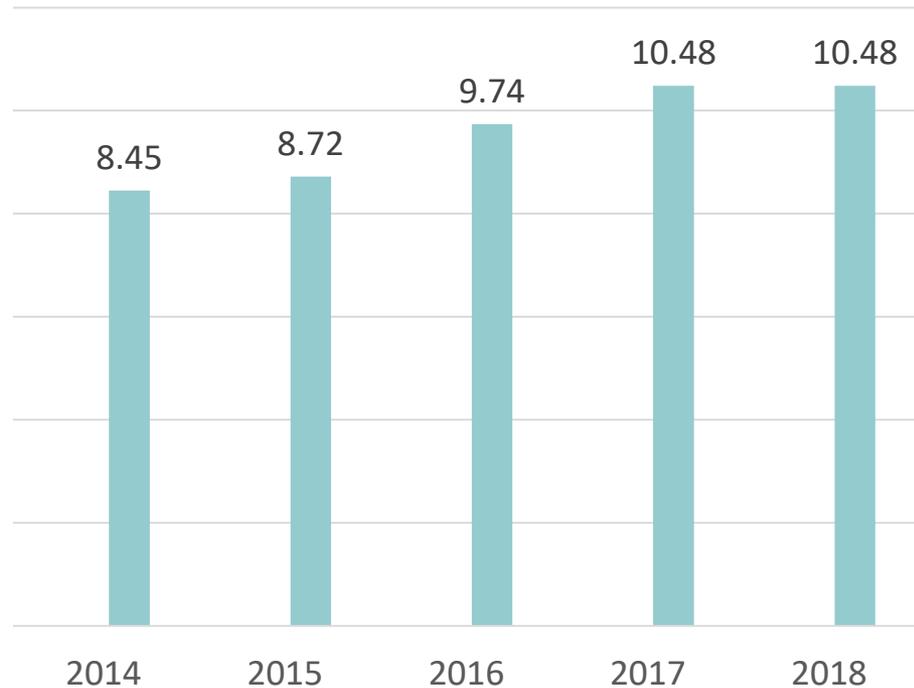


KPM #3: College Credits Earned by K-12 Students

Description: Amount of postsecondary education credit per graduate awarded to K-12 students

College credit earned by high school students has risen in recent years, both in types of credit available and in amount.

2018 Target	9.5
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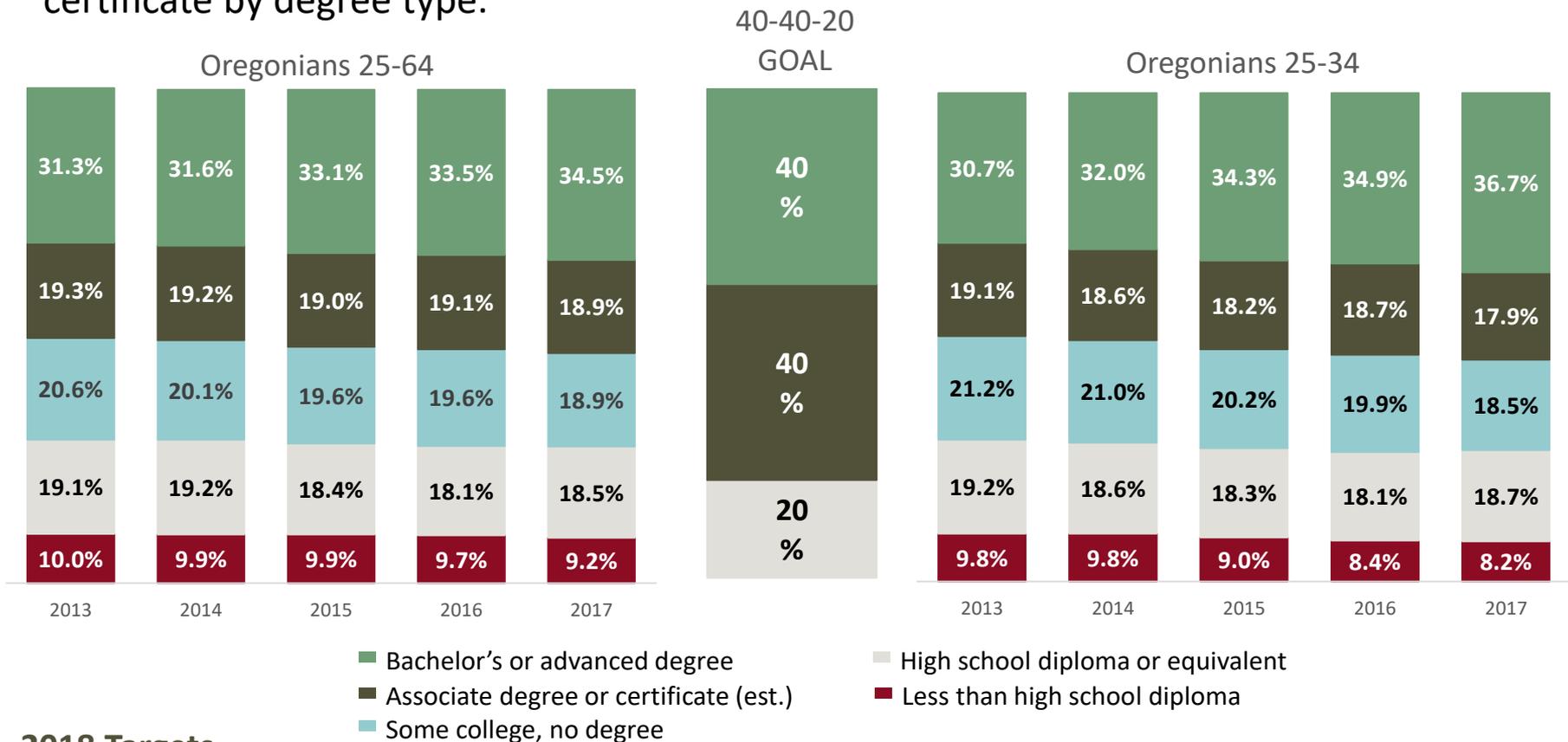
Source: HECC analysis of university and community college data. Includes only high school students who graduated within 4 years and were enrolled in dual credit or expanded options programs.

Notes: These results show an average number of credits per graduate based on the total number of credits earned among all students in pre-kindergarten through senior year in a single academic year.



KPM #4: Oregon Educational Attainment

Description: Percent of young Oregon adults with postsecondary degree or certificate by degree type.



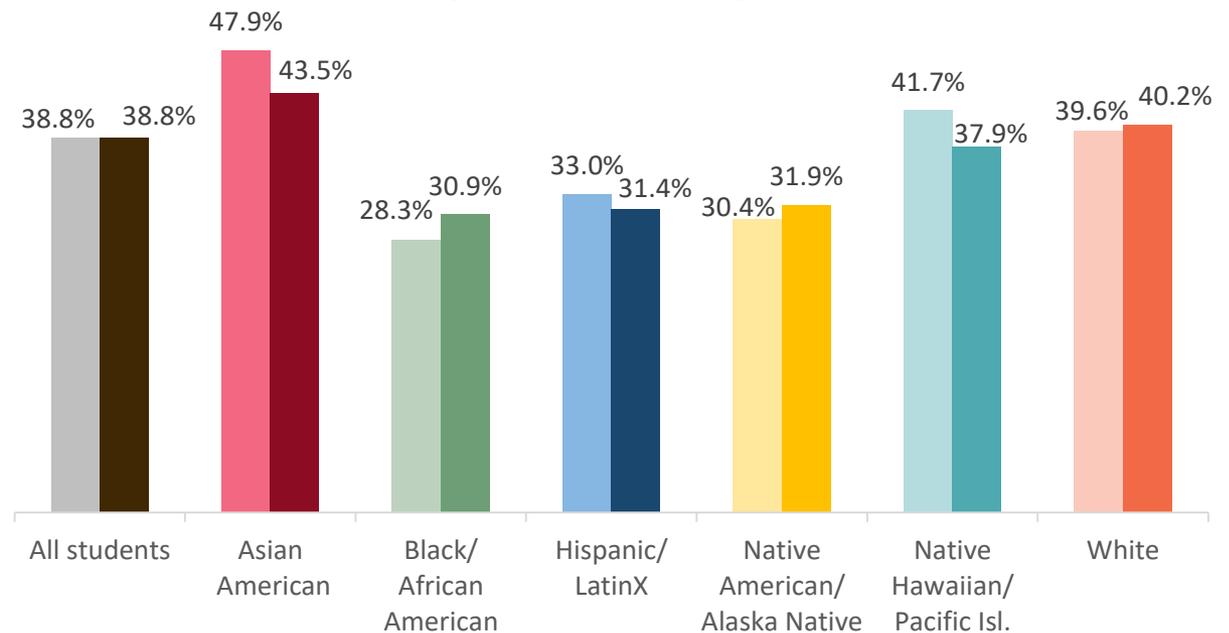
2018 Targets

	Bachelor's or adv. deg.	Associate deg. or cert.	Some college, no deg.	HS diploma or equiv.	Less than HS diploma
Oregonians 25-34					
40-40-20	36%	21.5%	0%	19%	0%

KPM #5-6: Community College Completion and Transfer Rate, Total and by Race/Ethnicity

Description: Percentage of Oregon community college students who complete an associate degree or who transfer to a university within three years

Almost half of credential-seeking students at community colleges complete a certificate/degree or move to a four-year university. This new measure will include trends over time in coming years.



Darker shades represent 2018. Lighter shades represent 2017

2018 Targets

All	Asian American	Black/African American	Hispanic/LatinX	Native American/Alaska Native	Native Hawaiian/Pacific Islander	White
new measure, targets determined after this baseline year						

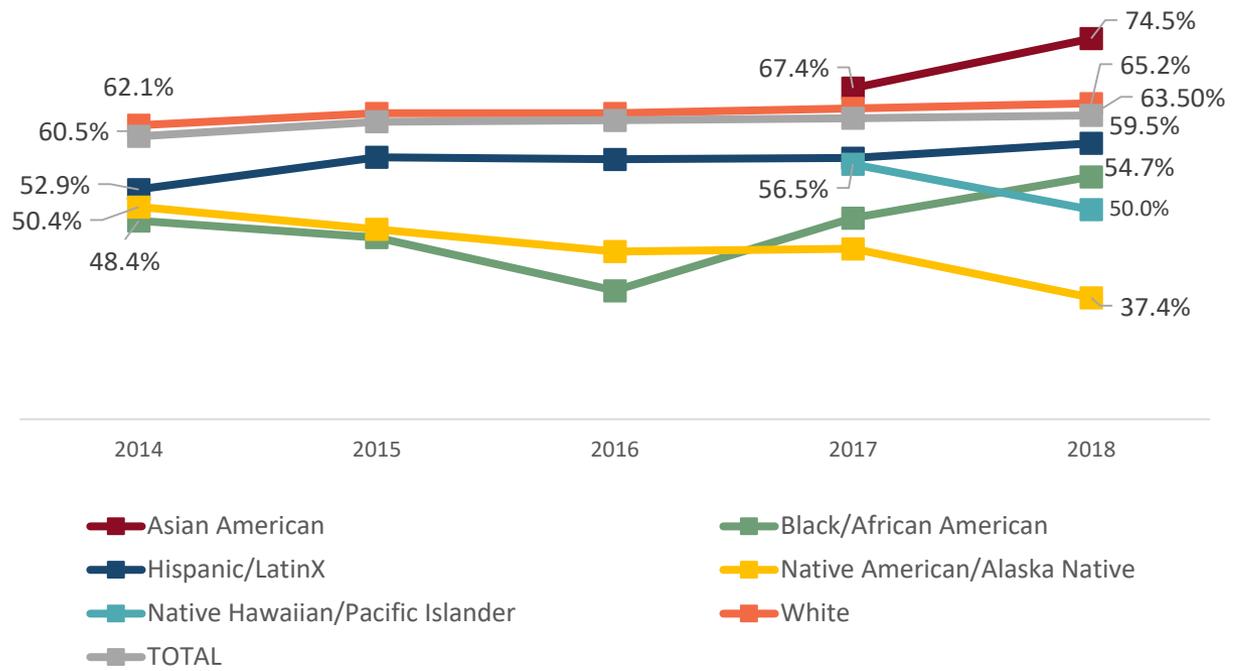
Source: HECC analysis of university and community college data .

Notes: This KPM uses student behavior to define “credential-seeking” as accumulating 18 or more quarter credits within the period. A student is considered to have transferred if there is any evidence of enrollment at a 4-year university after the last enrollment in the community college and before the end of the three-year tracking period.

KPM #7-8: Public University Graduation Rate, Total and by Race/Ethnicity

Description: Percentage of Oregon university students who complete a bachelor's degree within 6 years – Total and disaggregated by race/ethnicity

Public university graduation rates have risen for Asian American, Hispanic American, and White students but not for African American or Native American students



2018 Targets

All	Asian American	Black/African American	Hispanic/LatinX	Native American/Alaska Native	Native Hawaiian/Pacific Islander	White
63.5%	70%	63.5%	63.5%	63.5%	63.5%	65.2%

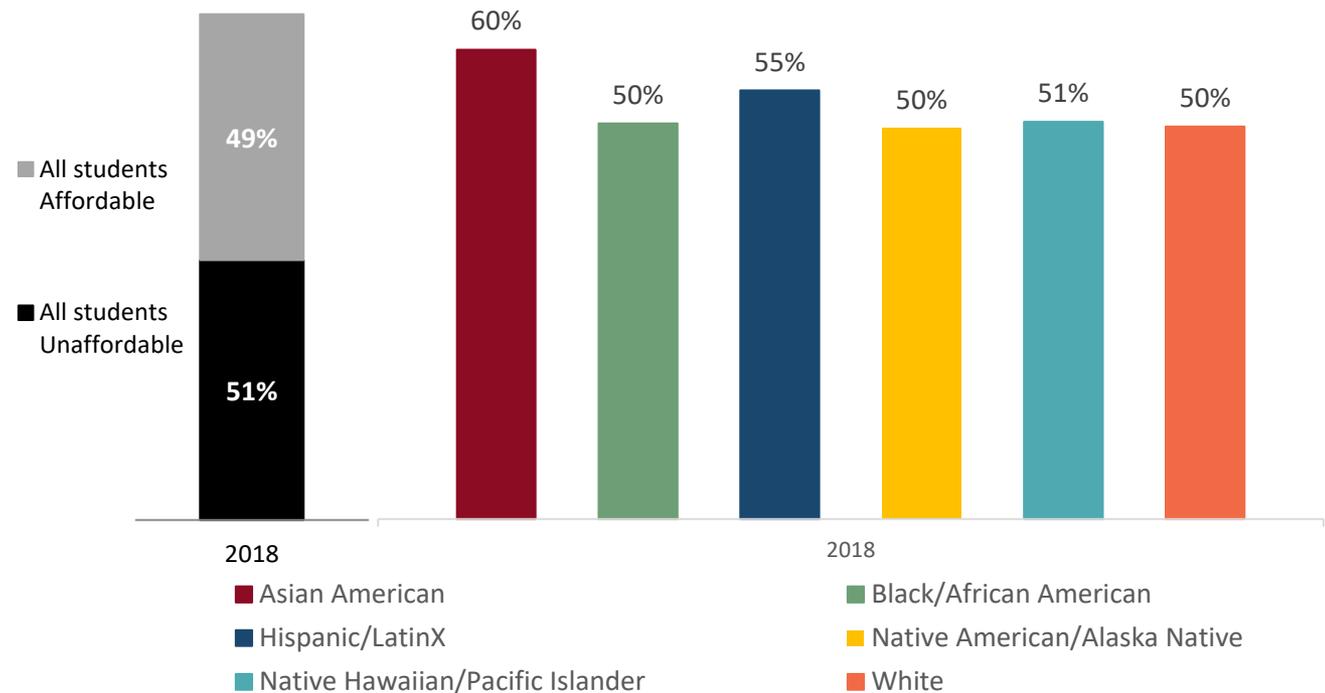
512 Source: HECC analysis of Oregon public university student records. Includes only first-time, full-time freshmen university students. Notes: Currently there is no historical data for the Native Hawaiian or Pacific Islander category. Prior to the 2010 cohort, the Asian American group included Native Hawaiian and Pacific Islander categories.



KPM #9-10: Higher Education Unaffordability, All Students and by Race/Ethnicity

Description: Percentage of resident enrolled students who incur unaffordable costs, adjusted with institutional aid after Estimated Family Contribution (EFC) and student earnings are applied.

More than half of all students in public universities and community colleges cannot afford the cost of attendance even with financial aid.



2018 Targets

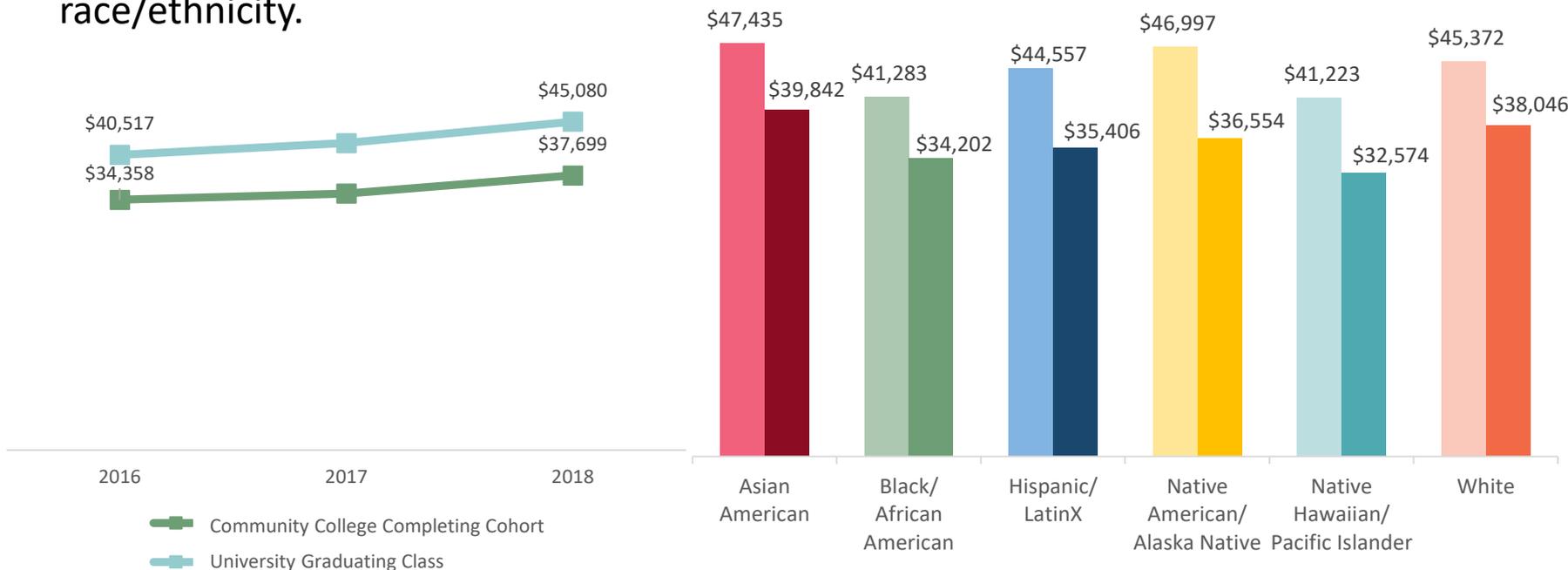
All	Asian American	Black/African American	Hispanic/LatinX	Native American/Alaska Native	Native Hawaiian/Pacific Islander	White
50%	50%	45%	50%	50%	45%	50%

513 Source: HECC analysis of Oregon public university and community college student records. Notes: Restricted to resident, undergraduate university students and community college students who attempted at least one credit. Limited only to those students who filed a Federal Application for Student Aid (FAFSA).



KPM #11-12, 13-14: Earnings for Community College Completers and University Graduates, Over Time and by Race/Ethnicity

Description: Median earnings of community college completers and university graduates with bachelor's degrees, five years after completion, over time and disaggregated by race/ethnicity.



Darker shades represent 2018 community college data.
Lighter shades represent 2018 university data.

2018 Targets

Community Colleges	\$35,745.00
Universities	\$42,145.00

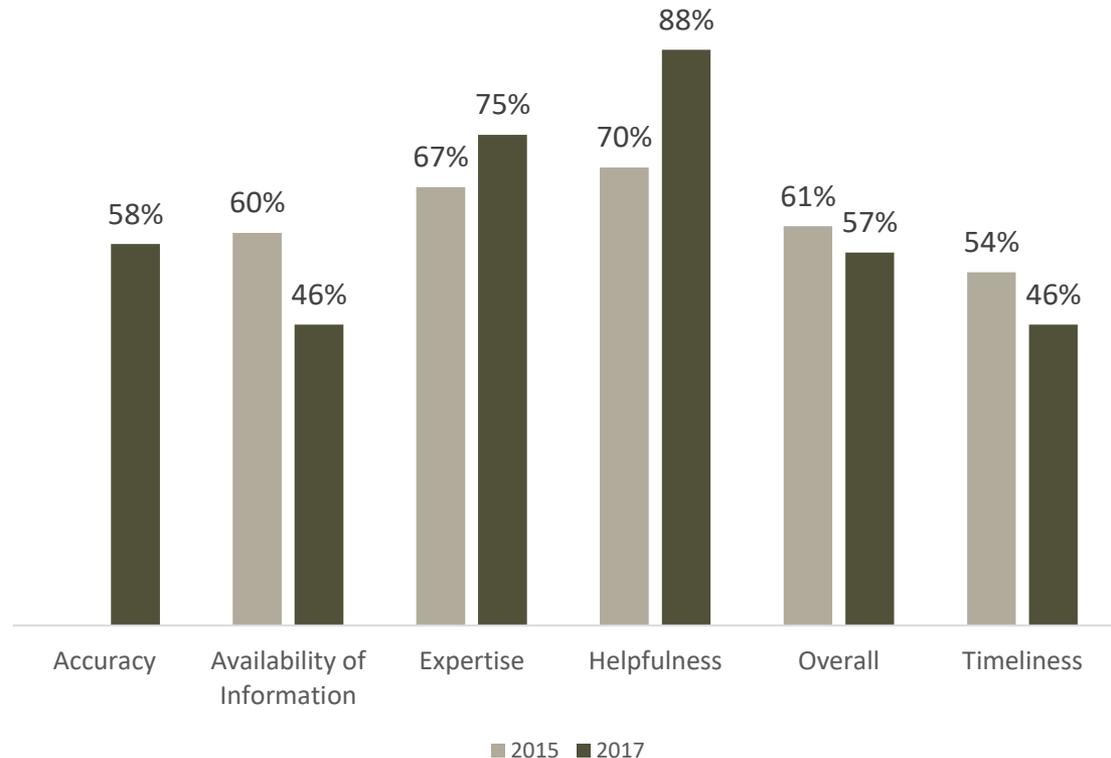
514 Source: HECC analysis of Oregon community college student records.
Notes: Includes individuals who were awarded a career/technical certificate, Oregon Transfer Module (OTM) certificate, or an associate degree.



KPM #15: Customer Service

Description: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent:" overall, timeliness, accuracy, helpfulness, expertise, availability of information.

HECC constituents expressed greater satisfaction with staff expertise and helpfulness than in 2015, while availability of information and timeliness show a need for improvement



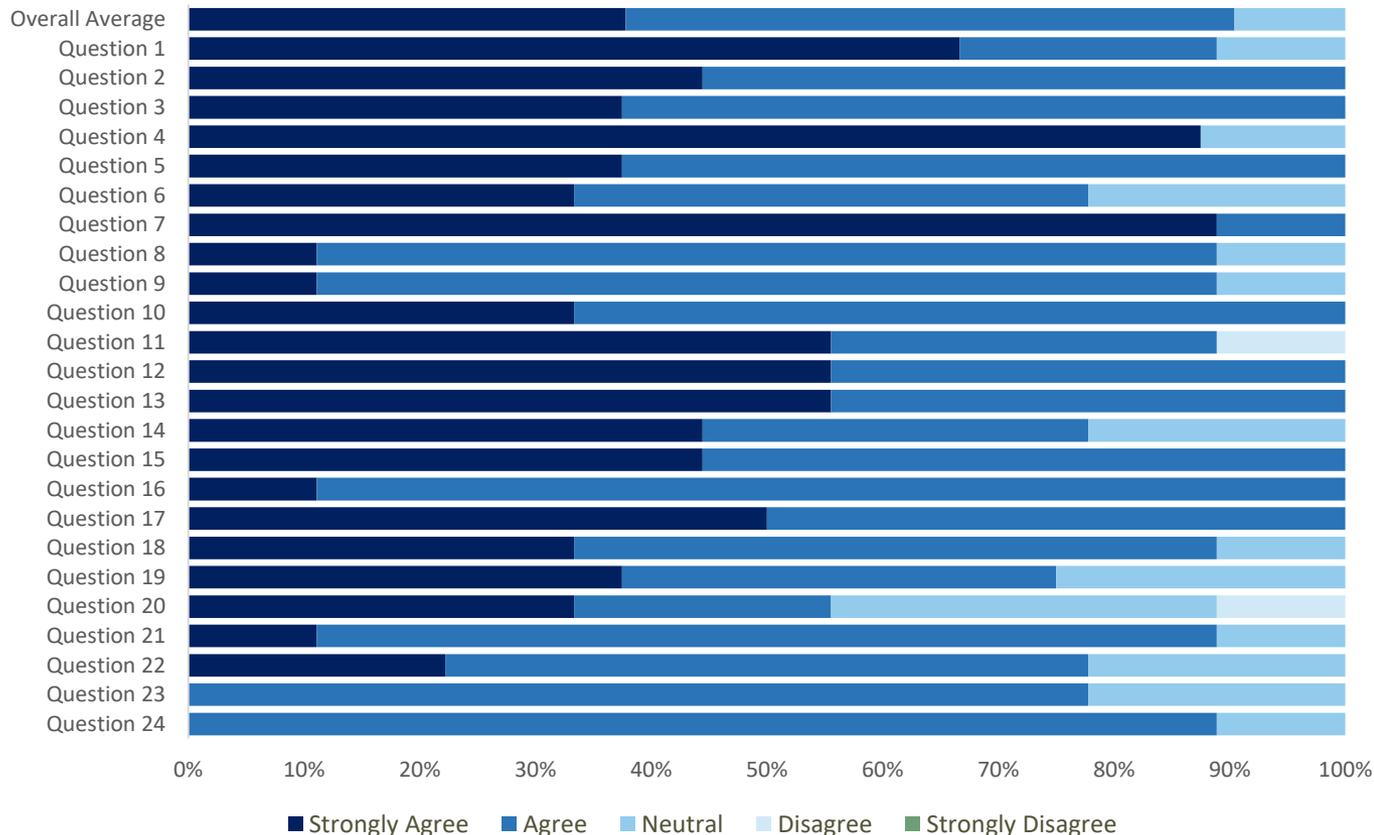
2018 Targets

All measures	90%
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515 Source: HECC analysis of survey of stakeholders with a response rate of 40 percent.
 Notes: The group of stakeholders for this 2017 survey was different from the 2015 group, making comparisons between the years difficult. The Accuracy category was new to this survey so there is no historical data to provide.

KPM #16: Agency Best Practices

Description: Annual survey of Commissioners' opinion about how well the best practices were met by the Commission.



Averaging all questions,



of Commissioners **agreed** or **strongly agreed** the Commission follows these best practices

2018 Targets

All questions	100%
---------------	------

516 Source: HECC analysis of survey of Commissioners with a response rate of 69 percent.
 Notes: The survey included 24 rated questions and 3 open-ended questions. This survey contained different questions from the previous survey in 2015 making comparisons between the years not possible.



KPM #16: Agency Best Practices – List of Rated Questions

As an individual Commissioner:

1. I am able to devote the time and energy necessary to actively participate in Commission meetings.
2. The amount of time expected of commissioners to prepare and participate in Commission meetings is reasonable.
3. The amount of time expected of commissioners outside of Commission meetings is reasonable.
4. The Commission is effectively utilizing my skills and expertise.
5. I can speak candidly at Commission meetings.
6. I can participate in subcommittee meetings in which I am not a subcommittee member.
7. Serving on this Commission is satisfying.

As a Commission:

8. The Commission as a whole has a clear understanding of its role and responsibilities.
9. The Commission understands and respects the distinction between its responsibilities and those of management.
10. Commissioners actively participate in discussions.
11. The Commission has diversity of representation (e.g., gender, ethnicity, age, vocation, etc.).
12. Commissioners listen to and value each other's comments.
13. The leadership of the Commission is effective.

14. Public comment during the public comment section of the meeting and during action items is a valuable opportunity to gather input.
15. The Commission provides insight and guidance to the HECC's strategic direction.
16. The Commission ensures the agency's fiscal integrity by monitoring the agency's financial policies and operating performance and by submitting the agency's biennial budgets.
17. The Commission assesses the performance of the Executive Director on an annual basis
18. The Commission follows the highest standards of fiduciary duty and avoids conflict of interest in decision-making.
19. The Commission operates in a transparent and open fashion.
20. Commission meetings have agendas and materials that are distributed far enough in advance to give them adequate consideration.
21. Commission meetings rely on written and presentation materials that provide the right type and amount of information and are clearly written.
22. Commission meetings cover the right combination of information-sharing, discussion, decision-making, and board education.
23. Commission meetings allow enough time for the exchange of ideas and thoughtful deliberation.
24. Commission meetings strike the right balance between long-range, strategic matters and routine matters of oversight.

APPENDIX B

TEN PERCENT REDUCTIONS



Higher Education Coordinating Commission

10% Reduction Options

Activity	Description	Amount and Fund Type
<p>10% Federal Funds Reduction</p> <p><u>HECC Workforce Programs – Eliminates Statewide Activity Reserve and Rapid Response Reserve Funds</u></p> <p>Statewide Activity Funds are reserved for both required and allowable activities to support the workforce system in Oregon. Some required activities include maintaining an eligible provider training list, providing youth funds to support local workforce boards, and performance reporting. Rapid Response funds are required to be held back to assist local communities when they experience workforce disruptions such as business shut downs or industry downturns.</p> <p>Puts HECC at risk for not maintaining activities required by Title IB of WIOA.</p>	<p>Reduces amount of federal funding available to respond to adverse local job conditions and to engage in activities that support the workforce system in Oregon.</p>	<p>\$4,052,980 FF</p>
<p><u>Reduce Local Workforce Development Board Support</u></p> <p>Title IB of the Workforce Innovation and Opportunity Act provides funds for adult, dislocated workers, youth employment training programs, and other workforce training programs. This program is funded by the U.S. Department of Labor (DOL).</p> <p>Title II of the Workforce Innovation and Opportunity Act includes funds to support developmental education for adults. This program is funded by the U.S. Department of Education.</p>	<p>Reduces Federal Fund Limitation. Reduces ability to secure additional federal grants that provide training, retraining, and skill upgrades to Oregonians seeking skills to enter the workforce or who have been dislocated from employment and require retraining.</p> <p>Reduces ability to provide Adult Basic Skills at community colleges and the Department of Corrections. This would negatively affect job readiness and transition to postsecondary education.</p>	<p>\$8,675,657 FF</p>

Higher Education Coordinating Commission

10% Reduction Options

Activity	Description	Amount and Fund Type
10% Lottery & General Fund Reduction		
<p><u>Eliminates Public University Sports Action Lottery</u> The Sports Action Lottery was established by state statutes ORS 461.535 and 461.543 to provide funding for intercollegiate athletics at the public universities. The statute sets aside 12% of the funds for non-athletic graduate student scholarships. The remaining 88% is distributed to the intercollegiate athletic departments of the public universities.</p>	<p>Reduces scholarships, which impedes access, affordability and retention, thereby lowering potential progress toward increased graduation rates and overall 40-40-20 goals. Campuses with athletic programs more reliant on lottery funding would be disproportionately affected.</p>	<p>\$14,099,809 LF</p>
<p><u>Reduce operating transfer for OHSU Programs by 7.5%</u> OHSU receives state funding to support the Schools of Dentistry, Medicine, and Nursing: the CDRC, Oregon Poison Center, the Office of Rural Health, the AHEC and for Scholars for a Health Oregon Initiative. Funds provided to OHSU cover about 28% of the costs to educate students with the rest coming from tuition and other sources.</p>	<p>Directly reduces the funds available to cover the education costs for students in the fields of Dentistry, Medicine, and Nursing. May result in tuition increases or cuts to programs.</p>	<p>\$5,787,115 GF</p>

Higher Education Coordinating Commission

10% Reduction Options

Activity	Description	Amount and Fund Type LAB
10% General & Other Fund Reduction		
<p><u>Public University Agricultural Experiment Station (AES)</u> AES is an economic engine for much of rural Oregon, as well as for food systems and export industries in the metro area with a multimillion dollar influence in the statewide economy.</p>	<p>A reduction in General Fund could necessitate program eliminations and a collateral negative impact on research productivity. Any actual cut scenarios would be the purview of Oregon State University Board of Trustees and administration.</p>	<p>\$6,972,375 GF</p>
<p><u>Reduce operating transfer to Public University Extension Service (ES) by 10%</u> Will likely result in cuts to services or programs delivered throughout Oregon's 36 counties. Actual reduction decisions would be the purview of Oregon State University Board of Trustees and administration</p>	<p>A reduction in General Fund could reduce the number of community educators. This will also reduce capacity to generate external grant and contract funding. Reduced service would impact some of the state's most vulnerable populations, including limited resource families and youth.</p>	<p>\$5,034,186 GF \$4,680,585 OF</p>

Higher Education Coordinating Commission

10% Reduction Options

Activity	Description	Amount and Fund Type LAB
10% General Fund Reduction		
<p><u>Reduce operating transfer to Public University Forest Research Laboratory by 10%</u> The historical relationship between the state and Oregon’s forest industry have each provided half of the funding for forest research and development in recognition that the economy, the environment, communities and Oregonians all gain from healthy forests.</p>	<p>A significant reduction in appropriated funding puts at risk the loss of Harvest Tax revenue for FRL. Options for managing a 10% reduction in General Fund appropriations could include reduction of research activities in water quality/riparian management, production planning/modeling, economical harvest and transport processes for biomass based energy, and green building practices.</p>	<p>\$1,078,636 GF</p>
<p><u>Reduce Public University State Programs by 10%</u> Provides support for certain institutes, centers, and programs operated by the seven public universities that address the economic development, resource base, and public service needs of the state of Oregon. Many affected programs have an industry-specific focus, and receive additional investments from the private sector.</p>	<p>Likely will reduce the effectiveness of many strategic efforts designed to support key industries and unique social and community niches filled by the public universities.</p>	<p>\$4,263,900 GF</p>

Higher Education Coordinating Commission

10% Reduction Options

Activity	Description	Amount and Fund Type
10% General & Other Fund Reduction		
<p><u>Reduce operating transfer to Community College Support Fund (CCSF) by 7.5%</u></p> <p>Community colleges rely on three complementary funding streams to support education and workforce services to local communities: General Fund appropriations through the CCSF, property taxes, and student tuition and fees.</p>	<p>This will reduce the amount of funding that is distributed to community colleges. The likely response to this reduction would be:</p> <ul style="list-style-type: none"> • Program eliminations and • Fewer course offerings <p>This will have an adverse impact on student affordability.</p>	<p>\$44,322,414 GF \$3,436 OF</p>
<p><u>Reduce operating transfer to Public University Support Fund (PUSF) by 7.5%</u></p> <p>The Public University Support Fund is the primary means by which the state invests in the educational mission of its seven public universities.</p>	<p>This will reduce the amount of funding that is distributed to each of the seven universities. The likely response to this reduction would be:</p> <ul style="list-style-type: none"> • Program eliminations • Fewer course offerings, • Use of fund balance; depleting reserves can result in an inability to respond to emergencies • Tuition increases, which would further exacerbate affordability. 	<p>\$58,340,926 GF</p>

Higher Education Coordinating Commission

10% Reduction Options

Activity	Description	Amount and Fund Type
10% General Fund Reduction		
<u>Eliminate Oregon Promise Grant Program</u> Oregon Promise is a state grant that helps cover tuition at any Oregon Community College for recent high school and GED graduates.	Will result in fewer students receiving financial aid. May result in students dropping out or taking on additional debt. Negatively impacts state's affordability goals.	\$41,483,035 GF 1.0 FTE eliminated
<u>Reduce Oregon Opportunity Grant program by 3%</u> Oregon Opportunity Grant is Oregon's largest state-funded, need-based grant program for college students.	Will result in 1,200 fewer students receiving need-based financial aid. May result in students dropping out or taking on additional debt. Negatively impacts state's affordability goals.	\$4,545,321 GF

Higher Education Coordinating Commission

10% Reduction Options

Activity	Description	Amount and Fund Type
10% Other & Federal Fund Reduction		
<u>Eliminate Private Career School Monitoring & Credentialing</u> License fees from private schools that operate in Oregon.	This program is self-funding. The State's ability to comply with required oversight would be negatively affected and consumer protection functions would be compromised.	\$3,252,455 OF 7.0 FTE/9 Positions
<u>Oregon Youth Conservation Corps.</u> Provides life and job skills education and training to disadvantaged and at-risk youth.	This eliminates environmental education opportunities for at-risk and disadvantaged youth ages 13-24. These youth report that their OYCC experience increases their academic and work skills, as well as their interest in further education and job training.	\$2,549,339 OF \$1,202,011 FF 2.0 FTE/2 Positions

Higher Education Coordinating Commission

10% Reduction Options

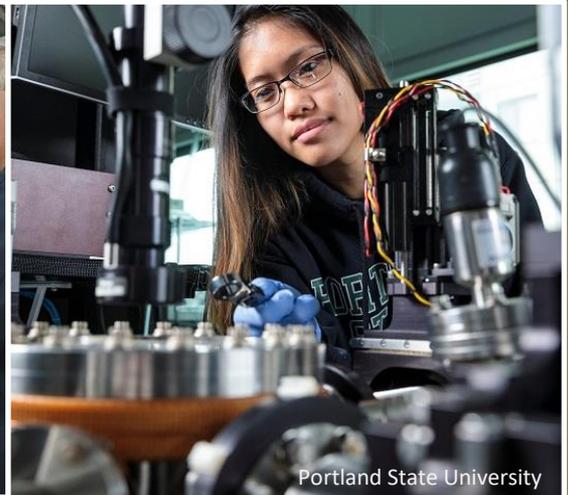
Activity	Description	Amount and Fund Type
10% Other & General Fund Reduction		
<u>Reduce Private Grants and Scholarships by 20%</u>	Reduces privately funded Scholarship awards to approximately 660 students per year.	\$2,397,589 OF \$212 GF 1.25 FTE/2 Positions

APPENDIX C

OTHER REPORTS



Mt. Hood Community College



Portland State University



Oregon Institute of Technology

HECC Proposed Maximum Supervisory Span of Control

