

HB 5019

Department of Community Colleges and Workforce Development

HB 5019 is the budget bill for the Department of Community Colleges and Workforce Development. This agency is responsible for the statewide administration of the Community College system of the workforce development system. The Education Subcommittee recommends a budget of \$624,792,110 in total funds with \$481.7million General Fund, \$9.5 million Lottery Funds, \$7.3 million Other Funds and \$107.2 million Federal Funds. The agency has an approved staff compliment of 59 positions and 58.70 FTE.

The state support for the 17 Community Colleges is set at \$450 million representing an increase of over \$50 million from the level included in the 2011-13 budget. Other General Fund programs in this budget include \$7.5 million for a workforce initiative, \$600,000 for skills center in Clackamas County and in Portland, and almost \$675,000 for expanding and coordinating training programs at Community Colleges for community health care workers.

Other changes in this budget include a reduction of \$8.8 million in federal funds limitation reflecting the anticipated reduction in Workforce Investment Act Title 1B funds. Most of this reduction is from the funds that are distributed to the local Workforce Investment Boards. Adjustments were also made for reductions in PERS rates resulting from the changes made in SB 822, and in debt service costs to reflect most recent estimates of 2013-15 obligations.

The Education Subcommittee recommends HB 5019 be amended, and be reported out do pass, as amended.

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5019-A

Carrier – House: Rep. Komp

Carrier – Senate: Sen. Monroe

Action: Do Pass as Amended and be Printed A-Engrossed

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Bill McGee, Department of Administrative Services

Reviewed By: Doug Wilson, Legislative Fiscal Office

Meeting Date: June 14, 2013

Agency

Department of Community Colleges and Workforce Development

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 402,796,921	\$ 439,278,936	\$ 465,089,087	\$ 62,292,166	15.5%
General Fund Debt Service	\$ 15,693,047	\$ 19,097,991	\$ 16,634,740	\$ 941,693	6.0%
Lottery Funds Debt Service	\$ 7,144,080	\$ 9,779,594	\$ 9,521,027	\$ 2,376,947	33.3%
Other Funds	\$ 6,869,643	\$ 6,164,804	\$ 7,030,832	\$ 161,189	2.3%
Other Funds Debt Service	\$ 200,000	\$ 0	\$ 307,051	\$ 107,051	53.5%
Federal Funds	\$ 118,161,396	\$ 116,068,422	\$ 107,240,541	\$ (10,920,855)	-9.2%
Federal Funds Nonlimited	\$ 18,968,831	\$ 18,968,831	\$ 18,968,831	\$ 0	0.0%
Federal Funds Debt Services Nonlimited	\$ 1	\$ 1	\$ 1	\$ 0	0.0%
Total	\$ 569,833,919	\$ 609,358,579	\$ 624,792,110	\$ 54,958,191	9.6%

Position Summary

Authorized Positions	62	59	59	-3
Full-time Equivalent (FTE) positions	61.45	58.70	58.70	-2.75

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

General Fund supports community college operations, department operations, and debt service. Almost 95 percent of General Fund in the Department of Community College and Workforce Development (CCWD) 2013-15 budget is distributed to the 17 community colleges through the Community College Support Fund. General Fund does not make up a significant amount of funding for CCWD staffing – of the agency’s 61.45 full-time equivalent (FTE) positions in the 2011-13 biennium, only 8.65 FTE are funded with General Fund.

General Fund and Lottery Funds support debt service on state general obligation and lottery-backed bonds issued for community college capital construction and deferred maintenance projects. Other Funds revenue sources include federal Carl Perkins Technical Applied Technology Act funds transferred from the Oregon Department of Education; fees charged for General Education Diploma (GED) testing; and miscellaneous

receipts from the sale of community college directories and reimbursements. Amusement device tax revenues are statutorily provided for Oregon Youth Conservation Corps (OYCC) program support. OYCC also receives transfers from the Marine Board to support youth projects. CCWD continues to receive a small amount of timber tax revenues to support the Community College Support Fund following changes to the tax structure in House Bill 2197 (2003).

The Subcommittee ratified fee increases for administrative costs related to General Education Development (GED) exam tests. The tests are created by the GED Testing Service, a joint venture between the American Council on Education and Pearson Education. GED Testing also establishes test administration procedures and passing standards. Individual states administer the test; CCWD is Oregon's designated administrative agency. An increase in the fee structure was approved by the Department of Administrative Services in May 2013. The change corresponds with a move from a paper-based single comprehensive fee for all components of the exam to a series of smaller fees for computer-based individual exam components. The new test will also be integrated with the Common Core Standards for high school graduation adopted by the Oregon State Board of Education and many other states.

The Department receives the majority of its Federal Funds under Workforce Investment Act (WIA) program received from the U.S. Department of Labor. WIA Title IB funds support adult dislocated worker, youth education training, and other workforce programs. The WIA Title II Adult Basic Education program funds developmental education for adults. OYCC receives federal funds from the Bureau of Land Management to provide work experience for at-risk youth in natural resource projects.

Federal National Emergency Grants are received intermittently following economic dislocations and large layoffs. These grants are spent under Non-limited expenditure authority.

Summary of Education Subcommittee Action

Under the direction of the State Board of Education, the Department of Community Colleges and Workforce Development (CCWD) coordinates the efforts of the state's 17 community colleges and initiates programs to maintain educational opportunities and workforce development capacity within the state. The Department distributes federal workforce development funds to local programs. The Oregon Youth Conservation Corps (OYCC) is also part of the agency.

The Subcommittee approved a budget of \$624,792,110 total funds including \$481,723,827 General Fund, \$9,521,027 Lottery Funds, and 58.70 full-time equivalent positions (FTE). General Fund is increased from the 2011-13 Legislatively Approved Budget (LAB) by 15.1 percent due to increased support for community colleges, funding of a statewide workforce initiative and increased debt service costs on bonds sold for community college capital construction projects. Lottery Funds are increased by 33.3 percent due to increased debt service on bonds sold for community college capital construction and deferred maintenance projects. Total funds are increased by 7.8 percent and full-time equivalent positions are reduced by 4.5 percent.

The approved budget includes \$450 million General Fund for the Community College Support Fund, the state's contribution to the operation of Oregon's 17 community colleges. In the 2011-13 biennium, funding for the Support Fund was less than \$400 million. An additional \$7.5 million

General Fund is included to expand workforce programs, including Back to Work Oregon, National Career Readiness Certificates, and others. Funding is provided to train Community Care Workers as part of Oregon's federal Medicaid waiver. Funds are restored for the North Clackamas School District and Portland Community College skills centers. The approved budget also adjusts the Community College Support Fund and CCWD operations for PERS savings anticipated from Senate Bill 822.

Office Operations

The Office Operations program unit provides leadership, coordination, accountability, and technical assistance to Oregon's community colleges and local workforce investment programs. With the exception of the OYCC program, all administrative staff and expenditures are contained in this unit. Federal resources distributed to community colleges and workforce providers are included in separate program units.

The Subcommittee approved a budget of \$30,899,162 total funds including \$13,815,287 General Fund and 55.70 full-time equivalent positions (FTE). General Fund is increased from the 2011-13 LAB by 112.4 percent due to funding for the Governor's workforce initiative. Total funds are increased by 22.9 percent while FTE is reduced by 4.7 percent.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 070 that reduces the Federal Funds expenditure limitation by \$1,079,676 to reflect lower revenues from the WIA Title IB program. The reduction in this program unit is taken in the Services and Supplies professional services account. A related reduction in the Federal and Other Support budget unit also reflects lower revenues from this federal workforce program.
- Approved Package 081 that eliminates an Office Specialist 2 position (1.00 full-time equivalents) which was identified for elimination by the Emergency Board at its May 2012 meeting. The packages reduce General Fund by \$40,862, Other Funds by \$20,432 and Federal Funds by \$40,863.
- Approved Package 090 that eliminates two vacant positions (Policy Analyst 3 and Program Analyst 3) which had been funded with Federal Funds. Funding for an Accountant 2 position is shifted from General Fund to a mixture of Other Funds and Federal Funds. In addition, General Fund is reduced by \$75,000 for temporary employees and by \$25,000 for various Services and Supplies accounts. These actions reduce General Fund by \$109,704, increase Other Funds by \$4,852, reduce Federal Funds by \$384,583, and eliminate two positions (2.00 FTE).
- Approved Package 091, a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. This package generates \$357,844 in total funds savings. The Department of Administrative Services will continue to work on these reductions with agencies and report back to the 2014 legislative session.

- Approved Package 092 which includes \$29,170 in total funds savings reflecting the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. The change reduces state employer contribution rates by approximately 0.3 percent.
- Approved Package 093 which includes \$233,080 in total funds savings reflecting the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent. These savings also include the impact of the direction to the PERS Board in SB 822 to reduce employer contribution rates.
- Approved Package 102 that increases Other Funds by \$150,000 for the monitoring and oversight of capital construction projects at the 17 community colleges that are funded with state bonds. Monitoring and oversight is contracted to a private sector project management firm. The colleges provide funding for this function.
- Approved Package 201 that funds the Governor’s workforce initiative at \$7,498,530 General Fund. The package was reduced from the proposed \$10 million investment due to General Fund constraints. The package includes resources for the establishment of two full-time permanent positions-- a Program Analyst 4 and an Administrative Specialist 2 – as well as other costs to support the elements of the initiative. The package also shifts \$1.8 million from Special Payments as included in the Governors’ budget to Services and Supplies (Professional Services) as the agency will contract for the services.

The package has the following components:

1. Expands the Back to Work Oregon program by \$2.8 million General Fund, which will be administered by local workforce investment boards in cooperation with the Employment Department. The program has two components: on-the-job training and Oregon’s National Career Readiness Certificate program. The additional funding is anticipated to help over 500 unemployed workers find long-term employment. The Current Service Level includes over \$3 million for the program.
2. Provides \$1.5 million General Fund for the National Career Readiness Certificate program, which provides workers with a “portable” certificate verifying their qualifications. The funds backfill nearly all 2011-13 federal support for the program that does not continue into 2013-15.
3. Includes \$750,000 General Fund for the Certified Work Ready Communities program that certifies counties or regions as work ready and prepared to change their economic base and attract new businesses and jobs.
4. Provides \$1.45 million General Fund for Supporting Sector Strategies which are employer-driven partnerships to match the needs and skill sets of key industries within a regional labor market.

5. Includes \$525,000 General Fund to contract for technical assistance to local workforce programs to assist in evaluation, marketing, and outreach.
- Approved Package 811 that provides \$820,000 in additional Other Funds expenditure limitation for grants received in the 2011-13 biennium that will continue into 2013-15. Grants include National Career Readiness Certificate, Core to College Lumina grant, and the Credit When Due Lumina grant. The package also includes reauthorization of a limited duration Operations and Policy Analyst 4 position (1.00 FTE) for the 2013-15 biennium. The package also includes \$11,000 Other Funds limitation for General Education Development (GED) exam fee revenues. An increase in the fee structure was approved by the Department of Administrative Services in May 2013. The change corresponds with a move from a paper-based single comprehensive fee for all components of the exam to a series of smaller fees for computer-based individual exam components. The new test will also be integrated with the Common Core Standards for high school graduation adopted by the Oregon State Board of Education and many other states. The increased expenditure limitation is primarily due to an anticipated increase in the number of people taking the test.

State Support to Community Colleges

This unit contains the Community College Support Fund, the state's contribution to community college operations. It also includes state support for other programs administered by the colleges.

The Subcommittee approved a budget of \$451,273,800 General Fund and \$25,308 Other Funds. General Fund is increased from the 2011-13 LAB by 13.9 percent. Other Funds are unchanged from the LAB. No positions or FTE are included in this program unit.

The Subcommittee took the following actions:

- Approved the base budget and essential packages.
- Approved Package 092 which includes \$594.081 in General Fund savings reflecting the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. The change reduces employer contribution rates by approximately 0.3 percent.
- Approved Package 093 which includes \$8,713,195 in General Fund savings reflecting the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces employer contribution rates by approximately 2.2 percent. These savings also include the impact of the direction to the PERS Board in SB 822 to reduce employer contribution rates.
- Approved Package 101 that increase state support for the 17 community colleges by \$26,579,369 General Fund. This addition increases the Community College Support Fund from less than \$400 million in 2011-13 to \$450 million in 2013-15.
- Approved Package 202 that provides \$673,800 General Fund to the community colleges to expand and coordinate programs for training community healthcare workers to support the newly formed Community Care Organizations. This action is related to the Medicaid waiver

Oregon was recently granted by the federal government. This package is expected to assist in training 300 or more community healthcare workers by 2015.

- Approved Package 810 that adds \$600,000 General Fund to support the North Clackamas School District's Sabin Schellenberg Professional Technical Center and the Portland Community College Margaret Carter Skill Center.

Federal and Other Support

This unit contains Other Funds and Federal Funds that are distributed to community colleges, local workforce service areas, and other local providers. Federal Funds are received from the U.S. Department of Labor for Workforce Investment Act (WIA) Title IB programs and Title II Adult Basic Education program. Other Funds include federal Carl Perkins Technical and Applied Technology Act Funds transferred from the Department of Education.

The Subcommittee approved a budget of \$112,522,869 total funds, reduced from the 2011-13 LAB by 6.7 percent, reflecting reductions in federal WIA funding. No positions or FTE are included in this program unit.

The Subcommittee took the following actions.

- Approved the base budget and essential packages.
- Approved Package 070 that reduces the Federal Funds expenditure limitation by \$7,725,521 to reflect lower revenues from the WIA Title IB program. The reduction in this program unit is taken in Special Payments, resulting in few resources sent to the local workforce investment councils. A related reduction in the Office Operations budget unit also reflects lower revenues from this federal workforce program.

Oregon Youth Conservation Corps

The Oregon Youth Conservation Corps (OYCC) provides education, training, and employment opportunities for disadvantaged and at-risk youth ages 16 to 25. Work experience is provided through partnerships with public natural resource agencies.

The Subcommittee approved a budget of \$2,524,403 Other Funds. \$1,083,749 Federal Funds and 3.00 full-time equivalent positions. Other Funds are increased from the 2011-13 LAB by 2.5 percent while Federal Funds are reduced by 51.9 percent due to the expiration of federal grants. FTE is unchanged.

The Subcommittee took the following action:

- Approved the base budget and essential packages.
- Approved Package 081 that increased Federal Funds by \$851,813 for grants from the Bureau of Land Management for youth employment opportunities on natural resource projects. The package includes the same amount authorized by the Emergency Board at its May 2012

meeting for the 2011-13 biennium. CCWD receives these funds periodically with little notice so the agency may need to return to the Legislature or the Emergency Board for increases in its Federal Funds expenditure limitation in the future.

- Approved Package 092 which includes \$1,341 in Other Funds savings reflecting the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident.. The change reduces state employer contribution rates by approximately 0.3 percent. These savings also include the impact of the direction to the PERS Board in SB 822 to reduce employer contribution rates.
- Approved Package 093 which includes \$10,714 in Other Funds savings reflecting the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. The change reduces state employer contribution rates by approximately 2.2 percent.

Debt Service

This program unit includes debt service on Article XI-G bonds and Lottery Bonds sold to finance community college construction and deferred maintenance projects. The Subcommittee approved a budget of \$16,634,740 General Fund \$9,521,027 Lottery Funds, and \$26,462,819 total funds. General Fund is increased by six percent, Lottery Funds by 33.3 percent, and total funds by 14.9 percent. There are no positions or FTE included in this program unit.

The Subcommittee took the following action:

- Approved the base budget and essential packages.
- Approved Package 090 that reduces General Fund by \$2,156,200 to capture debt service savings from the delay of capital construction projects at Clackamas Community College and Umpqua Community College that were approved by a prior legislature. Due to the delays, bonds for the projects have not been sold and the debt service is not required.
- Approved Package 810 that includes adjustments based on the most recent estimate of debt service obligations in the 2013-15 biennium for currently issued bonds. Lottery Fund costs are reduced by \$258,567 due to refunding of outstanding bonds and final determination of interest rates following a recently completed sale. In addition, \$307,051 is shifted from General Fund to Other Funds due to the availability of excess interest earnings on bond proceeds that can be used to pay debt costs.

Summary of Performance Measure Action

The Subcommittee approved the Department's performance measures and targets. These recommendations are shown in the Legislatively Adopted 2113-15 Key Performance Measures form attached. Targets were updated to better reflect the most recent history for each measure. Three new measures related to Adult Basic Skills were added, replacing a single measure related to Basic Skills and English as a Second

Language. As with other education related agencies, CCWD is directed to review its KPMs as part of its 2015-17 budget preparation in light of Oregon Education Investment Board goals and associated metrics.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5019-A

**Department of Community Colleges and Workforce Development
Bill McGee 503-378-2078**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 418,489,968	\$ 7,144,080	\$ 7,069,643	\$ 0	\$ 118,161,396	\$ 18,968,832	\$ 569,833,919	62	61.45
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 458,376,927	\$ 9,779,594	\$ 6,164,804	\$ 0	\$ 116,068,422	\$ 18,968,832	\$ 609,358,579	59	58.70
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 001: Office Operations									
Package 070: Revenue Shortfalls									
Services and Supplies: Professional Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,079,676)	\$ 0	\$ (1,079,676)		
Package 081: May 2012 Eboard									
Personal Services	\$ (40,862)	\$ 0	\$ (20,432)	\$ 0	\$ (40,863)	\$ 0	\$ (102,157)	-1	-1.00
Package 090: Analsyt Adjustments									
Personal Services	\$ (84,704)	\$ 0	\$ 4,852	\$ 0	\$ (384,583)	\$ 0	\$ (464,435)	-2	-2.00
Services and Supplies	\$ (25,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (25,000)		
Package 091: Stawew ide Administrative Savings									
Personal Services	\$ (30,771)	\$ 0	\$ (25,795)	\$ 0	\$ (148,487)	\$ 0	\$ (205,053)	0	0.00
Services and Supplies	\$ (8,592)	\$ 0	\$ (30,097)	\$ 0	\$ (114,102)	\$ 0	\$ (152,791)		
Package 092 PERS Taxation Policy									
Personal Services	\$ (4,932)	\$ 0	\$ (3,498)	\$ 0	\$ (20,740)	\$ 0	\$ (29,170)	0	0.00
Package 093 Other PERS Adjustments									
Personal Services	\$ (39,411)	\$ 0	\$ (27,947)	\$ 0	\$ (165,722)	\$ 0	\$ (233,080)	0	0.00
Package 102 Community College Capital Construction									
Services and Supplies	\$ 0	\$ 0	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 150,000		
Package 201: Workforce Initiative									
Personal Services	\$ 297,213	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 297,213	2	2.00
Services and Supplies	\$ 2,201,317	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,201,317		
Special Payments -- Dist to Other Govt Units	\$ 5,000,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000,000		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5019-A

**Department of Community Colleges and Workforce Development
Bill McGee 503-378-2078**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 811: Grant Related Adjustments									
Personal Services	\$ 0	\$ 0	\$ 186,406	\$ 0	\$ 0	\$ 0	\$ 186,406	1	1.00
Services and Supplies	\$ 0	\$ 0	\$ 11,000	\$ 0	\$ 0	\$ 0	\$ 11,000		
Special Payments -- Dist to Other Govt Units	\$ 0	\$ 0	\$ 633,594	\$ 0	\$ 0	\$ 0	\$ 633,594		
SCR 002 State Support to CCs									
Package 092 PERS Taxation Policy									
Special Payment -- Dist to Comm Colleges	\$ (594,081)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (594,081)		
Package 093 Other PERS Adjustments									
Special Payment -- Dist to Comm Colleges	\$ (8,713,195)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (8,713,195)		
Package 101 State Support to Community Colleges									
Special Payment -- Dist to Comm Colleges	\$ 26,579,369	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 26,579,369		
Package 202: Community Care Worker Training									
Special Payment -- Dist to Comm Colleges	\$ 673,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 673,800		
Package 810: LFO Analyst Adjustments									
Special Payment -- Dist to Comm Colleges	\$ 600,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 600,000		
SCR 003 Federal/Other Support									
Package 070: Revenue Shortfalls									
Special Payments	\$ 0	\$ 0	\$ 0	\$ 0	\$ (7,725,521)	\$ 0	\$ (7,725,521)		
SCR 004 Oregon Youth Conservation Corps									
Package 081: May 2012 Eboard									
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,554	\$ 0	\$ 25,554	0	
Special Payments -- Dist to Other Govt Units	\$ 0	\$ 0	\$ 0	\$ 0	\$ 826,259	\$ 0	\$ 826,259	0	
Package 092 PERS Taxation Policy									
Personal Services	\$ 0	\$ 0	\$ (1,341)	\$ 0	\$ 0	\$ 0	\$ (1,341)	0	0.00

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5019-A

**Department of Community Colleges and Workforce Development
Bill McGee 503-378-2078**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 093 Other PERS Adjustments										
Personal Services	\$ 0	\$ 0	\$ (10,714)	\$ 0	\$ 0	\$ 0	\$ (10,714)	0	0.00	
SCR 005 Debt Service										
Package 090: Analyst Adjustments										
Principal -- bonds	\$ (430,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (430,000)	0		
Interest -- bonds	\$ (1,726,200)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,726,200)	0		
Package 810 LFO Analyst Adjustments										
Debt service	\$ (307,051)	\$ (258,567)	\$ 307,051	\$ 0	\$ 0	\$ 0	\$ (258,567)	0	0.00	
TOTAL ADJUSTMENTS	\$ 23,346,900	\$ (258,567)	\$ 1,173,079	\$ 0	\$ (8,827,881)	\$ 0	\$ 15,433,531	0	0.00	
SUBCOMMITTEE RECOMMENDATION *	\$ 481,723,827	\$ 9,521,027	\$ 7,337,883	\$ 0	\$ 107,240,541	\$ 18,968,832	\$ 624,792,110	59	58.70	
% Change from 2011-13 Leg Approved Budget	15.1%	33.3%	3.7%	0.0%	-9.2%	0.0%	9.6%	-4.8%	-4.5%	
% Change from 2013-15 Current Service Level	5.1%	-2.6%	19.0%	0.0%	-7.6%	0.0%	2.5%	0.0%	0.0%	

*Excludes Capital Construction Expenditures

Legislatively Approved 2013-2015 Key Performance Measures

Agency: COMMUNITY COLLEGES and WORKFORCE DEVELOPMENT, DEPT. of

Mission: The mission of the Department of Community Colleges and Workforce Development is to contribute leadership and resources to increase the skills, knowledge and career opportunities of Oregonians.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - SUCCESSFUL GED APPLICANTS – Percentage of GED certificate applicants successful.		Approved KPM	81.50	82.00	82.00
2 - AT-RISK YOUTH EXIT SUCCESSFULLY – Percentage of enrolled at-risk youth who remained in or returned to school, or obtained their high school diploma/equivalent upon exiting the program.		Approved KPM	66.70	70.00	70.00
3 - YOUTH EMPLOYED UPON EXIT – Percentage of enrolled older at-risk youth who obtained employment upon exiting the program.		Approved KPM	60.40	62.00	62.00
4 - ADULTS EMPLOYED UPON EXIT – Percentage of clients served in adult workforce programs who obtained employment upon exiting the program.		Approved KPM	50.20	60.00	60.00
5 - DISLOCATED WORKER WAGES – Percentage of dislocated workers who obtained employment with at least 80% of prior earnings.		Approved KPM	75.80	76.00	76.00
6 - CURRENT/INCUMBENT WORKER EMPLOYMENT – Percentage of current/incumbent workers who retained employment after exit.		Approved KPM	81.00	82.00	82.00
8 - NURSING COMPLETION – Percentage of students who successfully complete a Nursing program.		Approved KPM	92.40	96.00	96.00
10 - BITS COMPANY SATISFACTION – Percent of companies ranking training they received through community college Business and Industry Training System (BITS) as good or better.		Approved KPM	95.80	96.00	96.00
11 - LICENSING/CERTIFICATION RATES – Oregon community college students' pass rates for national licensing tests compared to national pass rates.		Approved KPM	93.03	94.00	94.00
12 - PROFESSIONAL TECHNICAL DEGREE/CERTIFICATE COMPLETION – Number of professional-technical degrees and certificates awarded.		Approved KPM	7,439.00	7,600.00	7,600.00

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Mission: The mission of the Department of Community Colleges and Workforce Development is to contribute leadership and resources to increase the skills, knowledge and career opportunities of Oregonians.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
13 - ASSOCIATE DEGREE COMPLETION – Percentage of students in Associates degree programs who obtain an Associates degree.		Approved KPM	24.70	32.00	32.00
14 - STUDENT TRANSFERS TO OUS – Percentage of students attending an Oregon community college during one academic year who transfer to an OUS institution the following academic year.		Approved KPM	14.70	18.00	18.00
15 - PROGRESS OF TRANSFER STUDENTS – Percentage of community college transfer students who demonstrate progress by returning for the second year.		Approved KPM	77.70	82.00	82.00
16 - TUITION/FEES – Oregon's rank for college tuition and fees among all western states.		Approved KPM	3.00	5.00	5.00
17 - HIGH SCHOOL PARTICIPATION – Number of high school students enrolled in community college credit programs.		Approved KPM	24,930.00	27,000.00	27,000.00
18 - MINORITY ENROLLMENT – Each minority's proportion of total community college enrollment as a percentage of each minority's proportion of the general population, by racial/ethnic group. A. African/American, B. Asian/Pacific Islander, C. Hispanic/Latino, D. Native American		Approved KPM	126.00	100.00	100.00
19 - CUSTOMER SERVICE – Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	80.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	80.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	80.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	80.00	70.00	70.00

Agency: COMMUNITY COLLEGES and WORKFORCE DEVELOPMENT, DEPT. of

Mission: The mission of the Department of Community Colleges and Workforce Development is to contribute leadership and resources to increase the skills, knowledge and career opportunities of Oregonians.

Legislatively Proposed KPMS	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
19 - CUSTOMER SERVICE – Percentage of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	80.00	70.00	70.00
19 - CUSTOMER SERVICE – Percentage of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	80.00	70.00	70.00
20 - BEST PRACTICES - Percent of total best practices met by the Board.		Approved KPM	94.00	100.00	100.00

LFO Recommendation:

LFO and the agency worked together to update many of the targets for 2014 and 2015 to better reflect the most recent history for each measure. LFO also agrees with the proposed deletion of KPM #7 and the addition of the proposed three new KPMS outlined in the table above.

As with other education related agencies, LFO recommends that the agency review its KPMS in light of the Oregon Education Investment Board's goals and associated metrics when preparing for the 2015-17 budget cycle.

Sub-Committee Action:

Approved the LFO Recommendation.

**PROPOSED AMENDMENTS TO
HOUSE BILL 5019**

1 Delete lines 5 through 16 of the printed bill and insert:

2 **“SECTION 1. There are appropriated to the Department of Com-**
3 **munity Colleges and Workforce Development, for the biennium be-**
4 **ginning July 1, 2013, out of the General Fund, the following amounts**
5 **for the following purposes:**

6 (1) Operations..... \$ 13,815,287

7 (2) Community College

8 Support Fund for community

9 college districts \$450,673,800

10 (3) Skill centers..... \$ 600,000

11 (4) Debt service on the outstanding

12 general obligation bonds sold

13 pursuant to Article XI-G

14 of the Oregon Constitution..... \$ 16,634,740

15 **“SECTION 2. Notwithstanding any other law limiting expenditures,**
16 **the following amounts are established for the biennium beginning July**
17 **1, 2013, as the maximum limits for payment of expenses from fees,**
18 **moneys or other revenues, including Miscellaneous Receipts, but ex-**
19 **cluding lottery funds, federal funds and those funds described in sec-**
20 **tion 7 of this 2013 Act, collected or received by the Department of**
21 **Community Colleges and Workforce Development, for the following**
22 **purposes:**

- 1 (1) Department of Community
- 2 Colleges and Workforce
- 3 Development \$ 4,788,172
- 4 (2) Oregon Youth Conservation
- 5 Corps..... \$ 2,524,403

6 **“SECTION 3. Notwithstanding any other law limiting expenditures,**
7 **the amount of \$106,156,792 is established for the biennium beginning**
8 **July 1, 2013, as the maximum limit for payment of expenses from fed-**
9 **eral funds, other than those described in sections 4, 5 and 6 of this 2013**
10 **Act, collected or received by the Department of Community Colleges**
11 **and Workforce Development.**

12 **“SECTION 4. Notwithstanding any other law limiting expenditures,**
13 **the amount of \$1,083,749 is established for the biennium beginning July**
14 **1, 2013, as the maximum limit for payment of expenses for the Oregon**
15 **Youth Conservation Corps from federal funds, other than those de-**
16 **scribed in sections 3, 5 and 6 of this 2013 Act, collected or received by**
17 **the Department of Community Colleges and Workforce Development.**

18 **“SECTION 5. For the biennium beginning July 1, 2013, expenditures**
19 **by the Department of Community Colleges and Workforce Develop-**
20 **ment for payments to individuals, organizations or units of govern-**
21 **ment from federal National Emergency Grant funds are not limited.**

22 **“SECTION 6. For the biennium beginning July 1, 2013, expenditures**
23 **by the Department of Community Colleges and Workforce Develop-**
24 **ment for the federal funds debt service on Build America Bonds are**
25 **not limited.**

26 **“SECTION 7. Notwithstanding any other law limiting expenditures,**
27 **the amount of \$25,308 is established for the biennium beginning July**
28 **1, 2013, as the maximum limit for payment of expenses by the De-**
29 **partment of Community Colleges and Workforce Development from**
30 **moneys received from the Western Oregon Timber Severance Tax**

1 Fund and the Eastern Oregon Timber Severance Tax Fund for the
2 Community College Support Fund.

3 “SECTION 8. Notwithstanding any other law limiting expenditures,
4 the amount of \$9,521,027 is established for the biennium beginning July
5 1, 2013, as the maximum limit for payment of expenses by the De-
6 partment of Community Colleges and Workforce Development from
7 lottery moneys allocated from the Administrative Services Economic
8 Development Fund to the department for debt service on lottery
9 bonds.

10 “SECTION 9. This 2013 Act being necessary for the immediate
11 preservation of the public peace, health and safety, an emergency is
12 declared to exist, and this 2013 Act takes effect July 1, 2013.”.

13
