

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4018 - B

Seventy-Seventh Oregon Legislative Assembly – 2014 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 03/05/2014

Measure Description:

Changes date by which Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University may request institutional governing board to May 15, 2014.

Government Unit(s) Affected:

Higher Education Coordinating Commission, Oregon Educational Investment Board, Oregon University System (OUS)

Summary of Expenditure Impact:

See Analysis.

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: This bill allows the Higher Education Coordinating Commission (HECC) to participate in the State Authorization Reciprocity Agreement (SARA) and to impose a fee on educational institutions in the Oregon that elect to join SARA through the HECC. In addition, the bill transfers the Department of Community Colleges and Workforce Development (CCWD) to the HECC (effective date for the CCWD transfer is July 1, 2015), establishes a task force to develop recommendations for integrating CCWD into HECC, and changes the schedule by which Eastern Oregon University, Southern Oregon University, Western Oregon University and the Oregon Institute of Technology may convert to local governing boards.

The fiscal impact of this bill is indeterminate. HECC is unable determine the number of institutions that may choose to participate in SARA, the amount of the fee that may be imposed to support the efforts of HECC to administer the program or the level of effort required to integrate CCWD into HECC. HECC anticipates the support of the task force can be done with current resources. If the requirements of this bill on the agency are greater than anticipated, HECC may need to return to the Legislative Assembly to request additional resources.

The bill, as amended, allows the universities with governing boards to participate in a central bank as OUS member institutions currently do. This will allow the State Board of Higher Education and universities with governing boards to co-mingle their funds in the Treasury and allows for borrowing and lending among these funds.

The bill will have a significant impact on HECC's budget for 2015-17 as the CCWD's budget is transferred into the HECC budget. The current CCWD budget for 2013-15 is \$496.4 million General Fund and \$748.0 million total funds with 59 positions (58.70 FTE).