

HB 5024 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Higher Education Coordinating Commission

2019-21

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 1,772,719,954	\$ 1,847,790,680	\$ 1,946,769,399	\$ 174,049,445	9.8%
General Fund Debt Service	\$ 176,259,238	\$ 248,452,120	\$ 248,452,120	\$ 72,192,882	41.0%
Lottery Funds	\$ 52,986,268	\$ 82,440,282	\$ 93,545,847	\$ 40,559,579	76.6%
Lottery Funds Debt Service	\$ 43,580,814	\$ 46,039,345	\$ 46,039,345	\$ 2,458,531	5.7%
Other Funds Limited	\$ 37,519,362	\$ 29,434,117	\$ 45,667,307	\$ 8,147,945	21.7%
Other Funds Debt Service	\$ 25,012,082	\$ 30,871,500	\$ 30,871,503	\$ 5,859,421	23.4%
Other Funds Nonlimited	\$ 31,181,977	\$ 206,000	\$ 206,000	\$ (30,975,977)	(99.3%)
Other Funds Debt Service Nonlimited	\$ 212,840,781	\$ 211,216,020	\$ 211,216,020	\$ (1,624,761)	(0.8%)
Federal Funds Limited	\$ 118,191,072	\$ 127,286,360	\$ 127,494,630	\$ 9,303,558	7.9%
Federal Funds Nonlimited	\$ 18,968,831	\$ 19,689,647	\$ 19,689,647	\$ 720,816	3.8%
Federal Funds Debt Service Nonlimited	\$ 4,587,374	\$ 4,597,230	\$ 4,597,230	\$ 9,856	0.2%
Total	\$ 2,493,847,753	\$ 2,648,023,301	\$ 2,774,549,048	\$ 280,701,295	11.3%

Position Summary

Authorized Positions	134	132	138	4
Full-time Equivalent (FTE) positions	120.33	122.07	127.87	7.54

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Summary of Revenue Changes

General Fund – 79.1 percent of the Higher Education Coordinating Commission (HECC)'s budget is funded with General Fund. This includes resources for agency operations, support for community colleges and public universities, the Opportunity Grant program, Oregon Promise, National Guard Tuition Assistance, support for Oregon Health and Sciences University, workforce initiatives, and debt service.

Lottery Funds – Lottery Funds make up 5.0 percent of HECC's budget and pay for debt service, Opportunity Grants, Oregon Outdoor School, and intercollegiate athletics through the Sports Lottery program. The Subcommittee's recommended budget includes a significant increase in Lottery Funds to support Measure 99, the Outdoor Schools program through the entire biennium. Lottery Funds from the investment earnings of the Education Stability Fund are also increased for the Oregon Opportunity Grant program.

Other Funds Limited – Limited Other Funds make up 2.8 percent of HECC’s budget. The Degree Authorization (DA), Private Careers Schools (PCS), and General Education Development (GED) programs are authorized to charge fees to authorize post-secondary institutions, license private career schools, and administer GED testing. The Office of Student Access and Completion administers nearly 600 different public and private scholarships. Administrative fees are charged to donors and granting agencies to cover the cost of operating the programs. Most of the Other Funds revenues supporting the Oregon Youth Conservation Corps (OYCC) come from the Amusement Device Tax on video lottery terminals. OYCC also receives grants from the Oregon Marine Board and other agencies. New for 2019-21, the Oregon Opportunity Grant program receives Other Funds revenue from the auction of tax credits.

Federal Funds Limited – Limited Federal Funds constitute 4.6 percent of HECC’s budget. HECC receives a variety of federal grant funds. The Workforce Innovation and Opportunity Act (formerly the Workforce Investment Act) provides the largest source of funds under the following federal programs: Title I-B supporting youth, adult, and dislocated worker training programs through the state’s One Stop Centers; Title II funds adult basic education programs; and National Emergency Grants offer training and reemployment services to workers in areas facing large layoffs. Other federal grant programs include Perkins Grants for career and technical education transferred from the Oregon Department of Education and Bureau of Land Management grants for youth employment opportunities through the OYCC. Grants from the Corporation for National and Community Service provide funding to the Oregon Volunteer Commission as part of the AmeriCorps program.

Other Funds and Federal Funds Nonlimited – 8.5 percent of HECC’s budget consists of expenditure authority to allow HECC to receive debt service payments from the public universities on general obligation bonds and Certificates of Participation that are repaid with institutional funds, as well as Build America Bond federal subsidy payments.

Summary of Education Subcommittee Action

The Higher Education Coordinating Commission (HECC) coordinates, provides funding, and oversees responsibilities for all aspects of postsecondary education, including seven public universities, 17 public community colleges, private and independent colleges and universities, local workforce development boards, private career trade schools, and state financial aid. HECC sets state policy and funding strategies, administers numerous programs (some of which were previously independent agencies and others transferred from the Oregon Department of Education), and manages approximately three billion dollars of public funding for postsecondary education. Led by its commission, HECC determines state funding allocations to public institutions, approves new degree and certificate programs, licenses and authorizes private postsecondary institutions, makes budget and policy recommendations to the Governor and Legislature, collects and reports postsecondary data, administers state financial aid and other access programs, and undertakes a variety of other reporting and oversight responsibilities assigned by state law. The Subcommittee recommended a budget of \$2,195,221,519 General Fund, \$139,585,192 Lottery Funds, \$2,774,549,048 total funds, and 138 positions (127.87 FTE). This represents an 11.3 percent total funds increase from the 2017-19 Legislatively Approved Budget (not including capital construction) and a 4.8 percent total funds increase from the 2019-21 current service level.

The recommendations of the Subcommittee do not address the Department's bond requests. The Joint Committee on Ways and Means Capital Construction Subcommittee reviews bond requests and will include any budget adjustments related to bond-supported programs in bond authorization and end-of-session budget reconciliation bills.

HECC Operations

The HECC Operations program includes the commission, agency management and operations, and all staff positions supporting various agency programs. It includes the following offices:

- The Office of the Executive Director carries out the central executive role of the agency, as well as communications, legislative affairs, human resources, policy initiatives, and other roles for an integrated agency.
- The Office of Student Access and Completion (OSAC) administers a variety of state, federal, and privately funded financial aid programs for the benefit of Oregonians attending post-secondary institutions.
- The Office of Community Colleges and Workforce Development (CCWD) provides coordination and resources related to Oregon's 17 community colleges and adult basic skills providers. CCWD also provides statewide administration related to Career and Technical Education (including the Carl D. Perkins Vocational and Technical Education Act), Accelerated Learning, Career Pathways, Community College Program Approval, and GED testing and high school equivalency.
- The Office Postsecondary Finance and Capital provides fiscal coordination related to Oregon's public postsecondary institutions, including financial planning, biennial budget recommendations for the Public University Support Fund, Public University State Programs, Public University Statewide Public Services, capital investments, fiscal reporting and analysis, capital bond funding administration, and the allocation of state funding to public postsecondary institutions.
- The Office of Academic Policy and Authorization oversees (1) the quality, integrity, and diversity of private postsecondary programs in Oregon for the benefit of students and consumers, and (2) public university academic policy. The private postsecondary programs include the Office of Degree Authorization (ODA) responsible for authorizing private degree-granting institutions and distance education providers, and the Private Career Schools (PCS) licensing unit, which licenses and supports private career and trade schools.
- The Office of Workforce Investments (OWI) is responsible for convening partnerships in the workforce system, supporting the Oregon Workforce Investment Board (OWIB) as well as Local Workforce Development Boards (LWDBs), and implementing the OWIB strategic plan. The OWI is a collaboration with the Oregon Employment Department (OED) and includes the Workforce Innovation and Opportunity Act (WIOA) Youth, Adult, Dislocated Worker and Federal Discretionary grants. The OWI administers the OYCC and Oregon Volunteers programs.
- The Office of Research and Data collects data on students, courses, demographics, enrollments, academic performance, and academic awards in order to comply with state and federal reporting requirements, provides recommendations to state and agency policy, meets reporting responsibilities, and conducts research to better understand and manage the postsecondary enterprise.

- The Office of Operations provides business services including budgeting, accounting, financial analysis, payroll, financial reporting, contracts and procurement, and information technology.

The Subcommittee recommended a budget of \$25,794,527 General Fund, \$60,284,371 total funds, and 138 positions (127.87FTE). This is a 3.5 percent total funds increase over the 2017-19 Legislatively Approved Budget. The Subcommittee recommended approval of the following packages:

Package 070, Revenue Shortfalls. This package reduces funding by \$445,523 Federal Funds related to the transfer of the Veterans Education program from HECC to the Department of Veterans' Affairs, which will be the new State Approving Agency for Veterans Educational programs in Oregon. State Approving Agencies are federally authorized entities charged with determining which education and training programs are suitable for use of federal veteran's education benefits. They act under federal criteria to review, evaluate, and approve programs, as well as monitoring programs for ongoing compliance that is necessary for student to benefit from using federal GI Bill funds.

Package 101, Procurement Staff. This package provides funding of \$204,198 General Fund and \$416,736 total funds for two permanent full-time procurement positions (1.66 FTE). A December 2017 audit by the Secretary of State identified several weaknesses with the procurement program at HECC. This package is intended to address those concerns and workload demands currently faced by the agency. The two positions are a Procurement and Contract Specialist 2 and a Procurement and Contract Specialist 3.

Package 102, Internal Auditor. This package provides \$110,525 General Fund and \$221,049 total funds to establish one permanent full-time internal auditor (Internal Auditor 2; 0.88 FTE) for the agency to convene and staff an auditing committee, establish an audit charter, perform an agency-wide risk assessment, develop an annual audit plan, conduct risk-based audits, and provide recommendations for improving operations and results throughout the agency.

Package 103, Human Resource Staff. The package as approved provides \$256,125 General Fund and \$522,704 total funds for two full-time permanent positions (1.76 FTE). The positions approved are a Principal Executive Manager D to act as a manager for the Human Resources (HR) unit and one Training and Development Specialist. Currently, the agency has only two HR positions. The additional HR staff will help HECC increase compliance with human resource and labor laws, provide for better recruitment efforts, and better assistance to existing employees.

Package 109, Capital Request Processing Staff. This package provides \$247,907 General Fund for increasing capacity related to reviewing and processing post-secondary institutions' reimbursement request for capital project expenditures. HECC's Office of Post-Secondary Finance and Capital administers Article XI-G, Article XI-Q and lottery bond proceeds issued for public university and community college capital projects. A permanent full-time Fiscal Analyst 2 position (1.00 FTE) will help to review capital proposals and reimbursement requests, develop and maintain the capital improvement and renewal allocation formula, provide preliminary revenue sufficiency analysis of Article XI-F bond requests and track debt service requirements on outstanding bonds.

Package 201, Eliminating Barriers to Student Transfers. This package provides \$255,743 for a permanent full-time Operations and Policy Analyst 4 position (1.00 FTE) to support work related to ensuring credits transfer smoothly from Oregon's community colleges to the state's seven public universities. This package is primarily related to House Bill 2998 (2017) directing community colleges and public universities to simplify the credit transfer process. The position will also provide assistance to the agency in its work on transferring credits between high schools and post-secondary educational institutions.

Package 311, Adjust Personnel Budget. This package supports a reclassification of the Chief Operations Officer (PEM F to PEM G) and Budget Manager (PEM D to PEM F). The package results in net zero funding change for the agency by transferring Professional Services with the Services and Supplies budget to the Personal Services budget for the increased costs associated with the reclassification.

Package 801, LFO Analyst Adjustments. The package appropriates \$703,720 General Fund, increases Other Funds expenditure limitation by \$652,262, increases Federal Funds expenditure limitation by \$191,808 (\$1,547,790 total funds), and adds one position (1.50 FTE). The package:

- Provides \$669,200 General Fund for the Open Education Resources program. This program provides resources to prepare materials such as textbooks for students at community colleges and public universities. This program was funded with one-time resources in 2017-19 but should continue as ongoing funding to insure savings to students in the future. Additional funding for this program is available from a small portion of the Community College Support Fund. The Subcommittee instructed the agency to make sure the Open Education resources funded and developed from either source are shared wherever possible between community colleges and public universities.
- Adds funds for a full-time permanent System Alignment Manager (PEM E) (1.00 FTE) to direct the development and implementation of policy changes and strategic initiatives across multiple agencies and programs that increase the alignment and coordination of Education and Workforce Development systems. This includes directing and prioritizing the work of the Workforce System Executive Team, leading the implementation of Future Ready Oregon, directing the development and implementation of statewide education and workforce system strategies, directing the expansion of Registered Apprenticeship Programs, alignment of STEM and CTE programs and recommending strategic investments in talent development. The position is also responsible for the development, direct and functional supervision and leadership of cross-agency and multi-agency teams at the state level to support local level implementation of strategies to increase the skills and employment outcomes of Oregonians. A similar position exists for 2017-19 but as a loaned position from another agency. The resources for that position are longer available.
- Increases Other Funds expenditure limitation by \$177,262 for a limited duration full-time Program Analyst 1 position (1.00 FTE) for the Oregon Teacher Scholars program. This program provides scholarships for linguistically and ethnically diverse teacher candidates. Funding for the position and the program is part of the Educator Advancement Council budget and will be transferred to HECC from the Oregon Department of Education. The package also eliminates a part-time Accountant 2 position (0.50 FTE) within the Office of Student Access and Completion. This position is no longer needed.

- Increases Other Funds expenditure limitation by \$475,000 for a grant from the Lumina Foundation awarded in 2017-19. This increase represents the estimated amount of the grant available for the 2019-21 biennium. The purpose of this Talent Innovation and Equity (“TIE”) partnership grant is to help eliminate disparities in postsecondary success rates between Oregon’s overall student population and historically underrepresented students of color. The grant supports a suite of state leadership activities aimed to improve postsecondary success in Oregon for African-American, Hispanic/Latinx, Native American/Alaska Native, and Native Hawaiians/Pacific Islanders, with a particular focus on adult learners of color.
- Approves a reclassification of two positions in the Office of Academic Policy and Authorization. This Office was created to absorb two programs -- one from the Oregon Student Assistance Commission and one from the Oregon Department of Education. Since the creation of the agency, HECC has been working to integrate the two programs and these reclassifications are the result of this work. Two Administrative Specialist 2 positions are reclassified upwards, one to a Compliance Specialist 2 and the other to a Program Analyst 1 to reflect current work responsibilities.

Support to Community Colleges

This program contains the state funding for direct state investment in the operations of Oregon’s 17 community colleges. Most of the funding in this unit is directed towards the Community College Support Fund (CCSF), the state’s contribution to college operations and student support. The Support Fund is the primary source of state General Fund resources for community colleges. Support Fund resources are distributed by the Commission to the 17 community colleges through a formula which accounts for enrollment (measured by student FTE) and local property tax revenues. Funding is also provided for two Skill Centers and for a program which assists community college students who are first generation students or from underserved populations. The Subcommittee recommended a budget of \$644,781,457 General Fund and \$45,810 Other Funds limitation and represents a 12.3 percent increase from the 2017-19 Legislatively Approved Budget and an 8.4 percent increase from the current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 304, Community College Support Fund. The package increases the amount of the Community College Support Fund for 2019-21 by \$50,000,000 General Fund. This brings the total amount in the Support Fund to \$640,926,933 General Fund and \$45,810 Other Funds, which represents state timber related revenue. This increase is intended to reduce tuition rates, offset education related reductions, and a decrease in reserves. The increase should be sufficient to limit tuition increases to five percent or less annually for all but one or two of the 17 community colleges.

Public University Operations and Student Support

This program contains state funding provided to the universities for instruction, research, public services, and operation of the institutions and represents the largest share of state support for public universities. Funding is distributed using the Student Success and Completion Model (SSCM). The SSCM is composed of three categories: (1) Mission Differential Funding supports the regional, research, and public services missions of the universities through item funding for services, programs, or general operations based on historical funding; (2) Activity Based Funding is distributed based on student credit hour completions of Oregon residents at undergraduate and graduate levels; and (3) Completion Funding is

based on degrees and certification completions by Oregon residents, for which additional resources may be allocated based on completions by underrepresented students (underrepresented minority, low-income, rural, and veterans), and completions by students in high-demand and high-reward fields (i.e. STEM, Health, Bilingual Education). The Subcommittee recommended a budget of \$836,898,583 General Fund, which is 13.6 percent increase from the 2017-19 Legislatively Approved Budget and a 7.7 percent increase from current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 303, Public University Support Fund. This package provides \$59,470,577 General Fund to increase the total amount of the Public University Support Fund (PUSF) to \$836,898,583. Increased state support for the PUSF is intended to reduce tuition rates, offset education and general reductions, and decrease the use of university reserves in the upcoming biennium.

The Subcommittee approved the following Budget Note:

Budget Note:

The seven Public Universities shall collectively report to the Joint Committee on Ways and Means in February 2020 on cost management measures implemented during the 2019-20 academic year. The report should include administration and program reductions, use of fund reserve balances, positions eliminated or left vacant for more than six months, and any new positions established. An updated report for the 2020-21 academic year shall be provided to the Emergency Board in December 2020. The seven Public Universities and the Higher Education Coordinating Commission (HECC) are also directed to coordinate in the interim to identify public university financial data and measures that will be consistently provided to HECC to improve transparency and accountability. Financial information may include administrative costs, financial activity by fund, fund reserve balances, and results of audits. HECC shall report to the Joint Committee on Ways and Means or the Emergency Board no later than September 2020 on this effort.

Public University State Programs

This program includes General Fund support for a variety of institutions, centers, and programs operated by public universities that address economic development, natural resource, and other issues rather than providing general support for instruction and student support services. Many of these programs have an industry-specific focus, matching state support with funds from private sector and other sources. The Subcommittee recommended a budget of \$44,238,996 General Fund, which is a 42.7 percent decrease from the 2017-19 Legislatively Approved Budget and a 3.8 percent increase from the current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 309, University State Programs. The package adds one-time General Fund support of \$1,600,000 for Oregon State University's PacWave South wave energy test site. The additional funding brings total state support for the project to \$5.4 million and provides a portion (54 percent) of required match for a \$40 million Department of Energy federal grant OSU has been awarded to construct an open ocean grid-connected wave energy test facility offshore of Newport, Oregon.

The Public University State Programs budget includes \$42,638,996 General Fund in the 2019-21 biennium to maintain current service level support for the following university state programs:

- Engineering Technology Sustaining Funds - \$27,004,433
- TallWood Design Institute - \$3,754,328
- Dispute Resolution - \$2,778,882
- Oregon Solutions - \$2,493,171
- OSU Fermentation Science - \$1,369,036
- Signature Research Centers - \$1,149,231
- Labor Education Research Center - \$749,396
- OSU Marine Research Vessel - \$684,519
- Oregon Renewable Energy Center - \$527,500
- Population Research Center - \$480,769
- Institute of Natural Resources - \$440,776
- Clinical Legal Education - \$384,422
- Oregon Climate Change Research Institute - \$345,502
- Criminal Justice Policy Research Institute - \$276,581
- Willamette Falls Locks Commission - \$200,450

The Subcommittee approved the following Budget Note:

Budget Note:

The Joint Committee on Ways and Means requests that the Willamette Falls Locks Commission resubmit its proposal for lottery revenue bond authorization to repair and reopen the Willamette Falls navigation canal and locks in the February 2020 legislative session. The request for state funding should include details on planned ownership of the Locks, actions required to transfer ownership, contributions toward renovations from the US Army Corps of Engineers, availability of other funds to support project costs, and a longterm sustainable business plan for continued operation and maintenance.

Agriculture Experiment Station

This program provides General Fund to support Agricultural Experiment Station projects. The stations, operated by Oregon State University, conduct research and demonstrations in the agricultural, biological, social, and environmental sciences. Research is conducted at a central station at Corvallis and at branch stations in major crop and climate areas of the state. The Subcommittee recommended a budget of \$73,788,861 General Fund, which is an 11 percent increase from the 2017-19 Legislatively Approved Budget and 5.8 percent above the current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. This package increases General Fund support for the Agricultural Experiment Station at OSU by \$4,065,112. The increase is expected to cover the university's estimate of inflationary costs to maintain existing personnel and programs, as well as restore capacity that was lost in the prior biennium by filling vacant positions in priority areas.

Extension Service

This program is the educational outreach arm of Oregon State University. Extension faculty on campus and in county offices throughout the state work with researchers and an extensive network of volunteers to develop and deliver educational programs. The Extension Service program also contains funding for Outdoor Schools, approved by the voters via Ballot Measure 99, in November 2016. The Subcommittee recommended a budget of \$53,217,403 General Fund and \$45,305,847 Lottery Funds (\$98,523,250 total funds). This is a 37.4 percent increase from the 2017-19 Legislatively Approved Budget and a 1.4 percent increase over current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. This package increases General Fund support for the OSU Extension Service by \$2,875,543. The increase is expected to cover the university's estimate of inflationary costs to maintain existing personnel and programs, as well as restore capacity that was lost in the prior biennium by filling vacant positions in priority areas.

The package also reduces Lottery Funds by \$1,500,000 in the Outdoor School Program to reflect an anticipated ending balance of funding from the 2017-19 biennium. The 2019-21 Lottery Funds allocation of \$45,305,847 combined with the \$1,500,000 carryover balance provides full funding of \$46,805,847 for Outdoor School, which is anticipated to support funding nearly 400,000 days outside for 96% of Oregon's 5th or 6th grade students.

Forest Research Laboratory

The Forest Research Laboratory program located at Oregon State University conducts research on sustainable forest yields, use of forest products, and stewardship of Oregon's resources. In addition to research in campus laboratories and university forests, studies are conducted cooperatively in public and private forests and in laboratories and manufacturing facilities throughout Oregon and the world. Research results are provided to family forestland owners, industry, public land managers, other scientists and the public using a variety of means. This includes Extension Foresters conducting programs around the state, Outreach Education short courses, technical and scientific publications, online delivery, video productions, conference presentations and stories in popular media. This program is entirely funded with General Fund. The Subcommittee recommended a budget of \$11,424,041 General Fund. This is an 11.7 percent increase over the 2017-19 Legislatively Approved Budget and a 5.9 percent increase over current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. This package increases General Fund support for OSU's Forest Research Laboratory by \$637,678. The increase is expected to cover the university's estimate of inflationary costs, maintaining existing programs, and re-establishing applied research investment opportunities.

OHSU Programs

This program unit includes the General Fund appropriation to support university and hospital operations. State support constitutes an increasingly smaller percentage of OHSU's total budget. Unless specifically directed by legislative action, the OHSU board determines the distribution of state funds among OHSU's various programs. The Subcommittee recommended a budget of \$79,161,533 General Fund. This is a 2.4 percent increase over the 2017-19 Legislatively Approved Budget and a 2.6 percent increase from current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 801, LFO Adjustments. This package adds \$2,000,000 General Fund on a one-time basis to the Oregon Health and Science University (OHSU) Center for Evidence-based Policy for the Children's Integrated Health Database. This longitudinal database includes child related data from a variety of sources, including state agencies. The database includes information on birth records, K-12 education, mental health, child welfare, early learning, and home visiting. In using these funds, the Center for Evidence-based Policy should regularly communicate with the staff of the Statewide Longitudinal Data System at the Higher Education Coordinating Commission to see where their efforts overlap and where joint efforts in data collection and systems development might be beneficial to both efforts.

Student Assistance

The Office of Student Access and Completion (OSAC) within HECC, provides state, federal, and private financial aid to students. The following programs are included:

- The Oregon Opportunity Grant (OOG) program is Oregon’s need-based grant program. It is funded with General Fund, Lottery Funds from investment earnings on the state’s Education Stability Fund, and expired JOBS Plus education awards. Awards are made to students with the greatest financial need and are calculated using a formula based upon the Shared Responsibility Model, which considers financial contributions from the student, the student’s family, federal student grant and tax credit programs.
- The Oregon Promise program (established in 2015) provides grants for two-years of postsecondary education to new high school graduates and GED recipients meeting academic and residency qualifications and begin school at an Oregon community college within six months of receiving their secondary education credential. The program is not need based. Grants range from a minimum of \$1,000 per academic year to a maximum amount equaling annual full-time community college tuition.
- The Oregon National Guard State Tuition Assistance program, created in 2018, provides funding for tuition at Oregon community colleges and public universities for current members of the Oregon National Guard (ONG). The program is designed as a “last dollar” program, which means that award calculations first consider all other federal and state grant aid and federal/military tuition assistance the member maybe eligible to receive. Active ONG members who meet the eligibility criteria, have completed basic training, and have not yet earned a baccalaureate degree or higher may receive funds to pay for up to 90 credits at an Oregon community college or up to 180 credits at an Oregon public university.
- There are several additional grant programs that provide students with assistance. Those programs include: the Oregon Student Child Care grant; the Federal Chafee Education and Training Grant; the scholarship program for Dependent Children of Deceased and Disabled Public Safety Officers; GEAR-UP (Gaining Early Awareness and Readiness for Undergraduate Programs); Oregon Youth Conservation Corps (OYCC) grants; the JOBS Plus Individual Education Account (IEA), funded by the Department of Human Services, for Temporary Assistance to Needy Families (TANF) clients; the Barbers and Hairdresser scholarship program; in addition to HECC administering over 600 private scholarships established by foundations, corporations, individuals, and others.

The Subcommittee recommended a budget of \$154,775,639 General Fund, \$40,000,000 Lottery Funds, and \$29,943,227 Other Funds expenditure limitation (\$224,718,866 total funds). This is a 9.8 percent total funds increase over the 2017-19 Legislatively Approved Budget and a 4.2 percent increase from current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following packages:

Package 301, Oregon Opportunity Grant & Support. This package adds a net \$12,500,000 total funds to the Oregon Opportunity Grant program which provides grants for low income post-secondary students. The package recognizes increasing the investment related revenues from the Education Stability Fund based on the May Economic and Revenue Forecast prepared by the Department of Administrative Services (DAS). A total of \$18,465,374 Lottery Funds is added to the existing \$21,534,626 Lottery Funds in the program's budget. Also included in this package is \$14,500,000 in Other Funds which represents the existing proceeds of the 2018 auction of tax credits for the Oregon Opportunity Grant program. Because of recent federal and state tax law changes, there is uncertainty on the amount these auctions will generate in the future. Net General Fund savings total \$20,465,374 from these other funding sources after factoring in the \$12.5 million increase in overall funding for the program. This increase in overall revenues is estimated to provide approximately 2,500 additional grants each year. There is an ending balance of Lottery Funds for the program in case revenues fall below estimates.

Package 801, LFO Analyst Adjustments. The package eliminates \$3,429,763 total funds, which includes the following three actions:

- The Oregon Promise Program provides assistance to recent high school graduates to attend community college. Funding for the program was reduced by \$1,483,035 General Fund, bringing total resources for the program to \$40,000,000 General Fund for 2019-21, which is slightly less than the \$41.5 million current service level for the program. The agency may need to implement minor eligibility requirements that limits the program to students of households whose student aid related Earned Family Contribution is not above a certain level.
- The National Guard State Tuition Assistance program was established in 2018 and provides funding for tuition at Oregon community colleges and public universities for current members of the Oregon National Guard. The program was appropriated \$2.5 million General Fund for the 2018-19 school year and the amount in the budget for the two school years in the 2019-21 biennium is \$5,190,000 General Fund. Based on the use of the program during the first year and the estimated use of the program for 2019-21, it is estimated the program will not need all that funding. A total of \$1,500,000 General Fund is reduced leaving \$3,690,000 General Fund available for the program.
- Funding for the federal Chafee Education and Training Voucher program is reduced by \$446,728 Other Funds which reflects the estimated change in the amount of funding for 2019-21 that is to be transferred from the Department of Human Services for the program. This program provides scholarships to current and former foster youth.

Workforce and Other Special Payments

HECC's Office of Workforce Investments (OWI) is responsible for convening partnerships in the workforce system, supporting the Oregon Workforce and Talent Development Board (WTDB), as well as Local Workforce Development Boards (LWDBs), and implementing the WTDB's strategic plan. OWI is a collaboration with the Oregon Employment Department (OED) and includes the Workforce Innovation and Opportunity Act (WIOA) Youth, Adult, Dislocated Worker and Federal Discretionary grants. OWI also administers and staffs the Oregon Youth Conservation

Corps (OYCC) and its Advisory Committee, the Oregon Volunteers and its Commission, and the STEM Investment Council. This program contains Other Funds and Federal Funds to be distributed to community colleges, local workforce service areas, and other local providers. Most funds that the OWI administers provide direct services to Oregonians and Oregon businesses through a series of grants and contracts to LWDBs, non-profits and state agency partners. The Subcommittee recommended a budget of \$8,454,071 General Fund (\$137,032,774 total funds). This represents a 7.3 percent total funds increase over the 2017-19 Legislatively Approved Budget and a 1.0 percent increase from current service level. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. The package increases funding for summer youth programs by \$1,400,000 Other Funds. This increased funding comes from the TANF Job Opportunity and Basic Skills (JOBS) Program at the Department of Human Services (DHS). This DHS program has the flexibility of adjusting the contracts and services within the term of the agreement between the agencies. When combined with the existing budgeted amount for this program, this amount is what is estimated to be available for 2019-21.

Sports Lottery

This program unit includes the one percent of Lottery Funds deposited into the Department of Administration Services Economic Development Fund and is transferred to the Sports Lottery Account to finance intercollegiate athletics and graduate student scholarships. Eighty-eight percent of the revenues deposited into the Sports Lottery Account are used to finance intercollegiate athletics. The remaining 12 percent are for graduate student scholarships and are not awarded on the basis of athletics. Of the athletic funds, 70 percent must be used for non-revenue producing sports and at least 50 percent must be used for women's athletics. The Subcommittee recommended a budget of \$8,240,000 Lottery Funds. No positions or FTE are included in this unit. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. The Sports Lottery program is reduced by \$5,859,809 Lottery Funds allocation, which funds the program at the 2017-19 level of \$8,240,000. This program finances intercollegiate athletics and graduate student scholarships and it is especially important to the smaller public universities that have limited sports related revenue. The funds are to be distributed among the public universities in the same amounts as distributed over the past two biennia.

- Eastern Oregon University \$913,239
- Oregon Institute of Technology \$913,239
- Oregon State University \$1,030,000
- Portland State University \$2,277,567
- Southern Oregon University \$913,239
- University of Oregon \$1,030,000
- Western Oregon University \$1,162,716

Public University Debt Service

This program includes the cost of debt service on capital construction and information systems projects financed with bonds and Certificates of Participation (COPs). Debt service on Article XI-G bonds is paid with General Fund; Lottery bonds debt service is paid with Lottery Funds. Payment of debt service on Article XI-Q bonds, SELP loans, and COPs is split between General Fund and campus funds, depending on how each project was authorized. Debt service on Article XI-F (1) bonds is paid with campus funds. The Subcommittee approved a budget of \$203,986,172 General Fund, \$34,519,205 Lottery Funds (\$447,019,738 total funds). This represents a 10.8 percent total funds increase from the 2017-19 Legislatively Approved Budget. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. The package establishes an Other Funds expenditure limitation of \$1 for debt service on outstanding Article XI-G, Article XI-Q, and lottery bonds. Other Funds expenditure limitation may be increased during the 2019-21 biennium for excess proceeds and interest earnings that can be applied to debt service payments, reducing General Fund debt service requirements.

The Subcommittee did not recommend capital packages for approval within this budget. Any debt service related to new capital projects will be considered in the end-of-session budget reconciliation bill.

Community College Debt Service

Debt service on Article XI-G bonds and Lottery Bonds sold to finance community college capital projects are budgeted in this program unit. Debt service on Article XI-G bonds is paid with General Fund; Lottery bonds debt service is paid with Lottery Funds. The Subcommittee recommended a budget of \$34,835,776 General Fund and \$11,520,140 Lottery Funds (\$46,355,917 total funds). This represents an 18.8 percent total funds increase from the 2017-19 Legislatively Approved Budget. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. The package establishes an Other Funds expenditure limitation of \$1 for debt service on outstanding Article XI-G bonds and Lottery bonds. Other Funds expenditure limitation may be increased during the 2019-21 biennium for excess proceeds and interest earnings that can be applied to debt service payments, reducing General Fund debt service requirements.

The Subcommittee did not recommend capital packages for approval within this budget. Any debt service related to new capital projects will be considered in the end-of-session budget reconciliation bill.

OHSU Debt Service

This program unit includes debt payments on Article XI-G bonds issues on behalf of OHSU when it was a part of the Department of Higher Education prior to 1995 (OUS Legacy Debt). These bonds will be paid off in 2019-21. Up until 2018, debt service on other bonds issued to benefit OHSU capital projects, including the Knight Cancer Institute (Article XI-G), the Opportunity Program (Article XI-L), and the Article XI-F(1) legacy bonds, was included in the Department of Administrative Services (DAS) budget. In 2018, the Legislature approved moving all debt service for

OHSU from DAS to HECC. The Subcommittee recommended a budget of \$23,864,460 General Fund (\$62,034,851 total funds). This represents an 85.4 percent total funds increase from the 2017-19 Legislatively Approved Budget. The large increase is solely due to moving all of OHSU's debt service into the HECC budget from the Department of Administrative Services budget. The Subcommittee recommended approval of the following package:

Package 801, LFO Analyst Adjustments. The package establishes an Other Funds expenditure limitation of \$1 for debt service on outstanding Article XI-G bonds. Other Funds expenditure limitation may be increased during the 2019-21 biennium for excess proceeds and interest earnings that can be applied to debt service payments, reducing General Fund debt service requirements.

Public University Capital Construction

This program unit includes state funding for public university capital projects. All projects funded with bond proceeds are budgeted as Other Funds, regardless of the type of bonds. Capital Construction expenditure limitation is established for six years, although bond authorizations are limited to the biennium in which they are approved and must be reauthorized in subsequent biennia, if the bonds are not sold. Bond proceeds are provided to the universities under agreements signed by the universities as grants (Article XI-G, Article XI-Q, and Lottery bonds) or loans (Article XI-F (1)) and are budgeted as Special Payments.

The recommendations of the Subcommittee do not address the Department's bond requests for public university capital projects. The Joint Committee on Ways and Means Capital Construction Subcommittee is reviewing bond requests and will include any budget adjustments related to bond-supported programs in bond authorization bills and end-of-session budget reconciliation bills.

Community College Capital Construction

This program unit includes state funding for community college capital projects. All projects funded with bond proceeds are budgeted as Other Funds, regardless of the type of bonds. Capital Construction expenditure limitation is established for six years, although bond authorizations are limited to the biennium in which they are approved and must be reauthorized in subsequent biennia if the bonds are not sold. Bond proceeds are distributed under agreements signed by the colleges and are budgeted as Special Payments.

The recommendations of the Subcommittee do not address the Department's bond requests for community college capital projects. The Joint Committee on Ways and Means Capital Construction Subcommittee is reviewing bond requests and will include any budget adjustments related to bond-supported programs in bond authorization and end-of-session budget reconciliation bills.

OHSU Capital Construction

This program unit includes state funding for OHSU capital projects. All projects funded with bond proceeds are budgeted as Other Funds, regardless of the type of bonds. Capital Construction expenditure limitation is established for six years, although bond authorizations are limited

to the biennium in which they are approved and must be reauthorized in subsequent biennia if the bonds are not sold. Bond proceeds are distributed under agreements signed by the university and are budgeted as Special Payments.

Summary of Maximum Supervisory Ratio

The Subcommittee reviewed the agency's proposed Maximum Supervisory Ratio of 1:7.

Summary of Performance Measure Action

See attached "Legislatively Approved 2019-2021 Key Performance Measures."

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Higher Education Coordinating Commission
 Tamara Brickman -- (503) 378-4709

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2017-19 Legislatively Approved Budget at Dec 2018 *	\$ 1,948,979,192	\$ 96,567,082	\$ 62,531,444	\$ 244,022,758	\$ 118,191,072	\$ 23,556,205	\$ 2,493,847,753	134	120.33	
2019-21 Current Service Level (CSL)*	\$ 2,096,242,800	\$ 128,479,627	\$ 60,305,617	\$ 211,422,020	\$ 127,286,360	\$ 24,286,877	\$ 2,648,023,301	132	122.07	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
52500-101 - Operations										
Package 070: Revenue Shortfalls										
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ (366,621)	\$ -	\$ (366,621)	(2)	(2.00)	
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ (78,902)	\$ -	\$ (78,902)			
Package 101: Procurement Staff										
Personal Services	\$ 185,808	\$ -	\$ 41,715	\$ -	\$ 151,681	\$ -	\$ 379,204	2	1.66	
Services and Supplies	\$ 18,390	\$ -	\$ 4,128	\$ -	\$ 15,014	\$ -	\$ 37,532			
Package 102: Internal Auditor										
Personal Services	\$ 100,506	\$ -	\$ 22,150	\$ -	\$ 78,705	\$ -	\$ 201,361	1	0.88	
Services and Supplies	\$ 10,019	\$ -	\$ 2,165	\$ -	\$ 7,504	\$ -	\$ 19,688			
Package 103: Human Resource Staff										
Personal Services	\$ 238,679	\$ -	\$ 53,583	\$ -	\$ 194,842	\$ -	\$ 487,104	2	1.76	
Services and Supplies	\$ 17,446	\$ -	\$ 3,915	\$ -	\$ 14,239	\$ -	\$ 35,600			
Package 109: Capital Request Processing Staff										
Personal Services	\$ 223,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,130	1	1.00	
Services and Supplies	\$ 24,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,777			
Package 201: Eliminating Barriers to Student Transfers										
Personal Services	\$ 230,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,966	1	1.00	
Services and Supplies	\$ 24,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,777			
Package 311: Adjust Personnel Budget										
Personal Services	\$ (144,919)	\$ -	\$ (18,460)	\$ -	\$ 221,940	\$ -	\$ 58,561	0	0.00	
Services and Supplies	\$ 144,919	\$ -	\$ 18,460	\$ -	\$ (221,940)	\$ -	\$ (58,561)			
Package 801: LFO Analyst Adjustments										
Personal Services	\$ 28,326	\$ -	\$ 152,485	\$ -	\$ 173,225	\$ -	\$ 354,036	1	1.50	
Services and Supplies	\$ 6,194	\$ -	\$ 499,777	\$ -	\$ 18,583	\$ -	\$ 524,554			
Special Payments	\$ 669,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 669,200			
SCR 52500-102 - Support to Community Colleges										
Package 304: Community College Support Fund										
Special Payments (Dist. to Community Colleges)	\$ 50,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000,000			
SCR 525-103 - Public University Ops & Student Support										
Package 303: Public University Support Fund										
Special Payments (Spec Pmt to Public Universities)	\$ 59,470,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,470,577			
SCR 52500-104 - Public University State Programs										
Package 309: University State Programs										
Special Payments (Spec Pmt to Public Universities)	\$ 1,600,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,600,000			

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 52500-105 - Agriculture Experiment Station									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 4,065,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,065,112	
SCR 52500-106 - Extension Service									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 2,875,543	\$ (1,500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,375,543	
SCR 52500-107 - Forest Research Laboratory									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 637,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 637,678	
SCR 52500-108 - OHSU Programs									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	
SCR 52500-109 - Student Assistance									
Package 301: Oregon Opportunity Grant & Support									
Special Payments (Dist to Individuals)	\$ (20,465,374)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,465,374)	
Special Payments	\$ -	\$ 18,465,374	\$ 14,500,000	\$ -	\$ -	\$ -	\$ -	\$ 32,965,374	
Package 801: LFO Analyst Adjustments									
Special Payments	\$ (2,983,035)	\$ -	\$ (446,728)	\$ -	\$ -	\$ -	\$ -	\$ (3,429,763)	
SCR 52500-110 - Workforce and Other Special Payments									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ -	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000	
SCR 52500-112 - Sports Lottery									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ -	\$ (5,859,809)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,859,809)	
SCR 52500-113 - Public University Debt Service									
Package 801: LFO Analyst Adjustments									
Debt Service	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1	
SCR 52500-114 - Community College Debt Service									
Package 801: LFO Analyst Adjustments									
Debt Service	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ 1	

PRELIMINARY

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 52500-115- OHSU Debt Service									
Package 801: LFO Analyst Adjustments									
Debt Service	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 1		
TOTAL ADJUSTMENTS	\$ 98,978,719	\$ 11,105,565	\$ 16,233,193	\$ -	\$ 208,270	\$ -	\$ 126,525,747	6	5.80
SUBCOMMITTEE RECOMMENDATION *	\$ 2,195,221,519	\$ 139,585,192	\$ 76,538,810	\$ 211,422,020	\$ 127,494,630	\$ 24,286,877	\$ 2,774,549,048	138	127.87
% Change from 2017-19 Leg Approved Budget	12.6%	44.6%	22.4%	(13.4%)	7.9%	3.1%	11.3%	3.0%	6.3%
% Change from 2019-21 Current Service Level	4.7%	8.7%	26.9%	0.0%	0.2%	0.0%	4.8%	4.6%	4.8%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 2019 - 2021 Key Performance Measures

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Agency: Higher Education Coordinating Commission

Mission Statement:

The Higher Education Coordinating Commission seeks to: Broaden pathways to the goal of educational success beyond high school by achieving at least 40% of adult Oregonians earning a bachelor's degree or higher and at least 40% of adult Oregonians earning an associate's degree or post-secondary credential as their highest level of educational attainment by 2025 (see ORS 351.009 Mission of Education Beyond High School) Make the pathways accessible, affordable and supportive for students Steer the higher education enterprise Cheer the promotion of college completion and career readiness

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
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.		Approved	57.80%	68%	68%
2. Racial/Ethnic Differences Among 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, disaggregated by race/ethnicity	American Indian or Alaskan Native	Approved	49%	66%	68%
	b) Asian American		72.20%	74%	75%
	c) Black or African American		57.20%	68%	70%
	d) Hispanic or Latina/-o		54.20%	68%	70%
	e) Native Hawaiian or Pacific Islander		49%	68%	70%
	f) White		57.90%	68%	70%
3. College Credits Earned by K-12 Students - Amount of postsecondary credit per graduate awarded to K-12 students.		Approved	10.48	11	11
4. Oregon Educational Attainment - Percent of young Oregon adults with post secondary degree or certificate		Approved	53.60%	57%	58%
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.		Approved	38.80%	49.50%	50%
6. Racial/Ethnic Differences for Community College Completion and Transfer Rate - Percentage of community college students who complete an associate degree or certificate or who transfer to university system within three years by race/ethnicity.	American Indian or Alaska Native	Approved	31.90%	49.50%	50%
	b) Asian American		43.50%	53.30%	53.50%
	c) Black or African American		30.90%	49.50%	50%
	d) Hispanic or Latina/-o		31.40%	49.50%	50%
	e) Native Hawaiian or Pacific Islander		37.90%	49.50%	50%
	f) White		40.20%	50.30%	50.50%
7. Public University Graduation Rate - Percentage of public university college students who complete a bachelor's degree within 6 years.		Approved	64.40%	64.50%	65%
8. Racial/Ethnic Differences for Public University Graduation Rate - Percentage of public university students who complete a bachelor's degree within 6 years, by race/ethnicity.	American Indian or Alaska Native	Approved	37.40%	64.50%	65%
	b) Asian American		74.50%	76%	76%
	c) Black or African American		54.70%	64.50%	65%

HB 5024

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
	d) Hispanic or Latina/-o		59.50%	64.50%	65%
	e) Native Hawaiian or Pacific Islander		50%	64.50%	65%
	f) White		65.20%	65.80%	66%
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.		Approved	51.40%	39%	38%
10. Racial/Ethnic Differences in Percentage of Resident Students incurring Unaffordable Costs - Percentage of resident enrolled students who are incurring unaffordable costs adjusted with institutional aid, by race/ethnicity.	American Indian or Alaska Native	Approved	49.80%	36%	35.50%
	b) Asian American		59.80%	39%	38%
	c) Black or African American		50.40%	39%	38.50%
	d) Hispanic or Latina/-o		54.60%	39%	38%
	e) Native Hawaiian or Pacific Islander		50.60%	38.50%	38%
	f) White		50%	38%	37.50%
11. Earnings of Community College Completers - Median earnings of community college completers five years after completion.		Approved	\$37,699.00	\$38,500.00	\$39,000.00
12. Racial/Ethnic Differences in Earnings of Community College Completers - Median earnings of community college completers, five years after completion, by race/ethnicity.	American Indian and Alaska Native	Approved	\$36,554.00	\$38,500.00	\$39,000.00
	b) Asian American		\$39,842.00	\$40,000.00	\$40,000.00
	c) Black or African American		\$34,202.00	\$38,500.00	\$39,000.00
	d) Hispanic or Latina/-o		\$35,406.00	\$38,500.00	\$39,000.00
	e) Native Hawaiian or Pacific Islander		\$32,574.00	\$38,500.00	\$39,000.00
	f) White		\$38,046.00	\$38,500.00	\$39,000.00
13. Earnings of bachelor's degree completers - Median earnings of graduates with bachelor's degrees five years after completion		Approved	\$45,080.00	\$46,500.00	\$47,000.00
14. Racial/Ethnic Differences in Earnings of Bachelor's Degree Completers - Median earnings of graduates with bachelor's degrees, five years after completion, by race/ethnicity.	American Indian or Alsaska Native	Approved	\$46,997.00	\$47,750.00	\$48,000.00
	b) Asian American		\$47,435.00	\$48,250.00	\$48,500.00
	c) Black or African American		\$41,283.00	\$46,500.00	\$47,000.00
	d) Hispanic or Latina/-o		\$44,557.00	\$46,500.00	\$47,000.00
	e) Native Hawaiian or Pacific Islander		\$41,223.00	\$46,500.00	\$47,000.00
	f) White		\$45,372.00	\$46,500.00	\$47,000.00
15. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	a) Overall	Approved	57%	80%	85%
	b) Expertise		75%	95%	100%
	c) Helpfulness		88%	95%	100%
	d) Availability of Information		44%	80%	85%
	e) Timeliness		46%	80%	85%
	f) Accuracy		58%	80%	85%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
16. Commission Best Practices - Percent of total best practices met by the Commission.		Approved	100%	100%	100%

LFO Recommendation:

In the 2017 session, the Legislature approved a significant “makeover” of the KPMs for the Higher Education Coordinating Commission (HECC). It reduced the number of KPMs from the 29 which the Commission inherited from their predecessor agencies to the 16 approved in 2017. The proposed targets generally reflect those recommended by the agency. It should be noted that most of the KPMs reflect the performance of the institutions that are funded by the agency or the general economy/society. The agency can only directly affect a few of the measures in the short term.

It should be noted that during the 2017 Session, the Subcommittee recommended the agency return to the 2019 Session with a proposed KPM for workforce related programs. This is a major area of HECC’s responsibilities and should have a KPM. The agency did not propose a KPM for this area.

SubCommittee Action:

The Subcommittee discussed the degree to which the Commission can affect it’s KPMs. Some members of the Subcommittee felt that the Commission should select KPM’s that measure the agency’s performance and not just have those KPMs that measure the performance of the institutions the Commission funds or measures that are more dependent on general economic factors.

The Subcommittee approved the LFO recommendation.

PRELIMINARY