

SB 5528 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Doug Wilson, Legislative Fiscal Office

Higher Education Coordinating Commission

2021-23

PRELIMINARY

Budget Summary*

	2019-21 Legislatively Approved Budget ⁽¹⁾	2021 - 23 Current Service Level	2021-23 Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 1,934,535,179	\$ 2,058,810,537	\$ 2,179,073,915	\$ 244,538,736	12.6%
General Fund Debt Service	\$ 218,507,874	\$ 249,512,510	\$ 273,302,202	\$ 54,794,328	25.1%
Lottery Funds	\$ 97,140,364	\$ 104,045,000	\$ 78,208,051	\$ (18,932,313)	(19.5%)
Lottery Funds Debt Service	\$ 45,022,437	\$ 50,319,240	\$ 50,319,240	\$ 5,296,803	11.8%
Other Funds Limited	\$ 76,984,816	\$ 48,922,060	\$ 77,281,794	\$ 296,978	0.4%
Other Funds Debt Service	\$ 47,849,099	\$ 34,970,720	\$ 34,970,720	\$ (12,878,379)	(26.9%)
Other Funds Nonlimited	\$ 2,370,711	\$ 206,000	\$ 206,000	\$ (2,164,711)	(91.3%)
Other Funds Debt Service Nonlimited	\$ 603,484,956	\$ 164,971,280	\$ 164,971,280	\$ (438,513,676)	(72.7%)
Federal Funds Limited	\$ 128,146,326	\$ 128,335,403	\$ 130,656,715	\$ 2,510,389	2.0%
Federal Funds Nonlimited	\$ 19,689,647	\$ 20,536,302	\$ 20,536,302	\$ 846,655	4.3%
Federal Funds Debt Service Nonlimited	\$ 4,597,230	\$ -	\$ -	\$ (4,597,230)	(100.0%)
Total	\$ 3,178,328,639	\$ 2,860,629,052	\$ 3,009,526,219	\$ (168,802,420)	(5.3%)

Position Summary

Authorized Positions	144	147	149	5
Full-time Equivalent (FTE) positions	134.91	138.07	140.36	5.45

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures



Summary of Revenue Changes

The Higher Education Coordinating Commission’s (HECC) budget is made up of the following revenues:

General Fund - Provides 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 – Pay for debt service, Opportunity Grants, Oregon Outdoor School, and intercollegiate athletics through the Sports Lottery program. The Subcommittee’s recommended budget includes an 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 decreased for the Oregon Opportunity Grant program.

Other Funds Limited – The Degree Authorization, Private Career 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. The Oregon Opportunity Grant program receives Other Funds revenue from the auction of tax credits. The budget recommendation includes an increase in Other Funds related to the Governor’s Emergency Education Recovery (GEER) program, which are grant funds awarded to HECC for response to the impacts of COVID-19.

Federal Funds Limited – 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 – 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) sets state policy and funding strategies, administers numerous programs and manages approximately three billion dollars of public funding for postsecondary education. Led by its 14-member commission, HECC determines state funding allocations to public institutions, approves new degree and certificate programs, licenses and authorizes private post-secondary 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. However, its primary focus is strategic planning for the postsecondary education system in the state.

The HECC budget primarily consists of state funding for community colleges, public universities, Oregon Health and Science University (OHSU) programs, the Oregon Opportunity Grant program, and the Oregon Promise program. While these funding streams are distributed to the institutions and students, the Commission has a role in determining how the funds are allocated, except for OHSU, which is outside of HECC's statutory authority. The budget also includes funding for university and community college capital construction projects and debt service on the bonds sold to finance the projects.

The Subcommittee recommended a budget of \$3,009,526,219 total funds (\$2,452.4 million General Funds, \$128.5 million Lottery Funds, \$112.3 million Other Funds expenditure limitation, \$130.7 million Federal Funds expenditure limitation, \$165.2 million Other Funds Non-limited, and \$20.5 million Federal Funds Non-limited) and 149 positions (140.36 FTE). This represents a decrease of 5.3% from the 2019-21 legislatively approved budget. The agency position count is increased by five positions (5.45 FTE) from the 2019-21 legislatively approved budget.

Directors Office

The Director's Office carries out the central executive role of the agency, as well as communications, legislative affairs, human resources, diversity equity and inclusion coordination and initiatives, policy initiatives, and other roles for the agency. The Directors Office program consists of the Office of the Executive Director; a Legislative Liaison; a Public Affairs Officer; the Diversity, Equity, and Inclusion Office; an Internal Auditor; and the Human Resources Office.

The Subcommittee recommended a budget of \$5,273,645 total funds (\$4,517,165 General Fund, \$200,000 Other Funds expenditure limitation, and \$556,480 Federal Funds expenditure limitation) and 13 positions (13.00 FTE). The Subcommittee recommended the following packages:

Package 087: August 2020 Special Session. This package biennializes changes made during the August 2020 special session saving \$202,386 General Fund. The package eliminates a Training and Development Specialist 2 position and reclassifies the Internal Auditor (IA) position from and IA 2 to an IA 3.

Package 402: DEI Staffing. This \$540,831 General Fund package adds two positions (2.00 FTE) to contribute toward diversity, equity, and inclusion (DEI) activities relating to post-secondary education and workforce development. These positions will provide enhanced leadership, support, and sustainability to operationalize the equity lens, provide outreach, community engagement, dedicated tribal consultation, and assist in eliminating systemic racism in policies and actions throughout the agency.

Package 802: Indirect Rate Adjustments. Subsequent to the development of the current service level budget, the federal indirect rate was changed, and as such, this package updates the budgetary needs by fund type of the various units within the agency based on the new federal indirect rate and a review of the programs this indirect rate applies. The indirect rate provides a revenue source for a portion of the costs for the Director's Office, Central Operations, and the Research and Data Office. Over the entire HECC budget, this generates \$2.4 million in General

Fund savings with corresponding changes in Federal Funds expenditure limitation. The package also updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of the State Government Service Charge based on how the agency is able to charge these costs. This increases the General Fund need across the agency by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. The net changes to the Director's Office is a savings of \$306,480 General Fund and increased Federal Funds of \$556,480.

Package 804: Technical Adjustments. This package includes technical changes of various types, which do not necessarily change policy in anyway. For the Directors Office, this package adds Other Funds expenditure limitation for applicants who did not receive the Talent, Innovation, Equity (TIE) grant from the original grant funds. HECC received 15 applications for activities related to eliminating growing disparities in completion rates between the overall population and African American, Latino, and Native American students. Funding was only available to fund to the top three applicants and the agency will use \$200,000 Other Funds from the Governor's Emergency Education Recovery (GEER) funds to award at least two more projects.

Central Operations

Central Operations provides centralized business services and support to HECC. It includes the operations of Information Technology, Contracts and Procurement, Fiscal and Budget, Project Management, and Facilities Management Services.

The Subcommittee recommended a budget of \$14,450,750 total funds (\$11,933,624 General Fund, \$133,912 Other Funds expenditure limitation and \$2,383,214 Federal Funds expenditure limitation) and 36 positions (34.92 FTE). The Subcommittee recommended the following packages:

Package 087: August 2020 Special Session. This package biennializes changes made during the August 2020 special session. The package eliminates two positions (1.50 FTE) saving \$516,949 General Fund. The positions eliminated are a Principal Executive Manger G (PEM G), which is the Administrative Services Director, and a Procurement and Contract Specialist 2. The PEM G is restored in a later package.

Package 405: NORPAC Lease. This package provides HECC with \$674,655 General Fund and \$200,000 Federal Funds to address an increase in its rent due to moving from the Public Services Building to a new privately owned building in Salem. The move was partially due to the Oregon Department of Education's need to add staff associated with the passage of the Student Success Act. This move also allows HECC to consolidate more of its staff in one location.

Package 801: LFO Analyst Adjustments. Package 087 eliminated the Administrative Services Director position per actions taken during the August 2020 second special session. Since that time, it has become apparent the position is required for both administrative oversight and quality control purposes. This package also adds one budget Fiscal Analyst 3 position and an Accountant 2 position to increase the financial services capacity of the agency and address issues identified in 2019-21. This package also adds \$172,000 General Fund for the Financial

Assistance Management Information System (FAMIS) project that was removed as part of the 087 package. There will be \$5.0 million in bonds issued for this project and this \$172,000 in General Fund is required to make this project successful. Total cost of the package is \$878,447 General Fund and \$134,916 Federal Funds.

Package 802: Indirect Rate Adjustments. Subsequent to the development of the current service level budget, the federal indirect rate was changed, and as such, this package updates the budgetary needs by fund type of the various units within the agency, based on the new federal indirect rate and a review of the programs this indirect rate applies. The indirect rate provides a revenue source for a portion of the costs for the Director's Office, Central Operations, and the Research and Data Office. Over the entire HECC budget, this generates \$2.4 million in General Fund savings with corresponding changes in Federal Funds expenditure limitation. The package also updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of the State Government Service Charge based on how the agency is able to charge these costs. This increases the General Fund need across the agency by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. The net changes to the Central Operation unit was a reduction of \$2.0 million General Fund, a reduction of \$136,105 Other Funds and an increase of \$1.4 million Federal Funds.

Research and Data

The Office of Research and Data is responsible for providing education research and analytic services to support the Commission's efforts to achieve equity in Oregon education, and to track progress in achieving all of the Commission's strategic goals. The Office includes both the Postsecondary Research and Data team and the Oregon Longitudinal Data Collaborative.

The Subcommittee recommended a budget of \$6,818,144 total funds (\$3,086,209 General Fund, \$3,338,305 Other Funds expenditure limitation and \$393,630 Federal Funds expenditure limitation) and 15 positions (14.25 FTE). The Subcommittee recommended the following packages:

Package 087: August 2020 Special Session. This package biennializes changes made during the August 2020 special session. The package eliminates one Information Systems Specialist 7 position (0.13 FTE), reduces a Research Analyst 4 position to half-time and fund shifts 50% of General Fund to Federal Funds, and fund shifts an Operations and Policy Analyst 4 position from 100% General Fund to 100% Federal Funds. The net change in this package is a savings of \$293,276 General Fund and an increase of \$126,243 Federal Funds with one position eliminated and a decrease of 0.63 FTE.

Package 801: LFO Analyst Adjustments. This package eliminates three positions from the current service level budget for the Oregon Longitudinal Data Consortium (OLDC) project and retains three of the six positions held vacant during 2019-21. This project combines data (non-identifiable) from K-12, employment and other data sets across state government to provide the opportunity to test policy choices based on a data set spanning a number of years. The positions retained include a Research Analyst 4, Information System Specialist 8, and a Research Analyst 3. These positions will move the project forward after a two-year period of holding steady. The anticipated outcome over time is an

increase in the data included in the project and further analysis of policy options. There is a reduction of \$1.1 million from the current service level and a reduction of three positions (3.00 FTE).

This package also restores 0.50 FTE to a Research Analyst 4 position. During the August 2020 second special session, a reduction was taken on this position since it was vacant at the time. It was agreed at the time the FTE would be restored, for 2021-23. During the development of the 087 package, this 0.50 FTE was mistakenly not restored. The cost is \$95,952 General Fund. The Subcommittee recommended the following budget note:

Budget Note

The Higher Education Coordinating Commission shall report to the Emergency Board by October 1, 2022 on the use of the Statewide Longitudinal Data System (SLDS) and its further development. The report must include an update on its use to date, a sample list of research projects that utilizes the SLDS and its data, a list of new data elements added to the SLDS since the beginning of the 2021-23 biennium, and a description of further development of the SLDS’s capabilities and capacity.

Package 802: Indirect Rate Adjustments. Subsequent to the development of the current service level budget, the federal indirect rate was changed, and as such, this package updates the budgetary needs by fund type of the various units within the agency, based on the new federal indirect rate and a review of the programs this indirect rate applies. The indirect rate provides a revenue source for a portion of the costs for the Director’s Office, Central Operations, and the Research and Data Office. Over the entire HECC budget, this generates \$2.4 million in General Fund savings with corresponding changes in Federal Funds expenditure limitation. The package also updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of the State Government Service Charge, based on how the agency is able to charge these costs. This increases the General Fund need, across the agency, by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. The net changes for this program is \$106,149 General Fund savings, an increase of \$5,000 Other Funds and a \$279,149 increase for Federal Funds.

Package 804: Technical Adjustments. This package includes technical changes of various types, which do not necessarily change policy in any way. For the Research and Data unit, the technical adjustment corrects a fund shift on a position from the August 2020 special session. The position should have been funded with Other Funds instead of Federal Funds. There is a \$42,578 Other Funds increase with a corresponding decrease in Federal Funds.

Academic Policy and Authorization

The Office of Academic Policy and Authorization manages two primary areas of work: 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 units of this program include:

- *Office of Degree Authorization (ODA)* – Authorizes private degree-granting institution and distance education providers. Each biennia, ODA re-authorizes more than 20 in-state degree granting, private institutions and more than 45 out-of-state degree-granting institutions (a mix of public and private). When a school closes, ODA manages the transition of transcripts to a custodial institution or takes ownership. ODA is responsible for student and consumer protection from diploma mills and unauthorized schools. Additionally, ODA administers the NC-SARA (State Authorization Reciprocity Agreement) for the state of Oregon, which includes investigation of student complaints. There are 30 Oregon institutions participating in this reciprocity agreement, encompassing more than 2,000 schools in 49 states.
- *Private Career Schools (PCS)* – Licenses and provides technical assistance to private career and trade schools. PCS is also responsible for student and consumer protection from diploma mills and unlicensed career schools and investigates student complaints. There are approximately 185 private career schools in Oregon, the largest contingent of which are “personal care” training schools, including barbering and cosmetology schools. PCS is advised by a public advisory board. When a school closes, PCS makes sure the transition is as orderly as possible to assure student interests are protected, including appropriate refunds from the school or the state-administered Tuition Protection Fund.
- *Public University Academic Policy Coordination (PUAPC)* – Coordinates policy related to Oregon’s seven public universities and leads HECC’s response to legislation related to Oregon public university policies, student success, student services, and academic programs. This program assists in fostering pathways to success for students of public universities, related to post-secondary pathways and transitions, academic program approvals, degree completion initiatives, and university evaluations.

The Subcommittee recommended a budget of \$10,011,486 total funds (\$1,610,307 General Fund, \$8,195,179 Other Funds expenditure limitation and \$206,000 Other Fund Non-limited) and 13 positions (11.24 FTE). The Subcommittee recommended the following packages:

Package 090: Analyst Adjustments. This package eliminates a long time vacant Operations & Policy Analyst 2 position (1.00 FTE) saving \$187,293 Other Funds. The Department does not have the revenue to support the position.

Package 802: Indirect Rate Adjustments. This package updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of State Government Service Charges based on how the agency is able to charge these costs. This increases the General Fund need across the agency by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. For this unit, there is a \$213,000 increase in General Fund.

Package 803: Federal COVID Limitation. HECC received Federal Funds from the federal COVID-19 legislation through the Governor’s Emergency Education Recovery program (GEER). These funds were divided between the Oregon Department of Education (both K-12 and Early Learning) and HECC. The Federal Funds were received by the Oregon Department of Education and then transferred to HECC through an interagency agreement. For this reason, the funds are expended as Other Funds by HECC. This amount represents the estimated amount of

these funds that will be expended, during 2021-23. For the Academic Policy and Authorization unit there is a remaining \$5.2 million Other Funds from the GEER program from the funds received in the CARES act from the spring of 2020.

Post-Secondary Finance and Capital

The Office of Post-Secondary Finance and Capital provides fiscal coordination to Oregon’s public post-secondary institutions, including management of the Community College Support Fund, the Public University Support Fund, the funds for Public University State Programs, and the funds for Statewide Public Service Programs. The office also manages capital investments, fiscal reporting and analysis, capital bond funding administration, and the allocation of state funding to public post-secondary institutions in Oregon.

The Subcommittee recommended a budget of \$1,882,469 General Fund and five positions (5.00 FTE). The Subcommittee recommended the following package:

Package 802: Indirect Rate Adjustments. This package updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of State Government Service Charges based on how the agency is able to charge these costs. This increases the General Fund need across the agency by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. For this Office, there is a \$100,000 increase in General Fund.

Community Colleges

The Community Colleges program provides coordination and resources related to Oregon’s 17 community colleges and adult basic skills providers. The Division 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, GED testing and high school equivalency, and English Language Learners programs.

The Subcommittee recommended a budget of \$30,852,472 total funds (\$7,152,634 General Fund, \$11,061,502 Other Funds expenditure limitation, and \$12,638,336 Federal Funds expenditure limitation) and 19 positions (16.95 FTE). The Subcommittee recommended the following packages:

Package 204: Transfer Portal. This package provides \$550,534 General Fund to implement technology and systems to support a transfer portal allowing for a streamlined student transfer pathway. This portal is part of the proposed solution from HB 2998 passed in 2017, directing HECC to streamline transfer pathways from community colleges to public universities.

Package 207: Technical Adjustment for SP to OED. This package removes \$54,035 Other Funds expenditure limitation relating to payments formerly made to the Employment Department. These payments are no longer required to be made.

Package 801: LFO Analyst Adjustments. This package provides \$831,429 General Fund to provide funding for HECC's responsibilities in SB 233 (2021) to establish a common course numbering system for all introductory and lower level courses offered at public post-secondary education institutions. HECC must provide staff and other support for a 15-member Transfer Council and the subcommittees that are created by the Council. One Education Specialist 2 (0.75 FTE) will be the primary staff for the Council providing analysis of recommendations and prepare reports. A Research Analyst 4 (0.25 FTE) will identify baseline data, manage data from all 24 institutions, and provide detailed data on course prioritization. An Executive Support Specialist (0.75 FTE) will provide the administrative support to the Council. There is also \$428,000 General Fund for a business operation-consulting firm to perform a variety of functions including the initial work on an electronic transfer system.

Package 802: Indirect Rate Adjustments. This package updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of State Government Service Charges based on how the agency is able to charge these costs. This increases the General Fund need across the agency by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. For this Program, there is an increase of \$268,000 General Fund, a decrease of \$152,304 Other Funds and a decrease of \$134,949 Federal Funds.

Package 803: Federal COVID Limitation. HECC received Federal Funds from federal COVID-19 legislation through GEER. These funds were divided between the Oregon Department of Education (both K-12 and Early Learning) and HECC. The federal funds were received by the Oregon Department of Education and then transferred to HECC through an interagency agreement. For this reason, the funds are expended as Other Funds by HECC. This amount represents the estimated amount of these funds to be expended during 2021-23. For the Community College program, there is \$2.5 million Other Funds from GEER funds made available through the CARES Act, from the spring of 2020. There is also Other Funds expenditure limitation from the second round of the GEER program for Open Educational Resources Support (\$1.2 million) and for the Reengagement and Retention Initiative (\$2.17 million).

Package 804: Technical Adjustments. This package includes technical changes of various types that do not necessarily change policy in anyway. For the Community College program this change is a \$1.5 million increase in the Other Fund expenditure limitation for the Oregon Youth Corps program. This represents the amount received from the Oregon Community Foundation from funding made available from the recent Summer Learning Initiative passed in HB 5042 (2021).

Workforce Investments

The Office of Workforce Investments (OWI) works in partnership with the Oregon Employment Department, the Department of Human Services, the Oregon Commission for the Blind, and others to deliver programs within Oregon's workforce system. OWI is responsible for supporting and providing technical assistance to the Workforce and Talent Development Board and local workforce development boards. OWI administers WIOA Title I programs for youth, adult dislocated workers, and other training related federal discretionary grants, which fund programs such as apprenticeships, the National Career Readiness Certificate, and others. OWI also administers and supports the Oregon Youth Corp, by providing grants, training, and resources to youth serving agencies. It also provides support to the Oregon Volunteers program to

support statewide service and volunteer efforts, as well as providing funds for the state-based AmeriCorps program. Finally, OWI supports the STEM (science, technology, engineering and math) Investment Council.

The Subcommittee recommended a budget of \$161,830,123 total funds (\$21,875,640 General Fund, \$4,869,567 Other Funds expenditure limitation, \$114,548,614 Federal Funds expenditure limitation, and \$20,536,302 Federal Funds Nonlimited) and 24 positions (23.50 FTE). The Subcommittee recommended the following packages:

Package 087: August 2020 Special Session. This package biennializes changes made during the August 2020 special session and eliminates one a Program Analyst 3 position (1.00 FTE), and fund shifts two positions from General Fund to Federal Funds. The package also increases services and supplies expenditure limitation (\$65,000 Other Funds and \$142,508 Federal Funds) for the Oregon Volunteers program. Overall, there is \$388,495 General Fund savings.

Package 088: September 2020 Emergency Board. This package accounts for the action taken at the September 2020 meeting of the Emergency Board to provide the Oregon Volunteers with the \$300,552 General Fund match required to maintain federal funding.

Package 202: OR Youth Employment Prgm /OYC Prgm. This package provides resources for the Oregon Youth Employment Fund for activities related to the Oregon Youth Employment Program. Funding will be provided to local workforce development boards and other youth-serving organizations to carry out the program. The package funds two positions (1.50 FTE). There is \$8.6 million General Fund for distribution to the boards and other organizations for the program. Total cost of the package is \$9.0 million General Fund.

Package 207: technical Adjustment for SP to OED. This package removes \$132,820 in Federal Funds expenditure limitation relating to payments formerly made to the Employment Department. These payments are no longer required to be made.

Package 801: LFO Analyst Adjustments. The federal government requires the state to maintain an Eligible Training Provider (ETP) list as a condition of receiving the Workforce Innovation and Opportunity Act funding from the US Department of Labor. This list is of approved training providers and programs, and also includes information on the performance outcomes of the programs on the list. This package includes funding for an Office Specialist position (1.00 FTE) at a cost of \$142,283 Federal Funds. The position will be responsible for the administration of the ETP list and the maintenance and reporting for the programs, providers, their eligibility and their performance outcomes, which need ongoing updating, data collection, and related ETP list-management activities. The agency has received multiple waivers (permissions to postpone the project) but are on notice they will not receive any additional waivers and must meet this requirement. A limited duration position currently has started this work and this package makes this a permanent position for this ongoing activity.

Package 802: Indirect Rate Adjustments. This package updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of State Government Service Charges based on how the agency is able to charge these costs. This increases the

General Fund need across the agency by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. For this Office, there is an increase of \$836,284 General Fund, a decrease of the \$18,267 Other Funds, and \$499,587 decrease in Federal Funds.

Package 803: Federal COVID Limitation. HECC received Federal Funds from federal COVID-19 legislation through GEER. These funds were divided between the Oregon Department of Education (both K-12 and Early Learning) and HECC. The Federal Funds were received by the Oregon Department of Education and then transferred to HECC through an interagency agreement. For this reason, the funds are expended as Other Funds by HECC. This amount represents the estimated amount of these funds that will be expended during 2021-23. For the Workforce Investment unit, there is \$500,000 Other Funds expenditure limitation from the second round of the GEER program for the Oregon Youth Corps Summer Programs.

Oregon Student Access and Completion (OSAC)

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 institutions of postsecondary institutions. Financial aid programs include the Oregon Opportunity Grant, the Oregon Promise program, an Oregon National Guard Tuition Assistance program (created during the 2018 legislative session), and over 600 private scholarships. OSAC also administers student outreach programs, such as Oregon ASPIRE, which matches trained and supportive adult volunteer mentors in middle schools, high schools, and community-based organizations to help students develop plans to meet educational goals beyond high school.

The Subcommittee recommended a budget of \$269,982,121 total funds (\$218,609,220 General Fund, \$12,274,716 Lottery Funds, \$38,961,744 Other Funds expenditure limitation, and \$136,441 Federal Funds expenditure limitation) and 24 positions (21.50 FTE). The Subcommittee recommended the following packages:

Package 087: August 2020 Special Session. This package biennializes changes made during the August 2020 special session. The package fund shifts one position from General Fund to Federal Funds and adds a permanent full-time Program Analyst 2 (1.00 FTE) for the Oregon Teacher Scholars program. The package was adjusted by restoring the reductions made to the National Guard Tuition Assistance Program and the Oregon Promise Program. Overall, the package decreases General Fund by \$209,812, increases Other Funds by \$187,293, and increases Federal Funds by \$209,812.

Package 090: Analyst Adjustments. This package eliminates two vacant positions (0.75 FTE) saving \$121,333 General Fund. The positions are an Accountant 2 and a Program Analyst 1. The package was adjusted to reflect the available funding for the Oregon Opportunity Grant program.

Package 801: LFO Analyst Adjustments. This package includes two major items:

1. \$250,000 Other Funds expenditure limitation for assisting children of deceased public safety officers. Previous to this action, this financial assistance was provided through the Oregon Opportunity Grant program. Now the agency will use funding from the Criminal Fines Assessment to provide this assistance; and
2. \$119,129 General Fund is added to provide financial assistance to those students who are not eligible to receive the pandemic related assistance made directly to the post-secondary institutions. This amount represents the portion of those funds approved earlier in the 2021 session.

Package 802: Indirect Rate Adjustments. This package updates the funding mix between fund types (e.g., General Funds, Other Funds, and Federal Funds) for the costs of State Government Service Charges based on how the agency is able to charge these costs. This increases the General Fund need across the agency by \$1.4 million with corresponding decreases in Other and Federal Funds expenditure limitations. For this Office, there is a \$314,000 increase in General Fund and a reduction of \$327,915 Other Funds.

Package 804: Technical Adjustments. This package includes technical changes of various types not necessarily changing policy in anyway. For this unit, the funding mix of a position needs to be changed to reflect a greater amount of Other Funds and a smaller amount of Federal Funds. This corrects an action made in the August 2020 second special session. There is a transfer of \$73,371 between the two fund types.

Package 805: Lottery Funds Adjustments. This package adjusts the funding mix of the Oregon Opportunity Grant Program reflecting the availability of resources including beginning balances. Overall funding is increased to \$200.0 million total funds, an increase of \$28.8 million from current service level. The overall funding mix of the program is also adjusted. Investment related revenue from the Education Stability Fund is down from over \$40 million based on the May 2019 forecast to roughly \$5.6 million in the May 2021 forecast for 2021-23 requiring a backfill with Lottery Funds beginning balance in the program and General Fund. Overall, Lottery Funds are reduced by \$29.4 million. To make up for this loss, General Fund resources are added, as well as a \$6.0 million Other Funds in beginning balance resources. The final funding mix for this \$200.0 million total funds program is \$166.4 million General Fund, \$12.3 million Lottery Funds, and \$21.3 million Other Funds.

Support to Community Colleges

This program contains the 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. CCSF is distributed in two manners, one is through categorical funding and the second is through formula funding.

Categorical funding is subtracted from the amount appropriated prior to the distribution formula is calculated. Categorical funding includes corrections funding to provide services to inmates in state correctional institutions, distributions for contracted out-of-district education, and a strategic fund set aside by the Commission for statewide initiatives and to provide assistance to colleges to assist with legislative requirements and expectations. Approximately 2% of the total CCSF is distributed through categorical funding. There is also funding provided to two Skills centers in the Portland area and for a program providing assistance to first generation and other under-represented students.

The formula funding occurs in two phases. The first phase includes a base payment for each community college, calculated by using the current value of the base payment per full-time equivalent students and the institution's number weighted reimbursable FTE enrollment. The base payment distribution is approximately 5.7 percent of the total CCSF distribution. The second phase of the formula takes into consideration total public resources (General Fund and property taxes), three-year weighted average of enrollment, and growth management. Approximately 93% of the CCSF is distributed through formula funding.

The Subcommittee recommended a budget of \$713,564,148 total funds (\$703,042,563 General Fund and \$10,521,585 Other Funds expenditure limitation). This program does not fund any positions within HECC. The Subcommittee recommended the following packages:

Package 087: August 2020 Special Session. This package adds additional Timber Tax related Other Funds expenditure limitation of \$22,783 for the Community College Support Fund for 2021-23 that was added during the August 2020 second special session. These funds will be distributed to community colleges.

Package 801: LFO Analyst Adjustments. This package adds \$29.9 million to the Community College Support Fund bringing the total amount of funding to \$703.0 million. This is the amount requested by the community colleges. This amount is added to the current service level for distribution to the 17 community colleges.

Package 804: Technical Adjustments. This package includes technical changes of various types, not necessarily changing policy in anyway. For the community college program there are three changes. The first is \$10.4 million Other Funds expenditure limitation for an interagency agreement with the Department of Corrections (DOC) for education services for Adults in Custody in DOC facilities. This reflects a new arrangement agreed to earlier in 2021 where DOC no longer has a direct financial relationship with those community colleges who provide these services. Instead, DOC will transfer the funding through the agreement with HECC and HECC will provide payments to the community colleges. The second technical adjustment is another \$10,000 Other Funds expenditure limitation to recognize the estimated additional timber tax revenue available to distribute to community colleges. The third adjustment adds \$70,563 Other Funds expenditure limitation to match timber tax revenues.

Public University Operations & Student Support (PUSF)

This program unit, also known as the Public University Support Fund (PUSF), contains state funding provided to the universities for instruction, research, public services, and operation of the institutions. HECC uses the Student Success and Completion Model (SSCM) for PUSF, which replaced the Resource Allocation Model (RAM). The RAM was primarily based on student enrollment. The SSCM is composed of three categories: 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; Activity based funding is distributed based on student credit hour completions of Oregon residents at undergraduate and graduate levels; and 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 \$900,000,000 General Fund. This program does not fund any positions within HECC. The Subcommittee recommended the following package:

Package 801: LFO Analyst Adjustments. This package adds \$13.9 million to PUSF, bringing the total amount of funding to \$900.0 million. This is the amount requested by the public universities. This amount is added to the current service level for distribution to the seven public universities colleges through a distribution formula.

Public University State Programs

This program unit includes legislatively established programs with a research, public service, or economic development focus. These programs are funded entirely with General Fund.

The Subcommittee recommended a budget of \$52,614,889 General Fund. This program does not fund any positions within HECC. The following programs and amounts are funded within this budget structure:

Public University State Programs	
	GF
Engineering Technology Sustaining Funds (various universities)	28,591,600
Strong Start Initiative (one-time) (various institutions)	4,700,000
UO & OSU TallWood Design Institute	3,974,986
OSU Veterinary Diagnostic Laboratory	2,828,102
UO & PSU Dispute Resolution	2,572,696
PSU Oregon Solutions	2,639,705
OSU Fermentation Science	1,449,500
UO, OSU, & PSU Signature Research Centers	1,216,776
UO Labor Education Research Center	1,162,953
OSU Marine Research Vessel Program	724,751
OIT - Renewable Energy Center	558,503
PSU Population Research Center	509,026
OSU Institute of Natural Resources	466,682
Clinical Legal Education Program	407,016
OSU Climate Change Research Institute	365,809
OSU Channel Maintenance Impact Study	234,553
PSU Willamette Falls Locks Commission	212,231
	<hr/>
Total	52,614,889

The Subcommittee recommended the following package:

Package 801: LFO Analyst Adjustments. This package adds \$2.8 million for the Oregon State University's (OSU) Veterinary Diagnostic Laboratory. This is a public-supported facility providing a full range of animal disease diagnostic services to veterinarians, livestock producers, pet owners, and biomedical researchers. In addition to diagnostic services, the Laboratory shares in the training of future veterinarians through instruction of veterinary medical students in the practice of diagnostic medicine. This used to be funded within the PUSF. Under the new distribution formula for the PUSF, this program was not included in the formula after months of deliberation in the establishment of the formula. The rationale was that this program does not directly relate to student success and completion and should be funded outside of the PUSF. The decision left no state funding source for this program and this package continues the state funding.

Also included in this package is a \$4.7 million General Fund appropriation for the seven public universities' Strong Start program with a purpose of assisting students in the transition from high school to college. Many students postponed college and low income students are significantly less likely to apply for college. The population to be targeted with these funds are 2020 high school graduates who did not attend college in 2020-2021 and those high school graduates who enrolled in college and were adversely impacted by the pandemic with reduced academic load, financial distress and poor grades. Programs will be designed by the individual institutions. Some of the likely program elements include intensive academic supports especially in math and writing, academic advising, note taking skills, time management, early move-in to campus, peer mentoring, tutoring, and financial literacy.

Statewide Public Services

This program unit includes the OSU Agricultural Experiment Station, the OSU Extension Service, and the Forest Research Laboratory.

- *Agricultural Experiment Station* - The Agricultural Experiment station program conducts research to solve problems and generate innovations in the agricultural, biological, social, and environmental sciences for the social, economic, and environmental benefit of Oregonians.
- *OSU Extension Service* - OSU Extension Services are the educational outreach arm of Oregon State University (OSU). 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. Extension Service also provides Lottery Funds for the Oregon Outdoor School Program.
- *Forest Research Laboratory* - The Forest Research Laboratory program is located at OSU and 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.

These programs are funded with General Fund and Lottery Funds. The Subcommittee recommended a budget of \$156,035,459 General Fund and \$49,418,728 Lottery Funds. No positions related to these programs are funded within HECC. Funding for the programs are as follows:

- Agricultural Experiment Station - \$84,646,077 General Fund;
- OSU Extension Service - \$59,293,902 General Fund and \$49,418,728 Lottery Funds; and
- Forest Research Laboratory - \$12,095,480 General Fund.

The Subcommittee recommended the following packages:

Package 070: Revenue Shortfalls. This package adjusts expenditures by \$126 Lottery Funds to match the March 2020 revenue forecast for the Outdoor School program.

Package 801: LFO Analyst Adjustments. This package adds \$4,116,914 million General Fund for the Oregon State University's (OSU) Facilities Maintenance. This program provides resources to operate and maintain Statewide Public Service facilities related to the Extension Service, Experiment Station, and the Forest Research Laboratory on its Corvallis campus. This used to be funded within the PUSF. Under the new distribution formula for the PUSF, this program was not included in the formula after months of deliberation in the establishment of the formula. The rationale was that this program does not directly relate to student success and completion and should be funded outside of the PUSF. The decision left no state funding source for this program and this package continues the state funding.

This package also adds \$625,854 Lottery Funds for the Outdoor School to reflect the amount available after the May 2021 revenue forecast.

Sports Lottery

The Sports Action Lottery game was authorized by the 1989 Legislature, allowing bets on professional football games. House Bill 3466 (2005) prohibited betting on sporting events effective July 1, 2007, and dedicated 1% of lottery revenues to the Department of Higher Education Sports Lottery Account. With the elimination of the Oregon University System, the program was renamed Sports Lottery and HECC is responsible for the distribution among the universities.

The Subcommittee recommended a budget of \$16,514,607 Lottery Funds. This program does not fund any positions within HECC. The Subcommittee recommended the following package:

Package 805: Lottery Funds Adjustments. This package increases the amount for Sports Lottery by \$2,982,607 Lottery Funds bringing the total amount of funding to the amount projected in the May 2021 forecast of \$16,514,607. The allocation for each public university is as follows and is at the same percentage shares as the 2019-21 legislatively approved budget.

- Eastern Oregon University \$2,858,543
- Oregon Institute of Technology \$2,858,543
- Oregon State University \$1,206,401
- Portland State University \$2,667,633
- Southern Oregon University \$2,858,543
- University of Oregon \$1,206,401
- Western Oregon University \$2,858,543

OHSU Programs

This program unit includes the General Fund appropriation to support university and hospital operations. It is entirely funded with General Fund. The following programs are included in this unit:

- *School of Medicine \$28,024,863*
- *School of Nursing \$24,236,643*
- *School of Dentistry \$11,358,318*
- *Office of Rural Health/Area Health Education Centers (AHEC) \$4,965,557*
- *Child Development and Rehabilitation Center \$9,010,679*
- *Oregon Poison Center \$2,883,418*

The Subcommittee recommended a budget of \$82,479,478 General Fund. This program does not fund any positions within HECC. The Subcommittee recommended the following package:

Package 801: LFO Analyst Adjustments. This package adds \$2.0 million General Fund on a one-time basis to the Oregon Health and Science University’s 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 the Oregon Health Authority, Department of Human Services and the Oregon Department of

Education. The database includes information on birth records, K-12 education, mental health, child welfare, early learning, and home visiting. The Center for Evidence-based Policy should regularly communicate with the staff of the HECC Oregon Longitudinal Data Collaborative to avoid overlap and to join efforts in data collection and system development that might benefit both entities.

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. Debt Service for any new bonding approved during the 2021 session will be included in the end of session bill.

The Subcommittee approved a budget of \$430,152,349 total funds (\$226,776,549 General Fund, \$36,940,110 Lottery Funds, \$4,101,340 Other Funds expenditure limitation, and \$162,334,350 Other Funds Nonlimited). The Subcommittee recommended approval of the following package:

Package 087: August 2020 Special Session. This package updates debt service based on actions taken during the August 2020 special session by increasing the General Fund appropriation by \$26,328,114. It includes project bonding amounts approved during the special session.

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 debt service required for bonds approved during the 2021 Session will be included in the end of session bill.

The Subcommittee recommended a budget of \$50,568,791 total funds (\$37,189,661 General Fund and \$13,379,130 Lottery Funds). The Subcommittee recommended approval of the following package:

Package 087: August 2020 Special Session. This package updates debt service for bonds sold on the behalf of community colleges based on actions taken during the August 2020 special session reducing the General Fund by \$2.5 million. It factors in projects that have not reached their matching requirements, as well as updated information on actual debt service need.

OHSU Debt Service

This budget unit includes funding for debt service related to OHSU projects.

The Subcommittee recommended a budget of \$57,076,560 total funds (\$23,570,250 General Fund, \$30,869,380 Other Funds expenditure limitation, and \$2,636,930 Other Funds Nonlimited). The Subcommittee did not recommend approval of any packages.

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. Any budget adjustments related to bond-supported programs will be included in the 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. Any budget adjustments related to bond-supported programs will be included in the bond authorization bills and end-of-session budget reconciliation bills.

Summary of Performance Measure Action

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Higher Education Coordinating Commission
 Tamara Brickman - (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ 2,153,043,053	\$ 142,162,801	\$ 124,833,915	\$ 605,855,667	\$ 128,146,326	\$ 24,286,877	\$ 3,178,328,639	144	134.91
2021-23 Current Service Level (CSL)*	\$ 2,308,323,047	\$ 154,364,240	\$ 83,892,780	\$ 165,177,280	\$ 128,335,403	\$ 20,536,302	\$ 2,860,629,052	147	138.07
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 52500-200 - Directors Office									
Package 087: August 2020 Special Session									
Personal Services	\$ (202,386)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (202,386)	(1)	(1.00)
Package 402: DEI Staffing									
Personal Services	\$ 512,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512,000	2	2.00
Services and Supplies	\$ 28,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,831		
Package 802: Indirect Rate Adjustments									
Personal Services	\$ (338,293)	\$ -	\$ -	\$ -	\$ 338,293	\$ -	\$ -	0	0.00
Services and Supplies	\$ 31,813	\$ -	\$ -	\$ -	\$ 218,187	\$ -	\$ 250,000		
Package 804: Technical Adjustments									
Special Payments - Other Special Payments (6085)	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ 200,000		
SCR 52500-201 - Central Operations									
Package 087: August 2020 Special Session									
Personal Services	\$ (516,949)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (516,949)	(2)	(1.50)
Package 405: NORPAC Lease									
Services and Supplies	\$ 674,655	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 874,655		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ 706,447	\$ -	\$ -	\$ -	\$ 134,916	\$ -	\$ 841,363	3	2.92
Services and Supplies	\$ 172,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,000		
Package 802: Indirect Rate Adjustments									
Personal Services	\$ (1,438,771)	\$ -	\$ -	\$ -	\$ 1,438,771	\$ -	\$ -	0	0.00
Services and Supplies	\$ (539,862)	\$ -	\$ (136,105)	\$ -	\$ (25,545)	\$ -	\$ (701,512)		
SCR 52500-202 - Research and Data									
Package 087: August 2020 Special Session									
Personal Services	\$ (293,276)	\$ -	\$ -	\$ -	\$ 126,243	\$ -	\$ (167,033)	(1)	(0.63)
Package 801: LFO Analyst Adjustments									
Personal Services	\$ 95,952	\$ -	\$ (1,091,639)	\$ -	\$ -	\$ -	\$ (995,687)	(3)	(2.50)
Services and Supplies	\$ -	\$ -	\$ (424)	\$ -	\$ -	\$ -	\$ (424)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 802: Indirect Rate Adjustments										
Personal Services	\$ (151,221)	\$ -	\$ -	\$ -	\$ -	\$ 151,221	\$ -	-	0	0.00
Services and Supplies	\$ 45,072	\$ -	\$ 5,000	\$ -	\$ -	\$ 127,928	\$ -	178,000		
Package 804: Technical Adjustments										
Services and Supplies	\$ -	\$ -	\$ 42,578	\$ -	\$ -	\$ (42,578)	\$ -	-		
SCR 52500-2023 - Academic Policy and Authorization										
Package 090: Analyst Adjustments										
Personal Services	\$ -	\$ -	\$ (187,293)	\$ -	\$ -	\$ -	\$ -	(187,293)	(1)	(1.00)
Package 802: Indirect Rate Adjustments										
Services and Supplies	\$ 213,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	213,000		
Package 803: Federal COVID Limitation										
Special Payments - Other Special Payments (6085)	\$ -	\$ -	\$ 5,160,669	\$ -	\$ -	\$ -	\$ -	5,160,669		
SCR 52500-204 - Post-Secondary Finance and Capital										
Package 802: Indirect Rate Adjustments										
Services and Supplies	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100,000		
SCR 52500-205 - Community Colleges										
Package 204: Transfer Portal										
Personal Services	\$ 105,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	105,318	1	0.50
Services and Supplies	\$ 445,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	445,216		
Package 207: Technical Adjustment to SP to OED										
Special Payments - Special Payment to OED (6471)	\$ -	\$ -	\$ (54,035)	\$ -	\$ -	\$ -	\$ -	(54,035)		
Package 801: LFO Analyst Adjustments										
Personal Services	\$ 329,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	329,101	3	1.75
Services and Supplies	\$ 502,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	502,328		
Package 802: Indirect Rate Adjustments										
Services and Supplies	\$ 268,000	\$ -	\$ (152,304)	\$ -	\$ -	\$ (134,949)	\$ -	(19,253)		
Package 803: Federal COVID Limitation										
Special Payments - Other Special Payments (6085)	\$ -	\$ -	\$ 5,870,000	\$ -	\$ -	\$ -	\$ -	5,870,000		
Package 804: Technical Adjustments										
Special Payments - Other Special Payments (6085)	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	1,500,000		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
SCR 52500-206 - Workforce Investments										
Package 087: August 2020 Special Session										
Personal Services	\$ (388,495)	\$ -	\$ -	\$ -	\$ -	\$ 142,508	\$ -	(245,987)	(1)	(1.00)
Services and Supplies	\$ -	\$ -	\$ -	\$ 65,000	\$ -	\$ -	\$ -	65,000		
Package 088: September 2020 Emergency Board										
Services and Supplies	\$ 300,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	300,552		
Package 202: OR Youth Employment Prgm/OYC Prgrm										
Personal Services	\$ 339,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	339,458	2	1.50
Services and Supplies	\$ 28,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	28,831		
Special Payments - Other Special Payments (6085)	\$ 8,631,711	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,631,711		
Package 207: Technical Adjustment for SP to OED										
Special Payments - Special Payment to OED (6471)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (132,820)	\$ -	(132,820)		
Package 801: LFO Analyst Adjustments										
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,283	\$ -	142,283	1	1.00
Package 802: Indirect Rate Adjustments										
Personal Services	\$ 351,284	\$ -	\$ -	\$ (13,267)	\$ -	\$ (13,267)	\$ -	324,750	0	0.00
Services and Supplies	\$ 485,000	\$ -	\$ -	\$ (5,000)	\$ -	\$ (486,320)	\$ -	(6,320)		
Package 803: Federal COVID Limitation										
Special Payments - Other Special Payments (6085)	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -	500,000		
SCR 52500-207 - OSAC										
Package 087: August 2020 Special Session										
Personal Services	\$ (209,812)	\$ -	\$ -	\$ 187,293	\$ -	\$ 209,812	\$ -	187,293	1	1.00
Package 090: Analyst Adjustments										
Personal Services	\$ (121,333)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(121,333)	(2)	(0.75)
Package 801: LFO Analyst Adjustments										
Special Payments - Other Special Payments (6085)	\$ 119,129	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	369,129		
Package 802: Indirect Rate Adjustments										
Services and Supplies	\$ 314,000	\$ -	\$ -	\$ (327,915)	\$ -	\$ -	\$ -	(13,915)		
Package 804: Technical Adjustments										
Personal Services	\$ -	\$ -	\$ -	\$ 73,371	\$ -	\$ (73,371)	\$ -	-	0	0.00
Package 805: Lottery Funds Adjustments										
Special Payments - Other Special Payments (6085)	\$ 52,205,723	\$ (29,445,284)	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	28,760,439		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE					
			LIMITED	NONLIMITED	LIMITED	NONLIMITED								
SCR 52500-208 - Support to Community Colleges														
Package 087: August 2020 Special Session														
Special Payments - Other Special Payments (6085)	\$	-	\$	-	\$	22,783	\$	-	\$	-	\$	22,783		
Package 801: LFO Analyst Adjustments														
Special Payments - Distribution to Community Colleges	\$	29,900,000	\$	-	\$	-	\$	-	\$	-	\$	29,900,000		
Package 804: Technical Adjustments														
Special Payments - Distribution to Community	\$	-	\$	-	\$	10,451,022	\$	-	\$	-	\$	10,451,022		
SCR 52500-209 - Public University Ops & Student Support														
Package 801: LFO Analyst Adjustments														
Special Payments to Public Universities (6048)	\$	13,913,339	\$	-	\$	-	\$	-	\$	-	\$	13,913,339		
SCR 52500-210 - Public University State Programs														
Package 801: LFO Analyst Adjustments														
Special Payments to Public Universities (6048)	\$	7,528,102	\$	-	\$	-	\$	-	\$	-	\$	7,528,102		
SCR 52500-211 - Statewide Public Services														
Package 070: Revenue Shortfalls														
Special Payments to Public Universities (6048)	\$	-	\$	(126)	\$	-	\$	-	\$	-	\$	(126)		
Package 801: LFO Analyst Adjustments														
Special Payments to Public Universities (6048)	\$	4,116,914	\$	625,854	\$	-	\$	-	\$	-	\$	4,742,768		
SCR 52500-212- Sports Lottery														
Package 805: Lottery Funds Adjustments														
Special Payments to Public Universities (6048)	\$	-	\$	2,982,607	\$	-	\$	-	\$	-	\$	2,982,607		
SCR 52500-213 - OHSU Programs														
Package 801: LFO Analyst Adjustments														
Special Payments - Other Special Payments (6085)	\$	2,000,000	\$	-	\$	-	\$	-	\$	-	\$	2,000,000		
SCR 52500-214 - OHSU Programs Public University Debt Service														
Package 801: LFO Analyst Adjustments														
Debt Service	\$	26,328,114	\$	-	\$	-	\$	-	\$	-	\$	26,328,114		

PRELIMINARY

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustments Debt Service	\$ (2,538,422)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,538,422)		
TOTAL ADJUSTMENTS	\$ 144,053,070	\$ (25,836,949)	\$ 28,359,734	\$ -	\$ 2,321,312	\$ -	\$ 148,897,167	2	2.29
SUBCOMMITTEE RECOMMENDATION *	\$ 2,452,376,117	\$ 128,527,291	\$ 112,252,514	\$ 165,177,280	\$ 130,656,715	\$ 20,536,302	\$ 3,009,526,219	149	140.36
% Change from 2019-21 Leg Approved Budget	13.9%	(9.6%)	(72.4%)	(72.7%)	2.0%	(15.4%)	(13.0%)	3.5%	4.0%
% Change from 2021-23 Current Service Level	6.2%	(16.7%)	33.8%	0.0%	1.8%	0.0%	5.2%	1.4%	1.7%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 2021 - 2023 Key Performance Measures

Published: 6/15/2021 2:51:39 PM

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 2022	Target 2023
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	61.80%	66%	66%
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	48.50%	66%	66%
	b) Asian American		79.40%	84%	84%
	c) Black or African American		61.20%	66%	66%
	d) Hispanic or Latina/-o		55.10%	66%	66%
	e) Native Hawaiian or Pacific Islander		51.40%	66%	66%
	f) White		62.80%	66%	66%
3. College Credits Earned by K-12 Students - Amount of postsecondary credit per graduate awarded to K-12 students.		Approved	9.39	11.50	11.50
4. Oregon Educational Attainment - Percent of young Oregon adults with post secondary degree or certificate		Approved	54.10%	59%	59%
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	49.40%	52%	52%
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	53.70%	50%	50%
	b) Asian American		50.30%	57%	57%
	c) Black or African American		40.20%	50%	50%
	d) Hispanic or Latina/-o		45.50%	50%	50%
	e) Native Hawaiian or Pacific Islander		37.10%	50%	50%
	f) White		51.70%	54%	54%
7. Public University Graduation Rate - Percentage of public university college students who complete a bachelor's degree within 6 years.		Approved	65.70%	68%	68%
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	53.80%	65%	65%
	b) Asian American		73.30%	77%	77%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
	c) Black or African American		50.50%	65%	65%
	d) Hispanic or Latina/-o		59.80%	65%	65%
	e) Native Hawaiian or Pacific Islander		46.90%	65%	35%
	f) White		67.10%	70%	70%
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	43.70%	40%	40%
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	40%	36%	36%
	b) Asian American		54.50%	40%	40%
	c) Black or African American		43.20%	40%	40%
	d) Hispanic or Latina/-o		47.60%	40%	40%
	e) Native Hawaiian or Pacific Islander		41.30%	38%	38%
	f) White		41.70%	38%	38%
11. Earnings of Community College Completers - Median earnings of community college completers five years after completion.		Approved	\$39,072.00	\$40,000.00	\$40,500.00
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	\$36,503.00	\$38,000.00	\$38,000.00
	b) Asian American		\$38,020.00	\$41,000.00	\$41,500.00
	c) Black or African American		\$37,814.00	\$38,000.00	\$38,000.00
	d) Hispanic or Latina/-o		\$36,763.00	\$38,000.00	\$38,000.00
	e) Native Hawaiian or Pacific Islander		\$38,360.00	\$39,000.00	\$39,500.00
	f) White		\$36,913.00	\$39,000.00	\$39,500.00
13. Earnings of bachelor's degree completers - Median earnings of graduates with bachelor's degrees five years after completion		Approved	\$47,994.00	\$49,000.00	\$50,000.00
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 Alaska Native	Approved	\$45,177.00	\$47,000.00	\$48,000.00
	b) Asian American		\$50,460.00	\$51,000.00	\$52,000.00
	c) Black or African American		\$49,294.00	\$50,000.00	\$51,000.00
	d) Hispanic or Latina/-o		\$45,546.00	\$47,000.00	\$48,000.00
	e) Native Hawaiian or Pacific Islander		\$44,342.00	\$47,000.00	\$48,000.00
	f) White		\$48,073.00	\$50,000.00	\$51,000.00
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	53%	75%	75%
	b) Expertise		53%	75%	75%
	c) Helpfulness		79%	90%	90%
	d) Availability of Information		63%	80%	80%
	e) Timeliness		42%	75%	75%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
	f) Accuracy		63%	80%	80%
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 and that are in effect now. 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.

The targets for 2022 and 2023 were based on recent trends as well as with agency input. It should be noted that the COVID-19 pandemic will affect some of these KPMs for the most recent year. The agency identified KPM #3 (College Credits Earned by K-12 students) and KPMs #11 to #14 (earnings of associate and bachelor degree graduates) as being likely notably lower than the 2021 targets.

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 again did not propose a KPM for this area for 2021-23.

SubCommittee Action:

Approve the LFO Recommendation

PRELIMINARY