

HB 5025 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Higher Education Coordinating Commission

2023-25

Emergency Board

2023-25

PRELIMINARY

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,394,072,265	\$ 2,412,057,956	\$ 2,544,537,213	\$ 150,464,948	6.3%
General Fund Debt Service	\$ 263,774,106	\$ 327,843,450	\$ 327,843,450	\$ 64,069,344	24.3%
Lottery Funds	\$ 95,754,317	\$ 80,799,176	\$ 158,736,007	\$ 62,981,690	65.8%
Lottery Funds Debt Service	\$ 44,119,189	\$ 45,130,470	\$ 45,130,470	\$ 1,011,281	2.3%
Other Funds Limited	\$ 240,679,996	\$ 90,944,642	\$ 227,007,351	\$ (13,672,645)	(5.7%)
Other Funds Limited - Debt Service	\$ 39,166,371	\$ 11,286,180	\$ 11,286,180	\$ (27,880,191)	(71.2%)
Other Funds Nonlimited	\$ 206,000	\$ 206,000	\$ 206,000	\$ -	0.0%
Other Funds Nonlimited- Debt Service	\$ 154,649,686	\$ 194,641,720	\$ 194,641,720	\$ 39,992,034	25.9%
Federal Funds Limited	\$ 131,016,933	\$ 135,765,439	\$ 135,765,439	\$ 4,748,506	3.6%
Federal Funds NonLimited	\$ 20,536,302	\$ 20,536,302	\$ 20,536,302	\$ -	0.0%
Federal Funds Nonlimited - Debt Service	\$ 4,008,154	\$ 4,008,153	\$ 4,008,153	\$ (1)	(0.0%)
Total	\$ 3,387,983,319	\$ 3,323,219,488	\$ 3,669,698,285	\$ 281,714,966	8.3%

Position Summary

Authorized Positions	180	157	189	9
Full-time Equivalent (FTE) positions	160.87	148.94	180.85	19.98

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Emergency Board

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 18,735,518	\$ 18,735,518	100.0%
Total	\$ -	\$ -	\$ 18,735,518	\$ 18,735,518	100.0%

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, the Oregon Tribal Student Grant program, support for Oregon Health and Sciences University, workforce initiatives, and debt service.

Lottery Funds – Provides funding 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 Oregon Opportunity Grants.

Other Funds Limited – The Degree Authorization (DA), Private Careers Schools (PCS), and General Education Development (GED) programs are permitted 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 Corps (OYC) come from the Amusement Device Tax on video lottery terminals. OYC also receives grants from the Oregon Marine Board and other agencies. Until the tax credits sunset on January 1, 2024, the Oregon Opportunity Grant program receives Other Funds revenue from the auction of tax credits. Finally, the Subcommittee recommended roughly \$112 million in carryforward American Rescue Plan Act (ARPA) funding for continued implementation of Future Ready Oregon.

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.

Special Purpose Appropriation (SPA) – In addition to establishing the 2023-25 budget for HECC, House Bill 5025 appropriates \$18,735,518 General Fund to the Emergency Board in a special purpose appropriation to be allocated to the Commission to award grants to Portland State

University and Oregon's technical regional universities (Oregon Institute of Technology, Southern Oregon University, Eastern Oregon University and Western Oregon University) to assist these institutions with long-term financial sustainability.

Summary of Education Subcommittee Action

HECC sets state policy and funding strategies, administers numerous programs, and manages approximately \$3.7 billion of public funding for postsecondary education. Led by its 14-member voluntary 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's recommended a budget for HECC is \$3,669,698,285 total funds (\$2,872,380,663 General Fund, \$203,866,477 Lottery Funds expenditure limitation, \$238,293,531 Other Funds expenditure limitation, \$194,847,720 Other Fund Nonlimited, \$135,765,439 Federal Funds expenditure limitation, and \$24,544,455 Federal Funds Nonlimited) and 189 positions (180.85 FTE). This is a \$346,478,797, or 10.4 percent, increase from 2023-25 Current Service Level budget and is 8.3 percent increase from the 2021-23 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 integrated 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 Human Resources Office.

The Subcommittee recommended a budget of \$25,325,600 total funds (\$11,230,172 General Fund, \$13,441,800 Other Funds expenditure limitation and \$653,628 Federal Funds expenditure limitation) and 17 positions (17.00 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$243,936 General Fund by bringing Services and Supplies inflation to the standard rate of 4.2 percent and adding a six percent vacancy savings factor on all General Fund salaries and wages.

Package 406: Future Ready Oregon. This package transfers \$966,246 General Fund from the Community Colleges and Workforce Development division to the Director’s Office and makes permanent four limited duration positions (4.00 FTE) to align staffing and resources required to continue the implementation of Senate Bill 1545 (2022) Future Ready Oregon, which established three programs to be administered through December 2026:

- 1) Prosperity 10,000;
- 2) Workforce Ready Grants; and
- 3) Workforce Benefits Navigators.

Future Ready Oregon also invested in the Oregon Community College Career Pathways program and established an Industry Consortia Initiative, both funded with General Fund on an ongoing basis. In addition, Senate Bill 1545 (2022) required HECC to perform an assessment of all the Future Ready programs and report on the accountability of each program and initiative. The General Fund transfer among the four HECC divisions (Director’s Office, Central Operations, Research and Data, Community Colleges) is a net zero adjustment.

Central Operations

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

The Subcommittee recommended a budget of \$21,880,210 total funds (\$15,065,182 General Fund, \$4,353,311 Other Funds expenditure limitation, and \$2,461,717 Federal Funds expenditure limitation) and 48 positions (46.88 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$539,017 General Fund by bringing Services and Supplies inflation to the standard rate of 4.2 percent except for State Government Service Charges and Attorney General fees and adding a six percent vacancy factor to all General Fund Salaries and wages.

Package 401: Student & Jobseeker Enterprise IT System. This package appropriates \$278,819 General Fund, provides a \$4,250,000 Other Funds expenditure limitation, and authorizes the establishment of three positions (2.88 FTE) to continue the project to replace the HECC Financial Aid Management Information System (FAMIS) begun during the 2021-23 biennium. The 2021 Legislature approved \$5 million in Q-Bonds for the FAMIS project. This package provides expenditure limitation for these bond proceeds. The debt service for any new bonding approved during the 2023 Legislative Session will be included in the end of session bill. This package includes authorization for three positions (2.88 FTE): two full-time limited duration positions, one Project Manager 3 and one Operations and Policy Analyst 3, and one permanent full-time Information Systems Specialist 8 to assist existing staff in maintaining and continually updating the new system. The Subcommittee recommended the following budget note:

Budget Note:

The Higher Education Coordinating Commission (HECC) has initiated a Modernization Project designed to replace multiple legacy information systems: FAMIS (Financial Aid Management Information System), ETPL (Eligible Training Provider List System), and PCSVets (Private Career Schools and Office of Degree Authorization). HECC is directed to provide a comprehensive report on the status of the Modernization Project to the Joint Legislative Committee on Information Management and Technology (JLCIMT) during the 2024 Legislative Session. The report shall, at minimum, include updated status information on:

- Project governance, management, and staffing
- Project scope, schedule, and budget
- Current or planned procurements/contracts
- Legacy system and data conversion planning and activities
- Risks and challenges
- Completion of State CIO Stage Gate Endorsement requirements
- Independent quality management service contractor findings and recommendations
- Any other information that would inform the JLCIMT or other Legislative Committees about the status of this Modernization project.

Package 406: Future Ready Oregon. This package transfers \$2,263,457 General Fund from the Community Colleges and Workforce Development division to the Central Operations division and makes permanent nine limited duration positions (9.00 FTE) to align staffing and resources required to continue the implementation of Senate Bill 1545 (2022) Future Ready Oregon, which established three programs to be administered through December 2026:

- 1) Prosperity 10,000;
- 2) Workforce Ready Grants; and
- 3) Workforce Benefits Navigators.

Future Ready Oregon also invested in the Oregon Community College Career Pathways program and established an Industry Consortia Initiative, both funded with General Fund on an ongoing basis. In addition, Senate Bill 1545 (2022) required HECC to perform an assessment of all the Future Ready programs and report on the accountability of each program and initiative. The General Fund transfer among the four HECC divisions (Director's Office, Central Operations, Research and Data, Community Colleges) is a net zero adjustment.

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 40-40-20 and equity in Oregon education, and to track progress in achieving all 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 \$8,591,122 total funds (\$3,801,029 General Fund, \$4,375,213 Other Funds expenditure limitation, and \$414,880 Federal Funds expenditure limitation) and 19 positions (17.75 FTE). The Subcommittee recommended the following packages:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$284,191 General Fund by abolishing one long-term vacant position (0.25 FTE) and bringing Services and Supplies inflation to the standard rate of 4.2 percent except for State Government Service Charges, IT Professional Services, Attorney General fees, and Facilities Rental and Taxes. This package also provides for a six percent vacancy savings factor on all General Fund Salaries and Wages.

Package 406: Future Ready Oregon. This package provides \$277,136 Other Funds expenditure limitation, transfers \$596,799 General Fund from the Community Colleges and Workforce Development division to the Research and Data division, authorizes the extension of one limited duration position (1.00 FTE) and makes permanent two limited duration positions (2.00 FTE) to align staffing and resources required to continue the implementation of Senate Bill 1545 (2022) Future Ready Oregon, which established three programs to be administered through December 2026:

- 1) Prosperity 10,000;
- 2) Workforce Ready Grants; and
- 3) Workforce Benefits Navigators.

Future Ready Oregon also invested in the Oregon Community College Career Pathways program and established an Industry Consortia Initiative, both funded with General Fund on an ongoing basis. In addition, Senate Bill 1545 (2022) required HECC to perform an assessment of all the Future Ready programs and report on the accountability of each program and initiative. The General Fund transfer among the four HECC divisions (Director's Office, Central Operations, Research and Data, Community Colleges) is a net zero adjustment.

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 biennium, 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. It leads HECC’s response to legislation related to Oregon public university policies, student success, student services, and academic programs. This program assists in fostering approaches to success for students at public universities, related to post-secondary pathways and transitions, academic program approvals, degree completion initiatives, and university evaluations.

The Subcommittee recommended a budget of \$5,662,240 total funds (\$2,164,652 General Fund, \$3,291,588 Other Funds expenditure limitation, and \$206,000 Federal Funds expenditure limitation) and 15 positions (13.24 FTE). The Subcommittee recommended budget includes the following package:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$109,797 General Fund by bringing Services and Supplies inflation to the standard rate of 4.2 percent except for State Government Service Charges, IT Professional Services, Attorney General fees, and Facilities Rental and Taxes. The package also provides for a six percent vacancy savings factor on all General Fund Salaries and Wages.

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 \$2,100,313 General Fund and five positions (5.00 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$77,770 General Fund by bringing Services and Supplies inflation to the standard rate of 4.2 percent except for State Government Service Charges, IT Professional Services, Attorney General fees, and Facilities Rental and Taxes. The package also provides for a six percent vacancy savings factor on all General Fund Salaries and Wages.

Package 801: LFO Analyst Adjustments. This package provides one-time funding of \$100,000 General Fund for HECC to assist with the coordination of a financial sustainability report and proposal for additional financial sustainability funding for Portland State University (PSU) and Oregon's Technical Regional Universities (TRU) including: Oregon Institute of Technology, Southern Oregon University, Eastern Oregon University, and Western Oregon University.

Community Colleges and Workforce Development

The Office of Community Colleges and Workforce Development 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, English Language Learners.

The Subcommittee recommended a budget of \$36,666,005 total funds (\$18,077,119 General Fund, \$5,361,516 Other Funds expenditure limitation, and \$13,227,370 Federal Funds expenditure limitation) and 21 positions (20.10 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$170,571 General Fund by bringing Services and Supplies inflation to the standard rate of 4.2 percent except for State Government Service Charges, IT Professional Services, Attorney General fees, and Facilities Rental and Taxes. The package also provides for a six percent vacancy savings factor on all General Fund Salaries and Wages.

Package 406: Future Ready Oregon. This package reduces General Fund by \$3,826,502 and transfers \$966,246 General Fund to the Director's Office, \$2,263,457 General Fund to the Central Operations division, and \$596,799 General Fund to the Research and Data division to align staffing and resources required to continue the implementation of Senate Bill 1545 (2022) Future Ready Oregon, which established three programs to be administered through December 2026:

- 1) Prosperity 10,000;
- 2) Workforce Ready Grants; and
- 3) Workforce Benefits Navigators.

Future Ready Oregon also invested in the Oregon Community College Career Pathways program and established an Industry Consortia Initiative, both funded with General Fund on an ongoing basis. In addition, Senate Bill 1545 (2022) required HECC to perform an assessment of all the

Future Ready programs and report on the accountability of each program and initiative. The General Fund transfer among the four HECC divisions (Director's Office, Central Operations, Research and Data, Community Colleges) is a net zero adjustment.

Package 407: Program Support. This package provides \$1,459,531 Other Funds expenditure limitation and authorizes the establishment of five positions (4.40 FTE) to provide direct services to Career and Technical Education by leveraging the Carl D. Perkins Grant, which provides federal funds to support vocational education programs. This package includes authorization for the establishment of the following permanent full-time positions: two Education Program Specialist 2s, one Administrative Specialist 2, one Operations & Policy Analyst 4, and one Program Analyst 3.

Workforce Investments

The Office of Workforce Investments (OWI) works in partnership with the Oregon Employment Department, the Oregon 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 is the administrative entity for federally funded programs authorized by Title I of the Workforce Innovation and Opportunity Act (WIOA). The Office of Workforce Investments 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, the OWI supports the STEM (science, technology, engineering, and math) Investment Council.

The Subcommittee recommended a budget of \$291,192,668 total funds (\$25,489,736 General Fund, \$ 126,294,040 Other Funds expenditure limitation, \$118,872,590 Federal Funds expenditure limitation, and \$20,536,302 Federal Funds Nonlimited) and 39 positions (38.50 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$365,531 General Fund by bringing Services and Supplies inflation to the standard rate of 4.2 percent except for State Government Service Charges, IT Professional Services, Attorney General fees, and Facilities Rental and Taxes. This package also provides for a six percent vacancy savings factor on all General Fund Salaries and Wages.

Package 406: Future Ready Oregon. This package provides \$111,808,631 Other Funds expenditure limitation, reflecting ARPA carryover, and authorizes the extension of nine (9.00 FTE) limited duration positions to provide staffing and resources required to implement Senate Bill 1545 (2022) Future Ready Oregon, which established three programs to be administered through December 2026:

- 1) Prosperity 10,000;
- 2) Workforce Ready Grants; and
- 3) Workforce Benefits Navigators.

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, the Oregon National Guard Scholarship program (created during the 2018 Legislative Session), the Oregon Tribal Student Grant program (initially funded during the 2022 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 more than 150 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 \$411,266,194 total funds (\$268,204,549 General Fund, \$84,000,000 Lottery Funds expenditure limitation, \$58,926,391 Other Funds expenditure limitation, and \$135,254 Federal Funds expenditure limitation) and 25 positions (22.38 FTE). The Subcommittee recommended the following packages:

Package 090: Analyst Adjustments. This package reduces the HECC operating budget by \$408,250 total funds by abolishing one long-term vacant position (1.00 FTE) and bringing Services and Supplies inflation to the standard rate of 4.2 percent except for State Government Service Charges, IT Professional Services, Attorney General fees, and Facilities Rental and Taxes. This package also provides for a six percent vacancy savings factor on all General Fund Salaries and Wages.

Package 101: Tribal Student Grant. This package provides \$24,245,859 General Fund in continuing on-going support to maintain current level assistance for students eligible for the Tribal Student Grant program. The 2022 Legislature approved a \$19 million General Fund for allocation to HECC to implement the Oregon Tribal Student Grant program to provide grants to members of Oregon's nine federally recognized tribe to offset the cost of attending eligible Oregon colleges and universities. House Bill 3565 (2023) codifies this program. This package also authorizes the establishment of one permanent full-time Operations & Policy Analyst 3 position (0.88 FTE) to help existing staff administer this program.

Package 102: OOG/OP Package. This package adds \$10,361,065 General Fund, \$71,209,746 Lottery Funds expenditure limitation, and \$18,429,189 Other Funds expenditure limitation to bring the total support for the Oregon Opportunity grant to \$308,400,000 total funds. The funding mix of the Oregon Opportunity Grant Program reflects the availability of resources including beginning balances. Lottery Funds reflect funding from the Education Stability Fund, at the May 2023 forecast. Other Funds reflect the balance of proceeds from the Opportunity Grant Tax Credit Auction.

Package 103: ASPIRE/ FAFSA. This package provides \$5,000,000 General Fund, as one-time funding for HECC to award grants to five entities that encourage and support students considering post-secondary education. These entities shall work closely with OSAC/HECC to increase FAFSA/ORSAA completion rates and collaborate on tracking the results of student served by each program. Each of these programs will receive \$1 million in one-time funding:

- 1) ASPIRE, which is a mentoring-based program, will use the funds to expand the number of ASPIRE sites across the state and increase the size of the participation grants to expand college and career preparation resources, transition activities, career training resources, and staff/volunteer training for each site. OSAC will use \$411,000 of the funds to coordinate and partner with K-12 school districts, nonprofit organizations, and postsecondary institutions to systematically foster a culture of Free Application for Federal Student Aid (FAFSA) and Oregon Student Aid Application (ORSAA) completion as a norm for high school graduates. HECC will disburse \$589,000 to community-based organizations or colleges or universities through a competitive grant process targeting underserved populations and requiring multilingual and culturally competent services.
- 2) College Possible is a program designed to reduce barriers to students in accessing post-secondary education, especially students from underserved backgrounds. State support will assist the organization to serve the students currently in the program and will increase the number of students served.
- 3) The Oregon TRIO Association (TRIO) promotes educational equity, access, and opportunity for underrepresented students. State support will be used for three initiatives: (1) a study abroad/exchange scholarship program for low-income students; (2) a “Last Mile” scholarship fund targeted to post-secondary students who are at risk of having to drop out in their last year before graduation; and (3) to provide grant-writing training to organizations to increase the number of TRIO programs in targeted areas.
- 4) Advancement via Individual Determination (AVID) is a program to prepare middle and high school students for success in four-year post-secondary institutions. State support will be used for professional development for educators to assist their students, and to expand the AVID College Readiness System to additional school districts.
- 5) Build EXITO, the National Institutes of Health’s Building Infrastructure leading to Diversity (BUILD) initiative in Oregon, is an undergraduate research training program for students. State support will increase the organization’s recruitment efforts with partner community colleges in the metro area, provide sophomore research preparation for students, and recruit professional research mentors at OHSU and PSU.

Package 105: Oregon National Guard Education Grants. This package adds \$800,000 General Fund, on an ongoing basis, to maintain current level assistance for students eligible for the Oregon National Guard State Tuition Assistance Program.

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. 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 calculation of the distribution formula. Categorical set asides represent roughly 1.3 percent of the total CCSF and includes four main programs:

1. Community college courses for adults in custody - a program allowing adults in custody to take community college courses. The state pays a portion of this cost.
2. Contracted Out-of-District - this program facilitates students from regions of Oregon that are not in a community college service district (such as Harney County) to take classes offered by a neighboring community college district. HECC reimburses the cost of coursework to the offering district.
3. Distance Learning - this program funds efforts to increase distance learning at all 17 community colleges.
4. Strategic Fund - this program provides a fund for community colleges to request allocations for implementation of innovative programs and approaches.

Additional support funding includes payments to the two Skills Centers in the Portland Metro area - the Sabin-Schellenberg Professional Technical Center in Milwaukie and the Margaret Carter Skills Center at Portland Community College, and funding to increase the number of underserved, low-income, and first-generation community college students as required by House Bill 3063 (2015).

The Subcommittee recommended a budget of \$810,963,492 total funds (\$800,000,000 General Fund and \$10,963,492 Other Funds expenditure limitation). This program does not fund any positions within HECC. Other Funds reflects expenditure limitation for Timber Tax and an interagency agreement (agreed to in 2021) with the Department of Corrections (DOC) for education services for Adults in Custody in DOC facilities. Under this agreement, DOC no longer has a direct financial relationship with community colleges providing these services. Instead, DOC transfers the funding through the agreement with HECC to provide payments to the community colleges. The Subcommittee recommended budget includes the following package:

Package 207: Community College Support Fund. This package adds \$31,521,387 General Fund to the CCSF, bringing the amount of support funding to \$800 million. This amount is added to the current service level for distribution to the 17 community colleges.

Public University Operations & Student Support

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. 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 \$1,006,164,482 General Fund. This program does not fund any positions within HECC. The Subcommittee recommended budget includes the following packages:

Package 206: Public University Support Fund. This package adds \$27,952,787 General Fund to the PUSF, bringing the amount of funding to \$1 billion. This amount is added to the current service level for distribution to the seven public universities through a distribution formula.

Package 801: LFO Analyst Adjustments. This package provides one-time funding of \$6,164,482 General Fund for HECC to distribute, based on the 2022-23 PUSF funding distribution, to PSU and Oregon's TRUs to expend on innovative proof-of-concept efforts to realign institutional offerings and resources with current and emerging enrollment and economic realities in order to create long-term institutional financial viability. The funding is to be allocated as follows:

- \$3,099,030 to Portland State University (PSU)
- \$876,365 Oregon Institute of Technology (OIT)
- \$722,594 Southern Oregon University (SOU)
- \$605,221 Eastern Oregon University (EOU)
- \$861,272 Western Oregon University (WOU)

This funding is for one-time investments designed to generate cost savings or revenue increases that will improve institutional budgets over the long-term. This funding is not to be used to cover shortfalls in operations or provisional funding for programs or activities with ongoing costs. This funding is to assist PSU and the TRUs in reimagining offerings, economizing budgets, and leveraging resources to adapt to shifting demographics in order to ensure long-term financial sustainability while safeguarding community stewardship, access, and affordability.

In addition, the LFO recommendation includes a special purpose appropriation to the Emergency Board in the amount of \$18,735,518 General Fund for potential HECC grants to PSU and Oregon's TRUs to assist these institutions with long-term financial sustainability, based on the proof-of-concept efforts funded in the HECC 2023-25 budget. The Subcommittee approved the following budget note:

Budget Note:

The 2023-25 Higher Education Coordinating Commission (HECC) budget includes one-time funding of \$6,164,482 General Fund for HECC to distribute, based on the 2022-23 PUSF funding distribution, to Portland State University (PSU) and Oregon's Technical Regional Universities (Oregon Institute of Technology, Southern Oregon University, Eastern Oregon University, and Western Oregon University) to

expend on promising innovative proof-of-concept efforts to realign institutional offerings and resources with current and emerging enrollment and economic realities in order to create long-term institutional financial viability.

The 2023-25 Higher Education Coordinating Commission budget also includes one-time funding of \$100,000 General Fund for HECC to assist with the coordination of a financial sustainability report and proposal for additional financial sustainability funding.

In addition, the 2023-25 budget includes a special purpose appropriation to the Emergency Board in the amount of \$18,735,518 General Fund for potential HECC grants to PSU and Oregon's Technical Regional Universities (TRUs) to assist these institutions with long-term financial sustainability, based on the proof-of-concept efforts funded in the HECC 2023-25 adopted budget.

No later than, December 15, 2023, each institution is directed to submit a report to HECC detailing each proof-of-concept effort. HECC is directed to convene a workgroup with representatives of these institutions to produce a final report. The report should include: [1] an evaluation of each proof-of-concept effort; and [2] recommendations for allocation of the \$18,735,518 General Fund TRUs and PSU financial sustainability special purpose appropriation to assist with implementation of reported recommendations. HECC shall present this report to the Joint Committee on Ways and Means during the 2024 Legislative Session.

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 \$59,248,952 General Fund. This program does not fund any positions within HECC. The following programs and amounts are funded within this budget structure:

PRELIMINARY

	<u>General Fund</u>
Engineering Technology Sustaining Funds (various universities)	30,849,152
OSU with UO TallWood Design Institute	4,288,845
UO & PSU Dispute Resolution	3,152,391
PSU Oregon Solutions	2,848,133
OSU Fermentation Science	1,563,951
UO, OSU, & PSU Signature Research Centers	1,312,851
UO Labor Education Research Center	1,254,779
OSU Marine Research Vessel Program	781,976
OIT Renewable Energy Center	602,602
PSU Population Research Center	549,218
OSU Institute of Natural Resources	503,531
UO Clinical Legal Education Program	439,153
OSU Climate Change Research Institute	394,693
PSU Willamette Falls Locks Commission/Authority	228,988
OSU Agricultural Channel Habitat Complexity Study	253,073
OSU Veterinary Diagnostic Laboratory	3,227,009
OSU PSU Environmental Justice Mapping Tool	206,464
Strong Start Carryforward (various universities)	6,792,143
TOTAL	<u>59,248,952</u>

The Subcommittee recommended budget includes the following package:

Package 203: Strong Start. This package provides \$6,792,143 General Fund, on a one-time basis, to continue the Strong Start program at the seven public universities. This amount reflects the unspent funds from a one-time appropriation of \$7.5 million General Fund provided by the 2022 Legislature along with a one-time appropriation of \$4.7 million General Fund provided by the 2021 Legislature. The Strong Start program was designed to mitigate the disruption on students preparing for their post-secondary education during the COVID-19 pandemic, with a focus on historically underserved students. This funding allowed each university to administer individualized programs to meet the specific needs of their students. Strong Start program elements have included early move-in to campus, peer mentoring, tutoring, intensive academic supports especially in math and writing, academic advising, note taking skills, time management, and financial literacy.

Statewide Public Services

This program unit includes the Oregon State University (OSU) Agricultural Experiment Station, the OSU Extension Service, and the Forest Research Laboratory.

- *Agricultural Experiment Station* - This 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 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 \$180,611,441 General Fund and \$56,406,064 Lottery Funds expenditure limitation. No positions related to these programs are funded within HECC. The Subcommittee recommended budget includes the following package:

Package 801: LFO Analyst Adjustments. This package adds \$10,000,000 General Fund to be distributed proportionately based on current service level funding to each of the three Statewide Public Service Programs with an adjustment for building maintenance.

This package also provides \$2,000,000 General Fund to the OSU Extension Service to support OSU College of Agricultural Sciences Center for Small Farms and Community Food Systems to work with agricultural producers to support and expand organic agriculture sectors.

In addition, this package increases the amount for the Outdoor School by \$4,911,749 Lottery Funds, bringing the total amount of funding for the Outdoor School to the amount in the May 2023 forecast of \$56,406,064.

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 one percent 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 \$18,329,943 Lottery Funds expenditure limitation. This program does not fund any positions within HECC. The Subcommittee recommended the following package:

Package 801: LFO Analyst Adjustments. This package increases the amount for Sports Lottery by \$1,815,336 Lottery Funds, bringing the total amount of funding for sports programs at public universities to the amount in the May 2023 forecast of \$18,329,943. The allocation for each public university is as follows, and is the same percentage shares as the 2021-23 Legislatively Approved Budget:

- \$3,172,762 Eastern Oregon University
- \$3,172,762 Oregon Institute of Technology
- \$1,339,014 Oregon State University
- \$2,960,867 Portland State University
- \$3,172,762 Southern Oregon University
- \$1,339,014 University of Oregon
- \$3,172,762 Western Oregon University

Oregon Health and Science University (OHSU) Programs

This budget structure includes State support for OHSU educational and other programs. OHSU is governed by a Board of Directors appointed by the Governor and confirmed by the Senate. Since 1995, when OHSU became an independent public corporation, the Legislature no longer approves the OHSU budget or limits its expenditures from tuition and other sources, but continues to provide direct support for specific purposes, including: the Schools of Medicine, Dentistry, and Nursing; the Office of Rural Health and Area Health Education Centers (AHEC), the Child Development and Rehabilitation Center (CDRC); and the Oregon Poison Center. State support is entirely funded with General Fund. The Subcommittee recommended a budget of \$139,292,377 General Fund. This program does not fund any positions within HECC. The following table reflects the programs included in the budget structure and the amount of General Fund for each:

	<u>General Funds</u>
Education and General	
School of Medicine	30,238,828
School of Nursing	26,151,339
School of Dentistry	12,255,625
Office of Rural Health/Area Health Education Centers	5,357,836
Healthcare Workforce 30-30-30 Initiative	43,155,019
Other Programs	
Child Development and Rehabilitation Center	9,722,521
Oregon Poison Center	4,011,209
Oregon Children's Integrated Health Database	2,000,000
Statewide Behavioral Health Capacity Dashboard	5,400,000
Oregon Perinatal Collaborative (OPC)	1,000,000
TOTAL	<u>139,292,377</u>

The Subcommittee recommended budget includes the following package:

Package 801: LFO Analyst Adjustments. This package increases state support for OHSU by a total of \$9,300,000 General Fund to provide support for the following programs:

- \$2,000,000 to provide on-going support the Oregon Child Integrated Dataset (OCID) project. Developed and managed by the Center for Evidence-Based Policy at OHSU, this integrated and longitudinal database contains linked, cross-agency, and cross-program information for children born in Oregon and their birth parents beginning in 2001. With data from a variety of sources, including the Oregon Health Authority, the Oregon Department of Human Services, and the Oregon Department of Education, the OCID dataset includes information on birth records, early learning and home visiting, K-12 education, mental health, and child welfare to provide insight into the challenges and opportunities in the lifespan of the class of 2020. The Center for Evidence-based Policy is directed to regularly communicate with the staff of the HECC's Oregon Longitudinal Data Collaborative to avoid overlap and to join efforts in data collection and system development that might benefit both entities.

- An additional \$900,000 to provide ongoing support to the Oregon Poison Center to maintain its current level of service in light of the reduction in federal reimbursement rates for the State Children’s Health Insurance Program from 97.8 percent to 72.2 percent.
- \$5,400,000 to continue state support of the Oregon Behavioral Health Coordination Center (OBCC) at OHSU. Of this amount, \$1,400,000 is one-time funding. OBCC serves as a hub for information regarding acute and residential behavioral health services across Oregon. The Center includes a tool providing real-time data on facility capacity and available placement options for behavioral health patients.
- \$1,000,000 in one-time funding to distribute to the Oregon Perinatal Collaborative for the purpose decreasing maternal and infant mortality and morbidity with a focus on equity and decreasing disparities in maternal and infant health outcomes in urban and rural areas across Oregon.

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, Oregon Small-Scale Energy Loan Program (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 debt service for any new bonding approved during the 2023 Legislative Session will be included in the end of session bill.

The Subcommittee recommended a budget of \$509,955,470 total funds (\$277,481,327 General Fund, \$33,308,670 Lottery Funds expenditure limitation, \$3,957,430 Other Funds expenditure limitation, \$191,199,890 Other Funds Nonlimited, and \$4,008,153 Federal Funds Nonlimited).

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 for any new bonding approved during the 2023 Legislative Session will be included in the end of session bill.

The Subcommittee recommended a budget of \$51,696,002 total funds (\$39,874,202 General Fund and \$11,821,800 Lottery Funds expenditure limitation).

OHSU Debt Service

This budget structure includes funding for debt service related to OHSU projects. The Subcommittee recommended a budget of \$34,345,710 total funds (\$23,575,130 General Fund, \$7,328,750 Other Funds expenditure limitation, and \$3,441,830 Other Funds Nonlimited).

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.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Higher Education Coordinating Commission
Adam Crawford -- (971) 707-8106

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 2,678,621,371	\$ 139,873,506	\$ 279,846,367	\$ 154,855,686	\$ 131,016,933	\$ 24,544,456	\$ 3,408,758,319	180	160.87
2023-25 Current Service Level (CSL)*	\$ 2,739,901,406	\$ 125,929,646	\$ 102,230,822	\$ 194,847,720	\$ 135,765,439	\$ 24,544,455	\$ 3,323,219,488	157	148.94
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 200 - Director's Office									
Package 90: Analyst Adjustment									
Personal Services	\$ (224,388)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (224,388)	0	0.00
Services and Supplies	\$ (19,548)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (19,548)		
Package 406: Future Ready Oregon									
Personal Services	\$ 966,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 966,246	4	4.00
SCR 201 - Central Operations									
Package 90: Analyst Adjustment									
Personal Services	\$ (399,351)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (399,351)	0	0.00
Services and Supplies	\$ (139,666)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (139,666)		
Package 401: Student & Jobseeker Enterprise IT System									
Personal Services	\$ 247,985	\$ -	\$ 599,843	\$ -	\$ -	\$ -	\$ 847,828	3	2.88
Services and Supplies	\$ 30,834	\$ -	\$ (5,000,000)	\$ -	\$ -	\$ -	\$ (4,969,166)		
Capital Outlay	\$ -	\$ -	\$ 8,650,157	\$ -	\$ -	\$ -	\$ 8,650,157		
Package 406: Future Ready Oregon									
Personal Services	\$ 2,263,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,263,457	9	9.00
SCR 202 - Research and Data									
Package 90: Analyst Adjustment									
Personal Services	\$ (233,280)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (233,280)	(1)	(0.25)
Services and Supplies	\$ (50,911)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (50,911)		
Package 406: Future Ready Oregon									
Personal Services	\$ 596,799	\$ -	\$ 250,210	\$ -	\$ -	\$ -	\$ 847,009	3	3.00
Services and Supplies	\$ -	\$ -	\$ 26,926	\$ -	\$ -	\$ -	\$ 26,926		
SCR 203 - Academic Policy and Authorization									
Package 90: Analyst Adjustment									
Personal Services	\$ (99,139)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (99,139)	0	0.00
Services and Supplies	\$ (10,658)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,658)		
SCR 204 - Post-Secondary Finance and Capital									
Package 90: Analyst Adjustment									
Personal Services	\$ (66,569)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (66,569)	0	0.00
Services and Supplies	\$ (11,201)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,201)		HB 5025

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 801: LFO Analyst Adjustments										
Services and Supplies	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	100,000			
SCR 205 - Community Colleges										
Package 90: Analyst Adjustment										
Personal Services	\$ (113,799)	\$ -	\$ -	\$ -	\$ -	\$ -	(113,799)	0	0.00	
Services and Supplies	\$ (56,772)	\$ -	\$ -	\$ -	\$ -	\$ -	(56,772)			
Package 406: Future Ready Oregon										
Special Payments	\$ (3,826,502)	\$ -	\$ -	\$ -	\$ -	\$ -	(3,826,502)			
Package 407: Program Support										
Personal Services	\$ -	\$ -	\$ 1,068,756	\$ -	\$ -	\$ -	1,068,756	5	4.40	
Services and Supplies	\$ -	\$ -	\$ 390,775	\$ -	\$ -	\$ -	390,775			
SCR 206 - Workforce Investments										
Package 90: Analyst Adjustment										
Personal Services	\$ (130,528)	\$ -	\$ -	\$ -	\$ -	\$ -	(130,528)	0	0.00	
Services and Supplies	\$ (235,003)	\$ -	\$ -	\$ -	\$ -	\$ -	(235,003)			
Package 406: Future Ready Oregon										
Personal Services	\$ -	\$ -	\$ 2,056,297	\$ -	\$ -	\$ -	2,056,297	9	9.00	
Services and Supplies	\$ -	\$ -	\$ 229,592	\$ -	\$ -	\$ -	229,592			
Special Payments	\$ -	\$ -	\$ 109,522,742	\$ -	\$ -	\$ -	109,522,742			
SCR 207 - OSAC										
Package 90: Analyst Adjustment										
Personal Services	\$ (221,374)	\$ -	\$ (161,778)	\$ -	\$ -	\$ -	(383,152)	(1)	(1.00)	
Services and Supplies	\$ (25,098)	\$ -	\$ -	\$ -	\$ -	\$ -	(25,098)			
Package 101: Tribal Student Grant										
Personal Services	\$ 218,933	\$ -	\$ -	\$ -	\$ -	\$ -	218,933	1	0.88	
Services and Supplies	\$ 26,926	\$ -	\$ -	\$ -	\$ -	\$ -	26,926			
Special Payments	\$ 24,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	24,000,000			
Package 102: OOG/OP Package										
Special Payments	\$ 10,361,065	\$ 71,209,746	\$ 18,429,189	\$ -	\$ -	\$ -	100,000,000			
Package 103: ASPIRE/FAFSA										
Personal Services	\$ 240,684	\$ -	\$ -	\$ -	\$ -	\$ -	240,684			
Services and Supplies	\$ 170,316	\$ -	\$ -	\$ -	\$ -	\$ -	170,316			
Special Payments	\$ 4,589,000	\$ -	\$ -	\$ -	\$ -	\$ -	4,589,000			
Package 105: Oregon National Guard Education Grants										
Special Payments	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	800,000			

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 208 - Support to Community Colleges									
Package 207: Community College Support Fund									
Special Payments	\$ 31,521,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,521,387		
SCR 209 - Public University Ops & Student Support									
Package 206: Public University Support Fund									
Special Payments	\$ 27,952,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,952,787		
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 6,164,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,164,482		
SCR 210 - Public University State Programs									
Package 203: Strong Start									
Special Payments	\$ 6,792,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,792,143		
SCR 211 - Statewide Public Services									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 12,000,000	\$ 4,911,749	\$ -	\$ -	\$ -	\$ -	\$ 16,911,749		
SCR 212 - Sports Lottery									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ -	\$ 1,815,336	\$ -	\$ -	\$ -	\$ -	\$ 1,815,336		
SCR 213 - OHSU Programs									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 9,300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,300,000		
TOTAL ADJUSTMENTS	\$ 132,479,257	\$ 77,936,831	\$ 136,062,709	\$ -	\$ -	\$ -	\$ 346,478,797	33	32.79
SUBCOMMITTEE RECOMMENDATION *	\$ 2,872,380,663	\$ 203,866,477	\$ 238,293,531	\$ 194,847,720	\$ 135,765,439	\$ 24,544,455	\$ 3,669,698,285	190	181.73
% Change from 2021-23 Leg Approved Budget	7.2%	45.8%	(14.8%)	25.8%	3.6%	(0.0%)	7.7%	5.6%	13.0%
% Change from 2023-25 Current Service Level	4.8%	61.9%	133.1%	0.0%	0.0%	0.0%	10.4%	21.0%	22.0%

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Emergency Board</u>									
Special Purpose Appropriation: Fire Protection Expenses	\$ 18,735,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,735,518		
TOTAL ADJUSTMENTS	\$ 18,735,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,735,518		

PRELIMINARY

Legislatively Approved 2023 - 2025 Key Performance Measures

Published: 6/6/2023 3:20:33 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 2024	Target 2025
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	7.23	11.50	11.50
4. Oregon Educational Attainment - Percent of young Oregon adults with post secondary degree or certificate		Approved	54.40%	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	51%	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	44.70%	50%	50%
	b) Asian American		56.90%	57%	57%
	c) Black or African American		43.40%	50%	50%
	d) Hispanic or Latina/-o		46.40%	50%	50%
	e) Native Hawaiian or Pacific Islander		43.10%	50%	50%
	f) White		52.80%	54%	54%
7. Public University Graduation Rate - Percentage of public university college students who complete a bachelor’s degree within 6 years.		Approved	67.70%	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	45.20%	65%	65%
	b) Asian American		78.40%	79%	79%

Legislatively Approved KPMS	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
	c) Black or African American		43.80%	65%	65%
	d) Hispanic or Latina/-o		63.80%	65%	65%
	e) Native Hawaiian or Pacific Islander		50%	65%	65%
	f) White		68.40%	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	40.30%	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	39%	36%	36%
	b) Asian American		48.30%	40%	40%
	c) Black or African American		43.50%	40%	40%
	d) Hispanic or Latina/-o		45%	40%	40%
	e) Native Hawaiian or Pacific Islander		40.10%	38%	38%
	f) White		38.10%	38%	38%
11. Earnings of Community College Completers - Median earnings of community college completers five years after completion.		Approved	\$42,424.00	\$45,000.00	\$45,500.00
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	\$39,993.00	\$40,000.00	\$40,500.00
	b) Asian American		\$45,359.00	\$46,000.00	\$46,500.00
	c) Black or African American		\$40,379.00	\$42,000.00	\$42,500.00
	d) Hispanic or Latina/-o		\$41,861.00	\$42,000.00	\$42,500.00
	e) Native Hawaiian or Pacific Islander		\$40,303.00	\$42,000.00	\$42,500.00
	f) White		\$42,506.00	\$43,000.00	\$43,500.00
13. Earnings of bachelor's degree completers - Median earnings of graduates with bachelor's degrees five years after completion		Approved	\$51,186.00	\$52,000.00	\$54,000.00
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	\$51,520.00	\$52,000.00	\$53,000.00
	b) Asian American		\$53,971.00	\$55,000.00	\$56,000.00
	c) Black or African American		\$42,381.00	\$45,000.00	\$46,000.00
	d) Hispanic or Latina/-o		\$49,792.00	\$50,000.00	\$52,000.00
	e) Native Hawaiian or Pacific Islander		\$54,645.00	\$55,000.00	\$56,000.00
	f) White		\$51,417.00	\$52,000.00	\$53,000.00
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	94%	95%	95%
	b) Expertise		83%	85%	85%
	c) Helpfulness		94%	95%	95%
	d) Availability of Information		89%	90%	90%
	e) Timeliness		78%	80%	80%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
	f) Accuracy		83%	85%	85%
16. Commission Best Practices - Percent of total best practices met by the Commission.		Approved	94%	100%	100%
17. Employment Rate - Employment rate of participants completing workforce training programs, overall and by race/ethnicity	EMPLOYMENT RATE – Employment rate of participants completing workforce training programs, overall and by race/ethnicity	Approved			
	Asian American/Asian				
	Black/African American				
	Latino/a/x/Hispanic				
	Native American/Alaska Native				
	Native Hawaiian/Pacific Islander				
	Multi-racial				
	White				
	Did not report				

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and Targets.

In the 2017 session, the Legislature approved a significant overhaul of the KPMs for the Higher Education Coordinating Commission (HECC). It reduced the number of KPMs from the 29 which the Commission inherited from 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 2024 and 2025 were based on recent trends as well as with agency input. It should be noted that the COVID-19 pandemic and its lingering repercussions will continue to affect some of these KPMs.

Also, note that during the 2017 Session, the Subcommittee recommended the agency develop a proposed KPM for workforce related programs. This is a major area of HECC's responsibilities and should have a KPM. The agency proposed KPM #17 to meet this requirement. Targets for this new proposed KPM will be determined during the interim.

SubCommittee Action:

Approved the LFO Recommendation.

PRELIMINARY