

HB 4125 -2, -3, -5 STAFF MEASURE SUMMARY

House Committee On Higher Education

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/6, 2/8, 2/15

WHAT THE MEASURE DOES:

The measure directs the Legislative Policy and Research Office (LPRO) to study Oregon's system of higher education. It requires the study to analyze the impact of the creation of the Higher Education Coordinating Commission, to collect data on trends in Oregon public universities since 2011, and to compare governance models for systems of higher education. It requires the LPRO director to submit a report to the Legislative Assembly by September 15, 2024. The measure takes effect on the 91st day after adjournment.

Detailed Summary:

Directs the Legislative Policy and Research Director to study the impact of Senate Bill 242 (2011).

- Requires the study to identify trends in:
 - tuition cost and student debt, adjusted for inflation;
 - enrollment and graduation, including types of degrees awarded, programs offered, and cost barriers to attendance;
 - employment and salaries of full-time and part-time faculty, as well as percentage increase in administrative costs;
 - institutional finance, including debt, bonds, endowments, state funding, and overall financial health of each public university; and
 - public perceptions of any events regarding public universities in Oregon.
- Requires the study to include a comparison of governance models with those of other states and consideration of specified alternatives to the current governance model.

Requires the Legislative Policy and Research Director to submit a final report to the Legislative Assembly by September 15, 2024. Requires each public university to assist the vendor in completing the study. Takes effect on the 91st day after adjournment.

ISSUES DISCUSSED:

- Ten year review of 2013 governance changes
- Criteria for assessing appropriate governance model
- Faculty, student relationships to university governing boards
- Existing data on public university performance and outcomes
- 2022 reports on Oregon higher education landscape and governance

EFFECT OF AMENDMENT:

-2 The amendment replaces the measure with language that is substantially similar. It requires the Legislative Policy and Research Office (LPRO) to contract with a vendor to conduct the study. It clarifies that the study should assess the impact of the creation of institutional governing boards and collect data on trends from 2013 to 2023. It extends the date by which LPRO must submit a report to the Legislative Assembly to November 30, 2024.

Detailed Summary:

Requires the Legislative Policy and Research Director to contract with a vendor to conduct a study of Oregon's system of higher education. Requires the study to analyze the impact of Senate Bill 270 (2013) in addition to

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Senate Bill 242 (2011). Specifies metrics for assessing the impact of those bills. Limits data collection to trends from 2013 to 2023, instead of 2011 to 2023. Clarifies metrics for comparing and assessing governance models for systems of higher education. Requires the vendor to submit a draft report to the Legislative Policy and Research Director by November 15, 2024. Requires the Legislative Policy and Research Director to submit a report to the Legislative Assembly by November 30, 2024.

-3 The amendment replaces the measure with language that is identical to the -2 amendments. In addition, it declares an emergency, effective on passage.

Detailed Summary:

Requires the Legislative Policy and Research Director to contract with a vendor to conduct a study of Oregon's system of higher education. Requires the study to analyze the impact of Senate Bill 270 (2013) in addition to Senate Bill 242 (2011). Specifies metrics for assessing the impact of those bills. Limits data collection to trends from 2013 to 2023, instead of 2011 to 2023. Clarifies metrics for comparing and assessing governance models for systems of higher education. Requires the vendor to submit a draft report to the Legislative Policy and Research Director by November 15, 2024. Requires the Legislative Policy and Research Director to submit a report to the Legislative Assembly by November 30, 2024. Declares an emergency, effective on passage.

-5 The amendment replaces the measure. In addition to changes in the -2 and -3 amendments, it adds, removes, and modifies certain elements of the study. It adds requirements to collect data on student financial aid, student support services, and other cost drivers, such as capital improvement and legal compliance. It modifies the specific data that must be collected on the employment and salaries of full-time and part-time faculty. It permits the study to include data prior to 2013, as available. It removes requirements to collect data on specific cost barriers in higher education, except as available; and removes the requirement to collect data on the public perceptions of public universities.

Detailed Summary:

Requires the Legislative Policy and Research Director to contract with a vendor to conduct a study of Oregon's system of higher education. Requires the study to analyze the impact of Senate Bill 270 (2013) in addition to Senate Bill 242 (2011). Specifies metrics for assessing the impact of those bills. Limits data collection to trends from 2013 to 2023, instead of 2011 to 2023, and permits the study to include data prior to 2013 as available. Further clarifies metrics for comparing and assessing governance models for systems of higher education. Requires the vendor to submit a draft report to the Legislative Policy and Research Director by November 15, 2024. Requires the Legislative Policy and Research Director to submit a report to the Legislative Assembly by November 30, 2024. Declares an emergency, effective on passage.

BACKGROUND:

In 2009, David Frohnmyer, president emeritus of the University of Oregon, released a [report](#) commissioned by the Oregon University System (OUS) Office of the Chancellor in which he proposed converting the state's three research universities into public corporations governed by local boards. At the time, [The Oregonian](#) reported that the Oregon State Board of Higher Education (SBHE) and the seven university presidents were considering policy options in response to this proposal. In the 2009-2010 legislative interim, Senator Mark Haas, chair of the Senate Education and General Governance Committee, formed a [Legislative Work Group on Higher Education](#) to address the issues raised in Frohnmyer's report. The workgroup's efforts led to the introduction of [Senate Bill 242 \(2011\)](#).

Senate Bill 242 (2011) created the Higher Education Coordinating Commission (HECC) to coordinate higher education policies and goals with the OUS. Two years later, [Senate Bill 270 \(2013\)](#) created individual governing boards for the University of Oregon and Portland State University and offered the same option to the other five

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public universities (Oregon State University, Western Oregon, Eastern Oregon, Southern Oregon, and Oregon Institute of Technology). [Senate Bill 80 \(2015\)](#) fully abolished the OUS, the OUS chancellor's office, and the SBHE, transferring SBHE's remaining responsibilities to the HECC.

Two reports released in 2022 assessed the governance and landscape of Oregon higher education. The [January 28, 2022 Governance Review of Oregon's Public Universities](#), commissioned by the Higher Education Coordinating Commission (HECC) and prepared by the Association of Governing Boards of Universities and Colleges, addressed issues that arose in 28 interviews with 62 stakeholders and included recommendations for both university governing boards and state higher education leaders. The [Oregon Higher Education Landscape Study](#), commissioned by the Oregon Council of Presidents (OCP) and the Oregon Community College Association (OCCA) and conducted by the National Center for Higher Education Management Systems (NCHEMS), assessed metrics including educational attainment rates, state demographics and economic conditions, and institutional revenues and expenditures. It provided recommendations ranging from high-speed internet access and student housing costs to administrative collaboration and state funding incentives.