

HB 4125 A STAFF MEASURE SUMMARY

House Committee On Higher Education

Action Date: 02/15/24

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 8-1-0-0

Yeas: 8 - Bowman, Hudson, Lively, Mannix, McIntire, Ruiz, Sosa, Wright

Nays: 1 - Elmer

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Ellen O'Brien, LPRO Analyst

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

WHAT THE MEASURE DOES:

The measure directs the Legislative Policy and Research Office (LPRO) to contract with a vendor to study Oregon's system of higher education. It outlines the requirements for the study and requires LPRO to submit a report to the Legislative Assembly by November 30, 2024. The measure declares an emergency, effective on passage.

Detailed Summary:

Directs the Legislative Policy and Research Director to contract with a vendor to study the governance of public universities in Oregon. Requires the study to:

- assess the impact of Senate Bill 242 (2011) and of Senate Bill 270 (2013) using a comparative analysis of specified outcomes with the goals stated in those laws;
- identify trends from 2013-2023 in:
 - tuition cost, student debt, and student financial aid;
 - enrollment and graduation, including cost of attendance, as available;
 - employment and salaries of full-time and part-time faculty, as well as the percentage of courses taught by each and any increase in administrative costs; and
 - institutional finance, including state funding, spending on student support services, and the costs of capital improvements and legal compliance; and
- compare Oregon's current governance model with specific alternatives, including models used in other states.

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 final report to the Legislative Assembly by November 30, 2024. Requires the Higher Education Coordinating Commission (HECC) and each public university to assist the vendor in completing the study. Declares an emergency, effective on passage.

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:

The amendment replaces the measure.

BACKGROUND:

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In 2009, David Frohnmayr, 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 Frohnmayr'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 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.