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2010 Special Legislative Session Final Report

With the passage of Ballot Measures 66 and 67, the 2010 supplemental Legislative Session avoided potentially drastic budget cuts. However, the session began with a tepid state revenue forecast and the reality that, with no new federal dollars, the 2011-2013 general fund will be about \$2.5 billion short of what programs would require to operate at the same level of service. Oregon's weak economy and high employment took much of the focus of the session with several bills aimed and stimulating job growth – though none particularly large in scope or cost.

In this context, the legislature took several steps to increase funding in areas where demand is particularly strong in the struggling Oregon economy, such a \$9.7 million increase to the Oregon Opportunity Grant. To pay for such increases, legislators looked at various reserves and applied part of the previous ending balance of the general fund. For colleges, some bond sales were delayed to put off some spending by the state. However, legislators did not tap into reserves such as the Oregon University System's tuition reserve, as they have in the past. A major issue occupying the session was an effort to reign in the costs of the Business Energy Tax Credit program often referred to as the "Betsy", BETC.

Also included in the final budget bill was the new Essential Budget Level Calculation for the Community College Support Fund. The budget note attached to HB 5100 changed the way legislators will calculate the base budget for the support fund in a manner more consistent with the Oregon University System calculation.

Policy issues covered in the session were more expansive than the 2010 Legislative Session covering several topics ranging from several labor management issues to regulations for online K-12 education. For colleges, several issues arose that required attention by OCCA. For example, the Legislative Fiscal Office discovered a part of the Oregon Opportunity Grant statute that would have effectively stopped awarding of grants to students going less than full time. The ability of colleges to buy buildings for article XI-G capital projects was another issue that arose due to advice given to the Oregon University System by Attorney General John Kroger.

In the final days of the legislative session it was actually the issue of annual legislative sessions that created a last minute hang-up in the process when House and Senate Democrats appeared unable to reach an agreement around the parameters of annual legislative sessions.

Bill Summaries

Bonding

HJR 101	<u>Position:</u> Support	<u>Status:</u> Passed	<u>Summary:</u> Proposes amendment to Oregon Constitution relating to bonded indebtedness for institutions of higher education.
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Notes:

HJR 101 refers a constitutional amendment to Oregon voters making several technical changes to existing provisions in the Oregon constitution related to Article XI-F and XI-G general obligation bonds for capital construction projects. While the changes primarily impact the Oregon University System, there are two changes proposed that will impact community college Article XI-G bonds. The first clarifies that bond funds may be used to acquire existing buildings. The second removes the requirement that local matching funds must be sent to the state and deposited in an account in the Oregon Treasury to become part of the general fund match. The local match will still be required but can be retained locally. The referral will be on the May 2010 ballot.

SB 998

Position:

Support

Status:

Passed

Summary:

Modifies date by which Secretary of State must submit report to Legislative Assembly regarding cross-nomination system for candidates for public office.

Notes:

This bill includes the ballot title for HJR 101, the constitutional amendment that will be referred to the voters to address changes to Article XI-F and XI-G bonds for community colleges and universities. It provides a summary of the proposed changes and an explanation of the vote that will appear in the voters' pamphlet and be printed on the ballot.

SB 5563

Position:

Support

Status:

Passed

Summary:

Increases for six-year period beginning July 1, 2009, limits on payment of expenses from other funds collected or received by Department of Human Services and Department of Veterans' Affairs for capital construction.

Notes:

OCCA supported this bill to clarify that the lottery bond funding provided for several community college capital construction projects extends beyond the end of the 2009-2011 biennium. The change allows funds to be spent through the 2013-15 biennium.

Budget

HB 5100

Position:

Support

Status:

Passed

Summary:

Increases and decreases certain biennial appropriations made from General Fund to specified state agencies and Emergency Board.

Notes:

This legislation is the primary budget bill passed during the special session. It includes \$9.7 million in funding for the Oregon Opportunity Grant. It also includes reductions in several areas. For community colleges, reductions are only related to a delay in the sale of \$3.7 million of lottery bonds authorized in the 2009 Legislative session.

Also included in this final budget bill is the new Essential Budget Level Calculation for the Community College Support Fund. A budget note attached to HB 5100 changes the way the Governor and legislators will calculate the base budget for the support fund in a manner more consistent with the Oregon University System calculation. This new calculation will take into account general inflation as well as cost increases for PERS and health benefits.

Education Policy

HB 3619

Position:

Neutral

Status:

Passed

Summary:

Establishes Task Force on Education Career Preparation and Development for purpose of developing seamless system of professional development that improves effectiveness of education professionals by building stronger connections between teacher education

Notes:

HB 3619 focuses on the development of licensed teachers in Oregon's elementary and secondary schools by addressing the needs of K-12 schools and the teacher education provided by higher education institutions. The bill does not directly affect community colleges.

Financial Aid

HB 3702

Position:

Support

Status:

Passed

Summary:

Allows Oregon Student Assistance Commission to determine when to give priority to applicants who are or plan to be full-time students when commission awards Oregon Opportunity Grants and scholastic grants.

Notes:

OCCA worked with Speaker Hunt to introduce this legislation after the Legislative Fiscal Office found an unnoticed part of statute requiring full-time students to take priority over half-time students in the Oregon Opportunity Grant when the program is not fully funded - effectively ending the practice of funding half-time students. The bill changes one word in the statute and restores the status quo by allowing the Oregon Student Assistance Commission to continue to consider several factors when funding for the grant is insufficient to meet the needs of all students. The bill passed both the House and Senate without opposition.

Governance

SB 996

Position:

Neutral

Status:

Passed

Summary:

Expands protection under public employee Whistleblower Law to include discussions with member of elected governing body of political subdivision in state and discussions with elected auditor of city, county or metropolitan service district.

Notes:

OCCA expressed concern with the impact of this bill on the governance structure and authority given to community college boards acting as a body. The bill sponsor, Senator Schrader, committed to work with OCCA during the interim to draft an amendment to address OCCA's concerns and allow local boards to establish policies consistent with the community college governance structure while maintaining protections for employees who respond to official requests.

Operations

HB 3700

Position:

Neutral

Status:

Passed

Summary:

Permits credit union depositories to act as depositories for public funds on basis similar to that of bank depositories.

Notes:

HB 3700 allows credit unions to accept public funds to the same extent as banks. This will allow credit unions to hold funds above federally-insured limits in the same way permitted for banks.

SB 1006

Position:

Support with amendments

Status:

Passed

Summary:

Modifies circumstances under which owner of place of public assembly or health club is required to have automated external defibrillator on premises.

Notes:

OCCA successfully worked with Sen. Hass and Rep. Cowan to draft an amendment to give more flexibility in the placement of automated external defibrillators (AED) on community college and public university campuses. The bill requires the placement of at least one AED on every community college campus. In addition, for colleges with multiple buildings with more than 50,000 sq. feet where more than 50 people congregate on a normal business day, at least one AED must be readily available to those places. The purpose of the change is to give community colleges more flexibility in how AEDs are placed on campus.

Personnel

HB 3667

Position:

Neutral

Status:

Passed

Summary:

Directs Public Employees' Benefit Board and Oregon Educators Benefit Board to evaluate health benefit plan that serves limited geographic region of state according to specified criteria.

Notes:

This bill was introduced to address concerns about access to medical and dental coverage in rural areas of the state as Oregon Educators Benefit Board plans have rolled out. It requires OEBC to evaluate access to coverage in those areas.

SB 1045

Position:

Neutral

Status:

Passed

Summary:

Limits use of credit history for employment purposes to certain circumstances.

Notes:

This bill limits the extent to which an employer may use a credit history for employees. The bill includes an exception for positions where credit history information is substantially job-related and the employee or prospective employee is notified of this requirement in writing, or where it is required by state or federal law.

SJR 48**Position:**

Support with amendments

Status:

Passed

Summary:

Proposes amendment to Oregon Constitution to allow state to incur general obligation indebtedness to finance or refinance costs associated with real or personal property that is or will be owned or operated by State of Oregon.

Notes:

SJR 48 as introduced proposed a constitutional amendment to allow sitting state judges to be employed as teachers by school districts and public universities. OCCA was successful in amending the resolution to include community colleges. During the course of the special session, the original contents of SJR 48 were replaced with an amendment to allow that state to issue general obligation bonds instead of certificates of participation to finance state building projects. These changes do not impact community colleges. The judges bill will likely be re-introduced in the 2011 Legislative session.

Public Contracting

SB 1050

Position:

Oppose unless amended

Status:

Failed

Summary:

Prohibits public body from providing public subsidy for purpose of constructing, reconstructing, renovating, altering, maintaining or repairing, or entering into contract to construct, reconstruct, renovate, alter, maintain or repair, structure on real pr

Notes:

OCCA joined other government entities in raising concerns about the "Buy America" concept proposed in this legislation. As a result of these concerns, the bill's primary sponsor, Senator Verger, decided to put off consideration of the concept until the 2011 Legislative Session. OCCA will participate in a workgroup during the interim to continue work on this proposal.

Workforce

HB 3633

Position:

Neutral

Status:

Passed

Summary:

Clarifies that state goal for Oregon's retail electrical load includes marine renewable energy resources.

Notes:

OCCA tracked this bill to determine if there were programmatic implications for the coastal community colleges. Concerns raised about the original intent of the bill resulted in amendments that establish a task force to study the environmental and economic impacts of developing renewable wind and wave energy at the Oregon Coast.

HB 3644

Position:

Support

Status:

Passed

Summary:

Creates Task Force on Stage Two Business Development and Economic Gardening.

Notes:

HB 3644 creates a task force to examine how to best help high growth businesses develop in Oregon. OCCA worked with Rep. Smith to ensure the bill would not have unfunded mandates for colleges or CCWD, and would not duplicate efforts already in place. One member of the task force will represent community colleges.
