

Oregon Community College Association 2018 Legislative Session Highlights

Session Overview

In the 2018 short session, the State Legislature took up mostly modest policy changes and used the bulk of their available general fund dollars to pay existing commitments and to fund a list of a targeted investments. Some of the more notable policy issues the body addressed included a modest tightening of gun regulations, a decoupling for certain areas of the federal tax law, prescription drug cost transparency, and making strangulation a felony.

The Legislature began the session with some key budget gaps in areas such as paying off the cost of the 2017 firefighting season. The Legislature made some substantial investments in affordable housing and to the State's foster care system. The University of Oregon and Oregon State University also both received significant capital investments for the OSU Cascades campus in Bend and the UO's Campus for Accelerating Scientific Impact. By far the largest recipient of new investment was the State's "rainy day fund" which received an additional \$200 million. The Legislature also used \$140 million in one-time dollars to pay down PERS liability in K-12 system.

Legislative Ask

OCCA came in to the 2018 session with an aggressive \$32 million budget ask to mitigate tuition increases and to maintain support services in the second year of the biennium. Overall, the campaign had three key objectives:

- Attain \$32 million in operating funds for tuition mitigation and support services;
- Educate legislators about the colleges' actual budget realities and, specifically, about the reality of property tax funding versus the perception legislators had at the end of last session;
- Improve statewide advocacy efforts to build toward the 2019 legislative session when biennial budgets are set.

The Legislature did not fund the community college ask so the primary goal of the campaign was not reached. However, the campaign did work to further the two other stated goals. While there were still gaps, the number of colleges that participated robustly in the campaign increased significantly from the 2017 session. Efforts to dispel myths around the level of property tax funding seem to have been largely successful with a majority of legislators that colleges reached out to. Most significantly, this campaign influences legislators' perceptions for 2019 and should help with our advocacy efforts next session.

Eligibility for Benefits

The top priority bill for this legislative session was HB 4043 which directs community colleges and state agencies to convene and issue a joint study around how state and federal benefits can better be coordinated to benefit students.

This legislation was a direct result of recent national studies which showed startling statistics regarding food and housing insecurity among community college students.

The report that will be produced will outline changes that can be brought forward for the 2019 Legislative Session.

(P) = Passed (F) = Failed to Pass

Accelerated Learning

(P) Accelerated Learning Report ([HB 4053](#)) – Requires Chief Education Office to prepare annual report on accelerated college credit programs. OCCA worked with the bill’s sponsors to amend the bill to remove several onerous data reporting categories and to create a methodology for reviewing only a representative sampling of student data. The first report will be developed by the Chief Education Office (CEdO) and then following year reports will be the sole responsibility of the Higher Education Coordinating Commission (HECC). The first report is due in December 2018. The bill requires post-secondary institutions to provide data for the report. The Legislature provided funding to HECC in the 2017-19 biennium to hire the staff needed to gather and analyze the data required to compile the report.

Education Policy

(F) Rural Education Task Force ([HB 4051](#)) – Establishes Task Force on Rural Education. HB 4051 would have created a task force to examine outcomes for students living in rural areas and to make recommendations to change state policy to support rural schools. The proposed task force included a representative from a rural community college. The bill passed the House Education Committee and was referred to the Ways and Means Committee. No further action was taken and the bill died in the Ways and Means Committee.

(F) Study on School Dropouts ([HB 4102](#)) – Directs Department of Education to conduct study related to school dropouts. HB 4102 was passed by the House Education Committee and referred to the Ways and Means Committee where no further action was taken. As introduced the bill had no direct impact on community colleges but OCCA was monitoring the bill for opportunities related to a partnership with K-12 and to encourage GED completion. The bill died in the Ways and Means Committee.

Ethics

(F) Statements of Economic Interest ([HB 4077](#)) – Requires statement of economic interest to include certain information about sources of income for business in which public official or candidate, or

member of household of public official or candidate, is an officer or holds directorship if source of income has legislative or administrative interest and 10 percent or more of total gross annual income of business comes from that source of income. HB 4077 was re-referred to the House Rules Committee and no further action was taken. The bill died in the House Rules Committee.

Financial Aid

(P) Tuition Assistance for National Guard Members ([HB 4035](#)) – Requires Higher Education Coordinating Commission to provide tuition assistance for qualified members of Oregon National Guard to attend community colleges or public universities. The Legislature provided \$2.7 million to HECC to fund a scholarship program for Oregon National Guard members to attend community colleges or public universities. The scholarship is available to community college students in good standing with at least a 2.0 GPA to complete an Associate’s Degree with up to 90 credit hours. The scholarship is to be considered last dollar after state and federal financial aid.

(F) Scholarships for Members of the Military ([HB 4040](#)) – Directs Oregon Military Department to establish a program to award scholarships to certain persons who have served in military. This bill was heard in the House Veterans and Emergency Preparedness Committee and referred to the Ways and Means Committee where it died for lack of action.

(F) Dr. Alan Bates Legacy Scholarship ([HB 4072](#)) – Names certain scholarships offered by health care provider incentive program as Doctor Alan Bates Legacy Scholarship program. This bill was referred to the House Health Care Committee and no further action was taken.

(P) Tax Credits for the Oregon Opportunity Grant ([SB 1528](#)) – Creates a tax credit for contributions to Opportunity Grant Fund. Senator Hass proposed this bill to create a tax credit auction to benefit the Oregon Opportunity Grant. This once a year auction is expected to raise \$13 million for the Oregon Opportunity Grant. OCCA supported this proposal.

(P) Determination of Eligibility for Public Benefits of Higher Education Savings Account ([SB 1554](#)) – Specifies that amount in account established for higher education expenses is disregarded for purposes of determining account owner's financial eligibility to receive assistance or benefit authorized by law, other than means-tested state financial aid for higher education, to extent permitted under federal law. SB 1554 is intended to encourage individuals to save for post-secondary education by ensuring that any savings in a college savings account is not taken factored in to benefit eligibility other than means-tested financial aid. The bill authorized a study to examine the impact on means-tested financial aid if income in a college savings plan was excluded from the financial eligibility determination.

Governance

(P) State Benefits for Undocumented Students ([SB 1563](#)) – Removes requirement that students who are not citizens or lawful permanent residents apply for official federal identification document to be eligible for exemption from paying nonresident tuition at public universities. OCCA supported this bill and worked with the bill’s sponsor, Senator Michael Dembrow, to amend the bill to reflect current

community college practices. The bill ensures that students can continue to receive scholarships, grants and other financial aid through HECC.

Health Care

(F) Public Employee Health Care Benefit (HB 4071) – Modifies funding mechanism for public employees' health care benefit to avoid excise tax under Patient Protection and Affordable Care Act. This bill would have significantly changed the health care plans available to public employees including community college employees. OCCA opposed the bill and no action was taken on the bill.

(F) Duplicate Health Benefit Plan (HB 4123) – Permits duplicate health benefit plan coverage for public employees who begin employment before January 1, 2020. This bill would have grandfathered in current public employees who are double covered under PEBB or OEBC. The bill was heard in the House Business and Labor Committee but no further action was taken and the bill died.

K-12

(P) Modified Diplomas (SB 1522) – Modifies requirements imposed on school districts for persons receiving special education who have received modified diploma, funding for youths in Youth Corrections Education Program who have received modified diploma and eligibility for Expanded Options Program for students who have received modified diploma. SB 1522 corrects a change that was made in SB 20 (2017) that changed the requirements for students with modified diplomas to receive transitional services. It restores previous law.

Misc.

(F) Patent Revenues for Critical Investments (HB 4039) – Requires state agency that grants or lends moneys for capital costs of research center to obtain right to receive portion of revenue derived from patents obtained from work by research center. HB 4039 would have used revenue from patents to fund emergency preparedness efforts. The bill was referred to Ways and Means and died in committee.

OUS

(F) Setting the Costs of Attending Public Universities (HB 4141) – Requires each public university to establish advisory body to advise university president on recommendations to governing board regarding resident tuition and mandatory enrollment fees.

PERS

(P) Reemployment of Retired Members of PERS (HB 4012) – Extends sunset on provisions allowing retired member of Public Employees Retirement System to be reemployed by participating public employer as teacher of career and technical education without loss of retirement benefits.

(F) Preapproval for Fund Diversion Agreement Relating to Pension Obligation Bonds ([HB 4017](#)) – Requires school district to obtain approval from Department of Education before entering into funds diversion agreement for payment of debt service on pension obligation bonds. This bill was referred to the House Revenue Committee and did not receive a hearing. OCCA opposed this bill.

(P) Outside Compensation and Salary for Purposes of PERS ([HB 4046](#)) – Provides that outside compensation of employee of Oregon Health and Science University, public university or community college is not included in employee's salary for purposes of Public Employees Retirement System. The bill clarifies current community college practices that only compensation paid by the institution is considered salary and reported to PERS for purposes of determining an employee's retirement benefit. OCCA worked with the bill's sponsor and universities to clarify this language.

(F) Public Employee Retirement ([HB 4070](#)) – Establishes retirement benefits payable under Oregon Public Service Retirement Plan to persons who establish membership in Public Employees Retirement System on or after effective date of Act. This bill would have created a new retirement plan for new employees. It was never heard and died in committee.

(P) Individual Account Program and Investment Options ([HB 4159](#)) – Directs Public Employees Retirement Board to adopt rules providing that, if Oregon Investment Council invests assets of individual account program in multiple risk categories depending on characteristics of individual member, member of individual account program may elect to have moneys in member's individual accounts deposited into approved investment option. HB 4159 provides more flexibility and choice in how an individual's IAP account is invested if they elect to have their funds invested in options providing more or less risk.

(F) PERS Contribution Account ([SB 1561](#)) – Directs Public Employees Retirement Board to establish member pension contribution account for certain employee contributions of member of Public Employees Retirement System. SB 1561 was proposed by Senate Republicans to reform PERS and reduce costs. The bill was never heard and died in committee.

(P) Employer Incentive Fund ([SB 1566](#)) – Establishes Employer Incentive Fund. SB 1566 was proposed by Governor Brown to address some of the recommendations by the Governor's PERS Unfunded Actuarial Liability Task Force. The primary provision in the bill establishes an incentive fund that will be matched by up to 25% by state funds to encourage local governments to establish side accounts and buy down their unfunded actuarial liability (UAL). Matching funds cannot be bonded and entities with great than 200% UAL will be prioritized in the first six months. A late amendment removed a provision that would have created a funded side account for universities and community colleges from excess lottery revenue that would have applied toward reducing UAL. This provision was replaced with side account fund that only benefits school districts.

Personnel

(F) Family and Medical Leave Insurance Benefits ([HB 4160](#)) – Creates family and medical leave insurance program to provide employee who is eligible for coverage with portion of wages while employee is on family medical leave or military leave. This bill was referred to the House Early Childhood and Family Supports Committee and never received a hearing.

(P) Expansion of Grace Period for Those Licensed by Teacher Standards and Practices Commission ([SB 1520](#)) – Expands 90-day grace period for employment to all licensees who are licensed by Teacher Standards and Practices Commission. SB 1520 includes a number of technical corrections and statutory clean up language requested by HECC. Provisions specifically related to community colleges include the removal of language allowing charter schools to request sponsorship by post-secondary institutions. This provision in law sunsetted in 2017 and is no longer effective. In addition, the bill cleans up existing language related to the annual full-time, part-time employee data report. An amendment was introduced during consideration of the bill that would have changed the data required for this report and would have required new data points. OCCA joined with universities in opposing the amendment and it was set aside with the promise to have a work group discuss again prior to the 2019 legislative session.

Public Contracting

(F) Consultant Selection Process for Public Contracts ([HB 4127](#)) – Permits contracting agency, in conducting procurement for architectural, engineering, photogrammetric mapping, transportation planning and land surveying services, to consider pricing policies, proposals and other pricing information along with prospective consultant's qualifications in specified circumstances. HB 4127 would have provided contracting agencies with greater flexibility in considering price when selecting qualified bidders. The bill passed the House but died in the Senate Rules Committee in the last days of the session.

Revenue

(F) Connection to Federal Tax Law – ABLE Accounts ([HB 4080](#)) – Updates connection date to federal Internal Revenue Code for purposes of provisions governing ABLE accounts.

(P) Connection to federal tax law ([SB 1528](#)) – Rolls back a new state business tax break automatically created by the 2017 congressional tax reform law. Oregon tax law generally mirrors federal tax law unless the legislature specifically votes to “decouple” from elements of the tax code. This move decouples from a tax break for so-called “pass through” businesses retaining about \$200 million in the state general fund.

Students

(P) Removal of Volunteer Requirement for Foster Children to Qualify for Tuition Waiver ([HB 4014](#)) – Removes requirement that current foster child or former foster child complete volunteer service hours during previous academic year to qualify for tuition waiver. OCCA supported this legislation.

(P) Eligibility for Benefits Study ([HB 4043](#)) – (See Page 1).

(P) Establishment of Rights for Students Called to Active Duty ([SB 1557](#)) – Requires community colleges, public universities and Oregon Health and Science University to provide certain rights to students ordered to federal or state active duty for 30 or fewer consecutive days. OCCA worked with the bill's sponsor to make sure that the colleges retained flexibility to develop their own policies related to course completion and to ensure that the administration of this requirement will not be overall burdensome.

(F) Prosperity 1,000 Pilot Program ([HB 4042](#)) – Establishes Prosperity 1,000 Pilot Program to provide career coaching, occupational training and job placement services for 1,000 low-income job seekers residing in areas of concentrated poverty in Multnomah and Washington Counties. The legislation was not funded.

(P) Contractor Licensing and Prior Experience ([HB 4144](#)) – Allows individual applying for construction contractor license with residential general contractor or residential specialty contractor endorsement who has specified amount of experience in construction-related activities on residential or small commercial structures to obtain license and endorsement without meeting contractor training requirements or paying fees to Construction Contractors Board.