

2021

END OF SESSION LEGISLATIVE REPORT



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2021 Legislative Session Highlights

Session Overview

The 2021 Session of the Oregon State Legislature concluded on June 27th, wrapping up a session unlike any before. Due to the COVID-19 pandemic, the Capitol remained closed to the public for the entirety of the Session with only legislators and Capitol staff allowed to access the building. All hearings for the Session were conducted online.

The pandemic drove much of the focus of the Session along with the federal relief funds that followed. However, lawmakers also took on several other significant issues such as wildfire response, issues of social inequity, the environment, and cleaning up the state's power grid.

Legislators also tackled several significant education-related issues, but overall, education issues played less prominently than in the 2019 Session when lawmakers passed the Student Success Act for K-12, bringing an additional \$2 billion in targeted spending to the sector. Some of the most significant higher education issues in the 2021 Session included college transfer and common course numbering, part-time faculty healthcare, and connecting students to federal benefits through benefits navigators, among other issues.

As with the 2019 Session, OCCA in 2021 brought together the Campus Advocacy Coordinators (CACs), who represent each college to guide advocacy efforts. This group worked with OCCA to develop a comprehensive advocacy strategy that communicated with a clear, consistent voice to legislators from the perspective of each of the 17 colleges.

OCCA implemented its new Voter Voice platform in February to assist with these efforts. Voter Voice provided an app- and web-based platform to easily contact local legislators when prompted. OCCA ran four Voter Voice campaigns from February-May during the Session in conjunction with coordinated efforts with the CACs.

The CACs represented their colleges throughout several campaigns during the Session, including Career-Technical Education (CTE) Month in February, during which colleges provided CTE program features in weekly Zoom sessions with legislators and a weekly CTE e-newsletter, as well as social media posts. The CACs also helped to spearhead Call-In Week in March, during which time students, board members, administrators and community members contacted legislators to encourage their support for increased community college funding. April was National Community College Month, and a weekly e-newsletter highlighted the benefits of Oregon's community colleges, along with social media posts and contacting legislators. May provided the final push on budget advocacy, with 175 people sending 360 messages to legislators.

Budget

The pandemic also created significant uncertainty for the state economy and revenue outlook. When the Governor's Recommended Budget (GRB) was released on December 1st, state economists still expected a significant shortfall in state revenue that would require deep budget cuts. With that outlook in mind, the Governor's budget recommended flat funding for both the community colleges (\$641 million) and the universities. However, as federal relief dollars began pouring into the state, including expanded unemployment benefits, Oregon's shorter term revenue outlook improved significantly.

Throughout the session, OCCA drove the message that community colleges served the communities hit hardest by the pandemic and were critical to the state's economic recovery. Ultimately, colleges received \$703 million for the Community College Support Fund (CCSF). At that level of funding colleges can approximately maintain current service levels while catching up on current unfunded mandates. At \$703 million, colleges received \$62 million more than the Governor's recommended budget and \$29.9 million more than the Legislative Fiscal Office current service level recommendation of \$673 million.

In addition to funding for the CCSF, the Oregon Opportunity Grant also received an additional \$28.8 million for the program, bringing its total funding to \$200 million. The Oregon Promise program also received current service level funding.

To see full Legislative Fiscal Office report on [SB 5528](#) (HECC Budget), please click [here](#).

Federal Stimulus Packages

Oregon received unprecedented levels of federal funding from the three federal stimulus bills passed by Congress to address costs related to COVID-19. Nearly \$320 million in Higher Education Emergency Relief Funds (HEERF) was allocated to Oregon community colleges to provide emergency grants to students and to help institutions recover lost revenue and other expenses. In addition, the State of Oregon received several billion dollars of one-time funding to address COVID-19 costs and recovery from the CARES Act Coronavirus Relief Fund and the American Rescue Plan Act (ARP). The Legislature allocated these funds to many projects statewide as part of the final budget bill (HB 5006) passed at the end of the Session. In an unusual move, \$240 million of federal ARP funds were allocated to the Oregon Department of Administrative Services to distribute to each Oregon legislative district. Senate districts each received \$4 million and House districts each received \$2 million to fund ARP eligible projects. Several community colleges received funding through this process by advocating directly to their local legislators. Federal funds were allocated to address needs statewide including infrastructure improvements, respond to COVID-19 workforce and economic recovery, and expand Broadband access statewide.

Capital Construction

All the community college capital construction requests put forward in the Governor's Recommended Budget were approved by the Legislature. In addition, colleges put forward a one-time ask for general fund match for colleges that have been historically unable to find local matching dollars for Article XI-G bonds. Please click [here](#) for the full Legislative Fiscal Office report on capital construction projects and bonding.

One-time Funding Requests

(F) Article XI-G Matching Funds - The Oregon Legislature has provided community colleges with Article XI-G Bonding authority totaling \$350,335,600 for 60 individual projects. Nonetheless, almost \$70 million of these bonds have remained unsold due to the fact that a number of colleges have found it impossible to secure the required matching funds. The result of this is that Oregon's citizens experience unequal levels of access to a community college education across the state depending on where they live. This one-time request asked the Legislature to serve equity goals by appropriating a combination of permissible state resources to provide the match for projects already approved by the Legislature and for which Article XI-G Bonding authority has already been granted in these Districts that have been unable to secure the required match on their own.

This request faced several hurdles to secure legislative support:

1. The Oregon Constitution's language of Article XI-G Bonding intentionally and explicitly requires a one-for-one dollar match with the purpose of ensuring local financial support for community college capital construction projects. Several legislators saw the request as an attempt to circumvent that intent.
2. While explicitly represented as a one-time request, a number of legislators were concerned about this setting precedent for a kind of state support that is not financially sustainable as an ongoing practice.
3. Many legislators failed to see this request as the statewide equity initiative that OCCA represented it to be, instead seeing it as an individual community college district matter that did not rise to high enough importance for legislators from other districts to garner the necessary statewide support.

(P) Special Funds to Repair Landslide Damage at Umpqua CC - UCC experienced a catastrophic landslide on its Roseburg campus, an event not covered by property insurance. OCCA worked with individual legislators to secure state funding to help UCC do the necessary life-safety repairs before the campus opens for Fall Term 2021. The amount of \$636,812 for this work at UCC is included in [HB 5006](#).

Priority 1 & 2 Bills

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

Accelerated Learning

(F) Minimum Teacher Education Requirements ([HB 2868](#)) – Establishes minimum education requirements for teachers of certain accelerated college credit program courses. OCCA opposed this bill as the implementation of its requirements would have significantly restricted access to dual credit opportunities in rural areas.

Bonding

(P) State Financial Administration ([SB 5505](#)) – Establishes amounts authorized for issuance of general obligation bonds, revenue bonds, certificates of participation and other financing agreements for biennium. OCCA and community college presidents provided testimony in support of the 11 new or reauthorized community college projects included in this bill (and SB 5506) in front of the Ways & Means Capital Construction Sub-Committee.

(P) Capital Construction Payment of Expenses ([SB 5506](#)) – Limits for six-year period beginning July 1, 2021, payment of expenses from fees, moneys or other revenues, including miscellaneous receipts, but excluding lottery funds and federal funds, collected or received by various state agencies for capital construction. SB 5506 was the primary capital construction bill for the session including both community college, public universities as well as other state agencies. OCCA and community college presidents provided testimony in support of the new or reauthorized community college projects in front of the Ways & Means Capital Construction Sub-Committee. All community colleges projects included in the Governor's Recommended Budget were included in the version of the bill that ultimately passed. Please click [here](#) for the Legislative Fiscal Office report.

Budget

(F) Community College Support Fund ([HB 2907](#)) – Appropriates moneys from General Fund to Higher Education Coordinating Commission for Community College Support Fund for distribution to community colleges and community college service districts.

This included the full community college budget ask of \$702 million and was meant as way to show support for community colleges through legislative co-sponsors. It also led to the House Education Committee holding a hearing on the community college and university budgets. The actual community college budget is in SB 5528 (see below).

(P) HECC Budget ([SB 5528](#)) – Appropriates moneys from General Fund to Higher Education Coordinating Commission for certain biennial expenses. [See summary above.](#)

Campus Safety

(P) Securing Firearms ([SB 554](#)) – Requires person to secure firearm with trigger or cable lock, in locked container or in gun room except in specified circumstances. In addition, the bill authorizes school district, community college, and public university governing boards to adopt policies prohibiting all firearms on campus, including firearms possessed by concealed handgun licensees. Persons who violate a college policy are guilty of a Class A misdemeanor if they are convicted of possessing a firearm in violation of the policy. If a college board of education adopts a policy as permitted by this bill, the college must post signs at all normal points of entry to college grounds and post a notice on the website identifying all campus areas subject to the policy. OCCA took a neutral position on this bill and noted that the decision to implement a policy will remain at the local board level.

Corrections

(F, but P as [SB 234](#)) Study on Student Loans for Incarcerated Individuals ([SB 756](#)) – Requires Higher Education Coordinating Commission to conduct study and develop recommendations on how to establish coordinated, statewide approach to best serve currently incarcerated individuals who are recently eligible to receive student loans under federal program. While this bill never made it out of Committee due to it errantly referring to “student loans” instead of “student grants,” the corrected substance of this bill was reintroduced as part of SB 234. OCCA provided verbal testimony in support of SB 234 in both House and Senate Committees, and this Bill passed.

(F) Economic Analysis Study on Prison Closures ([SB 774](#)) – Directs division of Oregon Department of Administrative Services that serves as department's office of economic analysis to estimate savings to General Fund in biennium beginning July 1, 2023, resulting from certain prison closures. This bill never received a hearing and failed to move forward in the process.

CTE/STEM

(F) State System for Career and Technical Education ([HB 2989](#)) – Establishes state policy that career and technical education is provided through seamless system that begins at secondary school level and progresses to post-secondary career and technical education institutions, community colleges and apprenticeship programs. This legislation would have tasked the Oregon Department of Education and the Higher Education Coordinating Commission with making recommendations to the Legislature for creating a seamless high school to community college Career and Technical Education system. The legislation received a hearing but did not move any further in the process.

Data Systems

(P) Student Parent Demographic Question ([SB 564](#)) – Requires Higher Education Coordinating Commission to design question or questions allowing each student to identify whether student is parent or person acting as parent or legal guardian that may be placed on one or more forms used on annual basis to collect demographic information by public post-secondary institutions of education. The passage of this bill makes Oregon the first state to be collecting this important information at the state level.

Education Policy

(F) Academic Credit for High School Communication Classes/Programs ([HB 2984](#)) – Requires public institutions of higher education to award academic credit in each instance in which enrolled student completed high school class or participated in high school program that offered learning and experiences comparable to introductory communications, public speaking or argumentation course offered at institution. This bill was problematic as written as it mandated that colleges award academic credit for activities/experiences over which the colleges had no oversight – a direct conflict with accreditation standards. The bill received a hearing but did not move further in the process.

(F) College Mergers ([SB 1](#)) – Permits merger of community college and public university. SB 1 has been introduced by Senate President Peter Courtney for the last three full legislative sessions. It received a hearing in Senate Education but did not move further in the process.

(P) Adds Criminal Justice to Social Science Cluster ([SB 416](#)) – Permits community colleges to allow each criminal justice course approved by curriculum committee of college to be eligible course for social science cluster portion of associate degree. This legislation began as a requirement on colleges and universities to accept criminal justice credits as social science. OCCA worked with the bill's sponsor, Senator Chris Gorsek, to amend the language to allow, but not require, colleges to accept criminal justice credits as social science credits.

Equity

(P) Student Disclosure of Criminal Conviction ([SB 713](#)) – Prohibits public or private post-secondary institution of education from requiring prospective student to disclose whether prospective student has criminal conviction before institution makes final determination on whether to admit student. OCCA provided verbal testimony in support of this bill at both House and Senate hearings, working closely with Senator Michael Dembrow to incorporate small amendments that made it clear that the provisions of this bill applied only to general admission and not special admit programs (ex: Nursing) where criminal backgrounds preclude gainful employment in that field.

(P) Benefits Navigator ([HB 2835](#)) – Requires each community college and public university to hire a benefits navigator to assist students in determining eligibility and applying for federal, state and local benefits programs. This legislation provides funding for each college to hire a navigator or to fund positions currently doing that work. Portland Community College and OCCA worked with a statewide coalition to ensure funding would remain in the bill.

(F) Benefits Navigator ([SB 849](#)) – Requires each community college and public university to hire benefits navigator to assist students in determining eligibility and applying for federal, state and local benefits programs. This was the companion bill to [HB 2835](#), which passed.

Governance

(P) KCC/COCC Boundary Change ([HB 2089](#)) – Approves Proposed and Final Order of Higher Education Coordinating Commission dated December 12, 2019, transferring northernmost portion of Lake County from Central Oregon Community College Service District to Klamath Community College Service District. This legislation was intended for the 2020 short session but could not move forward due to a Republican walkout that functionally ended the session.

(P) Timeline for Community College District Boundary Changes ([HB 2090](#)) – Establishes timeline for petition to make changes in boundary of a community college district. This bill clarifies the process for district boundary changes and conforms statutory provisions with the current state funding practices. These clarifications resulted from lessons learned by HECC and the three districts that utilized the process for the first time since community colleges moved to coordination under HECC. OCCA supported these changes.

(P) LCC District Boundary Change ([HB 2091](#)) – Approves Proposed and Final Order of Higher Education Coordinating Commission dated November 12, 2020, changing boundaries of Lane Community College Service District. This legislation was intended for the 2020 short session but could not move forward due to a Republican walkout that functionally ended the session.

(F) HECC Board Redesign ([HB 2873](#)) – Alters commissioner composition of Higher Education Coordinating Commission by redesignating five current nonvoting positions as voting positions and by adding one additional position for graduate student attending public university. This bill received a hearing but did not move further in the process. This is the companion bill to [SB 712](#), which ultimately passed.

Operations

(P) Display of Mandatory Fees ([HB 2542](#)) – Requires each public university and community college to prominently display mandatory fees charged. There was initial concern about what fees were to be included as there is a wide variety at the colleges. OCCA worked to clarify that only those mandatory fees that impact every student (ex: technology fee) must be displayed. OCCA worked with student advocates to ensure the language would not necessitate onerous new requirements.

Personnel

(F) Part-time/Full-time Salary Ratio ([HB 3156](#)) – Requires each community college and public university to pay part-time faculty member teaching course offered for academic credit at least 75 percent of salary that would be paid to full-time faculty member with identical levels of education and experience during 2022-2023 academic year and at least 85 percent of salary that would be paid to full-time faculty member with identical levels of education and experience every academic year thereafter. OCCA opposed this bill and worked with the colleges to develop a dataset from which we calculated the costs associated with implementing this bill. Based on responses received, the bill would have had widely different impacts on individual colleges, but a significant fiscal impact. Fortunately, this bill never made it out of Ways and Means and died.

(F) Full-time/Part-time Faculty Ratio ([HB 2876](#)) – Requires each community college and public university to have at least 65 percent of total number of credit hours offered taught by full-time employee during 2022-2023 academic year and at least 75 percent of total number of credit hours offered taught by full-time employee every academic year thereafter. Like HB 3156, OCCA opposed this bill and worked with the colleges to develop a dataset to figure out the fiscal impact, which would have been substantial. Fortunately, this bill never received a hearing and died in committee.

(F) Part-time Faculty Healthcare – Employer Paid ([HB 2988](#)) – Provides that part-time faculty member at public institution of higher education who qualifies for healthcare benefits will pay 10 percent of insurance premiums for employee coverage. OCCA opposed this bill as it would have required the colleges to pay the remaining 10 percent of insurance premiums. This would have been an unfunded mandate on the colleges and would have had a sizable fiscal impact. Fortunately, this bill died in Ways and Means and the state-paid version of the bill passed.

(F) Part-time Faculty Healthcare – State Paid ([HB 3007](#)) – Provides that part-time faculty member at public institution of higher education who qualifies for healthcare benefits will pay 10 percent of insurance premiums for employee coverage. OCCA testified in favor of this legislation as well as its companion bill, SB 551 (see below). It did not receive a work session.

(P) Part-time Faculty Healthcare – State Paid ([SB 551](#)) – Provides that part-time faculty member at public institution of higher education who qualifies for healthcare benefits will pay 10 percent of insurance premiums for employee coverage. OCCA testified in favor of SB 551. In its original form it would have provided healthcare to faculty members working 0.5 FTE or over at one or more public institutions but did not have access to paid healthcare. The insurance would have been offered through the Oregon Education Benefits Board. However, negotiations among legislative leadership resulted in a different approach. Under the version of SB 551 that passed, eligible faculty would pick a home institution and show they work 0.5 FTE or more at one or more institutions and do not receive paid coverage. Originally, colleges and universities would have to check faculty eligibility quarterly to provide coverage, but OCCA worked to pass an amendment allowing colleges to define eligibility similar to most community college contracts and would verify eligibility twice a year instead of quarterly.

(P) Delayed Implementation of Paid Family and Medical Leave ([HB 3398](#)) – Delays implementation requirements for paid family and medical leave program. The Employment Department is charged with implementing Oregon’s new insurance program passed by the Legislature in 2019 to fund paid family and medical leave. Due to COVID-related unemployment impacts, it was impossible for the Department to undertake the work necessary to implement the program by the effective date. This bill extends the deadlines in the original statute by one year. The start date for employer and employee contributions is delayed until January 1, 2023. The benefit payment start date is delayed until September 3, 2023.

(F) Teacher-Created Intellectual Property Rights ([SB 667 A](#)) – Requires school districts and community colleges to adopt and implement policies concerning ownership rights to teacher-created intellectual property. OCCA submitted written testimony in opposition to the bill. The bill passed the House but did not move further in the process.

Public Contracting

(F) Establishes Requirements for Employing Workers Under Qualified Contracts ([SB 577](#)) – Specifies contract price at which apprentice utilization requirements apply to qualified contracts with institutions of higher education and school districts. This bill would have expanded current requirements that apply to community college public improvement contracts. The current requirements went into effect on January 2, 2021, for contracts over \$8 million in value. OCCA opposed the bill and worked with public university partners to ensure the bill did not move forward. This legislation will be the subject of a workgroup during the interim to review ways to increase apprentice utilization.

Students

(P) Display of Estimated Costs of Required Course Materials ([HB 2919](#)) – Requires each public university and community college to prominently display, or establish link to website that displays, estimated costs of all required course materials and directly related course fees for no less than 75 percent of total for-credit courses offered by public university or community college. OCCA was part of a work group that crafted this legislation over more than a year of discussion. Many of our community colleges already have systems in place to provide students this information.

Transfer

(F) Transfer of Academic Credit ([HB 2346](#)) – Allows student to transfer academic credits from any course contained within foundational curriculum to any other community college or public university. The bill did not receive a hearing.

(F) Foundational Curricula and Transfer Agreements ([SB 76](#)) – Integrates foundational curricula and unified statewide transfer agreements into Transfer Student Bill of Rights and Responsibilities. This legislation received a hearing but did not move further in the process.

(P) Common Course Numbering ([SB 233](#)) – Requires Higher Education Coordinating Commission to establish common course numbering system for introductory and lower level courses with similar learning outcomes offered at accelerated college credit programs, public post-secondary institutions of education and participating non-public post-secondary institutions of education. Many of the other transfer-related bills died due to the comprehensiveness of this piece of legislation.

Veterans

(F) Veteran Academic Credit ([HB 2902](#)) – Requires public post-secondary institutions to grant 12 academic credits to veterans who have served two or more years on active duty. This legislation did not receive a hearing.

Workforce

(F) Transfer of WIOA to Bureau of Labor and Industries ([HB 2303](#)) – Transfers duties, functions and powers related to administering federal Workforce Innovation and Opportunity Act and workforce development matters from Higher Education Coordinating Commission to Bureau of Labor and Industries. This bill never received a hearing and failed to move forward in the process.

(P) OBDD Budget ([HB 5023](#)) – Appropriates moneys from General Fund to Oregon Business Development Department for certain biennial expenses. This bill was amended to include (package 801) \$1 million in lottery funds for Small Business Development Centers.

(P) Establishment of Committee for Continuous Improvement ([SB 623](#)) – Directs State Workforce and Talent Development Board to establish Committee for Continuous Improvement to assess effectiveness of Oregon's public workforce development system. This bill was amended to create a Continuous Improvement Committee of the State Workforce & Talent Board that is charged with assessing workforce programs in even numbered years. Costs of the assessment are shared between state and local workforce programs.

Additional Bills – Priority 3

Corrections

(P) Adults in Custody Student Grants Study ([SB 234](#)) – Directs Higher Education Coordinating Commission to convene stakeholder group to study ways to best serve adults in custody who are recently eligible to receive student grants. This bill passed and was signed by the Governor on June 15th. This stakeholder group will be charged with studying Second Chance Pell.

Equity

(P) Underrepresented Students Task Force ([HB 2590](#)) – Establishes Task Force on Student Success for Underrepresented Students in Higher Education. This bill is a higher education equivalent to the previously passed legislation that led to increased funding for K12. The bill calls for a taskforce of legislators to visit higher education institutions across the state with the purpose of meeting with students of color and their communities along with organizations that support them. The intent of the bill is to develop policies and funding proposals for the 2023 legislative session.

Governance

(P) Composition of the Higher Education Coordinating Commission ([SB 712](#)) – Alters commissioner composition of Higher Education Coordinating Commission by redesignating five current non-voting positions as voting positions and by adding one additional position for graduate student attending public university. This legislation was supported by labor unions and students and ultimately passed.

Operations

(P) Remote Public Meeting Law ([HB 2560](#)) – Requires governing body of public body, to extent reasonably possible, to make all meetings accessible remotely through technological means and provide opportunity for members of the general public to remotely submit oral and written testimony. This bill requires public bodies to make public meetings more accessible to the public through telephone, video or other electronic or virtual means when possible. In addition, if oral or written public testimony is allowed, members of the general public must be allowed to provide testimony through electronic or virtual means. This continues practices adopted during the COVID-19 pandemic.

(P) Feminine Hygiene Products ([HB 3294](#)) – Requires every public education provider to provide both tampons and sanitary pads at no cost to students. The bill gives authority to HECC to establish rules providing the number of dispensers that must be placed in each student bathroom, the types of products that must be available, and how payments will be distributed from the Community College Support Fund to each institution to cover the cost of this mandate. OCCA worked with other education partners to reduce the fiscal impact to education institutions.

Personnel

(P) Juneteenth ([HB 2168](#)) – Establishes Juneteenth as legal state holiday. This bill passed and established June 19th as a state holiday. Since the bill is not effective until 91 days after the end of session, the state will observe the holiday for the first time in 2022. On June 17th, President Joe Biden signed a bill establishing Juneteenth as a federal holiday, effective immediately.

(P) Public Official and Mandatory Reporting ([HB 3071](#)) – Modifies definition of "public or private official" with mandatory duty to report suspected abuse to include all state and local elected officials. Effective January 1, 2022, this bill adds elected community college board of education members as mandatory child and elder abuse reporters under state law.

(P) Unemployment Insurance Benefits ([SB 496](#)) – Removes prohibition on payment of unemployment insurance benefits to nonprofessional employees of educational institution providing school food services, early intervention services or pre-kindergarten services for weeks of unemployment commencing during period between two successive academic years or terms. This bill creates an exception to current unemployment insurance (UI) laws and allow non-instructional food service and early intervention employees to receive unemployment insurance during the summer if they meet other UI eligibility criteria even if they have reasonable assurances of continuing employment. OCCA provided written and oral testimony in opposition to this bill in both the House and Senate. This bill was a priority of labor groups and Legislative leadership.

Student Success

(P) Developmental Education and Placement Tests ([HB 2589](#)) – Requires public institutions of higher education to have same developmental educational requirements and placement tests for incoming student who completes high school and institution determines is college-ready and incoming student who received certificate for passing approved high school equivalency test and received grade indicating student is college-ready.

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

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Laurie Byerly, Interim Legislative Fiscal Officer
Amanda Beitel, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Education Subcommittee

From: Doug Wilson, Legislative Fiscal Office

Date: June 14, 2021

Subject: SB 5528 – Higher Education Coordinating Commission
Work Session Recommendations

Higher Education Coordinating Commission – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
General Fund	1,943,729,412	2,153,043,053	2,308,323,047	2,452,376,117
Lottery Funds	93,123,293	142,162,801	154,364,240	128,527,291
Other Funds	574,493,265	406,418,915	83,892,780	112,181,951
Other Funds NL	236,269,745	215,118,270	165,177,280	165,177,280
Federal Funds	81,776,666	128,146,326	128,335,403	130,656,715
Federal Funds NL	6,884,790	24,286,877	20,536,302	20,536,302
Total Funds	2,936,277,171	3,069,176,242	2,860,629,052	3,009,455,656
Positions	134	144	147	149
FTE	120.28	134.91	138.07	140.36

The Higher Education Coordinating Commission (HECC) was created in 2011 by SB 242 and further refined in 2012 by SB 1538. The Commission has 15 members appointed by the Governor and confirmed by the Senate. Its primary focus is to be responsible for strategic planning for post-secondary education in the state. Its major areas of responsibilities include:

- Develop goals and maintain accountability measures for the post-secondary system.
- Approve and authorized degrees for the public universities and community colleges.
- Administer and operate the Office of Degree Authorization and the Private Career Schools program.
- Administer workforce development programs as the state agency responsible for the federal workforce development programs.
- Provide financial assistance to post-secondary students through the Oregon Opportunity Grant, Oregon Promise, and other Office of Student Access and Completion programs.

- Distribute state funding to public universities, community colleges, and the Oregon Health and Science University.
- Manage debt service for state general obligation and lottery bonds issued for the benefit of post-secondary public institutions.

Even though HECC was established in 2011-13, it did not initially have any budget and consequently any staff for that biennium. Staff was provided by the Governor's Office and other agencies. Beginning in 2013-15, the HECC budget included the core HECC staff and the budgets for the Office of Degree Authorization (transferred from OSAC) and the staff of the Private Career School program transferred from the Oregon Department of Education. In 2015-17, HECC's budget expanded significantly as the budgets of the former Department of Community Colleges and Workforce Development (CCWD), former Oregon Student Access Commission (OSAC), Oregon Health and Science University (OHSU), and the former Oregon University System (now the public universities) were combined in the overall HECC budget.

Adjustments to Current Service Level

The current service level (CSL) for the Commission is \$2,308.3 million General Fund, \$154.4 million Lottery Funds and \$2,860.6 million total funds. The LFO recommendation assumes the following changes:

- The Public University Support Fund is increased by \$13.9 million to \$900.0 million General Fund.
- The Community College Support Fund is increased by \$29.9 million to \$703.0 million General Fund.
- The reductions that were the result of the August 2020 special session are reversed so program levels are generally at CSL for Public University State Programs, Extension Service, Experiment Station, Forest Research Lab and the Oregon Health Sciences University,
- The Oregon Opportunity Grant increases to a level of \$200.0 million total funds, an increase of \$28.8 million over CSL.
- The Oregon Promise program and the National Guard Tuition Assistance program are at CSL.
- Funding is provided for a transfer portal for community college to public university transfers, common course numbering activities, and Oregon Youth Employment program.

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Performance Measures

See attached "Legislatively Proposed 2021-23 Key Performance Measures."

Budget Notes

The Higher Education Coordinating Commission shall report to the Emergency Board by October 1, 2022 on the use of the Statewide Longitudinal Data System (SLDS) and its further development. The report must include an update on its use to date, a sample list of research projects that utilizes the SLDS and its data, a list of new data elements added to the SLDS since the beginning of the 2021-23 biennium, and a description of further development of the SLDS's capabilities and capacity.

Recommended Changes

LFO recommends a budget of \$2,452,376,117 General Fund, \$128,527,291 Lottery Funds, \$112,181,951 Other Funds \$130,656,715 Federal Funds, and 149 positions (140.36 FTE), which is reflected in the -2 amendment.

Final Subcommittee Action

LFO recommends that SB 5528, as amended by the -2 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 52500-208-00-00-00000

Support to Community Colleges

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	645,756,457	-	45,810	-	-	-	645,802,267	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2021-23 Base Budget	645,756,457	-	45,810	-	-	-	645,802,267	-	-
020: Phase In / Out Pgm & One-time Cost	(975,000)	-	-	-	-	-	(975,000)	-	-
030: Inflation & Price List Adjustments	54,313,106	-	1,970	-	-	-	54,315,076	-	-
050: Fundshifts and Revenue Reductions	(25,952,000)	-	-	-	-	-	(25,952,000)	-	-
2021-23 Current Service Level	673,142,563	-	47,780	-	-	-	673,190,343	-	-
080: E-Boards	-	-	22,783	-	-	-	22,783	-	-
Adjusted 2021-23 Current Service Level	673,142,563	-	70,563	-	-	-	673,213,126	-	-
Total LFO Recommended Packages	29,900,000	-	10,380,459	-	-	-	40,280,459	-	-
2021-23 Legislative Actions	703,042,563	-	10,451,022	-	-	-	713,493,585	-	-
Net change from 2019-21 Leg Approved Budget	703,042,563	-	10,451,022	-	-	-	713,493,585	-	-
Percent change from 2019-21 Leg Approved Budget	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	29,900,000	-	10,380,459	-	-	-	40,280,459	-	-
Percent change from 2021-23 Adj Current Service Level	4.4%	0.0%	14710.9%	0.0%	0.0%	0.0%	6.0%	0.0%	0.0%

LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 52500-208-00-00-00000

Support to Community Colleges

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 087 August 2020 Special Session

Package Description This package adds additional Timber Tax related expenditure limitation for the Community College Support Fund for 2021-23 that was added during the August 2020 second Special Session. These funds will be distributed to community colleges.

LFO Recommendation Approve the package.

LFO Recommended	-	-	22,783	-	-	-	22,783	-	-
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LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 52500-208-00-00-00000

Support to Community Colleges

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package adds \$29.9 million to the Community College Support Fund bringing the total amount of funding to \$703.0 million. This is the amount requested by the community colleges. This amount is added to the current service level for distribution to the 17 community colleges.

LFO Recommendation Approve the package.

LFO Recommended	29,900,000	-	-	-	-	-	29,900,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 804 Technical Adjustments

Package Description This package includes technical changes of various types that do not necessarily change policy in anyway. For the Community College there are two changes. The first is \$10.4 million in Other Funds expenditure limitation for an interagency agreement with the Department of Corrections (DOC) for education services for Adults in Custody in DOC facilities. This reflects a new arrangement agreed to earlier in 2021 where DOC would no longer have a direct financial relationship with those community colleges who provide these services. Instead, DOC would transfer the funding through the agreement with HECC and HECC would provide payments to the community colleges. The second technical adjustment is another \$10,000 in Other Funds expenditure limitation to recognize the estimated additional timber tax revenue available to distribute to community colleges through the distribution formula.

LFO Recommendation Approve the package.

LFO Recommended	-	-	10,380,459	-	-	-	10,380,459	-	-
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Legislative Fiscal Office

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828



Joint Committee on Ways and Means

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Fred Girod, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

Laurie Byerly, Interim Legislative Fiscal Officer
Amanda Beitel, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Capital Construction Subcommittee

From: Amanda Beitel, Legislative Fiscal Office

Date: June 24, 2021

Subject: SB 5506 – Capital Construction
Work Session Recommendations

SB 5506 is the budget bill for capital construction projects. The bill establishes authority for the acquisition of land and the planning, design, repair, and construction of projects with costs over \$1 million. Projects are funded with proceeds of bonds authorized in SB 5505, as well as other revenues and federal grants received by agencies.

The -2 amendment replaces the bill and establishes \$1.47 billion of Other Funds capital construction expenditure limitation and \$34.9 million of Federal Funds capital construction expenditure limitation for the 2021-23 biennium. Capital construction expenditure limitation is established for a six-year period. Projects approved in this bill will expire on June 30, 2027. The bill also extends dates and adjusts limitation for previously approved projects.

A list of the capital construction expenditure limitation approved for projects in SB 5506 is attached.

Recommended Changes

LFO recommends adoption of the -2 amendment.

Final Subcommittee Action

LFO recommends that SB 5506, as amended by the -2 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

**Capital Construction Projects
2021-23 Legislatively Adopted Budget**

	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
EDUCATION PROGRAM AREA			
Higher Education Coordinating Commission			
All - Capital Improvement and Renewal	80,000,000	-	80,000,000
EOU - Inlow Hall Renovation Phase II	18,265,100	-	18,265,100
OIT - Residence Hall	55,000,000	-	55,000,000
OIT - OMIC R&D Center for Additive Manufacturing Innovation	5,000,000	-	5,000,000
OSU - Student Success Center	13,800,000	-	13,800,000
OSU - Cordley Hall Renovation Phase II	86,000,000	-	86,000,000
OSU - Reser Stadium West Grandstands	40,000,000	-	40,000,000
PSU - Gateway Center Reuse and Extension	68,000,000	-	68,000,000
UO - Heritage Building Renovation	58,500,000	-	58,500,000
WOU - Student Success Center	21,340,000	-	21,340,000
Chemeketa CC - Building 7 Remodel	8,000,000	-	8,000,000
Clatsop CC - Maritime Science Building (reauthorize)	7,996,994	-	7,996,994
Klamath CC - Childcare Resource Learning Center	1,500,000	-	1,500,000
Linn-Benton CC - Agricultural Center	8,000,000	-	8,000,000
Mt. Hood CC - Accessibility Upgrades, Dental Hygiene Lab & Def. Maint.	8,000,000	-	8,000,000
Oregon Coast CC - Workforce Education & Resiliency Center (reauthorize)	8,000,000	-	8,000,000
Rogue CC - Transportation Technology Center	7,000,000	-	7,000,000
Tillamook Bay CC - Classroom/Office Building & Renovations	8,000,000	-	8,000,000
Oregon Department of Education			
Oregon School for the Deaf ADA Restrooms	1,024,625	-	1,024,625
Oregon School for the Deaf Fire Alarm System Replacement	3,091,923	-	3,091,923
Oregon School for the Deaf Windows Upgrade	1,383,452	-	1,383,452
ADMINISTRATION PROGRAM AREA			
Department of Administrative Services			
Deferred Maintenance	15,500,000	-	15,500,000
Gender Neutral Facilities and Mothers' Rooms	10,000,000	-	10,000,000
Capitol Mall Parking Structure Improvements	2,750,000	-	2,750,000
Dome Building and Yaquina Hall Improvements	1,500,000	-	1,500,000
Climate Adaptation and Net Zero Solutions	2,000,000	-	2,000,000
Parking Lot Improvements and EV Charging Station Expansions	2,000,000	-	2,000,000
Executive Building Interior and Seismic Renovation	45,000,000	-	45,000,000
North Valley Complex Infrastructure Upgrades/Improvements	60,000,000	-	60,000,000
Yellow Parking Lot Paving	4,000,000	-	4,000,000
Oregon Liquor Control Commission			
Liquor Warehouse Conveyor System	10,000,000	-	10,000,000
Liquor Warehouse Land and Building	52,537,265	-	52,537,265
PUBLIC SAFETY PROGRAM AREA			
Oregon Military Department			
Ashland Armory Service Life Extension	5,373,235	-	5,373,235
Corvallis Armory Service Life Extension	4,317,605	-	4,317,605
Camp Umatilla Barracks Facilities	-	8,000,000	8,000,000
Camp Umatilla Guard Shack	-	1,100,000	1,100,000
Washington County Readiness Center	5,300,000	22,700,000	28,000,000

**Capital Construction Projects
2021-23 Legislatively Adopted Budget**

	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
Oregon Youth Authority			
Camp Riverbend Dorm Renovation	6,867,101	-	6,867,101
Capital Improvements	6,742,239	-	6,742,239
MacLaren West Cottages Renovations	8,000,000	-	8,000,000
Tillamook Dorm Renovation	10,279,899	-	10,279,899
Department of Corrections			
Capital Improvement and Renewal	70,000,000	-	70,000,000
Off-Net Telephone Infrastructure	3,508,206	-	3,508,206
Oregon State Police			
Central Point Office Expansion	33,961,269	-	33,961,269
Springfield Forensic Lab and Medical Examiner's Office	61,982,733	-	61,982,733
Springfield Patrol Area Command Office	14,261,687	-	14,261,687
TRANSPORTATION PROGRAM AREA			
Department of Transportation			
Meacham Maintenance Station	12,000,000	-	12,000,000
South Coast Maintenance Station	16,200,000	-	16,200,000
Region 3-5 Headquarters HVAC Upgrades	3,800,000	-	3,800,000
Department of Aviation			
Siletz Bay State Airport Runway & Electrical Rehabilitation	320,000	3,069,187	3,389,187
NATURAL RESOURCES PROGRAM AREA			
Department of Forestry			
Santiam District Office Replacement	2,500,000	-	2,500,000
Toledo Facility Replacement Phase II	1,632,842	-	1,632,842
Oregon Department of Fish and Wildlife			
Capital Improvement and Renewal	5,000,000	-	5,000,000
Oregon Parks and Recreation Department			
Capital Improvement and Renewal	50,000,000	-	50,000,000
HUMAN SERVICES PROGRAM AREA			
Oregon Health Authority			
Oregon State Hospital, Salem Well Water Treatment Facility	4,492,750	-	4,492,750
OSH Salem/Junction City Automated Dispensing Cabinets	3,500,000	-	3,500,000
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA			
Oregon Housing and Community Services			
LIFT Housing and Permanent Supportive Housing	410,000,000	-	410,000,000
JUDICIAL PROGRAM AREA			
Oregon Judicial Department			
Supreme Court Building Renovation	21,700,000	-	21,700,000
Total 2021-23 Capital Construction Limitation	1,474,928,925	34,869,187	1,509,798,112