2018 Legislative Session
Budget & Policy Summary

HIGHER EDUCATION BUDGET

<table>
<thead>
<tr>
<th>Operating Funds</th>
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<tr>
<td>Public University Support Fund</td>
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<tr>
<td>$736.8 million</td>
</tr>
<tr>
<td>Tuition increases for all seven public institutions will remain under 5% for the 2018-19 academic year as a result of the legislature maintaining funding for the public universities and the 2017 budget note in SB 5524 (2017).</td>
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<tr>
<td>Community College Support Fund</td>
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<td>$570.3 million</td>
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<tr>
<td>No changes were made to the funding for the community colleges despite their request to increase funding by $32 million during the session.</td>
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<th>Financial Aid</th>
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<tr>
<td>Oregon Opportunity Grant</td>
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<td>potentially $14 million</td>
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<td>The federal tax disconnect bill (SB 1528) allows the HECC in cooperation with the Department of Revenue to conduct an auction of tax credits limited to $14M per fiscal year.</td>
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The legislative adopted budget at the close of 2017 allocated $146.1 million to the OOG.

HIGHER EDUCATION COORDINATING COMMISSION (HB 5201)

The HECC had a $425,000 General Fund budget hole caused by a lack of firm estimates from the Department of Administrated Services related to Enterprise Technology Services. The legislature filled this hole from two sources. Most of the hole was filled by an offset of $360,000 in savings from Open Education Resources (HB 2729; 2017) which was originally held for the development of a statewide OER repository. The remaining budget gap was filled by allocating $65,000 from the general fund.

The HECC also received a General Fund appropriation of $250,000 for the Oregon Volunteers Commission for Voluntary Action and Service program. The primary program that is administered by this Commission is AmeriCorps, which requires a state match to receive federal grants.

Finally, a one-time appropriation of $250,000 was approved through the HECC for the Portland State University/Oregon Health and Science University Center for Violence Prevention Research, Education, and practice. The work of this Center is to research identifying causal factors and other social determinants of health that are linked to various dangerous outcomes. Funding will be distributed to the hospital operations component of OHSU for the Joint School of Public Health.
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PERS LEGISLATION

SB 1566  Employer Incentive Funds
This measure establishes an Employer Incentive Fund to be used for a one-time match program. The match rate is up to 25% of a PERS employer’s contribution. Once matched, state funds would be transferred into a new or existing employer’s side account at which time the state would relinquish all financial interest in the match. All PERS entities, including school districts, community colleges, and public universities, are eligible to participate in the matching funds program. Additionally, to become eligible an employer must have an approved Unfunded Actuarial Liability Resolution plan.

CAPITAL CONSTRUCTION

SB 5702  Bond Authorization
An additional $74,650,000 million of general obligation bonds (Article XI-G, Article XI-Q, Article XI-F, and Lottery Revenue) were authorized to finance three new university projects and to increase three university projects for the 2017-19 biennium. PSU did not have a bonding request for the 2018 legislative session.

The following projects were requested for use of Article XI-G, Article XI-Q, and Lottery Revenue Bonds (NOTE: Article XI-G require a university match, Article XI-Q do not require a match)

- **Eastern Oregon University:** Field House Facility *(originally requested in 2017)*
  - REQUESTED: $2M in Article XI-Q Bonds, $7M in Lottery Revenue Bonds.
  - APPROVED: $9M in Lottery Revenue Bonds

- **Oregon State University:** Cascade Expansion *(originally requested in 2017)*
  - REQUESTED: $29M in Article XI-Q bonds, $10M in Article XI-G Bonds
  - APPROVED: Same as requested

- **Southern Oregon University:** Boiler Replacement *(new emergency request)*
  - REQUESTED: $2.8M in Article XI-Q Bonds
  - APPROVED: Same as requested

- **University of Oregon:** Campus for Accelerating Scientific Impact *(originally requested $100M in 2017 only received $50M)*
  - REQUESTED: $40M in Article XI-G Bonds
  - APPROVED: $20M in Article XI-G Bonds (50% reduction in 2018 request)

The legislature adopted a Budget Note asking the Higher Education Coordinating Commission to take a stronger role in evaluating university capital.

“Budget Note: The Higher Education Coordinating Commission is directed to report to the Emergency Board in May 2018 on the statewide criteria developed to evaluate and prioritize Public University capital requests that are proposed in the agency’s request budget. The criteria and evaluation process should provide, at a minimum, comparable information across projects, objective analysis of each request, and prioritization of deferred maintenance activities.”

Bonding for the universities continues to be of concern to some legislators who believe that the universities have become “entitled.” It will be critical that PSU continues to make the case that capital is a good investment for Oregon. Specifically, that investing in capital leverages matching funds, creates jobs, and serves students.
LEGISLATION IMPACTING PUBLIC UNIVERSITIES

HB 4014  Tuition Waivers for Former Foster Youth Fix
Removes the requirement that foster children or former foster children complete a certain number of volunteer
service hours during the previous academic year to qualify for tuition waivers.

HB 4035  Tuition Assistance for Members of the National Guard
Establishes a tuition assistance program for qualified Oregon National Guard members. Specifies that qualified
participants are those who maintain a GPA of at least 2.0 and are attending an Oregon Community College or
Public University. The legislature allocated $2.5 million to the HECC for tuition assistance payments.

HB 4046  PERS Spiking
Provides that outside compensation received by employee of public university, Oregon Health and Science
University, or community college is not included in employee’s salary for purposes of PERS unless it is paid to the
employee by the public university, OHSU, or community college.

HB 4053  Accelerated College Credit
Directs the Chief Education Office, in collaboration with the HECC to prepare an annual report on accelerated
college credit programs. First report is due by December 1, 2018. No appropriation for university work in data
gathering despite universities’ request.

HB 4056  Scholarships for Children of Deceased or Disabled Public Safety
Officers
Designates 10 percent of forfeiture proceeds for scholarship program for children of fallen or disabled public safety
officers.

HB 4141  Tuition Advisory Bodies
Requires each public university to have an advisory body to the university president on resident tuition and
mandatory enrollment fees. Specifies that the advisory body must have at least two administrators, two faculty
members, two students from the recognized student government, and two students representing historically
underserved students of the university. Requires the advisory body to document the impact on underserved
students and the mission of the public university. The advisory body will provide a report to the board of Trustees.

SB 1554  Disregards 529 Accounts for purposes of Financial Aid
Disregards any amount in an account established for higher education expenses for the purpose of determining an
individual’s eligibility to receive assistance or benefits authorized by law. Additionally it requires the Higher
Education Coordinating Commission to conduct a study of the effects of excluding savings account balances on
state and institutional financial aid programs and to submit a report to the legislature by December 1, 2018.

SB 1557  Protections for Students called to Duty for less than 30 Days
Requires community colleges, public universities, and Oregon Health and Sciences University to provide certain
rights to students ordered to federal or state active duty for 30 or fewer consecutive days.

SB 1563  Tuition Equity Fix
Removes requirement that students who are not citizens or lawful permanent residents apply for official federal
identification documents to be eligible for exemption from paying nonresident tuition at public universities.
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OTHER BILLS OF NOTE

**HB 4043**  Helping community college students apply for benefits
Requires the community colleges to jointly conduct a study to determine best methods for helping community college students learn about and apply for benefits. We expect that future legislative proposals will come out of this study that PSU will support.

**HB 4118**  Good Neighbor Authority Agreement
The Governor and the Federal Forest Working Group of Oregon Solutions at Portland State University shall jointly develop specific recommendations regarding goals for the Good Neighbor Authority Agreement.

**HB 4145**  “Boyfriend Loophole”
Expands the prohibition of gun ownership to people convicted of domestic violence against non-married intimate partners. Additionally, it blocks people convicted of the misdemeanor of stalking from owning a gun.

**HB 4153**  Oregon’s Rural University
Designates Eastern Oregon University as Oregon’s Rural University.

**HCR 206**  Oregon State University turns 150
Congratulates and honors Oregon State University on its 150th Anniversary.

**SB 1540**  Clarifies provisions related to child abuse investigations and mandatory reporting
Modifies the mandatory reporting law for children by excluding from the definition of “abuse” consensual sexual contact between a child over the age 14 and a person under the age of 21 unless there is a difference of three or more years in age.

**SCR 205**  Dr. Joe Robertson
Recognizes and celebrates Dr. Joe Robertson for his career at Oregon Health and Science University and extends well wishes to him upon his retirement.

PREPARING FOR 2019

During the session PSU along with our sister institutions began educating legislators about our 2019-21 budget request to increase the Public University Support Fund by $130 Million to keep tuition near 5% at all seven public institutions. Oregon Universities should expect to continue to educate Legislators and other stakeholders about the cost-drivers that are out of the universities’ control and how state funding impacts tuition.

Additionally, Oregon Universities started educating legislators about Sports Lottery Equity Scholarships in our attempt to restore funding to the full 1% of the lottery. Restoration to the 1% level would increase resources for athletic and graduate scholarships at PSU.