

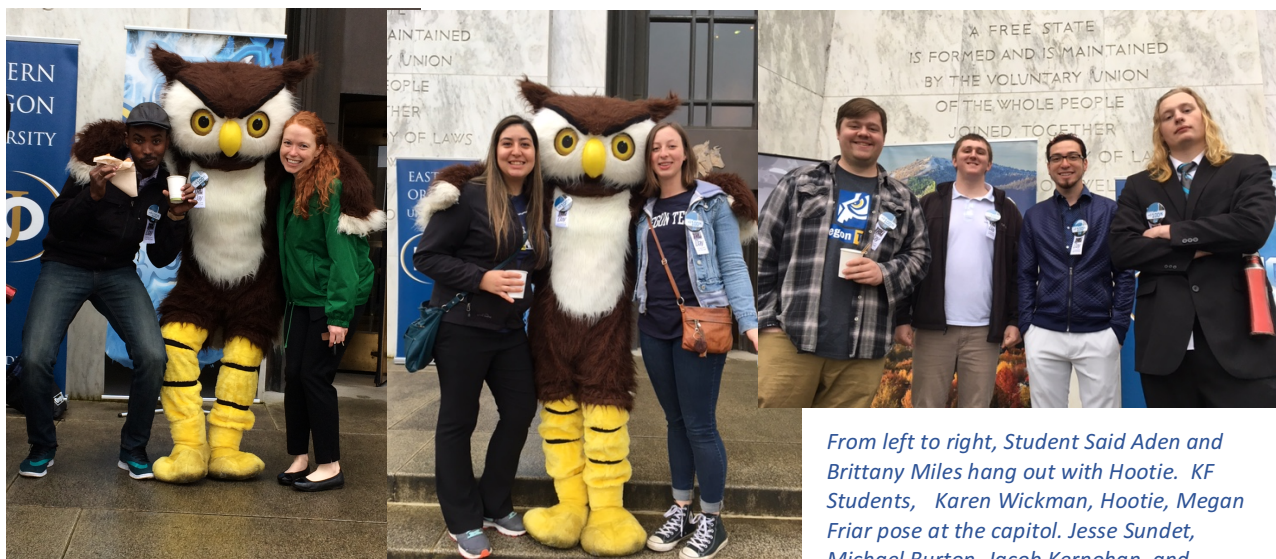
Government Relations Update for the Campus Community

May 2017

Prepared with the assistance of the Oregon Council of Presidents (OCOP)

May Summary

On **May 16th** the Technical and Regional Universities – the “TRUs” which include Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University, and Western Oregon University – held a day of activities and advocacy in the State Capitol to inform legislators and their staff about the amazing opportunities these institutions provide to Oregonians.



From left to right, Student Said Aden and Brittany Miles hang out with Hootie. KF Students, Karen Wickman, Hootie, Megan Friar pose at the capitol. Jesse Sundet, Michael Burton, Jacob Kernohan, and Brendan "Gaius" Nikola prepare to lobby legislators.

Thirty-six Oregon Tech advocates traveled to Salem for a day of advocacy for Oregon Tech including 21 students from Klamath Falls and Wilsonville, 11 faculty and staff, President Naganathan, Board Chair Lisa Graham, and Hootie! President Nagi and Chair Graham had meetings with eight key leaders including Governor Kate Brown and her staff. Oregon Tech’s advocacy delegation met with Representative E. Werner Reschke (Klamath Falls) and Representative Rich Vial (Wilsonville) for breakfast. Students had the opportunity to tell the legislators about the impact Oregon Tech has made in their lives and in their community.

All together, 103 TRU advocates met with 63 legislators and their staff to deliver three key messages:

1. Universities need \$100 Million more than the Governor’s Recommended Budget for the public

university support fund to maintain current levels of student services.

2. All the universities support the Oregon Council of Presidents' capital construction list (including completion of Oregon Tech's engineering complex).
3. Fully funding Sports Lottery at the \$12 million level authorized in statute will provide essential sports scholarships and team support.

Summary: Oregon Tech produces a laudable return on investment for students and the state and is deserving of this level of state support.



Capital Construction and State Programs Hearings, Impact of University Governing Boards

The Capital Construction Subcommittee of Ways and Means heard testimony on all of the \$284M in university capital requests on May 5th, including Oregon Tech's Center for Excellence in Engineering and Technology, followed by several days of public hearings. Andrew Stork from KCEDA drove all the way from Klamath Falls to support Oregon Tech's project, as did STEM Hub Co-Chair Craig Hudson from Garmin. We are deeply grateful to our industry partners for their advocacy. In late May, the House

Higher Education Committee also requested two informational hearings on the university State Programs, including OREC, and on the Impact of Governing Boards. Presidents Mike Schill from UO and Tom Insko from EOU testified about how boards have helped all seven universities be more accountable, manage their finances, and raise private funds.

In other capital news, the State Land Board voted last week not to sell the Elliott State Forest to private interests. Instead, decisions about the use of the lands will be entrusted to a habitat conservation plan and it appears likely the Legislature will commit \$100 million in bonding to support purchasing a significant portion of the forest. Oregon State University would be given the right to exercise a purchase option on the remaining portion, approximately \$120 million, in the future.

Budget

On May 16th, the legislature received its last revenue forecast before the end of session. The forecast showed continued economic growth but the growth rate is slowing down. The forecast estimated revenue of about \$70 million over the 2% kicker threshold, which means that \$408 million in



Students Leaders from the Wilsonville Campus, Peggy Hawkins, Shelly, and Kevin Malstrom, join President Naganathan to advocate for Oregon Tech.

revenues collected this biennium will be refunded to tax payers next biennium.

If the forecast turns out to be overly optimistic and the subsequent forecast shows that the \$70 million hasn't materialized, that would free up about \$338 million for spending in the next biennium.

Total general fund revenues available for 2017-19 available to the legislature:

- Last forecast: \$18.1 billion
- Current forecast: \$18.4 billion
- Increased GF available to spend: \$373.7M



WOU President Rex Fuller with Wolfie, OIT President Nagi Naganathan with Hootie, SOU President Linda Schott with Rockie, and EOU President Tom Insko with Monty.

Here is a link to the power point presentation on the revenue forecast:

<https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/128622>

Here is a link to the Legislative Revenue Office summary:

<https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/128621>

The university finance VPs are also developing information to analyze how increased state investment would affect tuition rates and potential restoration of personnel cuts.



President Nagathan and Representative Reschke get a hoot out of Hootie's antics.

The status of each of the major pieces of the puzzle needed to finalize the State Budget are below and include:

- Passage of a provider tax to fund gaps in the Oregon Health Authority and Department of Human Services budgets,
- Passage of a transportation package,
- Deliberations on PERS reforms,
- Deliberations on cost containment actions, and
- Deliberations about revenue reform/increases.

Revenue

The Joint Tax Reform Committee continues to meet and analyze proposals to reform

revenue. Last week, the Legislative Revenue Office presented a model that showed a tax of 0.48% on companies' Oregon sales over \$1 million would boost hiring and investment in the state while driving up consumer prices by one-sixth of 1%.

Cost Containment

The Legislative [Cost Containment Work Group recommendations](#) included strategies for agency budget reductions, PERS reform, health care cost containment, and overall budget principles. The recommendations were broken down by short-term solutions (solving this biennium's shortfall) and long-term solutions (permanent). Legislative Fiscal Office has not yet done the analysis necessary to attach cost savings to each recommendations. Arguably the most notable among the recommendations are proposals to enact a positions freeze, increase current and future employees' contributions to PERS, combine the PEBB and the OEBB. An internal work group reviewed the proposals this week and will ask General Counsel's to confirm those that require Legislative action only and those that fall within institutional authority.

PERS

SB 560 and SB 559, which propose caps on benefits and recalculation of final average salaries, are in Ways & Means. It is unclear if either bill will move forward. There may be a new PERS proposal (not yet announced) coming forward that will aim to reduce employer rates by increasing employee contributions.

Transportation Package

The Joint Committee on Transportation Preservation and Modernization proposed the following taxes and fees which, if adopted, would generate approximately \$5.09 billion of investment in state, city and county roads, bridges and culverts:

- Gas tax 6¢ plus 10-year phase in of 8¢
- Tiered title fee \$20 plus 10-year phase in of \$20
- Tiered registration fee \$20 plus 10-year phase in of \$20
- Half of the revenue raised would to the State at \$2.5 billion over 10 years, 30% would go to counties at \$1.5 billion over 10 years, and 20% to cities at \$1.0 billion over 10 years.



President Nagi, Representative Rich Vial (Wilsonville), Hootie, and Representative E. Werner Reschke (KF) join a breakfast gathering with OIT students and staff.

Policy Bills, General

- [HB 2005](#), that would make it an unlawful employment practice to screen job applicants based on current or past compensation, passed unanimously out of the Senate Workforce Committee last week with the – A31 amendments that did not include the changes that we were seeking. We were not asked for a fiscal impact on amendments in either chamber.
- [HB 2147](#) requiring post-secondary institutions to provide ODE and the HECC information on Oregon high school graduates.
- [HB 2311](#) that makes 40-40-20 goals relate to Oregonians completing education rather than all adult Oregonians is scheduled for a

work session in Senate Education on May 23rd.

- [HB 2864](#) on cultural competency is scheduled for a work session on May 23th.
- [HB 2972](#), re. student codes of conduct introduced on behalf of the Attorney General.
- [HB 3170](#), that would extend collective bargaining rights to certain faculty members of a public university, is scheduled for a work session in Senate Education on May 30th.
- [HB 3288](#), that would require public universities to report on the impact of legislative mandates as well as causes for increased administrative positions, is scheduled for a work session in Senate Education on May 30th. We are seeking amendments to remove a whereas clause.
- [HB 3423](#), that exempts those serving in the National Guard from the requirement to enroll in the Oregon Promise program within six months of high school graduation, is scheduled for a work session in Senate Education on May 30th.
- [HB 3437](#), that would wind down the Oregon Talent Council and shift responsibilities for developing a talent plans to the renamed State Workforce and Talent Development Board, passed out of the House and was referred to Senate Education for a public hearing on May 23rd.
- [SB 54](#), the vehicle that we have been working with the HECC to get amendments to make technical corrections to university statutes, will have a third reading on the House floor on May 23rd.
- A public hearing was held last week on [SB 207](#) that would require colleges and universities to accept a score of 3 on advanced placement exams. We submitted a letter from the Provosts outlining concerns and Sue Walsh, SOU's Provost, testified in opposition. We continue to work with the chair and other legislators to encourage them not to pass this bill.
- The reporting bill sponsored by Sen. Taylor for the Attorney General, [SB 253](#), was heard in House Higher Education last week. We are currently working with Reps. Reardon and Huffman to seek changes to the bill that would adopt the approach taken in Nebraska that would require institutions to provide information from "typical borrowers" as opposed to individual students. This would help lower the fiscal impact to institutions.
- [SB 274](#), that would require each post-secondary educational institution that provides housing for students to provide to each student enrolling or registering at an institution for the first time information on vaccine-preventable diseases known to occur in individuals between 16 and 21 years of age, is scheduled for a work session in House Higher Education on May 23rd.
- [SB 395](#), that would require the HECC to work with DHS and public universities and community colleges to determine the number and graduation rates of former foster children, is scheduled for a work session in House Higher Education on May 23rd.

Policy Bills, Public Universities

- [SB 201](#) Retroactive Fix for Out-of-State University Employees
 - **Current Committee:** Joint Ways & Means
 - **Status:** Passed out of Senate Workforce with the -1 amendments and without recommendation as to passage on a 4-1 vote.
- [SB 214](#) Establish Alternative Retirement Plans for Postdoctoral Scholars
 - **Current Committee:** Joint Ways & Means
 - **Status:** Passed out of Senate Workforce without recommendation as to passage, 5-0.

- [HB 2582](#) Establish a University Research “Fighting Fund”
 - **Current Committee:** Joint Ways & Means
 - **Status:** Passed unanimously out of House Higher Education and Workforce Development Committee with -1 amendments.

[HB 2576](#) Technical Fix for Universities to the Wildlife Trafficking Prevention Act

- **Status:** Awaiting Governor’s signature

[HB 2565](#) Expand Veteran Priority Registration and Services

- **Status:** Awaiting Governor’s signature

- [HB 2729A](#) Textbook Affordability (Open Educational Resources)

- **Current Committee:** Joint Committee on Ways and Means.
- **Status:** Waiting referral to subcommittee and hearing date.

Other Activities

Last week, the HECC approved requests for resident, undergraduate tuition increases above 5% for WOU, Oregon Tech, and SOU. They did not approve requests from PSU and the UO. The universities are in conversations with HECC staff and the Commission about reconsidering the votes by which those requests were not approved. If at least 5 of the voting Commissioners agree to provide approval, the HECC will convene a meeting within the next two weeks to reconsider the votes. Representatives of PSU and UO have been advised to reach out to Commissioners with questions and provide them information as needed. OSA had a strong presence at the Commission meeting and disrupted the meeting briefly during Commission deliberations. OSA has signaled that they would continue to oppose requests for tuition increases but that their focus will generally shift to the Legislature and the need for increased revenue. Thanks to VPFA Brian Fox and Chair Lisa Graham and student leaders for their excellent presentation to the HECC for Oregon Tech.



Stay tuned for more adventures in Salem until late June or early July. For more information, contact Brittany Miles, Government Relations Manager, at Brittany.miles@oit.edu.

Oregon Tech hosted a Legislative Breakfast on May 19th for the Oregon Tech business community to build a team of advocates for the engineering complex and other universities priorities. Over 40 community leaders attending to build a network of advocates and hear from Senator Linthicum (pictured) and Representative Reschke about their priorities. Go OWLS! [Read about it in the Herald and News.](#)