

Government Relations Update for May 2013

May Days

- May was a whirlwind of legislative activity, as legislators moved bills from their originating policy committees, to policy committees in the other chamber, and then to the floor for votes. Hot topics in May included PERS and Revenue Reform, to try to achieve more budget savings that could be redirected to education funding, including higher education. Despite multiple initiatives by both parties and both chambers to find new revenue through PERS adjustments and reductions in tax credits, no deals were reached by end of month. The Governor has called a meeting with legislative leaders in early June to make a final attempt at a deal this session. Otherwise, legislators are talking about using the approximately \$200M increase in estimated revenue in the May budget forecast to close the session with a balanced budget that does not include more PERS or revenue savings and slightly reduces education funding from the Governor's Recommended Budget.

University Governance and Operations

- SB270-11 and HB3120-A : Higher Education Governance: The four regional and technical (RT) universities (EOU, Oregon Tech, SOU, WOU) were extremely engaged in discussions about higher education governance and shared services in May. The RT university presidents met with the Governor and his education advisor, Ben Cannon, on May 3rd to express their concerns about the current draft legislation on governance and shared services, and to convey their willingness to work together on amendments to satisfy the needs and concerns of the smaller institutions.

The concerns include having a parallel path to a university governing board, if chosen by the campus; retaining critical shared services among all seven universities to avoid increased costs for services; and maintaining a coordinating entity to even the playing field among all universities for funding requests, state bonding, and changes in degree programs or missions. The regional and technical universities are working with key legislators, including Representative Peter Buckley and Representative Michael Dembrow, on amendments that will provide a longer timeline for the small universities to select a new governance



Rep. Peter Buckley D-Ashland has been an advocate for ensuring an even playing field for regional and technical universities.

structure, and seek a report on a new shared services model and entity to ensure that services are streamlined and do not increase costs as a result of changes in governance. A copy of the [president's letter to the State Board of Higher Education Governance Committee](#) is on President Maples's website.

Public Hearings and Work Sessions

Athletics in Higher Education

On May 31st, Mike Schell, Oregon Tech's Athletic Director, testified at the House Higher Education and Workforce Committee on the importance of athletics in Higher Education. Mike provided an overview of the athletics budget, the importance of state lottery funding for regional and technical university athletics, the economic impacts of athletics, and the connection between athletic scholarships and the recruitment of first-generation, rural, and underrepresented students.



Mike Schell testifies about university athletics and Oregon Tech's scholar-athletes.

Geothermal Energy and Net Metering



Senator Doug Whitsett, R-Klamath Falls, introduced an amendment to allow geothermal energy in net metering.

Senator Doug Whitsett introduced amendments to HB 2435 (biofuels) in the Senate Finance and Revenue Committee on May 22nd to make geothermal energy eligible for net metering, and to waive a 2MW cap on net metering for Oregon Tech. Bob Simonton, Oregon Tech's project manager for the geothermal plant, also testified on the technical issues related to the project and the opportunity for Oregon Tech to become the first university campus in the nation to generate all of its own energy (Net Zero). While legislators were sympathetic to the amendment, the major utilities, organized by Pacific Power, testified en masse against the amendment, and its fate is in question. New amendments are being drafted to remove the language related to the net metering cap, and to continue to pursue the inclusion of geothermal as an eligible energy source for net metering, hoping that it will benefit future projects in the Klamath Falls community. [A copy of President Maples's written testimony is available here.](#)

Bills of significance for Oregon Tech are:

- HB 2158 A Engrossed: Veterans educational benefits: Allows non-resident veterans to pay in-state tuition in Oregon. It has been amended to require veterans to have prior affiliations with Oregon. It is likely that Federal policy will follow suit to allow all veterans to pay in-state tuition anywhere in the U.S. This bill is still in process but appears to have major support from both parties and is likely to pass.
- HB2970-A Engrossed: Directs the Higher Education Coordinating Commission to develop standards related to Associate transfer degrees, specifically in engineering, to maximize transferrable credits. This bill was signed by the Governor on May 22nd and will take effect in January 2014.
- HB2979: Establishes a work group to study how to develop common course numbering at Oregon public colleges and universities. This bill was signed by the Governor on May 16th and will take effect in May 2013.
- HB3341: "Adverse impact bill": This bill modifies the program approval process for colleges and universities seeking authorization of new academic programs. As amended in the Senate, it removes the notification process of proprietary institutions before public institutions can develop new degree programs. It passed the House and the Senate and was signed by the Speaker and the Senate President in late May. It awaits the Governor's signature.
- SB222: Dual Credit: Appropriates \$3M to help high school students to pay for college credit; appropriates \$5M to Dept. of Ed to pay for consortia to develop flexible ways to provide dual college credits; and directs colleges to facilitate expansion of accelerated credits. The bill has been referred to the Joint Ways and Means Subcommittee on Education and had a public hearing on May 21st. It's still alive.
- SB498: Establishes a Career and Technical Education Revitalization Grant Program. Referred out of committee to Ways and Means. This bill has not yet been scheduled for a Ways and Means hearing, but it probably will in June, once other negotiations are resolved.
- SB702-A: Directs the Oregon Student Access Commission (OSAC) to award at least 25% (formerly 50% before the bill was amended) of Oregon Opportunity Grants to students pursuing degrees in Science, Technology, Engineering and Math. Referred out of the Senate Education Committee to Ways and Means, and is still waiting to be scheduled in Ways and Means.

Budget Priorities

- **University Budget:** May brought highs and lows related to the prospect for Oregon's universities to gain more revenue for the 2013-2015 biennium. At one point, the prospect looked good for a \$40-50M increase in OUS funding, based on a PERS and Revenue Reform package. At month's end, there is a likelihood of a funding amount in line with the Governor's Balanced Budget request, which still provides a slight increase to the last biennial investment. It's not over yet so stay tuned!
- **Capital Construction:** Oregon Tech is still advocating with legislators for the \$10M F-bond investment for Wilsonville's financing, approximately \$300K in sports lottery for athletics, and \$2M for Cornett feasibility and facilities planning. Oregon Tech is collaborating with other university campuses, including UO, PSU, and EOU, to ensure that our projects are funded. [See President Maples letter related to capital projects.](#)
- **PERS Reforms:** Although there have been multiple proposals to reduce the cost of PERS for public employers, including further cost of living adjustments, reducing benefits to "inactive" members, and/or reducing or eliminating the 6% employer pick-up, so far none of these proposals has garnered sufficient legislative support to advance. The Governor is convening legislative leaders in early June to try to broker a deal, but it appears unlikely that there is time to achieve a compromise that has the votes to pass.

To read testimony by President Maples, go to:

[Legislative Testimony | Oregon Tech](#)

For more information, contact the Office of Strategic Partnerships and Government Relations
Lita Colligan, Associate Vice President ~~ 503-821-1247 ~~ Lita.colligan@oit.edu