

Government Relations Update for March 2014

2014 Short Session Ends In a Flurry



President Maples explains Oregon Tech and the TRU university governance model to Rep. Gail Whitsett.

Oregon Tech took an active role in the 2014 legislative session that started in early February and ended on March 7, 2014. President Maples was a visible legislative advocate and spoke to over 30 legislators, multiple times, about expanding Oregon Tech's options related to seeking a governing board, in addition to work on funding for university shared services, seeking capital construction funding to repair the tunnels on the Klamath Falls campus, and providing input on many other bills that affect higher education in Oregon. He joined the presidents from EOU and SOU in many joint meetings with legislators and testified on HB 4018A with EOU President Davies, related to university governance.

Many thanks to all of the Oregon Tech team members who contributed in Salem this session:

- VP Finance and Administration, MaryAnn Zemke and Facilities Director, Eric Rulofson, about our capital construction needs.
- Business Affairs Director, Courtney Tacchini, who testified about HB4102, related to contracting for student financial aid services.
- Dan Bates, lobbyist from Thorn Run Partners, who helped shepherd HB4018 through the process to passage.

Oregon Tech also benefitted from the support of PSU and UO testimony in support of HB4018A, and UO President Gottfredson, who wrote a letter of support related to technical and regional university governance (see attached).



UO President Gottfredson wrote a letter of support for HB 4018.

University Governance Bills

HB 4018, which changes the date by which Eastern Oregon University, Oregon Institute of Technology, Southern Oregon University or Western Oregon University may request institutional governing board to May 15, 2014 and changes process of board formation, passed unanimously in both the House and the Senate on March 7, 2014. This bill was pre-session filed by the House Committee on Higher Education and Workforce Development, with Representative Buckley and Senator Dembrow in strong roles as negotiators of eight rounds of amendments that helped to finally produce a consensus bill.



Rep. Gail Whitsett testified in support of HB 4018.

Essentially the bill provides the State Board of Higher Education (SBHE) with more options when deciding whether to endorse or not endorse a university's request to have a governing board. With HB4018, the SBHE can now endorse a university to have a governing board, with some conditions, which will be mutually agreed upon, in addition to the two previous options of not endorsing a request for a board or endorsing a request for a board unconditionally. It also describes a process that will be followed if a university governing board that is endorsed with conditions does not meet the conditions.

President Maples has already informed the SBHE that Oregon Tech will seek their endorsement for a governing board. SB4018 shows the legislative support for proceeding with governing boards for the technical and regional universities, and provides the SBHE with more options in case they have reservations about independent boards for any or all of the technical and regional universities.



Rep. Peter Buckley, D-Ashland, was the key advocate for HB 4018.

HB 4018 also authorizes the HECC to participate in the Western Interstate Commission for Higher Education State Authorization Reciprocity Agreement (WICHE SARA) and to impose a fee on educational institutions in Oregon that elect to participate in the SARA program through the HECC. In addition, the bill transfers the Department of Community College and Workforce Development (CCWD) to the HECC, and establishes a task force to develop recommendations for integrating CCWD into HECC. The measure also establishes the Public University Fund that allows institutions with governing boards to continue to commingle money with other universities.

Next Steps Related to University Governance

- March 1 – May 15, 2014: Request SBHE endorsement for Oregon Tech Board of Trustees
- March: President Maples works with faculty, students, and non-faculty staff to forward names to the Governor for board membership
- April: SBHE Board takes action on full Board meeting
- April: President Maples provides list of board nominees to Governor

- April – October: Governor appoints board members; Senate approves
- July – December: Recruit board staff, legal counsel
- Oct - Dec: Revise policies; conduct board planning
- January 2015: Begin Board Orientation and Campus Tours
- July 2015: Hold first Board of Trustees meeting and first TRU Presidents' Council meeting (see [Technical and Regional University Proposed Governance Model](#))

Other Bills of Interest Passed in 2014: Summaries prepared by Anna Teske, OUS:

- [HB 4019](#) requires the HECC to annually identify the federal/national entity that best provides information about the affordability and value of institutions of higher education in Oregon, and requires institutions to link to the federal/national website. This measure was originally intended to require institutions of higher education to provide students with fact sheets regarding program requirements, costs of education, loans, average salary or wages, loan default rates and related data prior to enrollment.
- [HB 4020](#) details ETIC's transition to the OEIB, and moves the funding and oversight of ETIC from OUS to the OEIB from July 1, 2014 until March 15, 2016 and then to the HECC thereafter. The measure also establishes the ETIC Fund in the State Treasury, and directs all moneys in the fund to be appropriated to the HECC for investment in engineering education.
- [HB 4021](#) directs public universities to charge nonresident veteran who is graduate student tuition and fees no greater than resident rate if nonresident veteran received either honorable discharge or general discharge under honorable conditions and provides proof of physical presence in Oregon within 12 months of enrollment. Signed into law by the governor on March 6, 2014.
- [HB4116](#) Directs Department of Community Colleges and Workforce Development and Higher Education Coordinating Commission to jointly establish grant program for purpose of distributing moneys to community colleges to increase number of underserved, low-income and first-generation college-bound students who enroll in community college and make progress toward degree or certificate.
- [SB 1525](#) grants the HECC authority to enter into interstate agreements (WICHE SARA), clarifies the relationship between the HECC and the OEIB, and revises the composition of OSBHE. In addition, it prevents faculty/non-faculty staff from participating in board discussions on collective bargaining, and clarifies legislative intent on how constitutional references of OSBHE are interpreted. It establishes that notice must be given to the

Governor and OSBHE of intent to seek institutional governing board by May 15, 2014, and clarifies that independent governing boards for TRU universities to take over administrative responsibilities on July 1, 2015. SB 1525 also allows universities with governing boards to continue participation in PERS. The measure also calls for a work group to explore regional education delivery systems, and clarifies that voter registration will not affect student eligibility to participate in the Western Undergraduate Exchange program.

- HB 5201 is a budget reconciliation bill that modifies the state budget for the 2013-15 biennium. The measure adds \$2 million General Fund to OUS for SEIU compensation agreements (\$850K for PSU and \$1.15M for the TRU universities). The bill also redirects \$4.5M of the Chancellor's Office General Fund operating budget; \$3.5M into a special purpose appropriation that a subsequent Emergency Board will allocate for higher education governance cost changes, and \$500K of this budget is re-directed to EOU and another \$500K to SOU as one time financial assistance for these institutions. (Click [here](#) for bill documents).

- SB 5702 and SB 5703 amend the limits established during the 2013 legislative session on the maximum amount of bonds and/or third party agreements that state agencies may issue. (Click here for [SB 5702 documents](#) and [SB 5703 documents](#)). The following OUS capital projects were approved:
 - OIT - Utility Tunnel Failure and Repair XI-Q bonds \$1,101,100
 - OSU - Cascade Academic Building XI-G bonds \$3,850,000
 - OSU - Biofuels Demonstration Project XI-G bonds (\$4,000,000)
 - SOU - McNeal Hall Seismic/Deferred Maintenance Upgrade XI-Q bonds \$21,300,000
 - UO - Utility Tunnel Failure and Repair XI-Q bonds \$2,100,000
 - WOU - Oregon Military Academic Building Acquisition - Phase I XI-Q bonds \$5,000,000
 - OUS Subtotal \$29,351,100
 - These bills also revise bonds for Central Oregon Community College (COCC) that were approved in the 2013-15 regular session in order to provide COCC with the funding needed to pay-off and renovate its Cascades Hall facility thereby freeing OSU from its lease obligation in this facility.
 - The measure also provides OHSU with \$161.5M in Article XI-G bonds and \$38.5M in Lottery bonds to partially match the Knight challenge gift for the Knight Cancer Center at OHSU.

Oregon Tech's capital request for \$2.3M for a fire alarm system replacement did not make the priority list during this short session.

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