

Government Relations Update for June 2013

Sine Die (from the [Latin](#) "without day") means "without assigning a day for a further meeting or hearing")

The 2013 legislative session was adjourned on July 8, 2013 at 2:48 p.m. It's a day to celebrate accomplishments, forget about political strife, and start enjoying summer back in each legislator's district. For Oregon Tech, it's a day to reflect on the bills that will impact us, begin work to implement new policies, and convene conversations with the campus community about the changes ahead.

Here is a brief summary and some thoughts on what the new legislation means for Oregon Tech.



President Maples, Senator Bill Hansell, SOU President Cullinan, EOU President Davies in June 2013, during the Technical and Regional University presidents' final advocacy effort for amendments to SB270.

Ten Wins for Oregon and Oregon Tech

- 1. OUS operating budget is up more than 10%:** The 2013-2015 OUS operating budget totals \$761.5 million in state General Fund and Lottery funding, up more than 10% over 2011-2013 funding. This increase is a welcome change for OUS' public universities and their 100,000 students after several years of decreases, including the 16% decline experienced in the most recent biennium. Notably, the legislature earmarked \$15 million of the total for a "tuition buy down," giving Oregon students some relief on rising tuition costs. It also includes sports lottery funds, which were in jeopardy early in the session.
- 2. Oregon Tech's \$12M capital projects were funded:** Oregon Tech received authorization for the final \$10M in F-bonds to finance the Wilsonville Campus; and \$2M in G-bonds for facilities planning, including Cornett Hall feasibility study and other projects. Overall, the OUS capital budget totals \$567 million in bonding authority, with \$213 million to be funded by the state and \$354 million by the universities through fees and revenues generated by the facilities such as rent from retail spaces and dormitories. This is an increase of 104% over 2011-2013, and enables OUS campuses to build or recondition classrooms, labs and other facilities to ensure student access and success for generations to come.

3. University Governance: University Governance and Operations

- [SB270](#) and [HB3120](#): The four technical and regional universities (TRU - EOU, Oregon Tech, SOU, WOU) were extremely engaged in discussions about higher education governance and shared services in May and helped craft the A23 amendments that ultimately passed. The TRU university presidents worked together to ensure that the bill met the needs and concerns of the smaller institutions.



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

The concerns included 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 worked 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 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. For an explanation of the [A23 amendments to SB270 that were negotiated by the Technical and Regional Universities](#), please see Oregon Tech's Government Relations website.

4. **Veterans:** [HB 2158A](#) allows non-resident veterans with Oregon affiliation to pay in-state tuition in Oregon.
5. **Tuition Equity:** [House Bill 2787](#), ensures that students who have gone through the Oregon school system and intend to pursue citizenship are eligible for in-state tuition at Oregon's public universities, regardless of documentation status.
6. **Dual Credit:** [Senate Bill 222](#), the Dual Credit High School Program, makes it easier for high school students to get college credits. SB222 appropriates \$3M to help high school students 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.
7. **Focus on STEM Education:** [HB 2636](#) authorizes a STEM Council to advise the Oregon Education Investment Board, and [HB 3232](#) authorizes funds for strategic investments to advance education transformations, including support for post-secondary aspiration programs like ASPIRE, STEM schools and STEM networks, and other investments to increase achievement of students in math and science.

8. **Career and Technical Education (CTE) Funding:** [Senate Bill 498](#), will help train students in technical and vocational skills, and connect them with small businesses and employers in Oregon. Senate Bill 498A adds \$7.5 million to Oregon's CTE Revitalization Grant Program, which will create important learning opportunities and future job prospects for more students throughout the state.
9. **Removes "adverse impact":** [HB3341](#) 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
10. **Geothermal:** [HB2435](#), the "French fry" bill, dubbed such because it reduces the excise tax on biofuel made with cooking oil, carried an energy-related amendment that will allow geothermal energy to be included for purposes of net metering. This could help Oregon Tech in the future on its geothermal projects.



Senator Larry George helped Oregon Tech include the geothermal energy amendment to HB2435.

Challenges

- **The Grant Bargain and PERS Reforms:** The Governor convened legislative leaders several times in June to try to broker a deal that would have resulted in more funding for K12, community colleges and universities, but they were unable to reach a grand bargain. The Republicans were seeking more PERS reforms to lower expenses for education entities, and the Democrats were seeking more tax revenue in various forms. The "Grand Bargain" would have included some PERS savings and some new tax revenue, but legislators were unable to strike a deal. We can expect this conversation to continue during the interim session starting in February 2014.
- **Veteran's education:** [HB2086](#) did not pass. This bill would have established dedicated lottery revenue for veteran's services offices but became tangled up in the grand bargain negotiations.

What are the implications of the new legislation for Oregon Tech?

1. **University Governance Options:** The passage of SB270 will have a major impact on Oregon Tech and all of Oregon's universities. The State Board of Higher Education (SBHE) will remain the governing board for all universities until July 1, 2014. Thereafter, UO, PSU, and probably OSU will have their own university governing boards. The technical and regional universities will remain with a consortium board, until they either notify the SBHE and the Governor of their intention to form a university governing board between March 2014 and June 2015, or they choose to remain under a consortium board.

The legislation presents a huge opportunity for the Oregon Tech campus and community to discuss whether or not Oregon Tech will benefit from having its own governing board or

whether the university should remain part of a consortium board with other universities, most likely the technical and regional universities.

A governing board might increase the ability of Oregon Tech to focus on its own distinct vision and mission, and grow into a truly great polytechnic for Oregon and the Pacific Northwest, with the breadth and recognition of a polytechnic like Cal Poly. A strong and singularly focused governing board could:

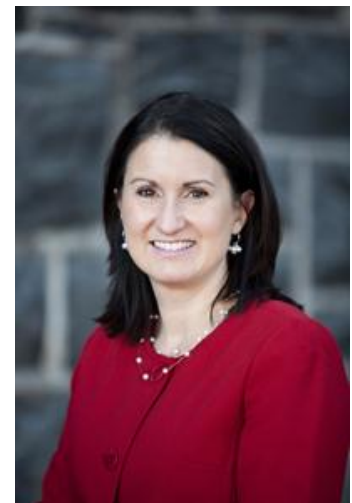
- a. Increase philanthropy through board members, their relationships and their other board memberships and industry associations.
- b. Effectively influence policy at local, state and federal levels, and create greater awareness and community advocacy on behalf of university.
- c. Seek funds and program approval directly from the Higher Education Coordinating Commission (HECC), rather than through the SBHE and then the HECC.
- d. Have multiple authorities not currently granted to the universities.

On the other hand, a governing board could be a challenge. It will have to be staffed, managed, and nurtured, and will bring a new level of control and scrutiny to Oregon Tech's operations. Expenses for the board will include a board secretary position, and potentially increased legal and financial services. The university president's time may need to be spent on cultivating board members and being responsive to the board. Bluntly, a university governing board will add 11-15 more opinions to consider on Oregon Tech's future direction, increasing the need for clarity about the roles of board members, the president, faculty senate and administrative councils, the Oregon Tech Foundation, and other constituencies.

President Maples will discuss the process for involving the Oregon Tech community in considering Oregon Tech's future governance at convocation.

2. **Shared Services Work Group:** The President or his designees will help shape higher education shared services, including how we participate in collective bargaining, risk management, employee benefits, information technology, and investment management over the long-term. All seven university presidents will recommend a new shared services model for universities, including what are mandatory and optional shared services and the cost structure for sharing services. Shared services especially matters to the TRU universities because the shared services relationships could either greatly raise or potentially lower the cost of administrative operations for each university.

3. **Chancellor's Office and the HECC:** HB3120 provides more authority and staffing for the Higher Education Coordinating Commission. It appears that some policy work, currently



Interim Chancellor Melody Rose will lead Oregon's public universities through the transitions in governance and shared services.

provided by the Chancellor's office, will be absorbed by the HECC, beginning in July 2014. Other shared services provided by the Chancellor's Office will be provided through a new shared services entity after July 2014, as described above.

4. **STEM and Dual Credit:** Oregon Tech is well-positioned to apply for strategic investment funds that were allocated for various activities in HB2636 and SB222.

THANK YOU TO OREGON TECH'S GREAT LEGISLATIVE REPRESENTATIVES AND MANY OTHERS WHO PLAYED KEY ROLES IN OUR SUCCESS THIS SESSION:

Senators Larry George and Doug Whitsett, Representatives John Davis and Gail Whitsett, plus Representatives Peter Buckley, Michael Dembrow, Chris Harker, John Huffman, Mark Johnson, Betty Komp, Tina Kotek, Julie Parrish, Sherrie Sprenger, Gene Whisnant, and Senators Alan Bates, Lee Beyer, Peter Courtney, Richard Devlin, and Rod Monroe.

To read testimony by President Maples, go to:

[Legislative Testimony | Oregon Tech](#)

For more information, contact the Office of Strategic Partnerships and Government Relations
<http://www.oit.edu/office-of-strategic-partnerships/governmentrelations>

Lita Colligan, Associate Vice President ~~ 503-821-1247 ~~ Lita.colligan@oit.edu