In September 2013, the Oregon State Board of Higher Education established the Higher Education Coordinating Commission (HECC) Transition Planning Work Group, led by Director Orcilia Zúñiga Forbes to assist the State Board of Higher Education in successfully transitioning current Board of Higher Education and Chancellor’s Office responsibilities to the Higher Education Coordinating Commission. The Work Group Charge follows:

1) Develop a detailed timeline and work plan transitioning State Board of Higher Education responsibilities and authorities listed in HB 3120C to the Higher Education Coordinating Commission by July 1, 2014.

2) Identify and prioritize Board of Higher Education and Office of the Chancellor activities in service to the statewide public higher education mission that are not specifically identified in HB 3120C for transitioning to the Higher Education Coordinating Commission or another appropriate entity.

3) Recommend best practices in Oregon public university coordination to the Governor’s Office, the Oregon Legislature, the Oregon Education Investment Board, and the Higher Education Coordinating Commission.

4) Monitor progress of the Working Group on University Shared Services to identify current shared services that are not likely to move to a new shared services entity and recommend a transition strategy or discontinuation.

5) Recommend appropriate funding and staffing levels to maintain statewide coordinating activities and achieve a successful transition.

ASSUMPTIONS

In pursuit of these goals, the HECC Transition Team has established a set of key assumptions to guide the transition work.

- The State Board of Higher Education is transformed to be the governing board of the public universities that don’t have their own institutional boards.
- There may be areas of responsibilities identified by the work group or shared services group that may be transferred to HECC or another entity that are not a part of HB 3120C.
• OUS will continue to oversee four regional institutions through June 30, 2015, including:
  o Management of campus leadership;
  o Issuance of revenue bonds;
  o Tuition setting and fees; and
  o Fee setting dispute and other appeals will be transferred to HECC.

• OUS executive will support the work of the HECC

The Transition Team also discussed a possible assumption related to the distinction between “coordination” and “governance” but chose to leave that aside to avoid any perception of limiting the HECC’s scope of authority in implementing a smooth transition. Although there are clear differences between a governing board and a coordinating commission, the focus of the transition team work is to identify areas of responsibilities that will transfer from OSBHE to HECC or possibly another entity including campus governing boards.

SCOPE OF WORK
Per the 2013 higher education reform legislation, the HECC transition team will develop “best practice” recommendations – including budget and staffing implications – for the following initial set of activities:

- Development of budget request and administration per legislature
- Academic policy coordination with delegation
- Degree authorization
- Achievement compacts
- Investment strategies in priorities important to the state
- Data collection
- Approve institutional mission statements

As indicated in the assumptions above, the transition team may identify other “areas of responsibilities” not clearly identified within the 2013 legislation and will aspire to develop recommendations to transition or discontinue the activity.

CONNECTIONS AND COMMUNICATIONS
HECC Executive Director, Ben Cannon serves as a liaison between the HECC Transition Team and the Coordinating Commission. Director Forbes has met with HECC Chairman, Tim Nesbitt and Mr. Cannon and remains readily available to HECC and others to ensure that the OSBHE and HECC communicate effectively throughout the transition. Additionally, Mr. Cannon meets regularly with Interim Chancellor Rose and Interim Vice Chancellor Marrongelle to identify and plan to transition high-priority activities smoothly to the HECC.

Given the nature of the transition and the overlap with OSBHE standing committees and other ad hoc work groups, Director Forbes and staff will regularly update the Finance & Administration Committee, the Academic Strategies Committee and the University Shared Services Work Group.
INITIAL WORK ON PHASE ONE

Two high-priority OSBHE responsibilities identified for transition to HECC are budget development and program approval. The following is a collection of background information and questions that will help the Transition Team to plan for a successful transition of responsibilities on July 1, 2014.

UNIVERSITY BUDGET DEVELOPMENT: QUESTIONS/OPTIONS FOR TRANSITION TO THE HECC
(DRAFT AS OF OCTOBER 23, 2013)

FY 15 Budget Allocations

- How does the HECC intend to approach the FY15 allocations to the campuses?

Possible options in the short-term:
  o Ask the SBHE to run the Resource Allocation Model (RAM) and approve an FY15 budget allocation in June and then engage in developing a new model to use in 2015-17.
  o Have OUS staff train HECC staff on running the RAM so HECC can approve an FY15 budget allocation after July 1, 2013
  o HECC elects to use an alternative allocation model for FY15 and approves that allocation after July 1, 2013

A budget brief on the RAM will be developed and made available to the HECC.

- How does the HECC intend to approach the FY15 allocation of Sports Lottery funding?
  The recent approach in legislative appropriations have made the current Board approved allocation methodology unusable. An interim methodology was used for the FY14 allocations. The budget brief on the history of Sports Lottery is being updated and will be made available to the HECC.

2015-17 Budget Request

- How does the HECC intend to approach the 2015-17 request process?
  Should the HECC provide intended guidance in early 2014, OUS staff could assist with initial proposal/information gathering in anticipation of hand-off of process to HECC on July 1.
- Will there again be a funding team process, specifically for the education outcome area?

Capital and Facilities Planning

Currently the OUS Capital and Facilities Planning department focuses on three areas: planning, budget, and construction. The department oversees the management of, and advocacy for, construction, maintenance, and sustainability of campus facilities and subsystems. Capital and Facilities Planning leads the capital project request process, tracks deferred maintenance, coordinates efforts with other state and federal agencies such as FEMA and DOGAMI, and manages system-wide capital construction initiatives. The department works closely with Contracts and Purchasing, campus facilities, and campus finance departments to coordinate system efforts.

- Assuming the HECC will only be coordinating the budgeting aspect of capital, how will the HECC approach capital requests for new facilities, improvements, and deferred maintenance? The SBHE
has followed a prioritization methodology in the past. Last cycle, the Governor subsequently requested a revision to the Board prioritization project list. Does the HECC anticipate initially using the existing prioritization process, perhaps modified, or developing its own process? If so, the OSBHE could follow its usual schedule for developing and prioritizing capital requests for 2015-17 and provide the results to the HECC on July 1, 2014 as a resource for HECC as it prepares the post-secondary education Agency Request Budget for 2015-17 per HB 3120.

**Coordination of Legislative Responses – Fiscal Impact Statements**

- Does the HECC intend to coordinate responses to the Legislative Fiscal Office (LFO), in particular the coordination and preparation of Fiscal Impact Statements for all seven public universities?

Currently Budget Operations performs the coordination function – analyzing proposed legislation with a system wide perspective, gathering campus input as needed, and submitting fiscal impact statements to the LFO on behalf of the seven institutions. If the HECC does not intend to provide that coordinated approach, the LFO may need to establish relations with and provide training to individual campuses. Recent history of fiscal impact statements provided by Budget Operation to the LFO:

<table>
<thead>
<tr>
<th>Session Type</th>
<th>Number Submitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 Regular Session</td>
<td>98</td>
</tr>
<tr>
<td>2012 Short Session</td>
<td>52</td>
</tr>
<tr>
<td>2013 Regular Session</td>
<td>158</td>
</tr>
</tbody>
</table>

**Other considerations:**

- How will the allotment process (cash draws of appropriated funds) work?

Currently Budget Operations staff work with DAS on a fiscal year allotment schedule and DAS makes monthly bank transfers to OUS, which further distributes cash to campuses based on the Board approved budget. It is not currently clear how banking processes will work for those universities no longer in OUS and whether the HECC would take on a similar coordinating function or if DAS would need to work with individual universities.

- Will the HECC assume responsibility for Oregon membership in WICHE?

Currently OUS pays annual WICHE membership on behalf of the public universities. The amount allocated for WICHE dues in the RAM has been insufficient and the Chancellor’s Office operations budget has traditionally made up the difference. Historic cost data is currently being compiled.

- Will the HECC assume responsibilities for the application and distribution process for the Clinical Legal Education funding?

This program stems from 2007 legislation creating the Domestic Violence Clinical Legal Education Account. In 2011, the legislature transferred the account and responsibility for administering the funding to the OUS. The administration involves annually processing applications from eligible legal
clinics and allocating appropriated funds based on clients served, with quarterly cash distributions to the clinics. Eligible client populations are victims of domestic violence, stalking or sexual assault. Current recipients are the legal clinics at the UO and Lewis and Clark. Current biennial funding level for 2013-15 is $337,557.

- Is the HECC interested in participating in national surveys or does the participation need to be decentralized to individual institutions?

Currently OUS Budget Operations staff provide system wide information on tuition and fees and state funding for a variety of national surveys:
- Annual Survey of Colleges for the College Board
- National Tuition and Fee Survey
- State Higher Education Finance Study (SHEF), Grapevine Report
- WICHE Tuition and Fee report

Options for continued Oregon participation would be for HECC to take on that coordinated function or for each university to participate individually. OUS can arrange for transfer of contact information.

- Will the HECC assume responsibility for reviewing tax expenditure narrative for certain tax expenditures that benefit higher education or its constituents?

Each biennium, the Department of Revenue asks OUS Budget Operations to review certain statutory tax expenditures and provide updated input on the effectiveness of the tax expenditure.

UNIVERSITY PROGRAM APPROvals (DRAFT AS OF OCTOBER 25, 2013)

BACKGROUND
Currently Oregon University System programs are considered and recommended for approval by the OUS Provosts’ Council before being forwarded to the State Board of Higher Education, Academic Strategies Committee for final consideration. The Provosts’ Council is co-chaired by a university provost on a rotating basis and the Vice Chancellor for Academic Strategies. A representative of the Inter-institutional Faculty Senate (IFS) attends all Provosts’ Council meetings. OUS staff convenes the Council, records all program deliberations and actions, and maintains program approval documentation. Provosts’ Council meetings are not public meetings.

ASSUMPTIONS BY THE PROVOSTS’ COUNCIL
- Provosts’ Council will continue “as is” (process)
- Provosts’ Council will be an instrument of the HECC
- Provosts’ Council will not be enlarged to include some representation from community colleges (e.g., a community college member, like IFS), but remain focused on 4-year universities
- Program proposals require academic expertise to gauge the substance of proposals
• Final approval of programs with respect to program duplication continues at the HECC
• Information sharing among public university institutions must continue

QUESTIONS
• How often is HECC meeting?
• What is the subcommittee structure? Will the HECC have a curriculum committee or some other committee (similar to Academic Strategies) that will be responsible for Program Approval?
  o Can this committee oversee program approval for publics, privates, and community colleges?
  o Can the committee have an OUS Provost as an academic content expert member?
• Can the community colleges be held to the same standards for rationalization of new program offerings as the universities?
• How will the HECC ensure timely review of program proposals?
• What about the privates? What will it look like for the Alliance to participate?
• Who will co-chair the Provosts’ Council?
• How can the Provosts’ Council more intentionally engage with Oregon community colleges?
  o How can the Provosts Council engage in more intentional two-way dialogue about community college program offerings and how the 2-year offerings feed into 4-year programs?
• What will happen to Joint Boards Articulation Commission (JBAC) and can it be elevated to a level of higher influence?
• Do we schedule Provosts’ Council meetings past June?

SUGGESTED HECC FRAMEWORK FOR PROGRAM APPROVAL
• An academic subcommittee that would include public, private, and community colleges
  o Want to support the idea of a subcommittee that solely focuses on program approval, including the community colleges. The community colleges should have to rationalize their programs just as universities do. We have no idea if the programs offered are the rationale programs that the workforce needs.
• Streamlined process to meet the timely needs of universities
• Include an academic expertise such as a standing Provost on the HECC subcommittee.
• Suggest the following guiding principles as HECC develops processes:
  o Time efficient