### Evolving Roles and Responsibilities

#### State Board of Higher Education

Under current law the State Board of Higher Education’s and Chancellor’s responsibilities fall into three primary categories; 1. The direct governance and oversight of Oregon’s public universities, 2. Statewide funding and policy coordination for universities, and 3. The operation of shared administrative services including a central bank, payroll processes, auditing, and many other functions.

With the passage of SB 270 and HB 3120 (2013) the state is poised to reconfigure the Oregon University System and shift some of the responsibilities currently held by the State Board of Higher Education to institutional governing boards at the campus level and the Higher Education Coordinating Commission.

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<th>Current Responsibility of SBHE</th>
<th>Future</th>
<th>Transition Timeline</th>
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<td><strong>Governance and Oversight of Public Universities:</strong></td>
<td>The local governing boards at Portland State University, the University of Oregon, and possibly Oregon State will assume the day-to-day governance of their campuses. Management of presidents, tuition setting, the ability to assess and issue revenue-backed bonds, and other authorities will shift to the campus level. For universities that choose not to have a local governing board, these authorities will continue to be vested with the State Board of Higher Education.</td>
<td>SB 270 requires the Governor to appoint institutional boards at PSU, UO, and OSU (if the President chooses) in 2013. These boards assume their authorities July 1, 2014. Between March 1, 2014 and July 1, 2015 the Presidents at Oregon’s Regional and Technical Universities may seek to establish local institutional governing boards. The State Board of Higher Education is required to make a determination on this request.</td>
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<td>Management of campus presidents, tuition setting, budget approval, adoption of university policies, procedures, contracts, etc.</td>
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<td><strong>Statewide funding for public universities:</strong></td>
<td>The Higher Education Coordinating Commission will be responsible for developing the budget request and administering funding as approved by the Legislature.</td>
<td>HB 3120 transfers these authorities from the State Board of Higher Education and Oregon University System to the Higher Education Coordinating Commission effective July 1, 2014</td>
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<td>Budget development and Resource Allocation Model (RAM) oversight</td>
<td>Until a new funding model is adopted, the HECC will use the Resource Allocation Model</td>
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<td><strong>Policy Coordination for Academic Programs:</strong></td>
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<td>Academic Program Approval, Provosts Councils</td>
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<td>etc.</td>
<td>(RAM). HB 3120 gives the HECC the authority to develop a new outcomes based funding model. In order to successfully implement any change in post-secondary funding the HECC would need to work with stakeholders and legislators around intended outcomes, and demonstrate that any new funding allocation proposal would better equip the state to reach its 40/40/20 goals. Under HB 3120 the HECC assumes the academic policy coordination currently conducted by the Oregon University System. HB 3120 and SB 270 require this coordination to be conducted by “an office designated by the HECC.” In order to assure the HECC is able to make proper policy determinations on issues such as academic program approval it is likely the Commission will retain many of the academic coordination process and groups that currently exist within OUS such as the Provosts’ Council etc.</td>
<td>The Presidential Work Group on Shared Services required to submit a draft report by November 15, 2013 and a final report is due January 9, 2014. This report will go to the Special Committee on University Governance and Operations, helping to inform legislation for consideration in February 2014.</td>
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<td>Operation of Administrative Shared Services</td>
<td>SB 270 establishes a Presidential Work Group on Shared Services and empowers this group to recommend legislation for consideration in the 2014 and/or 2015 legislative session. The expectation is that this group will base its work on the Shared Services Enterprise Report</td>
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<td>that was discussed and adopted by the Governance and Policy Subcommittee of the State Board of Higher Education on April 16, 2013. This enterprise may be established outside the current Oregon University System. It shall be customer-focused with services being optional except as required by law.</td>
<td>If legislation is approved in 2014 a new shared services enterprise would likely be in place by January 1 2015.</td>
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New P-20 Structure
HB 3231, HB 3234, SB 270, HB 3120

Legislature/Governor

OEIB

ELC  YDC  SBE
Oregon Department of Education

DHS

HECC
OSAC  CCWD

Funding, Rules, Compacts

216 K-12 School and ESD Boards & Districts

Institution
Board/Council
Agency

SBHE
PSU  OSU  UO

WOU  EOU  OIT  SOU

Shared Services
Boards, Commissions, and Executive Appointments Structure

Governor

- OEIB
  - Chief Education Officer (OEIB-appointed)

Legislature

- HECC
  - Director

Reporting

Agency/Division Head

- Deputy Supt. of Public Instruction (ODE)
  - Youth Dev. Director
  - Early Learning Director

Board/Council

- Governor-appointed (*the HECC Director serves at the pleasure of the HECC after July 1, 2014)
- Senate-confirmed

**As of 7/1/14, these positions are appointed by and report to the HECC Director.
Key Legislative Bills Impacting Higher Education Governance

I. HB 3120 consolidates policymaking for post-secondary education under a new Higher Education Coordinating Committee by merging existing authorities of the HECC, the State Board of Education for community colleges, the State Board of Higher Education for seven public universities, and the Oregon Student Access Commission. It abolishes the latter. HB 3120 leaves existing agencies in place but requires their directors (the Commissioner for Community Colleges and the Executive Director of OSAC) to report to the HECC Executive Director, effective July 1, 2014. HB 3120 sunsets the terms of current HECC members and requires the Governor to reappoint it, subject to Senate confirmation. Going forward, the HECC will be comprised of nine voting members, five of whom must represent one of each of Oregon’s congressional districts, and five nonvoting advisory members of the commission (two students, two faculty, and one non-faculty staff member. HB 3120 passed with bipartisan majorities in the House and Senate in July, 2013.

a. Effective July 1, 2014, HB 3120C, in conjunction with other recent legislation:
   - Re-charters the Higher Education Coordinating Commission (HECC) with new and enhanced responsibilities and authorities;
   - Establishes the HECC as the single point of statewide authority for higher education in Oregon:
     - For degree authorization (SB 242, 2011),
     - For the licensing of private career schools (SB 242, 2011),
     - For public universities, by transferring authorities currently held by the State Board of Higher Education for developing the biennial budget request, allocating legislatively-appropriated resources, and approving mission changes and new academic programs (SB 270, 2013),
For community colleges, by transferring authorities currently held by the State Board of Education for developing the biennial budget request, allocating legislatively-appropriated resources, and approving new academic programs,

For student access and financial aid, by transferring authorities currently held by the Oregon Student Access Commission for oversight of the Oregon Opportunity Grant and other student access programs,

For advising the Oregon Education Investment Board (OEIB) on state goals and achievement compacts for colleges and universities,

For adopting a strategic plan for achieving the state’s post-secondary goals,

For recommending to the Governor and the OEIB a consolidated higher education budget request aligned with the strategic plan,

- Streamlines the state board/commission system by merging higher education responsibilities from four boards to one;
- Maintains CCWD and OSAC as standalone agencies, but provides the HECC Executive Director with appointment and oversight authority for the Commissioner (CCWD) and the Executive Director (OSAC); and
- Requires universities and community colleges to engage stakeholder advisory groups as they develop and adopt achievement compacts.

II. **SB 270** establishes institutional boards at the state’s three largest public universities and re-allocates numerous responsibilities from the Oregon University System to (a) institutional boards or (b) the Higher Education Coordinating Commission. SB 270 was the culmination of the work by the Special Committee on University Governance established by the passage of House Bill 4061 in 2012. It is also consistent with recommendations for the organization of the P-20 system adopted by the Oregon Education Investment Board in December 2012. It passed with large, bipartisan majorities in the House and Senate in July, 2013.

a. **Boards of Trustees at individual universities**: SB 270 authorizes institutional governing boards at PSU, UO, and OSU. In addition, it permits the State Board of Higher Education to authorize institutional boards at WOU, EOU, SOU, and OIT upon application from those universities. Effective July 1, 2014, SB 270 grants institutional governing boards discrete powers currently held by the State Board of Higher Education, including but not limited to: the ability to hire and fire university presidents, to issue revenue bonds in consultation with the Oregon State Treasury, and to set tuition within limits established by the Legislature and HECC.
b. **Transferring Authorities to the Higher Education Coordinating Commission:** SB 270 transfers some responsibilities of the State Board of Higher Education to the Higher Education Coordinating Commission, effective July 1, 2014. This transfer of authority ensures statewide coordination among all seven public universities, including those with institutional boards, and allows the State Board of Higher Education to focus on governing universities without local governing boards. For example, Section 8 of SB 270C stipulates that a university with a governing board shall submit any significant change in the university’s academic programs to the Higher Education Coordinating Commission for approval. The bill requires that the Higher Education Coordinating Commission establish, by rule, what constitutes a “significant change.” Additionally, in order to approve any change, the HECC must affirm that the proposed change is consistent with the mission of the university, and will serve the state in achieving the statutory education completion goals of 40/40/20.

c. **The Special Committee on University Governance and Operations and the Work Group on University Shared Services.** SB 270 establishes a Special Committee appointed by the Governor, Senate President, and Speaker of the House. This Committee is directed to study issues of administration within the state post-secondary education system; and the coordination of operations, academic programs, shared services and other elements of that system. The committee is empowered to introduce legislation for consideration in the 2014 legislative session. SB 270 also establishes The Work Group on University Shared Services, consisting of the presidents of Oregon’s public universities. This work group is directed to develop a shared services model that delivers efficient and effective administrative operations to participating post-secondary institutions in a manner that focuses on quality, responsiveness and customer service and that seeks to achieve cost savings, economies of scale, accountability, transparency and streamlining.

III. **HB 5033 and HB 5008** allocate a total of $5,436,972 to the HECC. The total includes $3,157,454 general fund for 15 positions (10.65 FTE) to help the Commission implement its general educational responsibilities and $1,736,759 other funds (fee revenue) for 12 positions (10.00 FTE) responsible for ODA/private career schools. The general fund positions are to be phased in over the course of the biennium.

**Budget Note (HB 5008):**

“Prior to final adoption of any significant change to the distribution of the Community College Support Fund, the Higher Education Coordinating Commission is directed to consult with the appropriate legislative committees including the interim
policy committees with jurisdiction on post-secondary education issues and the interim Joint Committee on Ways and Means or Emergency Board on the proposed distribution change.”

Tasks Assigned to HECC

I. HB 2970: Directs Higher Education Coordinating Commission to develop standards related to requirements for associate transfer degree in specific areas of study, including business and engineering.

II. HB 2979: Establishes HECC work group to study how to establish common course numbering system for lower-division undergraduate courses in Oregon public colleges and universities. Report due to Legislature by December 1, 2013.

III. HB 3472: By 2015, directs Higher Education Coordinating Commission to consider creation of Pay Forward, Pay Back pilot program to replace current system of tuition and fees required to attend institution of higher education. Also directs the HECC to conduct a study on freezing tuition increases for incoming undergraduate students at public universities and to report findings to legislative committees during the 2014 legislative session.

Other Bills of Interest to HECC – By Topic

Private Post-Secondary Education

I. HB 2185: Provides that the HECC shall have the authority to establish fees for career schools, effective July 1, 2015.

II. HB 2188: Allows the HECC to retain reasonable costs related to investigation and assessment of career school civil penalties.

III. HB 2189: Allows the HECC to adopt rules related to the general governance and operation of career schools. Under SB 242 (2011), the HECC became responsible for the oversight of Oregon’s private career schools licensing division effective July 1, 2013. HB 2189 ensures that the HECC can adopt rules if necessary.

IV. HB 3341 and HB 3079: Repeal requirements that community colleges enter into agreement with for-profit institutions of higher education before implementing potentially duplicative new post-secondary programs (“adverse impact”).

V. SB 102: Revises the fee structure for schools requiring approval of HECC/Office of
Degree Authorization to confer academic degrees or provide services leading to degree.

**Access and Affordability**

I. **HB 2787**: Provides in-state tuition for certain students who are not citizens or lawful permanent residents.

II. **HB 2299**: Requires the State Registrar to provide to the Oregon 529 College Savings Board, on a quarterly basis, data containing information about the birth of each child born in Oregon to residents of the state. The Oregon 529 College Savings Board is directed to use this information to notify the parents or guardians of each child about the opportunity to open an Oregon 529 College Savings Network account.

III. **HB 3149**: Establishes the Task Force on Community College Child Care Services. Membership shall include community college administrators, faculty, students, board members, CCWD and the Child Care Division. One member from the Senate and one member from the House of Representatives are to serve in a non-voting capacity. At least two members of the Task Force must be community college faculty and at least two members must be students. Members are to be appointed by the Commissioner for Community College Services and CCWD is directed to provide staff support.

**STEM/CTE**

I. **HB 2636**: Establishes the STEM Investment Council to assist the Chief Education Officer in developing a long-term strategy that advances educational goals related to Science, Technology, Engineering, and Mathematics.

II. **SB 498**: Appropriates $7.5 million to Department of Education to be expended for purpose of awarding grants under Career and Technical Education Revitalization Grant Program.

**Transitions and P-20 Collaboration**

I. **HB 2898**: Allows students with disabilities to earn credit at community colleges or public universities as part of transition services.

II. **HB 2912**: Requires ODE, CCWD, and Bureau of Labor and Industries to develop and implement long-term goals that encourage establishment of joint advisory committees related to career and technical education and that address barriers inhibiting student movement from high schools to post-secondary school programs and the workforce. Creates the Career and Technical Student Organization Grant Program within the Dept. of Education for which $239,770 was appropriated for operations and an additional $500,000 for grants.

III. **HB 2958**: Requires community colleges to make available for distribution annually
information about community colleges to public school students in grades 11 and 12.

IV. **HB 3232**: Allocates $3 million to funding for Dual Credit and created mechanisms for examining funding formulas for grades 11-14 and identifying incentives for increasing accelerated learning opportunities for students in high school. Established funding ($27,395,000) for strategic investments in three major areas: Early Reading, Guidance and Support for Post-Secondary Aspirations, and Connecting to the World of Work.

V. **HB 3264**: Directs the Oregon Department of Education to establish pilot programs for purpose of helping students with disabilities transition to life after high school and directs school districts, to provide students with disabilities information about opportunities available after high school; to assist in applying for post-secondary funding; securing employment; and to access support services.

VI. **SB 222**: Creates an Accelerated Learning Committee of the OEIB charged with identifying methods to encourage and enable students to obtain college credits while still in high school.

VII. **HB 5518**: Approves funding for a P-20 data system business case, which will be presented to the 2014 Legislature with a request for $10 million in bonding capacity. The appropriation made to the Department of Education includes $700,000 for the Longitudinal Data System Services and Supplies; which includes, as the highest priority for the resources the completion of the business case and related project management materials for the longitudinal data system.

VIII. **SB 5548**: Funds the OEIB Budget and includes $700,000 to fund Regional Achievement Compact Pilot to incent cross-sector partnerships, align with other regional efforts, and build momentum and shared accountability across communities.

**Educator Effectiveness**

I. **HB 3233, HB 2506, and HB 5036**: Establishes the Network for Quality Teaching & Learning and appropriates $45 million for: investing in educator recruitment, preparation, mentoring, evaluation, professional development, and leadership opportunities. HB 2506 and HB 5036 make the majority of this funding permanent and indexed to the State School Fund.

**General Appropriations**

I. **HB 5019**: Increases funding for the Community College Support Fund by 13.7% percent to $450 million. Establishes a total budget for CCWD, including office operations and several other targeted programs, of $465 million general fund.

II. **HB 5031**: Increases funding for OUS by 10.2% over 2011-13 to $728 million general
fund. The total includes $497 million in general university support, $101 million for statewide public services, $40.5 million for state programs, and $115 million debt service.

III. **HB 5032**: Increases funding for the Oregon Opportunity Grant by 14.4% to $113 million, which should result in 3,000 additional awards. HB 5032 also restores $1.4 million for the ASPIRE program.