

UPDATED ISSUE BRIEF: SB 1538A Higher Education Coordinating Commission

Background:

In 2011, the Oregon Legislature passed Senate Bill 242, creating the Higher Education Coordinating Commission (HECC) and restructuring the Oregon University System as a public university system rather than a state agency. SB 242 aimed to increase the autonomy and flexibility of the Oregon University System (OUS).

The Higher Education Coordinating Commission was charged with developing state goals and a strategic plan for OUS and community colleges; implementing accountability measures for achieving these goals; developing a finance model to guide development of a consolidated higher education budget to recommend to the Governor and Legislature; designing and maintaining a statewide educational data system; and administering the state's student financial assistance programs. The HECC will coordinate policy across OUS's seven universities, the Oregon Health and Science University (OHSU), and Oregon's Community Colleges.

SB 242 also requires accountability measures including a performance compact (agreement to achieve performance targets in exchange for state funding) between the State Board of Higher Education and the State of Oregon and biennial performance reports that seek to tie the state's investment with desired outcomes. The Legislature also passed Senate Bill 909 in 2011, creating the Oregon Education Investment Board (OEIB) to coordinate investments across Oregon's education system.

Proposed Legislative Change:

Senate Bill 1538A seeks to clarify the relationship and division of duties between the HECC and the OEIB, and includes the following key provisions:

- Repeals provisions originally enacted in SB 242 requiring the Board of Higher Education to submit a performance compact to the Higher Education Coordinating Commission as part of the budget process.
- Requires the Higher Education Coordinating Commission to advise the OEIB on achievement compacts for higher education institutions.
- Clarifies that the HECC works under the direction and control of the OEIB on strategic planning for higher education, development of a higher education finance model, improving financial assistance programs, preparation of the higher education budget request, and degree authorization. When the OEIB sunsets on March 15, 2016, the HECC performs these functions itself.
- Requires that the HECC recommend a consolidated higher education budget request each biennium, including appropriations for the Oregon University System, Community Colleges, Oregon Student Access Commission, capital improvements, and other needs. This request will be submitted to the OEIB until the OEIB sunsets on March 15, 2016, and will be submitted to the Legislature and Governor thereafter.
- Clarifies that the OUS Chancellor is not responsible for preparing and submitting a funding request for OUS to the Board of Higher Education.
- Delegates the following duties to the HECC:
 - Suggesting policies to improve access for underserved populations
 - Recommending student success and completion initiatives
 - Developing standards for credit transfers, currently conducted by the Joint Boards of Education

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- Recommending ways to better coordinate policies on inter-sector issues, including transfer, enrollment, and degree policies.
- Coordinating institutional research efforts to improve economic development in Oregon
- Coordinating with Workforce Investment Boards, OHSU, and independent colleges
- Transfers all duties, functions, and powers of the Department of Education, State Board of Education, and Superintendent of Public Instruction related to career and for-profit institutions to the HECC effective July 1, 2013. [amendment changes from 2012 to 2013]
- Clarifies that the HECC is not responsible for maintaining the student data system called for in SB 242.

SB 1538A includes an emergency clause and is effective upon passage.

Current Status:

The Senate Committee on Education and Workforce Development held a public hearing and work session on Wednesday, February 8, 2012. SB 1538A was moved to the Joint Committee on Ways and Means by prior reference with a Do Pass recommendation on a 5-0-0 vote.

Fiscal Impact:

The Legislative Fiscal Office issued a preliminary fiscal statement for the purpose of moving the bill to the Joint Ways and Means Committee.

Known Opposition:

No known opposition