

## 25-27 Policy Options Packages

Working with DAS, the Governor's Office, and other agencies this biennium to develop our Policy Option Packages (POPs), staff's list of recommended Policy Option Packages is less aspirational than previous biennia and more reflective of the economic conditions and forecast than the true need of the students, institutions, and workforce learners.

The policy options packages HECC proposes to submit with its ARB are as follows. For more detail, please refer to the subsequent pages:

**POP 101 – IT Modernization Project:** The completion of HECC's Financial Aid Management IT System (FAMIS) replacement project that will also replace HECC's federally mandated Eligible Training Provide List (ETPL) and its system of record for Private Career Schools (PCSVets).

**POP 102 – Early Learning Professional Grant:** A scholarship and grant program that was established in earlier biennium but never funded.

**POP 104 – Future Ready Oregon:** The continuation of the Workforce Initiative using ARPA dollars from the federal government. This program is set to sunset on December 31, 2026.

**POP 105 – Oregon Opportunity Grant:** An increase to the Oregon Opportunity Grant necessary to limit the number of eligible students not able to receive awards.

**POP 106 – Educator Administrator Scholarship Program:** A grant program formally administered by the Teacher Standards and Practices Commission that is to be transferred to HECC that aligns with our existing Teacher Scholars Program Grant.

**POP 107 – Public University Capital Projects:** A list of prioritized capital bond requests put forward to HECC from the public universities.

**POP 108 – Community College Capital Projects:** A list of prioritized capital bond requests put forward to HECC from the community colleges.

## **POP 101 – Modernization Project**

**Purpose:** To complete a third phase of the HECC Modernization project, including completing the replacement of HECC's Financial Aid Management Information System (FAMIS); the outdated legacy system operated by the HECC's Office of Academic Policy and Authorization (PCSVets); and the agency's federally required Eligible Trainer Provider List (ETPL). Completing the intended scope of the project will enable the HECC to use one IT platform, the Lifelong Educational Advancement Resource Network (LEARN), to store its data and meet multiple agency IT needs. In addition, HECC intends to plan the incorporation of an agency-wide grant management system into the LEARN System that will greatly increase our efficiency and customer service across all offices and all customers.

**Justification:** In 2023-2025, the HECC was authorized to begin a modernization project to replace three legacy systems as part of this project. Due to an eight-month hold placed on the project by the state's Enterprise Information Services (EIS) office in 2023, we will not be able to fully replace the systems in 2023-2025. The HECC is asking for additional funding to be able to finish that modernization work and to plan and design a grant management system to serve all HECC offices.

**Solution/How Achieved:** To achieve the original vision for the HECC Modernization Project and meet the data governance and project management needs of the agency, HECC has worked with EIS and its contractors to plan a third phase of the project. The first phase, Mobilization, was completed April 19, 2024. This phase includes requirement refinement, the creation of a data dictionary, and solution design. The second phase, Implementation, began July 1, 2024 and will be completed in September of 2025 before the start of a 3 month warranty period. Implementation will result in the replacement of the core functionality for all three systems, FAMIS, ETPL, and PCSVets into one new system, LEARN. The third phase, which is supported by this policy option package, will result in all features originally envisioned in the project before the hold being incorporated into LEARN, the inclusion of an agencywide grant management system, and the staffing necessary to successfully meet the operational needs of HECC for data governance and project management.

### **Resources:**

\$957,195 in GF for 3 permanent FTEs identified during the hold as necessary for HECC's IT project performance.

\$4M in OF limitation to spend the remaining Q-Bond from 23-25 biennium.

\$5.8M in OF from a new Q-Bond for completion of project and 1 limited duration FTE.

## **POP 102 – Early Learning Professional Grant**

**Purpose:** To provide ongoing funds to carry out the scholarship and grant program described in ORS 329.181 - Scholarship Program for Early Childhood Care and Education Professionals. This program would provide scholarships to students who are working towards an early childhood care, education, and/or behavioral mental health professional degree specializing in early childhood and, one-time grants to institutions of higher learning to develop high-quality degree programs for early childhood care and education professionals would also be an allowable use of the funds.

**Justification:** Oregon is experiencing a shortage of qualified Early Learning Educators, which in turn is causing a shortage of quality, dependable, safe childcare options in the state. Due to lack of available care, many Oregon families are having to choose between staying home to provide care to their children or working to provide for their families. Often the cost of educational debt far exceeds the potential earnings for early learning educators, which discourages students from pursuing education and training necessary to work in the field. Currently the Early Learning Professional Grant (ELPG) program is not funded.

**Solution/How Achieved:** Ongoing support of \$5,256,537 in General Fund for scholarships, grants and administration of the program.

**Resources:**

\$5,256,537 in GF for 1 permanent FTE to administer program and \$5M in scholarships and grants.

## **POP 104 – Future Ready Oregon**

**Purpose:** To re-authorize \$62.5M in OF expenditure limitation authority for Future Ready Oregon implementation in 25-27.

**Justification:** While all funding appropriated for Future Ready Oregon in 2022 will be obligated by the end of this year (2024), project administration and completion will continue through December 31, 2026. These proposed investments integrate proven best practices from Future Ready Oregon programs, continuing to contribute to a more unified, equitable, and accessible workforce system. Furthermore, these program investments align with recent case studies and research on promising practices in workforce development and training including:

- Centering the needs of historically underserved and underrepresented communities through inclusive partnerships
- Flexible funding
- Innovative education delivery and comprehensive student/learner supports that meet students where they are
- Focusing on key sectors of statewide importance
- Systems alignment at the state (policy priorities) and local/regional (program implementation) levels

**Solution/How Achieved:** The expenditure limitation authority will allow HECC to continue funding the projects through December 31, 2026, and allow staff to administer and report on the funds through the life of the projects.

**Resources:**

\$62.5M in OF to support 10 limited duration staff and approximately \$60M in funded projects.

## **POP 105 – Oregon Opportunity Grant Funding**

**Purpose:** To provide student assistance to the highest need students, the Oregon Opportunity Grant (OOG) serves adult learners seeking to return and complete a credential, as well as traditional pipeline/fresh out of high school students. A permanent increased investment in OOG budget is required to provide students the base financial support needed to cover rising costs and maintain student purchasing power. With an increased OOG budget, the access and flexibility provided to OOG students during the 2021-23 and 2023-25 biennia will continue.

**Justification:** OOG funding levels remain insufficient to fully award needy students. There are equity challenges and increasing affordability gaps associated with student financial aid. As the cost of attending colleges and universities has significantly increased over the past decade, the ability to pay for higher education has become a larger issue for more students.

The OOG only serves a portion of eligible students. Students receiving these grants face significant affordability challenges. Even with grants and scholarships, more than three-fourths of OOG recipients at public universities and half at the community colleges cannot afford to pay for their higher education according to the 2021 OOG program report.

**Solution/How Achieved:** An increased investment in the OOG of \$24.7M will allow for continued assistance to the highest need students, ease the transition to the new FAFSA SAI score which increased the pool of high need students, help restore purchasing power for the lowest income/highest need students, help extend the FAFSA/ORSAA filing deadline, sustain efforts to provide waivers to eligible students who enroll late in the year, and implement desired legislative reforms to increase equitable access. Related legislative reforms would remove the shared responsibility model, a dated and unutilized financial aid award model from statute, ensure that all resident Oregon students can access OOG.

### **Resources:**

\$24.8M in GF, including funding for 1 permanent FTE to help administer program and \$24.6M in grant to eligible students.

## **POP 106 – Educator Administrator Scholarship Program**

**Purpose:** To move the administration and funding of this program from the Teacher Standards and Practices Commission (TSPC) to the HECC.

**Justification:** One of HECC's Office of Student Access and Completion's (OSAC's) main roles is to administer student financial aid programs. Having HECC administer this financial aid program would allow students to apply for scholarships and grants in one location.

**Solution/How Achieved:** HECC and TSPC are entering into an Interagency Agreement (IAA) to transfer the responsibility of the program to HECC. HECC and Oregon Department of Education are entering into an IAA to transfer the funds to HECC in 25-27 and HECC is working with the legislature to draft statute regarding the authority for this program.

**Resources:**

\$3M in OF to support a permanent .5 FTE to administer the program and \$2.85M in scholarships.

## **POP 107 – Public University Capital Project Requests**

A note on bond types: **XI-Q** bonds are entirely financed by the state; **XI-G** bonds require a 50/50 match of institutional funds to state dollars.; and **XI-F** bonds are funded with institutional revenues.

The first two Projects listed were not prioritized. The first because it is entirely funded by the institution, and the second because of the unique nature of the project, including the fact that a decision about whether to proceed is pending from the City of Portland.

**PSU’s New Housing Project** - A new residential building on west campus to serve first year students, providing a modern residential hall to support students living on campus. It will include 576 beds with ensuite restrooms and student support spaces.

Project Total: \$85,000,000      \$85,000,000 XI-F  
Match 0%;      Priority – not applicable

**PSU’s Portland Oregon Center for the Performing Arts** - A \$611,700,000 collaborative partnership with the City of Portland, a private-hotel partner, philanthropic elements, and PSU. This project includes a new, state-of-the-art 3,000-seat performing arts facility, a 1,200-seat secondary venue owned by PSU along with supporting academic spaces, a 150-room hotel, restaurants, bars and other supporting spaces.

Project Total: \$220,540,000\*      \$85,000,000 XI-G      \$52,540,000 XI-F      \$85,000,000 in match  
Match 39%;      Priority – not applicable      \* this is PSU’s portion of the project cost

**Capital Improvement and Renewal** – Benefiting all seven public universities, this funds critical deferred maintenance, life safety, and code compliance issues. To address these issues, a Capital Improvement and Renewal (CIR) program was created. CIR funding is routinely noted as the top capital priority for the public universities within the HECC’s biennial agency request budget (ARB).

Project Total: \$120,000,000      \$120,000,000 XI-Q  
Match 0%;      Priority – 1

**UO’s Child Behavioral Health Building** – This project at the university's new UO Portland campus will house the Ballmer Institute for Children’s Behavioral Health and the Portland facilities of the Prevention Science Institute, two units which are devoted to developing innovative ways to support children’s behavioral health.

Project Total: \$71,000,000      \$35,500,000 XI-Q      \$17,750,000 XI-G      \$17,750,000 in match  
Match 25%;      Priority - 2

**SOU's Creative Industries/Student Success**— A renovation of SOU's existing Music Building & Digital Media Center (DMC) Building. This project will be phased, with the Music Building renovation occurring first, allowing the current Music & Digital Media programs to fully integrate & collaborate, forming a new Creative Industries Center. The vacated Digital Media Center will be renovated in phase II to accommodate a variety of academic Physical Education programs, Wrestling and ROTC. The Music Building was constructed in 1972; this project will address major accessibility, mechanical, electrical and programming deficiencies.

Project Total: \$43,000,000      \$38,100,000 XI-Q      \$2,450,000 XI-G      \$2,450,000 in match  
Match 6%;      Priority – 3

**WOU's Data Center** – The current data center is located in a retrofitted 60-year-old classroom, equipped with cooling systems designed for human comfort rather than optimal server and data tower conditions. The current system requires constant maintenance and repair, with dust mitigation and humidity control posing ongoing challenges. This renovation will alleviate these issues.

Project Total: \$13,797,740      \$12,417,966 XI-Q      \$689,887 XI-G      \$689,887 in match  
Match 5%;      Priority – 4

**EOU's Loso Hall Student Access and Resiliency** – This project epitomizes EOU's strategy to transform a key academic facility into a premier center for learning, innovation, and community engagement. Driven by contemporary infrastructure needs and academic excellence expectations, this initiative will transform Loso Hall. Originating from Oregon's Great Recession in 1988, the hall is poised for a makeover into a modern, resilient, and welcoming space.

Project Total: \$57,060,000      \$53,636,400 XI-Q      \$1,711,800 XI-G      \$1,711,800 in match  
Match 3%;      Priority - 5

**OSU's Heat Plant Repurpose and Community Place Infrastructure** – This project will be an adaptive reuse, transforming a historic utility building into a modern teaching and research center for OSU's College of Science Physics Department and other users. The building will include classrooms, teaching laboratories, student research and support spaces and administrative spaces. Modern research laboratories will support some of OSU's most advanced research. Both underground and surface Infrastructure for the area surrounding the Heat Plant (primarily Community Place), will be modernized.

Project Total: \$101,000,000      \$47,750,000 XI-Q      \$25,250,000 XI-G      \$28,000,000 in match  
Match 28%;      Priority - 6



**OSU Cascades Student Health and Recreation** – OSU-Cascades’ creative strategy to purchase blighted but otherwise well-situated land at a price far below market value paved the way for a phased cleanup of the land to return it to buildable condition as portions are needed for campus expansion. The project starts with landfill remediation, during which the waste is excavated, sorted, and screened on-site, recycled where possible, and re-landfilled as necessary.

Project Total: \$84,000,000      \$10,000,000 XI-Q      \$32,000,000 XI-G      \$42,000,000 in match  
Match 50%;      Priority - 7

**WOU’s Performing Arts Renewal** – This project involves two adjacent buildings; Rice Auditorium built in 1976 and Smith Hall built in 1958 are used together to support academic programs in Performing Arts, these programs include Music, Dance, and Theatre. Both buildings are also used for community events that support music and theater performances. The buildings require significant mechanical upgrades and deferred maintenance. Smith Music Hall will need to be 90 percent demoed and rebuilt to meet today’s musical needs and Rice Auditorium requires a new roof and significant remodeling.

Project Total: \$24,131,250      \$22,683,374 XI-Q      \$723,938 XI-G      \$723,938 in match  
Match 3%;      Priority - 8

**OIT’s Learning Resource Center Renovation for Student Success** – This project will completely renovate and expand the Learning Resource Center (LRC) with an approximate 16,000 square foot two-story addition. It will include seismic retrofit; mechanical, electrical, and plumbing replacement; building envelope replacement; foundation repair; interconnections with campus infrastructure tunnel system; and full interior (classrooms, labs, IT helpdesk, recording studios in support of remote teaching and distance learning classes, student workstations, and faculty workspaces for professional development and research) remodel and modernization.

Project Total: \$39,272,500      \$35,345,250 XI-Q      \$1,963,625 XI-G      \$1,963,625 in match  
Match 5%;      Priority – 9

**PSU’s Millar Library Deferred Maintenance** –An essential element to the Millar Library renovation is the replacement of its mechanical systems. As it currently stands, there is approximately \$45 million in deferred maintenance within the facility. There are existing systems within the library that are more than 30 years old and have exceeded their useful life. This includes replacement of HVAC, electrical, and domestic water booster pump, fire alarm systems, as well as an elevator modernization.

Project Total: \$85,000,000      \$73,100,000 XI-Q      \$5,950,000 XI-G      \$5,950,000 in match  
Match 7%;      Priority - 10

**OIT's Semon Hall Renovation and Expansion** – This project is a complete renovation, including seismic retrofit; mechanical, electrical, and plumbing replacement; building envelope replacement; foundation repair; and full interior (classrooms, labs, dental chairs, dental clinic equipment and technology, and other dentist and student dental clinic/lab requirements) remodel and modernization. The project also includes improvements to surrounding areas, including ADA accessibility sidewalk, transportation, outdoor learning demonstration space and landscaping.

Project Total: \$42,570,700      \$38,313,630 XI-Q      \$2,128,535 XI-G      \$2,128,535 in match  
Match 5%;      Priority – 11

## **POP 108 – Community College Capital Project Requests**

**Clackamas CC's Center for Excellence for Farming, Horticulture, and Wildland Fire** - This project includes moving these instructional programs out of our oldest building, Clairmont Hall, and constructing a modern training facility to serve Horticulture, Arboriculture, Wildland Fire, and other related programs. Programs located directly adjacent to Clairmont Hall (Welding and Apprenticeships) would also receive many additional benefits from this facility. This project not only will address getting academic programs out of an aging and uncomfortable building but provides modern learning spaces.

Project Total: \$32,000,000      \$8,000,000 XI-G      \$24,000,000 in match  
Match 75%;      Priority – 1

**Mt. Hood CC's Classroom and Lab Renovations** - Upgrade and modernize classrooms and labs to ensure safety, provide technology to help students engage with subject matter, promote innovation, and support student completion as part of the skilled workforce. Upgraded classrooms and labs will improve safety, provide technology to help students engage with subject matter, promote innovation, and support student completion as part of the skilled workforce. Classrooms will be sized and outfitted to support all ranges of instruction. To support some of the college's most in-demand programs, this project includes re-purposing existing space to create a Center for Health Professions.

Project Total: \$40,556,307      \$8,000,000 XI-G      \$32,556,307 in match  
Match 80%;      Priority – 2