



HB 5011 - Community College Budget

On Tuesday, June 1, the Ways and Means Subcommittee on Education held a work session on HB 5011, the Department of Community Colleges and Workforce Development budget bill. The bill includes funding for workforce operations, debt service on outstanding bonds, and the community college support fund. The 2011-13 funding level for community colleges is \$410 million. However, the amount actually funded in the bill is \$395.8 million, which includes the legislatively-mandated 3.5 percent holdback on all budgets that will be reinstated during the February 2012 session so long as the economy does not worsen. The committee also restored \$550,000 for the skill centers at Portland Community College and the Sabin-Schellenberg Center that were cut in the Governor's budget.

During the work session, legislators expressed their disappointment with an inadequate community college budget. Sen. Rod Monroe (D-Portland) summed up sentiments shared by committee members. "This is going to be really a hard vote for me and I think for several others. This is not enough money. Community colleges are the instrument of workforce development in our state. When the economy is in the toilet, this is the place where people can go and get trained for a 21st century job and we are cutting the funding, and that troubles me greatly."

Sen. Chris Edwards (D-Eugene) did not mince words when he stated, "I think that the budget sucks." Rep. Bill Garrard (R-Klamath Falls) followed up by noting he would return to Klamath Falls and apologize to Gerald Hamilton, president of Klamath Community College. "I'm going to apologize for this budget and he's going to look at me and say, 'No, I understand what we're all up against.'"

Rep. Michael Dembrow (D-Portland), a strong supporter of community colleges, wrapped up the comment period of the work session by stating, "...[I] certainly appreciate everything that the community colleges do and that's why this budget is so painful for me...[W]e need to look forward to better days and I hope that when better days come, we really do remember these words that at we are saying and put community colleges up at the front of the line because often, they do, even in good times, slip back to the back of the line because community colleges always make due."

Annual Board Organizational Meetings: What Does Oregon Law Require?

Oregon law is a bit confusing when it comes to when a community college board must hold its annual organizational meeting. Over the years we have been asked whether a board must hold an organizational meeting in July. Because we are in a year when board elections were held, we thought this was the perfect opportunity to answer that question.

There are actually two statutes that relate to board organizational meetings. The first statute, ORS 341.283(1), requires community college boards to meet and organize after July 1 of every year. The purpose of the meeting is to elect a chair and vice-chair. The second statute, ORS 255.335(5), requires community college boards to hold an organizational meeting prior to the last day of July in the years when a district election is held. Putting the two statutes together means that in an election year (this year), your board must hold an organizational meeting sometime after July 1 and prior to July 31. At this meeting you should administer the oath of office to newly-elected board members and elect a board chair and vice-chair. In non-election years, you are only required to meet after July 1 so you can skip a July meeting and hold your organizational meeting in August if you wish.

Still confused? Please feel free to call us or email OCCA General Counsel Karen Smith at ksmith@occa17.com.

The bill was passed out of committee and will move to the full Ways and Means Committee but has not yet been scheduled for a work session. A link to the Legislative Fiscal Office budget report can be found [here](#).

HB 5011 - Calculation Correction Update

OCCA learned late this week that a miscalculation had resulted in a significant error in HB 5011, the community college budget bill that was passed by the Ways and Means Education Subcommittee on Tuesday. Since then, OCCA has worked with CCWD, Ways and Means committee members and the Legislative Fiscal Office (LFO) to resolve the issue. LFO has so far indicated that the error should and can be fixed within the Ways and Means process or in an omnibus bill at the end of session.

Because all state agencies will have 3.5 percent of their budgets held back in the first year of the biennium, budget bills are including direction that 54 percent of funds be spent in the first year of the biennium, with the idea that the funds held back will be released if the economic forecast stays on track. However, the community college budget works differently than other state budgets. In the 2002 special session, the legislature changed the way the community college budget was allocated to help balance the state budget during a recession. Essentially, the legislature delayed the final quarterly payment of general fund dollars to CCWD for the 2001-2003 biennium to the first quarter of fiscal year 03-04. That process has stayed in place.

Because the last payment of a biennium for community colleges is delayed in this way, a greater percentage of the budget is spent in the first year of the biennium than in the second. As passed, HB 5011 allowed for 63 percent of funds to be spend in the first year rather than the 54 percent allowed for other agencies to account for the delayed payment. However, after further review by OCCA and CCWD, it was concluded that the actual proportion that should be allowed is 66 percent.

OCCA is working to make the change as an amendment to HB 5011 or in the programmatic change bill toward the end of session.

SB 242 - Higher Ed Coordinating Commission

SB 242 passed out of the Ways and Means Subcommittee on Education Thursday evening with the -22 amendments. The bill now goes to the full Ways and Means Committee and then to the House and Senate floor.

After extensive hearings and conversations throughout the session, there was little conversation or fanfare as the committee adopted the final set of amendments to set the OUS system free from state agency status and to create the Higher

UPCOMING EVENTS

State Board of Education

June 23-24, 2011
Salem, Oregon

Executive Committee Retreat

July 11, 2011
OCCA Office, Salem

AAWCC Summer Conference

July 14, 2011
Oregon Garden, Silverton

OCCA Board Training

July 18, 2011
OCCA Office, Salem

OPC Retreat

August 7-10, 2011
Sheraton Portland Airport Hotel

OCCA Conference

October 27-29, 2011
Salishan Lodge, Gleneden Beach

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Education Coordinating Commission (HECC). In the amendments, the committee delayed implementation of the HECC until July 1, 2012, which will give ample opportunity to study how the commission would mesh with the Oregon Education Investment Board, assuming SB 909 passes as well.

The amendments also addressed the OCCA concern over a requirement that the legislature biennially consider affordability and maximum tuition. The word “maximum” was deleted from the bill so that there is no implication of tuition limits. The amended bill will be available on the OCCA website next week after it is printed by the legislature.