

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3121 - 1**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Appropriates General Fund to the Higher Education Coordinating Commission to carry out the Oregon Open Education Resources Program.

Government Unit(s) Affected:

Higher Education Coordinating Commission

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

House Bill 3121, as amended by the -1 amendments, appropriates \$5,200,000 General Fund to the Higher Education Coordinating Commission (HECC) in the 2023-25 biennium to support the Open Educational Resources (OER) Program, which provides grant funding to community colleges and public universities to expand access to classroom materials. The measure takes effect on July 1, 2023.

Due to the high cost of higher education textbooks, the Legislative Assembly passed the state's first textbook affordability legislation in 2015 with the passage of House Bill 2781. Among its many components, HB 2781 established the OER Program and appropriated \$700,000 General Fund to HECC to award grants to community colleges and public universities to promote textbook affordability for students and facilitate widespread adoption of open, low-cost, high-quality materials. HECC's 2021-23 legislatively approved budget includes \$1,169,200 General Fund and \$1,200,000 in one-time federal Governor's Emergency Education Relief (GEER) funding to support the OER Program. The OER Program will no longer receive GEER funding after the 2021-23 biennium, thus reducing the total funds available for the program to approximately \$1,169,200 General Fund for the 2023-25 biennium. By appropriating \$5,200,000 General Fund, the measure would replace the loss in GEER funding with \$5,200,000 General Fund above the funding in the 2023-25 current service level.

Under current law, HECC is required to submit a biennial report to legislative committees relating to higher education on the status of the OER Program. Because the measure would nearly double the funding for the OER Program above the 2023-25 current service level, HECC may need a limited duration, part-time Research Analyst 2 position (0.50 FTE) to research and submit the biennial report. The estimated cost of this position, including related services and supplies, is \$121,722 General Fund in the 2023-25 biennium, after which the position would be phased out. HECC would distribute the remaining \$5,078,278 General Fund appropriation as special payments to community colleges and public universities that apply for the grant funding.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to the State's General Fund and HECC's biennial budget.