



# Oregon

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TO: Board of Trustees, Oregon State University  
FROM: Ben Cannon, Executive Director, HECC  
DATE: January 12, 2026  
SUBJECT: 2026 Q1 Higher Education Coordinating Commission (HECC) Updates

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This document highlights some of the recent actions and initiatives of the Higher Education Coordinating Commission (HECC). For more information on our work, initiatives, and programs, go to: [www.oregon.gov/highered](http://www.oregon.gov/highered) or [sign up for our mailings lists for email updates](#).

## HECC Adopts Report on Spending and Efficiency at Oregon Public Universities, Recommends Changes to Protect Student Access and Success

The 2027-29 higher education budget bill (SB 5525, 2025) directed the Higher Education Coordinating Commission (HECC) to assess cost efficiencies at Oregon's public universities. On January 6, 2026, HECC released its [report on spending and efficiency, available here](#).

The report analyzes trends in student costs, university spending, staffing, and efficiency across Oregon's seven public universities. It also proposes five actions for legislative consideration during the 2026 session that would significantly improve efficiency while protecting access and student success:

- **Plan for targeted institutional integration by January 2027.** Direct the HECC, in consultation with public universities and community colleges, to develop proposals ranging from deeper shared services to formal affiliations or mergers—prioritizing institutions that signal interest and ensuring academic access is maintained or enhanced.
- **Establish periodic program review and renewal.** Require public university degree programs to demonstrate value, mission alignment, non-duplication, minimum enrollment/financial sustainability, and equitable impacts—paired with clear guardrails and ample time for corrective action.
- **Create a separate salary pool for essential compensation increases.** Appropriate a biennial state fund to support reasonable, predictable compensation adjustments across institutions.
- **Prioritize replacement of major IT infrastructure in capital planning.** Use state-backed bonding where appropriate to modernize core systems, strengthen cybersecurity, and enable interoperable platforms that reduce administrative costs.
- **Continue funding targeted sustainability and integration initiatives.** Building on the \$25 million investment made during 2023-25 aimed at improving the long-term financial sustainability of the Technical and Regional Universities (TRUs) and Portland State University, expand one-time investments that help universities streamline programs, improve student success, and share administrative functions—scaling evidence-based projects statewide.

The report does not analyze academic quality and notes that complex trade-offs may exist between improving cost efficiency and sustaining or enhancing student access and success.

## Strategic Planning for 2027 Session

During each legislative session and continually, HECC works closely with many of our partners on the legislative and budget development process. You can learn more about the typical [budget development timeline](#) on our public website. The HECC staff play a key role in developing the legislative concepts

(LCs) and policy option packages (POPs), which HECC ultimately pursues during legislative sessions. The HECC is already in the early stages of planning for **2027 legislative concepts and budget proposals, having started an internal idea generation and collection period.** In the coming months, the HECC will develop a list of proposals for further consideration and engagement with external partners, leading into a period of final consideration over the summer and fall.

### **Oregon Joins Multi-State Collaborative and Launches Process to Redesign State Postsecondary Education Goal**

**The HECC has started a collaborative process to develop a proposal for a new approach to Oregon’s postsecondary educational attainment goals, aiming for a new draft goal for consideration by June 2026.** For more than a decade, Oregon has been working toward two state [education goals](#): the ambitious statewide 40-40-20 goal for young adults, and the more recently adopted adult attainment goal, focused on credential attainment, in addition to numerous other goals defined by statute. The HECC and partners plan to revisit current statutory goals, and to develop a proposal to replace Oregon’s current 40-40-20 education attainment goal, which has an end date of 2025.

HECC will be working with partners across Oregon and 12 other states through the [Lumina Foundation’s State Attainment Collaborative](#). Together, as this group considers state goals, they are exploring what makes a credential truly valuable, and how a goal can drive policies and programs to better support today’s learners.

In addition to benefiting from the multi-state collaborative, the HECC has convened an Oregon steering committee to advise staff on Oregon’s new goal. The committee includes representatives from the Oregon Legislature, community colleges, universities, K-12 education, workforce partners, economic development leaders, business and community leaders, partner agencies, and others.

### **Commission Approves Transfer Vision and Report**

The HECC and public institutions, through the Transfer Council, are working together to [streamline the transfer of credits](#) between Oregon’s 17 community colleges and seven public universities. In December, the Commission approved and submitted to the Oregon Legislature its [annual report on postsecondary transfer, available here](#).

Also at its December Commission meeting, the **HECC approved a public-facing [vision statement for transfer that is intended to guide the next phase of transfer work](#)** in Oregon and affirm the HECC’s commitment to a seamless student-centered transfer system. In addition to the vision statement, the Commission reviewed a proposed four-phase work plan to operationalize this vision. The largest focus area is centered on improving statewide alignment, which will require legislative action in 2027 to achieve.

### **Our Vision**

- *We imagine an Oregon where transferring between colleges is simple, clear, and fair for every student. A strong transfer system should:*
  - *Let students transfer credits without losing time or progress toward their bachelor’s degree*
  - *Lower costs by preventing students from having to retake classes*
  - *Make sure all public colleges and universities treat transfer credits consistently*
  - *Give students and families clear, easy-to-find information about how transfer works*
  - *Align common courses and general education requirements so transfer paths are easier to follow*
  - *Build trust and confidence between students and institutions*