



Docket Item: 10.0 – Legislative Report

Summary

The Governor’s office and the Department of Administrative Services have released instructions pertaining to the development of budget proposals and legislative concepts for the 2027-2029 biennium and the upcoming 2027 legislative session. As expected, these instructions are necessarily restrictive, though there are exceptions, limiting agencies to budget neutral policy development and budget requests for new activity that are offset by reductions within the agency’s own budget.

With the release of these instructions, staff have filed a list of placeholder legislative concepts that the agency is investigating for potential introduction in the 2027 legislative session. This is the very first step in a long process. The agency is just beginning to engage in conversation with partners about the content of these concepts. This is also the first time the Commission has seen a list. At this point, there is no commitment to recommend any of them for introduction, and there will be months work and engagement ahead before these concepts are finalized, legally drafted, voted upon by the Commission (typically in late fall), introduced by the Governor, and heard and acted upon by the legislature.

The list below is intended to give the Commission a summary of the 14 concepts currently being worked on, as well as to gather information from the Commission about the concepts it wishes to engage with more deeply. Future Commission meetings will include briefings and discussion opportunities for selected legislative concepts.

This list of concepts is in the order of their filing with the Department of Administrative Services. It is not intended to give any indication of prioritization. The nature of this process is that some concepts will be combined or dropped along the way.

List of 2027 Legislative Concepts

LC 1 – HB 4124 Report Recommendations Placeholder:

HB 4124, adopted by the legislature in 2026, requires HECC to study the condition of the state postsecondary education system and develop recommendations for alternative institutional frameworks and structures that support continued access to students across the state, fuels economic development, and improves the financial viability of the system. The study has required elements and optional elements. HECC intends to focus heavily on the required elements, which are to provide recommendations on the distinct objectives and missions of each element of the post-secondary education system and to provide recommendations on opportunities for collaboration, restructuring, or integration in the post-secondary education system.



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These required elements may result in significant recommendations regarding future system structures. Many, if not most recommendations HECC could issue would require legislative action.

LC 2 – Improving Higher Education Reporting:

HB 2036, Section 8 (2025) requires the HECC, in consultation with the colleges and universities, to conduct a study about existing higher education institution reporting requirements and to provide recommendations for improving the efficiency, relevance, and quality of higher education data, including by eliminating or consolidating reports, changing the frequency of reports, and/or adding reports that improve understanding of higher education outcomes in Oregon. Many reporting requirements are statutorily derived and thus HECC's recommendations will require some statutory amendments to implement.

LC 3 – Defining Incidental Fees:

There is a lack of clarity around what sets mandatory incidental fees (i.e., those set by recognized student governments) apart from other mandatory fees (i.e., those set by university administrations). This results in institutions and student governments developing different fee schedules and histories. Importantly it can result in student-initiated fees supporting expenses that are related to institutional staffing or debt service requirements.

This issue recently arose at Oregon State University. A taskforce of students and administrators was asked to review and clarify the role of incidental fees. Specifically, they were asked to define what qualifies as an incidental fee, what distinguishes incidental programs from baseline university responsibilities, and to recommend a process for transitioning non-incidental budget units to enhance transparency, cost containment, and shared governance.

This legislative concept is intended to extend this conversation to other institutions and potentially standardize meaning and use of certain fee categories.

LC 4 – Expansion of Youth Apprenticeship Eligibility:

Currently, to participate in a Youth Registered Apprenticeship (YRAP), students must be enrolled in a high school career and technical education program that aligns with that YRAP. This severely limits the number and types of YRAPs that may be offered in an area, particularly in rural areas where many high schools offer only one or two CTE programs, and some offer none.

The US Department of Labor and to a lesser extent Oregon Bureau of Labor and Industries provides guidance and oversight of apprenticeship programs. Youth



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apprenticeships are the same as any other apprenticeship program with the exception that they start while students are still in high school. Oregon law has added the CTE enrollment requirement, intending to better connect classroom learning the workplace. The result has been an additional layer of requirements that many schools and students cannot navigate. Despite positive intent, this has created additional barriers for training providers, schools, and businesses to engage in the development of youth apprenticeships.

LC 5 – Campus Sexual Misconduct Services and Survey:

This concept proposes to fix a few issues with ongoing administration of law developed beginning in 2023.

In that year, HB 3456 (now codified as ORS 350.335-346) was passed. ORS 350.340 requires all Oregon-based institutions of higher education to make certified confidential advocate services available on campus, either by hiring a certified advocate or partnering with a local victim advocacy agency. The law also requires the agency's advocate to have on-campus office hours.

In 2025, federal funding was reduced for community-based domestic violence and sexual assault response agencies and for a program that helped fund confidential advocates on campuses. The funding is not expected to be reinstated by the federal government or backfilled by the state government. Some agencies do not have the capacity to help institutions meet the requirements of ORS 350.340 and 350.341.

HB 3456 also prohibited undergraduate students from serving as certified advocates. This eliminated several successful existing institutional programs on Oregon campuses and further reduced the availability of advocates to students on these campuses.

Separate from issues with service availability, institutions of higher education with fewer than 300 students may not be able to protect the anonymity of responses to the sexual misconduct climate survey or to report the data collected.

LC 6 – State Higher Education Attainment Goal:

The state's higher education attainment goal, "40-40-20," expired in 2025. Oregon has two existing educational attainment goals that are used to guide and drive policy and funding decisions.

For more than a decade, Oregon has been working toward 1) the ambitious statewide 40-40-20 goal for young adults, established in 2011 and focused on educational attainment through 2025, and 2) the more recently adopted adult educational attainment goal, established in 2018 and focused on credential attainment through 2030. In addition, there are numerous other goals in Oregon statute for the HECC



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related to economic, workforce, cultural, civic, and community goals.

A new, postsecondary attainment goal will demonstrate the state's commitment to realize a future where all people benefit from the economic, civic, and cultural impact of postsecondary education, training, and workforce development. The new goal will provide clarity and focus for Oregon's postsecondary education and training system, and the process of setting a new goal offers an opportunity for inclusivity and community engagement. HECC is currently engaged in that process with a steering committee of public and private leaders.

This concept serves as a potential vehicle for the goal to be adopted in statute, replacing 40-40-20.

LC 7 – Minor and Technical Revisions:

Over time, through organizational shifts, changes in budgeting, evolution in preferred terminology, and other reasons, statutes require minor and technical revisions to preserve legislative intent and to allow agencies and programs to operate smoothly. HECC has required a significant number of these kinds of revisions in the last decade due to the profound organizational shifts that have occurred in Oregon higher education since 2012.

The concept proposes minor and technical revisions. It remains largely a placeholder with room to add additional needed changes. Currently the following few such minor revisions are being tracked for inclusion, but the list typically grows up until an amendment is introduced during session.

LC 8 – EMS Programs Oversight Modifications:

ORS 341.465 prohibits a community college from offering a certificate or associate degree relating to emergency medical services unless the community college program that results in the certificate or degree meets standards for accreditation established by the commission by rule. As a result of this statute, which invokes activity inherited by HECC at the time of its formation from ODE, EMS programs are the only program in the entire state that require special, accreditation-like consideration by HECC before they can operate. This is despite the existence of a national accrediting body and, like for many other programs that lead to Oregon licensed professions, the existence of standards created and overseen by the licensing boards themselves.

HECC and its staff are not subject matter programmatic experts, meaning that HECC must hire for this accreditation work, which is duplicative and unnecessary to ensure the adequate supply of trained EMS workers.



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LC 9 – Set Aside for Emergency Student Aid:

Many college and university students face financial situations where even a small, unexpected expense can jeopardize their ability to remain enrolled. A flat tire, a medical co-pay, or similar small but unexpected expenses can quickly escalate into missed classes, unpaid bills, or the difficult decision made by a student to pause their education. As soon as a student pauses their education, they are less likely than their peers to complete. Institutions often invest heavily in recruitment and student success initiatives, but without a safety net for low-dollar emergencies, students remain vulnerable to circumstances entirely unrelated to their academic potential.

An emergency aid fund provides a critical buffer that helps students stay enrolled. By offering rapid, short-term assistance for essential needs, such a fund can prevent small problems from becoming insurmountable barriers to degree completion. Supporting students through these moments not only promotes retention and equity but also affirms the state's commitment to their well-being and long-term success.

This LC proposes to allow the HECC to withhold a very small percentage of appropriated Oregon Opportunity Funds for an emergency aid program to assist students facing low dollar value emergencies that could otherwise lead to disenrollment.

LC 10 – Credit Transfer:

Transfer students at Oregon's public universities graduate 15–20 percentage points below first time freshmen, reflecting structural weaknesses (not lack of student preparedness) in the state's transfer system. Oregon relies on multiple transfer tools, but none provides enforceable statewide standards. Without clear accountability, institutions apply transfer policy unevenly, leading to credit loss, inequitable treatment, and increased time and cost.

Oregon has worked to improve transfer outcomes for nearly four decades, yet many of the challenges identified in the 2016 HB 2525 Report persist in 2025. Transfer students continue to experience excess credits, inconsistent application of coursework, and extended time to degree.

Despite multiple legislative and policy efforts, the core issues remain unchanged.

- Oregon lacks a statewide accountability structure to ensure consistent implementation of transfer policy.
- Oregon has multiple flawed general education alignment tools. Limited lower division agreement across universities prevents students reaching junior standing in the major upon transfer. They have not completed a comparable two years of coursework compared to native students.
- Unusual degree structures and inconsistent bachelor degree requirements complicate pathway design.



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- Rural colleges struggle to offer required courses.
- Catalog verification shows inconsistent MTM availability across community colleges. As a result, MTMs do not yet function as guaranteed statewide pathways, and student access depends heavily on local institutional capacity rather than uniform statewide implementation.

This legislative concept will propose to address these, and potentially other issues related to substance and processes involving the Transfer Council.

LC 11 – Student Complaints:

HECC has inherited student complaint investigation and resolution authority that is spread across multiple statutes and is sometimes unclear in meaning. Different types of complaints require different processes based on the subject matter of the complaint or type of school the complainant attends. A few main problems emerge:

- Authorities are not clear, even to HECC staff, and DOJ is required to assist frequently.
- Resident students attending in-state institutions have fewer protections than out of state students attending in-state institutions from other states.
- Certain Complaint authorities may need to be altered pursuant to federal law
- Complaints that HECC refers to other agencies are simply unaddressed due to the available resources in other agencies.

This LC will investigate and propose solutions to some or all these issues.

LC 12 – Updating Private School Authorization:

Office of Degree Authorization and Private Career School statutes sustain our consumer protection and academic quality responsibilities related to private non-exempt degree granting institutions and private career schools are complex and potentially overbearing when schools have other forms of quality assurance, such as reliable accreditation.

As a fee-funded unit, the staff is overburdened with processing work that may not be necessary in order to assure a reasonable level of consumer protection. HECC is examining whether statutes governing this work can be altered, particularly with an eye toward tiering some requirements to keep oversight over institutions without other markers of quality assurance and student protection, while maintaining rigorous oversight over institutions with higher risk profiles.

LC 13 – Consolidating Financial Aid Programs:

Oregon currently operates two overlapping state grant programs with different goals and eligibility rules: the Oregon Opportunity Grant (OOG), a statewide, need-based program that serves tens of thousands of residents and prioritizes students with the



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greatest financial need. Second, the Oregon Promise, a tuition-coverage program targeted at recent high-school graduates attending community colleges.

The OOG reaches a broader population (including adult and transfer students) and is explicitly designed to close affordability gaps tied to demonstrated financial need, while the Promise is limited by graduation recency, GPA cutoffs, and is restricted to community colleges only. The Promise further, as a last-dollar financial aid model, provides significant amounts of aid to students who have higher student aid index calculations than are regularly served by need-based programs. Consolidation is needed because maintaining a separate Promise program fragments limited state grant resources, creates parallel eligibility and renewal rules, and can leave low-income students without support.

Evidence from annual reporting shows that state grant aid that is need-sensitive is more strongly associated with improved persistence and degree attainment than the more restrictive, and harder-to-maintain-eligibility model of the Oregon Promise. The OOG annual evaluations document that OOG recipients are more likely to persist and complete than similarly low-income students without the grant, and that OOG's award structure targets students whose cost-of-attendance gaps are greatest.

By contrast, Oregon Promise evaluations find modest early impacts on first-year persistence for some cohorts but also show renewal and eligibility limitations that reduce reach among the lowest-income and nontraditional students who are most at risk of stopping out.

Consolidating under the OOG model would prioritize need and simplify financial administration under a more successful financial aid program.

LC 14 – Oregon Promise Grant Credit Caps:

One of the Oregon Promise eligibility requirements is for a student to be under 90 attempted credits to continue to be eligible for the program. Any college credit a student earns in high school counts towards the 90-credit limit, reducing the amount of eligibility they can use once they begin attending a community college.

Currently, the 90-credit limit can be reached by any attempted college credits including credits the student has earned while in high school. This has an impact on students who dual-enroll in college while in high school or earn college credits before receiving their high school/GED credential and before they matriculate to a community college.

Removing accelerated credits from the program eligibility cap would allow some students to have more eligibility while participating in the Oregon Program Grant, and



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encourage students to pursue college credit while in high school or prior to earning their GED.

Material

- 10.0a – HECC 2026 Legislative Session Summary

Staff Recommendation

This is an informational item. No action is required