



Docket Item: 10.1 - 2027-29 Budget Framework

Summary

This docket item provides an update on the development of the 2027-29 Agency Request Budget (ARB). For commissioner feedback, a preliminary ARB based on current information is included, as well as list of submitted policy option packages (POPs) that were submitted to the Governor's Office and DAS-CFO for preliminary review on Friday, April 17, 2026.

The preliminary ARB, detailed in docket item 10.1a, reflects estimated Current Service Level (CSL) plus the agency's proposed POPs. To estimate CSL, HECC used a 4.9% inflation rate for agency operations and a 9.3% inflation rate for the public university and community college support funds. These inflation rates are preliminary estimates developed by HECC staff; DAS will make final determinations within the next several weeks and the result could vary widely. The ARB currently retains WIOA Title IB and state workforce board funding and staff at HECC and will be updated in POP 103 as the associated budget is finalized for moving those items to the Oregon Employment Department.

The list of submitted POPs, included as docket item 10.1b, includes two categories. The first are those that comply with the budget instructions and may continue forward in the ARB process. The second are those that are not in compliance with the budget instructions and may not continue forward in the ARB process. Although submitted to DAS-CFO, without offset funding identified, they will not be approved by DAS-CFO and this would reduce the preliminary ARB by \$12.3 million in general funds.

Commissioners are encouraged to review and provide feedback on the content of this preliminary ARB, including the proposed POPs.

Material

The following related items are posted as part of the meeting materials:

- 10.1a – Preliminary ARB
- 10.1b – Submitted Policy Option Packages

Staff Recommendation

Discussion only.