HIGHER EDUCATION COORDINATING COMMISSION
June 11, 2026
Docket Item #:6.0

Docket Item: 6.0 – Legislative Report

Summary

New Revenue Forecast
The latest quarterly revenue and economic forecast was issued on May 20.

Owing to energy cost increases and challenging geopolitics, the state economist has revised down its growth expectations for the labor market and economy. Despite this disruption, which has resulted in some persistent inflation and lower GDP, the Office of Economic Analysis rates the likelihood of a coming recession as low.

Even with the softening in economic conditions, revenues are up $345M from the prior forecast primarily on legislative action which increased expected revenue by $368M. With other action the Legislature took to increase spending by $198M, the new expected ending fund balance is $345M, up $147M from the prior forecast.

This ending balance estimate is unlikely to have any significant impact on the Legislature's near-term ability to increase spending.

2027 Legislative Session
At this stage in the legislative concept development process, concepts have been reviewed by DAS and the Governor's office. As a result of this review, the concept to consolidate financial aid programs and bolster the Oregon Opportunity Grant through the phase-out of the Oregon Promise program will not move forward at this time.

Additionally, HECC staff had proposed submitting a placeholder concept to deliver the results and recommendations of the HB 4124 report. Because this is a project witch which we are working with a number of legislators, and because the recommendations are not due until the middle of the legislative session, when any bill might need to be handled through special processes and the legislative rules committees, that concept will also not move forward, though its abandonment says nothing about if or how the Legislature will deal with the results of that report.

Finally, for capacity reasons, the legislative concept staff were considering developing to overhaul state authorization processes with a goal towards simplifying and modernizing those processes and potentially applying a more risk-based framework has been postponed to the next cycle.

At this current meeting, we were scheduled to review the Oregon Promise consolidation concept in greater detail. In lieu of that, what follows are updates on a couple of the more modest concepts being developed. Next commission meeting, there will be a deeper dive into the full legislative concept on modifying transfer statutes.

These are point-in-time updates. Further discussions can lead to further modifications.

Campus Sexual Misconduct Legislative Concept (LC 005)
In an effort to better support survivors of sexual misconduct, harassment, and assault on Oregon's college campuses, the 2023 Legislative Assembly required all Oregon-based institutions of higher education to make certified confidential advocate services available on campus, either by hiring a certified advocate or by partnering with a local victim advocacy agency to provide these services on campus. For the 2023-24 academic year, a third of all Oregon institutions (19/57) were unable to find a qualifying partner organization to meet these requirements and were granted a one-year waiver from the HECC, exempting them from meeting these requirements.

Oregon's shortage of qualified victim advocacy agencies has intensified since federal funding was reduced for community-based domestic violence and sexual assault response agencies in 2025, including the elimination of a program that helped fund confidential advocates on campuses. As a result, institutions continue to struggle to meet the requirements of ORS 350.340-341, and students at these institutions lack access to appropriate confidential advocacy services.

The law also newly prohibits undergraduate students from serving as certified advocates. Its 2023 passage eliminated several successful existing institutional programs on Oregon campuses and further reduced the availability of advocates to students on these campuses.

The legislative concept proposed to make the following modifications to ORS 350.340-341 to help institutions make confidential advocacy services available to students considering the serious constraints facing these organizations in recent years:

1. Allow institutions which are unable to find a qualifying agency in the same county to establish memorandums of understanding with domestic violence and sexual assault victim service agencies based anywhere in Oregon.
2. Remove the requirement that partnering victim advocacy agencies must hold on-campus office hours. Students and employees could continue to receive advocacy services virtually or at agency offices.
3. Increase the number of paid and volunteer certified confidential advocates available to campuses by allowing undergraduate students that meet the relevant training and employment requirements, and who are supervised by a certified advocate employed by the institution or by the partnering victim advocacy organization, to serve as certified confidential advocates.

Previously, staff were considering proposing modifications to the sexual misconduct survey requirements to exempt small institutions, however, the Council itself opposed the idea, and staff have decided not to continue to pursue this component.

Student Complaints Legislative Concept (LC 011)
HECC's authorities and responsibilities related to student complaints are spread across multiple state statutes and administrative rules that currently conflict with one another and, at times, with federal law. Oregon law also lacks mechanisms for HECC to prioritize, dismiss, or refer complaints, and lacks clarity about what follow-up processes should occur when a complaint is referred to another agency or entity. This has contributed to a convoluted complaint process in which different procedures are applied depending on the type of institution about which students are filing a complaint.

Additionally, given the case-by-case attention required for each complaint case due to lack of standard processes and an inability to dismiss complaints, HECC has faced a ballooning complaints caseload in recent years, leading to a severe backlog.

Other examples of issues with the statutes include:

- ORS 350.075 defines "school" in such a way that it is not clear whether institutions exempt from Commission regulation are subject to HECC's complaint authority. This is contrary to federal law and ORS 659.850, which require *all* institutions that receive federal or state dollars to be subject (including institutions exempt from HECC's regulation).
- Federal law allows for dismissal of student complaints that do not meet a viability threshold, and state statute does not provide this same latitude, requiring HECC to funnel virtually all complaints through the same lengthy, resource-intensive formal complaints process.
- ORS 350.075 includes language that allows HECC to refer appropriate complaints to other state agencies (ODE, BOLI, etc.) or back to the school itself. This same provision is not covered in the statutes related to private career schools (ORS Chapter 345) nor the statute relating to discrimination in education (ORS 659.850). As a result, there is a lack of clarity on whether HECC may refer these types of complaints to other entities, and what follow-up processes should occur after a complaint is referred.
- ORS 350.075 narrows complainants to "students," while the other statutes allow a complainant to be any "person," regardless of whether they are a past, current, or prospective student at the institution. This has increased the number of complaints that HECC is required to investigate.

Currently, HECC staff are proposing the following modifications to statute:

- Add language clarifying the HECC's ability to receive complaints related to institutions not usually subject to HECC's complaint authority (i.e., exempt institutions) where we are contractually obligated to receive complaints for those institutions, such as via the NC-SARA distance education agreement.
- Create a mechanism that allows HECC to dismiss student complaints that do not meet a certain viability threshold. This includes specifying when HECC can channel complaints into HECC's standard compliance process instead of triggering the full, formal complaints process.
- Clarify the HECC responsibilities that remain after referral to other agencies, in line with federal requirements. For example, allow HECC to specify a process in rule that may allow for certain follow-up procedures to take place.
- Narrow the scope of complaints from "person" to "student," to align with the "student" language in ORS 350.075. At the same time, maintain HECC's ability to receive an "inquiry" from any person that can be referred to another entity or dismissed, as appropriate.
- Increase clarity that HECC may refer private career school employment discrimination cases to BOLI in lieu of processing the complaint at the HECC, when appropriate.
- Clarify HECC's responsibilities with regards to discrimination complaints, including where HECC can refer discrimination complaints to ODE, BOLI, other state agencies, or the federal DOJ, mirroring language from ORS 350.075 allowing referral to other appropriate entities, and clarifying the follow-up process after referral to other entities (in line with the same proposed clarification to ORS 350.075).
- For allegations of discrimination that are specific to Oregon state law (e.g., Oregon gender and sexuality-related discrimination), which cannot be referred to a federal agency, clarify the circumstances under which certain state agencies are responsible for fielding complaints to ensure there is a minimum due process standard for all discrimination-related complaints.
- For discrimination and retaliation complaints that the HECC does not refer to another entity, authorize the HECC to establish in rule a common due process standard for discrimination complaint handling at any institution.

Staff Recommendation
This item is for informational purposes.