HIGHER EDUCATION COORDINATING COMMISSION

2027-29 Agency Request Budget

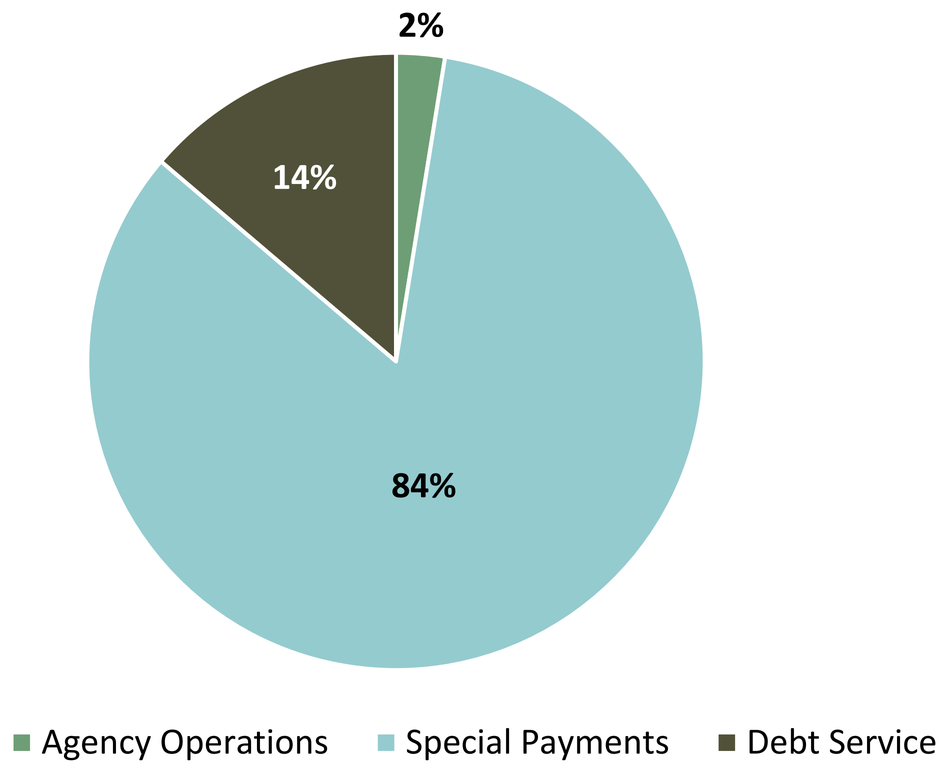
Commission Meeting
Docket Item 10.1

August 13, 2026

Presentation Overview

1. Agency Operations
2. Student Aid Programs
3. Workforce Programs
4. Institution Support

Current HECC Budget, 2025-27



- Of the agency's $4.4 billion budget, special payments to partners for institution support, student financial aid, workforce programs, capital construction, and debt service, make up 98% of the total.
- Debt service is driven by capital construction funding decisions.

Type of Funding:

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Agency Operations

Amounts in $ thousands. All Funds.	2025-27 LAB	2027-29 CSL	+ POPs	= 2027-29 ARB	*Variance, ARB to LAB*	
Personnel	65,310.9	65,275.0	(2,080.4)	63,194.6	(2,116.3)	(3%)
Services, Supplies	48,063.2	34,690.4	3,712.9	38,403.3	(9,659.9)	(20%)
Special Pay	34,367.2	83,712.1	(8,023.4)	75,678.7	41,311.5	120%
Capital Outlay	-	-	4,141.8	4,141.8	4,141.8	100%
Total	**$147,741.3**	**$183,677.5**	**($2,249.1)**	**$181,418.4**	**33,677.1**	**23%**
FTE	186.34	178.08	(5.6)	172.48	(13.86)	(7%)

- Within CSL, funding for the modernization project was phased out. Movement of federal funds limitation from WIOA to OWI created an increase with offset in workforce programs.
- POP 101 is included for the third part of the modernization project and POP 104 is included which involves adding a Senior Analyst position with funding offset by data systems savings.

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Student Grant Aid Programs

Amounts in $ thousands. All Funds.	2025-27 LAB	2027-29 CSL	+ POPs	= 2027-29 ARB	*Variance, ARB to LAB*	
OOG	329,371.2	360,002.7	-	360,002.7	30,631.5	9%
OPG	47,307.6	51,676.1	-	51,676.1	4,368.6	9%
ONGSTA	5,540.0	5,945.6	-	5,945.6	405.7	7%
OTSG	26,038.7	28,403.2	-	28,403.2	2,364.5	9%
Other	26,156.9	28,394.6	-	28,394.6	2,237.7	9%
Total	**$434,414.2**	**$474,422.2**	**-**	**$474,422.2**	**$40,008.0**	**9%**
FTE	22.0	22.0	-	22.0	-	-

KEY:
OOG = Oregon Opportunity Grant
OPG = Oregon Promise
ONGSTA = Oregon National Guard Assistance
OTSG = Oregon Tribal Student Grant

- CSL at 9.3% inflation based on DAS-CFO instructions. ONGSTA is slightly different due to staffing changes.
- Staffing in OSAC for administering these programs is unchanged.

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Workforce Programs

Amounts in $ thousands. All Funds.	2025-27 LAB	2027-29 CSL	+ POPs	= 2027-29 ARB	*Variance, ARB to LAB*	
WIOA Title I	134,002.2	109,465.0	(109,309.8)	155.2	(133,847)	(99%)
Future Ready	88,592.5	11,918.8	-	11,918.8	(76,673.7)	(87%)
Oregon Youth Works	39,146.0	37,719.7	-	37,719.7	(1,426.3)	(4%)
Oregon Serves	9,948.5	10,649.8	2.6	10,652.4	703.9	7%
Total	**$271,689.1**	**$169,753.4**	**($109,307.2)**	**$60,446.1**	**($211,243.0)**	**(78%)**
FTE	37.25	30.5	(13.0)	17.5	(19.75)	(53%)

- Within CSL, Future Ready was phased-out and a fund shift for Oregon Conservation Corps.
- POP 103 is included which involves the transfer of 15 positions, including 2 in Operations, and funding for the Workforce Innovation and Opportunity Act (WIOA) Title 1, the Workforce Talent Development Board, and related GF programs to the Oregon Employment Department.

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Institution Support

Amounts in $ thousands. All Funds.	2025-27 LAB	2027-29 CSL	+ POPs	= 2027-29 ARB	*Variance, ARB to LAB*	
Public University	1,415,730.1	1,514,198.2	-	1,514,198.2	98,468.1	7%
Community College	870,400.0	989,031.6	-	989,031.6	118,631.6	14%
OHSU	147,077.6	157,467.3	-	157,467.3	10,389.7	7%
Capital	529,547.8	-	678,540.8	678,540.8	148,993.0	28%
Debt Service	632,668.0	673,767.6	6,259.2	680,026.8	47,358.8	0%
Total	**$3,595,423.5**	**$3,334,465.1**	**$684,800.0**	**$4,019,265.1**	**$423,841.6**	**12%**
FTE	5.0	5.0	-	5.0	-	-

- CSL amounts for Institution Support are calculated by DAS CFO. Five programs were phased out including TRU sustainability.
- Staffing in PFC for administering these dollars is unchanged.

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Recent CSL Rates by Sector

	Public Universities	Community Colleges (GF Only)	Non-state Employee Cost Rate
2021-23	5.9%	4.4%	5.7%
2023-25	7.9%	9.3%	8.8%
2025-27	7.0%	7.4%	6.8%
2027-29	7.5%	13.7%	**9.3%**

- The CSL rates for the 2027-29 biennium are higher than in the recent past.
- Due in part to a larger non-state employee personnel cost rate of 9.3% as included in the DAS-CFO budget instructions.
- This serves as a base upon which the rest of the CSL is built since *Other Personnel Services*, to which this cost growth applies, is the largest expense component.

Additional details can be found in the *CSL Calculations for Higher Education Support Funds, 2027-29 Biennium*.

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PERS Growth Rate – Public Universities

	2025-27	2027-29	Increase
Blended Employer Contribution Rate	25.39%	24.70%	
Side Account Rate Offset	(4.41%)	(0.62%)	
Net Employer Contribution Rate	20.98%	24.08%	14.78%
Non-state personal rate			**+9.30%**
Total Growth Rate			**=24.08%**

- The blended employer rate declines slightly in the next biennium. This is the combined rate for all public universities and all PERS groups.
- The side account rate offset declines offering less rate protection. Due to maturing pension obligation bonds.
- As a result, the net employer contribution rate grows by 14.8%.

Additional details can be found in the *CSL Calculations for Higher Education Support Funds, 2027-29 Biennium*.

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PERS Growth Rate – Community Colleges

	2025-27	2027-29	Increase
Blended Employer Contribution Rate	25.77%	25.03%	
Side Account Rate Offset	(13.90%)	(5.01%)	
Net Employer Contribution Rate	11.87%	20.02%	68.66%
Non-state personal rate			**+9.30%**
Total Growth Rate			**=77.96%**

- The blended employer rate declines slightly in the next biennium. This is the combined rate for all colleges and all PERS groups.
- The side account rate offset declines offering less rate protection. Due to maturing pension obligation bonds.
- As a result, the net employer contribution rate grows by 78%.

Additional details can be found in the *CSL Calculations for Higher Education Support Funds, 2027-29 Biennium*.

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2027-29 HECC ARB

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Services & Supplies	48,063.2	34,690.4	3,712.9	38,403.3	(9,659.9)	(20%)
Capital Outlay	-	-	4,141.8	4,141.8	4,141.8	100%
Debt Service	612,966.3	659,048.3	-	659,048.3	46,082	7%
Special Pay	3,722,927.7	3,403,294.4	567,469.2	3,970,763.7	247,836.0	8%
Agency Total	**$4,449,268.1**	**$4,162,308.2**	**$573,243.6**	**$4,735,551.8**	**$286,283.7**	**6%**
FTE	186.3	178.08	(5.6)	172.48	(13.86)	(7%)

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