



Oregon

Tina Kotek, Governor

Higher Education Coordinating Commission

3225 25th Street SE

Salem, Oregon 97302

www.oregon.gov/HigherEd

August 13, 2026

Dear Governor Kotek,

On August 13, 2026 the Higher Education Coordinating Commission (HECC) adopted an Agency Request Budget (ARB) for the 2027-29 biennium. Consistent with direction that you and the Chief Financial Office (CFO) established this year in consideration of the state's larger budgetary environment, we have limited our requests for new funding (above the current service level estimates) only to items that qualified for the limited exceptions conveyed to agencies as part of biennial budget instructions.

As we did in our ARB transmittal letter in 2024, we again recognize the immense challenge you face in recommending an enterprise-wide balanced budget, influenced greatly by federal budgetary and macroeconomic factors that affect all states and that Oregon itself cannot control. And, as we did in 2024, we want to emphasize the insufficiency of HECC's ARB for meeting the state's needs for higher education.

Even at the Current Service Levels generally included within this ARB, Oregon's public colleges and universities will struggle to maintain current levels of programming, tuition, and student support. High rates of inflation, driven by labor costs including state-mandated benefits, alongside demographic and technological challenges, will continue to challenge the ability of many institutions to balance budgets without resorting to harmful cuts.

We greatly appreciate the recommendation of your Prosperity Council that Oregon should "strategically align higher education funding with West Coast states to strengthen Oregon's workforce, research, innovation, and industry partnerships in high-growth sectors." In the coming months, we will work with your team to identify this funding level and to chart a multi-biennium plan to reach that objective.

We believe that equitable success, economic competitiveness, and widespread access to knowledge is possible in Oregon. We also believe that the higher education and workforce development sector can join with the economic development sector to create a better environment for current and future employers to thrive.

As Commissioners, we take seriously our responsibility under ORS 350.075(3)(e) to advise you on the biennial budget necessary to support the state's strategic plan for higher education. We hope that this letter has helped to convey our view that the challenges under this ARB are serious, and greater levels of investment are not only necessary, but a worthy and strategic way to help Oregon grow into a future of robust and shared prosperity.

Yours sincerely,

Greg Hamann

Chair, Oregon Higher Education Coordinating Commission