HIGHER EDUCATION COORDINATING COMMISSION
3225 25th Street SE, Salem, OR 97302
www.oregon.gov/HigherEd

HECC Appendix Materials, Presentation to the Joint Ways and Means Committee, Education Subcommittee

April 2023

Included in this document in the following order:

1. **Summary of Proposed Capital Projects (also summarized in slides, day 6)**
2. **Other Funds Ending Balance Form**
3. **Program Prioritization 2023-25**
4. **Supervisory Span of Control Report**
5. **Summary of Reductions and Vacancies**
6. **Long-term Vacancy Report**
7. **Summary of IT Projects**
8. **Secretary of State Audit and HECC Response**

Additional resources:

- **Governors' Recommended Budget:** **https://www.oregon.gov/das/Financial/documents/2023-25_gb.pdf**
- **Key Performance Measures (also summarized in Appendix slides):** **https://www.oregon.gov/highered/research/Documents/Performance/APPR_HECC_2022-09-30.pdf**

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2023-25 Descriptions of Capital Investments in GRB, HECC

3-27-23

Capital Improvement and Renewal: $200M

Capital Improvement and Renewal funds will be allocated by the HECC to the seven public universities for university-determined projects that will address deferred maintenance, code compliance, safety issues, and Americans with Disabilities Act (ADA) accessibility improvements for campus facilities.

Portland State University: Smith Memorial Student Union: $8.2M

This project provides major repairs to Smith Memorial Student Union (SMSU). SMSU is the main building for student resource centers at PSU and includes dinning services, study spaces, office space for student government and numerous other functions. The building also houses Education and General space, including the home for the department of Conflict Resolution and faculty support services. The building is in poor condition and is need of significant upgrades. This project addresses some of the most critical deferred maintenance projects. The project will replace major supply fans that serve most of the building's heating and cooling, it will also repair the leaking roof and upgrade the elevators for better accessibility.

Reauthorizations for Community Colleges

Chemeketa CC: Building 7 Remodel: $8M

There is a demonstrated need for improved access to quality health education, wellness education, lifelong training, physical fitness activities, and facilities within the Chemeketa Community College Salem Campus service area. The project will include the redesign and remodel of learning spaces, upgrades, and replacements to many of the building interior and exterior components and possibly targeted seismic reinforcements to enable the building to serve as a community emergency response space during a catastrophic seismic event.

Klamath CC: Childcare Learning Complex: $1.5M

KCC proposes the construction of a Childcare Learning Complex on the KCC campus that would integrate training space for KCC Early Childhood Educator program participants, provide a critical childcare resource, and provide structured learning gateways for pre-K youth participants.

Rogue CC: Transportation Technology Complex: $7M

Rogue Community College (RCC) offers a growing number of Transportation Technology Training programs collaborating with Industry partners to develop relationships and provide support for program growth. Program expansion through new facilities would allow growth at the Redwood Campus to bring in more students and add expanded program offerings at that site and this building would also support current EV technology and specialized construction necessary for alternative fuel training.

UPDATED **OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA**

Agency: **Higher Education Coordinating Commission**
Contact Person (Name & Phone #):

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Other Fund Type	**Program Area (SCR)**	**Treasury Fund #/Name**	**Category/Description**	**Constitutional and/or Statutory reference**	**2021-23 Ending Balance**		**2023-25 Ending Balance**		**Comments**
					In LAB	**Revised**	**In CSL**	**Revised**	
3400 Other Funds - L	**201-00-00-00000**	02127 XI-Q 2021K FAMIS System Replacement	0605 Interest and Investments	HB5006		3,000,000	4,250,000		The First Q-Bond will be spent partially down
3400 Other Funds - L	**202-00-00-00000**	00401 Oregon State General Fund	0975 - Other Revenue	HB5050 SEC71 SLDS/2019 CHAPTER LAW 644	1921	0			
3400 Other Funds - L	**202-00-00-00000**	00401 Higher Education Coordinating Commission	0030 - Beginning bal. Adjustment	SB 551 SECTION 4, CHAP LAW 583		10,000,000			Part time faculty carry over
3400 Other Funds - L	**203-00-00-00000**	00401 Higher Education Coordinating Commission. 01480 Degree Authorization Account	0205 - Other Business Licenses, 0410 Charges for Svcs, 0975 Other Revenue	SB528 Cahp Law 660, 2013 HB5033-A/ORS 348.601, 2013 HB5033 Measure Sum Pkgs 814 & 816	317,916	0	276,646	0	
3400 Other Funds - L	**205-00-00-00000**	00401 Higher Education Coordinating Commission	0410 Charges for Svcs, 0975 Other Revenue	ORS 351.768, Perkins Voc & Technical Ed Act 1998, ORS 418.651,418.653,418.657, HB5528	95,957				
3400 Other Funds - L	**206-00-00-00000**	00401 Higher Education Coordinating Commission, 01532 Oregon Student Assistance Fund. 02142 Oregon Conservation Corp Fund,	0705 Other Sales Income, 0410 Charges for Svcs, 0975 Other Revenue, 0605 Interest and Investments, 0905 Donations,1150 Transfer in from Dept of Revenue, 1581 Transfer in from Dept of Education	HB5006 Section 295, SB5528 Section (6)1, 2019 HB5046 SEC18 Oregon Volunteers Comm	482,820	700,000			This consts of oycc program, dhs summer youth, oregon volunteers, workforce, oregon youth corp, and oregon conservation fund - all operational costs are expected to be spent out
3400 Other Funds - L	**207-00-00-00000**	01922 Opportunity Grant Fund	0605 Interest and Investments, 1107 Transfer from Dept of Admin Services	SB 1528 Opportunity Grant Fund	0	46,209,270			A portion of the OSAC OOG Tax credit sales is safeguarded in reserve each biennium to cover unpredictable pickup/enrollment program utilization cost increases. This estimated remaining balance assumes usage of the entire $24M expenditure authority for 2023-25.
3400 Other Funds - L	**207-00-00-00000**	00401 Higher Education Coordinating Commission, 01532 Oregon Student Assistance Fund, 01534 Aspire Program Fund	0410 Charges for Services, 0415 Administrative and Svc Charges, 0605 Interest and Investments,0975 Other Revenue	HB55258, SB5528	3,815,601	6,662,668	4,028,214		This is an accumulation of multiple small separate program funds and funding streams, including; OSAC private awards, OSAC admin and grants, OSAC jobs plus IDA accts, opportunity grant fund, and OSAC aspire program misc.
Debt Service	**215-00-00-00000**	01931 2019G XI-G HECC Debt Service Tax-Exempt		HB5006	530,575	0			
Debt Service	**216-00-00-00000**	01820 ODAS XI-L OHSU Debt Service Fund		HB5528	43,000	0			

Objective: **Provide updated Other Funds ending balance information for potential use in the development of the 2023-25 legislatively adopted budget.**

Instructions:

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2021-23 Legislatively Approved Budget and the 2023-25 Current Service Level at the Agency Request Budget level.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. The revised column (i) should assume 2023-25 Current Service Level expenditures, considering the updated 2021-23 ending balance and any updated 2023-25 revenue projections. Do not include adjustments for reduction options that have been submitted. Provide a description of revisions in Comments (Column (j)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2021 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or $50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

2021-23 ARPA ENDING BALANCES

Agency: **Higher Education Coordinating Commission**
Contact Person (Name & Phone #):

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
			2021-23		2023-25 POP		
SCR	Program Description	2021-23 LAB	Ending Balance	Amount Obligated	Y/N	POP #	Comments
200	Future Ready Oregon	192,262	94,000	-	Y	406	Will be fully obligated in 23-25 biennium
201	Future Ready Oregon	302,984	212,000	-	Y	406	Will be fully obligated in 23-25 biennium
202	Future Ready Oregon	264,810	173,000	-	Y	406	Will be fully obligated in 23-25 biennium
206	Future Ready Oregon	114,239,944	113,874,000	17,607,000	Y	406	Will be fully obligated in 23-25 biennium

Instructions:

Column (a): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget.
Column (b): List American Rescue Plan Act (ARPA) balances by legislatively approved uses and/or specified transfers to agency programs.
Column (c): Provide the expenditure limitation approved for the ARPA funds transferred to the agency in the 2021-23 Legislatively Approved Budget.
Column (d): Enter the total estimated balance of ARPA funds that will be unspent at the close of the 2021-23 biennium.
Column (e): Enter the amount of the unspent ARPA balance obligated to a project/program through an award, grant agreement, or other contract as of June 30, 2023.
Column (f) and (g): Indicate whether the 2023-25 Agency Request Budget includes a policy option package (POP) to utilize the ARPA funds carrying forward into the 2023-25 biennium, and if so, provide the POP number.
(h) Please provided any additional information related to ARPA ending balances.

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

52500 Agency Rollup

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																				
52500	1	HECC	Direct Financial Aid to Students	Includes the Oregon Opportunity Grant (OOG), Oregon promise, 600 private awards, public programs, ASPIRE program, assistance completing FAFSA/ORSAA applications, etc.	1,2,5,6,7,8,9,10,11,12,13,14	7	228,044,097.00	12,790,254.00	40,658,980.00	-	135,254.00	-	$ 281,628,585	25	22.50	N	Y				Establish permanent funding for Tribal Grant and early learning educator grants, increased funding for OOG, OP, ASPIRE, ONGSTA, and student child care grants.
52500	2	HECC	SCC	The Community College Support Fund (CCSF) is the primary vehicle for direct state investment in the operations of Oregon's seventeen community colleges.	1,2,3,4,5,6,9,10,11,12	7	768,478,613.00	-	10,963,492.00	-	-	-	$ 779,442,105			N	Y				Increase to CCSF to include ongoing base funding and cybersecurity funding and a one time transition fund.
52500	3	HECC	SPU	The Public University Support Fund (PUSF) is the primary vehicle for direct state investment in the operations of Oregon's seven public universities	1,2,3,4,5,6,7,8,9,10,13,14	7	972,047,213.00	-	-	-	-	-	$ 972,047,213			N	Y				Increase to PUSF for ongoing base funding and cybersecurity funding.
52500	4	HECC	Workforce Programs	OWI is responsible for implementing both the strategic vision and operational portions of the WIOA state plan (Title IB), as required by federal law. Provides worker training and employment assistance to adults and youth (OYC). Includes technical assistance and subgrants to the Workforce and Talent Development Board (WTDB) and local workforce development boards (WDBs), non-profits, and agencies. Provides funds for state-based AmeriCorps programs. As a state commission, Oregon Volunteers' mission is to strengthen our communities by inspiring Oregonians to actively engage, volunteer, and serve	15	4, 6	25,855,267.00	-	14,485,409.00	-	118,872,590.00	20,536,302.00	$ 179,749,568	30	29.50		Y				Oregon Youth Works, Americorp education incentives, OregonServes capacity and Future Ready Oregon continutation
52500	5	HECC	Academic Policy Authorization	Academic Policy Authorization is responsible for policy coordination related to Oregon's seven public universities. Oversees transitions, academic program approvals, degree completion initiatives, and university evaluations. ODA authorizes more than twenty in state degree granting private institutions, and more than forty-five out of state degree granting institutions. PCS licenses and provides technical assistance to 185 private career and trade schools.	1,2,3,4,5,6,7,8,9,10,13,14,15	7	2,274,449.00	-	3,291,588.00	206,000.00	-	-	$ 5,772,037	15	13.24		Y				Access to Transcripts, Rural Student Policy, and Private Career school (PCS) compliance
52500	6	HECC	CCWD Programs	Serves Oregon's community colleges and adult basic skills providers. Includes Career and Technical Education (CTE) (including the Carl D. Perkins Vocational and Technical Education Act), Accelerated Learning, Career Pathways, Community College Program Approval, GED ® testing and high school equivalency, English Language Learners, and the Workforce Innovation and Opportunity Act (WIOA) for Adult Education (Title II).	1,2,3,4,5,6,9,10,11,12,15	7	22,074,192.00	-	3,901,985.00	-	13,227,370.00	-	$ 39,203,547	16	15.70		Y				Transfer portal, Future Ready Oregon, and program support to bring the Perkins grant program services internal to HECC
52500	8	HECC	OHSU	OHSU has four public missions: education, clinical care, research, and statewide outreach.	4,7,8,9,10,13,14	7	129,992,377.00						$ 129,992,377			N	Y				

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission
2023-25 Biennium — **Agency Number: 52500**
52500 Agency Rollup

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																				
52500	9	HECC	PUSP	The State Programs category is intended to encompass General Fund support for certain institutes, centers, and programs generally operated by the seven public universities. These efforts address the economic development, resource base, and public service needs of the State of Oregon. Many of these programs have an industry-specific focus and receive additional investments from the private sector as well as other sources.		7	52,456,809.00						$ 52,456,809			N	Y				Establish permanent state funding for Strong Start program. Provide continuation of state program and service funding for projects including but not limited to the wildfire map and Environmental Justice Mapping tool
52500	10	HECC	SWPS	Includes Agriculture Experiment Station, Extension Services and the Forest Research Laboratory.		7	168,611,441.00	51,494,315.00	-	-	-	-	$ 220,105,756			N	Y				
52500	11	HECC	SL	Provides lottery funds to support athletic programs and student scholarships at Oregon's public universities.		7		16,514,607.00					$ 16,514,607			N	Y				
52500	Not ranked	HECC	HECC Operations	Includes Commission, Director's Office, research and data, budget, accounting, human resources, and postsecondary capital finance.	15	4, 7	29,136,289.00	-	17,643,188.00	-	3,530,225.00	-	$ 50,309,702	71	68.00	N	Y				Student Equity grants, Student & Job seeker IT project funding, Comprehensive data and reporting capabilities, Future Ready Oregon support, and right sizing of positions to support the agency operations
52500	Not ranked	HECC	Capital Construction	The capital construction program includes an opportunity for public universities and community colleges to request funding for capital projects, including state-backed debt. Includes Debt Service and COI.	1,2,3,4,5,6,7,8,9,10,11,12,13,14	7	345,270,139.00	45,130,470.00	11,286,180.00	194,641,720.00	-	4,008,153.00	$ 600,336,662					D			University and Community College capital construction requests
							2,744,240,886.00	125,929,646.00	102,230,822.00	194,847,720.00	135,765,439.00	24,544,455.00	3,327,558,968	157	148.94						

7. Primary Purpose Program/Activity Exists
1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code
C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements exist)
S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

200 Office of the Executive Director

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	2	HECC	Executive Director	The role of the executive director is to design, develop and implement strategic plans for the organization in a manner that is both cost and time-efficient. The executive director is also responsible for the day-to-day operation of the organization, which includes managing committees and staff as well as developing business plans in collaboration with the board. The executive director is accountable to the chair of the board of directors and reports to the board on a regular basis. The board provides guidance, but delegates the management of the agency to the Executive Director. The executive director leads the organization and develops its organizational culture.	15,16	4	9,032,928		13,441,800		571,650		$ 23,046,378	8	8.00	N	Y				Student equity grant program and internal auditor
52500	1	HECC	Commission	The State of Oregon's Higher Education Coordinating Commission (HECC) is the primary state entity responsible for ensuring pathways to postsecondary education success for Oregonians statewide, and serves as a convener of the groups and institutions working across the public and private higher education arena. Established in 2011 and vested with its current authorities in 2013, the Higher Education Coordinating Commission is a 14-member volunteer commission appointed by the Oregon Governor, with nine voting members confirmed by the State Senate. The Commission develops and implements policies and programs to ensure that Oregon's network of colleges, universities, workforce	16	4	10,910						$ 10,910	0	0.00	N	N				
52500	4	HECC	Human Resources	Human Resources (HR) provides employee services including compliance with labor law and employment standards, administration of employee benefits, recruitment and retention, training and development, performance management, and discipline.	15	4	779,490				81,978		$ 861,468	3	3.00	N	Y				Future Ready Oregon Support and a training and development specialist position for agency support

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

200 Office of the Executive Director

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	3	HECC	Legislative Liason/Public Affairs	The Legislative Liaison provides coordination and guidance of legislative activities and regularly work with the Governor's Office and the Legislature to help shape and implement policy and law.	15	4	684,534						$ 684,534	2	2.00	N	Y				Future Ready Oregon Support
							10,507,862	-	13,441,800	-	653,628	-	$ 24,603,290	13	13.00						

7. Primary Purpose Program/Activity Exists
1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code
C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements exist)
S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

201 Central Operations

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	5	HECC	Admin	Provides centralized business services and support to the Higher Education Coordinating Commission. The Office of Operations include Information Technology, Contracts and Procurement, Fiscal and Budget, Project Management, and Facilities Management services	15	4	4,128,842		103,311		771,103		$ 5,003,256	4	3.50	N	Y				Future Ready Oregon Support
52500	1	HECC	Information Technology	The Information and Technology unit is responsible for maintaining and implementing computer and phone system technology and projects. It includes help desk, application development and support, network maintenance, and support for portable devices. Most of the systems that the department supports are used for reporting, grant and fiscal management, and financial aid application and management.	15	4	5,115,274				642,935		$ 5,758,209	13	12.50	N	Y				Student & Jobseeker Enterprise IT System development, Comprehensive Data and reporting support, Future Ready Oregon Support
52500	2	HECC	Budget	Fiscal and Budget Services is responsible for the department's budget development and administration, financial reporting, accounts receivable, accounts payable, bond management, and employee payroll. This unit oversees a complex budget worth almost $3 billion that includes one of the state's largest capital construction portfolios.	15	4	558,532				500,280		$ 1,058,812	4	4.00	N	Y				Future Ready Oregon Support
52500	3	HECC	Accounting	Fiscal and Budget Services is responsible for the department's budget development and administration, financial reporting, accounts receivable, accounts payable, bond management, and employee payroll. This unit oversees a complex budget worth almost $3 billion that includes one of the state's largest capital construction portfolios.	15	4	1,953,041				359,700		$ 2,312,741	10	10.00	N	Y				Future Ready Oregon Support
52500	4	HECC	Procurement	Contracts and Procurement prepares, issues, and awards contracts to qualified vendors and oversees purchasing practices. It also ensures that grant making and reporting practices adhere to all federal and state laws and regulations.	15	4	1,306,234				187,699		$ 1,493,933	5	5.00	N	Y				Future Ready Oregon Support
							13,061,923	-	103,311	-	2,461,717	-	$ 15,626,951	36	35.00						

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

201 Central Operations

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**
Agcy	**Prgm/ Div**									

12	13	14	15	16	17	18	19	20	21	22
FF	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**

7. Primary Purpose Program/Activity Exists

1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code

C Constitutional
D Debt Service
FM Federal - Mandatory
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — Agency Number: 52500

202 Research & Data

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																				
52500	1	52500	HECC	Postsecondary Research and Data (PRD) receives student records from all public colleges and universities and a growing number of private institutions. It then processes and analyzes these records to inform and improve Oregon postsecondary education and training. PRD reports on students and their characteristics, enrollment, courses, academic progress, academic pathways, completion, and labor market outcomes. It publishes and submits legislative reports, analyzes data for policy and program implementation, and tracks progress toward student equity and success.	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15	7	3,488,421				414,880		$ 3,903,301	11	9.00	N	Y				Comprehensive Data and Reporting dashboards, Future Ready Oregon support, Additional reporting for Oregon Opportunity Grant and Oregon Promise grants
52500	2	52500	HECC	The Oregon Longitudinal Data Collaborative (OLDC) is the program name for Oregon's Statewide Longitudinal Data System (SLDS) that matches and links data about students as they move through school and the workforce. Technology enables the system to provide these linkages without revealing the identity of any students. The mission of the OLDC is to use this technology to support objective analysis and reliable conclusions based on robust cross-sector, longitudinal education data. With the OLDC, for the first time, researchers can draw on student data from K-12 to higher education to the workforce linked in a systematic way. The SLDS partners with state agencies that collect student data and acts as a central hub where the data can be linked and analyzed. The purpose of the OLDC is to improve student learning. Longitudinal data allow policy makers to clearly identify program outcomes across student populations and geographic regions. This helps the state pinpoint and address areas of inequities so it can better direct resources and funding to programs that are helping students succeed.	1,2,3,4,5,6,7,8,9,10,11,12,13,14,15	7			4,098,077				$ 4,098,077	6	6.00	N	N				
							3,488,421	-	4,098,077	-	414,880	-	$ 8,001,378	17	15.00						

7. Primary Purpose Program/Activity Exists
1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code
C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements exist)
S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

203 Academic Policy and Authorization

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	Office of Degree Authorization	Authorizes private degree-granting institutions and distance education providers. ODA oversees the biennial re-authorization of more than twenty in state degree granting private institutions, and more than forty-five out of state degree granting institutions (a mix of public and private). When schools close, ODA steps in to manage the orderly transition of transcripts to a custodial institution or takes ownership of those transcripts. ODA is responsible for student and consumer protection from diploma mills and unauthorized schools. ODA is also responsible for administration of NC-SARA for the state of Oregon, including active investigation of student complaints. There are currently thirty (30) Oregon institutions that participate in this national reciprocity agreement, encompassing more than 2,000 schools in forty-nine states.	1,2,3,4,5,6,7,8,9,10,13,14,15	7	2,013,288		3,291,588				$ 5,304,876	15	13.24	N	Y				Access to transcripts and rural student policy work
52500	2	HECC	Private Career Schools	PCS licenses and provides technical assistance to private career and trade schools. PCS is responsible for student and consumer protection from diploma mills and unlicensed career schools, and investigates a broad array of student complaints under its enabling statutes (ORS 345). Currently there are approximately 185 private career schools in Oregon, the largest contingent of these are cosmetology, barbering, and other "personal care" training schools. PCS staff are advised by an advisory board comprised mostly of school owners and staff. This public body advises staff on policy related to private career schools, Administrative Rules, and legislative response to bills affecting the sector. When schools close, PCS staff make sure the transition is orderly as possible to assure that student interests are protected, including the issue of appropriate refunds from the school or via the state-administered Tuition Protection Fund	1,2,3,4,5,6,7,8,9,10,13,14,15	7				206,000			$ 206,000			N	N				Increased compliance work
52500	3	HECC	Public Universtiy Academic Policy Coordination	Public University Academic Policy Coordination (PUAPC) is responsible for policy coordination related to Oregon's seven public universities to achieve Oregon's higher education goals. This unit leads the HECC's response to legislation related to Oregon public university policies, student success, student services, and academic programs. It carries out statutory authorities of the HECC to foster pathways to success for current and future Oregon students of public universities related to post-secondary pathways and transitions, academic programs approvals, degree completion initiatives, and university evaluations.	1,2,3,4,5,6,7,8,9,10,13,14,15	7	261,161						$ 261,161			N	Y				
							2,274,449	-	3,291,588	206,000	-	-	$ 5,772,037	15	13.24						

7. Primary Purpose Program/Activity Exists
1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development

19. Legal Requirement Code
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FM Federal - Mandatory
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S Statutory

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

203 Academic Policy and Authorization

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				

7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

204 Post Secondary Finance & Capital

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	2	HECC	Admin	Provides fiscal coordination related to Oregon's public postsecondary institutions, including financial planning, biennial budget recommendations for the Community College Support Fund, Public University Support Fund, Public University State Programs, Public University Statewide Public Services, capital investments, fiscal reporting and analysis, capital bond funding administration, and the allocation of state funding to public postsecondary institutions.	15	7	2,078,083						$ 2,078,083	5	5.00	N	Y				
52500	1	HECC	Cost of Issuance	Provides dollars for Public University and Community College Debt Service	15	7			0				$ -					D			Cost of issuance for bond funding for Public University and Community College Capital Construction
							2,078,083	-	-	-	-	-	$ 2,078,083	5	5.00						

7. Primary Purpose Program/Activity Exists

1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
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19. Legal Requirement Code

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S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

205 Community College & Workforce Development

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	4	HECC	Admin	Provides coordination leadership and resources related to Oregon's community colleges and adult basic skills providers. CCWD also provides statewide administration related to Career and Technical Education (CTE) (including the Carl D. Perkins Vocational and Technical Education Act), Accelerated Learning, Career Pathways, Community College Program Approval, GED ® testing and high school equivalency, English Language Learners, and the Workforce Innovation and Opportunity Act (WIOA) for Adult Education (Title II).	1,2,3,4,5,6,9, 10,11,12,15	7	19,384,955		1,214,201		631,917		$ 21,231,073	13	13.00	N	Y				Transfer portal contract work and Future Ready Oregon Support funding
52500	3	HECC	GED	The purples of the Oregon high School Equivalency Program is to oversee and improve the high school equivalency testing process for test applicants in Oregon. Included in the oversight is the administration of the testing preparation centers, testing centers statewide, and grant funding allocated by the state. The GED® test, a product of the GED testing Service, is the only high school equivalency test that is administered in Oregon	1,2,3,4,5,6,9, 10,11,12,15	7	1,937,234		747,300				$ 2,684,534	1	0.70	N	Y				
52501	1	HECC	Title II	Funding provided by the Adult Education and Family Literacy Act (AEFLA), Title II of the Workforce Innovation and Opportunity Act (WIOA), is used to support Oregon's Adult Basic Skills Program in providing adult Oregonians the skills they need for family self-sufficiency, careers, community involvement, and further education. The HECC Office of Community Colleges and Workforce Development administers the program by working with community colleges, the Oregon Department of Corrections, and adult education providers across the state to provide strategic leadership, technical assistance, administration of these federal funds, and coordination of programming to meet the educational needs of Oregon adults.	1,2,3,4,5,6,9, 10,11,12,15	7					12,595,453		$ 12,595,453	2	2.00	N	Y				

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

205 Community College & Workforce Development

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52502	3	HECC	Carl Perkins	The Carl D. Perkins Career and Technical Act of 2006 is a federally funded grant used for the development and support of programs of study in career and technical education programs. While this grant is paid directly to the Oregon Department of Education (ODE), ODE partners with the Office of Community Colleges and Workforce Development (CCWD) to ensure the implementation and administration of the program creates true partnerships between the secondary and postsecondary educational sectors. In Oregon, the grant is split equally between the sectors and CCWD receives a portion of those funds for administration, professional development and technical support to Oregon's 17 community colleges.	1,2,3,4,5,6,9, 10,11,12,15	7	752,003		1,940,484				$ 2,692,487			N	Y				Increase internal programming for Carl Perkins grant funding
							22,074,192	-	3,901,985	-	13,227,370	-	$ 39,203,547	16	15.70						

7. Primary Purpose Program/Activity Exists

1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
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11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

206 Office of Workforce Investments

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	6	HECC	Admin	OWI is focused on ensuring that Oregon's workers have the knowledge, skills, and work-related training they need to secure true wage jobs and meet the needs of our employers – now and in the future. OWI works in partnership with the Oregon Employment Department, DHS, OCB and others to provide leadership to Oregon's workforce system and is responsible for convening partnerships, supporting and providing technical assistance to the Workforce and Talent Development Board (WTDB) and local workforce development boards (WDBs), and implementing the Governor's vision and the WTDB strategic plan.	15	4	3,730,904		28,062		5,766,861		$ 9,525,827	17	17.00	N	Y				
52500	3	HECC	General Fund Programs	A majority of funds that the Office of Workforce Investments administers provide direct services to Oregonians and Oregon businesses through a series of sub-grants and contracts to local WDBs, non-profits and state agency partners. OWI monitors these investments to Oregon's workforce system, ensuring programmatic compliance and fiscal accountability.	15	6	19,898,240						$ 19,898,240	5	4.50	N	Y				
52500	1	HECC	Title IB	OWI is responsible for implementing both the strategic vision and operational portions of the WIOA state plan, as required by federal law. The strategic vision is created through a business-led process that includes the Governor's Office and the business majority led state workforce board. OWI contracts with the nine Governor-approved local boards to implement this vision through service delivery contracts that serve businesses, adults, dislocated workers and youth in all communities throughout the state.	15	6					101,030,725	20,536,302	$ 121,567,027			N	Y				
52500	2	HECC	Grants & Programs	A majority of funds that the Office of Workforce Investments administers provide direct services to Oregonians and Oregon businesses through a series of sub-grants and contracts to local WDBs, non-profits and state agency partners. OWI monitors these investments to Oregon's workforce system, ensuring programmatic compliance and fiscal accountability.	15	6	1,515,821		11,483,891		2,762,015		$ 15,761,727	3	3.00	N	Y				Future Ready Oregon Workforce grants and support, Oregon Conservation Corp funding

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission																					
2023-25 Biennium																	**Agency Number: 52500**				
206 Office of Workforce Investments																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
52500	5	HECC	Oregon Volunteers	Oregon Volunteers, also known as the Commission for Voluntary Action & Service, was created in 1994 to provide Oregonians with a statewide entity to focus service and volunteer efforts, to enhance the ethic of service and voluntarism in the state and provide funds for state-based AmeriCorps programs. As a state commission, Oregon Volunteers' mission is to strengthen our communities by inspiring Oregonians to actively engage, volunteer, and serve	15	6	710,302		70,720		8,006,821		$ 8,787,843	3	3.00	Y	Y				Americorp education incentives establishment and add program support capacity
52500	4	HECC	Oregon Youth Corp	Oregon Youth Corps (OYC) empowers youth by providing outdoor work and stewardship experiences throughout Oregon. OYC's vision is to see that Oregon's at-risk youth are successful community members engaged in work, stewardship, and lifelong learning.	15	6			2,902,736		1,306,168		$ 4,208,904	2	2.00	N	Y				Funding for dedicated Tribal Youth Corp grants
							25,855,267	-	14,485,409	-	118,872,590	20,536,302	$ 179,749,568	30	29.50						

7. Primary Purpose Program/Activity Exists

1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number:** 52500

207 State Financial Aid & Access Programs

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																				
52500	1	HECC	Oregon Tribal Student Grant	Oregon Tribal Student Grant (est. 2022), is an investment aimed to eliminate college affordability barriers and foster college success for students who are registered members of Oregon's nine federally recognized Tribes.	9,10,15	7							$ -	0	0.00	Y	N				Establish permanent grant funding for Tribal students
52500	2	HECC	Oregon Opportunity Grant	the Oregon Opportunity Grant (OOG) is Oregon's largest and oldest state-funded, need-sensitive grant program to help Oregon students with the greatest financial need attain a postsecondary education. Each year, the program helps around 40,000 low-income undergraduate Oregon residents pay for a portion of their college expenses at an Oregon community college, Oregon public university, or Oregon-based private nonprofit 4-year institutions. Oregon students apply for the Opportunity Grant by completing the Free Application for Federal Student Aid (FAFSA), which is also the application for Federal Pell Grants and Federal Direct Student Loans. Undocumented Oregon residents who are not eligible for federal student aid can complete an alternative to the FAFSA, the Oregon Student Aid Application (ORSAA), to apply for the grant. Students may receive the grant for the equivalent of 12 quarters or 8 semesters at full-time enrollment; grants are prorated for partial-year or half-time enrollment. To remain eligible for the grant, students maintain satisfactory academic progress and meet all federal Title IV eligibility requirements, including having no student loan defaults or owing a refund of federal student grant funds	9,10,15	7	173,414,938	12,790,254	22,194,808				$ 208,400,000			N	N				Increased funding for OOG program to expand eligibility and program participants
52500	3	HECC	Oregon Promise	Oregon Promise is a state grant established in 2015 that helps to cover most tuition costs at any Oregon community college for recent high school graduates and GED® test graduates. Oregon Promise grant funds are available until the student has attempted a *total of 90 college credits* . There is no limit to the number of years or terms the student can receive the grant, providing the student has not yet reached the 90-credit limit and continues to maintain satisfactory academic progress. To qualify, students must be an Oregon resident and enroll at least half time at an Oregon community college within 6 months of graduation. Applicants must also meet of other eligibility criteria, including completing an Oregon Promise Grant application by their appropriate deadline, filing a FAFSA or ORSAA, and having a cumulative high school GPA of 2.5 or a GED® score of 145 or higher one each test	9,10,15	7	44,252,681						$ 44,252,681	3	2.50	N	Y				Increased funding for OP program to expand eligibility and program participants
52500	4	HECC	Private Awards	OSAC administers more than 600 individual privately funded scholarship programs to help make college more affordable for Oregon students. Applicants can apply for numerous scholarships by using one common electronic application and submit their entire application and required support documents online at www.OregonStudentAid.gov. In partnership with The Oregon Community Foundation, private individuals, employers, banks, and membership organizations, OSAC coordinates the application and awarding processes the private scholarship programs through a single electronic application process. Many of these scholarships are based on merit and achievement; others are based on need and focus on underserved populations, such as low-income students, adult learners, and first-generation college students. The range of scholarship programs administered by OSAC includes irrevocable trust, partner organizations, annual "pass-through" programs, and employer programs. A partnership of private funds and public administration of this magnitude is unique among all the states.	9,10,15	7			16,294,929				$ 16,294,929	7	7.00	N	N				
52500	5	HECC	Public Programs	Public programs manages JOBS Plus; Scholarships for Dependent Children of Deceased and Disable Public Safety Officers; Oregon Student Child Care Grant; Oregon Teacher Scholars Scholarships program; and Chafee Education & Training Voucher program.	9,10,15	7	1,342,328		1,758,720				$ 3,101,048	1	1.00	Y	Y				Increase to grants to students for child care and establish funding for the early learning educator grants

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

207 State Financial Aid & Access Programs

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
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Agcy	**Prgm/ Div**																				
52500	6	HECC	Oregon National Guard	The Oregon National Guard State Tuition Assistance (ONGSTA) program was created by the Oregon Legislative Assembly in 2018. The program provides funding for tuition at Oregon community colleges and public universities for current members of the Oregon National Guard (ONG). The ONGSTA is designed as a "last dollar" program, which means that award calculations first consider all other federal and state grant aid and federal/military tuition assistance the member maybe eligible to receive. Active ONG members who meet the eligibility criteria, have completed basic training, and have not yet earned a baccalaureate degree or higher may receive funds to pay for up to 90 credits at an Oregon community college or up to 180 credits at an Oregon public university, Oregon Health and Science University, or a qualifying private institution that meets the criteria set forth in ORS 348.597(2). ONG members must be enrolled in an undergraduate certificate or degree program at an eligible post-secondary institution	9,10,15	7	4,319,455				135,254		$ 4,454,709	1	1.50	N	Y				Increased funding for ONGSTA program to support additional eligible students and potential dependents
52500	7	HECC	ASPIRE	ASPIRE (Access to Student assistance Programs in Reach of Everyone) is the state of Oregon's mentoring program to help students access education and training beyond high school. The program is designed to create a college-going culture in middle schools, high schools, and community-based organizations (CBOs) statewide and is currently in more than 150 sites across Oregon. It utilizes more than 1,419 volunteers and mentors more than 9,300 students each year.	9,10,15	7	1,834,772		283,189				$ 2,117,961	7	5.50	N	Y				Increased staffing and grant funding to support increased FAFSA completion and college readiness.
52500	8	HECC	Admin	OSAC administers private scholarship and public grant programs to ensure that students receive accurate information about application processes and that all awards are made according to Oregon Administrative Rules or scholarship donor criteria. The office is also responsible for providing outreach to community and professional organizations and for helping students file the Federal Application for Federal Student Aid (FAFSA) and prepare to apply for scholarships through various outreach events and workshops at high schools, colleges, and other venues statewide	9,10,15	4	2,879,923		127,334				$ 3,007,257	6	5.00	N	Y				Admin support for the Tribal grant, OOG/OP grants, Student child care grants, and early learning educator grants.
							228,044,097	12,790,254	40,658,980	-	135,254	-	$ 281,628,585	25	22.50						

7. Primary Purpose Program/Activity Exists

1 Civil Justice
2 Community Development
3 Consumer Protection
4 Administrative Function
5 Criminal Justice
6 Economic Development
7 Education & Skill Development
8 Emergency Services
9 Environmental Protection
10 Public Health
11 Recreation, Heritage, or Cultural
12 Social Support

19. Legal Requirement Code

C Constitutional
D Debt Service
FM Federal - Mandatory
FO Federal - Optional (once you choose to participate, certain requirements exist)
S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

208 Support to Community Colleges

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	SCC	The Community College Support Fund (CCSF) is the primary vehicle for direct state investment in the operations of Oregon's seventeen community colleges.	1,2,3,4,5,6,9,10,11,12	7	768,478,613		10,963,492				$ 779,442,105			N	Y				Increase to CCSF for ongoing funding and one-time funding for 2023-25, Establish funding for cybersecurity, and establish permanent general fund resources for Open Education Resources
							768,478,613	-	10,963,492	-	-	-	$ 779,442,105	0	0.00						

7. Primary Purpose Program/Activity Exists

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission																					
2023-25 Biennium																		**Agency Number:**		**52500**	
209 Public University Ops & Student Support																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	SPU	The Public University Support Fund (PUSF) is the primary vehicle for direct state investment in the operations of Oregon's seven public universities	1,2,3,4,5,6,7, 8,9,10,13,14	7	972,047,213						$ 972,047,213			N	Y				Increase to PUSF and establish funding for cybersecurity
							972,047,213	-	-	-	-	-	$ 972,047,213	0	0.00						

7. Primary Purpose Program/Activity Exists
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19. Legal Requirement Code
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D Debt Service
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S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

210 Public University State Programs

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	PUSP	The State Programs category is intended to encompass General Fund support for certain institutes, centers, and programs generally operated by the seven public universities. These efforts address the economic development, resource base, and public service needs of the State of Oregon. Many of these programs have an industry-specific focus and receive additional investments from the private sector as well as other sources.		7	52,456,809						$ 52,456,809			N	Y				Establish permanent state funding for Strong Start program. Provide continuation of state program funding for projects including but not limited to the wildfire map and Environmental Justice Mapping tool
							52,456,809	-	-	-	-	-	$ 52,456,809	0	0.00						

7. Primary Purpose Program/Activity Exists
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium | **Agency Number: 52500**

211 Statewide Public Services

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	SWPS	Includes Agriculture Experiment Station, Extension Services and the Forest Research Laboratory.		7	168,611,441	51,494,315					$ 220,105,756			N	Y				
							168,611,441	51,494,315	-	-	-	-	$ 220,105,756	0	0.00						

7. Primary Purpose Program/Activity Exists
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission																					
2023-25 Biennium																	**Agency Number:**		**52500**		
212 Sports Lottery																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	SL	Provides lottery funds to support athletic programs and student scholarships at Oregon's public universities.		7		16,514,607					$ 16,514,607			N	Y				
							-	16,514,607	-	-	-	-	$ 16,514,607	0	0.00						

7. Primary Purpose Program/Activity Exists

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

213 OHSU Programs

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	OHSU	OHSU has four public missions: education, clinical care, research, and statewide outreach. The university educates the next generation of health care professionals and biomedical scientists, creates new knowledge, translates scientific research into therapies for disease, provides compassionate and evidence-based patient care, and improves health statewide through access and policy initiatives	4,7,8,9,10,13, 14	7	129,992,377						$ 129,992,377			N	Y				
							129,992,377	-	-	-	-	-	$ 129,992,377	0	0.00						

7. Primary Purpose Program/Activity Exists
1 Civil Justice
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

214 Public University Debt Service

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																				
52500	1	HECC	DS	The debt service program includes all long-term debt obligations to pay for capital construction projects. These include debt paid by state appropriations and revenue generated by self-supporting programs such as gifts, grants or building fees.	1,2,3,4,7,8,9,10,13,14	7	277,481,327	33,308,670	3,957,430	191,199,890		4,008,153	$ 509,955,470			N	N	D			
							277,481,327	33,308,670	3,957,430	191,199,890	-	4,008,153	$ 509,955,470	0	0.00						

7. Primary Purpose Program/Activity Exists

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium | **Agency Number: 52500**

215 Community College Debt Service

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	DS	The debt service program includes all long-term debt obligations to pay for capital construction projects. These include debt paid by state appropriations and revenue generated by self-supporting programs such as gifts, grants or building fees.	1,2,3,4,5,6,9, 10,11,12	7	44,213,682	11,821,800					$ 56,035,482			N	N	D			
							44,213,682	11,821,800	-	-	-	-	$ 56,035,482	0	0.00						

7. Primary Purpose Program/Activity Exists

1 Civil Justice
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

216 OHSU Debt Service

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	DS	The debt service program includes all long-term debt obligations to pay for capital construction projects. These include debt paid by state appropriations and revenue generated by self-supporting programs such as gifts, grants or building fees.	4,7,8,9,10,13,14	7	23,575,130		7,328,750	3,441,830			$ 34,345,710			N	N	D			
							23,575,130	-	7,328,750	3,441,830	-	-	$ 34,345,710	0	0.00						

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number: 52500**

217 Public University Capital Construction

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																				
52500	1	HECC	PUCC	The capital construction program includes an opportunity for public universities and community colleges to request funding for capital projects, including state-backed debt.	1,2,3,4,7,8,9,10,13,14	7							$ -			N	N				Public University Capital Construction Projects
							-	-	-	-	-	-	$ -	0	0.00						

7. Primary Purpose Program/Activity Exists

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium **Agency Number: 52500**

218 Community College Capital Construction

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	Admin	The capital construction program includes an opportunity for public universities and community colleges to request funding for capital projects, including state-backed debt.	1,2,3,4,5,6,9,10,11,12	7							$ -			N	N				Community College Capital Constrcution Projects
							-	-	-	-	-	-	$ -	0	0.00						

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2023-25

Agency Name: Higher Education Coordinating Commission

2023-25 Biennium — **Agency Number:** 52500

219 OHSU Capital Construction

Program/Division Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)		**Agency Initials**	**Program or Activity Initials**	**Program Unit/Activity Description**	**Identify Key Performance Measure(s)**	**Primary Purpose Program-Activity Code**	**GF**	**LF**	**OF**	**NL-OF**	**FF**	**NL-FF**	**TOTAL FUNDS**	**Pos.**	**FTE**	**New or Enhanced Program (Y/N)**	**Included as Reduction Option (Y/N)**	**Legal Req. Code (C, D, FM, FO, S)**	**Legal Citation**	**Explain What is Mandatory (for C, FM, and FO Only)**	**Comments on Proposed Changes to CSL included in Agency Request**
Agcy	**Prgm/ Div**																				
52500	1	HECC	Admin	The capital construction program includes an opportunity for public universities and community colleges to request funding for capital projects, including state-backed debt.	4,7,8,9,10,13, 14	7							$ -								
							-	-	-	-	-	-	$ -	0	0.00						

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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, Higher Education Coordinating Commission presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2023-2025 biennium.

Supervisory Ratio for the last quarter of 2021-2023 biennium

The agency Span of Control reported through DAS as of 03-15-2023 @ 12:00 pm reports the current ratio as 1:10.
The current agency max supervisory ratio is 1:7.

When determining an agency maximum supervisory ratio all agencies shall begin of a baseline supervisory ratio of 1:11, and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.

The Agency actual supervisory ratio is calculated using the following calculation;

20	**=**	**19**	**+**	**1**	**-**	**1**
(Total supervisors)		**(Employee in a supervisory role)**		**(Vacancies that if filled would perform a supervisory role)**		**(Agency head)**
191	**=**	**152**	**+**	**39**		
(Total non-supervisors)		**(Employee in a non-supervisory role)**		**(Vacancies that if filled would perform a non- supervisory role)**		

The agency has a current actual supervisory ratio of-

1:10 (1:9.55)	**=**	**191**	**/**	**20**
(Actual span of control)		**(Total non - Supervisors)**		**(Total Supervisors)**

← Narrow Span		Wide Span →
High	**RISK TO PUBLIC/EMPLOYEE SAFETY**	**Low**
Dispersed	**GEOGRAPHIC LOCATION(s) OF SUBORDINATES**	Assembled
Complex	**COMPLEXITY OF DUTIES/MISSION**	Not complex
Low	**BEST PRACTICES/INDUSTRY STANDARDS**	**High**
Small **(Small-Mid)**	**AGENCY SIZE/HOURS OF OPERATION**	Large
Many (& Volunteers)	**NON AGENCY STAFF/TEMPORARY EMPLOYEES**	Few
High	**FINANCIAL RESPONSIBILITY**	Low
← More Supervisors		Fewer Supervisors →

Is safety of the public or of State employees a factor to be considered in determining the agency maximum supervisory ratio? **NO – Not applicable**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

(Per Span of Control, DAS Policy 30.000.20: (Safety of the public or of state employees - If the work of the agency presents a high risk to the safety of the public or of state employees the span of control may narrow and may require more supervisors. Conversely a low risk to the safety of the public or of state employees may widen the span of control and may require fewer supervisors.)

Is geographical location of the agency's employees a factor to be considered in determining the agency maximum supervisory ratio? **YES**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

(Per Span of Control, DAS Policy 30.000.20: Geographical location of the agency's employees - A dispersed work force may narrow the span of control and may require more supervisors, while a geographically close workforce may widen the span of control and may require fewer supervisors.)

The HECC has two office locations, one in Salem and an office space in Portland. Also, the majority of staff work remote hybrid schedules from various locations on average of 3-4 days a week.

Is the complexity of the agency's duties a factor to be considered in determining the agency maximum supervisory ratio? **YES**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

(Per Span of Control, DAS Policy 30.000.20: Complexity of the agency's duties - If the nature of the work is complex, the span of control may narrow and may require more supervisors. A less complex nature of work may widen the span of control and may require fewer supervisors.)

The HECC is responsible for a large and diverse set of post-secondary education and workforce activities in Oregon. The HECC is the primary state entity responsible for ensuring pathways to postsecondary education and workforce success for Oregonians statewide, and serves as a convener of the groups, partners, and institutions working across the public and private higher education arena.

The agency is comprised of eight (8) distinct offices led by Executive Director Ben Cannon and an executive team. The general management structure of each office is a Director and Deputy model, where the eight (8) offices have an Office Director and Office Deputy. To support the agency and staff needs in our eight (8) offices with staff majority working remotely as Hybrid staff, we need at least 20 supervisory managers. Since at least 2016, the base need was 17 supervisors for the agency. However, since this time permanent programs were added, such as DEI and additional workforce investment programs, the current base supervisor count is at least 20.

Are there industry best practices and standards that should be a factor when determining the agency maximum supervisory ratio? **YES**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

(Per Span of Control, DAS Policy 30.000.20: Industry best practices and standards - An agency that can demonstrate there are industry best practices and standards that support a greater or lesser span of control may consider those industry best practices and standards when developing their maximum supervisory ratio.

Employees with repetitive job duties function well under a wide span of control. Employees with job duties that require high skill levels and complex functions are more suitable in a narrow span of control. Many of the HECC positions fall into the latter category with highly complex and sensitive education and workforce policy leadership roles. These positions are organized within the eight (8) offices of the agency with staff with the majority working remote hybrid schedules.

Is size and hours of operation of the agency a factor to be considered in determining the agency maximum supervisory ratio?

YES

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

(Per Span of Control, DAS Policy 30.000.20: A large agency or an agency with greater hours of operation may require a wider span of control and may require fewer supervisors while a smaller agency or an agency with fewer hours of operation may have a narrower the span of control and may require more supervisors)

Large agencies with many broad programs and multiple layers of supervisors, along with staff with repetitive job duties function well under a wide span of control. Smaller agencies with multiple small units, along with employees with job duties that require high skill levels and complex functions are more suitable in a narrow span of control. The HECC is a small-medium sized agency and many of the HECC positions fall into the latter category with highly complex and sensitive education and workforce policy leadership roles. These positions are organized within the eight (8) offices of the agency with staff with the majority working remotely and hybrid schedules.

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency maximum supervisory ratio?

YES

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

(Per Span of Control, DAS Policy 30.000.20: (A) An agency with unique personnel needs including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees may consider those unique personnel needs when establishing the agency maximum supervisory ratio. (B) An agency with a greater number of unique personnel needs may require a narrower span of control with more supervisors while an agency with fewer unique personnel needs may have a wider the span of control and require fewer supervisors.)

Our agency supports over 100 multiple board and commission positions. Support is required for the board/commission positions and their meetings, including sub-committees and work groups. These are diverse policy making boards and commissions that require both high level policy analyst and program support, supervisor leadership and support, as well as office support.

Our current agency position count of 212 includes over 32 limited duration and temporary staff, we need to keep our base ratio at 1:7 to allow for fluctuations in the LD and temp positions and reductions. The 23-25 CSL agency position count is 157 (148.94 FTE) and the 23-25 GRB agency position count is 171 (163.33).

The agency supervisor count was initially 17 in 2016 to support the multiple small offices and teams to covering the core functions and programs. However, since this time permanent programs were added, such as DEI and additional workforce investment programs, the current base supervisor count is at least 20.

The current agency base supervisor count to support the 8 main offices will remain as 21 (20 not counting the agency head), **5+4+3+8+1=<u>21</u>**. We have **<u>5</u>** supervisors in the Executive Director's office (including the agency head and agency Deputy Director); **<u>4</u>** supervisors in the Office of Operations; **<u>3</u>** supervisors in the Office of Workforce Investments; **<u>8</u>** supervisors from 2 supervisors (one office director and one deputy) in four of our program offices – R&D, OSAC, CCWD, and APA; and **1** supervisor in the Post-secondary Finance & Capital.

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency maximum supervisory ratio? **YES**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

(Per Span of Control, DAS Policy 30.000.20: Financial scope and responsibility of the agency - An agency with a high financial scope and responsibility may require a narrower span of control and more supervisors while an agency with a lower financial scope and responsibility may require a wider span of control and fewer supervisors.)

The HECC is a small-mid sized agency with a large budget with a wide range of diverse programs and complex and sensitive education and workforce policy leadership roles, along with full-scope agency-wide support positions including IT, Budget, Procurement, Accounting, Payroll, HR, Communications, DEI, Legislative, Audit, and R&D. The agency consists of multiple small units with many staff requiring high skill levels and complex function, including diverse grant and contract administration, which are more suitable in a narrow span of control.

HECC Budget Description	2021-23 LAB	2023-25 CSL	2023-25 GRB
Includes all special payments, personal services, services and supplies, and debt service funds for all HECC programs.	**$3.92 Billion Total** $2.66B GF $139.8M LF $967.1M OF $155.6M FF	**$3.32 Billion Total** $2.74B GF $125.9M LF $297.0M OF $160.3M FF	**$3.76 Billion Total** $2.49B GF $486.2M LF $628.3M OF $160.3M FF
		Change from LAB and CSL	***-4.4% from LAB*** ***+13.2% from CSL***

Based upon the described factors above the agency proposes to continue a Maximum Supervisory Ratio of 1:7.

Unions Requiring Notification SEIU (Special Agencies Coalition)

Date union notified: March 23, 2023

Submitted to Union by: Susie Hosie **Date:** 3/23/2023

Susie Hosie, HECC HR Director

Signature Line Ben Cannon **Date** 3/24/2023

Ben Cannon, HECC Executive Director

Signature Line Ramona Rodamaker **Date** 23 March 2023

Ramona Rodamaker, HECC Executive Deputy Director

Signature Line Tom E Riel **Date** 3/24/2023

Tom Riel, HECC Operations Director

Summary of 15% Reduction Options, Impact of GRB Reductions, Long Term Vacancy Summary

15% Reduction Options – 82% of HECC's budget is Special Payments (funds that go directly to Institutions, Workforce Boards, or Students) and 15% is debt service which is payment for past and current capital projects. This leaves only 2.2% in Agency Administrative costs. The only way for HECC to realize a 15% overall reduction is to reduce the amount of dollars that go out to our constituents as well as reduce our agency administrative costs. We have chosen to do this by using an across the board approach. Our 15% reduction option decreases our Agency's Supplies and Services Budget and decreases our institution support and financial aid expenditures.

GRB Reductions - The GRB reductions also used a targeted but wide-ranging approach. Institution support payments were reduced but financial aid was increased. Inflation increases were unaccounted for in our Agency Administrative expenditures and long-term vacancies were cut. While the impact of these reductions will be felt by our postsecondary institutions and our Agency. We believe any proposed cuts in the GRB to Agency Administration will be able to be absorbed by careful fiscal controls with very little impact to the services we provide.

Long Term Vacancies – HECC had 5 long term vacancies, 3 of which are currently being recruited for. The other 2 positions, one of which is a .25 FTE position have been put on our reduction list and will not be filled.

Agency

Vacant Position Information **Vacancies as of December 31, 2022**

Agency Initial	SCR	DCR	Pos No	Position Class Comp	Position Title	Pos Type	GF Fund Split	LF Fund Split	OF Fund Split	FF Fund Split	FTE	2023-25 GF PS Total	2023-25 LF PS Total	2023-25 OF PS Total	2023-25 FF PS Total	2023-25 Total Bien PS	Vacant Date	Position eliminated in GRB?	Reason for vacancy
HECC	52500-207-00-00-00000	52500-207-06-00-00000	5250074	OAS C1116AP	Research Analyst 2	FT	0.00	0.00	1.00	0.00	1.00	0	0	177,409	0	177,409	9/20/2019		Termination - Held for Vacancy Savings
HECC	52500-205-00-00-00000	52500-205-01-00-00000	5250249	OAS C1118AP	Research Analyst 4	PT	1.00	0.00	0.00	0.00	0.25	57,919	0	0	0	57,919	7/1/2021		Created Position - Held for Vacancy Savings
HECC	52500-206-00-00-00000	52500-206-04-00-00000	5250580	MMN X0873AP	Operations & Policy Analyst 4	FT	1.00	0.00	0.00	0.00	1.00	270,375	0	0	0	270,375	7/1/2021		Created Position - Not yet filled
HECC	52500-206-00-00-00000	52500-206-04-00-00000	5250581	MMN X0872AP	Operations & Policy Analyst 3	FT	1.00	0.00	0.00	0.00	1.00	249,212	0	0	0	249,212	7/1/2021		Created Position - Not yet filled
HECC	52500-206-00-00-00000	52500-206-04-00-00000	5250582	MMN X0872AP	Operations & Policy Analyst 3	FT	1.00	0.00	0.00	0.00	1.00	249,212	0	0	0	249,212	7/1/2021		Created Position - Not yet filled
											-					-			
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Total						**Pos**	**GF**	**LF**	**OF**	**FF**	**FTE**	**GF**	**LF**	**OF**	**FF**	**AF**			
						5	**4.00**	**0.00**	**1.00**	**0.00**	**4.25**	**826,718**	**0**	**177,409**	**0**	**1,004,127**			

Summary of IT Projects

HECC's only major IT Project is the second phase of the replacement of HECC's Financial Aid Management Information System (FAMIS), begun during the 2021-23 biennium. The first phase was an intermediate step to make the student portal more accessible in the near term. There are three systems that are part of the second phase:

1. The Office of Student Access and Completion's (OSAC's) Financial Aid Management Information System (FAMIS),
2. The Office of Workforce Investment's (OWI's) Eligible Trainer Provider List (ETPL), and
3. The Office of Academic Policy and Authorization's (APA's) has two units: Private Career Schools (PCS), which focuses on school licensure, teacher registration, private college authorization, compliance management, and reporting; and Office of Degree Authorization (ODA), which approves academic programs from degree granting postsecondary institutions. PCS has a legacy IT system (PCSVets) in need of replacement and ODA currently uses a paper driven process. HECC is seeking to make all of APA's processes part of the new system.

For FAMIS, the core technology was built over four decades ago. HECC's reliance on FAMIS prohibits the agency from effectively and efficiently administering state education funding, responding quickly or completely to legislative mandates, or innovating and improving the administration of the financial aid programs it manages. This has a detrimental effect on students, particularly low-income and historically underserved students, who are trying to access financial aid information and resources to help pay for college and hinders students from completing their applications or pursuing post-secondary education and training opportunities.

ETPL is a critical resource that supports informed consumer choice for locally relevant, job-driven training options. The list provides information on training costs, program duration and location, and other important information that consumers can use to select the best training option. If an individual is seeking WIOA-funded assistance for career-based training or skill building opportunities, the ETPL is the first, best, and often only resource available to them. If a training program is not included on the list, it is not eligible to accept federally funded subsidy, with very few exceptions. The current process for evaluating training providers and programs is a combination of forms completed using Survey Monkey questionnaire, manual processing by HECC staff to evaluate and qualify providers and their programs, and an Excel-based list placed on a Weebly website for public access. The process has several shortcomings that adversely impact operational efficiency on how the agency delivers services to consumers. The federal government has mandated the HECC to establish a fully functional ETPL and reporting mechanism. Failing to do so will result in sanction of the agency and potentially loss of $32 million in annual funding. The funding loss would be catastrophic and come with significant impact to workforce services in Oregon.

For APA, PCSVets has limited front-end user interface and inadequate business processes to meet the private career schools' needs. ODA has paper driven processes that could be made more efficient using technology. These efficiencies would affect HECC staff as well as postsecondary institutions.

All three of these Offices have similar needs from their different customers, including OSAC's students, OWI's training providers and jobseekers, and APA's postsecondary institutions. They require customers to fill out forms and applications and require HECC staff to evaluate this information and communicate the results back to the customers. The basic processes are the same, however, the forms and applications differ.

The cost of this project is $12.9 million to be paid mostly with Q Bonds. HECC is working with EIS and DAS Procurement to go through the stage gate process and will soon enter into a contract with an implementation vendor.

Correction 12/20/22: In the original report, Figure 6 on page 15 included an incorrect number for Umpqua Community College's 2020-21 retention rate. Figure 6 has been revised to include the correct number from HECC's updated Snapshot Report on the college.

Higher Education Coordinating Commission

Oregon Must Improve Community College Performance, Student Support, and Sustainability Amid Persistent Enrollment Declines

December 2022

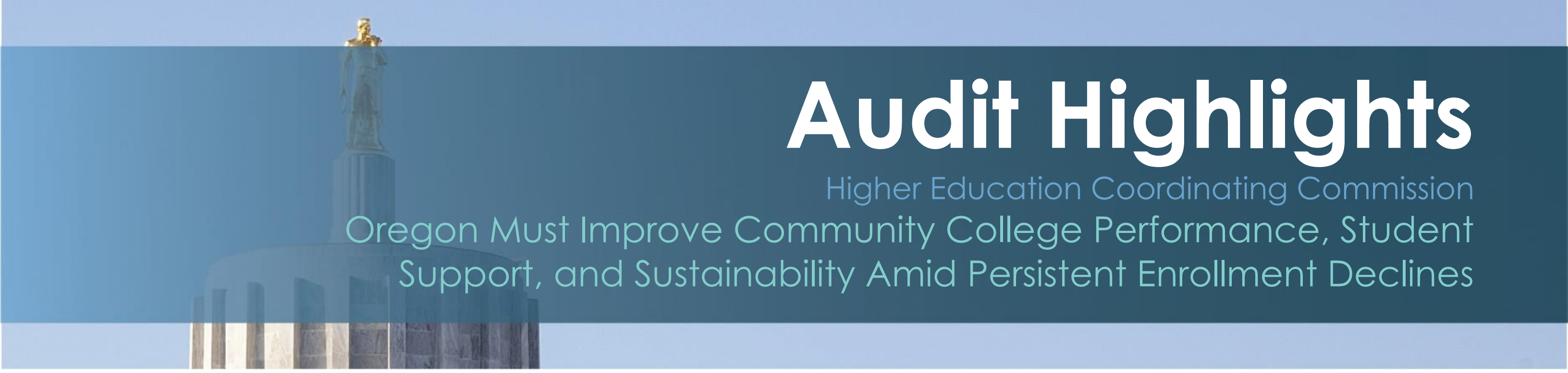
Report 2022-35

OREGON SOS

Secretary of State
Shemia Fagan

OREGON AUDITS DIVISION

Audits Director
Kip Memmott



Audit Highlights

Higher Education Coordinating Commission

Oregon Must Improve Community College Performance, Student Support, and Sustainability Amid Persistent Enrollment Declines

Why this audit is important

- Oregon's 17 community colleges enrich their communities, help meet state education and workforce goals, and help students who may not be able to afford college without them.
- The colleges enroll many students historically underserved by the education system: students identifying as Black/African American, Hispanic/Latino, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, low-income, older, and rural.
- More than half of Oregon's community college students report food insecurity, housing insecurity, or homelessness.
- The colleges and the state have focused primarily on access, but are adding a sharper focus on student success and equity gaps. Our findings indicate this shift remains a work in process.

What we found

1. Since HECC began overseeing the community college system in 2015, HECC and the colleges have focused more on equity and effective data use, students are earning certificates and associate degrees at higher rates, and equity gaps have narrowed. (pg. 14)
2. As in our last community college audit, also in 2015, student performance still lags versus other states, the system continues to lack transparency and accountability, and strategic investment remains limited. (pg. 13)
3. State and colleges continue to lack sufficient student and program data to guide strategic improvements. (pg.18)
4. Crucial student support services continue to be inadequately monitored and supported, limiting opportunities for students with the most need. (pg. 25)
5. State financial aid to students is relatively strong in national comparisons but has significant gaps in students served. (pg. 31)
6. Despite increased state funding, Oregon's colleges face substantial threats to sustainability, including enrollment declines that outpace other states, with little strategic guidance or state oversight. (pg. 34)
7. To ensure system accountability and drive timely improvements, state leaders must give HECC the necessary staff and a clear mandate to monitor the colleges, publicly report on improvements needed, and help advance improvement efforts. (pg. 12)

What we recommend

We made five recommendations to HECC and one recommendation to the Governor's Office and Legislature. HECC partially agreed with all of our recommendations. The agency's response can be found at the end of the report.

OREGON SOS

OREGON AUDITS DIVISION

Introduction

Community colleges serve a diverse set of students and are particularly important for historically underserved students. Community colleges are also critical to equitably improving workforce and education opportunities across the state and meeting workforce needs.

The Higher Education Coordinating Commission (HECC) has statewide authority for community colleges, public universities, and private colleges. This audit focuses on HECC's role with Oregon's community colleges.

HECC coordinates multiple areas of higher education, including community colleges

Oregon's Legislature established HECC in 2011 to be the statewide authority for higher education. The agency includes eight offices with 180 employees (161 Full-Time Equivalent, or FTE, positions), overseen by a 15-member volunteer commission appointed by the Governor. Commission members include one member from each congressional district, four members of the general public, and six members representing students, faculty, and staff at public universities and community colleges.

HECC's Mission

- Dramatically and equitably improve postsecondary attainment levels.
- Improve Oregon's economic competitiveness and quality of life.
- Ensure that Oregon students have affordable access to colleges and universities.

Statutes authorize HECC to:

- Develop goals across the postsecondary education system;
- Prepare strategic plans and statewide budget requests;
- Encourage and facilitate cost-sharing opportunities;
- Distribute public funding to colleges and state financial aid to Oregon students;
- Evaluate and report the success of higher education efforts; and
- Collaborate with partners to improve access to higher education for diverse and underserved populations.

HECC works with stakeholders to submit higher education budget requests to the Governor. In the 2021-23 biennium, HECC's budget for its own operating expenditures totaled $70.7 million.

The Legislature approved $700 million for 2021-23 to support community college operations. State appropriations for individual colleges are allocated through the Community College Support Fund. Allocations are based largely on enrollment and adjusted for property tax receipts to ensure total public resources per student are relatively equal across the state. In the colleges' budgets for the 2022-23 fiscal year, projected state appropriations for operations ranged from about $3 million at the state's smallest colleges to more than $100 million at Portland Community College, the largest.

The Office of Community Colleges and Workforce Development (CCWD) provides direct support to all 17 community colleges and their roughly 178,000 credit and non-credit students.[1] Prior to HECC's creation, CCWD was an independent agency. In 2015, CCWD became an office within HECC. The office has 20 positions (18 FTE). It works with the colleges and workforce programs to support student learning. CCWD staff collaborate on statewide educational efforts such as: Adult Basic Skills, Career and Technical Education, equity and student success initiatives, and transfers to universities. CCWD has one dedicated research analyst, who focuses primarily on federal grants for Career and Technical Education and Adult Basic Education.

HECC's 16 key performance measures include four that pertain to community colleges. Those measures focus on four-year completion and transfer rates and on wages five years after students complete college, including results by student race and ethnicity.

Local boards and other parties have substantial roles in the community college system

Oregon's community colleges are governed by independent and locally elected boards. The boards appoint college presidents, set college policy, approve budgets, and guide the colleges in accomplishing their mission and meeting strategic goals.

The Oregon Community College Association represents colleges and board members. The association is separate from HECC, but plays a significant role in HECC and legislative decisions on budget, policy, and college funding allocations. The Oregon Student Success Center, under OCCA, leads important college improvement initiatives.

The Northwest Commission on Colleges and Universities is the federally authorized accreditation body for Oregon and other Northwest states. Colleges must be accredited for their students to receive federal financial aid. The commission monitors and evaluates individual college operations and issues periodic independent evaluations to the colleges. If deficits are identified, colleges must address them during their seven-year accreditation cycle.

Local Workforce Investment Boards, supported by HECC's Office of Workforce Investments, play a major role in convening regional industry sector partnerships. The boards work alongside community colleges to develop and maintain regional workforce related initiatives.

Community colleges offer transfer and career-oriented education programs in communities throughout Oregon

The colleges offer technical training degrees and certificates connected to jobs as well as college-level courses and associate degrees that can count toward two full years of a bachelor's degree. Some certificates can be obtained in a year or less, allowing for faster skill-building geared toward specific jobs. Colleges also offer non-credit courses for professional and personal development, and as of 2019 can offer applied bachelor's degrees in specific topics.

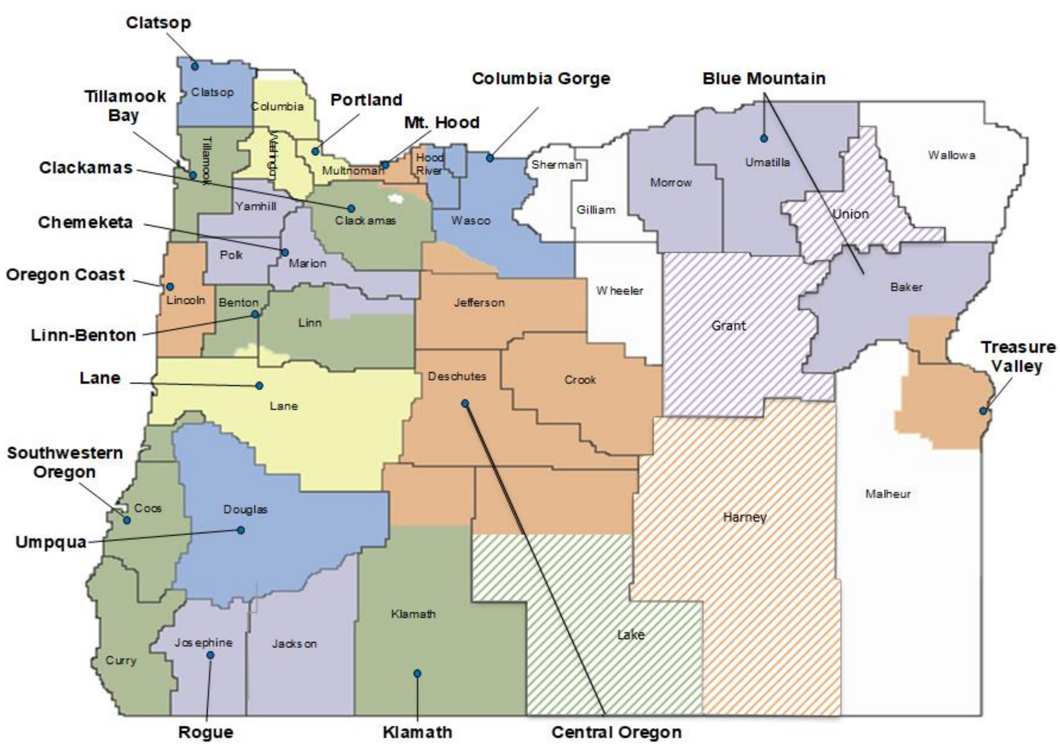
[1] Students at community colleges can take courses for college credit and can apply for applicable federal and state financial aid. Colleges receive state reimbursement for all eligible for-credit courses and for some non-credit courses, such as Adult Basic Education and English language courses.

Offerings vary by college, but generally include apprenticeship programs, dual-credit programs for high school students, and four types of courses:

> **2020-2021 offerings by type:**
>
> 51% Lower Division Coursework
>
> 16% Career Technical Education
>
> 2% For-Credit Developmental Education
>
> 31% Non-Credit Education

- **Lower Division Collegiate:** Courses and associate degrees provide transferable, college-level credits in liberal arts or specific fields such as business, English, education, and biology.
- **Career and Technical Education:** Courses, certificates, and associate degrees focus on professional and applied or hands-on subjects, such as nursing and welding. CTE courses and career pathways can lead directly to jobs and may also apply toward a bachelor's degree. These courses comprise 16% of community college course offerings statewide.
- **Adult Basic Skills and Developmental Education:** Courses offer instruction in English as a second language, writing and math fundamentals, high school diploma and General Equivalency Degree (GED) preparation, and workplace skills such as critical thinking and digital literacy. Courses may be for credit or not for credit.
- **Adult Continuing Education and Personal Enrichment:** Community-based, non-credit courses provide work or hobby skills, such as professional training, commercial truck driver licensing, foreign languages, watercolor painting, and gardening.

Figure 1: Oregon has 17 community colleges, supported by property taxes from specific zones



2020-21 For-Credit Headcount Enrollment

Oregon Coast	695
Tillamook Bay	701
Columbia Gorge	1,527
Clatsop	1,675
Southwestern	2,310
Blue Mountain	2,367
Klamath	2,551
Treasure Valley	2,683
Umpqua	3,356
Rogue	5,786
Central Oregon	6,536
Linn Benton	8,380
Clackamas	11,080
Lane	11,817
Mt Hood	12,263
Chemeketa	13,112
Portland	39,133
State	**125,972**

Source: HECC

Community colleges provide opportunities to students who might not otherwise be able to attend higher education

Due to their relatively low tuition, open admission, and dispersed locations, community colleges offer critical higher education opportunities for Oregonians — particularly for those who identify as a member of an historically underserved or excluded population, such as:

- Students from low-income families;
- Rural residents;
- Older students returning to education;
- First-generation students, those who are among the first in their family to attend higher education; and
- Students identifying as Black/African American, Hispanic/Latino, American Indian/Alaska Native, or Native Hawaiian/Pacific Islander.

Community colleges in Oregon and across the country follow an open-enrollment model; anyone can enroll to take college courses and work toward an associate degree, many of which allow students to transfer directly into any Oregon public university.[2] This is a common path for Oregon students to take; in 2019-2020, one third of students who earned a bachelor's degree transferred from an Oregon community college.

Oregon Community College Students
Students of color: 28%
Older than 25: 50%
Eligible for Pell Grants: 62%
Cannot meet college expenses: 30%
Part-time: 54%

Average tuition for 2022-23
Public Universities: $9,838
Community Colleges: $4,128

Starting wages for 2021 Oregon job vacancies
High School Diploma: **$17.17**
Postsecondary or Other Certification: $**26.22**
Other Advanced Degree: $**33.36**

Median salary 5 years after graduation
All certificates: $40,593
Associate degree: $43,183
Bachelor's degree: $51,186

While some students come straight from high school, half are older than 25. These older students may take courses to further their education, establish a career, develop an existing one, or work toward changing careers. Their community college involvement can range from taking a single high-impact course to obtaining a certificate or degree. More than half of community college students attend part-time, often working and raising families while pursuing their educational goals. Nearly two-thirds are eligible for federal Pell Grants, need-based financial aid that covers some college costs for low-income students.[3]

Students may choose community colleges due to their relatively low tuition costs, to stay in their own community, to pursue a particular technical path, to prepare for college-level courses, or some

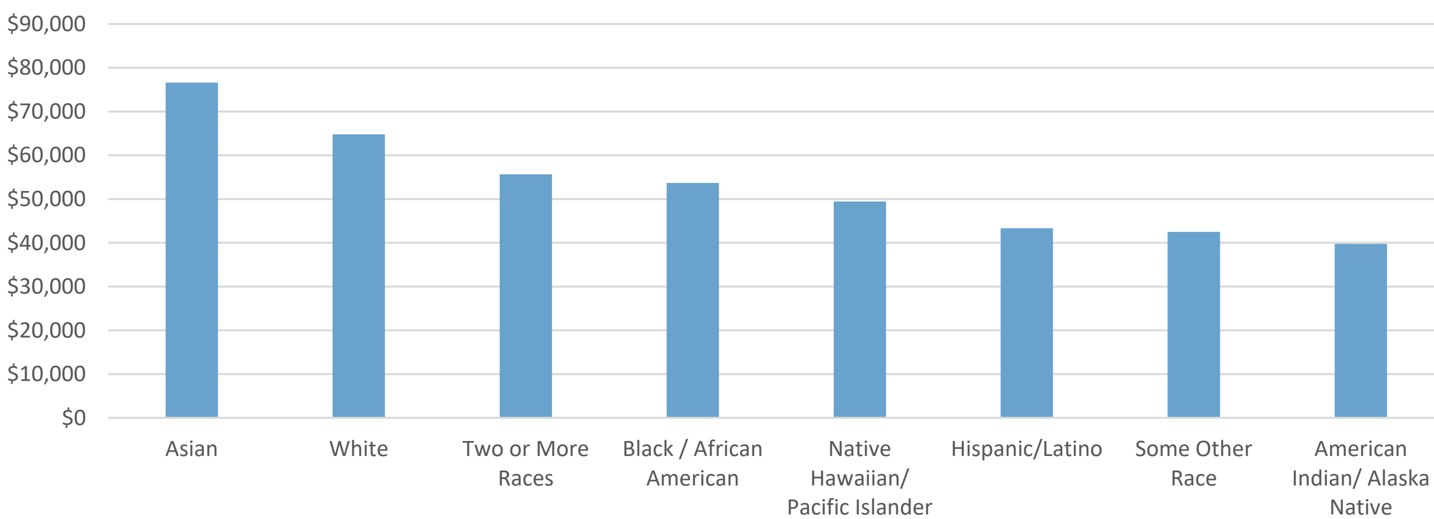
[2] Open-enrollment exceptions include programs such as first responders, nursing, dental hygienists, and medical technology, which require applications and often prerequisite courses. Apprenticeship programs, which can be offered through community colleges and may or may not be associated with degree programs, can also have admissions requirements.
[3] Roughly a third of all students in higher education receive Pell Grants. The maximum annual award in 2022-23 was just under $7,000.

combination of these. Community colleges also serve students who leave high school unprepared for college math and writing, offering academic support that fits their needs. Our audits in K-12 education have highlighted deficits in graduation rates, math and English performance, and equity gaps in these areas, which creates challenges for students beginning their postsecondary education.[4] The pandemic deepened K-12 challenges.

Community colleges are an important part of advancing students' earnings prospects. Historically, students who have higher education degrees earn higher wages, on average, than those who do not. The state's 40-40-20 goal envisions 40% of Oregon's young adult population with university degrees, 40% with community college completion, and 20% with high school degrees by 2025. Oregon reviewed this goal in 2018 and projected the addition of 120,000 additional jobs requiring postsecondary training or education by 2030. To meet this need, 300,000 additional adult Oregonians would need to earn a new degree, certificate, or credential valued in the workforce.

As part of 40-40-20 efforts, the state committed to closing educational attainment gaps among historically underserved populations, which contribute to inequitable wages.

Figure 2: Significant wage gaps exist for underserved race or ethnicities, as shown in wages for full-time, year-round workers from 2016 to 2020



Source: Oregon Employment Department 2022 Wage Report

Community colleges provide students with academic and personal support to increase student success

To better address student needs and increase student success, community colleges provide a series of student supports — a key topic covered in this audit. The state provides support directly through student financial aid, which increases access and affordability. Colleges provide academic and personal support to help students identify academic goals, choose the right courses, and connect to the college. These services can be general, applying to all students, or more intensive and tailored to specific groups of students based on need.

[4] K-12 audits have included audits on high school graduation rates, results for at-risk students in alternative and online education, barriers at struggling, high-poverty schools, and additional support needed for students experiencing disabilities.

At their best, student support services are holistic and proactive, giving students the academic, personal, and financial services they need, when they need them. Many successful student service programs help students build connections with advisors, career coaches, mentors, and faculty. These students are more likely to complete courses and graduate — and to do so more quickly. Support services include:

Basic support services:

- Academic advising
- Financial aid advising
- Tutoring
- Career counseling

Targeted support services:

- Identify students in need of assistance
- Support specific student groups, including underserved students
- May combine advising, counseling, tutoring, coaching, and mentoring
- May include scholarships or other incentives to participate

"Wrap-around" support services:

- Childcare
- Mental health counseling
- Transportation vouchers
- Food and clothing pantries
- Technology lending programs, including computers

Several statewide initiatives focus on increasing student success and emphasize the importance of strong student support. Two major initiatives, **Guided Pathways** and **Strong Start Oregon**, are run by the Oregon Student Success Center, which is operated under the Oregon Community College Association and is independent of HECC. The other, **Career Pathways**, receives funding from the state.

Guided Pathways	Strong Start Oregon	Career Pathways
• Coordinator: Oregon Student Success Center • Colleges implement comprehensive, student-focused redesign to streamline college offerings and increase student success. • State funded? No	• Coordinator: Oregon Student Success Center • Students with remedial math needs take college-level math courses with appropriate supports, reducing time to complete a credential. • State funded? No	• Coordinator: HECC • Extra help for students to complete accelerated career and technical programs and quickly land jobs. Students may be unemployed or career changers. • State funded? Partial

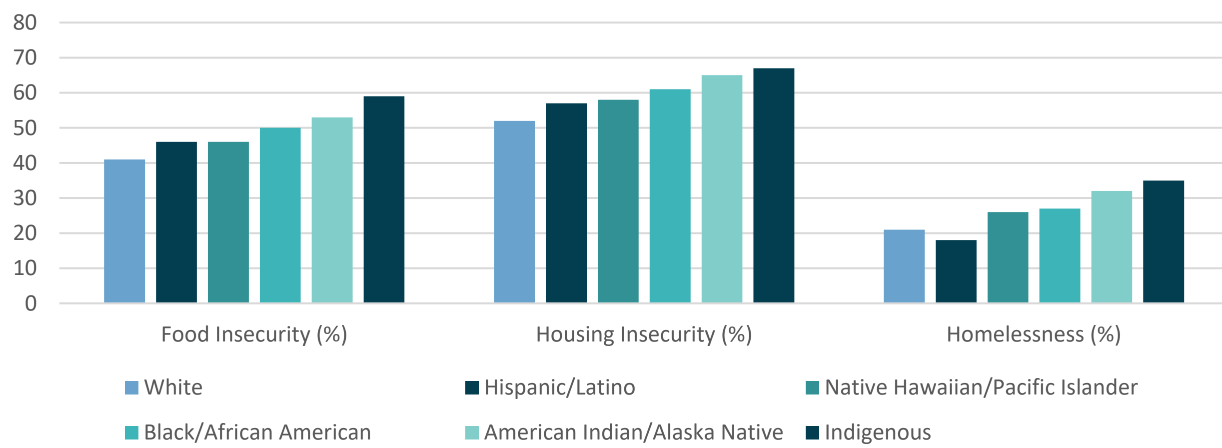
Guided Pathways focuses on getting students into college, creating relevant academic pathways, and providing the support necessary to help them earn a postsecondary credential. Recommended supports include enhanced career advising for entering students, quickly connecting students with faculty, and embedding specialized advisors in broad fields or "meta-majors" to help students stay on track. **Strong Start Oregon** targets student success and equity by moving students quickly through college-level math. Students who traditionally would have been placed in one or a series of remedial math courses are instead placed directly in college-level math courses with a concurrent course that provides background knowledge, reviews course material, and previews upcoming topics. **Career Pathways** received nearly $15 million in state funds to spend in 2022 as part of "Future Ready Oregon" legislation, which provided $200 million for workforce development. Colleges offer a variety of career and technical-focused credentials known as "Career Pathways," which are accompanied by student supports such as wrap-around services, academic support, and job search assistance.

Student supports can help address the many obstacles students face to completing college, including difficulties meeting basic needs. The 2019 nationwide Real College Survey reported combined student responses on basic needs from 14 of Oregon's colleges. All told:

- 41% of students reported food insecurity
- 52% reported housing insecurity
- 20% reported experiencing homelessness
- 60% reported food insecurity, housing insecurity, or homelessness

Historically underserved students by race and ethnicity and Indigenous students reported higher rates of basic needs insecurity.

Figure 3: Rates of food insecurity, housing insecurity, and homelessness differ among student groups



Source: The Hope Center for College, Community, and Justice, 2019 Real College Survey

Effective supports can be critical for historically underserved and first-time students, who often face greater barriers to success. For example, an unguided student without personal or family experience in higher education may arrive at community college behind in math and English. They may default to a general degree instead of attempting a specialized one, missing out on a streamlined path to a job, further education, or potentially significant earnings differences.[5] They may not be aware of school resources for academic tutoring or food and transportation stipends, or of crucial financial aid

[5] Community colleges offer programs designed to improve students' economic outcomes. Economic outcomes vary by academic degree or certificate. For example, census data indicates that five years after graduation, the median earnings of Chemeketa Community College students who complete a general education associate degree is $36,527, compared to $68,666 for students who complete a health-related associate degree.

opportunities, and are likely to have fewer in-home resources to help, putting them at greater risk for low academic success.

During the pandemic, student mental health needs increased, Oregon college administrators said, along with needs for housing, transportation, and childcare. Research published in 2021 found more than half of community college students nationwide had symptoms of one or more mental health conditions. Other national research found moderate to substantial increased rates of academic distress, social anxiety, family distress, and eating concerns in Fall 2021 compared to pre-pandemic fall terms among students seeking services in college counseling centers.

Student outcomes, and the narrowing of educational and workforce equity gaps, are dependent on schools providing both effective education programs and strong student guidance and support.

Student Lisa Ozuna on the importance of community college

When she returned to college in 2020, Lisa Ozuna had just filed for divorce, received an eviction notice for herself and her youngest daughter, and was battling anxiety and depression. Ozuna had been a stay-at-home mom for years. She had no work experience and no high school degree.

Ozuna enrolled in Umpqua Community College's GED program at age 35, joining the ranks of students older than 25 who make up half the enrollment at Oregon's community colleges. She had attended Umpqua before, after she became pregnant at age 18 and dropped out of Roseburg High School. Back then she had been inspired by Adult Basic Education instructor Andre Jacob, who was still there, almost 20 years later. Returning "was intimidating for sure," Ozuna said, but she had her 12-year-old daughter at home. "I thought, now is the time to show her Mom can do this."

"I had a lot of support from (the college), from family, from everybody. Everybody was willing to guide me."

Under Jacob's instruction, Ozuna obtained a GED in six weeks. Her best friend, Alison, provided shelter and an internet connection. Her two daughters and her sister encouraged her. Before she moved into a two-year program, she learned about time-management and self-awareness in UCC's Take Flight program. She also connected with her counselor, Christina Wooten, who helped her build a schedule that would work for her and her daughter. She received financial aid, and state caseworkers helped with assistance for needy families, food stamps, and housing. "I had a lot of support from UCC, from family, from everybody," Ozuna said. "Everybody was willing to guide me."

Ozuna is a full-time student now, nearing completion of her associate degree, and targeting a bachelor's degree in business management. She wants to attend the University of Oregon, then build an arts and crafts business that draws on her artistic and business skills. In January 2022, she and her daughter moved into their own apartment. "It was the smoothest term I've ever had," Ozuna said. "It's very nice to be self-sufficient and on my own."

Audit Results

Since our last community college audit in 2015 — the year HECC began overseeing the community college system — HECC and colleges have focused primarily on access, but are adding a sharper focus on student success and equity gaps. HECC has improved its analysis of statewide student performance, colleges are focusing more on equity and effective data use, and students are completing certificates and associate degrees at higher rates.[6]

Despite these encouraging improvements, more work is needed. We found deficits in three primary risk areas: **student success, student support, and college sustainability**. Student success still lags versus other states. The system continues to lack transparency and accountability. Use of student and program data for improvement, in many cases, remains at the early stages. Crucial student support services continue to be inadequately monitored and supported, though evidence for their importance has increased.

Since 2015, threats to the sustainability of Oregon's community colleges have also increased. Despite relatively high per-student funding and increased state funding, Oregon's colleges face significant threats to the sustainability of their current operations, including rising costs for colleges as well as students, and enrollment declines that outpace other states.

Our audit results indicate HECC struggles to address the major risks confronting community colleges, in part because of its limited statutory role and in part because of limited staff capacity in key areas. As a coordinating agency, HECC must work with the entirety of Oregon's community college governance system — college and state leaders, legislators, accreditors, workforce boards, and college boards — to build consensus and help drive system improvements. The rapid improvements students need require these groups to collaborate and agree on effective steps to boost student success, equity, and college sustainability, a challenging task.

To help address this challenge and increase accountability for state funds, state leaders must better position HECC to help drive improvements in the community college system. The agency needs sufficient staff and authority to monitor how the colleges are doing, publicly report on improvements needed, and help advance improvement efforts. Continuing to rely largely on individual institutional efforts and accreditor review to drive change risks delaying improvements that would benefit students and the state economy.

In this report, we often compare practices in Oregon to those in Washington State. Washington has a less decentralized system and a better-staffed state agency than Oregon. Its state board, dedicated solely to community colleges, is charged with "general supervision and control" of the system, for example, and the governor appoints trustees of individual colleges; in Oregon, they are elected by local voters. However, Oregon does not have to make wholesale changes to HECC's authority and staffing to emulate many of the key steps Washington has taken. Improved staffing and clear legislative mandates in key risk areas would benefit Oregon colleges and their students.

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[6] Our last community college audit was issued in May 2015: Report 2015-14, Community and College Workforce Development: Targeted Investments Could Improve Student Completion Rates

The next biennium is critical, a time to recover from pandemic setbacks, strive for increased efficiency, and assess the sustainability of the system going forward. For a more evidence-based and equitable system to emerge, Oregon state and college leaders, working together, will need to focus much more intently on addressing student success, student support, and college sustainability.

HECC needs support from Oregon leaders to increase student and college success and better ensure accountability for state funds

Throughout this audit, we consistently encountered questions about HECC's ability to effectively address systemic barriers to student and college success, either because of a lack of explicit statutory authority or legislative support, inadequate staff at HECC and the colleges, or both.

HECC, a relatively new agency, was formed partly because universities wanted more local control and less state oversight of their operations. Community colleges, supported in part by local property taxes, have long emphasized local control, and HECC's statutes governing community colleges contain a proviso that all powers not specified in statute reside with the college boards.

Given its limited statutory authority, HECC cannot force colleges to make operational changes; college boards are responsible for college operations. Instead, HECC is responsible for monitoring the system's performance, reporting quality information on how the system is doing, and working with state leaders and stakeholders to address problems that arise — all pillars of effective internal control, a process for ensuring an organization's objectives are met. HECC's authority also includes proposing a higher education budget and setting the formula for distributing state funds to colleges, both potential tools for addressing problems.

> From an internal control standpoint, monitoring means consistently reviewing how effectively a system or program is working and addressing problems that arise.

HECC's ability to monitor, report, and collaborate to drive change requires commitment from colleges, agency staff, and the commission. It also requires state leaders to explicitly prioritize accountability and improvement in the community college system. HECC may not be able to gain sufficient college cooperation without support from the Governor and Legislature, provided through state budgets, statutory changes, budget notes, and clear communication of priorities.

In some areas, HECC can begin to make improvements relatively quickly, including enhancing transparency, using data more effectively at HECC and colleges, and using public reporting to help drive decision-making. However, deeper improvements in these areas require more HECC staff devoted to community college support and improved staffing at the colleges. In other areas, including monitoring and improving student support and college sustainability, state leaders need to provide clear support to increase HECC's role and help the agency be more effective.

Student Success

Using data to drive improvement: HECC's responsibility to provide analysis and data-driven recommendations is relatively clear. Statutes charge HECC with advising the colleges, Legislature, and Governor on policies to encourage student success and completion. The agency's own strategic roadmap emphasizes “reporting to steer progress” as key to its work. Yet limited HECC and college staff devoted to data analysis limits efforts in this area.

Transparency and accountability: HECC’s authority is also clear in this area. The founding principles in the legislation that established HECC includes using metrics to foster accountability. HECC has increased state reporting of community college performance data since its inception in 2015. Yet its reports are not easy to analyze. They also do not include comparisons to the performance of other states and colleges that would help identify Oregon’s strengths and weaknesses. HECC needs clear direction from state leaders to publicly report student success benchmarks that inform the colleges, the public, and policy makers.

Performance-based funding: HECC is pursuing funding based in part on student performance for the second time, an effort that could help focus the system on student success and equity goals. It has clear authority to do so since it controls distribution of state funds. However, if HECC does choose this path, it will need support and oversight from the Governor’s Office and key legislators to maximize system benefits and minimize unintended negative consequences.

Student Support

HECC’s statutory role includes increasing educational attainment, reducing barriers to on-time completion, and expanding successful student programs — all areas where effective student support programs are crucial. Holistic student support is also essential to meet equity goals. However, HECC leaders said specific legislative authority and more staff are needed for the agency to effectively monitor student services and work with colleges in this area.

College Sustainability

In key areas, including monitoring financial condition and spending, HECC has less statutory authority to monitor sustainability for community colleges than it does for universities. In other areas, such as shared services, HECC has statutory authority to encourage and facilitate change, but has had limited success driving improvements. Oregon leaders need to help HECC address these critical voids.

Increased focus on accountability and effective data use would improve lagging student success at Oregon’s community colleges

Despite improvements in completion and transfer rates, Oregon continues to rank low among states in student completion rates and transfers to universities. Similarly, equity gaps in outcomes for historically underserved students persist despite narrowing over time.

The results demonstrate the need to further accelerate efforts to improve student success. Dramatic differences between colleges on student outcomes underscore the need for public reporting that identifies colleges needing support and highlights effective practices.

Students who do not pass a class, or who intend to graduate but do not, have lost time and money and may leave with significant debt but no degree — a blow to their chances of improved economic mobility. System shortfalls also threaten Oregon’s ability to meet its 40-40-20 goal; currently, the biggest gap is at the community college level, with 18% of young adults holding an associate degree or career certificate as of 2017, well under the 40% goal.

HECC's key roles include enhancing effective data use, providing more transparency, and increasing system accountability, giving HECC opportunities to help drive further improvement.

Student results have improved at Oregon's community colleges, but are still low nationally

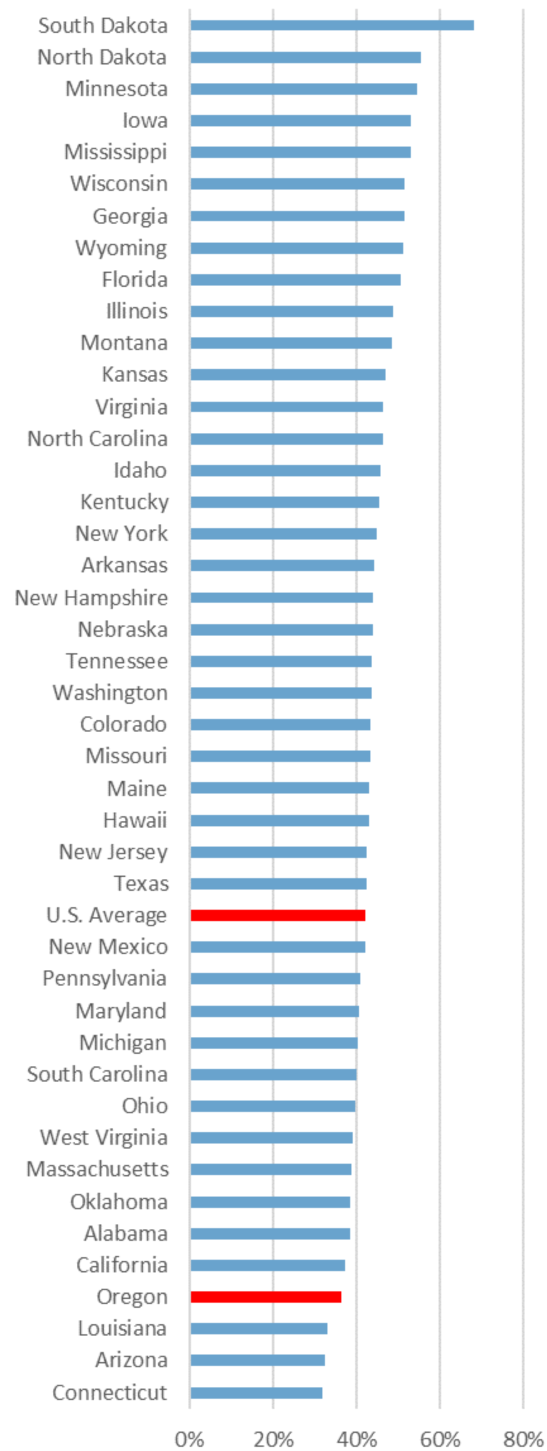
Key outcomes for community college students include completion — how many students obtain associate degrees or certificates — and how many successfully transfer to universities. Since our last community college audit in 2015, student completion and transfer rates to universities have improved, and some equity gaps have narrowed.

One of HECC's key performance measures for community colleges is the percentage of new, "credential-seeking" students who complete or transfer within four years.[7] This metric increased from 45.8% in 2017 to 51% in 2021, just short of HECC's statewide goal. Students' median annual wages five years after they complete a certificate or degree, another key performance measure for HECC, also increased from about $35,000 to $40,000 from 2017 to 2021.

Despite this encouraging progress, Oregon still ranks low in national comparisons of some key student success outcomes, according to data from three primary national datasets that track community college performance. The datasets cover limited numbers of students, with two focusing solely on first-time college students, for example. However, our analysis showed concerning results across all three datasets.[8]

The National Student Clearinghouse Research Center's data shows Oregon ranked on average 39th among states in six-year completion rates from 2016 to 2021, and 40th in 2021 rates. The center focuses on first-time students, both full-time and part-time. Its completion rates include degrees or certificates earned at community colleges, as well as completions after students transfer to a four-year university. As shown in Figure 5, Oregon has remained below the national average in this metric for the last eight years.

Figure 4: Oregon ranked 40th in 2021 completions

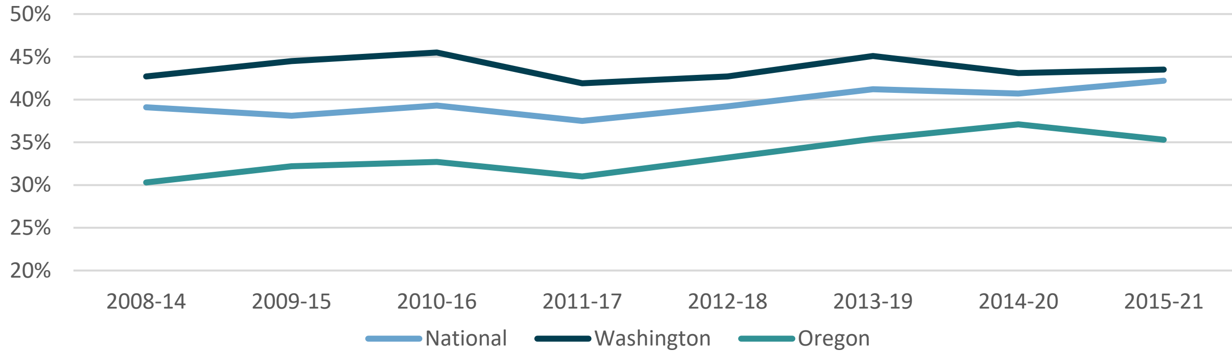


Source: The National Student Clearinghouse

[7] Among other criteria, HECC defines a credential-seeking student as a student new to the institution who takes a certain number of credits over time. HECC aligns its definition of credential-seeking student with the Volunteer Framework of Accountability (2021 KPM report).

[8] For details on our data analysis methodology, see Appendix A.

Figure 5: Oregon consistently lags in completion rates over time



Source: National Student Clearinghouse Research Center 2021 completion report

Similarly, Oregon's student outcomes from the federal **Integrated Postsecondary Data System**, which focuses on first-time, full-time students, also ranked low among states. From 2016 to 2019, Oregon ranked 35th on average in three-year completion and transfer rates. Oregon's results fell below the national average for all student demographic groups. Individual results for Oregon community colleges showed substantial differences, ranging from 59% for the highest-performing college to 27% for the lowest. As illustrated in Figure 6, this variation extends to more recent data tracked by HECC.

Figure 6: Student completion and student retention varied widely across colleges in 2020-21

	Completion and Transfer Rate 4-Year Cohort	Student Retention Year 1 to Year 2	Average years to complete associate degree
State Average	51%	75%	3.3
College:			
Blue Mountain	55%	72%	2.7
Central Oregon	55%	70%	3.3
Chemeketa	48%	77%	3
Clackamas	48%	78%	3
Clatsop	53%	56%	3
Columbia Gorge	56%	72%	3.7
Klamath	60%	72%	3
Lane	50%	73%	3.7
Linn Benton	59%	72%	3.3
Mt. Hood	41%	74%	3.3
Oregon Coast	35%	72%	3
Portland	52%	74%	3.7
Rogue	48%	71%	3.7
Southwestern	65%	67%	2.3
Tillamook Bay	49%	82%	3
Treasure Valley	52%	72%	3
Umpqua	62%	77%	3

Source: HECC Statewide Higher Education Snapshots

Finally, the **Voluntary Framework for Accountability** offers completion and transfer data as well as early indicators of student success. The organization analyzes outcomes across broader student cohorts than the other datasets. Early indicators such as early credit accumulation are useful, as college research shows hitting early milestones is important to long-term student success. However, the ability to benchmark is limited, with only a quarter of the nation's roughly 1,000 community colleges participating.

Our review of Voluntary Framework data showed mixed results. Oregon's combined completion and transfer rates were lower than the average of participating colleges for two of the three 2013 student cohorts tracked. For early indicators, average results for students beginning college in three separate years — 2013, 2017, and 2018 — showed Oregon exceeding overall results for all participating colleges in three areas: passing college-level English, student retention after fall term, and course passing rates. However, Oregon fell below the average for all three measures of first-year credit accumulation and for students passing college-level math.

Separately, a confidential analysis of early success indicators in Oregon, completed by a consultant for the Oregon Student Success Center, found gains in most areas from 2010 to 2020, but student success at low levels in key areas. For example, the average rate of first-time college students who completed college-level math doubled over the decade, but to only 20%.[9] Similarly, early credits earned all increased, but only a third of students completed nine credits in their first term in 2020.[10]

The analysis also reported substantial differences between colleges, with concerning low rates at some schools. The rate of completion of nine credits in the first term ranged from a low of 18% to a high of 67%, for example, and students completing college-level math ranged from a low of 3% to a high of 44%. The confidential analysis did not identify colleges by name.

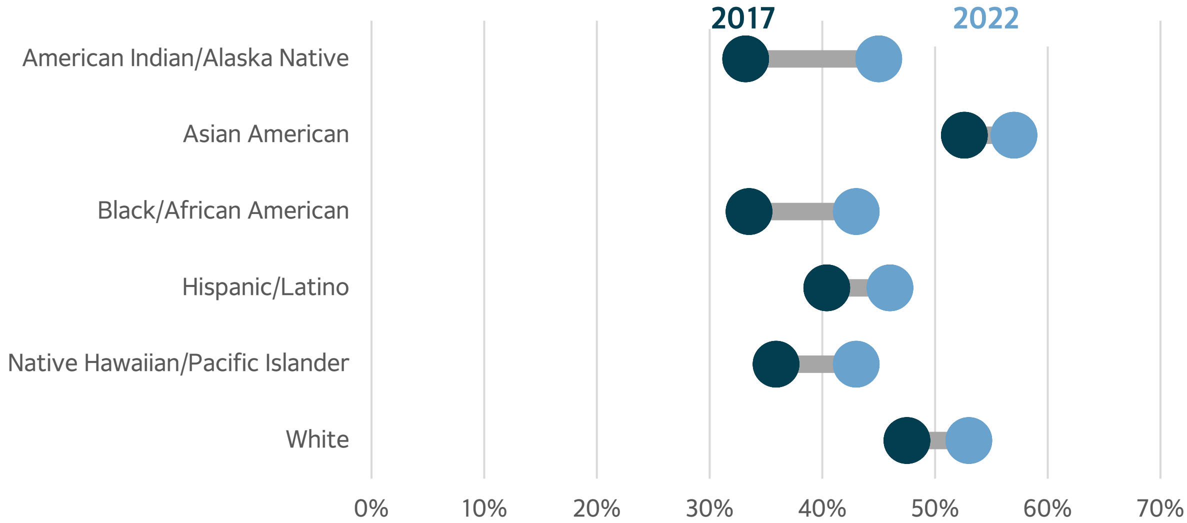
College-level math is not required for some relatively high-paying associate degrees, including nursing and fire science. However, it is required for Oregon's transfer-focused associate degrees and shorter transfer course "modules," which are offered statewide and are meant for students planning to attend an Oregon university.[11] College-level math is generally required for Bachelor of Science degrees. Some universities also require it for Bachelor of Arts degrees.

Outcomes have also improved for historically underserved students, yet significant equity gaps remain

As with all students, combined completion and transfer rates for historically underserved groups by race and ethnicity improved from 2017 to 2022. HECC data also indicates median wages five years after community college completion have increased for all the groups, narrowing wage gaps. Yet differences in outcomes between these groups and white students continue, raising equity concerns for underserved students who disproportionately rely on community colleges.

[9] The consultants calculated average college results, with results for every college weighted the same regardless of enrollment.
[10] Students must earn 15 credits per term to obtain an associate degree in two years.
[11] Oregon's transfer degrees satisfy the lower division general education requirements at baccalaureate degrees at the public universities in Oregon. A student who transfers to a university with this degree will have completed at least 90 transferable credits and hold junior status for registration purposes. The Oregon Transfer Module is a 45-credit subset of transferable college courses.

Figure 7: Four-year completion and transfer rates for Oregon credential-seeking students improved from 2017 to 2022, but equity gaps remain



Source: HECC data

These "disaggregated" results should be viewed with caution, particularly for underserved students other than Hispanic/Latino students, Numbers for other underserved groups are low in Oregon and outcomes can vary substantially with small changes. Community colleges also have significant numbers of students who do not report their race or ethnicity, reducing the reliability of the numbers.

National Student Clearinghouse Research Center data showed Oregon ranked 39th for average six-year completion rates for first-time white students from 2019 to 2021. (The center reported three years of results by race and ethnicity, not the six years reported for overall totals.)

Average rates for Black/African American and Hispanic/Latino students ranked higher in comparison to other states, in the mid-20s, but remained below rates for white students. White students averaged a 40% completion rate, while Hispanic/Latino students averaged 37% and Black/African American students averaged 28%, for an equity gap of 12 percentage points.

Similarly, the Integrated Postsecondary Data System showed Oregon ranked 40th for average three-year completion and transfer rates for first-time, full-time white students, with an average 41% rate from 2016 to 2019. The data also showed higher average rankings for historically underserved races and ethnicities, but deficits relative to white students.

The Voluntary Framework data also identified concerning equity gaps in early indicators of student success. Black/African American and American Indian/Alaska Native students were behind the outcomes for white students in all 10 early indicators reported for the main cohort that started in 2017. Hispanic/Latino and Native Hawaiian/Pacific Islander students were behind in eight of 10, including all the measures of early credit attainment and passing college-level math.

This data also identified significant disparities by race and ethnicity in math readiness upon arrival at college, with more than half of Hispanic/Latino students and Black/African American students arriving with a developmental math need.

This gap is a particular concern given the low postsecondary completion rates for students who start in "developmental" or below-college math. According to a 2020 HECC analysis, only 23% of students who begin in developmental math courses earn a postsecondary degree or other credential within six years. This statistic does not include career-technical programs, which may not require college-level math.

Oregon must focus more urgently on using data and strategic analysis to drive improvement

Data use and analysis at HECC and community colleges has also improved since our 2015 audit. Yet problems identified in that audit persist, reducing the system's ability to use strategic analysis and reporting to drive faster improvement.

HECC's statutory role enables the agency to use data analysis to increase student success, student equity, and college efficiency. HECC's major responsibilities, listed in its strategic plan, include evaluating the success of higher education efforts through data analysis, research, and reporting. HECC's strategic roadmap includes "reporting to steer progress" among four primary avenues through which HECC conducts its work.

Since 2015, HECC has produced in-depth reports that illustrate its capability to provide meaningful and targeted information. Examples include reporting outcomes on students who transfer from community college to a university, students receiving state financial aid grants, and postsecondary outcomes for students who have recently graduated from high school. These reports are typically required by the Legislature and are reported at a state level, without identifying performance for individual colleges. In the financial aid area in particular, HECC's analysis has helped drive system improvements.

Individual colleges are focusing more on using data to increase student results. This is due in part to new accreditation requirements that require colleges to use student achievement data to drive improvement. Colleges are increasingly using student data to improve academic programs, identify students who need extra support, and tailor initiatives to improve low student outcomes.

Data Use at Linn-Benton Community College

Linn-Benton Community College provides a public dashboard for several key college performance measures, disaggregated by categories such as race and ethnicity, and displayed using Tableau for real-time analysis.

The college has contracted with four other colleges to provide data for them, allowing colleges to not only identify their own performance outcomes, but to benchmark against participating colleges.

Some colleges, including Linn-Benton, are further ahead than others, but colleges and the state are generally at the early stages of using data to drive improvement. Oregon colleges and the state need improvement in five critical data areas:

- Developing data systems and analysis tools to identify and address student needs.
- Setting and using meaningful metrics to inform decision-making and budgets.
- Identifying problems and investing strategically to address them.
- Effectively evaluating departments, academic programs, and support programs.
- Using disaggregated data to address equity gaps.

Similar to our 2015 audit, college researchers expressed frustration at spending their time on extensive state-level reporting requirements, rather than on analysis to improve student success. To support colleges, HECC can:

Prioritize and define core student success metrics: HECC and community colleges do not have an agreed-upon definition of student success and core metrics to measure it. The agency's key performance measures do not tie to data the colleges can use for national benchmarking and do not include early indicators of student success, a focus of key state initiatives and national best practices. HECC can work with community colleges to identify and define shared metrics to measure student success, such as completion, retention, and early momentum metrics. This process should align with college accreditation requirements.

Streamline data collection: College researchers told us they are flooded with data and data reporting requirements from national and state reporting systems, with more time-consuming reporting systems on the way. HECC can work with colleges and the Oregon Student Success Center to streamline duplicative requests, reduce requests for data that is no longer used, identify which data reporting systems are most useful statewide, clarify data definitions and reporting schedules, and use the established state reporting database to assist colleges in national and state reporting.

Provide more meaningful analysis of existing data: HECC receives voluminous student-level data from the colleges and national student surveys. However, it synthesizes little of it in ways that are meaningful to college improvement and accreditation efforts and publishes only limited analysis on its website. The lack of meaningful analysis slows movement to address student success. For example:

- HECC issues several periodic reports that provide useful, in-depth analysis of topics that address equity and student success, but does so primarily when legislatively mandated. These reports typically do not provide college-level data. They do not help the colleges benchmark their own progress against other schools or identify shortfalls to address.
- HECC submits all the colleges' student-level data to the Voluntary Framework of Accountability initiative, which returns analysis to HECC that provides detailed student success results for the state and each college. HECC has not publicly shared those results or established state goals for early student success indicators.
- HECC supported the effort to pass 2022 legislation that designated $10 million biennially to community colleges for Career Pathways programs. However, available analysis of Career Pathways at the state level is limited. The state does not maintain a central database, and definitions of program performance are not standardized statewide. Under the new legislation, HECC plans to more effectively track initiative results.

Increase guidance on data use: Colleges report using a variety of software they have upgraded at considerable expense to address college data needs. Yet the data literacy levels of staff and faculty to use this data often remain low. Colleges must improve data literacy to collect and use data meaningfully. Given new data-focused accreditation requirements, HECC can work with accreditors to provide more data-focused training to colleges, administrators, faculty, and staff.

Provide longitudinal data: A common college need is access to longitudinal data that shows where students stand prior to college, and how students who complete specific college programs do at universities and in the job market. HECC inherited the Oregon Longitudinal Collaborative and the associated legislative mandate to provide longitudinal data in 2019.[12] Overall, Oregon's reporting and progress on longitudinal data has been slow. For the 2021-23 biennium, the Governor and Legislature cut six FTE staff from the effort, citing pandemic-era hiring freezes. However, a recent draft report from the collaborative, focused on addressing Oregon's nursing shortage, demonstrates its potential to identify important problems and potential solutions. The analysis found Oregon lags the nation in healthcare graduates. It also included a survey of community college healthcare programs to identify issues, such as difficulty finding faculty, and provided recommendations to address the problem

HECC and college officials cite limited analytical staff as a key reason for these deficits. HECC has a research and policy director who works on all higher education issues and two research analysts solely dedicated to college data collection, basic reporting, and analysis related to federal grants. The Oregon Student Success Center is a one-person shop.

Washington State, a relatively high performer on community college student outcomes, takes key data steps Oregon does not, backed by a well-staffed agency devoted solely to community colleges.

By contrast, Washington has made a substantial investment in improving data analysis and reporting, including higher staffing in research and analysis, data services, and student success. Its State Board of Technical and Community Colleges — a 239-employee agency and board devoted solely to community colleges — has five policy research analysts devoted to community colleges instead of two at HECC. It also has a six-member Student Success Center instead of a staff of one, and a 13-member data services team to maintain central data and help colleges with reporting and training. The board's Information Technology Division provides colleges with centralized services for resource planning and manages enterprise IT contracting. In Oregon, colleges do this work individually.

Washington produces multiple online dashboards, publicly accessible, that provide college-level data on student outcomes and early indicators, broken down by specific student groups. The state has clearly defined student success metrics and has a statewide data dictionary for accurate reporting. Its data governance committee meets monthly to determine data definitions, policies, and quality control, and a separate body works with the board to continuously improve data quality.

HECC needs to further improve the transparency of community college performance and accountability for state funding

Our audit identified two key systemic shortfalls contributing to lagging student success: limited transparency and limited accountability in the community college system.

Transparency — publicly sharing where Oregon's community colleges are performing well and where they are not — can help drive improvement. It can help highlight both weaknesses to address and effective practices to maintain or expand.

HECC's founding legislation includes using metrics to foster accountability, and HECC has improved transparency since community colleges came under the agency in 2015. It publishes annual "snapshots"

[12] Senate Bill 909 (2011) established the directive to establish a statewide longitudinal education data system. The goal was to provide policymakers and educators with a tool to direct funds and with methodologies to support continuous improvement.

of selected college data on its website, maintains a publicly available database that includes student enrollment and completion data by gender, age, race, and ethnicity, and has prepared a set of statewide equity briefs that detail outcomes for students of color. Under the new accreditation standards, colleges must post indicators of student success on their websites, broken down by demographic categories.

These improvements required significant effort. However, HECC still does not provide a full picture of community college student success to the public.

- It does not publicly benchmark Oregon's student success outcomes against other states or national results in its annual key performance measures or in reports to the Legislature.
- The limited college-level student success data publicly available on HECC's website is incomplete and difficult to analyze.
- It collects, but does not publicly release, information on early student progress indicators by college.
- HECC has paid for interested community colleges to administer a national survey of student engagement for over a decade. HECC has not publicly shared the results.

Outside HECC, the Oregon Student Success Center tracks early student progress indicators and long-term outcomes as part of its Guided Pathways initiative. However, the center collects this crucial data separately from HECC and distributes reports and results to the colleges only — even HECC does not receive them. The lack of close collaboration between HECC and the Oregon Student Success Center is in sharp contrast to Washington, which has a student success center housed in its state agency for community colleges, and recently obtained additional funding for Guided Pathways.

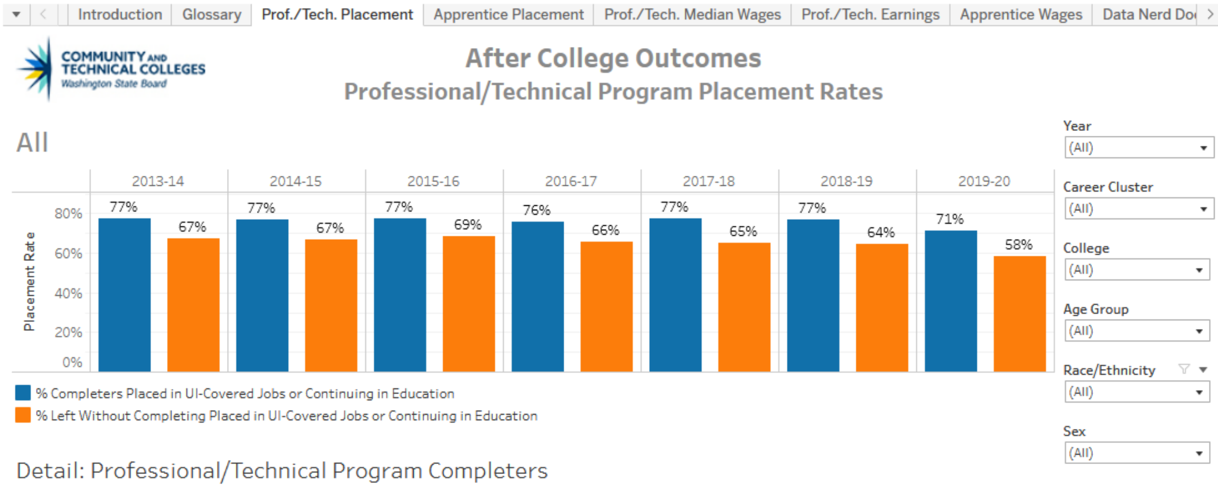
In addition, the Northwest Commission on Colleges and Universities, which accredits higher education institutions in Oregon, does not release detailed accreditation reports, though some Oregon colleges do post them on their websites.

The lack of transparency limits the ability of state leaders, policymakers, students, and stakeholders to identify and address system challenges. It is also in sharp contrast to Oregon's K-12 system and to the detailed dashboards and college data made available in other states, such as Washington.

Accreditation reports from the Northwest Commission on Colleges and Universities provide important accountability and can help drive improvements. However, the 7-year accreditation cycle can make for slow change. Accreditors also do not consistently evaluate the capacity of colleges to conduct in-depth data work. Outside of being notified of significant accreditor findings, HECC does not monitor strengths and weaknesses identified in extensive accreditation reports, an independent source of information that could deepen its discussions with colleges, the Governor, and the Legislature.

Oregon has taken some steps to add accountability requirements. For example, the Future Ready Oregon legislation in 2022 required specific outcome reporting. It also added staff at HECC to administer grants under the program and monitor grant performance, including three permanent analysts and seven limited-term analysts. However, the bulk of state funding for community colleges has few accountability requirements beyond required college reporting of results and finances. Assessment of Oregon's legislative initiatives, including Future Ready, is confined to separate legislative reports. Washington, by contrast, uses publicly available online dashboards to report initiative results.

Figure 8: Washington's public dashboards provide easy access to detailed state and college results



Detail: Professional/Technical Program Completers

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
45 Credits or More	5,221	4,934	4,734	4,350	4,124	4,031	4,093
Certificate	6,912	7,973	7,561	6,885	6,923	6,471	5,344
Degree	9,565	9,184	8,694	8,646	8,947	8,593	7,896
Completers Placed in UI-Covered Jobs	15,977	16,174	15,527	14,389	14,465	13,723	11,225
Completers Continuing in Education	784	801	735	693	964	904	1,080
% Completers Placed in UI-Covered Jobs or Continuing in Education	77%	77%	77%	76%	77%	77%	71%

Detail: Left without Completing

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Left Without Completing	13,901	13,108	13,628	12,443	12,061	11,829	12,421
Left Without Completing Placed in UI-Covered Jobs	8,789	8,331	8,888	7,725	7,449	7,221	6,832
Left Without Completing Continuing in Education	551	446	468	427	422	383	416
% Left Without Completing Placed in UI-Covered Jobs or Continuing in Education	67%	67%	69%	66%	65%	64%	58%

Source: Washington State Board of Community and Technical Colleges

The state budget for community colleges includes a HECC strategic fund aimed at promoting student success, a potentially more accountable segment of state funding. However, the fund has dropped to 0.75% of the Community College Support Fund, or $5.2 million for the 2021-23 biennium, contrary to recommendations in our 2015 audit.

Basing community college funding partially on student success and equity has substantial risks but could increase Oregon's focus on equitable improvement

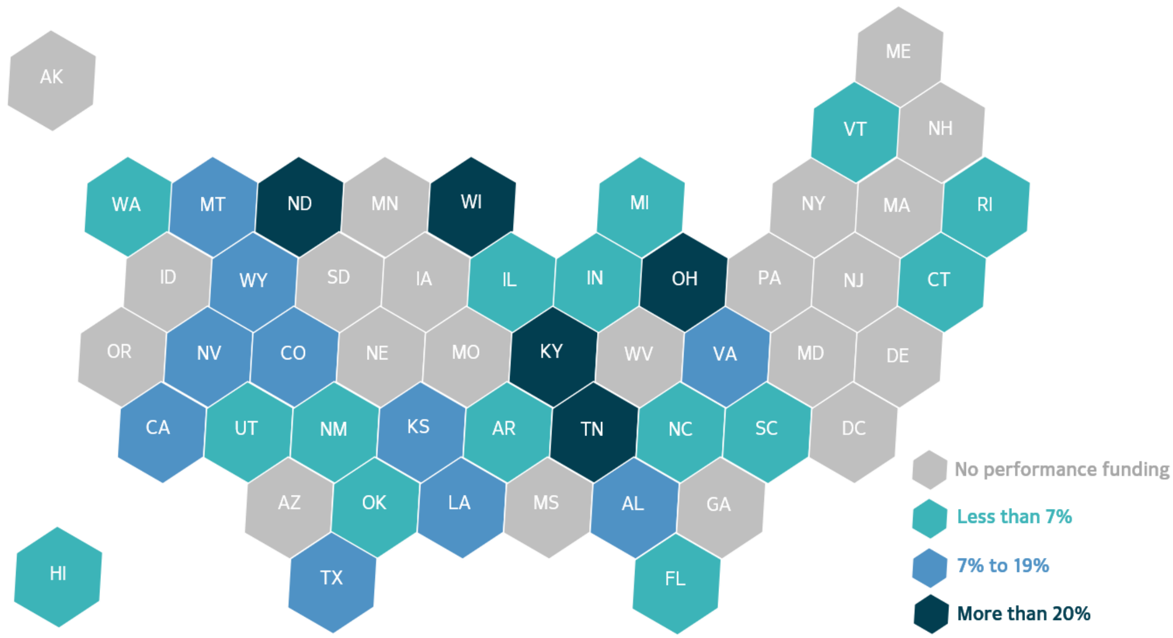
For the second time since 2015, HECC, working with a committee of stakeholders, is considering "performance-based funding" for community colleges as part of a review of its formula for distributing state funds to the colleges. Currently, the distribution of state funding is based primarily on enrollment.

Effectively implemented, performance-based funding could help Oregon reach consensus on appropriate student success metrics, increase system focus on student success and equity, and boost transparency over college performance – all important steps identified in this audit. HECC also has clear authority over distributing state funds to colleges.

However, academic research indicates performance-based funding is associated with at best modest gains in student retention and graduation. It also carries substantial risks of unintended consequences, including incentivizing colleges to reduce recruitment of underserved students and college gaming of the system. If HECC adopts performance funding for the colleges, it must develop a detailed, credible plan to track the extent of systemic improvements and to minimize and monitor these risks.

Among states, performance-funding metrics range from early student credit accumulation to final outcomes such as transfer to a university, certificate and degree completion, job placement, and graduate earnings. Washington and other states also focus on equity. They reward colleges that improve outcomes for some combination of students from historically underserved races and ethnicities, low-income students, adult students, and academically underprepared students. As of 2020, 30 states had performance-based funding for community colleges.

Figure 9: Thirty states had performance funding for community colleges in 2020, but most used it for less than 20% of state funding



Source: Rosinger, Ortagus, Kelchen, Cassell & Brown (2022): New Evidence on the Evolution and Landscape of Performance Funding for Higher Education, The Journal of Higher Education

Oregon has had performance-based funding for public universities, including an equity component, since 2016. HECC analysts say results on Oregon university outcomes measured have generally increased — as many have for Oregon's community colleges — but it is too early to attribute university gains to the new funding method. Previous efforts to implement performance-based funding have been stalled in part by debates about how to define student success in the community college environment, where students may seek important goals short of completion, such as obtaining a GED or learning a new language or career skill.

Academic research indicates performance funding, while popular among states, is a "weak policy lever" generally associated with null or modest gains in student retention and graduation. In part, that is because most states are wary of basing large portions of funding on performance, fearing it will hurt low-performing colleges. Research also indicates performance-based funding can have substantial negative consequences. It can prompt colleges to emphasize short-term certificates with relatively low value in the job market. It can hurt colleges without the resources to increase support for underserved students or invest in new data systems to help boost performance. It can also lead colleges to focus recruitment and support on students more likely to complete, reducing enrollment of the very students state equity goals seek to support.

Academic research and Washington's experience indicates this approach can also help drive important systemic improvements, including:

- Well-defined, consistent data on student outcomes critical to state goals, along with agreed-upon measures of student success;
- Renewed state and college commitments to student success, including efforts to increase student retention, increase data analytics, and improve tutoring, academic advising, and student support services;
- Increased focus on struggling and disadvantaged students, labor market outcomes, and on educational attainment in high-demand disciplines;
- Increased public transparency and accountability for the state and individual colleges; and
- More robust data for college benchmarking and other data-based student success efforts.

States can take steps to reduce the risk of negative consequences, academic research indicates, including rewarding colleges that enroll or graduate underserved student groups. States can include bonuses for equity progress in the funding system, reward student progress as well as final outcomes, and reward associate degrees and long-term certificates more than short-term certificates.

Oregon could adjust the distribution formula to address key state goals, short of or in addition to performance-based funding. Potential changes include adding funding to help colleges serve underserved students, allocating extra money for higher cost CTE programs, and rewarding colleges that adopt programs that move students into college-level math and English more quickly.

The state could also substantially increase strategic funding tied to well-defined and transparently reported performance metrics, again with or without using performance metrics in the distribution formula. This approach would likely need to cover a substantial portion of college funds to drive substantial system improvement, and could be tied to funding increases. The 2019 Legislature's Student Success Act added $1 billion a year in new funding for K-12 and early education, tying the funding increase to new accountability measures.

Either approach could help colleges identify and expand successful programs. Among other areas, that improvement could benefit student support, the next risk area our audit addresses.

Karen Muñoz and the power of holistic advising

“The real problem is when a student runs into problems, and they don’t have somebody to back them up.”

Karen Muñoz has seen the importance of advising and student support through two lenses — first as a student at Chemeketa Community College and then, five years later, as an advisor herself. Muñoz is one of four Success Navigators at Chemeketa, helping launch new students in their first terms. These positions were created as part of Chemeketa’s Hispanic Serving Institution Grant. They help students register for classes, apply for financial aid and scholarships, choose a focus of study, and connect to other sources of support.

"Often, new students think I'll hand them a schedule,” Muñoz said. “Instead, we have to work together to figure out what they need, what their goals are, what the best classes are, and what else they need to succeed." The key could be a computer, food stamps, housing, childcare, or visiting the mental health counselors on staff. "The real problem is when a student runs into problems, and they don't have somebody to back them up."

Muñoz's approach draws on personal experience. Despite acceptances at four-year colleges, she chose Chemeketa to start. "My parents were upset,” she said. “There's this stigma in the Latino community that if you go to a community college, you'll drop out and won't succeed." But Muñoz knew what was best for her: two years at community college, transfer, and go into medicine. Then came science classes, and the realization that medicine wasn't for her. She was devastated.

"If it weren't for my advisor, I wouldn't have made it,” she said. “I had an advisor I met with every week almost, who made sure I was doing everything right. That really got me through that first year, just having someone who really guided me and understood me. It was like having a parent figure within college.” When it came time to graduate from Chemeketa, she handed each member of her family a degree, and told them, "There's still more to come."

Muñoz earned her bachelor’s degree and returned to work for Chemeketa. Now, she focuses on being the kind of advisor who guided her, providing support to keep students coming back.

HECC, state leaders, and colleges must identify and expand effective student supports to increase equity and student success

Research shows lower advisor caseloads and more holistic student support help drive student success and can be especially critical to the success of vulnerable students. However, concerning support service shortfalls remain in Oregon. HECC is not monitoring college student support. State funding for support services is limited, and their vulnerability to budget cuts threatens ongoing efforts for student retention and achievement.

Improved student support helps drive student success, particularly for vulnerable student populations

Research on the effectiveness of student support programs, particularly for vulnerable populations, is clear: Students do better when provided with holistic, easily accessible financial, academic, and personal support, and when they have the resources necessary to focus on their coursework. HECC's equity lens, its strategic roadmap, accreditation requirements, and national stakeholder groups consistently emphasize the importance of student support services in student success.

> "Significantly improving educational outcomes … is likely to require major investments in targeted financial relief and on-campus student supports that improve their likelihood of success and completion."
>
> *HECC 2016-20 Strategic Plan*

Academic advising is a fundamental student support service, and research shows that low advisor caseloads may help reduce equity gaps. A 2022 consultant study[13] of student supports funded by the Bill and Melinda Gates Foundation found average caseload size for advisors at community colleges that closed graduation outcome gaps for Black/African American, Hispanic/Latino, and Indigenous students in the last decade was far lower than at colleges that saw gaps widen. The study identified high caseloads as the top barrier to improving advising from 2020 to 2022.

Building on basic advising, more intensive holistic support services help students get the timely academic and personal support they need to succeed in college. These higher-intensity programs include academic and career coaching, frequent advising, lower caseloads, and, in some cases, scholarships. They also help students build relationships at the college, improving their connection and engagement with school. The services are critical for first generation, low-income, and historically underserved students, who may face more obstacles to success.

States and individual colleges around the country have seen results after strengthening advising and more holistic support for students:

- **New York's ASAP program** provides extensive student support for students seeking associate degrees. It offers personalized advising, tutoring and career development services. It also provides financial benefits such as tuition waivers, textbook assistance, and transit cards. The program began in 2007, and ASAP students' three-year completion rates increased to 52.4% — almost double those of similar, non-ASAP students. New York has since expanded ASAP student enrollment from 4,300 students in 2011, to 25,000 students in the 2018-19 year. These results have been duplicated in Ohio community colleges as well.
- **Ohio's implementation of Guided Pathways,** a program also being implemented in Oregon, shows how even colleges with limited resources can make large-scale changes in student support and success. Participating colleges combined resources and support programs and showed improved student progression and completion. Research on Ohio's work recommends increasing personal supports to help meet the needs of underserved students.

[13] Shaw, C., Bharadwaj, P., Smith S., Spence M., Nguyen A., Bryant, G. (2022, July 11) Driving Toward a Degree – 2022. Tyton Partners.

- **San Antonio College creates a feeling of "family"** with the expectation everyone on campus from staff to faculty to leaders, is responsible for students' well-being inside and outside of the classroom. Four-fifths of students attend part time, but the college's three-year graduation rate is higher than the national average, with narrow equity gaps for students of color. Faculty, staff, and leaders track data and use it to act. Students follow rigorous course guides and lose at most one course when they transfer — less than a quarter of the national average.
- **Broward College focused resources on student services,** eliminating a small but costly athletics program in the process and cutting other programs. The budget adjustments allowed them to halve their student-to-advisor ratio from 700-1 to 350-1, embed tutors in hundreds of classes with the highest failure rates, and establish food pantries. Faculty receiving equity-focused training halved the outcomes gap between Black/African American and white students in their courses and eliminated it for students from low-income backgrounds.

Intensive student support programs have been successful in Oregon colleges as well, though generally limited in the students they serve:

- **Portland Community College's Future Connect program** is modeled after New York's ASAP program. It provides full-time incoming students from traditionally underserved communities with math, writing, coaching, and scholarships. Research found the program increased participants' retention and overall success versus similar students.

Students from Portland Community College's Future Connect program

Future Connect provides intensive support and scholarships to help students through college, with strong evidence of success.

Nonso Agum wants to start a business, travel, and be debt free. Future Connect provides a reliable, quick contact for help and advice, he said — and a sense of community from the start. "One of the reasons a lot of people are not successful in college is there is no one there to help you early on. It's that shock value."

Chelsea Monarch left an abusive situation and was recently homeless for seven months. Monarch plans to be a licensed social worker, to provide mentoring and therapy for houseless youth. "It was easy to stop believing in myself. It's why it's so important to have support."

Reynaldo Memije Cortez worked throughout high school. After graduating, he wants to work as much as he can to help his family, including his younger brother and sister. "This program helps connect you to people who are struggling with the same things you're struggling with. It really helps a lot."

- **Chemeketa Community College improved and expanded their student support services** using federal funding from a Hispanic Serving Institution grant. The college redesigned its website and on-campus student support spaces. It also added positions to provide comprehensive academic and career support. The work allowed the college to expand its grant-based programs to a wider student population.
- **Southwestern Oregon Community College provides student supports** to a significant percentage of its student body. The high coverage comes partially because 30% to 40% of the college's students are athletes or in a culinary program, living on-campus. They attend school in cohorts full-time, which strengthens engagement and student connections. Southwestern has significantly outperformed state averages in early indicators of student success and in completion and transfer rates.
- **Ten community colleges run Student Support Services TRIO programs**.[14] These federal programs support transfer-oriented students who are low-income and first-generation. Competitive federal funds allow schools to provide intensive advising and other academic support not otherwise offered. Continued funding partially depends on meeting or exceeding established student success goals, as well as other evidence of providing quality services.

Despite progress, substantial shortfalls in critical support services remain

Recent Oregon legislation and pandemic-era grants have helped improve and expand student support. In 2021, legislators created benefit navigator positions at each college to help students connect with college, local, state, and federal resources. Legislators also established an underserved student listening task force and expanded open-source textbook availability to help lower student costs.

The Legislature's Future Ready workforce initiative in 2022 includes money for career-technical programs that offer related student support. During the pandemic, many colleges acted quickly to use millions in federal funds for financial aid, technology, housing, and other basic student needs.

Since 2015, HECC has awarded competitive, grant-based funds to colleges focused primarily on increasing support services for underserved, low-income, and first-generation students.

However, as in our 2015 audit, we found large shortfalls in student support services across the state. College support officials reported staffing and caseloads as their greatest challenges, along with concerns about their ability to connect and intervene with students. Intensive support service programs that build deeper connections with students are relatively small, with precarious funding and limited reach despite significant need.

While underserved student populations are most at risk, limited support services affect student success outcomes for the entire student body. In the national 2021 Community College Survey of Student Engagement, 75% of Oregon community college students surveyed reported receiving the support they need to succeed at the college. However, only 57% reported having more than one meeting with academic advising and planning services, as compared to holistic models that recommend

[14] The history of TRIO began with Upward Bound, which emerged out of the Economic Opportunity Act of 1964 in response to the administration's War on Poverty. In 1965, Talent Search, the second outreach program, was created as part of the Higher Education Act. In 1968, Student Support Services, which was originally known as Special Services for Disadvantaged Students, was authorized by the Higher Education Amendments and became the third in a series of educational opportunity programs. By the late 1960's, the term "TRIO" was coined to describe these federal programs.

every student meets with an advisor regularly. Only 17% reported attending more than one career counseling session; and 19% reported receiving no academic planning. Federal funding for student service offerings during the pandemic ends for all colleges in 2023, leaving institutions without a clear path forward in the face of ongoing enrollment declines and potential budget cuts.

In 2021, Connecticut began consolidating its community college system to provide more comprehensive student services, including cutting their academic advisors' caseloads in half to reach a 1:300 advisor-to-student ratio.

Our survey of support service leaders, interviews, and data analysis identified three specific student support challenges applicable to all students:

- Low levels of basic support at some colleges, with college officials reporting advisor caseloads of up to 600 to 900 students per advisor, making it challenging to offer students more than basic, drop-in advising
- High turnover in support services, with low salaries and burnout as factors.
- Wide variance in the role of faculty in advising, with five colleges in our survey of support service leaders reporting they do not have formal faculty advising in place and two reporting 100% faculty advising.
- A heavy college reliance on adjunct faculty, who have less time and responsibility for student support and may not be paid for advising. As of 2019, about 80% of Oregon's instructional staff were not on a tenure track, higher than the 66% national average.

We also found gaps in the intensive programs that cover students with high levels of need. These programs are small and typically more costly to operate. They often leave large unmet need even in the targeted populations they serve, including first-generation college students, low-income students, and historically underserved students.

For example, the ten Oregon community colleges that implemented TRIO Student Support Services in the 2021-22 school year served 1,698 students total. For context, one of Oregon's smallest colleges, Southwestern, estimated the total students eligible for the program in 2018 at their college alone as more than 1,000 students, two-thirds of the statewide total served three years later. At Portland Community College, by far the largest of Oregon's colleges with almost 40,000 for-credit students, the successful Future Connect program generally serves 350-400 students annually.

High-intensity programs — critical for equity efforts — also face precarious funding. The programs are typically supported by up to five-year grants. These temporary grants are costly to apply for and administer, can be difficult to hire staff for, and are subject to cuts when grants run out. The programs are less likely to be funded by college general funds, a more stable form of funding. Administrators report they are at high risk amid budget cuts because it can be easier to cut student service administration and staff than it is to cut faculty and course offerings to students.

Intensive student support also misses crucial categories of students. Many programs focus primarily on traditional students, recently out of high school. They often miss non-traditional students, such as older students, students working on GEDs, and adult learners returning to college, a significant demographic at Oregon's community colleges.

Intensive support programs typically focus on traditional students recently out of high school, not adult learners returning to college or students in developmental programs.

Rural colleges face additional challenges. Among them: fewer community resources, struggles to pass voter-approved bonds that improve facilities and services, and difficulty recruiting diverse staff and faculty to run key programs.

The need for student support is also likely to increase. National research and Oregon's 2021 test results indicated drops in important student success measures in the K-12 system during the pandemic. Students coming from high school are likely to need more supports upon entering community college, increasing the burden on the colleges to provide tutors, coaches, developmental education, and other academic supports.

Our student support findings align with the findings of the Legislature's Joint Task Force on Student Success for Underrepresented Students in Higher Education, which issued its initial reports in November 2022 after talking with college and university students across the state. The taskforce noted that underrepresented students often do not feel like they belong and recommended expanding student support programs with positive outcomes, as well as expanding childcare in both community colleges and universities. The taskforce also identified other equity issues. For example, many colleges do not include permanent diversity, equity, and inclusion officer positions, the taskforce noted, and instructors of color may disproportionately be low-paid adjunct faculty with high rates of turnover. HECC's budget request for the 2023-25 biennium includes $100 million to address taskforce recommendations in both colleges and universities.

Student support services are not adequately monitored or supported

Despite their importance to improving equity and student success— goals stressed by HECC and accreditors — monitoring, analysis, and targeted state funding of student support services at Oregon's colleges are minimal. Accreditor focus on student support is also limited, despite improved standards aimed at increasing student support.

In a general sense, HECC's statutes appear to support a HECC role in monitoring and promoting these services. The statutes direct HECC to increase educational attainment and reduce barriers to on-time completion, and student support services have shown great promise in doing so. HECC officials also told us they recognize the importance of student support to the agency's own student success and equity goals. However, they said the agency needs more specific legislative authority and more staff capacity to effectively monitor student services, request additional data from colleges, and work collaboratively on improvements.

As in our 2015 audit, colleges struggle to analyze the results of student support programs, assess their impact, and make improvements. Some colleges have recently acquired software that holds promise for improved tracking, but overall challenges include tracking program costs, identifying staffing needs, and analyzing program effectiveness in increasing student success and narrowing equity gaps.

This lack of monitoring of student support offerings has significant consequences. Effective monitoring would include tracking the sufficiency and effectiveness of statewide initiatives, college-specific student support programs, and academic advising — and reporting on their status. Potential metrics include academic advisor caseloads, students served by programs, estimates of eligible students not served, and individual program impacts on student success. Better tracking would help the state and colleges analyze the impact of existing student services and identify the extent of shortfalls. It would also help the state establish permanent, larger-scale funding for effective programs and establish appropriate accountability measures for targeted funding.

College officials interviewed said the state does not provide sufficient data to assist their efforts, despite heavy reporting requirements. In the absence of state assistance, college administrators report a high need for data analytics and management software used to identify student needs and analyze the impact of particular programs. This software is costly to purchase and implement, and colleges must often do so individually, unlike in Washington, which maintains an enterprise resource management system for all its colleges.

> "Technolology can help triage and provides efficiency. It can help reach more students efficiently and provide early warnings. But it's not a replacement for human connection."
>
> *– An Oregon community college dean of student services*

Accreditors have improved standards tied to the adequacy of student support services. Their reviews could help identify student support successes and limitations. Yet, our review of recent accreditation reports found accreditor scrutiny of student support coverage and effectiveness was minimal. Among other shortfalls, the reports included limited evaluations of the sufficiency of supports for underserved students, despite the accreditation standards' strong focus on closing equity gaps.

In addition, unlike the public university funding formula, the community college funding formula does not provide extra money for student groups likely to need more support services. The state also provides little direct funding for support services.

One exception is Oregon's First-Generation Underserved Students Success Grant Fund, established in 2015 through legislation that created two-year grants for support programs. Program results are generally good, but student participation has been limited, ranging from 10 students at some schools to 350 to 400 students in Portland Community College's Future Connect program. The dollar amount is also relatively small, at less than $2 million a year.

The state has not analyzed the outcomes of the state-funded success grants. Schools report the grant fund is useful, but the low funding and short-term focus is a deterrent to participating. Several colleges chose not to reapply after the initial funding round.

Oregon's financial aid to students has grown, but it does not fully cover costs or fully target the students who need it most

HECC's biggest effort to directly support students is distributing state financial aid. In recent years, HECC has substantially increased financial aid to help boost student access to community colleges. For its 2023-25 budget, the agency is proposing $780 million in additional state funding for student aid at community colleges and universities to help increase access.

State grants allow students to borrow less and can help increase student success, particularly for low-income students.[15] Grants also help address the low college-going rates of low-income students and decrease wage gaps, which can improve their earnings prospects substantially. HECC reports that low-income Oregonians are half as likely to enroll in an Oregon college or university as higher-income Oregonians, but that Oregonians from low-income families are twice as likely to become middle- or high-income earners by their mid-30s if they do enroll in college as young adults.

Oregon's financial aid has risen in recent years and ranks relatively high per student nationally. However, like student support services, financial aid does not cover the full student need and misses some key student groups. Oregon Promise, the state's newest program, has also shifted state aid away from Oregon's lowest income families.

Oregon's financial aid has grown in recent years and is now relatively strong nationally

Oregon has two main financial aid programs for community college students:

- **Oregon Opportunity Grants**, offered since 1971, are available to students attending Oregon colleges and universities. Of the more than 30,000 students who receive the grants, about half attended community colleges. In the 2022-23 school year, students received awards ranging from $1,500 to $3,600. This grant is need-based and supports students from the lowest income families.
- **Oregon Promise Grants**, established in 2015, are awarded to students attending community college directly after completing high school or a GED program. These grants are not based on need — even students from families with higher expected family contributions are eligible to receive them.[16] Beginning in the 2022-23 school year, award amounts for a full-time student range from $2,000 to $4,128 a year, the average tuition charged by Oregon community colleges.

State appropriations for the two programs rose 68% from the 2015-17 biennium to a total of $242 million in 2021-23, including $200 million for the Opportunity Grants and $42 million for Promise Grants. That increased investment has significantly improved Oregon's standing relative to other states. According to data from the State Higher Education Executive Officers Association, Oregon's financial aid funding for community college students ranked 10th to 12th among states from 2019 to 2021, based on aid per student FTE. Thanks in part to the establishment of Oregon Promise, the percentage of first-time, full-time students receiving state and local aid at Oregon's community colleges rose from 19% in 2014 to 56% in 2019, the fastest growth nationally.

Total costs of attendance — including rising tuition and high living costs — still exceed available aid

Oregon community colleges' average tuition and fees totaled $6,118 in the 2022-23 academic year — a 20% increase since 2017. This cost is the second highest among Western states. HECC officials say

[15] In HECC's 2021 study of the Oregon Opportunity Grant, new low-income community college students who received the grant were more likely to return after one year than low-income students who did not (79.6% versus 76.7%) and more likely to complete a certificate or degree (48.4% versus 44.6%).
[16] Students' Expected Family Contributions are estimates of what students and their families can pay for college. They are calculated using information from federal or state financial aid applications.

increased overall state funding has kept tuition lower than if state funding had remained static. Even so, rising tuition and fees and Oregon's high cost of living — 7th among states in a winter 2022 tally[17] — make it difficult for students to cover the total cost of attendance.

Total attendance costs include tuition, fees, and expenses such as textbooks and other school materials, transportation, and room and board. In 2020-21, attendance costs totaled up to about $24,000 a year at community colleges. A community college student receiving both the maximum federal Pell Grants and Oregon Opportunity Grants would still be short more than $12,000 in covering these costs.

HECC reports almost a third of community college students who filled out a FAFSA federal aid application cannot meet costs even after accounting for grant aid, family contributions, and other resources. HECC also reported that in 2020-21, the average debt among community college graduates, even including those with no federal loan debt, was about $13,000. With median earnings of $43,183 five years after obtaining an associate degree, this is a sizeable financial load.

"The hardest part of college should be academics, not trying to pay our tuition."

- Nick Keough, University of Oregon student senator and former Lane Community College Student

A White House initiative to forgive up to $20,000 in federal student loans for many students could help address this problem, though it is facing legal challenges and does not address rapidly rising costs in higher education.

State financial aid is not accessible to all Oregon students and a portion is distributed inequitably

By statute, HECC prioritizes available state funds for Oregon Opportunity grant applicants with the highest financial need, leaving out many eligible students due to overall limited funding. Many of the groups for whom this grant improves affordability the most are historically underserved.

However, HECC reported that the Opportunity Grant went to less than a quarter of the more than 130,000 students eligible to receive it in 2021. Similarly, the non-need-based Oregon Promise grant has capped funding based on family need due to limited state funding.

Many students are not eligible for one or both aid programs for reasons apart from financial need. Students must attend at least half time to receive state aid. In addition, students returning to college after time away are not eligible for the state's Promise grant, as it is provided only to students who have recently graduated from high school or completed a GED. HECC reported in December 2022 that students with Promise grants make up only 13% of community college students.

The Promise grant was also established by statute with an inequitable structure. In 2021, HECC reported more than 50% of recipients were low-income — generally defined as students eligible for the federal Pell grant — but nearly 80% of the state's program dollars went to higher income students. This disparity is because students from low-income families are more likely than students from high-income

[17] Missouri's 2022 Q1 analysis of the national Council for Community & Economic Research survey.

families to receive other aid, and the Promise grant is a “last-dollar-in” program designed to make up the difference between aid received and the state’s maximum aid cap. In 2020, students from the lowest-income families received a total of $3,628 on average from state grants — over $200 less than Promise students from middle and higher-income families. The imbalance also showed up in the Integrated Postsecondary Education Data System: From 2014 to 2019, state aid increased in every income category, but Oregon had the second largest decline among states in the share of aid going to students in the bottom income bracket. HECC research also indicates that Oregon Promise has not increased community college enrollment, the number of terms students enroll in college, credits earned, or college completion among recent high school graduates.

The Legislature took several steps in 2022 to address Oregon Promise’s equity issues, including doubling the minimum grant award to $2,000 and lowering the GPA required to qualify for the grant. These changes, however, are not projected to fully address program inequities. As of August 2022, HECC estimated 52% of recipients will be low-income (versus 50% before the legislative changes) and 64% of the dollars will go to higher-income students (versus 80%).

The Legislature’s joint task force on underserved students also noted Oregon Promise’s limited focus on underserved students and made many recommendations in the financial aid area. Among them, the task force called for dramatically expanding need-based financial aid for low-income students and working adults, expanding emergency financial aid, and expanding grants to help students who are close to finishing complete their degrees or certificates.

In its budget request for the 2023-25 biennium, HECC proposed a $736 million increase in funds for the Oregon Opportunity Grant, a major jump from the current $200 million funding level. The addition would bring its funding for the need-based grant to levels comparable with the Washington College Grant, funded at $884 million for the 2021-23 biennium. HECC also asked to increase funding for Oregon Promise from $42 million to $86 million, in part to offer it to university students as well as college students, and for $40 million in ongoing funding for Oregon Tribal Student Grants first established in 2022.

HECC’s budget request says the increase in the Oregon Opportunity Grant would more than double the amount of funding provided to community college students with the most need — from $3,600 per student to $7,883, significantly more than tuition costs. This could help close aid gaps for vulnerable populations and reduce the impact of inequities in the Oregon Promise program.

Despite increased state funding, Oregon colleges face substantial threats to sustaining their operations and fiscal viability, with little strategic assistance or oversight from the state

Falling enrollment and tuition revenue, rising costs, the loss of pandemic-related federal funding, and other challenges threaten college budget sustainability, even with growing public support.

Oregon’s community college enrollment has fallen faster than in other states and its public funding has risen. As a result, its overall public funding, staffing, and spending for community colleges is relatively strong in national rankings when compared by full-time-equivalent students, used to standardize comparisons across states.[18] The increase in funding and spending helped contain tuition increases and staffing losses. However, it may be difficult to sustain. For the 2023-25 biennium, colleges project a need for a 44% increase in state operations funding jus to preserve the status quo.

Despite the high risk, HECC is not focusing on increasing the sustainability of college operations, and accreditor focus on ensuring future sustainability is limited. In some areas, including monitoring financial condition and evaluating spending, HECC has less statutory authority to monitor sustainability for community colleges than it does for universities. In other areas, including shared services and collaborative online education, HECC has statutory authority to encourage and facilitate changes, but has had limited success in driving improvements. The lack of state-level strategic focus increases the risk that college financial issues will not be addressed in a way that most benefits students.

Oregon's community colleges have relatively strong overall funding, spending, and staffing per student compared to other states, though state operations funding ranks lower

Two national data sources — the State Higher Education Executive Officers Association and Integrated Postsecondary Education Data System (IPEDS) — indicate Oregon's overall funding for operations and related spending is relatively strong when compared by full-time equivalent students. However, Oregon's state operations funding, a subset of total funding, ranks lower against other states despite recent increases.

Our analysis of both national data sets was adjusted for inflation and cost-of-living differences among states. The comparisons also focused on funding and expenses per full-time-equivalent student, which is the primary basis for Oregon's distribution of state funds, and not student headcount.[19]

> The State Higher Education Executive Officers' funding rankings for Oregon's public universities are much lower than for its community colleges, driving down Oregon's combined rankings for higher education. Similarly, the percentage of institutional revenue covered by student net tuition and fees is much higher at public universities – 69% in 2021 at the universities versus 25% at the colleges. In budget documents, HECC at times reports only the combined figures.

Before the pandemic, from 2016 to 2019, Oregon's community colleges ranked 12th nationally in total revenues per student FTE, according to IPEDS data. Oregon ranked lower in state appropriations, 29th over the four years, but ranked relatively high in property tax appropriations and tuition revenue.

The higher education association reported more recent data. During the pandemic, Oregon's rank for combined state and local funding reached about the national average and 19th highest among states in 2021, association data indicates. (Several large and well-funded state systems skew the national

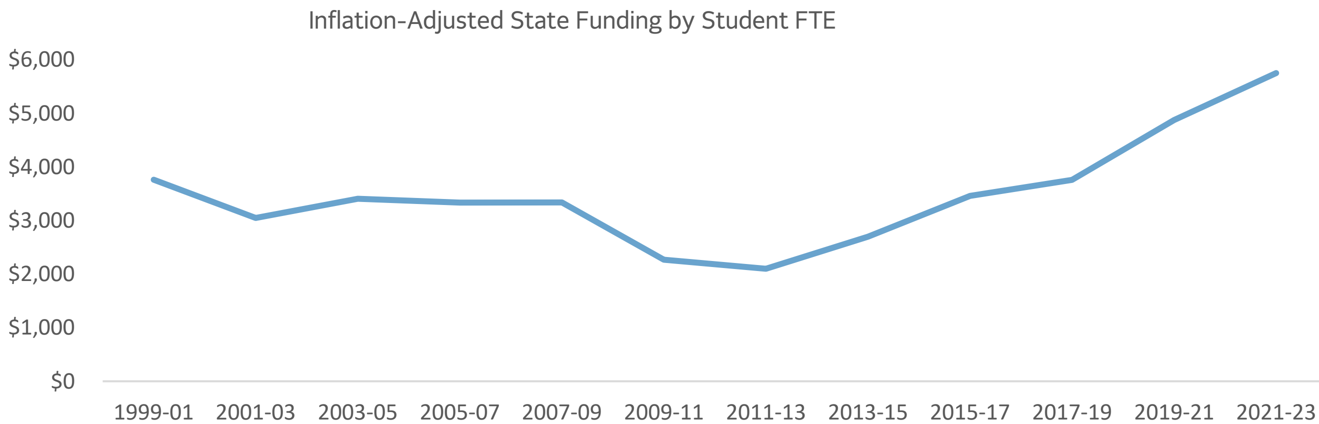
[18] Per-student-funding analysis can improve external state rankings. For example, a 2022 study and ranking done by WalletHub ranks Oregon community colleges 10th across the nation as an overall system. Oregon's relatively high state funding per student FTE contributed to this ranking.

[19] Per the Integrated Postsecondary Education Data System, part-time students in fall 2019 made up about 60% of student headcount in Oregon versus 65% nationally, indicating Oregon does not enroll an unusually high proportion of part-time students.

average upward.) As with the IPEDS data, property tax appropriations ranked higher and state operations appropriations ranked lower, 25th in 2021.

State operations appropriations, along with state financial aid, have risen substantially in recent years, from $550 million to $700 million from the 2015-17 biennium to the 2021-23 biennium, a 27% increase. College officials note that much of the inflation-adjusted revenue gain since 2011 effectively recovered earlier losses, and that colleges in areas where voters reject construction bonds have to cover repairs and maintenance out of operations funds.

Figure 10: Inflation-adjusted state funding has increased substantially, but did not rise well above mid-2000 levels until the 2019-21 biennium



Source: HECC analysis

Consistent with funding results, Oregon ranked 15th highest nationally in total staff per student in 2019, with both students and staff expressed in full-time equivalent terms. From 2014 to 2019, instructional FTE reported by the colleges dropped, while some administrative categories rose, including management and business operations, according to the IPEDS data.

By HECC's calculation, from 2013 through 2019, the colleges' student-to-staff ratio improved from 18.5 students per staff to 12.9, as enrollment dropped much faster than staffing.

Figure 11: Oregon ranks relatively high among states on overall staff FTE per student FTE, but has seen drops in instructional staffing levels

	2019 Staff FTE	Oregon Rank	2014-19 Change
Total Staff FTE	7,412	15	-3%
Select Categories:			
Instructional	3,052	23	-10%
Office & Administrative Support	1,101	7	-9%
Management	750	11	9%
Student and Academic Affairs	655	20	9%
Computer, Engineering, and Science	438	2	8%
Business and Financial Operations	272	24	16%

Source: Auditor analysis of data from the Integrated Postsecondary Education Data System.

Spending per student is also relatively strong. IPEDS data indicates Oregon spent the 6th highest amount per student FTE in current year expenses, primarily salaries and benefits for college employees, from 2016 to 2019 combined. Employee fringe benefits, where Oregon ranked second highest nationally, stood out the most. The high ranking likely stems from rising costs for health benefits and Public Employee Retirement System costs, a challenge for Oregon government agencies in general.

We also analyzed more detailed individual college spending data the colleges provide to HECC to gauge spending trends from 2009 to 2018, when all 17 colleges reported data. Over those ten years, the data suggests that college spending on retirement, insurance benefits, and management salaries has grown the fastest, more rapidly than spending on faculty and classified staff salaries.

Figure 12: Benefits and management salaries have grown fastest since 2009

	2018 Total (millions)	% Growth 2009-18
Faculty Salaries — Full & Part-Time	$230	16%
Classified Staff Salaries	$152	18%
Management Salaries	$98	33%
Insurance Benefits	$95	50%
PERS	$90	69%

Note: Percent growth not adjusted for inflation.
Source: Auditor analysis of HECC CCFIS data.

Unfortunately, other important expense line items in HECC's publicly available dataset did not appear reliable for analysis, including counseling, management of support services, and academic administration. These accounts had missing data for some colleges or sharp fluctuations from year to year, which may reflect inconsistent accounting. Several colleges also did not report any data for 2019 and 2020, making those years unusable for overall analysis.

HECC does not review college submissions to ensure they are complete and address reliability problems. These problems limit the ability of HECC, colleges, and the public to evaluate college spending even as risks to college sustainability grow.

Falling enrollment and growing financial challenges pose substantial threats to sustaining college operations and meeting the state's 40-40-20 goal

Despite Oregon's relatively high per student funding and spending numbers, persistent enrollment declines have driven down tuition revenue and total revenue at most Oregon colleges. The declines threaten college finances and stability. They also limit Oregon's ability to meet the college portion of its 40-40-20 goal, which is based on the number of students receiving associate degrees and certificates.

During the initial phase of the pandemic, enrollment fell as Oregon colleges closed in-person learning, health issues spiked, and wildfires spurred evacuations across the state. Career-technical programs, with their focus on hands-on learning, were hit the hardest. Strong job growth as the pandemic continued may have also persuaded more students not to return or start in school.

A projected decline in the number of high school graduates could reduce enrollment further and increase competition from universities, trade schools, and private online schools for the limited number of students available. These trends are challenging community college finances. The colleges project a need for a 44% increase in state funding for the 2023-25 biennium to avoid large tuition increases and maintain status quo college operations.

As with student success and funding, we benchmarked Oregon's community college enrollment trends against national results and trends in other states. Community college enrollment has declined rapidly nationwide, much more deeply than public university enrollment, with losses accelerating during the pandemic. As enrollment declines, tuition revenue does as well, limiting the colleges' ability to maintain a variety of program offerings and threatening college sustainability.

Benchmarking showed Oregon's community college enrollment has fallen faster than enrollment in most states, both before and during the pandemic.

- Before the pandemic, from 2014 to 2019, Oregon's annual student FTE enrollment fell roughly 20% versus 10% nationally, the 12th highest decline nationwide.
- From 2019 to 2021, Oregon's annual student FTE enrollment fell 17%, more than double the national average during the pandemic and the 6th highest drop among states.

Pre-pandemic, there was some encouraging news in the data: new students and first-time, full-time students both grew, with Oregon ranking high in these categories relative to other states.

Figure 13: Reimbursable annual student FTE has declined significantly at most colleges

	2021 FTE Enrollment	2011 to 2021 Change	Pandemic Change
Total	64,815	-46%	-21%
College:			
Lane	6,088	-60%	-21%
Umpqua	2,087	-59%	-21%
Rogue	2,799	-55%	-34%
Blue Mountain	1,164	-54%	-32%
Linn Benton	4,048	-50%	-22%
Treasure Valley	1,227	-49%	-18%
Chemeketa	7,368	-47%	-23%
Southwestern	1,569	-46%	-26%
Central Oregon	3,630	-45%	-16%
Clatsop	830	-44%	-38%
Clackamas	4,870	-44%	-25%
Mt. Hood	5,994	-44%	-19%
Portland	19,520	-38%	-18%
Columbia Gorge	782	-38%	-9%
Oregon Coast	417	-19%	-10%
Tillamook Bay	429	-16%	-11%
Klamath	1,993	1%	8%

Note: Pandemic change measures the change from the last academic year prior to the pandemic, 2018-19, to 2020-21, the last year of annual enrollment data available.
Source: Auditor analysis of HECC data.

However, from 2010-11 to 2020-21, only Klamath Community College avoided a decline in reimbursable student FTE enrollment, the basis of Oregon's payments to the colleges. Twelve colleges had declines of more than 40%. Declines were steeper among older students than traditional-age college students, age 18 to 21, though traditional-age student FTE still declined by 29%.

Oregon's headcount enrollment far exceeds student FTE enrollment reimbursable by the state, at nearly triple for the 2020-21 academic year. Students often need advising, financial aid, and other administrative support services regardless of the number of courses they take, an important point for colleges that need to support significant numbers of part-time students.

Oregon's fall 2022 student headcount enrollment dropped 3.6% from Fall 2021, with declines at seven colleges, while FTE rose 0.5% with 11 colleges stabilizing or showing an increase. While these numbers show more stability than earlier in the pandemic, they are still below the national headcount average for community colleges, which decreased by less than 1%.

Economic challenges and higher unemployment could prompt more students to enroll at community colleges, as they did in economic downturns prior to the pandemic. However, demographers expect the long-term supply of students to decline going forward. Data from the Western Interstate Commission on Higher Education projects a total growth of nearly 20% in Oregon high school graduates in the 15 years ending in 2025, fueled by rapid growth in Hispanic, Asian, and Pacific Islander graduates. However, in the decade from 2025 to 2035, the number of graduates is expected to drop 11%, including a 15% decline in Hispanic graduates. For Oregon's overall population, Portland State University population researchers project Oregon will gain nearly 1 million residents from 2020 to 2045, but only 5% of them will be younger than 30. The growth rate for the under 30 age group is projected at 3.5% through 2045, much lower than overall population growth rate of 23%.

> Portland State University forecasts project Oregon will gain nearly 1 million residents from 2020 to 2045, but only 5% of them will be younger than 30, with a growth rate in that category of only 3.5%.

Nationally, Oregon also has relatively low, though rising, high school graduation rates and a low rate of high school graduates attending college within 12 months.[20] Both of these results also limit college enrollment.

These trends are likely to increase competition for students among community colleges, universities, private online schools, and career-technical or trade schools. It will also put further pressure on community colleges and the state to keep tuition low even if enrollment continues to decline, putting more pressure on their finances.

College financial challenges, which began pre-pandemic, are increasing

Data from the Integrated Postsecondary Education Data System indicates the colleges' financial problems, as with their enrollment problems, began well before the pandemic. From 2014 to 2018, total inflation-adjusted revenues fell at 14 of Oregon's 17 colleges. Inflation-adjusted state appropriations and property tax revenues grew at most colleges while student tuition and fee revenue and federal grants and contracts declined. In the same period, 10 colleges reported declines in their net financial position of at least 40% out of the 15 colleges that reported the sustainability metric.

During the pandemic, federal emergency funds helped bridge colleges' budget shortfalls, but that money is running out. Absent deep cuts, total college costs are expected to continue to rise, driven by

[20] A 2019 analysis by HECC consultants found, based on 2016 data, that 49% of Oregon's high school graduates enrolled in college within 12 months of graduation, well below the national average of 63%.

benefits and compensation. Colleges are taking steps intended to increase enrollment and improve student retention, but absent unexpectedly large enrollment increases, tuition revenue is not likely to rise enough to cover rising costs.

A review of college budgets indicates most colleges are not making substantial cuts for the 2022-23 school year. Some federal funds can still be used in 2022-23, and state funding for the year is already set. However, some colleges made cuts earlier in the pandemic and some colleges are also making relatively substantial reductions in 2022-23.

Reductions since the pandemic began include eliminating vacant positions, hiring and spending freezes, separation incentives for faculty, reducing adjunct faculty, and reducing materials and maintenance expenses. For 2022-23, Rogue Community College ended four academic programs and temporarily suspended seven others as part of a prioritization plan. Blue Mountain Community College laid off five full-time faculty after eliminating 39 full and part-time positions in the previous two years. Chemeketa Community College eliminated 25 of 552 positions college-wide, mostly vacant positions but including some layoffs. Lane Community College raised tuition by 5% and increased technology fees as part of its plan to close an $8.1 million budget gap. Several colleges warned in their budget messages that deeper cuts are looming for the 2023-25 biennium.

Blue Mountain's Budget Struggles

The experience of Pendleton-based Blue Mountain, a small community college with roughly 2,400 for-credit students, shows making deeper cuts will be difficult. The college's 2022-23 budget cut five full-time faculty and reduced the general fund budget for full-time faculty from $3.1 million to $2.4 million. The reductions prompted student and faculty protests before a college board meeting and the faculty union to file grievances under its collective bargaining agreement with the college, with union members saying the cuts would hurt students and burden remaining staff. Blue Mountain's president noted an enrollment drop of 42.5% since 2017, a shift away from two-year degrees, and multiple years of General Fund budget cuts, He pledged to re-tool the college's strategy, including sunsetting academic programs that are no longer viable.

As college finances decline, HECC's primary response is to request state spending increases to cover college costs, limit staffing losses, and keep tuition from rising sharply. For the 2021-23 biennial budget, HECC asked for an additional $57.2 million to cover college costs, including personnel costs, and keep average annual tuition increases at or below 3.5% through 2023.

Operations deficits could be substantially worse in the 2023-25 biennium, starting in July 2023. College projections for the 2023-25 budget, which the Legislature will consider in the first half of 2023, indicate much higher needs for state funding to cover costs. The colleges project the state needs to increase its Community Colleges Support Fund 44% for the 2023-25 biennium — from roughly $700 million to $1 billion — to maintain college employment and programs and keep average tuition increases at about 3% a year. That increase would only fund the status quo, maintaining existing services.

Figure 14: Colleges project a need for more state funding to cover increased expenses, operations deficits, and lost revenue

College Projections: 2023-25 Needs vs Revenues	Amount	Change from 2021-23
Needs:		
Expense increases for 2023-25	$221,160,090	12.2% increase
Deficit (uncovered expenses) 2021-23 biennium	$98,826,447	Eliminated under college plan
Loss of federal pandemic relief money	$53,036,148	Not available in 2023-25
Total projected needs	**$373,022,686**	
Revenue Changes:		
Property tax increase *(projected)*	$34,450,937	7.9% increase
Tuition revenue increase *(projected)*	$30,796,690	6.6% increase
Other revenue decrease *(projected)*	$(635,753)	1% decrease
Revenue subtotal	**$64,611,873**	
Difference: State revenues needed to fill gap	**$308,410,812**	**44.3% increase**

Source: College submissions to HECC.

The proposed increase may not be funded. It is unknown what the Governor will recommend and the Legislature will approve. HECC's request budget, submitted in fall 2022, included a lower proposed increase to $905 million, still a 29% increase, plus a proposal for $100 million in additional equity funding for public universities and community colleges. In either case, the magnitude of the college projections and HECC's request highlights the deep financial problems the colleges face unless enrollment increases substantially. The colleges' projection assumes enrollment growth of only 1.3% to 1.4% a year from 2023 to 2025.

If successful, HECC's separate $780 million request for additional financial aid for college and university students could help spur enrollment growth, though it would also add substantially to the size of HECC's requested budget for higher education as a whole. All told, the 2023-25 higher education request totals $5.3 billion, 48% higher than the 2021-23 adopted budget.

A lack of spending scrutiny and systemic focus on cost-saving measures increases the risk college sustainability will not be adequately addressed

Growing instability at community colleges would damage students, the state's economy, and the local communities the colleges serve. Deep cuts could also hinder progress toward increased equity and upward mobility in the state.

However, aside from requests for additional state funds for colleges and occasional one-time reports, HECC is not focusing on college sustainability. It is not monitoring college finances, linking spending to state goals, conducting data analysis to help colleges budget strategically, or helping to lead cost-sharing initiatives — all steps that could help increase college sustainability.

Evaluations from the Northwest Commission on Colleges and Universities, the higher-education accreditor for Oregon and other Northwest states, also did not focus on strategic efforts to increase sustainability. Accreditation standards require colleges to develop plans to address financial sustainability. Our review of accreditation reports found accreditors check college annual audits, reserves, and financial management practices, but do not focus on concrete strategies colleges are taking to contain tuition, contain costs without reducing student success, and address threats to long-term sustainability. Northwest Commission leaders said the pandemic spotlighted sustainability issues, and their accreditation review teams are increasing scrutiny of sustainability issues going forward.

Sustainability areas where HECC could do more include:

Monitoring financial condition: State statutes require HECC to evaluate the financial condition of Oregon's public universities and require universities to submit reports on actions they have taken to control costs to HECC. The statutes do not include these steps for community colleges. As noted earlier, HECC obtains and publishes revenue and expense data from community colleges, but does not review it or check it for accuracy.

Linking state funding to educational best practices and state goals: Improved reporting and analysis could allow HECC to evaluate system spending and identify the best practices and funding needed to reach state goals. Oregon's K-12 system has a Quality Education Model to evaluate system spending and estimate the educational best practices and level of funding needed to run a highly effective system of schools in Oregon. HECC does project spending needed to meet 40-40-20 goals, but does not tie spending to educational best practices or evaluate system spending.

Conducting data analysis to support sustainable college budgets: Colleges can struggle to make evidence-based budget decisions. HECC's standard reporting on program results reports results statewide and does not include college-level analysis that colleges could use to help make budget decisions. HECC also not provide guidance to help colleges make appropriate investments, evaluate program results, implement best practices, or strategically reduce budgets.

Facilitating greater college efficiency: HECC's statutory role does include "encouraging and facilitating" shared services that improve economies of scale, such as shared administrative services or collaborative online education among colleges. However, while state statutes require universities to establish a collaborative focused on sharing administrative support services, there is no similar requirement for community colleges. Despite its statutory role, HECC has had made limited efforts to facilitate shared services and has had limited success when it does. Sharing services could result in eliminating jobs and may be seen as a threat by the colleges, their staff, and employee unions.

Sustainability statutes for universities that do not apply to community colleges:

- HECC must evaluate the financial condition of the universities.
- Universities must submit reports on cost drivers to HECC.
- Universities must establish a collaborative focused on sharing support services.

A 2021 HECC report to the Legislature on mergers in higher education indicates troubled institutions should act sooner rather than later to merge or seek structural partnerships and points to other state actions. For example, Maine is sharing faculty members and courses across campuses. Connecticut consolidated all 12 of its community colleges into an accredited institution and aligned curricula for more than 200 degree programs.

Colleges have independently made progress toward improving efficiency, but the efforts are limited in scope. Institutional researchers at Linn-Benton Community College have contracted with a handful of other colleges to provide basic student outcomes data, reducing the individual college burden. Several smaller colleges are considering shared online course offerings. Other colleges have worked on a shared, grant-driven project to improve and expand student opportunities in cybersecurity and advanced manufacturing. Accreditation reviews indicate colleges are making more data-based efforts to evaluate the effectiveness of academic programs.

Oregon's community colleges have some existing advantages for addressing sustainability and student success. Lower student-to-staff ratios maintained through relatively high funding could allow for better connections between staff and students. Upgraded online capabilities spurred by the pandemic could help the colleges devise more effective models for reaching students who struggle to attend on-campus classes, including working students, students with children, and students with long commutes.

> Oregon has a relatively high proportion of students with some college and no degree, a key source of potential increased enrollment.

Oregon also has more older adults who attended college in the past but did not complete a program of study – an opportunity to increase student enrollment. A 2019 report from the National Student Clearinghouse Research Center identified Oregon as one of 12 states with a higher proportion of students who have some college and no degree. These students have a high potential to return to college and graduate, and most students do so at community colleges, the report noted.

Current piecemeal efforts, however, are likely not enough to address the sustainability risks colleges face. In September 2022, the National Center for Higher Education Management Systems released a higher education landscape study commissioned by Oregon's colleges and universities that is a positive step toward a more comprehensive approach. The report's recommendations included enhancing higher education affordability, making new investments aligned with state goals, and establishing a Blue Ribbon commission, separate from HECC's commission, to develop a vision for economic development in the state and detail how higher education can better support economic growth.

The next biennium is critical, a time to recover from pandemic setbacks, strive for increased efficiency, and assess the sustainability of the system going forward. For a more efficient, evidence-based, and equitable system to emerge, Oregon state and college leaders will need to focus more intently on addressing student success, student support, and college sustainability.

Recommendations

These recommendations are tied to root causes and risks detailed in this audit report. Some may require additional authority and staffing. Most will require consultation with stakeholders, including the colleges, the Governor, the Legislature, and student and employee associations.

To increase community college accountability and student and college success, we recommend the Governor's Office and the Legislature:

1. Help HECC and the colleges make the improvements noted below. Provide clear support, statutory language when needed, and necessary staff and funding at HECC and the colleges to help drive system improvement.

To increase student success, student support and college sustainability, we recommend HECC:

2. Work with state leaders and stakeholders to substantially upgrade the community college system's transparency and use of data for improvement:

    a. Publish student success metrics by college and statewide in an easily analyzable form, such as downloadable spreadsheets or online dashboards. Starting with metrics currently collected, include completion and transfer rates and rates for early student progress indicators. Report results by race/ethnicity and other available demographics.

    b. Work with the colleges to establish agreed-upon core student success metrics, both early indicators and outcomes, and a consistent method for calculating them. Use them to report to the public and Legislature on college and statewide performance, identify successful programs, and evaluate strategic initiatives, including initiatives led by the Oregon Student Success Center.

    c. Benchmark statewide outcomes and early indicators against national results on HECC's website and in reports to the Legislature. Develop Key Performance Measures for early indicators.

    d. Consolidate statewide data collection. Reduce duplicative requests and collection of unused data. Clarify data definitions. Assist the Legislature with matching data requests to existing data whenever possible. Align efforts with college accreditation requirements.

    e. Analyze staffing needs at HECC and community colleges and request staff needed to support in-depth research, analysis, and public reporting.

3. If performance-based funding is adopted, develop a detailed plan to maximize and track systemic benefits and minimize and track potential negative results. If performance funding is not pursued, substantially increase strategic funds to improve student success and equity and publicly track results of those efforts.

4. Evaluate the sufficiency and effectiveness of statewide and college-specific student support programs and academic advising. Include metrics such as funding, academic advisor caseloads, students served by program, estimates of eligible students not served, and individual program impacts on student success. Report results biennially to the Legislature and public, identifying programs that work, service gaps, and sustainable options for closing them. Pursue legislative support or statutory language as needed. Align efforts with college accreditation requirements.
5. Continue working with the Governor and Legislature to improve Oregon's financial aid efforts, including addressing inequitable distribution and gaps for part-time and older students.
6. Biennially analyze and report to the public and Legislature on community college sustainability systemwide and by college — including financial status, expense and tuition growth, enrollment trends and forecasts, and the status of shared services and other steps colleges are taking to improve sustainability. Identify best practices and funding needed to reach state goals. Pursue legislative support or statutory language as needed. Align efforts with college accreditation requirements.

Objective, Scope, and Methodology

Objective

The objective of this audit was to determine how HECC can help community colleges enhance data use and student support to improve college performance, reduce equity gaps, and address substantial risks to college sustainability.

Scope

The audit focused on the status of community college student success, equity gaps, student support services, sustainability, and data use. It also focused on steps HECC can take to help colleges improve in these areas and obstacles to improvement within the higher education system.

Methodology

To gain an understanding of HECC and community colleges we:

- Interviewed HECC and college leaders and staff, HECC commissioners, students, and stakeholders;
- Surveyed and conducted group interviews with college institutional researchers, student support personnel, and academic administrators;
- Visited Chemeketa, Klamath, and Portland community colleges;
- Reviewed extensive HECC and community college documentation and community college research;
- Analyzed college accreditation reports;
- Reviewed practices in other states and in leading colleges in other states and interviewed Washington state-level staff and college staff; and
- Analyzed multiple community college datasets, from HECC and from national sources, to evaluate Oregon community college performance, funding, spending, staffing, and student needs (see details in Appendix A).

Data Reliability

Our assessment of the reliability of data used in this audit focused on HECC's internal data sets and the external data sets outlined above.

HECC's Student and Financial Data Systems

We evaluated data reliability by evaluating an assessment of reliability conducted by this office in a 2015 audit, reviewing up-to-date information about HECC's data and systems, interviewing and surveying HECC and community colleges officials knowledgeable about the data, and evaluating the reasonableness of individual conclusions in our analysis preparation and review. We found the data on college spending had limited reliability and confined our analysis to a level and time period deemed reliable, as detailed in the Audit Results section.

National datasets

We evaluated data reliability of national datasets we used for this report by evaluating the methodology followed by the preparers of the datasets and evaluating the reasonableness of individual conclusions in our analysis preparation and review.

After accounting for the limitations of HECC's college spending data, we determined both the HECC and national datasets were sufficiently reliable for the purposes of this report. See "Appendix A: Data Analysis Details" for more information on data analysis conducted for this audit, including data limitations.

Internal control review

We determined that the following internal controls were relevant to our audit objective:[21]

- Control Environment
  - We interviewed HECC commissioners and personnel at HECC and colleges and reviewed statutes, administrative regulations, and HECC and college documents.
- Risk Assessment
  - We interviewed personnel at HECC and colleges and reviewed statutes, administrative regulations, key practices, and HECC and college documents.
- Control activities
  - We evaluated procedures and practices for effective use of data to assess and improve the community college system.
- Information and communication
  - We evaluated the transparency and effectiveness of information provided about the community college system.
- Monitoring activities
  - We evaluated HECC's role in monitoring and reporting the status and effectiveness of college operations, including performance, funding, spending, and staffing.

Deficiencies with these internal controls were documented in the results section of this report.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We sincerely appreciate the courtesies and cooperation extended by officials and employees of HECC and Oregon's community colleges during this audit.

[21] Auditors relied on standards for internal controls from the U.S. Government Accountability Office, report GAO-14-704G.

Audit Team

Andrew Love, CFE, Audit Manager

Ian Green, M.Econ, CGAP, CFE, CISA, CIA, Audit Manager

Scott Learn, MS, CIA, Principal Auditor

Emily Fiocco, MPA, CIA, Staff Auditor

Zak Ostertag, MPP, Staff Auditor

Michael Pinkham, MPA, Staff Auditor

T. Cornforth, Staff Auditor

About the Secretary of State Audits Division

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the elected Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

Appendix A: Data Analysis Details

We analyzed multiple datasets to evaluate Oregon community college performance, funding, spending, staffing, and student needs. When possible, we also benchmarked these results against other states.

National Student Clearinghouse data on completion outcomes and enrollment

Completion: The National Student Clearinghouse separately gathers completion data directly from community colleges and reports results by state. Its most recent report, for 2021, detailed six-year completion rates over multiple years by state and disaggregated them by race/ethnicity. The report also shows results by gender, age, and enrollment status (part-time or full-time). Student cohorts include full-time and part-time "credential-seeking"[22] students who started at the college six years previously. Completion rates include completions at a community college as well as completions at a four-year college if a community college student transfers to a university and graduates. This approach provides a more complete picture of student success than other datasets we used, which count transfers to universities as a success, regardless of student results once there. We analyzed results from the 2021 report, including state rankings and trends over six years. National Student Clearinghouse data is updated frequently, a significant strong point, but also focuses solely on completion instead of detailing results on a broader range of outcomes and early momentum metrics. NSC also reports disaggregated data by race and ethnicity, including groups that can have relatively small student numbers and highly variable outcomes as a result. We averaged the three years of data provided to help address this limitation.

Enrollment: We analyzed enrollment data for 2021. National Student Clearinghouse's relatively rapid release of national enrollment data for community colleges allowed us to analyze how Oregon's enrollment decline during the pandemic compared to declines in other states.

Integrated Postsecondary Education Data System data on performance, funding, spending, staffing, and enrollment

This federal database provides data on colleges, universities and other postsecondary institutions and includes 966 public community colleges. We analyzed this data in three areas:

Funding and Spending: We determined community college funding and spending by line item by state, then divided those totals by the state's full-time student equivalent total for each year to obtain comparable line-item results by state. We combined totals for 2016 through 2019 and averaged the results to control for unusual year-to-year differences. We also adjusted the annual figures for inflation and cost-of-living differences between states, allowing us to benchmark Oregon's funding and spending against other states.

Outcomes: Among other measures, this federal database provides three-year completion and transfer rates to four-year colleges for smaller cohorts of community college students: first-time, full-time credential-seeking students. We determined community college outcomes, such as rates of student

[22] At community colleges, credential seeking means a student is seeking a certificate or degree. The National Student Clearinghouse defines students as credential seeking if their early term enrollment is more than half-time or they enrolled half time for at least two terms within 15 months of their initial fall enrollment. VFA and HECC define credential seeking by setting thresholds for credits students earn.

transfer to other institutions and completion — students obtaining associate degrees and certificates — and benchmarked Oregon's performance relative to other states. As with the NSC's disaggregated data, IPEDS outcomes for small, disaggregated groups can be highly variable from year to year. We averaged results over four years to help address this limitation.

Enrollment and Staffing: We determined community college enrollment trends and staffing levels, such as full-time versus adjunct faculty, and ranked Oregon's staffing levels relative to other states.

Overall Methodology: We identified the set of all public community colleges in the United States based on the April 2020 list prepared by the Community College Research Center at Columbia University. The list adjusted for community colleges classified as four-year institutions under this data system because they offer at least one four-year degree.

This long-running data system allows for comprehensive trend analysis and benchmarking. However, the student cohort the system uses to evaluate student performance is limited, primarily focused on first-time, full-time college students. This is a cohort that is most likely to succeed, but it also excludes large categories of students, including part-time students and students returning to college.

Voluntary Framework for Accountability data on outcomes and early momentum metrics

HECC provided us with statewide and student-level data it gathers for submission to the Voluntary Framework for Accountability administrators, who collect data from about 230 member colleges on performance outcomes. The outcomes include completion and transfer rates and early indicators, such as students completing 12 credits in their first term or remaining in college from their first to second term. Voluntary Framework for Accountability officials provided us with PDFs of statewide and individual college results, which are also publicly available on their website.

We evaluated Oregon's statewide six-year results as of 2019 and compared them to overall results for colleges participating in the framework. We also used Oregon's student-level data to evaluate results on selected Early Momentum Metrics by race/ethnicity and by rural/urban designations.

The Voluntary Framework for Accountability system, implemented by the American Association of Community Colleges, evaluates more comprehensive student cohorts than other datasets and focuses on early indicators as well as final student outcomes, providing a more holistic picture of student performance. However, the number of colleges used for comparison is limited, as is the data available for benchmarking among states.

State Higher Education Executive Officers Association funding and enrollment data

This association provides state totals for funding and enrollment at postsecondary institutions, including public community colleges, through its annual State Higher Education Finance report. We used this data, which is adjusted for inflation and cost-of-living differences, as a second source for funding analysis and benchmarking Oregon to other states, focusing on data from 2019 to 2021, the years that the association provided separate analysis of community colleges and universities.

Hope Center student survey data on student challenges

The Hope Center conducts an annual survey of community college students on basic needs, using the results to gauge levels of housing insecurity, food insecurity, and homelessness. We analyzed 2019 survey data to help determine need levels in Oregon, disaggregated by race and ethnicity. The race/ethnicity results can be volatile from year to year, particularly for groups with relatively small numbers in Oregon, such as Black/African American students, American Indian/Alaska Native students, and Native Hawaiian/Pacific Islander students. Survey coverage of the nation's community colleges is also limited; the 2019 survey included only 14 of Oregon's 17 community colleges.

Center for Community College Student Engagement national student survey data

The center, based at the University of Texas at Austin, provided national benchmark reports and Oregon student-level data for two relatively recent surveys in which Oregon colleges participated: The 2021 Community College Survey of Student Engagement and the 2018 Survey of Entering Student Engagement, which focuses on new students. We benchmarked Oregon results to national results and analyzed the student-level data to identify how often students were using critical services, including students disaggregated by race/ethnicity, gender and full-time versus part-time students. We also analyzed these results by college. As with the Hope Center survey data, the race/ethnicity results can be volatile from year to year, particularly for groups with relatively small numbers in Oregon.

HECC data for additional Oregon-specific results

HECC maintains an online, publicly accessible database, the Oregon Community Colleges Data Mart, that includes a limited set of data on enrollment, student FTE, completions, developmental or remedial education, financial aid expenditures, and annual revenues and expenditures. The data is provided by college, goes back multiple years, and in many cases can be disaggregated by race/ethnicity, gender, and age. We used the data to analyze enrollment trends. We also analyzed the spending data, but limited our evaluation to specific statewide categories and those that appeared reliable, as HECC does not review spending data submissions by colleges and the data had obvious missing information. In 2019 and 2020, for example, at least three colleges did not submit any data.

Enrollment and outcome data available in the Data Mart is drawn from HECC's Data for Accountability system, a student-level database that HECC uses to gather data from the individual colleges, including data on outcomes, enrollment, and financial aid. HECC responded to a number of our specific questions by drawing on this data, and also uses it to prepare reports for the public, Legislature, and the agency's commission, such as outcomes for transfer students and snapshot reports for colleges and the system as a whole.

Oregon
Kate Brown, Governor

Higher Education Coordinating Commission
Office of the Executive Director
3225 25th Street SE
Salem, OR 97302
www.oregon.gov/HigherEd

December 13, 2022

Kip Memmott, Director
Secretary of State, Audits Division
255 Capitol St. NE, Suite 180
Salem, OR 97310

Dear Mr. Memmott,

This letter provides a written response to the Audits Division's report entitled *Oregon Must Improve Community College Performance, Student Support, and Sustainability Amid Persistent Enrollment Declines.*

In general, management of the Higher Education Coordinating Commission (HECC) agrees with the Secretary of State Audits Division's recommendations and is committed to taking actions to support the goals of improving community college performance, student support, and sustainability amid persistent enrollment declines. As described below, HECC may sometimes lack the statutory authority and/or the staff and resources needed to undertake the recommended tasks.

This response letter reflects the perspective of HECC management. However, our Governor-appointed Commission has final prerogative over many of the policy and funding actions envisioned here. While we believe our response generally reflects the spirit and perspective of the Commission, we cannot commit current or future members of the Commission to support these specific actions.

> **Recommendation 1 (made to the Governor's Office and the Legislature): Help HECC and the colleges make the improvements noted [in the report]. Provide clear support, statutory language when needed, and necessary staff and funding at HECC and the colleges to help drive system improvement.**

HECC Management Agrees. Unusually for Oregon state agencies, HECC is restricted to exercising only the powers, duties, and functions that have explicitly been granted to it by law. HECC's authorities may be found throughout ORS 350.075, the final section of which reads:

(8) (a) The Higher Education Coordinating Commission may exercise only powers, duties and functions expressly granted by the Legislative Assembly. Except as otherwise expressly provided by law, all other authorities reside at the institutional level with the respective boards of the post-secondary institutions.

(b) The commission has implied and direct authority to implement the powers, duties and functions expressly granted to the commission by the Legislative Assembly.

(c) *Notwithstanding paragraph (b) of this subsection, the commission may not exercise any authority, express or implied, statutorily provided to a governing board of a public university listed in ORS 352.002 or a community college operated under ORS chapter 341.*

This statute has been interpreted by both the Oregon Department of Justice and Oregon's seventeen community colleges to limit our agency's primary role to that of a *coordinating commission*. As such, no matter how much the HECC supports the Secretary of State's recommendations to improve community college outcomes and sustainability, implementing the recommendations is at present a shared responsibility of the HECC, local community college boards, community college staff, accrediting institutions, and the Oregon Student Success Center.

In addition, the HECC possesses neither the dedicated staff nor the financial resources to implement the recommendations alone. To implement the more robust system of supports recommended in this audit would likely require expanding the HECC's authority, either by adding to its enumerated authorities, amending or repealing the limiting language in ORS 350.075 (8), or both. Additionally, implementing this more robust system would likely require expanding HECC's capacity. As the audit notes, for example, the State of Washington's governing board for community colleges employs 239 staff, whereas Oregon employs just 20 staff focused on community college programs. Washington has five policy research analysts and a 13-member data services team, whereas Oregon has approximately 1.25 FTE dedicated to community college data and reporting.

Below is HECC's detailed response to each recommendation in the audit.

<table>
<tr><td colspan="3">RECOMMENDATION 2a
Publish student success metrics by college and statewide in an easily analyzable form, such as downloadable spreadsheets or online dashboards. Starting with metrics currently collected, include completion and transfer rates and rates for early student progress indicators. Report results by race/ethnicity and other available demographics.</td></tr>
<tr><th>Agree or Disagree with Recommendation</th><th>Target date to complete implementation activities</th><th>Point of Contact</th></tr>
<tr><td>HECC management agrees with this recommendation. We note that HECC already provides much of this information through its annual Statewide Higher Education Snapshot reports. Raw data is also available in an online, searchable format through the HECC Datamart if researchers</td><td>Much of the information requested in Item 2(a) has been available to the public and to policymakers for the last five years. HECC reports data on enrollment, affordability, and other outcomes for resident Oregon learners in aggregate, by institution type (university and community college), and by individual institution. It is further broken down by race and ethnicity to highlight additional systemic barriers that are experienced by underrepresented populations.</td><td>Amy Cox, Director of Office of Research and Data 503-569-2249</td></tr>
</table>

wish to explore different research questions. In 2023, HECC will explore the potential for reporting additional early indicators of student success. We will also post the data online in spreadsheet form.	The HECC's State Higher Education's Snapshot reports provide this information in a user-friendly manner, and the HECC's DataMart provides raw data in an online, searchable format. In 2023, we will also post this information online in spreadsheet form. We will explore what it would take to provide information on additional early indicators of student success beyond the retention data we already report. If this information is available, we will endeavor to include it in our legislative presentations, including our Ways and Means presentation in the spring of 2023, and to make it available on the HECC website by the summer of 2023 (see this commitment also in 2b and 2c).	

Narrative for Recommendation 2a
HECC has provided much of the information noted in this recommendation for the last five years in its annual Statewide Higher Education Snapshots, and the raw data is available to partners in an online, searchable format through the HECC DataMart.

While we will continue to explore opportunities to build on published, static reports, we do not currently have the financial or staff resources available to create interactive dashboards for use by the community colleges or other researchers. We could envision this goal being built into future phases of HECC's ongoing IT Modernization project, but the project is currently not scoped to include this activity. As such, we do not believe it is feasible to make substantial progress toward this part of the recommendation unless the agency receives additional resources to support the recommendation.

RECOMMENDATION 2b Work with the colleges to establish agreed-upon core student success metrics, both early indicators and outcomes, and a consistent method for calculating them. Use them to report to the public and Legislature on college and statewide performance, identify successful programs, and evaluate strategic initiatives, including initiatives led by the Oregon Student Success Center.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Point of Contact**

HECC management partially agrees with this recommendation. With respect to outcomes metrics, the HECC already publishes and provides to the colleges agreed-upon measures. These both include and build on measures of the Voluntary Framework of Accountability (VFA) that the colleges and HECC to use starting in 2015. As a result of that collaboration, HECC compiles and submits VFA data on the colleges' behalf. While the VFA website publishes those results already, the HECC could likewise publish college-by-college reports that would perhaps provide a more useful illustration of the data for the Oregon public and decision-makers. With respect to early indicator metrics, HECC regularly reports retention rates based on the VFA cohort, and VFA reports early indicators for each college. HECC agrees that additional reporting on additional early indicators could be useful for colleges and the State. While the HECC could evaluate Oregon Student Success Center (OSSC) initiatives, we lack the authority to compel OSSC to provide HECC its data or respond to HECC findings. OSSC itself evaluates programmatic outcomes at colleges; it would be important to distinguish HECC's evaluation of OSSC efforts from OSSC's own evaluations of the institutions.	The Oregon Student Success Center contracts out the types of institutional and community college system evaluations that are contemplated by this recommendation. So, while the data exists, it is not made available or discussed publicly, and it is not shared with the HECC. Absent new statutory language that compelled the HECC to either collect or report on existing data gathered by the OSSC and evaluate their initiatives, we believe ORS 350.075(8) provides a statutory barrier that will prevent us from implementing this portion of the recommendation. We will explore what it would take to provide information on additional early indicators of student success beyond those we already report and to compare Oregon's results to national results. If this information is available, we will endeavor to include it in our legislative presentations, including our Ways and Means presentation in the spring of 2023, and to make it available on the HECC website by the summer of 2023 (see this commitment also in 2a and 2c).	Amy Cox, Director of Office of Research and Data 503-569-2249

Narrative for Recommendation 2b

While there is no nationally agreed-upon industry standard for student success metrics for community colleges, Oregon worked with partners seven years ago to participate in the American Association of Community Colleges' metrics called the Voluntary Framework of Accountability (VFA). The state's current list of Key Performance Measures and other metrics that guide community college data collection and reporting work are based on these measures. While we are willing to reconvene the group to build upon the already agreed-upon list of success measures, we believe we would need enabling legislation to be the reporting authority for Student Success Center activities.

<table>
<tr><td colspan="3">RECOMMENDATION 2c
Benchmark statewide outcomes and early indicators against national results on HECC's website and in reports to the Legislature. Develop Key Performance Measures for early indicators.</td></tr>
<tr><th>Agree or Disagree with Recommendation</th><th>Target date to complete implementation activities</th><th>Point of Contact</th></tr>
<tr><td>HECC management partially agrees with this recommendation. We agree that early indicators of student success are useful, and we report retention rates for credential-seeking students annually. We also agree that expanded benchmarking and reporting on early indicators of student success would provide colleges with information they could use to support student success further.

HECC Management disagrees with the recommendation to incorporate these measures into the agency's legislatively-adopted Key Performance Measures (KPMs). HECC already has 45% more KPMs than the Oregon Department of Education (ODE), a much larger organization running more statewide programs. Moreover, early and intermediate indicators are less appropriate for KPMs than measures of completion. We also note there is no nationally accepted standard for early indicators of student success in community colleges.

The Legislative Fiscal Office and the Budget and Management Division of the Department of Administrative Services recommend KPMs be few in number, identify performance targets to be achieved during a two-year budget cycle, address comparable information, and use standard terminology and definitions.</td><td>We will explore what it would take to provide information on additional early indicators of student success beyond those we already report and to compare Oregon's results to national results. If this information is available, we will endeavor to include it in our legislative presentations, including our Ways and Means presentation in the spring of 2023, and to make it available on the HECC website by the summer of 2023 (see this commitment also in 2a and 2b).

In 2023, HECC will work to publish 2- and 6-year completion rates (as reported through VFA) alongside national benchmarks.

HECC does not support creating new legislatively-adopted KPMs to measure early or intermediate markers.</td><td>Amy Cox,
Director of Office of Research and Data
503-569-2249</td></tr>
</table>

Narrative for Recommendation 2c

The HECC reports retention rates of credential-seeking students publicly in its Statewide Higher Education Snapshots and other reports. While there are other measures of student progress, the industry has not landed on specific early indicators of success for community college students. If we can access the data locally and nationally, we agree we should include it in our Ways and Means presentation in the spring of 2023 and make it available to students and the public by the summer of 2023.

<table>
<tr><td colspan="3">RECOMMENDATION 2d
Consolidate statewide data collection. Reduce duplicative requests and collection of unused data. Clarify data definitions. Assist the Legislature with matching data requests to existing data whenever possible. Align efforts with college accreditation requirements.</td></tr>
<tr><th>Agree or Disagree with Recommendation</th><th>Target date to complete implementation activities</th><th>Point of Contact</th></tr>
<tr><td>HECC management partially agrees with this recommendation. While we understand community colleges have limited staff and they often feel like they receive duplicative requests, we believe this is largely from requests originating from multiple sources outside of HECC, such as the Oregon Student Success Center, accreditation agencies, and other researchers. We have no control over other organizations and cannot impact or consolidate requests they choose to make.

HECC can commit to streamlining our data collection requests and already limit the data we collect by performing periodic data maintenance. Without additional staff, however, current reporting will need to be paused to complete this work. Though not the main source of data submissions for the colleges, we do expect to begin significant work on data definitions as we begin to implement HECC's new IT Modernization project. We will solicit input from the colleges on these definitions as we determine what data we need to continue to collect from community colleges related to financial aid and the Eligible Training Provider List. And, we will continue to make the Legislature, as well as other partners, aware of available data whenever we have the opportunity to do so.</td><td>HECC will continue to evaluate our data requests on an ongoing basis and will eliminate any redundant or duplicative requests as they are discovered.

We will seek input from community colleges as we begin to create common data definitions for the HECC modernization project so that it can capture data required for statewide reporting. We anticipate this will begin occurring during the summer and fall of 2023.</td><td>Amy Cox,
Director of Office of Research and Data
503-569-2249</td></tr>
</table>

Narrative for Recommendation 2d
HECC will gladly join any collaborative efforts to streamline data collection and reporting practices. And, we can commit to monitoring our requests to ensure that all parts of our requests are necessary. We will share

information we have about available data that can answer questions for the Legislature, the public, and our stakeholders. However, we have no ability to influence the practices or requests originating from either accreditation agencies or Oregon Student Success Center.

<table>
<tr><td colspan="3">RECOMMENDATION 2e
Analyze staffing needs at HECC and community colleges and request staff needed to support in-depth research, analysis, and public reporting.</td></tr>
<tr><th>Agree or Disagree with Recommendation</th><th>Target date to complete implementation activities</th><th>Point of Contact</th></tr>
<tr><td>HECC management agrees. HECC has submitted a 2023-25 Policy Option Package entitled Comprehensive Data and Reporting to build research and data capacity for the HECC. This package was scoped to provide state-level staff to perform ongoing reporting needs. The investment is not dedicated to community colleges, but would have a positive impact on measuring affordability, equity goals, and increasing access to interactive data.

While we support the recommendation for the Legislature to make additional investment in the staffing levels at community colleges, HECC does not have the authority to dedicate where additional investment should or will be spent.

HECC allocates state funding to the community colleges, but colleges have the sole authority to determine the number and types of staff they employ with those funds.</td><td>The Research and Data Policy Option Package was submitted with the 2023-25 HECC budget. It specifically requests six research positions and proposes:
A. A legislative mandate for reporting complete data on all learners from all postsecondary educational institutions and training programs with staff to manage new collections. This policy would require comprehensive, student-level data on all learners at all postsecondary institutions and programs.
B. Resources to assess the college affordability crisis, evaluate progress toward equity, and assess workforce training programs in concert with Future Ready Oregon and educational reporting.
C. Resources to provide parallel data across all postsecondary sectors in a publicly searchable way. This component would standardize measures across the span of postsecondary education and training programs and data collections and provide publicly accessible, transparent data in a timely and dynamic format not possible in existing static reports.</td><td>Amy Cox,
Director of Office of Research and Data
503-569-2249</td></tr>
</table>

	If funded, we will begin the work of hiring staff and contracting for system supports in the Summer of 2023.	

Narrative for Recommendation 2e

We strongly agree that HECC and Oregon's community colleges would benefit from a significant increase in funding to support comprehensive data collection and analysis. Most research and data positions are established within specific programs and are responsible for specific reporting requirements. HECC struggles to meet the existing expectations of the Legislature and other stakeholders, but would welcome the opportunity to do more proactive work that directly benefits Oregon colleges and their students.

RECOMMENDATION 3

If performance-based funding is adopted, develop a detailed plan to maximize and track systemic benefits and minimize and track potential negative results. If performance funding is not pursued, substantially increase strategic funds to improve student success and equity and publicly track results of those efforts.

Agree or Disagree with Recommendation	Target date to complete implementation activities	Point of Contact
HECC management partially agrees. If the HECC decides to include outcome (or performance) metrics within its formula for allocating state funding to community colleges, it will make every effort to maximize benefits and minimize negative results. We will track the results and report to the Commission on both intended and unintended consequences of the decision. If there are any unintended consequences, we will bring those back to the Commission for discussion and potential corrective actions. We do not anticipate increasing the size of the strategic fund without consultation with the colleges. Allocating a larger share of the Community College Support Fund to the strategic fund would not increase overall funding; instead, it could have a hydraulic effect by reducing funding for basic operational needs, thus potentially affecting sustainability goals for both the system and for individual colleges alike.	The Community College Support Fund Review Workgroup will make recommendations to HECC staff who are on track to present their recommendations on formula changes and potential performance-based funding by the Commission's February 2023 meeting. If approved by the Commission, an amended formula will be used to determine the quarterly distribution amounts beginning in July 2023. In Spring, 2023 HECC staff will consult with community college leadership about the size	Jim Pinkard, Director of Postsecondary Capitol and Finance (503) 559-9075

	of the strategic fund for 2023-24.	

Narrative for Recommendation 3
HECC staff is working closely with a workgroup that has been charged with making recommendations about potential changes in the formula that determines the distribution of the Community College Support Fund. The workgroup is meeting regularly to analyze other state's performance funding models and to determine what specific goals or activities Oregon would like to incentive. The HECC has identified policy principles for this work; the workgroup has identified additional principles for the implementation of any formula changes. HECC staff will make recommendations to the Commission on potential formula changes, currently scheduled for the February 2023 meeting.

The HECC's policy principles for the distribution formula include that it should:

1. Align with state goals and priorities.
2. Hold true to the broad mission of community colleges, including access, completion and workforce development.
3. Reflect the diversity across colleges, including region, missions, and student bodies.
4. Incent and support institutions to invest in student success and evidence-based practices.
5. Prioritize equitable student access and success by factoring in differential needs and costs among student groups.

The workgroup recommends that implementation principles for the distribution formula include that it should:

1. Be stable and predictable.
2. Provide sufficient core funding to support operations and maintenance for all colleges.
3. Be simple to understand and easy to explain to a diverse group of state, campus, and community stakeholders.
4. Use data that are valid, reliable and consistently available.
5. Be phased-in to allow institutions to respond/avoid unintended consequences.
6. Be reviewed regularly (at least every 3 years) to strengthen the model and address any unintended consequences.

We are confident this work will result in an approach to distributing state funding that recognizes the diverse roles community colleges play in their communities and the state priorities to which they all contribute.

RECOMMENDATION 4
Evaluate the sufficiency and effectiveness of statewide and college-specific student support programs and academic advising. Include metrics such as funding, academic advisor caseloads, students served by program, estimates of eligible students not served, and individual program impacts on student success. Report results biennially to the Legislature and public, identifying programs that work, service gaps, and sustainable options for closing them. Pursue legislative support or statutory language as needed. Align efforts with college accreditation requirements.

Agree or Disagree with Recommendation	Target date to complete implementation activities	Point of Contact
HECC management partially agrees with this recommendation. HECC does not currently possess information about community college staffing decisions or models, the authority to evaluate wraparound support services for programs that we do not fund directly, or data on student support services. These responsibilities fall to the boards and staff of locally-governed community colleges. However, HECC does provide a limited amount of direct funding and have proposed several Policy Option Packages that support these types of services and commits to evaluating how well these student support programs achieve their stated goals.	If the Legislature appropriates specific funding to HECC for expanding student support services at community colleges – such as proposed in the HECC's student equity POP or by expanding the pandemic-inspired "Strong Start" program that began last biennium at the universities -- we will develop evaluation and reporting criteria and include it in the contract language in the summer of 2023. We will include information on the effectiveness of these program in program reports. If these programs demonstrate the positive results we expect, we will use the data reported to HECC to determine whether we pursue new support programs in future biennia.	Donna Lewelling, Director of the Office of Community Colleges and Workforce Development (503) 559-4340

Narrative for Recommendation 4
HECC will commit to evaluating the effectiveness of student-centered wraparound services that we fund for community colleges in the future. If the results are positive, we will use the data to guide our policy decisions about requiring and/or supporting these support services in the future.

RECOMMENDATION 5 Continue working with the Governor and Legislature to improve Oregon's financial aid efforts, including addressing inequitable distribution and gaps for part-time and older students.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Point of Contact**
HECC management agrees. HECC will continue to promote financial aid solutions that benefit students with the highest need. We will build on the positive changes we made to the Oregon Opportunity Grant last biennium and	HECC submitted multiple Policy Option Packages designed to close the affordability gap for the state's neediest students in August 2022.	Juan Baez-Arevelo, Director of Oregon Student

continue to advocate for permanent solutions that make education and training more affordable. Our Commission's two highest priorities when we submitted the HECC's Agency Request Budget were Policy Option Package 101, Oregon Tribal School Grant, and Policy Option Package 102, Oregon Opportunity Grant/Oregon Promise Grant Expansion Package. POP 101 seeks to continue a program that was established in 2022 that pays all college-related expenses—including tuition, housing, books, and other costs not covered by other grants—for eligible students who are enrolled members of Oregon's nine federally recognized tribes. This program will correct disparities caused by systemic barriers to access postsecondary education for Oregon's tribal students. POP 102 increases state financial aid support to Oregon Opportunity Grant and Oregon Promise students, provides tiered awards based on level of need, and removes barriers to nontraditional learners. This request would make significant gains in closing the affordability gap for most Oregonian and tiered awards would differentiate according to need for state assistance.	They included: 101: Oregon Tribal School Grant 102: Oregon Opportunity Grant/Oregon Promise Expansion 103: ASPIRE/FAFSA 104: Grants to Students for Child Care 105: Oregon National Guard Student Tuition Assistance 201: Student Equity 202: Open Educational Resources 302: Early Learning Educator Grants 304: AmeriCorps Education Incentives 406: Future Ready Oregon The various packages support a number of historically underserved Oregonians, including low-income students, student parents, veterans, AmeriCorps volunteers, and students of color. HECC staff will spend the next six to eight months advocating for the passage of any and all POPs that are included in the Governor's recommended budget and will implement program changes when they are approved by the Legislature.	Access and Completion (503) 508-3978

Narrative for Recommendation 5

Closing the affordability gap, especially for underrepresented and non-traditional students, is one of HECC's highest priorities. We know these policy decisions would make a huge difference for students; however, they require ongoing investments by Oregon legislators, which can be difficult to sustain when resources are scarce. HECC uses data, as well as student testimonials, to make sure that we convey the various ways the state benefits when we invest in postsecondary education.

RECOMMENDATION 6 Biennially analyze and report to the public and Legislature on community college sustainability systemwide and by college – including financial status, expense and tuition growth, enrollment trends and forecasts, and the status of shared services and other steps colleges are taking to improve sustainability. Identify best practices and funding needed to reach state goals. Pursue legislative support or statutory language as needed. Align efforts with college accreditation requirements.		
Agree or Disagree with Recommendation	**Target date to complete implementation activities**	**Point of Contact**
HECC management partially agrees. Every two years, HECC's staff spends a large part of its Ways and Means presentation reporting trends in student tuition and fees, level of state investment, costs borne by students and their families, trends in operating costs, and describing various policies that could help to bridge the affordability gap. In addition, we make recommendations on the level of operating support funds required to maintain the current level of service at community colleges. We do not specifically address the fiscal health or financial sustainability of individual community colleges because under current law that is primarily the responsibility of the local boards. We provide this information for public universities, but only as a result of a budget note that directed us to report the information to the Legislature. If the Legislature determines that HECC should undertake college-specific financial reporting and analysis, we would welcome this additional responsibility.	If the Legislature enacted a law that directed the HECC to provide a report on financial sustainability or to broker shared services for the community college system, HECC would comply with the directive. Until then, we believe we lack the authority to secure the information and we would be encroaching on the responsibilities specifically given to colleges' local boards. Should the Legislature choose to enact such a law, HECC would require additional staff to conduct the in-depth analysis and corresponding coordination activities.	Donna Lewelling, Director of the Office of Community Colleges and Workforce Development (503) 559-4340

Narrative for Recommendation 6

HECC management would be pleased to provide information on the community colleges' fiscal health and financial stability if the Legislature directed us to provide that information. Until then, we must respect the fact that local boards are responsible for tracking and making decisions that support colleges' financial sustainability.

Historically, HECC has offered to broker shared services that could benefit community college students. It has proven difficult to make these opportunities attractive enough for the colleges to spend the time and effort necessary to collaborate on shared systems. In 2020, we offered $2 million to any higher education institution that wanted to take the lead in developing a shared on-line course curriculum. We solicited interest twice and no institution stepped forward to participate. We ultimately had to fail the solicitations and recruit rural community colleges to lead the effort. However, it has not resulted in the statewide online course curriculum that we had hoped to create through the opportunity.

HECC does not have the legal authority to compel colleges to participate in shared systems. We must rely on our persuasive abilities to convince colleges that they will receive a benefit that is robust enough to outweigh the perceived cost of participation and the potential loss of control of the service. At times, this is challenging to achieve given the HECC's limited statutory authority.

Please contact Ramona Rodamaker, Deputy Executive Director at (971) 301-1708 with any questions.

Sincerely,

Ben Cannon

Ben Cannon
Executive Director

Secretary of State
Shemia Fagan

Audits Director
Kip Memmott

This report is intended to promote the best possible management of public resources.
Copies may be obtained from:

Oregon Audits Division
255 Capitol St NE, Suite 180
Salem OR 97310

(503) 986-2255
audits.sos@oregon.gov
sos.oregon.gov/audits