

SB 5525 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Frederick

Joint Committee On Ways and Means

Action Date: 06/06/25

Action: Do pass with amendments. (Printed A-Eng.)

Senate Vote

Yeas: 8 - Broadman, Campos, Frederick, Girod, Lieber, President Wagner, Smith DB, Sollman

Nays: 3 - Anderson, Bonham, McLane

Exc: 1 - Manning Jr

House Vote

Yeas: 7 - Bowman, Evans, Gomberg, Levy E, Ruiz, Sanchez, Valderrama

Nays: 5 - Breese-Iverson, Cate, Drazan, Owens, Smith G

Prepared By: Stacey Chase, Department of Administrative Services

Reviewed By: Kim To, Legislative Fiscal Office

Higher Education Coordinating Commission

2025-27

Budget Summary*

	2023-25 Legislatively Approved Budget ⁽¹⁾	2025-27 Current Service Level	2025-27 Committee Recommendation	Committee Change from 2023-25 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 2,613,073,622	\$ 2,773,024,026	\$ 2,765,331,059	\$ 152,257,437	5.8%
General Fund Debt Service	\$ 308,899,282	\$ 388,275,456	\$ 388,275,456	\$ 79,376,174	25.7%
Lottery Funds	\$ 156,236,007	\$ 155,030,031	\$ 160,913,509	\$ 4,677,502	3.0%
Lottery Funds Debt Service	\$ 44,781,886	\$ 47,162,988	\$ 47,162,988	\$ 2,381,102	5.3%
Other Funds Limited	\$ 258,733,689	\$ 100,531,114	\$ 183,517,650	\$ (75,216,039)	(29.1%)
Other Funds Debt Service	\$ 34,279,654	\$ 3,803,366	\$ 3,803,366	\$ (30,476,288)	(88.9%)
Other Funds Nonlimited	\$ 1,103,097	\$ 600,000	\$ 600,000	\$ (503,097)	(45.6%)
Other Funds Debt Service Nonlimited	\$ 221,953,403	\$ 193,596,819	\$ 193,596,819	\$ (28,356,584)	(12.8%)
Federal Funds Limited	\$ 136,448,359	\$ 145,846,780	\$ 145,801,717	\$ 9,353,358	6.9%
Federal Funds Nonlimited	\$ 20,536,302	\$ 20,536,302	\$ 20,536,302	\$ -	0.0%
Federal Funds Debt Service Nonlimited	\$ 4,008,153	\$ 3,899,000	\$ 3,899,000	\$ (109,153)	(2.7%)
Total	\$ 3,800,053,454	\$ 3,832,305,882	\$ 3,913,437,866	\$ 113,384,412	3.0%

Position Summary

Authorized Positions	196	182	196	0
Full-time Equivalent (FTE) positions	185.63	173.58	184.34	(1.29)

⁽¹⁾ Includes adjustments through January 2025

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Higher Education Coordinating Commission's (HECC) budget is made up of the following revenues:

General Fund - Provides resources for agency operations, support for community colleges and public universities, the Oregon Opportunity Grant program, Oregon Promise, Oregon National Guard State Tuition Assistance (ONGSTA), the Oregon Tribal Student Grant, support for Oregon Health and Sciences University, workforce initiatives, and debt service.

Lottery Funds – Provides funding for debt service, Oregon Opportunity Grants, Outdoor School, and intercollegiate athletics through the Sports Lottery program. The Subcommittee's recommended budget includes an increase in Lottery Funds to support Oregon Opportunity Grants and reductions to Outdoor School and Sports Lottery to align with the May 2025 revenue forecast.

Other Funds Limited – The Degree Authorization, Private Careers Schools (PCS), and General Education Development (GED) programs are permitted to charge fees to authorize post-secondary institutions, license private career schools, and administer GED testing. The Office of Student Access and Completion administers nearly 600 different public and private scholarships. Administrative fees are charged to donors and granting agencies to cover the cost of operating the programs. Most of the Other Funds revenues supporting the Oregon Youth Corps (OYC) come from the amusement device tax on video lottery terminals. OYC also receives grants from the Oregon Marine Board and other agencies. Finally, the Subcommittee recommended \$77 million in carryforward American Rescue Plan Act (ARPA) funding for continued implementation of Future Ready Oregon and a reduction of \$9 million in 2023-25 Article XI-Q bond proceeds that were not phased out during current service level (CSL) development.

Federal Funds Limited – HECC receives a variety of federal grant funds. The Workforce Innovation and Opportunity Act (formerly the Workforce Investment Act) provides the largest source of funds under the following federal programs: Title I-B supporting youth, adult, and dislocated worker training programs through the state’s One Stop Centers; Title II funds adult basic education programs; and National Emergency Grants offer training and reemployment services to workers in areas facing large layoffs. Other federal grant programs include Perkins Grants for career and technical education transferred from the Oregon Department of Education and Bureau of Land Management grants for youth employment opportunities through the Oregon Youth Conservation Corps. Grants from the Corporation for National and Community Service provide funding to the OregonServes Commission as part of the AmeriCorps program. The Subcommittee’s recommended budget includes a decrease in Federal Funds to account for reduced funding available to support the ONGSTA program.

Other Funds and Federal Funds Nonlimited – HECC’s budget consists of expenditure authority to allow HECC to receive debt service payments from the public universities on general obligation bonds and certificates of participation that are repaid with institutional funds, as well as Build America Bonds federal subsidy payments.

Summary of Education Subcommittee Action

HECC sets state policy and funding strategies, administers numerous programs, and manages approximately \$3.9 billion of public funding for postsecondary education. Led by its 15-member voluntary commission, HECC determines state funding allocations to public institutions, approves new degree and certificate programs, licenses and authorizes private post-secondary institutions, makes budget and policy recommendations to the Governor and Legislature, collects and reports postsecondary data, administers state financial aid and other access programs, and undertakes a variety of other reporting and oversight responsibilities assigned by state law.

The HECC budget primarily consists of state funding for community colleges, public universities, Oregon Health and Science University (OHSU) programs, the Oregon Opportunity Grant program, and the Oregon Promise program. While these funding streams are distributed to the institutions and students, the Commission has a role in determining how the funds are allocated, except for OHSU, which is outside of HECC’s

statutory authority. The budget also includes funding for debt service on the bonds previously sold to finance university and community college capital construction projects.

The Subcommittee's recommended budget for HECC is \$3,913,437,866 total funds (\$3,153,606,515 General Fund, \$208,076,497 Lottery Funds, \$187,321,016 Other Funds expenditure limitation, \$194,196,819 Other Funds Nonlimited, \$145,801,717 Federal Funds expenditure limitation, and \$24,435,302 Federal Funds Nonlimited) and 196 positions (184.34 FTE). This is a \$81,131,984 or 2.1%, increase from 2025-27 CSL and a 3.0% increase from the 2023-25 legislatively approved budget.

Directors Office

The Director's Office carries out the central executive role of the agency, as well as communications, legislative affairs, human resources, diversity, equity, and inclusion coordination and initiatives, policy initiatives, and other roles for the integrated agency. The Director's Office program consists of the Office of the Executive Director; a Legislative Liaison; a Public Affairs Officer; the Diversity, Equity and Inclusion Office; an Internal Auditor; and the Human Resources Office.

The Subcommittee recommended a budget of \$24,452,982 total funds (\$14,046,401 General Fund, \$9,700,000 Other Funds expenditure limitation, and \$706,581 Federal Funds expenditure limitation) and 20 positions (20.00 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package makes a net-zero adjustment moving \$9,700,000 Other Funds expenditure limitation for special payments from Central Operations to the Office of the Executive Director to correct technical adjustments made during the 2023-25 legislatively adopted budget for the Part-Time Faculty Insurance Fund (PTFIF) that were not incorporated in the current service level.

Package 801: LFO Analyst Adjustments. This package reduces the Office of the Executive Director's travel, computer replacement frequency, and contracting services budget by \$21,746 General Fund. This package also includes net-zero technical adjustments, moving a total of three positions from other program areas to the Office of the Executive Director to centralize a Transfer Council Group. The Transfer Council was created with the passage of Senate Bill 233 (2021) to build on previous statewide work to streamline transfer pathways by developing recommendations to the HECC related to transfer agreements (Major Transfer Maps), Common Course Numbering, and other transfer and credit-related concerns. The three positions transferred are:

- Education Specialist 2 (position #52502480) from Community Colleges and Workforce Development (CCWD).
- Operations & Policy Analyst 4 (position #5250217) from CCWD.
- Education Specialist 2 (position #5250023) from Academic Policy and Authorization.

Central Operations

Central Operations provides centralized business services and support to HECC. The Division includes the operations of Information Technology, Contracts and Procurement, Fiscal and Budget, Project Management, and Facilities Management Services.

The Subcommittee recommended a budget of \$33,338,664 total funds (\$20,605,957 General Fund, \$9,818,533 Other Funds expenditure limitation, and \$2,914,174 Federal Funds expenditure limitation) and 49 positions (47.88 FTE). The Subcommittee recommended budget includes the following packages:

Package 070: Revenue Shortfalls. This package reduces revenues and expenditures associated with 2023-25 Article XI-Q bond proceeds that were not phased out during CSL by \$9,013,464 Other Funds.

Package 090: Analyst Adjustments. This package makes a net-zero adjustment moving \$9,700,000 Other Funds expenditure limitation from Central Operations to the Office of the Executive Director to correct technical adjustments made during the 2023-25 legislatively adopted budget for the PTFIF that were not incorporated in CSL.

Package 101: Modernization Project. This package provides \$647,701 General Fund, \$5,000,000 Other Funds expenditure limitation, \$100,000 Federal Funds expenditure limitation, and authorizes the establishment of two permanent, full-time positions (1.88 FTE) and one limited duration, full-time position (1.00 FTE) to continue phase two of the IT modernization project to replace three systems:

- Financial Aid Management Information System,
- Post-Secondary Career School licensure, and
- The reporting mechanism for Eligible Training Provider List.

The investment is also intended for HECC to begin planning for a grants management system.

Research and Data

The Office of Research and Data is responsible for providing education research and analytic services to support the Commission's efforts to achieve 40-40-20 and equity in Oregon education, and to track progress in achieving all the Commission's strategic goals. The Office includes both the Postsecondary Research and Data team and the Oregon Longitudinal Data Collaborative, a program that is governed jointly by the HECC, the Oregon Department of Education, the Oregon Employment Department, and the Teacher Standards and Practices Commission.

The Subcommittee recommended a budget of \$10,551,244 total funds (\$5,305,097 General Fund, \$4,784,462 Other Funds expenditure limitation, and \$461,685 Federal Funds expenditure limitation) and 22 positions (19.64 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces travel, computer replacement frequency, and contract services by \$205,689 General Fund.

Package 101: Modernization Project. This package provides \$306,065 General Fund and authorizes the establishment of one permanent, full-time position (0.88 FTE) to continue phase two of the IT modernization project to replace three systems:

- Financial Aid Management Information System,
- Post-Secondary Career School licensure, and
- The reporting mechanism for Eligible Training Provider List.

The investment is also intended for the agency to begin planning for a grants management system.

Package 104: Future Ready Oregon ARPA Continuation. This package provides \$267,063 Other Funds expenditure limitation and one limited duration, full-time position (0.75 FTE) to expend the remaining ARPA funding for Future Ready Oregon pursuant to Senate Bill 1545 (2022), which established three programs to be administered through December 2026:

- Prosperity 10,000;
- Workforce Ready Grants; and
- Workforce Benefits Navigators.

Future Ready Oregon also established a Career Pathways program and an Industry Consortia Initiative, both funded with General Fund on an ongoing basis. In addition, Senate Bill 1545 (2022) required HECC to perform an assessment of all the Future Ready programs and report on the accountability of each program and initiative.

Package 801: LFO Analyst Adjustments. This package makes a net-zero adjustment, moving a part-time Operations and Policy Analyst 4 from the Office of Research and Data to the Office of Academic Policy and Authorization to align work duties with budget and division assignment.

Academic Policy and Authorization

The Office of Academic Policy and Authorization manages private postsecondary programs in Oregon, for the benefit of students and consumers, and public university academic policy. The units of this program include the *Office of Degree Authorization* which authorizes private degree-granting institution and distance education providers, *Private Career Schools* which licenses and provides technical assistance to private career and trade schools, and *Public University Academic Policy Coordination* which coordinates policy related to Oregon's seven public universities.

The Subcommittee recommended a budget of \$7,838,795 total funds (\$2,592,753 General Fund, \$4,646,042 Other Funds expenditure limitation, and \$600,000 Other Funds Nonlimited expenditure limitation) and 16 positions (13.87 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces travel, computer replacement frequency, and contract services by \$24,505 General Fund.

Package 801: LFO Analyst Adjustments. This package includes the following net-zero technical adjustments:

- 1) Moves one Education Specialist 2 from the Office of Academic Policy and Authorization to the Office of the Executive Director to centralize a Transfer Council Group reporting directly to the Executive Director. The Transfer Council was created with passage of Senate Bill 233 (2021) to build on previous statewide work to streamline transfer pathways by developing recommendations to the HECC related to transfer agreements (Major Transfer Maps), Common Course Numbering, and other transfer and credit-related concerns.
- 2) Moves one part-time Operations and Policy Analyst 4 from the Office of Research and Data to the Office of Academic Policy and Authorization to align work duties with budget and division assignment.

Post-Secondary Finance and Capital

The Office of Post-Secondary Finance and Capital provides fiscal coordination to Oregon's public post-secondary institutions, including management of the Community College Support Fund, the Public University Support Fund, funds for Public University State Programs, and funds for Statewide Public Service Programs. The Office also manages capital investments, fiscal reporting and analysis, capital bond funding administration, and the allocation of state funding to public post-secondary institutions in Oregon.

The Subcommittee recommended a budget of \$2,314,533 General Fund and five positions (5.00 FTE). The Subcommittee recommended budget includes the following package:

Package 090: Analyst Adjustments. This package reduces travel, computer replacement frequency, and contract services by \$9,974 General Fund.

Community Colleges

The Office of Community Colleges and Workforce Development (CCWD) provides coordination and resources related to Oregon's 17 community colleges and adult basic skills providers. The Division also provides statewide administration related to Career and Technical Education (including the Carl D. Perkins Vocational and Technical Education Act), Accelerated Learning, Career Pathways, Community College Program Approval, GED testing and high school equivalency, and English Language Learners.

The Subcommittee recommended a budget of \$39,215,244 total funds (\$18,702,753 General Fund, \$6,251,129 Other Funds expenditure limitation, and \$14,261,362 Federal Funds expenditure limitation) and 19 positions (18.70 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package reduces travel, computer replacement frequency, and contract services by \$88,420 General Fund.

Package 801: LFO Analyst Adjustments. This package includes net-zero technical adjustments, moving two positions from CCWD to the Office of the Executive Director to centralize a Transfer Council Group reporting directly to the Executive Director. The Transfer Council was created with the passage of Senate Bill 233 (2021) to build on previous statewide work to streamline transfer pathways by developing recommendations to the HECC related transfer agreements (Major Transfer Maps), Common Course Numbering, and other transfer and credit-related concerns. The two positions transferred are an Education Specialist 2 and an Operations & Policy Analyst 4.

This package also makes a net-zero technical adjustment moving \$1,363,693 for Career Pathways from special payments to services and supplies.

Workforce Investments

The Office of Workforce Investments (OWI) works in partnership with the Oregon Employment Department, the Oregon Department of Human Services, the Oregon Commission for the Blind, and others to deliver programs within Oregon's workforce system. OWI is responsible for supporting and providing technical assistance to the Workforce and Talent Development Board and local workforce development boards. OWI is the administrative entity for federally funded programs authorized by Title I of the Workforce Innovation and Opportunity Act (WIOA). The Office of Workforce Investments administers WIOA Title I programs for youth, adult dislocated workers, and other training related federal discretionary grants, which fund programs such as apprenticeships, the National Career Readiness Certificate, and others. OWI also administers and supports the Oregon Youth Corp, by providing grants, training, and resources to youth serving agencies. It also provides support to the OregonServes program to support statewide service and volunteer efforts, as well as providing funds for the state-based AmeriCorps program. Finally, the OWI supports the STEM (science, technology, engineering, and math) Investment Council.

The Subcommittee recommended a budget of \$280,656,897 total funds (\$29,435,403 General Fund, \$103,231,189 Other Funds expenditure limitation, \$127,454,003 Federal Funds expenditure limitation, and \$20,536,302 Federal Funds Nonlimited) and 40 positions (37.25 FTE). The Subcommittee recommended budget includes the following package:

Package 104: Future Ready Oregon ARPA Continuation. This package provides \$76,732,937 Other Funds expenditure limitation and nine limited duration full-time positions (6.75 FTE) to expend the remaining ARPA funding for Future Ready Oregon pursuant to Senate Bill 1545 (2022), which established three programs to be administered through December 2026:

- Prosperity 10,000;
- Workforce Ready Grants; and
- Workforce Benefits Navigators.

Future Ready Oregon also established a Career Pathways program and an Industry Consortia Initiative, both funded with General Fund on an ongoing basis. In addition, Senate Bill 1545 (2022) required HECC to perform an assessment of all the Future Ready programs and report on the accountability of each program and initiative.

Package 801: LFO Analyst Adjustments. This package provides \$10,000,000 Other Funds expenditure limitation for HECC to expend the \$10,000,000 transfer from the Oregon Business Development Oregon CHIPS Fund to HECC Semiconductor Talent Sustaining Fund established in House Bill 4154 (2024) for HECC to support education, training, and research that facilitates and advances workforce opportunities in the semiconductor industry.

This package also makes a net-zero technical adjustment moving \$680,785 for Industry Consortia from special payments to services and supplies.

Oregon Student Access and Completion (OSAC)

The Office of Student Access and Completion (OSAC) administers a variety of state, federal, and privately funded financial aid programs for the benefit of Oregonians attending institutions of postsecondary education. Financial aid programs include the Oregon Opportunity Grant, Oregon Promise, Oregon National Guard State Tuition Assistance (created during the 2018 legislative session), the Oregon Tribal Student Grant program (initially funded during the 2022 legislative session), and over 600 private scholarships. OSAC also administers student outreach programs, such as Oregon ASPIRE, which matches trained and supportive adult volunteer mentors in more than 150 middle schools, high schools, and community-based organizations to help students develop plans to meet educational goals beyond high school.

The Subcommittee recommended a budget of \$439,961,720 total funds (\$317,273,629 General Fund, \$94,000,000 Lottery Funds, \$28,684,179 Other Funds expenditure limitation, and \$3,912 Federal Funds expenditure limitation) and 25 positions (22.00 FTE). The Subcommittee recommended budget includes the following packages:

Package 070: Revenue Shortfalls. This package reduces Federal Funds revenues and expenditure limitation by \$145,063 as a result of HECC not being awarded a grant to cover personal services costs affiliated with administering the ONGSTA program.

Package 090: Analyst Adjustments. This package reduces travel, computer replacement frequency and contract services by \$114,229 General Fund.

Package 105: Oregon Opportunity Grant Funding. This package adds \$18,676,931 Lottery Funds and reduces a corresponding amount in General Fund to bring the total support for the Oregon Opportunity grant to \$329,371,200 total funds. The funding mix of the Oregon Opportunity Grant program reflects the availability of resources including beginning balances. Lottery Funds reflect funding from the Education Stability Fund at the May 2025 forecast.

Support to Community Colleges

This program contains the state funding for direct state investment in the operations of Oregon's 17 community colleges. Most of the funding in this unit is directed towards the Community College Support Fund (CCSF), the state's contribution to college operations and student support. CCSF is distributed in two manners, one is through categorical funding and the second is through formula funding.

Categorical funding is subtracted from the amount appropriated prior to the calculation of the distribution formula. Categorical set asides represent roughly 7.5% of the total CCSF and includes six programs:

- *Community college courses for adults in custody* - a program allowing adults in custody to take community college courses. The state pays a portion of this cost.
- *Contracted Out-of-District* - this program facilitates students from regions of Oregon that are not in a community college service district (such as Harney County) to take classes offered by a neighboring community college district. HECC reimburses the cost of coursework to the offering district.
- *Distance Learning* - this program funds efforts to increase distance learning at all 17 community colleges.
- *Strategic Fund* - this program provides a fund for community colleges to request allocations for implementation of innovative programs and approaches.
- *Student Support* – this program provides funding to support traditionally underrepresented students who have faced the highest barriers to success including low-income and adult students.
- *Student Success* – this program provides funding to incentivize progression toward, and completion of, credentials in alignment with existing state higher education goals.

Additional support funding includes payments to the two Skills Centers in the Portland Metro area - the Sabin-Schellenberg Professional Technical Center in Milwaukie and the Margaret Carter Skills Center at Portland Community College, and funding to increase the number of underserved, low-income, and first-generation community college students as required by House Bill 3063 (2015).

The Subcommittee recommended a budget of \$870,399,998 total funds (\$858,973,475 General Fund and \$11,426,523 Other Funds expenditure limitation). This program does not fund any positions within HECC. Other Funds reflects expenditure limitation for Timber Tax and an interagency agreement (agreed to in 2021) with the Department of Corrections (DOC) for education services for adults in custody in DOC facilities. Under this agreement, DOC no longer has a direct financial relationship with community colleges providing these services. Instead, DOC transfers the funding through the agreement with HECC to provide payments to the community colleges. The Subcommittee recommended budget includes the following package:

Package 090: Analyst Adjustments. This package includes a General Fund reduction of \$325,000 to correct a data entry error, which overstated the CCSF CSL.

Public University Operations & Student Support

This program unit, also known as the Public University Support Fund (PUSF), contains state funding provided to the universities for instruction, research, public services, and operation of the institutions. HECC uses the Student Success and Completion Model (SSCM) for PUSF, which replaced the Resource Allocation Model (RAM). The RAM was primarily based on student enrollment. The SSCM is composed of three categories:

- 1) *Mission Support Funding* - supports the regional, research, and public services missions of the universities through item funding for services, programs, or general operations based on historical funding.
- 2) *Activity based funding* - is distributed based on student credit hour completions of Oregon residents at undergraduate and graduate levels.
- 3) *Outcome based funding* - is based on degrees and certification completions by Oregon residents for which additional resources may be allocated based on completions by underrepresented students (underrepresented minority, low-income, rural, and veterans), and completions by students in high-demand and high-reward fields (i.e. STEM, Health, Bilingual Education).

The Subcommittee recommended a budget of \$1,079,915,684 General Fund. This program does not fund any positions within HECC. The Subcommittee recommended budget includes the following package:

Package 090: Analyst Adjustments. This package includes one-time \$11,090,554 in 2023-25 General Fund carryforward for Technical Regional Universities and Portland State University financial viability projects - pursuant to a Special Purpose Appropriation allocated to HECC during the May 2024 meeting of the Emergency Board. HECC may use \$212,000 for Direct Admissions work in collaboration with the universities.

The Subcommittee also recommends the following Budget Note:

Budget Note: *Using Data and Collaboration to Assess Spending Efficiency and Adequate Funding Level*

The Subcommittee recognizes the realities and cost drivers facing Oregon's public universities:

- *Growing need, declining enrollment, increasing staff:* By 2031, 72% of jobs are expected to require postsecondary education or training. A labor shortage in skilled sectors exists due to fewer college graduates. Yet, the last ten years has seen an overall decline in student enrollment, often with an increase in staffing. Because salaries and benefits are an institution's biggest expense, an increase in personnel costs without an increase in students could jeopardize a school's financial sustainability.
- *Student Support:* Universities say that part of the reason college costs are going up is because students need more support. Students also want a more personal college experience and more chances to learn outside regular classrooms. Today, more students are first generation, part-time, older, or from rural areas, and colleges need to adapt to serve them better. Oregon universities also want to improve how many students stay in school and graduate, since their retention and completion rates are lower than the national average. To help students stay and succeed, schools are offering more tutoring, writing and math help, food and housing support, technology services, mental health support, and staff who help raise money and build alumni networks. Because many students worry about getting a good job after college, universities have expanded career center services.
- *Grow to Compete/Survive:* Another reason costs have gone up is that when faced with funding shortfalls, schools attempted to grow their way out of the problem by opening new sources of revenue. Many launched new programs in popular areas like business and data analytics. Others increased their online offerings and opened satellite campuses. They also recruited out-of-state, including international students, who could afford to pay full price. To do all of this, colleges had to spend money - hiring more faculty and staff, advertising to attract students, offering more scholarships and tuition discounts. In going after these expansion efforts, institutions inadvertently engaged in unhealthy competition, vying for the same students, faculty, and other resources, unintentionally raising recruitment and retention costs. Experts now say this kind of growth won't solve the financial problems colleges face.
- *Federal, State, and Local Policies and Regulations:* In addition to program expansion and greater student demand for services, institutions point to the growing number of accreditation activities and government regulations for the increase in administrators and support staff. New federal policies could worsen the shift of funding reliance toward state support. Responding to potential federal efforts to withhold and reevaluate federal funding for universities could prompt institutions to hire attorneys and other professionals to stay in compliance or mitigate the impact of new policies. An anticipated wave of higher education program realignment directives will need compliance managers, consultants, and other experts to shepherd deals and manage

reorganization. Universities will need to adapt to uncertainty by continuing to manage costs and by implementing programs to improve efficiencies over time.

To inform future budgeting requests and decisions, as well as the upcoming review of the Student Success and Completion Model (SSCM) for distributing the Public University Support Fund (PUSF), the Subcommittee directs the Higher Education Coordinating Commission, in consultation with public universities listed in ORS 352.002, to assess the spending and cost efficiency at Oregon's public universities. Additionally, the commission shall use common metrics and analyze available data, including student to faculty and student to staff ratios, revenue and expenditure data, academic program growth and contractions, enrollment data, and completion rate, to identify and validate:

- 1) Factors contributing to changes in academic, research, student support, administrative, and facility costs;
- 2) Factors contributing to changes in institutional revenue levels and composition;
- 3) Current and projected institutional debt and debt service; and
- 4) Federal, state, and local regulations that can lead to financial strain on institutions.

The commission may review and report on other issues related to preserving the integrity of the postsecondary experience for students while maintaining budget levels and operational strategies that ensure long-term financially sustainable for institutions. The commission is directed to report the findings of this assessment to the Joint Committee on Ways and Means in the 2026 legislative session. The report may include recommendations for coordinated and collaborative efforts to reduce institutional costs and students' cost of attendance.

Public University State Programs

This program unit includes legislatively established programs with a research, public service, or economic development focus. These programs are funded entirely by General Fund.

The Subcommittee recommended a budget of \$66,457,495 total funds (\$61,481,902 General Fund and \$4,975,593 Other Funds limitation). This program does not fund any positions within HECC. The Subcommittee recommended budget includes the following package:

Package 801: LFO Analyst Adjustments. This package reduces state support for statewide programs by \$270,793 General Fund reflecting the completion of work on the Oregon State University (OSU) Agricultural Channel Habitat Complexity Study and the phase out of funding to support the work. This package also includes a net-zero adjustment to move \$150,000 General Fund from the Cybersecurity Center of Excellence Operating Fund to the Cybersecurity Center of Excellence Workforce Fund.

The following programs and amounts are funded within this budget structure:

Public University State Programs	
	<u>General Fund</u>
All Universities: Engineering Technology Sustaining Funds	33,009,205
OSU: TallWood Design Institute	4,589,149
UO & PSU: Dispute Resolution	3,373,121
PSU: Oregon Solutions	3,047,559
OSU: Fermentation Science	1,673,459
UO, OSU, & PSU: Signature Research	1,404,777
UO: Labor Education Research Center	1,342,638
OSU: Ocean Vessels Research	836,730
OIT: Oregon Renewable Energy Center	644,796
PSU: Population Research Center	587,674
OSU: Institute of Natural Resources	538,788
UO: Clinical Legal Education	469,902
OSU: Oregon Climate Change Research Institute	422,329
PSU: Willamette Falls Locks Commission	245,022
OSU: Veterinary Diagnostic Laboratory	3,452,964
OSU & PSU: Environmental Justice Mapping Tool	220,921
PSU, OSU, UO: Cybersecurity Center of Excellence Operating Fund	2,199,457
PSU, OSU, UO: Cybersecurity Center of Excellence Workforce Fund	2,450,543
OSU: Oregon Climate Service	267,505
PSU: Pilot program hiring students at nonprofits	158,857
EOU: Pilot program hiring students at nonprofits	155,949
OSU: Juniper Removal Program	390,557
TOTAL	<u>61,481,902</u>

Statewide Public Services

This program unit includes the OSU Agricultural Experiment Station, the OSU Extension Service, and the Forest Research Laboratory.

- *Agricultural Experiment Station* - This program conducts research to solve problems and generate innovations in the agricultural, biological, social, and environmental sciences for the social, economic, and environmental benefit of Oregonians.
- *OSU Extension Service* - OSU Extension Services are the educational outreach arm of OSU. Extension faculty on campus and in county offices throughout the state work with researchers and an extensive network of volunteers to develop and deliver educational programs. Extension Service also provides Lottery Funds for the Oregon Outdoor School Program.
- *Forest Research Laboratory* - The Forest Research Laboratory program is located at OSU and conducts research on sustainable forest yields, use of forest products, and stewardship of Oregon's resources. In addition to research in campus laboratories and university forests, studies are conducted cooperatively, in public and private forests and in laboratories and manufacturing facilities, throughout Oregon and the world. Research results are provided to family forestland owners, industry, public land managers, other scientists, and the public using a variety of means. This includes Extension Foresters conducting programs around the state, Outreach Education short courses, technical and scientific publications, online delivery, video productions, conference presentations and stories in popular media.

The Subcommittee recommended a budget of \$196,559,462 General Fund and \$48,060,583 Lottery Funds. No positions related to these programs are funded within HECC. The Subcommittee recommended budget includes the following package:

Package 090: Analyst Adjustments. This package reduces the Outdoor School Program by \$12,070,000 Lottery Funds, to consider the May 2025 revenue forecast and fund balance for the program.

Sports Lottery

The Sports Action Lottery game was authorized by the 1989 Legislature, allowing bets on professional football games. House Bill 3466 (2005) prohibited betting on sporting events, effective July 1, 2007, and dedicated 1% of Lottery revenues to the Department of Higher Education Sports Lottery Account. With the elimination of the Oregon University System, the program was renamed Sports Lottery and HECC is responsible for distributing the funds among the universities.

The Subcommittee recommended a budget of \$18,852,926 Lottery Funds expenditure limitation. This program does not fund any positions within HECC. The Subcommittee recommended budget includes the following package:

Package 090: Analyst Adjustments. This package decreases the amount for Sports Lottery by \$723,453 Lottery Funds, bringing the total amount of funding for sports programs at public universities to the amount in the May 2025 forecast of \$18,852,926. The allocation for each public university is as follows, and is the same percentage shares that has been used since 2021-23:

- \$3,263,286 Eastern Oregon University (17.3%)

- \$3,263,286 Oregon Institute of Technology (17.3%)
- \$1,377,218 Oregon State University (7.3%)
- \$3,045,345 Portland State University (16.2%)
- \$3,263,286 Southern Oregon University (17.3%)
- \$1,377,218 University of Oregon (7.3%)
- \$3,263,286 Western Oregon University (17.3%)

Oregon Health and Science University (OHSU) Programs

This budget structure includes state support for OHSU educational and other programs. OHSU is governed by a Board of Directors appointed by the Governor and confirmed by the Senate. Since 1995, when OHSU became an independent public corporation, the Legislature no longer approves the OHSU budget or limits its expenditures from tuition and other sources, but continues to provide direct support for specific purposes, including: the Schools of Medicine, Dentistry, and Nursing; the Office of Rural Health and Area Health Education Centers (AHEC), the Child Development and Rehabilitation Center (CDRC); and the Oregon Poison Center. State support is entirely funded with General Fund.

The Subcommittee recommended a budget of \$146,477,563 General Fund. This program does not fund any positions within HECC. The following table reflects the programs included in the budget structure and the amount of General Fund for each:

Oregon Health and Science University (OHSU)	
	<u>General Funds</u>
Education and General	
School of Medicine	32,355,546
School of Nursing	27,981,933
School of Dentistry	13,113,519
Office of Rural Health/Area Health Education Centers	5,732,885
Healthcare Workforce 30-30-30 Initiative	46,178,589
Other Programs	
Child Development and Rehabilitation Center	10,403,097
Oregon Poison Center	4,291,994
Oregon Children's Integrated Health Database	2,140,000
Statewide Behavioral Health Capacity Dashboard	4,280,000
TOTAL	<u>146,477,563</u>

Public University Debt Service

This program includes the cost of debt service on capital construction and information systems projects financed with bonds and Certificates of Participation (COPs). Debt service on Article XI-G bonds is paid with General Fund; Lottery bonds debt service is paid with Lottery Funds. Payment of debt service on Article XI-Q bonds, Oregon Small-Scale Energy Loan Program loans, and COPs is split between General Fund and campus funds, depending on how each project was authorized. Debt service on Article XI-F (1) bonds is paid with campus funds. The debt service for any new bonding approved during the 2025 legislative session will be included in the end of session bill.

The Subcommittee recommended a budget of \$559,997,432 total funds (\$326,536,226 General Fund, \$35,479,189 Lottery Funds, \$3,803,366 Other Funds expenditure limitation, \$190,279,651 Other Funds Nonlimited, and \$3,899,000 Federal Funds Nonlimited).

Community College Debt Service

Debt service on Article XI-G bonds and Lottery bonds sold to finance community college capital projects are budgeted in this program unit. Debt service on Article XI-G bonds is paid with General Fund; Lottery bonds debt service is paid with Lottery Funds. The debt service for any new bonding approved during the 2025 legislative session will be included in the end of session bill.

The Subcommittee recommended a budget of \$61,498,351 total funds (\$49,814,552 General Fund and \$11,683,799 Lottery Funds).

OHSU Debt Service

This budget structure includes funding for debt service related to OHSU projects.

The Subcommittee recommended a budget of \$26,888,293 total funds (\$23,571,125 General Fund and \$3,317,168 Other Funds Nonlimited).

Public University Capital Construction

This program unit includes state funding for public university capital projects. All projects funded with bond proceeds are budgeted as Other Funds, regardless of the type of bonds. Capital Construction expenditure limitation is established for six years, although bond authorizations are limited to the biennium in which they were approved and must be reauthorized in subsequent biennia if the bonds are not sold. Bond proceeds are provided to the universities under agreements signed by the universities as grants (Article XI-G, Article XI-Q, and Lottery bonds) or loans (Article XI-F (1)) and are budgeted as special payments.

The recommendations of the Subcommittee do not address HECC's bond requests for public university capital projects. The Joint Committee on Ways and Means Capital Construction Subcommittee is reviewing bond requests and will include any budget adjustments related to bond-supported programs in bond authorization bills and end-of-session budget reconciliation bills.

Community College Capital Construction

This program unit includes state funding for community college capital projects. All projects funded with bond proceeds are budgeted as Other Funds, regardless of the type of bonds. Capital Construction expenditure limitation is established for six years, although bond authorizations are limited to the biennium in which they were approved and must be reauthorized in subsequent biennia if the bonds are not sold. Bond proceeds are distributed under agreements signed by the colleges and are budgeted as special payments.

The recommendations of the Subcommittee do not address HECC's bond requests for community college capital projects. The Joint Committee on Ways and Means Capital Construction Subcommittee is reviewing bond requests and will include any budget adjustments related to bond-supported programs in bond authorization and end-of-session budget reconciliation bills.

Summary of Performance Measure Action

See attached Legislatively Adopted 2025-27 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Higher Education Coordinating Commission
Stacey Chase -- (503) 689-4308

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2023-25 Legislatively Approved Budget at Jan 2025 *	\$ 2,921,972,904	\$ 201,017,893	\$ 293,013,343	\$ 223,056,500	\$ 136,448,359	\$ 24,544,455	\$ 3,800,053,454	196	185.63
2025-27 Current Service Level (CSL)*	\$ 3,161,299,482	\$ 202,193,019	\$ 104,334,480	\$ 194,196,819	\$ 145,846,780	\$ 24,435,302	\$ 3,832,305,882	182	173.58
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 200 - Directors Office									
Package 090: Analyst Adjustments									
Special Payments	\$ -	\$ -	\$ 9,700,000	\$ -	\$ -	\$ -	\$ 9,700,000		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ 1,206,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,206,220	3	3.00
Services and Supplies	\$ (21,746)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,746)		
SCR 201 - Central Operations									
Package 070: Revenue Shortfalls									
Capital Outlay	\$ -	\$ -	\$ (9,013,464)	\$ -	\$ -	\$ -	\$ (9,013,464)		
Package 090: Analyst Adjustments									
Special Payments	\$ -	\$ -	\$ (9,700,000)	\$ -	\$ -	\$ -	\$ (9,700,000)		
Package 101: Modernization Project									
Personal Services	\$ 585,014	\$ -	\$ 325,609	\$ -	\$ -	\$ -	\$ 910,623	3	2.88
Services and Supplies	\$ 62,687	\$ -	\$ 4,674,391	\$ -	\$ 100,000	\$ -	\$ 4,837,078		
SCR 202 - Research and Data									
Package 090: Analyst Adjustments									
Services and Supplies	\$ (205,689)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (205,689)		
Package 101: Modernization Project									
Personal Services	\$ 273,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,007	1	0.88
Services and Supplies	\$ 33,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,058		
Package 104: Future Ready Oregon ARPA Continuation									
Personal Services	\$ -	\$ -	\$ 215,446	\$ -	\$ -	\$ -	\$ 215,446	1	0.75
Services and Supplies	\$ -	\$ -	\$ 51,617	\$ -	\$ -	\$ -	\$ 51,617		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (222,741)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (222,741)	(1)	(0.63)
SCR 203 - Academic Policy and Authorization									
Package 090: Analyst Adjustments									
Services and Supplies	\$ (24,505)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (24,505)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (179,663)	\$ -	\$ -	\$ -	\$ -	\$ -	(179,663)	0	(0.37)
SCR 204 - Post-Secondary Finance and Capital									
Package 090: Analyst Adjustments									
Services and Supplies	\$ (9,974)	\$ -	\$ -	\$ -	\$ -	\$ -	(9,974)		
SCR 205 - Community Colleges									
Package 090: Analyst Adjustments									
Services and Supplies	\$ (88,420)	\$ -	\$ -	\$ -	\$ -	\$ -	(88,420)		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (803,816)	\$ -	\$ -	\$ -	\$ -	\$ -	(803,816)	(2)	(2.00)
Services and Supplies	\$ 1,363,693	\$ -	\$ -	\$ -	\$ -	\$ -	1,363,693		
Special Payments	\$ (1,363,693)	\$ -	\$ -	\$ -	\$ -	\$ -	(1,363,693)		
SCR 206 - Workforce Investments									
Package 104: Future Ready Oregon ARPA Continuation									
Personal Services	\$ -	\$ -	\$ 2,162,772	\$ -	\$ -	\$ -	2,162,772	9	6.75
Services and Supplies	\$ -	\$ -	\$ 284,240	\$ -	\$ -	\$ -	284,240		
Special Payments	\$ -	\$ -	\$ 74,285,925	\$ -	\$ -	\$ -	74,285,925		
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ 680,785	\$ -	\$ 720,785	\$ -	\$ -	\$ -	1,401,570		
Special Payments	\$ (680,785)	\$ -	\$ 9,279,215	\$ -	\$ -	\$ -	8,598,430		
SCR 207 - OSAC									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	(145,063)	(145,063)	0	(0.50)
Package 090: Analyst Adjustments									
Services and Supplies	\$ (114,229)	\$ -	\$ -	\$ -	\$ -	\$ -	(114,229)		
Package 105: Oregon Opportunity Grant Funding									
Special Payments	\$ (18,676,931)	\$ 18,676,931	\$ -	\$ -	\$ -	\$ -	-		
SCR 208 - Support to Community Colleges									
Package 090: Analyst Adjustments									
Special Payments	\$ (325,000)	\$ -	\$ -	\$ -	\$ -	\$ -	(325,000)		
SCR 209 - Public University Ops & Student Support									
Package 090: Analyst Adjustments									
Special Payments	\$ 11,090,554	\$ -	\$ -	\$ -	\$ -	\$ -	11,090,554		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 210 - Public University State Programs									
Package 801: LFO Analyst Adjustments									
Special Payments	\$ (270,793)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (270,793)		
SCR 211 - Statewide Public Services									
Package 090: Analyst Adjustments									
Special Payments	\$ -	\$ (12,070,000)	\$ -	\$ -	\$ -	\$ -	\$ (12,070,000)		
SCR 212 - Sports Lottery									
Package 090: Analyst Adjustments									
Special Payments	\$ -	\$ (723,453)	\$ -	\$ -	\$ -	\$ -	\$ (723,453)		
TOTAL ADJUSTMENTS	\$ (7,692,967)	\$ 5,883,478	\$ 82,986,536	\$ -	\$ (45,063)	\$ -	\$ 81,131,984	14	10.76
SUBCOMMITTEE RECOMMENDATION *	\$ 3,153,606,515	\$ 208,076,497	\$ 187,321,016	\$ 194,196,819	\$ 145,801,717	\$ 24,435,302	\$ 3,913,437,866	196	184.34
% Change from 2023-25 Leg Approved Budget	7.9%	3.5%	(36.1%)	(12.9%)	6.9%	(0.4%)	3.0%	0.0%	(0.7%)
% Change from 2025-27 Current Service Level	(0.2%)	2.9%	79.5%	0.0%	(0.0%)	0.0%	2.1%	7.7%	6.2%

*Excludes Capital Construction Expenditures

Legislatively Approved 2025 - 2027 Key Performance Measures

Published: 6/4/2025 9:17:05 AM

Agency: Higher Education Coordinating Commission

Mission Statement:

The Higher Education Coordinating Commission seeks to: Broaden pathways to the goal of educational success beyond high school by achieving at least 40% of adult Oregonians earning a bachelor's degree or higher and at least 40% of adult Oregonians earning an associate's degree or post-secondary credential as their highest level of educational attainment by 2025 (see ORS 351.009 Mission of Education Beyond High School) Make the pathways accessible, affordable and supportive for students Steer the higher education enterprise Cheer the promotion of college completion and career readiness

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. Oregon High School Graduates Attending College - Percentage of Oregon students enrolled in college within 16 months of their 4-year high school cohort graduation date.		Approved	53.30%	66%	66%
2. Racial/Ethnic Differences Among Oregon High School Graduates Attending College - Percentage of Oregon students enrolled in college within 16 months of their 4-year high school cohort graduation date, disaggregated by race/ethnicity	American Indian or Alaskan Native	Approved	38.50%	66%	66%
	b) Asian American		77.70%	84%	84%
	c) Black or African American		52.20%	66%	66%
	d) Hispanic or Latina/-o		46.10%	66%	66%
	e) Native Hawaiian or Pacific Islander		39.50%	66%	66%
	f) White		54.40%	66%	66%
3. College Credits Earned by K-12 Students - Amount of postsecondary credit per graduate awarded to K-12 students.		Approved	8.60	11.50	11.50
4. Oregon Educational Attainment - Percent of young Oregon adults with post secondary degree or certificate		Approved	55.50%	59%	59%
5. Community College Completion and Transfer Rate - Percentage of community college students who complete an associate degree or certificate or who transfer to the university system within three years.		Approved	50.30%	52%	52%
6. Racial/Ethnic Differences for Community College Completion and Transfer Rate - Percentage of community college students who complete an associate degree or certificate or who transfer to university system within three years by race/ethnicity.	American Indian or Alaska Native	Approved	46.50%	60%	60%
	b) Asian American		57.60%	58%	58%
	c) Black or African American		42.50%	50%	50%
	d) Hispanic or Latina/-o		43.90%	50%	50%
	e) Native Hawaiian or Pacific Islander		47.30%	50%	50%
	f) White		52.90%	54%	54%
7. Public University Graduation Rate - Percentage of public university college students who complete a bachelor's degree within 6 years.		Approved	66.80%	68%	68%
8. Racial/Ethnic Differences for Public University Graduation Rate - Percentage of public university students who complete a bachelor's degree within 6 years, by race/ethnicity.	American Indian or Alaska Native	Approved	41.40%	65%	65%
	b) Asian American		77.20%	79%	79%

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Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
	c) Black or African American		53.40%	65%	65%
	d) Hispanic or Latina/-o		60.20%	65%	65%
	e) Native Hawaiian or Pacific Islander		43.50%	65%	65%
	f) White		68.30%	70%	70%
9. Percentage of resident enrolled students who are incurring unaffordable costs - Percentage of resident enrolled students who are incurring unaffordable costs adjusted with institutional aid.		Approved	36.20%	30%	30%
10. Racial/Ethnic Differences in Percentage of Resident Students incurring Unaffordable Costs - Percentage of resident enrolled students who are incurring unaffordable costs adjusted with institutional aid, by race/ethnicity.	American Indian or Alaska Native	Approved	28.60%	25%	25%
	b) Asian American		43.30%	40%	40%
	c) Black or African American		39%	35%	35%
	d) Hispanic or Latina/-o		40.10%	35%	35%
	e) Native Hawaiian or Pacific Islander		36.70%	35%	35%
	f) White		34.20%	30%	30%
11. Earnings of Community College Completers - Median earnings of community college completers five years after completion.		Approved	\$47,824.00	\$50,000.00	\$50,000.00
12. Racial/Ethnic Differences in Earnings of Community College Completers - Median earnings of community college completers, five years after completion, by race/ethnicity.	American Indian and Alaska Native	Approved	\$47,980.00	\$50,000.00	\$50,000.00
	b) Asian American		\$52,734.00	\$55,000.00	\$55,000.00
	c) Black or African American		\$48,108.00	\$50,000.00	\$50,000.00
	d) Hispanic or Latina/-o		\$46,770.00	\$50,000.00	\$50,000.00
	e) Native Hawaiian or Pacific Islander		\$52,267.00	\$55,000.00	\$55,000.00
	f) White		\$48,092.00	\$50,000.00	\$50,000.00
13. Earnings of bachelor's degree completers - Median earnings of graduates with bachelor's degrees five years after completion		Approved	\$56,800.00	\$60,000.00	\$60,000.00
14. Racial/Ethnic Differences in Earnings of Bachelor's Degree Completers - Median earnings of graduates with bachelor's degrees, five years after completion, by race/ethnicity.	American Indian or Alsaska Native	Approved	\$47,913.00	\$50,000.00	\$50,000.00
	b) Asian American		\$60,912.00	\$65,000.00	\$65,000.00
	c) Black or African American		\$54,907.00	\$60,000.00	\$60,000.00
	d) Hispanic or Latina/-o		\$57,390.00	\$60,000.00	\$60,000.00
	e) Native Hawaiian or Pacific Islander		\$59,021.00	\$65,000.00	\$65,000.00
	f) White		\$56,754.00	\$60,000.00	\$60,000.00
15. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	a) Overall	Approved	58%	75%	75%
	b) Expertise		79%	90%	90%
	c) Helpfulness		74%	90%	90%
	d) Availability of Information		79%	90%	90%
	e) Timeliness		47%	75%	75%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
	f) Accuracy		74%	90%	90%
16. Commission Best Practices - Percent of total best practices met by the Commission.		Approved	79%	95%	95%
17. Employment Rate - Employment rate of participants completing workforce training programs, overall and by race/ethnicity	EMPLOYMENT RATE – Employment rate of participants completing workforce training programs, overall and by race/ethnicity	Approved	68.090%	75%	75%
	Asian American/Asian		58.330%	60%	60%
	Black/African American		62.050%	65%	65%
	Latino/a/x/Hispanic		72.060%	75%	75%
	Native American/Alaska Native		81.580%	85%	85%
	Native Hawaiian/Pacific Islander		70%	75%	75%
	Multi-racial		64.370%	65%	65%
	White		69.300%	70%	70%
	Did not report		68.510%		

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and Targets, as presented.

It should be noted that most of the KPMs reflect the performance of the institutions that are funded by the agency or the general economy/society. The agency can only directly affect a few of the measures in the short term.

The targets for 2026 and 2027 were based on recent trends as well as with agency input.

SubCommittee Action:

The Education Subcommittee approved the Legislative Fiscal Office Recommendation.