

A-Engrossed

House Bill 4124

Ordered by the House February 12
Including House Amendments dated February 12

Sponsored by Representative MARSH, Senators WAGNER, PATTERSON, Representatives ANDERSEN, EVANS, FRAGALA, MCDONALD, RIEKE SMITH, Senators BROADMAN, GOLDEN; Representatives BOWMAN, HARBICK, LEVY B, NOSSE, OWENS, SOSA, WALLAN, WISE, Senators FREDERICK, MANNING JR, NASH, SOLLMAN, WEBER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells the HECC to study the system of higher education in Oregon. Tells the HECC to submit a report. Declares an emergency and becomes law when the Governor signs it. (Flesch Readability Score: 64.1).

Directs the Higher Education Coordinating Commission to conduct a study of the condition of Oregon's post-secondary education system and to develop detailed recommendations for the design, implementation and operation of a viable and superior institutional framework. Directs the commission to submit a report to the interim committees of the Legislative Assembly related to higher education on or before December 1, 2026.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1 Relating to the state post-secondary education system; and declaring an emergency.

2 Whereas about a decade ago Oregon established a statewide system of independent universities
3 and the Higher Education Coordinating Commission; and

4 Whereas Oregon's post-secondary education institutions have unique missions and should serve
5 distinct populations; and

6 Whereas Oregon's system of independent boards at public universities and community colleges
7 provides essential oversight and direction to the mission and operation of these institutions of
8 higher education; and

9 Whereas market competition among Oregon's post-secondary education institutions has eroded
10 cross-institutional collaboration, impaired focus on regional and state needs and undermined public
11 confidence in the system as a vital source of economic development and employment opportunities;
12 and

13 Whereas after about a decade of operations, Oregon must reevaluate the accessibility, financial
14 resiliency, efficiency, effectiveness and coordination of its post-secondary education system to ensure
15 the system meets the diverse needs of Oregon's students, economy and workforce; and

16 Whereas recent, current and projected demographic, enrollment and market conditions and
17 trends coupled with the competitive landscape for post-secondary education institutions, including
18 the effects of online and out-of-state programs, require Oregon institutions to strategically assess
19 financial and enrollment sustainability; and

20 Whereas Oregon's community colleges are locally governed with taxing authority and fiscal re-
21 sponsibilities, so any statewide study, review, evaluation or recommendation regarding the structure,

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 coordination, funding or governance of post-secondary education institutions must recognize and
2 account for the distinct governance structure of community colleges; and

3 Whereas Oregon's public universities and community colleges are cornerstones of our commu-
4 nities and engines of economic growth and should be aligned to meet regional and state economic
5 needs; now, therefore,

6 **Be It Enacted by the People of the State of Oregon:**

7 **SECTION 1.** (1) The Higher Education Coordinating Commission shall conduct a study
8 of the condition of Oregon's post-secondary education system and develop detailed recom-
9 mendations for the design, implementation and operation of a viable and superior institu-
10 tional framework that:

11 (a) Supports access to post-secondary education institutions for students across ge-
12 ographic location, including rural communities and other underserved populations;

13 (b) Fuels regional and statewide economic development and employment opportunities;
14 and

15 (c) Improves the financial viability of each post-secondary education institution in
16 Oregon and the post-secondary education system as a whole, including by addressing
17 projected enrollment, increased personnel costs, changes in federal law or priorities, sector-
18 specific inflationary costs or other related factors.

19 (2) The study must evaluate and make recommendations on each of the following sub-
20 jects:

21 (a) The distinct objectives and missions of each category of post-secondary education
22 institution, including community college, public university, regional university and research
23 university, in consideration of key variables such as research, public services, instruction,
24 academic programming, educational model and the student population served; and

25 (b) Opportunities for collaboration, restructuring or integration in the post-secondary
26 education system.

27 (3) The study may evaluate and make recommendations on each of the following subjects:

28 (a) Development of academic programs and specialties to support current and emerging
29 regional and state economic development and workforce needs;

30 (b) Criteria for the review of unnecessary program duplication across post-secondary
31 education institutions and unmet program needs statewide;

32 (c) Structures and supports to connect students and graduates to employers and em-
33 ployment opportunities;

34 (d) Funding strategies, including strategies to foster collaboration, restructuring or in-
35 tegration in the post-secondary education system; and

36 (e) Metrics of affordability for students and financial health for post-secondary education
37 institutions.

38 (4) In developing recommendations under this section, the commission shall engage the
39 expertise of and consult public institutions of higher education, including faculty, staff and
40 students, and any other interested stakeholders identified by the commission.

41 (5) The commission shall present the results of the study, along with any recommended
42 legislative changes, in a report to the interim committees of the Legislative Assembly related
43 to higher education in the manner provided under ORS 192.245 on or before December 1, 2026.

44 (6) The commission may utilize third-party contractors to carry out all or part of this
45 section.

1 **SECTION 2.** This 2026 Act being necessary for the immediate preservation of the public
2 peace, health and safety, an emergency is declared to exist, and this 2026 Act takes effect
3 on its passage.

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