



# 2025–2027 OREGON PUBLIC UNIVERSITIES' **CONSOLIDATED FUNDING REQUEST**

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EASTERN OREGON UNIVERSITY

OREGON STATE UNIVERSITY

OREGON INSTITUTE OF TECHNOLOGY

PORTLAND STATE UNIVERSITY

SOUTHERN OREGON UNIVERSITY

UNIVERSITY OF OREGON

WESTERN OREGON UNIVERSITY



2025–2027  
OREGON PUBLIC UNIVERSITIES'  
**CONSOLIDATED FUNDING  
REQUEST**

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Consolidated Funding Request  
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# Oregon Public Universities'

## 2025–2027 Consolidated Funding Request



## Executive Summary

Oregon must aspire to set a national standard in public higher education funding, creating educational pathways that improve accessibility, yield greater student outcomes, and bridge vital workforce gaps. Achieving this bold vision requires an initial commitment to reach the national average in public university funding, laying a solid foundation for a future marked by robust economic development, groundbreaking innovation, and an improved quality of life for every Oregonian.

Public universities are requesting a \$276 million increase to the Public University Support Fund (PUSF) to not only keep pace with current operating costs but also to support increased access and affordability for students, wraparound services, and academic support programs. Oregon ranks far below the national average among states in state support for public universities and is last among all neighboring states. In order to achieve funding levels similar to other states, Oregon should adopt a stairstep approach toward PUSF funding levels that will eventually bring public universities up to the national average for state operational funding per full-time equivalent student. The cost for this will depend on how quickly, or slowly, we move toward this goal. To reach this level of funding within just one biennium, the investment in the PUSF in 2025-2027 would be a total of \$1.553 billion. If the legislature were to meet the target over three biennia, investment in the PUSF for 2025-2027 would be \$1.275 billion.

We all want a vibrant and healthy state economy, which will benefit every Oregonian. In order to achieve that vision, Oregon *must* dramatically improve its investment in higher education. Unless Oregon chooses to fund higher education at a level that makes it affordable and accessible to its citizens, while providing quality student support services that ensure the best pathways to success, college completion rates will decline, Oregon will lose talent as students look for cheaper options in other states, and the economy of the state will suffer. Oregon's college-going rate has dropped nearly ten percentage points in the last five years.<sup>1</sup> Obtaining a four-year degree increases lifetime earning significantly and provides maximum career choice and mobility in rapidly shifting economies. Additionally, citizens with a four-year degree are far less likely to experience housing insecurity.

Public universities are also requesting an increase of \$124 million to the Oregon Opportunity Grant (OOG) for 2025-2027. While Oregon has set ambitious goals to increase the number of Oregonians attending and finishing college, it cannot expect to meet these goals unless sustained investments are made in student financial aid through OOG, especially for historically underserved populations and low-income families.

Oregon's public universities are dedicated to supporting students to help them realize success in life. For students in Oregon who will attend a four-year public university, the advantages for achieving their goals in life and contributing to the state's economy are undeniable in comparison with those who do not. To support students in realizing their potential, the state must fund core university programs and provide increased funding for financial aid, access to wraparound services, and multiple academic success programs.

The need for increased wraparound services across all demographic groups has grown dramatically over the past decade. Oregon's public universities have deployed recent investments in the PUSF to meet these needs head-on through new and expanded services that make it easier for students to stay enrolled and complete their degrees. For example, recent investments in the PUSF have empowered universities to expand and introduce programs and services in mental health and student basic needs.

Oregon's public universities are committed to improving access to a four-year degree for all students by adapting and expanding approaches to academic success and support. Incremental investments in the PUSF will allow universities to maintain and grow such programs, leading to the establishment of dedicated academic advising offices, expanded advising services and positions, and the creation of new student success programs and systems that have proven to be effective in serving a broad array of students.

Oregon's political and business leaders are pivoting as the economy and workforce have rapidly changed and are reimagining where our state will be 20 to 30 years from now. Investments in students and public universities will result in a more diverse workforce that has the skills employers need, which in turn will benefit Oregon's overall economy and communities.

As public universities continue to serve today's students and meet the state's most pressing workforce needs, from addressing the behavioral health crisis to sustaining the semiconductor and advanced manufacturing industries, public universities continue to be accountable to accreditors, to state government officials through the Higher Education Coordinating Commission (HECC), and to all Oregonians via their governor-appointed, senate-confirmed governing boards. Oregon's public universities receive state funding based upon a formula that prioritizes diverse students earning degrees and outcomes identified as priorities for the state.



## Introduction

Thirty-five years ago, Oregon embarked upon a strategy using *Oregon Shines: An Economic Strategy for the Pacific Century* as a guide. During the 1990s and 2000s, Oregon invested in many of the strategies and initiatives in *Oregon Shines*; and Oregon's competitive posture in the global economy rebounded from the recession of the 1980s. However, the COVID-19 pandemic and the resulting waves of trauma and mental illness, housing crises, and changing labor conditions demand that we re-engage in an updated vision for our state.

Oregon's political and business leaders are pivoting as the economy and workforce have rapidly changed and are reimagining where our state will be 20 to 30 years from now; our leaders understand that our vision for the future must continue to be our guiding star despite grappling with real challenges today, such as homelessness and widespread mental illness. Oregon's public universities play a critical role as one engine to achieve an economic and social vision for the decades ahead, with over 75% of nationwide jobs expected to require a college degree.

More than ten years ago, the HECC and the Oregon Legislature set the 40-40-20 aspirational goal for educational achievement. Oregon's goal is that, by 2025, 40% of young adult Oregonians will complete a four-year degree or more, 40% will complete a two-year degree or short-term career certificate, and the remaining 20% will earn a high school diploma or equivalent. While the share of young adult Oregonians with a four-year degree or higher falls just short of the 40% target (37%), a number of factors, including a low college-going rate and an underinvestment in postsecondary education, have contributed to our current collective failure to meet this benchmark.

Oregon has earned a well-deserved reputation as a pioneer in policy in areas such as health care, government efficiency, and environmentalism. Oregon has an opportunity to be a leader and demonstrate how a state can invest in talent development through public universities. To meet Oregon's vision, we need to invest.

Oregon employers are facing workforce shortages in key sectors such as teaching, semiconductors, behavioral health, and early childhood education. We recognize that in a tight labor market, it is important to train future workers quickly and efficiently. At the same time, business leaders also consistently say that they need workers who communicate effectively, think critically, are adaptable, and function well in diverse environments. Oregon's public universities are the places where students consistently and reliably acquire those skills. For many years, Oregon's reputation for a high



quality of life provided us with a competitive advantage in the ability to acquire talent. However, in the rapidly evolving workplace where employees can live anywhere, and after nearly a decade of reduced investment in higher education from prior legislatures, Oregon—and our employers who rely on a highly skilled and sustainable workforce—are at risk.

## Student Access and Affordability Are Key to Meeting Oregon's Workforce and Economic Goals

Oregon's public universities are integral partners in helping the state chart a course to economic growth and prosperity. This partnership comes through direct employment in communities, providing avenues for individuals to acquire new skills and obtain employment or advancement, research activity that sparks innovation, business creation, and growth, and contributes positively to the economic, civic, and cultural life of communities across the state.

Access to an affordable postsecondary education is critical in meeting the state's workforce needs and economic goals. At the same time, the sustainability of Oregon's public universities hinges on increased state support. It is imperative to strike a balance between maintaining programs and curbing tuition costs to ensure a high-quality higher education remains within reach for every student. A report commissioned by the Oregon Community College Association (OCCA) and the Oregon Council of Presidents (OCOP) in the fall of 2022 on the higher education landscape in Oregon underscored that it is in the state's best interest to guarantee that students, regardless of their background, can afford and sustain their college education. A key finding in that report was that tuition revenues alone cannot cover the necessary investments essential for shaping a better Oregon through education.<sup>2</sup>

The report found that decreasing public universities' reliance on tuition to fund operations is critical for Oregon to increase affordability and went on to state, "Oregon's public institutions are caught in a financial bind. They must either grow enrollments or increase tuition revenue, or both, to meet rising educational costs that, because of rapidly rising personnel costs (especially benefits), are not entirely within their control."

Addressing this financial bind becomes crucial to student success and advancing the state's broader objectives in education and workforce development. At the same time institutions are being forced to reduce costs, they are also being asked to increase systems that lead to student success and retention.

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*"In comparison to other states, Oregon underinvests in higher education; this is particularly the case in its funding of four-year institutions. Worse, demographic decline among traditional college-age students will cause this bind to become more constricting, and the combination of these factors will intensify the competition among the institutions in a manner that hinders the state's ability to achieve its goals for postsecondary education related to attainment, equity, and affordability."*

—NCHEMS Report<sup>3</sup>





## Supporting Success for Students, the State, and Public Universities

A successful future for Oregon demands that a college education—and the return on investment that comes with it—is within reach of all Oregon families who want it. For students seeking advanced talent and skill development that comes with a university education or post-baccalaureate training—that is needed in sectors such as health care, research, engineering, business, science, and many more—Oregon cannot afford to put a university education further and further financially out of reach for our current and future generations.

**Oregon ranks far below average among states in state support for public universities and is last among all neighboring states.** To reclaim a competitive advantage and retain graduates in Oregon requires not only that Oregon increase its state financial support of higher education to at least an average ranking among all states nationally, but also that we go far beyond that over time—to invest in the talent and skills that will drive the engine of Oregon’s economy and quality of life over the next several decades. We recognize that, with so many years of disinvestment and current state budget limitations, we cannot expect to get there overnight—it will likely take several biennia of reinvestment. The return on investment will be enormous, and it is essential we begin now.

## Public Universities Support Students

For too long, we have placed the burden of success or failure on the student. We need to provide the systems and structures that provide opportunities for success rather than seeing college as a “test” that only the most well-prepared students will pass. We need less gate-keeping and more gate-opening in Oregon. Recognizing the diverse and evolving needs of students, Oregon's public universities provide holistic support services for students, including wraparound services, academic supports, and financial aid, all designed to foster an environment where students can thrive and succeed. These services, bolstered by investments in the PUSF, have proven instrumental in helping students to overcome barriers to success and achieve their educational goals.

### Wraparound Services

Over the past decade, the landscape of student needs across all demographics has transformed significantly, becoming more complex, multifaceted, and expensive. The COVID-19 pandemic, for example, had profound impacts on student readiness and mental health, which have required targeted support and driven significant cost increases. Recognizing this shift, Oregon's public universities have strategically leveraged recent investments in the PUSF to address these evolving challenges. These concerted efforts have enabled the implementation of a broad spectrum of new and enhanced services aimed at reducing barriers to academic success. As a result, students have found it increasingly feasible to remain enrolled and navigate their way to graduation successfully.

The infusion of funds into the PUSF has made a difference, granting institutions the flexibility and resources needed to innovate and scale up student support mechanisms. These investments have facilitated a remarkable expansion in the scope and variety of programs and services available to students. Among these enhancements are comprehensive mental health support, academic tutoring and advising, financial literacy and aid counseling, and career development services. Such initiatives not only support the immediate needs of students but also prepare them for success following graduation, thereby enriching their overall university experience.

Recent investments in the PUSF have allowed universities to expand and introduce programs and services in the following areas:

### Mental Health Care and Counseling

Enhancing the focus on mental health care and counseling within Oregon's public universities demonstrates a commitment to addressing the multifaceted needs of students.

- 1. Oregon State University (OSU):** Counseling & Psychological Services (CAPS) at OSU offers a broad spectrum of mental health services to support student well-being. These services include individual and group counseling, crisis intervention, psychiatric services, and workshops aimed at addressing a wide range of mental health needs. CAPS is committed to fostering a supportive and accessible environment, ensuring that all students can receive the care they need to thrive both personally and academically.
- 2. Portland State University (PSU):** For Portland State University, The Center for Student Health and Counseling (SHAC) at PSU provides a comprehensive range of mental health services tailored to support student well-being and academic success. These services include individual therapy,

group counseling, crisis support, and psychiatric services. SHAC emphasizes accessibility and confidentiality, ensuring that students receive the care they need in a safe and supportive environment.

3. **Southern Oregon University (SOU):** SOU offers a comprehensive range of mental health services aimed at supporting students' well-being and academic success. Services include individual counseling, crisis intervention, group therapy, and workshops addressing various mental health issues. These services are designed to help students navigate personal and academic challenges, fostering a supportive environment for growth and learning.

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*“Without the [Student Health & Wellness Center] being there for me when my mental health was at its worst, I would not have been able to stay at SOU or successfully complete my final year. The counseling services offered here are one of the most valuable resources on campus. I am beyond grateful.”*

—Student at Southern Oregon University

4. **Eastern Oregon University (EOU):** The EOU Counseling Center provides telehealth and in-person sessions, emphasizing coping with academic pressures, personal growth, and relationship management. Services include individual counseling, crisis intervention, outreach, and a health center to support physical wellness.
5. **Oregon Institute of Technology (Oregon Tech):** The Oregon Tech Integrated Student Health Center offers confidential counseling for students, including crisis counseling. Services are designed to address a variety of personal, educational, and family issues. Telehealth appointments are also available, ensuring accessibility to support for students in need. Counseling aims to help with issues such as anxiety, mood problems, relationship issues, and more, with the option for off-campus referrals for specialized care.
6. **Western Oregon University (WOU):** WOU offers a comprehensive range of counseling services for students, including individual and crisis counseling, group counseling, outreach programs, and mental health prescriptions. Services are confidential, with unlimited appointments available to students enrolled and located in Oregon. The health fee required for these services is significantly lower than typical counseling costs outside the university, emphasizing the affordability and accessibility of mental health support for students.
7. **University of Oregon (UO):** The UO offers a broad array of mental health services to support students, including individual and group therapy, crisis support, consultations, and specialized services for diverse needs such as gender support. Their Mental Health Access Team provides urgent mental health screening, crisis intervention, and referral assistance, ensuring students receive the necessary care promptly. Services are designed to be accessible, reducing barriers to mental health care and fostering a supportive community environment.

## Addressing Student Basic Needs

Challenges with affordable housing, access to child care, food insecurity, and reliable transportation disproportionately affect students from economically disadvantaged backgrounds, people of color, and other historically underrepresented populations. These challenges not only create barriers to equitable student success, they also impact Oregon's ability to build a diverse and thriving workforce. Public universities are aligned with the HECC's Strategic Plan that calls out the need to ensure fewer students struggle with homelessness and housing and food insecurity. Recognizing the critical nature of these issues, Oregon's public universities have committed to increasing targeted philanthropy, utilizing operating funds, and spearheading initiatives aimed at addressing these vital student needs, thereby ensuring that every student has the opportunity to succeed and contribute meaningfully to our state's future.

### Benefits Navigators

The passage of HB 2835 in 2021 marked a pivotal step toward addressing the high levels of basic needs insecurity faced by Oregon college students. With the introduction of Benefits Navigators across Oregon's public universities, students now have a supportive resource to help navigate the complexities of affording food, housing, utilities, transportation, and childcare. This support from the legislature enables students to focus more effectively on their education and career aspirations, contributing to their personal growth and readiness to enter the workforce with a living wage.

Expanding funding for Benefits Navigators is essential to further enhance support for Oregon college students facing basic needs insecurity. Additional resources would enable more comprehensive and individualized assistance, ensuring that an even greater number of students can overcome barriers to their education and future careers. This not only supports student success and retention but also contributes to building a more equitable and thriving workforce in Oregon.

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*A recent story of success with the benefits navigator program: “A student at Portland State University was having difficulty attending classes consistently, struggling with a long commute to school and lack of childcare. The Benefits Navigator met with the student to learn more about their needs. Together they applied for SNAP and an on-campus childcare subsidy. The student is now receiving both benefits, their two children are enrolled in on-campus childcare, and they were also approved for an emergency grant to help with necessary car repairs and gas so they have reliable transportation to get to class. The student is continuing their studies, happy that their children can be here while they learn.”*

—Zoe Cooper-Caroselli, Statewide Program Coordinator, College Benefits Navigator Consortium



## Food Insecurity

All public universities have food pantries or other forms of food assistance, with most established since 2012-13. Furthermore, food security initiatives like Swipe Out Hunger at EOU and Ducks Feeding Ducks at the UO have made a substantial impact.

EOU addresses food insecurity through the Swipe Out Hunger program that collaborates with campus dining services to provide meal vouchers to students in need. This initiative allows students facing food insecurity to access healthy meals on campus, ensuring they have the nutritional support necessary to succeed in their academic pursuits.

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*“Swipe Out Hunger is something I passionately believe in that makes a difference on campus. In the two years ASEOU Student Government has run this program, we have given out almost 900 swipes—900 meals—for hungry students. Swipe Out Hunger helps those in need, and provides an opportunity for students and staff to give back.”*

—Caitlyn Cevallos, Former Student Body President at Eastern Oregon University

PSU offers various on-campus food resources, including emergency meal vouchers in partnership with PSU Eats, the PSU Food Pantry for free supplemental groceries, and a monthly Free Food Market on the South Park Blocks. The university also provides SNAP application assistance and links to off-campus resources like the Oregon Food Bank Finder and 211 for comprehensive local service information.

OSU addresses food insecurity through various initiatives, including "Makes Cents Meals" offering nutritionally balanced, affordable meals, and the "Full Plate Fund" to help with meal costs. They also promote the "Good and Cheap" cookbook for budget-friendly cooking and support SNAP benefits doubling at farmers' markets through "Double Up Food Bucks." Additionally, "The Mid-Valley Harvest" allows volunteers to take home fresh produce.

SOU's Student food pantry offers an array of nutritious food options to assist students facing food insecurity. This initiative is part of SOU's commitment to ensuring students have the necessary resources for their well-being, enabling them to concentrate on their academic pursuits without the stress of food scarcity. The pantry is open to all students, emphasizing the university's dedication to inclusivity and support.

WOU's Abby's House serves as a central resource for addressing food insecurity among students, providing access to the food pantry alongside other critical services such as advocacy, referrals, and support for survivors of violence. It offers free, nutritious food to students in need and is part of a broader effort to ensure that all students have the resources they need to succeed academically and personally. The pantry operates with the support of volunteers and donations, reflecting WOU's community-driven approach to student wellbeing. Abby's House exemplifies WOU's holistic approach to student wellbeing, emphasizing care, support, and community.

Oregon Tech's "Bird Feeder" pantry provides essential food support to students, ensuring they have access to nutritious meals. This initiative is part of Oregon Tech's commitment to student wellbeing, helping to alleviate food insecurity within the campus community.

The UO's food security initiatives include a comprehensive network of resources such as the Feed the Flock Pantry, Ducks Feeding Ducks program, Produce Drops, and assistance with SNAP applications. These programs collectively aim to ensure all students have access to nutritious food, highlighting the UO's commitment to addressing and mitigating food insecurity on campus.

## **Housing Insecurity**

Oregon's postsecondary students are not exempt from Oregon's housing crisis. Addressing housing insecurity among students is crucial for Oregon's public universities. The universities provide assistance or other supports for students facing housing insecurity, which vary in their focus among the seven institutions. SOU, for example, prioritizes stable living conditions; WOU offers emergency housing for students in need; EOU emphasizes affordable housing; Oregon Tech prioritizes on-campus options; OSU, the UO, and PSU all provide extensive housing support. Such investments not only enhance student well-being but also contribute to academic success and retention rates.

SOU addresses housing insecurity through its Basic Needs Resources, offering support for students facing housing challenges. The university provides emergency housing solutions, off-campus housing resources, and short-term housing assistance to ensure students have safe and stable living conditions. This initiative reflects SOU's commitment to supporting students in achieving their academic goals without the burden of housing insecurity.

At WOU, Abby's House provides housing accommodations and emergency safe housing to students affected by interpersonal violence, offering on-campus solutions and guidance on off-campus housing rights in Oregon for those who have experienced domestic violence, sexual assault, or stalking. This support includes lease termination for safety, lock changes, and protection against discrimination or responsibility for damages caused by an abuser.

EOU's Residence Life aims to offer comfortable, clean, and safe living environments for students at reasonable costs, emphasizing an inclusive atmosphere. For those looking for on-campus housing or needing assistance with off-campus housing options, EOU provides resources and guidance to support students' needs.

Oregon Tech provides on-campus housing options at its Klamath Falls campus, focusing on creating a supportive, safe, and inclusive environment for students. The university offers two housing facilities, emphasizing convenience and the positive impact on academic success. Living on campus allows students to immerse themselves in campus culture, participate in activities, and build lasting friendships.

OSU offers resources for students experiencing housing insecurity, including emergency housing and eviction support through partnerships with University Housing and Dining Services and the Basic Needs Center (BNC). Student Legal Services provides free legal assistance for eviction-related issues.

The UO offers housing assistance through its Basic Needs Program, providing rent and utility aid, emergency housing called "The Landing Pad," and resources for students facing eviction. They also have a housing subsidy to prevent eviction and help secure housing.

PSU provides comprehensive support for housing insecurity through its Basic Needs Hub. The Hub offers a range of services, including emergency housing assistance, eviction prevention resources, and rental assistance programs. Additionally, PSU partners with local organizations to provide students with access to affordable housing options and support services. The university's commitment to addressing housing insecurity reflects its dedication to student success and well-being.

### Course Materials and Essential Supplies

Oregon's universities have also prioritized access to essential supplies, with initiatives like the Senior Inquiry Bookstore Scholarship at PSU, OSU's Textbook Lending Library, the Book Depot Textbook Recycling Program at Oregon Tech, and various campus closets ensuring students have the resources they need to succeed. Transportation programs like Duck Rides at the UO and Wolf Ride at WOU aim to provide convenient and safe mobility solutions for students.

Each of Oregon's public universities have developed textbook affordability plans in collaboration with faculty and students and continue to leverage grants through Oregon's Open Educational Resources (OER) Grant Program to increase the availability of low- or no-cost academic materials for students. Since the program was established in 2015, \$2.08 million has been spent on OER grants at Oregon's public universities and community colleges, with an estimated impact of \$24.4 million in savings for students, or about \$12 in savings for every \$1 spent.<sup>4</sup> The public universities continue to advocate for increased funding for the Open Oregon Educational Resources program to continue this essential work.

### Access to Childcare

For college students in Oregon who care for dependent children, access to childcare can be a determining factor for educational and economic success. According to a report by the Institute for Women's Policy Research, "when student parents have access to childcare, they are more likely to graduate, improving their ability to secure employment with a living wage."<sup>5</sup> Additionally, data show that degree-earning parents in Oregon are much less likely to live in poverty than if they only hold a high school diploma.<sup>6</sup> To be responsive to these needs, multiple campuses have expanded or added new on-campus child care sites using operating funding supported by the PUSF.

Given the importance of increased access to child care, the universities are proposing a separate package to address the need for students to access child care as well as an overall shortage of early childhood educators. Additional information on that proposal can be found in *Appendix E: Policy Option Packages*.

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*“Financial assistance through OSU has allowed me to afford to put my child in childcare full time. Since enrolling my daughter full time, I have been an honor roll student two terms in a row and made it on the dean's list. I am now able to take the time I need to dedicate to my education and not stress about the quality of care that my daughter is receiving.”*

—Carina, Student at Oregon State University

## Tailored Services for Traditionally Underrepresented Students

As described in the “Meeting the Needs of a Diverse Student Body to Support Oregon’s Workforce Needs” section, Oregon’s public university students have become far more racially and ethnically diverse, lower-income, and first-generation, and include adults, parents, and other nontraditional students. If we expect students who have been traditionally underrepresented in higher education to succeed and enter the workforce, we must rethink how we support these students from the moment they consider options after high school to the time they graduate and join the workforce.

All of Oregon’s public universities offer tailored services for traditionally underrepresented and underserved students in higher education designed to help students persist and reach their educational goals. These include programs such as OSU’s Center for Black and Indigenous Success, EOU’s Office of Diversity, Equity, Inclusion, & Belonging, SOU’s Social Justice and Equity Center, WOU’s Multicultural Student Support Program and its Freedom Center, and Dreamer Support Centers at both the UO and PSU.

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*“The Lyllye Reynolds-Parker Black Cultural Center has been a fundamental element to my academic success at the University of Oregon. The Black Cultural Center helps me when I am seeking academic support, access to resources, or opportunities to community-build. As a Black and queer student, I appreciate how the center creates an inclusive and community-based space where I can feel heard, seen, and understood.”*

—Spencer, Student at the University of Oregon

## Veterans’ Resources

Support for veteran students is a priority across all Oregon universities. Each of Oregon’s universities has created or expanded services in the last decade that provide veteran students with targeted services and advising to support them on their path toward a degree. Initiatives like the Veterans’ Resource Center at Oregon Tech provide resources, connections, and a supportive environment for veterans on their academic journey. These comprehensive efforts underscore the commitment of Oregon’s public universities to address the diverse needs of their student populations and create an inclusive, supportive educational environment.

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*“The Veterans’ Resource Center (VRC) has provided me resources, connections, and answers covering the many benefits veterans are eligible for. It has also provided me with a workspace and a “hang-out” spot in which I can interact with other veterans and students.”*

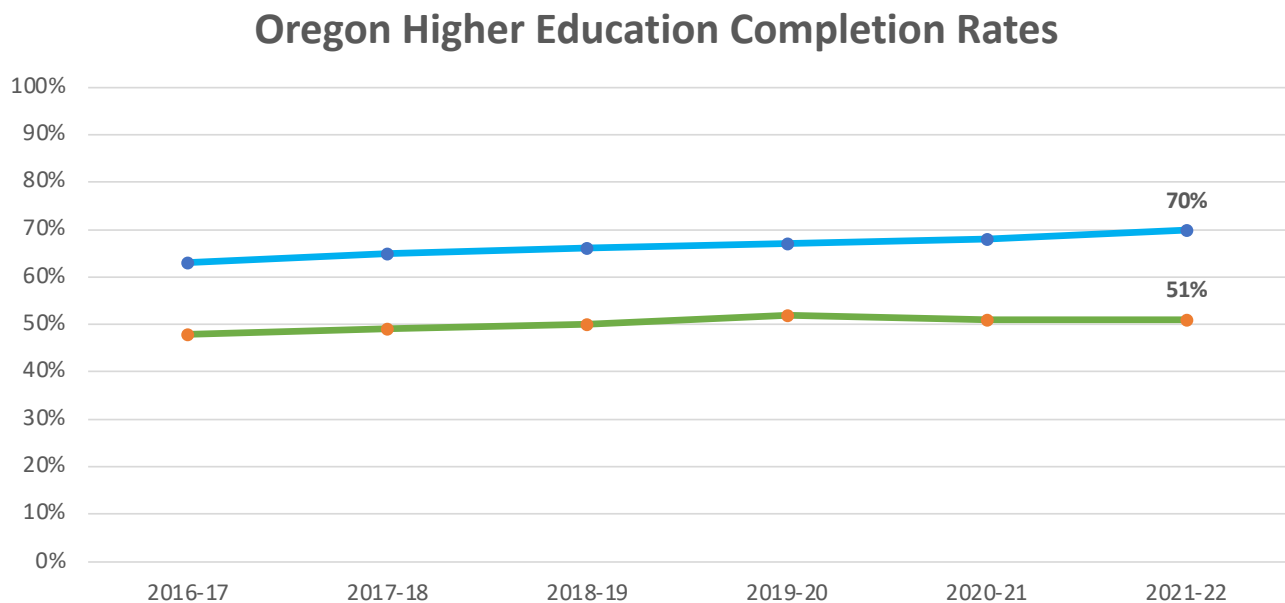
—Erik, Student at Oregon Tech



## Supporting Academic Success

Oregon's public universities are committed to making a four-year degree accessible for all students by adapting and expanding approaches to academic support. To meet the evolving needs of students, a significant focus has been placed on the expansion of academic advising and the adoption of updated delivery methods to support students through to degree completion. In recent years, Oregon's public universities have seen significant increases in graduation rates, with 70% of first-time, full-time resident freshmen who began their studies in 2016 completing a bachelor's degree within six years.<sup>7</sup>

**Figure 1**



**Public Universities:** Percentage of 1st-time, full-time, resident freshmen who complete a bachelor's degree within 6 years.

**Community Colleges:** Percentage of new credit-earning community college students who complete an associate degree or certificate, or transfer to a university within 4 years. Excludes dual-credit students.

Source: Oregon Higher Education Coordinating Commission. (2023). Statewide Higher Education Snapshots. Salem: Oregon.

Recent state investments through the PUSF have provided universities with greater resources to enhance academic support for students, with a focus on the expansion of advising services and positions and the creation of new student success programs and services to ensure all students have access to the resources they need to succeed. These efforts include the creation of dedicated advising offices, targeted support to retain traditionally underrepresented students and returning adult learners, the use of peer and faculty mentors to support the transition into college, and the development of systems to connect students experiencing academic difficulties with mentors as early as possible. This focus underscores a commitment to providing inclusive and effective support for all students throughout their academic journey.



*“The advisors at the office of academic advising are helpful, responsive, and kind. They are essential in helping new and continuing students navigate higher education and have continuously helped me throughout my time at OIT.”*

—Alex, Electrical Engineering Student at Oregon Tech

## Strong Start

Recognizing the significant disruptions caused by the pandemic, the Oregon Legislature allocated funding in 2021 to establish the Strong Start program and continued funding in 2022. The program aims to mitigate the academic challenges experienced by students by offering residential summer bridge programs, supplemental instruction, and other support services at Oregon's public universities.

Strong Start has proven to be an effective intervention, with over 2,500 incoming and first-year students participating and completing the program. The results speak to its success, as participating students had higher retention rates, stronger GPAs, and completed more credit hours compared to their non-participating counterparts. The program's tailored approach has been particularly impactful, including intensive academic support, advising, mentoring, tutoring, and financial literacy skills. Moreover, the program's focus on serving BIPOC students and students from underserved communities highlights the commitment to addressing equity in higher education. Summer bridge programs that serve historically marginalized and/or underrepresented student groups, for example, have demonstrated profound increases in student success and retention for these students. State investment in these programs is key to supporting underprepared and underrepresented students as they obtain their degrees.

The public universities continue to advocate for ongoing funding for Strong Start programs, particularly given their crucial role in addressing ongoing challenges for students transitioning from high school and community college to a university setting, including inadequate preparation and learning loss exacerbated by the pandemic.

## Student Financial Aid and Remissions

The Oregon Opportunity Grant (OOG) is Oregon's primary need-based financial aid for postsecondary students and serves as a critical resource in addressing financial challenges faced by many students, particularly those from BIPOC communities, who perceive college as financially unattainable. As the cost of higher education becomes a barrier for an increasing number of students, concerns about accumulating debt often overshadow the pursuit of a meaningful degree. For these students, juggling the necessities of daily life while aspiring to obtain a college education to advance their career goals poses a significant challenge.

The OOG has been part of the solution to alleviate students' financial burdens and expand opportunities for Oregon students to pursue postsecondary education. During the 2021-2022 academic year, nearly a third of resident undergraduate students at Oregon's public universities received OOG awards.<sup>8</sup> By providing essential resources, this grant empowers students to access and successfully complete their college education, ultimately opening doors to a brighter future. The grant plays a vital role in reducing the financial strain associated with pursuing higher education, particularly when it is paired with institutional financial aid.



Oregon's public universities have all implemented targeted tuition and fee remissions, a strategic initiative aimed at enhancing access to a four-year degree that can target students who have been traditionally underrepresented in higher education. For instance, the UO's PathwayOregon program covers four years of full tuition and fees for all academically qualified Pell-eligible first-year resident students and provides them with additional advising and wraparound services. Similarly, Tuition-Free Degree at PSU covers standard tuition and fees for full- and part-time Pell-eligible Oregon students, including transfer and returning students, for up to 225 attempted credits or the completion of their degree. These efforts not only serve to broaden participation in public higher education but also address the pressing issue of reducing student debt.

During the 2021-2022 academic year, Oregon's public universities returned 16% of resident tuition dollars, over \$86 million, back to Oregon students through remissions. This significant financial support demonstrates the commitment of Oregon's public universities to prioritize affordability and reduce the financial burden on students. Greater state investment in student aid, however, is desperately needed to improve affordability for low- and middle-income students. Despite institutional investments in student aid, the average annual cost of attendance after public and institutional aid remains over \$19,500.<sup>9</sup>

## **We Support the State**

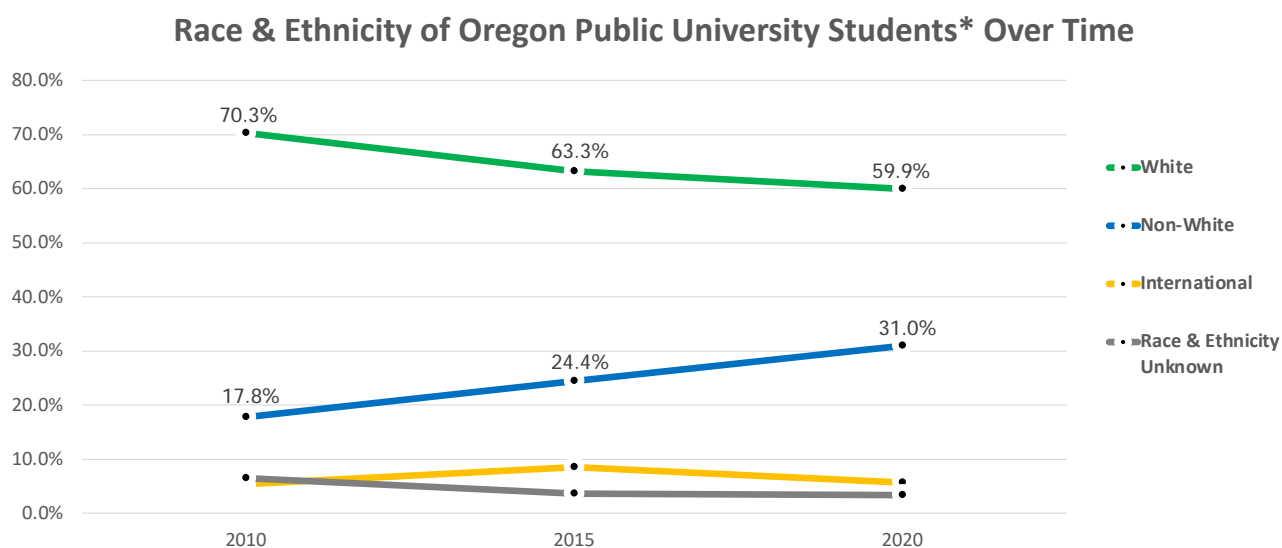
### **Meeting the Needs of a Diverse Student Body to Support Oregon's Workforce Needs**

Oregon's public universities serve an increasingly diverse student population and are prepared to contribute to expanding and diversifying Oregon's workforce. To make good on this promise, however, support from the state is needed. Today's students not only better represent historically

underserved communities, but they are also in need of different support as they navigate their journey toward a postsecondary degree and participation in the workforce. This assistance spans a range of areas, including enhanced academic advising, mental health care services, and basic needs support to address housing challenges and food insecurity.

Over the decade from 2010 to 2020, there has been a 74% increase in the number of students at Oregon public universities who identify as Hispanic or Latino(a)(x), American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, or two or more races. This demographic shift underscores the importance of fostering a more inclusive and supportive environment within higher education institutions that creates a diverse workforce pipeline.

**Figure 2**



Source: National Center for Education Statistics, Integrated Postsecondary Education Data System

\*Fall term headcount. Includes resident and nonresident students enrolled full- or part-time, seeking an undergraduate or graduate degree or certificate.

In 2021, among resident undergraduate students at Oregon public universities, a striking 1 in 3 are students of color. Additionally, 1 in 5 students is a first-generation college attendee, which highlights the importance of providing resources tailored to the unique needs of these individuals. Furthermore, 2 in 5 students received state or federal financial aid, further accentuating the financial challenges that many students face on their educational journey.

As Oregon's economy changes and grows, university students are not only far more racially and ethnically diverse, lower-income, and first-generation, but many are also adults. A significant number balance work and attend universities part-time. Some are parents facing the same child care challenges as the broader population of Oregon.

The NCHEMS Report highlights the significance of addressing the needs and fostering the success of underrepresented students. It emphasizes that the prosperity of these students is not only vital for their individual growth but is also a key determinant for the success of Oregon employers. This underscores the interconnectedness of education and workforce development, reinforcing the imperative for comprehensive support systems to ensure the success of all students in the state.



## Sustaining Industry and Meeting Oregon Employers' Needs Through Workforce Development

The 2022 NCHEMS report stressed that “Oregon badly needs to invest, not just in workforce development, but also in workplace development; it needs to invest in activities that will create the jobs of the future. The state’s colleges and universities are the engines that will fuel such developments.”<sup>10</sup> Oregon’s public universities play a pivotal role in contributing to the state’s workforce and economic vitality. Recognizing the importance of a highly skilled and diverse workforce to support essential industries, from engineering and technology to health care and sustainability, Oregon’s public universities offer programs that equip students with the expertise required to help solve some of our state’s most pressing needs.

The semiconductor sector, a critical component of the state’s economy, underscores the importance of postsecondary education in meeting the demands of specialized industries. Notably, Oregon contains 15% of the nation’s semiconductor workforce,<sup>11</sup> with strong evidence of Oregon public university graduates actively working in the industry. However, state and federal investments in the industry “could increase industry employment by 21% over 2022 employment levels, suggesting a need for a similarly ambitious increase in the capacity of relevant education pathways.”<sup>12</sup>

According to the recent *Semiconductor Workforce & Talent Assessment Report* commissioned by the HECC, entitled, enhancing access to education, training, and employment avenues is crucial for promoting diversity in terms of gender, race, ethnicity, and other dimensions within the industry. The state can seize an opportunity to boost diversity in the semiconductor workforce by making strategic investments and implementing sustained tracking of workforce and talent metrics.<sup>13</sup>

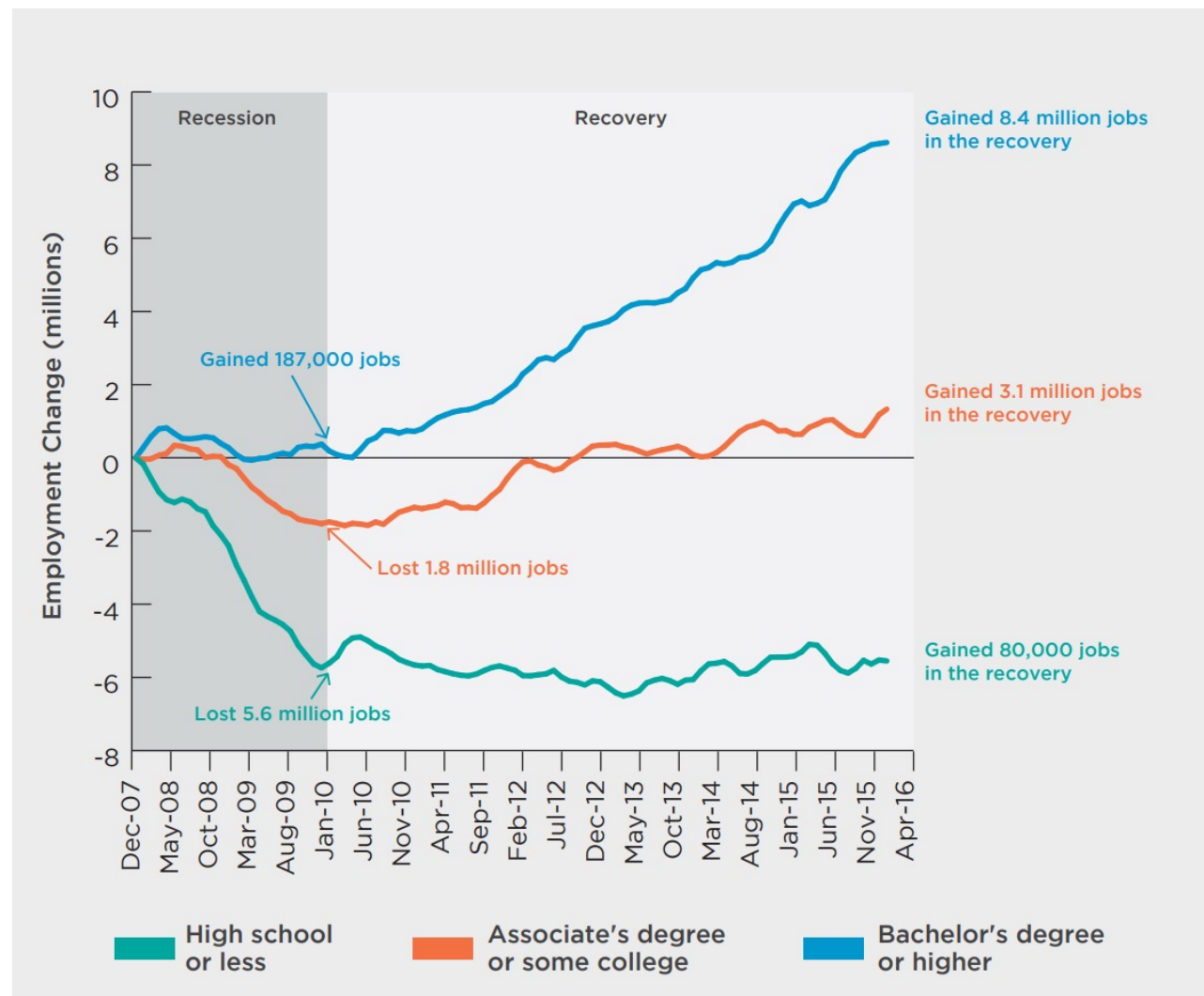
Universities are also key contributors to other sectors, such as behavioral health and addiction, that state leaders focused on during the recent 2024 Legislative Session. Every public university offers a related degree or program that helps address related workforce challenges. For example, PSU is home to Oregon’s only public School of Social Work, and the UO recently opened the Ballmer Institute for Children’s Behavioral Health which will graduate behavioral health specialists who are specifically prepared to work with children.

With 4% unemployment and overall population declines, Oregon faces harsh labor market conditions with respect to expanding its workforce. In addition, many sectors currently experience severe workforce challenges. The 2023 Oregon Health Care Workforce Needs Assessment<sup>14</sup> cited seven primary findings and recommendations for dealing with the health care workforce, including:

- Expanding training/education and career pathways for many segments of the health care workforce;
- Improving the supply and distribution of the health care workforce; and
- Improving the diversity of health care providers.

One of the hallmarks of Oregon’s health care workforce is that Oregon is a net importer of health professionals, due to a lack of infrastructure to train the number of health professionals needed for Oregon’s health care sector. Most major studies of Oregon’s health care workforce since 2013 have noted this lack of training capacity, and called for additional public investment. In particular, the Oregon Health Care Workforce Committee’s Health Equity Framework noted a “small and leaky pipeline” as one of the major factors hindering a more robust and culturally responsive health care workforce.<sup>15</sup>

**Figure 3: Labor market impacts during and after the great recession by educational attainment**



Source: America's Divided Recovery: College Haves and Have-Nots, Carnevale, A.P., Jayasundera, T., & Gulish, A. (2016), Washington, D.C.: Georgetown Center on Education and the Workforce. Retrieved March 18, 2024, from <https://cew.georgetown.edu/wp-content/uploads/Americas-Divided-Recovery-web.pdf>

## Economic and Community Benefits

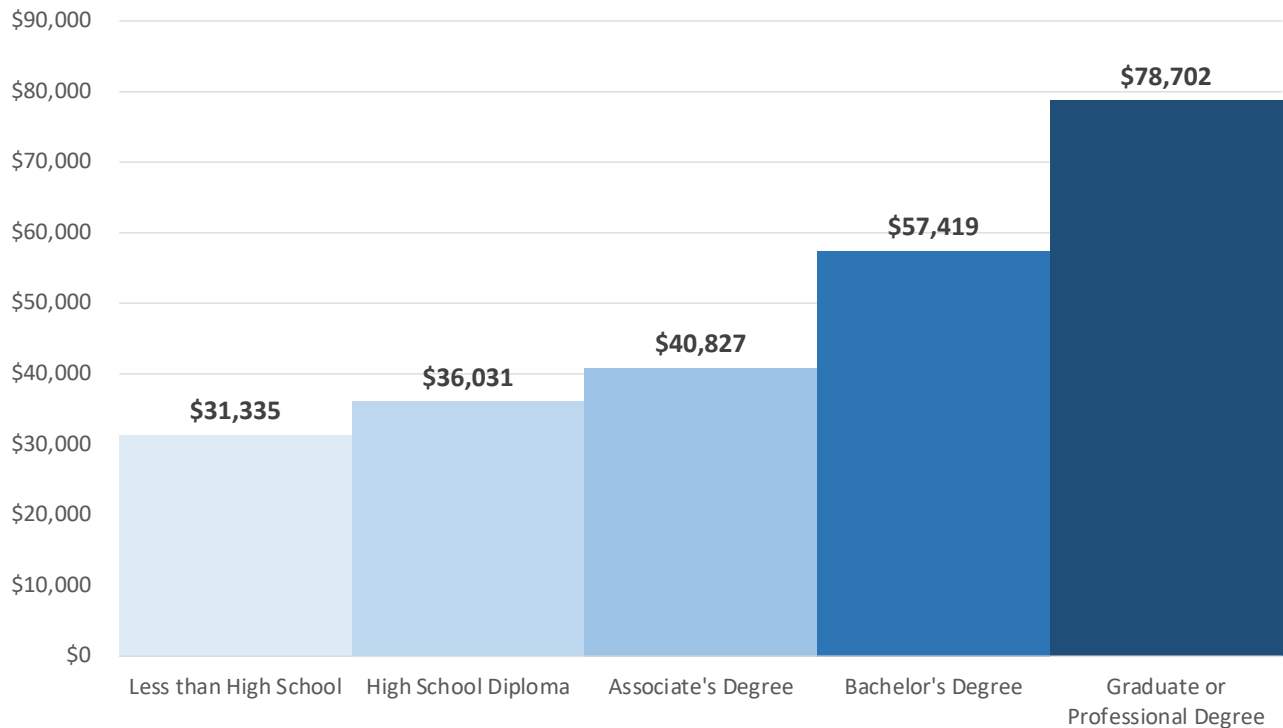
In addition to their economic impact, Oregon's public universities enhance the quality of life for Oregonians and their communities. By increasing access to a four-year degree for traditionally underserved students, universities contribute to the state's overall well-being. These includes impacts on the state, social services, and employers to address community needs.

Bachelor's degree holders have greater social mobility and are more resistant to economic downturns. During the Great Recession and COVID-19 pandemic, for example, Bachelor's degree holders lost far fewer jobs than workers without a degree.<sup>16,17</sup>

Moreover, 4-year degree holders earn over 40% more than those with only a two-year degree and nearly 60% more than those with only a high school diploma.<sup>18</sup> Oregonians with a 2-year degree, in

**Figure 4**

### **Oregon Median Annual Earnings by Educational Attainment for Adults 25+ (2021, Five-Year Estimate)**



Source: Table B20004: Median Earnings in the Past 12 Months (in 2021 Inflation-Adjusted Dollars) by Sex by Educational Attainment for the Population 25 Years and Over, 2017-21 American Community Survey Five-Year Estimates, U.S. Census Bureau

contrast, earn 13% more than those with only a high school diploma.<sup>19</sup> This economic advantage is crucial for individuals and contributes significantly to the overall prosperity of the state.

In addition to workforce and economic benefits, obtaining a four-year degree brings a myriad of social advantages. College and university graduates are not only more likely to have better self-reported health but also engage in healthier behaviors, such as regular exercise, limited alcohol consumption, and seeking preventive health care. They are less likely to report conditions like heart disease, high blood pressure, diabetes, anxiety, and depression. Moreover, they are active participants in civic duties, such as voting, and are less reliant on public assistance programs.

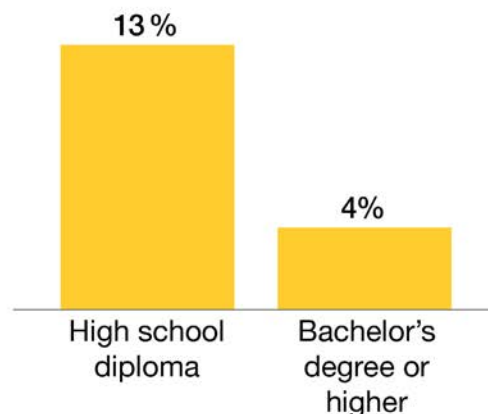
Furthermore, individuals with a postsecondary degree contribute significantly to local economies and state taxes, showcasing the broader societal benefits of investing in higher education. The holistic impact of Oregon's public universities extends beyond economic metrics, influencing the well-being of individuals, communities, and the state at large.

"Bachelor's degree graduates without advanced degrees pay \$273,000 (1.15 times) more in lifetime taxes in present value than high school graduates without college, and they receive \$82,000 (39 percent) less in direct fiscal benefits."<sup>20</sup>

Figure 5: Adults living in poverty by educational attainment

## Poverty Rates Are Three Times Higher for Those With Only a High School Diploma

Percent of individuals age 25 and older living in poverty, by educational attainment, 2021



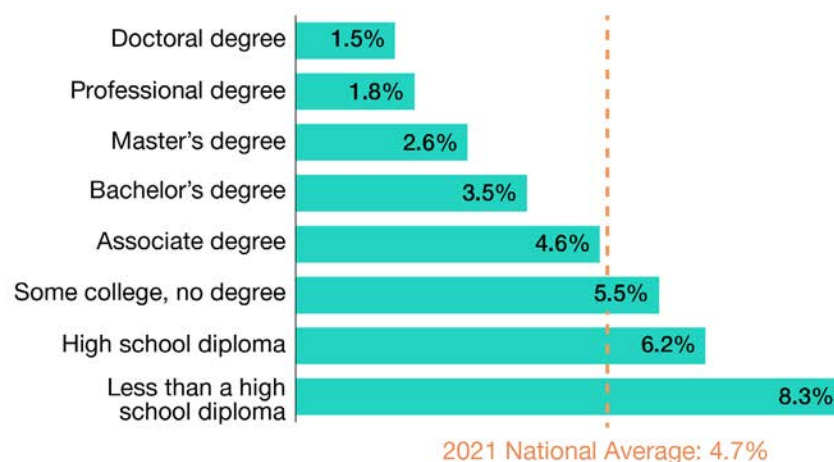
Source: "Education Pays 2023," Figure 2.16A, The College Board, 2023.



Figure 6: Unemployment rates by educational attainment

## The Unemployment Rate for Bachelor's Degree Holders Is Below the National Average

Unemployment rates by educational attainment, 2021



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.  
Source: U.S. Bureau of Labor Statistics, "Employment Projections," Current Population Survey, 2021.



# Accountability and Cost Management

## Accountability in Partnership with State Leaders

Oregon's higher education ecosystem is well-structured, with robust oversight mechanisms to ensure academic and institutional integrity, transparency, and public accountability. Public universities are accountable to accreditors, and to the state via the HECC and through other transparency requirements. Public universities are held accountable to Oregon and its residents through the oversight that is provided by governor-appointed, senate-confirmed governing boards. The Presidents of Oregon's public universities also meet as the Oregon Council of Presidents to foster coordination and collaboration among the universities, avoid unnecessary duplication of efforts, and ensure effective sharing of resources, knowledge and best practices.

- **Accreditation:** Public universities in Oregon undergo continuous accreditation, which involves ongoing reviews of academic and institutional integrity. Accrediting bodies assess whether institutions meet established standards and are providing quality education. Extensive accreditation processes ensure that universities maintain high academic standards and continually improve.

All of Oregon's public universities are accredited by the Northwest Commission on Colleges and Universities (NWCCU). Attaining and maintaining an accredited status indicates that the university meets or exceeds criteria for quality that is evaluated through peer review. Accreditation requires an ongoing and comprehensive assessment and review of academic and institutional quality. It addresses university finances, assessing whether the university has the necessary resources to achieve its mission, that it is substantially doing so, and that it will continue to do so in the foreseeable future. Institutional integrity is also addressed through accreditation. Reviews are structured as a cyclical process of continuous improvement. NWCCU accreditation occurs on a seven-year cycle that consists of four parts: annual reports; mid-cycle self-review and peer review in the third year; policies, regulations, and financial review in the sixth year; and evaluation of institutional effectiveness through self-review and peer review in the seventh year. Additional information on the process and requirements to be accredited by the NWCCU can be found at [nwccu.org](http://nwccu.org).

- **University Governing Boards:** These boards play a crucial role in providing transparency and public accountability. Serving as fiduciaries of their respective institutions, they exercise broad powers and duties to govern each university. These powers include establishing policies for the organization, administration, and development of the university, analyzing institutional finances and audits, and appointing the university president.<sup>21</sup> The boards, consisting of trustees appointed by the Governor and confirmed by the Oregon State Senate, act as stewards of institutions' missions and resources.
- **Higher Education Coordinating Commission (HECC):** The HECC has statutory authority to track progress toward meeting the state's postsecondary education goals,<sup>22</sup> perform institutional evaluations of public universities,<sup>23</sup> provide training for members of governing boards,<sup>24</sup> and report on the employment of faculty and staff.<sup>25</sup> It approves mission statements, new academic programs, and tuition and fee increases for resident undergraduate students that are over 5%.<sup>26</sup> The HECC also evaluates university-submitted state bond-funded capital project proposals and certifies revenue sufficiency for Article XI-F(1) bonds.<sup>27</sup>
- **Compliance with State Mandates and Reporting:** Public universities are required to comply with many mandates and reporting requirements. ORS 352.069 requires universities to report on compliance with those mandates, including the provision of certain health care benefits, the use of apprentices on state-supported projects, support for paid family leave and state minimum



wage requirements, Title IX compliance, and hundreds of others. Reporting on whether these mandates and requirements are met is another example of accountability to ensure universities operate within established parameters and fulfill their responsibilities to the state.

Navigating the landscape of state and federal mandates, institutions, including universities, often find themselves grappling with unintended consequences. The well-intentioned directives, while serving a broader societal purpose, can inadvertently burden institutional budgets and strain staff utilization. The obligation to comply with these mandates places additional demands on already stretched resources, creating challenges in maintaining operational efficiency and effectiveness.

The impact of mandates is particularly pronounced when they lack accompanying resources. While institutions understand and value the need to adhere to regulatory frameworks, the absence of supplemental resources places a strain on financial and human resources. Universities, committed to meeting the highest standards of education and service, find themselves at the intersection of fulfilling their regulatory responsibilities and managing the practical implications of doing so within constrained budgets.

Together, these oversight mechanisms maintain a balance between autonomy and accountability. This comprehensive approach not only safeguards the academic and institutional integrity of public universities but also ensures they align with the broader goals and expectations set by the state.

## Outcomes-Based Funding

Another key component of accountability for public universities is the Student Success and Completion Model (SSCM) through which HECC distributes the PUSF. The state began restructuring operational funding for public universities in 2013, transitioning over time to the SSCM, which is the only outcomes-based funding formula for public education entities in Oregon. The SSCM allocates the universities' operational funding more on the basis of outcomes (credit hours delivered and degree and certificate completions) than on enrollment. The model also provides completion incentives tied to historically underrepresented students—low-income students, underrepresented minorities, rural students, and veterans—as well for statewide priority degree areas, including STEM, health care, and bilingual teacher education. The SSCM is a leading example of outcomes-based funding models in the country and creates clear accountability between university performance—degree completion for resident students—and state funding.

## Supporting Employees

Continued and needed salary increases for state university employees must be part of the consideration when increasing state funding to universities. University operations and student supports are run and maintained by the dedicated professionals we employ. Personnel costs constitute a substantial portion, nearly 80%, of the operating expenses for Oregon's seven public universities. With a workforce exceeding 17,000 faculty and staff, universities face the ongoing challenge of maintaining competitiveness in the employment market, necessitating regular salary and pay increases. This is particularly crucial given the persisting labor shortage and increased headwinds universities face in attracting and retaining skilled professionals. Highly qualified staff are vital to upholding academic standards, fulfilling institutional missions, and providing a high-quality educational experience for students.

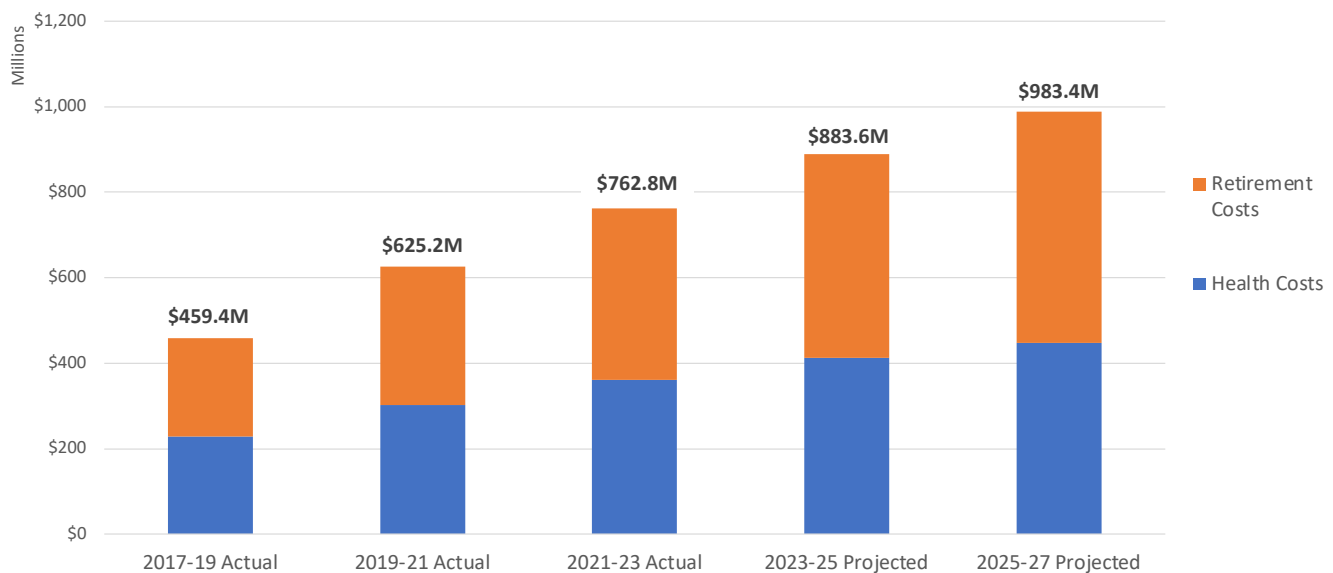
The staff and faculty at universities are the engines that power the enterprise. They deserve excellent health and retirement benefits. Oregon’s public universities provide benefits through the required state health plan (PEBB) and retirement plan (PERS). Supporting the generous benefits provided under those plans has resulted in Oregon’s public universities paying the 7th highest fringe benefits rate among public universities in the nation, more than double that of Washington, even while the state ranks near the bottom of the nation for state operational funding for public universities, putting a disproportionate financial burden on students and their families.<sup>28</sup> The commitment to providing comprehensive benefits to faculty and staff aligns with the universities’ dedication to employees’ well-being, yet it also contributes to the financial challenges faced by these universities.

The financial impact of rising health and retirement benefits costs is significant, with projections indicating rising rates will add \$99.8 million to university costs during the 2025-2027 biennium. As these expenses continue to grow, universities must balance between offering competitive compensation packages to attract and retain top talent and managing the resultant financial implications of both rising labor and benefits costs while ensuring overall financial sustainability. Unlike other state worker contracts, there is no specific salary pot determined by the state to manage the expectations and impacts for employee salary and benefits. This dynamic challenge emphasizes the ongoing need for strategic financial planning and innovative solutions to navigate the complexities of university budgeting while upholding the commitment to faculty and staff.

**Figure 7**

### Public University Health & Retirement Costs per Biennium

Projected Growth 2017-19 to 2025-27: 114.1%



Source: Survey of Oregon Public Universities

## Cost Containment

Oregon's public universities are steadfast in their commitment to supporting students through responsible financial management. Recognizing the importance of optimizing resources to benefit students and aligning with state priorities, universities actively engage in innovative cost-cutting strategies and strategic cost-containment measures. The pursuit of financial responsibility is driven by the universities' dedication to delivering high-quality education while navigating the complex financial landscape.

Consistent exploration of innovative cost-cutting strategies demonstrates the universities' agility and adaptability to evolving economic conditions. By identifying and implementing measures to contain costs strategically, universities aim to preserve their financial health and, in turn, enhance the overall student experience. The commitment to responsible financial management reflects a proactive approach to addressing challenges and ensuring the long-term sustainability of the universities.

Through this commitment to cost controls, Oregon's public universities strive to strike a balance between maintaining operational efficiency and delivering excellent academic services. This dedication not only benefits current students but also contributes to the institutions' ability to invest in future initiatives that align with state priorities. It underscores a holistic approach to financial stewardship, ensuring that resources are channeled effectively to support the core mission of providing accessible, high-quality education for the broader community.

Over the past two decades, Oregon's public universities have made significant efforts to reduce costs while maintaining a focus on student service and educational quality. These efforts have included cuts to faculty, staff, programs, and services, as well as strategic shifts in priorities. Universities continue to implement strategies to reduce costs by eliminating non-critical, non-mission essential activities wherever possible. Some institutions have implemented further reductions across their operational budget.

Recent cost containment actions taken by some or all universities include:

- Collaborating among universities to identify and implement cost-saving measures that are tailored to each institution's needs and circumstances.
- Reducing administrative and operational expenses through efficiency measures and reorganization.
- Streamlining processes and procedures to eliminate duplication and improve effectiveness.
- Implementing technology solutions to reduce costs and improve service delivery.
- Continued use of centralized shared services including treasury management, retirement plan support, and labor relations.

Additional examples of recent cost containment measures taken by individual universities can be found in *Appendix D: Examples of Recent Cost Containment Measures*.

Public universities have two primary funding sources for core education and general operations: state support and tuition. Whenever state resources are reduced or fail to keep up with current service level costs, universities have a finite set of available options: reducing expenses, increasing revenues, or spending reserves.



## Reduce Expenses

University operating budgets are structured around student needs, impacting the availability of programs, courses, staff, and faculty. Operating budgets also influence the services and supports that enhance student experiences and outcomes, as well as the resources available for tuition remissions.

Over the last two decades, universities have diligently pursued cost-cutting measures. However, it is important to emphasize that institutions cannot create sustainability solely through cuts. Universities require personnel to effectively deliver a curriculum and complete essential administrative functions. Many institutions have now reached a critical juncture where further reductions could significantly impact essential operations and revenue generation. If state funding is insufficient, universities may need to consider a combination of the following measures, some of which are already in place at various institutions:

- Implementing personnel actions, such as pay cuts, furloughs, and layoffs, within the constraints of collective bargaining agreements.
- Holding positions vacant and enforcing hiring freezes.
- Scaling back or discontinuing programs and services.
- Limiting expenditures wherever feasible, including travel expenses.

## Increase Other Revenues

Student tuition remains the primary source of university revenue due to two decades of inadequate funding from the state. Despite some legislative efforts to address this issue in recent years, the state's contribution still falls short, covering less than a third of the revenue needed to operate public universities.

When faced with inadequate state funding, universities have very limited tools beyond increasing tuition to sustain the revenue needed to maintain current operations. Inadequate funding by the state places a disproportionate burden on students and families, shifting the responsibility





for funding core university operations onto those who can least afford it. This undermines the accessibility of higher education and perpetuates inequities in educational opportunities.

Other revenue sources, such as interest earnings and indirect cost recoveries from research grants, are heavily influenced by market conditions and research productivity levels, making them unreliable for bridging gaps in revenue streams.

### Use Reserves

University reserves are one-time funds that are not a permanent solution to increased recurring costs. While institutions can use reserves for a short period to cover budget gaps, these funds are non-recurring and can only provide short-term relief until an institution can implement budget cuts or generate additional revenues to address these gaps.

The current financial landscape reveals a pressing concern: the reserve balances at many of Oregon's public universities are notably below the industry standard. Drawn-down reserves, while temporarily alleviating the impact on students, underscore ongoing financial challenges. As universities grapple with the delicate balance of ensuring affordability for students and maintaining operational excellence, they must explore sustainable, long-term solutions to replenish and fortify reserve funds. This imperative arises from the recognition that relying solely on reserves is a finite strategy, and the institutions must strategically position themselves to navigate future financial uncertainties while continuing to provide quality education.



## How Can the State Help Students?

### University Base Funding

University Base Funding (UBF), the amount of state resources needed to continue current programs and learning outcomes, is estimated at \$1,094 million for 2025-2027. This estimate includes projected cost increases due to existing collective bargaining agreements; anticipated rate increases for health care, retirement, and other employee benefits; and general inflation on supplies and services. This funding is critical to ensuring all students have access to services and programming that promote equitable student success.

However, it is important to note that this calculation vastly underestimates current costs by failing to account for several cost drivers within the current biennium which reduce the gap between 2023-2025 and 2025-2027, shrinking the increase applied to the PUSF. More information on the calculation of the UBF level can be found in *Appendix A: Public University Support Fund Scenarios*.

If state funding falls below the UBF level, universities face limited choices to manage institutional budgets, especially as five of the seven institutions already face significant, immediate structural challenges that require sustained or increased state investment to position their institutions for improved viability. Available options may involve personnel-related measures such as pay cuts, furloughs, and layoffs, although these actions must adhere to the constraints set by collective bargaining agreements. Other strategies include implementing hiring freezes, leaving vacant positions unfilled, or scaling back or discontinuing programs and services. Despite efforts to mitigate the repercussions on student success, the impact of cuts is inevitable. With over 60% of revenues derived from net tuition revenue, relying on students to cover an increased share of costs is unsustainable.

### Invest in Public Universities

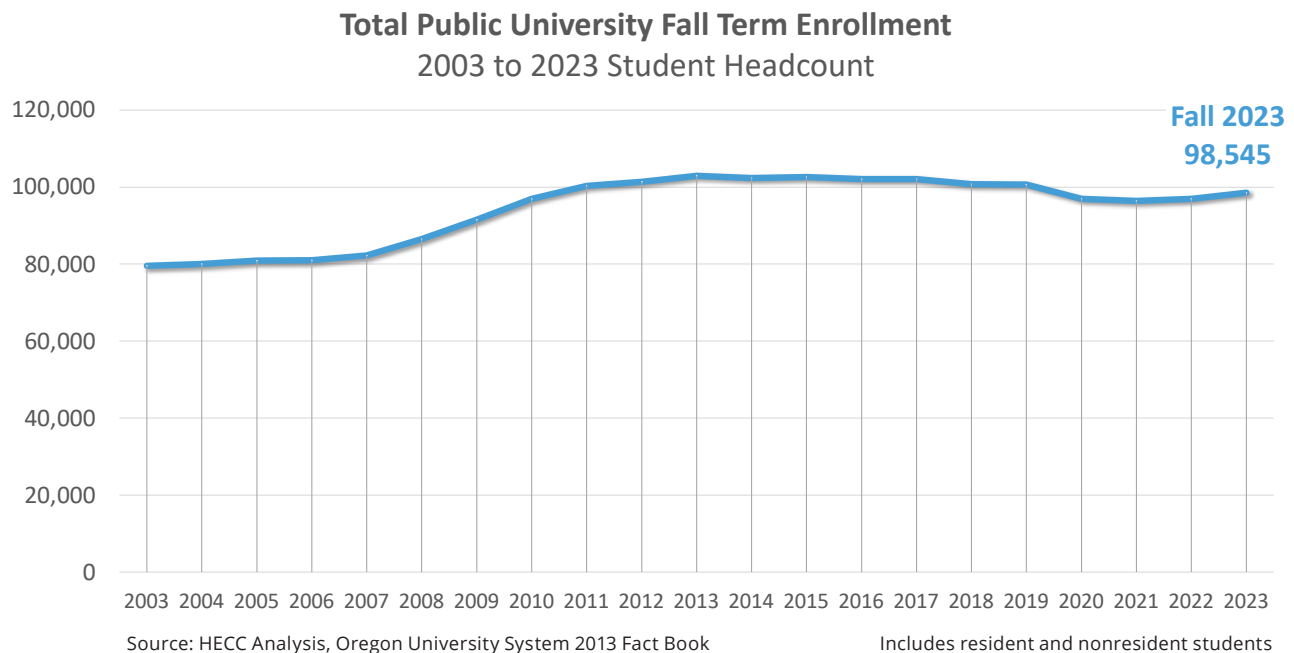
Universities are grateful for the record investments made by the Oregon Legislature for the 2023-2025 biennium. The allocation of an additional \$100 million above Current Service Level for the Oregon Opportunity Grant and the investment of \$1 billion in the Public University Support Fund (PUSF) were a welcome and necessary down payment toward student success and equitable public higher education. These investments chart a path toward making a four-year degree more accessible for all Oregon students. We appreciate the state's partnership in increasing affordability and acknowledging the importance of support services that assist students with their basic and academic needs as they work toward their degrees.

While these investments were vital to the ongoing work of public universities to improve accessibility and outcomes for students, there is still a long path ahead for Oregon to commit to investing in the diverse pipeline that is a prerequisite to a thriving economy. Oregon continues to underfund its public universities, which leads to higher tuition rates for students and negatively impacts the education, programs, and services they receive.

While the state used to cover more than 60% of the cost of operating public universities, it has steadily disinvested in its institutions and its students over the last three decades.<sup>29</sup> Without sufficient funding, **students and their families have been left to cover more than 60% of university operational costs**. Ballot Measures 5 and 50, passed by Oregon voters in 1990 and 1997, respectively, set limits on the proportion of local property taxes that could be spent on K-12 schools and further limited how quickly property taxes could grow. In response, the State School Fund's share of the state's general fund budget rose from 25% in 1989-1991 to 42% in 1999-2001, squeezing

other elements of the state general fund budget including higher education, whose share declined from 14% to 7%.<sup>30</sup> Additionally, after the Great Recession from 2007-2009, Oregon made significant cuts to higher education funding at the same time as many universities saw significant enrollment increases, further shifting the financial burden onto students by requiring universities to be even more reliant on increases to tuition to fund core operations. The state has made some real progress toward reducing the students' share of costs over the last few biennia but still has a long way to go to rectify that trend.

**Figure 8**



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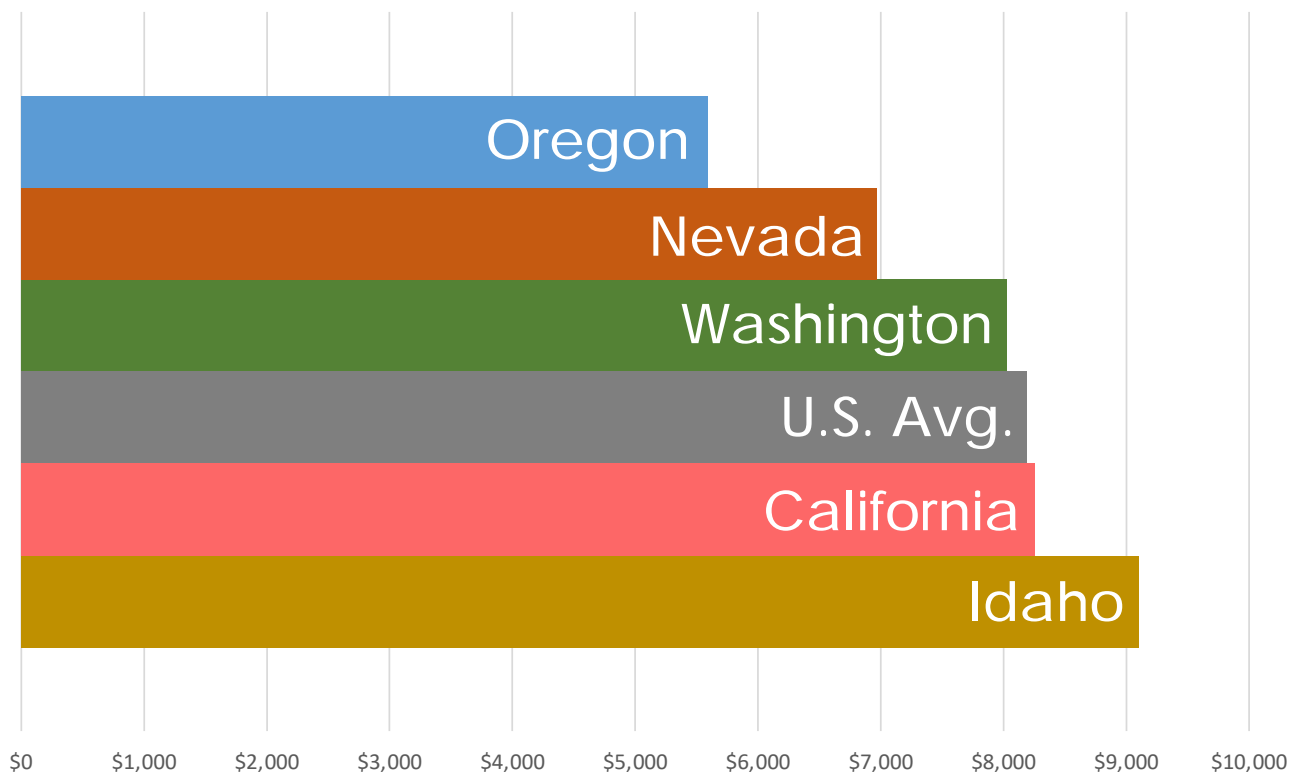
*“If we're serious about backing our students and making higher education affordable, Oregon needs to aim way higher than the status quo. We're way behind the national average in funding for public universities, and that's got to change. A major investment in the PUSF is crucial to make sure every student in Oregon can chase their academic and career dreams without being weighed down by a mountain of debt.”*

—Nick Keough, Legislative Director, Oregon Student Association

Oregon must set its sights on leading the nation in public higher education, laying the groundwork for a vibrant, diverse economy that uplifts Oregonians, businesses, and communities throughout the state. However, Oregon still has a long way to go in achieving this vision. In comparison to other states, Oregon underinvests in its funding of public universities. While other states prioritize higher education as the path to building a robust economy in which all residents can participate, Oregon's underinvestment creates risk that it will lose talent to neighboring states. Reaching the national average in funding is a baseline investment that will more adequately support our students and ensure Oregon remains competitive with other states.

**Figure 9**

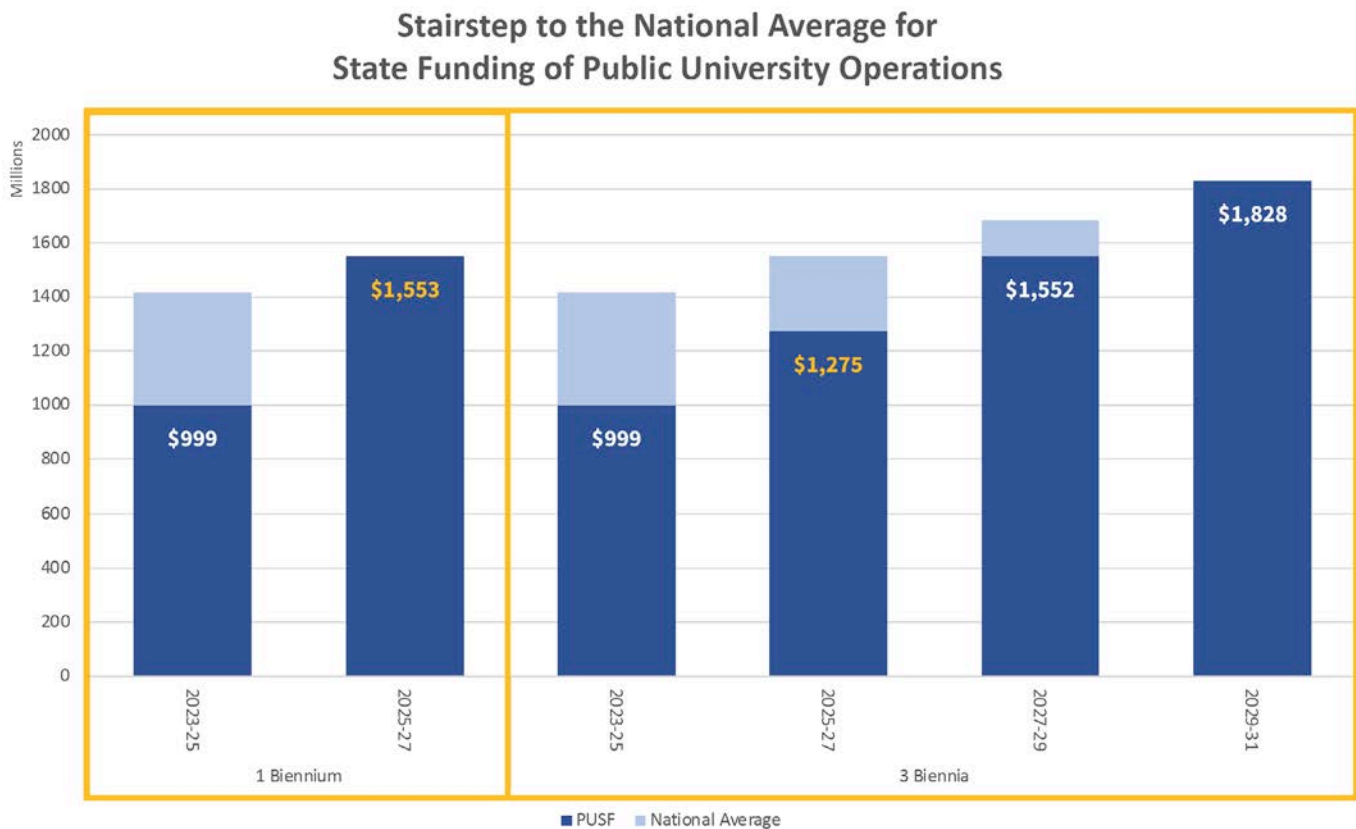
**FY22 State Funding of Public University Operations  
per Full-Time Equivalent Student**



Data Source for State Operating Funding of Public Four-Year Institutions of Higher Education per FTE Student, COLI-Adjusted: *Four-Year State Public Operating; Four-Year Net FTE Enrollment; COLI (Cost of Living) Adjustment*. State Higher Education Executive Officers Association. (2023). State Higher Education Finance: FY 2022.

In order to achieve funding levels similar to other states, Oregon should adopt a stairstep approach toward PUSF funding levels that will bring public universities to the national average for state operational funding per full-time equivalent student. The cost for this will depend on how quickly, or slowly, Oregon moves toward this goal. To reach this level of investment within just one biennium, the investment in the PUSF in 2025-2027 would be a total of \$1.553 billion. If we were to meet the target over three biennia, investment in the PUSF for 2025-2027 would be \$1.275 billion. The following figure depicts these stairstep options.

**Figure 10**



Data Source for State Operating Funding of Public Four-Year Institutions of Higher Education per FTE Student, COLI-Adjusted: Four-Year State Public Operating; Four-Year Net FTE Enrollment; COLI (Cost of Living) Adjustment. State Higher Education Executive Officers Association. (2023). State Higher Education Finance: FY 2022.

The following charts describe expected outcomes and impacts on students at three PUSF funding levels: a three-biennia stairstep to the national average for per-student funding, a University Base Funding level, and flat funding for the PUSF.

**Table 1: Impacts of Various Levels of Funding Within the Public University Support Fund**

**University Budget Request—Stairstep to the National Average Over Three Biennia. \$1.28 Billion Public University Support Fund**

PUSF	Increase Over 2023–25	Access and Affordability	Academic Success and Student Outcomes	Wraparound Student Services	Workforce Contributions	Other Measures
\$1.28 Billion	+\$276 Million	<p>Minimal tuition increases for both years of the biennium.</p> <p>Preserve recent investments in financial aid for rural, first-generation, and under-represented students.</p> <p>Resources available to target financial aid awards toward students at risk of pausing out without a degree.</p> <p>Maintain remissions that contribute to lower post-graduation student debt.</p>	<p>Preserve and expand recent investments in student support services and academic advising.</p> <p>Continue and grow programs such as Strong Start, TRIO, and student success coaches.</p> <p>Expand services to students that result in increased degree attainment.</p>	<p>Targeted investments for low-income and historically underserved students through programs and investments that help close persistent gaps in retention and completion.</p> <p>Investments in mental health care and counseling as well as efforts to address housing and food insecurity.</p>	<p>Augmented academic programs to meet targeted workforce needs and accelerate pathways to graduation.</p> <p>Investments in programs to connect students to career internships and applied learning opportunities.</p> <p>Integrated career services to better guide and prepare students for employment after graduation.</p>	<p>Campuses will be better equipped to reflect the hard work of dedicated faculty and staff in contract negotiations.</p> <p>State assumes more responsibility for benefits driven cost increases, ensuring they do not fall on the backs of students and their families.</p>



Table 1, continued

University Base Funding. 9.54% Increase

PUSF	Increase Over 2023–25	Access and Affordability	Academic Success and Student Outcomes	Wraparound Student Services	Workforce Contributions	Other Measures
\$1.10 Billion	+\$95 Million	<p>Moderate tuition increases at most universities for both years of the biennium.</p> <p>Preservation of some recent investments in financial aid for rural, first-generation, and under-represented students.</p> <p>Continued pressure on affordability and increased student debt.</p>	<p>Investments made in academic advisors and mentoring over the last two biennia will be sustained.</p> <p>Status quo with regard to degree attainment.</p> <p>Discontinuation of some Strong Start programs.</p>	<p>Maintain recent investments in student services.</p> <p>Recent investments in key programs assisting veterans, BIPOC, LGBTQIA, and low-income students may be maintained.</p> <p>Minimal progress in closing systemic achievement/opportunity gaps.</p>	<p>Sustain current academic programs to meet targeted workforce needs and accelerate pathways to graduation.</p>	<p>Campuses will struggle to reflect the hard work of dedicated faculty and staff in contract negotiations.</p> <p>State maintains most of its share of responsibility for benefits-driven cost increases, ensuring they do not fall on the backs of students and their families.</p>

Table 1, continued

## Flat Funding of Public University Support Fund. 0% Increase

PUSF	Increase Over 2023–25	Access and Affordability	Academic Success and Student Outcomes	Wraparound Student Services	Workforce Contributions	Other Measures
\$1.00 Billion	\$0	<p>Significant tuition increases on most campuses.</p> <p>Student debt will accelerate at higher rates.</p> <p>Support for students will diminish as the need for student support increases.</p> <p>Increased costs will result in more students pausing or withdrawing—taking on debt without a degree.</p> <p>Slowed degree attainment will result in increased costs to students.</p>	<p>Negative impacts on student services, academic advising and financial aid advisors from budget cuts.</p> <p>Campuses will struggle to maintain student support services, precisely when needs are growing.</p> <p>Cuts to academic programs will limit the ability for some students to graduate on time.</p> <p>Longer duration to degree attainment will result in increased costs to students.</p> <p>Recent progress toward 40-40-20 will be imperiled.</p> <p>Fewer Oregonians will seek a degree.</p>	<p>Increased costs will perpetuate a cycle where students are forced to choose between academic progress and addressing basic needs (food, housing, utilities etc.).</p> <p>Campuses will struggle to protect funding for resources targeted toward closing opportunity gaps.</p> <p>Increased support for key programs assisting veterans, minorities, LGBTQ students, and low-income students will be reduced or eliminated.</p>	<p>Fewer graduates in priority fields such as cybersecurity, semiconductors, and education.</p>	<p>Campuses will significantly struggle to reflect the hard work of dedicated faculty and staff in contract negotiations.</p> <p>The majority of payroll and benefits driven cost increases will be borne by students and their families.</p> <p>Achievement/opportunity gaps are likely to persist and widen.</p>

## Make Equitable Investments in Student Aid

Oregon has historically significantly underfunded state financial aid for public university students compared with the rest of the nation.<sup>31</sup> During the 2023 legislative session, lawmakers increased the state's investment in the Oregon Opportunity Grant by \$108.4 million, allowing the Office of Student Access and Completion within the state's Higher Education Coordinating Commission to increase grant awards for the state's lowest-income students.

Awarding for the Oregon Opportunity Grant has historically been determined based on a student's level of need calculated within the federal FAFSA form. Until recently, this level has utilized the FAFSA's Estimated Family Contribution (EFC) calculation. As part of the federal FAFSA simplification process, the U.S. Department of Education has shifted away from the EFC calculation to a new Student Aid Index (SAI) calculation designed to better capture measures of poverty and more holistically determine a student's financial need. With the SAI calculation now integrated into the 2024-2025 FAFSA form, awarding for the Oregon Opportunity Grant will now also rely on the SAI.

Due to changes in the way a student's expected level of need is calculated, implementing the SAI calculation for 2024-2025 OOG awarding is projected to shift the distribution of students across current award tiers, with more students becoming eligible for the maximum OOG award. This increases the level of OOG funding required to sustain awards for Oregon students up to the current \$8,000 EFC (now SAI) cap. Without additional funding, more than 13,000 currently eligible Oregon students are forecasted to not receive an award during the 2024-2025 academic year.

Oregon students deserve a realistic path to meet their educational goals, regardless of their circumstances. The transition to the SAI calculation shows just how far behind Oregon is when it comes to funding student financial aid. With the new SAI calculation, Oregon now has the opportunity to readjust its investments to meet the true needs of Oregon students.

**Without additional funds, the state must decide whether to cap awards at a lower income threshold, which would take awards away from more than 13,000 currently eligible students, or to decrease awards for the neediest students. Neither of these options is acceptable.**

An investment in the Oregon Opportunity Grant to preserve student awards up to the current \$8,000 SAI threshold, currently estimated by universities to amount to \$124 million in 2025-2027, is urgently needed to protect our lowest-income students from a drop in their award amount and safeguard grant aid for lower-income students.

Recognizing the importance of equitable access to higher education, increasing the investment in the Oregon Opportunity Grant is imperative. This step is essential for promoting inclusivity and breaking down financial barriers that disproportionately affect marginalized communities. By enhancing the availability of this grant, the state can actively contribute to fostering a more equitable educational landscape, ensuring that all students, regardless of their background, have the financial support necessary to embark on and complete their college journeys. This strategic investment not only reduces the burden of student debt but also actively promotes diversity, equity, and access in higher education, aligning with broader goals of creating an inclusive and thriving educational environment for all.

## Provide a Path to Opportunity for Native Students

Continued funding for the Oregon Tribal Student Grant at the current service level is imperative for fostering educational equity and empowering students from tribal communities to pursue higher education. This grant serves as a targeted initiative to address the unique challenges faced by Native American students, providing financial resources that enable them to access and complete their college education. By investing in this grant, the state of Oregon demonstrates its commitment to supporting the educational aspirations of Indigenous students and recognizing the importance of culturally responsive approaches to higher education.

The Oregon Tribal Student Grant plays a crucial role in overcoming financial barriers that disproportionately impact Native American communities. Through sustained funding, the state not only facilitates increased enrollment of Indigenous students in postsecondary institutions but also contributes to breaking the cycle of limited educational opportunities. This grant aligns with broader state goals of promoting diversity, inclusivity, and educational access, ultimately fostering a more vibrant and representative higher education landscape in Oregon. The continued funding of the Oregon Tribal Student Grant underscores the state's dedication to creating an equitable educational environment that uplifts and empowers Native American students on their educational journeys.

## Equitable Student Success Through Sports Lottery

Continued funding for the Sports Lottery program in Oregon is vital for supporting both intercollegiate athletics and graduate student academic scholarships, benefiting approximately 2,466 students annually across the state's public universities. The program has a proven positive impact on enrollment, retention, and diversity, ensuring access to higher education for students who might otherwise face barriers.

Sports Lottery is divided into funding for intercollegiate athletics (88%) and graduate student academic scholarships (12%).<sup>32</sup> The graduate student scholarship support annually provides about \$500,000 for both merit- and need-based aid, helping almost 200 graduate students a year. These scholarships offer invaluable help to graduate students who are not eligible for the Oregon Opportunity Grant, the Pell Grant, or other programs generally reserved for undergraduate students.

Funding for intercollegiate athletics through Sports Lottery is primarily dedicated to supporting nonrevenue producing sports, and at least half of these funds are provided to women's athletics. Three-quarters of the Sports Lottery funding dedicated to athletics goes toward student-athlete scholarships, fostering affordability, and improving degree outcomes. This support not only aids student-athletes in their educational pursuits but also positively influences their overall performance, as evidenced by better retention rates, GPAs, and graduation rates compared to the general student population.

Moreover, Sports Lottery funding is a primary means for campuses to fulfill Title IX requirements, ensuring equitable funding for women's athletics programs. A reduction in Sports Lottery funding would directly impact women's athletics, student-athlete scholarships, and the overall operation of intercollegiate sports. Beyond the campus borders, the economic impact of the program extends to communities across Oregon, benefiting from student-athlete and fan travel expenses, which inject much-needed revenue into local businesses and services. The program's history of success and its broad impact on student-athletes, graduate students, and local economies underscore the significance of continued state funding for the Sports Lottery program.

The universities seek the full statutory 1% funding for Sports Lottery, critical for scholarships for student-athletes and graduate students.



## State Programs and Statewide Public Service Programs

The universities' shared priority for State Programs and the Statewide Public Services (SWPS) is to receive the University Base Funding increase to avoid the erosion of program effectiveness and delivery over time. A policy option package is also being submitted to request continuing funding for some State Programs and Statewide Public Services that were funded with one-time monies or the legislative intent concerning continued funding was unclear.

Through individual bills or budget notes, it is common for one or more of the public universities to receive stand-alone appropriations for targeted programs. The bills or budget reports may or may not indicate whether a particular appropriation is one-time or ongoing. For 2023-2025 appropriations, the public universities worked with Legislative Fiscal Office (LFO) staff to determine the legislative intent for various targeted funding. In cases where funding was noted as one-time and the universities believe the program has merit for ongoing efforts, LFO recommended submission of a Policy Option Package (POP). In other cases where legislative materials were silent as to the one-time or ongoing nature of the funding and LFO indicated legislative intent was to be ongoing, the universities are electing to officially request, via a POP, funding to be integrated into ongoing appropriations for a particular State Program or SWPS. *Appendix E: Policy Option Packages* includes a POP for Program Continuation that incorporates both situations.



## State Programs

In 2013–2015, the state divided Education and General (E&G) funding into the Public University Support Fund (PUSF) and an appropriation category of “State Programs.” These consist of line-item appropriations to programs that address economic development, natural resource stewardship, and other issues identified as high priorities for the state. These State Programs facilitate the integration of the universities’ multiple missions of instruction, research, and service.

A detailed summary of the public universities’ request for State Programs is included in *Appendix C: Detailed Appropriation Tables*.

## Statewide Public Services

The three programs that constitute the Statewide Public Service Programs (SWPS)—the Agricultural Experiment Station (AES), the Extension Service (ES), and the Forest Research Laboratory (FRL)—are longstanding services administered through OSU that benefit Oregonians in all 36 counties and nine federally recognized tribes of Oregon. SWPS activities are a primary example of how Oregon’s land-grant university intentionally integrates instruction, research, and service missions to enhance lives and livelihoods in all Oregon communities. As noted with the PUSF and State Programs, it is vital to the integrity of these services that state support reflects University Base Funding increases. If managed through attrition, budget shortfalls and reductions leave little opportunity for strategic planning and no opportunity for maintaining investments in critical, developing areas of need. Instead, even in times of deficit, these programs are expected by the state and stakeholders to set priorities for investment and address new and emerging needs for Oregon.

Recent biennia included swings in state funding. The SWPS absorbed a 12.5% reduction in actual funding over the 2011 and 2013 biennia that forced a fundamental assessment and reprioritization of programs based on input from stakeholders. Thanks to strong stakeholder advocacy in 2019–2021, the SWPS received a 15.7% increase.

Again, in the 2021–2023 biennium, the programs did not receive their full request to cover adjusted operating costs. This created a \$2.2 million shortfall across the three program areas. To cover this gap, the program areas worked with stakeholders to prioritize services and not fill vacancies. Fortunately, the legislature again recognized the importance of these programs to the state and appropriated another round of “catch-up” funding as well as new investments, resulting in a 14.3% increase for the SWPS in the 2023–2025 biennium.

Consistently including the appropriate inflationary increment (equivalent to the University Base Funding increase) each biennium would provide needed stability enabling SWPS programs to provide high-quality service to Oregonians. Thus, the request for 2025–2027 is for the full UBF increase to maintain programs and be able to respond to the needs of Oregonians across the state. It also includes continuation funding to incorporate several 2023–2025 programs into ongoing SWPS appropriations (with more detail provided in *Appendix E: Policy Option Packages*):

- HB 2010 (2023) Agricultural Technical Assistance (in both AES and ES)
- HB 5025 (2023) Extension for Small Farms and Community Food Systems
- SB 80 (2023) Portion of wildfire mapping administered by Extension

A detailed summary of the public universities’ Statewide Public Service Programs request is included in *Appendix C: Detailed Appropriation Tables*.

## Policy Option Packages

### Program Continuation

As noted above in the State Programs and Statewide Public Services section, there are several initiatives that were funded in the 2023-2025 biennium with one-time designations or the legislative intent to continued funding was unclear. The Program Continuation Policy Option Package details these initiatives and the merits of incorporating the funding into the State Programs and Statewide Public Services ongoing appropriation categories. Specifically, the initiatives are:

- Cybersecurity Center of Excellence at PSU with funding for the founding universities—PSU, OSU, and the UO—that is understood to be ongoing. HB 2049 (2023) was the originating legislation.
- Wildfire Hazard Mapping with funding across several units at OSU—College of Forestry, Institute of Natural Resources, and Extension Service. Originating legislation includes SB 762 (2021) and SB 80 (2023). Funding was noted as one-time and the request is for ongoing support.
- Agricultural Water Technical Assistance with funding to Extension Service and OSU Agricultural Experiment Station that is understood to be ongoing. HB 2010 (2023) was the originating legislation.
- State Climatologist position funded at the Oregon Center for Climate Change Institute that is understood to be ongoing. SB 5506 (2023) was the originating legislation.
- Juniper Removal efforts through OSU. HB 2010 (2023) was originating legislation indicating funding would continue through a five-year period.

Details on the public universities' request can be found in *Appendix E: Policy Option Packages*.

### Early Care and Education

Oregon, like every state in the country, is struggling with an early care and education (ECE) crisis: a lack of accessible, affordable quality child care/ECE and a lack of a qualified ECE workforce. The profound lack of ECE capacity is an economic anchor holding our families and communities back. Likewise, the lack of a qualified ECE workforce impedes, and will continue to impede, Oregon's ability to develop quality ECE capacity. The state cannot build up quality early learning and care without investing in the professional workforce providing that early learning and care.

Most of Oregon's public universities offer a range of degree and certificate programs in early childhood education designed to equip students with the essential skills and knowledge to deliver top-notch education and care to young children and their families. These include programs such as Early Childhood Studies (BA/BAS) at WOU, Early Childhood: Inclusive Education (Master's) at PSU, Human Development and Family Sciences Major – Child Development Option (BS) at OSU, Early Childhood Development (BA/BS) at SOU, Early Childhood Education (BA/BS) at EOU, and Early Intervention/Early Childhood Special Education (Master's) at the UO. This list is far from exhaustive; Oregon's universities offer a wide array of specialized degree and certificate programs, both licensure and non-licensure, to meet the diverse needs of young children.

Details on the public universities' request can be found in *Appendix E: Policy Option Packages*.

## Behavioral Health

### Overview

The years prior to the COVID-19 pandemic saw greater urgency on the part of legislators at the state and federal levels to address the need for more behavioral health professionals. The trauma brought on by the pandemic and its social and economic disruptions has made expanding the behavioral health workforce in Oregon a crisis of utmost urgency. Oregon is rated to have the highest prevalence of mental illness of any state in the country.<sup>33</sup> In the 2021 legislative session, key legislative champions steered \$80 million for behavioral health workforce efforts. Much of this funding went directly to behavioral health clinicians to urge them to remain in the workforce, while other large amounts of funding went to clinics and county mental health programs. Few funds were dedicated to public universities to expand behavioral health workforce pathways into careers.

The behavioral health workforce crisis continues. A lack of behavioral health workforce to treat mental illness has enormous social and economic costs. For example, mental illness costs employers an estimated \$47.6 billion annually in lost productivity, absenteeism, and medical costs nationally.<sup>34</sup>

A 2023 analysis by the Substance and Mental Health Services Administration (SAMHSA) predicts that the US will face a shortage of roughly 30,000 behavioral health professional FTE by 2025.<sup>35</sup>

We propose that now is the time to support public universities in expanding the capacity of institutions for graduate-level and Bachelor's degree-level clinicians in behavioral health fields that our state so desperately needs.

Most financial incentives to date in behavioral health have been directed toward those who have already chosen to enter the behavioral health field by financially rewarding licensed clinicians or graduate-level students already pursuing a degree required for a career in behavioral health. As a result, while these funds may serve to retain providers for a couple of years or affirm their chosen profession, they do little to expand institutional capacity and encourage more students to choose behavioral health as a career.

### Concept

Public universities are developing a funding package to widen pathways of graduate-level and Bachelor's degree-level clinicians in behavioral health fields that our state so desperately needs.

Discussions are underway, and we anticipate further details by June 30 following all necessary conversations and confirmations with the seven universities, as well as consultation with Oregon's community colleges.

Details on the public universities' request can be found in *Appendix E: Policy Option Packages*.



## Summary of Requests

Table 2

Summary of 2025-27 Requests	
<b>Public University Support Fund</b>	\$1,275,000,000
<b>Oregon Opportunity Grant</b>	\$432,400,000
<b>State Programs</b>	
Ongoing	\$57,455,943
Program Continuation POP	\$6,469,938
<b>Statewide Public Service Programs</b>	
Ongoing	\$197,823,711
Program Continuation POP	\$3,412,496
Outdoor School	\$59,736,000 LF
<b>Sports Lottery</b>	\$19,699,000 LF

*Note: Does not include Early Childhood Education or Behavioral Health Policy Option Packages*

## Conclusion

For too long, Oregon students, families, business, and communities have been left behind while neighboring states have made the moral and economically advantageous decision to invest in public higher education. Oregon's public universities are committed to partnering with students, communities, business, labor, legislative leaders, the Governor, and the HECC to collaboratively chart a path toward equitable economic success by investing in the diverse talent and workforce needed to propel the state's economy through public universities. This budget submission not only identifies various funding scenarios and their impact on students, institutions, and the state, but also outlines a path to meeting the national average for public university state funding over the next three biennia. **An increase of \$276 million to the PUSF for 2025-2027 will set Oregon on a path to reach this goal.**

Oregon should strive to have the best four-year education in the nation; to rival other states in accessibility, student-based outcomes, and high-quality programs that provide students with the skills needed to improve their social mobility, support a modern, diverse economy, and fill critical workforce gaps. Doing so will not only catalyze economic growth, foster innovation, and better address existing crises, but will also enhance the overall well-being of Oregonians. Oregon must first reach the national average in public university funding as a baseline investment in its students and its future before we can make real progress toward this vision.

Institutional investments will not have an equitable impact or fulfill the needs of Oregon's key industries without increases in student financial aid. **An increase of \$124 million to the Oregon Opportunity Grant for 2025-2027** to support Oregon's goals to increase the number of Oregonians attending and finishing college is a critical and impactful step toward an economically prosperous future where all Oregonians can thrive. It is past time to address equity gaps in enrollment, retention, and completion for traditionally underserved students who represent the emerging majority of Oregonians. The Oregon Opportunity Grant is a proven program, and increased investment will have a demonstrable impact for these students. While this investment is not transformative, it is vital to maintaining the progress that has been made with recent state investments and puts Oregon on the right path.

Oregon stands to benefit greatly from these investments, as they will contribute to a more diverse workforce equipped with the skills needed to drive economic growth and address pressing workforce needs. Moreover, public universities remain committed to being accountable to accrediting bodies, state government officials, and all Oregonians, ensuring that funding is directed toward priorities that align with the state's educational and economic objectives. By continuing to invest in students and higher education, Oregon is paving the way to opportunity and success for all.

Public higher education has the power to transform lives and our economy, allowing Oregon to truly shine. Together, we can make this vision a reality.



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## APPENDIX A

### Public University Support Fund Scenarios

As part of its budget instructions, the HECC asks the public universities to model several PUSF funding levels using the HECC’s Student Success and Completion Model (SSCM).

It is important to note that the SSCM is an outcomes-driven model; therefore, institutional allocations do not necessarily track with increases or decreases in state funding. Following the provided instructions, the underlying data in the SSCM—enrollment, outcomes (degree completions), and programmatic mix—all also remain constant using FY24 data in these scenarios; only the total PUSF amount changes. In reality, all of these data points are interdependent.

For context, the 2023–2025 PUSF appropriation and annual allocations are shown below, with FY25 allocations estimated based on the current SSCM workbook utilized for FY24 distributions.

**Table A1**

2023-2025 PUSF Appropriation and Annual Allocation								
	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
FY24	\$ 23,230,779	\$ 34,256,343	\$ 159,156,116	\$ 119,822,965	\$ 27,495,219	\$ 92,420,796	\$ 33,070,673	\$ 489,452,891
FY25 Est Allocation	\$ 24,118,201	\$ 35,611,993	\$ 165,728,767	\$ 124,788,934	\$ 28,565,202	\$ 96,236,717	\$ 34,380,746	\$ 509,430,560
<b>2023-2025 Total</b>	<b>\$ 47,348,980</b>	<b>\$ 69,868,336</b>	<b>\$ 324,884,883</b>	<b>\$ 244,611,899</b>	<b>\$ 56,060,421</b>	<b>\$ 188,657,513</b>	<b>\$ 67,451,419</b>	<b>\$ 998,883,451</b>

*Note: This amount does not include \$1,116,549 to EOU in 2023-25 for Compact of Free Association (COFA) student funding per SB 553 (2021); this funding is expected to sunset on July 2, 2025.*

### Scenario A.1—Status Quo or University Base Funding

University Base Funding is an estimate of the state resources needed to continue current levels of programs and learning outcomes during the 2025-2027 biennium while assuming current enrollments, tuition, and currently budgeted levels of staffing. The estimate includes projected increases in costs, including existing collective bargaining agreements; anticipated rate increases for health, retirement, and other employee benefits; and general inflation on supplies and services.

Each university individually calculates its base funding costs and, after a comparative analysis across institutions, university estimates are compiled to form the University Base Funding request. It is important to note that the SSCM is an outcomes-driven model. Therefore, institutional allocations from the SSCM do not directly correspond to increases in state funding or match individual institutions’ projected costs.

For this iteration, the universities utilized the PERS Advisory Rates for 2025-2027, released in September 2023, to estimate retirement costs. Past practice has been to review retirement cost estimates once PERS publishes official rates for the next biennium (expected in fall 2024) and make adjustments to the University Base Funding calculation if any changes are significant. As has been standard practice in recent biennia, the University Base Funding request only covers increases in retirement costs for the portion of the budget funded by the state.



To calculate the University Base Funding level, the public universities assume an increase to the PUSF that matches the projected increase in university operating expenses for 2025-2027, currently estimated at 9.5%. This approach maintains the current 24.3% PUSF share—the portion of public university Education & General (E&G) expenses covered by the state through the PUSF.

**Using this approach, a 9.5% increase in the PUSF for 2025-2027, which corresponds to the estimated 9.5% rise in E&G expenses, sets the University Base Funding level at \$1,094 million.**

**Table A2**

Calculation of University Base Funding						
Education & General Expenses Public Universities Compiled	2023-2025		2025-2027			
	FY24 & FY25	Expense Share of Total	FY26 & FY27	Expense Share of Total	\$ Increase over 2023-2025	% Increase over 2023-25
<b>Expenses</b>						
Salary & Pay	\$ 2,054,907,219	50.1%	\$ 2,249,951,235	50.0%	\$ 195,044,016	9.5%
Health Benefits	\$ 413,449,661	10.1%	\$ 448,645,899	10.0%	\$ 35,196,238	8.5%
Retirement Benefits	\$ 470,128,626	11.5%	\$ 534,774,354	11.9%	\$ 64,645,728	13.8%
Other Benefits	\$ 262,378,723	6.4%	\$ 287,510,930	6.4%	\$ 25,132,207	9.6%
Supplies & Services	\$ 903,806,632	22.0%	\$ 975,570,359	21.7%	\$ 71,763,727	7.9%
<b>Total expenses</b>	<b>\$ 4,104,670,860</b>	<b>100.0%</b>	<b>\$ 4,496,452,777</b>	<b>100.0%</b>	<b>\$ 391,781,917</b>	<b>9.54%</b>
<b>PUSF</b>	\$ 998,883,451		\$ 1,094,200,000		\$ 95,316,549	9.5%
PUSF Share	24.3%		24.3%			

**Table A3**

HECC Scenario A.1: Status Quo (University Base Funding)								
	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
FY26	\$ 25,194,696	\$ 37,348,092	\$ 174,661,480	\$ 131,569,853	\$ 29,901,435	\$ 101,421,434	\$ 36,061,010	\$ 536,158,000
FY27	\$ 26,157,950	\$ 38,826,905	\$ 181,872,449	\$ 137,020,645	\$ 31,065,910	\$ 105,607,833	\$ 37,490,308	\$ 558,042,000
<b>2025-2027 Total</b>	<b>\$ 51,352,646</b>	<b>\$ 76,174,997</b>	<b>\$ 356,533,929</b>	<b>\$ 268,590,498</b>	<b>\$ 60,967,345</b>	<b>\$ 207,029,267</b>	<b>\$ 73,551,318</b>	<b>\$ 1,094,200,000</b>
<i>Change from 2023-2025 PUSF</i>	\$ 4,003,666 8.5%	\$ 6,306,661 9.0%	\$ 31,649,046 9.7%	\$ 23,978,599 9.8%	\$ 4,906,924 8.8%	\$ 18,371,754 9.7%	\$ 6,099,899 9.0%	\$ 95,316,549 9.5%

*Note: Distribution of funds projected using the outcomes-based Student Success and Completion Model (Version 2.3 of the FY24 SSCM Workbook)*

However, it is important to note that this calculation vastly underestimates current costs by failing to account for several cost drivers within the current biennium which reduce the gap between 2023-2025 and 2025-2027. These cost drivers include addressing critical vacancies in positions that persisted due to a labor market strained by the pandemic; grappling with inflation impacts that exceeded original predictions—particularly for certain service expenses like software contracts; and implementing collective bargaining agreements, which have resulted in significant increases in labor costs. As a result, the \$998.9 million in appropriated PUSF funding now covers a smaller portion of university operating budgets than initially anticipated. This calculation maintains this reduced PUSF share, further shifting the financial burden of public higher education away from the state and onto students and their families.

The public universities continue to advocate for much greater state funding to make a public four-year degree more accessible for Oregon students. Funding the PUSF at the University Base Funding level would likely worsen the current state-student funding split, which already unfairly places a disproportionate share of university operating costs onto students and their families, significantly more so than in neighboring states or the national average. This directly impacts student access and affordability, especially for students who are lower-income or traditionally underrepresented in higher education.

## Reduction Scenarios

### Scenario B.1—No Change in Total Funding from 2021-2023 (Flat Funding)

Flat funding in the PUSF, or a total of \$998.9 million, represents a reduction scenario for public universities on two fronts. First, it does not cover unavoidable cost increases in the 2025-2027 biennium as calculated in the University Base Funding scenario. Second, because biennial allocations are 49% in year one of a biennium and 51% in year two, the change in allocation from FY25 (year two of 2023-2025 at 51%) to FY26 (year one of 2025-2027 at 49%) results in decreased resources for that fiscal year.

**Table A4**

HECC Scenario B.1: No Change in Total Funding from 2023-2025 (Flat Funding)								
	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
FY26	\$ 23,547,225	\$ 34,477,995	\$ 158,757,866	\$ 119,431,206	\$ 27,767,394	\$ 92,193,560	\$ 33,277,645	\$ 489,452,891
FY27	\$ 24,508,337	\$ 35,885,261	\$ 165,237,778	\$ 124,305,948	\$ 28,900,757	\$ 95,956,563	\$ 34,635,916	\$ 509,430,560
<b>2025-2027 Total</b>	<b>\$ 48,055,562</b>	<b>\$ 70,363,256</b>	<b>\$ 323,995,644</b>	<b>\$ 243,737,154</b>	<b>\$ 56,668,151</b>	<b>\$ 188,150,123</b>	<b>\$ 67,913,561</b>	<b>\$ 998,883,451</b>
<i>Change from 2023-2025 PUSF</i>	\$ 706,582 1.5%	\$ 494,920 0.7%	\$ (889,239) -0.3%	\$ (874,745) -0.4%	\$ 607,730 1.1%	\$ (507,390) -0.3%	\$ 462,142 0.7%	\$ - 0.0%
<i>Change from FY25 to FY26</i>	\$ (570,976) -2.4%	\$ (1,133,998) -3.2%	\$ (6,970,901) -4.2%	\$ (5,357,728) -4.3%	\$ (797,808) -2.8%	\$ (4,043,157) -4.2%	\$ (1,103,101) -3.2%	\$ (19,977,669) -3.9%
<i>Variance with A.1. Status Quo/UBF</i>	\$ (3,297,084) -6.4%	\$ (5,811,741) -7.6%	\$ (32,538,285) -9.1%	\$ (24,853,344) -9.3%	\$ (4,299,194) -7.1%	\$ (18,879,144) -9.1%	\$ (5,637,757) -7.7%	\$ (95,316,549) -8.7%
<i>Note: Distribution of funds projected using the outcomes-based Student Success and Completion Model (Version 2.3 of the FY24 SSCM Workbook). University allocations are not identical to the 2023-25 PUSF Appropriation and Annual Allocation due to annual adjustments to the SSCM's Mission Support Funding Index.</i>								

## Scenario B.2—10% Decrease from University Base Funding

Table A5

HECC Scenario B.2: 10% decrease from the incremental funding in the Status Quo/University Base Funding Scenario								
	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
FY26	\$ 23,215,229	\$ 33,991,884	\$ 156,519,508	\$ 117,747,321	\$ 27,375,896	\$ 90,893,705	\$ 32,808,457	\$ 482,552,000
FY27	\$ 24,162,789	\$ 35,379,307	\$ 162,908,060	\$ 122,553,334	\$ 28,493,280	\$ 94,603,653	\$ 34,147,577	\$ 502,248,000
<b>2025-2027 Total</b>	<b>\$ 47,378,018</b>	<b>\$ 69,371,191</b>	<b>\$ 319,427,568</b>	<b>\$ 240,300,655</b>	<b>\$ 55,869,176</b>	<b>\$ 185,497,358</b>	<b>\$ 66,956,034</b>	<b>\$ 984,800,000</b>
<i>Change from 2023-2025 PUSF</i>	\$ 29,038 0.1%	\$ (497,145) -0.7%	\$ (5,457,315) -1.7%	\$ (4,311,244) -1.8%	\$ (191,245) -0.3%	\$ (3,160,155) -1.7%	\$ (495,385) -0.7%	\$ (14,083,451) -1.4%
<i>Change from FY25 to FY26</i>	\$ (902,972) -3.7%	\$ (1,620,109) -4.5%	\$ (9,209,259) -5.6%	\$ (7,041,613) -5.6%	\$ (1,189,306) -4.2%	\$ (5,343,012) -5.6%	\$ (1,572,289) -4.6%	\$ (26,878,560) -5.3%
<i>Variance with A.1. Status Quo/UBF</i>	\$ (3,974,628) -7.7%	\$ (6,803,806) -8.9%	\$ (37,106,361) -10.4%	\$ (28,289,843) -10.5%	\$ (5,098,169) -8.4%	\$ (21,531,909) -10.4%	\$ (6,595,284) -9.0%	\$ (109,400,000) -10.0%
<i>Note: Distribution of funds projected using the outcomes-based Student Success and Completion Model (Version 2.3 of the FY24 SSCM Workbook)</i>								

### Impacts of Reduction Scenarios

#### Options to safeguard access and support for degree completion by historically underrepresented students

In a reduction scenario, campuses will have less resources available to maintain essential operations and be unable to maintain student support services and other resources for historically underrepresented students, including remissions. This could hinder recent progress toward expanding accessibility and reducing achievement and opportunity gaps unless offset by tuition increases. Reduced state funding will also perpetuate a cycle of increased costs for students that forces them to choose between making academic progress and addressing basic needs like food and housing.

Additionally, universities have provided specific support for underrepresented students through the use of consistently maintained targeted fee remissions. While adjusting tuition rates is often proposed as the optimal method to ensure access and affordability, allowing tuition rates to stay and grow within a reasonable window of market conditions accompanied by stability and growth in targeted remissions provides a more sustainable and effective approach to supporting the most vulnerable populations. From FY21 to FY25, total remissions by all public universities are projected to grow by 53%. Even in a reduction environment, the universities would remain committed to targeted remissions, though total remission amounts may be reduced.

## Types of Measures Necessary to Remain Financially Viable

The flat funding and 10% reduction scenarios represent significant setbacks. Whenever state resources are reduced, the universities have the following finite set of available options. Each university would deploy the mix of options best suited to its own financial circumstances. Variances between flat funding and a 10% reduction would just be a matter of degree.

### Reduce expenses

In a reduction scenario, public universities may need to consider a combination of the following measures, some of which are already in place at various institutions:

- Implementing personnel actions, such as pay cuts, furloughs, and layoffs, within the constraints of collective bargaining agreements.
- Holding positions vacant and enforcing hiring freezes.
- Scaling back or discontinuing programs and services, including travel.
- Limiting expenditures wherever feasible, including travel expenses.

### Increase other revenues

Universities' primary operating revenues consist of state appropriations, tuition, indirect recoveries, and interest earnings. When faced with inadequate state funding, universities have very limited tools beyond increasing tuition to sustain the revenue needed to maintain current operations. Inadequate funding by the state places a disproportionate burden on students and families, shifting the responsibility for funding core university operations onto those who can least afford it. This undermines the accessibility of higher education and perpetuates inequities in educational opportunities.

Net tuition revenue represents over 60% of universities' operating revenues. In recent years, significant increases to tuition have become less of an option. While graduate programs and nonresident tuition rates are competitive on a national scale, families are increasingly unable and unwilling to pay higher costs.

Other revenue sources, such as interest earnings and indirect cost recoveries from research grants, are heavily influenced by market conditions and research productivity levels, making them unreliable for bridging gaps in revenue streams. Indirect cost recoveries are reimbursements of facility and administrative costs incurred on research grants based on rates negotiated with the federal government. They are driven by the level of research productivity and are not a predictable resource for filling other revenue gaps. Interest earnings, on the other hand, are market-driven. When revenues decrease, there is less cash to invest; thus, these earnings cannot be counted on as a replacement for reduced state appropriations.

### Use of reserves

In a reduction scenario, universities may be forced to further draw down their reserve balances, many of which are notably below the industry standard. University reserves are one-time funds that are not a permanent solution to increased recurring costs. While institutions can use reserves for a short period to cover budget gaps, these funds are non-recurring and can only provide short-term relief until an institution can implement budget cuts or generate additional revenues to address these gaps. Accumulating university reserves is a gradual process that unfolds over several years, requiring meticulous financial planning and strategic management. While universities follow best practices and maintain limited reserves, use of reserves to fill funding gaps is a one-time option that does not permanently solve budget issues. Often, however, it takes time to implement large budget cuts, and in those circumstances, universities are forced to draw down reserves until permanent reductions can be fully implemented.

## Impact to key educational, public service, and research activities, including impact to student outcomes, access, affordability, and underrepresented populations

Even if a university elects to fully protect direct educational activities and all direct student services, cuts to other activities and administrative support impact the student experience.

## Increase Scenarios

### Scenario B.3—10% Increase from University Base Funding

This scenario would allow significant progress on multiple fronts. At \$109.4 million beyond University Base Funding, this level preserves recent investments in financial aid for lower-income and traditionally underrepresented students. This level would enable universities to preserve and modestly expand recent investments in student support services and academic advising. Tuition increases would be lower for both years of the biennium. Fee remissions could be managed to support more students. Certain academic programs could be expanded to better meet targeted workforce needs and accelerate pathways to graduation.

**Table A6**

HECC Scenario B.3: 10% increase to the incremental funding in the Status Quo/University Base Funding Scenario								
	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
FY26	\$ 26,594,633	\$ 40,298,373	\$ 193,532,791	\$ 146,109,840	\$ 31,928,524	\$ 112,365,318	\$ 38,934,521	\$ 589,764,000
FY27	\$ 27,615,027	\$ 41,897,605	\$ 201,514,020	\$ 152,154,101	\$ 33,175,736	\$ 116,998,406	\$ 40,481,105	\$ 613,836,000
<b>2025-2027 Total</b>	<b>\$ 54,209,660</b>	<b>\$ 82,195,978</b>	<b>\$ 395,046,811</b>	<b>\$ 298,263,941</b>	<b>\$ 65,104,260</b>	<b>\$ 229,363,724</b>	<b>\$ 79,415,626</b>	<b>\$ 1,203,600,000</b>
<i>Change from 2023-2025 PUSF</i>	\$ 6,860,680 14.5%	\$ 12,327,642 17.6%	\$ 70,161,928 21.6%	\$ 53,652,042 21.9%	\$ 9,043,839 16.1%	\$ 40,706,211 21.6%	\$ 11,964,207 17.7%	\$ 204,716,549 20.5%
<i>Variance with A.1. Status Quo/UBF</i>	\$ 2,857,014 5.6%	\$ 6,020,981 7.9%	\$ 38,512,882 10.8%	\$ 29,673,443 11.0%	\$ 4,136,915 6.8%	\$ 22,334,457 10.8%	\$ 5,864,308 8.0%	\$ 109,400,000 10.0%
<i>Note: Distribution of funds projected using the outcomes-based Student Success and Completion Model (Version 2.3 of the FY24 SSCM Workbook)</i>								

### Scenario B.4—20% Increase from University Base Funding

A 20% increase, amounting to an additional \$219.2 million beyond the University Base Funding level, would represent a significant investment in higher education. Such a substantial boost in resources would provide universities with greater resources to enhance financial aid packages for lower-income and historically underrepresented students, increasing access to higher education. Furthermore, this funding could help to facilitate targeted expansions in student support services and academic advising, directly contributing to improved student outcomes. Universities would also have more resources available to strengthen Oregon's workforce pipeline through expansions to career services, investments in new infrastructure, and growing programs designed to produce a greater number of graduates in high-demand fields.



Table A7

HECC Scenario B.4: 20% increase to the incremental funding in the Status Quo/University Base Funding Scenario								
	EOU	OIT	OSU	PSU	SOU	UO	WOU	Total
FY26	\$ 27,994,570	\$ 43,248,654	\$ 212,404,104	\$ 160,649,828	\$ 33,955,612	\$ 123,309,201	\$ 41,808,031	\$ 643,370,000
FY27	\$ 29,072,104	\$ 44,968,305	\$ 221,155,590	\$ 167,287,558	\$ 35,285,563	\$ 128,388,978	\$ 43,471,902	\$ 669,630,000
2025-2027 Total	\$ 57,066,674	\$ 88,216,959	\$ 433,559,694	\$ 327,937,386	\$ 69,241,175	\$ 251,698,179	\$ 85,279,933	\$ 1,313,000,000
Change from 2023-2025 PUSF	\$ 9,717,694 20.5%	\$ 18,348,623 26.3%	\$ 108,674,811 33.5%	\$ 83,325,487 34.1%	\$ 13,180,754 23.5%	\$ 63,040,666 33.4%	\$ 17,828,514 26.4%	\$ 314,116,549 31.4%
Variance with A.1. Status Quo/UBF	\$ 5,714,028 11.1%	\$ 12,041,962 15.8%	\$ 77,025,765 21.6%	\$ 59,346,888 22.1%	\$ 8,273,830 13.6%	\$ 44,668,912 21.6%	\$ 11,728,615 15.9%	\$ 218,800,000 20.0%

Note: Distribution of funds projected using the outcomes-based Student Success and Completion Model (Version 2.3 of the FY24 SSCM Workbook)

## Impacts of Increase Scenarios

### Options to safeguard access and support for degree completion by historically underrepresented students

These scenarios would not only safeguard access and support but also allow for the expansion of tuition remissions and targeted services to improve affordability and directly address the unique challenges faced by historically underrepresented students, including enhanced academic advising, mentoring programs, and wrap-around services.

### Types of measures necessary to remain financially viable

While available resources would increase under both scenarios, the universities, in conjunction with their governing boards, would develop plans to thoughtfully and strategically deploy these resources. Key considerations would include ensuring the sustainability of the impact resulting from these additional funds, knowing that state investment decisions may or may not persist into the future.

### Impact to key educational, public service, and research activities, including impact to student outcomes, access, affordability, and underrepresented populations

The increase scenarios have the potential to positively impact virtually all areas of university activity. Student outcomes, including retention and completion rates, could see marked improvements from enhanced support services and increased access to resources. Increased funding could also result in expanded aid packages to lower-income and traditionally underrepresented students and lower tuition increases, making higher education more accessible and affordable to a wider range of students.

## Scenario B.5: Funding level needed to contain tuition/fee increases for resident undergraduate students to no more than 5% per year

The question of what funding level would be needed to keep resident, undergraduate tuition rate increases at or below 5% for most campuses remains challenging to answer due to the different financial situations of each institution. Each institution faces unique fiscal challenges influenced by various factors, including changes in enrollments and enrollment mix, current fund balances, operating surplus or deficit, non-resident, graduate, and other tuition rates, labor agreements, retention rates, and recruiting challenges.

While the current service level calculations used by the DAS and the University Base Funding calculations consider the aggregate cost increase across institutions, the SSCM does not distribute PUSF funds based on net aggregate cost increases. Instead, the model allocates funds based on activity levels (student credit hours) and outcomes (degree completions), as was its intention. SSCM modeling suggests that achieving resident undergraduate tuition increases at or below 5% for most universities would require a \$154 million increase in the PUSF, bringing it to \$1.15 billion.

**It is essential to note that this point-in-time estimate, produced in April 2024 to meet the HECC's submission deadline, and may not reflect the actual funding needs of universities in 2025-2027 to ensure resident undergraduate tuition and fee increases remain at or below 5%. Universities are unable to provide a more accurate estimate at this time, as budgets will continue to adapt to changing circumstances over the next two years, including any unforeseen economic challenges, negotiations with multiple bargaining units, implementation of contract agreements, availability of state and federal student financial aid (i.e., Pell and the Oregon Opportunity Grant), updated PERS rates, and other currently unknown changes affecting major cost drivers on university campuses.**

## APPENDIX B—PRO FORMA ANALYSIS

As part of the funding scenario analysis for the public universities' CFR, the HECC asked the universities to "Provide an annual E&G pro forma through FY2027 that includes projected revenues, expenses and changes in fund balance. Describe the likely annual impact on tuition and fees by category (resident versus non-resident) for each institution." This is similar to information provided by the community colleges to the HECC, but the public universities operate in a different environment that makes the level of detail requested for each university quite challenging:

- Universities have multiple tuition rates, including but not limited to resident, nonresident, undergraduate, graduate, program-specific, entering cohort-specific, and guaranteed rates. Because nonresident rates and graduate program rates are subject to national markets, increases in those rates could not be used to fully address any revenue gaps. Additionally, tuition waiver policies vary across student types and universities. Given the complexity of universities' rate structures, it would be misleading to simply equate revenue increases with rate increases.
- The universities have statutorily defined processes to ensure student input on tuition rates, and governing boards are charged with establishing the rates. Tuition and fee revenue data for future fiscal years are not projected on a by-university basis to avoid any real or perceived conflicts with those campus processes and responsibilities.

Given this context, the pro forma calculation below is organized at a high level to isolate gaps, pressures, or enhancements the public universities would experience for each state funding scenario at three different levels of net tuition and fee revenue across all universities. Addressing any funding gap seen in a particular combination of scenarios does not imply or predict the actual funding decisions that universities' governing boards will make. We do know that as universities seek to stabilize affordability, tuition increases cannot fully address gaps in state funding. Funding gaps are likely to be addressed by some combination of tuition increases, expense or program reductions within the limits of collective bargaining agreements, and use of reserves to the extent available. Approaches will vary across institutions.

Table A8

Total E&G Revenue & Expenses	2023-2025 Projected			2025-2027 Projected													
	FY24	FY25		FY26					FY27								
UNIVERSITY: All Revenues				Net Tuition and Fee Revenue Scenarios													
Gross tuition and fees	1,485,930,107	1,578,591,003															
Less fee remissions	(216,352,131)	(241,112,240)															
Net tuition and fee revenue	1,269,577,976	1,337,478,763	5.3%	1,350,853,551	1.0%	1,377,603,126	3.0%	1,404,352,701	5.0%	1,364,362,087	1.0%	1,418,931,220	3.0%	1,474,570,336	5.0%		
State operating appropriations (HECC Scenario B.1.)	510,633,537	539,411,523	5.6%	514,522,079	-4.6%	514,522,079	-3.9%	514,522,079	-3.9%	535,522,981	4.1%	535,522,981	4.1%	535,522,981	4.1%		
All other revenues:																	
State debt service appropriations	5,268,820	5,281,770		5,281,770	0.0%	5,281,770	0.0%	5,281,770	0.0%	5,281,770	0.0%	5,281,770	0.0%	5,281,770	0.0%		
Indirect cost recovery	102,567,002	108,309,900	5.6%	111,559,197	3.0%	111,559,197	3.0%	111,559,197	3.0%	114,905,973	3.0%	114,905,973	3.0%	114,905,973	3.0%		
All other (excluding indirect cost)	81,188,892	106,602,433	31.3%	111,932,555	5.0%	111,932,555	5.0%	111,932,555	5.0%	117,529,183	5.0%	117,529,183	5.0%	117,529,183	5.0%		
Total revenues	1,969,236,227	2,097,084,389	6.5%	2,094,149,152	-0.1%	2,120,898,727	1.1%	2,147,648,302	2.4%	2,137,601,994	2.1%	2,192,171,127	4.5%	2,247,810,243	7.2%		
Expenses				University Base Funding Calculation					University Base Funding Calculation					Increase over 2023-2025		Wgt'd Incr	
Salary & Pay	1,004,634,765	1,050,272,454		1,101,517,578		1,101,517,578		1,101,517,578		1,148,433,657		1,148,433,657		1,148,433,657		195,044,016 9.49% 4.75%	
OPE Health	202,923,798	210,525,863		219,454,826		219,454,826		219,454,826		229,191,073		229,191,073		229,191,073		35,196,238 8.51% 0.86%	
OPE Retirement	230,444,079	239,684,547		261,404,505		261,404,505		261,404,505		273,369,849		273,369,849		273,369,849		64,645,728 13.75% 1.57%	
OPE Other	126,480,222	135,898,501		141,078,520		141,078,520		141,078,520		146,432,410		146,432,410		146,432,410		25,132,207 9.58% 0.61%	
S&S (+ all other)	435,166,601	468,640,031		480,775,922		480,775,922		480,775,922		494,794,437		494,794,437		494,794,437		71,763,727 7.94% 1.75%	
Total expenses	1,999,649,465	2,105,021,396	5.3%	2,204,231,351	4.7%	2,204,231,351	4.7%	2,204,231,351	4.7%	2,292,221,426	4.0%	2,292,221,426	4.0%	2,292,221,426	4.0%	391,781,917 9.54% 9.54%	
B.1 No change in total funding (PUSF flat at \$998,883,451; reallocated 49% FY26, 51% FY27)				HECC Funding Scenarios													
Net	(30,413,238)	(7,937,006)		(110,082,199)	(83,332,624)	(56,583,049)	(154,619,432)	(100,050,299)	(44,411,183)								
Beginning fund balance	401,516,269	371,103,031		363,166,025	363,166,025	363,166,025	253,083,826	279,833,401	306,582,976								
Ending fund balance	371,103,031	363,166,025		253,083,826	279,833,401	306,582,976	98,464,394	179,783,102	262,171,793								
No. of months of expenditures				1.4	1.5	1.7	0.5	0.9	1.4								
A.1 Status Quo (University Base Funding)																	
Change in PUSF from \$998,883,451 to \$1,094,200,000				46,705,109	46,705,109	46,705,109	48,611,440	48,611,440	48,611,440	95,316,549							
Revised Net				(63,377,090)	(36,627,515)	(9,877,940)	(106,007,992)	(51,438,859)	4,200,257								
Revised ending fund balance				299,788,935	326,538,510	353,288,085	147,075,834	228,394,542	310,783,233								
No. of months of expenditures				1.6	1.8	1.9	0.8	1.2	1.6								
B.2 10% decrease to incremental funding in A.1.																	
Change in PUSF from \$998,883,451 to \$984,800,000				(6,900,891)	(6,900,891)	(6,900,891)	(7,182,560)	(7,182,560)	(7,182,560)	(14,083,451)							
Revised Net				(116,983,090)	(90,233,515)	(63,483,940)	(161,801,992)	(107,232,859)	(51,593,743)								
Revised ending fund balance				246,182,935	272,932,510	299,682,085	91,281,834	172,600,542	254,989,233								
No. of months of expenditures				1.3	1.5	1.6	0.5	0.9	1.3								
B.3 10% increase to incremental funding in A.1.																	
Change in PUSF from \$998,883,451 to \$1,203,600,000				100,311,109	100,311,109	100,311,109	104,405,440	104,405,440	104,405,440	204,716,549							
Revised Net				(9,771,090)	16,978,485	43,728,060	(50,213,992)	4,355,141	59,994,257								
Revised ending fund balance				353,394,935	380,144,510	406,894,085	202,869,834	284,188,542	366,577,233								
No. of months of expenditures				1.9	2.1	2.2	1.1	1.5	1.9								
B.4 20% increase to incremental funding in A.1.																	
Change in PUSF from \$998,883,451 to \$1,313,000,000				153,917,109	153,917,109	153,917,109	160,199,440	160,199,440	160,199,440	314,116,549							
Revised Net				43,834,910	70,584,485	97,334,060	5,580,008	60,149,141	115,788,257								
Revised ending fund balance				407,000,935	433,750,510	460,500,085	258,663,834	339,982,542	422,371,233								
No. of months of expenditures				2.2	2.4	2.5	1.4	1.8	2.2								

## APPENDIX C—DETAILED APPROPRIATION TABLES

Table A9

2025-2027 Public Universities Consolidated Funding Request				
Appropriation Category State General Fund (GF) Lottery Funds (LF)		2023-2025 LAB Through 2024 Session	2025-2027 Consolidated Funding Request	
<b>Public University Support Fund</b>	GF	998,883,451	1,275,000,000	27.6%
<b>Other Institutional Support</b>	GF	26,016,549	-	(1)
<b>State Programs</b>				
Ongoing	GF	52,456,809	57,461,189	9.5%
Program Continuation Policy Option Package	GF	6,361,173	6,470,528	1.7%
Targeted/One-time	GF	36,400,645	-	
Subtotal State Programs		95,218,627	63,931,717	-32.9%
<b>Subtotal Education &amp; General (E&amp;G)</b>		<b>1,094,102,078</b>	<b>1,338,931,717</b>	<b>22.4%</b>
<b>Statewide Public Services (SWPS)</b>				
Agricultural Experiment Station (AES)	GF	97,016,982	106,272,402	9.5%
Extension Service (ES)	GF	69,769,936	76,425,988	9.5% (2)
Forest Research Laboratory (FRL)	GF	13,824,523	15,143,382	9.5%
Continuation Policy Option Package	GF	3,115,581	3,412,807	9.5%
SWPS One-time		3,135,000	-	
Subtotal SWPS		186,862,022	201,254,579	7.7%
<b>Sports Lottery</b>	LF	18,329,943	19,699,000	7.5% (3)
<b>Outdoor School (Administered by ES)</b>	LF	36,406,064	59,736,000	64.1% (4)
<b>State Funding Grand Total</b>		<u><b>1,335,700,107</b></u>	<u><b>1,619,621,296</b></u>	<b>21.3%</b>
<p>1) Includes \$1.1 million for Compact of Free Association (COFA) Students at EOU per SB 553 (2021). This funding is anticipated to sunset at the end of the 2023-25 biennium. Also includes two allocations for sustainability efforts at EOU, OIT, SOU, WOU, and PSU added in HB 5025 (2023), including a \$6.2 million appropriation and an \$18.7 million special purpose appropriation allocated to the Emergency Board, pending the full release of funds to institutions.</p> <p>2) Includes \$2 million for Small Farms and Community Food Systems added in HB 5025 (2023)</p> <p>3) Statutory 1% Per March 2024 OEA Revenue Forecast</p> <p>4) Per Ballot Measure 99 (2016), the lesser of 4% of Lottery transfers or \$22 million (adjusted for inflation) per March 2024 OEA forecast with 2023-25 amount reduced by \$20 million per SB 5701 (2024)</p>				



Table A10

State Programs	Legislative Origin	2021-2023 Final* LAB	2023-2025 LAB Through 2024 Session	Increase Over 2021-2023	2025-2027 Request		
					University Base Funding Increase		= Total Request
Engineering Technology Sustaining Funds (ETSF, previously ETIC)	SB 504 (1997)	28,591,600	30,849,152	7.90%	2,943,009	9.54%	33,792,161
OSU (w UO) TallWood Design Institute (prev Ctr for Advanced Wood Products)	SB 5507 (2015)	3,974,986	4,288,845	7.90%	409,156	9.54%	4,698,001
UO & PSU Dispute Resolution programs (65/35%, 60/40% in 2019-21) <sup>2</sup>	SB 904 (2003)	2,921,696	3,152,391	7.90%	300,738	9.54%	3,453,129
PSU Oregon Solutions	HB 3948 (2001)	2,639,705	2,848,133	7.90%	271,712	9.54%	3,119,845
OSU Fermentation Science	HB 5008 (2013)	1,449,500	1,563,951	7.90%	149,201	9.54%	1,713,152
UO (47.5%), OSU (47.5%), and PSU (5.0%) Signature Research	HB 5077 (2003)	1,216,776	1,312,851	7.90%	125,246	9.54%	1,438,097
UO Labor Education Research Center (LERC) <sup>3</sup>	(1977)	1,162,953	1,254,779	7.90%	119,706	9.54%	1,374,485
OSU Marine Research Vessel program	HB 3451 (2013)	724,751	781,976	7.90%	74,601	9.54%	856,577
OIT Oregon Renewable Energy Center (OREC)	HB 5006 (2017)	558,503	602,602	7.90%	57,488	9.54%	660,090
PSU Population Research Center	(1956)	509,026	549,218	7.90%	52,395	9.54%	601,613
OSU Institute for Natural Resources	HB 3948 (2001)	466,682	503,531	7.90%	48,037	9.54%	551,568
Clinical Legal Education program (currently UO)	HB 2961 (2007)	407,016	439,153	7.90%	41,895	9.54%	481,048
OSU Oregon Climate Change Research Institute (OCCRI)	HB 3543 (2007)	365,809	394,693	7.90%	37,654	9.54%	432,347
PSU Willamette Falls Locks Commission/Authority	SB 256 (2017)	212,231	228,988	7.90%	21,845	9.54%	250,833
OSU College of Ag Channel Study	HB 2437 (2019)	234,553	253,073	7.90%	24,143	9.54%	277,216
OSU Veterinary Diagnostic Lab	SB 5528 (2021), HB 5006 (2022)	2,990,855	3,227,009	7.90%	307,857	9.54%	3,534,866
PSU Environmental Justice Mapping Tool @ Population Research Ctr	HB 4077 (2022)	82,664	89,193	7.90%	8,509	9.54%	97,702
OSU Environmental Justice Mapping Tool @ Institute for Natural Resources	HB 4077 (2022)	108,691	117,271	7.89%	11,188	9.54%	128,459
		-	-		-		-
Subtotal Ongoing State Programs		48,617,997	52,456,809		5,004,380		57,461,189
Increase over prior biennium							9.5%
Policy Option Package - Program Continuation (Targeted Appropriations in 2023-25 Requested to Continue in 2025-27 as line items in Ongoing State Programs)							
Cybersecurity Center of Excellence Operating Fund (OSU, PSU, UO)	HB 2049 (2023)		2,500,000		2,738,500	9.54%	2,738,500
Cybersecurity Center of Excellence Workforce Fund (OSU, PSU, UO)	HB 2049 (2023)		1,800,000		1,971,720	9.54%	1,971,720
Cybersecurity Center of Excellence Grant Program Fund	HB 2049 (2023)		250,000		273,850	9.54%	273,850
Mount Hood Community College Certification Scholarship Fund	HB 2049 (2023)		350,000		383,390	9.54%	383,390
			4,900,000		5,367,460		5,367,460
OSU Wildfire risk map, plan for landscape restoration:							
OSU College of Forestry	SB 762 (2021), SB 80 (2023)	950,000	681,173		394,344	<sup>3</sup>	394,344
OSU Institute of Natural Resources (to add to INR's ongoing appropriation)	SB 762 (2021), SB 80 (2023)	165,000	165,000		35,053	<sup>4</sup>	35,053
		1,115,000	846,173		429,397		429,397
OSU Juniper Removal	HB 2010 (2023)		365,000		399,821	9.54%	399,821
OSU Oregon Climate Change Institute - State Climatologist (to add to OCCRI's ongoing appropriation)	SB 5506 (2023)	-	250,000		273,850	9.54%	273,850
Subtotal Program Continuation POP		1,115,000	6,361,173		6,470,528		6,470,528
Prior Biennia Targeted/One-time		92,874,078	36,400,645		-		-
State Programs Total		142,607,075	95,218,627	-33.2%	11,474,908		63,931,717
			-33.2%				-32.9%
* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board)							
1) For biennia prior to 2013-15, E&G appropriations are retroactively split into PUSF and State Programs categories for comparison purposes							
2) HB 5050 (2019) transferred \$349,000 from UO's Dispute Resolution to the LERC at UO; previously Dispute Resolution funding was split 65% to UO, 35% to PSU; effective with this 2019 transfer, the resulting shares were 60% UO, 40% PSU; with HB 5006 (2021), this funding was restored to UO, returning the split to 65% UO, 35% PSU; this restoration accounts for the larger percentage increase over 2019-21							
3) College of Forestry - includes phase out of \$321,173 of one-time costs							
4) Institute of Natural Resources - includes phase out of \$145,000 of one-time costs							
5) Included in Program Continuation Policy Option Package							



Table A11

Statewide Public Services (SWPS)	2021-2023 Final* LAB	2023-2025 LAB (after 2024 Session)	Increase Over 2021-2023	2025-2027 Request Development		
				University Base Funding Increase		= Total Request
State General Fund						
Agricultural Experiment Station (AES)	80,529,163	92,319,193	14.6%	8,807,251	9.54%	101,126,444
SB 5528 (2021) funding to AES for SWPS Facilities Maintenance transferred from PUSF	4,353,836	4,697,789	7.9%	448,169	9.54%	5,145,958
	84,882,999	97,016,982	14.3%	9,255,420	9.54%	106,272,402
HB 2010 (2023) Agricultural Water Technical Assistance - AES portion <sup>1</sup>		1,782,631		170,063	9.54%	1,952,694 <sup>3</sup>
AES Subtotal		98,799,613		9,425,483	9.54%	108,225,096
Extension Service (ES)	59,293,902	67,769,936	14.3%	6,465,252	9.54%	74,235,188
HB 5025 (2023) Addition to Extension for Small Farms and Community Food Systems		2,000,000		190,800	9.54%	2,190,800
SB 80 (2023) Wildfire Mapping - Extension Service <sup>1</sup>		30,000		2,862	9.54%	32,862 <sup>3</sup>
HB 2010 (2023) Agricultural Water Technical Assistance - Extension portion <sup>1</sup>		1,302,950		124,301	9.54%	1,427,251 <sup>3</sup>
Extension Subtotal		71,102,886		6,783,215	9.54%	77,886,101
Forest Research Laboratory (FRL)	12,095,480	13,824,523	14.3%	1,318,859	9.54%	15,143,382
SWPS Total	156,272,381	183,727,022	17.6%	17,527,557	9.54%	201,254,579
Increase over prior biennium		17.6%				9.5%
Targeted/One-time SWPS funding						
SB 5506 (2023) Vine Mealy Bug Suppression		135,000				
HB 3410 (2023) Center for Outdoor Recreation Economy		3,000,000				
Prior targeted/one-time funding	5,080,000	-				
Subtotal One-time	5,080,000	3,135,000				
Lottery Funds						
Outdoor School (Administered by Extension Service) <sup>2</sup>	49,418,728	36,406,064				59,736,000
* "Final" legislative budgets are end-of-biennium actual appropriations inclusive of any mid-biennium reductions, Emergency Board (E-Board) actions, and one-time funding						
1) Targeted funding received in 2023-25 and requested to be integrated into ongoing programs						
2) Per Ballot Measure 99 (2016), the lesser of 4% of Lottery transfers or \$22 million per year (adjusted annually for inflation); 2023-25 request amount per March 2024 OEA forecast of 56,406,064 for 2023-25 less reduction of \$20,000,000 made in SB 5701 (2024); 2025-27 request amount per March 2024 OEA forecast for 2025-27						
3) Included in Program Continuation Policy Option Package						

## APPENDIX D—EXAMPLES OF RECENT COST CONTAINMENT MEASURES

### Eastern Oregon University

Reductions at Eastern Oregon University are expected to save \$4.8 million in FY25, or 8.4% of the university's operating budget.

#### Labor:

- Labor Reductions—80% of the university's E&G budget is attributed to labor. EOU is currently eliminating vacant positions and reviewing all positions for permanent savings. Estimated reductions in FY25 are expected to save \$3M.
- Position Evaluation and Reorganization—Departments have been asked to review all positions for overlap and/or elimination upon vacancy on an ongoing basis. Any request to fill a permanent position is reviewed by the Executive Cabinet & President prior to posting the position opening.
- Retirement Replacements—Ongoing reallocation of resources upon retirement.

#### Programs:

- Program and Class Efficiency—Academic Affairs is constantly evaluating classes for efficiency to ensure there is a positive ROI for the course.

#### Other Expenses:

- Service and Supply Reductions—Campus-wide reductions in travel and services & supplies, along with a deep dive into software agreements will reduce ongoing operating expenses. Estimated reductions in FY25 are expected to save \$1M.
- Offset to Other Resources—EOU is conducting a deep dive to align expenses with the appropriate revenue source. Examples include custodial support being expensed to leased space, and housing and ResLife administrative support being expensed to housing resources. Estimated reductions in FY25 are expected to save \$800K.

### Oregon Institute of Technology

In response to financial challenges faced by Oregon Tech due to declining enrollment, comprehensive measures have been implemented to reduce expenses, both as part of the annual budget build process and in reaction to current year fiscal realities.

The annual FY 2023-24 budget build included across-the-board discretionary budget reductions of 1.94% to each Vice President's budget, totaling \$1.3M in reductions. Reductions included eliminating nearly \$600k (salary & OPE) in vacant positions across different departments, reducing general supplies and services, and reducing the academic equipment replacement fund.

FY 2023-24 mid-year budget reductions were also implemented in response to enrollment declines exceeding budget assumptions. Mid-year budget reductions included the following:

- Deferral of vacant positions or moving salary and OPE out of E&G as appropriate. Estimated savings of \$369,000.
- Utilization of \$50,000 in non-E&G departmental reserves.
- Reducing adjunct and faculty overload expenses by optimizing spring course offerings.
- Elimination of planned services and supplies expenses including but not limited to travel, library resources, furniture, professional development, equipment replacements, ITS equipment, etc. Estimated savings of \$486,067.

More extensive budget reductions are underway for FY 2024-25. The general fund budget will be reduced by 4.3% or \$3.3M, necessitating the following:

- Reduction of at least 20 vacant general fund positions, which is a minimum of a 4.6% reduction in force.
- Position reductions will result in planned sharing of positions across departments/divisions, reduced service level expectations, and reduced activities and work performed.
- Various services and supplies reductions such as the potential deferral of maintenance and facilities work, elimination or reduction of professional development for non-unionized employees, reduction of non-essential travel expenses, and a software audit to eliminate redundant or non-critical software. Some eliminated software will lead to more service level and work performed reductions, as manual effort will replace software solutions.
- Two divisions, representing over 25% of the E&G budget, are undergoing a zero-based budget exercise to strategically re-align the budget with critical needs, prioritize activities, and reduce budgets.

Looking ahead to FY 2025-26 and beyond, continued efforts in cost containment are crucial for maintaining financial stability. As part of these efforts, a decision has been made to revert financial software back to Ellucian Banner, streamlining operations and reducing costs while ensuring the integrity of financial processes. Zero-based budgeting efforts will continue to identify critical needs, activities eligible for disinvestment, and realignment of resources. These collective measures underscore Oregon Tech's commitment to prudent fiscal management and the long-term sustainability of the institution.

## Oregon State University

Oregon State University regularly seeks cost savings and efficiencies. As the state's largest public university, the capacity for return on investments/efficiencies is significant. Financial sustainability and stewardship of resources are integral to the university's performance. Here are examples, both currently enacted and planned, of investments and actions to proactively steward resources:

- The university is **replacing its core digital administrative systems** as part of an Administrative Modernization Program (AMP), which is expected to reduce administrative costs by \$10 million per year. Those returns will be redirected into OSU's academic mission.
- The university is **centralizing and consolidating research computing**, which will lower total overhead costs, increase utilization rates, improve cybersecurity, and facilitate bulk purchasing of hardware, software, and licenses at reduced pricing.
- University is **harvesting heat from an NVIDIA supercomputer** being installed in the Huang Collaborative Innovation Complex to supply heat to a core sector of the Corvallis campus, reducing annual energy costs and carbon impact.
- The university has **replaced multiple instances of constituent relationship management (CRM) systems with a single, unified platform** to serve communications with students from recruitment and admissions through graduation. In addition to reducing costs associated with maintaining multiple systems, the single CRM connects with students via one voice and smaller, customized, and tightly focused messages; provides students with a personalized interface where they can access information and take action across academics, advising, and financial aid; frees employee time currently spend on routine business processes; and provides insight into communications and interactions with students that will improve the ability to serve students.
- The university is **consolidating all student recruitment and admissions technology functions** into one central unit—encompassing all areas that recruit, admit, and enroll students—using existing software capability to replace a more expensive and bureaucratically heavy software.

Management of the various tools will reside in one administrative unit to increase efficiency and productivity while cutting expenses dramatically. As a spillover benefit, best practices of enrollment management can be distributed via the consolidation to increase the recruitment and enrollment of additional students. Admissions and recruitment activities at OSU-Corvallis and OSC-Cascades are consolidated and all staff members are trained to represent both campuses in their recruitment travel and activities, reducing overall costs and duplication of effort. Students now provide a single application to Oregon State University and select a preferred home campus, saving student fees and providing optional pathways.

- The university is **reducing HR administrative costs**, by: replacing several HR vendors with lower cost contracts; centralizing posting of position vacancies, reducing direct cost and administrative effort to manage postings; replacing distributed training initiatives with centralized training, including implementation of LinkedIn Learning; implementing online learning for new employee orientation CORE training for managers and supervisors, reducing travel costs and yielding dramatic increases in enrollment; retooling campus-based training to reduce costs; implementing online training for critical topics, decreasing time-to-train by 50%. These various HR actions are yielding administrative costs savings of more than \$150,000 per year.
- The university has **implemented a financial management suite of tools** to provide a reliable, consistent set of data for university-wide and college-level financial reporting while supporting analysis of underlying detail for improved fiscal decision making. The suite provides OSU leaders at multiple levels with better information to effectively manage their resources by understanding revenue sources and drivers and evaluating tradeoffs among possible actions and investments.
- To **capture economies of scale and maximize resources for learning at OSU-Cascades**, the university has reset its target level for enrollment from 3,000 to 2,200 by 2030. This target takes best advantage of measured planned physical development of the campus as well as the overall university's capacity to support access and to four-year university degrees in central Oregon. Resources via OSU's Corvallis campus and Ecampus will be used to offer online and hybrid learning options in conjunction with on-site learning and student support in Bend. This will maximize degree options and the flexibility of schedules for central Oregon students, a majority of whom are non-traditional and work locally. The close relationships with Central Oregon Community College to facilitate transfer, central-branch delivery structure within OSU, and utilization of digital learning options and tools via Ecampus, keeps costs-per-degree at OSU-Cascades to a minimum while providing the benefits of a public land grant university presence in Bend and central Oregon.
- The university has further **consolidated and/or unified some administrative functions at OSU-Cascades** in the last several years, including selected functions in human resources, information technology, student health services, general counsel, disability access services, enrollment management, and childcare services. This model retains local autonomy and local decision making at OSU-Cascades while taking maximum advantage of OSU's administrative infrastructure.
- The university is implementing a physical development plan that is **minimizing construction and operating costs at OSU-Cascades**. The campus is being designed with net zero energy, water, and waste goals in mind. Current and planned actions that contribute to those efficiencies include: geothermal heating and cooling systems that reduce energy use per square foot; solar installations on campus buildings; competitive design build process as well as prototypical design in progress for academic building that improve cost per square foot and timeline of capital projects; capital development project setup for future building locations that reduce need for Geotech (using remediated land allows soil conditions to be engineered with future buildings in mind).
- The university is **increasing efficiencies at the Agricultural Experiment Stations** by: working closely with the Energy Trust of Oregon (ETO) to secure incentives to assist with funding for higher quality projects; utilizing commercial modular structures for office and laboratory buildings (about 30% faster construction than a typical design-bid-build facility); converting existing fossil fuel style heating systems to all electric; installing low flow fume hoods reducing the amount of air

movement in lab spaces while developing a safer working environment; renewing existing interior and exterior lighting with new LED lighting technology; renewing existing irrigation systems with variable-frequency drives (VFD) capable of delivering water to field plots on an as-needed basis, reducing electrical power demand along with minimizing water overflow; renewing existing refrigeration systems making them more energy efficient while preparing for new 2025 or 2026 refrigerant mandates; renewing existing roofs with new roll formed metal roofing systems with concealed fasteners that provide a 40 plus year life span; renewing envelope insulation at exterior roof and wall cavities developing better interior space conditions for occupants while reducing energy costs; utilizing in-house architectural design services, permitting, bidding and construction oversight/supervision; analyzing options for equipment replacement to determine how best to reduce labor costs while improving health and safety.

## **Portland State University**

### **Effective Reductions Since FY21:**

- FY2020-21: 5.0%
- FY2021-22: 4.1% + Hiring Freeze
- FY2022-23: 1.2% + Hiring Freeze
- FY2023-24: 5.7%
- FY2024-25: At least 2.3%

### **Ongoing Planning to Achieve Financial Sustainability:**

- In FY2022-23, PSU completed the final phase of its Program Review and Reduction Process: <https://www.pdx.edu/academic-affairs/program-reviewreduction-process>
- Financial Sustainability Plan from the PSU Board of Trustees Finance & Administration Committee's March 6, 2024 Meeting: <https://drive.google.com/file/d/1vfuQi6lvLXUT0iMXLMO9KHNG37kqU17X>
- PSU is building a new dynamic Strategic Plan to identify strategic imperatives that will guide PSU spending priorities: <https://www.pdx.edu/president/strategic-planning>

## **Southern Oregon University**

Southern Oregon University continues to implement its SOU FORWARD Plan which recommends a reduction of 81.83 FTE, or 13% of the university's workforce through reorganization, process improvement, and program adjustments across SOU as part of its realignment strategy. These reductions are expected to save more than \$40 million over four fiscal years and create ongoing savings.

<https://sou.edu/president/wp-content/uploads/sites/8/2023/10/SOU-Forward-Southern-Oregon-University-2023.pdf>

Along with cost management, the SOU FORWARD plan includes three other planks that will impact SOU's fiscal structure, including:

1. Reimagining support for projects funded by external granting agencies and organizations;
2. Leveraging an ongoing surge in philanthropic support; and
3. Diversifying revenue sources by pursuing entrepreneurial opportunities.



## University of Oregon

While the University of Oregon continues to grow in enrollment and total research expenditures it has been re-investing in faculty and student serving organizations. However, its focus on administrative efficiencies, negotiating vendor discounts, and realizing economies of scale have yielded substantial savings. Examples of some initiatives include:

1. The UO's procurement card and Single Use Account (SUA) programs, along with direct vendor rebates, provided \$1.2 million in revenue in FY23. The university's procurement and contracting services has negotiated agreements with major vendors yielding millions of dollars in annual savings by leveraging the university's scale.
2. The Concur travel system allowed the university to negotiate annual vendor discounts from airlines ranging from 3-10% during 2023, yielding several hundred thousand dollars in direct savings or cost avoidance.
3. The UO instituted an early retirement program at the end of FY21 which resulted in 60 employees using the program and approximately \$6.6 million in annual savings.
4. The UO Location Innovation Lab has worked in three key areas to dramatically impact cost savings across the institution: custom software development, systems integration, and workforce/process efficiency. These efforts span a variety of essential day-to-day operations such as: work management/asset management, space management, situational awareness/emergency management, business continuity, transportation system management, and student food insecurity. These efforts have likely saved the UO millions of dollars in avoided software contracts with external vendors and improved productivity across campus units, in particular facilities and shared service operations. As an example, one tool which links facilities/campus map with our workorder ticketing system has routed over 110,000 calls and dramatically cut time per request and vehicle miles/trips across campus.
5. The UO is in the process of transitioning to shared administrative units across the university in both academic and non-academic areas. This is anticipated to increase service levels, reduce transactional risk as staff are organized in more robust, professional teams, and limit additional staffing needs as the university's enrollment and research continues to grow. The most mature shared service operation has yielded 18% savings from baseline while improving service levels.
6. The UO is in the process of implementing UKG (centralized electronic time keeping system) which will reduce costs by going to a single system rather than multiple instances of UKG and other timekeeping systems spread across units at the university. This new system will increase accuracy in time keeping across the university for hourly employees and allow the university to complete payroll more efficiently as it continues to grow in both size and complexity.

## Western Oregon University

### **2023 Vacant Position Elimination (41 FTE) and Salary Reductions:**

*Estimated Cost Savings of \$3.89 Million; Ongoing Savings*

- Reduction of non-tenure-track instructional dollars through reduced assignments and non-renewals (net reduction of 25 FTE).
- Elimination of some vacant tenure track faculty positions (net reduction of 5 FTE).
- Elimination of some vacant tenure track faculty positions (net reduction of 6 FTE)
- Elimination of vacant unclassified staff positions (net reduction of 5 FTE)
- Elimination of vacant classified staff positions (net reduction of 5 FTE)

- Reduction to Student Pay
- Temporary Hiring Freeze (Exemptions can be made through VP with President Approval)
- Centralized Salary Savings
- OPE Savings from not filling vacant positions

#### **Reduction to Travel and Services & Supplies:**

*Estimated Cost Savings of \$1.11 Million*

- Maximization of Zoom and virtual options. Travel permitted only when absolutely necessary. This includes holding retreats and meetings on campus. All events require Vice President approval.
- Minimizing group travel meals outside the Salem Metro Area.
- Reduction of S&S budgets.
- Freezing of discretionary spending outside of instructional requirements.

#### **Other Cost Containment Measures:**

- Prioritizing purchasing cards for invoice payments increases rebates and improves cash flow. Previous cost containment reports estimate savings of \$15K.
- Updating and extending the Campus Master Plan through 2028. Estimated savings of \$244K by not hiring a consultant.
- Energy and fuel savings, including replacing outdated/inefficient lights and purchasing a Hybrid CPS Vehicle. Estimated savings of \$7.6K.
- Moving email security to Google from on campus, reducing Data Center complexity. Estimated savings of \$60K.

## **APPENDIX E—POLICY OPTION PACKAGES**

### **Program Continuation**

Several initiatives at Oregon’s public universities were funded by the legislature during the 2023-2025 biennium with either one-time designations or with a lack of clarity around whether or not funding would be continued. The Program Continuation Policy Option Package details these initiatives and the merits of incorporating funding for these programs into the State Programs and Statewide Public Services ongoing appropriation categories. A total of \$9,882,434 for these initiatives, which includes a 9.5% adjustment to reflect the university base funding increase, is requested to 1) continue into 2025-2027 and 2) be incorporated into the ongoing State Programs umbrella appropriation.

**Table A12**

Policy Option Package - Continuation Programs	Public University State Programs	OSU Statewide Public Services		2023-2025 Total	2025-2027 Request	
		Ag Exp Station	Extension			
Cybersecurity Center of Excellence						
Cybersecurity Center Operations (PSU/OSU/UO)	2,500,000					
Cybersecurity Workforce Development (PSU/OSU/UO)	1,800,000					
Cybersecurity Grant Program (PSU/UO)	250,000					
Mount Hood Community College Certification Scholarship Fund	350,000					
	4,900,000			4,900,000	5,367,460	9.54%
OSU Wildfire Mapping						
College of Forestry	360,000			360,000	394,344	
OSU Institute of Natural Resources	32,000			32,000	35,053	
Extension (SWPS)	-		30,000	30,000	32,862	
	392,000		30,000	422,000	462,259	9.54%
OSU SWPS - Agricultural Water Technical Assistance		1,782,631	1,302,950	3,085,581	3,379,945	9.54% (1)
OSU Oregon Climate Change Research Institute	250,000			250,000	273,850	9.54%
OSU Juniper Removal	365,000			365,000	399,821	9.54%
	5,907,000	1,782,631	1,332,950	9,022,581	9,883,335	
By Appropriation Category						
State Programs Total	5,907,000	-	-	5,907,000	6,470,528	
Statewide Public Services (SWPS) Total	-	1,782,631	1,332,950	3,115,581	3,412,807	
	5,907,000	1,782,631	1,332,950	9,022,581	9,883,335	

1) 2025-2027 request after 9.54% UBF increase totals \$1,952,694 for Ag Exp Station and \$1,427,251 for Extension

## Cybersecurity Center of Excellence

HB 2049 (2023) established the Oregon Cybersecurity Center of Excellence at PSU to be operated under the joint direction and control of three founding universities: PSU, OSU and the UO. The universities were also directed to establish the Oregon Cybersecurity Advisory Council to serve as an advisory council for the Center of Excellence. The bill provided \$2,500,000 for Center Operations, \$250,000 to serve as state matching funds for federal grants, and \$2,150,000 for specific Workforce Development programs. The universities understand the legislative intent of this funding to be ongoing. The universities request that the Oregon Cybersecurity Center of Excellence be established as an ongoing Public University State Program and that \$5,367,460, which includes a 9.5% adjustment to reflect the university base funding increase, be phased in for 2025-2027 with distributions as follows:

**Table A13**

Oregon Cybersecurity Center of Excellence	2023-2025 HB 2049 (2023)				2025-2027 Request		
	OSU	PSU	UO	Total	Ongoing	Plus 9.54% UBF Increase	
Cybersecurity Center Operations	500,000	1,300,000	700,000	2,500,000	2,500,000	2,738,500	9.54%
Cybersecurity Workforce Development	1,000,000	375,000	425,000	1,800,000	1,800,000	1,971,720	9.54%
Oregon Cybersecurity Grant Program (PSU and UO)				250,000	250,000	273,850	9.54%
				4,550,000	4,550,000	4,984,070	
Mount Hood Community College Certification Scholarship Fund				350,000	350,000	383,390	9.54%
				4,900,000	4,900,000	5,367,460	

The original request in 2023 included more education and workforce development than what was funded. There is also interest in the participation of the remaining public universities—EOU, Oregon Tech, SOU, and WOU. While this request is limited to establishing and continuing the base funding, the Cybersecurity Center directors at PSU, OSU, and UO intend to work with other partners—including cities, counties, the technical and regional universities, community colleges, and legislators—to develop a more robust concept of which elements and level of funding are needed to best serve the state. The resulting concept would serve as a conversation starter in 2025.

## Wildfire Mapping

SB 762 (2021) provided \$220 million in total funds to nine state agencies for the purposes of implementing a statewide, comprehensive strategy to promote wildfire risk reduction, response, and recovery. The measure included an appropriation of \$1,138,040 General Fund to HECC, to be distributed to OSU for the development and maintenance of a statewide wildfire risk map, hosting costs associated with the map, and collaboration with the ODF on the development of the 20-year strategic plan for landscape restoration.

SB 80 (2023) clarified the map as a statewide wildfire hazard map and provided \$876,173 to continue the work at OSU, including for development of the Oregon Wildfire Hazard Explorer, map hosting and updates, and work with the Wildfire Programs Advisory Council.

The prior and current biennial funding has included both one-time and ongoing costs. The 2025-2027 request is 1) for \$462,259, which includes a 9.5% adjustment to reflect the university base funding increase, for ongoing costs associated with this initiative, and 2) that it be appropriated within ongoing appropriations in State Programs and SWPS for the units providing the work—OSU College of Forestry, OSU Institute for Natural Resources, and Extension Service (in SWPS)—as follows:

**Table A14**

Wildfire Mapping and Collaboration with ODF on 20-year Strategic Plan for Landscape Restoration					
	2021-2023	2023-2025	2025-2027 Request		
	SB 762 (2021)	SB 80 (2023)	Ongoing	Plus 9.54% UBF increase	
<b>State Programs portion</b>					
OSU College of Forestry					
One-time	770,000	321,173			
Ongoing	180,000	360,000	360,000	394,344	9.54%
OSU Institute for Natural Resources - Ongoing	165,000	165,000	32,000	35,053	9.54%
<b>Statewide Public Services (SWPS) portion</b>					
Extension Service - Ongoing	23,040	30,000	30,000	32,862	9.54%
<b>Total</b>	<b>1,138,040</b>	<b>876,173</b>	<b>422,000</b>	<b>462,259</b>	

## Agricultural Water Technical Assistance

HB 2010 (2023) provided \$3,085,581 and directed the OSU Extension Service and OSU Agricultural Experiment Station (AES) to jointly establish and maintain an agricultural water management technical assistance program, including staffing of specialists in different regions of the state and with annual and biennial reporting to the Legislature. The universities understand the legislative intent of this funding to be ongoing. The request is that \$3,379,945, which includes a 9.5% adjustment to reflect the university base funding increase, be phased in for 2025-2027 as ongoing funding within the respective Statewide Public Services appropriations as follows:

- Agricultural Experiment Station – \$1,952,694 (includes 9.5% UBF increase)
- Extension Service – \$1,427,251 (includes 9.5% UBF increase)

## State Climatologist

SB 5506 (2023) provided \$250,000 to support the State Climatologist position housed within the Oregon Climate Change Research Institute (OCCRI) at OSU. The request is for the \$250,000, adjusted to reflect the university base funding increase, to be phased in for 2025-2027 as ongoing within existing funding for OCCRI in State Programs.

- Increase to OCCRI for State Climatologist Position – \$273,850 (includes 9.5% UBF increase)

## Juniper Removal

HB 2010 (2023) provided \$365,000 to the OSU College of Agricultural Sciences to assist grant applicants in identifying treatment areas and tracking and monitoring the effects of the program for at least a five-year period. The Legislative Fiscal Office Fiscal Impact for the bill noted, “Any funding for OSU can likely be phased out in the 2027-29 biennium, when five years of monitoring is completed.” The request is for the 2023-2025 funding of \$365,000, adjusted to reflect the university base funding increase, to be rolled up for 2025-2027 funding (years three and four of the five-year monitoring period).

- OSU Juniper Removal — \$399,821 (includes 9.5% UBF increase)

## Early Care and Education (ECE) Workforce Development

This Policy Option Package requests increased and sustaining investments in Oregon’s post-secondary ECE degree programs and campus ECE centers: an infrastructure investment in building a rising, qualified and diverse ECE workforce in Oregon. The request is for \$15,000,000 to address unmet needs for FTE/staffing, ECE center operations, and need-based scholarships at public universities. In the coming months, we will work with community colleges to determine whether to broaden this request to include resources for community colleges that have ECE programs.

Oregon, like every state in the country, is struggling with an ECE crisis: a lack of accessible, affordable quality child care/ECE and a lack of a qualified ECE workforce. The profound lack of ECE capacity is an economic anchor holding our families and communities back. Likewise, the lack of a qualified ECE workforce impedes, and will continue to impede, our ability to develop quality ECE capacity, whether it be center-based or family provider ECE—both of which create a foundational mixed delivery model. We cannot build up quality early learning and care without investing in the professional workforce providing that early learning and care. Post-secondary education and degrees are directly linked to a rising, qualified workforce in the early care and education sector. In *Transforming the Workforce* (NRC,



2017) we are reminded once again of the science of early learning and the pivotal role of our degree programs, centers and research in generating new information and insights into the growing and evolving fields of child development and early childhood education and in building a qualified ECE workforce.

The lack of a qualified ECE workforce is rooted in the historically low status, low compensation of early childhood care work. Current estimates highlight an ECE workforce that is 95% women and 40% women of color (Sandstrom, H. & Schilder, D., 2021). In previous decades, fewer students have pursued a postsecondary degree in Early Childhood Education and related degrees such as Human Development and Family Sciences (HDFS) and Elementary Education. (Note: ECE encompasses birth to age 8 years). For those students who wanted to pursue a career in ECE, the return on investment was often minimal due to underfunded ECE centers, and therefore low salaries, in which those students would be employed. As a result, over the years many students have foregone ECE and instead pursued Elementary Education; a career as a kindergarten teacher rather than a preschool teacher or infant/toddler teacher afforded living wage compensation, health and retirement benefits and potential career progression. Additional negative impacts on ECE workforce development include decreased investments in postsecondary ECE degree programs and the related campus and community centers in which ECE knowledge to practice is supported and mentored. Due to funding cuts, both universities' and community colleges' ECE departments and childcare center labs are underfunded or have closed within the past 10-15 years; this has resulted in a decrease to both our HDFS and ECE degree-seeking students while the number of parenting students in need of campus based ECE has increased. As a result, Oregon lacks adequate postsecondary ECE degree infrastructure in support of addressing the scale of the rising, qualified, and diverse ECE workforce we need.

To further the understanding of the ECE field and teacher preparation, it is important to address the following question: *Why are campus children's centers and community centers which are clearly affiliated and aligned with ECE and HDFS degree programs vitally important to ECE workforce development?*

ECE is a field rooted in the acquisition of knowledge and predicated on the transfer of knowledge to practice; in this way, ECE and Elementary Education are no different. The acquisition of knowledge and competencies in ECE requires hands-on practice and our campus ECE centers, and high-quality centers in our communities (a dwindling commodity) are where praxis occurs. In addition to mentoring and preparing students for careers in ECE, campus centers/lab programs:

- Uniquely support research in generating new information and insights into the growing and evolving fields of child development and early childhood education
- Model and mentor high quality early learning and care, including developing and modeling culturally and linguistically responsive programs
- Support interdisciplinary academic preparation and professional development
- Provide essential care for parenting students, and campus employee and community parents
- Foster community connections to the broader ECE profession and teach into their communities
- Lead in local, regional, state, and national early childhood communities, especially by making social science research accessible to practice, practitioners, and schools
- Design practice-oriented change to keep pace with the world of today, for example in science (ecology, living systems, etc.), technology (and the digital worlds), engineering (design, workshop, and building), and mathematics (building numeracy, categorizing, organization, etc.).

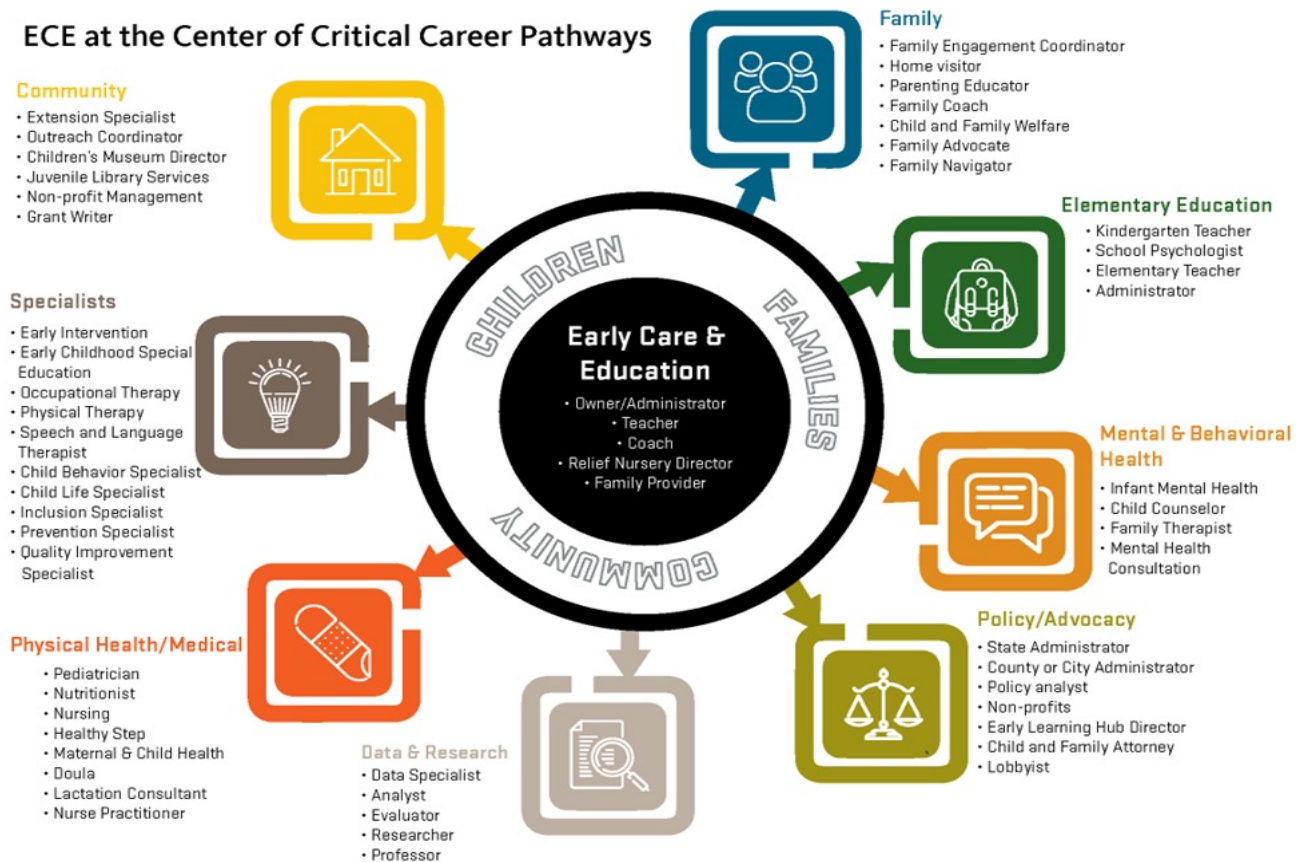


Early childhood degree pathways, including student recruitment, retention, and degree completion, depend on well-resourced community colleges and universities, which includes adequate FTE in our academic departments and campus centers/lab programs, operational funding, and high-quality placement sites. Presently, our publicly funded postsecondary ECE degree programs and centers are significantly underfunded. A recent needs assessment pulse survey of the Higher Education Early Learning Partnership of Oregon (HEELPO) clearly captures key areas currently underfunded and their impacts on addressing ECE workforce development, including sustaining continued operations of our current centers and those that have been shuttered due to cuts (Note: HEELPO is a new statewide unfunded organization, created and launched in 2023 through the generous grant support of the Ford Family Foundation—currently housed at OSU). **With nearly 100% participation by Oregon's publicly funded postsecondary degree programs (6 universities and 14 community colleges responded), the pulse survey results showed that all postsecondary ECE programs are underfunded.**

The stark reality is that while we lack a qualified ECE workforce to address current licensed capacity in our state; we have licensed centers, including the centers on some of Oregon's postsecondary campuses, which struggle to find and hire qualified professionals. We exist in industry-defined child care deserts across all our Oregon counties, and we are losing current center capacity in many counties which means we are not in build-up mode, we are in a static or declining center capacity mode. **Both campus and community ECE centers demonstrate the lack of market solutions to this ECE crisis.** Without increased state funding that supports, among other key drivers, professional compensation and career pathways, higher ed cannot address the historical fact—that ECE work is historically low status, undercompensated work while paradoxically being seen as a priority sector for infrastructure building and growing our workforces across our state. It is an untenable challenge to be an essential sector, as was shown repeatedly during the pandemic, and at the same time be underfunded. It is also a systems issue extending beyond ECE and into additional workforce needs in support of children and families as illustrated by the following:

**Figure A1**

## ECE at the Center of Critical Career Pathways



When we center ECE workforce development in the action framework of the Higher Education Coordinating Commission's 2021 Strategic Roadmap HECC's strategic plan, we can see that ECE workforce development is well served by the values and intentions of the Roadmap for Action:

- Transform and innovate to serve students and learners best
- Center higher education and workforce training capacity on current and future state needs
- Ensure postsecondary learners can afford to meet their basic needs
- Create and support a continuum of pathways from education and training to career
- Increase public investment to meet Oregon's postsecondary goals

Oregon needs ECE capacity building at the postsecondary level before as a state we can significantly impact ECE capacity building in our regions and communities. Increased investments in Oregon's publicly funded ECE postsecondary infrastructure addresses Systems Goal #1 in our state's Early Learning Council action items from Raise Up Oregon, demonstrating another area of strong alignment between what is proposed here and clearly articulated Oregon statewide goals in the ECE/child care sector.

The public universities request \$15,000,000 to address unmet needs for FTE/staffing, ECE center operations, and need-based scholarships, allocated in the following manner:

**Table A15**

<b>Early Care and Education (ECE) Workforce Development</b>	<b>FY26</b>	<b>FY27</b>	<b>2025-2027</b>
<b>Base Funding</b> for Eligible Universities with Applicable Programs <i>(proposed allocation equally across eligible universities)</i>	\$ 2,450,000	\$ 2,550,000	\$ 5,000,000
<b>Incentive Funding</b> for ECE/Child Care Slots Offered <i>(proposed initial allocation be based on open slots as of July 1, 2024)</i>	\$ 2,450,000	\$ 2,550,000	\$ 5,000,000
<b>Incentive Funding</b> for Early Childhood Education Degrees Produced, Undergraduate or Graduate <i>(proposed initial allocation be based on three year rolling average of degrees at least one year prior to award year)</i>	\$ 2,450,000	\$ 2,550,000	\$ 5,000,000
<b>Total Policy Option Package</b>			<b>\$ 15,000,000</b>

- **1/3rd base funding for eligible universities with applicable ECE programs**
  - Solidify statewide ECE higher education led partnership/organization to coordinate and articulate ECE pathways and degree programs, resource share, and ensure integrity of professional standards.
  - Hire full-time dedicated positions for academic faculty inclusive of bilingual and bicultural faculty
  - Hire full-time faculty and staff to address the following critical needs: recruitment and retention efforts, coordination with high schools and community colleges, advising, coordination and assessment of Credit for Prior Learning, student mentoring, and supervision of practicums and internships
- **1/3rd variable supplemental funding for ECE/child care slots offered to support:**
  - Baseline investment in support of quality center operating expenses – ECE is not a break-even market model and parent tuition revenue is woefully insufficient to support the full operating costs of center-based ECE
  - Investment in professional, career-oriented compensation (salary + benefits) to further professionalize the field and to recruit and retain highly qualified staff
  - Investment in ECE center building reserves/reinvestment and equipment reserves/renewal
  - Investments in raising quality at community practicum placement sites
  - Investments in quality materials and supplies
- **1/3rd variable supplemental funding for early childhood degrees produced (undergraduate or graduate) to support:**
  - Efforts toward recruitment, retention and degree completion of diverse students, either full- or part- time, and students currently working in the ECE field





## Behavioral Health Placeholder

Public universities are developing a funding package to widen pathways of graduate-level and Bachelor's degree-level clinicians in behavioral health fields that our state so desperately needs.

Discussions are underway, and we anticipate further details by June 30 following all necessary conversations and confirmations with the seven universities, as well as consultation with Oregon's community colleges.