

NOTICE OF PUBLIC MEETING

The Board of Trustees of the University of Oregon will hold a public meeting remotely with a video livestream available for members of the media and the public. The subject of the meeting will be discussion of the Higher Education Coordinating Commission's Oregon Higher Education Revitalization Study preliminary report.

Video livestream information is available at: <https://trustees.uoregon.edu/meetings>. Meeting materials will be available at: <https://trustees.uoregon.edu/upcoming-meetings>. If telephone conference, sign language for the deaf or hard of hearing, or accessibility accommodations are required, contact trustees@uoregon.edu at least 48 hours in advance of the posted meeting time. Please specify the sign language preference if applicable.

The meeting will occur as follows:

Thursday, October 22, at 4:00 p.m. Pacific Time
Remotely via Zoom

Office of the University Secretary
Board of Trustees

112 Johnson Hall
6227 University of Oregon, Eugene, OR 97403-6227
541-346-3166 | trustees.uoregon.edu

The University of Oregon is an equal-opportunity institution committed to cultural diversity and compliance with the Americans with Disabilities Act.

Board of Trustees of the University of Oregon
Public Meeting
4:00 p.m. | Thursday, October 22, 2026
Virtual Meeting via Zoom

1. **Presentation & Discussion Regarding the Higher Education Coordinating Commission's (HECC) Oregon Higher Education Revitalization Study Preliminary Report.** Jamie Moffitt, Senior Vice President for Finance and Administration and CFO, and Trent Lutz, Executive Director, Government and Community Relations.

Meeting adjourned

Agenda Item 1

Presentation & Discussion Regarding the Higher Education Coordinating Commission's (HECC) Oregon Higher Education Revitalization Study Preliminary Report.

Written materials will be provided during the meeting.

(Update: materials added on next page)

HB 4124 Higher Education Study

Update for Board of Trustees

Trent Lutz, Exec Director of Government and Community Relations
Jamie Moffitt, Sr VP of Finance and Administration

October 22, 2026



History of HB 4124

How HECC Defines the Work:

- House Bill 4124 directs the HECC to conduct a study of the condition of Oregon's postsecondary education system and to develop detailed recommendations for the design, implementation and operation of a viable and improved institutional framework for public higher education in Oregon

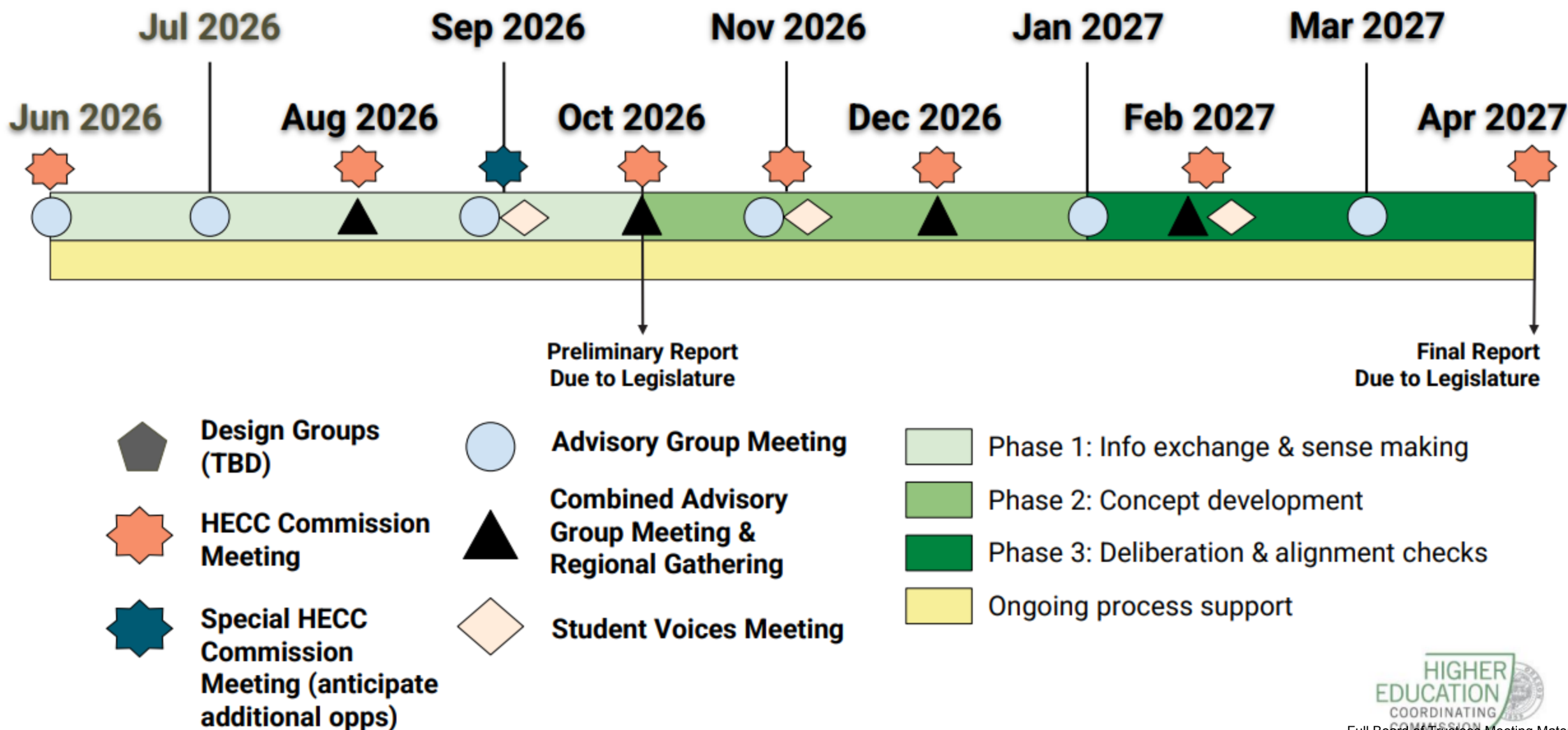
Three Principle Goals:

1. Improve access for students across Oregon, including rural and underserved communities;
2. Strengthen regional and statewide economic development and employment; and
3. Improve the financial viability of both individual institutions and the system overall.

HB 4124 Support:



Proposed Process Timeline



HECC delivered the preliminary report on HB 4124 on Sept 30th.



**Report to the Oregon Legislature:
Preliminary Report on House Bill 4124 Revitalization
Study**

House Bill 4124 (2026), October 1, 2026

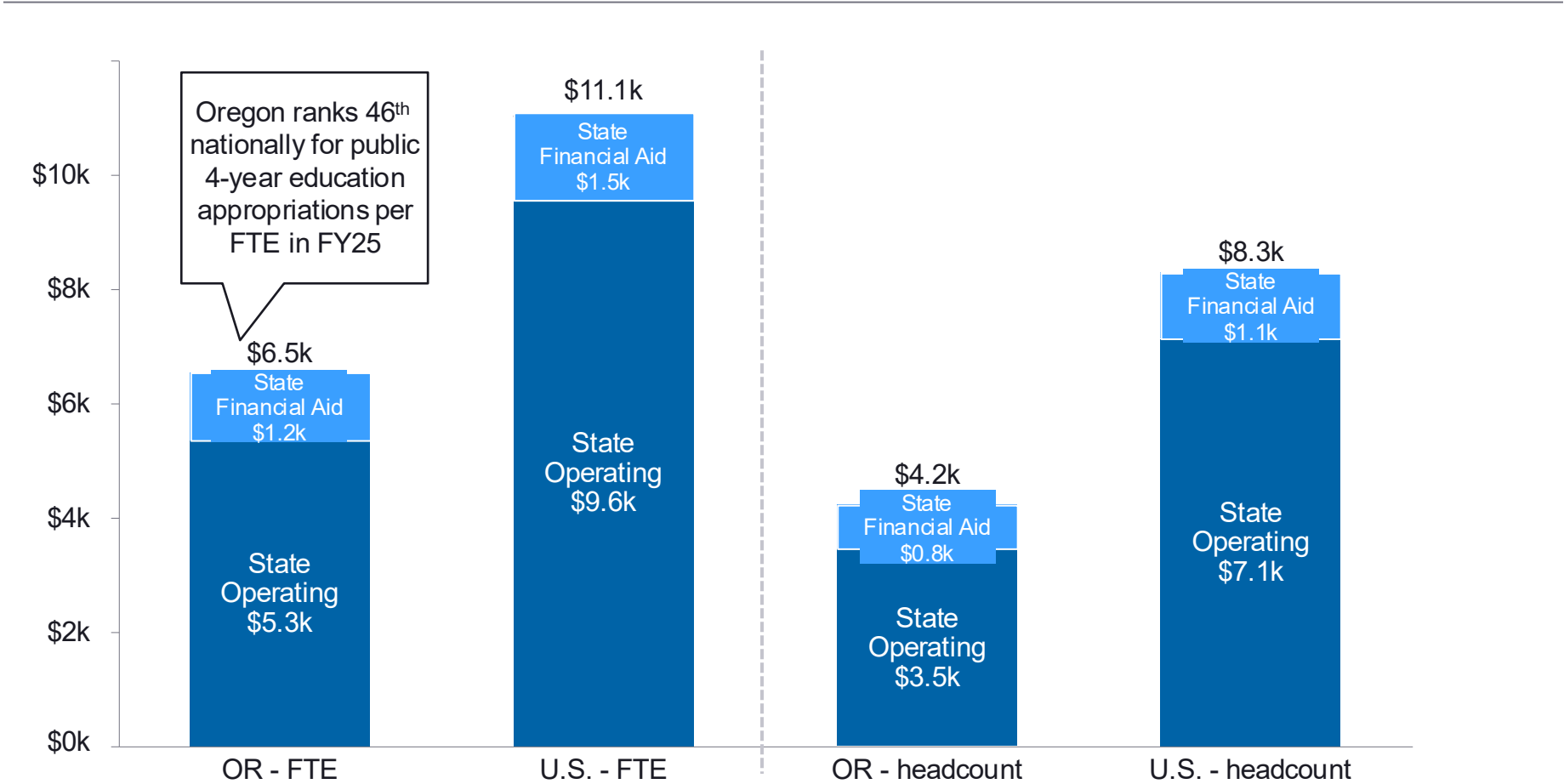


HB 4124 – Opportunities

The October HECC EY Parthenon report highlights the significant need for substantial investment in four-year universities

- Low level of State Investment
- High mandated fringe benefits costs
- Need for more graduates to fuel Oregon Economy

Oregon state appropriations at 4-year institutions lag most of the country, ranking 46th among all states on a per FTE basis



1. Figures are adjusted by a SHEEO cost-of-living factor (Cost of Living Index), which accounts for cost-of-living differences across states (decreases the displayed Oregon value below the nominal); SHEF excludes research, agricultural, and medical (RAM) appropriations and FTE enrollment for students attending medical schools to improve cross-state comparability.

2. Headcount reflects IPEDS 2024-25 12-month unduplicated enrollment. Two-year sector includes public institutions classified as degree-granting but not primarily baccalaureate; 939 Oregon students (169,390 nationally) are excluded from the public four-year denominator to align with SHEF's exclusion of medical/professional-practice enrollment.

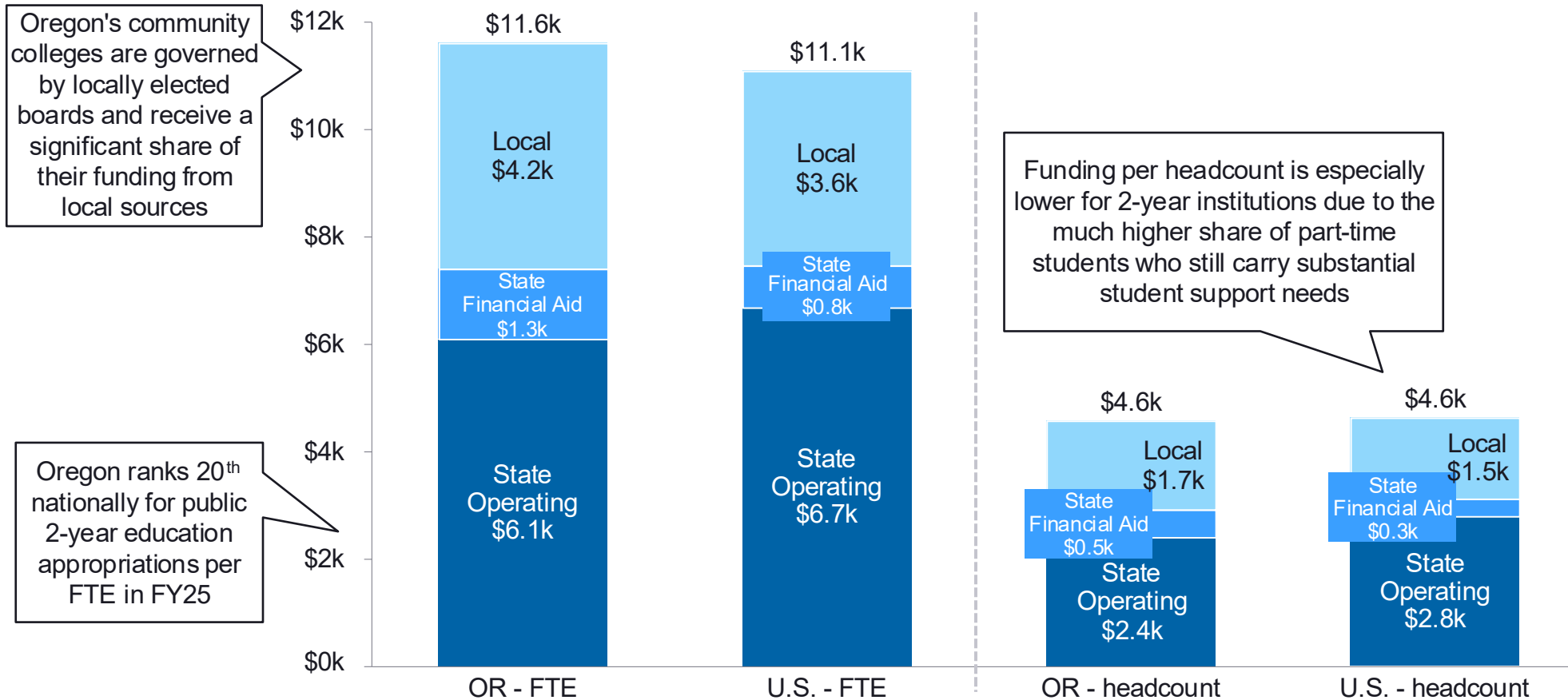
Source: SHEEO SHEF FY25 Report

Context for State Funding Figures for Four Year Universities

- FY27 Public University Support Fund (“PUSF”) operating funds for all seven campuses: \$545 million
- Oregon – Average state funding per FTE: \$5,300 per year
- US – Average state funding per FTE: \$9,600 per year
- Difference: \$4,300 per FTE
- Total projected funding gap from US Average: \$365.5 million
- This represents 67% of the current PUSF

Oregon's 2-year colleges receive similar state and local investment relative to the country on both a per FTE basis (ranking 20th among all states) and per headcount

Oregon public 2-year higher education appropriations (operating and financial aid) per FTE and headcount^{1,2} (FY25)



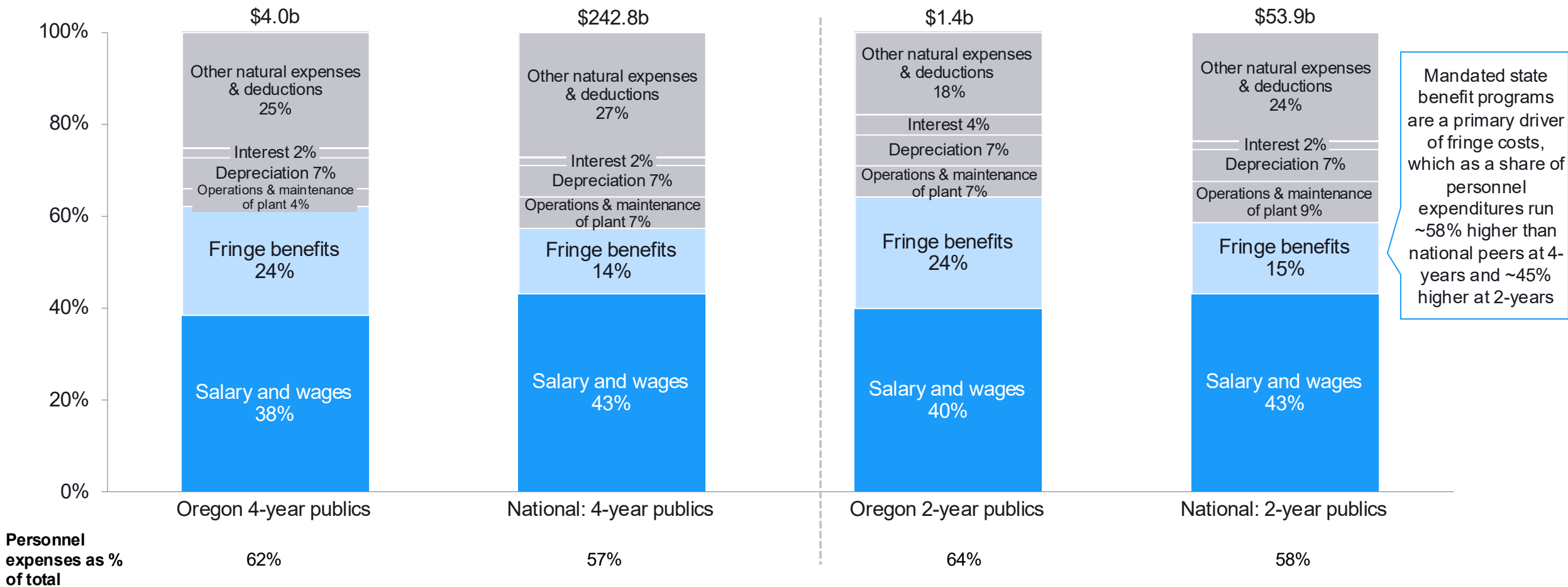
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Source: SHEEO SHEF FY25 Report

Oregon's public universities and colleges face fringe rates that are meaningfully higher than national averages

Personnel expenditures as a share of total expenditures, by natural expense category^{1,2} (FY24)



1. Employee fringe benefits include retirement plans, social security taxes, medical/dental plans, guaranteed disability income, tuition plans, housing plans, unemployment compensation plans, group life insurance plans, worker's compensation plans, and other benefits in-kind with cash options.
2. Institutions with hospital services expenditures are excluded from this analysis.

Source: IPEDS; EY-Parthenon analysis

Context for Fringe Benefits Cost for Four Year Universities

- Fringe benefits cover mandatory state benefits programs – PERS and PEBB
- Average fringe benefit costs in Oregon: 24% of total costs
- Average fringe benefit costs in US: 14% of total costs
- Differential: 10% of total costs
- Oregon: Total annual cost for all seven campuses: \$4.0 billion
- Cost of differential fringe: \$400 million per year

Overall Summary

- FY27 Public University Support Fund (“PUSF”) operating funds for all seven campuses: \$545 million
- Funding gap for Oregon Four Year Universities from US Average: \$365.5 million
- Extra Cost of Differential Fringe Benefit rates charged to Oregon Four Year Universities vs. US Average: \$400 million per year

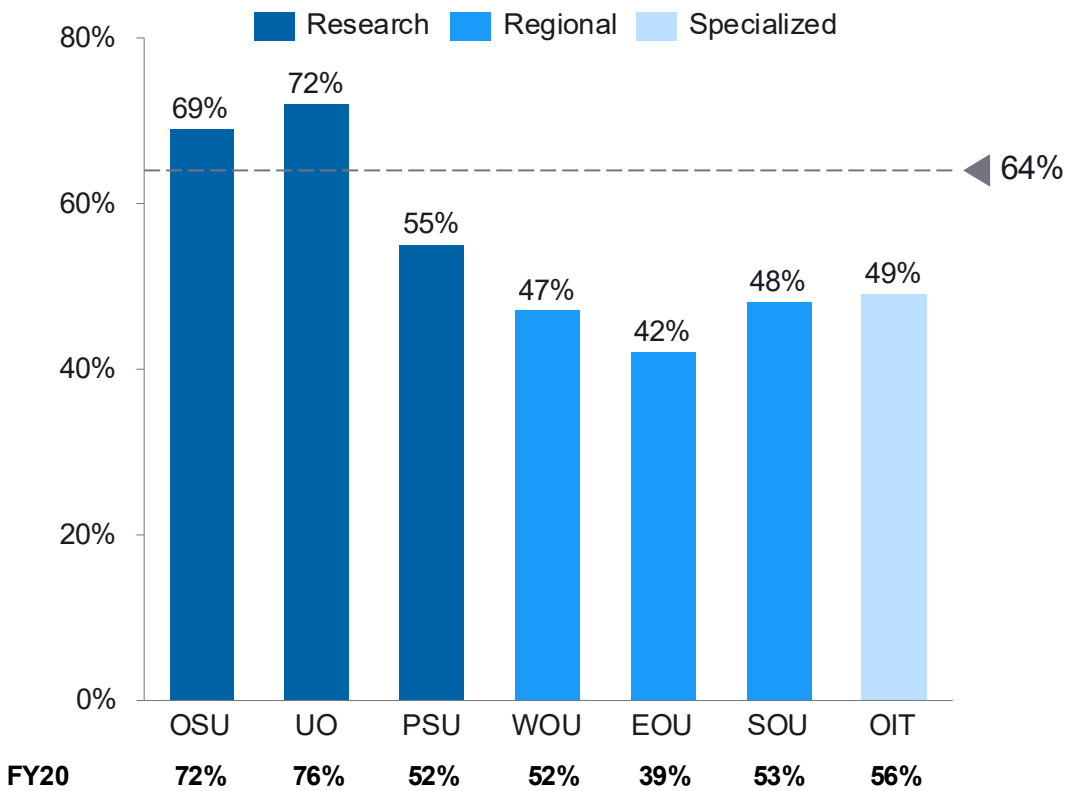
Chapter 3: Summary

Chapter 3 focuses on the relationship between higher education and the state's economy

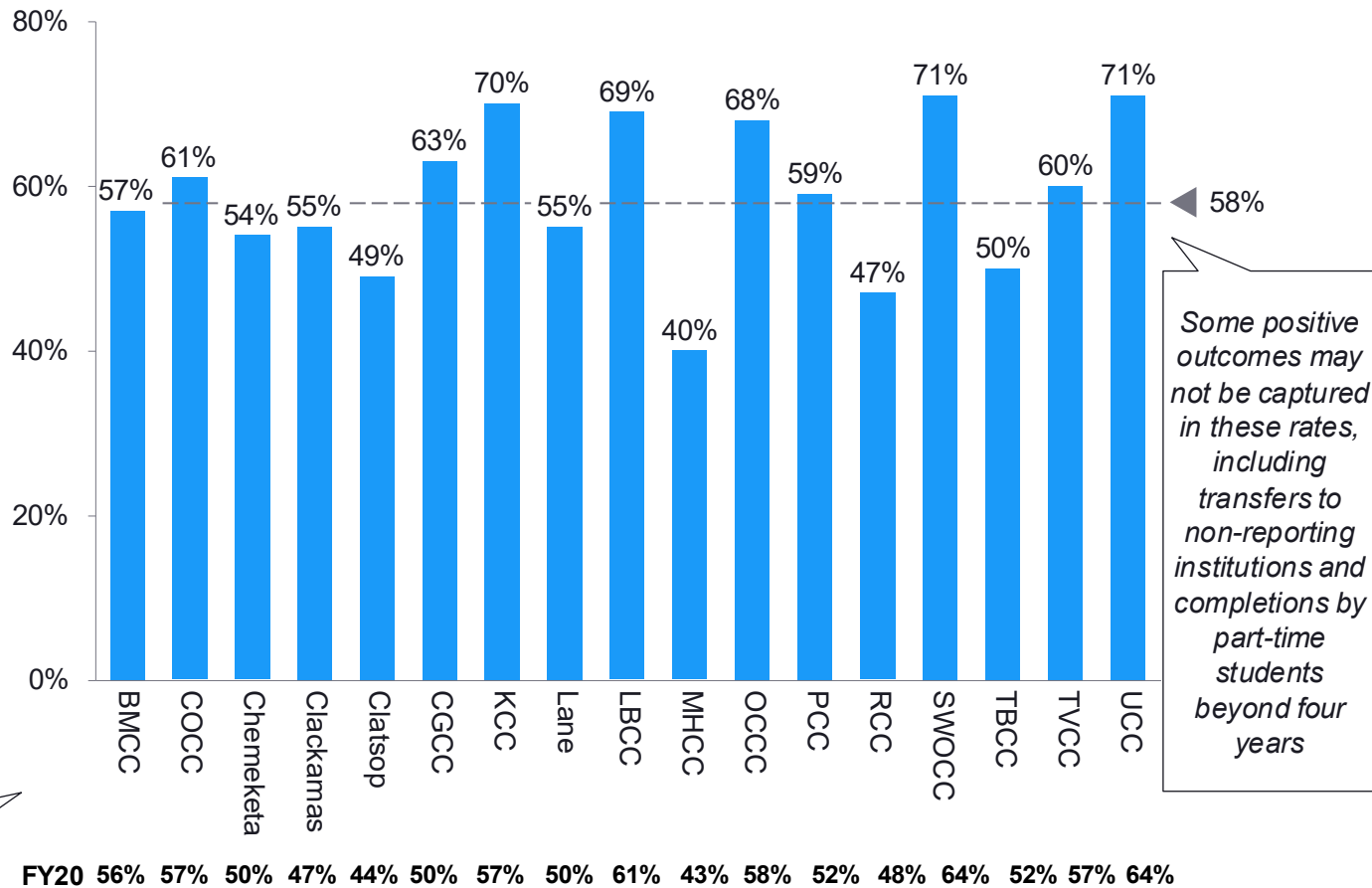
- **Importance of Higher Education:** Of the 2.2m jobs in Oregon, 40% of them require higher education at the entry level. To advance beyond the entry level, ~65% of jobs require higher education. And when you consider the subset of job categories where the median wage is a living wage or more, approximately 95% of jobs require higher education
- **And Oregon is not producing enough graduates for the jobs in the state.** Oregon (including its private institutions) only produces about ~52k graduates a year, well under the ~78k new jobs that open a year. While this analysis is both directional and conservative, it deviates significantly from the trend at a national level
 - Shortfalls are prevalent at both the middle- and high-skills levels, and vary in acuity by field and occupation
- **The situation is likely to worsen.** Oregon population growth has flattened in recent years, and immigration has decreased. Long-term demographic challenges are likely to put pressure on undergraduate enrollments

Student outcomes vary widely across Oregon institutions, with completion rates ranging from ~40-70% among both universities and community colleges

Oregon 4-year public institutions: completion rates¹ (FY25)



Oregon 2-year public institutions: completion/transfer rates² (FY25)



When benchmarking OR vs. the nation using IPEDS data, Oregon's public universities appear to perform slightly above national averages on completion, while colleges lag the nation on completion/transfer outcomes

1. Public university student completion rates represent the percentage of first-time, full-time freshmen who earned a bachelor's degree within six years at any public university.
2. Community college student completion rates represent the percentage of credential-seeking students who earned an associate degree, certificate, or transferred to a four-year university nationwide within four years.

HB 4124 Next Steps

Our project juncture: from findings to preliminary implications

Preliminary findings

- The preliminary report analyzing Oregon's post-secondary system conditions unearthed several major challenges that institutions, faculty, staff and students experience daily.
- Two systemic and fundamental challenges we observed:
 - 1) Oregon needs more graduates to serve its economic needs
 - 2) Overall, the system is facing significant financial challenges



Our preliminary, working hypothesis

- To solve these fundamental challenges, this project needs to explore solutions that are bold and that transcend beyond the incremental. An evolved higher education system in Oregon needs to achieve the following in its “end state”:
 - a) Expanded enrollment – more adult learners, more high school graduates going to college
 - b) Different parts of the system lean into their strengths – potentially more specialization in some places
 - c) Improve the system's outcomes – completions vary from 40-70% across universities and colleges
 - d) Address financial challenges, including cost, structure, and capacity

- To get to this end state, we should explore if a set of “enabling levers” may be required, including:
- the ability to translate Oregon's labor/market needs into education decisions
 - looking at how funding is allocated and incentives within/across sectors further reward end-state goals,
 - looking at whether and where greater coordination may be helpful, and in what form

Please note that these hypotheses are preliminary, constantly under refinement, and will be refined through various engagement channels and additional research

HB 4124 Technical Working Groups

- Expanding Enrollment
- Improving System Outcomes
- Institutional Differentiation
- Addressing Financial Challenges
- System Levers

HB 4124 – Risks

- Rushing to move solutions before knowing the impacts
- Further “efficiencies” through mandatory system wide shared services
- Disruptions and changes to governance structures
- Challenges to institutional differentiation / competition

Our Goals:

- Allow the process to produce well tested recommendations
- Require evidence that proposed changes will deliver benefits
- Build collaboration around strong institutional missions
- Keep student opportunity at the center
- Make sustainable investment central to the recommendations