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## FOR IMMEDIATE RELEASE

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# Higher than expected revenue forecast means legislators must protect students and community college from cuts

SALEM, Ore. – According to the state’s Revenue Forecast released earlier today, Oregon's economic outlook predicts a higher than anticipated revenues with an extra \$1.96 billion in state revenue. With this increased revenue forecast and a substantial rainy day fund at their disposal, legislators must take action to protect students from substantial cuts to community college budgets. Community colleges across Oregon face a devastating financial situation if legislators don’t allocate \$855 million to the Community College Support Fund (CCSF). The impact of their budget decision goes beyond the institutions themselves, with far-reaching consequences for students, local economies, and the state's ability to recover from economic downturns.

Community colleges have reached a critical point where further decreases in funding are unsustainable. The pandemic has exacerbated the challenges faced by students, particularly in terms of mental health and basic needs. These challenges persist even as we emerge from the pandemic, and community colleges must have the capacity to support students in their pursuit of skills and knowledge for success.

“Community college enrollment is beginning to stabilize post-pandemic and students want to either return to college or begin their educational journeys, but their basic needs are also greater than ever,” said Karen Smith, Interim Executive Director of the Oregon Community College Association. “Community colleges need the capacity to support these students as they strive to improve their economic mobility and contribute to their local workforce. Sufficient state funding is critical to ensure the success of these students.”

Equity is a significant concern in this situation. Community colleges serve students with the greatest barriers to accessing post-secondary education and training. Unfortunately, nationwide enrollment declines have hit open-access institutions like community colleges the hardest, leading to greater educational and economic inequities. Although Oregon community colleges are beginning to see enrollments increase, they are still not close to pre-pandemic numbers. Adequate funding is essential to re-engage these learners and prevent further disparities.

Moreover, community colleges play a vital role in supporting local economies. Through workforce training programs, they provide skilled workers who contribute to the growth and development of communities. However, without adequate funding, colleges may be forced to eliminate more costly career and technical education (CTE) programs, leading to a significant impact on local economies.

(MORE)



Post-pandemic, students returning to community colleges in Oregon have shown strong demand for short-term CTE programs, so colleges need the financial support to meet these student and industry needs.

The ripple effects of budget cuts are far-reaching. If colleges are compelled to reduce programs, services, or jobs, the local economy and community will suffer. Critical services and support that community members rely on could be lost, jeopardizing the well-being of residents. If Oregon is going to have economic productivity moving into the future, legislators need to increase opportunities for educational attainment by supporting college funding and student support programs and financial aid, like the Oregon Opportunity Grant.

To address these pressing challenges, community colleges require \$855 million, along with \$50 million in one-time transition funds, to minimize the impact on students, tuition, programs, and services. Not providing the Community College Support Fund (CCSF) at this level would have catastrophic consequences for community colleges.

At \$855 million, community colleges could:

- Keep tuition increases to about 0-6% throughout the state as opposed to up to 11% at lesser funding levels.
- Utilize reserves to focus on right-sizing enrollment levels and balancing the budget. However, this approach is not financially sustainable beyond the biennium.
- Still need to make cuts to personnel, programs, and services even at this funding level.

Community colleges urgently call upon legislators to recognize the critical importance of adequately funding these institutions. Failure to do so would not only undermine the education and economic opportunities for countless students but also hamper the state's ability to recover from economic downturns and perpetuate educational and economic inequities.

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