TALKING POINTS

17occa
Oregon Community College Association

Updated Budget Talking Points – May 2023

Summary:

OCCA is asking legislators to support Higher Education Coordination Commission's request for Community College Support Fund at $855 million (a 20.1 percent increase) in ongoing funding and $50 million in one-time funding for the 2023-2025 biennium. While colleges would need a roughly 44 percent increase to fully maintain current services and capacity, the HECC recommendation provides a funding base from which colleges can continue to maintain many critical programs and services and continue to meet the changing demands of their students, communities, and local economies.

Key Points:

The importance of funding community colleges adequately: The community colleges require $855 million plus $50 million in one-time transition funds to minimize the impact on students, tuition, programs, and services. Not funding the CCSF at this level would be catastrophic for community colleges.

The impact on local economies: Community colleges serve local communities and feed the economy through workforce training.

- Enrollment has been returning at many colleges in more expensive career and technical education (CTE) programs as well as short-term career certificate programs. [GIVE EXAMPLES OF LOCAL PROGRAMS SEEING GROWTH]
- If workforce training at community colleges is not funded adequately, some colleges would be forced to eliminate more costly CTE programs, and local economies would be significantly impacted.

The ripple effects of cuts in programs/services or jobs: If colleges are forced to cut programs/services or jobs, the local economy and community suffer. This can lead to a loss of critical services and support that community members rely on.

The importance of community colleges in times of economic hardship: If Oregon enters into a recession, the state will need community college capacity to upskill/retrain workers who have lost their jobs.

- Inadequate funding now could have long-term negative effects on the state's ability to recover from economic downturns.
- Typically, community college enrollment runs counter-cyclical to unemployment. When unemployment is high, enrollment surges and low unemployment leads to an enrollment decline at colleges. If unemployment increases, colleges will need program capacity to help workers retrain and get back into the workforce.

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The impact on students: Community colleges serve students at all education and skill levels, educating students with the greatest barriers to attaining post-secondary education and training.

- Nationwide, open-access institutions like community colleges saw the greatest enrollment declines as the populations they serve also faced the greatest disruptions from the pandemic. Highly selective universities saw the least decline. This will lead to greater educational and economic inequities if colleges don't have the capacity to re-engage those learners. [REFERENCE HOW ENROLLMENT WAS IMPACTED AT YOUR COLLEGE]

- If community colleges are not adequately funded, students will end up shouldering more of the burden than they already are with tuition increases, fewer wraparound services, and programs to support their basic needs. This can create a barrier to higher education for many students who rely on community colleges for affordable and accessible education to help them earn a family-wage job.

Funding impact: If funded at $855 million, then these scenarios are likely:

- **Tuition increases** of about 0-6% throughout the state
- **Colleges would utilize reserves** to focus on right-sizing enrollment levels and balancing the budget – however, this is not financially sustainable beyond the biennium.
- **Some colleges would still need to make cuts** to personnel, programs and services at this funding level

[REFERENCE THE SPECIFIC IMPACTS ON YOUR COLLEGE]

NOTE:

If pressed by legislators on $855M plus $50M not being realistic, there are three numbers out there (GRB, co-chairs and State CSL), and our absolute minimum is state CSL ($768M) for ongoing funding to the CCSF for the biennium, plus $50M one-time transition funds.

If this is the position the state is in economically, the absolute bottom line amount the community colleges would need is $768 million (state CSL).

If below $768 million (state CSL), these scenarios are likely:

- **Tuition increases** around the state would range from 2-11% for the biennium

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- **At a college in the metro area:**
  - 10% increase to tuition for the biennium
  - More than $7 million structural deficit, which is more than 10% of the General Fund
  - Severe reductions across the college, including to student services and potentially to some of the more expensive CTE certificate and degree programs
- **At a college on the coast:**
  - 7% increase to tuition for the biennium
  - Elimination of certain costly CTE programs, reduced transfer offerings through personnel reductions, staff reorganization that would result in decreased morale and heavier work loads, impacting employee retention.
- **At a college in a rural area:**
  - 8% increase to tuition for the biennium
  - Would need to hold vacant positions open, incentivize early retirements, cut positions and eliminate programs.
- **At a college in the Valley:**
  - 10% increase to tuition for the biennium
  - Elimination of up to 40 positions, tutoring services, advising, and basic needs food pantry
  - Elimination or reduction of student success initiatives and early outreach advising.
- **At a college in southern Oregon:**
  - 7% increase to tuition for the biennium
  - Program and personnel cuts
  - Continued deferred maintenance and decreased service levels to students