

# OREGON'S *Community Colleges*

## CAPITAL CONSTRUCTION CAP INCREASE REQUEST (HB 3635)

Since 2005, state matching funds for community college capital construction projects have been capped at \$8 million per project. Adjusted for inflation, this amount should be over \$14 million today.

OCCA seeks to increase the Article XI-G matching funds cap to \$15 million to address the rising costs of construction and ensure colleges can modernize/expand facilities to meet student and workforce needs.



### BACKGROUND

- Capital construction costs are **not included in the General Fund** for community colleges.
- Oregon's 17 community colleges work together on a biannual basis to have a singular request for legislators for capital construction. This not only streamlines the approval process for legislators and keeps costs down for the state, but it also eliminates competition between colleges for capital project funding since all 17 colleges approve the request to legislators.
- The presidents of all 17 community colleges agree to a **rotational basis among the colleges for capital project funding requests.**
- Once legislators approve Article XI-G bond funding for a community college capital project, **the college must secure the matching funds** for the project before the state sells the bonds. This can be done through fundraising, or - most commonly - a General Obligation Bond Measure that must be approved by voters in a local election.
- Legislatively approved Article XI-G bond funds must be **reauthorized by legislators if unused** by the following biennium.
- **The Legislature would still have final appropriation approval for individual projects in each biennium.**

## WHY THE INCREASE?



### Cost of Construction

According to the U.S. Bureau of Labor Statistics (BLS), the Producer Price Index (PPI) -- which reflects how much prices for goods and services have increased or decreased -- shows a more than **128% increase** from 2005-2024 for new education building construction. In addition, the BLS Consumer Price Index indicates that \$8 million in 2005 actually equates to around \$14-\$15 million in 2025.



### Labor Costs

Overall employment costs have **grown more than 20%** since 2005 (*source: The Center for Construction Research & Training*). In addition, **wages alone in the construction industry in Oregon increased more than 14%** from 2020-2023 (*source: U.S. Bureau of Labor Statistics*). That *doesn't* include increases to health insurance, workman's comp, and paid leave.

Length of time since legislators last approved a cap on community college capital construction projects

# 20 YEARS

## RECENTLY COMPLETED PROJECTS

Five community colleges completed six construction projects during the past two biennia with assistance from Article XI-G bonds, contributing their matching funds

**Clackamas CC** - Student Services & Community Commons (*completed June 2022*)  
**Portland CC** - Health Technology Building Renovation & American Manufacturing Innovation Building (*completed August 2022*)  
**Rogue CC** - Redwood Campus Science Facility (*completed August 2022*)  
**Columbia Gorge CC** - Middle College Prototype Facility (*completed October 2022*)  
**Klamath CC** - Apprenticeship Center (*completed July 2023*)

