



FINANCIAL SUSTAINABILITY OF OREGON COMMUNITY COLLEGES 2026

(FINANCIAL DATA THROUGH FY2025 OR JUNE 30, 2025)

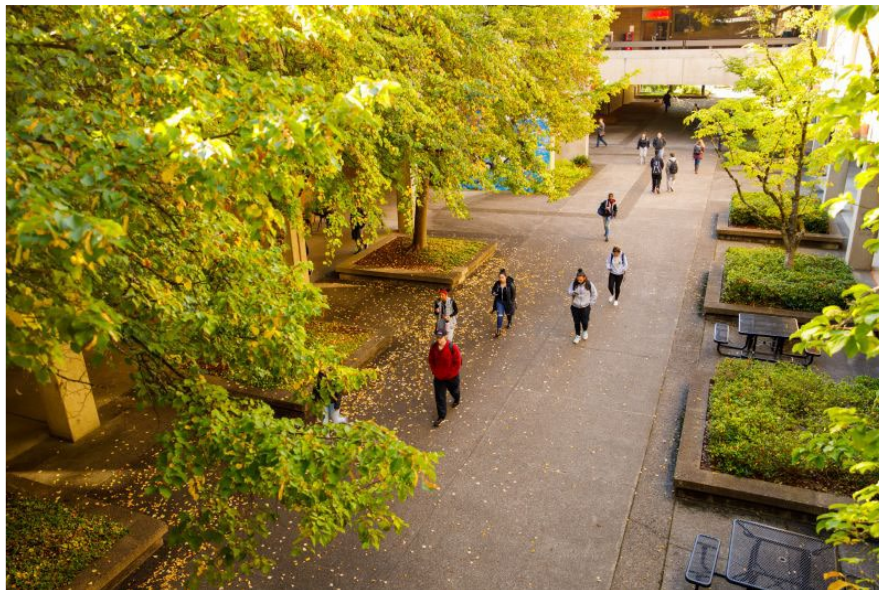


Photo Credit: Mount Hood Community College, 2024

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ACCESSIBILITY STATEMENT

Learn more about the Higher Education Coordinating Commission at www.oregon.gov/highered.

The HECC is committed to accessible services for all. Requests for translations, language services, alternative formats, or Americans with Disabilities Act (ADA) accommodations may be sent to info.hecc@hecc.oregon.gov.

KEY TAKEAWAYS

The majority of Oregon’s community colleges are financially stable, but underlying pressures remain. Most institutions maintain a Composite Financial Index (CFI) above the sustainability benchmark of 3.0, indicating overall viability. However, many colleges are struggling in the short term to generate enough revenue to fully cover expenses. Long-term capacity is also a concern, particularly as financial flexibility becomes more constrained.

Enrollment trends show modest recovery since the pandemic but remain below historical levels. While all colleges experienced some growth between 2022 and 2025, overall enrollment is still significantly lower than a decade ago. Demographic projections suggest continued challenges, including declining numbers of traditional college-age students. This creates ongoing uncertainty around tuition revenue and future demand.

Community colleges are increasingly reliant on state funding as a primary revenue source. State appropriations now make up the largest share of total revenue, driven in part by declining enrollment and limited ability to raise tuition. While increased state funding has improved affordability for students, it also exposes colleges to risks of policy changes and budget fluctuations. Overreliance on a single funding source is identified as a potential financial vulnerability.

The growth in operating costs, particularly personnel expenses, place significant pressure on institutional budgets. Wages and benefits account for roughly 80% of total expenditures, with some costs, such as pension contributions, outside institutional control. In an environment of constrained revenue growth, the expected growth in operating costs makes balancing budgets more difficult.

Aging infrastructure represents a major financial challenge for Oregon’s community colleges. Many campus facilities and IT systems are decades old and require substantial investment for maintenance or replacement. At the same time, higher interest rates and competing state priorities limit available funding for capital improvements. Deferred maintenance and cybersecurity risks add to the urgency of addressing these infrastructure needs.

Broader economic and policy factors are creating an increasingly uncertain operating environment. Inflation, federal policy changes, and shifting student demand all contribute to financial risk. Additionally, leadership turnover and audit-related issues at some colleges may affect operational stability. While no major sanctions or investigations are currently impacting institutions, these external and internal factors require ongoing monitoring and strategic planning.¹

¹ Moody’s 2026 Outlook, Higher Ed Dive, November 2025

OVERVIEW

This report contains a wide-ranging financial evaluation of Oregon's community colleges and includes information on broader trends. The intent is to inform the Commission's work in developing state goals, determining strategic investments, and recommending a consolidated budget, as outlined in Oregon Revised Statutes (ORS) 350.075 (3). This report focuses solely on Oregon's community colleges; however, monitoring of local workforce boards, non-exempt private colleges, public universities, and career schools is also conducted by HECC staff. The report is organized around the elements of the purpose statement noted below with operating assumptions that propose:

- Oregonians are best served by a higher education system that combines centralized coordination with independent board governance.
- The direct governance of the institutions is the work of the independent boards, which are responsible for financial viability, sufficiency, and sustainability across all funding sources.
- The HECC's responsibility is to ensure collaboration and coordination among public institutions of higher education for the benefit of all Oregonians. HECC observes the work of institutional boards in maintaining financial viability and stewarding public resources and serves as a trusted third-party reporting to the legislature and governor on these matters.

PURPOSE STATEMENT

The purpose of financial monitoring is to support statewide policy making guided by the goals and mission of public higher education in Oregon. Specifically, the financial monitoring performed by HECC staff seeks to:

- **Provide advance warning** of financial instability for policy makers.
- **Identify potential systematic risks** to Oregon's higher education infrastructure with a particular focus on the education and workforce mission of the institutions.
- **Maintain an awareness** of broader institutional finance trends to inform the HECC's agency request budget (ARB) and related recommendations for the Governor and Legislature.

OTHER ORGANIZATIONS INVOLVED IN FINANCIAL MONITORING

A regulatory triad of state agencies, accrediting bodies, and the federal government, are primarily involved in monitoring the financial health of public institutions of higher education. Other entities, outside of regulators, often perform similar analysis as well.

The Northwest Commission on Colleges and Universities (NWCCU) is recognized by the U.S. Department of Education and the Council on Higher Education Accreditation (CHEA) to accredit postsecondary institutions. Legally a non-profit corporation, NWCCU accredits institutions of higher education in Alaska, Idaho, Montana, Nevada, Oregon, Utah, Washington, and British Columbia. It recognizes institutions for performance, integrity, and quality to merit the confidence of the education community and the public. Additionally, the NWCCU Board of Commissioners may request the Financial Resources Review (FRR) Committee, comprised of experienced Chief Business Officers and Enrollment Management Administrators, to review a report from an institution detailing financial and enrollment trends. The Board of Commissioners will review the report and the FRR Committee's recommendations at its upcoming meeting to determine if Commission action is needed.

The eligibility and assessment standards used include a review of governance, resources, and capacity. Eligibility requirements 19 and 20 address fiscal resources, planning, and accountability and require the submission of an external financial audit within 15 months after the fiscal year ends. Standard 2.E.1 considers auditing and regular reporting to assess financial stability, including sufficient cash reserves to achieve and fulfill its mission. Standard 2.E.2 assesses for appropriate available funds, realistic development of financial resources, and risk management to ensure short-term financial health and long-term financial sustainability.

The federal government has for many years played a role in providing oversight of higher education through institutional eligibility for student financial aid programs. Consistent with the Higher Education Act (HEA), institutions must be financially responsible to participate in Title IV programs. Related regulations identify the criteria that public, private, nonprofit, and proprietary institutions need to meet to demonstrate they are financially responsible.

Outside of regulators, there are others, the most prominent being credit rating agencies, who perform similar analysis. Of the largest credit rating agencies, Moody's Investor Services is the most prominent to cover institutions of higher education. They rate the debt sold independently by institutions to provide potential investors an understanding of the institution's financial health and more specifically their ability to repay debt. Their financial framework considers scale, market profile, operating performance, financial resources and liquidity, leverage and coverage, and financial policies. They also consider qualitative and contextual information when determining a credit rating.

OUTLOOK FOR HIGHER EDUCATION

Major rating agencies, including S&P Global Ratings, Moody's, and Fitch Ratings, have shifted their 2026 outlook for higher education from stable to negative. According to Moody's, recent and potential federal policy changes are creating a more challenging

operating environment for colleges and universities.² They note that state funding is “vulnerable” amid an “uncertain policy trajectory,” with costs previously borne by the federal government likely to shift to the states. In addition, according to a recent survey of 275 college administrators, more than 75 percent of respondents said they need to make some sort of changes to their budgets to be able to fulfill their mission.³ Additional details on these dynamics appear later in this report in the *Broader Financial Trends* section.

FINANCIAL OVERVIEW

The seventeen community colleges in Oregon are local governmental entities with taxing authority and a defined service area as authorized by the state. They are complex organizations with broadly defined missions serving all 36 Oregon counties. They are eligible for limited amounts of state backed bond funding for education/workforce related capital projects.

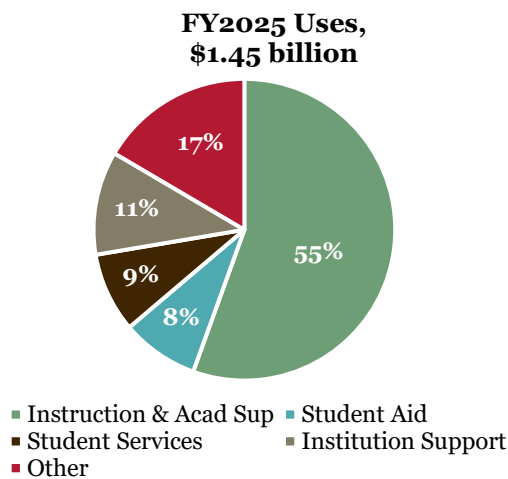
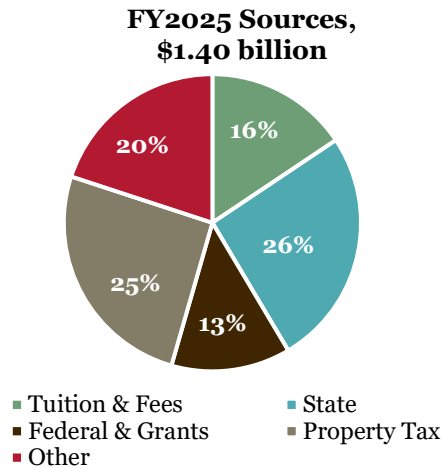
Each community college has a locally elected governing board. The board has the ultimate authority over institutional finances including the viability, sufficiency, and sustainability across all funding sources. Donations are received by affiliated nonprofit foundations which are included as component units within the college’s annual financial report. The colleges are obligated to comply with Oregon Local Budget Law and are required to publish an annual financial report that has been externally audited.

The colleges use a system called fund accounting to track activity by legal requirement and intended purpose. Each fund is a separate set of self-balancing accounts. Fund accounting helps facilitate accountability and supports required reporting to the federal government, state government, and others. Although not exhaustive, the most common funds include:

- **General Fund** – this is sometimes called the Education & General (E&G) fund. This includes activities for instruction, workforce, and public service functions.
- **Restricted Fund(s)** – used to track grant funding which is often public service related but could include grants from other sources.
- **Auxiliary Fund** – related to food service, housing, athletics and retail operations.
- **Plant Fund** – related to physical plant (buildings) and other capital activity.

² Moody’s 2026 Outlook, Higher Ed Dive, November 2025.

³ The Chronicle of Higher Education, The budget crisis is here, February 2026.



Sources and Uses. Across all funds, the largest source of revenue, at 26% of the total, is state appropriated funding. This is predominantly through the community college support fund (CCSF). Property tax revenue makes up a significant share as does federal and other grant funding which is used for specific purposes. Other funding includes auxiliary and certain non-operating revenues like interest earnings.

Traditionally, revenues within the general fund by itself, are a three-legged stool with tuition/fees, state funding, and local property taxes all making up about a third of the total. Within all funds, the federal government is a key funding partner as well. Recently, state funding has grown relative to the other sources of revenue largely due to enrollment declines and the base plus approach used for state budgeting.

The largest expense is instruction and academic support. The largest expense by natural classification is personnel costs including wages and benefits which make up about 80% of all spending. Some benefit expenses are outside the control of the colleges like PERS contributions. Auxiliary services make up a small proportion of spending.

Equalized Funding. The community colleges collect property tax revenue which provides funding for instructional activities and campus operations. Much like the K – 12 school districts, the colleges are affected by property value limitations enacted due to ballot measures passed during the 1990's. Assessed property taxes are considered within the model for the distribution of state funding with both state funding and property tax revenue equalized to provide adequate funding per full-time student equivalent.

This is often referred to as the total public resources (TPR) available for distribution. In FY2025, the TPR per FTE was \$10,156 with 62% coming from state appropriations across all 17 colleges and 38% coming from local property tax collections. However, this ratio varies greatly by college.

Capital Infrastructure. Many community colleges face significant capital needs which are becoming more challenging to fund in a higher interest rate environment. Although a comprehensive space analysis has not been performed for Oregon's community colleges as a whole, it is unlikely that the achievement of the state's higher education goals is dependent on significant investments in new capital facilities. Enrollments have declined during the past decade, have rebounded somewhat during the past couple of years, but are not expected to increase substantially going forward due to demographic headwinds. However, since 10 of the 17 colleges were founded in the 1960s to early 1970s, many of the major existing facilities are near the end of their useful lives having been built more than 40 years ago and likely have substantial deferred maintenance backlogs. In addition, public willingness to pass tax bond levies will play a role in the ability of colleges to fund capital needs.

This issue is not unique to buildings. IT infrastructure is similarly situated in that many of the major IT platforms used for business operations and student records are 20-30 years old. Systems of this age are more vulnerable to destabilizing cybersecurity attacks. The key challenge is how to pay for a vast and aging infrastructure in desperate need of major renovation if not outright replacement. State funding will be challenged by competing spending priorities compounded by higher interest rates increasing the cost of state-issued bonds. At the same time, suppressed institutional revenues might be insufficient to make up the difference.

FINANCIAL CONDITION ANALYSIS

TREND IN METRICS

To provide warning of potential financial instability for policy makers, the financial sustainability of each institution is assessed using currently available data. The analysis includes both quantitative and qualitative factors for appropriate context. The metrics are measured over time to understand emerging trends.

There is no singular method perfectly capable of forecasting imminent distress for an institution. The focus in this report is on a simplified methodology with a higher likelihood of predicting instability. The goal is to include metrics that provide an overall assessment for state policy makers that are calculated using currently available data. Caution should be used in comparing financial ratios across colleges given differences in local conditions and related governance.

Several factors can lead to an increased risk of predictable financial instability and are therefore used in this analysis. These factors include a sharp decline in enrollment, a decline in financial ratios over time, and an increased reliance on a single revenue source.⁴ An assessment of the trend for each by college is included in Table 1. Other factors, such as financial statement audit issues, known investigations or sanctions, and key leadership turnover, are also discussed.

The assessment of the metrics is based on work conducted by the National Association of College and University Business Officers (NACUBO) in conjunction with public accounting firm Baker Tilly. The assessment of the Composite Financial Index (CFI) is informed by the book, *Strategic Financial Analysis for Higher Education*, which is considered industry standard. However, the condition of each metric is noted as stable, struggling 1, or struggling 2, which is informed by work conducted through the National Association of College and University Officers (NACUBO)⁵. More detailed information is included in subsequent tables. Some of the general factors that influence these metrics are noted in Appendix A.

A Note About Interpreting Financial Ratios for Community Colleges:

Oregon's schedule for distributing state funding to colleges – where approximately five-eighths of a biennium's total is released in the first year, and three-eighths in the second – impacts the calculation of financial ratios, with even-numbered fiscal years tending to look healthier. See Appendix A for more details.

⁴ Kelchen, Robert. "Examining the feasibility of empirically predicting college closures." *Economic Studies* at Brookings, 2020, <https://www.brookings.edu>.

⁵ NACUBO/Baker Tilly, Path to Sustainability Project, 2023.

Table 1: Trend in Metrics

College	Enrollment	Composite Financial Index (CFI)	Reliance on State Funding
Blue Mountain	Stable	Stable	Stable
Central Oregon	Stable	Stable	Stable
Chemeketa	Stable	Stable	Stable
Clackamas	Stable	Stable	Stable
Clatsop	Stable	Struggling 1	Stable
Columbia Gorge	Stable	Stable	Stable
Klamath	Stable	Stable	Stable
Lane	Stable	Stable	Stable
Linn Benton	Stable	Struggling 1	Stable
Mt. Hood	Stable	Stable	Stable
Oregon Coast	Stable	Struggling 1	Stable
Portland	Stable	Stable	Stable
Rogue	Stable	Stable	Stable
SW Oregon	Stable	Stable	Stable
Tillamook Bay	Stable	Stable	Stable
Treasure Valley	Stable	Stable	Stable
Umpqua	Stable	Stable	Stable

Source and Notes: Enrollment from the HECC Office of Research and Data. The CFI calculations are based on data supplied by the colleges. Reliance on state funding is calculated by HECC staff based on data from CCFIS.

A summary of the trend for each metric is included below. More detailed information for each component is included in the rest of this section with additional data in the appendix.

- **Enrollment** – Considering fall, fourth-week FTE enrollment, the total FTE for all colleges is higher in 2025 than in 2024, although not all colleges experienced growth. All colleges experienced FTE enrollment growth between fall 2023 and fall 2025, although it remains lower than pre-pandemic levels.
- **CFI** – Most are stable and have maintained a CFI above 3.0 in the past six years. However, in the short-term, many are struggling to collect enough revenue to cover expenses. Also, long-term capacity seems to be an issue as well.

- **Reliance on State Funding** – The reliance on state funding, as measured by the percentage of general fund revenue provided by the state, has increased or remained stable for most of the colleges except Portland, which has seen a decrease of 2%, comparing FY2023 to FY2025 data.
- **Other Factors** – There are no known ongoing investigations or sanctions for any of the colleges. Some of the colleges have had challenges recently publishing a timely audit, largely due to staffing constraints. Also, there has been recent leadership turnover at five of the colleges affecting key leadership positions including president, provost, and chief financial officer.

ENROLLMENT

Stable, if not growing, enrollments over time are the most visible sign of an institution's financial health. Net tuition revenue is typically one of the largest sources of revenue and the distribution of state funding is influenced by the enrollment and success of students as well. Credit rating agencies rely on enrollment trends to determine student demand and market position, both of which are factors in ratings analysis.

The trend in fall, fourth week FTE enrollment for all students is included in Table 2. Five key years of enrollment data are included, the three most recent years along with two prior years to present a broader trend. The two prior years were chosen specifically. Year 2016 data is included because it is a decade before the most recent completed year of 2025, and year 2020 data is included to represent a pandemic-influenced perspective. The condition noted in Table 1 is based on the two-year trend.

Table 2: Trend in Fall, Fourth Week Enrollment

College	2016	2020	2023	2024	2025	Ten-Year Trend	Two-Year Trend
Blue Mountain	551	389	358	386	437	-21%	22%
Central Oregon	1,722	1,269	1,320	1,346	1,396	-19%	6%
Chemeketa	3,449	2,461	2,337	2,507	2,594	-25%	11%
Clackamas	2,036	1,452	1,488	1,650	1,674	-18%	13%
Clatsop	303	223	229	226	233	-23%	2%
Columbia Gorge	277	245	219	261	220	-21%	0%
Klamath	408	442	494	499	531	30%	8%
Lane	2,784	2,102	1,936	2,055	2,131	-23%	10%
Linn Benton	1,832	1,458	1,295	1,357	1,489	-19%	15%
Mt. Hood	2,379	1,640	1,737	1,809	1,838	-23%	6%
Oregon Coast	148	140	168	176	202	36%	20%

College	2016	2020	2023	2024	2025	Ten-Year Trend	Two-Year Trend
Portland	8,337	6,238	5,922	6,214	6,584	-21%	11%
Rogue	1,417	884	1,108	1,268	1,349	-5%	22%
SW Oregon	785	537	546	651	538	-31%	-1%
Tillamook Bay	134	140	163	161	190	42%	17%
Treasure Valley	645	473	460	492	509	-21%	11%
Umpqua	827	639	681	840	756	-9%	11%
Total	28,034	20,729	20,460	21,897	22,671	-19%	11%

Source: HECC Office of Research and Data, analysis of student-level data. Published November 2025.

Condition Associated with Fall FTE Enrollment Trend (Two-Year Trend)

Stable	Increasing or relatively stable (i.e., <2% decrease)
Struggling 1	Decreased by 2 to 5%
Struggling 2	Decreased by 5 to 10%
In Crisis	Decreased by >10%

Source: NACUBO/Baker Tilly, Path to Sustainability Project, 2023.

FINANCIAL RATIOS

Financial ratios are a commonly used tool to illuminate the current condition of institutions and have been used in higher education since the early 1980s. They are the predominate tool used by most states in financial monitoring work. A version is used by the U.S. Department of Education to calculate financial responsibility scores of private institutions.

There are some common criticisms. One is that the data is historical and may not offer much situational awareness in an environment where circumstances are rapidly changing. Also, the calculations are influenced by factors outside a governing board's control, like pension liabilities for example. Although valid, these criticisms can be addressed by using trend data to compare an institution to itself over time and by including additional context. The financial ratio data presented is not suitable for comparisons across the colleges given differences in local conditions and related governance.

In this report, four ratios are used to assess the financial condition of each college. Together, these ratios are known as the Composite Financial Index (CFI). The industry standard for CFI is 3.0 or above for sustainability. The federal government considers a CFI score of 1.5 or below to be the threshold for wellbeing. Both the short-term and long-

term perspective are considered because sustainability is based on achieving the mission today while balancing the need to develop the capacity for mission relevance in the future as noted in Table 3.

Data used to calculate the ratios comes directly from the colleges. Data for the related component units is included in the calculations, which is considered an industry standard. The calculations are adjusted for pension and OPEB liabilities with related expenses excluded.

The trend for each ratio is included in Tables 4 through 8 with detailed calculations for each college included in the appendix. The intent is to assess a limited set of objective financial metrics to provide the means for institutions to have difficult conversations with partners around their financial condition and sustainability.

Table 3: Financial Ratios Used to Assess Sustainability

	Short-Term Performance	Short-Term Performance	Long-Term Capacity	Long-Term Capacity
Measure	Do revenues meet or exceed expenses?	Does asset performance support the mission?	Are resources sufficient and flexible enough to support the mission?	Are debt resources managed strategically?
Ratio	Operating Margin	Return on Net Assets	Primary Reserve	Viability Ratio
Calculation	Net Income / Total Revenue	Change in Net Assets / Total Net Assets	Expendable Net Assets / Total Expenses	Expendable Net Assets / Long-term Debt
% of CFI (Weights)	10%	20%	35%	35%

Operating Margin – This ratio measures whether the institution is living within existing resources. It determines if the institution is collecting enough revenue to cover existing expenses. Expressed as a percentage, a negative outcome indicates a structural deficit which depletes financial reserves. Table 4 includes data by college over time. Additional context related to the factors that influence the calculation of this ratio are noted in Appendix A.

Table 4: Trend in Operating Margin

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	11.4%	11.9%	13.2%	8.6%	22.5%	14.6%	13.7%
Central Oregon	-0.3%	3.2%	-1.5%	1.9%	10.4%	5.9%	3.3%
Chemeketa	14.4%	12.0%	20.8%	11.1%	19.7%	10.9%	14.8%
Clackamas	13.0%	13.1%	10.1%	3.4%	13.3%	1.7%	9.1%
Clatsop	3.2%	10.2%	-2.5%	6.1%	3.4%	9.5%	5.0%
Columbia Gorge	8.7%	44.5%	18.6%	19.7%	15.8%	12.0%	19.9%
Klamath	14.3%	4.5%	23.7%	3.0%	16.8%	0.8%	10.5%
Lane	4.1%	4.3%	7.0%	13.5%	21.9%	5.7%	9.4%
Linn Benton	13.0%	4.7%	20.5%	-4.6%	16.3%	4.0%	9.0%
Mt. Hood	11.7%	6.0%	16.3%	3.0%	12.1%	0.8%	8.3%
Oregon Coast	1.1%	13.2%	11.5%	7.8%	13.7%	20.8%	11.3%
Portland	9.7%	13.2%	26.1%	4.9%	13.7%	2.3%	11.6%
Rogue	8.3%	7.6%	23.0%	6.3%	15.6%	14.7%	12.6%
SW Oregon	24.0%	13.8%	8.0%	11.7%	15.0%	8.7%	13.5%
Tillamook Bay	23.8%	0.3%	19.1%	-4.9%	31.3%	6.0%	12.6%
Treasure Valley	18.6%	30.0%	6.9%	17.5%	21.8%	11.2%	17.7%
Umpqua	13.6%	21.0%	16.9%	4.3%	17.5%	10.3%	13.9%
Average Total	11.3%	12.5%	14.0%	6.7%	16.5%	8.2%	11.5%

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Return on Net Assets - This ratio measures whether asset performance supports the strategic direction, or mission, of the college by assessing total economic return. The calculation divides the change in net assets from one year to the next by the total net assets. It can be affected by changes outside the control of the governing board; however, an improving ratio indicates financial flexibility. Table 5 includes data over time. Additional context related to the factors that influence the calculation of this ratio are noted in Appendix A.

Table 5: Trend in Return on Net Assets

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	10.0%	9.0%	10.9%	6.0%	17.5%	8.2%	10.3%
Central Oregon	-0.2%	2.3%	-1.2%	1.4%	9.9%	4.8%	2.8%
Chemeketa	10.6%	8.1%	16.0%	6.7%	13.3%	6.5%	10.2%
Clackamas	12.0%	10.2%	8.1%	2.6%	11.4%	1.3%	7.6%

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Clatsop	1.8%	6.6%	-1.4%	4.2%	2.1%	6.2%	3.2%
Columbia Gorge	6.4%	25.1%	11.1%	13.1%	9.6%	7.7%	12.2%
Klamath	13.1%	3.4%	25.0%	2.3%	15.7%	0.5%	10.0%
Lane	3.7%	4.7%	7.6%	8.9%	19.3%	4.5%	8.1%
Linn Benton	23.7%	5.7%	31.8%	-4.5%	21.8%	2.0%	13.4%
Mt. Hood	30.5%	13.2%	31.1%	4.0%	18.6%	1.1%	16.4%
Oregon Coast	0.7%	10.4%	8.8%	6.1%	10.7%	19.1%	9.3%
Portland	25.8%	20.2%	41.6%	4.4%	15.1%	2.0%	18.2%
Rogue	9.7%	6.9%	22.9%	4.1%	7.8%	8.5%	10.0%
SW Oregon	73.6%	22.8%	8.9%	18.4%	21.7%	9.9%	25.9%
Tillamook Bay	6.3%	0.1%	7.0%	-2.1%	13.0%	3.4%	4.6%
Treasure Valley	34.4%	10.4%	14.1%	23.4%	27.1%	8.9%	19.7%
Umpqua	11.2%	16.0%	12.4%	2.5%	13.1%	7.4%	10.4%
Average Total	16.1%	10.3%	15.0%	6.0%	14.6%	6.0%	11.3%

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Primary Reserve – This ratio measures the sufficiency and flexibility of financial resources, across all institutional funds, for long-term mission attainment. Since not all assets have the same availability or liquidity, this measure focuses on those net assets that are expendable (i.e., currently available without legal restriction). It expresses the percentage of current annual expenses that can be covered with currently available resources if needed. Table 6 includes data by college over time. Additional context related to the factors that influence the calculation of this ratio are noted in Appendix A.

Table 6: Trend in Primary Reserve

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	0.2	0.2	0.3	0.3	0.6	0.6	0.4
Central Oregon	0.7	0.8	0.7	0.8	0.9	0.7	0.8
Chemeketa	0.4	0.4	0.4	0.5	0.6	0.6	0.5
Clackamas	0.5	0.6	0.4	0.5	0.5	0.4	0.5
Clatsop	0.0	0.2	0.1	0.2	0.3	0.4	0.2
Columbia Gorge	0.1	0.3	0.2	0.3	0.3	0.7	0.3
Klamath	0.4	0.4	0.6	0.4	0.6	0.6	0.5
Lane	0.2	0.3	0.8	0.5	0.6	0.4	0.5
Linn Benton	0.0	0.1	0.2	0.1	0.2	0.1	0.1

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Mt. Hood	0.4	0.4	0.3	0.4	0.5	0.3	0.4
Oregon Coast	0.0	0.2	0.2	0.2	0.4	0.3	0.2
Portland	0.6	0.9	1.2	1.2	1.2	1.1	1.0
Rogue	0.4	0.5	0.5	0.7	0.9	0.9	0.7
SW Oregon	0.0	0.4	0.1	0.2	0.2	0.2	0.2
Tillamook Bay	1.9	1.0	1.1	0.9	0.9	0.9	1.1
Treasure Valley	0.3	0.4	0.6	0.7	0.7	0.9	0.6
Umpqua	0.7	1.0	0.8	1.0	1.1	1.0	0.9
Average Total	0.4	0.5	0.5	0.5	0.6	0.6	0.5

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Viability Ratio – This ratio measures whether debt resources are managed strategically for long-term mission attainment. It is a coverage ratio that expresses how much, in a decimal format, of existing long-term capital debt can be repaid with currently available resources if needed. Table 7 includes data by college over time. Additional context related to the factors that influence the calculation of this ratio are noted in Appendix A.

Table 7: Trend in Viability Ratio

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	0.2	0.3	0.5	0.6	1.2	1.5	0.7
Central Oregon	1.0	1.1	1.2	1.4	1.8	1.8	1.4
Chemeketa	0.9	1.1	1.6	2.1	4.1	9.4	3.2
Clackamas	0.4	0.4	0.5	0.5	0.5	0.2	0.4
Clatsop	0.0	0.3	0.3	0.4	0.5	0.7	0.4
Columbia Gorge	0.1	0.3	0.3	0.4	0.7	1.1	0.5
Klamath	1.7	1.8	3.5	3.7	7.2	8.8	4.5
Lane	0.5	0.2	0.7	0.4	0.7	0.5	0.5
Linn Benton	0.1	0.1	0.6	0.2	0.4	0.3	0.3
Mt. Hood	1.9	2.2	2.4	2.0	2.5	1.9	2.1
Oregon Coast	0.0	0.2	0.3	0.4	1.7	0.1	0.4
Portland	0.6	0.7	1.2	0.8	1.0	1.1	0.9
Rogue	0.9	1.1	1.8	1.9	2.7	3.5	2.0
SW Oregon	0.0	0.3	0.1	0.1	0.2	0.2	0.2
Tillamook Bay	2.4	1.6	2.1	0.5	0.6	0.6	1.3
Treasure Valley	2.2	3.1	3.6	5.6	6.1	10.3	5.1

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Umpqua	4.5	6.0	7.2	7.5	9.4	5.2	6.6
Average Total	1.0	1.2	1.6	1.7	2.4	2.8	1.8

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Composite Financial Index – The data from Tables 4 to 7 are combined using the weighting shown in Table 4 to produce the CFI, which is shown below in Table 8. Additional context related to the factors that influence the calculation of this ratio are noted in Appendix A.

Table 8: Composite Financial Index

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	2.5	2.7	3.3	2.7	6.0	4.8	3.6
Central Oregon	2.5	3.5	2.7	3.7	5.6	4.4	3.7
Chemeketa	4.1	3.7	5.5	4.6	8.0	10.9	6.1
Clackamas	3.8	3.9	3.0	2.2	3.9	1.3	3.0
Clatsop	0.5	2.1	0.2	1.9	1.8	3.0	1.6
Columbia Gorge	1.8	7.1	3.4	3.9	3.7	4.4	4.0
Klamath	4.8	3.2	8.8	4.8	10.6	9.0	6.9
Lane	1.6	1.9	4.0	3.5	5.7	2.4	3.2
Linn Benton	3.6	1.2	5.8	(0.4)	4.3	1.1	2.6
Mt. Hood	6.5	4.5	7.2	3.3	6.1	2.6	5.0
Oregon Coast	0.2	2.7	2.5	2.0	4.6	4.5	2.8
Portland	5.5	6.0	10.3	4.7	6.6	4.3	6.2
Rogue	3.4	3.4	6.8	4.3	6.7	7.4	5.4
SW Oregon	9.2	4.8	1.7	3.3	4.0	2.5	4.2
Tillamook Bay	9.4	4.0	6.8	2.2	6.6	3.6	5.4
Treasure Valley	7.4	7.1	6.4	10.2	11.4	12.8	9.2
Umpqua	7.9	10.8	10.6	9.6	13.3	8.6	10.1
Average Total	4.4	4.3	5.2	3.9	6.4	5.2	4.9

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

The industry standard for CFI is 3.0 or above for sustainability, while a score of 1.5 or above is generally considered the minimum for wellbeing. Therefore, the condition is noted as stable for a CFI greater than 3.0, struggling 1 for a CFI between 2.9 and 1.5, and

struggling 2 for a CFI below 1.5. This is based on a six-year average of the CFI to account for potential year-to-year volatility. Table 9 includes recommendations for governing board strategy based on the CFI metric.

Table 9: CFI Range and Suggested Board Strategy

Range	Strategy
7.5 to 10.0	Deploy resources to achieve robust mission
6.5 to 7.5	Allow experimentation with new initiatives
4.5 to 6.5	Focus resources to compete in future state
2.5 to 4.5	Direct resources to allow transformation
1.0 to 2.5	Re-engineer the institution
1.0 and less	Consider substantive programmatic adjustments

Source: Prager, Sealy & Co., LLC; KPMG LLP; and Attain LLC. *Strategic financial analysis for higher education: identifying, measuring & reporting financial risks. 7th edition.*

RELIANCE ON STATE FUNDING

The overreliance on any one source of revenue can subject an institution to volatility and risk, should changes occur unexpectedly. Considering each revenue source's percentage of total revenue provides indication of dependence. There is no universally accepted benchmark or definition of overreliance. However, it is helpful to consider the trend over time.

In this section, the focus is on state funding. As in, funding appropriated to the HECC from the state's general fund on behalf of the colleges for distribution through the Community College Support Fund (CCSF). Table 10 summarizes the trend in the percentage change in general fund revenue that comes from state support to provide an understanding of the dependence on state funding.

It should be noted that a key portion of funding for Oregon's 17 community colleges is local property tax revenue. The colleges collect local property tax revenue for operations but can also establish levies for debt service separately. Although the colleges collect and keep all local property tax revenue, it is considered within the distribution of the CCSF. When added to state funding, the total is often referred to as Total Public Resources (TPR). The trend in TPR is presented in a subsequent section of this report.

An improving, or relatively stable, level of state funding support is a sign of financial health and can have a positive impact on student affordability. A decreasing level of state funding support indicates the potential for financial stress and is often emblematic of other challenges which could include lower enrollment, reduced persistence, and fewer completions. However, a decreasing level of state funding support, again measured as a

relative proportion of total revenue, could also result from increased enrollment or an increase of other revenues. Therefore, a cautious assessment is required.

Table 10: Trend in Percentage of Revenue from State Support
(As a percentage of General Fund Revenue)

College	2023	2024	2025	Three-Year Trend
Blue Mountain	19%	24%	20%	0%
Central Oregon	19%	20%	19%	0%
Chemeketa	33%	49%	36%	3%
Clackamas	27%	30%	29%	3%
Clatsop	27%	29%	30%	4%
Columbia Gorge	53%	54%	53%	0%
Klamath	62%	64%	64%	2%
Lane	29%	31%	29%	0%
Linn Benton	45%	47%	46%	1%
Mt Hood	50%	52%	50%	0%
Oregon Coast	46%	50%	48%	2%
Portland	50%	49%	48%	-2%
Rogue	24%	24%	24%	0%
SW Oregon	37%	36%	38%	1%
Tillamook Bay	56%	57%	59%	4%
Treasure Valley	50%	52%	49%	-1%
Umpqua	54%	55%	53%	0%
Average Total	40%	43%	40%	0%

Source: Community College Financial Information System (CCFIS).

Condition Associated with Change in State Support (Three-Year Trend)

Stable	Increasing or relatively stable (i.e., <2% decrease)
Struggling 1	Decreased by 2 to 5%
Struggling 2	Decreased by 5 to 10%
In Crisis	Decreased by >10%

Source: NACUBO/Baker Tilly, Path to Sustainability Project, 2023

OTHER FACTORS

In addition to enrollment and financial metrics, a more robust understanding of an institution's circumstances can be informed by considering other contextual factors including audit findings, late submissions of annual financial statement audits, pending investigations, accreditation sanctions, and leadership turnover.

Audit Issues

The institutions are required to have an external audit performed of their annual financial reports each year. The auditor expresses an opinion and is required to communicate to the board on certain other matters. Five colleges had material weaknesses or significant deficiencies related to internal controls of federal awards for FY2025, compared to seven colleges with material weaknesses or significant deficiencies for FY2024. An example of a material weakness is if the enrollment status change for a student is not reported in a timely manner to the National Student Loan Data System (NSLDS). An example of a significant deficiency is if a student didn't receive a timely notification of their award from the college. None of these issues led to any material misstatements of financial information.

Known Investigations or Sanctions

Although this could include all known investigations and sanctions regardless of source, the focus is on the regional accrediting body. Oregon is served by the Northwest Commission on Colleges and Universities (NWCCU). The current accreditation standards, specifically 2.E.1 through 2.E.3, used by NWCCU include reference to the financial stability and control expected of each institution and represent good practice. Accreditation is a prerequisite for an institution to participate in federal financial aid programs and is therefore fundamental to an institution's financial viability. The NWCCU website lists all seventeen community colleges as "substantially compliant"⁶ as of March 3, 2026. The HECC is not aware of any current accreditation sanctions affecting the community colleges.

Leadership Turnover

Turnover in executive leadership positions can potentially impact continued alignment with mission. There is no benchmark for this metric. For calendar year 2025, one of the seventeen colleges has seen turnover in its president position, two have had turnover in their vice president of academic affairs, and four of the seventeen colleges have seen turnover for their chief financial officer position.

⁶ NWCCU, <https://nwccu.org/institutional-directory/>.

SYSTEMATIC FINANCIAL TRENDS

The analysis in this section focuses on the education and general (E&G) or general fund for the colleges collectively. This limits the perspective to the education and workforce related mission to identify potential challenges and trends.

Table 11: Trend in E&G (General) Fund – Combined (in thousands)

	2020	2021	2022	2023	2024	2025
Total Revenues	828,009	841,850	923,094	869,048	965,542	990,953
Total Expenses	704,511	744,458	827,190	821,523	886,117	940,878
Operating Margin	123,498	97,391	95,903	47,525	79,425	50,076
	14.92%	11.57%	10.39%	5.47%	8.23%	5.05%
% State Revenue	39%	38%	41%	40%	43%	40%

Source: Community College Financial Information System (CCFIS).

The trends noted during the six-year period observed as noted in Table 11 are similar in some ways, but different than others, to the national observations offered by Moody's as summarized earlier in this report:

- The annual growth in revenues increased at a rate greater than expenses. Operating margins increased during the pandemic, have since declined, but are still positive.
- Collectively the institutions are approximately the same in reliance on state funding as measured by the proportion of total revenue. This is due to modest enrollment increases over the years. Since pricing power (i.e., the ability to raise tuition and fee rates) is limited, this could place additional pressure on non-operating revenue growth.

BROADER FINANCIAL TRENDS

The purpose of this section is to provide a summary of broader trends that may impact the financial sustainability of the institutions. The intent is to inform state higher education goals, strategies, and investments. The trends outlined focus on demographics and market demand, inflation, revenues and expenses, and state funding. Key takeaways include:

- Enrollment headwinds have eased over the past few years as there has been a gradual post-pandemic recovery. However, demand uncertainty might continue to suppress revenue.
- Balancing expenses with available revenue will continue to create budgetary strain.
- Recent increases in state funding are having a positive impact on student affordability. However, growth in state funding going forward will likely lag its recent trend.
- Potential additional costs lurk outside primary expense drivers due to extraordinary federal policy uncertainty and other factors.

DEMOGRAPHICS AND MARKET DEMAND

Enrollment is a key revenue driver. Forecasted demographics suggest the enrollment outlook does not appear promising, although there have been modest gains made in the post-pandemic recovery. The implication being that institutions will not be served well by expectations of substantially higher enrollments of resident students under age 25.

The number of public K-12 students in Oregon has declined 2.8% since 2020-21⁷ while the number of annual high school graduates in Oregon is projected to decline 19% through 2041.⁸ Also, the number of Oregon residents aged 18 – 24 is projected to decrease by 1% total through 2035 while decreasing as a percentage of the overall population as show in Table 12 with national projections predicting a similar trend through the end of the century.⁹

Table 12: Oregon Population Age 18-24

	Age 18-24	Total Population	Proportion
2000	330,328	3,431,100	9.6%
2010	359,854	3,837,300	9.4%

⁷ Oregon Statewide Report Card for 2024-25, Oregon Department of Education, November 2025, p. 2.

⁸ WICHE, Knocking at the College Door: Projections of High School Graduates, 11th edition, December 2024, p. 35.

⁹ US Census Bureau, 2023 National Population Projections, <https://www.census.gov/programs-surveys/popproj.html>, February 2024.

	Age 18-24	Total Population	Proportion
2020	372,296	4,240,296	8.8%
<i>2030 projected</i>	379,529	4,405,800	8.6%
<i>2035 projected</i>	369,007	4,515,800	8.2%
Variance,	(3,289)	275,504	
2020 to 2035	(1%)	6%	

Source: Oregon Department of Administrative Services, Office of Economic Analysis, Oregon Economic and Revenue Forecast, Tables C.3 and C.6, May 2025.

At the same time, Oregon’s population is growing more diverse in terms of race and ethnicity. The Hispanic population in Oregon is the largest historically underrepresented group and growing rapidly. Since the year 2000, the Hispanic population has doubled, with the Asian, Hawaiian and Pacific Islander (AHPI) population not far behind. An overwhelming proportion of them are children and young adults with many being the first generation in college.¹⁰ Recent research has shown that serving first-generation students, English learners, and adults older than 24 years requires significant additional spending, up to 1.6 times as much, to achieve the average level of success.¹¹ Other studies suggest that educating disadvantaged students may require up to 40 percent more funding.¹²

Meanwhile, uncertainty remains regarding long-term student demand. The college-going rate of Oregon high school graduates has declined from 61% to 55% during the past decade.¹³ And the adult-learner population nationally has migrated toward “cheaper, more flexible, and quicker-to-advance-through online courses provided by a narrow cadre of institutions capable of investing in expensive marketing campaigns”.¹⁴ However, according to Georgetown University’s Center on Education and the Workforce, “Of all jobs in Oregon, 70% will require some postsecondary training beyond high school in 2031.”¹⁵

¹⁰ Oregon’s Demographic Trends, DAS Office of Economic Analysis, July 2019.

¹¹ Jesse Levin, Bruce Baker, Jason Lee, Drew Atchison, and Robert Kelchen. An Examination of the Costs of Texas Community Colleges. Institute of Education Sciences. U.S. Department of Education. 2023.

¹² William B. Bonvillian and Sanjay E. Sarma. Workforce Education, A New Roadmap. The MIT Press. 2021. p. 55.

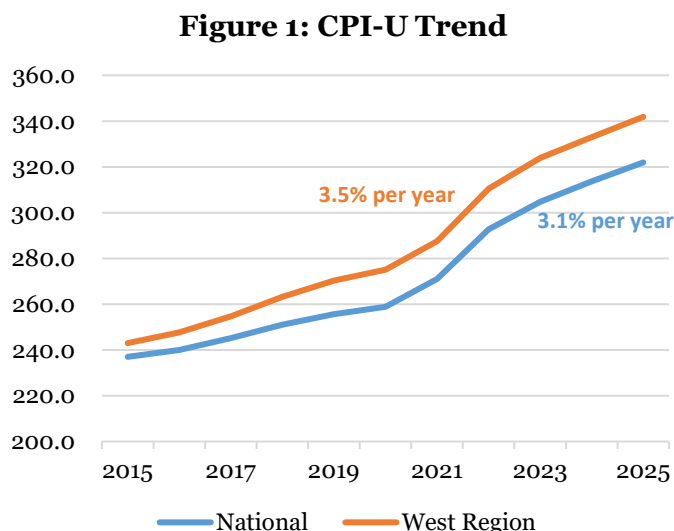
¹³ HECC Annual Report of Key Performance Measures, December 2025.

¹⁴ Dan Bauman, Colleges Were Already Bracing for an Enrollment Cliff. Now There Might be a Second One. The Chronicle of Higher Education, February 7, 2024.

¹⁵ Anthony P. Carnevale, Nicole Smith, Martin Van Der Werf, and Michael C. Quinn. After Everything, Projections of Jobs, Education, and Training Requirements through 2031. Georgetown University, Center on Education and the Workforce, 2023.

INFLATION

Inflation is a key cost driver. One perspective on inflation is the consumer price index for urban consumers (CPI-U). The growth in the CPI-U over time often influences wage and benefits expense growth. Figure 1 shows the growth in CPI-U over time for both the western region and the national average.



Although the year-to-year increases are similar, inflation in the western region has grown faster than the national average. Inflation spiked to over 8.0% during the pandemic but has now fallen to 2.7% year over year as of January 2026 for the western region.¹⁶ Inflation in the western region averaged 2.3% from 2000 through 2020. With that in mind, higher inflation in the future compared to the recent historical average might lead to an acceleration of spending in the short-term.

Another perspective on inflation is the Higher Education Cost Adjustment (HECA) created by the State Higher Education Executive Officers (SHEEO). It is designed to more accurately measure the inflation institutions face, largely through personnel costs which comprise 75% of the measure. The other 25% is related to general growth in services and supplies costs.

Table 13 includes a comparison of inflation measures over time. The average inflation for each of the past four decades is noted along with the inflation over the past four years of the current decade. Historically, institution-based inflation (HECA) has outpaced consumer-based inflation (CPI-U). That trend reversed itself in the 2010's and early 2020's. However, beginning in 2024, HECA has once again started to outpace consumer-based inflation. This may create upward pressure on tuition and fee rates at a time when pricing power is limited for most colleges.

¹⁶ U.S. Bureau of Labor Statistics, Western Information Office, News Release, February 13, 2026.

Table 13: Comparison of Inflation Measures

	HECA	CPI-U Western Region	Variance
1980's Average	5.5%	4.6%	0.9%
1990's Average	3.2%	3.1%	0.1%
2000's Average	3.2%	2.6%	0.6%
2010's Average	2.0%	2.1%	(0.1%)
2021 to 2022	5.1%	8.0%	(2.9%)
2022 to 2023	4.2%	4.3%	(0.1%)
2023 to 2024	3.6%	2.8%	0.8%
2024 to 2025	3.2%	2.6%	0.6%

Source: HECA is from the State Higher Education Finance Survey, SHEEO, Data Adjustments. CPI-U is from the U.S. Bureau of Labor Statistics, Western Region.

REVENUES AND EXPENSES

Balancing expenses with available revenues is important to achieving the mission in the short-term and developing the capacity for mission relevance over the long-term. Table 14 includes the trend in community college revenues and expenses over time for all funds. With enrollment down 19% in the past decade, the annual growth in total expenses is less than inflation. However, the annual growth in expenses has been similar to but slightly less than the annual growth in revenues.

**Table 14: Community College Revenues and Expenses
Unadjusted for inflation**

	Operating Revenue	Non-Operating Revenue	Total Revenue	Total Expenses
2015	466,812,804	646,683,896	1,113,496,700	1,021,818,924
2016	430,686,238	760,871,314	1,191,557,552	1,314,450,671
2017	451,441,249	676,753,450	1,128,194,699	1,225,466,679
2018	430,252,516	816,976,375	1,247,228,891	1,194,499,431
2019	419,887,050	707,869,033	1,127,756,083	1,203,555,566
2020	405,429,390	905,316,914	1,310,746,304	1,131,710,015
2021	458,206,784	754,597,419	1,212,804,203	1,285,186,928
2022	480,916,195	996,061,242	1,476,977,437	1,288,846,061

	Operating Revenue	Non-Operating Revenue	Total Revenue	Total Expenses
2023	439,195,032	832,548,432	1,271,743,464	1,235,731,977
2024	519,999,315	967,522,591	1,487,521,906	1,336,464,533
Annual Growth Rate	1.2%	4.6%	3.3%	3.0%

Source: US Department of Education, NCES, IPEDS, finance component data, public institutions.

Notes: All funds, capital activity excluded.

Operating revenue is generated from the direct provision of services and includes net tuition and fees, grants and contracts, and auxiliary enterprises. Non-operating revenue includes government appropriations including local property taxes, financial aid grants, investment earnings, and gifts.

When comparing total revenues to total expenses over the past decade, the colleges have seen modest improvements in generating sufficient revenue to cover expenses. Specifically, Non-operating revenue has grown at 4.6% compared to operating revenue growth of 1.2%. This excludes capital activity, so it is possible capital related funding changed that outcome. Additionally, the net margin (i.e., the difference between total revenues and expenses) in FY2015 of 9% of expenses has grown to 11% in FY2024.

PUBLIC FUNDING

Public funding for the community colleges has grown during the past decade. Property tax assessments have grown from \$161.7 million in FY2016 to \$241.9 million in FY2025 for an average annual growth of 4.6%. Funding for the community college support fund (CCSF) has grown from \$570.3 million during the 2017-19 biennium to \$854.3 million during the 2025-27 biennium for an average annual growth of 4.6%. This is compared to inflation of 3.5% per year and expenditure growth of 3.0% per year.

Table 15 includes the trend in total public resources (TPR) over time expressed on a per student basis. During the past decade, TPR per FTE has grown 132%. Granted, a fair amount of that is due to enrollment fluctuation as there are fewer students as well as increased state funding. Proportionally, the share each type of funding has changed only slightly with 38% from property tax revenue and 62% from state funding during FY2025. This can vary by college with more detail included in Table 16.

Table 15: Trend in Total Public Resources (TPR) per FTE

	Property Tax	State Funding	Total Public Resources
2016	\$1,625	\$2,753	\$4,378

	Property Tax	State Funding	Total Public Resources
2017	\$1,764	\$2,873	\$4,637
2018	\$1,930	\$3,082	\$5,012
2019	\$2,096	\$3,209	\$5,305
2020	\$2,265	\$3,777	\$6,042
2021	\$2,531	\$4,021	\$6,552
2022	\$2,892	\$4,792	\$7,684
2023	\$3,347	\$5,277	\$8,624
2024	\$3,730	\$6,283	\$10,013
2025	\$3,880	\$6,276	\$10,156
Variance, 2016 to 2025	\$2,255	\$3,523	\$5,778
	139%	128%	132%

Source: HECC staff analysis of CCSF workbook data. Base payments are included.

Table 16: Proportion of TPR by College (FY2025)

College	Property Tax	State Funding
Blue Mountain	66.7%	33.3%
Central Oregon	67.3%	32.7%
Chemeketa	42.2%	57.8%
Clackamas	53.4%	46.6%
Clatsop	60.3%	39.7%
Columbia Gorge	18.6%	81.4%
Klamath	13.6%	86.4%
Lane	46.3%	53.7%
Linn Benton	29.1%	70.9%
Mt Hood	29.5%	70.5%
Oregon Coast	28.4%	71.6%
Portland	27.8%	72.2%
Rogue	62.8%	37.2%
Southwestern	44.3%	55.7%

College	Property Tax	State Funding
Tillamook Bay	26.2%	73.8%
Treasure Valley	24.8%	75.2%
Umpqua	25.0%	75.0%
Totals	38.2%	61.8%

Source: HECC staff analysis of CCSF workbook data. Base payments are included.

Along with additional investments in state financial aid programs, this has allowed for recent improvements in student affordability as noted in the HECC's Community College Data Dashboard. The percent of all students who cannot afford college costs has declined from 41% in 2011-12 to 28% in 2023-24. For Pell grant recipients specifically, the rate has declined from 52% to 40%. It should be noted that a large percentage of community college students do not apply for financial aid and actively choose to enroll part-time due to affordability concerns. These students are not included in the affordability statistics noted.

Table 17 shows how public funding in Oregon for the community colleges compares to the national average over time. Currently, for the two-year sector, Oregon ranks 20th in the nation in educational appropriations per full-time student equivalent. Educational appropriations in this context includes state funding, local property tax revenue, and state funding for financial aid programs. Since this is a national survey, the definition of FTE is different than what is commonly used in Oregon. Some of the growth, since this measure is presented on a per student basis, can be attributed to enrollment fluctuation.

**Table 17: Educational Appropriations per FTE
Adjusted for Inflation**

	U.S. Average	Oregon	Variance
2019	\$9,681	\$8,648	(11%)
2024	\$11,294	\$12,666	12%
2025	\$11,096	\$11,591	4%
Variance, 2019 to 2025	\$1,415	\$2,943	
	15%	34%	

Source: State Higher Education Finance Survey, SHEEO, Table 3.2A, 2025. Funding per FTE is adjusted for inflation to current dollars using the Higher Education Cost Adjustment (HECA). Educational appropriations include support funds (CCSF/PUSF), financial aid (OOG, Promise), and property taxes.

NONTRADITIONAL RISKS AND BENEFITS

Beyond the typical expense drivers, nontraditional risks have the potential of adding costs. Such risks include cyberattacks, changing government policies, climate events, and legal issues. As a result, some institutions are dedicating additional resources to revising risk management frameworks.

Most recently, potential federal policy changes create a more difficult operating environment. Actions and potential changes include cuts to research funding and other programs, enforcement actions against diversity programs, staff reductions at the U.S. Department of Education, and uncertainty over federal student aid. These changes are causing institutions, in some cases, to pause capital investments, freeze hiring, and cut spending.

On the benefits side, federal policy shifts will reshape demand and affordability. Starting July 1, 2026, new federal student loan caps and the creation of short-term/Workforce Pell for eligible workforce programs may accelerate the shift toward two-year and associate degree credentials (known as the “un-college” trend), with operational implications for colleges.¹⁷

¹⁷ CNBC. Trump’s ‘Big Beautiful Bill’ May Spur Significant Changes to Higher Education in 2026 and the Rise of ‘Un-College,’ Experts Say, February 2026.

APPENDICES

APPENDIX A – ADDITIONAL CONTEXT

This appendix is designed to provide the reader with additional context to better understand the factors affecting the financial ratio calculations for Oregon's community colleges. It should be noted that local governing board decision making and local voter decision making (i.e., passing a tax levy) impacts the ratio calculations in a general sense. This appendix includes general factors affecting all colleges as well as some factors that may only apply to specific colleges. The goal is a more complete and shared understanding.

1. **Biennial funding distribution schedule (i.e., 5/3 payment cycle)** – The payments that are distributed via the CCSF are paid on a cycle of five payments during even fiscal years and three payments during odd fiscal years. This is the result of a statewide budget shortfall that occurred in 2002. This variation contributes to operating revenue that fluctuates from year to year for no other reason than an uneven payment schedule. This affects the ratio calculations from year to year. Comparisons are better made on a two-year cycle.
2. **Oregon PERS** – the rate of contributions to the Public Employees Retirement System (PERS) lies outside of the control of the colleges. These rates are set by the PERS Board. Although an attempt has been made within the ratio calculations to address PERS liabilities, related personnel expense is still included. Therefore, this affects the Primary Reserve Ratio, the Viability Ratio, and the Return on Net Assets.
3. **One-time or temporary revenue** – As a result of the recent global pandemic, significant but temporary revenues were provided by the federal government. For at least a few years (i.e., fiscal years 2021, 2022, and 2023), this additional revenue impacted the financial ratio calculations for the colleges.
4. **Long-term debt** – long-term debt is a significant factor for many of the colleges based on aging infrastructure and technological developments. A difference also exists between those colleges with long-term debt backed by a property tax levy versus those without. Also, the public's willingness to pass tax bond levies will play a role in the ability of colleges to fund their capital needs. Long-term debt affects the Viability Ratio.
5. **Enrollment** – as noted earlier, enrollment is a key factor to financial sustainability. The colleges have seen variable enrollment over the last decade. This in turn affects all of the financial ratios and the CFI in total.

APPENDIX B – RATIO DEFINITIONS AND DATA

Financial Ratio Definitions

The definitions for the numerators and denominators of the ratios are included below.

Operating Margin (i.e., net operating revenues) = Gain or Loss before other revenues, expenses, gains, losses (i.e., net income) / Total Operating and Nonoperating Revenue (i.e., total revenues)

Net Income:

- +Total operating revenues
- +Nonoperating revenues
- Total operating expenses
- Nonoperating expenses
- +Gain/loss before other revenues, expenses, gains, losses for all component units

Adjusted for pension and OPEB by:

Subtract from total expenses any expenses/losses resulting from GASB statements 68 and 75.

Total Revenues:

- +Total operating revenues
- +Nonoperating revenues
- +Total operating and nonoperating revenues for all component units

Adjusted for pension and OPEB by:

Subtract expenses resulting from GASB statements 68 and 75.

Return on Net (Assets) Position = Change in Net Position / Total Net Position

Change in Net Position:

- +Change in net position
 - +Change in net position for component units under either FASB or GASB
- Adjusted for pension and OPEB by:
Adjust beginning and ending net position by the liabilities and deferred inflows or assets and deferred outflows related to pension and OPEB resulting from GASB statements 68 and 75.

Total Net Position:

- +Total net position (beginning of year)
 - +Total net position (beginning of year) for all component units under either FASB or GASB
- Adjusted for pension and OPEB by:

Adjust beginning net position by the liabilities and deferred inflows or assets and deferred outflows related to pension and OPEB resulting from GASB statements 68 and 75.

Primary Reserve Ratio = Expendable Net Assets / Total Expenses

Expendable Net Assets:

- +Unrestricted net position
- +Restricted expendable net position
- Restricted expendable for capital acquisitions
- +Expendable net assets for component units under either FASB or GASB

Adjusted for pension and OPEB by:

Adding back liabilities and deferred inflows OR subtracting assets and deferred outflows, related to pension and OPEB resulting from GASB statements 68 and 75.

Total Expenses:

- +Total operating expenses
- +Interest expense
- +Total expenses for component units under either FASB or GASB

Adjusted for pension and OPEB by:

Adding back liabilities and deferred inflows OR subtracting assets and deferred outflows, related to pension and OPEB resulting from GASB statements 68 and 75.

Viability Ratio = Expendable Net Assets / Total Plant Related Debt

Expendable Net Assets: Same as noted above for the Primary Reserve Ratio.

Total Plant Related Debt:

- +Total plant related debt at par (includes the current and non-current portion of plant related debt that must be repaid, i.e., premiums, discounts, issuance costs, and asset retirement obligations are not included)
- +Total plant related debt at part for all component units

Financial Ratio Data

The data for the related financial ratio calculations are included in Tables A through G. The data is presented in thousands of dollars, includes data for component units, and is adjusted for pension and OPEB expenses, assets, and liabilities consistent with relevant Government Accounting Standards Board (GASB) statements.

Table A: Total Revenues (in thousands)

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	31,756	28,688	32,946	29,223	34,134	32,342	31,515
Central Oregon	71,787	69,133	80,982	77,496	95,684	98,844	82,321
Chemeketa	153,755	147,410	175,485	151,610	173,468	167,055	161,464
Clackamas	87,220	84,066	95,060	93,723	103,485	102,101	94,276
Clatsop	18,093	21,816	19,486	23,352	22,101	23,344	21,365
Columbia Gorge	13,559	13,970	17,978	22,619	22,302	25,431	19,310
Klamath	29,880	26,536	36,724	34,654	46,024	41,993	35,968
Lane	114,379	141,969	160,190	147,320	162,007	176,516	150,397
Linn Benton	84,657	76,510	98,723	79,072	96,419	86,850	87,038
Mt. Hood	121,814	145,762	134,477	114,673	126,319	121,548	127,432
Oregon Coast	8,366	11,040	11,851	12,993	13,854	18,037	12,690
Portland	399,826	359,026	444,645	349,044	448,529	412,288	402,226
Rogue	74,597	68,370	83,067	65,863	64,029	65,145	70,178
SW Oregon	43,194	38,011	42,006	44,639	46,203	43,036	42,848
Tillamook Bay	6,185	7,903	7,165	8,968	8,982	13,679	8,814
Treasure Valley	41,452	18,309	38,601	40,745	46,165	44,000	38,212
Umpqua	39,212	39,797	44,362	39,558	51,722	54,130	44,797
Avg. Total	78,808	76,372	89,632	78,562	91,849	89,785	84,168

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Table B: Total Expenses (in thousands)

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	28,138	25,265	28,609	26,720	26,455	27,622	27,135
Central Oregon	73,357	67,747	79,137	71,173	79,549	89,493	76,743
Chemeketa	131,528	129,769	193,642	130,821	138,434	147,781	145,329
Clackamas	78,928	75,096	138,081	87,157	92,895	101,519	95,613
Clatsop	17,513	19,597	20,406	21,934	21,356	21,116	20,320
Columbia Gorge	14,314	15,018	15,326	18,790	20,144	22,753	17,724

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Klamath	25,616	25,338	28,034	33,625	38,293	41,542	32,075
Lane	137,720	136,120	148,922	137,313	150,151	168,325	146,425
Linn Benton	73,687	72,879	78,462	81,249	80,741	82,988	78,334
Mt. Hood	107,601	107,076	170,829	111,213	110,995	119,946	121,277
Oregon Coast	8,274	9,588	10,494	11,982	11,956	14,292	11,097
Portland	361,205	311,475	333,760	333,234	387,497	412,071	356,540
Rogue	68,302	63,088	95,731	61,567	55,081	55,771	66,590
SW Oregon	32,823	32,737	38,663	39,422	39,257	39,489	37,065
Tillamook Bay	6,750	7,428	7,851	9,422	10,921	12,071	9,074
Treasure Valley	34,625	32,942	35,856	34,620	36,620	39,076	35,623
Umpqua	33,827	31,433	53,789	37,863	42,691	48,478	41,347
Avg. Total	72,601	68,388	86,917	73,418	79,002	84,961	77,548

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Table C: Net Operating Revenue (in thousands)

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	3,618	3,423	4,338	2,520	7,679	4,720	4,383
Central Oregon	(234)	2,244	(1,188)	1,479	9,978	5,800	3,013
Chemeketa	22,207	17,632	36,505	16,764	34,160	18,232	24,250
Clackamas	11,308	11,021	9,573	3,227	13,721	1,690	8,423
Clatsop	580	2,219	(490)	1,418	746	2,228	1,117
Columbia Gorge	1,184	6,213	3,338	4,452	3,532	3,061	3,630
Klamath	4,264	1,198	8,686	1,028	7,731	318	3,871
Lane	4,656	6,036	11,268	19,893	35,400	10,038	14,548
Linn Benton	10,970	3,632	20,260	(3,610)	15,678	3,492	8,404
Mt. Hood	14,213	8,686	21,889	3,460	15,324	988	10,760
Oregon Coast	92	1,452	1,358	1,011	1,899	3,745	1,593
Portland	38,621	47,270	115,905	17,108	61,282	9,376	48,260
Rogue	6,184	5,171	19,104	4,177	9,983	9,577	9,033

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
SW Oregon	10,371	5,238	3,343	5,217	6,946	3,755	5,812
Tillamook Bay	1,470	24	1,371	(440)	2,813	827	1,011
Treasure Valley	7,696	5,488	2,667	7,126	10,061	4,924	6,327
Umpqua	5,324	8,364	7,505	1,695	9,032	5,590	6,252
Avg. Total	8,384	7,960	15,614	5,090	14,469	5,198	9,452

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Table D: Expendable Net Assets (in thousands)

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	4,403	5,469	8,058	8,876	14,981	16,526	9,718
Central Oregon	49,216	54,389	55,693	60,419	68,920	64,137	58,796
Chemeketa	57,468	55,577	70,442	67,784	86,649	83,563	70,247
Clackamas	39,028	42,594	49,875	42,224	45,001	35,704	42,404
Clatsop	563	3,308	2,811	5,470	6,952	8,264	4,561
Columbia Gorge	1,913	5,229	3,744	5,089	6,942	15,315	6,372
Klamath	9,655	9,438	16,211	14,892	24,288	24,207	16,449
Lane	25,762	45,044	119,858	65,108	89,014	65,707	68,416
Linn Benton	3,149	3,760	18,425	8,340	16,262	11,590	10,254
Mt. Hood	37,678	38,393	54,491	43,961	53,047	37,786	44,226
Oregon Coast	211	1,879	2,015	2,015	5,066	4,635	2,637
Portland	233,463	278,418	392,397	406,964	467,155	473,314	375,285
Rogue	27,567	29,716	45,744	42,951	51,100	52,384	41,577
SW Oregon	315	14,441	2,749	6,134	7,148	9,549	6,723
Tillamook Bay	12,550	7,343	8,353	8,570	9,776	10,276	9,478
Treasure Valley	10,122	14,412	19,748	24,362	26,090	36,614	21,891
Umpqua	25,164	31,548	40,549	38,967	44,962	49,631	38,470
Avg. Total	31,660	37,703	53,598	50,125	60,197	58,777	48,677

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Table E: Plant Debt (in thousands)

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	18,065	16,790	15,444	14,059	12,683	10,867	14,651
Central Oregon	50,772	48,157	45,302	42,054	38,616	34,909	43,302
Chemeketa	63,577	52,882	42,915	32,275	21,027	8,880	36,926
Clackamas	106,655	103,158	99,833	93,225	85,504	207,912	116,048
Clatsop	13,154	11,982	10,929	13,002	13,428	11,259	12,292
Columbia Gorge	17,034	15,464	13,724	11,746	9,829	14,347	13,691
Klamath	5,688	5,137	4,570	3,985	3,383	2,764	4,255
Lane	50,919	180,372	169,761	158,435	134,754	123,350	136,265
Linn Benton	31,132	35,726	32,967	46,741	42,346	38,717	37,938
Mt. Hood	19,345	17,840	22,899	22,193	21,618	19,560	20,576
Oregon Coast	11,369	9,470	7,452	5,313	3,049	36,939	12,265
Portland	397,790	371,715	326,471	503,642	467,695	425,210	415,421
Rogue	30,758	27,874	25,024	22,290	18,662	14,897	23,251
SW Oregon	46,574	44,535	42,926	41,195	39,428	38,771	42,238
Tillamook Bay	5,265	4,612	3,927	16,891	16,422	15,907	10,504
Treasure Valley	4,700	4,601	5,533	4,381	4,301	3,567	4,514
Umpqua	5,639	5,301	5,618	5,204	4,807	9,460	6,005
Avg. Total	51,673	56,213	51,488	60,978	55,150	59,842	55,891

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.

Table F: Change in Net Position (in thousands)

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	3,618	3,423	4,338	2,520	7,679	4,720	4,383
Central Oregon	(234)	2,244	(1,188)	1,479	9,978	5,800	3,013
Chemeketa	22,207	17,632	36,505	16,764	34,160	18,232	24,250
Clackamas	11,308	11,021	9,573	3,227	13,721	1,690	8,423
Clatsop	580	2,219	(490)	1,418	746	2,228	1,117
Columbia Gorge	1,184	6,213	3,338	4,452	3,532	3,061	3,630
Klamath	4,264	1,198	8,686	1,028	7,731	318	3,871
Lane	4,656	6,036	11,268	19,893	35,400	10,038	14,548
Linn Benton	10,970	3,632	20,260	(3,610)	15,678	3,492	8,404
Mt. Hood	14,213	8,686	21,889	3,460	15,324	988	10,760
Oregon Coast	92	1,452	1,358	1,011	1,899	3,745	1,593
Portland	38,621	47,270	115,905	17,108	61,282	9,376	48,260
Rogue	6,184	5,171	19,104	4,177	8,150	9,577	8,727
SW Oregon	10,371	5,238	3,343	5,217	6,946	3,755	5,812
Tillamook Bay	1,470	24	1,371	(440)	2,813	827	1,011
Treasure Valley	5,263	2,477	4,289	8,523	10,845	4,924	6,053
Umpqua	5,324	8,364	7,505	1,695	9,032	5,590	6,252
Avg. Total	8,240	7,782	15,709	5,172	14,407	5,198	9,418

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years

Table G: Total Net Position, Beginning (in thousands)

Fiscal Year	2020	2021	2022	2023	2024	2025	Six-year Average
Blue Mountain	36,327	38,113	39,699	42,037	43,857	57,447	42,913
Central Oregon	94,437	97,446	101,823	103,640	100,856	121,909	103,352
Chemeketa	209,136	217,234	228,617	249,153	256,355	280,595	240,182
Clackamas	94,220	108,052	118,087	123,446	120,096	126,946	115,141
Clatsop	32,778	33,568	34,327	33,925	35,439	36,031	34,345
Columbia Gorge	18,597	24,786	29,972	34,000	36,795	39,621	30,629
Klamath	32,441	34,859	34,685	45,223	49,144	59,537	42,648
Lane	127,351	128,218	147,321	224,708	183,091	223,346	172,339
Linn Benton	46,236	64,030	63,786	79,423	71,860	83,623	68,160
Mt. Hood	46,647	65,760	70,478	86,216	82,467	90,459	73,671
Oregon Coast	13,880	13,986	15,356	16,655	17,726	19,636	16,207
Portland	149,886	233,463	278,418	392,397	406,964	467,155	321,381
Rogue	64,012	75,005	83,502	102,672	104,618	112,146	90,326
SW Oregon	14,090	22,951	37,547	28,396	31,991	37,762	28,790
Tillamook Bay	23,160	23,922	19,671	21,127	21,702	24,651	22,372
Treasure Valley	15,292	23,898	30,465	36,461	40,049	55,140	33,551
Umpqua	47,701	52,368	60,420	68,497	68,720	76,127	62,306
Avg. Total	62,717	73,980	82,010	99,293	98,337	112,478	88,136

Source and Notes: Calculated using data provided by the community colleges. The six-year average is evenly weighted for all years.



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