

# Clatsop Community College

1651 Lexington Avenue \* Astoria, Oregon 97103 \* (503) 325-0910

## MINUTES OF THE APRIL 5, 2022 BUDGET COMMITTEE PRE-MEETING

### I. CALL TO ORDER

The meeting was called to order by Chair Rosemary Baker-Monaghan at 6:34 p.m.

Budget Committee members present: Rosemary Baker-Monaghan, Sara Meyer, Trudi Van Dusen Citovic, Nicole Williams, Tim Lyman, Karen Burke, Jim Alegria, Mitra Vazeen, David Ozer, Robert Stricklin, Steve Fick.

Budget Committee members absent: Jody Stahancyck, Rachel Jensen, Al Arp

Others present: Jerad Sorber, Evon Jacobsen, Recording Secretary Felicity Green and President Chris Breitmeyer

### II. INTRODUCTION OF GUESTS

Evon Jacobsen, Administrative Specialist for Finance and Operations

Jerad Sorber, Chief Enrollment Officer

### III. OVERVIEW OF BUDGET PROCESS

President Breitmeyer explained that this is a pre-budget meeting for discussion of the budget process and will include a summary of the College's revenue sources. There will not be a specific discussion about the budget tonight.

Items 4 and 5 in the agenda are going to be swapped: as this is a pre-meeting, it is not necessary to move to make that change. The meeting is going to begin with an overview and discussion of revenue sources. Then Jerad Sorber is going to give an enrollment preview. Enrollment is very challenging right now.

### IV. REVENUE PROJECTIONS

CCC has 4 main sources of revenue: tuition, timber, property tax and state support. This discussion will cover all of those, look at where the College stands now and include some projections of future revenue.

#### **Oregon Budget Law Overview**

Clatsop Community College, as a public entity, is governed by ORS 294.305 – 294.565.

The budget must be adopted by June 30, which gives the authority to impose property tax and spend money or incur obligations beginning July 1 of the next fiscal year, FY2022-2023.

That means that by the Board of Education meeting on June 14 the College must have an approved budget. Usually this process doesn't begin until May; it started early this year so that people have time to learn the process and understand CCC revenue sources. This is not an official budget meeting. When it is an official budget meeting the President will be presenting the Budget Message. That will trigger the beginning of the official process.

At the end of the meeting this committee will decide if another pre-meeting is needed. If the decision is that one is not needed then the official budget meeting is tentatively scheduled for Tuesday, May 3. When the decision has been made that no further pre-meetings are needed, then the actual budget will be sent out so that everyone is prepared for the official meeting.

The budgeting process has 4 parts: Proposed, Approved, Adopted, Executed. The Proposed budget is what will be sent out to Budget Committee members when the pre-meetings are done. Then this committee will approve it and then it is adopted. Next fiscal year it gets executed. The approved budget allows the College to use public funds. This committee represents the public to ensure that the College is using those dollars efficiently and in the public interest and to the benefit of the community. That is the goal of each member of the budget committee.

### **The CCC Budget Process**

Evon Jacobsen sends budget worksheets to each department and they adjust them using last year as a base. The College's internal Budget Advisory Committee determines budget priorities. This year, the College considered goals as a matrix for prioritizing budget requests. CCC has three goals: Enrollment, Support of New Academic Programs and Deferred Maintenance. Proposals from departments that don't address those goals are unlikely to be funded. Nothing new is added unless the College is sure that they have the resources to meet them. All the numbers the Committee is discussing tonight are projected and proposed only, not actual amounts.

### **Funding: Tuition and Fees**

CCC offers if not the lowest tuition in Oregon, then very close to the bottom. Community Education is structured to pay for itself and does not pay these fees. Tuition revenue covers about 25% of the total budget. The College has not raised tuition since 2018. Other community colleges have a set range or time period for raising tuition regularly and that might be something the College should consider in the future. This

year CCC has not proposed a tuition increase.

Program specific fees are necessary for many programs. The College has not recently considered whether these fees are currently reflective of actual costs; they may need to check them. Over the last two years there was a computer issue related to fees that meant they were not being billed properly or paid correctly, but that has been addressed. For the most part, financial aid can be used to pay both tuition and fees.

Nursing has an additional fee that is not listed here; it's a very expensive program. Again, CCC is one of the cheapest if not the cheapest in the state. Hospitals and internships often help out with those fees. The Columbia Memorial Hospital is also supporting one of the nursing faculty members. It would be great to expand the nursing program but it is not easy to scale up; for one thing, it requires one instructor to every eight students.

Next year the College is hoping for around \$2.9 million revenue from tuition and fees. This is a little up from this year and they are being cautiously optimistic that there will be a small rebound. That is still down from pre-pandemic levels and down from 20/21, when the College received \$450,000 in HEERF funding that was used to backfill tuition shortfalls.

State support from the Community College Support Fund this year is projected to be about \$3.45 million. That is significantly less than this year's \$4.1 million. State support is calculated based on local total resources. The College receives less than some other colleges of the same size because the Clatsop County property tax base is robust and CCC gets higher property tax revenues.

The main change is due to decreased enrollment; distribution is partially based on enrollment. There is no mechanism in place to protect schools that lose revenue. At the beginning of the pandemic the OPC (Oregon Presidents Council) asked the HECC (the State of Oregon Higher Education Coordinating Commission) to hold harmless and not decrease state funding despite losses of enrollment. They did for the first year of the pandemic but are now saying they will not do it this year or next. This might change but the College is building a budget based on state revenue being considerably less this year. If CCC's enrollment trends continue to go the way they are now this allocation will diminish even further. Community education does not count towards the state allotment. The distribution is based on a three year rolling average of enrollment. State support appropriations in the past have been higher. In FY 18-19 the College received \$3.192 million, 1.1% of the total appropriation; in FY19-20 \$4.134 million, 1.3% of total; in FY20-21 \$4.274 million, 1.3% of total and in FY21-22 the projected revenue is \$4.191 million, 1.2% of total appropriation. Another related factor is the total amount

budgeted by the state. Right now the state designates \$702 million for all 17 community colleges. If CCC's enrollment trends continue the way they are now, the amount of state support will decrease. Enrollment impacts tuition dollars and state support even assuming no change in distribution level.

### **Funding: Property Tax**

Clatsop County property taxes are continuously increasing. For FY22-23 Clatsop County is projecting \$5.4 million in property tax revenue. Next year the College is projecting an increase. It is a small offset to state losses but not enough to make a huge difference.

### **Funding: Timber Revenue**

The College typically gets a little over a \$1 million in timber revenue. Ordinarily, about half is put in general funds and the rest is used to pay off some debt that will be retired in 2026. Anything extra goes into Plant fund, which is now depleted in part because of expenditures on CNS. Fortunately, the College did not borrow money for the software and so are not now paying interest. Timber revenue is based on state sales plans and is a three year projection. A percentage of sales of Clatsop State Forest timber money goes to the College and to the school districts. This revenue is not included in the state's consideration of their allotment to the College.

The College needs to keep in mind that timber revenue may decrease in the future as it is variable and depends on the market and other outside forces. There is a possible discussion to be had about using timber revenue only to fund capital purchases instead of using it for the general fund.

At this point the College is assuming that the timber revenue in FY22-23 will stay approximately the same as it was in FY21-22.

### **Budget Assumptions**

The College has \$450,000 in HEERF funds left to shore up some of the tuition losses. This is the last year that HEERF funding will be available. Given the projected revenue the College has discussed, the ending fund balance would be lower than is considered acceptable. If spending continues at current rates, the College would be left at the end of the year with \$500,000 in reserve. The College needs to have a conversation and/or a policy about what is an appropriate ending fund balance. Other community colleges range from as low as 5% to as high as 20%. In 2008 the goal was 15% of the general fund but the result was 5%. This amount has been increasing ever since. The ending fund covers the time period from July 1 to the first timber revenue received. At the next board meeting the need for a tax anticipation loan will be discussed. The College did not ask for a tax anticipation loan last year but it has frequently been done in the past.

This type of loan is common among smaller community colleges.

In order to have a balanced budget the College is going to need to cut some spending. At the start of the pandemic spending was restricted by about \$1 million and this was managed without cutting positions. The College is very lean and the goal is not to cut any positions.

Rosemary Baker-Monaghan noted that deferred maintenance can't be deferred much longer.

### **Legislative Updates**

The Career Pathways grant – Future Ready Oregon – received \$14.9 million in the current biennium (2021-23) and \$10 million per biennium beginning in 2023-2025. That gives the College a base of slightly more than \$300,000 for CTE programs through Career Pathways. This is a significant increase. The money is restricted and cannot go into the General Fund. There are other possible grant moneys available that the College is also looking into including a ColPac grant for CTE programs driven by the “blue economy” such as CCC’s maritime programs.

### **Budget Process**

The president explained that when the pre-meetings are complete the College will send out the Budget. In the past it was felt that there was not enough time for Budget Committee members to review the budget before the first official meeting so this process has been revamped to change that. During the official Budget Committee meeting the committee will be able to discuss the budget items that have been alluded to tonight in greater detail and specificity.

## **V. ENROLLMENT PROJECTIONS**

Jerad Sorber, Chief Enrollment Officer, presented on current enrollment projections.

Most of the discussion was based on FTE (Full-Time Equivalent.) An FTE student for the purpose of receiving state reimbursement means a student who carries 510 clock hours over 3 terms of instruction. It is a mathematical approximation of a full time student who ordinarily is taking 12 – 15 credits per term. This is set in Oregon statute which has not been revised in some years.

The data is gathered from a variety of sources including online registrations. Those are currently working fairly well but there is also a lot of manual entry. Some manual entry, such as DPSST registrations (Oregon Department of Public Safety Standards and Training) is entered in the computer system later than it actually happened. This leads

to some delays in data reporting. For example, paperwork for winter term is still coming in and DPSST registrations are physical forms that have to be picked up in Salem. Dual credit and other high school programs may also have time overlaps where the high school semester does not match up with the College term.

The “normal” CCC enrollment based on a four year average FTE distribution from 2016 to 2020 when the pandemic hit reflects the unique character of CCC. It was about 29% in transfer, 15% in CTE, 12.75% in DPSST. Tongue Point Job Corps Center is one of the largest job corps centers in the country and accounts in a normal year for just over 10% of CCC’s enrollment. That as well as the Coast Guard at 7.6% and Maritime Fire at 6.54% as well as some of the dual enrollment programs are all unique to Clatsop Community College. In dual enrollment programs, students take high school classes at the high school with instructors who are supervised by CCC instructors. Dual enrollment does not include programs such as Running Start, which take place on the CCC campus. All these programs were all heavily impacted by the pandemic.

The College enrollment is about 35% down from pre-pandemic levels overall. Tongue Point is down 43%. The College is expecting them to come back up to pre-pandemic levels. Their students have only just returned to Tongue Point and do not immediately begin at the College. A full return to the College for Tongue Point students won’t be until winter 2023.

Please see the following chart for further details.

Category	FTE			
	Average	Previous Year	Difference	% Change
ABS/GED/ESL	68.156	72.5366	4.3806	6.43%
Apprenticeship	4.776	6.6352	1.8592	38.93%
Coast Guard	101.817	129.3331	27.5161	27.03%
Community Education	29.501	0.8352	-28.6658	-97.17%
CTE	203.219	196.8993	-6.3197	-3.11%
DPSST	170.872	1.2823	-169.5897	-99.25%
Dual Enrollment	81.323	33.0842	-48.2388	-59.32%
Fitness	53.966	7.4117	-46.5543	-86.27%
Maritime/Fire	87.65	44.927	-42.723	-48.74%
Tongue Point	137.242	78.5253	-58.7167	-42.78%
Transfer	389.771	292.2204	-97.5506	-25.03%
Workforce Training	12.012	3.4155	-8.5965	-71.57%
<b>Grand Total</b>	<b>1340.305</b>	<b>867.1058</b>	<b>-473.1992</b>	<b>-35.31%</b>

A potential area of concern for maritime trainings is that Portland Community College and South Seattle Community College have formed a partnership that is offering similar maritime trainings located much closer to the PDX airport. This may attract mariners who are flying in from Alaska to get recertifications away from CCC programs. Other community colleges are being more aggressive trying to get DPSST credits. Clatsop Community College receives FTE credit for DPSST trainings taken by Clatsop County students and it also receives credit for all Oregon DPSST students. This is because the College provides curricular supervision. Chemeketa Community College in particular is interested in taking this program over, arguing that as the program takes place in their district, they should retain the FTE.

The College anticipates, however, that there will be substantial gains through the fall. Tongue Point students will be beginning to return as should DPSST. DPSST has gone down in large part because as the pandemic has continued counties have not been sending police officers for training. Fire districts in Washington who used to send students to CCC have been similarly impacted by bans on out of state travel.

There have been some big shifts in the College's enrollment profile. Transfer is at 22% now and CTE is at about 14%. Looking at enrollment losses in FTE now the College finds that lower division transfer (traditional academic programs designed for students to transfer to four year colleges and universities) has gone down by 19%. DPSST has dropped by almost 32% and Tongue Point is down almost 12%. As previously discussed, DPSST and Tongue Point programs are expected to bounce back as restrictions are lifted and students return. CTE only accounts for 3% of the College's FTE loss. These programs are growing, but they are the most expensive programs to offer.

	2020		2021		2022	
	FTE		FTE	% Change	FTE	% Change
Apprenticeship	3.3881		6.3529	87.51%	3.3882	-46.67%
Community Education	17.8211		1.2546	-92.96%	0.8352	-33.43%
CTE	207.5377		182.3327	-12.14%	187.1367	2.63%
Dual Enrollment	34.8018		52.9841	52.25%	31.9548	-39.69%
Maritime/Fire	45.9075		34.8406	-24.11%	37.4701	7.55%
Tongue Point	120.8156		3.0664	-97.46%	52.6901	1618.30%
Transfer	318.4747		326.881	2.64%	274.3145	-16.08%
Workforce Training	11.8792		8.3137	-30.01%	0.7685	-90.76%
<b>Grand Total</b>	<b>760.6257</b>		<b>616.026</b>	<b>-19.01%</b>	<b>588.5581</b>	<b>-4.46%</b>

Revenue is not the same as FTE. Some programs generate revenue and FTE while others generate only FTE. DPSST programs don't generate tuition revenue but they do influence state revenue.

Tongue Point pays tuition for their students and in large part they also receive financial aid, often in the form of Pell grants. Most Tongue Point students take classes at Tongue Point that the College provides. A few Tongue Point students come to the College to take classes. Budget Committee member Mitra Vazeen, who is a semi-retired Job Corps center director, says that in the past many more Tongue Point students came up to the CCC campus but that the focus from Job Corps has shifted away from students attending off site classes.

### **Current Enrollment Efforts:**

The whole College is working to increase enrollment. Some strategies and efforts aimed at ABE / GED / ESL students are partnering with Northwest Oregon Works to house a Student Success Coach to work with students aged 16 – 21 and providing wraparound services. This is a grant funded position. Lower division transfer is doing a lot of work around expanding course modalities and formats to meet student needs and making the curriculum more accessible to students. Maritime is offering some new classes and Business will be offering a new degree. Coastal Commitment dual credit is leveraging an Equity in Education grant to work with the high schools and admissions staff. Lives in Transition is establishing themselves as a center for students to gain both life skills and academic skills. The DEI Council has continued offering public events which have been very helpful in raising awareness of the college.

Marketing and College Relations have also expanded social media and gotten the printed schedule mailer out again, which is very helpful in increasing awareness of College programs. Advertising has also increased.

The College was successful in getting most financial aid out the first week of the term thanks to work by Lloyd Mueller in financial aid and Margaret Antilla in the business office. This is extremely important for students. Student Services has a variety of ongoing efforts to raise enrollment, including, among others, one stop advising and registration events every term and improving response times to student phone calls and emails. The Admissions Department is also having success with REACH, the customer relationship management software from Anthology; it has been working very well to streamline the admissions process and maintain contact with potential students. Student Services has also been building relationships with area social services agencies making sure that they are aware of College programs and can refer potential students to



the College. The Benefits Navigator position, which is fully state funded, has begun and is crucial to these efforts as that person can give students information on all the programs available to help them be successful as students.

In addition, the Academic department has been working on getting students access to their Brightspace shells before the start of term and making syllabi available before the start of term. Students also should know which books are required before the start of class. 75% of their term book information must be available before the start of the term by law. This term is the first term all that information is available at the Bookstore. Students can also get used books at the College bookstore and sell them back at the end of term; rental books are also available. Faculty are very sensitive to the high price of books. The College also participates in OER (Open Educational Resources) which makes many texts available for low cost or free. Most commonly used textbooks are available in the College library for students to check out.

### **Predictions for the Future: Challenges**

There are continuing issues facing the College, including local economic uncertainty. Transfer enrollment is lagging. One of CCC's biggest selling points has been that they are the cheapest place in Oregon to take the first two years of college. Due to issues with the CNS software the College has been unable to send out award letters (information on how much attending CCC will cost in the fall.) Thus, high school seniors who are making decisions right now can't make comparisons between CCC and other schools. The Financial Aid department is trying workarounds but the underlying issue is that Anthology has not yet entered the updated information from the Department of Education. Other colleges using Anthology are also facing this issue.

Other colleges are facing the same challenges of enrollment as CCC. Another challenge for community colleges is that so far, out of state students are not coming back to Oregon. As a result, four-year colleges and universities are digging deeper into their enrollment pools and admitting students who might have come to Clatsop instead in previous years. Lack of affordable housing and childcare are also local crises which are impacting enrollment.

### **Predictions for the Future: Things Going Well**

High schools are all back to in person learning and that makes it easier for the College to recruit. The College is predicting that CTE programs will continue to grow and that transfer declines will level off. As ABE programs continue to grow there is a good likelihood that many of those students will move into the transfer or CTE population.

This presentation will be sent to all attendees.

## VI. FUTURE MEETING DATES

The budget will be sent out at least two weeks before the official budget meeting that is currently scheduled for May 3.

Trudy Van Dusen Citovic requested that the committee meet one more time for another pre-meeting and that Evon Jacobsen be present to discuss the budget process. It was agreed that this meeting was very useful and having more information about the budget process is helpful. There were concerns about having access to the budget before the next pre-meeting. The decision was to use last year's budget as a learning tool and not release the new budget until after the meeting.

There were also concerns that this pre-meeting was not advertised in the Astorian and so was not a public meeting. The meeting notice was submitted to the Astorian as it ordinarily is; the choice of the newspaper not to publish it does not change the nature of the meeting. As per Oregon law, it is an open meeting. The discussion did not cover specific estimates or appropriations.

Due to scheduling conflicts, the next pre-meeting will not occur on the previously suggested dates but has been scheduled for Thursday, April 21 at 6:30 pm. As it is a pre-meeting the 2022-2023 budget will not be available for discussion. It will, however, be an open public meeting and will be publicly noticed as such. Copies of the current 2021-2022 budget will be available at the meeting for discussion purposes.

The meeting was adjourned at 8:30.

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Chris Breitmeyer, President

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Rosemary Baker-Monaghan, Chair

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Felicity Green, Recording Secretary