Clatsop Community College

Fiscal Year 2026-2027
President's Budget Message

Dear Colleagues,

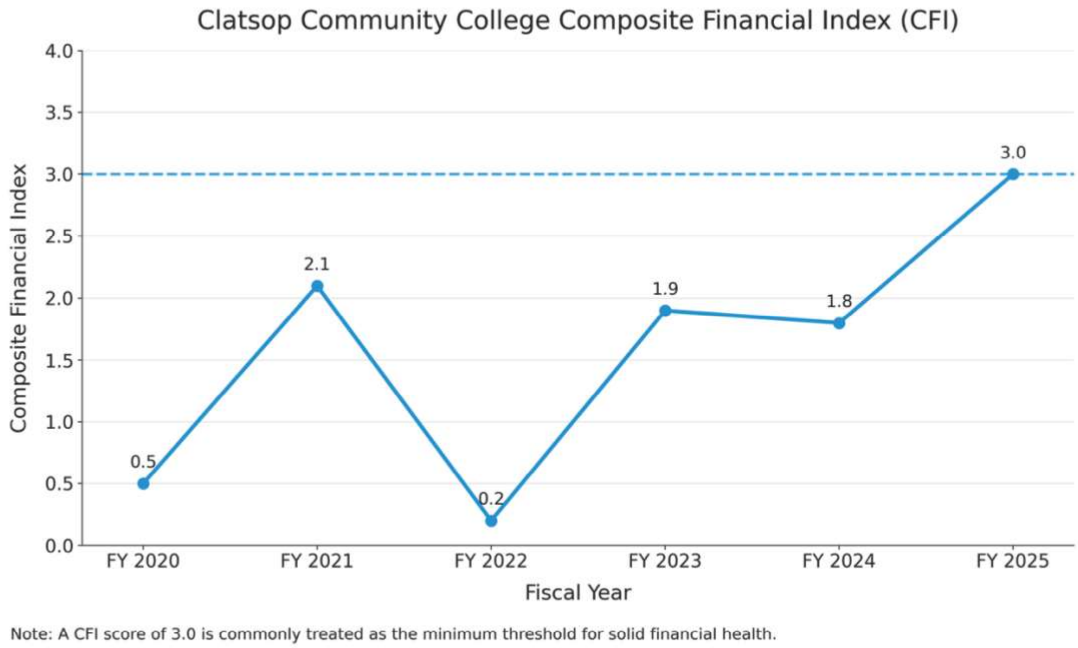
In accordance with Oregon Budget Law, I am submitting the proposed Fiscal Year 2026–27 budget for Clatsop Community College.

This budget reflects both the financial realities facing the College and the deliberate choices required to sustain our mission, support students effectively, and position the institution for financial sustainability over time. At Clatsop Community College, our responsibility is to ensure that students and communities in the region continue to have access to relevant, affordable, high-quality education and workforce opportunity in a rapidly changing environment.

The College enters this budget cycle from a stronger financial position than it held just a few years ago. FY 2025 marked a continued shift from recovery to stabilization. Reserves were rebuilt, financial indicators improved, and the College's Composite Financial Index (CFI) reflected its strongest overall financial position in the past five years. The College's net position increased by $1.29 million, and the ending fund balance reached 13.4% of operating fund expenditures, above the 12.5% goal identified in the strategic plan. The current year's budget, FY 2025–26, is projected to balance and included real investments in campus facilities and funding for new instructional equipment for the first time in years.

That progress matters. It reflects careful stewardship, disciplined operations, and stronger financial controls. It also gives the College a stronger foundation for adapting to the future. At the same time, it does not remove the need for continued change. State appropriations have not kept pace with the actual cost of operating the College, and Clatsop's share of the Community College Support Fund (CCSF) is projected to continue declining as apportionment shifts toward faster growing colleges. PERS pension contribution rates are expected to rise significantly in the next biennium, and healthcare and operating costs continue to increase. These realities require the College to plan conservatively, act early, and continue aligning resources with mission and demand.

In a resource constrained environment, the College cannot do everything, and trying to do too much risks spreading limited capacity too thin. This budget reflects the need for focus, discipline, and a clear commitment to the areas where resources can have the greatest impact on students, employers, and the region.



Guiding Approach

The 2026–27 budget is grounded in realism, restraint, and strategic resource allocation. The focus is on sustaining mission critical functions, particularly instruction, student support, compliance, operational continuity, and the workforce programs most essential to the region.

This budget also reflects a broader reality: the landscape higher education has changed, and the traditional academic and service model is no longer enough on its own. Student demographics, expectations, technology, and workforce needs continue to shift, and the College must continue evolving in how we serve students, organize our work, and allocate limited resources.

This is now the third consecutive year of staffing reductions, including the last two years of reductions in full-time administrative personnel. These have been difficult but intentional choices. These reductions do not mean the work was unimportant or that the people affected were not valued by the College. They reflect the financial reality that the College must continue reducing costs and realigning resources toward the areas where it can have the greatest impact on students and the region.

These changes will affect how some services are delivered and will add pressure in other areas, but they are not about doing less for students. They are about finding better, more innovative ways to serve them that fit today's realities and the models taking shape around us.

Key Budget Assumptions:

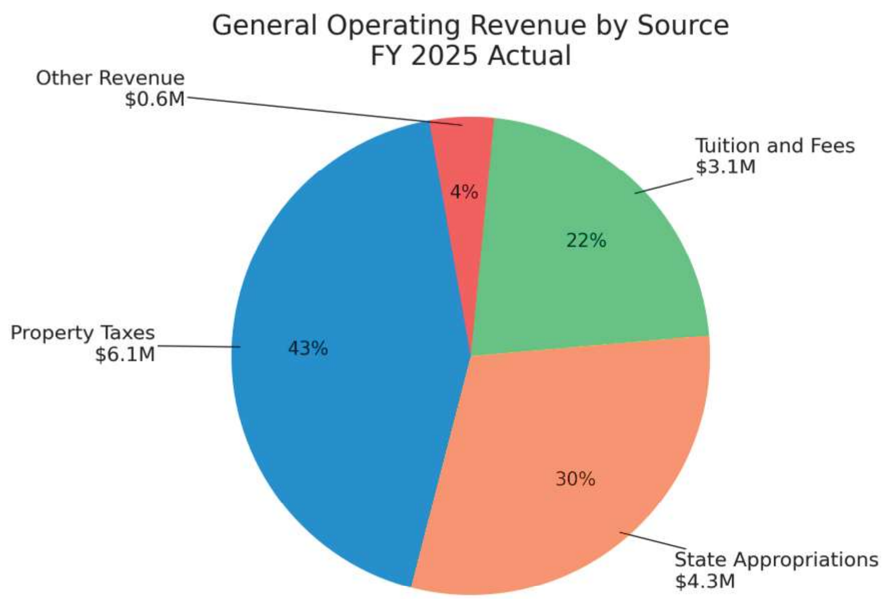
- $700,000 structural shortfall
- Flat enrollment assumed in the base budget
- $4 per credit hour tuition increase for 2026–27 (already approved)
- Tuition and COLA adjustments kept closely tied to annual CPI
- Declining state appropriation, including continued pressure on CCSF share
- Higher contractual, insurance and licensing costs

- Annual 3% healthcare cost increases
- Sharp increase in pension costs expected in the next biennium
- State support projected to continue lagging operating costs in the next biennium

Revenue Assumptions and Financial Pressures

Budget projections are grounded in conservative assumptions. Property tax revenue is projected to increase as a percentage of total revenue, while tuition and fee revenue is expected to grow modestly through stabilized enrollment, increased retention efforts, and a disciplined tuition adjustment aligned with inflation.

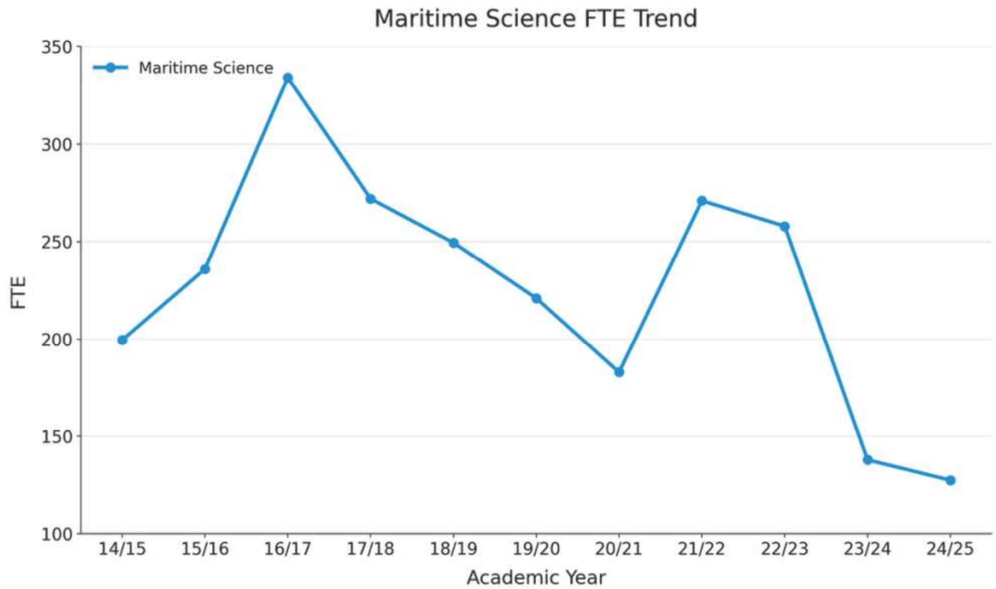
At the same time, state appropriations have not kept pace with the actual cost of operating the College. Clatsop's share of the Community College Support Fund (CCSF) is also projected to continue declining as flat apportionment shifts toward faster growing institutions. These trends require the College to plan conservatively and act early.



Maritime Science: A Key Enrollment and Revenue Variable

A key variable in the College's enrollment and financial outlook is Maritime Science. Recent enrollment analysis shows that after 2022-23, the College's recovery began to stall relative to peers, a pattern that aligns with continued contraction in Maritime, one of the College's highest-volume programs.

That decline has been driven in part by course approval backlogs and processing challenges at the National Maritime Center, the loss of certain U.S. Coast Guard training activity, and the loss of program approval at Tongue Point Job Corps. That makes Maritime both a major driver of recent enrollment weakness and one of the clearest near-term opportunities for meaningful FTE recovery and stronger financial performance.

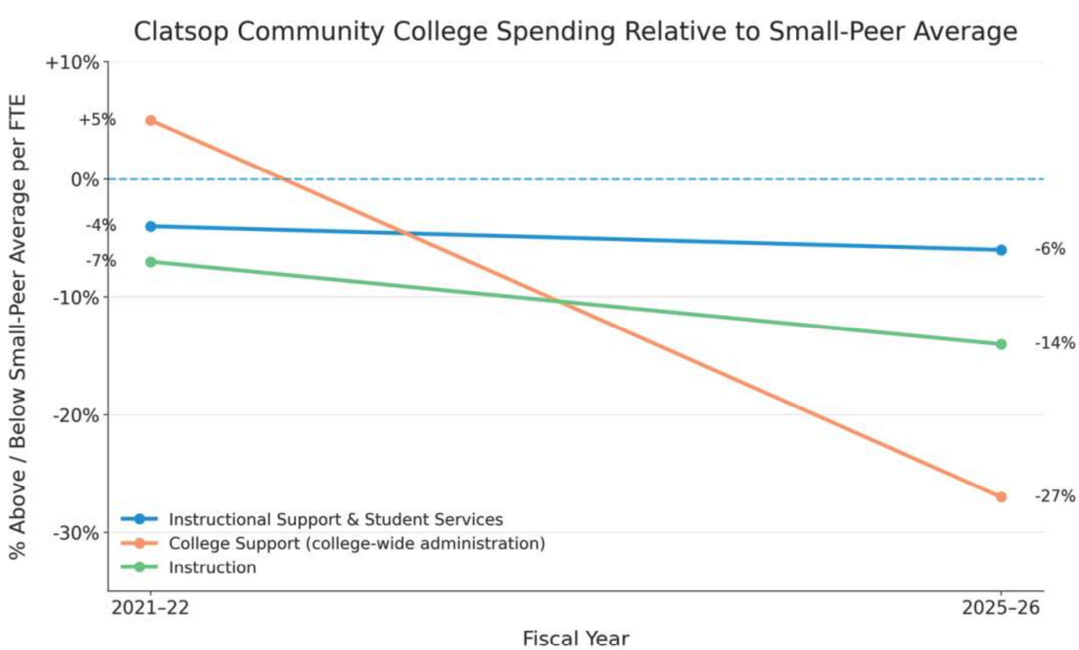


Expenditure Assumptions and Cost Controls

Expense management remains a major priority. General Fund spending per FTE in instruction and student support has remained relatively stable, while Clatsop has become more efficient relative to small-peer colleges. The biggest structural change has been in college support services, where the College moved from slightly above the peer average in 2021–22 to well below it in 2025–26.

The 2026–27 budget continues the reduction of full-time administrative overhead through the elimination of five full-time administrative positions, along with restructuring and service realignment intended to better align resources with current patterns of student use and institutional demand.

Management and Classified COLA adjustments have been kept closely tied to CPI, but rising insurance, legal, audit, and pension costs continue to add pressure to the College's cost structure. That is one reason thoughtful structural adjustments to full-time staffing must continue.



Operational Changes and Service Redesign

This budget reflects a broader effort to redesign operations and services around current realities. The goal is to reduce overhead, use space more intentionally, and align staffing and support models with how students engage the College today, while making better use of limited resources and strengthening the areas of highest institutional value.

The campus store will close in its current form. That space will be repurposed to create a dedicated home for Career Services, along with space for Associated Student Government (ASG), a hub for on campus student employment, and a base for campus-wide event coordination. The budget also includes a $60,000 investment in student employment for full-time students, recognizing that on campus jobs can strengthen connection, persistence, and success.

This change is tied to a broader redesign of campus operations. The Patriot Hall Coordinator position has been eliminated, and the College will move to a more flexible campus-wide event coordination and coverage model that supports events, rentals, and operational needs while leveraging student employees for programming and event coverage.

Library administration has also been restructured, reducing costs by approximately $100,000 and moving to a part-time leadership model. This reflects both financial necessity and the broader shift in how students use library space and services today, while helping bring library costs more in line with peer small colleges.

Human Resources will also see a reduction in full-time benefitted staffing and a move toward more part-time and consultant support, driven in part by the need to accelerate digital transformation. This change will have real impacts, and we will need to do a better job of improving workflows and processes to reduce the burden on staff while maintaining core HR functions.

At the same time, the College is continuing to pursue strategic opportunities for growth. Grant-supported efforts will continue HVAC pre-apprenticeship programming and launch a new Medical Assisting cohort in South County in partnership with Northwest Regional ESD, Providence Seaside, and Seaside High School. Additional grant opportunities may support expanded trades and construction training, as well as a grassroots development of a new IDEA Lab in the Services Building to create space for innovation, creativity, and applied student engagement. The College will also continue advancing the Maritime Science building remodel and Maritime Simulation project, while planning for a potential a capital request in the 2027–29 biennium.

This coming year, the College will explore an initiative to offer a fully online or e-campus model, providing degree completion options for select pathways that can be completed entirely online. For rural students, working adults, and place bound learners, this kind of model has the potential to reduce barriers, expand access, and position the College for a different kind of enrollment opportunity in the years ahead.

Academic Program Alignment

The College is recommending the sunset of the Historic Preservation and Restoration and Computer Aided Design and Drafting programs, subject to Board approval. These recommendations reflect long-term enrollment, completion, and graduation trends, as well as the need to focus limited resources where student demand and sustainability are stronger. If these programs close, the College will fulfill its obligations to current students and teach out the programs.

The College will also pause Automotive Technology for at least one year. That pause will allow us to re-evaluate the program, reengage industry partners, reassess workforce demand, and avoid enrolling new degree-seeking students without a clear plan for meeting industry demand. It also creates an opportunity to consider a more modern pathway, including greater emphasis on industry recognized credentials and stronger integration of electric and diesel technologies. Because there is donor support for automotive education and training, it is especially important that we use those resources in ways that attract students and connect them to modern employment opportunities across the region.

During this time, the College will also explore better utilization and possible consolidation of classroom and shop space, including inventorying and removing outdated, underutilized, and surplus equipment to make way for future training and programming in the middle shop of the Industrial and Manufacturing Technology Center (IMTC).

If programs are paused or eliminated, the College may still offer related classes and skills training through a more flexible continuing education or workforce training model. That would allow us to respond to community and industry need in a cost recovery framework without the continuing obligation to maintain a full academic program sequence.

2026-27 Budget Alignment with Strategic Plan

Strategic Objective	In Budget
2.2 Expand on-campus student employment opportunities	Student employment funding, student employment hub, Career Services integration.
3.4 Maintain healthy ending fund balance	Balanced budget approach, administrative staff reductions, 4% tuition increase, CPI-based COLAs, grant funds to seed programming.
4.2 Streamline employee onboarding experience	HR digital transformation, workflow redesign, part-time and consultant.
5.4 Support business and industry in the community	Medical Assisting and trades partnership with grant funds, industry reengagement, workforce-aligned programming.

Final Perspective

At its core, this budget is about staying within our means while continuing to invest in what matters most: educational access, workforce preparation, and meaningful impact for students and the community. It reflects a deliberate effort to reduce overhead, realign services, and focus resources where they matter most, all in support of our mission: Empowering all students to reach their full potential.

Sincerely,

Jarrod Hogue
President