

**Fiscal Year 2024-2025
Budget Message
Clatsop Community College
April 25, 2024**

Introduction

As required by Oregon Local Budget Law, this document presents a balanced budget for approval by the Clatsop Community College Budget Committee and the Clatsop Community College Board of Education. This budget represents a continuation budget with flexibility to allocate budget for possible new initiatives during the fiscal year. Moving forward, community colleges in Oregon and the nation strive to maintain enrollments and to prioritize methods for providing our students and surrounding community with efficient, effective, and sustainable programs and services. Online learning continues to provide a popular and expanding aspect of higher education and provides an ever-increasing modality option for students. Continuing to focus on student retention and completing degrees and certificates is an ongoing goal that is critical to achieve as we strive to overcome decreased enrollments from previous years. Enrollment continues to increase gradually, and as part of our strategic enrollment plan, we continue to focus on student outreach to those students who have some college credits but have not completed a degree or certificate. Assisting and supporting individuals that need to complete degrees and certifications will categorically transform lives, positively impact their earning potential, and help strengthen our community by expanding talent for Clatsop County and the surrounding area. We continue to be cautiously optimistic for maintaining current growth and the possibility of increasing enrollment. The FY2024-25 budget was developed with the optimism of maintaining current enrollment statistics.

Due to deficit spending the past few fiscal years, we approached the goal of striving to provide a balanced budget that would avoid deficit spending for the 2024-25 budget year. With an overall goal of providing a balanced budget, a thorough review of budgetary needs and impending sources of revenue was implemented.

Current FY2023-2024 Budget Adjustments and Fund Overview

The FY2023-24 (current year) General Fund revised budget reflects a continuation budget from FY2022-23. Tuition and fee revenue, including Spring 2024 year-to-date as of April 22nd, indicates an approximate 6 percent revenue increase compared to FY2022-23. We are optimistic that FTE will continue to gradually increase as some of our non-traditional enrollment sources are calculated during the Spring 2024 term.

Reimbursable SFTE Enrollment		
FY25 – Projected	FY24 – Estimated	FY23 - Actual
1056	1056	1006

The funds used by the College include:

- **General Fund (11)** - accounts for all current financial resources not required to be accounted for in other funds. This is the fund in which most operating activities of the College occur.
- **Grants/Financial Aid Fund (21)** - accounts for resources that are expended only for operating purposes specified by donors or other outside agencies.
- **Unexpended Plant Fund (41)** - accounts for resources available to finance the acquisition, construction, or improvement of plant assets for the College.
- **Plant Fund Debt Service (42)** - accounts for the payment of principal, interest and other debt service charges incurred in financing College plant assets.
- **Clubs and Organizations Fund (54)** - accounts for resources held by the College as custodian or fiscal agent for students, faculty, staff, and other organizations.
- **Non-Plant Debt Service Fund (60)** - is used to accumulate resources for the PERS bonding payment of principal and interest.

Within each fund, budgets are prepared for revenues, expenditures, and transfers. Revenues and transfers are presented by object. Expenditures are summarized by cost center organization, function, and object.

The Budget Process

The College began preparing for the FY2024-25 budget process by conducting development meetings with the Budget Advisory Committee, consisting of members that represent Faculty, Classified staff, Service and Supervisory, and Administration. A very conservative approach was taken when considering any new budgetary request and there are no new personnel investments planned for the 2024-25 year. No significant budgetary requests were submitted to the committee as most employees and budget managers were aware that the budget for FY2024-25 would have limited funds for any new proposals.

Part of the process also included meetings with all Budget Managers with the Interim President, Part-time Financial Consultant, and other Business Office personnel. Discussions in the meetings were focused on necessary department funding, areas of the department budget that could be considered for reductions, revenue increases within the department, past spending practices, and any other budgetary information that should be considered to help achieve the goal of a balanced budget.

Decision-making Framework

The Budget Advisory Committee, established in 2012, is part of the college's participatory governance organizational structure to include all constituent groups in decision-making about college resources and spending. The Committee developed guiding principles, which are reviewed annually, and focused decision making by connecting budget discussions to the strategic plan, core themes, values, and strategic initiatives. The college is currently engaged in developing a new strategic plan that will have a focus on data driven decision making and measurable strategic initiatives which will help guide budgetary decision making in the future. The Budget Advisory Committee membership includes employees from all representative groups and any College employee can attend the meetings, which helps to facilitate a more inclusive process.

The FY2024-25 general fund is a continuation budget representing current staffing with collective bargaining adjustments and increases for fixed costs. Expenditure budgeting has

been informed by the significant staffing changes and collective bargaining which defines steps, salary adjustments, and health benefit insurance. Part-time Faculty and Classified employee collective bargaining agreements were completed and approved in the spring and summer of 2023. The Full-time Faculty agreement is currently in negotiations and expires in 2024. Service and Supervisory personnel are not expected to receive a cost-of-living wage increase due to the current budget situation. Fiscal forecast projections will continue to be refined based on actual revenue, expenditures and developing information.

FY2024-2025 budget adjustments and milestones include:

Revenues

- Legislative state support for the FY2024-25 budget year is estimated to be \$4.3 million, an increase of 4 percent
- Tuition rate increased to \$125 per credit, effective Fall term 2024
- Tuition and fee revenues are based on level enrollment
- Property taxes are increasing 3 percent annually
- \$450,000 timber revenue (exceeding debt service requirements)

Expenditures

- Step increases for eligible employees
- PERS rate at 22 percent
- Increases for fixed cost items such as utilities and insurance
- 8 percent COLA increase for Classified and Confidential Classified staff
- 2.5 percent step raise for Classified and Confidential Classified staff
- 6 percent Part-time Faculty COLA increase
- Strategic program, departmental, and staffing restructuring

FY2024-2025 Proposed Budget

The General Fund resources include:

- \$6.1 million property taxes
- \$4.3 million State support
- \$3.1 million student tuition and fees
- \$450,000 in timber revenue
- \$1.4 million beginning fund balance

Total general fund revenues and expenditures are budgeted to be \$15.8 million.

Conclusion

Once the budget is approved and adopted, ongoing monitoring of revenues and expenditures will be necessary to ensure revenue is sufficient to support the spending level. Preserving and growing General Fund reserves is a priority for both fiscal sustainability and to address cash flow requirements.

The budget document provides actual revenues and expenditures for fiscal years 2021-22 and 2022-23; the FY2023-24 adopted budget; and the proposed budget for FY2024-25. The College's accounts are maintained in accordance with fund accounting principles to ensure that limitations and restrictions on the College's available resources are observed.

Maintaining fiscal sustainability will require on-going review of revenue and expenditure to monitor projections with timely reaction to material variances. Clatsop Community College will

be an essential resource to our students, businesses, and communities as we recover and grow even stronger together.

This document presents a balanced budget for approval by the Budget Committee and the Board of Education as required by Oregon Local Budget Law.

Teena Toyas
Interim President, Budget Officer