



OCCC Board of Education  
February 28, 2018  
Supporting Materials  
Agenda Item F. a. 18-19 Tuition Increase Recommendation

1. President's Memo with Recommendation
2. 3-year Analysis of Revenue and Expense
3. Revenue projections for tuition increases at various levels.

## Recommendation for Tuition Increase

Effective Fall Term, 2018

1. Attached Analysis of Revenues and Expenditures show FY16 to FY17:
  - a. Revenue increasing at 3.47%
  - b. Expenditures increasing at 9.99% (personnel at 15.94%)
2. Structural Deficit (amount by which budgeted expenditures exceed revenues)

15-16	16-17	17-18	18-19
\$350,000	\$200,000	\$245,000	TBD (see above)

3. State Funding for 18-19 is second year of a biennium, scenarios under discussion:
  - a. Most likely: No change from 17-18
  - b. Some possibility: \$3 million for advisors (\$80,000 for OCCC to add or make permanent advising/coaching capacity.)
  - c. Highly unlikely: \$11 million through CCSF potentially \$45,000 in new permanent revenue.
4. To fully close the current 17-18 structural gap without additional CCSF would require a permanent \$21.00 per credit increase. This is NOT the recommendation, presented for context only.
5. 18-19 will see significant one-time expenses, reducing what will be available in year-end balances to balance the budget for 19-20. Those one-time expenses include
  - a. Expenses for NWCCU evaluations, approximately \$20,000 every 18 months until 2013.
  - b. Migration to new ERP (potentially up to \$500,000 or more, depending on vendor selection and shared services. We have \$255,000 set aside).
6. Tuition increases at other Oregon CCs
  - a. 17-18: 15 of 17 increased tuition (highest was PCC at \$7.00 per credit)
  - b. 18-19: 10 of 17 currently considering tuition increases ranging from \$1 to \$7 (PCC) per credit.
7. Recommendation
  - a. OCCC Board Adopt a \$6.00 per credit increase for 2018-2019, contributing approximately \$70,000 annually to reduce the structural deficit.
  - b. Review tuition again for 2019-20
  - c. Consider policy (see attached) for annual index-linked smaller tuition increases to better match projected growth in expenditures with projected growth in revenues.

**OREGON COAST COMMUNITY COLLEGE**  
**ANALYSIS OF REVENUE & EXPENDITURES**  
For the year to date (YTD) June 2015, 2016, 2017

\*ALL GOVERNMENTAL FUNDS

	YTD JUN 2015	YTD JUN 2016	Annual % Diff FY15 to FY16	YTD JUN 2017	Annual % Diff FY16 to FY17
<b>REVENUES:</b>					
<b>Operating Revenue:</b>					
Property Taxes	\$ 3,075,646	\$ 3,014,668	98.02%	\$ 3,087,780	102.43%
Tuition and Fees	1,598,365	1,471,335	92.05%	1,550,713	105.40%
State Appropriation	1,684,034	1,879,223	111.59%	1,960,028	104.30%
Merchandise Sales	206,031	183,980	89.30%	178,139	96.83%
<b>Total Operating Revenue</b>	<b>6,564,076</b>	<b>6,549,206</b>	<b>99.77%</b>	<b>6,776,660</b>	<b>103.47%</b>
<b>Grant Revenue</b>					
Operating Grants-Local	62,660	106,547	170.04%	101,923	95.66%
Operating Grants-State	65,292	41,640	63.78%	414,544	995.53%
Operating Grants-Federal	608,401	248,257	40.80%	271,631	109.42%
<b>Total Grant Revenue</b>	<b>736,353</b>	<b>396,444</b>	<b>53.84%</b>	<b>788,098</b>	<b>198.79%</b>
<b>Miscellaneous Revenue</b>					
Donations	43,241	-		112,807	
Interest	11,028	17,819	161.59%	27,089	152.02%
Miscellaneous	145,155	138,769	95.60%	153,748	110.79%
<b>Total Miscellaneous Revenue</b>	<b>199,424</b>	<b>156,589</b>	<b>78.52%</b>	<b>293,644</b>	<b>187.53%</b>
<b>Total Revenue</b>	<b>7,499,853</b>	<b>7,102,239</b>	<b>94.70%</b>	<b>7,858,402</b>	<b>110.65%</b>
<b>EXPENDITURES:</b>					
Salary	2,473,805	2,441,445	98.69%	2,859,668	117.13%
Benefits	1,003,770	932,263	92.88%	1,051,709	112.81%
<b>*Benefits Cost Escalators Breakout*</b>					
Misc Benefits-President	5,500	6,000	109.09%	7,656	127.60%
FICA	185,711	182,283	98.15%	203,938	111.88%
Medical/Life/Disability Insurance	321,337	305,714	95.14%	343,624	112.40%
PT Faculty Medical Insurance Pool	16,000	18,000	112.50%	20,000	111.11%
Unemployment	12,385	12,100	97.69%	26,357	217.83%
PERS	440,082	400,865	91.09%	449,075	112.03%
<b>Personnel Services</b>	<b>3,477,575</b>	<b>3,373,709</b>	<b>97.01%</b>	<b>3,911,378</b>	<b>115.94%</b>
<b>Materials and Services</b>	<b>1,740,051</b>	<b>1,686,776</b>	<b>96.94%</b>	<b>1,654,693</b>	<b>98.10%</b>
<b>*Materials &amp; Services Cost Escalators Breakout*</b>					
Supplies-Software	392	15,147	3863.98%	118,355	781.39%
Equipment \$5000 & Under	2,601	18,986	729.95%	89,554	471.68%
Supplies for Instruction	4,959	7,803	157.36%	9,951	127.53%
Printing	39,908	38,278	95.91%	40,542	105.92%
Postage	12,881	12,767	99.12%	17,001	133.16%
Mtgs & Prof Development	55,149	57,622	104.48%	76,420	132.62%
OSS Maintenance Agreement	7,794	11,783	151.18%	99,283	842.62%
OSS Payroll Exp	10,111	11,264	111.40%	13,541	120.22%
Insurance	45,309	46,467	102.56%	48,114	103.54%
Fees, Dues & Subscriptions	46,168	61,652	133.54%	67,119	108.87%
SharkNet ERP System	86,872	89,481	103.00%	92,162	103.00%
Utilities	177,472	196,531	110.74%	205,348	104.49%
COGS - Bookstore	149,230	128,481	86.10%	140,458	109.32%
Strategic Initiatives	-	10,000		41,769	417.69%
<b>Expenditures Subtotal</b>	<b>5,217,625</b>	<b>5,060,485</b>	<b>96.99%</b>	<b>5,566,071</b>	<b>109.99%</b>
Capital Outlay	26,887	-		-	
Debt Service - Principal	1,220,000	1,300,000	106.56%	1,380,000	106.15%
Debt Service - Interest	647,718	621,468	95.95%	593,354	95.48%
<b>Total Expenditures</b>	<b>7,112,231</b>	<b>6,981,954</b>	<b>98.17%</b>	<b>7,539,424</b>	<b>107.98%</b>
<b>Year To Date Surplus (Deficit)</b>	<b>387,622</b>	<b>120,285</b>		<b>318,977</b>	

Tuition Increase Scenarios and Projected Revenue

Tuition Only Increase	Add'l Tuition Revenue - Based on Prior Yr Actual FTE	Per Credit Hour Charge	Add'l per year to the Student	Add'l per term to the Student	Add'l Tuition for 10 FTE (1 FTE = 45 credits)	Add'l Fees for 10 FTE (1 FTE = 45 credits)	Total Add'l Revenue for 10 FTE
Current		99.00			44,550.00	7,200.00	51,750.00
\$1 per credit	12,239.91	100.00	45.00	15.00	45,000.00	7,200.00	52,200.00
\$2 per credit	24,479.82	101.00	90.00	30.00	45,450.00	7,200.00	52,650.00
\$3 per credit	36,719.73	102.00	135.00	45.00	45,900.00	7,200.00	53,100.00
\$4 per credit	48,959.64	103.00	180.00	60.00	46,350.00	7,200.00	53,550.00
\$5 per credit	61,199.55	104.00	225.00	75.00	46,800.00	7,200.00	54,000.00
\$6 per credit	73,439.45	105.00	270.00	90.00	47,250.00	7,200.00	54,450.00

Tuition Only Increase	Add'l Tuition Revenue - Based on Current Budget FTE	Per Credit Hour Charge	Add'l per year to the Student	Add'l per term to the Student
Current		99.00		
\$1 per credit	11,662.97	100.00	45.00	15.00
\$2 per credit	23,325.94	101.00	90.00	30.00
\$3 per credit	34,988.91	102.00	135.00	45.00
\$4 per credit	46,651.88	103.00	180.00	60.00
\$5 per credit	58,314.85	104.00	225.00	75.00
\$6 per credit	69,977.82	105.00	270.00	90.00