



## **President's Budget Message May 12, 2021**

### **Introduction**

Thank you for taking the time to review this budget document. The budget herein is presented to the Oregon Coast Community College (OCCC) Budget Committee and district residents. This budget message describes our current budget environment, our approach to resource allocation, and our budget process.

The 2021-2022 Budget for Oregon Coast Community College is at once reactive and proactive. As is true for all higher education, this has been a challenging budget process due to the complexities of dealing with the COVID pandemic. In addition, OCCC must add and fund the infrastructure required of a newly accredited independent college. Finally, we remain in a period of mission-driven program expansion, which typically requires some extent of subsidization in the first three to four years of program initiation.

This budget provides necessary staff and support for the return of students to College facilities in person, as the community, and the College, emerge from the grips of the pandemic. The budget also provides necessary targeted increases in the infrastructure of independence. While the pandemic era has taken a significant toll on enrollment – and, consequently, revenue – we also saw unprecedented federal backfill and stimulus. This one-time funding plays an important role in the 21-22 budget of the College and bridges the gap in general fund expenditures and revenues. It serves students and continues our modest investment in strong organizational capacity. This budget positions us to recover from enrollment declines and, over the longer run, grow enrollment as we believe our mission and Lincoln County demands. It has been prepared based on conservative assumptions knowing that we need to not only balance the 2021-2022 budget, but to build stability to serve OCCC in the years to come.

This budget proactively addresses new programming vital to the College's academic programs, including enhanced offerings in Chemistry, Computer Science, Welding, Maritime and more. Investments in personnel will support independent regionally responsive curriculum, enhance our ongoing work in equity and inclusion, bolster the newly reinvigorated OCCC Foundation, and support the College's marketing and engagement efforts in this critical time, when the College must remain focused on driving enrollment growth.

The pandemic era created unprecedented economic challenges. State economists believe Oregon's economy is poised for a strong rebound with stimulus funds bolstering the state and regional economy. While the economy is improving, uncertainty remains regarding the final allocation of state

support that OCCC can expect for the next biennium. Community colleges like OCCC are “economic first responders,” retraining dislocated workers and helping them reenter the workforce. Prior recessions have seen massive enrollment growth at Community colleges.

### The Budget Process

Local Budget Law of the State of Oregon (hereafter State), reflected in Oregon Revised Statutes 294.305 through 294.565, requires the chief budget officer of a local government to prepare a formal budget message that helps the budget committee and the public to understand the proposed budget. This message is intended to satisfy the requirements of the Oregon Revised Statutes as they pertain to the budget for the Oregon Coast Community College District for Fiscal Year (FY) 2021-2022. The FY2021-2022 budget for the Oregon Coast Community College District (hereafter College) has been prepared in accordance with the budgeting and forecasting policies of the elected officials—known collectively as the Oregon Coast Community College District Board of Education (hereafter Board)—who are responsible for the administration of the College. Specifically, the budget has been prepared in accordance with Board Policy 6200 Budget Preparation, which reads, in part, as follows:

*Each year, the President shall present a budget to the Board of Education. The schedule for presentation and review of budget proposals shall comply with Oregon law and regulations and provide adequate time for Board of Education study. Budget development shall meet the following criteria:*

- *The annual budget shall support the College’s strategic and educational plans.*
- *Assumptions upon which the budget is based are presented to the Board of Education for review.*
- *Changes in the assumptions upon which the budget was based shall be reported to the Board of Education in a timely manner.*
- *Budget projections should address long-term goals and commitments.*

As required by Oregon State Budget Law, the Oregon Community College Accounting Manual, and other applicable policies, we hereby present to the Oregon Coast Community College Budget Committee and the Board of Education a proposed balanced budget for the 2021-2022 fiscal year. As with OCCC budgets in the past, this budget has been prepared on a modified accrual basis of accounting (revenues reported when earned; expenditures reported when the liability is incurred; taxes accounted for on a cash basis, when received). The result is that carryovers of financial obligations from year to year are precluded and projections of anticipated revenues are not inflated.

The budget is a quantitative expression of the mission of Oregon Coast Community College and addresses current economic realities and future needs of the institution. To continue our progress in an environment of great uncertainty and significantly constrained financial resources is a testament to the commitment, professionalism and adaptability of the faculty, staff, and administration of Oregon Coast Community College.

### Funding Model & Financial Resources

There are three major components of community college revenue: the Oregon Community College Support Fund (CCSF), local tuition and fees, and local property tax (property taxes reflect a 3.8%

increase based on information from the County regarding Taxable Assessed Values and the Urban Renewal Excess.)

### Community College Support Fund (CCSF) and Tuition

The CCSF is the primary source of state funding supporting educational and operational expenses at Oregon’s 17 community colleges. The CCSF distribution formula aims for equitable distribution of public resources per student, considering both CCSF and local property tax dollars. This fund provides investment in a range of educational activities, including associate degrees, transferable postsecondary undergraduate coursework, career and technical education, pre-college, adult basic education, literacy, and local workforce training.

In the 2019-2021 biennium, the Community College Support Fund (CCSF) received \$640.9 million. The Oregon Community College Association (OCCA) projects that to fully fund current services, colleges would need a state appropriation of \$702 million for the 2021-2023 biennium. At that funding level colleges could keep tuition increases to an average of 3.5 percent per year statewide.

The second source of College funding is Tuition and Fees. OCCC has chosen to not implement a tuition increase in 2021-2022, given the considerable economic stress already experienced by students and potential students. Both CCSF and Tuition and Fees are dependent upon enrollment levels. Consequently, the tracking and projection of revenue is highly dependent upon enrollment trends and projections. Community college enrollment across Oregon was already declining, which was severely exacerbated by the pandemic

### Enrollment

OCCC Full Time Equivalent Student Enrollment

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021 <i>projected</i>	% decline from 19-20
Total FTE	462	483	474	495	481	468	391	16%
Reimb. FTE	456	460	455	474	464	462	389	16%
All Oregon CCs	102,540	95,919	93,018	90,387	86,309	77,720	59,844	23%

*Higher education has taken a hit statewide, with the total number of students at public universities falling 3.8% from 2019. Community colleges have been hit especially hard, though. The community college student population fell 23% across Oregon — more than five times the amount at public universities. [Link](#) to OPB.*

## Federal Stimulus

FY 2019-23 Biennium Impact of Federal Assistance				
*Coronavirus Aid, Relief and Economic Security (CARES) Act				
*Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)				
*American Rescue Plan Act (ARPA)				
Federal Stimulus Fund	FY 2019-21 Biennium		FY 2021-23 Biennium	
	College Support	Student Support	College Support	Student Support
CARES Act	\$161,575	\$122,289		
CRRSAA	\$388,425	\$91,575		
ARPA (projected)			\$350,000	\$350,000
<b>Total</b>	<b>\$550,000</b>	<b>\$213,864</b>	<b>\$350,000</b>	<b>\$350,000</b>
The above amounts include allocations for CARES GEER/HECC Student Support and CARES GEER/HECC Distance Learning Support				

## College Planning

The 2021-2022 Budget remains designed to fulfill the mission of the College, and to advance strategic priorities. Mission fulfillment at OCCC is framed in the two core themes of the College, Student Success and Educational Pathways. Strategic priorities are identified within the Five Big Ideas Strategic Framework.

### Our Mission

At Oregon Coast Community College, we equip students for success by providing educational pathways and supports in response to the diverse needs of our community. Through accessible, engaging programs *and a commitment to equitable outcomes*, we enrich the economic and civic vitality of Lincoln County and beyond. *(In 2021, the OCCC Board reviewed the College mission and added a statement to emphasize an outcomes driven approach to equity.)*

### Our Core Themes

#### **Student Success**

At Oregon Coast Community College, we equip students for success in college and in life by providing exemplary teaching, student development programs and support services. Students receive customized and relevant advising and enriched supports to maximize completion and success. In response to the diverse needs and histories of our community we are institutionalizing a philosophy of student success and strengthening the College's policies, processes, and business practices to facilitate access and completion.

#### **Educational Pathways**

At Oregon Coast Community College, we assess the needs of individuals and employers, and respond by designing pathways and partnerships that address community and regional priorities. We create bridges into our pathways from high school, adult education, non-credit, and other feeders. Educational pathways are accessible through place and modality and facilitate transitions to transfer or employment. We strengthen the economy and workforce through our business development,

career technical and transfer programs. By narrowing achievement gaps in post-secondary education and raising post-secondary educational attainment, we advance the economic and civic vitality of Lincoln County and beyond.

### **Five Big Ideas Strategic Framework *and Progress***

1. The OCCC Diploma: the College will pursue NWCCU Independent Accreditation, beginning with filing for Applicant status by 2016, achieving Candidate status by 2020, and meeting criteria for Independent Accreditation by 2022.

*Met: The College was recognized by the NorthWest Commission on Colleges and Universities as independently accredited in February 2020.*

2. Student Success: 1000 by 2025: The College will double enrollment to meet the need for education, raise educational attainment and grow a college-going culture and narrow achievement gaps in Lincoln County. Doing so will strengthen fiscal stability for the College. The College will take a multi-pronged approach to growth.

*In Progress: This goal was aspirational in nature, signaling the intention of the College to grow to meet the needs of the community, and to express our belief that there is significant unmet demand for new and different programming tailored to our county and region. It presents a shift from prior stated goals to maintain the current size of the College. OCCC had achieved modest growth over the past five years, while the state as a whole saw declining enrollment. The Pandemic has impacted all community colleges negatively and makes the future more uncertain.*

3. Make OCCC a Great Place to Work: create a work environment and culture that manifests our values, allows people to excel at what they do best, and keeps them with us for reasons in addition to compensation.

*In Progress: Over the past six years, several initiatives related to a positive work environment have been implemented.*

4. Comprehensive Strategic Planning process: The College will develop comprehensive and sustained planning processes connecting planning with budget and resource allocation to reach strategic and operational goals.

*In Progress: OCCC has made significant progress in this area and now has systems and plans in place for: Strategic, Budget, Technology and Facilities.*

5. OCCC Will become an Agile and Flexible Organization: The College will develop the organizational structures and fiscal resources to allow us to fulfill our mission. OCCC will respond creatively and positively to the significant changes that will occur over the eight-year strategic plan period.

*Met: We consider this goal as fulfilled, demonstrated by our consistent and creative responses to an environment that changes dramatically.*

## Balancing the 2021-2022 Budget and Building Capacity

The total appropriation for the *PROPOSED* 2021-2022 budget is \$13,067,294. This budget creates capacity for the future and is based upon the following Planning Assumptions

### PLANNING ASSUMPTIONS FOR THE FISCAL YEAR 2021-22

#### **General Fund Revenue Assumptions – the major revenue-related assumptions that were used as a basis for the FY 2021-22 budget:**

- This is the first year of the 2021-2023 State biennium – the College is using the Oregon Co-Chairs’ proposed Community College Support Fund base of \$670 million, along with a final enrollment estimate for FY 20-21 of 389 reimbursable FTE, to calculate the Community College Support Fund (CCSF) distribution to OCCC for FY 21-22.
- Property Taxes reflect a 3.8% increase based on information from the County regarding Taxable Assessed Values and the Urban Renewal Excess.
- Tuition and Fees:
  - Projecting the enrollment of approximately 426 full-time equivalent students which includes a cohort from the OCCC/TBCC Nursing partnership of 14 students
- Funding support from LCSD to share costs for the Dual Credit, Early College, Rural Teacher Education, Early Childhood Education, Nursing Assistant, Welding and Juntos programs
- Funding support from the Foundation and local Health Districts
- Federal stimulus funding of \$350,000 from the American Rescue Plan Act

#### **General Fund Expenditure Assumptions – the major expense-related assumptions that were included in the FY 2021-22 budget:**

- Personnel costs reflect:
  - Set-aside nominal amount of one-time-pay across all College employee groups dependent upon funding.
  - Staffing:
    - Vacancies unfilled (3.0 FTE)
      - 1.0 FTE Math Faculty
      - 1.0 FTE AQS Faculty
      - 1.0 FTE Dev Ed/Writing Faculty
    - Vacancies filled (4.75 FTE)
      - 1.0 FTE Associate Dean of Academic Affairs (Mgmt.)
      - 1.0 FTE SBDC Administrative Assistant (Classified)
      - .75 FTE Nursing Faculty
      - 1.0 FTE Nursing Faculty (overlap anticipating faculty retirement)
      - 2.0 FTE Welding Faculty (funding shared with LCSD)
    - New or increased positions (3.1 FTE)

- 1.0 FTE Admin Assistant supporting Marketing, Outreach, and Foundation (Classified)
  - 1.0 FTE Academic Coordinator (Technical)
  - .25 FTE Equity & Inclusion Coordinator – shared TBCC position, partial funding SBDC (Technical)
  - .75 FTE Admin Asst/Accounting Specialist Finance & Operations (Classified)
  - .10 increase Foundation Coordinator (Technical) shared with Foundation.
- Employer PERS rates increases in the new biennium –17.57% for OPSRP employees and 21.57% for Tier 1&2 employees.
  - A 6% increase in health insurance costs
  - An 18% increase in the property and general liability insurance premiums
  - Most Material & Services accounts held at FY 20-21 levels with additional targeted decreases where feasible.
  - Materials and Services costs reflect a \$50,000 set aside for repairs to the generators at both the Newport and Lincoln City locations and a \$25,000 set aside for any capital outlay that might become necessary due to aging buildings and equipment.
  - Materials and Services costs also reflect an increase to the Marketing budget for advertising and outreach that will be aimed at recouping enrollment losses.
  - All Meetings & Professional Development budgets are still at a 50% reduction over FY 19-20
  - A 10% contingency fund balance reserve in the General Fund
  - Continued one-time funding of initiatives related to program development and strategic growth
  - Continued monitoring and adjustment of departmental and program budget amounts for Materials and Services

## Conclusion

The budget was developed through college participation via departmental input, internal committees, and careful review by the executive team. Through cost containment, the budget addresses the current economic realities and needs of the institution and modestly builds for the future.

In the face of many challenges, the College has proactively managed its financial resources to fulfill our mission and strategic plan. As has been my practice in my now seven years with this remarkable college, I close by reminding us there remain many reasons to be hopeful and optimistic for the future. OCCC has survived worse, and together we have accomplished so much for students and the community, especially our very recent achievement of independent regional accreditation. Our independent status has permanently increased our ability to respond to local needs. We did not anticipate that local needs would include response to a pandemic, but independence has made us stronger in that response as well. We are also in the midst of implementing new systems to enable us to accomplish our work in better ways. By focusing on becoming more efficient in terms of operational processes and more effective with student and employee outcomes, the new normal

could be even better than the old normal. Thank you all for what you do every day for our students (however remote they are just now) and our community, and the ways you are supporting them.

A handwritten signature in black ink that reads "Birgitte Ryslinge". The script is cursive and fluid.

Birgitte Ryslinge, President  
Oregon Coast Community College