



President's Budget Message May 12, 2023

Introduction

Thank you for your review of 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 2023-2024 Budget for Oregon Coast Community College adapts to the current fiscal environment and builds capacity for the future, within limited available resources. Following are Relevant Conditions and Trends impacting budget development.

- The staffing infrastructure of independence: OCCC's recognition (2020) as an independent regionally accredited college created additional responsibilities for the College. The criteria of the Northwest Commission of Colleges and Universities (NWCCU) and particularly the US Department of Education required that OCCC establish a Registrar's Office, Financial Aid Department, and enhance certain Human Resource functions. In planning for independence, College leadership was advised to budget for an additional 3-5 staff positions. This budget moves us from 1.5 FTE to 3.0 FTE related to the additional functions of independence.
- Rising costs, particularly in compensation: Appropriate compensation is important from a pay equity perspective, and essential to the functioning of an independent college. Staffing costs account for 66% of general fund expenditures. It is a continual challenge to fund compensation at a level which considers our rural environment and small college resources while maintaining fairness for employees and remaining competitive in terms of recruitment and retention. It is also always our goal to avoid the layoff scenarios that have unfolded at many community colleges. Pay increases have been modest across all employee categories, and yet continue to place pressure upon available fiscal resources.

2010/11 to 2020/21 Permanent Pay Increases by Employee Class

Employee Category	Cumulative Permanent Increases	Avg Annual Permanent Increase
Classified	21%	1.9%
FT & 3/4 Faculty	18.5%	1.7%
Part-time Faculty	27.5%	2.5%
Management	14.2%	1.3%

- End of Federal pandemic support: subsidization of expenses related to the Covid pandemic has phased out.

- Facilities: Current buildings are aging and increasingly require maintenance. Meanwhile, the lack of specialized Career Technical Education (CTE) space limits the extent to which needed CTE programming can be delivered. The Board of Education plans to put forward a Bond measure in 2024 to address these facility needs, timed to align with the expiration (2025) of the current bonds which constructed the existing facilities.
- Partnering organizations: the community and students continue to benefit from partnerships OCCC has established with other community organizations who not only work with the college, but also either provide or collaborate on bringing additional fiscal resources to specific programs and endeavors. These include Health Districts, LCSD, NorthWest Oregon Works, Port of Toledo, CTSI, Samaritan Hospitals, and Oregon Aquarium.
- Changes in Oregon CC Funding Formula: Beginning in the next fiscal year, the Higher Education Coordinating Commission will begin phasing in changes to the distribution model, moving from a strictly enrollment-based formula to also consider outcomes. The impact will be initially modest and grow over time.
- Demand for flexibility in delivery and engagement: We believe our enrollment recovery (one of the few community colleges whose enrollment has reached pre-pandemic levels) is rooted in our evolution towards a student-centered college. This requires continued investment in flexible technology enabled access for students, offering pathways that lead to living wage jobs of the future, extensive support and retention efforts, and aggressive outreach and marketing. All require resources.
- Enrollment Trends: While OCCC has fared better than many CCs regarding enrollment declines, the events of the pandemic precluded and delayed our envisioned enrollment expansion and associated growth in revenue. We have also seen a shift in the types of enrollments, with less students enrolling in college transfer courses, and more in CTE. We are also seeing increased enrollment in ESOL, GED, and Dual Credit. These shifts in enrollment types have revenue and cost implications and will be examined closely soon.

Discussion

This budget provides the necessary staff and support for the requirements of an independent college and supports the varied and changing needs of our students and community. Returning and new students bring with them expectations for access to state-of-the-art technical learning environments, flexibility in access (remote one day, on-site the next) and increasing need for supports to address the many barriers to education. Needs exceed the resources generated annually, and as in prior years, a carefully stewarded ending fund balance from the prior year allows us to balance the budget and keep capacity in place while we seek to fulfill the next Strategic Plan. The 23-24 budget also maintains the 13% reserve and builds some modest contingency funds for maintenance and other unanticipated needs. The budget also builds capacity for, but does not rely upon, several grant opportunities, that if successful will add significantly to the college's impact and pace of improvement and program development.

The 2023-2024 budget serves students and continues our modest investment in strong organizational capacity. The budget positions us to continue recovery from enrollment declines and over the longer run, grow our 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 current year budget, but to build stability to serve Lincoln County in the years to come.

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) 2023-2024. The 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 2023-2024 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 4% 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. As noted, the CCSF Formula is changing to include an outcomes-based component beginning in 2023-2024.

The second source of College funding is Tuition and Fees. After two years with no tuition/fee increase, OCCC implemented a tuition increase for 2023-2024 (\$2 tuition, \$7 fees). 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 has declined since 2016 and was severely exacerbated by the pandemic. OCCC is one of the few CC's that has now exceeded pre-pandemic enrollment (2019-2020).

Enrollment Trends and Projections

OCCC Full Time Equivalent Student Enrollment

OCCC	2016-2017	2017-2018	2018-19	2019-2020	2020-2021	2021-2022	2022-2023 projected	% change from 19-20
Total FTE	474	495	481	477	430	476	500	4.8%
Reimb. FTE	455	474	464	468	417	452	474	1.3%
Total FTE All Oregon CCs	93,018	90,387	86,309	77,720	67,495	63,804		<18%>

Integrated Planning and Budgeting

The 2023-2024 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. Specific priorities and supporting initiatives are identified in the College Strategic Plan 2023-2028. Multiple mechanisms connect planning and budget.

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.

OCCC's Strategic Plan (CSP 2023-28) builds and expands upon the 2015-2022 "Five Big Ideas" framework. The new CSP is a result of a year-long process led by President Ryslinge, engaging with the college Board of Education and employees, industry partners, Lincoln County School District, various data sources, and the Economic Development Alliance of Lincoln County. Each year, the college will adopt a series of Planned Activities to ensure progress – and, within five years, achievement – of the five Strategic Priorities.



STRATEGIC PLAN 2023-2028



strategic priorities

Approved by BOE 10.19.22

#1 Students at the Center

OCCC is a student-centered college

- College is designed and organized for student success
- Guided Pathways model is fully implemented and scaled
- Equitable outcomes for all students

#2 Careers Built Here

Center for Trades Education is built and occupied; OCCC is known for launching careers on the coast.

- CTE capacity is expanded to meet the needs of the County
- Students, employers, and partners have access to state-of-the-art CTE facilities
- CTE needs of employers and students are regularly assessed

#3 Resourced & Ready

Our people, technology and facilities are student-ready, sustained by a strong fiscal foundation.

- A strong, inclusive, and cohesive culture exists for students and employees
- Well-maintained technology and buildings provide current and relevant learning environments
- OCCC demonstrates fiscal stability and sufficient resources for mission fulfillment

#4 First Choice, Best Choice

OCCC is front of mind in Lincoln County for education and employment.

- OCCC is the educator of choice for Transfer, Employment, Workforce Readiness, and Community Education
- Small business owners think OCCC first
- OCCC is regarded as an employer of choice in Lincoln County

#5 Sharks Make Their Marks

OCCC positively impacts the quality of life in Lincoln County.

- OCCC is an integral partner in growing the local workforce
- OCCC supports, engages with, and grows a vibrant business community
- OCCC serves as a convener of community discourse

2023-2024 Planned Activities

to Advance Strategic Priorities

Progress towards these priorities is regularly evaluated via assessment measures, primarily Core Themes. Learn more in the OCCC 2022 Mid-Cycle Evaluation, at oregoncoast.edu/mce (see "Moving Forward").

Priority 1: Students at the Center

- Launch and implement the College Strategic Plan (2023-2028) with annual plans guiding tangible progress towards the five Strategic Priorities. (Also supports #2,3,4,5)
- Increase learning initiatives focused on equity and inclusion and evaluate their effectiveness. (Also supports #4,5)
- Improve student engagement, satisfaction, and learning achievement. (Also supports #3)
- Continue to examine and enhance the student journey and experience to remove/reduce barriers and increase engagement and sense of belonging. (Also supports #3)

Priority 2: Careers Built Here

- Subject to Board approval, develop and launch a capital construction local bond measure to
 - a) obtain funding for new building focused on Career Technical programs, and
 - b) modernize existing facilities. When successful, engage stakeholders in design and construction planning
- Update Facility and Academic Master Plan (Also supports #4)



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Priority 3: Resourced and Ready

- Systematize the integration of planning and goal setting, assessment, and linkage to budget throughout all levels of planning, ensuring that all levels of planning support and advance Mission, Core Themes, and the College's Strategic Plan
- Conduct Program Reviews with all programs (Instructional and Service Areas) as scheduled, ensuring outcomes associated with all degree programs are assessed on a regular basis, that the results are reported, and appropriate improvement plans are documented and implemented with support from the Office of Instruction and the Executive Team.
- Develop long-term plan for automation systems (ERP) for SIS, CRM, Finance & related integrations.

Priority 4: First Choice, Best Choice

- Improve student achievement in retention, pace, and graduation. (Also supports #1)
- Ensure systems of employee performance evaluation, professional development, and employee training and support are all operating effectively and contributing to a satisfied and engaged workforce. (Also supports #3)

Priority 5: Sharks Make Their Marks

- Expand programs and pathways which are of interest to students and meet the needs of the region. (Also supports #1,2,4)
- Advance engagement with and support of Lincoln County's key industry sectors. (Also supports #2,3)

From Program Review to Budget

SPARE is an annual process used at OCCC for programs and specialized operational divisions to document objectives, assess progress, and identify needed resources to address gaps between objectives and outcomes. Since 21-22, most areas (instructional programs and service areas) complete a SPARE, which includes resource requests which become inputs to the budget development process. All SPARES are reviewed by the Executive Team (ET) to develop a resource request master list, adding institutional priorities which did not emerge via the SPARE process. ET then works to identify available funding sources: grants if applicable, unspent prior year funds, inclusion in the next budget, or not funded at this time.

The 2023-2024 Budget and Planning Assumptions

The total appropriation for the PROPOSED 2023-2024 budget is \$19,927,065. Since OCCC gained independence and Department of Education approval for direct administration of Federal Financial Aid, the total appropriation also includes federal financial aid to students, budgeted at approximately \$3.5million for 2023-2024. Total appropriations also includes a budget amount of approximately \$2.9 million to accept potential grants, which would carry new expenses. This PROPOSED 2023-2024 budget is based upon the following Major Planning Assumptions:

- General Fund Revenue Assumptions
 - This is the first year of the 2023-2025 State biennium. The College is using the Governor's Budget (GRB) of \$748 million as the funding base for the Community College Support Fund (CCSF) calculation until such a time as the State adopts its budget.
 - Final enrollment estimate for FY 22-23 of 474 reimbursable FTE for purposes of estimating the FY 23- 24 CCSF, yielding a funded FTE of 450 (3-year rolling average).
 - Projected enrollment for 23-24 of approximately 488 FTE due to a 25% increase in the enrollment cap within the Nursing program.
 - Partner fiscal contribution levels maintained at prior year levels.
- General Fund Expenditure Assumptions
 - Personnel costs reflect a modest structural pay increase across all College employee groups, and enrollment-contingent conversion of 22-23 one-time pay to permanent structural increase per collective bargaining agreements.
 - Staffing: of the 10.3 current positions vacant, 7.8 will be filled, and 2.5 will not be filled in 2023-2024. In addition, 2.5 new positions (related to NWCCU and Department of Education compliance) are added.
 - \$75,000 set-aside for capital expenditures.
 - 13% contingency fund balance reserve in the General Fund.
 - Strategic Initiative Fund to support implementation of College Strategic Plan.

Conclusion

The budget was developed through college participation, via the SPARE process (Service and Program Area Review and Evaluation), departmental input, and careful review by the President and the College Executive Team. Through cost containment, the budget addresses the current economic realities and needs of the institution and modestly builds for the future. It continues to augment a fiscal safety net which was intentionally narrowed in prior years to support the transition to an independent college.

In the face of many challenges, the College continues to proactively manage its financial resources to fulfill our mission and advance our strategic planning objectives. Despite the challenges of the past years, I am optimistic for the future. The people that make up OCCC continue to accomplish so much for students and the community. Student choices and enrollments are demonstrating the relevance of our new programs such as teaching, welding, and expanded options for Health careers. Our commitment and investment in technology enabled access along with robust attention to student retention and outreach have yielded an enrollment recovery which, though modest, continues to outpace most Oregon community colleges. OCCC continues to engage in building and refining the critical systems and infrastructure essential to a newly independent college. Our independent status and these systems have permanently increased our ability to respond to local needs. Every day, we lean more into our commitment to be a truly student-centered college.

Thank you to all the employees of OCCC, our Board of Education, our students, our Foundation, and all the community members and organizations that support this work.

Birgitte Ryslinge, Ph.D.

Birgitte Ryslinge, President
Oregon Coast Community College