



President's Budget Message May 15, 2024

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 2024-2025 Budget for Oregon Coast Community College adapts to the current fiscal environment and builds capacity for the future within limited available resources.

OCCC as an institution has seen significant evolution and change over the last decade, and as a result our budget has also evolved.

- Growth in the General Fund reflects enrollment trends, programs added to address the needs of students and industry, and the structural and staffing changes to support independent accreditation.
- Since the Department of Education granted OCCC standing to award and administer our own federal financial aid the Special Revenue Fund now includes approximately \$3.5 million in student aid which is passed through to students.
- We have also seen increasing success in securing grants (federal, state, private) which align with the College's Strategic Plan. The Special Revenue Fund creates the capacity to receive and expend the grant funds if they are awarded. These resources are only available for the specific outcomes of the particular grant. Currently, OCCC budgets over \$3 million for potential grant awards.
- Most significantly, OCCC has a Bond measure on the May 2024 ballot. If successful, this Bond measure will provide OCCC with approximately \$33 million of Capital Projects funding and will release an additional \$8 million in state bonding as matching facility funds. As the outcome of the election is not known at the time of budget development, the budget must create the capacity to receive these funds.

The cumulative impact of these changes on the current budget is immense. For comparison, OCCC's total budget for the 2018-2019 year was approximately \$11 million. The total proposed budget for 2024-2025 is \$63,900,479.

Following are additional Relevant Conditions and Trends impacting budget development.

- System changes for independent accreditation: OCCC's recognition (2020) as an independent regionally accredited college created additional responsibilities for the College, which included

a Registrar's Office, Financial Aid Department, and enhancing certain Human Resource functions. Redesign of pre-existing systems throughout the college has also been required. At this time, OCCC's organizational development focus has shifted from building and revising systems, to continuous improvement in the maintenance of systems.

- 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 75% 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.
- Return to sustainable spending: Like most community colleges, during the pandemic OCCC relied in part on one-time funding to sustain ongoing programs and services. One-time funds include federal and state grants, and also carry-over funds from the prior year. The interaction of rising costs and some years of lagging enrollment caused the reliance on one-time funds to grow over time and reached almost 11% in the 23-24 budget. Administration worked with the Board of Education to establish a goal to reduce reliance from 11% to 7% over the next four years. The 24-25 budget decreases reliance on one-time funds for on-going expenses by 1.17 %.
- 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 2024 Bond measure addresses these facility needs.
- 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 Coast Aquarium.
- Changes in Oregon CC Funding Formula: This year the Higher Education Coordinating Commission begins 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 post-pandemic enrollment recovery (one of the strongest in Oregon community colleges) 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.

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 24-25 budget provides a 12% reserve and includes modest contingency funds for strategic opportunities that may arise during the year.

The 2024-2025 budget serves students and continues our investment in strong organizational capacity. It reflects our optimism that Lincoln County will invest in building a state-of-the-art Trades Education facility. The budget leverages grant opportunities to advance the strategic priorities of the College. The budget positions us to continue to 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) 2024-2025. The budget for the Oregon Coast Community College District 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 – 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 2024-2025 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 2% 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 changed to include an outcomes-based component beginning in 2024-2025.

The second source of College funding is Tuition and Fees. After two years with no tuition/fee increase, OCCC implemented a tuition increase for 2024-2025 (per credit \$2 tuition, \$2 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.

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	2023-2024 <i>(proj.)</i>	% change from 20-21
Total FTE	474	495	481	477	430	476	496	500	14%
Reimb. FTE	455	474	464	468	417	452	463	474	13.7%
Total FTE All Oregon CCs	93,018	90,387	86,309	77,720	67,495	63,804	64,980	NA	(3.8%)

Integrated Planning and Budgeting

The 2024-2025 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

2024-2025 Planned Activities

to Advance Strategic Priorities

Progress towards these priorities is regularly evaluated via assessment measures, primarily Core Themes.

PRIORITY 1: STUDENTS AT THE CENTER

1. Continue to integrate the Academic and Student Affairs divisions
2. Expand and diversify postsecondary course offerings at all Lincoln County high schools
3. Develop and establish a framework for OCCC's HSI attainment status, a pivotal step in our journey toward academic excellence and inclusivity
4. Develop andragogical (adult learners) instructional approaches and support systems

PRIORITY 2: CAREERS BUILT HERE

1. Significantly increase CTE capacity and enrollment by expanding pathways and access to careers in advanced technology and trades (OCATT programming)
2. Through our role within the HECC-recognized community college nursing consortium, pursue participation in the delivery of a four-year applied baccalaureate in nursing
3. Pursue funding for physical resources that enhance learning, including modern facilities and equipment
4. Regularly assess local needs in the trades and how the college and its strategic partners can meet them, including the update of the college's Environmental Scan
5. Pending voter approval, begin facilities design and pre-construction planning of OCATT Center

PRIORITY 3: RESOURCED & READY

1. Successful recruitment and on-boarding of the next OCCC President
2. Strengthen our campus culture of engagement, focusing efforts on building community through health, wellness and social activities, and intentional communication
3. IT implementation of a new server to provide vital backup and failover capabilities & enhanced cybersecurity
4. Implement year one of the multi-year Budget Alignment Process (BAP) to reduce reliance on one-time funds by at least 1% (Board Goal)
5. Fully transition automated financial services processes to eliminate residual reliance on SharkNet
6. Make significant progress on addressing deferred maintenance (as documented in the 2023 Facilities Review), to include the replacement of the Newport main building roof in summer 2024

PRIORITY 4: FIRST CHOICE, BEST CHOICE

1. Tailor and expand targeted engagement to highlight how OCCC can meet the unique needs of specific populations (adults, English-language learners, non-traditional, high school, pre-apprentice, etc.)
2. Improve website navigability by redesigning the portal to career pathways and academic programs
3. Enhance onboarding experience and expand orientation of college operational areas for new employees

PRIORITY 5: SHARKS MAKE THEIR MARKS

1. Conduct county-wide, community specific engagement events to determine local needs and priorities; Outreach focus will be defined by the outcome of May 2024 proposed bond measure
2. Conduct post-election geographic analysis of support for, and opposition to, the May 2024 proposed bond measure, to document current perceptions of the college
3. Continue enhancing the college's role in county-wide emergency response, including updating and enhancing the current emergency supplies container infrastructure



From Program Review to Budget

SPARE (Service and Program Area Review and Evaluation Process) 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.

Conclusion

The budget was developed through College participation, via the SPARE, the Budget Alignment Process (BAP), 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 staff, while building for the future.

In the face of many challenges, the College has continued to proactively manage its financial resources to fulfill our mission and advance our strategic planning objectives. This College has overcome many challenges since its founding in 1987 and emerged stronger than ever from the challenges and opportunities of the last decade. I am privileged to have served as OCCC's leader during this influential time in the history of the College, and I am optimistic for the future. Community and industry support for the College is extraordinary, and I hope we are poised for a new decade of investment in education and workforce development here in Lincoln County. The people that make up OCCC continue to accomplish so much for students and the community. Every day, we grow in our commitment to be a truly student-centered and community-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