

CLACKAMAS COMMUNITY COLLEGE
2024-25 BUDGET
Budget Message

April 30, 2024

Dear Colleagues:

As part of the 2024-25 Budget, this message is prepared with pride in an institution that continues to work toward fulfilling its mission to cultivate equitable, innovative, and responsive education. As the President of Clackamas Community College, I am inspired as our college positively impacts the lives of students, employees, and the community.

It has been four years since the COVID-19 pandemic altered the landscape of our community the education sector, businesses, community events, and individuals all have felt the immediate and long-term impact of this global health crisis. As an institution, we altered the modalities for course offerings to incorporate a hybrid learning environment, leaned into the needs of students to support their pursuit of higher education, and strategically managed the public resources of Clackamas Community College when there was less certainty in state resource allocations. Financially, the Proposed FY 2024-25 Budget for all funds results in an increase of 3.4%, which is reflective of our goal to adhere to principles of working towards operational stability and lower inflationary cost pressures on all College funds. I am also pleased to report that enrollment continues to trend positively and for FY 2023-24 we are hovering at a net percentage increase of 10%, which is better than our forecasted growth rate from this time last fiscal year.

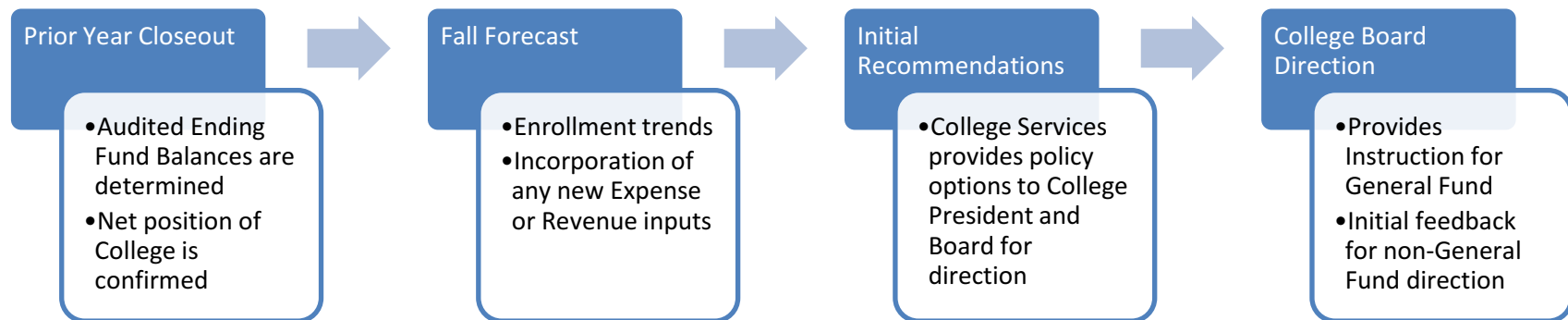
Enrollment is a key input in the operating budget as financial support from the State of Oregon, local property taxes, and tuition are all reliant on positive enrollment trends as these resources support the day-to-day operations of Clackamas Community College. The FY 2024-25 Proposed Budget has been prepared with the expectation that enrollment will continue to recover at a rate of 5% over FY 2023-24 student enrollment. The resources as approved in the State Biennial Budget for FY 2023-25 are combined with the Federal Employee Retention Credit (ERC) funding to provide us with stable resources through FY 2024-25. The current funding levels will support Clackamas Community College to focus on our strategic priorities of excellence in teaching and learning; holistic student support; organizational health; community connections; and diversity, equity, and inclusion.

The College pursued multiple strategies during the pandemic recovery period to lessen the impact on operations and to allow for enrollment to recover and stabilize. During the first three years of the pandemic between FY 2020-21 and FY 2022-23 the College identified over \$2.0 million in reductions in department program expenses for supplies and operations and we incorporated revenue increases from tuition, outside grants, and increased state shared funding sources. In FY 2023-24 we recognized a strategic opportunity to leverage additional time for financial recovery to occur when the College received ERC funds. The ERC funds provide time over three fiscal years to work through strategies for increasing funding in support of college operations and conversely, to identify reductions that mitigate impact to our core operations in the event resources to do materialize.

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Budget Process for FY 2024-25

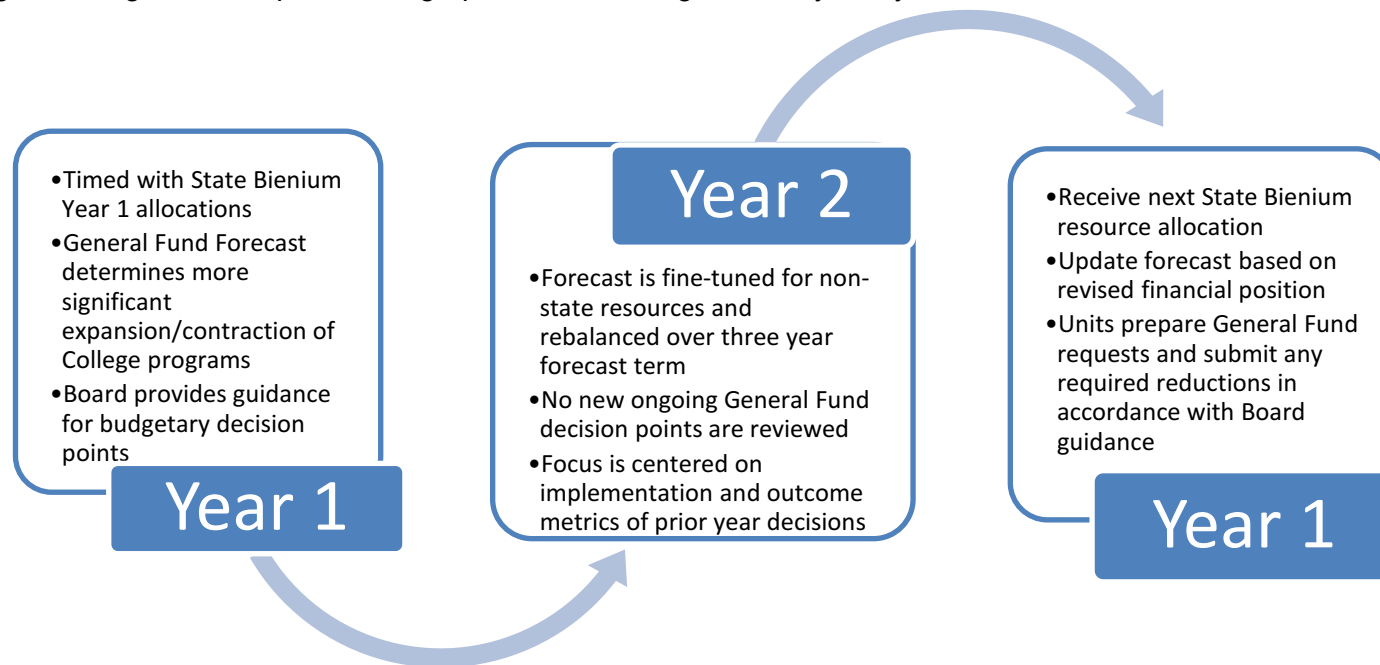
The development of the annual budget for Clackamas Community College begins in the fall of the current fiscal year with the forecast presentation to the Board of Education. The College provides a forecast for enrollment estimates, resources, and expenses over the next three years. As with the prior budgets in a post-pandemic economy, there is continued impact on the college financial position due to the reduced number of Full-time Equivalent (FTE) students. The State of Oregon issued its FY 2023-25 Biennial Budget which included an increase in resources from the State, however this additional funding source is not sufficient to balance current operating expenses without reliance on the final year of one-time federal funds. The Board of Education provided guidance for development of the FY 2024-25 Budget to be a stability budget, meaning neither expansion nor contraction of services to maximize time for enrollment stabilization in advance of the next state biennium. The graphic below illustrates the planning phase of the budget process for FY 2024-25:



Departments have provided their Unit Plans in Fall 2023, their current service level operating budgets, and documentation for resources to cover contractual increases for inclusion in the FY 2024-25 Budget. Due to an unforeseen and unplanned allocation from the State of Oregon, there was an additional amount of \$700,000 in one-time General Fund resources available for allocation in FY 2024-25. This amount is less than 1% of the General Fund operating revenues and it does provide resources to support one-time expenditures before the next biennium. Proposals from Unit Plans, and other urgent and unforeseen one-time needs were narrowed for review of the Budget Advisory Group and the Executive Team.

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The guidance received from the Board of Education sets in motion a proposal to conduct the annual budget process for future years to have a two-year cadence. The result is a more intensive financial year tied to the timing of decisions from the State of Oregon biennial budget, which would be followed by a year dedicated to implementation and evaluation of results in advance of the next biennial budget. The figure below provides a graphic for the timing of a two-year cycle.



Changes for FY 2024-25 Proposed Budget & General Fund Increases

The underlying revenue and expenditure picture shows ongoing revenue continues to recover, but the General Fund ongoing resources are outpaced by increased, ongoing expenses for the 2024-25 fiscal year and going forward in the forecast. The College total all-funds Proposed Budget for FY 2024-25 is \$148.5 million, which is an increase of 3.4% as compared to the FY 2023-24 Adopted Budget. There are 398.8 FTE Staff positions across all funds in the FY 2024-25 Proposed Budget.

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The FY 2024-25 Proposed General Fund Operating Budget is \$68.8 million. In the winter of FY 2023-24, the Higher Education Coordinating Commission (HECC) provided additional information to the community colleges in Oregon with updated allocations of state resources. The updated allocation for Clackamas Community College included additional funds beyond the fall forecast, resulting in a one-time available discretionary resource. The following is a summary of just over \$650,000 in allocations of one-time resources in the Proposed Budget:

- Replacement of the Virtual Desktop and other high-need computer labs
- Extension of the pilot program for one year to continue supporting new student mentors
- Extension of two Title III Navigator positions
- Extension of one Career Navigator position
- Temporary increase of counseling hours of service to match current usage and demand levels
- Extension of a limited-term position supporting front desk functions in the Human Resources department
- One-year funds for CrowdStrike end-point cyber protection for college devices
- Extension of resource supporting the Ease Learning Helpdesk as grant resources have expired
- Pilot transcript transfer evaluation software

Tuition and General Fees for FY 2024-25. The Board of Education approved an increase for in-state and out-of-state tuition consistent with the forecast growth of 4% for FY 2024-25. All general fees remain consistent with the current year:

- An increase of \$5 per credit hour – from \$121 to \$126 per credit hour for in-state tuition.

There are no changes to student fees for fiscal year 2024-25 and the fees will remain at FY 2023-24 levels:

- General Student Fee: \$6.50 per credit hour
- Student Technology Fee: \$6.50 per credit hour
- College Service Fee: No change at \$30 per term

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Focus on Enrollment for the Future

Strategies to increase student recruitment and retention have been prioritized throughout the last four years during the pandemic and the recovery period. Clackamas Community College launched its first Strategic Enrollment Management (SEM) plan, aligning efforts with CCC's strategic priorities.

The admission efforts at Clackamas Community College are multifaceted, ever adapting to the current context, and calibrated to reach key audiences. Many students who do not persist in community college indicate it is due to non-academic circumstances. The primary categories cited by students in our annual student survey include financial barriers, dependent or other family-care obligations, and affordability for basic needs or living expenses. In recognition of the defined need, the college provides the following: emergency grants; a well-stocked food pantry; holistic support services in both remote and face-to-face modalities; a no-cost lending library; affordable textbooks through the bookstore and open educational resources; and, utilizing grant resources, a state-funded benefits navigator to connect students to social services and resources. In FY 2023-24 the College entered a partnership with Clackamas Volunteers in Medicine and we are now operating a free medical clinic located on the Oregon City campus to provide free services to students. Specific to issues of dependent care, the College opened a drop-in childcare center for students to have access to supervised care while they are on campus. These efforts are examples of the student-centered initiatives that the College has recently taken to provide the assistance needed to students so they can remain enrolled and focused on obtaining their educational objectives.

Employees across the College participate in the following outreach activities to support enrollment: conduct focused phone and email campaigns to students who do not enroll for a subsequent term, develop and refine opportunities to encourage a streamlined registration process, develop showcases to attract prospective students, and create space for advisors and navigators to connect with students in both onsite and remote classes to encourage registration and remind students of resources to support their education planning.

In the fall of 2023, the college surveyed students on their preferred method of taking classes as there has been sustained interest in remote learning options. The expanded modalities for instruction support students in continuing their education at CCC. We anticipate continued refinements and adjustments related to the delivery of our curriculum and services based on what meets the objectives of the program and how our students can access their instructors and coursework.

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Conclusion

Clackamas Community College has a long history of strong financial management, and the College has taken pro-active actions to while enrollment and other resources stabilize. As we move towards a two-year budget development cycle, we look forward to utilizing the designated time and space for program evaluation and coupling our internal efforts with the collaborative approach to highlight the value and impact that community college brings to the State of Oregon. It is the combination of short-term and long-term strategies where CCC is unique in that we have the time and resources to assess our financial landscape, programmatic outputs, and determine in a wholistic way how to best deliver services in a resource constrained environment. There are two fiscal years remaining before the one-time federal funds expire and we are moving forward with our planning efforts to meet this deadline for a re-based balanced budget. I am confident that the ingenuity, and dedication of our Clackamas Community College team and community partners will support our collective effort to meet our financial challenges and deliver quality education and experiences for our students.

Next Steps

The Clackamas Community College's Budget Committee, composed of the Board of Education and an equal number of community member appointees, will meet twice in May, culminating in the approval of the proposed budget. In late June, the Board of Education will formally adopt the budget, establish appropriations, and authorize the levy of supporting property taxes. Our past, present, and future success depends on the extraordinary efforts of so many. Thank you for your dedication and for all that you do in service to our students, our communities, and each other.

Dr. Tim Cook

College President