



**CLACKAMAS COMMUNITY COLLEGE
BUDGET COMMITTEE
MINUTES, May 14, 2025**

CALL TO ORDER

Budget Committee Chair David Chitsazan called the meeting of the Clackamas Community College Budget Committee to order at 6:03 p.m. on Wednesday, May 14, 2025.

ROLL CALL

PRESENT: 12 – Budget Committee members David Chitsazan, Andrey Chernishov (via Zoom), Christine Didway, Jamie Damon (arrived at 6:11 PM via Zoom), Jane Reid, Kathy Hyzy (arrived at 6:09 PM), Michael Morrow, Jo Crenshaw, Irene Konev (via Zoom), Rob Wheeler, Wade Byers, Wade Hathhorn.

ABSENT: 1 – Nancy Bush

COLLEGE

REPRESENTATIVES: 4 - President Tim Cook, Vice President Jeff Shaffer, Dean Christy Owen, Recorder Kattie Riggs, and other staff.

APPROVAL OF MINUTES

Chair Chitsazan asked for a motion to approve the minutes from the May 15, 2024, Budget Committee meeting.

BC-2025-01 Motion made by Jane Reid, seconded by Wade Byers, to approve the minutes of the May 15, 2024 Budget Committee meeting. The motion carried by the following vote:

Aye: 10 – Budget Committee members David Chitsazan, Andrey Chernishov, Christine Didway, Irene Konev, Jane Reid, Michael Morrow, Jo Crenshaw, Rob Wheeler, Wade Byers, and Wade Hathhorn

ELECTION OF OFFICERS

The group considered the selection of the Budget Committee Chair for this year.

BC-2025-02 Kathy Hyzy nominated David Chitsazan to serve as Chair of the Budget Committee for the 2025/26 budget preparation; Michael Morrow seconded the nomination. There were no other nominations. David Chitsazan was elected as Budget Committee Chair by the following vote:

Aye: 11 – Budget Committee members David Chitsazan, Andrey Chernishov, Christine Didway, Irene Konev, Jane Reid, Kathy Hyzy, Michael Morrow, Jo Crenshaw, Rob Wheeler, Wade Byers, and Wade Hathhorn

ROLE OF THE BUDGET COMMITTEE

Jeff Shaffer, Vice President of Finance and Operations, reviewed the role of the budget committee and budget process required by state law.

BUDGET MESSAGE

Tim Cook, College President, provided the budget message. He reviewed the guidance the Clackamas Community College (CCC) Board of Education had provided during the Fall of 2024 including:

- *Prioritize core services in support of the college's strategic plan.*
- *No longer rely on one-time funds to balance general operations.*
- *Set the goal to reduce, if not eliminate, the structural deficit in the forecast.*

The goal was to try to reduce the impacts, but it was not realistic to think that there would be zero-impacts when reducing the budget by \$3.0 million dollars.

It is critical to understand and assess trade-offs beyond the financial impacts. The college did not implement an across the board reduction model, they took more time and deeper dives into specific areas with an important focus on data collection, analysis, and the tradeoffs of impacts. Created a budget on realistic numbers from the state and not on what was a hope for funding. The college preserved its academic core services when making decisions for this budget and will not be eliminating any academic or department programs. There are some classes or course offerings that are being eliminated or reduced and there will be impacts from those eliminations. This would be about 98 out of 5,000 section offerings, which is about 2% of sections or classes that will be reduced or eliminated. There was a target of \$3.0 million reductions to be implemented, but the college only reached \$2.35 million and will continue to work on the remaining \$650,000 in reductions over a glide-path period.

OVERVIEW OF THE BUDGET PROCESS

Vice President Jeff Shaffer explained that public sector budgeting process involves annual forecasting of revenue and expenses,

REVIEW OF PROPOSED BUDGET

Christy Owen, Dean of Business Services, provided a summary of the financial information as presented in the all funds proposed budget for the fiscal year 2025 – 26:

- *A new capital fund was created for the financial management of the recent voter-approved general obligation bond, \$128.4 million – 45.1% of the overall budget is directly tied to the capital funds*
- *There was an increase tied to enrollment, which incorporates into other funds such as Student Technology, Financial Aid, Athletics, and Student Government*
- *Summary of proposed operating revenues and all the sources of revenue*
 - *General Fund (GF) sources of revenue (State appropriation, property taxes, tuition and fees, grants and contracts, and other revenues) (\$74.9 million supports ongoing Operations)*
- *Summary of proposed operating expenses and all funds*
 - *GF summary of expenses (\$77.9 million and Personnel makes up 85% of those expenses)*

- *Ten years of history of the GF operating revenues and trends*
- *Special Revenue Summaries: student paid course fees and general fees*

SPRING 2025 GENERAL FUND FORECAST

Vice President Jeff Shaffer shared information about:

- *PERS rate impacts, CCC is at 6% which is over \$2 million*
- *Expense forecast:*
 - *Cost pressures associated with cost of living (COLA) expense*
 - *PERS rate impacts*
- *Revenue Forecast:*
 - *Enrollment has increased about 9%, but not to the pre-pandemic sweet spot of about 6,500 – 7,000 student full-time equivalency (FTE)*
 - *State funding is very unclear and not expecting the fully requested needs*
 - *Property taxes and tuition increases have been keeping with inflation, but that is assuming a 3 – 4% and not sure what that will look like moving forward*

Jeff also explained the structural deficit before and into the pandemic years. This is when the operating revenues are outpaced by operating expenses. What this means for the college's General Fund is that the ongoing operating revenues from the state, property taxes, and tuition are less than the cost of personnel, materials/services, capital outlay, and required transfers. During the pandemic, the deficit grew as ongoing expenses outpaced ongoing revenues, but one-time federal funds bridged that gap and in some years generated additional reserves. Jeff explained that there is a requirement of minimum reserves to be 10% of the General Fund Adopted Budget. The General Fund ending fund balance is a line and suggested minimum, but should never be lower than the required minimum. It is best practices and recommended to be well above that and not kept at the exact minimum.

GENERAL FUND REDUCTIONS AND NEXT STEPS

Vice President Jeff Shaffer walked through the proposed reductions:

- *Reduction of 3.0 FTE vacant classified positions, saving around \$340,000*
 - *Reduction of 2.0 FTE administrator positions, saving around \$434,000*
 - *Reduction of 2.0 FTE vacant full-time faculty positions, saving around \$220,000*
 - *Non-renewal of the Oregon City Resource Officer contract, saving around \$125,000*
 - *Elimination of low-enrollment course offerings including about 98 sections out of 5,000 sections, saving around \$383,000*
 - *Elimination of Automotive and Auto Body courses that do not meet certificate or degree requirements, saving around \$158,000*
 - *Reduction of 1 FTE and a part-time classified position, along with the reduction of other budget items, saving around \$235,000*
 - *Charging tuition for First-Year Experience courses, which were previously free, saving about \$105,000*
 - *Elimination of the YMCA drop-in childcare program, saving about \$50,000*
 - *Reduction in the quantity of tuition waivers from 10,085 to 8,762, saving around \$300,000*
- Total Reductions = about \$2,350,000*

President Tim Cook walked through the reduction strategies under consideration to close the remaining deficit of approximately \$650,000 over the next year including:

- *Analyzing older adult tuition waivers*

- *Assessment of administrator positions*
- *Assess general fund subsidies*
- *Assess and implement efficiencies in business services*
- *Continue to review low-enrollment courses and programs for curriculum sustainability and alignment*

President Tim Cook summarized and explained next steps including that the Budget Committee would be meeting again the following week. Committee members should send any questions and comments to President Cook and Vice President Shaffer, so they can be addressed during the next meeting.

College administration responded to questions from the Budget Committee:

Question: How many of the students from the Automotive and Auto Body courses were able to get employment after taking the courses?

Answer: We may need to get back to you on that, but anecdotally most of the students taking these courses are 65 years of age or older and not looking for employment after taking the courses. Several of them continue to re-enroll year after year in the same courses. That's why you see 411 students taking the courses and only one of those students earning a certificate, that tells you they may not be taking the courses for employment.

Question: Do you coordinate with other community colleges (Mt. Hood and Portland Community College) to provide program offerings for courses/programs with low-enrollment?

Answer: Yes, we coordinate with local community colleges regarding overall program offerings. We do not get down to the level of coordinating at the class/course level. We try to offer different programs, so not to compete, except for nursing.

Question: How do the numbers of Administrators compare to peer community colleges?

Answer: We have looked and we are the 5th leanest of the 17 community colleges regarding the number of Administrators compared to our peer community colleges.

Question: How much is the Senior Tuition Waiver (65+) utilized?

Answer: When analyzing the Senior 50% tuition rate and the Senior Tuition Waiver/Audit programs it was about a \$150,000 to \$200,000 a year worth of tuition that was being waived. We do have disaggregated data and year-over-year data that has some of the information with both the count and the dollars. We can provide this data to the Committee.

Question: Childcare reduction, are students dropping them off for all day care?

Answer: The drop-in childcare was not being utilized because it did not meet their needs. The students needed consistent regular ongoing all-day childcare.

Question: Does approving or adopting these proposed budget reductions authorize these cuts?

Answer: Yes, the Budget Committee would approve then the Board would vote to adopt the proposed

cuts to be implemented effective July 1, 2025. The remaining \$650,000 glide path would need to be implement between July 1st and the end of the year to get to fixing the \$3 million deficit.

Question: Is there still room to discuss how the budget cuts would occur if the Board is not in agreement with some of the proposals?

Answer: Yes, there could be changes before adopting and it could always be amended after being adopted.

Question: For the Automotive and Auto Body Courses, I understand that the majority of the students were 65+ in age, but I did see the impacts would also affect high school students. Could you please explain that?

Answer: Armetta Burney, Dean of Technology, Applied Science, and Public Services, explained the break-down of the automotive courses. The proposal includes a total of five classes, two from the auto body and three from the automotive services programs. The two auto body classes are primarily utilized by those who are no longer working or pursuing a program certificate or employment pathways. They are taking these course repeatedly for many years. For the automotive services, some of those students do take those course over and over again. We do have one of those courses that is articulated to one of our high schools. The challenge though is that none of these courses are aligned to a certificate or degree program, so if those high school students transition to CCC those credits don't count towards their degree.

Question: With the rising utility rates and with the college being a high user of power from PG&E, why didn't we see a huge jump in the proposed budget for the utility rates and do we feel we have budgeted enough?

Answer: The college budgeted a 10% increase for utilities and with the bond program there are about \$7 million for energy efficiencies and major maintenance projects will result in greater energy savings. We are hopeful once those are built and in place you will see the savings. In the appendix slides you can see the break-out for some of the bigger line-items.

Question: Are we expecting a reduction in the number of students or the number of course offerings for English for Speakers of Other Languages (ESOL) courses/programs?

Answer: No, in fact we see more and more students wanting to take those courses and often have a waitlist. Danielle Hoffman, Dean of Academic Foundations and Connections, provided additional information about the ESOL department and funding for the program.

ADJOURNMENT

Chair Chitsazan expressed his appreciation for the work in preparing the budget. There being no further business to come before the Budget Committee, at 7:52 p.m. he declared the Budget Committee adjourned until the next meeting on May 21, 2025.

Kattie Riggs, Recorder

Date