

February 28, 2019

19-086

AUTHORIZE INCREASE IN TUITION FOR CREDIT
PROGRAM COURSES FOR THE 2019-2020 AND 2020-
2021 ACADEMIC YEARS (2019-2021 BIENNIUM)

FINANCIAL

RESPONSIBILITY:

Eric Blumenthal, Interim Vice President, Finance and Administration

APPROVED BY:

Mark Mitsui, College President

REPORT:

In the current 2017-2019 biennium, cuts of nearly \$11 million, or roughly 2% of the general fund budget, have been made across the college in personnel, travel, and information technology despite a biennial budget developed at a Community College Support Fund (CCSF) level of \$550 million with an actual final CCSF of \$570 million authorized. Staff has previously reviewed with the Board projections for the 2019-2021 biennium that indicate a likely budget shortfall. Growth in projected expenditures, including unfunded mandates and contractual obligations, continues to outpace additional resources. Similar to the current biennium, budget cuts of nearly \$14 million, or roughly 3% of the general fund, will need to be made for the 2019-2021 biennium in order to present a balanced budget to the college budget committee this spring. These cuts are after the college decided to eliminate the President's Excellence Fund and forego additional savings for a new enterprise resource planning management information system. Further, enrollment on a full-time equivalent (fte) basis is predicted to decline in the coming biennium. The level of support from the CCSF is not yet known but is unlikely to increase significantly to cover current service levels. The Governor's base budget recommendation would cut the CCSF by 4.7%.

Consistent with the adopted budget principle that PCC will address budget shortfalls by recommending increases to tuition and fees of no more than 40% of the budget shortfall, the staff recommends that the proposed budget for the 2019-2021 biennium be based on a tuition increase of \$5.00 per credit hour (4.5%) for the 2019-2020 academic year for resident and border state

resident students and the same dollar increase or \$5.00 per credit hour (2.0%) for non-resident and international students. The staff recommends for the 2020-2021 academic year an additional tuition increase of \$7.00 per credit hour (6.0%) for resident and border state resident students and the same dollar increase or \$7 per credit hour (2.8%) for non-resident and international students. Staff recommends consideration of a rollback of the tuition increase for academic year 2020-2021 should state support be higher than anticipated.

Under this proposal, tuition rates for resident and border state resident students would be \$116 per credit hour in 2019-2020 and \$123 per credit hour in 2020-2021. Tuition rates for non-resident and international students would be \$251 per credit hour in 2019-2020 and \$258 per credit hour in 2020-2021. Currently, PCC ranks 11th in annualized resident tuition and fees among the 17 Oregon community colleges. For annualized international tuition and fees, PCC ranks 10th. Most other Oregon community colleges have not yet set their tuition and fee rates for 2019-2020.

PCC competes with Seattle area community colleges as well as Portland State University and other Portland-area colleges and universities for international (non-resident) students. The current PCC rate of \$246 per credit hour compares favorably with Chemeketa CC (\$252), Clackamas CC (\$266), Portland State (\$570) and North & South Seattle College (\$285.01). Current per-credit tuition is slightly higher than Mt. Hood CC (\$243).

PCC reviewed the minimum tuition rates for Community Education (CED) and Continuing Education (CEU) programs in 2009 and changed the CED minimum rate at that time. These programs are designated to be largely self-sufficient. Actual tuition and fees for CED and CEU programs are usually determined by what the market will bear and the cost of providing such programs. Tuition for these programs are often set at rates higher than the minimum rate. As such, staff recommends no change to the minimum rates charged in these programs.

RECOMMENDATION: That the following tuition rates for credit courses become effective for the biennium 2019-2021:

1. Credit Courses:

Resident

Oregon residents, who are under the age of 62, will be charged \$116 per credit hour effective Summer Term 2019 and \$123 per credit hour effective Summer Term 2020.

Border State Resident

Residents of states bordering Oregon (Washington, Idaho, Nevada, and California), who are under the age of 62, will be charged \$116 per credit hour effective Summer Term 2019 and \$123 per credit hour effective Summer Term 2020.

Non-Resident

Persons not residing in Oregon or bordering states (including all international students) will be charged at \$251 per credit hour effective Summer Term 2019 and \$258 per credit hour effective Summer Term 2020.

Students who are age 62 or older

As mandated under ORS 341.534 (HB2011 in 2009), the College will waive tuition for Oregon residents who are age 62 or older who enroll in credit courses on a space available basis when the course is taken for an audit grade.

Exception for Credit Courses

Higher rates for the respective tuition charges will not be charged. Reductions to credit course rates must be approved on a case-by-case basis by the College President.

2. Non-Credit Courses:

ESOL

Level 1-3: Will remain at 10% of credit course rate per contact hour.

Level 4-5: Will remain at 30% of credit course rate per contact hour.

ABE

Will remain at 10% of credit course rate per contact hour.

Community Education (CED)

The minimum rate charged for CED courses will remain at \$5.50 per contact hour or \$25 for a class for the 2019-2021 biennium.

Continuing Education (CEU)

The minimum rate charged for CEU courses will remain at \$5.70 per contact hour for the 2019-2021 biennium.