

A decorative graphic on the left side of the slide, consisting of white lines and circles on a blue gradient background, resembling a circuit board or a stylized tree structure.

# BOARD BUDGET UPDATE

FEBRUARY 23, 2017

# UNDERLYING BUDGET PRINCIPLES

Principle	Provide Outstanding Affordable Education	Drive Student Success	Ignite a Culture of Innovation	Transform the Community Through Opportunity	Nationally Renowned Culture for Diversity Equity and Inclusion	Achieve Sustainable Excellence in all Operations
We will strive to maintain and improve affordability, access and student success	X	X			X	X
We will develop the budget in a way that supports the mission of the college	X	X	X	X	X	X
We will strategically position our programs to meet future demand		X	X	X		X
We will apply an equity lens in making budget decisions				X	X	
We will prepare a budget that provides a diverse curriculum that includes career and technical education, community education, and continuing education, pre-college education, and lower collegiate transfer	X	X	X	X	X	X

# UNDERLYING BUDGET PRINCIPLES

Principle	Provide Outstanding Affordable Education	Drive Student Success	Ignite a Culture of Innovation	Transform the Community Through Opportunity	Create a Nationally Renowned Culture for Diversity Equity and Inclusion	Achieve Sustainable Excellence in all Operations
We will prepare a budget that provides a diverse curriculum that includes career and technical education, community education, and continuing education, pre-college education, and lower collegiate transfer	X	X	X	X	X	X
We will foster the development of civic responsibility and engagement with our community		X	X	X	X	
We will foster staff development for all employees	X	X			X	
We will reserve resources for the implementation of the strategic plan	X	X	X	X	X	X

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Principle	Provide Outstanding Affordable Education	Drive Student Success	Ignite a Culture of Innovation	Transform the Community Through Opportunity	Nationally Renowned Culture for Diversity Equity and Inclusion	Achieve Sustainable Excellence in all Operations
We will balance resources among instruction, instructional support, operations and administration	X	X	X	X	X	X
We will continue to explore alternative resources including, but not limited to, foundation, grant opportunities, partnerships and will continue to strive for greater efficiencies	X		X	X		X
We will not use the General Fund fund balance but will continue efforts to rebuild that balance to the advisable level	X					X
We will address known shortfalls in the budget					X	X

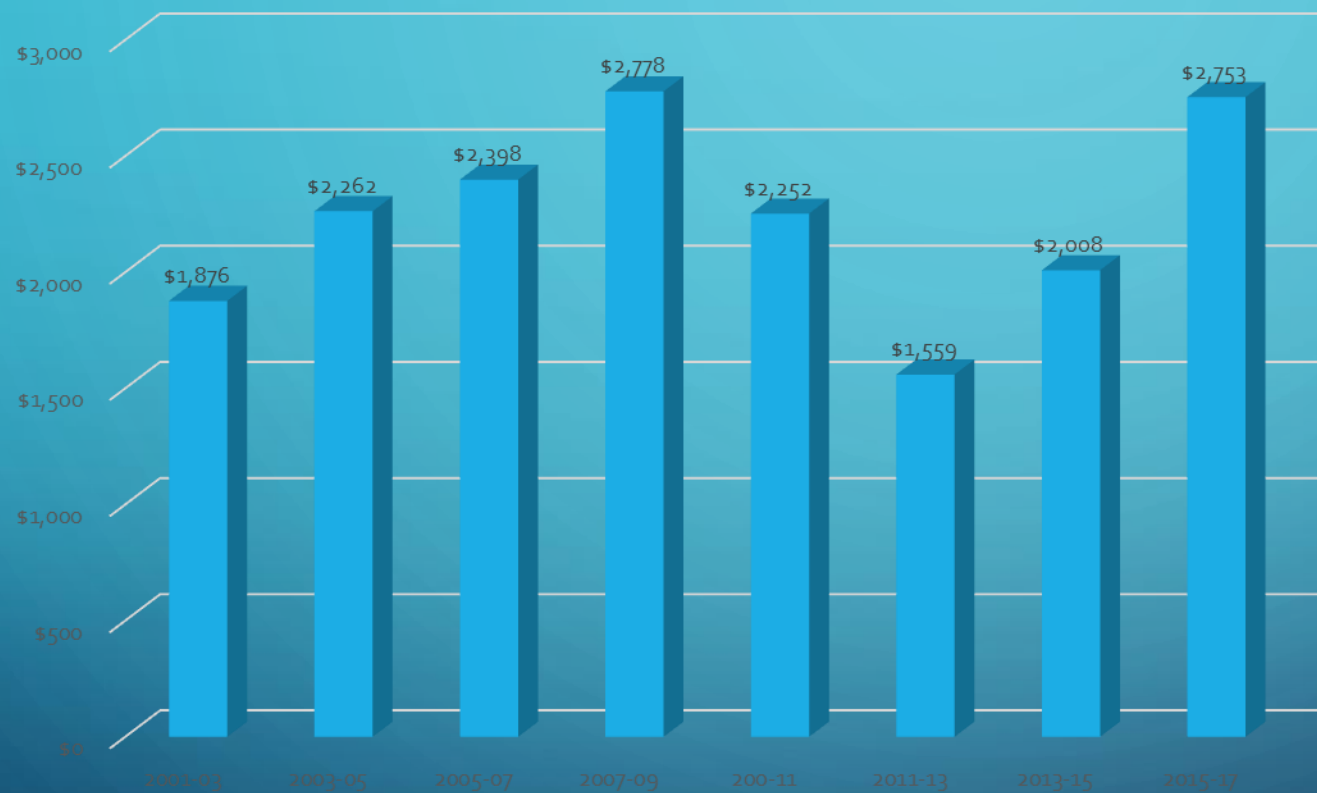
# COMMUNICATION EFFORTS

- President work plan and budget forum held on each campus. One session was recorded and is available for viewing for interested parties who were not able to attend.
- Meetings with student leadership held on each campus.
- Two meetings were held for international students.
- A one page budget snapshot summary document has been prepared and distributed. A short budget video has also been prepared.

# STATE REVENUE ASSUMPTION

- Based on flat state funding for CCWD of \$550 million
- Economic and Revenue forecast released February 22, 2017 indicated a projected revenue increase from the December 2016 forecast of \$102.7 million for 2013-15 and \$85.9 for 2017-19.
- Not enough of an increase to offset the State's projected \$1.8 billion shortfall.
- Co-chairs of the Ways and Means Committee have not yet released their budget but funding for CCWD is not projected to raise significantly.

State Support per Reimbursable FTE



# ENROLLMENT ASSUMPTION

- Budget will reflect enrollment trends and experience from the 2015-17 biennium.
- Budget may need to be adjusted in 2017-19 for significant variances.

# BUDGET STATUS

- As has been shared previously the known increases are outstripped by the mandated/unavoidable expenditure increases by more than \$10 million.
- A variety of scenarios have been prepared and analyzed. To balance the budget without increasing tuition would lead to the reduction of over 100 FTE.
- To address all the needs throughout the system without making cuts would require a tuition increase of \$12 per credit hour or more.
- A number of key issues still need to be resolved.

# COLLECTIVE BARGAINING

- Beginning the process and will likely not be resolved until late spring or early summer after we know what our level of state funding will be.
- Early budget estimates have included an amount for the 1% salary reduction bargained in 2013-15.
- Impacts the outstanding, affordable education, student success, and sustainable excellence in all operations strategic themes.

# STRATEGIC PLAN/PRESIDENT WORK PLAN

- Implementation crucial to all strategic planning themes.
- Funds from not doing the second phase of proposals in 2015-17 will carryover into 2017-19 and can be available.
- Staff recommendation-At least \$2 million should be allocated to help the college maintain forward momentum.

# FUND BALANCE REPLENISHMENT

- Unrestricted General Fund fund balance is in the 9% range. Above the Board's floor of 8% but well below the 15% advised level.
- Without rebuilding the fund balance the college may have to restrict enrollment in the future.
- Impacts outstanding, affordable education, student access and success, and sustainable excellence in all operations strategic planning themes.
- Staff recommendation –Budget a minimum of \$2 million to rebuild the fund balance.

# CONTINGENCY

- The budget must be adopted while key pieces of information (state funding level, results of collective bargaining) remain unknown. Living in a dynamic environment brings uncertainties (Oregon and national economy, unfunded mandates, enrollment fluctuations, timing differences between expenditure and revenue streams, etc.) and opportunities (such as OMIC).
- Impacts all strategic planning themes.
- Staff recommendation-Budget at least \$1.5 million for contingencies.

# DEFERRED MAINTENANCE

- Fledgling Six Year Capital Improvement plan revealed almost \$122 million of needs.
- The majority of this is for Facilities Management and Information Technology.
- \$15 -\$20 million of unmet operating needs.
- Impacts all strategic planning themes.
- Staff recommendation-At least a \$1.5 million investment.

# MATERIALS/SUPPLIES/SERVICES

- No additional budget has been allocated for increasing materials/supplies and services (MSS) even though many of these items will have cost increases.
- Will lead to reductions in other areas/services to accommodate these increases and stretch operational budgets even thinner.
- Impacts all strategic planning themes.
- A 1% increase in all MSS budgets would cost over \$2 million

# TUITION RATES

- Board action at the March 2<sup>nd</sup> meeting.
- Will set tuition for both years of the upcoming biennium.
- Board retains ability to make changes to the tuition rate for the second year of the biennium.

# TUITION RATE HISTORY

Fiscal Year	Resident	Out of State/International
2016-17	\$97	\$226
2015-16	\$96	\$224
2014-15	\$92	\$220
2013-14	\$88	\$216
2012-13	\$82	\$206
2011-12	\$79	\$205
2010-11	\$76	\$204

# KEY DATES AND BOARD ACTIONS

- March 2, 2017 Board meeting and action on tuition rates.
- 3/16/2017 Board meets as Budget committee to receive a budget update, finalize assumptions, and provide input.
- 4/20/2017 Board meets as the Budget Committee to approve proposed budget and tax levies for submission to Multnomah Tax Supervising and Conservation Commission

# KEY DATES AND BOARD ACTIONS

- 5/17/2017 Confirmed date to meet with Multnomah Tax Supervising and Conservation Commission and hold public hearing.
- 5/18/2017 Board meeting and budget update if needed.
- 6/15/2017 Board meets as Budget Committee to hold public hearing on budget. Board adopts the budget and appropriations and approves a resolution to levy and categorize taxes. Board also meets to hold public hearing and consider proposed supplemental budget, if needed.