Chemeketa Community College

Statement of Funding Issues and Budget Principles
Year 1 of 2015-2017

Funding Issues

Chemeketa and all Oregon community colleges are anticipating changes in funding due to a new statewide governance structure, implementation of strategies to move the governor's 40/40/20 goals and the improved economy. Some changes may impact the college more than others.

- Immediate—Five key factors affect the college's general fund resource base for the 2015-16 budget-

    a. State legislative appropriation: The legislative appropriation for the 2015-17 biennium will not be known until the legislature meets during the February to June 2015 session. The Higher Education Coordinating Commission (HECC) submitted a request of $519 million to the governor for all 17 community colleges and the governor included $500 million in his budget. Community colleges are asking the legislature to consider a higher appropriation of $550 million. The legislature, through the ways and means committee, will make the final decision before the end of June.

    b. State support and distribution of resources: Changes to the state's policy for distributing resources are scheduled to be in place for 2015-17. The current model of enrollment based funding is being replaced by the HECC with performance based (outcomes based) funding. The college's share of resources may decrease if our performance does not meet the targets in the areas identified for funding. The distribution formula for state resources also impacts our share of property taxes.

    c. Economic growth: Growth in Oregon is lagging behind the rest of the country but shows signs of recovery. Marion County, the largest county in our district, lags behind the growth in Oregon. Marion County's unemployment rate is 7.2 percent versus 7 percent in Oregon and 5.8 percent nationally.

    d. Enrollment: The decline of enrollment will immediately impact the general fund tuition and fee revenue and impact any state appropriation that is based on FTE (full-time equivalency). Current estimates project a 7% enrollment decline for 2015-16 and 5% decline in 2016-17. (In 2013-14 the college had an 8% enrollment decline and we anticipate an 8% decline for 2014-2015.)

    e. Tuition revenue: Tuition revenue is directly related to enrollment. The per credit rate for 2014-15 is $80 and the per credit universal fee is $14. The college board of education considers tuition increases in January and February of each year and attempt to balance student financial burden with student access to courses and services. (see note 2 below)

- Long-term—Instructional and non-instructional operating costs (personnel, materials and services, etc.) are growing at a faster rate than college resources.

Note 1: State funding levels over the last decade have varied from a low of $375 million in 2001-03 to a high of $494 million in 2007-09.

Note 2: Tuition and universal fees over the last decade have increased from $43 per credit in 2002-03 to $94 per credit in 2014-15.

Budget Principles

Although it may affect programs and operations, our 2015-16 budget will –

1. Ensure the college's core themes/promises are fulfilled
    a. College preparation, workforce readiness, lifelong learning
    b. Transition from high school to college and college to university study
    c. Community support through excellence in technical training, workforce development and business support

2. Maintain the following:
    a. Enrollment, progression and completion targets
    b. Staffing and facilities at sufficient levels to protect the college's infrastructure and ensure compliance with regulations and laws
    c. Sufficient fund balance to –
        i. Protect against unanticipated resource declines or cost increases that could jeopardize the future of Chemeketa
        ii. Provide the flexibility to take advantage of opportunities

3. Ensure investment and reduction decisions consider the impact on the strategic goals of the college:
    a. Student success
    b. Sustainability
    c. Quality

4. Invest in initiatives, strategies, programs and operations that will positively impact progress on the college's Achievment Compact targets for completion and student success.

5. Seek cost sharing and revenue producing opportunities that support our promises, such as grants, partnerships, self-support ventures and foundation assistance that may augment operations.

(Revised October 28, 2014)