



CAMILLE PREUS, PRESIDENT
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Jan. 22, 2018

Dear BMCC Faculty and Staff,

In the next few weeks, the college will begin our work to present a balanced budget for the 2018-19 academic year to the Board of Education. The Integrated Resource Committee (IRC), which includes representation from faculty, staff, students and administration, will work closely with me and the Budget and Finance Office to develop a consensus budget. This work is always challenging as many assumptions must be made about future enrollment, state and other revenue sources, and college expenditures.

On Feb. 5, the Oregon State Legislature will begin its “short” session, which lasts just one month (the regular session – held in 2017 – runs from February-June and establishes funding for a two-year biennium). During this short month, the Oregon Community College Association (OCCA) will request legislators approve \$32 million to help mitigate tuition increases and restore student success programming funding in the second year of the 2017-19 biennium.

Toward the end of the 2017 session, the state’s Joint Ways and Means Committee (the big budget committee that includes representation from both the Senate and the House) restored more than \$70 million to public universities to help keep the cost of tuition down, but only put an additional \$6 million to do the same at the community colleges. This means the universities received double the percent increase as community colleges in the last two biennia. Community colleges also saw funds that had been dedicated for additional advisers cut out of the final budget, and the Oregon Promise was underfunded.

Ballot Measure 101, the health assessment issue which is up for a vote by the public on Jan. 23, could weigh heavily on the Legislature’s ability to support the community colleges’ \$32 million request. If approved, this measure would temporarily tax some hospitals (non-rural), insurance companies and other entities to make up for a Medicaid funding shortfall. However, if the measure fails, the state will have to make up that shortfall in other ways, which means funding an additional \$32 million to the community colleges will be out of the question.

As you know, lack of funding at the state level often forces tuition increases at the local level. BMCC saw that very situation occur this year with the increase of student tuition and fees. This is an unfortunate and unfair weight our students have been asked to carry.

Despite the increases to tuition and fees for 2017-2018, at the end of Fall Term our year-to-date enrollment (both FTE and unduplicated headcount) remain up compared to the previous year at the same

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point in time. This is a true testament to the tremendous efforts of our recruitment and marketing staff, BMCC's top-notch customer service and high-quality programs and instruction.

This also means BMCC ended the fourth financial quarter with an ending fund balance for the General Fund and College Reserves at \$6,065,162. This is a little more than \$1.2 million more than BMCC projected during the 2017-2018 budgeting process. While this certainly is good news, we also know there's a chance enrollment may decline, PERS rates and healthcare costs are increasing, and we may not receive additional funds from the state through the remainder of the biennium. The ending fund balance looks healthy now; however, our years of enrollment loss will negatively impact the General Fund for the foreseeable future. With that in mind, BMCC administration will continue to analyze revenue sources and expenditure detail, increase efficiencies, and capitalize on opportunities to develop areas that bring a much needed return on investment.

I will continue to keep you apprised of any updates to our budgeting process and what happens at the state level. I encourage you to be a part of the process by checking in with your supervisors on the budget process, attending IRC or Board of Education meetings, and attending any "fireside chat" budget conversations I hold throughout the year (the first of which will be announced soon).

Thank you for all you do for students and our community.

Sincerely,

Cam Preus, President

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