

**NEW BUSINESS – ACTION****AGENDA ITEM**

<b>CCC Board of Education – Topic Summary</b>	
Topic:	2017-18 Tuition and Fees
Date:	March 8, 2017
Presenter:	Alissa Mahar, Vice President
Division/Department:	College Services
<b>RECOMMENDATION:</b>	Adopt tuition and fees for the 2017-18 year

**REASON FOR BOARD CONSIDERATION:**

The Board considers the need to increase tuition and fees as part of the annual budget development process.

The Board adopted budget development principles at its January meeting. Principles in 2017-18 budget development process include:

1. Ensure budget supports improvements in Mission Fulfillment by integrating Strategic Priorities and assessment and core theme indicator results with budget planning decisions.
2. Consider CCC's affordability, district median income and comparability with other metro-area community colleges when establishing total student costs, including tuition rates.
3. Infuse one-time expenditures to upgrade learning resources and support.
4. Redirect and document resources to meet learning and learning support outcomes.
5. Forecast actual 2016-2017 investments and the resulting effects through 2021-2022. Forecast proposed 2017-2018 investments/reallocations and the resulting effects through 2021-2022.
6. Bring revenues and expenditures (including PERS cost escalation) substantially in balance over the five-year planning horizon.
7. Maintain Board required 10-percent minimum ending fund balance throughout the five-year forecast.

**EXPECTED OUTCOME/RELEVANCE TO STRATEGIC PRIORITY OR CORE THEME:**

The strategic priority of fiscal sustainability is the primary factor leading to the recommended tuition and fee rate increases.

This recommendation is driven by substantive changes in three key areas supporting student success and completion -- supporting and broadening student engagement opportunities toward retention; developing a replacement schedule in support of technology security and service infrastructure improvements; maintaining recent investments in student retention focused staff.

This recommendation also acknowledges the Oregon Community College Support Fund current estimate based upon the Legislative Framework that is estimated to be \$7.8 million less than current service level; or, \$6 million more than the 2015-2017 allocation. This excludes several student retention grant funded employees who provided extra capacity and made a difference in our retention rate.

**Addressing Affordability**

Two key budget principles have also been used to address affordability.

1. Ensure budget supports improvements in Mission Fulfillment by integrating Strategic Priorities and assessment and core theme indicator results with budget planning decisions.

Students consistently provide feedback about the expense of textbooks. CCC has been diligently working to control text book costs. As an example, more than 40 percent of the total classes in the schedule for winter term have textbook costs between zero and \$40. Out of 1,108 courses, 540 have books at no cost and 75 are \$40 or less. Other highly specialized textbooks have been reduced by 50% or more. Efforts continue to reduce the textbook costs to students.

2. Consider CCC's affordability, district median income and comparability with other metro-area community colleges when establishing total student costs, including tuition rates.

Median household income in CCC's district ranges between \$38,000 and \$100,000, dependent upon in what city the student resides. Based on the \$38,000 figure, annual tuition and student fees represent 12% of the median household income. If the student was a sole support for a child, some of the expense would be offset by federal and state grants.\*

#### **BACKGROUND:**

This resolution addresses tuition, the general student fee, and the student technology fee, which apply to all credit courses and terms. The request is made in the context of the entire college budget, including all revenue sources and levels of planned expenditures, and informed by multi-year projections for sustainability of programs and services. Students and staff are consulted in this process through the Associated Student Government, Budget Advisory Group and presentation of the financial forecast at various venues.

#### **Tuition**

Tuition provides about a third of the General Fund revenue. In light of long term increases in personnel and pension costs as well as maintaining investments to increase student success, increases in tuition revenue provide a portion of the resources to insure sustainability of programs and services.

Tuition changes are relevant to most of the seven budget principles delineated in the Board resolution adopted January 11, 2017. In particular, tuition increases allow the College to:

4. Redirect and document resources to meet learning and learning support outcomes.
6. Bring revenues and expenditures substantially in balance over the five-year planning horizon.
7. Maintain Board required 10-percent minimum ending fund balance through the five-year forecast.

#### **General Student Fee**

The General Student Fee funds non-course related services available to the general college community; specifically, the Intramurals and Athletics, Student Life and Leadership (Associated Student Government), and Computer Lab funds. The fee was established in 2000 at \$4 per credit hour. The fee was reduced to \$2 per credit hour in 2006 and has been \$2 per credit since. Expanded efforts to engage and retain students, such as Welcome Weeks, alcohol awareness, health fairs and other public service programs, and the Cougar Cave, require increased funding to continue.

\*2015 information will be updated and source identified at February meeting

### **Student Technology Fee**

Information Technology (IT) costs are borne by the General Fund and the Student Technology Fund. The Student Technology Fee is used for IT expenditures directly related to teaching and learning. The fee is \$4.50 per credit hour and was last increased in 2011-12.

Using bond funds, IT just completed a comprehensive upgrade of network infrastructure (switches, firewalls, and wireless equipment and architecture) and the data center (servers). Future periodic upgrades are essential for student learning and operations. To that end, a six-year financial forecast has been developed for IT. The recommended fee increase for 2017-18 implements a model that will help fund:

- Replacement of IT infrastructure every six years
- Software maintenance contracts, which typically increase four to five percent annually
- Classified IT staff who provide direct infrastructure technology and help desk support to students

The Student Technology Fee is particularly relevant to these budget principles:

3. Infuse one-time expenditures to upgrade learning resources and support.
4. Redirect and document resources to meet learning and learning support outcomes.

### **College Services Fee**

The College Services Fee is a once per term student fee and was implemented in 2012-13 to consolidate individual fees for testing, transcripts, and graduation caps and gowns. In addition, it funds the shuttle service between the Harmony and Oregon City campuses. The fee was increased from the original \$20 to \$23 in 2016-17 to fund a significant expansion in shuttle hours.

### **BUDGET IMPACT/SOURCE OF FUNDS:**

#### **Recommendation**

Staff recommends adoption of the following changes in tuition, the general student fee, and the student technology fee.

- Tuition: Increase \$3 per credit hour. From current year \$90 to 2017-2018 \$93.
- General Student Fee: Increase \$0.50 (50 cents) per hour. From current year \$2 to 2017-2018 \$2.50 per credit hour.
- Student Technology Fee: Increase \$1.00 per credit hour. From current year \$4.50 to 2017-2018 \$5.50 per credit hour.
- College Service Fee: NO CHANGE

### **Chart of Current and Proposed CCC rates**

The in-state tuition rate applies to in-district residents and states where we have border agreements (Washington, Idaho, Nevada and California). The change in out-of-state and international tuition is proportionate to the existing rates. If approved, the changes would be effective summer term 2017.

		<b>2016-17</b>	<b>Proposed</b>	<b>2017-18</b>
	<b>Basis</b>	<b>Rate</b>	<b>\$ Increase</b>	<b>Proposed Rate</b>
Tuition, in-state (in district and out of district border states)	Per credit hour	\$90.00	\$3.00	\$93.00
Tuition, out of state and international	Per credit hour	\$257.00	\$9.00	\$266.00
General student fee	Per credit hour	\$2.00	\$0.50	\$2.50
Technology fee	Per credit hour	\$4.50	\$1.00	\$5.50
College services fee	Per term	\$23.00	-	\$23.00