

Presidential Budget Message

April 1, 2021

As required by Oregon State Budget Law, the Oregon Community College Accounting Manual and other applicable policies, we present to the Columbia Gorge Community College (CGCC) Budget Committee and Board of Education our proposed budget for the 2021-22 fiscal year. The college budget for 2021-22 represents a quantitative expression of the mission of CGCC providing for the highest quality of education and training possible while maintaining costs at a reasonable level. There are some challenges impacting the College's fiscal planning:

- Programing, equipment and staffing costs related to the new skill center
- Continued fiscal evaluation of The Hook Café, the bookstore and Community Education
- Increasing cost of PERS and healthcare benefits

In the 2021-22 proposed budget, you will find alignment with our college mission of 'building dreams and transforming lives by providing lifelong educational programs that strengthen our community.' Through innovative restructuring and repurposing of resources, CGCC is well-positioned to begin offering new programs to better serve local industry partners and students within our service areas, as well as the outlying rural areas.

Achieving financial stability will continue to be a focus through an increase in enrollment and the enhancement of alternate revenue streams that have not been effectively utilized in the past. These are crucial focal points in order to offset the rising costs of unfunded mandates and challenges we are facing, as referenced in the bullets above.

This upcoming year we will become a residential campus with the completion of the Chinook Residence Hall and will begin offering three new workforce programs through The Columbia Gorge Regional Skills Center. These new facilities will serve to position CGCC as a destination institution and allow us to better serve the local economy by offering new programs and training options. You will see associated costs related to this in the budget.

We are confident that the restructuring of the college, staffing changes, focus on opportunities available to us and innovation in future programing will bring positive change and growth to the college. Columbia Gorge Community College is positioning itself to become a premier workforce training institution in the Gorge and a destination for out-of-state and international students.

With the support of our community partners, we will make it happen.

Marta Yera Cronin, Ed.

Budget Priorities and Strategic Focus

Operationally, the 2020-2021 fiscal year brought some challenges to CGCC such as:

- The restructuring of all college functions to continue, uninterrupted, in a virtual environment
- The construction of the skill center/residence hall capital project under covid restrictions
- The recruitment, hiring and onboarding of several key positions (Vice President of Instructional Services, Executive Director of the Foundation, Director of Facilities, Director of Financial Aid and the addition of new faculty members to create, and ultimately teach the new trades to be offered during the upcoming fall term

With the support of the Board of Education and input from the college community, the following budget priorities were established:

- Fiscal responsibility and sustainability
- Student success
- Diversity, equity and inclusion
- Community connections

The broad vision is to make Columbia Gorge Community College a destination institution. During the 2020-2021 fiscal year, the college moved in this direction by building a residence hall that would house students from our most rural counties, as well as students from out of state. In addition, three new programs were created to entice students to attend CGCC.

Moving forward, Columbia Gorge Community College will maintain a strategic focus to:

- Capitalize on opportunities
- Invest in innovation
- Measure progress regularly
- Develop continuous improvement processes
- Listen to community input

Budget Development Process

The budget was developed with input from the Board of Education, training provided by the Oregon Department of Revenue, and by reviewing budgets of peer institutions. The budget provides a concise, summarized picture of the planned uses of resources for the 2021-22 fiscal year. As a public institution, we recognize the need for an open and transparent budget process, so more detailed information, such as what is presented in previous budget documents, is available at any time to those who wish to review and provide recommendations to the Budget Committee, Board of Education or Columbia Gorge Community College leadership team.

The budget process began in January with budget managers reviewing their semi-annual spending and providing projections for the remainder of the year. By the end of January, budget managers submitted their recommendations for the 2021-22 fiscal year to the President’s Council. Members of the President’s Council reviewed the data provided and adjusted allocations based on resources available and the priorities of the institution.

Budget Structure

In providing a balanced budget, it is critical for the institution to live within the means of the resources available in this community. By Oregon State Budget law ([Oregon Department of Revenue Local Budgeting Manual](#)), the budget is structured by funds. A “Fund” is a self-balancing set of accounts used to estimate resources and requirements for specific activities. The fund can be recognized by the first three digits of the account number string (XXX-XX-XXX-XX-XXXX). This budget has the following key funds:

- General - 100
- Grants and Special Revenue - 105
- Internal Services - 200
- Capital Projects (Skills Center/Housing, e t c .) - 300
- Debt Service - 400
- Reserve - 500
- Enterprise - 600
- Trust – 700
- Agency Funds - 800

Predominately, this document will focus on the General Fund (100). Most of the financial resources over which the leadership team has discretion will be found in the General Fund.

Expenses will be categorized by Function (XXX-~~XX~~-XXX-XX-XXXX) in the General Fund and then by Departments (XXX-XX-~~XXX~~-XX-XXXX). Key functional areas at CGCC are:

- Instruction (1)
- Academic Support (2)
- Student Services (3)
- Public Service (4) – mainly in Grant funds
- College Support (5) – also known as “Institutional Support”
- Financial Aid (6)

- Facilities (7)
- Other (0)

The last component of the accounting string is the object, or revenue/spending category (XXX-XX-XXX-XX-XXXX). Objects follow similar accounting numeration to most institutions using 4-digit accounting codes (i.e. – Revenues 4000; Expenses 6000-8000)

Fund Balances

As noted above, a fund is self-balancing by State law. This means that each fund begins with an expected balance based on operations for the current fiscal year. Since this document is being written prior to the end of the fiscal year, the beginning fund balances for the 2021-22 fiscal year need to be estimated based on the operational data available at the time of the budget presentation. Since about 75% of the operating year has been completed, the estimates presented should be fairly accurate.

All fund data presented in this budget document, by law, will have:

- Actual data from previous 2 years of operations (independently audited)
- Current year budget
- Projections for rest of current fiscal year
- Budgeted revenue and expenses for next fiscal year

Audited Fund Balance history will be shown for the beginning of the current fiscal year. The estimated ending fund balances for this fiscal year will become the beginning fund balances for the proposed budget. Balances will be updated should there be any significant changes in projections as the document progresses from initial submittal to approval by the Budget Committee and final adoption by the Board of Education. Once the budget is adopted, changes can be made through a supplemental budget process at any Board of Education meeting should there be a significant change in fund balances from what was projected.

Columbia Gorge Community College currently has **44** funds that have fund balances. The General, Reserve, Enterprise and Debt Service funds can be considered the “working capital” for operations and debt service. The other funds tend to be restricted in how they can be used. Chart 1 contains a table with a summary of fund ending balances for the past four years by fund category and a projection for the end of this fiscal year and the end of the budgeted 2021-22 fiscal year.