

**Portland Community College
2023-25 Biennial Budget Hearing Transcript**

I'd go ahead and get started. Welcome, everybody. I will officially call to order the annual the Biennial Portland Community College Budget. Hearing my name is Harmony Quiroz. I am the chair of the Tax Supervising and Conservation Commission. We're so happy to be here in person.

The TSCC. Is a community oversight commission established by the Oregon Legislature more than a 100 years ago. The Commission oversees the budgets of all TSCC member taxing districts and annually conducts a thorough budget review and certification process. Additionally, the TSCC holds budget hearings like this one to engage with district leadership and provide additional opportunity for public comment before the budget is adopted, I will now ask my fellow commissioners to introduce themselves and ask if they have any business relationships that could be perceived as a conflict of interest.

Dr. Adrian Bennings

Welcome and glad to have you, and this is my first hearing budget, hearing Adrian Bennings and I am the President here at Portland Community College since July of last year.

Eric Blumenthall

I'm Eric Blumenhall. I'm the Executive Vice President for administration of finance here at Portland Community college, and I've been with the college since 2016.

Vice Chair. Go ahead.Lori, Creona, Wagner, and I'm. The Vice chair of the Board. I represent.

And we have another board of direct. Remember we're doing board introduction, (Board Chair Tiffani Penson introduced herself)

Chair Harmony Quiroz,

We'll now take some introductory remarks from the district, if you have any, and then we'll hear public comment. Then we'll ask our questions and discuss the budget with you.

Dr. Bennings

I'll just give the brief introductory remarks. I know we want to get to the heart of why we're here, but certainly want to make sure that this space is open in terms of

understanding the foundation of how we move forward with fiscal stewardship and efficiencies in mind with the student first approach, but also, as we look at the evolving landscape and adjusting to things beyond the pandemic. Hopefully you'll hear through some of the comments and the Future Forward statements that we hope to present to you this evening that you see that there's always an opportunity for us to remain flexible and nimble, but also consider the trends and the overall forecast, not only in our economy, but in our enrollment in the 5 counties that we serve and the span of communities in those areas.

Chair Quiroz

Thank you. I'll now call on any members of the who public would like to speak. Each person is limited to three minutes. We will let you know when you're at the end of your time. Do we have anybody signed up for public comment?

Executive Director Allegra Willhite

We had no one signed up in advance. Okay.

We'll just dive right in, I think, Mark, you can take the first question.

Commissioner Wubbold

We're going to start off with a question about One College. PCC. Is switched to what they're calling a one-college approach for budgeting. Can you tell us what prompted you to make this change?

Dr. Bennings

I'll start with my understanding coming in as new President., but was certainly open it up to my team, Eric Blumenthal, to help fill in any gaps. Largely with one college, especially when you consider the district in the span of counties that we serve 5 counties, 4 campuses, 10 centers and just the footprint of our reach, one of the complexities that has been long recognized at PCC was a need to really streamline and bring a more cohesive approach to not only the structure of programs and scheduling and resources, but also how the revenue and the budget and the expenditures are aligned across the district. What was in place before was a four-campus structure where each campus had a president. There were the four-campus Presidents, and Mark Mitsui, who oversaw the entire district filled a role similar to a chancellor, even though he was the President.

What unveiled itself under his tenure was not only was the college already competing with trends in the communities and various factors and other educational institutions and industry impacts, and all that, but they also found that there were competing factors among the campuses themselves that were largely starting to look more like individualized campuses which deviated from this one mission of the district. I am so supportive of this, and glad that this overhaul was done before I came on board, because it was a heavy lift. That was a large, motivating and triggering factor, for that change where the span of the district, the competing

factors internally, but also, how can we bring a systematic way of allocating resources in the best interest of our students. What you had previously were budgets that were developed and designed, and resources allocated, specific to just the needs of those campuses without taking a holistic approach at how are we doing this in alignment as a one college, even though it was segmented and disjointed and decentralized. To bring it all together, one of the things that has resulted was taking an equitable lens throughout this whole process, but also looking at fiscal efficiency. One of the things that arose through this change that was quite necessary was the development of a pathways model. But through this restructuring also came some significant changes in the way that we structured, how students know where they're going, in what path, what programs, how do we help keep them on track, and how our resources allocated to ensure that we have, not only proper quality instructors, but also support services and resources in and out of the classroom, applicable to the various students that we serve across the district. And so, instead of individualized campus budgets, the one-college model is built from that academic and career pathway structure. PCC currently has 7 academic and career pathways. They are:

Health Care and Emergency Professions.

Advance and Applied Technologies

Business Community and Workforce Development

Science, Computing, and Engineering

Public Services, Education, and Social Sciences

Arts, Humanities, Communication and Design.

Academic Foundations, Essentials, and Gateways, which also includes our adult basic skills and English for speakers of other languages, English writing and math.

By moving to this college-wide pathways program model, we now have a system where we have some structure in place where our program and pathway deans and leaders view what it's offered at all the locations, more holistically and comprehensively, making sure that there's that balance of equity, and especially in regards to the needs and the resources and the budgeting.

Along with that, the faculty and instructional support staffing was reviewed in this restructuring, and how the budget was impacted with within each program discipline to make sure that support was balanced across those pathways. Also taken into consideration where the faculty and staff are located across the district. Program pathways and Deans, who are heavily involved in this process are making decisions about the class scheduling. This one- college model brought together, not only the fiscal resources, but continuity, and lays the foundation for how courses are scheduled across the district to make it more comprehensive to make it more supportive of our students, but also to make it more aligned with a one-college model aligned under one mission. The changes resulting, is a more centralized and standardized approach, and processes and clear functional boundaries and parameters across the district.

I do also want to say that this change did allow the college to make sure that prior gaps within program support budgets were addressed. For example, by bringing together a part time, faculty budgets, supply budgets and equipment budgets, we've

been better able to support instruction goals and initiatives across the college more efficiently.

Commissioner Wubbold

So I was just follow up with a question about how are you tracking and explaining to your staff and constituent groups, discrepancies in how that funds are getting distributed.

The budget is not a fixed process. It's very fluid, and ongoing throughout the year with regular budget reports, regular budget discussions, and I know that through the budget team under the leadership of Eric Blumenhal there are ongoing budgets

Throughout this cycle of budget, planning, and resource allocation. From a budget perspective under the one-college model there is this objective of retaining the ability to access the budget. And that's critical, but also analyze the budget and the financial impact by campus. That's still something we have to be able to do while also viewing it from that pathways model. When you talk about how we will track, you must also keep in mind the old way of viewing the budget campus by campus that included staffing by campus and programs by campus. So, there's still some parallels that will exist, and through our new structure and our budget, we are still examining how we can refine our way of doing things. There's some very practical things from the old way of doing things in terms of budget. But how does that translate into this one college model, and the access and the analysis and the continuity of that are three critical factors that we are moving forward, day in and day out, month in a month out, here at the college.

We leveraging our tools and our resources, so that there are automated and regular reports, so that those who need access to the information can have it in a more efficient and timely manner without encumbering, manual time on the responsibility of maybe one or 2 persons. One of the things that's on the horizon. I I do want to add, here is our financial information is housed in what's called an ERP (16:22) Enterprise Resource Planning system.

Banner is one that houses a lot of information not only specific to the financial services information, but student services. Human Resources information, personnel services, all of those things. We are at a juncture here at PCC. When you talk about the tools, back in 2016, the college had an assessment of our ERP system, and it was revealed that we would have to make some critical changes at some point, because it was going to impact our ability to not only manage financial information, but also have that as a resource for our students and housing their information reporting and recording.

PCC started in January, a pre planning phase to explore and begin the process of navigating away from banner. We we're systematically pre planning phase by phase of what would be the impact of moving from our current system. And how can we it adopt or refine a system that will allow us to track, manage, and more efficiently

have an understanding and have some reporting capabilities as well as dashboards. So that's coming.

Commissioner Norton

Because we always like to start with the big picture, and that for us is your

2025 strategic plan. We're told that this budget fully incorporates the plan, and we're always interested in how strategic planning actually finds its way to decision, making and particularly the allocation of resources. That's the Board's business. So, we would like to address our question to the board. Can you share with us how the board used the strategic plan, and particularly cultivating long-term sustainable college enterprises to give, at the very beginning of the budget process, guidance to the staff about what you expect to see in the budget. Then, as decision making has gone from the proposed to the approved, and ultimately will lead you to your adopted, so can you tell us a little bit about how the Board used the strategic plan and incorporated it into your budget decisions so far.

Board Chair Tiffani Penson

Okay, thank you. (She read the answer word for word from the responses)
Our strategic plan was formulated in 2020 to build upon the colleges. Yes, to equitable students success work. This framework was established to provide, to establish inclusive systems and quality support for students throughout their journey. At PCC. This alignment will ensure a comprehensive and coordinated approach to help students achieve their goals and improve equitable student outcomes.

The strategic plan is built around 4 strategic court themes which are listed above belonging enterprise, workforce workforce, and delivery. They are as follows: and I can you could. You guys can read them, but i'll read them out loud just because it's on my notes already. Thank you. Belonging. This refers to transforming our culture toward creating a sense of belonging and well being for every student enterprise. This refers to cultivating a long-term, sustainable college enterprise workforce. This refers to responding to community and workforce needs by developing a culture of agility delivery.

This refers to redefining time, place, and systems of educational delivery to create a more learner-centric ecosystem. So the strategic plan provides a foundation and budget planning decision framework for the board. All of the resolutions, the presentations and updates come before the Board shall be, and are linked to one or more strategic plan. Core themes that demonstrates to the Board's advancement of the strategic plan.

The strategic plan is also advanced in the biennial budget through strategic initiatives. These are specific. strategic, and these are specific strategic initiatives that have been funded outside of normal routine operations. And these initiatives have been reviewed evaluated and prioritized by the college President and the President's Cabinet and have specific measurable deliverables and outcomes.

Some of these strategic initiatives include enhanced support and training for the online and hybrid instruction and services developing a comprehensive Ada and accessibility plan and supporting an all-inclusive, inclusive, strategic enrollment plan so the biggest challenge overall is finding the funding to strategically support all of these areas to be truly transformative.

We are very aware that there is an ever-increasing list of student needs to be met. However, are we? Our resources are finite, and those resources are not keeping pace with the increasing needs. Another challenge is that these 4 focused areas of the strategic plan have competing needs and they compete for resources.

This is a really difficult challenge, especially as many strategic focus areas require both increased staffing and funding within each functional area. Priorities are established and evaluated over a multiyear financial planning period that spans multiple biennium.

The pandemic presented several challenges to it, slowed down progress in our implementation of the strategic plan. In conclusion, because students overall are taking fewer classes and credits per student generating less tuition revenues, while at the same time we see an increase in overall needs for increasing student support.

All of this has the effect of spreading us, then, as we are committing more resources to your net credits. We are receiving in terms of revenue, but still trying to fund adequate support resources, learning opportunities, and strategic initiatives to transform and move the college forward.

Commissioner Norton

Your statement that there are competing needs across your focused areas, those are usually the things that boards wrestle with. Can you give us an example in this budget cycle of how you, as a board worked through those competing interests? Perhaps to reach decisions in the budget. Could you give some practical examples or plan of action?

Ms. Penson

So yeah, and that's really difficult. Because we're already low enrollment, and then thinking about that, we may need to increase tuition in order just to make ends meet. Because the low enrollment definitely leads to needing do something. But we can't place more burden on the students that are already finding it hard to either get an education. If they are already in school, the wraparound services they need such as the basic needs, food, shelter, all of those things. That conversation is always stressful. Because to me personally, I think education should be free. I understand and value PCC's effort to remain affordable. I also know the pandemic, and what we have faced has it's been detrimental to education, to private, public, all the sectors. How do we mitigate passing that stress and that cost onto the students while still being able to maintain quality, education and access for all.

Commissioner Norton

So, you're working on the 23-25 biennial budget with your 2025 strategic plan. Do you have plans to begin updating your strategic plan in this upcoming biennium.? (27:25)

Dr. Bennings

I just created a new division, as a result of the NWCC, our crediting body's recommendation, which focused around institutional effectiveness and planning. This new division is called strategy policy and innovative planning, or we like to talk SPIP. I prioritize that, so that we could elevate strategic planning in a more systematic and structural way. I think the college did a beautiful job of developing this current plan. Our new Vice President of SPIP, Kurt Simons. He has a very deep experience with the college, and so he'll be helping to lead the formulation of an annual strategic plan. Not only review accountability and reporting process, but also communication process. Our strategic planning coordinator will reside specifically in his realm, and we will be developing also strategic planning, calendar aligned with our regular budget cycles, our soon to be Equity Plan and all our facilities plan. We're on track, starting to lay the foundation for a system embedded in the structure that becomes more operationalized as we move forward.

Chair Quiroz

In terms of the responsiveness of the of the college to the changing needs in our community, not only the students, but in particular in our workforce, and with agility, we know it's something you do well, but that is an ongoing, significant challenge. So can you talk to us a little bit about the future changes in the work force that you anticipate, and how the college's offerings or approach might change in response to those shifts?

The college really looks at a three- pronged approach in terms of workforce trends. Looking at our position of where we are, but what are the needs. In addition to exploring and looking at what are the needs, what are those need to reveal in terms of gaps? Those do translate into opportunities. But then that translates those three prongs also translate into not only our capacity, but where are we establishing those strategies and those intentional priority specific to the workforce industry? We do follow industry changes. One of the ways we do that is to the monitoring Oregon's labor market. And those industry trends specifically across the State with regular reviews of the economic data input from industry leaders as well as interface with Lightcast, which is a database of the trends that you can pull reporting from, to specifically assess industry trends and also web-based labor market tools. PCC community workforce Development Department does work closely with local employers, and that's critical, because not only for relationship building, but so that PCC is not positioned to say, "Here we are as an institution. Here's what we're offering." It positions us to go and have those direct conversations and engagements to first understand directly from the employers and the industries that in the communities that we serve. what is it that they need? how are we meeting their current needs, or what are the challenges?

And one quick example is we hosted a donor and partner launch, organized by the PCC's foundation, and we had industries such as Vigor, PGE, Bank of America in this space, and Vernon Science Foundation, and I asked them one question.

Can you tell me what the future of workforce is and the impact in your areas? And that one question led to almost an hour of discussion. We're taking all these notes. It's those conversations to engage with those partners to understand their needs, and how we can, partner. I do want to give examples of where alignment around our approach and workforce strategies is taking place, and where it's resulted in opportunities for PCC as a community college. One of those is in our advanced manufacturing and semiconductor workforce training. It was an example of how we're working collaboratively, not just with local, but also with State and Federal governments and industry and community-based organizations as well, and other educational institutions. because there's all there's also this need for two years colleges to partner with four-year colleges, but not just that broadly. But how are we partnering with private institutions in the region? How are we partner with different types of institutions beyond just PCC as a community college.

These partnerships have created the significant funding opportunities. They're just beginning to make an impact for our students and our community. Additional work is happening across sectors given the current economic data.

We anticipate, continued and growing need workforce needs in health care. We know what the Covid pandemic has really heightened that. And even today we have competing demands and priorities and deficiencies in health care. PCC was invited to be at the table for the healthcare consortium. Now I am a part of this executive leadership team to talk about the landscape of health care in the State and how do we align as an organized body, as one across sectors, agencies and individuals, so that we can really make some transformative impacts in what we see today in terms of health care, but what we know is going to be a long, lasting need in well into the future. So that's happening now.

We also launching industry, sector, engagement and strategy planning process, beginning with advanced manufacturing and engineering technology. And this really is to integrate industry, input to inform improvements in access and support and instruction and outcomes in the education to workforce journey. We're really taking a more intentional approach to how to bridge that pipeline from education to workforce, but also from workforce to education, because there could be some upskilling, there could be some additional training, so that is taking place now. Some of that is capacity building, but some of it is also expanding upon what we already have in place.

One thing I do want to highlight is our opportunity centers. We're developing a range of career and college preparatory programs that compare people for success in education and career track employment. We'll continue to collaborate with local employers and funders and agency partners to offer non-credit micro credentials that help move those community members into the workplace quickly, because we know that education the time it takes to receive an education could be an impact

between the decision to get an education versus making a decision to enter the workforce or stay in the workforce.

Eric Blumenthal

Mention two of our opportunity centers that we are continuing to develop. One of them is the opportunity center in Northeast Portland, which is the site of a Metropolitan Training and Workforce Development Center. On that particular site we are really looking to connect with traditionally marginalized populations with education and family sustaining careers by providing wraparound support. Included in our partnership in that opportunity center are the Oregon Department of Health Services that will probably provide access to SNAP (food stamps) benefits, family coaches. We'll offer other wraparound services for individuals receiving TANF (Temporary Aid to Needy Families). They will provide needs, and we will work interspersed with them in that facility.

In addition to the Oregon Department of Health Services, Multnomah County will open a branch there, and they will provide medical, dental and pharmacy services to the community from that location.

And then the other piece of that opportunity center is really the home forward piece, which is the development of the 84 units of housing. And then NAYA will operate a head. Start early learning center on site. So we really feel like this is a 24-7 learning living opportunity center for us.

We're also developing our Willow Creek center to be an opportunity center, and some of that seed money came from the Bank of America Foundation which provided a Neighborhood Builders as a grant, and that seed money will launch programs on site at that particular facility.

There's additional foundation support and funding from Lease Crutcher Lewis, and the city of Hillsboro supported scholarships for individuals successfully completing programs at that opportunity center and transitioning to other PCC programs.

So that's kind of one manifestation of really meeting workforce needs in partnership with other entities.

Through quarterly engagement, with industry, advisory committees, and regular review of labor market trends, we're updating our career, technical education, the curriculum and course, often. So that's kind of a continual iterative process.

We are continuing a next generation machine manufacturing technology initiative designed to support communities of color and low-income communities by improving awareness and expanding access to training that leads to really high demand good paying jobs, and manufacturing with a real focus in manufacturing and machining. Further implementation of curriculum and program will take place in this coming year.

So that's those are some examples.

Dr. Bennings

We're are expanding pre-apprenticeship and apprenticeship offerings. These opportunities include.

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Those are really critical pre apprenticeships and apprenticeships are critical to the workforce pipeline. Given that not only the industry demands, but given the picture of various workforce and industry sectors in terms of the bottlenecks that will be create that exist in those gaps that will be created through retirement and through attrition. There's a great opportunity for us to help mitigate that. Those pre apprenticeships and apprenticeships will be critical as we move forward into the future.

Commissioner Ofsink

We saw in the budget documents that FTE enrollment has been on the decline since at least 2016, starting before, the pandemic we're wondering if you could speculate what trends have driven those declines. I think the Budget document projected that enrollment would grow again in in future years. So we're wondering if you could explain for us why you think enrollment forecast looks more positive in the future.

Dr. Bennings

There's several things that I believe and are driving enrollment, declining trends. Some of those you have to look at the shifts in the demographics.

Looking at how you know families are having fewer children, which means fewer going through K. Through 12, fewer graduating. There's this ripple effect of that and the greatest anticipated impact is 2025.

Since I've been here, the gentrification that has happened, and what that's causing in terms of community shifts and implications for underrepresented populations. Then we're still rolling from some of the impacts of Covid. Then too, there is a strong job market where people are working not pursuing education. What is happening there in community colleges?

Typically, when the economy is down, you know you have increased enrollment, and then the opposite. But it's really disrupted our world over the last couple of years. There are minimal levers a prediction in our current state. However, I think that there's an opportunity for us to shift or rethink our approach with some of those trends, or those impacts that we know are some of those factors that are impacting a declining enrollment. Some of the things impacting enrollment are the cost of living. When you think about the cost of living in Portland, I can just imagine the impact of someone just trying to have a livable wage, someone trying to provide, someone having to make a decision to put food on the table, or maintain shelter, or buy clothing. That's what's impacting enrollment when you look at that triangle, the bottom here is basic needs. If families, if students, if individuals cannot meet their basic needs, how can they then think about going and pursuing an advanced education. With those things with life happening and shifts in the economy, and then things such as the pandemic, but also changing trends and family dynamics and structures really causing this ripple effect of declining enrollment. The college is well positioned to tackle that one of the things when I came on and had conversations not only with Ryan, but members of the team, was, what do we need to do to position ourselves to more intentionally create a plan and a framework for how we do things, and how we take this integrated approach to navigating enrollment. Enrollment is not just admissions or recruitment. Enrollment is not just marketing. There's so many things that are under the surface of this word called enrollment.

We are position right now, and undergoing a strategic enrollment management plan. It was a priority of the college, the Board, and the office of the President.

Associate Vice President of Enrollment Ryan Clark

We are in the midst of developing our very first comprehensive enrollment management plan, which is exciting for the college, and like any long-term planning project, stakeholder engagement is key. We actually have nearly a 100 folks from across the college involved in this process, we even have an org structure for this project work because it does encompass nearly every aspect of our institution.

So we have faculty, staff, administrators from every campus across the district, each working on a different aspect of our enrollment planning right now. We're actually just coming out of the first phase of that work which is a situational analysis, a deep dive into the data, both data that we have but partnering with Ruffalo Noel Levitz to do an external scan on market projections, and in that work we just got the first layer of reporting back from them. Our student population, we break up into three general buckets:

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Looking at census data and national data from the National Center for educational statistics, we get a good picture through RNL's analysis of what each of those markets looks like out to 2030.

The birth dearth does have an impact on us here in the Portland Metro area. The good news is a detailed analysis looking at all of the school districts that are our primary feeders, that impact on us is less significant than we were projecting overall. We actually feel pretty confident that we can maintain our current share of the high school market, given even the slight decline that we're anticipating in high school graduates over the next several years. So that's positive news.

That middle group of young adult transfers is the growth area. That is where, in our service district, our consultants are illuminating that we have some potential to actually increase our market share.

Then the adult transfer market is actually relatively stable. Our strategic enrollment planning process is going to look at how we either maintain or grow market shares in each of those categories. What each of these groups are doing now is actually developing the specific strategies on how we're going to either maintain or grow those market shares. Things like targeted program level marketing, especially for our CTE programs to reach that very career minded adult student audience are things in the mix right now. Each of these groups will dream up all sorts of different strategies. And then we're actually going to build business plans where we will model out potential enrollment impacts, budget investments needed and really get to a point where we have a pretty solid estimate on what the return on investment for any particular strategy would be. That will lead to a strategy prioritization summit in September, where these working groups will present to the cabinet and the steering group for the enrollment planning process, their proposed plans. Then ultimately, the President's cabinet and the steering group will vote on which strategies move forward and actually make it into our enrollment plan, and which ones, we save or table all together.

It's exciting work. It's long-range work, but at the same time we're also not waiting for the plan to be completed. There are things like business process improvement, making it easier to become a student here, and that work is already underway. We're replacing an outdated and very expensive customer relationship management system with a much more modern platform that will allow us to communicate and engage with students in ways that the modern consumer expects. Things like text message. That's how they want to be reached. We're excited to have a more modern communication toolbox to engage, not just with perspective students, but current students, because, enrollment management just isn't about marketing and recruitment, it's really that entire student life cycle and making sure students are able to complete their goals and get those great living wage jobs is an outcome of all of this. Recruitment and retention put together, and we're really excited to be engaged in that work right now.

Commissioner Norton

Birth dearth is a new term to me. But it kind of follows in my mind the birth dearth leads to the staffing stumble here. These diagram circles here whenever we've been here. Whenever I've been here, the last 4 budget cycles, whenever we talk about enrollment, it's always followed by, how this impacts programs and staffing. They all fit together., We've heard about instructional and community workforce needs shifts between full time and part time staff, reorganizations, labor agreements, capital up and downs depending on your funding and your bond passages, the vagaries of grants, and then the pandemic. But it all comes down to enrollment drives staffing.

The two of them drive program offerings. Can you talk to us about this? Here's the question: how is declining enrollment changed your offerings and programs and the subsequent staffing for those programs in the last few years and what programs have been impacted the most?

Mr. Blumenthal

It is a tough mix when we have such an uncertainty in our world, with our declining enrollment and uncertainty in state support that we have to rely on every budget cycle as opposed to having some continuity of funding.

We have taken this seriously. We started reductions even before July of this year so early in the in this fiscal year. We reduced \$20 million in our budget and \$17 million; that was primarily and permanently budgeted positions. Most of us were just attrition from our retirements and people resigning their positions. We've looked carefully at those, and then we also looked at our casual in pool dollars for part time faculty. Obviously with decreased enrollment we can cut back some on that. With our \$20 million goal this year, that it would carried forward in each year of the next biennium.

So that really was our AIM. It's not so much this year's savings, but really making sure we kind of trimmed down because we have to trim down for the next biennium

Of that \$20 million, \$17 million was in staffing. This was primarily in permanently budgeted vacant positions (achieved through attrition - primarily resignations or retirements) and in casual/pooled (non-benefited) positions.

Then \$3 million in "Hard-savings" materials, supplies, and services including the reduction of institutional travel budget by half; limited number of layoffs.

We did have some targeted layoffs. That's remains a possibility, this next biennium as well. We've cut back on material supplies and services, particularly with travel. So as we come out of the pandemic, we are. People are seeing much more reduced travel budgets than when we were in the before the pandemic happened.

So that was kind of phase, one in phase 2. As we put together this this proposed budget that's before us and the board. We cut another \$8.6 million that we're done this spring, and then again it was mostly pull-position, casual positions in adjunct faculty. Particularly when we look at those positions, seeing our biggest declines in lower division transfer as opposed to CTE education, where we're not seeing quite such a decline.

We've taken those steps. We believe those are the right prudent steps, and we will have to see where enrollment ends. We really are, like many of the community colleges, not just here in Oregon, but across the country, where we were deeply affected by the pandemic, more than four-year institutions, which was surprising to many of us. Those were double digit declines. Now we are seeing coming back,

and we're seeing some positive signs. Our applications are good now, and now our head count is stabilizing. What we're finding with our head count is that they're taking less FTE, less course works, so we need more head count in order to get that FTE enrollment up. So those are things we are carrying forward with \$8.6 million will be carried forward into the next biennium.

We have attempted to really project expenses and revenues to ensure our sustainability and our viability. Not just over the next 2 years. We always very narrowly focused on getting through the next biennium. We've tried to broaden that view over at least a four-year period. For instance, this biennium, not too much hit on PERS. We've done a good job with PERS savings. We issue pension, obligation bonds. There were good earnings in in in the in the year, so that corresponds with our employer contribution rates. So we did well. We will not do so well in the next two years after this current biennium. So what do we have to do to prepare for that PERS hit in the in the future biennium.

So we're looking at those kinds of things. We have built into our budget a 3% decline in this first year. We're hoping it's better. It looks like it might be better. It looks like it might be more towards a flat budget, but we wanted to be very conservative, particularly as we enter this really uncharted post pandemic environment. We are seeing first some stabilization of such things as studio arts, lab sciences in many of our CTE programs, and those continue to stabilize and grow.

We are concerned with our General Ed and our transfer class enrollment, because those fluctuate more, and are currently in decline, especially as we deal with modalities, we are seeing a certain propensity for students that want online courses which we've always offered. During the pandemic we moved to remote classes. We had both online, asynchronous and synchronous classes. We are seeing less success with those that are filling at a lower rate than those remote and online offerings.

But we are continuing to kind of find that right mix. And we, I believe, over the next biennium, we will get that mixed kind of right. We just want to offer that flexibility, to meet the needs of those students that need CTE programs and on campus instruction as well as on campus wrap around services.

Commissioner Norton

We all know attrition doesn't always happen where you need it to happen. So what programs have been most significantly impacted by staff reductions? There's a number of FTE reductions in this 23-25 budget. What programs are being impacted the most significantly?

Dr. Katy Ho Vice President of Academic Affairs

Mr. Blumenthal

We continually have program reviews to look at that. We will be accelerating those program reviews coming up. What we want to be conscious about is teach out. We can't just end the program. That's one of the things that we've been careful about is that any program that is under enrolled, we want to make sure that we're doing the right thing, and we're providing the right kind of teach out.

Commissioner Wubbold

When I was at Portland State, I was involved in numerous program reviews, and I found them to be one of the most difficult of all the administrative functions I was involved in, because they were real jobs. They were real people. They were real programs, and it was heartbreaking to have to make those difficult decisions to cut a program. I'm very interested in the process that you use. I understand you have maximum agility as one of your goals, but it's very difficult to achieve. This is not a question about the process, could you go ahead and tell us about some of the programs that you've identified as non-essential, and what impacts you foresee from the elimination of these programs?

Dr. Katy Ho

I'm happy to speak about that in terms of the academic programs. I do just want to pick up on something, too, and kind of loop this back to the very beginning, when we were talking about one college and looking at efficiencies. And we think about programs. Certainly, I'll focus in on the academic piece.

As an example, in our IT infrastructure, as we looked at how that organization can best support a one college model, some of the reduction in targeted reduction in FTEs came from that particular area. The same approach of looking at efficiencies. redundancies is prevailing across the whole entire college, and that's where some of those FTEs from last year, are accounted for, in addition to some of the other areas as well.

We have career technical programs that lead to a certificate or degree. Those require a teach out. When we think about planning ahead, we come to this hard decision of needing to make a reduction. So, for example, we've done that most recently, with Culinary Assisting. Another recent one was our Dental Lab Tech program. Those skills, those classes, are still very applicable. But the actual certificate degree is becoming not as important as maybe some badging or other experiences. So those are examples of some particular programs recently that we've looked at. And those are career tech programs, and what we have to think through, too, is that teach out. We owe it to our students that are currently in that pipeline to teach out the program toward that credential that they intended to earn.

The other thing that we look at that is equally just as hard to talk about and think about is when we think about our programs in terms of not those degrees or certificate programs, but courses. If you think about transfer students, there's a huge amount of course work that students can take to transfer toward their intended university or their angle and their major. Those are not programs we need

to teach out, but what we have, in terms of our enrollment trends going down, particularly in that area, we're seeing CTE stabilized start to come back. Our transfer student numbers are going down. When we look at that, and we look at the efficiencies there and the things that we need to scale back on, it becomes about sections, it becomes about classes. This is where we have to also make those really hard decisions about what is that right mix of modalities, what courses students need to take, that are central and core to their transfer destination based on that path. This is where a lot of the statewide work is coming in around developing transfer maps and having us kind of reevaluate what is core to that student pathway. That's causing discussions around how we can best put together a schedule that has that right mix, where we know we can fill the classes, and get students what they need. It's also causing us to say because of the low enrollment where we have to pull back and make reductions in those courses or those programs in that way. I want to make that distinction, because we do look at both things. It is not just about the programs.

One of the things that we are leaning into that is really going to help us better understand this, but will also get ahead and be proactive on how to grow the enrollment is really leaning into strategic scheduling.

We've made an investment in a software at Astro to really help us analyze our course offerings. This analysis does several things. It helps us analyze it from a physical standpoint, to see if we are maximizing our locations, our classrooms, our facilities. There's a budget impact there. We must determine if we are maximizing the mix of classes that we're offering based on what students need, offer enough of those general education classes for those students, offer the prerequisite classes for students going into certain career check programs. It is helping us look at the modalities. How do we keep pushing and growing for that to build the enrollment?

It helps us also set targets around, fill rates. That's really important. If we have a class of 25, we'd love for 25 students to be in there. It helps us really analyze that piece as well, and we've been piloting and leaning into that.

This is a huge part of our strategic enrollment planning process. It's a huge part of also how we begin to identify and get better data around doable efficiencies, that's really student centered and based on what the students need.

Commissioner Wubbold

A critical dimension of this is data, acquisition and analysis and all. Your leadership roles in these statewide organizations make it possible. Ideally to have a system that the State can track the student through their pathways and find a pathway for them, either online or whatever if the student is not able to get the class needed from PCC, and it is available through another State organization. Is that happening? Or has that already happened? Is there a database or a system that allows that to happen?

Dr. Katy Ho

There's been talk on and off over the years of creating something really easy to access. What I would point back to right now is that's a huge piece of the work right now is the body of transfer of work that's out there in the State. So, looking at really honing in on where students going. What are those patterns? I'll just give an example for us, our biggest feeder school is still Portland State University. We want to make sure that students coming in have that set of courses that they need for those big majors that they're going to take. Then we can take a look at that data. We're setting up those maps we're seeing. We must determine how do we need to set up that sequence of courses. We might find out that we're in partnership with four other community colleges that we have a high degree of number of students that are going into a certain major in these three schools. We're going to band together and make sure that we've got that clear map for students and those course offerings for them. We're trying to demystify some of that, and also get better maps, or course sequences mapped out for students so they don't have to guess, so students don't have to look all over for what the courses they need. In the best case, scenario, those maps are the same to any university, to those certain majors and students can get it at their local community college, or in rare cases, especially for our more rural schools that don't have those classes, we can partner with them and say, okay, if you're missing that particular science lab class or whatever it is, we have those agreements within the State Chief Academic Officers to know how to advise students to find the right classes.

Commissioner Ofsink

When we met in October to talk about the bond, we saw the initial list of potential and areas of emphasis for the bond, but it was at a pretty high level. We're wondering if, now that the first bond proceeds have started coming in, has the college gotten more specificity, and where the initial projects from this bond sit currently? I want to understand the priorities for the bond, now that you are starting to receive the money in hand.

Mr. Blumenthal

I thought maybe I would start with just our close out of the 2017 bond, because we are still doing some work from those proceeds. We're continuing to expend those at the at a pretty good pace. It really got slowed down because of Covid and some supply chain issues along with some labor shortages. We've been dealing with some of those delays that really were not anticipated. We now believe we'll finish all those projects from the 2017 bonds we thought 2023. It probably will go into spring of 2024. And so right now we have kind of four remaining projects off that bond They are:

- 1) **Sylvania Health Technologies** East, scheduled for completion in Summer 2023.
- 2) Portland Metropolitan Workforce Training Center- Main building, will evolve into a living and learning opportunity center with partnerships with Home Forward, the Oregon Department of Health Services (ODHS) and Multnomah County, which will operate a 10,000 square feet medical clinic

- with pharmacy and dental services. Our folks will move in, probably in August. So that's moving along according to schedule
- 3) Cascade Campus Public Safety Building – we will ; be you what we're going to renovate that facility, and that one will probably be the last on the old bond, and that will be done in spring of 2,024
 - 4) At the Rock Creek Campus there's a barn and replacement project that will happen by the fall.

Commissioner Ofsink

Thank you. We did have some interest there about how that was going to close out. But we especially we're wondering if, since things were taking a little bit longer on the 2017 bond if that was going to impact kind of the ramp up of the 2022.

Mr. Blumenthal

No, because we had enough lead time. We were preparing already, for the 2022 bond. We knew what we had to complete, especially given Covid and the length of the pandemic. We this will not slow us down. We're on a good trajectory to spend our funds to learn about the current one. We a decided of the \$450 million authority that we have to issue \$225 million. We did that in March, and there was about a \$28 billion premium on top of that. With that, along with good earnings, we're in a good place to fund our projects, despite the inflation and some of the other issues that we're seeing. We will meet the goals of our bond measure to align with the strategic plan. That's really very important to us that we align with the strategic plan as well as our biennial budget. We don't want facilities that don't have academic programming in them. So we want to keep everything in sync.

We'll update technology and equipment to provide really a modern higher education, and really greater flexibility. As we develop more hybrid learning options, approve accessibility. We're in the middle of an ADA transition plan. Some of the bond dollars will help with that and provide up to date training spaces as we talked about for workforce development and really expand the health and lifespan of our build buildings. With our many millions of square feet here deferred maintenance is an issue, and so we certainly want to protect our buildings, our assets and roofs. Roofs are a big part of what we're doing now.

The projects and projects are beginning. This building needs a new roof. This roof leaks. The general contractor, is under contract, and work is started, we will begin. The East Side and the West Side design builds is under contract, and work is beginning to start on the west side of the HT Building here at the Sylvania campus.

We're also doing some extensive work in a Cascade Campus in Cascade Hall, and in our Student Union building. There's been some issues with our

HVAC system. Contractors has been selected, and we're working on that so both those buildings can open fully next year. The Student Union Building has been closed this year, and we had to do that just because of the condition of the HVAC system. We expect many of our projects in this first round will begin either sometime in 2023 or 2024.

The major projects remain the same that we presented to you when we last spoke with the TSCC. the Scope and some of them have gone through planning and design. When you go through planning and design, things change a little bhe Rock Creek project is little bit more complicated than we first thought that project would be.

That's the project, too, that we're seeking \$8 million n matching fronts from the State of Oregon, so we'll see about that. It was not including the Governor's budget. But we're hopeful that we'll get the \$8 million.

Commissioner Ofsink

Will you remind me what the goal of the Rock Creek project is?

Mr. Blumenthal

It's really to improve the CTE offerings at Rock Creek Campus. Then really expanding career in terms of technical education. We're seeing a lot of growth in our Hillsboro market. We rent space there, so we are working on a partnership that will bring other facilities there. That will be a bond funded project.

So those are some of our projects that we're working on.

We believe we will keep to our schedule. We want 85% of the bond dollars spent in three years. That's part of the bond Covenant. So that's really our aim is to get them going.

Then we've already talked about issuing the remaining \$225 million. So right now we're thinking 2028, five years from now we would issue the next \$225 million.

Commissioner Ofsink

And do you feel like I know the deferred maintenance has been a big concern for the college? Do you feel like as cost of things have changed? Do you feel like the bond puts you in a good position?

Mr. Blumenthal

I think we're in a good position. Not that things don't cost more, and we feel the inflationary factors. Those are real, you know. But given the premium that

we received on the on the bonds, and the amount of earnings. We've never been in a situation with arbitrage. And now we're concerned about that. So we have taken the right steps where we have a reserve. If we have to rebate to the Federal Government, we can. But we will maximize our earnings.

Chair Quiroz

We've talked a little bit about this theme of not just academic needs. But these wraparound services, and the higher needs that have been amplified, during the pandemic. We're interested to hear a little bit more about the partnership with home forward to develop and manage the affordable housing component of the Portland Metropolitan Workforce Training Center over in Cully. Based on the success of this effort in this partnership, are you planning to expand on these types of partnerships? Are there other opportunities that you've identified? And are there other things that you're looking at beyond housing in terms of these wraparound services?

Mr. Blumenthal

Well, we are very cognizant of our students' basic needs, and certainly housing is extreme among them. So given the lack of the available housing in the Portland Metropolitan area, we've really worked, not just for the Metropolitan Workforce Development center, but we've really looked to find developers and sites on each of our major campuses for housing. We have plans for each of our four comprehensive campuses along with the Metropolitan Center at 42nd and Killingsworth.

Community partnerships for us are key to providing the students with those basic needs that will allow them really greater opportunities and the stability they need to receive an education.

The housing plan that we've put forward is simple. We are not going to invest a lot of our money. This is not going to use the general obligation, bond money, or our general operating dollars. We have to do this really judiciously. We can provide land. On our sites, we have about eight acres amongst those four campuses of what we can provide to developers to develop. We'll identify long term leases at really nominal rates for those developers. They will be either be 50- or 100-year leases that we will extend to those partners.

These partners that we are identifying will develop the whole project, the financing, the developing. They will own and operate the facility and managing the facility, so they will act, or have someone else act as the property manager, and they will offer residential services. The key to the success of all of this is that these housing developments will not just be for PCC students. They will be for the community.

It's very hard to tie in student enrollment with housing. Students often have to opt out for a term. We don't want students being forced out of housing, just

because they need to take a term off, or have something come up in their lives. We are making these open to the community particularly at the Metro site we're partnering with home forward, which, as you know, is the housing authority for Portland to develop, own and operate, and that facility will be 84 affordable units.

When we get moved into our new facility, and in the Department of Health Services is in the facility, they will take down those two buildings and begin work on the plaza and begin work on that development. It will also provide childcare with NAYA. Those 84 units will go all the way from studios to up to two- and three-bedroom units. It will be done in conjunction with those wraparound services that students need, so they will be able to make use of the Multnomah County medical, dental and pharmacy services.

At the Southeast Campus, we are partnering with Our Just Future, which was formally known as Home Solutions, to bring on about 120 units of affordable housing. The project was awarded \$11 million dollars in state, local innovation, and fast track rental program dollars. Our Just Future has a design team working on this already, and they recently brought on Edlen & Company to serve as the developer. Building design for that southeast project will begin this summer.

At the Rock Creek Center, PCC is parting with the Washington County housing authority. We're looking to develop about 100 units there of affordable housing on three acres. It will be on the east side of that property. They've been awarded about \$1.2 million in Federal home funds. The housing authority in the Washington County has a developer on board. They're accessing, assessing the infrastructure systems. There's some challenges. It's not an urban location, and so there are some infrastructure needs that would have to be built to make affordable housing viable.

At Sylvania campus the college is partner with community partners for affordable housing. We're looking to develop an on about 116 affordable units on 2.4 acres, and they are seeking Community Partners for Affordable Housing is seeking development funds.

At the Cascade campus we're partnering with HMS Development, which is a arm of Anderson construction, to develop a small housing site on the campus. They're seeking development funds, too. So those two, Sylvania and Rock Creek, are a little bit behind the other two locations, where we have stronger partnerships, and stronger funding, which is really key to all of this.

Commissioner Wubbold

This is hugely exciting. I am close to Cascade. I'm also eight blocks away from the Metropolitan Center. I'm just thrilled that this is happening. This was, not happening when we talked about this at the bond hearing last time. I do

have a couple of questions. First of all, with the 50 to 100 year lease, after that time, does PCC own the property?

Mr. Blumenthal

I don't know if we've gotten that far, but I think the intent is for those to be renewable after at that point.

Commissioner Wubbold

in terms of being an educational system and having is primarily to serve first students. Do your students have the priority placement option? Do they have priority over anyone else who's interested in in renting one of those spaces. How does that work?

Mr. Blumenthal

That has to be worked out. Part of their agreement will be to market to our students. But they have to do this with the applicable law and open access to the housing. That's got to be worked through. We certainly want our students to benefit from this. We do have a vested interest in this. We will do our best to make the developers true to that in the agreement. But it will have to be under applicable law and they will have to be open to the greater community.

Commissioner Wubbold

Will you have seats on their operating board?

Mr. Blumenthal

We will not have ownership. We will exercise as much guidance and advice as we can on those boards. It will depend on how the development comes to fruition.

Chair Quiroz

Thank you so much, everyone for your contributions to today's discussion. We like you on a lot of things always informative and educational for us.

With that I will now close the hearing and open a regular business meeting of the TSCC. Commissioners, do you have any further comments on the budget. (none)

Allegra, would you please share the staff recommendations for the certification letter?

Allegra Willhite, Executive Director

Yes, of course. I would like to start by commending PCC staff for excellent work on the budget, as well as to thank them for their collaboration throughout the budget certification process, and throughout the year. We often have conversations just to talk through budget law pieces and procedures. I appreciate that. It's what TSCC. Is here for. Staff are extremely responsive for any questions that we have, as we're going through and making sure we're understanding all the pieces. For the biennial year 23-25 approved budget TSCC staff found the budget estimates to be reasonable for the purposes stated, and the budget to be in substantial compliance with Local Budget Law. TSCC staff have no recommendations or objections to the budget.

Chair Quiroz

Thank you. May I have a motion authorizing the Commission to sign the certification letter as recommended by Staff.

Commissioner Ofsink

I'll move.

Commissioner Norton

I'll second the motion.

Oh, thank you. All those in favor say, Aye, hi! So certified

This file is found here:

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