

Budget Review 2025-26

Mt. Hood Community College

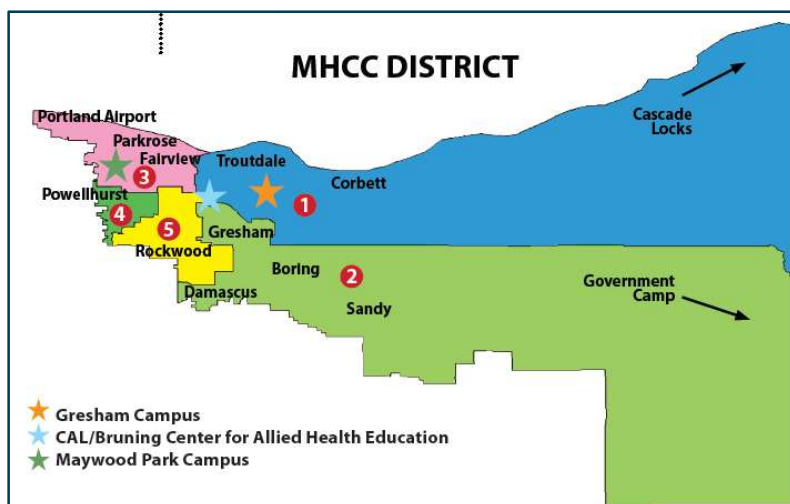


BUDGET HIGHLIGHTS

- The FY 2025-26 Proposed Budget is \$383.1 million, an increase of 62.2% from the current year. This significant increase is driven by the inclusion of a \$136.4 million General Obligation Bond for capital projects, a 4.5% projected enrollment increase, a 3.2% tuition rate increase, and increased personnel costs due to cost-of-living adjustments and rising PERS rates. The additional funds will be spent on capital improvements, personnel services, and student support.
- Mt. Hood Community College's FY 2025-26 Approved budget includes expenditure assumptions that exceed projected revenues, requiring the use of reserves to maintain operations. The college anticipates spending \$6.7 million from its fund balance, reducing reserves from 17% to 10% of expenditures. College leadership has acknowledged the need to adjust operations in future years to align expenditures with revenues and rebuild reserves to more sustainable levels.
- This budget includes \$136.4 million in General Obligation Bond proceeds from the approved Bond measure which passed in May 2025. These funds will support capital improvements such as classroom and lab renovations, ADA upgrades, campus safety enhancements, and major repairs to 50-year-old infrastructure.
- Tuition rates are increased 3.2%, or \$4 per credit hour, bringing in-state tuition to \$128 per credit hour. This marks the fourth consecutive year of tuition increases and is intended to support revenue stability.
- Increasing expenditures are driven in part by rising personnel costs, including a 4.3% increase in PERS rates and a 3% cost-of-living adjustment for non-represented employees. The College also recently settled a bargaining contract with classified employees. Classified employees will receive a 3% COLA and a 2.5% market comparability increase in FY 25-26.
- Student enrollment is projected to increase by 4.5% for FY25-26, driven by growing high school intake and retention improvements from MHCC's Strategic Enrollment Management Plan. The college anticipates a return to pre-pandemic enrollment levels in 2025.
- New fund requests from college departments totaled \$3.2 million, and only critical requests for continuing operations were funded through reallocation of resources and capital allocations.
- New investments for the upcoming fiscal year include the Bachelor of Applied Science - Cybersecurity Year Four course design, exploration of a new learning management system, and critical library security updates.
- Capital projects total \$161.3 million, a large increase from \$32.9 million in FY25. Funded by approved bond proceeds and matching state capital funds, these projects include facility repairs, classroom and lab updates, ADA accessibility improvements, enhanced campus safety, and updates to the college's aquatic center.

INTRODUCTION & BACKGROUND

Mt. Hood Community College (MHCC) serves a population of more than 300,000 within an area of 950 square miles. MHCC offers over 120 professional and technical programs. The college anticipates enrollment of 6,461 full time equivalent students in FY 2024-25. Boundaries encompass all of Multnomah County east of the Portland School District, the northwest portion of Clackamas County, and a small portion of Hood River County (Cascade Locks). A 120-acre college campus is located in southeast Gresham. The district also offers instructional programs at The Bruning Center for Allied Health Education in northwest Gresham, at its Maywood Campus in the City of Maywood Park, and at various schools and other locations throughout the district.



In recent years, Mt. Hood Community College has worked to form partnerships with local school districts, other community colleges, Eastern Oregon University and Portland State University to offer expanded educational programs for students.

The district was granted accreditation status in 1972 by the Northwest Commission on Colleges and Universities (NWCCU). The NWCCU's most recent reaffirmation of MHCC's accreditation was in March 2024, with the next evaluation scheduled for Fall 2025.

A seven-member board governs the district without compensation. All board members are elected to four-year terms: five are elected from zones and two are elected at large.

Mt. Hood Community College	2021-22	2022-23	2023-24	2024-25
Assessed Value in Billions	\$30.455	\$31.727	\$32.669	\$34.555
Real Market Value (M-5) in Billions	\$55.387	\$62.125	\$67.063	\$67.593
Property Tax Rate Extended: Operations	\$0.4917	\$0.4917	\$0.4917	\$0.4917
Measure 5 Impact	\$-171,194	\$-169,307	\$-167,491	\$-182,907
Number of Employees (FTE's)	924	931	1,019	1,070
Enrollment:				
Headcount	18,485	18,501	18,933	19,200*
Full Time Equivalents	5,610	5,800	6,060	6,200*
Tuition Per Credit Hour	\$118.00	\$120.00	\$122.00	\$124.00
*estimate from 2024				

MHCC approved a new strategic plan in July 2022. Following are the district's values which support their Goals.

- Improve Teaching and Learning Practices and Processes to Support Learning and Success for All Students
- Provide the Full Range of Educational and Support Programs and Services Needed to Allow Students to Meet their Educational, Career, and Personal Goals
- Align the College's Organizations Structure, Systems, and Processes to Reflect the Diversity of the Communities We Serve
- Provide Facilities and Technology Platforms to Serve the Needs of All Students
- Increase Our Visibility and Strengthen the Connection Between the College and Our Local and Regional Community Partners



BUDGET OVERVIEW

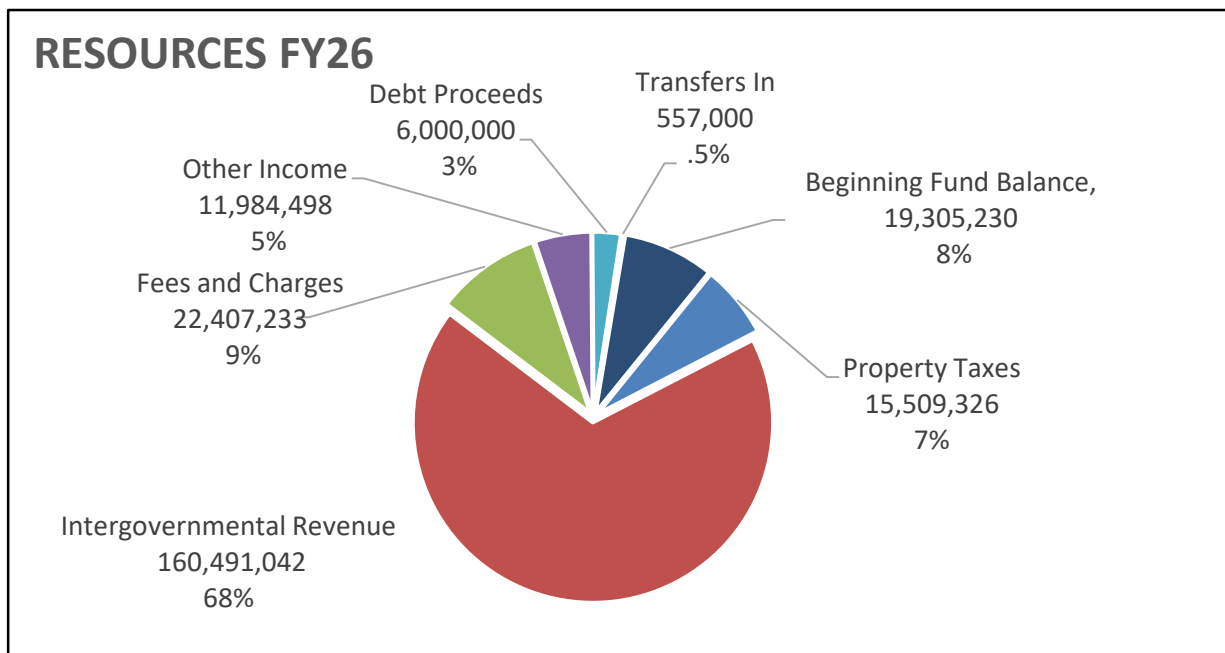
The FY 2025-26 Proposed Budget is \$383.1 million, an increase of 62% from \$236.3 million in FY 2024-25. This increase is largely due to the inclusion of \$136.4 million in General Obligation Bond funds for capital improvements which was approved by voters in May 2025. Nearly all revenue sources are increasing in this budget, including tuition, state support, and local property taxes.

MHCC has continued to focus on enrollment growth and student retention, with an expected 4.5% increase in student full-time equivalent (Sfte) enrollment for the current year. Enrollment is forecasted to return to pre-pandemic levels, supporting tuition revenue stability.

FY 2025-26 is also the first full year MHCC expects to benefit from Oregon's new community college funding formula, which allocates approximately 6% of the Community College Support Fund based on student support and success. This new formula rewards colleges for serving priority populations and achieving performance metrics, offering MHCC a potential boost in state revenue.

RESOURCES

FY 2025-26 Resources					
	2022-23	2023-24	2024-25	2025-26	Budget %
	Actual	Actual	Revised	Approved	Change
Property Taxes	14,987,452	15,328,786	15,509,326	25,248,146	62.8%
Intergovernmental Revenue	92,967,220	101,626,553	160,491,042	162,018,990	1.0%
Fees and Charges	21,214,547	22,619,758	22,407,233	25,174,500	12.3%
Other Income	10,946,060	15,378,527	11,984,498	13,020,047	8.6%
Debt Proceeds	0	0	6,000,000	136,445,000	2174.1%
TOTAL REVENUES	140,115,279	154,953,624	216,392,099	361,906,683	67.2%
Transfers In	4,734,055	517,170	557,000	557,000	0.0%
Beginning Fund Balance	37,052,324	35,370,033	19,305,230	20,666,078	7.0%
TOTAL RESOURCES	181,901,658	190,840,827	236,254,329	383,129,761	62.2%



Resources for FY 2025-26 include the following assumptions:

FY26 marks the first year of a new legislative biennium. MHCC is budgeting a 6.9% increase in state support based on the Governor's Requested Budget. However, because final legislative allocations are not yet known, the college has identified vacant positions that may remain unfilled if state funding falls short.

Revenue includes \$136.4 million in bond proceeds (approved May 2025), budgeted in the Capital Projects Fund. These projects include classroom and lab improvements to meet workforce demand, community service improvements including upgrades to the pool and ADA accessibility, campus safety and security improvements, and repairing 50-year-old facilities.

Enrollment is expected to increase by 4.5% in FY 2025-26, continuing the upward trend that began in 2022. Growth is driven by improved high school outreach, better retention, and strategic enrollment investments.

Tuition rates will increase by 3.2% in FY26, or \$4 per credit hour, bringing the total to \$128 per credit. This increase was approved by the Board of Education to support operational costs.

Revenues constitute \$361.9 million of total budgeted resources. The top three revenue sources are:

Intergovernmental Revenues (\$162 million), remain the largest source of funding for the college, representing approximately 68% of all revenues. This reflects a small 1% increase from FY 2024-25, largely due to continued support from federal and local grants, although state and federal funding remains an uncertainty at this time. \$82.5 million of these revenues are budgeted in the Federal, State, and Special Projects Fund.

Property Taxes (\$25.2 million) increase 62.8% from \$15.5 million in FY25 to \$25.2 million in FY26. This increase is driven by the approved GO Bond mentioned above. The bond will result in the establishment of a new debt service fund and an associated property tax levy to repay the debt. This new levy would be in addition to the district's existing permanent property tax rate of \$0.4917 per \$1,000 of assessed value.

Fees and Charges (\$25.1 million) are projected to increase 12.3% due to a 3.2% tuition rate increase and an expected 4.5% rise in enrollment. In-state tuition has increased by \$4, reaching \$128 per credit hour. The college expects this category to generate an additional \$2.7 million in revenue, supporting instructional services, student support, and inflationary cost increases. The table describes the tuition increases over the past 10 years.

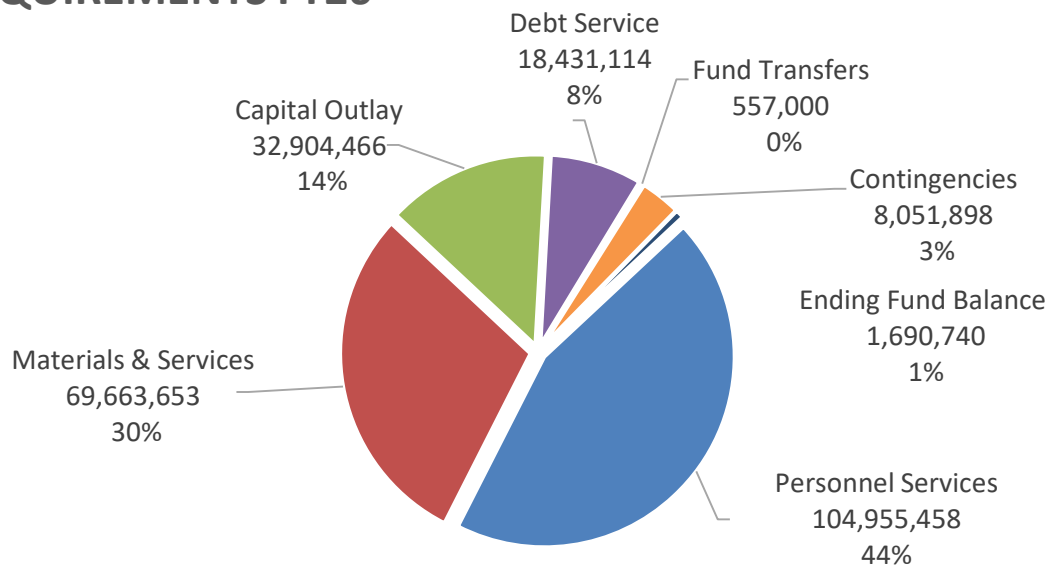
Fiscal Year	Tuition	Tuition Increase Amount	Tuition % Increase
2025-26	\$ 128.00	\$ 4.00	3.2%
2024-25	\$ 124.00	\$ 2.00	1.6%
2023-24	\$ 122.00	\$ 2.00	1.7%
2022-23	\$ 120.00	\$ 2.00	1.7%
2021-22	\$ 118.00	\$ -	0.0%
2020-21	\$ 118.00	\$ 3.00	2.6%
2019-20	\$ 115.00	\$ 8.00	7.5%
2018-19	\$ 107.00	\$ 7.00	7.0%
2017-18	\$ 100.00	\$ 4.00	4.2%
2016-17	\$ 96.00	\$ 2.00	2.1%
2015-16 (Adjusted Fall 2015)	\$ 94.00	\$(1.50)	2.2%

REQUIREMENTS

FY 2025-26 Requirements by Object

	2022-23 Actual	2023-24 Actual	2024-25 Revised	2025-26 Approved	Budget % Change
Personnel Services	79,881,252	86,727,425	104,961,842	111,533,886	6.3%
Materials & Services	39,773,635	45,488,878	69,571,141	71,173,039	2.3%
Capital Outlay	9,285,095	8,002,036	32,904,466	161,310,748	390.2%
Debt Service	12,989,367	13,628,793	18,431,114	28,004,763	51.9%
TOTAL EXPENDITURES	141,929,349	153,847,132	225,868,563	372,022,436	64.7%
Fund Transfers	4,734,055	517,170	557,000	557,000	0.0%
Contingencies	0	0	8,138,026	8,739,636	7.4%
Ending Fund Balance	35,238,254	36,476,525	1,690,740	1,810,689	7.1%
TOTAL REQUIREMENTS	181,901,658	190,840,827	236,254,329	383,129,761	62.2%

REQUIREMENTS FY26



Total requirements in FY26 show a significant increase compared to FY 2024-25, largely due to planned capital projects and personnel investments. Personnel services increased by 6.3%, reflecting inflationary and market adjustments, cost-of-living increases, and higher retirement contributions. The contingency/ending fund balance increased by 7.3%. Most of the contingency is again budgeted in the Federal, State, and Special Projects fund, at the same level as the prior year. The General Fund contingency/ending fund balance is 8.7% of requirements, which remains within the district's financial target range of 6% to 10%.

Expenditures

Personnel Services

With this budget, the college is focused on employee investments that acknowledge the cost-of-living increases in recent years, in order to maintain a diverse and talented workforce. The contract with faculty employees remains in effect, with FY26 salary adjustments reflecting previously negotiated cost-of-living increases. Non-represented employees will receive a 3% COLA, and while no new increases are allocated for part-time or student positions, personnel services overall increased by 6.3%, rising from \$105 million in FY25 to \$111 million in FY26. This increase includes PERS rate adjustments and market-based salary updates across the institution. MHCC voted and approved a new contract for classified employees March 17, 2025. The contract provides a 6% raise retroactive to July 1, 2024; a 5.5% raise in the second year; and a 5.75% raise for the final year of the three-year contract.

A total of 28.1 additional FTE were added in FY26, bringing the district-wide total to 1,053.9 FTE. While the budget notes that position changes are relatively minor, the increase reflects a continued return to pre-pandemic staffing levels. The largest increase occurs in the General Fund, which adds 18.81 FTE (rising from 588.05 FTE in FY25 to 606.86 FTE in FY26). Smaller increases include 8.29 FTE in the Aquatic Center Fund, .67 FTE in the Trusts Fund and .35 FTE in the Associated Student Government Fund.

Full-Time Equivalent (FTE) Positions

Actual 2022-23	Actual 2023-24		Amended 2024-25	Proposed 2025-26	\$ Difference FY26 - FY25	% Difference FY26 - FY25
General Fund (01)						
182.05	190.91	Instruction	300.89	318.50	17.61	5.9%
87.41	88.31	Instructional Support	89.90	86.88	(3.02)	-3.4%
66.00	61.47	Student Services	75.94	75.30	(0.64)	-0.8%
1.00	1.00	Community Services	1.00	1.00	-	-
83.87	83.84	College Support Services	86.07	89.40	3.33	3.9%
34.51	35.10	Facilities Management	34.25	35.78	1.53	4.5%
		Financial Aid	0.00	0.00	-	0.0%
454.84	460.63	Total	588.05	606.86	18.81	3.2%
Student Aid & Scholarship Fund (10)						
10.74	13.85	Financial Aid	26.57	26.57	-	-
10.74	13.85	Total	26.57	26.57	-	-
Federal, State, & Special Projects Fund (16)						
50.04	50.36	Instruction	12.00	12.00	-	-
28.32	30.68	Student Services	12.20	12.20	-	-
356.05	364.48	Community Services	355.00	355.00	-	-
14.46	9.21	College Support Services	5.00	5.00	-	-
448.87	454.73	Total	384.20	384.20	-	-
Aquatic Center Fund (42)						
10.08	15.92	Student Services	18.00	26.29	8.29	46.1%
10.08	15.92	Total	18.00	26.29	8.29	46.1%
Trusts Fund (51)						
0.12	1.27	Student Services	1.82	2.49	0.67	36.8%
0.12	1.27	Total	1.82	2.49	0.67	36.8%
Associated Student Government Fund (52)						
6.32	6.32	Student Services	7.14	7.49	0.35	4.9%
6.32	6.32	Total	7.14	7.49	0.35	4.9%
All Funds Combined						
930.97	952.72	Total	1,025.78	1,053.90	28.12	2.7%

Materials & Services

This category of expenditures remains generally consistent with FY25 levels, with a 4.9% increase in Materials and Services from \$31.6 million to \$33.2 million across all funds. The increase reflects ongoing inflationary pressures in areas such as instructional supplies, contracted services, utilities, and technology.

Capital Outlay

Capital project funds not expended in FY25 have been carried forward for completion in FY26. The Capital Projects Fund, which was created in FY24-25, totals \$136.4 million FY26 due to the proceeds from the General Obligation (GO) Bond that voters approved in May 2025. The district plans to prioritize initial bond spending on modernization of instructional spaces and major facility upgrades, including improvements to the Aquatics Center and accessibility enhancements.

The FY26 budget allocates \$161.3 million for capital outlay, a big increase from the prior year's \$32.9 million, reflecting the scale of planned bond-funded investments. Key planned projects include:

- Campus-wide classroom and lab improvements to meet workforce and instructional needs
- Major renovations to the Aquatics Center for community and student use
- Accessibility and ADA upgrades throughout campus
- Safety and security improvements, including infrastructure and systems
- Repair and modernization of aging facilities, some over 50 years old

With the passing of the bond, MHCC may also receive matching capital funds in the amount of \$8 million from the Oregon Legislature, further supporting these strategic infrastructure investments.

GENERAL FUND

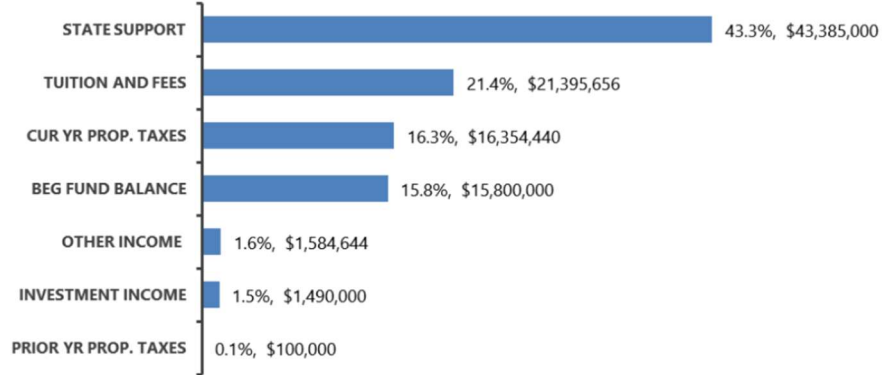
Requirements:	Amended 2024-25	Proposed 2025-26	\$ Difference FY26 - FY25	% Difference FY26 - FY25
Personnel Services	\$ 68,793,509	\$ 75,232,176	\$ 6,438,667	9.4%
Materials & Services	10,366,562	10,152,584	(213,978)	-2.1%
Debt Service	3,363,716	3,711,859	348,143	10.3%
Capital Improvements	375,796	322,500	(53,296)	-14.2%
Fund Transfers	497,000	497,000	-	-
Grants in Aid	1,054,268	1,115,321	61,053	5.8%
Total Requirements	84,450,851	91,031,440	6,580,589	7.79%
Contingency	6,822,715	7,267,611	444,896	6.5%
Unappropriated Fund Balance	1,690,740	1,810,689	119,949	7.1%
Total Requirements and Ending Fund Balance	\$ 92,964,306	\$ 100,109,740	\$ 7,145,434	7.7%

The General Fund totals \$100.1 million in FY26, a \$7.1 million increase from the previous year. While it remains the district's primary operating fund—covering instruction, student services, and administration—it now represents 26% of the college's \$383.1 million budget, down from 39% in FY 2024-25 due to the addition of a \$136.4 million Capital Projects Fund and growth in Federal and State project funds.

Revenues are increasing in all major categories, and expenditures are up across the board, with notable growth in Personnel Services. Instruction and Instructional Support make up 45.2% of General Fund spending, and Administrative Services account for 23.7%, consistent with prior years. The growth supports enrollment recovery, new academic programs, and investments in staffing and services.

RESOURCES

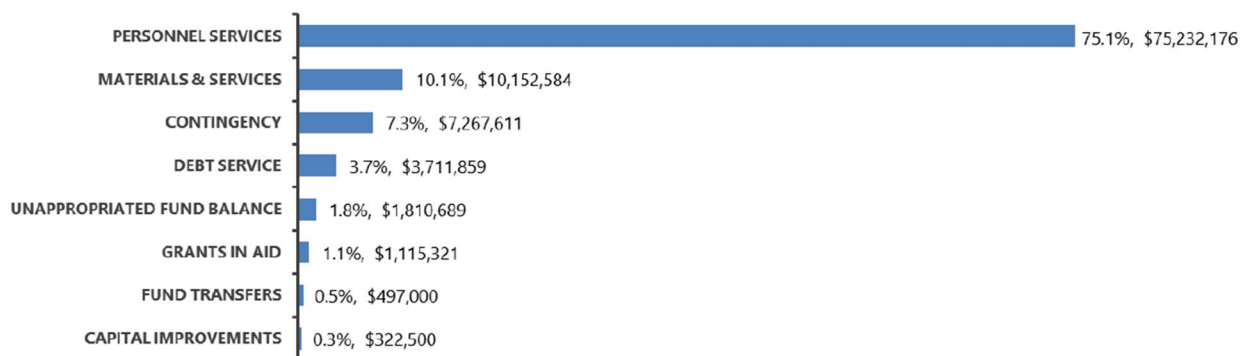
The General Fund is expected to receive \$44.1 million in state funding for FY26, reflecting a \$3.1 million increase over the FY25 budget. This year marks the first full year of implementation for Oregon's revised Community College Support Fund formula, which now includes a Student



Success and Support component. This new outcome-based model allocates 6% of state funding based on how well colleges serve priority populations—such as underrepresented, low-income, adult, and career-technical students—and on metrics related to student progression and completion. As a result, MHCC anticipates an additional \$1.2 million in state revenue during the second year of the biennium. Despite the projected increase in state revenue, funding levels remain uncertain. Because the state allocation is based on a biennial estimate, actual distributions could be adjusted later in the year. To mitigate this risk, MHCC identified several vacant positions to hold unfilled should funding come in lower than anticipated. To support revenue stability, the MHCC Board also approved a 3.2% tuition increase.

REQUIREMENTS

The majority of General Fund expenses continue to be in instruction. In FY26, instructional costs (which include personnel services as well as materials & services) in the General Fund increased by 8.7%, increasing from \$35.3 million to \$38.4 million, reflecting enrollment recovery, cost-of-living adjustments, and investments in staffing. The most significant change outside of instruction is in Debt Service, which increased by \$348,143 or 10%, largely due to subscription-based IT arrangements (SBITAs) and lease obligations for instructional and administrative technology. The amount budgeted for interfund transfers remains steady at \$497,000, consistent with FY 2024-25, supporting areas such as physical plant maintenance, student aid, and the Aquatic Center.



The combined contingency and ending fund balance for FY26 is \$10.6 million; a 7.3% increase from the prior year. The General Fund retains an ending fund balance equal to 8.7% of total expenditures, which remains within the MHCC's adopted fiscal policy target range of 6% to 10%.

OTHER SIGNIFICANT BUDGET AREAS

Budget Summary by Fund					
	2022-23 Actual	2023-24 Actual	2024-25 Revised	2025-26 Approved	Budget % Change
General Fund	91,285,935	85,927,607	92,964,306	100,109,740	7.7%
Student Aid Fund	17,103,794	37,283,990	37,283,990	37,283,990	0.0%
Federal, State & Special Proj Fund	50,828,697	67,460,000	82,510,000	82,510,000	0.0%
Pension Bond Fund	10,023,846	9,597,753	10,014,348	10,445,198	4.3%
Bookstore	655,859	0	0	0	0.0%
Aquatics Center Fund	1,738,767	1,793,292	1,282,626	1,039,034	-19.0%
Clubs Fund	63,023	170,000	170,000	170,000	0.0%
Trusts Fund	973,673	509,096	509,096	609,096	19.6%
Associated Student Gov Fund	1,833,031	1,364,805	1,482,719	1,547,849	4.4%
Physical Plant Maint Fund	4,854,679	1,747,500	2,008,000	1,883,000	-6.2%
Capital Projects Fund	0	0	6,000,000	136,445,000	2174.1%
Technology Projects Fund	2,540,354	2,209,133	2,029,244	2,293,148	13.0%
GO Bond Debt Service Fund	0	0	0	8,793,706	0.0%
TOTAL ALL FUNDS	181,901,658	208,063,176	236,254,329	383,129,761	62.2%

FEDERAL, STATE, & SPECIAL PROJECTS FUND

The district's Federal, State, and Special Projects Fund is the College's third largest, with a proposed budget of \$82.5 million for FY26, unchanged from FY25. While the overall fund level remains consistent, Personnel Services within this fund increased by \$8.2 million, or 31%, compared to FY25, due to the addition of 35.8 FTE positions in the previous year that have been maintained. To maintain the overall fund level, the district reduced expenditures in materials and services.

STUDENT AID FUND

The Student Aid and Scholarship Fund is maintained at \$37.3 million in FY26, consistent with the prior year. This fund supports a wide range of financial aid programs, including federal and state grants, scholarships, and work-study opportunities that help reduce financial barriers for students. Continued investment in student aid is aligned with MHCC's strategic goal to increase educational equity and promote student success across all populations.

PENSION BOND FUND

The Pension Bond Fund includes debt service expenditures. In FY 2021-22, this fund also recognized the proceeds of the college's second pension bond fund and the related expenditure into a PERS side account. Resources for this fund are provided by charges assessed to other funds as a percentage of salary.

AQUATIC CENTER FUND

This is an enterprise fund and is partially funded by aquatic center rentals and fees; the fund also receives a transfer from the General Fund each year to help support operations. The Aquatic Center fully re-opened in FY 2022-23 after being closed due to the pandemic, needed repairs, and staffing shortages. The FY26 budget includes \$357,000 for critical repairs and facility improvements to ensure the center remains safe, functional, and accessible for both college and community use.

BOOKSTORE FUND

In 2021 MHCC transitioned their bookstore to an online only marketplace. The virtual bookstore is a revenue only contracted service with a third-party, with the college receiving a percentage of gross sales. The Bookstore Fund closed in the FY 2022-23 budget and is shown in FY26 for historical purposes.

PHYSICAL PLANT MAINTENANCE FUND

Established to provide and account for funds used to maintain the physical plant of the MHCC District. For The fund is budgeted at \$1.88 million, reflecting a 6.2% decrease from the prior year. The reduction is due to a lower beginning fund balance. Transfers from the General Fund remain steady at \$408,000.

GO BOND DEBT SERVICE FUND

A new General Obligation Bond Debt Service Fund is established in FY 2025-26 with \$8.8 million budgeted, with voter approval of MHCC's proposed \$136.4 million capital bond measure in May 2025. This fund is structured to cover the first year of debt service on the proposed bond and will be supported by increased property tax assessments if the measure passes. The bond will fund critical capital projects identified in the college's Comprehensive Campus Facility Plan, including aging infrastructure repairs, lab and classroom updates, safety improvements, and ADA accessibility upgrades.

CAPITAL PROJECTS FUND

This newly established fund was created to track capital improvement projects funded by the 2024 General Obligation (GO) Bond, mentioned above. For FY26, the budget includes \$136.4 million in bond proceeds—representing the full projected amount of the GO bond. This fund is intended to support a wide range of capital improvement projects, including classroom and lab renovations, Aquatics Center upgrades, ADA accessibility enhancements, campus safety improvements, and repairs to aging facilities.

DEBT STATUS

The district has no outstanding general obligation debt as of the writing of this review, although in this budget the district assumes debt will be issued in FY 25-26. The district also has two Full Faith & Credit obligations (for district facilities), and two pension obligation bonds (to finance the district's PERS unfunded actuarial liability – total original issuance of \$109.5 million). The district anticipates the prepayment in PERS UAL will result in significant savings over time.

With the passage of a \$136.4 million GO Bond in May 2025, MHCC has created a new debt service fund for future GO bond payments MHCC has established a new GO Bond Debt Service Fund, budgeted at \$8.8 million in FY 2025-26.

MHCC's budgeted debt service payments are \$28 million, up from \$18.4 million in the prior year. This increase reflects both higher scheduled principal and interest payments and the continued application of GASB Statement No. 87, which requires lease obligations to be recorded as debt. This also includes the \$8.8 million in GO bond debt services mentioned above.

Total debt service payments will drop by 28% in 2029 when the district pays off the 2003 pension bonds.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
	x	Did the district meet publication requirements? – <i>noticing issue</i>
x		Do resources equal requirements in every fund?
N/A		Does the GO Debt Service Fund show only principal and interest payments?
x		Are contingencies shown only in operating funds?
x		Did the budget committee approve the budget?
		Did the budget committee set the levy?
	x	Does the audit show the district was in compliance with budget law? <i>Had over-expenditures in FY24</i>

LOCAL BUDGET LAW COMPLIANCE

The FY 2024-25 Approved Budget is in substantial compliance with local budget law, with the exception of a noticing issue: website and newspaper postings had a start time of 6:30 for the first budget committee meeting on 4/2, but when TSCC staff attended the meeting via Zoom, they realized it had actually started at 6pm; when one of the budget committee meetings was cancelled and rescheduled, a cancellation notice was not published or posted. TSCC staff discussed the issue with MHCC staff, and they are now aware of the requirement to publish a cancellation notice and ensure correct start times for the meetings. They did republish the changed budget committee meeting as required by law. Estimates were judged to be reasonable for the purpose shown.

The audit report for FY 2023-24 notes over-expenditures in the Federal, State and Special Projects fund.

As these audit findings are now recurring issues (In the last five years MHCC had over-expenditures in FY 22, FY 23, and now FY 24), staff are recommending noting these in the TSCC Certification letter.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2024-25 Approved Budget or budget process except for the issue of recurring over expenditures. The district has responded with explanations of the issues resulting in these audit findings and has offered a plan for addressing the issues going forward. TSCF staff suggest the following recommendations for the certification letter:

RECOMMENDATION: On review of Mt. Hood Community College's FY 2023-24 audit, the TSCC found that the district had expenditures or fund transfers that exceed appropriation limits in the in the Federal, State, and Special Project fund. We have noticed that over expenditures are a recurring challenge with three occurrences in the last five years. MHCC staff have been very responsive to our inquiries in this area and have responded with a written letter outlining a comprehensive approach to prevent future occurrences. We encourage the district to implement these enhanced policies to mitigate these issues going forward in order to avoid violation of Oregon Local Budget Law.

Mt. Hood Community College

Budget Summary

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Revised	Approved	Change
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	14,825,094	15,193,314	15,419,326	16,354,440	6.1%
GO Debt Property Taxes	0	0	0	8,793,706	0.0%
Prior Years Property Taxes	162,358	135,472	90,000	100,000	11.1%
TOTAL PROPERTY TAX	14,987,452	15,328,786	15,509,326	25,248,146	62.8%
RESOURCES:					
Beginning Fund Balance	37,417,161	35,370,033	19,305,230	20,666,078	7.0%
Property Taxes	14,987,452	15,328,786	15,509,326	25,248,146	62.8%
Intergovernmental Revenue	92,967,220	101,626,553	160,491,042	162,018,990	1.0%
Fees and Charges	21,214,547	22,619,758	22,407,233	25,174,500	12.3%
Other Income	12,224,274	15,378,527	11,984,498	13,020,047	8.6%
Debt Proceeds	0	0	6,000,000	136,445,000	2174.1%
Transfers In	4,734,055	517,170	557,000	557,000	0.0%
TOTAL RESOURCES	183,544,709	190,840,827	236,254,329	383,129,761	62.2%
REQUIREMENTS BY OBJECT:					
Personnel Services	79,881,252	86,727,425	104,961,842	111,533,886	6.3%
Materials & Services	41,284,908	45,488,878	69,571,141	71,173,039	2.3%
Capital Outlay	9,285,095	8,002,036	32,904,466	161,310,748	390.2%
Debt Service	12,989,367	13,628,793	18,431,114	28,004,763	51.9%
Fund Transfers	4,734,055	517,170	557,000	557,000	0.0%
Contingencies	0	0	8,138,026	8,739,636	7.4%
Ending Fund Balance	35,370,032	36,476,525	1,690,740	1,810,689	7.1%
TOTAL REQUIREMENTS BY OBJECT	183,544,709	190,840,827	236,254,329	383,129,761	62.2%
<u>SUMMARY OF BUDGET - BY FUND</u>					
General Fund	91,285,935	95,113,246	92,964,306	100,109,740	7.7%
Student Aid Fund	18,746,846	21,432,501	37,283,990	37,283,990	0.0%
Federal, State & Special Proj Fund	50,828,697	52,600,852	82,510,000	82,510,000	0.0%
Pension Bond Fund	10,023,846	10,962,751	10,014,348	10,445,198	4.3%
Bookstore	655,859	0	0	0	0.0%
Aquatics Center Fund	1,738,767	1,629,382	1,282,626	1,039,034	-19.0%
Clubs Fund	63,022	68,069	170,000	170,000	0.0%
Trusts Fund	973,673	1,289,341	509,096	609,096	19.6%
Associated Student Gov Fund	1,833,031	1,864,601	1,482,719	1,547,849	4.4%
Physical Plant Maint Fund	4,854,679	2,851,319	2,008,000	1,883,000	-6.2%
Technology Projects Fund	2,540,354	3,028,765	2,029,244	2,293,148	13.0%
Capital Projects Fund	0	0	6,000,000	136,445,000	2174.1%

GO Bond Debt Service Fund	0	0	0	8,793,706	0.0%
GRAND TOTAL ALL FUNDS	183,544,709	190,840,827	236,254,329	383,129,761	62.2%
DETAIL OF GENERAL FUND					
RESOURCES:					
Beginning Fund Balance	20,304,581	16,585,986	14,458,000	15,800,000	9.3%
Property Tax	14,987,452	15,328,786	15,509,326	16,454,440	6.1%
State Revenue	35,176,623	40,562,678	41,857,052	43,385,000	3.7%
Fees and Charges	19,488,660	20,329,618	20,449,928	22,980,300	12.4%
Other Income	1,328,619	2,306,178	690,000	1,490,000	115.9%
Transfers In	0	0	0	0	0.0%
TOTAL FUND RESOURCES	91,285,935	95,113,246	92,964,306	100,109,740	7.7%
REQUIREMENTS:					
Instruction	29,256,776	32,259,075	35,283,255	38,368,980	8.7%
Education Support Services	36,028,342	40,119,616	44,813,380	47,997,896	7.1%
Enterprises and Community Services	102,857	114,100	117,704	133,205	13.2%
Facilities Acquisition and Construction	2,255,231	663,769	375,796	322,500	-14.2%
Debt Service	2,969,451	3,196,541	3,363,716	3,711,859	10.3%
Transfers Out	4,087,292	487,292	497,000	497,000	0.0%
Contingencies	0	0	6,822,715	7,267,611	6.5%
Ending Fund Balance	16,585,986	18,272,853	1,690,740	1,810,689	7.1%
TOTAL FUND REQUIREMENTS	91,285,935	95,113,246	92,964,306	100,109,740	7.7%