

Portland Community College

2023-25 Biennial Budget Hearing Minutes

Thursday, May 18, 2023

Sylvania Campus

12000 SW 49th Avenue

Portland, Oregon

3:00 pm

Present:

TSCC:

Chair Harmony Quiroz, Commissioner Mark Wubbold, Commissioner Margo Norton, Commissioner James Ofsink, Executive Director Allegra Willhite, and Budget Analyst Tunie Betschart

Absent: Commissioner Matt Donahue

Portland Community College:

Board of Directors: Chair Tiffani Penson and Vice Chair Laurie Cremona Wager, and Michael Sonnleitner

Staff: Dr. Adrian, Bennings College President; Eric Blumenthal, Executive Vice President of Administration and Finance; Ryan Clark, Associate Vice President of Enrollment; Dr. Katy Ho, Vice President for Academic Affairs; Dina Farell, Associate Vice President of Financial Services; and Tom Andrews, Budget Director

Chair Harmony Quiroz opened the public hearing by welcoming everyone to the hearing and briefly describing the duties and responsibilities of the TSCC. She reviewed the hearing process and stated the hearing was to engage the district leadership and provide an opportunity for the public to comment before Portland Community College adopts its budget. She asked TSCC Commissioners and staff to introduce themselves and state if they have business relationships with the college that could be perceived as a conflict of interest. Each commissioner and staff member introduced themselves and said they had no conflict of interest with the college. She asked the college to introduce the board members and staff present. Following introductions, the college can make introductory remarks followed by public comments.

Following introductions, Dr. Adrian Bennings stated that she hopes the hearing brings out an understanding of how the college moves forward with fiscal stewardship and efficiency while keeping the "student first" approach in mind as they look at the evolving landscape and adjust to education beyond the pandemic. She hopes the comments bring out the Future Forward statements, which emphasize there is always an opportunity for the college to remain flexible and agile while considering the trends and overall forecast, not only in the economy but in the enrolment in the five counties they serve.

Chair Quiroz asked if anyone signed up to give public comment, stating each who wished to comment would be limited to three minutes. Executive Director Willhite reported that no one had signed up to speak at this hearing, and no written comments were received.

With that, the commissioners started their questions.

TSCC Questions:

Commissioner Wubbold asked the following question:

Please tell us more about the switch to a "One College" approach for budgeting. What prompted you to make this change?

Dr. Bennings responded, saying the college spans five counties, four campuses, and ten centers. The complexities of this have been long recognized at PCC. There was a need to streamline and bring a more cohesive approach to the structure of programs, scheduling, and resources and how the revenue and expenditures are aligned across the district. Competing factors among the campuses themselves were starting to look more like individualized campuses that deviated from the district's mission.

The One College approach would systematically allocate resources in our student's best interest and give a holistic approach to Portland Community College. The one-college model is built from an academic and career pathway structure. The Seven Academic and Career Pathways are:

- Health Care & Emergency Professionals
- Advanced and Applied Technologies
- Business, Community, and Workforce Developments
- Science, Computing, and Engineering
- Public Service, Education, and Social Sciences
- Arts, Humanities, Communication and Design
- Academic Foundations, Essentials, and Gateways

With the move to this college-wide pathways program model, the offerings at all locations are more holistic and comprehensive. This has helped to balance equity, especially concerning needs, resources, and budgeting. The One-College Model lays the foundation for how courses are scheduled across the district to make it more supportive of the students and also to make it more aligned with a one-college model aligned under one mission. The resulting changes were a more centralized and standardized approach, with processes, clear functional boundaries, and parameters across the district.

With the new model, how will you be tracking and sharing information about discrepancies between campuses?

Dr. Bennings said they are leveraging tools and resources so that there are automated and regular reports so that those who need access to the information can have it more efficiently and timely. PCC's financial information is housed in an Enterprise Resource Planning system.

Commissioner Wubbold asked the following questions:

Your budget materials tell us that elements of the 2020-2025 Strategic Plan are incorporated into this budget for the first time. Our question is for the Board: How have you used the Strategic Plan in giving budget guidance and approving the budget? What challenges did you face in incorporating the Strategic Plan with the budget?

Tiffany Penson said the Strategic Plan, outlined in 2020, builds upon the College's Yes to Equitable Student Success (YESS) work. This framework establishes 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 four core themes: Belonging, Enterprise, Workforce, and Delivery.

They are as follows:

- Belonging: Transforming the culture toward creating a sense of belonging and well-being for every student
- Enterprise: Cultivating a long-term sustainable college enterprise
- Workforce: Responding to community and workforce needs by developing a culture of agility
- Delivery: Redefining time, place, and systems of Educational Delivery to create a more learner-centric ecosystem

The Strategic Plan provides the board with a foundation and budget planning decision framework. All resolutions, presentations, and updates before the board are linked to one or more strategic plan core themes that demonstrate the advancement of the Strategic Plan.

The Strategic Plan is also advanced in the biennial budget through Strategic Initiatives. Specific strategic initiatives have been funded outside normal routine operations, and these initiatives have been reviewed, evaluated, and prioritized by the College President and President's Cabinet and have specific, measurable deliverables and outcomes. Some of these strategic initiatives include enhanced support and training for online and hybrid instruction and services, developing a comprehensive ADA and accessibility plan, and supporting an all-inclusive Strategic Enrollment Plan.

The biggest challenge overall is finding the funding to strategically support these areas and be transformative. PCC is aware there is an ever-increasing list of student needs. The resources are finite, and those resources are not keeping pace with the increasing demands.

Another challenge is that these four focus areas of the Strategic Plan have competing needs and may compete for resources. This is a tough challenge, especially as many strategic focus areas require increased staffing and funding. Within each functional area, priorities are established and evaluated over a multi-year financial planning period that spans multiple biennia.

The pandemic presented several challenges, too. It slowed down progress in our implementation of the strategic plan.

She concluded by stating that because students are taking fewer credits per student, they are generating less tuition revenue. At the same time, the college sees an increase in overall needs for increasing student support. PCC is committing more resources to fewer net credits but is still trying to fund adequate support resources, learning opportunities, and strategic initiatives to transform and move the college forward.

Your statement that there are competing needs across your focused areas is usually the thing 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 a plan of action?

Ms. Penson said they may have to increase tuition to balance resources with expenditures. The college struggles with placing more burden on students already finding it hard to get an education. This is always problematic.

So, you're working on the 23-25 biennial budget with your 2025 strategic plan. Do you plan to update your strategic plan in this upcoming biennium?

Dr. Bennings said that due to the NWCC recommendation, she created a new division, Strategy, Policy, and Integrated Planning, focused on institutional effectiveness and planning. Kurt Simonds was selected as the first Vice President of this new division. He has profound experience with the college, and so he'll be helping to lead the formulation of an annual strategic plan. Not only to review accountability and reporting process, but also the communication process. PCC's strategic planning coordinator will reside in his realm, and staff will develop a strategic planning calendar aligned with regular budget cycles, the Equity Plan, and the Facilities plan. The college is on track, starting to lay the foundation for a system embedded in the structure that becomes more operationalized moving forward.

Chair Quiroz asked the following questions:

We know the college strives to respond to changing community and workforce needs with agility. What future changes in workforce needs do you anticipate, and how might college offerings change in response?

Dr. Bennings said the college takes a three-pronged approach regarding workforce trends, looking at where the college is, the needs, and the gaps. PCC follows industry changes by monitoring Oregon's labor market, regularly reviews economic data input from industry leaders, and interfaces with Lightcast, (database of the trends that you can pull reporting from), to specifically assess industry trends and web-based labor market tools.

PCC Community Workforce Development Department works closely with local employers. It enables the college to go and have those direct conversations and engagements to understand directly from the employers and the industries in the communities what the need is, how the college is meeting their current needs or the challenges.

She gave 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 their advanced manufacturing and semiconductor workforce training. PCC works collaboratively with local, State, and Federal governments, industry and community-based organizations, and other educational institutions. There's also this need for two-year colleges to partner with four-year colleges, but not just that broadly. These partnerships have created significant funding opportunities. They're just beginning to make an impact on students and the community. Additional work is happening across sectors, given the current economic data.

PCC anticipates continued and growing need workforce needs in health care. The region has competing demands and priorities and deficiencies in health care. Healthcare personnel will be a long-lasting need well into the future.

PCC is also launching the industry, sector, engagement, and strategy planning process, beginning with advanced manufacturing and engineering technology. The college is taking a more intentional approach to bridge that pipeline from education to workforce and workforce to education. There could be some additional training in this area.

She mentioned the opportunity centers, saying they developed a range of career and college preparatory programs that compare people for success in education and career track employment.

They will continue collaborating with local employers, funders, and agency partners to offer non-credit micro-credentials that help quickly move those community members into the workplace.

Mr. Eric Blumenthal described two opportunity centers they are developing. One of them is the opportunity center in Northeast Portland, the site of a Metropolitan Training and Workforce Development Center. PCC seeks to connect with traditionally marginalized populations with education and family sustaining careers by providing wraparound support on that particular site. This partnership includes the Oregon Department of Health Services that will probably provide access to SNAP (food stamps) benefits and family coaches. The college will offer other wraparound services for individuals receiving Temporary Aid to Needy Families. In addition to the Oregon Department of Health Services, Multnomah County will open a branch there and provide medical, dental, and pharmacy services to the community from that location. The other piece of that opportunity center is the Home Forward piece, which is the development of the 84 housing units. And then, NAYA will operate a Head Start Early Learning Center on-site.

PCC is also developing the Willow Creek Center to be an opportunity center. Some of that seed money came from the Bank of America Foundation, which provided a Neighborhood Builders 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 completing programs at that opportunity center and transitioning to other PCC programs.

These are examples of really meeting workforce needs in partnership with other entities.

Commissioner Ofsink asked the following questions:

Let's discuss a topic that has been top of mind for many education institutions - enrollment. Statistics shared in the budget document show full-time-equivalent enrollment has been on the decline since 2016, a trend that started before the pandemic. What trends have driven the declines in recent years? What enrollment trends are you forecasting for the future? What changes do you think might drive future growth in enrollment?

Dr. Bennings said families have fewer children, and fewer students are graduating. The college is seeing the ripple effect of this. The cost of living in the area also has an impact on the enrollment at the college.

Mr. Ryan Clark said they are working with a consulting firm to develop their first Enrollment Management Plan. It encompasses nearly every aspect of the institution. They are looking at places where they can maintain or grow market share in each category: community education, Career & Technical Education, non-credit, and transfer students. The college feels confident it can maintain its current share of the high school market. The young adults 15-25 area is an area of potential increase. The adult market is relatively stable. The planning process will focus on maintaining or growing market shares in each category. Each group is developing strategies on how to increase or sustain growth. He mentioned that the headcount is stabilizing, but students are taking fewer classes.

Commissioner Norton asked the following questions:

How have staffing and programs over the last few years changed in response to decreasing enrollment?

Mr. Blumenthal said PCC reacted to the decrease in enrollment and the end of federal funding by making significant budget reductions.

Some of these reductions included:

- \$20 million budget reduction in July 2022, achieved mainly through vacant budgeted positions, resignations or retirements, and pooled positions
- \$3 million in reduced materials and services expenditures, which included reducing travel budget expenses and limited number of contractor layoffs
- \$8.6 million reduction this spring from pooled positions

Portland Community College has projected expenditures and revenues throughout the budget process to ensure sustainability by realigning staffing. Hands-on programs such as studio arts lab sciences and Career Technical Education have seen on-campus enrollment stabilize and grow, while other education and transfer classes decline. As a result, the FTE is budgeted to decrease. The college is changing modalities due to the remote and online learning shift. PCC is offering an increase in hybrid and mixed modality offerings.

Commissioner Wubbold asked the following questions:

With rapidly rising costs and revenues that don't always keep pace, the college, like many education districts post-pandemic, continues to face funding challenges. The budget document mentions that efforts have been made to eliminate redundancies and inefficiencies by identifying non-essential programs and initiatives. Please tell us more about how programs and initiatives were determined to be non-essential. Can you give us some examples of programs or initiatives that have been identified as non-essential? What impacts do you foresee from the elimination of these?

Katy Ho said the 2023-25 biennium budget would eliminate redundancies and inefficiencies. Most classes eliminated were canceled due to low enrollment. The College is required to teach out all Career Technical Education classes. They feel obligated to allow any student the ability to earn the credentials when they have been working towards that goal. Part-time faculty in transfer disciplines have been staff most impacted by the reduction in course offers.

The elimination of programs is a hard decision. The college would instead eliminate classes with lower enrollment rather than an entire program. The Strategic Enrollment Management Plan will help staff reimagine and redefine the new Program Proposal and Program Sustainability process to ensure the program meets the community's needs.

Commissioner Ofsink asked the following question:

We met with you in the fall to discuss the new bond, and this spring, the college received the first round of bond proceeds. Has the project list become more specific as planning work has been done? Have any projects changed since we met with you in October? How soon will you begin bond projects, and what are your first project priorities?

Mr. Blumenthal said the 2017 bond projects are continuing at a good pace despite supply chain issues encountered due to COVID-19. The college expects the completion of all associated projects in the spring of 2024. He described the four remaining projects:

- Sylvania Health Technologies East, which is scheduled for completion this summer

- Portland Metropolitan Workforce Training Center, with the main building scheduled to open this fall
- Cascade Public Safety Building ~ contractor has been selected, and renovation is anticipated to be completed in Spring 2024
- Rock Creek barn replacement is expected to open this fall.

These projects have no impact on the 2023 Bond projects.

He explained that the 2022 GO Bond Program bond measure goals have not changed. The plans still include:

- Updating technology and equipment for greater flexibility for hybrid learning
- Training spaces for industrial education
- Facilities updates
- Deferred Maintenance, including roofs

He said the project planning was underway even before the bond proceeds were received. Some of the projects that have already started are:

- Sylvania Campus Roof Replacement
- Sylvania Health Technology Building West Side
- Cascade Variable Refrigerant Flow System

More of the projects will begin in the summer or in the fall. The major projects will remain the same. Some, like Rock Creek, are more complicated and could change some. This project is subject to \$8 million match for the State of Oregon Matching Funds through the Higher Education Coordinating Commission.

Portland Community College expects to stay on schedule with the bond program.

Chair Quiroz asked the following questions:

PCC has partnered with Home Forward to develop and manage affordable housing at the Portland Metropolitan Workforce Training Center located in Cully, an effort that we understand has been well-received. Based on the success of this effort, are you planning to expand these types of partnerships, and if so, how many other opportunities do you have identified?

Mr. Blumental said that given the lack of affordable housing options in the Portland metropolitan region, PCC has identified sites and development partners for community affordable housing at each of the four campuses and another in the Portland Metropolitan Workforce Training Center area at 42nd and Killingsworth. He described this plan, saying the housing plan is relatively simple. The college retains ownership of its land and offers a 50-100-year land lease to a development partner at a nominal rate. The development partner finances, develops, owns, operates, and manages the housing facility, including offering residential services. This housing would not be exclusively for PCC students, but the partners would work with PCC to inform students of availability and give them preference. This would be possible through a partnership with *Home Forward*, which

would develop, own, and operate the 84 affordable units. This project is fully funded and expected to break ground this fall. It will evolve into a living and learning opportunity center with partnerships with *Home Forward*, NAYA, the Oregon Department of Health Services (ODHS), and Multnomah County, which will operate a 10,000-square-foot medical clinic with pharmacy and dental services.

PCC is also partnering with *Our Just Future* to bring 120 affordable housing units to the Southeast Campus area. This project was awarded \$11 million in State a Local Innovation & Fast Track (LIFT) Rental Program dollars. *Our Just Future* has a design team contractor and recently brought on Edlen & Co. to serve as the developer. Building design will begin this summer. Local Innovation & Fast Track (LIFT) Rental Program monies. *Our Just Future* has a design team contractor and recently brought on Edlen & Co. to serve as the developer. Building design will begin this summer.

At the Rock Creek Campus, PCC is partnering with the *Washington County Housing Authority (WCHA)* to develop about 100 units of community affordable housing on three acres on the east side of campus. WCHA was awarded \$1.2 million in Federal HOME funds and has a developer on board who is now assessing infrastructure systems.

The college has partnered with Community Partners for Affordable Housing at the Sylvania Campus to develop 116 affordable units on 2.4 acres. CPAH is seeking development funds.

At the final campus, Cascade, PCC is partnering with HMS Development to develop a small housing site. HMS Development is also seeking development funds to advance the project.

Chair Quiroz thanked the college for the discussion and contributions during the hearing. Then, she closed the hearing and opened a regular Tax Supervising and Conservation Commission meeting to certify Portland Community College's 2023-25 Biennial Budget. She asked if the commissioners had any questions or comments concerning the Budget. There were none

She asked Executive Director Allegra Willhite to give staff recommendations for the certification letter.

Ms. Willhite said staff found the Budget estimates reasonable for the purposes stated and the Budget to comply with Local Budget Law. She said staff have no recommendations or objections to the 23-25 biennial budget. She thanked Portland Community College Staff for their quick responses and willingness to answer questions.

Chair Quiroz called for a motion.

Commissioner Ofsink moved to certify the Portland Community College's Biennial Budget with no recommendations or objections as recommended by staff. Commissioner Norton seconded the motion, which passed with a unanimous vote of the commissioners.

There being no other business, Chair Quiroz closed the meeting.