



# Rogue Community College

*Our goal is your success*

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From Peter Angstadt

Dear Friends:

April, 2005

The budget we are presenting to you and the process to get to this budget are much like a trip down the river. There have been times of peaceful, calm waters and other times of turbulence and unexpected concerns.

While the 2005-06 general fund budget basically maintains the same level of staffing and services, there are significant items to be discussed. The most crucial of these is how revenue is obtained. In 2004-05, Rogue Community College (RCC) received \$9.3 million in State funding representing approximately 34% of the total revenue budget. Under the current budget proposed, this amount has been reduced to \$8.3 million – a loss of \$1 million and only 29% of the budget. Even with the possibility of additional funding from the legislature, due to the distribution formula equalization, RCC will fall far short of receiving the same amount it did for 2004-05.

Although they are more predictable, expenditure projections continue to climb. While personnel cost have only increased from approximately 56% to 58% of the budget, other personnel expenses have increased from 18% to 22%. This increase has come directly from the employer's portion of retirement contributions growing from 10.24% of payroll for the current year to 15.73% next year. This budget does include salary increases for faculty and staff. Next year is the final year of the memorandum of understanding (MOU) with the faculty which caps the top step of the faculty salary schedule below where the statewide average plus cost-of-living adjustment falls. Under the MOU, faculty will return to the statewide average next year. In addition, this will be the first year classified staff returns to a cost-of-living adjustment plus pay-for-performance. Classified staff had foregone any increase in 2003-04 and received only a cost-of-living in 2004-05.

The passage of the Jackson County capital bond levy helped immensely in this budget process. This saved the College approximately \$800,000 annually in debt service payments and this savings is included in the budget. As permanent facilities are obtained in the future, additional savings will be realized from expired leases. In addition, the College had set aside \$725,000 as a PERS reserve with the knowledge that the rate would increase in 2005-06. This is shown as an increase in the transfer-in line of the revenue portion of the budget. We are also expecting to end the 2004-05 year with approximately a \$1.7 million ending fund balance that will roll into next year.

With these budgetary factors included, it still left us with a gap of around \$650,000. The College's Budget Advisory Group and Tuition and Fees Committee struggled to bring forward a recommendation for tuition and fees next year. With much reluctance, they are recommending a \$4/credit tuition increase to fill this gap. This was a difficult decision and was done only after listening to student input and recognizing that, in addition to facing difficulty paying tuition, students have an even more difficult time obtaining the classes they need. This increases the students' contribution to budgeted revenue from 28% to 29%. The RCC Board is still examining the tuition recommendation and has not committed to any increase at this time.

Unfortunately, with state funding being what it is, the river seems to be getting rougher and even more turbulent each year. We are currently somewhere out in the middle of the rapids and waiting to see where we land. With all of us paddling in the same direction we expect to reach our destination intact, but may be a little bruised by the rigors of the trip.