RCC faces cuts to programs, staff

Facing severe declines in state funding in 2007 and subsequent years, Rogue Community College has announced probable staff and program cuts to be made by June 30.

RCC President Peter Angstadt and management team members have begun issuing “unofficial” layoff notices to give faculty and staff advance warning of a proposed reduction in force, necessitated by a decline in state support of almost $2 million from FY 2006 to FY ‘08.

“We have great concern for our employees and want to provide as much notice as possible so staff members can plan for their future,” Angstadt said.

Official notice of positions not funded will be issued in January, after which faculty and classified staff will have 30 days to comment and discuss alternative actions. The comment period is required by the college’s contracts with faculty and classified collective bargaining units.

“The college has faced significant reductions in state support in the past several years and will continue to face reductions for the future,” Angstadt said. “This decline is the result of the way the state funds community colleges and our loss of full-time students during the recession of 2001-2002.”

The college is facing an approximate 10 percent reduction in staff and faculty positions. It also will furlough its diesel technology degree program and downsize the electronics program due to low enrollments. College officials also are looking at a possible reduction in the number of days the college would be open.

According to Angstadt the proposed budget cuts are based on ideas and suggestions for reducing costs and managing resources sought from faculty, staff, students and community members over the past two years. The college’s administrative staff has been meeting since August to evaluate those suggestions and conduct a thorough review of college programs and services.

“We’re in a difficult situation but are continuing to analyze the budget and investigate alternatives,” Angstadt said.
RCC’s budget crunch is the result of several factors: rising costs, reduced state revenue, and a funding formula based on a “rolling average” of current and past years’ enrollment. Part of RCC’s reduction in funding stems from a 2004 State Board decision to include all locally-raised property taxes in the state community college support fund for redistribution to all community colleges.

This has resulted in a phased reduction of state support tax dollars estimated to eventually reduce RCC’s state support by nearly $3 million annually. RCC is working with local legislators to seek changes in this method of funding the allocation. Currently, the college faces a severe loss of operating funds.

The state also is providing capital construction funds to support construction of the shared RCC/SOU education center in downtown Medford. Those funds cannot be used to support on-going college operation expenses, however.

“RCC is one of a number of community college districts with a high level of support through local property taxes,” said College Board Chairman Dr. Kevin Talbert. “The unfortunate consequence of the State Board decision is that southern Oregon tax payers end up subsidizing other community colleges leaving RCC with fewer general fund tax dollars and, consequently, a need for higher tuition. We regret the increased burden placed on our students as a result of the state's change in the method of funding community colleges.”

The number of RCC students attending classes was up 12.3 percent in 2005-06 over the previous year, and student full-time equivalent (FTE), a measure based on the number of credits students are earning, was up 1.3 percent. FTE is the number the state uses to distribute revenue. RCC’s reimbursable FTE declined for several years and for 2005-06 was down more than 900 from 2000-01.

“The recent increase in our overall number of students reflects continuing demand for RCC services, and we believe the previous decline in FTE resulted from increased tuition and reduced offerings made necessary by budget cuts,” President Angstadt said.

At the same time, expenses have steadily crept up. These expenses include increases in personnel costs, utilities, fuel, materials and services. Rogue made budget reductions several years running by freezing wages, cutting travel expenses, and not filling vacant positions. Still, overall expenses have grown an average of 3 percent a year over the past six years or 21 percent before cuts.

The college’s ending fund balance has held steady for the past five years in the $1.3 million to $1.7 million range, accounting for 5 to 6 percent of total resources. This year Rogue is projecting less than a $1 million carryover, just 3 percent of resources.

“If the state legislature improves the funding picture and we can recall staff, we will,” Angstadt said. “But we may not know until June what the state-wide level of community college support will be.”

###

N06-139