

PORTLAND COMMUNITY COLLEGE

Fiscal Sustainability Framework and Action Plan

The Fiscal Sustainability Framework and Action Plan (FSAP) aims to ensure the long-term financial health and stability of Portland Community College (PCC). This plan encompasses strategic initiatives and measures designed to align financial decisions with the college's mission while prioritizing student success and institutional effectiveness.

Goal: Develop budget strategies that promote long-term fiscal sustainability, balancing current needs with future financial stability to ensure continued support for student-centered initiatives.

Objectives:

1. Ensure financial stability and sustainability for PCC through proactive fiscal management.
2. Align financial decisions with the needs and priorities of students to enhance their educational experience and outcomes.
3. Optimize resource allocation to support key student success initiatives, academic programs, and essential support services.
4. Engage stakeholders, including faculty, staff, students, and the community, in the implementation of the action plan.
5. Foster collaboration and engagement in the college's financial operations and decision-making processes.

The fiscal sustainability efforts will focus on the short-term and long-term needs of the college and will be grounded in:

- **Accountability:** A system of best practices, procedures, evaluation, and documentation.
- **Collaboration:** Working together to facilitate decision-making through inclusive and purposeful dialogue.
- **Communication:** Communicating intentionally, inclusively, transparently, and often is crucial. To ensure our college community is informed throughout the process, a website outlining our plan will be updated periodically with current information and useful resources.
- **Transparency:** Periodic and timely reports and communications to college stakeholders.

Overview of Current Budget Situation and Future Outlook

PCC is facing significant headwinds in the years ahead. Budgets are expected to be challenging for the foreseeable future, with budget reductions anticipated in the coming biennium, fiscal years 2025 – 2027. While we have been able to meet the challenges up to this point, further significant budget reductions anticipated ahead will undoubtedly require critical considerations across the college.

PCC's Fiscal Sustainability Framework and Action Plan and six-year financial forecast, prioritizes financial sustainability and responsible fiscal management, with a target 12% - 18% ending fund balance to create a financial buffer. Immediate and phased actions, like managing personnel and operational costs, ensure the college's ongoing financial health. Based on September 2024 forecasted revenue and expenditure projections and in order to minimize reductions, we have targeted a minimal fund balance of 12%.

- **State Funding:** Although the revenue picture has improved, extreme competition exists for state resources. Priorities such as the Community College Support Fund are met with equally important funding needs for houseless assistance, expansion of childcare facilities, early childhood infrastructure/transportation activities, and many other priorities. In the upcoming year, the Governor's requested budget is expected to be only 1% higher than the previous biennium. As a result this could negatively impact the funds available to be distributed as the Community College Support Fund. New Government funding opportunities are increasingly focused around community needs such as mental health, affordable housing, program/workforce opportunities and other specific areas.
- **Operational Costs:** Forecast costs are based on economic trends and current rates of inflation. Especially impacted areas include those related to fuel and utilities. Other cost drivers include increasing IT related costs to ensure network stability and security.
- **Personnel Costs:** Given that the cost of labor and benefits represent approximately 82% of the General Fund budget, it is critical that the personnel costs are forecasted accurately based on the current and projected economic forecasts and the costs of benefits. Other factors include:
 - 1) Federation contracts negotiated and forecasted increases both for step and structure as well as increase to management, executive and confidential compensation.
 - 2) Allowances for unfunded mandates need to also be included such as insurance and staffing costs related to the Oregon's Paid Family Medical Leave program costs.
 - 3) The cost of PERS (Public Employees Retirement System) benefit expense also needs to be included based on anticipated and forecasted increases.
- **Enrollment:** We have embarked on the Strategic Enrollment Plan to help guide the College through these challenging times. Even as we start to see enrollment numbers stabilize, students are taking fewer classes/credits per student overall, generating less tuition revenue, while requiring more in student support at the same time.

Given the impact of internal and external forces, Portland Community College has projected a declining fund balance over the next six-years and is executing a comprehensive plan to solidify our path forward and strengthen our financial position. This framework and action plan will best position the college to serve as good stewards of the resources entrusted to us by our community and taxpayers. Ultimately, this plan is designed to ensure long-term fiscal sustainability.

Sustained Fund Balance Scenarios

Implementing budget reductions to sustain an ending fund balance ensuring the overall fiscal sustainability of the institution.

Fiscal Sustainability Goals: PCC aims to maintain an ending fund balance between 12 -18% over the next six-years to provide a financial buffer, minimize layoffs, and avoid cuts to essential student and staff services. Financial projections based on revenue and expenditure estimates as of September 2024 provide for a minimal fund balance of 12%. The reserve fund balance goal of between 9-18% is part of the college's [General Fund Reserve Policy \(B510\)](#), ensuring continuity of services during uncertain times.

Strategic Enrollment Management: We are aiming for a 3% enrollment increase annually, adjusting our services to meet the evolving needs of students while recognizing that the pre-pandemic enrollment peak is not expected to return.

Expense and Revenue Management: Steps include reducing discretionary spending, maximizing facility use, limiting overtime, and utilizing vacancy savings. PCC is focused on managing rising operational costs, particularly in utilities, IT infrastructure, and personnel, which comprise 82% of our General Fund. Revenue estimates are highly influenced by state revenue received from the Community College Support Fund (CCSF), and enrollment levels which result in tuition and fee revenue.

Proactive Budget Adjustments: PCC's phased approach to budget management includes immediate, short-term, and long-term actions. Phases such as the Program/Discipline Fiscal Sustainability Review (starting January 2025) focus on optimizing academic offerings, maintaining critical student services, and ensuring alignment with labor market needs. Revenue and expenditure targets will need to be addressed and revised periodically as state revenue, tuition and fee revenue and the ending fund balance forecast is revised.

Transparency and Community Engagement:

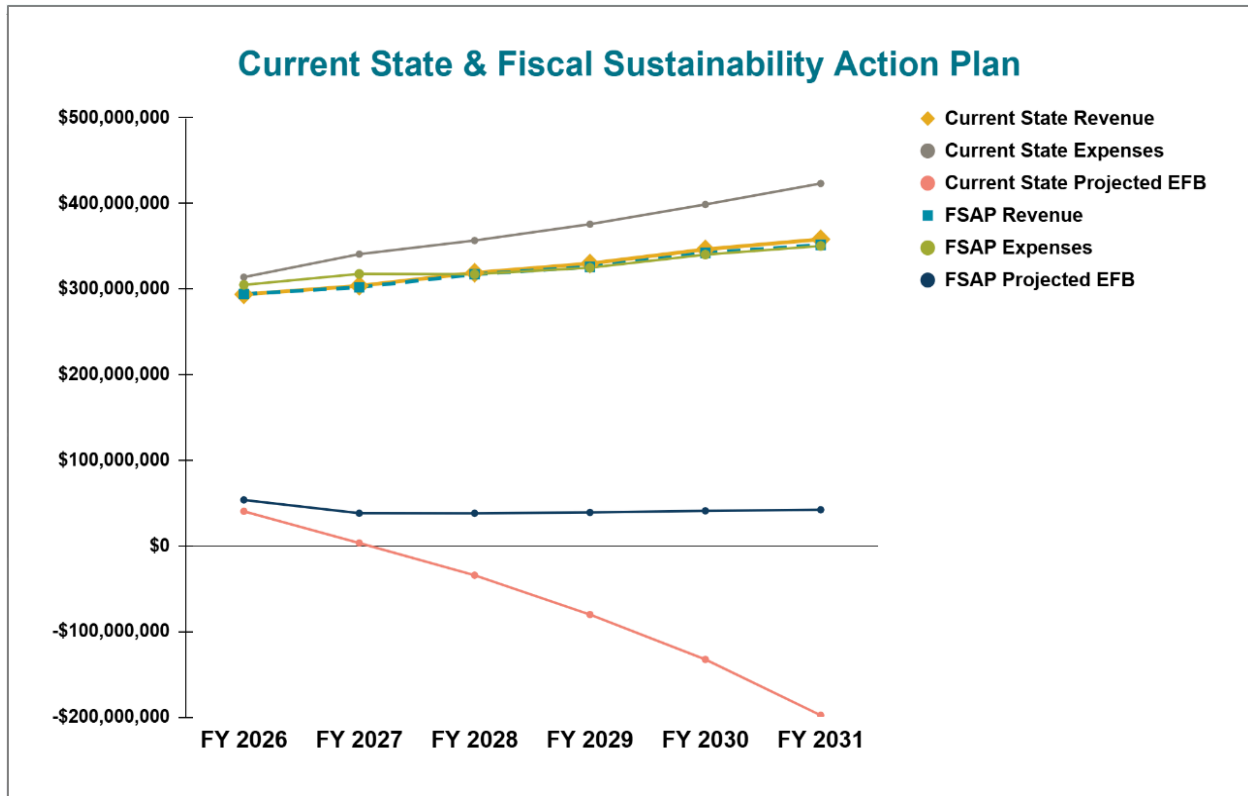
The Fiscal Sustainability Action Plan (FSAP) website provides real-time updates, Q&A, and opportunities for community feedback—such as College Community Forums to keep the community informed and engaged in the decision-making process. [The Integrated Budget and Planning Council \(IBPC\)](#) will also play a key role in providing strategic guidance and facilitating forums to receive new and revised financial forecasts.

Below you will find three comparative graphs that show the forecasted expenditures, revenue and fund balance based on different scenarios:

Graph 1 below, shows a comparison over six-years between:

- 1) The current state of the college financial forecast based on no changes to current expenditure and projected revenues and
- 2) The FSAP forecast is based on the minimum sustained fund balance of 12%.

GRAPH 1



	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	\$293,806,170	\$303,777,958	\$319,045,827	\$329,887,912	\$346,380,826	\$358,163,698
Expense	\$313,903,288	\$340,837,997	\$356,733,784	\$375,775,358	\$398,843,109	\$423,418,063
Projected EFB	\$40,390,331	\$3,330,292	-\$34,357,666	-\$80,245,337	-\$132,707,619	-\$197,961,984

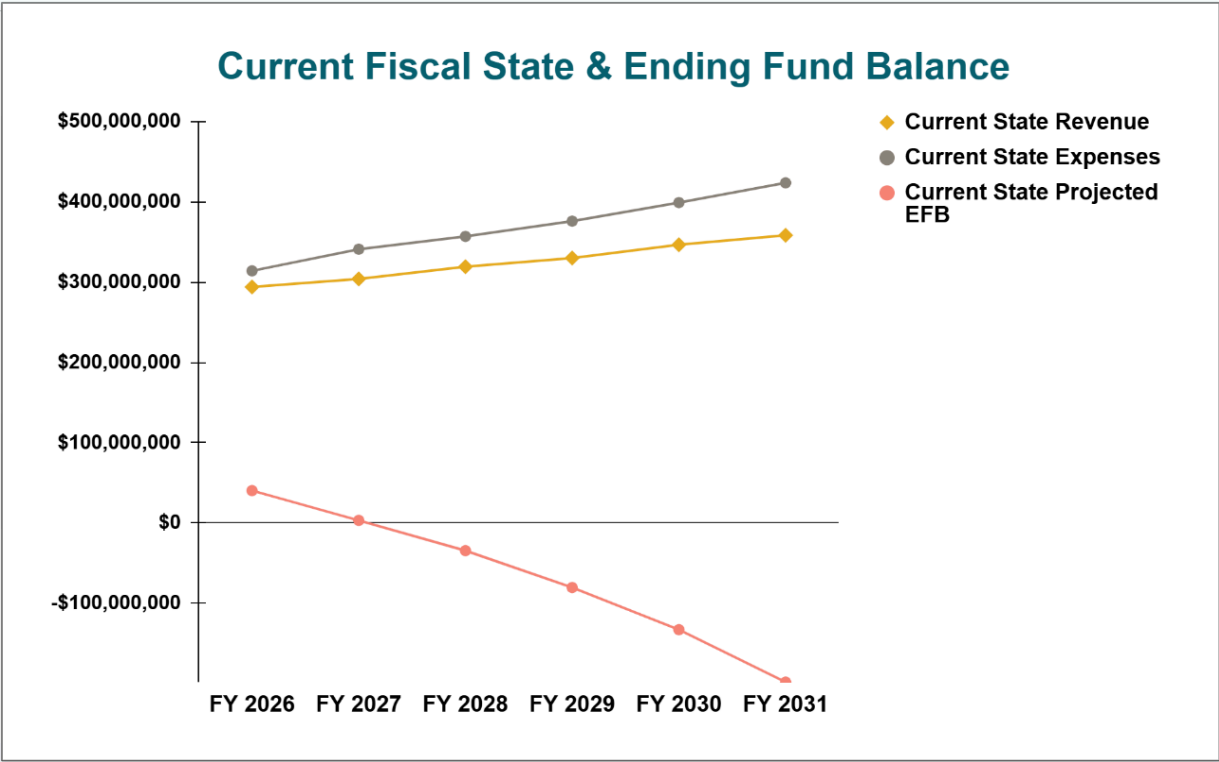
Budget Assumptions Based on Current State Projections and Graph

- 6.5% Increase in CCSF per Biennium
- 4.25% increase in tax revenues per fiscal year
- 3% increase in enrollment per fiscal year
- \$5 per credit increase in tuition per fiscal year (high of 3.91% to a low of 3.16% per fiscal year)
- 4% fringe rate increase per fiscal year
- 5% increase in MS&S per fiscal year

- TRUUP study cost implications TBD
- 8% utility increase per fiscal year (not subject to reduction)
- Includes \$5.3M set aside for ERP Committed Funding
- ERP/Technology Resource Plan of \$35.3M has been increased by \$25.36M in new required resources
- \$600k increase to non-bond funded Capital Projects fund

Graph 2 is based on our current spending and revenue projections. This represents a sharply declining fund balance that reflects expenditures significantly outpacing revenue.

GRAPH 2



Note: Graph 2 includes the Revenue, Expenditure and Projected Ending Fund Balance (EFB) represented in the above table without reductions.

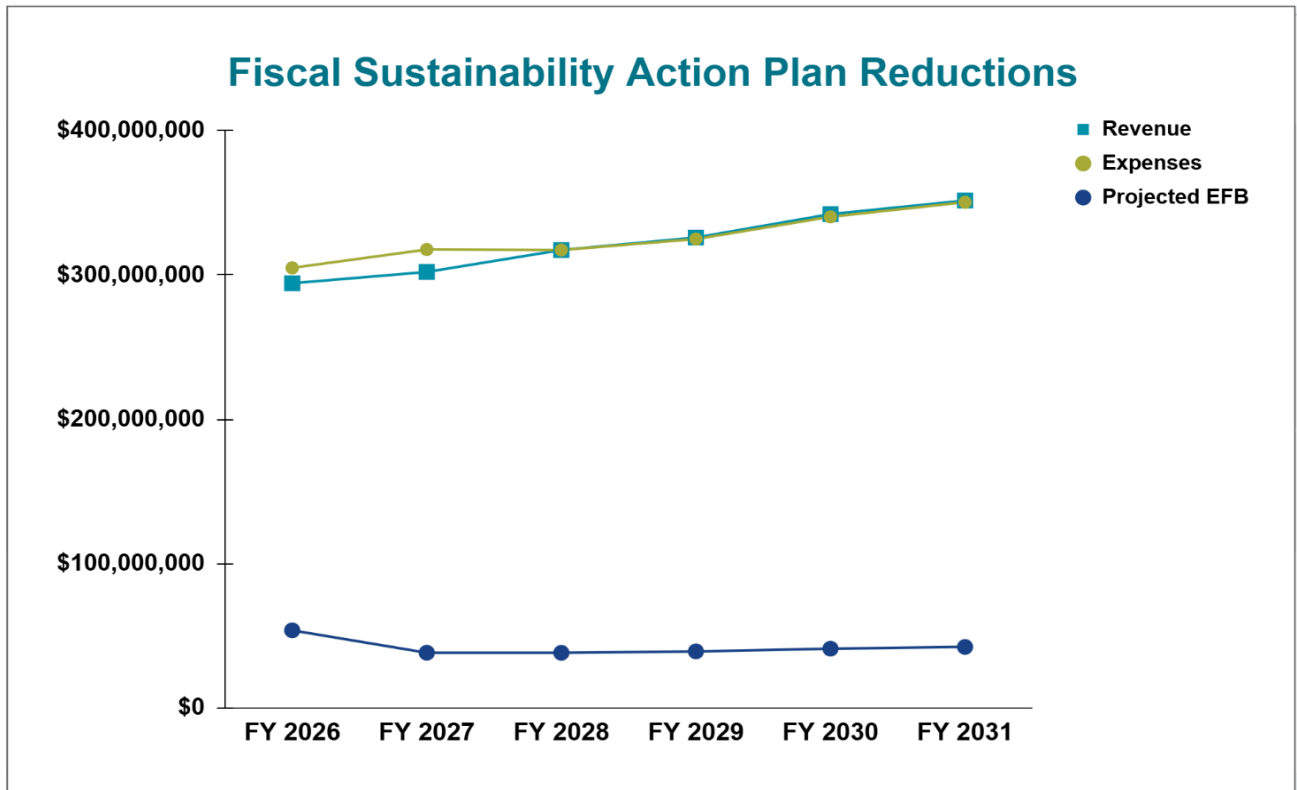
Budget Assumptions Fiscal Sustainability Scenario and Graph

- 5.0% Increase in CCSF per Biennium
- 4.25% increase in tax revenues per fiscal year
- 3% increase in enrollment per fiscal year
- \$5 per credit increase in tuition per fiscal year (high of 3.91% to a low of 3.16% per fiscal year)
- 4% fringe rate increase per fiscal year
- 5% increase in MS&S per fiscal year
- TRUUP study cost implications TBD
- Approx. 1% contingency allowance for additional unanticipated expenses

- 8% utility increase per fiscal year (not subject to reduction)
- Includes \$5.3M set aside for ERP Committed Funding
- ERP/Technology Resource Plan of \$35.3M has been increased by \$25.36M in new required resources
- \$600k increase to non-bond funded Capital Projects fund

Graph 3 below shows the FSAP forecast scenario which includes reductions of \$14,784,036 in the first Biennium and reductions of \$21,146,334 and \$13,100,478 respectively in the 2nd and the 3rd Bienniums. The results are a sustained ending fund balance of approximately 12% and expenditures and revenue that closely align with each other.

GRAPH 3



Sustained Fund Balance Scenario

Revenue and Expense Summary - Minimal Sustained Fund Balance 12%

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Revenue	\$294,207,172	\$302,114,359	\$317,285,573	\$325,927,448	\$342,208,759	\$351,646,909	
Expense	\$307,926,712	\$317,661,097	\$317,330,673	\$324,944,242	\$340,305,800	\$350,459,067	
Reduction	-\$5,016,040	-\$9,767,996	-\$13,382,088	-\$7,764,247	-\$3,423,475	-9,675,003	-\$49,028,849
Projected EFB	\$53,662,105	\$38,115,366	\$38,070,266	\$39,053,472	\$40,956,431	\$42,144,273	
% of Expenses	17.60%	12.00%	12.00%	12.02%	12.04%	12.03%	

Note:

- *The Fiscal Sustainability Action Plan projection illustrated in Graph 3 includes the Revenue, Expenditure and Projected Ending Fund Balance (EFB) represented in the above table.*
- *Total Reduction for 2025-2027 Biennium - \$14,784,036*

Leading with Racial Equity

It is essential to apply an equity lens to guide Portland Community College to reflect on how budgetary decisions burden or benefit underserved communities, particularly communities of color and low-income communities within our institution. As such, PCC will analyze each decision to ensure that we are advancing equity through applying an equity lens and to lead with racial equity throughout the process.

When making a budget reduction decision the following will need to be considered:

1. **Inclusivity:** Ask if the process has been as inclusive as possible. Have the parties likely to be impacted been consulted? Is everyone involved in the decision-making process up to speed on the background and rules for decision-making processes?
2. **Impact on Vulnerable Communities:** Reflect on the impact a decision will likely have on our communities' most vulnerable members.
3. **Disparate Impact:** Whether the decision is likely to impact communities of color disparately.
4. **Employment Protections:** If a decision involves someone losing their job, think about if there are alternatives that will protect the employment of members of our community.
5. **Affordability and Accessibility:** Analyze whether or not the decision will keep education affordable and accessible.
6. **Curriculum Diversity:** Ask if the decision will increase or decrease the extent to which our curriculum is engaging and reflects the diverse cultures of our students.
7. **Course and Pathway Diversity:** Inquire if the decision will significantly reduce the diversity of course offerings, majors, and student pathways.
8. **Opportunities for Vulnerable Students:** See if the decision will diminish opportunities for our most vulnerable students. Prioritizing equity in budgetary decisions should be transparently reflected in your institution's overall budget. Are you able to see equity in your recommendation?

Student-Centered

The student experience is central to decision-making in the “One College” model. A student-centered approach to fiscal sustainability at Portland Community College focuses on aligning financial decisions with the needs and priorities of students to enhance their educational experience and outcomes. As a standard, we will prioritize resources to directly support student success initiatives such as academic programs, student services, counseling, and basic needs. Through collaboration and engagement, the College will proactively adhere to the following guidelines.

- **Quality Education:** Identify solutions to positively impact student success and support quality education
- **Support Services:** Ensure access to student support services and resources. Support services are critical components of a holistic approach to student success, aiming to address various aspects of students' lives and ensure they have the resources and support needed to thrive academically and personally during their college experience.
- **Affordable Tuition and Fees:** Implement strategies to keep tuition and fees affordable, reducing financial barriers for students and ensuring that higher education remains accessible.

Scope and Strategies

The Fiscal Sustainability Framework and Action Plan is a critical initiative to ensure that Portland Community College can continue to provide high-quality education and support services while maintaining financial health. Through strategic cost-saving measures, revenue generation, and resource optimization, PCC will align its financial decisions with the needs and priorities of its students, fostering a sustainable and thriving educational environment. Through a comprehensive approach that includes cost-saving measures, revenue-generation strategies, and resource optimization, PCC seeks to maintain its commitment to providing quality education and support services to its diverse student population. In alignment with our guiding principles and policies, these strategies will give practical action steps for implementation.

- A. Budget Reductions
- B. Cost Savings Measures
- C. Revenue Generation Enhancements
- D. Tuition & Fee Increases
- E. Strategic Enrollment Management

F. Affordability Initiatives

Budget Guiding Principles

Portland Community College's budget process is grounded in a commitment to **affordability, strategic alignment, equity, and financial stability**. These core principles are designed to ensure that budget decisions align with our mission and address the diverse needs of our students.

Building on this foundation, the following detailed guiding principles further outline the approach PCC takes in its budget process:

- Strive to maintain and improve affordability, access, and equitable student success.
- Develop the budget to strategically align with the One College model and the Strategic Plan to improve opportunity and strive toward more equitable student success.
- Driving enrollment growth in accordance with the strategic enrollment planning.
- Consider issues of disparate impact when making budget decisions.
- Address shortfalls in the budget by budgeting tuition and fees similarly to the 2023-2025 Biennium where no more than 40% of PCC's revenue comes from student tuition and fees. Any additional needs will need to be found through a reduction in college expenses.
- Leverage, evaluate, and advocate resources; including but not limited to strategic foundation, grant, state/federal funding and partnership opportunities.
- Continue to strive for greater operational efficiencies including but not limited to scheduling, purchasing, space planning and other business processes.
- Maintain a General Fund unrestricted fund balance within the range of 9% to 18% of the annual operating expenditures, to ensure institutional stability and long-term fiscal integrity.

Reserve Funds: General Fund Unrestricted Fund Balance (B510)

A General Fund unrestricted fund balance (reserve) is established and maintained to ensure the continued delivery of services, to address emergencies, serve as a buffer against enrollment fluctuations, protect against fluctuations and delays in the level of state funding, address a temporary revenue shortfall or provide stability during economic cycles.

For purposes of this Policy, the definition of "unrestricted fund balance" is limited to the portion of fund balance that is unreserved. Unreserved is to mean not set aside for other existing obligations of the college. By College policy we are required to maintain a fund balance of 9-18%.

Portland Community College aspires to maintain an unrestricted fund balance within the range of 12% to 18% of the annual operating expenditures and transfers of the General Fund to ensure institutional stability and long-term fiscal integrity.

Portland Community College will proactively plan and evaluate our financial condition using key performance measures and financial metrics including the Comprehensive Financial Index(CFI). This approach aligns with and supports HECC's new focus on annually evaluating and highlighting community colleges budgetary and financial positions as a part of the health of the overall Oregon Community College system.

By targeting a 12% - 18% ending fund balance above the 9% policy minimum, PCC aims to prevent disruptive changes like large-scale layoffs. Budget actions are designed to minimize operational impacts while preserving core services. Over the next six years it is expected that there will be a high level of variability in state funding allocations and changing enrollment trends. Because of this volatility, it is important to maintain a fund balance that can be adjusted to react to changing financial conditions.

The budget process is cyclical and iterative, various key financial projections and planning processes are coordinated throughout each year. To illustrate this comprehensive approach, the [Key Roles in Budget Decision Making](#) offers a high-level visual overview of stakeholders and their roles in the budget decision-making process at Portland Community College, presenting an interconnected framework for budget planning and fiscal sustainability.

ERP Implementation Fiscal Overview & Impact

The fiscal sustainability plan includes resource planning for the first six (6) years of the 10-year Workday ERP resource plan, ensuring the college's long-term commitment to the Workday ERP system. As the current set-asides are projected to be fully used by FY 27, additional funding requirements are outlined to maintain the system's continuity. For a detailed breakdown of the projected financial needs and funding strategies, refer to the [ERP Funding Requirements - 10 Year Plan](#).

Action Plan

This action plan follows a comprehensive, phased approach designed to ensure strategic planning, inclusive engagement, and effective implementation. The plan consists of five key phases, each tailored to guide the college through careful planning, broad college community engagement, thorough review and approval, and implementation. By structuring the process in distinct phases, the plan is designed to ensure that all stakeholders - student, faculty, staff, and the Board - are informed, actively involved, and provided with opportunities for input and feedback.

PHASE 1: Planning

The President will lead the charge in the development of the College’s framework and strategy for fiscal sustainability.

Working with the Executive Vice President and Vice President for Business and Finance, we will:

1. Engage the PCC Board of Directors in pre-planning discussions to educate and inform them of the college’s Fiscal Sustainability Framework & Action Plan
2. Review and finalize the Fiscal Sustainability Framework & Action Plan
3. Develop a roadmap for implementation of the action plan
4. Assess and monitor implementation to ensure active engagement across the college, progress on key activities, and make refinements to the action plan as needed.

Responsible	Accountable	Consulted	Informed
Executive VP VP Finance and Business Services	President	President’s Cabinet President’s Leadership Council	Board of Directors College Community

PHASE 2: College Community Engagement

Engagement with the college community (faculty, staff, students, and Board) is vital to ensuring that they are informed, provided space to make recommendations and/or feedback and demonstrate intentional collaboration throughout the process.

The following levels of engagement:

1) PCC Board of Directors

Objective: Engage the PCC Board of Directors to educate and inform them about the Fiscal Sustainability Framework and Action Plan, ensuring alignment with the Board's goals. Facilitate a comprehensive understanding of the strategies, impact analyses, and prioritization process, fostering collaborative decision-making to support the college's financial health.

Purpose: The purpose of engaging the PCC Board of Directors is to provide thorough education and information on the Fiscal Sustainability Framework and Action Plan. This engagement aims to ensure that Board members are fully informed about the strategies and their potential impacts, fostering alignment with Board goals

and facilitating collaborative, informed decision-making. By doing so, we aim to ensure long-term sustainability and continued excellence in serving our students and community.

2) **President's Cabinet | President's Leadership Council**

Objective: Evaluate budget reduction strategies, conduct a thorough impact analysis, and prioritize actions to achieve cost savings while maintaining institutional effectiveness and mission integrity.

Purpose: Review and discuss framework and action plan to ensure alignment; discuss budget reduction strategies to assess savings, impact analysis, and prioritize budget reduction strategies.

3) **Administration and Managers**

Objective: To orient the senior leadership to the overall Fiscal Sustainability Framework and Action Plan and gather feedback to inform recommendations on increasing efficiency and identifying priorities for budget reduction considerations.

Purpose: Establish meetings with senior leadership to review and discuss recommended budget strategies for budget reductions and cost savings. These meetings will be facilitated by the Vice President and CFO, Finance and Business, the AVP of Financial Operations and Compliance, and rotating members of the President's Cabinet.

4) [College Community Forums](#) sustainability framework and action plan, offering a transparent overview while providing a platform to address questions and concerns, and fostering a collaborative environment for feedback and dialogue. These meetings will be facilitated by the Vice President Finance and Business, the AVP of Financial Operations and Compliance, and rotating members of the Integrated Planning and Budget Council.

5) **Special Meetings**

Objective: Ensuring openness in financial planning and decision-making processes to engage students, faculty, and staff in understanding budgetary priorities and constraints.

Purpose: To establish channels to provide input on budget priorities and address questions and concerns regarding the framework and action plan. These meetings will be facilitated by the Vice President Finance and Business, the AVP of Financial Operations and Compliance and the Director of Labor Relations.

Meetings will be scheduled with the following groups:

- Education Advisory Council (EAC)
- Associated Students of Portland Community College (ASPCC)
- Faculty Federation and Academic Professionals (FFAP)
- Federation of Classified Employees (FCE)

PHASE 3: BUDGET REDUCTION PLAN DEVELOPMENT

Responsible	Accountable	Consulted	Informed
President's Cabinet Integrated Budget & Planning Council	President	President's Leadership Council Budget managers	Board of Directors College Community

Budget Reduction Plans: Identify areas for budget reductions that would have the least impact on students attending Portland Community College.

The following resources will be provided:

- a. [Budget Reduction Proposal Form](#)
- b. Most recent budget to actual [variance comparison report](#) for the year ending June 30, 2024 by Organizational unit or Pathway. The Budget Office will provide the 2025-2027 [Biennium Budget Development worksheets](#).
- c. [Enrollment Forecast](#) provided by the Strategic Enrollment Management Council (SEM). This will be incorporated into the tuition and fees enrollment budget projections.

Following the identification of resources available and requested expenditures beginning in January 2025, the Integrated Budget Planning Council will provide expertise and guidance on budget planning and development; projections and modeling of anticipated revenue, expenses, and ending fund balances; the impact of major investment and policy decisions.

PHASE 4: BUDGET REDUCTION PLAN REVIEW & APPROVAL

Responsible	Accountable	Consulted	Informed
President's Cabinet	President	PLC	Board of Directors College Community

Each item proposed in the budget reduction plan should reflect whether it is:

- a. **Short-Term (ST):** Initiatives or actions that can be implemented and achieve results within a 12-month period. These are immediate measures designed to reduce costs quickly. ***Examples include renegotiating contracts, freezing new hires, reducing discretionary spending, or implementing temporary furloughs.***
- b. **Mid-Term (MT):** Initiatives or actions that are expected to be implemented and yield results within a 1 to 3-year period. These measures require more time to plan and execute than short-term actions. ***Examples include restructuring departments, implementing new technologies to improve efficiency, or revising program offerings to better align with student demand.***
- c. **Long-Term (LT):** Initiatives or actions that are designed to be implemented over a period longer than 3 years. These are strategic measures aimed at creating sustainable, long-lasting fiscal health. ***Examples include major capital projects, long-term staffing realignments, or comprehensive curriculum revisions that require substantial planning and resources.***
- d. **Mixed (MX):** Initiatives or actions that encompass elements of short-term, mid-term, and/or long-term measures. These actions might provide some immediate cost savings while also contributing to longer-term financial stability. ***Examples include phased implementation of new systems, gradual elimination of underperforming programs, or multi-year contracts that start providing savings in the short term but continue to benefit the college over a longer period.***

Impact Analysis: The analysis will consider impacts for each strategy, including the impact on possible cost savings, the direct impact on students, the impact on collective bargaining agreements ([FFAP](#) and [FCE](#)), and the impact of racial equity, especially for students or employees from historically underserved groups. Strategies deemed to have a high potential for inequitable racial impact will either be de-prioritized or consideration will be given on how to minimize that potential.

The impact indicators will be utilized to assess prioritization and inform the President's Cabinet decision to recommend or not recommend a proposal for implementation. Feedback will be gathered via the Budget Reduction Proposal form review.

PHASE 5: BUDGET REDUCTION IMPLEMENTATION

Approved budget plan proposals will be implemented either immediately and/or in phases throughout the biennium. Monitoring protocols will include:

- **Monthly Unit/Division Budget Reviews:** Implement immediate monthly administrative review of budget units, creating uniform oversight of unit revenues and expenditures, allowing for mid-year budget corrections.

Responsible	Accountable	Consulted	Informed
President's Cabinet	President	Managers Department Heads	College Community

PHASE 6: MONITORING, EVALUATION, AND CONTINUOUS IMPROVEMENT

Responsible	Accountable	Consulted	Informed
Integrated Budget & Planning Council	President	President's Cabinet	Board of Directors College Community

The [Integrated Budget & Planning Council](#) will continuously assess and monitor the Fiscal Sustainability Action Plan to ensure strategic alignment within a centralized governance structure providing guidance and making informed recommendations to the President's Cabinet. The Integrated Budget and Planning Council will also assist in the communication and dissemination of the College's budget plan to facilitate implementation.

Financial Sustainability Strategies

Impact Indicators

The following impact indicators will guide the evaluation of budget reduction strategies, ensuring that decisions are made with a comprehensive understanding of their financial, operational, and social implications. These indicators provide criteria to assess the potential benefits and risks of each strategy, allowing for a balanced consideration of financial efficiency, student experience, labor relations, and equity outcomes.

The college is committed to making every effort to minimize negative impacts, prioritizing strategies that offer significant cost savings while preserving the well-being of our students, staff, and commitment to racial equity.

Cost Savings Potential

- **High:** The strategy is expected to yield significant cost savings, potentially leading to substantial reductions in overall expenditure without compromising core functions.

- **Medium:** The strategy will provide moderate cost savings, contributing to financial efficiency but requiring careful consideration to avoid disrupting key operations.
- **Low:** The strategy offers minimal cost savings and may result in unintended consequences with its implementation.

Direct Impact on Students

- **High:** The strategy will have a substantial impact on students, potentially affecting access to essential services, educational quality, or overall student experience.
- **Medium:** The strategy will moderately affect students, possibly leading to changes in service delivery or access, but with manageable adjustments and mitigations.
- **Low:** The strategy will have minimal or no direct impact on students, ensuring that their educational experience and access to services remain largely unaffected.

Impact on Collective Bargaining Agreements

- **High:** The strategy will significantly impact existing collective bargaining agreements, possibly leading to extensive negotiations, potential disputes, or changes in employment terms.
- **Medium:** The strategy will moderately affect collective bargaining agreements, necessitating some negotiation or adjustment but within manageable limits.
- **Low:** The strategy will have little to no impact on collective bargaining agreements, allowing existing terms to remain largely intact.

Impact on Racial Equity

- **High:** The strategy has a high potential for creating inequitable outcomes for students or employees from historically underserved groups, necessitating either de-prioritization or significant modification to mitigate these impacts.
- **Medium:** The strategy has a moderate potential for inequitable racial impact, requiring careful consideration and adjustments to ensure fair treatment and outcomes for all groups.
- **Low:** The strategy has minimal to no potential for inequitable racial impact, supporting equitable outcomes for all students and employees regardless of their background.

Budget Reduction Principles

To the extent possible, protect the following budget priorities:

1. Academic Programs:
 - a. Courses essential to the core of academic programs, such as Career Technical Education and high-enrolled transfer areas
 - b. High-demand and emerging courses and CTE programs
 - c. Non-Vacant Full-Time faculty positions
 - d. Instructional and learning technologies required for effective teaching and learning models
2. Critical Academic and Student Support Services & Auxiliary Functions
 - a. Student advising, counseling, and support
 - b. Library resources
 - c. Facilities, services, classrooms, and laboratories
 - d. Services required for accreditation
 - e. Financial aid
3. Critical Campus Services
 - a. Environmental health and public safety
 - b. Essential facility, infrastructure, and information technology services and support
 - c. Services necessary to maintain a clean financial audit

Strategies for Budget Reduction, Efficiencies, and Revenue Growth

Budget reduction, efficiency and investment in revenue generating strategies will be reviewed and considered across the following Strategic Focus areas:

1. Administration & Operations
2. Personnel
3. Academic Programs
4. Strategic Enrollment Management
5. Affordability Initiatives
6. Future Growth & Expansion Areas

Strategic Focus: Administration & Operations

The College must implement careful control of administrative and operating expenses to ensure financial efficiency and sustainability, focusing on reducing non-critical spending and overhead.

- ***Reduce Travel Spending:*** Limit non-essential travel, travel that does not directly contribute to the core mission and strategic priorities of Portland Community College. This includes attendance at conferences, seminars, or

workshops that are not required for accreditation, compliance, professional certification, or critical/required job-related training and development; encourage virtual meetings and conferences.

- **Review and assess Auxiliary Services:** Evaluate and potentially downsize, or eliminate non-core auxiliary services. Outsource services where cost-effective alternatives exist.
- **Restrict PCard (Purchasing Card) Spending:** Implement stricter controls and approval processes for PCard usage. Set lower spending limits and increase monitoring of transactions.
- **Optimize Facility Usage:** Consolidate or repurpose underutilized spaces. Increase scheduling efficiency to maximize space usage. Assess the college's physical assets to determine best course of action (e.g., sell/lease underutilized buildings)
- **Reduce Contracted Services:** Negotiate better rates or terms with vendors and service providers. Bring contracted services in-house if more cost-effective. Comprehensive assessment of contracts to prioritize, identify redundancies, and identify potential contracts for closure/non-renewal.
- **Revenue Enhancements:** Identify and promote opportunities for additional revenue streams (e.g., facility rentals, leases, partnerships). Increase efforts to attract and retain students to boost enrollment and tuition revenue.
- **Reduce Materials & Supplies Spending:** Implement strategies to minimize expenses on materials and supplies by optimizing inventory management, encouraging digital alternatives, and promoting resource-sharing practices across departments.
- **Minimize Sponsorship & Membership:** Limit spending on sponsorships and memberships by prioritizing those that directly align with the college's strategic goals and provide measurable benefits, and consider alternative ways to achieve similar networking, partnerships, and professional development outcomes.
- **Contract Management:** Assess and reduce the number of contracts by evaluating current agreements for cost-effectiveness, eliminating redundant or non-essential contracts, and consolidating services where possible to achieve better value and efficiency.
- **Base Budget Reductions:** Reduce base budgets to address any over-allocation of budget throughout the College and reduce or eliminate non-critical spending with particular focus on college units, divisions, and departments spending in deficit.
- **Reorganization of Administrative and Service Delivery Structure:** Restructure unit controls for common administrative services to eliminate redundancy and create operational and financial efficiencies. Assess and shift from individual units to central administration by function.

Strategic Focus: Personnel

Strategic management of personnel resources is essential, including optimizing staff allocation, freezing non-essential hiring, and exploring centralized services and functions to align with our budgetary constraints.

- ***Limit Overtime and Temp/Casual Staffing:*** Implement stricter controls on overtime and temporary staffing. Cross-train employees to cover essential functions during peak times.
- ***Professional Development Training Cuts:*** Temporarily reduce funding for professional development and training programs. Focus on essential and low-cost training opportunities during budget constraints.
- ***Vacancy Savings:*** Freeze hiring for non-essential positions to generate savings from unfilled vacancies. Reallocate workload among existing staff to cover essential functions.
- ***Position Eliminations:*** Permanently eliminate positions that are redundant or non-essential. Assess organizational structure to identify areas for consolidation and streamlining.
- ***Mandatory Furloughs:*** Implement temporary furloughs (unpaid leave) to reduce payroll expenses without permanent job losses. Rotate furloughs to minimize impact on operations and employee income. Furlough considerations will be limited to managers, confidential, and executive employees.
- ***Reduction in Force (Layoffs):*** Conduct a targeted reduction in force based on strategic priorities and/or performance evaluations. Offer severance packages and outplacement services to support affected employees.

Strategic Focus: Academic Sustainability

PCC offers 182 AAS degrees and certificates across 50 career-technical disciplines; 1076 lower-division collegiate courses across 52 transfer disciplines; 3 general studies transfer degrees, and 2 statewide major-focused transfer degrees. Evaluating and restructuring academic programs and disciplines is crucial to maintaining high-quality education while reducing costs and growing enrollment.

- ***Non-Essential Programs and Initiatives:*** Evaluate programs and initiatives for their alignment with essential (or high-impact) student academic pathways needs, strategic priorities and return on investment. Discontinue or scale back those deemed non-essential, low-impact, or redundant.
- ***Program Sustainability:*** Align labor market and sector-based trends enabling broad access to credentialing (credit and non-credit) and pathways that lead to living-wage jobs. Enhance or grow programs and disciplines that are high-demand, lead to living wage careers, and can help grow enrollment.
- ***Classes & Modalities:*** Continue to trim low enrolled classes, find the right mix of modalities to meet student needs, and establish and implement a process to evaluate program sustainability going forward. Limit transfer offerings that do not

transfer in-major or where there are already existing 300- and 400-level offerings at our primary transfer institutions.

Program & Discipline Fiscal Sustainability Review Process for Cost Savings in the 2027-2029 Biennium

Understanding that significant cost reductions in academic programs and disciplines require a longer timeline, this process will be followed to review program and discipline fiscal sustainability to identify cost savings for the 2027-2029 Biennium Budget:

1. Broad Review of All Programs & Disciplines

- Academic Affairs administration, in conjunction with SPIP and Finance, to complete a broad review of all programs and disciplines utilizing institutional data (disaggregated student completion data, enrollment, finance, personnel and faculty FTE) and labor market data.
- Academic Affairs leadership (VPAA with Academic & Career Pathways Senior Leaders) in cooperation with SPIP and Finance identify programs for further review .

2. Comprehensive Self-Study Review of Select Programs & Disciplines

- For programs and disciplines identified for further review, faculty complete self-studies, focusing on plans for reducing costs and increasing enrollment.
- Academic Affairs Leadership (VPAA with Academic & Career Pathways Senior Leaders, and Program Deans), in collaboration with the AVP of Enrollment & Strategy, SPIP, and Finance, to review program/discipline self-studies. VPAA and AVP of Academic & Career Pathways provide recommendations to the President.

3. Decision Making/Recommendations

- Recommendations may include:
 - Continuing at the current level of activity.
 - Continuing with specific actions for cost savings.
 - Developing cooperative programs (merging programs to reduce faculty and/or other departmental costs).
 - Discontinuing programs/disciplines.
- President, in consultation with Cabinet, to make decisions based on recommendations provided by Academic Affairs Leadership.

4. Appeal Process

- An appeal process is provided for programs and disciplines recommended for discontinuance or significant changes.
- Faculty can submit appeals to the Cabinet within 10 business days of notification of a decision.

5. Final Decisions

- The Cabinet finalizes decisions based on self-study reviews and appeal outcomes.

Strategic Focus: Strategic Enrollment Management

To stabilize and grow enrollment, the College will develop and implement a comprehensive, multi-year Strategic Enrollment Management (SEM) Plan.

Develop and implement a comprehensive, multi-year SEM Plan to guide the College in stabilizing and growing enrollment. The plan will be continually monitored and modified to reflect new trends, data, and strategies necessary to ensure long-term enrollment health.

To ensure that the college engages in active, intentional, and continuous enrollment management strategies, the Office of the President has established the Strategic Enrollment Management Council ([SEMC](#)). The purpose of the SEMC is to develop and support the overall enrollment priorities of Portland Community College (PCC) by gathering and sharing information, analyzing available data, and making recommendations for appropriate actions. The SEMC will guide PCC's enrollment, retention, and student success strategies through a collective problem solving and data-informed approach and make recommendations to the College President and/or the President's Cabinet.

The work of the SEMC:

1. Will encompass projections and goals, advisory and strategy development, data analysis and dissemination, strategy implementation, quality and effectiveness, communication and coordination, and reporting.
2. Directly impacts the College's integrated budget planning process and translates to recruitment, retention, transfer, and graduation outcomes.

In summary, the SEMC will monitor the implementation of the SEM Plan and provide a formal venue for continuous improvement and evaluation of strategies.

Strategic Focus: Affordability Initiatives (Students)

These initiatives aim to make education more accessible to students, reducing their financial burden while maintaining essential learning resources and services.

- Implementing cost-saving measures or initiatives to reduce financial barriers for students, such as textbook affordability programs or open educational resources (OER).

- Align strategies in partnership with the PCC Foundation’s Strategic Plan in order to increase the number of flexible scholarships and emergency funding dedicated to students.
- Tuition and Fees Affordability: Prioritize initiatives aimed at keeping tuition and fees affordable for students while ensuring financial sustainability for the college. Partner with the PCC Foundation to leverage additional funding for scholarships and emergency grants that help reduce out-of-pocket costs for students, thereby enhancing access and retention.
- Student Activity Fee: Support the enhancement and sustainability of a SAF contingency fund, providing a stronger opportunity to maintain current service levels in key student support areas as determined by the Associated Students of PCC (ASPCC).

Strategic Focus: Future Growth and Expansion Opportunities

These initiatives aim to foster future enrollment growth in our various programs and bolster student retention.

- A. Investments in existing and new programs and reallocations should help accomplish the College’s mission and strategic priorities and goals.
- B. The Integrated Budget and Planning Council (IBPC) and Strategic Enrollment Management Council (SEMC) will be key in assessing program recommendations using identified metrics to monitor growth, retention, sustainability, and return on investment.
- C. Special consideration should be given to requests for budget expansion, where the expansion generates additional revenue to support strategic priorities and goals.
- D. Expenditures for new and/or expanded programs and activities should be based on full and realistic budget projections.
- E. Enrollment increases should be analyzed as a component of overall resources and the Student Enrollment Management Council’s projected targets.
- F. Tuition and fee strategies should consider the practice of state and peer institutions, including [all 17 Oregon Community Colleges](#).
- G. Prioritizing a student-centered approach in all future growth and expansion opportunities to ensure that the needs and experiences of students are at the forefront of decision-making processes is essential.
- H. Considerations will be made for:
 - a. Programs/credentials leading to high demand, living wage fields that are economic drivers for Oregon (especially those that are short-term and stackable or microcredentials).
 - b. Contract and continuing education for community and industry partners.

Recommended for Approval by the President’s Cabinet on _____

Approval:

Dina Farrell, Vice President and CFO

Date

Executive Vice President

Date

President

Date

Fiscal Sustainability Action Plan Timeline

Fiscal Sustainability Action Plan		Budget Process Action Plan for 2025-2027	
DATE	ACTION	DATE	ACTION
July 2024	Pre-planning and development of the Fiscal Sustainability Framework & Action Plan (FSAP)		
July 18, 2024	Board Work Session: High-level overview and presentation of framework and plan		
		August 21, 2024	Present initial forecast scenarios to Cabinet
September 11, 2024	The President's Cabinet and President's Leadership Committee are oriented to the framework and plan		

<p>September 30 - October 30, 2024</p>	<p>College Community forums are held in-person/zoom/hybrid; a forum is to be scheduled during the week of in-service</p>	<p>September 30 - October 30, 2024</p>	<p>Southeast September 30, 2024 Rock Creek October 1, 2024 Cascade October 8, 2024 ASPCC October 11, 2024 All Managers October 16, 2024 Board of Directors (Work Session) October 17, 2024 EAC October 18, 2024 Sylvania October 21, 2024 FFAP Executive Council October 25, 2024 FFAP Members October 29, 2024 FCE Executive Council October 21, 2024 FCE Members October 30, 2024</p>
<p>October 17, 2024</p>	<p>PCC Board Meeting: The Board is provided with an update on the progress of the action plan and framework</p>		
<p>October 28 - October 30, 2024</p>	<p>Meet with the Board of Directors to preview Fiscal Sustainability 6-year forecast and budget scenario</p>		
<p>October 30, 2024</p>	<p>Cabinet meeting dedicated to FSAP</p>		
<p>November 2024</p>	<p>Government Relations Engagement Strategy Academic Affairs Pathway, Program & ACP Deans/Managers Meetings, and Q&A Session</p>		

November 19, 2024	FSAP is published and made available to the College Community at the November PCC Board Meeting		
		November 21, 2024	College Budget Planning calendar presented at the PCC Board Meeting
November 21, 2024	FSAP is presented at the PCC Board meeting		
November 2024	College-wide communication and announcement of accepted recommendations.		
November 2024		November 2024	Managers are oriented to the framework and plan
December 2024	Budget planning documents sent to managers		
December 2, 2024	Release of Governor's Recommended Budget (GRB)	December 2, 2024	Release of Governor's Recommended Budget (GRB)
December 10, 2024	Integrated Budget & Planning Council (IBPC) Meeting	December 10, 2024	Integrated Budget & Planning Council (IBPC) Meeting
December 18, 2024	Cabinet FSAP Work Session		
January 2025	Target date for HECC Budget Funding Scenarios/CCSF Funding plan		

January 16, 2025	PCC Board Meeting: Student Activity Fee, and Tuition and Mandatory Fee Update (first reading).	January 16, 2025	PCC Board Meeting: Student Activity Fee, and Tuition and Mandatory Fee Update (first reading).
January 25, 2025	PCC Board Winter Retreat		
January 28, 2025	Integrated Budget & Planning Council (IBPC) Meeting	January 28, 2025	Integrated Budget & Planning Council (IBPC) Meeting
January-February 2025	Program/Discipline Fiscal Sustainability Review Process (BI 27-29): Phase 1 - Broad Review		
February 5, 2025	Cabinet meeting on budget reductions for 2025-2027 Biennium		
February 20, 2025	PCC Board meeting: Final review and consideration of Tuition and Fee Increases.	February 20, 2025	PCC Board meeting: Final review and consideration of Tuition and Fee Increases.
February 25, 2025	Integrated Budget & Planning Council (IBPC) Meeting	February 25, 2025	Integrated Budget & Planning Council (IBPC) Meeting
March 5, 2025	President's Cabinet Meeting: Budget and Enrollment Projection Review.		
March 2025		March 20, 2025	PCC Board Meeting - Preview of Key Budget Assumptions.

March 25, 2025	Integrated Budget & Planning Council (IBPC) Meeting	March 28, 2025	Integrated Budget & Planning Council (IBPC) Meeting
March - Mid-April 2025	Program/Discipline Fiscal Sustainability Review Process (2027-2029 Biennium): Phase 2 - Comprehensive Self-Study Review.		
April 2025		April 2025	2025-2027 Biennium Budget Forum Submit PCC Board approved 2025-2027 Biennium Budget to TSCC
April 2025		April 7, 2025	Publish Notice of Budget Committee meeting
April 17, 2025	PCC Board meets as the Budget Committee to consider the Proposed 2025-2027 Biennium Budget	April 17, 2025	PCC Board meets as the Budget Committee to consider the Proposed 2025-2027 Biennium Budget
April 22, 2025	Integrated Budget & Planning Council (IBPC) Meeting	April 22, 2025	Integrated Budget & Planning Council (IBPC) Meeting
Mid-Late April 2025	Program/Discipline Fiscal Sustainability Review Process (BI 27-29): Phase 3 - Recommendations & Decision Making		
Late April - May 2025	Program/Discipline Fiscal Sustainability Review Process (BI 27-29): Phase 4 - Appeal Process		

May 2025		May 1, 2025	Supplemental Budget Adjustments Due to Budget Office
May 2025		May 2, 2025	Public Notice of TSCC Budget Hearing in the Oregonian and on the PCC Website
		May 15, 2025	TSCC conducts a public hearing on the budget, approves and certifies the budget
May 15, 2025	PCC Board Meeting	May 15, 2025	PCC Board Meeting
May 15, 2025	Cabinet meeting on budget forecast reductions for years 3-6. The Budget Office finalizes the 2023-2025 Supplemental request for presentation at the PCC June Board meeting.		
May 20, 2025	Integrated Budget & Planning Council (IBPC) Meeting	May 20, 2025	Integrated Budget & Planning Council (IBPC) Meeting
June 2025		June 2025	Meet required PCC Board submission deadlines and publication requirements for all budget-related materials. Publish Notice of Proposed PCC 2023-2025 Supplemental Budget in the Oregonian and the PCC Website.

June 2025		June 18, 2025	Meeting to consider and approve the 2023-2025 Supplemental Budget. The PCC Board meets to adopt the 2025-2027 Biennium Budget deadline of June 30, 2025.
Early June 2025	Program/Discipline Fiscal Sustainability Review Process (2027-2029 Biennium): Phase 5 - Final Decisions		
June 17, 2025	Integrated Budget & Planning Council (IBPC) Meeting	June 17, 2025	Integrated Budget & Planning Council (IBPC) Meeting
July 2025		July 15, 2025	Deadline to file all Property Tax Levy Forms, Adopted Budget Resolution and Adopted Budget Document with TSCC, County Assessors, and the Oregon Dept. of Revenue
July 17, 2025	PCC Board Meeting	July 17, 2025	PCC Board Meeting
July 29, 2025	Integrated Budget & Planning Council (IBPC) Meeting	July 29, 2025	Integrated Budget & Planning Council (IBPC) Meeting
August 19, 2025	Integrated Budget & Planning Council (IBPC) Meeting	August 19, 2025	Integrated Budget & Planning Council (IBPC) Meeting
September 30, 2025	Integrated Budget & Planning Council (IBPC) Meeting	September 30, 2025	Integrated Budget & Planning Council (IBPC) Meeting