

Department of Community Colleges and Workforce Development



Phase II: Day 2 – April 13, 2005
Presented to Ways & Means Education Subcommittee
Cam Preus-Braby, Commissioner

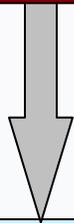
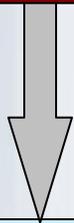
Major Changes

Improved
Program Delivery

Major Budget
Drivers

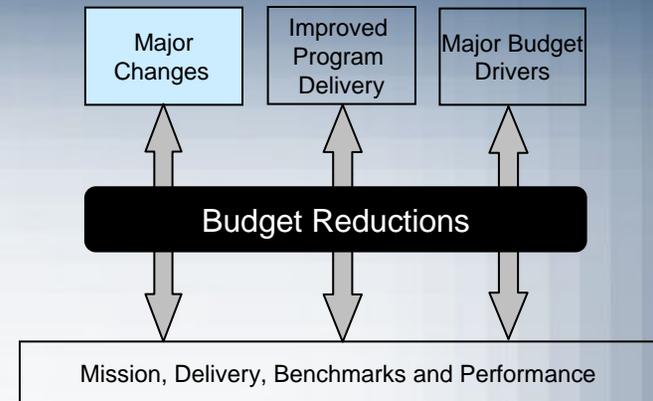
Budget Reductions

Mission, Delivery, Benchmarks and Performance



Major Changes

- I. Agency Changes
- II. Program Changes
- III. Budget Reductions
- IV. Impact on Clients and Students



I. Agency Changes

Prior to 1987, the Office of Community College Services (OCCS):

- **Existed as a division within the Oregon Department of Education**
- Administered by an Associate Superintendent
- Reported to the State Superintendent of Public Instruction

The 1987 Legislative Assembly created:

- Position of Commissioner for Community Colleges
- Required the State Board of Education to provide a separate, identifiable place on its agenda for community college issues
- Commissioner appointed by the State Board of Education
- **Required that a separate community college budget be developed by the legislature**

Further legislative changes were made to the Office in the late 1980s and early 1990s.

I. Agency Changes

In 1997, administration of the federally funded job training, which has since become the Workforce Investment Act, moved to OCCS. This action caused:

- The size of the agency to nearly double in personnel
- Added significant federal fund revenues to the overall agency budget
- Increased accounting and reporting

In 1999, Oregon legislative action:

- **Changed the name of the agency to the Department of Community Colleges and Workforce Development (CCWD)**
- Repealed all statutory language regarding historical connections to the Dept. of Education.

Biennial general fund appropriations to the agency:

- \$142.3 million in 1989-91
- \$467 million in 2001-03
- Currently \$394 million for 2005-07

II. Program Changes

Federal

- Job Training Partnership Act (JTPA) 1999 sunset
- Workforce Investment Act (WIA) 2000 implementation
 - Economic programs with a social benefit – rather than – social programs with an economic benefit
 - Universal access - from serving low-income clients only
 - Reauthorization of the Workforce Investment Act, Carl Perkins, Adult Basic Skills Development, Family Literacy, and the Higher Education Act (HEA)

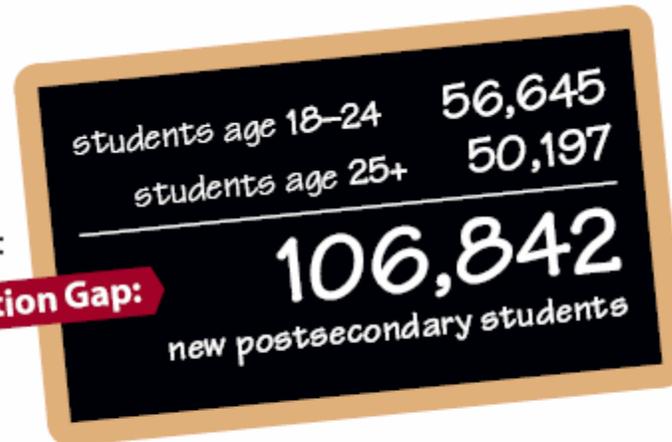
State

- Governor (October 2003) established the Employer Workforce Training Fund (EWTF) to be Employer-driven with a strong business focus
- To promote education attainment in the employer community there is a strong emphasis on education by the State Board of Education, Governor Kulongoski, the Oregon Business Council and national employer and education groups. This focus includes:
 - PK-16 Education Continuum
 - Oregon Transfer Module
 - Focus on access and affordability

Participation Gap

OREGON

To reach benchmark by 2015, Oregon must provide *expanded* postsecondary access to:



What is the "Participation Gap"?

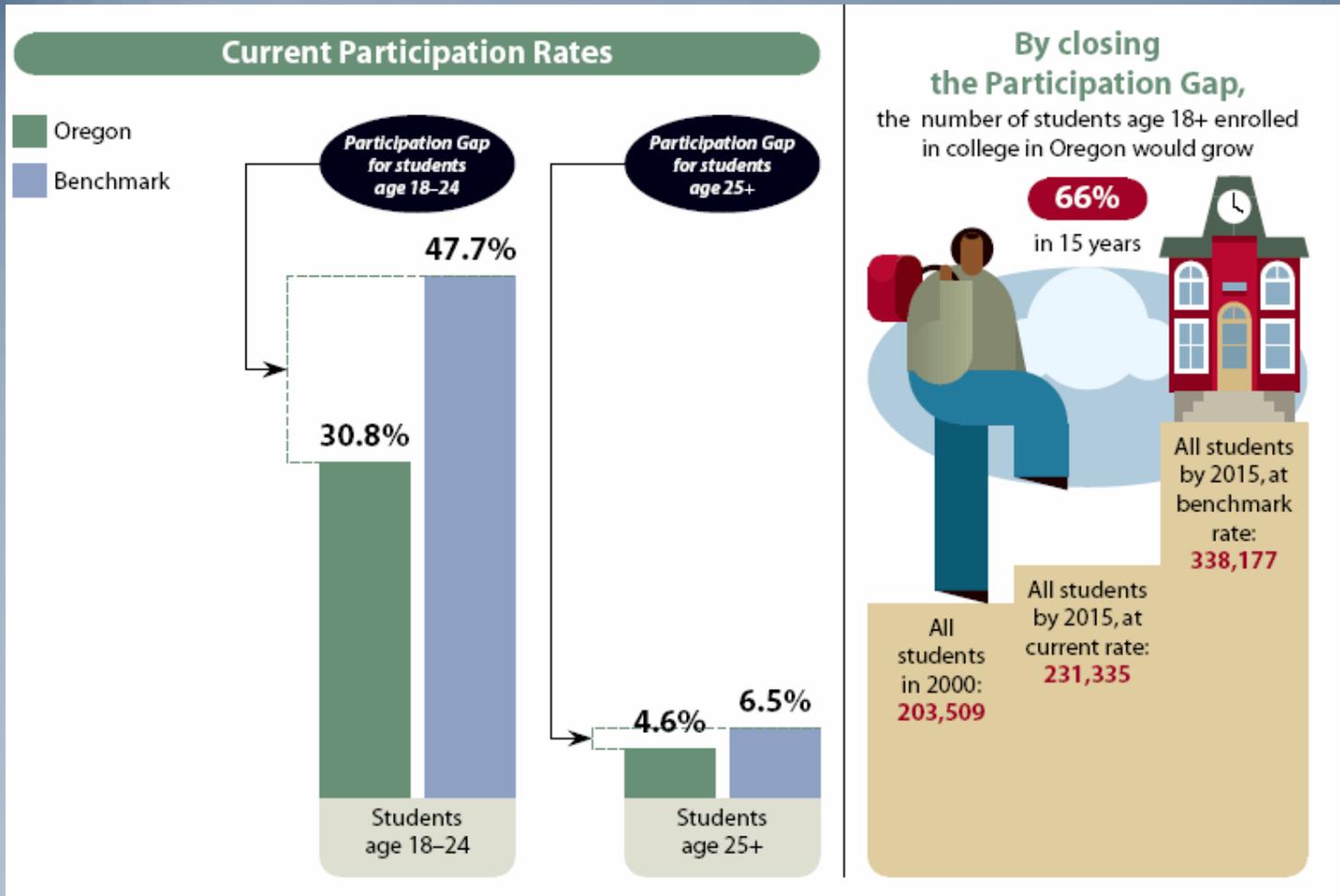
The total number of *additional* students the state would need to enroll by 2015, given demographic projections, if it were to match the participation rate of the best-performing ("benchmark") states.

Postsecondary Participation

| Student age | # of students in 2000 | projected # of students in 2015 at current rate | % change 2000-15 at current rate | projected # of students in 2015 at benchmark rate | % change 2000-15 to reach benchmark | Participation Gap in 2015 |
|-------------|-----------------------|---|----------------------------------|---|-------------------------------------|---------------------------|
| 18-24 | 100,319 | 102,620 | +2% | 159,265 | +59% | 56,645 |
| 25+ | 103,190 | 128,715 | +25% | 178,912 | +73% | 50,197 |
| All (18+) | 203,509 | 231,335 | +14% | 338,177 | +66% | 106,842 |

Based on the U.S. Census 2000 questionnaire, *postsecondary participation* means a person residing in the state attended a public or private degree-granting college or university at any time since February 2000.

Participation Gap



III. Budget Reductions

General Fund:

- Community colleges decreased from a high of 467M in 01-03 to 411M in 03-05. The results are:
 - Community college head count continued to increase until 2001-02. It has dropped by 75,000 over the past years
 - Tuition increases before 2001 was 1-3%. After 2001, the increase have ranged from 5% to 22%
 - Individual financial burden to students increase from 27% to 32%
 - On-site course offerings decreased from 93,000 to 81,000 or a 13% drop
- Oregon Youth Conservation Corps lost \$87,476 in general fund in the 2003 Legislative Session

Federal Funds decrease:

- Title IB decreased almost 6% between Program Year 2000 and 2004
- Title II funds increased slightly but comprise only about 15% of community colleges adult basic education budget; cuts from the General Fund impacted Adult Basic Skills programs resulting in lower numbers served and increases in waiting lists to enter the program
- Carl Perkins funding has a potential decrease as well as a new targeted use

IV. Impact on Workforce Customers and Community College Students

- Workforce customers continue to have services even with some decrease in federal funding
- Community college students have had a decrease in services due to sharp decrease in funding

IV. Impact on Workforce Customers

- One stop services provide easier access for job seekers through WorkSource Oregon
- Employment is the primary goal of federal job training
- Youth programs moved from summer only to year round
- Training is driven by business need and industry standards so students/customers are better prepared to enter/re-enter the workforce
- Employer Workforce Training Fund is employer focused on both local and statewide workforce needs

IV. Impact on Community College Students

Eroding Access

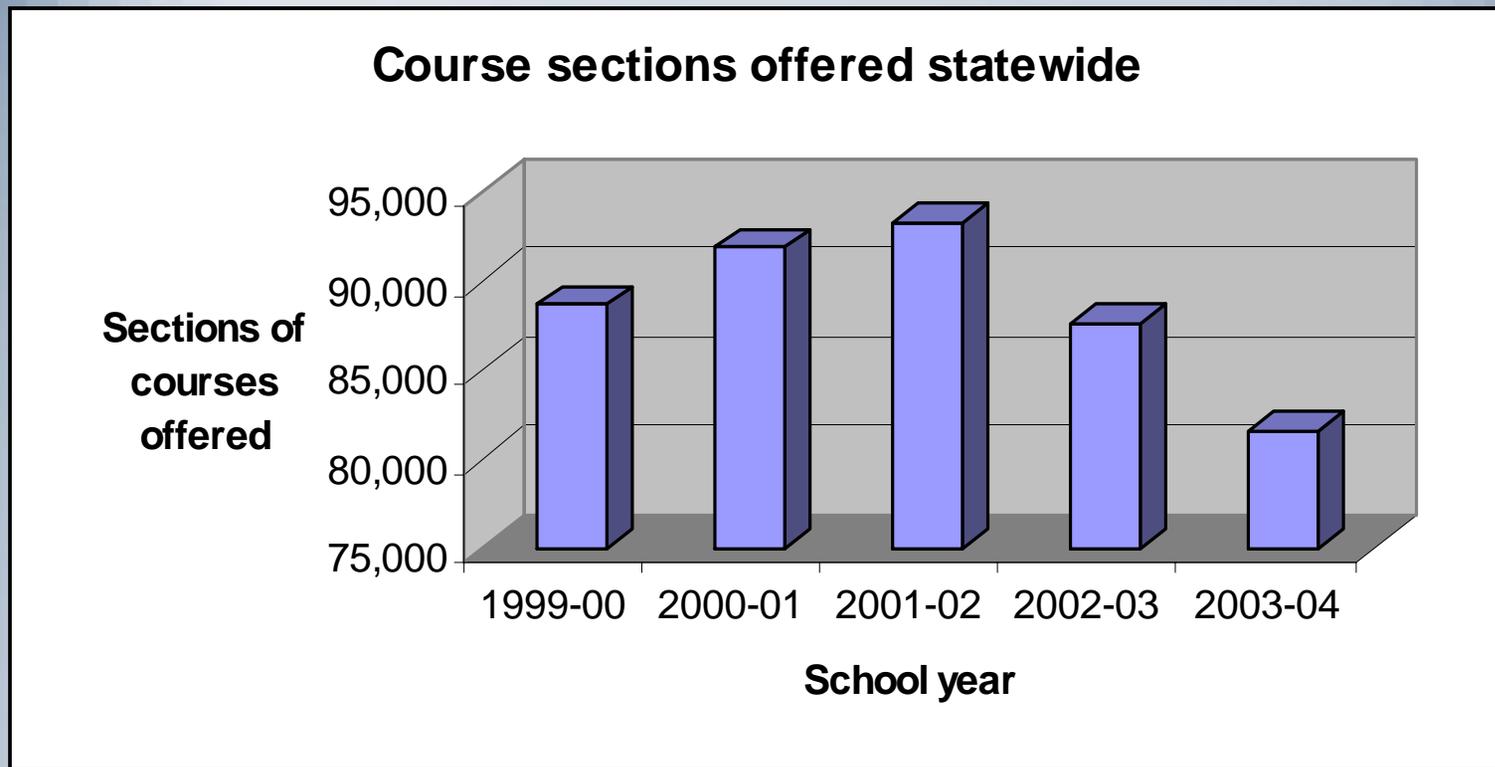
- Declining course sections
- Declining enrollment
- Declining level of services
- Students are paying more of the costs

Eroding Affordability

- Highest community college tuition in the 15 western states

IV. Impact on Students

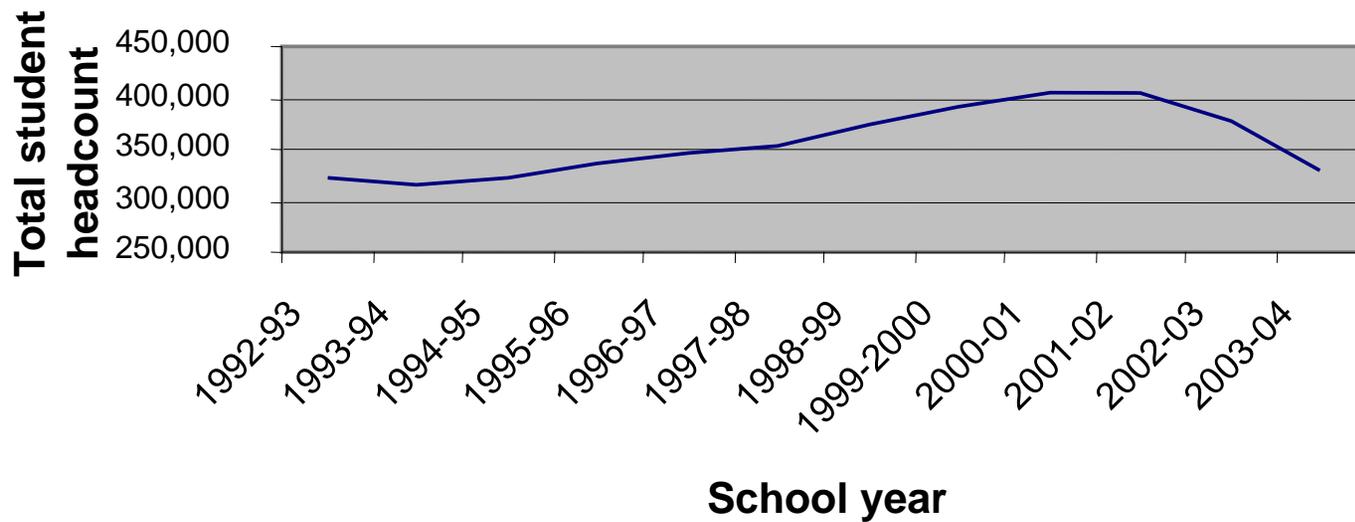
Declining Course Sections



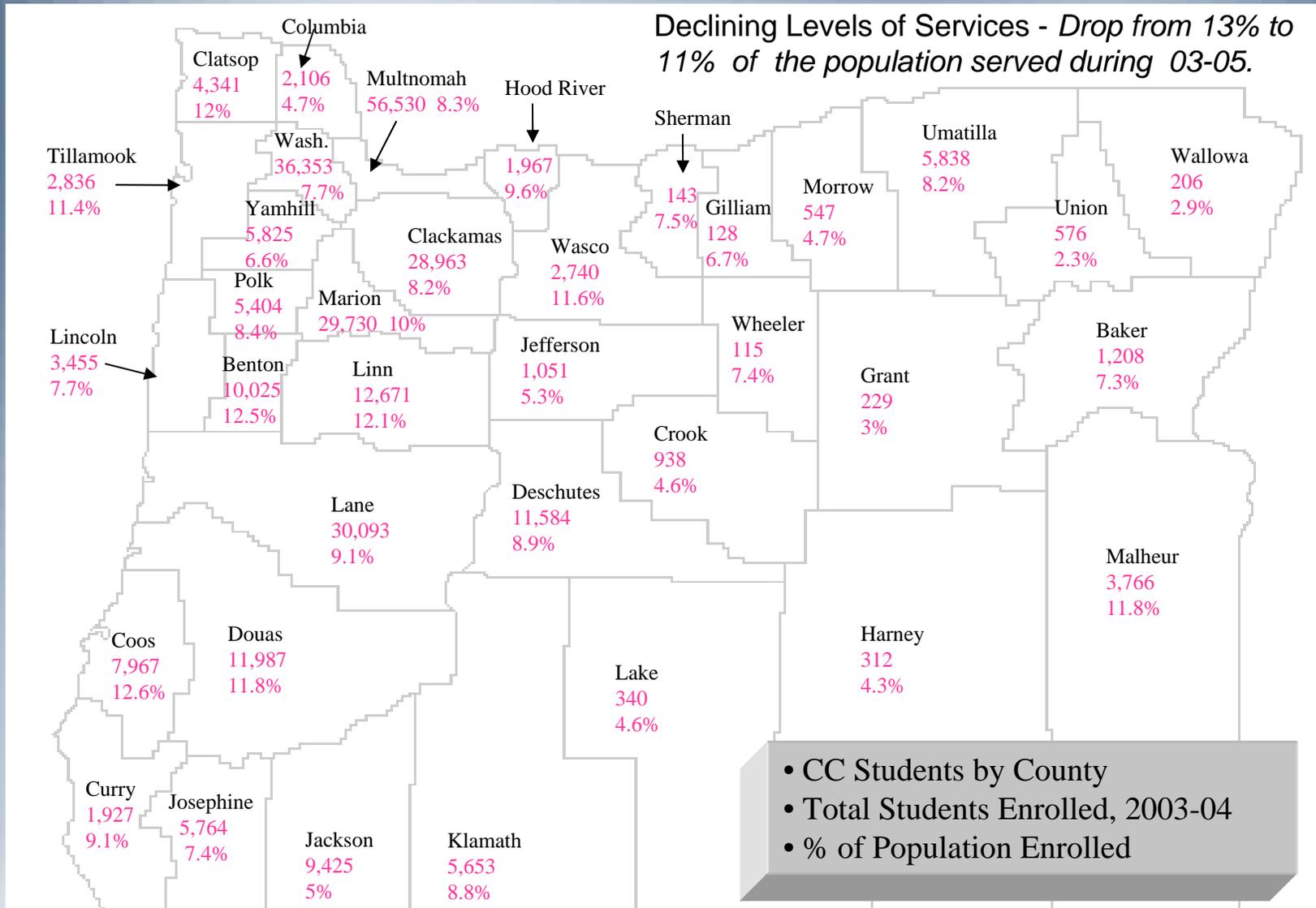
IV. Impact on Students

Declining Enrollment

Full-time & part-time community college enrollments

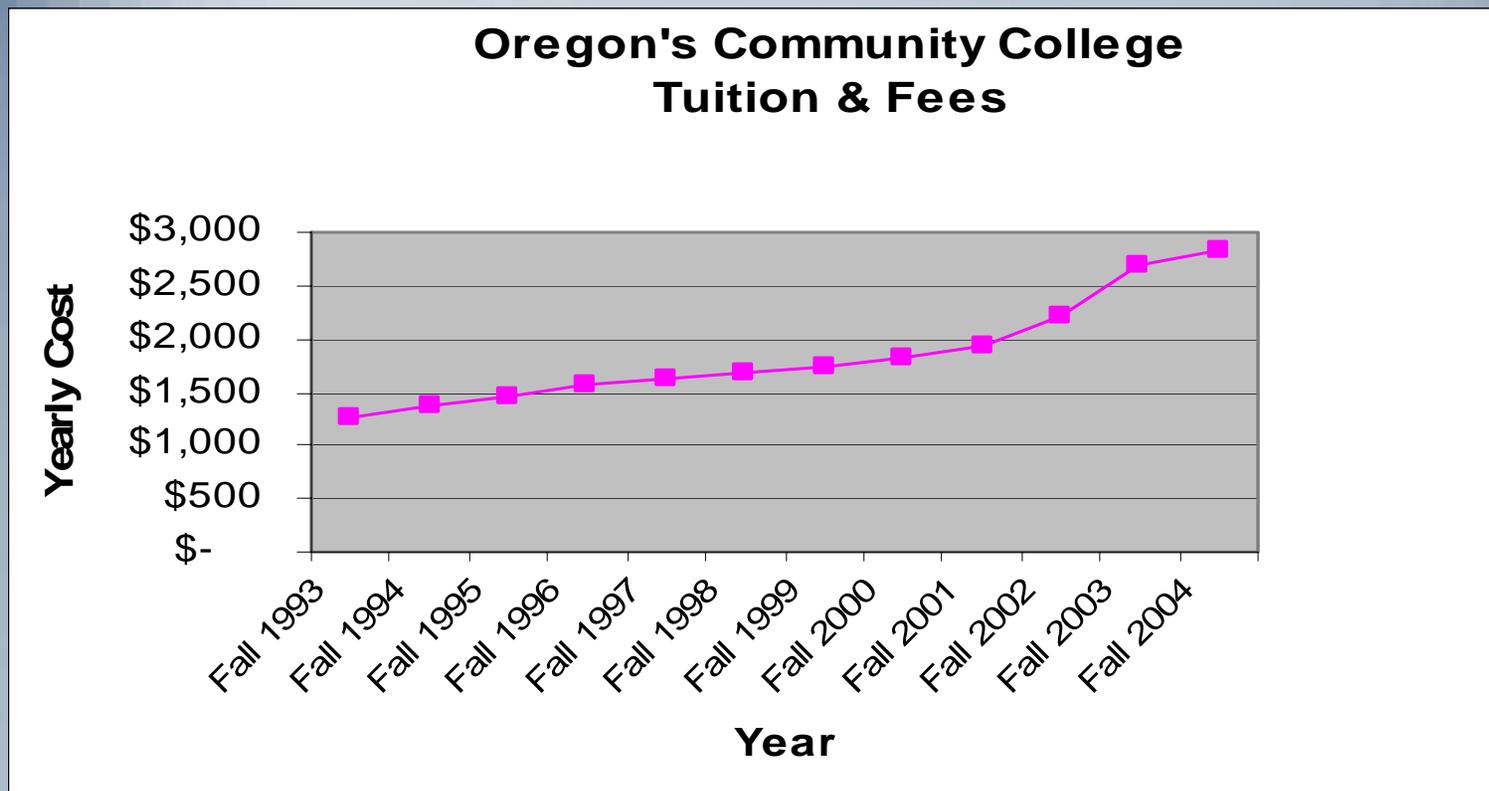


IV. Impact on Students



IV. Impact on Students

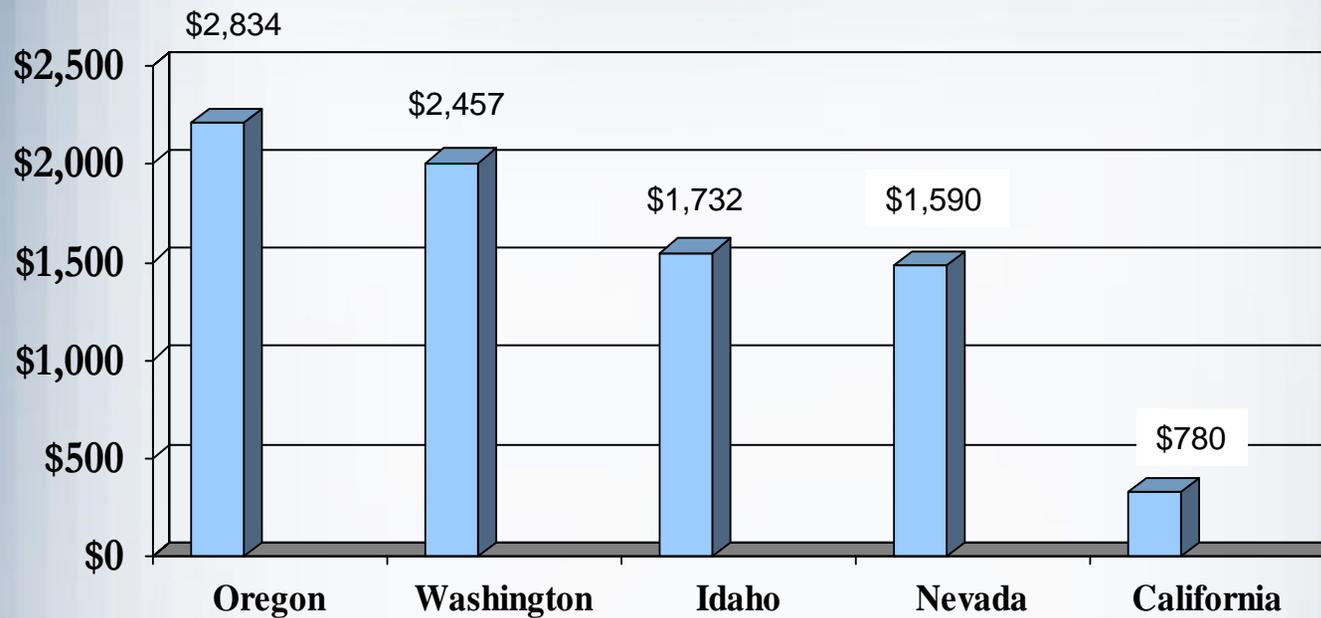
Eroding Affordability



IV. Impact on Students

Oregon has the Highest Tuition of the 15 Western States

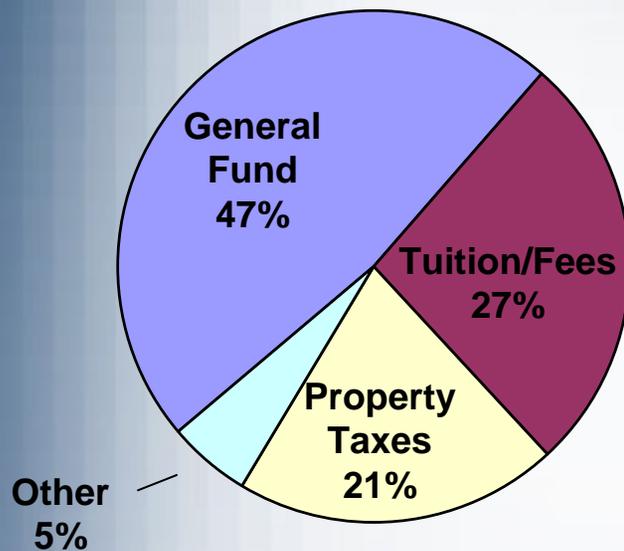
2003-04 Community College Tuition By Neighboring State



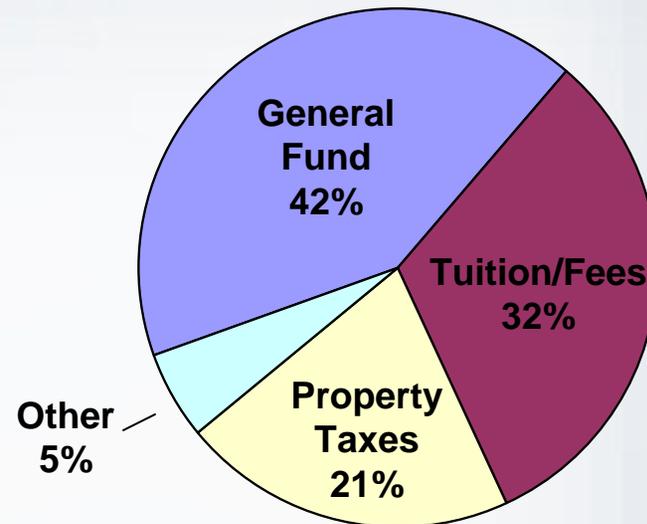
Source: Western Interstate Commission for Higher Education.

IV. Impact on Students: Students are paying more of the cost

Funding 2001-03



Funding 2003-05

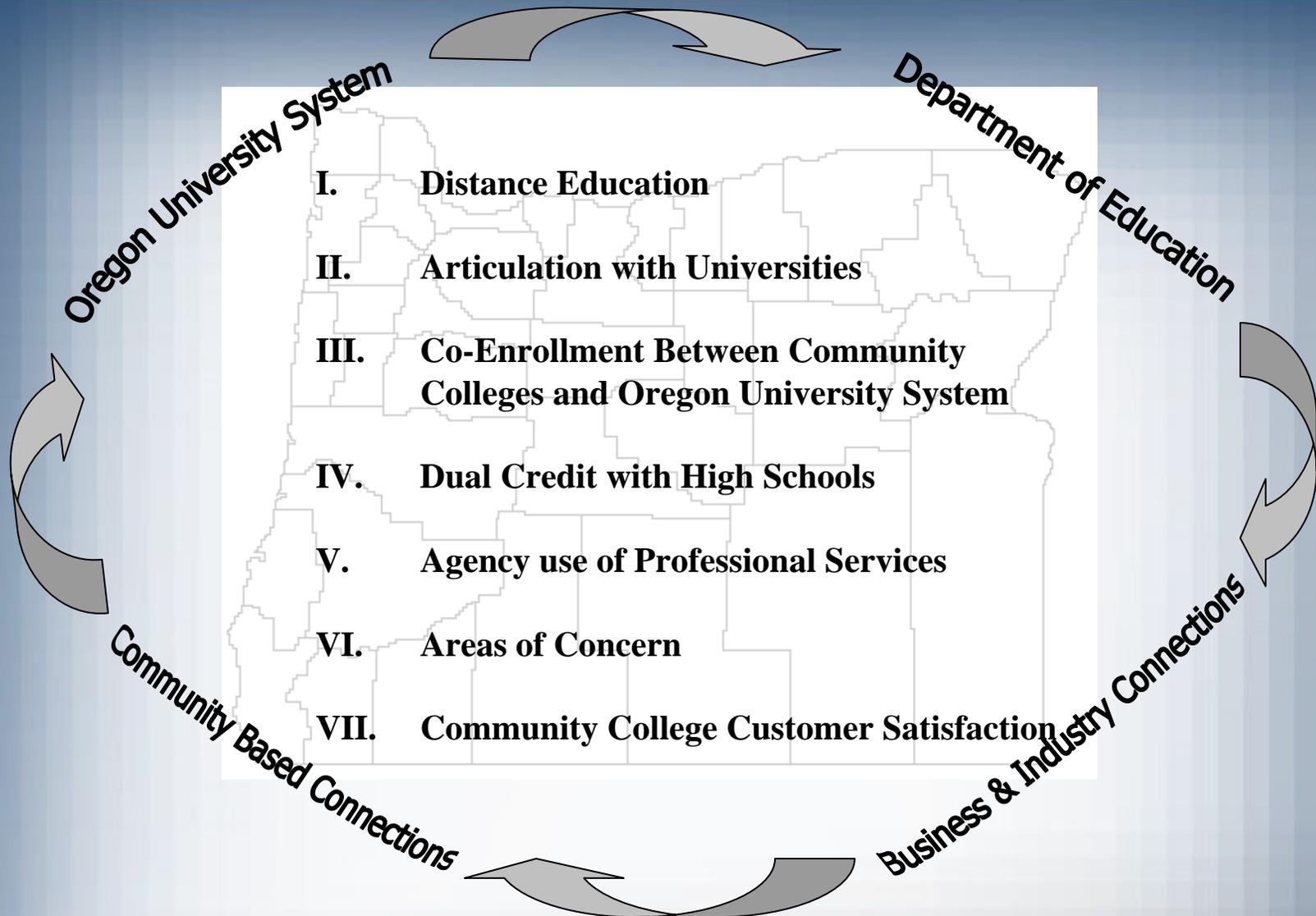
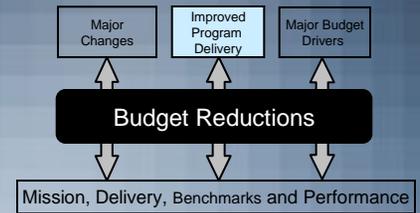


IV. Impact on Students: Education Drives Well-Being

- A society's economic and social strength corresponds directly to the level of education attained by its people
- All levels of work in all economic sectors require higher education than in the past – a permanent state of change

From Oregon Business Plan.org. *Oregon Education: A Case for Dramatic Change. Managing the Enterprise, Pre-K-20. A New Look at the Role of the Oregon Joint Boards of Education.* December 6, 2004

Improving Program Delivery



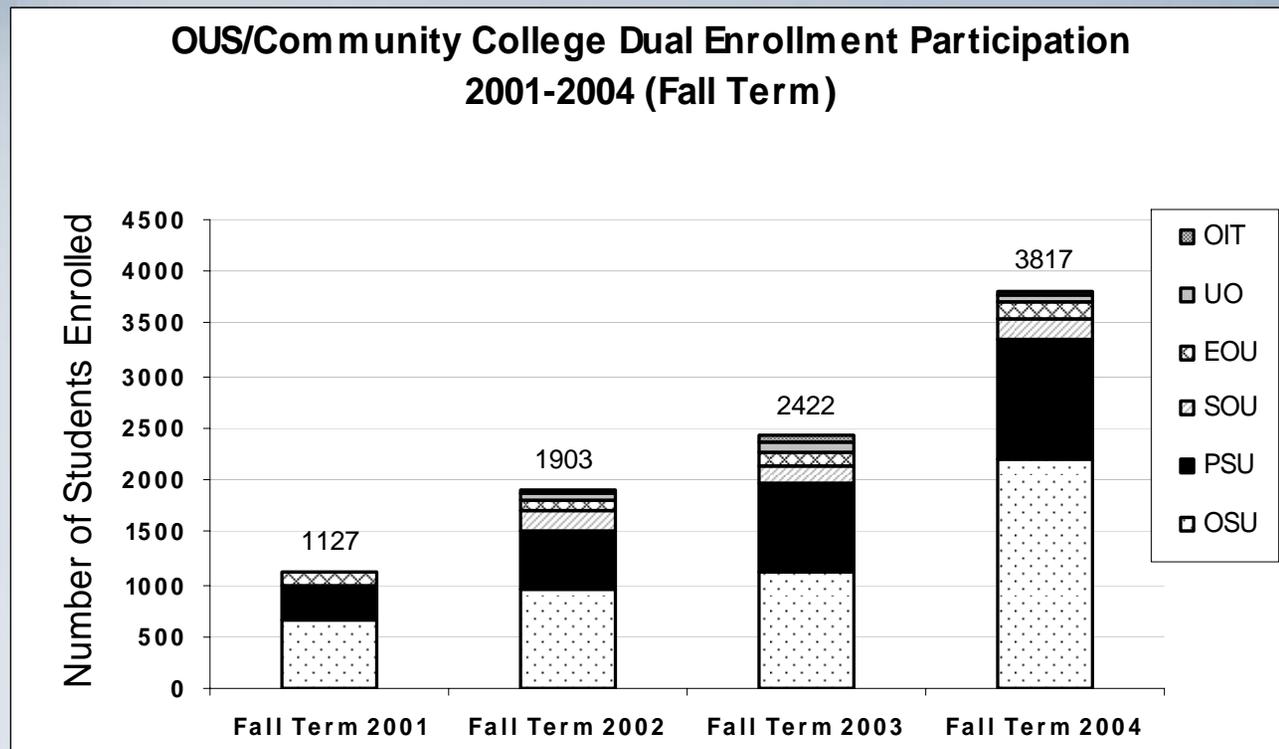
I. Distance Education

- **Baseline year 1998-99:**
 - 28,258 students taking classes
 - 2,182 FTE generated
 - 1,664 classes offered
 - 13 community colleges participating
- **Current status 2003-04:**
 - 66,285 students taking classes
 - 4,751 FTE generated
 - 4,389 classes offered
 - 13 community colleges participating

II. Community Colleges' Articulation Agreements with Colleges & Universities

- Total agreements – 79
- The agreements cover degree and program areas like:
 - ❑ Agriculture
 - ❑ Business/Management
 - ❑ Computer Science
 - ❑ Criminal Justice
 - ❑ Dental Hygiene
 - ❑ Digital Graphics
 - ❑ Drafting, Electronics
 - ❑ Engineering, Education
 - ❑ Fitness Management and Recreation
 - ❑ Manufacturing Technology
 - ❑ Forest Resources
 - ❑ Medial Imaging, and
 - ❑ Nursing, to list a few

III. Co-Enrollment Between Community Colleges & Oregon University System



III. Co-Enrollment Between Community Colleges & Oregon University System

EASTERN OREGON UNIVERSITY

| Partner | Fall Term 2001 | Fall Term 2002 | Fall Term 2003 | Fall Term 2004 |
|---|----------------|----------------|----------------|----------------|
| Blue Mountain CC, Treasure Valley CC Mount Hood CC, and Southwestern Oregon CC | 103 | 106 | 126 | 154 |

OREGON INSTITUTE OF TECHNOLOGY

| Partner | Fall Term 2001 | Fall Term 2002 | Fall Term 2003 | Fall Term 2004 |
|-------------|----------------|----------------|----------------|----------------|
| Portland CC | 25 | 37 | 44 | 44 |

III. Co-Enrollment Between Community Colleges & Oregon University System

OREGON STATE UNIVERSITY

| Partner | Fall Term 2001 | Fall Term 2002 | Fall Term 2003 | Fall Term 2004 |
|---|----------------|----------------|----------------|----------------|
| Central Oregon CC | 94 | 190 | 229 | 480 |
| Chemeketa CC & Oregon Coast CC | 0 | 0 | 0 | 30 |
| Linn-Benton CC | 522 | 685 | 810 | 1554 |
| Portland, Columbia George, Tillamook Bay CC | 42 | 67 | 74 | 146 |
| Southwestern Oregon CC | 4 | 1 | 4 | 7 |
| OSU TOTAL: | 662 | 943 | 1117 | 2217 |

PORTLAND STATE UNIVERSITY

| Partner | Fall Term 2001 | Fall Term 2002 | Fall Term 2003 | Fall Term 2004 |
|--|----------------|----------------|----------------|----------------|
| Clackamas CC, Mt Hood CC, Portland CC, and Chemeketa CC | 337 | 579 | 841 | 1136 |

III. Co-Enrollment Between Community Colleges & Oregon University System

SOUTHERN OREGON UNIVERSITY

| Partner | Fall Term 2001 | Fall Term 2002 | Fall Term 2003 | Fall Term 2004 |
|----------|----------------|----------------|----------------|----------------|
| Rogue CC | Not Available | 185 | 176 | 201 |

UNIVERSITY OF OREGON

| Partner | Fall Term 2001 | Fall Term 2002 | Fall Term 2003 | Fall Term 2004 |
|---------|----------------|----------------|----------------|----------------|
| Lane CC | Not Available | 53 | 118 | 65 |

WESTERN OREGON UNIVERSITY

WOU is currently in the process of developing a co-enrollment agreement with Chemeketa CC.
 CoWOU recently signed a co-enrollment agreement with Clatsop CC.
 TNo data to report due to the nature of the agreements at this time.

IV. Dual Credit – Community Colleges and High Schools

- **Baseline year 1999-00:**

8,385* high school students earned 53,378 community college credits through 184 participating high schools

- **Current status 2003-04:**

13,300* high school students earned more than 87,000 college credits through 240 participating high schools

*1999-00 duplicated and 2003-04 unduplicated headcount between lower division and professional technical students



V. Agency Use of Professional Services

CCWD uses Professional Services to obtain skills and expertise for delivery on services/programs.

Examples include:

- Western Center at Oregon State University for literacy training and professional development
- Grant writers for specialized program needs
- Interns to provide support and research
- Outside consultants for specialized industry cluster research

VI. Areas of Concern

Where community college services are declining:

- Professional/Technical programs are at risk because of higher than average cost to create and maintain them
- Developmental education programs have a growing need but less availability
- Lower division transfer courses are at capacity and no resources to increase sections/access
- Ability to quickly respond to educational issues is at risk as resources are limited

VII. Customer Satisfaction: Serving and Providing Value to Oregonians

Oregonians have rated community college education as one of the top two public services since 1994. In 2004, community colleges had an 88% overall approval rating.

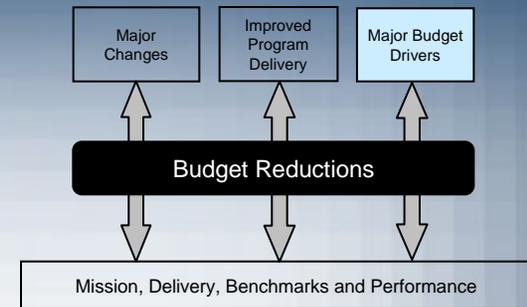
Community Colleges and Workforce Development partners are delivering results in times of limited resources:

- 16,700 students transfer to OUS in 2003-04
- Over 85% of adults served entered employment
- Over 50% of students in adult developmental education entered post secondary education institutions
- 13,300 high school students earned collegiate credit in 2003-04



Major Budget Drivers

- I. Oregon's Economy
- II. PERS and Healthcare Increases
- III. Demand for Service



I. Oregon's Economy

- Oregon's March 2005 forecast shows that for 2005 personal income and employment were up slightly as compared to 2004.
- The March forecast also expects General Fund revenues to reach \$11.1 billion. This is more than \$200 million higher than the December 2004 forecast.
- However, for the 3rd year in a row all of Oregon qualifies as an Area of Substantial Unemployment. This designates Oregon as an area with high numbers of unemployed persons in the labor force.

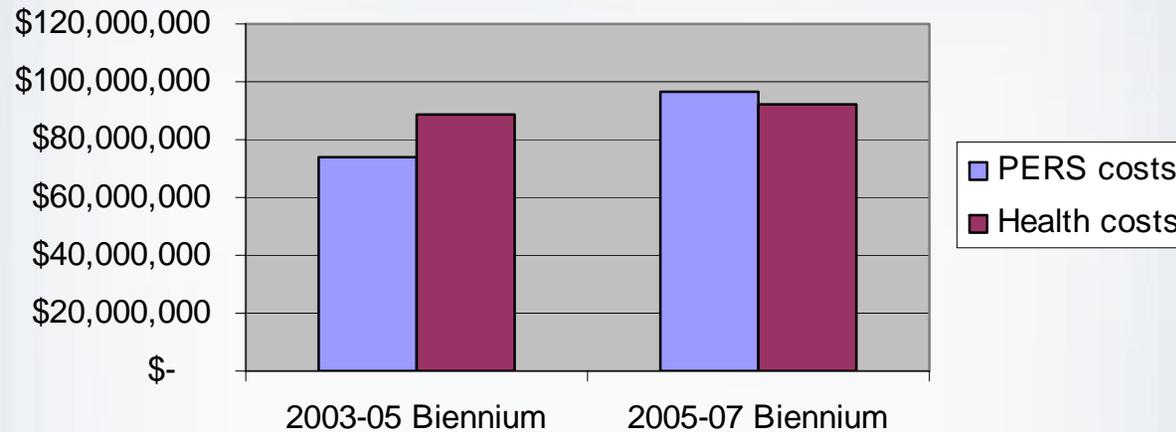


Industry partnership helps Portland Community College train welders.

II. PERS and Health Care Increases

A current forecast shows increase in PERS and health insurance.

**Oregon Community Colleges'
PERS and Health Costs**

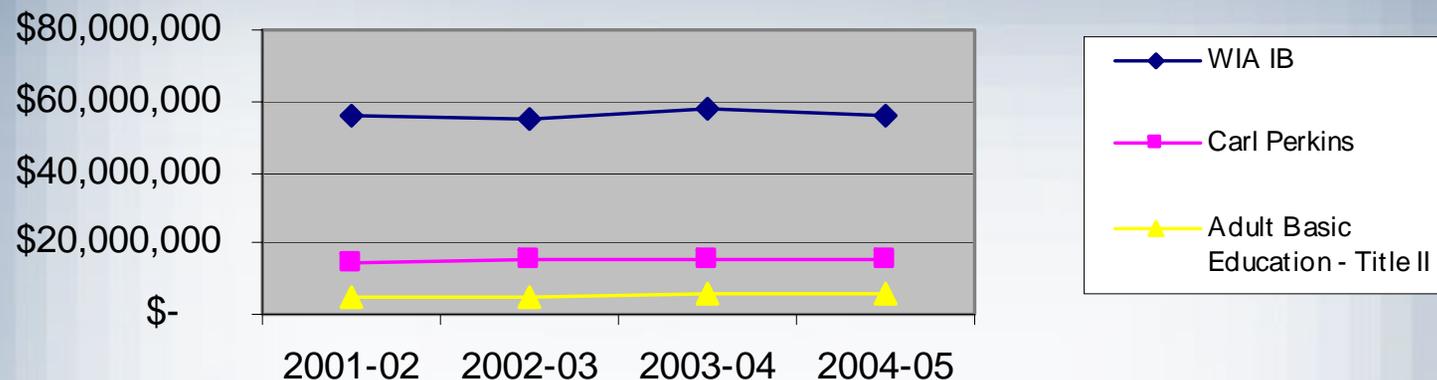


PERS Costs - \$74.0 m (03-05) \$96.5m (05-07)

Health costs - \$88.7 m (03-05) \$91.8 (05-07)

III. Federal Resources

CCWD Federal Programs Funding

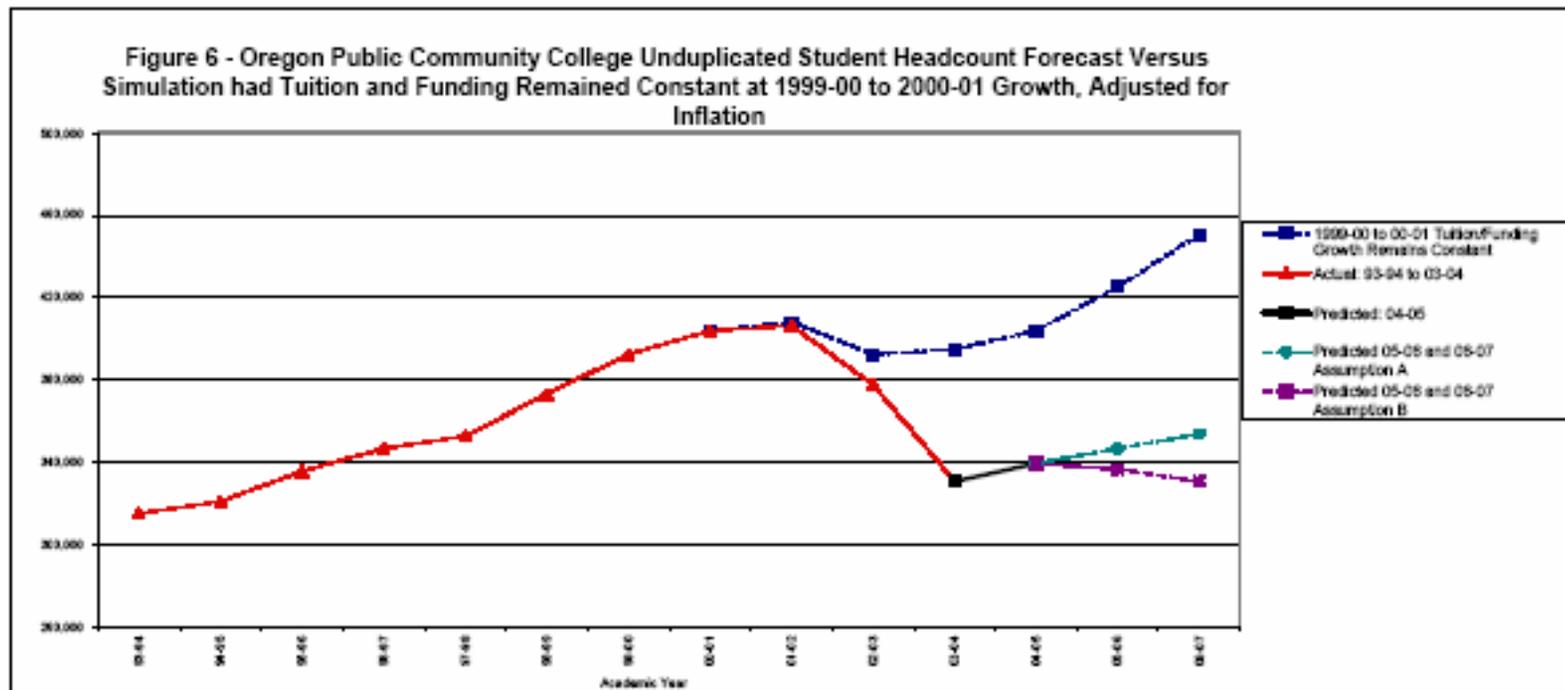


- From 2001-02 to 2004-05 Workforce Investment Act (WIA) Title IB funding generally has been around the same level for three of the past four years, while Adult Basic Education - Title II and Carl Perkins funding has slightly increased.
- Proposed federal program declines would have a major impact on Carl Perkins and Title II.

IV. Demand for Service

- A. How many Oregonians could community colleges have served?
- B. Increasing number of high school graduates
- C. Oregon's adult population
- D. Literacy needs in Oregon

A. How Many Oregonians Could Community Colleges Have Served?



Source: Simulations based upon parameters derived in Robert Vergun "A Measure of Unmet Demand in Community Colleges: Oregon's Economic Slowdown," Draft Unpublished Working Paper, December 2004. Data presented in graph are derived through regression analysis conducted on data from the State of Oregon Department of Community Colleges and Workforce Development OCCURS, US Bureau of Labor Statistics, the US Census, US Bureau of Economic Analysis, the State of Oregon Office of Economic Analysis, and the Illinois State University Center for the Study of Education Policy (Annual Grapevine Reports: 1982 to 2004).

A. How Many Oregonians Could Community Colleges Have Served?

Presidents Council Analysis & Forecast Research

- For each 10% fall in state funding, unduplicated headcount is estimated to have decreased by 4.5%.
- Most of the impact, 3% out of 4.5%, is attributed to tuition increases. The remaining 1.5% out of 4.5% is directly related to program reductions.
- For each 1% increase in average Oregon community college tuition, unduplicated headcount falls .59%. FTE falls by .41%
- Decreases in FTE resulting from funding cuts or tuition increases in a particular year persist for at least two subsequent years.
- FTE are projected to have been 7,664 higher in 2003-04 had tuition and funding growth remained at the 2001 rate. Headcount is projected to have been 64,416 higher during the same time frame.

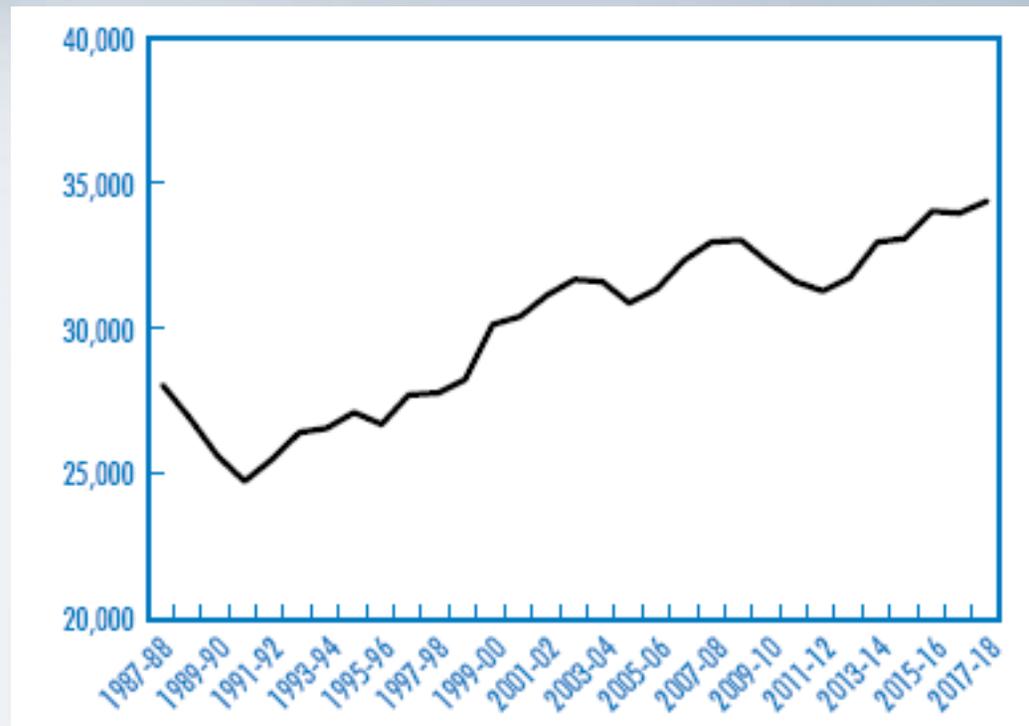
“The door will continue to close without more state resources”

(Dr. Robert Silverman, President Mt. Hood Community College. February 17, 2005)

B. Growing Number of High School Graduates

Oregon Public High School Graduates

1987-88 to 2001-02 (actual), 2002-03 to 2017-18 (projected)

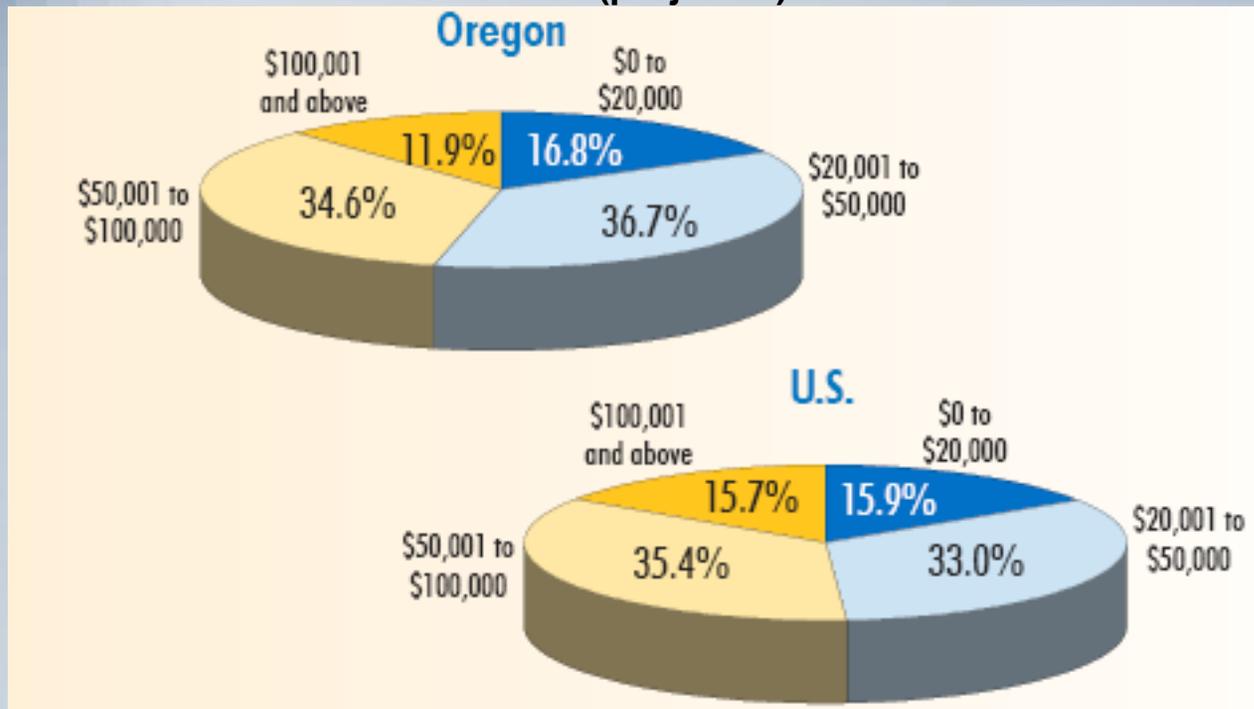


Source: Western Interstate Commission for Higher Education. *Knocking at the College Door 2003: Projections of High School Graduates by State, Income, and Race/Ethnicity*. Oregon State Profile.

B. High School Graduates

Public High School Graduates by Median Family Income

2012-13 (projected)



Source: Western Interstate Commission for Higher Education. *Knocking at the College Door 2003: Projections of High School Graduates by State, Income, and Race/Ethnicity*. Oregon State Profile.

C. Oregon's Adult Population

Oregon's adult population is growing at a much higher rate than the adult population nationally.



Adults Aged 18 and Over in the US and Oregon: 1990 and 2000

| | <i>1990</i> | <i>2000</i> | <i>Population Growth from 1990 to 2000</i> |
|----------------------|-------------|-------------|--|
| United States | 185,103,329 | 209,279,149 | 13.1% |
| Oregon | 2,117,914 | 2,577,129 | 21.7% |

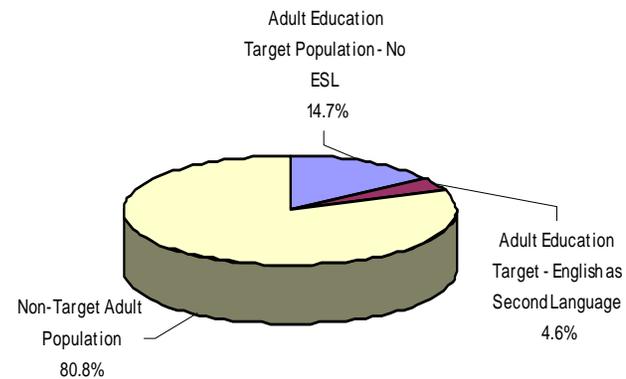
Source: U.S. Census Bureau -- 1990 and 2000 Summary Tape File 3 (STF 3) - Sample data

D. Literacy Needs in Oregon

- Approximately 23% of adults in the United States and 19% of adults in Oregon possess limited literacy capability.
- Nearly 1/4 of adults with limited literacy capability in Oregon speak English as a second language.
- Of the 515,077 Oregon adults with limited literacy, 21% are below poverty level.
- 25% of adult Oregonians with limited literacy completed 8 or fewer years of schooling.



Oregon Adult Education Target Population



Wrap Up

