

FY 2026-27 Budget

January 16, 2026

All-staff Update

Agenda & Topics

Topic	Presenter	Time
Opening and Policy Direction	College President Tim Cook	10 mins
Financial Summary – what has changed and what is unknown	Vice President & Chief Financial Officer Jeff Shaffer	10 mins
Policy Directions to develop scenarios	Vice President & Provost David Plotkin Vice President & CFO Jeff Shaffer	10 mins
Process Overview- Integration of scenarios	Dean of Business Services Christy Owen	5 mins
Shared Governance	Co-Chair of Finance Council Mark Yannotta	5 mins
Open Discussion		30 mins
Link to Recording 12/16/2026		

President's Opening Statements



Two primary financial issues will continue to drive FY 2026-27 Budget decisions for the College General Fund



Structural deficit has not been fully resolved. Result is additional ongoing reductions must be included for FY 2026-27 as the college no longer has one-time recovery funds supporting operations.



Second, the prolonged period of uncertainty with Federal and State Funding structure is likely to further reduce resources coming to the College.



Going through what we know, what information we still need, and what actions we are taking with respect to the budget for FY 2026-27. Questions and Discussion for the second half of our time.

What we Know Going into Winter Term

Known:

The one-time relief funds that have supported our operations expire this current year and are no longer a resource.

There is a deficit in the forecast as a result of at least \$1.1 million

The amount of the deficit is increased from the forecast last spring due to increased spending and stabilization in the rate of enrollment growth.

Unknown:

Changes in the current state appropriations for FY 2026-27

Changes in future state appropriations supporting community colleges

There is uncertainty in the expense forecast, and the college needs to be ready to balance all expenses in the General Fund.

Concerns with Impacts the Community College Funding Levels

All 17 community colleges have provided information to the State

- The colleges are carrying a uniform message to express the extreme concerns and impacts of budget cuts to state resources
- The peer institutions are modeling reduction scenarios that include cutting filled positions in response to potential loss of state funding.

CCC is working collaboratively with our partner institutions to bring collective voices to the state legislature.

- There are several active campaigns for advocacy and direct lobbying.
- One collective approach to present scenarios of tuition and fee increases showing that lower support from state resources has the potential to shift the burden to students

Directions from Board of Education and Executive Team



Fiscally Sustainable Budget

Revenues and Expenses will be balanced without an operating deficit

Build towards greater fiscal health and longevity of the organization:

Intent is to no longer spend more than we bring in as a college



Develop Scenarios and Options

Executive Team requests options for both revenue and expense changes to balance the General Fund budget

Scenarios provide flexible choices and understanding of impacts

Importance of options is tied to State Legislative decisions due in February



Utilize Shared Governance & Cougar Pause

Finance Council will have opportunity to provide feedback and advice on policy decisions

In Mid-February the Budget Advisory Subgroup (BAS) meetings begin

The BAS receives selected scenarios for their review and feedback into the Proposed Budget

History of Budget Reduction Decisions



The College budget contains decisions made by the President

Direction from our Board, input from leadership, community and business, feedback from employees, and fiscal analysis of trade-offs or options



FY 2025-26 Budget was reduced by \$2.35 million

Real line-item expenses were reduced from the base budget
The reductions did not come from filled full-time positions



FY 2023-24 and FY 2022-23 Net Reductions of \$1.5 million

In FY 2022-23, budget was reduced by \$2.2 million.
FY 2023-24 added back \$700,000



Decisions for One-time Fund usage

Receipt of \$9.0 M to use over three years
Must retain employees to be eligible
Risk of using unsustainable funds is that they expire

Financial Information

Fall Forecast Summary

Fall Forecast: Where the College Started and Where we are Now

FY 2025-26 Adopted Budget included \$2.35 million in ongoing reductions

- The target for reductions was the \$3.0 million structural deficit we had last spring for the 2025-27 biennium, and there was \$650,000 of the deficit remaining to address by June 2026.
- Itemized reductions are on our Budget Website for 2025-26

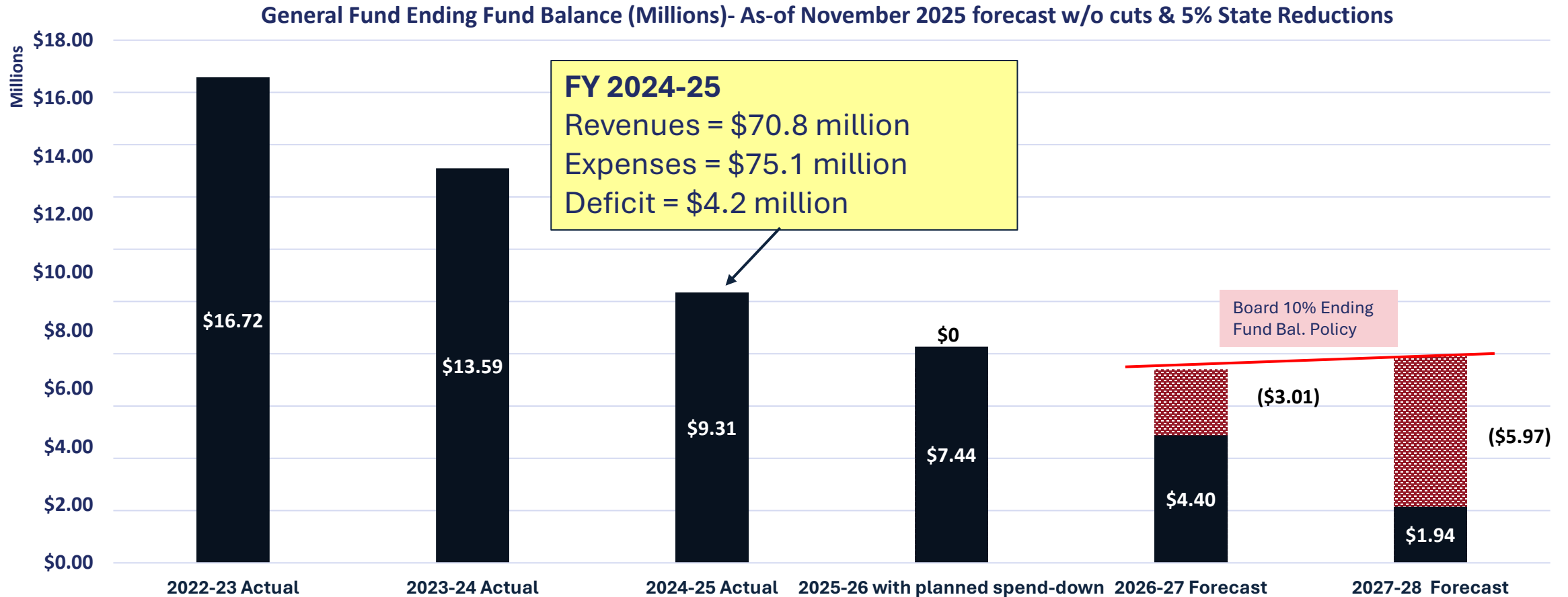
The Fall 2025 Forecast has been updated for new expense and revenue assumptions

- The result is the structural deficit for the forecast is now \$1.1 million based on a variety of factors.
- The forecast includes a greater rate of spending and a leveling of enrollment.
- Federal recovery funds are no longer available to support ongoing operations.
- The college continues to have cost pressures from fixed expenses, such as PERS.

The state economic forecast will be updated after the end of January 2026

- State Economic Forecast continues to be updated for impacts of Federal legislative changes, which result in a domino effects to the state and subsequently to all community colleges in Oregon

Rate of the Depletion of General Fund Contingency/Reserves risks going below Board policy starting in FY 2026-27 without reductions



- FY 2022-23 to FY 2025-26 draw-down represents the planned spending of Federal One-time dollars during post-pandemic recovery.

What Impacts the General Fund Budget

Adjustable

Select Revenues: The College, with approval of the Board, has the ability to change the tuition and general fees that come into the College

We cannot rely on only using adjustable revenue sources to resolve the budget shortfall

Influence and impact for expenses

There are few vacant positions. The result is a real potential for layoffs as part of balancing expenses
85% of the college operating budget is Personnel Services (salaries, wages, and benefits)

Adjustments for variable expenses (ie classroom size or fill rates, campus operating hours) represent where decisions can influence or impact our operating expenses

Known or Fixed Factors in the Budget

State allocation of resources / Property Taxes

PERS, medical and health benefits, wage-driven benefits

Insurance, debt service payments, legally obligated expenses

Constructing Scenarios

Taking what we know, building options for uncertainty

Incorporation of Finance Council and Budget Advisory Subgroup

Timelines

Importance and Purpose for Multiple Scenarios

Identifying options beyond the minimum target to cut

- Provides a greater level of flexibility and options for the Executive Team and Board
- Unrealistic to rely on a small subset of reductions to balance the budget

Uncertainty for Resources

- How much the state may require in reductions for 2026-27
- How much the state may require in reductions for 2027-29
- If the Board is supportive of tuition and fee increases to offset state reductions

Process for Identifying Reduction Scenarios

The President and Vice Presidents requested target dollar amounts based on the proportion of spending in organizational areas

Deans and Executive Directors received direction to begin building scenarios for reductions

- Importance of autonomy in decision making process with divisions
- Leadership in one division may make different recommendations for reductions than another division

Deans collaborating with Peers and Others

- Dedicating January to identify and document fiscal, operational, and equity impacts of reductions
- The presence of impact does not mean a reduction will not occur or a decision cannot be made related to a specific item

Direction, Strategic, and Need for Change

Bold Thinking

- Bringing in meaningful and strategic efforts for our operations
- Encourage big ideas in redesign of our operation
- It's about getting out of the cycle of 1% cuts year over year

Change Willingness

- We do not have the ability to afford the current state quality and quantity of services
- Important to recognize where change is likely, and to be planful in our change management practices

Financial Targets for Modeling Scenarios

College Wide Options up to \$2.5 Million

- Revenue options totaling up to \$1.5 million
- General Fees and College Fees have been static for at least three years. As with tuition, the practice is to model appropriate incremental changes to recover costs tied to these fees.

Identification targets of \$3.1 Million Expense Scenarios

- \$1.7 million of scenarios from Instruction & Student Support
- \$1.0 million of scenarios from College Services
- \$250,000 from the Executive Offices

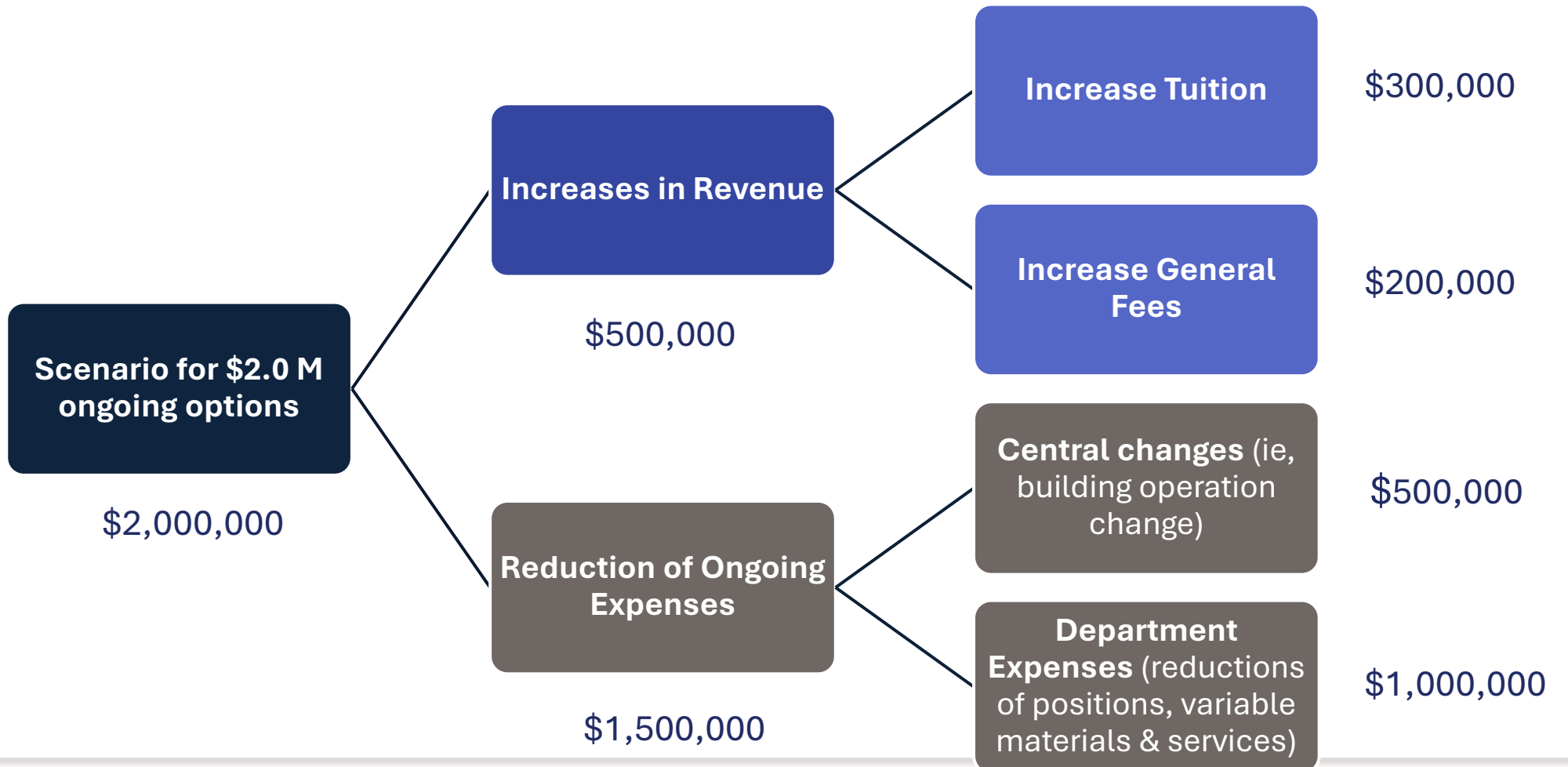
Breaking Out Example Scenarios

	\$1.1 M	\$2.0 M	>\$4.0 M
Balancing relies more on Revenue	\$500,000 Fees & Tuition \$250,000 collegewide \$350,000 Division/Dept Cuts	\$1,000,000 Fees & Tuition \$500,000 collegewide \$500,000 Division/Dept Cuts	\$2,000,000 Fees & Tuition \$1,000,000 collegewide \$1,000,000 Division/Dept Cuts
Balancing is mixed	\$250,000 Fees & Tuition \$400,000 collegewide \$450,000 Division/Dept Cuts	\$500,000 Fees & Tuition \$500,000 collegewide \$1,000,000 Division/Dept Cuts	\$1,000,000 Fees & Tuition \$1,000,000 collegewide \$2,000,000 Division/Dept Cuts
Balancing reliant on Expense Reductions	\$100,000 Fees & Tuition \$400,000 collegewide \$600,000 Division/Dept Cuts	\$100,000 Fees & Tuition \$650,000 collegewide \$1,250,000 Division/Dept Cuts	\$100,000 Fees & Tuition \$1,000,000 collegewide \$3,000,000 Division/Dept Cuts

This selected example occurs when the State determines its level of reduction is \$900,000 and this amount is added to the College's structural deficit for a total amount to reduce of \$2.0 million.

The college does not need to continue with scenarios beyond \$2.0 million for FY 2026-27. The selected yellow cell will be broken out in the next slide as an example. *The numbers in the table for specific scenarios on this slide are illustrative.*

How Scenario is Established- Example Data



Shared Governance in the Process



Involvement of Finance Council for policy feedback and financial policy questions prior to reduction scenario review



Scenarios will come to the Finance Council & Budget Advisory Subgroup (BAS) starting in February



Role of BAS as advisors to the Executive Team. The BAS does not make the decisions for what to reduce at the College.



The Executive Team is seeking the advice from perspective of the Finance Council and Budget Advisory Subgroup about the potential impacts and tradeoffs in reduction scenarios.

Cougar Pause in the Budget Process

- Finance Council as a Council requested a cohort training on the Cougar Pause to occur in January 2026
- The importance and purpose of the tool in the budget process is to ensure consideration of impact, question unintended consequences, and determine where trade-offs could mitigate or lessen the impact.
- The Pause identifies key questions or decision points for reflection and documentation of impacts of actions utilizing the tool
- Reductions or revenue options are not one-size fits all. There will be different decision points. The questions, pausing, and reflections will vary. There are different categories within the Cougar Pause framework.

Process Map: Budget Development Milestones



Location of Resources and Updates

- [Website](#) with Current [Frequently Asked Questions](#)
- Use the Contact Us Form on website to submit additional questions for response
- Questions received by January 30 will have responses online by February 17, 2026
- Monthly emails from the College President
- Information online on the Finance Council site
- **New for 2026-27-** Recording of a walk-through of the Base Budget by legal fund type with Business Services will be posted by February 23



Questions and Discussion

Supplemental Slide Roles & Responsibilities

