

# BOND CAN'T PAY OUR BILLS

## BOARD DISCUSSES RAISING TUITION \$3 PER CREDIT HOUR

BY MATT ROWNING

The college wants to raise your tuition. Again.

The Clackamas Community College board had its first hearing to raise the price of student tuition on Wednesday Jan. 10.

The proposal, if passed, would raise tuition \$3 per credit hour beginning this summer. The final vote will take place sometime in March.

The proposal was led by the college's vice president of college services, Jim Huckestein. Huckestein explained, in an interview, the challenges facing the college, and the reason for the proposed tuition increase.

"Right now the biggest issue in the future is what's happening with the Public Employee's Retirement System and the fact that the Supreme Court overturned some reforms that the [state] legislature put into place," he said.

Huckestein was referring to the Oregon Supreme Court's decision in *Moro v. State of Oregon* that restored cut PERS benefits to 120,000 retirees. The 2013 Oregon legislature had cut benefits to these retirees, and the state was met with a lawsuit the following year. *Moro* saw these cuts repealed to the tune of \$4 billion.

"Because of that, our PERS rates are going to be going up substantially," said Huckestein.

For the college, the effect of this will be first felt in 2017, then again in 2021. As Huckestein explained, though, the rate increase is so large they had to put it in intervals.

"What I was telling the board was if we were driving a car ... and we're on the straight stretch right now, no impediments in our way, everything's fine, but we do know that there's a couple of curves down the road where we're gonna have to slow down," said Huckestein. "We're either gonna have to raise additional resources or make some cuts in order to get our revenues and expenditures back in balance."

The college raised tuition last year by \$3. In fact, the college has raised tuition 11 times since 2002, when tuition was \$41.

If the most recent proposal passes, the cost of one credit will go from \$87 to \$90, not including books or fees.

The average four-credit class, then, will cost \$360.

"So, we can either tap on the breaks now and slow down, or in this case start raising revenue in very small increments now and the passengers in this car won't notice it too much," Huckestein said. "If we wait too long to make these changes, we'll see something that the passengers will notice."

Even with a \$3 a year tuition increase

over the next three years, the long term trend is that we're really not closing this gap. It would take about \$7 a year tuition increases to have us break even.

"In the current timeframe we actually have more revenue than expenditures." In the long term though, this is not the case.

"The notion is, even though it's not super critical we increase tuition now, our revenues and expenditures are somewhat balanced, the long term projection is that we have a really big increase in expenses to step up to. A portion of that expense that we're gonna need to step up to is the student's share, so that's why we're putting in this three dollars per credit in, to make it as small as possible," said Huckestein.

Huckestein explained that putting it off didn't work either. If the college waited two years and then raised tuition \$5 each year for the next three, the model didn't turn out the same. "We have a holistic look at tuition when we decide to increase it."

Huckestein explained other considerations. There's the median family income in our district as a representation of what students can afford. Another is how we stack up next to our peer community colleges: Portland Community, Mt. Hood, Chemeketa and

the like. We are the cheapest of our make "We have a little bit of leeway to increase tuition and still be very near the bottom of our comparators."

Where does the \$90 million bond play into this? It would stand to reason that the college has millions of dollars lying around to help fund students education Huckestein explained the fallacy here.

"There's a bright line between bond funds, which are for capital construction and operating dollars, which are for all the other things we do: pay the instructors do the heat, light, all that kind of stuff," said Huckestein.

"None of the bond dollars are for operating, and so we can only spend them on long lived assets like building or equipment," said Huckestein.

There are three sources of revenue for operating as a state community college property taxes, state funding and tuition. Shortly put, the bond can't pay our bills.

The vote hasn't happened yet though ASG President Brent Finkbeiner could see the vote going either way. "Right now it's undetermined, because the board seem split," said Finkbeiner. He encourage students to come and speak their voice at the next board meeting on Wednesday March 9 at 5 p.m.

graphic by Victoria Tinke

