



**COMMUNITY  
COLLEGES AND  
WORKFORCE  
DEVELOPMENT**  
WORKSOURCE OREGON

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January 24, 2014

The Honorable Senator Richard Devlin, Co-Chair  
The Honorable Representative Peter Buckley, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

Dear Co-Chairpersons:

### **Nature of the Request**

The Department of Community Colleges and Workforce Development (CCWD) is an agency that is funded through a multiple number of funding types. It receives Federal Funds for workforce activities, Other Funds in the form of Perkins and other grants, and General Fund (GF) for community college support, capital construction and general operations. Over the last two biennia, CCWD has had reductions in all of these funding sources and at the same time has seen an increase in GF focused work around the Governor's PK-20 Education System redesign. Of the 58.70 FTE for the Agency only 8.65 FTE are funded by GF, yet due to the focus on the PK-20 system, the Agency is expending over 13 FTE in GF directed activities.

The Agency is requesting \$600,000 in GF appropriation.

During the 2011-13 biennia the federal grant for development of a state longitudinal data system (Advancing Longitudinal Data in Education Reform, aka ALDER) provided \$541,000 funding for CCWD. These funds primarily were focused on a few staff who were tasked with updating the current data systems in preparation for the longitudinal data system. There was a very high level of need to improve the Agency's data system which revolved around several things: 20+ year old database that was purposed as a data repository and not a research data system, that was going to break at any time; severe need for greater data security; retirement of the two individuals who had kept that system functional plus the hiring of two individuals, the Director of Research and an Operations and Policy Analyst 4, who had a vision for how a data system really could and should operate; increased accountability and data requests demanded greater access, speed and increased validity of the data; implemented the Achievement Compacts in this biennium which added to the GF work that demanded an updated system; need for greater tracking of students as they continue to become more mobile and swirl among and between institutions (thus the development of our own identity resolution process and the implementation of one, state level CCWD Identification that all colleges will be using); and the general need to have a system that could actually respond to research queries and not be just a data repository.



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For the 2013-15 biennia, the Research Team is working almost exclusively on Community College and other GF work in response to the growing number of research-related questions from the Governor's Office, the Legislature, the Oregon Education Investment Board, the Higher Education Coordinating Commission, community colleges, media and the public. Without funding replacement, the Research Team will need to be dismantled.

The Workforce Investment Act (WIA) Title IB 10% flexible, program-related funding was eliminated for the Agency in the 2011-13 biennium and this year's allocation is at an all-time low of \$31.9 million. Eight years ago, the WIA Title IB annual allocation was just over \$58 million. Of this, a full 5% was available to the Agency for administration and a full 10% was available for program-related projects, including staff. With a 45% smaller federal allocation plus loss of the 10% program-related funding, there is less available for back office support and program staffing. This means a much smaller amount of total revenue is available for Agency operational costs. Operational costs have not decreased as a result of these changes and as less Federal Funds are available other funding sources (General and Other Fund) must be used to pay for these costs.

Additionally, the total GF reduction in the 2009-11 and 2011-13 biennia in Personal Services was \$699,654 and in Services and Supplies was \$156,706 for a total GF reduction of \$856,360. These GF reductions on top of the losses of WIA Title IB 10% funding and ALDER grant funding make it impossible for the Agency to absorb these changes and still provide expected GF functions

The size of the GF deficit determined after reviewing actual spending by fund by employee is calculated to be \$884,136 for the 2013-15 biennia.

**Agency Actions:**

The Agency has carefully reviewed projected spending by fund type and, where possible, moved staff work from General Fund to other funded work which has saved \$110,000 in General Fund. The department is currently holding an Information Systems Specialist 7, Accounting Technician 2, and Office Specialist 1 vacant for an additional General Funds savings of \$239,000.

The Agency has also developed a layoff plan starting July 1, 2014 that would eliminate the Research Team, the Commissioner (the Interim Executive Director's contract ends June 30<sup>th</sup>), the Director of Operations, and support staff to cover an additional \$530,000 GF. This plan would leave a minimal GF presence that would allow for the distribution of the Community College Support Fund, allotments, and little else.

**Action Requested:**

CCWD is requesting an additional appropriation of \$600,000 GF. This can be accomplished by reallocating a portion of the Community College Support Fund Strategic Fund or Distance Learning Fund to Agency Operations. Currently, there is over \$600,000 of the Community College Support Fund – Strategic Fund that is not allocated. If that is not acceptable, the Legislature could appropriate additional General Fund to cover the short fall.

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**Legislation Affected:**

Increase General Fund appropriation by \$600,000 established by Chapter 526, Section 1. (1), Oregon Laws 2013.

Sincerely,



Krissa Caldwell  
Deputy Commissioner  
Department of Community Colleges & Workforce Development

