

**Community Colleges of Spokane
Strategic Planning Revenue Taskforce
Final Report**

The Revenue Taskforce was tasked by the Chancellor to examine ways that CCS might increase the flow of revenue to CCS. The Taskforce reviewed the suggestions that came through the District's budget suggestion process as well as ideas that came from members of the Taskforce itself.

The Taskforce members included: Christy Doyle, SCC; Lisa Avery, SFCC, Scott Morgan, IEL; John Huffstutter, District Budget Office and Janet Gullickson, District Office. The Taskforce review encompassed three broad categories: budget suggestions, student tuition and fees, and strategic initiatives.

Budget Survey Suggestions:

#1: Recycling Drives – Conduct recycling drives where people bring recyclables from home. The campus collects them, and they are sold. The income is used to support college programs.

The CCS campus recycling programs include recycling plastic, aluminum, white paper, corrugated paper, and glass. Only aluminum generates income, and it is pretty negligible at that. Last year SFCC generated \$80.45 and has generated \$134.90 to date in the current year. If CCS were to pursue such a recycling program, it would have to be limited to aluminum, but even then the staff cost and time of organizing and collecting would likely not pay for itself, much less generate significant revenues to support the colleges. Additionally, the already short-handed campus facility staff would have to take time from regular duties to work on this project.

Recommendation: While the taskforce encourages recycling, we recommend that CCS not pursue this suggestion due to unfavorable cost versus benefits.

#3: Building Naming – Sell naming rights for existing and new facilities.

The CCS Board has a policy on naming facilities. The CCS Foundation uses this strategy when raising funds for facility improvements that lend themselves to such a strategy: Hagen Learning Center at SCC; Avista Entrepreneurial Center at SCC; St. Luke's PTA & OTA at SFCC; Spokesman-Review Adult Literacy Center at the IEL. While entire buildings have not been named for donation, this option is available to CCS and its Foundation.

Recommendation: The Taskforce is satisfied that CCS has the capacity to utilize this resource without recommending changes to Board policy or CCS Foundation operations.

#4 & Others: Four-day Work Week With or Without Shortened Work Schedules – A number of proposals included this suggestion, and they were referred to the Revenue Taskforce. These proposals do not raise revenue; they reduce costs.

Recommendation: Refer to the Budget Reduction Taskforce working on cost reductions. Responses to these suggestions are included in that Taskforce’s report.

#12 & #42: Rent CCS Facilities at Full Rate (i.e. don’t waive fees, and market CCS facilities for community events and activities more aggressively) – CCS procedure on facility rental includes a two-tier rate structure: one rate for “profit” renters, and a lower rate for nonprofit organizations. The procedure also allows campus presidents to waive a portion of the fees (not facility related charges) to organizations under established criteria. A more aggressive approach to leasing college facilities is the second part of this suggestion. While CCS doesn’t aggressively market its facilities, it is well known in the community that CCS facilities are available for use by the community.

Recommendation: CCS should update facility rent schedules to reflect realistic rates, maintaining the two-tier structure for profit and non-profit organizations. The Taskforce is reluctant to remove the Presidents’ discretion to impose lower rates under established criteria, when in their judgment lower rates are justified due to the nature of the event or the outside organization staging the event. Facility rental revenues are marginal, the activity of renting facilities consumes valuable staff time, and facility leasing is not a core college function. For these reasons, the Taskforce does not recommend pursuing a more aggressive rental program on a district-wide basis, but popular venues such as the SCC Lair may want to pursue this strategy.

Student Fees and Tuition Waivers

CCS has a long and proud tradition of limiting student fees. As a result, student fees at CCS are lower than the average community college in the state. The legislature’s reaction to the voters and the state budget crisis will result in significant cuts to higher education budgets and increases in tuition rates, shifting costs from the taxpayers to the students. A current example of this is the most recently passed 2011 supplemental budget, which “took” an additional \$13.1 million from community college funds to offset a reduction of the same amount of state funding from the need grant. In recognition of this shift from taxpayers to students, the legislature in current budgets has removed the restrictions formerly placed on local fee increases. Boards of Trustees are free to set fee levels as they deem appropriate.

Following are the fee issues that were examined by the Revenue Taskforce:

Parking Fees – Parking fees apply to both students and employees. The current parking permit rate is \$40/year paid by students and employees. The permit fee has not been raised since the mid 1990s. A CCS Parking Services Taskforce will be issuing a report on their findings and recommendations this Spring Quarter. Among the findings is that parking permit fees and fines are not covering the full cost of building, maintaining, securing, enforcing, and administering parking at CCS. In other words, parking is not paying for itself, but rather is pulling resources

away from the operating budget. A proposed increase from \$40 to \$70 (75%) would increase revenues by about \$310,000 per year. The increase will support parking lot construction, maintenance and repair, and support parking enforcement.

Recommendation: Support the Parking Taskforce recommendations of increased permit fees for students and employees.

Administrative Fees – The current CCS fee structure includes a number of miscellaneous fees charged mostly in the student services area to offset the costs to set up student admission and registration and pay for graduation. In the course of the review, the Taskforce found that colleges were processing applications before the application fee was received. As to the fee rates themselves, discussion with CCS student services administrators resulted in a consensus recommendation on the following fees:

<u>Fee</u>	<u>Current</u>	<u>Proposed</u>
Application	15	25
Assessment	20	25
Registration	6	10
SFCC Graduation	20	25
IEL Graduation	20	25
Transcripts	3	5

Recommendation: Increase administrative fees per the schedule above. However, the Taskforce believes the fee structure should be changed. See the following recommendation on district-wide comprehensive fees. In addition, the colleges should not process applications for which the application fee has not been paid. The assessment fee practices between the colleges should be standardized as reforms in student services are implemented.

Comprehensive Fees – These are fees charged on a per-credit basis to students in lieu of the myriad of fees such as some of those listed above. In addition, comprehensive fees often include other costs such as printing and distance learning expenses. The two colleges, SCC and SFCC, have similar, but not identical fees, meaning that a student concurrently enrolled at both SCC and SFCC will pay the fees of both colleges. The Taskforce recommends that the colleges work with their student governments to pursue a uniform comprehensive administrative fee structure. Such a structure could eliminate the registration and graduation fees noted above and include some other miscellaneous fees. This is a common practice among Washington community colleges. As the district moves to seamless student systems, it only makes sense that fees at both colleges are the same. This will reduce complexity and confusion and provide equity to concurrently enrolled students.

Recommendation: District and college leadership should work with student leadership at both colleges to develop a standard CCS comprehensive fee.

Lab and Course Fees – These are charged to students to cover extraordinary costs for specific courses and programs. These fees are specific to the actual course of instruction that students take and will vary considerably by course. By CCS practice and procedure, these lab and course fees are limited to consumable supplies, materials, and replacement equipment. CCS procedure specifically forbids costs of salary, travel, and new equipment. Field trip travel and equipment replacement are allowed. This taskforce asked: Should CCS broaden these restrictions to allow fees to pay for more of the costs associated with the course? New equipment? Salary and benefit costs of instructional techs and support staff associated with labs? Work study costs for student help? Travel by faculty and staff directly related to the course (i.e. clinical sites)? Program tools?

CCS does not have authority to impose a “high cost tuition” on high cost programs, but does have the authority to recover some of those high costs through lab and course fees. The increases to lab and course fees and the impact of those increases on students vary considerably across programs. The general consensus of the college deans and of the Taskforce members is that programs should be given more latitude to recover costs and be allowed more flexibility to determine appropriate fees considering all costs, not just those related to consumable supplies, materials and equipment replacement.

Recommendation: Remove the limitations and restrictions on the types of costs that can be recovered through lab and course fees, and allow division deans to evaluate their programs and identify those programs and courses where implementation of higher lab and course fees is most appropriate.

Tuition Waivers – These are reductions from established state tuition rates. Some tuition waivers are required by state law, and some are at the discretion of CCS. Waivers that should be examined include: Retirement courses, Nonresident US citizens, ABE/ESL, and over 18 credits. Retirement courses are offered by the IEL as “ungraded” courses; the tuition is well below credit tuition rates (\$18.50/credit vs. \$80.75/credit); ABE/ESL courses are also IEL ungraded courses where the State Board has set the fee at \$25/quarter. The IEL waives this fee for students it determines would have difficulty paying the fee. The nonresident tuition rate for US citizens is \$108.15/credit as compared with the resident rate of \$80.75/ credit and the international nonresident rate of \$252.75/credit. The over 18 credit waiver applies to students in vocational programs taking more than 18 credits per quarter.

Recommendation: CCS leadership should work with the business office to determine if there are opportunities to reduce waivers and generate more tuition income for CCS without materially affecting program viability and service to the various communities.

Strategic Initiatives

The Revenue Taskforces identified some areas where there appears to be significant potential for revenue generation. These areas also pose the possibility that strategic investments may be necessary to plan and implement changes which over the long run will increase revenues beneficial to CCS. Building international student enrollment, establishing a support structure to assist faculty and staff pursuing grant opportunities, and developing and implementing an

effective continuing education program within CCS are all areas in which it may take strategic investments to truly make the changes sustainable revenue producers.

International Students – These students pay almost three times more tuition than resident students (for a student taking 15 credits per quarter, the annual rates are \$2,902 for residents and \$8,122 for international students). Enrolling International students can not only improve a college's bottom line, but also can broaden campus diversity and culture. CCS now reports international students as part of its overall state enrollment. It has the option of reporting these students as contract students. The advantage of contract reporting is that the building fee component of tuition does not have to be remitted to the state treasurer. If CCS treated these students as contract students outside the state enrollment count, CCS would retain rather than send the higher building fee paid by these students to Olympia. It is estimated that this could generate up to \$100,000 at the current enrollment level.

The Taskforce found that implementing this change in international student reporting is more complicated than simply recoding these students. The State Board has imposed contractual requirements and must approve international student contracts.

Recommendation: CCS should pursue this change in international student reporting. The international student office should develop appropriate contract(s) and gain approval from the State Board. The Taskforce also finds that increased international student enrollment is not only good financially, but also beneficial to the resident students' campus experience by broadening the cultural climate and diversity. The Taskforce encourages CCS to pursue a more aggressive path to build international student enrollment.

Continuing Education and Contract training was also examined by the Redesign, Restructure, and Re-engineer Taskforce as well as the Revenue Taskforce. The Revenue Taskforce found that there was potential for significant revenue generation from this activity. Other colleges in the state generate significant revenues to support their colleges: Bellevue, Everett, Green River, and Whatcom. Some of the common practices of these successful colleges include:

- Business model with a focus on revenue generation.
- Responsive to business.
- Access to appropriate facilities.
- Superior customer service.
- Data informed decision making.
- Employees are funded from revenue.

CCS enjoys a large potential market within the six-county service area without competition from other community colleges. As a District, we haven't taken advantage of the opportunity. Each CCS unit functions differently based on their mission (serve specific programs/populations vs. serve general community), the way their employees are funded (self-support or state-supported), the level of indirect they pay (none, college only, or both college & District), as well as CCS imposed restrictions (for example, each unit must offer classes at their own facilities – facilities generally are not shared). In addition, the inclusion of continuing education in the faculty contract is unique to CCS and the State of Washington.

Some examples of CCS issues include:

- Community education classes compete with each other, and budget pressures have increased the perception of “competition.”
- Course development efforts are duplicated in Spokane County (Athletics, IEL, SFCC and SCC) and are minimal in the rural counties.
- Response time (for everything from advertising to responding to a business inquiry) can be severely delayed by any one person at any one unit.
- A variety of processes are used to notify faculty of opportunities to teach CE classes.
- Registration and enrollment processes within Spokane County are duplicated at three units: IEL, SFCC, and SCC. This includes 3 phone numbers and 3 fax numbers in addition to 3 different physical locations.
- Campus CE software (a joint purchase) could provide detailed reports on fill-rates, cancelation rates, and other important data for managing successful CE operations. If these reports are used collectively, they are currently used in isolation.

The Revenue Taskforce finds that our potential to generate significant revenues is constrained by our own organization structure and District and institution “rules” of operation.

Recommendation: The Revenue Taskforce finds that the issues and solutions in continuing education are complex. The Taskforce agrees with the recommendation of the Redesign, Restructure, and Re-engineer Taskforce that a specific taskforce be appointed to take on the task of reorganizing and establishing parameters to make CCS continuing education responsive to community needs and capable of generating revenues for CCS. We recommend that such a taskforce consider the following issues, among others, in its examination and recommendations:

- “No Wrong Door” – one of CCS strengths is the multiple access points for Continuing Education. CCS should maintain this “no wrong door” entry.
- Decision-making with responsibility and authority.
- Unnecessary duplication of efforts in course offerings, course development, registration, and enrollment – need to be eliminated.
- Artificial or historical barriers (like access to campus classrooms) need to be removed.
- Everyone who works in CE needs to be “rowing in the same direction” – with joint goals and performance targets – and data must be utilized in making decisions (i.e. Campus CE, EMSI).
- Revenue generation should be an primary goal along with community service. A standard means of determining return on investment (ROI) should be employed.

Grants and Contracts is another area with the potential to add fiscal flexibility if CCS can develop the capacity to perform the scope of work required. Feedback from CCS constituents suggested that there is strong support for increasing our capacity in externally funded projects, which are mission-critical, providing benefits to students. Grants promoting student success are viewed very positively throughout the District. Increased grant activity can also create

opportunity for faculty development. Grants can also provide flexible funding to support these important activities.

The Taskforce recognizes that CCS units are successfully pursuing grants, but our review indicates that a more systemic approach and support may increase grant activity and improve our success. Among the issues that need to be addressed:

- Sustainability
- Data needs and other technical support (statistical software, budget development, etc.)
- Promoting and rewarding faculty involvement.
- Short timelines and lack of capacity for quick responses.
- Need for student services personnel to be involved in the planning phase.

Of significant concern to the taskforce is how we can overcome these issues without creating a “grants office bureaucracy?”

Recommendations: The Taskforce recommends that in lieu of a large central grants office CCS create a rapid response team for grant opportunities. The team would be cross district and interdisciplinary, including representatives from all three units, subject matter experts, and also experienced grant writers. Interested members apply to be in a grant training cohort. The team would serve as a grant writing support and review team for pre-award, award, and post-award. One of its first tasks should be to complete a gap analysis of what we have now and what we need for grant resources. The administrative support to the team would be provided initially by the CCS Chief Academic Officer’s Office. Workshops for potential grant writers would help build capacity throughout CCS. Consideration should be given to hiring external grant writers on a short-term basis as needed for major projects. CCS needs to build capacity in CCS for grant evaluation (and hire external evaluators as needed).

Among the issues that need to be addressed:

- Alignment of Funding Targets with Strategic Plans
- Pre-award Search Assistance such as
 - Faculty and staff training
 - Inventory of best practices list and old grants
 - Evaluators (outside contract and build college capacity)
 - Sustainability: What activities will the grant activities eventually replace **or** reduce **or** what revenue will be generated over time?
 - Forms management
 - District wide sharing - grant discovery and information tools
- Data and Information Support
 - Inventory of resources (software, licenses, etc.)
 - Commonality among data requests
 - Formalize process/template for requesting data in support of grant

- Budget Support
 - Template to include prompt for narrative to explain budget rationale and costs
 - Explore standard formula to determine faculty stipend
 - Indirect cost calculations
 - Integrate operating budget and grants and contract budget
- Communication and Leverage
 - Create a Grants/Contracts Website
 - Request for proposals electronic district-wide communications
 - List Grants *On the Inside*
 - Share and implement best practices across the district
- Establish a process for determining lead college in competitive process
- Consideration of indirect cost recovery rates and distribution to units
- Focus on WHAT IS IN THE BEST INTEREST OF STUDENTS?
- Inventory and strengthen partnerships
- Collect and review unfunded grants for revival