MARCH 2024

FINANCIAL RESOURCES REVIEW

Submitted to the Northwest Commission on Colleges and Universities by:

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GRAYS HARBOR COLLEGE

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Grays Harbor College Financial Resource Review: March 2024

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Section 1: Introduction and Overview

Introduction

This report addresses a follow-up requirement from the 2022 Financial Resource Review (FRR) report. That report was submitted to the Commission in September 2022, and accepted by the commission in a letter dated February 27, 2023. That letter requested an additional FRR report, due in spring 2024 to coincide with the Ad-Hoc Report with visit in the same term, a follow-up from the remote mid-cycle visit in 2022. This report is intended to fill that request.

Overview

Since the last FRR report in 2022, Grays Harbor College (GHC) has continued to budget appropriately, attempted to diversify revenue streams, and put resources into recruitment and retention to grow enrollment back to pre-pandemic levels. The prioritization of these efforts has resulted in the hiring of a one-year temporary Executive Director of Project Management and Strategic Initiatives to oversee implementation the College's strategic enrollment action plan. Funding for this position was provided by a generous appropriation from the Grays Harbor College Foundation.

Recruitment efforts are working, with increases in the number of applications received and the number of students new to the College starting in fall 2023. However, despite enrollment gains and encouraging trends, there are still challenges ahead. Enrollment is not yet back to pre-pandemic levels, and the College, especially Student Services which houses recruitment and retention efforts, are dealing with staff turnover in key positions and the continued adjusting of processes to the new student management system.

Board of Trustees Engagement in Enrollment and Financial Planning

GHC's Board of Trustees is updated monthly on the College's enrollment situation and enrollment management strategies. At each board meeting the Vice President for Student Services or designee provides an update on enrollment that includes current enrollment status and trends as well as information on efforts using marketing, outreach, and recruiting to bring in new students. At the September 2023 Board Meeting, the Board of Trustees featured Enrollment Management as their pre-meeting study session, through the lens of College Priority #5: Strengthen enrollment, partnerships, and pathways to student achievement. At the September 2023 board meeting, the Vice President for Administrative Services also presented the audited financial statements for Fiscal Year 2022. [Appendix 1: September 2023 Board Meeting Agenda and Info Packet; Appendix 2: Slides from Sept. 2023 Priority #5 Board Study Session Presentation]

At the December 19, 2023 board meeting, the comprehensive Strategic Enrollment Action Plan (SEAP) was presented to the board for discussion by President Schiffner. [Appendix 3: December 2023 Board Meeting Agenda and Info Packet; Appendix 4: Strategic Enrollment Action Plan]

Additionally, when enrollment projections are updated, those projections are shared with the Board, often in conjunction with financial updates. [Appendix 5: May 2023 Board Meeting Agenda & Info Packet;

Appendix 6: June 2023 Board Meeting Agenda & Info Packet] The financial status of the College is shared quarterly by the Vice President of Administrative Services who provides this information to the Board before addressing the college community in quarterly meetings. [Appendix 7: October 2023 Board Agenda; Appendix 8: October 2023 Board Minutes; Appendix 9: First Quarter Budget Update Slides presented to Board at Oct 2023 meeting; Appendix 10: February 2024 Board Packet containing second quarter budget update slides] Additional information was presented in the October 2023 board study session which focused on College Priority #4: Ensure effective, efficient, and sustainable use of College resources. [Appendix 11: College Priority #4 Study Session Slides from Oct 2023 board meeting]

Trustees engage in dialog with the leadership team at these meetings, often asking questions and sharing insights related to both enrollment management and fiscal sustainability.

Section 2: Enrollment Management

Current Enrollment Status

GHC Enrollment Terminology

A term used throughout this report is *state-funded enrollments*. This term is important to how GHC is funded.

GHC is part of a state system of community and technical colleges, overseen by the Washington State Board for Community and Technical colleges, or SBCTC. The College is funded by state mandate, and each year, a significant portion of GHC's funding comes from an allocation authorized by the legislature and disbursed by the State Board.

There are 34 individual colleges who each receive their chunk of that allocation, and there is only so much money to go around. One of the factors that goes into determining how much of that pool of money each college gets is the individual college's *state-funded enrollments*.

Dual enrollment programs like Running Start (which is doing really well for GHC, see section below) do not count as state-funded because they are paid for by a contract with the school districts. Similarly, education provided to inmates at Stafford Creek Corrections Center is paid for through a contract with the Department of Corrections, and those enrollments also do not count as state-funded.

Most of GHC's other classes do count as state-funded. One way to think of it is that while tuition is helping pay the costs, the course is initially subsidized by money from this state allocation.

Keeping state-funded enrollment high is important, because if that figure drops for GHC while other colleges are experiencing growth, the money being allocated to each college will shift, with GHC receiving less (less enrollments to support) and other colleges receiving more.

At present, the allocation model is frozen due to the pandemic, so current FTE is not being considered when allocating funding, but the model is being reviewed with the expectation it will be revised and unfrozen in the next few years. If GHC's state-funded enrollments have not recovered by then, there could potentially be a significant loss of income for the College.

This means that while it is great GHC's Running Start program is doing well, it is a double-edged sword for the College because if GHC is capturing those students as Running Start, and they graduate as Running

Start students, it is likely they will not enroll post-high school as state-funded students. If the College is not able to back-fill that state-funded enrollment, GHC will eventually see a decrease in the allocation the college receives from the state.

Many of the graphs on the following page will focus on these state-funded enrollments, since they play such a major role in GHC's operational funds. Running Start enrollments may or may not be included as appropriate. Stafford Creek enrollments are generally not discussed in this report. While we are proud to serve our incarcerated population, the funding model for that is separate from our other student populations, recruitment efforts do not apply, and retention efforts are very different for that population.

Figure 1 - Gap Between State-Funded Allocation and Actual FTE (2023-24 as of 2/20/2024)

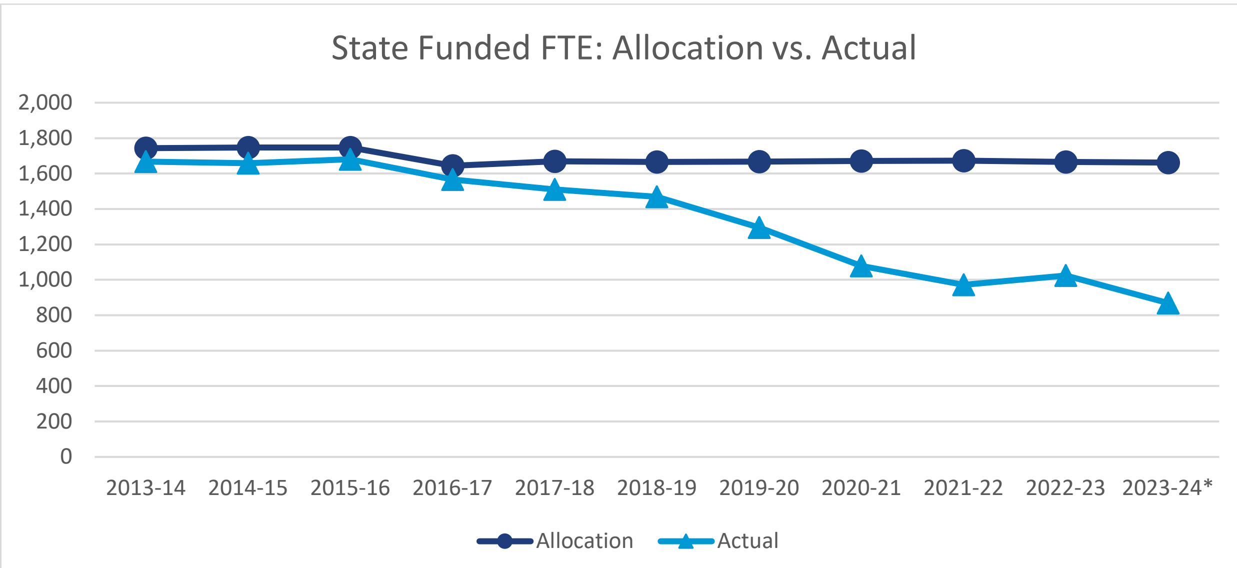


Figure 1 shows the disparity between GHC's actual enrollment and the state allocation which was brought on by the pandemic. Currently, none of Washington's 34 community and technical colleges are meeting their allocation, and the allocation model is slated for review. The College is monitoring the situation, and this is one of the primary reasons for implementation of the new Strategic Enrollment Action Plan, discussed below.

President Carli Schiffner discussed the issue with the College at an all-staff meeting held on February 2, 2024. Additional information was provided to the campus at a Town Hall meeting on February 27, 2024.

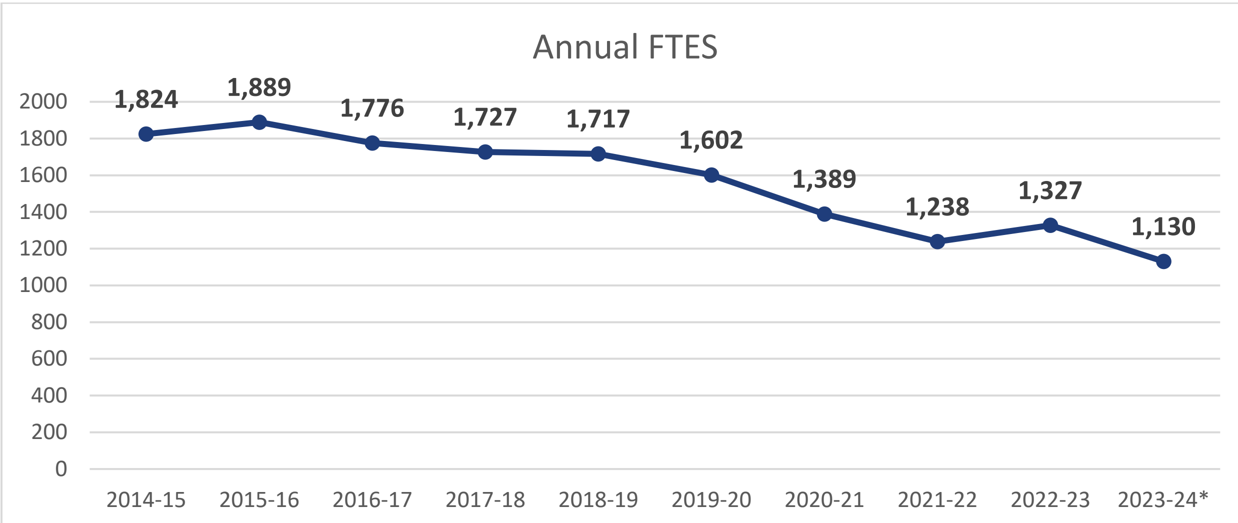
Annual Enrollment

Figure 2 shows 9 years of historical enrollment data, and the current enrollment for 2023-24. Please note that Figure 2 excludes enrollments from Stafford Creek Correctional Center. Running Start enrollments are included because Running Start students will be on campus in what is considered a state-funded class. (The enrollment is contract funded, but the class is state-funded.)

As of January 29, 2024, enrollment estimates have GHC ending the year with approximately 1,377 annual FTE for 2023-24 (state-funded and Running Start), an increase of +50 annual FTE over 2022–23. Table 1 has more information on enrollment estimates.

Data for this report was finalized on 2/20/2024. At that time enrollment for spring 2024 had only been open a little over a week and was slightly lower than the same-day enrollment for spring 2023. Figure 2 includes all enrollment to-date as of 2/20/2024.

Figure 2 - Annual FTES in State-Funded Classes (Includes Running Start, Excludes Stafford Creek). 2023–24 as of 2/20/2024



Enrollment in Figure 2 includes state-funded enrollments from: English Language Acquisition (ELA) courses, high school equivalency (HSE) and GED courses, all college-level courses including GHC's bachelor of applied sciences (BAS) courses, and GHC's dual enrollment Running Start population.

Figure 3 - FTE from Stafford Creek Corrections Center (as of 2/20/2024)

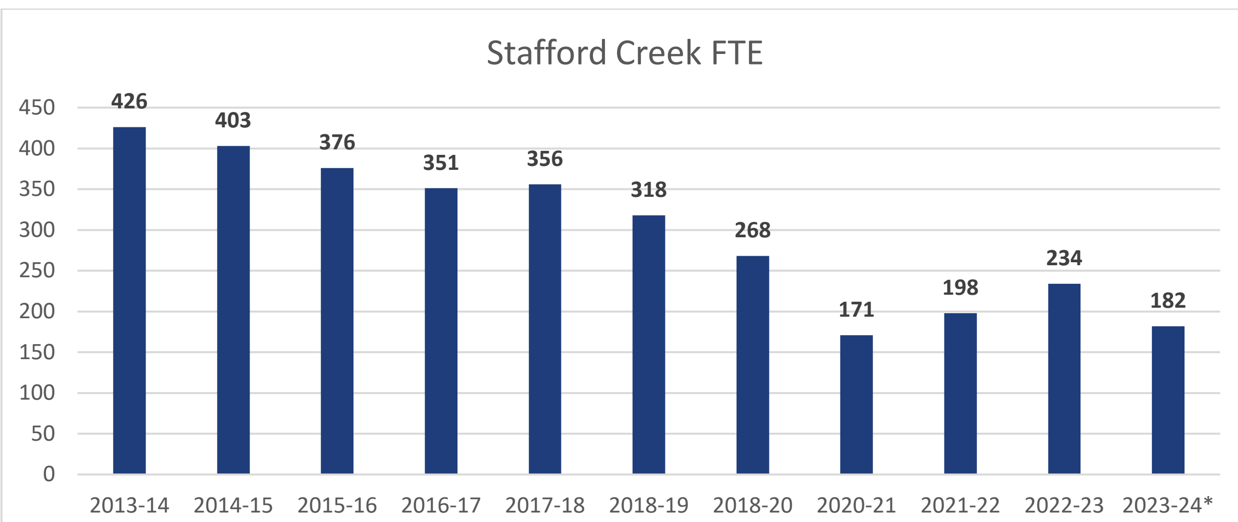
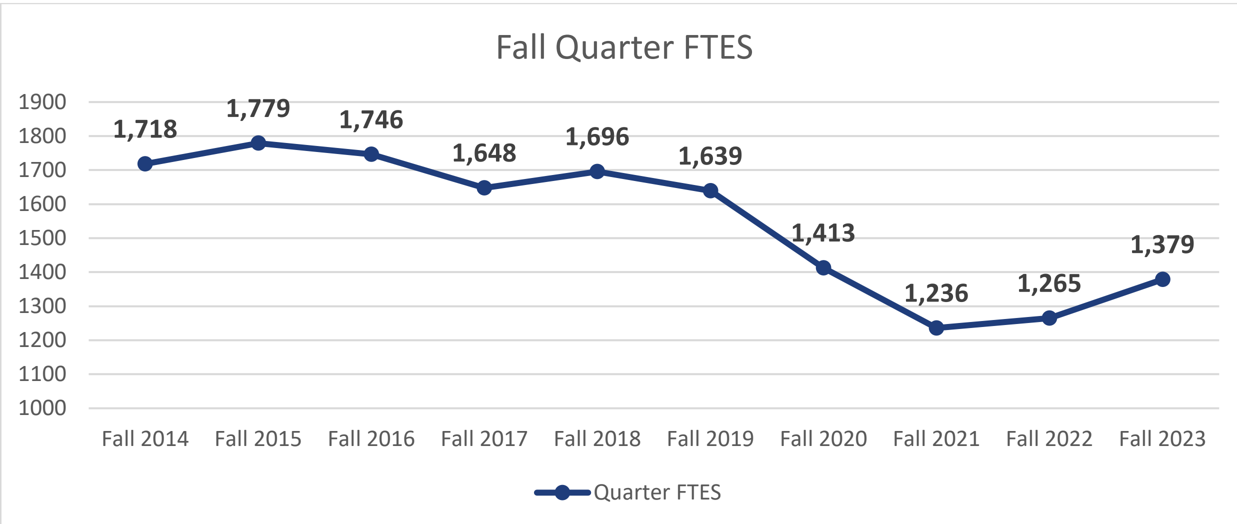


Figure 3 shows the annual FTE from students served through Stafford Creek Corrections Center (SCCC). Enrollment at Stafford Creek was heavily impacted by the pandemic, and faculty and staff at SCCC must be commended for their efforts to keep instruction going for their students during that difficult time. Enrollment in Figure 3 is current as of 2/20/2024, and does not include any enrollment from spring 2024.

If spring comes in similarly to spring 2023, final SCCC enrollment for 2023-24 is expected to meet or exceed 2022-23.

Fall Quarter FTES

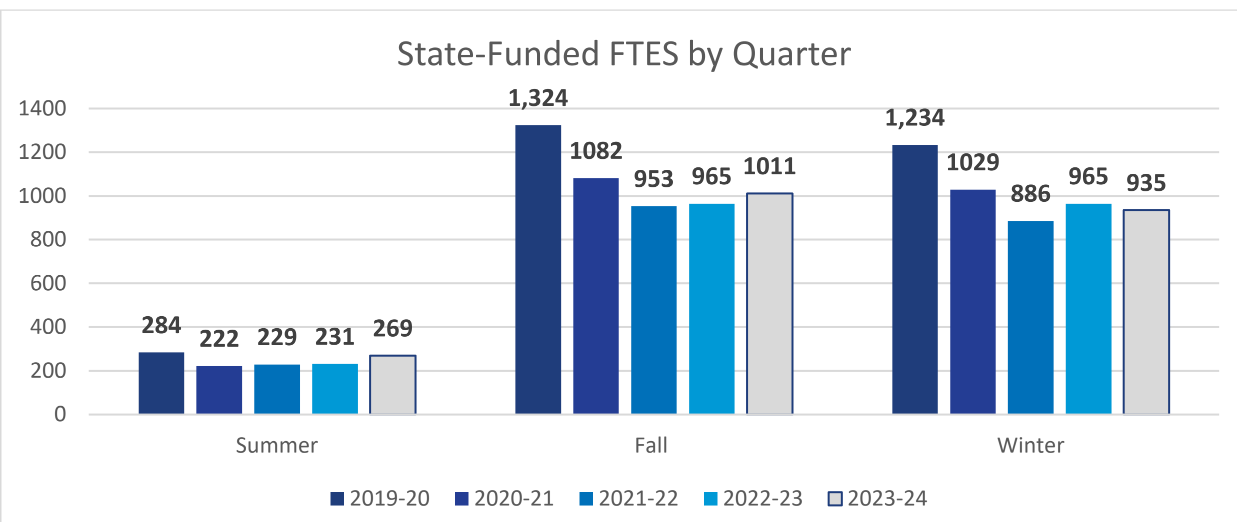
Figure 4 - Fall Quarter FTES in State-Funded Classes (Includes Running Start, excludes Stafford Creek)



Fall quarter FTE often predicts how the rest of the year will look. Fall FTE has been trending upward since fall 2021. Fall 2022 and fall 2023 were bolstered by the Take a Class on Us program (discussed in more detail below). GHC is implementing several recruitment and retention efforts to try and continue enrollment growth for fall 2024. See the Enrollment Strategies section below.

FTES by Quarter

Figure 5 - GHC State-Funded FTE by Quarter (winter 2024 as of 2/20/2024, excludes Running Start)



Though slow, the College is starting to see recovery in enrollments, with upward swings in summer and fall 2023, as shown in Figure 5. Winter 2024 is down over the prior year, but still up from winter 2022, the low point of enrollment. Winter 2023 was bolstered by the Take a Class on Us program, which ended in fall 2023 and was not available for winter 2024, resulting in some of the loss. See the Take a Class on Us section below.

Enrollment Estimates

Estimates in Table 1 were produced on January 22, 2024, after the 10th day of winter 2024, and based on enrollment to-date. Spring enrollment opened for all students on February 15, 2024. At this time there is insufficient data on spring quarter enrollment to adjust the estimates.

Table 1 - FTE Estimates for Current and Next Two Years

Student Enrollment	Actual Current Year -3 (2019-20)	Actual Current Year -2 (2020-21)	Actual Current Year -1 (2021-22)	Actual Current Year (2022-23)	Projected Current Year +1 (2023-24)	Projected Current Year +2 (2024-25)
Basic Education for Adults (BEdA) and ELA	147	119	107	140	144	148
Associate: Transfer	681	553	501	504	499	511
Associate: Vocational	382	332	307	325	324	332
Bachelor of Applied Science	79	74	57	55	42	43
Other Grants & Contracts FTE	0	1	0	0	0	0
Stafford Creek Contract FTE	268	171	212	239	265	292
Running Start/ Dual Enrollment FTE	306	310	267	303	373	350
Community & Continuing Education	10	0	0	0	0	0
Sum Total FTES	**1,870**	**1,561**	**1,450**	**1,566**	**1,647**	**1,676**

Notes on Enrollment Categories:

Table 1 breaks out FTE into the high-level categories that GHC uses to think about enrollment trends. From the bottom:

- **Running Start** is GHC's dual-enrollment program for high school juniors and seniors. This is paid for by a contract with an external entity, and GHC refers to this as contract FTE.
- **Stafford Creek FTE** is from the education program GHC provides at the Stafford Creek Corrections center. This is also considered contract FTE.
- **State Funded FTE** are on-campus courses, primarily funded by the annual allocation GHC receives from the Washington State Board for Community and Technical Colleges (WA SBCTC). This FTE is further broken down by the intent of the course: Transitions (Basic Education for Adults and ELA courses), Transfer, Workforce, and Bachelor of Applied Science (BAS) enrollments.

Production of Enrollment Estimates

Initial enrollment projections are produced by the Assistant Dean of Institutional Planning, Research and Reporting. Current year projections are based on FTE realized to date which is adjusted using data from prior years on how enrollment changes between the current date and the end of the quarter. Data provided by the Washington State Board for Community and Technical colleges on state-wide trends in community and technical college enrollment is used to inform the estimates.

Initial estimates were reviewed by the Interim Director of Enrollment Services and the Dean of Student Access and Success to provide additional insights to inform the final estimates. These individuals provide additional context such as tuition rates, application counts and pending enrollments, and anecdotal feedback their staff has received from potential students about enrollment for current and upcoming quarters.

When looking ahead to future years, county-level population estimates by age from the Washington State Office of Financial Management and county-level enrollment-by-grade from the Washington Office of Superintendent of Public Instruction are used to understand potential changes in populations that may affect enrollment.

Additionally, data from both the national Bureau of Labor Statistics and the Washington Employment Securities Department is utilized to understand how employment rates and job openings may also impact enrollment.

Draft estimates were reviewed by President's Cabinet at their meeting on January 16, 2024. At that time the estimates for 2023-24 and the next two academic years were approved, pending all census date adjustments. The estimates were finalized on January 22, 2024 using the final post-census enrollment.

Enrollment estimates are regularly revisited and updated throughout the year as enrollment comes in. If unexpected shifts in the estimates occur, revised estimates are shared President's Cabinet and Board of Trustees, as necessary.

Enrollment Challenges

Higher education, both in Washington state and across the country, is seeing record-low enrollments. Additionally, GHC has lost some momentum as a college because of COVID-19 challenges, employee turnover, challenges with capacity, and conversion to ctcLink, the College's new student management system (based on PeopleSoft).

GHC's small size and rural location heightens the impact and urgency of this issue.

Fraudulent Enrollments

Over the past two years, GHC has seen an increase in fraudulent enrollments. Bad actors are taking advantage of GHC's open enrollment to apply, enroll in low-level courses that do not have pre-requisites, and apply for financial aid. This issue is not unique to GHC and is affecting colleges throughout the Washington community and technical college system.

If not discovered soon enough, these fraudulent enrollments can take class spots away from actual students, cost the College in terms of financial aid, and take staff time away from serving actual students to search for and deal with the fraudulent enrollments.

The College is working with the state system on ways to prevent and/or identify these enrollments. In fall quarter 2023, GHC implemented a student advising hold which will apply beginning with winter 2024 registration. All students who apply to the College as new or returning students will have a service indicator or "hold" on their accounts that prevents them from registering for classes until they speak with an advisor. All enrollment and advising staff can release the hold, once they have met with the student (in person or virtually) and confirmed identity by viewing an ID. The hope is that this will prevent fraudulent enrollments from getting to the point where they are actual enrollments, as well as give incoming students a point of contact and someone to help get them off to a good start at GHC.

However, the College is aware that whatever methods are put in place should not cause barriers that prevent actual students from enrolling. For example, one concern is that an ID requirement may discourage undocumented students from enrolling. The process does not require a government issued ID, other IDs or methods of verifying identity can be used.

This is still a work in progress, both locally and at the state level. [Appendix 12: Mitigating Enrollment Fraud guidance from WA SBCTC]

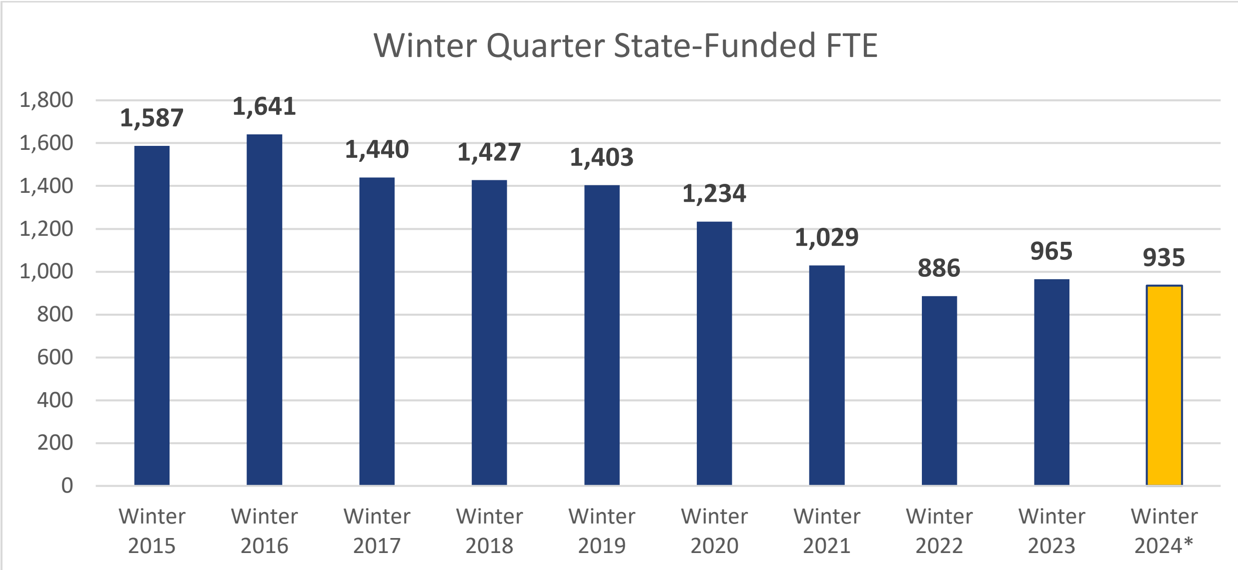
Currently, the fraud prevention measures implemented are showing results. In summer 2023, GHC identified 79 enrollments from 29 unique students as fraudulent as part of the no-show drops for the quarter. In fall 2023, there were 24 enrollments from 10 unique students that were suspected fraud as part of the no-show drops, and for winter 2024 it is only 5 enrollments from 3 unique students that were suspected as fraud at the time no-show drops were processed.

Low Winter 2024 Enrollment

After a strong start with fall 2023 (Figure 4, Figure 5), it was hoped that enrollment for winter 2024 would follow suit, being up over winter 2023. Unfortunately, that has not been the case. As shown in Figure 6, state-funded FTE for winter 2024 is down from winter 2023, but is up +49 FTE over winter 2022.

Winter 2023 is so high because of the Take a Class on Us campaign, which ran out of funding at the end of fall 2023.

Figure 6 - Winter Quarter State-Funded FTE



Loss of Take a Class on Us

From fall 2022 through fall 2023, GHC was able to run a Take a Class on Us (TACOUS) campaign. This campaign leveraged HEERF/CARES funds to pay for one course of up to 5 credits each quarter for any eligible students. Students could reapply every quarter.

This saw existing students taking more credits, and saw some students come in to take 1 or 2 courses. This directly resulted in increased enrollment, as shown in Figure 4, Figure 5, and Figure 6.

Unfortunately, with the HEERF/CARES funds expiring, GHC was unable to continue the TACOUS program into winter 2024. Fall-to-winter retention efforts did not offset the loss of TACOUS, and winter 2024 FTE dropped below the level seen in winter 2023 (Figure 6).

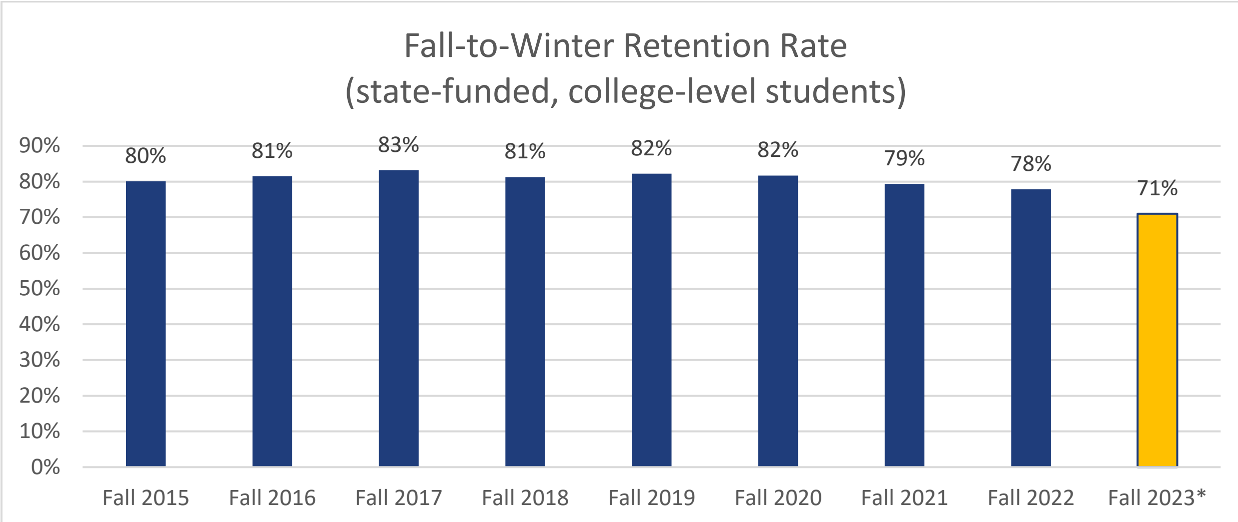
Low Retention

Some employee turnover in Enrollment Services meant that retention efforts for fall quarter got started very late in the quarter compared to prior years. Once the call campaign got going, the College did see results and an increase in retention, but due to the late start on those efforts, it did not completely mitigate the loss of enrollment from the end of the TACOUS program.

The final fall 2023 to winter 2024 retention rate of 71% from (Figure 7) is lower than prior quarters, where the fall-to-winter retention rate averaged around 80%.

The response to the TACOUS program, and loss of enrollment once that program ended, reinforced the need in GHC's service area for financial assistance for higher education. With general inflation, the cost of higher education remains out of reach for many.

Figure 7 - Fall-to-Winter Retention for College-Level, State-Funded Students



When broken out by TACOUS status (Table 2), the fall-to-winter retention rate for fall 2022 TACOUS students was equivalent to prior quarters at 80%, but the non-TACOUS rate was lower at 75%. However, for fall 2023, the fall-to-winter retention rate for TACOUS students was only 73%, and the rate for non-TACOUS students was 65%. This indicates that the TACOUS program had a positive impact on student retaining from fall 2022 to winter 2023 that was lacking in the fall 2023 to winter 2023 shift.

Table 2 - Retention Rate by TACOUS Status

Retention Period	TACOUS	Non-TACOUS
Fall 2022 to Winter 2023	80% (592 students)	75% (382 students)
Fall 2023 to Winter 2024	73% (811 students)	65% (254 students)

Drop in Number of Full-Time Students

Part of the drop in FTE has been that much of the loss in headcount due to the pandemic occurred in GHC's population of full-time students. As Figure 8 shows, even prior to the pandemic, the number of full-time students (those taking 12 or more credits) had begun dropping, while the number of part-time students stayed fairly steady, even into the pandemic. (Figure 8 includes students in state-funded 100- and 200-level courses, who are not dual enrollment students.)

Enrollment in fall 2023 has started to see some growth in the population of full-time students, but there was more growth in the population of part-time students. This is partially due to the Take a Class on Us campaign discussed above.

Figure 9 below shows the average FTEs taken by students based on full/part-time status. (Note that 1 FTE = 15 credits, while full-time status is based on the student taking 12 or more credits. 1 credit ≈ 0.07 FTE.) While the headcount of full-time students swung dramatically (Figure 8), the average FTEs each student took did not change very much for either full- or part-time students. Full-time students were taking around the same number of credits as they had before, there were just not as many full-time students as there had been previously.

Prior to the pandemic around 75% of GHC's associate-seeking student body was full-time. That loss of full-time students while the number of part-time students stayed the same (Figure 8) dragged down the overall FTE more than if the headcount loss had been split more evenly between full and part-time students.

Figure 8 - Headcount by Full/Part-Time Status (State-Funded Students in 100 & 200-level Courses, Excludes Running Start)

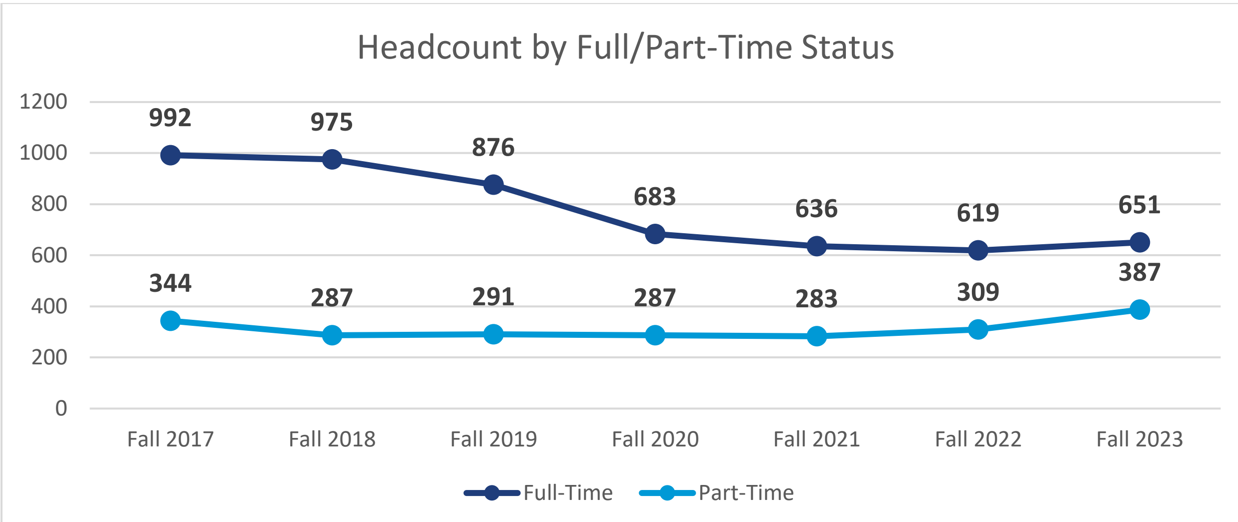
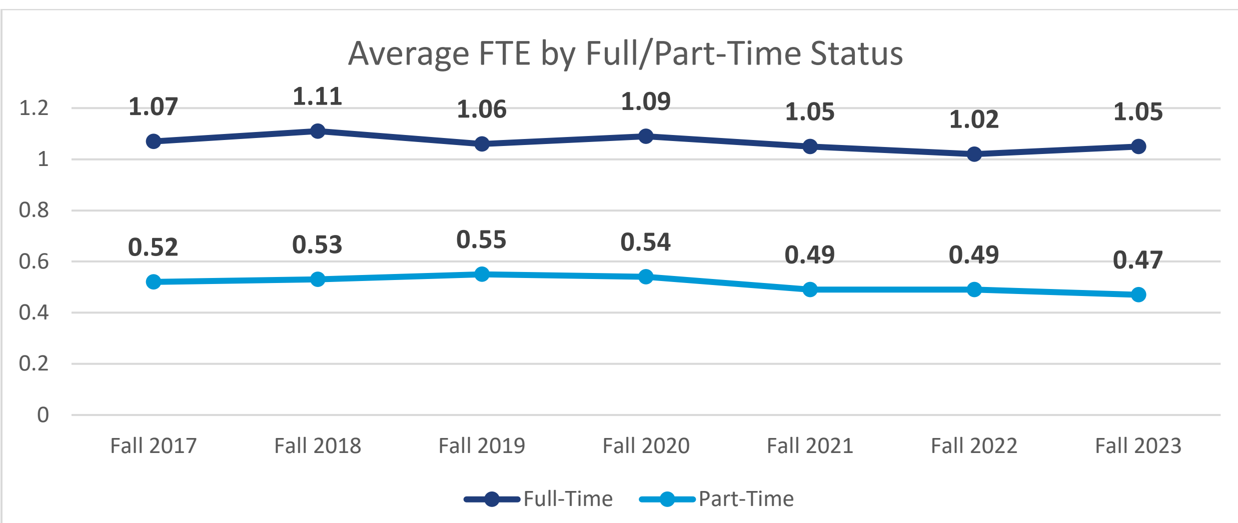


Figure 9 - Average FTE by Full/Part-Time Status (1.0 FTE = 15 Credits)



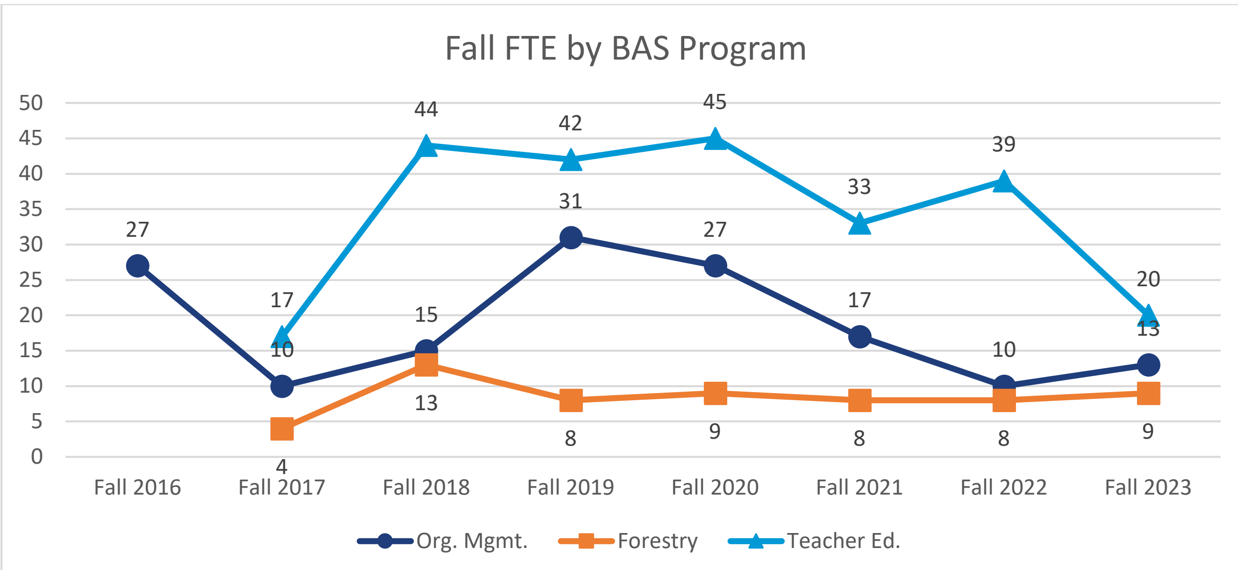
BAS Enrollments

GHC began offering a two-year bachelor of applied science (BAS) degree in 2016-17. BAS degrees require an associate-level degree before entering, and serve as the last two years of a bachelor-level degree. The first degree offered was the BAS in Organizational Management in 2016-17, followed in 2017-18 by two degrees: the BAS in Forest Resource Management and the BAS in Teacher Education. The Forestry and Teacher Education programs were initially offered jointly with other Washington CTCs (Green River

College and Centralia College, respectively) but the programs are now fully separated and operate completely independently.

Enrollment in the Forestry BAS has been fairly steady (Figure 10), but enrollment in the Organizational Management and Teacher Education program has fluctuated over time. The pandemic affected BAS enrollment, as it did all of GHC's programs, but other challenges are present such as availability of childcare, and specifically for student teachers, the inability to work during student teaching (for which they are not paid).

Figure 10 - Fall Quarter FTE by BAS Program (only includes enrollments in 300 & 400-level classes)



Representatives from the three BAS programs presented to GHC's board of Trustees in February 2024 to discuss enrollment challenges and opportunities. All three programs are looking at recruitment opportunities to get new students into the programs. These include events with local high schools to raise awareness of the degrees, advertising to GHC students in appropriate feeder programs, more deliberate information around the 2+2 format of these degrees, outreach to teachers on limited certificates (10.2% of working teachers in a local school district), and more. As an example of outreach, there are three upcoming "GHC on the Road" events, where information about GHC's three BAS programs is presented at local libraries in Amanda Park, Hoquiam, and Raymond. [Appendix 13: BAS slides presented at Feb. 2024 Board meeting.]

Additionally, GHC is working on approval for new certificates and degrees in computer science that would provide a bachelor-level degree option. While these degrees are still being developed and are not final or approved by either WA SBCTC or NWCCU, it is hoped that when they are implemented they will benefit both our service area with trained workers, as well as boosting enrollment for the College.

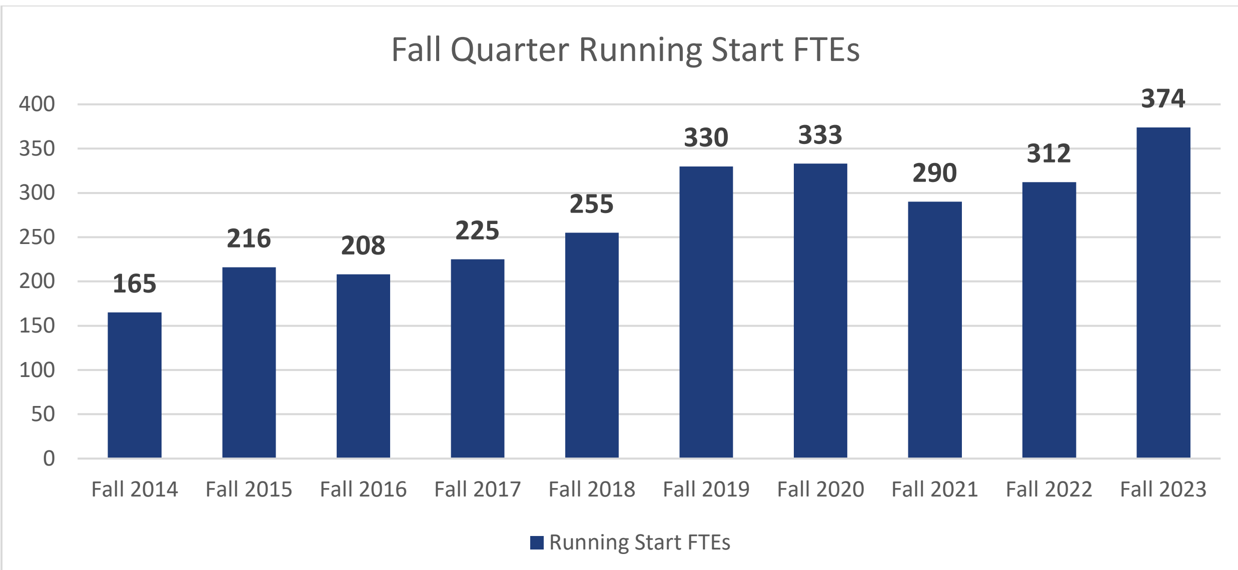
Enrollment Strengths

Running Start

One of the consistent enrollment strengths for GHC has been the Running Start program. This is a dual enrollment program which allows local 11th and 12th grade students to enroll in college and earn both college and high school credit. The program allows many Running Start students to graduate high school with an associate degree.

Running Start enrollment had been growing pre-pandemic, and stayed strong through the pandemic. Fall 2023 has seen the largest population of Running Start students in the College's history, with 423 unique students generating 374 total quarter FTE (Figure 11). For winter 2023, there are 422 unique Running Start students generating 382 total quarter FTE.

Figure 11 - Fall Quarter FTEs from Running Start Students



However, this dramatic increase in Running Start enrollment does affect enrollment elsewhere. GHC serves Grays Harbor and Pacific Counties, which combined have around 1,000 11th grade students and 1,000 12th grade students each year. With the increase in Running Start enrollments, GHC is now serving over 20% of this population annually. This increase in dual enrollments is at least partially responsible for a decline the College is observing in non-dual enrollment students aged *19 and under* (Figure 13).

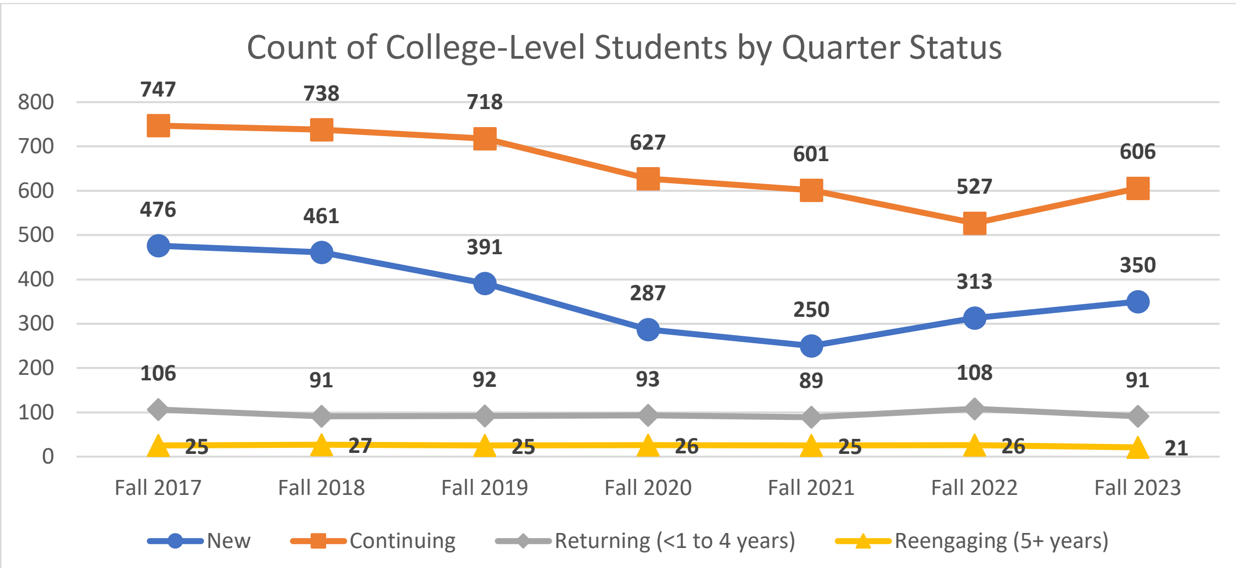
As discussed above, part of GHC's funding from the WA State Board is based on enrollments in prior years, and Running Start enrollments are not used for this calculation. If the shift to Running Start enrollments continues and continues to impact the number of students enrolling at GHC after graduating high school, GHC will eventually receive less funding from the state. This is one of the reasons the College is looking at growing enrollment in other areas, and looking for opportunities to diversify revenue streams.

New and Continuing Students

In GHC's last FRR report, one area of concern was a decline in the number of *new* students (students enrolling in pre-college or college-level coursework for the first time at GHC) and the decline in *continuing* students (students enrolled in the preceding quarter, both summer and spring count for fall) that followed the drop in incoming students.

While the number of students who were *returning* (gone for between 1 quarter and 4 years) and *reengaging* (gone for more than 5 years) stayed fairly stable through the pandemic, the number of students who were *new* or *continuing* fell off sharply with the start of the pandemic in 2020 (Figure 12). However, the pandemic was not the only issue as the number of new students was decreasing even in fall 2019.

Figure 12 - Fall Quarter Students by Quarter Status (Running Start Excluded)



As the graph above shows, recruitment and retention efforts over the past two years have been effective, and GHC is seeing an increase in both *new* and *continuing* students. New student numbers are not quite back to fall 2019 levels, but are heading in that direction.

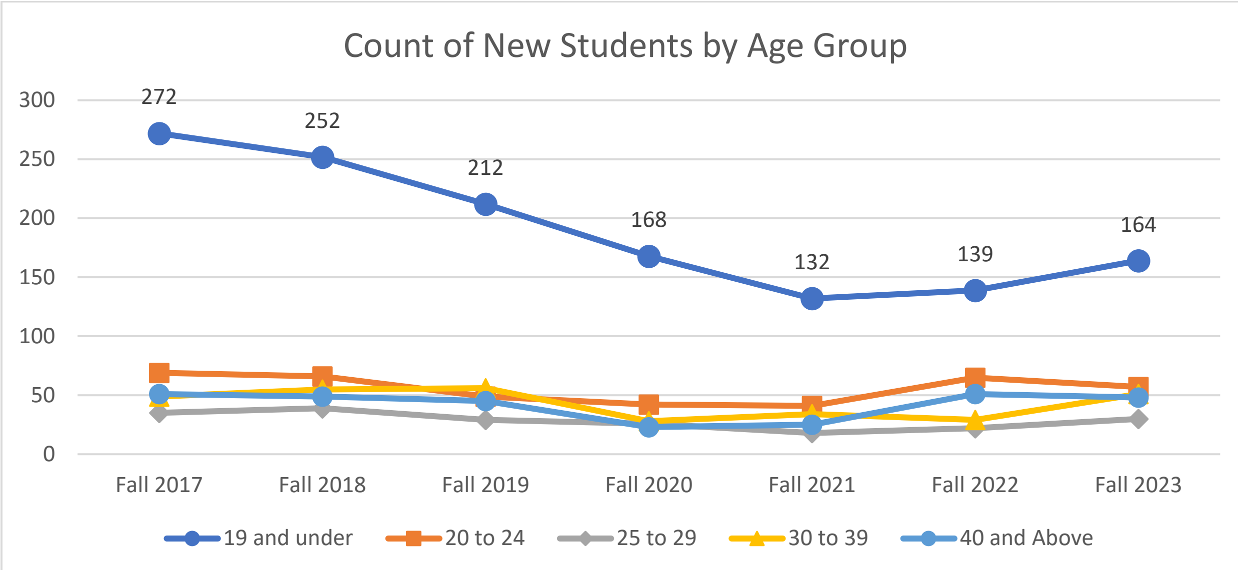
New Students by Age Group

Figure 13 shows that the largest decline in GHC's new student numbers was in students age *19 and under*, the traditional college age students. (This graph does not include dual-enrollment high school students.) While there was loss in other age groups, the biggest percentage loss over time was in the *19 and under* group. For fall 2023, the College is observing growth in new students aged *19 and under*, to the point the number of new students *19 and under* is at the same level as fall 2020.

However, the prior section mentioned the strength of GHC's Running Start enrollments. The double-edged sword of getting so many Running Start enrollments is the tradeoff of potentially not getting those students as state-funded students once they complete high school, if they transfer with their degree or completed credits. The increase in student's taking advantage of Running Start directly impacts the number of new students *19 and under* that enroll at GHC.

It is encouraging that, despite the high numbers of Running Start students in prior years, GHC is seeing growth in new students aged *19 and under*. The Direct Admissions Initiative, discussed in the next section, is one way GHC is working to continue this trend.

Figure 13 - New Students by Age Group (fall quarter, excludes dual enrollment)



Enrollment Strategies

In the past two years, GHC has implemented several strategies to strengthen enrollment, including:

- Increase the ways GHC forges connections with prospective students and families
- Increase strategic outreach to grow targeted populations, including underserved
- Strengthen K-12 partnerships
- Make GHC welcoming to Spanish-speaking students and families
- Increase efficiency and communication in processing college/program and financial aid applications

In pursuing increased outreach and recruitment, GHC staff participated in over 75 community events, increased the amount of outreach to GHC's rural communities, and refreshed materials and equipment, including producing print materials in both English and Spanish.

In 2022-23, outreach and marketing efforts included two digital media campaigns, social media adds in both English and Spanish, and eight direct mail campaigns to targeted demographics in the service district. According to the American Community Survey, 6% of households in GHC's service district (Grays Harbor and Pacific Counties) primarily speak Spanish at home. Additionally, individuals who identify as *Hispanic or Latino (of any race)* make up about 10% of the combined population of Grays Harbor and Pacific Counties. When the population is broken out by race and ethnicity, *Hispanic or Latino (of any race)* represents the second largest racial or ethnic group in GHC's service area.

To enhance GHC's K-12 partnerships, the College has established a dual credit office and is exploring additional dual credit options besides the current Running Start program including College in the High School. Additionally, GHC has had an all-year presence in local school districts, and was the recipient of two TRIO Upward Bound grants. While TRIO Upward Bound prepares high school students to attend any college and does not specifically target GHC as their destination, the local program is associated with GHC which helps build a relationship with GHC for the students. This also applies to the TRIO Educational

Opportunity Center (EOC) grant GHC received. The EOC grant is targeted at both adults and traditional college-aged students, preparing them for enrollment at any college, but many come to GHC as a by-product of that work.

While GHC continues to work on the entry process and advising to identify pain points and barriers to access, some of the accomplishments in the past two years include advisor training and increased communication, work on establishing multiple communication channels for students, and continuing work on bringing Guided Pathways into the entry process and advising.

GHC also recognizes the need to support students once they are enrolled. Some of the strategies implemented around student achievement include:

- Build support for students' out of classroom needs
- Address equity gaps in gatekeeper courses
- Better supports to retain struggling students
- Targeted follow up for students who stopped out and are close to graduation.

To help support students with their out-of-classroom needs, GHC has remodeled the food pantry as well as working to keep the food pantry functional during the pandemic and beyond. Additionally, GHC received a Mental Health pilot grant and leveraged the grant funding to provide Tele-health and wellbeing services to all students at no cost. Additional grants include funding for a pilot program to serve students experiencing homelessness, and a low/no cost lunch program grant.

GHC continues its Guided Pathways work by mapping student pathways with a Math and English-first approach, and working on structured exploratory experiences to get students experiential learning early in their degree pathways.

To better provide open communication and easy access to assistance for students, GHC has implemented the Ocelot Chatbot to provide general information on the website. The chatbot went live in December 2023 and can respond to user questions in English, Spanish, Chinese (simplified), and Vietnamese. The College is also implementing EAB's Navigate and Customer Relationship Management systems. The expectation is that the CRM will allow the College to log and automate communication with students, as well as streamline the communication process. Having a dedicated CRM like this would allow the College to mitigate issues like the late retention campaign from fall 2023 by providing more intrusive and proactive communication to students.

Executive Director of Project Management and Strategic Initiatives

To provide additional bandwidth for the work surrounding the Strategic Enrollment Action Plan, GHC has hired an Executive Director of Project Management and Strategic Initiatives to oversee the work of the Strategic Enrollment Action Plan. This position is currently a one-year position, funded by a generous appropriation from the Grays Harbor College Foundation. Julie Randall started as the Executive Director of Project Management and Strategic Initiatives on January 2, 2024, bringing experience as the Director of Title III Programs and Guided Pathways from Seattle Central College in Washington state.

Strategic Enrollment Action Plan

To help address declining enrollments, GHC has created a Strategic Enrollment Action Plan (SEAP) to support and supplement existing work, as well as creating new avenues of inquiry. The plan has six areas of focus: K-12 Partnerships (including dual enrollment opportunities), adult reengagement, advising and Guided Pathways work, community and continuing education, transfer agreements, and curriculum expansion.

Each of the focus areas has multiple strategies underneath it. The following sections give examples from each focus area. The full Strategic Enrollment Action Plan can be found in Appendix 4.

K-12 Partnerships

Direct Admissions Initiative (DAI) – The Washington State Board of Community and Technical Colleges (WA SBCTC) laid groundwork with the Office of the Superintendent of Public Instruction (OSPI) to allow data sharing between community and technical colleges and their local high schools. When completed, this will mean GHC has contact information for graduating high school seniors that can be used for targeting marketing and workshops to those students.

In advance of the state-wide agreement, GHC has begun working directly with local high schools to implement the Direct Admissions Initiative early. Currently, 6 out of 15 high schools in GHC's service district have expressed interest in the program. An action plan for the DAI has been developed, with tactics identified from a toolkit created by WA SBCTC. Some of the specific items currently completed or underway include:

- A data sharing agreement has been created.
- Request to superintendents across Grays Harbor and Pacific Counties have been sent requesting student data sharing on seniors be sent to Grays Harbor College for a letter campaign to all graduating seniors. To date, six high schools have agreed to data share with GHC. A packet is being assembled to be mailed to all seniors containing a "Welcome to Grays Harbor College" letter, next steps, a map of the college and a Charlie Choker sticker. The documents have been translated into Spanish.
- Information sessions are being finalized and locations secured, and some are already scheduled. These sessions help prospective students and their families learn about the admission process, scholarships, financial aid and student life. The sessions are offered in both Spanish and English. [Appendix 14: alt Camino al Colegio financial aid presentation slides]
- A communication plan has been created and includes other mailers, call campaigns, ad runs, and press releases. [Appendix 15: DAI Communications Plan]

Middle School Outreach – As mentioned above, GHC has been fortunate enough to receive two TRIO Upward Bound grants, which puts GHC staff in local schools to support students. GHC has a good history with TRIO grants, and is looking to try to expand this program into other local area schools.

Social Media Influencer – in 2023-24, GHC has hired a part-time social media influencer, to create social media content and digital campaign efforts targeting students just out of high school or getting ready to graduate with the opportunity to attend college in their hometown. This position will also support the DAI efforts mentioned above.

Career and Technical Education (CTE) and K-12 Support Specialist – GHC has hired a full-time specialist who is responsible for recruiting and providing holistic and intrusive academic support for students through Grays County and Pacific County service area. This position supports CTE and CTE Dual Credit programs, GHC's World Class Scholars program, and other partnerships. World Class Scholars is a program funded by the Grays Harbor College Foundation that engages high school students with GHC, and provides funding for attending GHC if the student meets certain goals prior to graduating high school.

Adult Reengagement

Strategies in the adult reengagement focus area center around reducing barriers to adult learnings returning to college. Strategies include holding **financial aid workshops** to assist students with completing the FAFSA and/or WAFSA[1] financial aid applications (this is also a strategy in the Advising and Guided Pathways focus area). Johnny Alavéz, Recruitment and Admissions Manager, holds these workshops in both English and Spanish. [Appendix 14: alt Camino al Colegio slides]

Other strategies include **engaging with existing community partners** and forming new relationships with goals of both broadening positive awareness of the College and building a support network for students; **specific outreach to local Tribes and historically marginalized populations**; and **review of prior learning assessment** to allow transfer of credits and life experience for adult students.

Advising and Guided Pathways

There are many strategies in this section, but two of the top priorities are **streamlining the intake and advising process**. Under the leadership of the Executive Director of Project Management and Strategic Initiatives, GHC is be reviewing these processes. This will include partnering with other colleges in the system to learn from them and see how current processes and system settings can be adjusted to better serve students and support employees.

Community and Continuing Education

Pre-pandemic, GHC had a fairly robust program of community and continuing education, which included contract training with local businesses. The College is looking into how to reinstate this in ways that engage the community and increase awareness of the College, without overextending college resources on programs that traditionally do not bring in much revenue.

As part of this effort, the College has contracted with Dr. Jess Clark to consult and create a sustainable business plan for GHC around Continuing Education and Contract Training. The funding to hire Dr. Clark was provide by a generous appropriation from the Grays Harbor College Foundation. Dr. Clark has met with both specific individuals, and held an open forum for any interested employees to attend and share insights. This work is still ongoing. [Appendix 16: Continuing Education Meet to Learn Agenda]

Transfer Arrangements

GHC has several degree articulation agreements or Direct Transfer Agreements (DTAs) in place with Washington state 4-year colleges. To better serve students, the College is looking at expanding those partnerships and agreements with both the 2- and 4-year colleges in Washington state. This work includes expanding:

- Guaranteed admissions programs / additional DTAs where all credits from an associate degree earned from GHC transfers to the student's next institution,
- Specific 2+2 programs (associate at GHC and bachelor at transfer institution),

[1] Washington Application for State Financial Aid

- And articulation and curriculum sharing agreements with other 2-year colleges. The two currently in the works are for computer science and network operating and security.

This would be supported by additional marketing around these programs, with the message of "start here, go anywhere."

Curriculum Expansion

The final focus area of curriculum expansion centers around the review of GHC's current academic programs, and evaluation of starting new academic programs to provide additional opportunities for potential students in GHC's service area.

As mentioned above, GHC is currently working through the approval process for associate and bachelor degrees in computer science. If approved, this will be a four-year Bachelor of Science in Computer Science, and not a two-year bachelor of applied science degree. Other strategies in the plan include expanded apprenticeship opportunities, exploration of need for health services programs such as paramedic/EMT and pharmacy tech, and supporting the work of College Priority #1 (enrich student learning) around instructional program review.

The work in this focus area also connects to the career-forward view of Guided Pathways, by making sure the academic programs GHC offers prepare students for employment in today's job markets, and providing expanded opportunities for hands-on experience such as apprenticeships and internships.

Section 3: Fundraising

Fundraising - Current Status Narrative

The Office of College Development oversees fundraising at Grays Harbor College, with the Grays Harbor College Foundation (GHCF) falling under its purview. As shown in Table 3, which outlines the Fundraising Schedule, the GHCF raised about $3.8 million in charitable gifts from Fiscal Year (FY) 2021 to FY 2023, marking a $300,000 increase when compared to the period from FY 2020 to FY 2022. Over that three-year period, roughly $1.2 million were unrestricted donations, with approximately $440,000 of that increase due to a naming campaign for the new Student Services and Instructional Building.

In the three-year period of FY 2021 to FY 2023, the GHCF received approximately $1.6 million in restricted gifts and $813,000 in endowed gifts. Restricted gifts decreased by $200,000, while endowed gifts grew by $218,000 compared to the period from FY 2020 to FY 2022.

In FY 2023, the GHCF managed $15 million in assets a $1.2 million increase over FY 2022. Of this, $6.7 million is in perpetually restricted funds, and $7 million is earmarked for specific purposes benefiting students and the College as specified by donors. The GHCF also held $1.6 million in unrestricted funds, with $463,000 designated by the board for specific purposes. [Appendix 17: GHCF FY 2023 audited financials]

Table 3 - Schedule of Fundraising

Fundraising	Actual Current Year -3 (2019-20)	Actual Current Year -2 (2020-21)	Actual Current Year -1 (2021-22)	Actual Current Year (2022-23)	Projected Current Year +1 (2023-24)	Projected Current Year +2 (2024-25)
Number of Fundraising Staff	2	2.5	2.5	2.5	2.5	3
# Alumni Donors/ # Alumni[2]	36/ 10,830	74/ 11,479	55 / 11,735	65 / 12,041	75 / 12,291	100 / 12,541
Unrestricted Gifts	$118,928	$384,016	$344,312	$559,133	$19,495	$120,000
Restricted Gifts	$941,641	$577,443	$570,561	$527,782	$169,127	$550,000
Endowed Gifts	$0	$468,391	$126,540	$218,441	$53,274	$0
Total Gifts	$1,060,569	$1,429,850	$1,041,413	$1,368,356	$241,896	$670,000

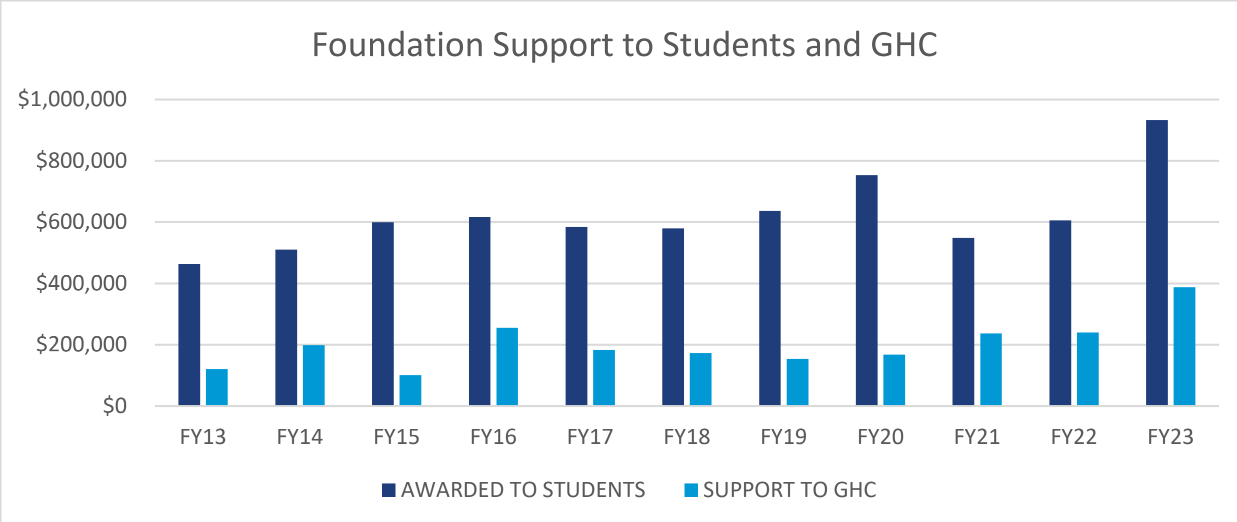
Fundraising plays a vital role in enhancing the financial well-being of Grays Harbor College through a range of avenues. To begin with, scholarships play a significant part in helping students with outstanding tuition balances settle their debts, subsequently bolstering GHC's operational cash flow. Furthermore, academic program support allows departments to leverage donated funds for acquiring advanced equipment and fulfilling operational requirements, thereby creating room within the GHC general fund for other critical funding priorities. The generous contributions from donors toward performing arts and student athletics also serve to safeguard GHC general funds, making them available for redirecting towards essential student support services. Thanks to concerted fundraising efforts, the Grays Harbor College Foundation effectively manages assets totaling approximately $15.4 million.

In FY 2023, the GHCF awarded a record-setting $1.3 million to support the College and its students (Figure 14). Of that, approximately $932,000 was awarded in financial assistance to students through scholarships, emergency assistance, tools, and childcare assistance. An impressive increase of $327,000 over FY 2022. Funding to support the College increased $148,000 over FY 2023, awarding $387,000 in financial support for equipment, performing arts, and more.

During FY 2023, the College submitted appropriation requests totaling $100,000 from the GHCF's unrestricted funding to support enrollment and retention initiatives. This financial assistance enabled the College to acquire a branded recruiting booth, expand bilingual print materials, and run additional bilingual social media ads. Also included in the $100,000, the GHCF approved $40,000 for the first-year contract with EAB Navigate, software designed to enhance enrollment management, drive student success, and improve institutional operations.

[2] Total alumni count includes certificate and degree earners since summer 1984.

Figure 14 - Grays Harbor College Foundation Support to Students and GHC



In FY 2024, the GHCF budgeted $110,000 from its unrestricted funding for appropriations to the College. The GHCF has approved the College's appropriations requests, which includes funding for a Director of Project Management and Strategic Initiatives, funding to secure contractors to develop critical infrastructure pieces such as a curriculum handbook, funding for marketing/outreach to boost enrollment, flexible funding for the President's use to build partnerships and employee morale, and funding for employee awards.

The GHCF's financial statements for FY 2023 were audited by the third-party auditor, Aiken and Sanders, and received a clean opinion. An audited financial report has been provided to the College for inclusion in their annual audit.

At present, the GHCF maintains two full-time staff positions and one part-time work-study employee. The salary for the Fiscal Analyst/Program Manager is shared, with 50% of the funding provided by the College and 50% by the GHCF. In FY 2022, the Executive Director's salary was elevated to a Dean's level at the request of the GHCF's board of directors to align with other foundation directors in the state's CTC system and reflect the position's responsibilities. The cost-sharing arrangement for the Executive Director's salary also adjusted, with the College funding 50% of a Director's salary and the GHCF funding the difference up to the Dean's salary level. In FY 2024, the GHCF is contemplating the addition of a third full-time employee, covering 100% of the salary and benefits. This expansion will lead to the dissolution of the part-time work-study position, as the Foundation requires an additional program coordinator to accommodate its continued growth.

Fundraising Goals

The GHCF will be launching a direct mail campaign for its fourth year in a row with a goal to raise $100,000. Direct mail campaigns have substantially increased the Foundation's unrestricted revenues compared to prior in-person fundraising events, providing a stronger source of operational funding while allowing the Foundation to use this funding to meet the emerging needs of the College (Table 4).

In FY 2023, the Foundation, in collaboration with the College, initiated a naming campaign for the new Student Services and Instructional Building (SSIB). The Foundation committed to sharing 50% of the campaign proceeds up to $150,000 with the College. Any funds exceeding this amount would be 100% allocated to the Foundation's unrestricted fund and be used to cover the costs of designing, producing, and installing donor signs. When the GHCF reached $150,000 in campaign revenue, the proceeds were split and the $75,000 for the College was earmarked to support an initiative to fund and display local and tribal artwork within the new building. This campaign successfully raised $465,000 in FY 2023, contributing to the growth of the GHCF's unrestricted fund. In FY 2024, the Foundation plans to expense the $75,000 for artwork and will incur expenses for the manufacturing and installation of donor signage.

Table 4 - Results of Fundraising Campaigns

FY Direct Mail Campaign	Raised
2021 – 90th Anniversary	$222,000
2022 – Be a Part of the Journey	$231,000
2023 – Take the Journey	$85,500
2023 – SSIB Naming	$495,000
2024 – Inspire the Journey	*Goal: $100,000*

In FY 2024, the GHCF is transitioning its donor database to a more robust platform, Bloomerang, widely utilized by peer foundations within Washington's community and technical college system. This software will significantly enhance donor record management, communication, and fundraising capabilities. The Foundation is already making plans to implement strategic outreach to alumni once full implementation of the new platform is complete. During this phase, alumni data will be integrated into the new system, accompanied by outreach notes and scheduled follow-ups. Additionally, the new system offers the capability to source updated mailing addresses for donors within the system. A report will be generated to capture all updated addresses, and re-engagement letters will be sent out alongside the Foundation's most recent annual report.

The GHCF website update scheduled to be completed in FY 2023 was delayed due to the addition of the SSIB Naming Campaign and limited staff capacity. The GHCF looks to continue the website update in FY 2024.

The Office of College Development – in a role separate from the GHC Foundation – receives certain assets for the College such as vehicles and artwork. In FY 2023, the College received a Kenworth log truck and trailer from Sierra Pacific Industries valued at $60,000. The vehicle is for the benefit of the CDL program.

Section 4: Financial Management

Policies/Procedures for Financial Management

Financial management at Grays Harbor College includes planning and practices to ensure adequate financial resources to carry out the College mission. It also includes responsible financial management, operating within College means, sustainable financial practices and control of finances through policies, procedures, and effective internal processes. Specifically, the College has established new budget planning/development processes and institutionalized them as standard operating practices in the Board of Trustees Administrative Policies and Procedures. As mentioned in the fall 2022 FRR, the College has updated and established several financial management processes, operational policies, and administrative procedures, some of which are described below.

Operational Policy 503 *Financial Management* describes the board-delegated authority to the president to establish and control a proper accounting system consistent with the rules of regulatory bodies, good business practices and applicable state statutes, and to develop and submit to the board for approval a proposed budget of revenues and expenditures for each ensuing fiscal year. [Appendix 18: Operational Policy 503]

Operational Policy 530 *Financial Stability and Solvency* explains the board's guidance to the College to use sound financial management to maintain sustainable debt obligation and accumulate sufficient operating reserve to ensure the College has financial stability and solvency to carry out its mission. As part of measures for the College's long-term fiscal health and sustainability, Operational Policy 530 establishes a board restricted 10% operating budget reserve and a board required threshold of 3% annual debt obligation payment. [Appendix 19: Operational Policy 530]

Administrative Procedure 503.01 *Accounting and Budgeting* outlines the principles that provide a framework for budget planning, prioritization and resource allocation, and the step-by-step processes and procedures to be followed to develop and prepare the College's budget. Administrative Procedure 503.01 also describes the fiscal oversight practices currently in place at the College. Specifically, on a quarterly basis – after the academic calendar census date – the president submits a budget status report to the board reviewing the performance of actual revenues and expenditures compared to targets projected in the approved budget through the vice president of administrative services. When actual revenues are below projected targets, the president is expected to implement measures necessary to align expenditures to anticipated revenues. Further, monthly, after the closing of the accounting records, budget reports are generated and made available to budget managers for their review to ensure there are no unexpected charges, ensure that expected charges are booked, and the budget categories of Salaries and Wages, Benefits, Goods and Services, Travel and Equipment are on target to not exceed the allocated amounts. [Appendix 20: Administrative Procedure 503.01]

Other financial management practices at the College involve internal control evaluations and risk assessments. In accordance with State Administrative and Accounting Manual policy 20.15.30.b7 Required Written Annual Assurance by the Internal Control Officer, the College has established Operational Policy 526 Internal Control, requiring the College's Internal Control Officer (ICO) to coordinate the college-wide effort of evaluating internal controls, reporting on reviews, improving control activities, and periodically conducting and/or overseeing a comprehensive review of the internal control structure of the College to determine if it is adequately addressing identified risks. [Appendix 21: Washington State Administrative and Accounting Manual, section 20.15 Internal Control Basics; Appendix 22: Operational Policy 526]

The College has an Enterprise Risk Management Committee dedicated to implementing enterprise risk management processes. This committee has been generating an inventory of functions and assessing key risks associated with the functions. Membership of the committee is comprised of representatives from each of the executive management functional areas and the vice president of administrative services who is the College ICO. In September 2020, the College adopted the WA SBCTC Fiscal Health Risk Analysis tool. This tool enables the assessment of the risk of fiscal insolvency. The Enterprise Risk Management

Committee and the ICO have incorporated the SBCTC Fiscal Health Risk Analysis tool into the risk management and internal control processes of the College, and this is monitored through a metric on the scorecard for College Priority #4. [Appendix 23: SBCTC Fiscal Health Risk Assessment Tool; Appendix 24: College Priority #4 Scorecard]

Budget and Planning

The College has established budget planning and development processes and institutionalized them as standard operating practice in the Board of Trustees Administrative Policies and Procedures. [Appendix 20: Administrative Procedure 503.01] The College has also incorporated its financial goals into College Priority #4's portion of the College Plan. Priority #4 is "ensure effective, efficient, and sustainable use of college resources." The financial goals are 1) optimize use of resources to sustain College operations and 2) innovate to enable growth for fiscal viability to support the College mission. Indicators for goal 1 are *achieve a positive trend over time toward higher education fiscal health ratio targets* and *invest in strategic efforts supporting college innovation and sustainability*. Indicators for goal 2 are *diversify revenue sources through strategic enrollment management and external opportunities to optimize growth potential* and *promote sound financial practices at the College by using the SBCTC Fiscal Health Risk Analysis tool*. Currently, the College integrates budget planning into strategic planning by mapping new annual budget allocations to the five priorities established in the College Plan. [Appendix 25: Budget Requests for FY 2025; Appendix 26: College Plan]

Financial Assumptions

The College does not have audited data for FY 2023 to FY 2025. Therefore, the financial data presented in Table 6 for FY 2023 to FY 2025 is based on assumptions emanating from currently known information, estimated future enrollment and budget forecast (Table 5). Specific assumptions and the resulting budget forecast are the following:

1. For FY 2023, data from unaudited annual year end closing numbers is utilized.
2. In FY 2024, tuition paying enrollment is growing at 2% compared to FY 2023. For FY 2025, tuition paying enrollment is expected to grow 2.5% compared to FY 2024. The per-credit tuition rate (set by WA SBCTC) increased by 2.4% in FY 2024, and is expected to increase by 2.8% in FY 2025. Therefore, net tuition revenue is estimated to increase moderately considering the 2.5% and 2.8% increase in enrollment and tuition rates, respectively. Also, In FY 2024, Running Start (dual enrollment) is growing at 22% compared to FY 2023. For FY 2025, Running Start (dual enrollment) is expected to decline 5% compared to FY 2024, resulting in estimated dip in dual enrollment revenue. The combined effect is overall estimated slight increase in operating revenue.
3. State appropriation is expected to grow, but the additional funding is anticipated to be tied to new legislative mandates and initiatives with neutral net effect on the College's financial health.
4. Capital contribution is expected to peak in FY 2024 and decline sharply in FY 2025. As part of the Governor's approved budget for FY 2022, an amount of $43.8 million in state capital allocation was authorized for the College to construct a new Student Services and Instruction Building (SSIB). In FY 2023, a substantial portion of the construction work in progress cost was accumulated. Construction is expected to be completed and the building added to property inventory in FY 2024. By FY 2025, the capital contribution from the construction appropriation would have depleted.

5. The opening of the new SSIB is expected to increase maintenance and operating expenses. In FY 2024 and for FY 2025, it is expected that state allocation for SSIB maintenance and operating will be sufficient to cover the cost of opening and operating the new building.
6. Operating expense is expected to be impacted by various legislative initiatives and mandates. Specifics include cost of living (COLA) adjustments of 3% and 5.9%, respectively, in FY 2024 for classified/exempt employees and faculty employees. State appropriation is expected to increase to cover about 90% of the COLA cost. The combined effect is estimated slight net increase in operating expenses for FY 2025.
7. Cash flow is generally expected to be flat in both FY 2024 and FY 2025 due to combined effect of expected slight increases in both operating revenue and operating expenses.

Table 5 - Budget Forecast Based on Financial Assumptions

	Assumption	FY23 Actual	FY24 Mid-Year Estimate	FY25 Forecast
Revenues				
State Appropriation		$15,463,817	$15,704,458	$15,704,458
90 % of COLA	$468,986			$468,986
Tuition / Fees		$3,118,031	$3,161,466	$3,161,466
2.5% Enrollment / 2.8% Tuition Rate	$72,891			$72,891
Running Start		$2,330,803	$2,551,290	$2,551,290
-5% Running Start	($118,360)			($118,360)
Total Revenues	**$423,517**	**$20,912,651**	**$21,417,214**	**$21,840,731**
Expenses				
Personnel		$15,418,139	$17,522,665	$17,522,665
5.9% Faculty	$310,149			$310,149
3% Classified / Exempt	$210,947			$210,947
Non-Personnel		$5,430,645	$4,192,797	$4,192,797
Total Expenses	**$521,096**	**$20,848,784**	**$21,715,462**	**$22,236,558**
Transfer to (from) Reserves	($97,579)	$63,867	($298,248)	($395,827)

Overview of Financial Metrics

In this Financial Resources Review report, the College presents financial metrics in two circumstances. The first circumstance is Table 6 - Selected Financial Metrics for the six-year period FY 2020 to FY 2025. In the first circumstance, data for FY 2020 to FY 2022 is from audited financial statements. Data for FY 2023 is from unaudited preliminary annual year end closing numbers. Data for FY 2024 to FY 2025 is estimated based on financial assumptions and budget forecast in Table 5. The second circumstance is detailed in the section below titled *Analysis of Financial Metrics* for the six-year period FY 2017 to FY 2022. In the second circumstance, data for FY 2017 to FY 2022 is from audited financial statements, so the Analysis of Financial Metrics cover the latest six-year period with available independent auditor's financial statements. Audited financial statements for FY 2021 and FY 2022 are included as Appendix 27 and 28 Audited statements from prior years are available on the college's website[3], or by request.

Table 6 - Selected Financial Metrics

Finances	Actual Current Year -3 (2019-20)	Actual Current Year -2 (2020-21)	Actual Current Year -1 (2021-22)	Actual Current Year (2022-23)*	Projected Current Year +1 (2023-24)**	Projected Current Year +2 (2024-25)**
Audited Financials Complete (Yes/No)	Yes	Yes	Yes	No	No	No
Increase/(Decrease) in Unrestricted Net Assets	$220,753	$6,246,246	($4,799,570)	$9,152,179	($5,315,651)	$0
Increase/(Decrease) in Total Net Assets	($61,945)	$4,777,009	$2,489,477	$27,719,472	$13,681,116	$1,841,537
Total Net Assets	$63,281,440	$68,058454	$70,547,931	$98,267,403	$111,948,519	$113,790,056
Total Debt	$1,040,953	$1,003,028	$4,112,425	$3,908,300	$3,798,300	$3,592,050
Primary Reserve Ratio	(023) 0.20	(0.03) 0.40	(0.20) 0.32	0.10 0.42	(0.05) 0.26	(0.05) 0.26
Net Operating Revenue Ratio	(0.02)	0.09	0.004	(0.04)	(0.05)	(0.05)
Return on Net Assets Ratio	0.00	0.08	0.04	0.39	0.08	0.07
Viability Ratio	(7.20) 6.3	(0.88) 12	(1.39) 2.29	0.88 3.81	(0.50) 2.52	(0.52) 2.67

Primary Reserve Ratio = Expendable Net Assets/Total Expenses; Net Operating Revenue Ratio = Change in Unrestricted Net Assets/Total Unrestricted Income; Return on Net Assets Ratio = Change in Net Assets/Total Net Assets; Viability Ratio = Expendable Net Assets/Long-term Debt (Source: Strategic Financial Analysis for Higher Education, by Prager, Sealy & Co, LLC with KPMG)

**FY23 Data based on unaudited preliminary annual year end closing numbers*

***FY24 and FY25 Data forecasted based on assumptions outlined above*

The financial metrics – whether from audited data or based on forecasted data – viewed together and trended over time provide information regarding the overall financial health of the College. [Appendix 29: financial metrics] and [Appendix 30: Annual Financial report, condensed]. The metrics are industry standard and provide an overview of the strength of the College's resource sufficiency and flexibility, operating results, financial asset performance and debt management. Specifically, the metrics measure whether College resources are sufficient and flexible enough to support its mission; operating results indicate the College is operating within available resources; financial asset performance supports the College's strategic mission; and debt is managed strategically to advance the College's mission.

[3] https://www.ghc.edu/financial-statements

In the November 2019, September 2020, September 2021, and September 2022 Financial Resource Review reports metric definitions, factors with greatest impact on the College's financial health, initiatives implemented to improve the College's financial health, and the changes in personnel of the College's financial management staff were extensively discussed. Since that time, there has not been any change in the financial management staff, except for the College Interim President, Dr. Ed Brewster, who retired on June 30, 2023. A new permanent College President, Dr. Carli Schiffner, was hired on July 1, 2023.

Analysis of Financial Metrics

The following analysis of financial metrics examine data from independently audited financial statements for the six-year period FY 2017 to FY 2022 [Appendix 27 & 28: FY21 and FY22 Audited Financial Statements]. The analysis focuses on Grays Harbor College's financial condition and viability. Also, the analysis was performed to identify institutional trends and how the trends compare with Board of Trustees targets and standard targets for the higher education industry. The analysis is based on both audited data and unedited estimated data. Ratios and values of various financial stability, short-term solvency and financial viability metrics are analyzed and trended in charts, including Change in Unrestricted Net Assets; Change in Total Net Assets; Total Net Assets; Total Debt; Primary Reserve Ratio; Net Operating Revenue Ratio; Return on Net Assets Ratio; Viability Ratio; Current Ratio; Expendable Net Assets, and Cash/Investments balance.

In addition to the industry standard ratios, the financial metrics analysis includes Board of Trustees policy requirements for minimum operating reserve balance and threshold for debt service obligation. Operational Policy 530 *Financial Stability and Solvency* requires establishment of minimum operating reserve balance equal to 10% of the College's annual General Operating budget. Specifically, the policy requires the College to begin each fiscal year with operating reserve balance of not less than 10%. The Board requires the president or designee to provide annual minimum operating reserve balance status report. Further, Operational Policy 530 requires that total debt service obligation (aggregate of principal and interest payments) of the College in a fiscal year should not exceed 3% of the average annual general operating budget for the four immediately preceding fiscal years. The Board requires the president or designee to provide annual debt service obligation status report.

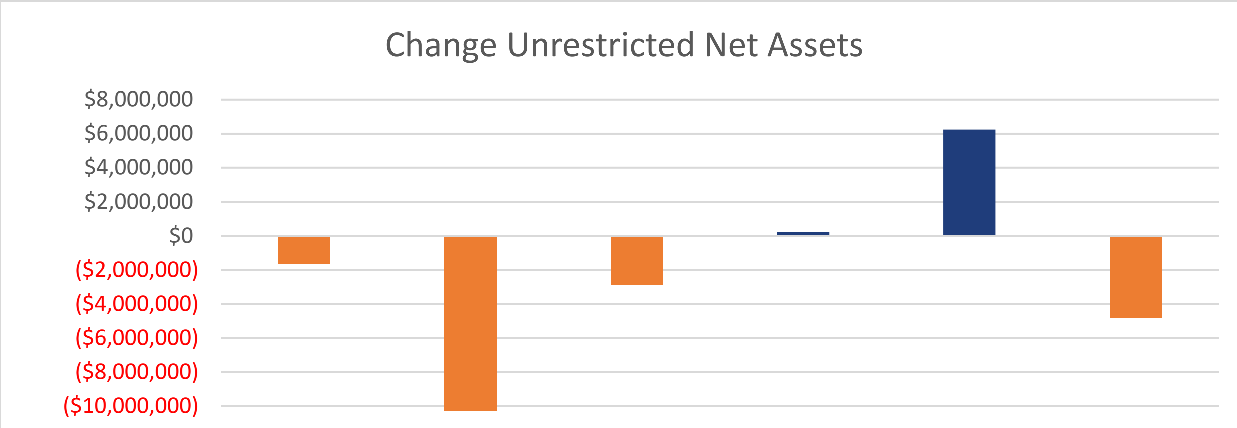
It should be noted that the College specific financial goals in College Priority #4 are measured and prepared into a dashboard and scorecard [Appendix 24: College Priority #4 Scorecard]. While the dashboard is only available to College employees on the College intranet site, the priority #4 scorecard is transparently available to the College community and the general public on the College's public website[4]. The dashboard and scorecard show the College is on target to achieving its financial goals in the seven-year strategic plan.

Increase (Decrease) in Unrestricted Net Assets

Increase (decrease) in Unrestricted Net Assets is a financial stability measure showing the adequacy of remaining financial resources that can most readily be used in the event of a rapid and unplanned event to carry out the College mission.

[4] https://www.ghc.edu/ghc-vision-mission-and-values

Figure 15 - Change in Unrestricted Net Assets



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Change U.N.A.	($1,616,522)	($10,281,420)	($2,854,756)	$220,753	$6,246,246	($4,799,570)

Trend Analysis: Figure 15 shows negative trend in Change in Unrestricted Net Assets primarily due to the twin effects of declining enrollment and implementation of Government Accounting Standards Board (GASB) 68, 73, and 75, respectively, for accounting and reporting for Pensions, Pensions Related Assets and Other Postemployment Benefits. Implementation of GASB 68, 73, and 75 required the inclusion of future pension liabilities in net position. Thus, the College's future pension liabilities were accrued in current net position rather than the periods the liabilities come due. In effect, liabilities grow each year as future pensions are accrued, but assets do not grow in turn, thereby negatively impacting the College's unrestricted net assets. The trend recovered in FY 2021, when it turned positive due to lost revenue claims on HEERF funds that neutralized the effect of enrollment decline on operating revenue. The trend turned negative in FY 2022 after HEERF depletion.

Current Year Analysis: Increasing revenue from operating activities, such as tuition and grants/contracts, and executing austerity measures to rationalize expenses to align with available revenue would improve unrestricted net assets and the College's resource flexibility. Looking forward, the College is in the process of implementing a new Strategic Enrollment Action Plan (SEAP). [Appendix 4: SEAP] It is expected that the new SEAP will boost enrollment and result in increasing operating revenue to buttress the unrestricted net assets balance toward a positive trend. The GHC Business Office continues to work with budget managers on budget monitoring, to ensure all areas of the College are working within the amounts budgeted to their area and not overspending.

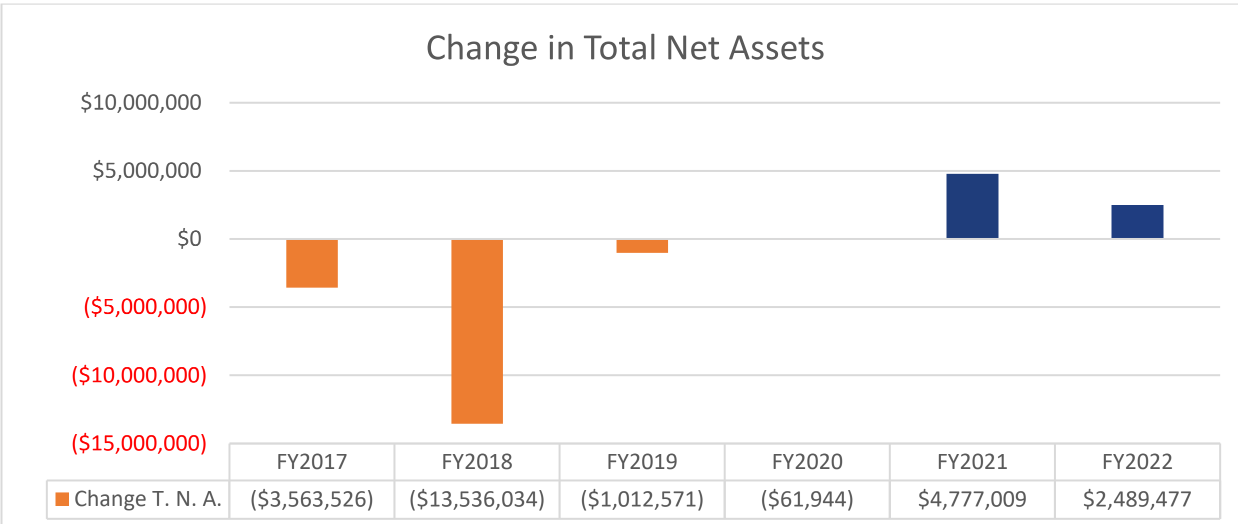
Increase (Decrease) in Total Net Assets

Increase/ (decrease) in Total Net Assets is a financial stability measure showing adequacy of the available surplus/deficit after subtracting operating and non-operating expenses from operating and non-operating revenue to carry out the College mission.

Trend Analysis: Figure 16 shows negative trend in Change in Total Net Assets bottomed out in FY 2018. Subsequent recovery turned the trend positive with rapid growth in FY 2021, moderating in FY 2022 due to increasing capital contribution revenue from the state.

Current Year Analysis: The positive trend is expected to continue in FY 2023 through FY 2024 due to the impact of the substantial capital contribution revenue, about $44 million, from the state to construct the new Student Services and Instructional (SSIB) building. Beyond the SSIB construction, the College is in the process of implementing a new Strategic Enrollment Action Plan (SEAP). It is expected that the new SEAP will boost enrollment and result in increasing operating revenue to sustain the positive trend in change in total net assets.

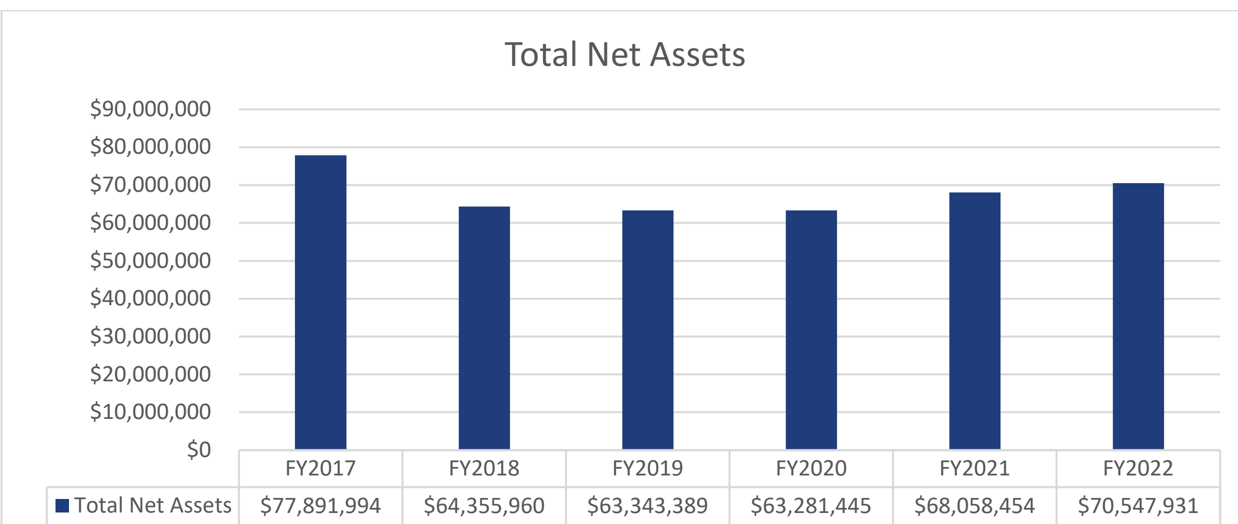
Figure 16 - Change in Total Net Assets



Total Net Assets

Total Net Assets is a financial stability measure showing adequacy of remaining resources to carry out the College mission after paying off obligations.

Figure 17 - Total Net Assets



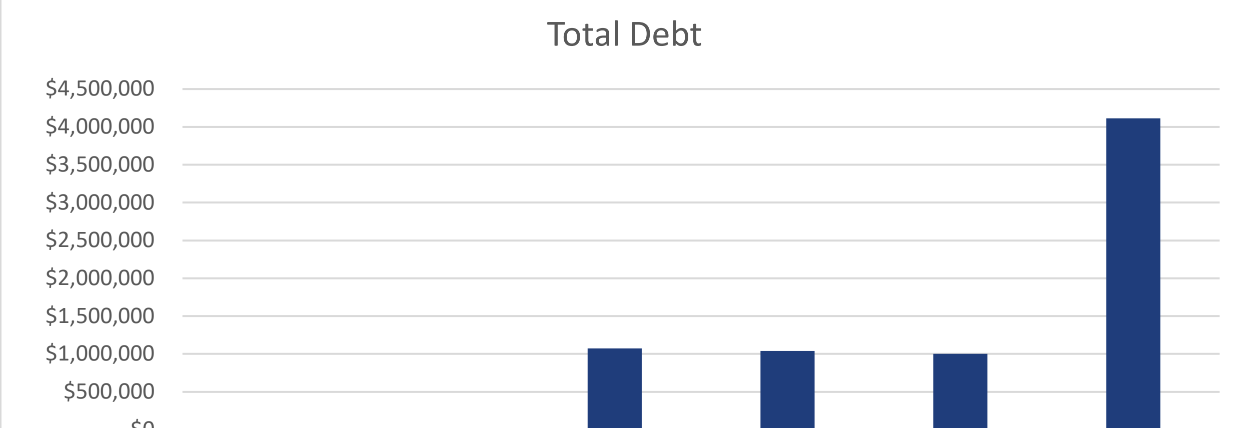
Trend Analysis: Figure 17 shows that the downturn in Total Net Assets bottomed out in FY 2020, and increased rapidly in FY 2021 and FY 2022.

Current Year Analysis: The increasing trend in total assets is expected to accelerate in FY 2023 and FY 2024 due to substantial capital contribution revenue – about $44 million – from the state to construct the new SSIB. Construction work-in-progress cost accumulation and the eventual capitalization and addition of the building to the balance sheet in FY 2024 will significantly grow total net assets by approximately 62% to about $112 million compared to FY 2022.

Total Debt

Total Debt is a financial viability measure showing the weight of financial obligations to carry out the College mission.

Figure 18 - Total Debt



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Total Debt	$0	$0	$1,074,258	$1,040,953	$1,003,028	$4,112,425

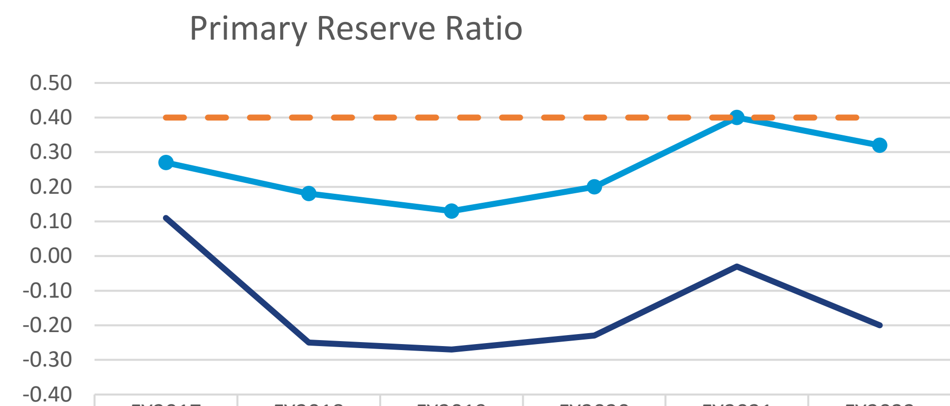
Trend Analysis: Figure 18 shows Total Debt declining slightly from FY 2019 to FY 2021 and increasing rapidly in FY 2022. The College did not have debt on its books until FY 2019, when debt was sourced from the Washington State Treasury system via a Certificate of Participation (COP) to rebuild a student parking lot and to build student activity spaces in the new Student Services and Instructional building (SSIB).

Current Year Analysis: It is expected that total debt will remain stable at the FY 2022 level with subsequent steady declines from principal payments in FY 2023 and beyond. Prior to construction, the College established dedicated fee revenue streams restricted for Parking and SSIB building debt obligation servicing. The Parking fee had a reserve balance of $314,000 as of June 30, 2023. Annual parking debt service and average restricted parking fee revenue are estimated at $77,000 and $124,000, respectively. The SSIB building fee had a reserve balance of $2.4 million as of June 30, 2023. Annual SSIB building debt service and average restricted fee revenue are $210,000 and $260,000 respectively. It is anticipated that the restricted fee revenues and reserve balances will provide sufficient liquidity to service the two COP debt obligations.

Primary Reserve Ratio

Primary Reserve Ratio is a financial stability measure showing adequacy of expendable reserves to carry out the College mission without additional net assets from operations. It is computed by dividing expendable resources by total expenses.

Figure 19 - Primary Reserve Ratio



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Primary Reserve Ratio	0.11	-0.25	-0.27	-0.23	-0.03	-0.20
With Pension add-Back	0.27	0.18	0.13	0.20	0.40	0.32
Target	0.40	0.40	0.40	0.40	0.40	0.40

Trend Analysis: Figure 19 shows Primary Reserve Ratio with pension/Other Post-Employment Benefits (OPEB) liability impact and without pension/OPEB liability impact. With pension/OPEB liability impact, primary reserve ratio was in negative trend, but the College has been building back expendable net assets to achieve recovering trend toward positive. Without pension/OPEB liability impact, primary reserve ratio was in positive trend and in FY 2021, reached 40%, achieving the recommended industry primary reserve ratio target of 0.4.

Current Year Analysis: Primary reserve ratio provides a snapshot of financial strength and flexibility by indicating how long the College could function using its expendable reserves without relying on additional net assets generated by operations. A ratio of 40% is desirable to give the College the flexibility to support its mission. The implication of 40% is that the College would have the ability to cover about 5 months of expenses (40% of 12 months). Trend analysis without pension liability impact indicates that the College is trending positively in FY 2023 toward achieving the desirable target of 40%. With the implementation of the new SEAP, it is expected that operating revenue will improve to sustain the positive trend.

Board of Trustees Minimum Operating Reserve Status

GHC Operational Policy 530 requires establishment of minimum operating reserve balance equal to 10% of the College's annual general operating budget. The policy requires the College to begin each fiscal year with operating reserve balance of not less than 10%. It is computed by multiplying total operating budget by 10%. [Appendix 19: Operational Policy 530]

Trend Analysis: Table 7 shows the operating budget, minimum reserve requirement and actual reserve balance for FY 2021 through FY 2024.

Current Year Analysis: To meet the minimum reserve balance requirement, the College has set aside funds in certificate of deposits. The balance in the CD accounts meeting the minimum operating reserve balance requirement in FY 2023 was $2,274,614, and expected to increase to $2,524,614 in FY 2024.

Table 7 - Board of Trustees Minimum Operating Reserve Status

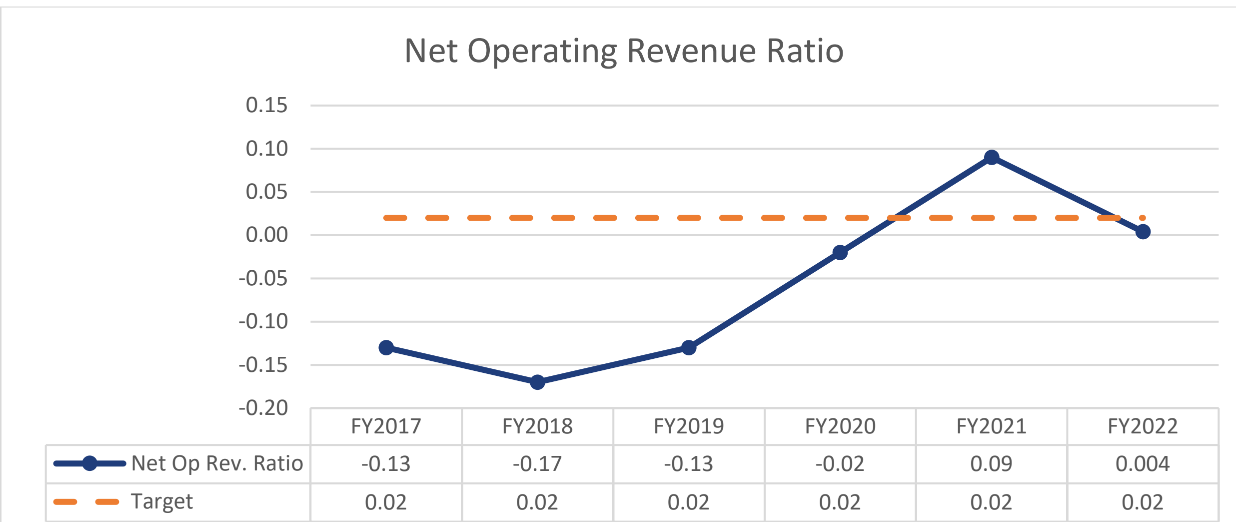
	FY 2021	FY 2022	FY 2023	FY 2024*
Operating Budget	$ 17,945,581	$ 19,365,606	$ 20,848,784	$ 21,715,462
BOT Reserve Requirement				
Minimum 10%	$ 1,794,558	$ 1,936,561	$ 2,084,878	$ 2,171,546
Actual	$ 1,936,560	$ 2,062,322	$ 2,274,614	$ 2,524,614

****Estimate***

Net Operating Revenue Ratio

Net Operating Revenue Ratio is a measure of how surpluses and deficits from operating activities affect financial viability over time to carry out the College mission. It is computed by dividing unrestricted net income (loss) by total unrestricted income or revenues.

Figure 20 - Net Operating Revenue Ratio



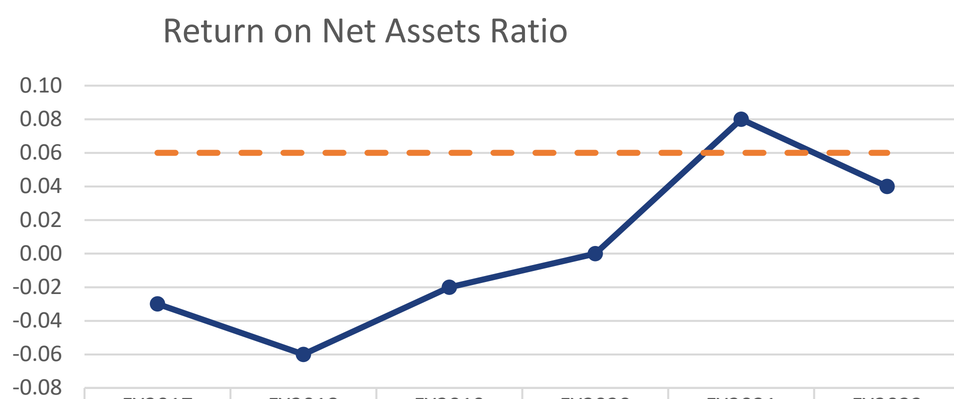
Trend Analysis: Figure 20 shows GHC's Net Operating Revenue Ratio negative trend bottomed out in FY 2020 primarily due to declining enrollment. The trend turned positive in FY 2021, reaching 9% and exceeding the recommended industry net operating revenue ratio target of 2%. This was achieved through lost revenue claims on HEERF funds that neutralized the effect of enrollment decline on operating revenue. The positive trend moderated downward sharply to almost zero in FY 2022 after HEERF depletion.

Current Year Analysis: A positive ratio indicates that the College experienced an operating surplus for the year. A negative ratio indicates a loss for the year. Increasing revenue from operating activities, such as tuition and grants/contracts, and executing austerity measures to rationalize expenses to align with available revenue would improve net income and the College's unrestricted net position. This is another area where success of the new SEAP will boost enrollment and result in increasing operating revenue to buttress the net income balance toward a positive trend.

Return on Net Assets Ratio

Return on Net Assets Ratio measures economic returns, that is, the increase or decrease in total net assets showing financial viability over time to carry out the College mission. It is computed by dividing change in net assets by total net assets.

Figure 21 - Return on Net Assets Ratio



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Return on Net Assets	-0.03	-0.06	-0.02	0.00	0.08	0.04
Target	0.06	0.06	0.06	0.06	0.06	0.06

Trend Analysis: Figure 21 shows GHC's Return on Net Assets Ratio negative trend bottomed out in FY 2020 and turned positive, reaching 8% in FY 2021 and exceeding the recommended industry return on net assets ratio target of 6% due to lost revenue claims on HEERF funds that neutralized the effect of enrollment decline on operating revenue. The positive trend moderated downward sharply to 4% in FY 2022 after HEERF depletion.

Current Year Analysis: Improving trend in return on net assets ratio indicates that the College is increasing its net assets and is likely to be able to set aside financial resources to strengthen its future financial flexibility. Increasing revenue from operating activities, such as tuition and grants/contracts, and executing austerity measures to rationalize expenses to align with available revenue would improve the College's net position. This is another area where success of the new SEAP will boost enrollment and result in increasing operating revenue to buttress the net income balance toward a positive trend.

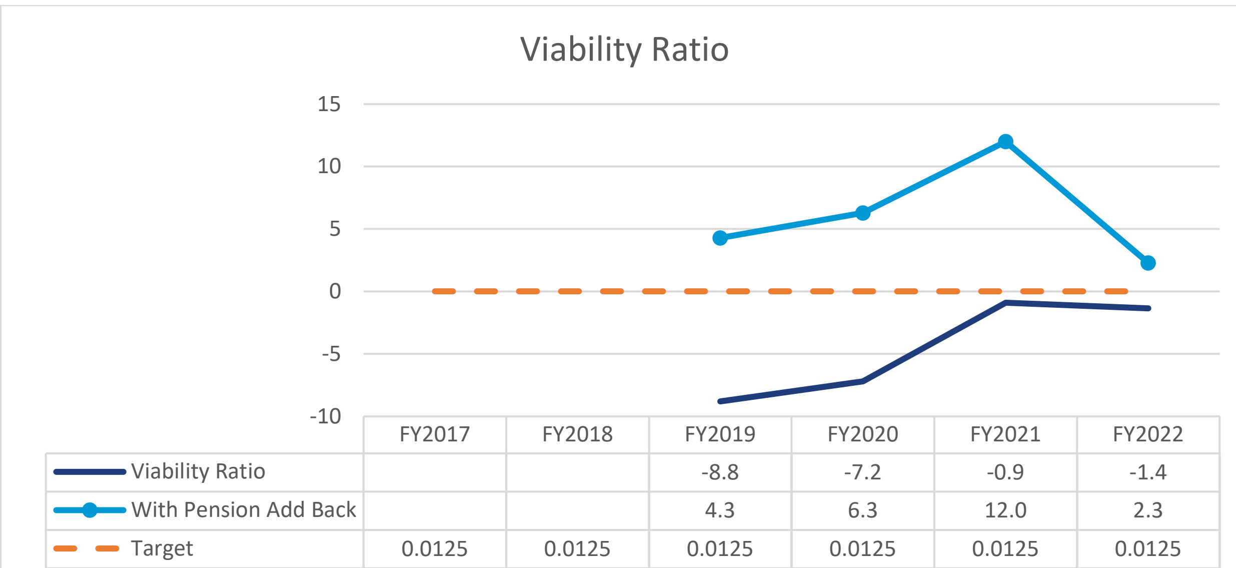
Viability Ratio

Viability Ratio measures availability of expendable net assets to cover debt as of the fiscal year end date, showing financial viability over time to carry out the College mission. It is computed by dividing expendable resources by long-term debt.

Trend Analysis: Figure 22 shows GHC's Viability Ratio with pension/OPEB liability impact and without pension/OPEB liability impact. With pension/OPEB liability impact, the viability ratio was in negative trend, but the College has been building back expendable net assets to achieve a recovering trend toward positive. Thus, the viability ratio improved from -8.8 in FY 2019 to -1.6 in FY 2022. Without pension/OPEB liability impact, viability ratio was in positive trend increasing from 4.3 in FY 2019 to 12.0 in FY 2021 and significantly exceeding the recommended industry viability reserve ratio target of 1.25%. The positive trend moderated downward sharply to 2.7 in FY 2022 after the College added more long-term debt to its debt portfolio with the capital funds for the SSIB, mentioned previously.

Current Year Analysis: Without pension impact, the College has sufficient expendable net assets to satisfy debt obligations. Even with pension impact being negative, the College dedicated fee revenue streams and restricted reserve funds to service its debt obligations. As discussed under Total Debt analysis above, the College established dedicated fee revenue streams restricted for debt obligation servicing. The parking fee had a reserve balance of $314,000 as of June 30, 2023. Annual parking debt service and average restricted parking fee revenue are estimated at $77,000 and $124,000, respectively. The SSIB building fee had a reserve balance of $2.4 million as of June 30, 2023. Annual SSIB building debt service and average restricted fee revenue are $210,000 and $260,000 respectively. It is anticipated that the restricted fee revenues and reserve balances will provide sufficient liquidity to service the two COP debt obligations.

Figure 22 - Viability Ratio



Board of Trustees Threshold for Debt Service Obligation

In addition to the minimum operating reserve discussed above, Operational Policy 530 also requires that total debt service obligation (aggregate of principal and interest payments) of the College in a fiscal year should not exceed 3% of the average annual general operating budget for the four immediately preceding fiscal years. Specifically, the policy requires the College to maintain a debt service obligation threshold of 3%. It is computed by dividing total debt service obligation by average operating budget. [Appendix 19: Operational Policy 530]

Trend Analysis: Table 8 shows the average operating budget, total debt service obligation, required debt service obligation threshold and actual debt service obligation measure for FY 2022 through FY 2024.

Table 8 - Board of Trustees Threshold for Debt Service Obligation

Row Description:	FY 2022	FY 2023	FY 2024*
Average Operating Budget	$18,595,015	$19,248,434	$19,968,858
Debt Obligation			
Principal – Parking	$52,375	$56,625	$55,750
Interest – Parking	$21,625	$20,750	$19,875
Total – Parking	**$74,000**	**$77,375**	**$75,625**
Principal – SSIB	$46,852	$145,375	$148,375
Interest – SSIB		$63,375	$61,250
Total – SSIB	**$46,852**	**$208,750**	**$209,625**
Total Debt Service Obligation	**$120,852**	**$286,125**	**$285,250**
Actual Debt Service Obligation Measure	0.65%	1.49%	1.43%
BOT Debt Service Obligation Threshold	3.00%	3.00%	3.00%

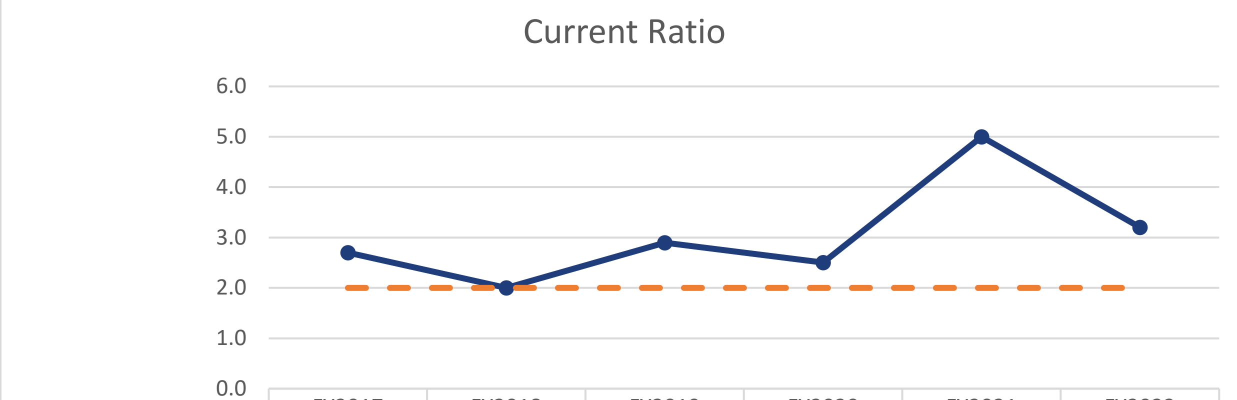
****Estimate***

Current Year Analysis: To meet debt service obligation, the College has established restricted reserve and dedicated fee revenue stream. Compared to the debt service obligation threshold of 3%, the actual debt service obligation measure was 0.65% in FY 2022, 1.49% in FY 2023 and estimated to be 1.43% in FY 2024. The annual debt principal and interest payments in FY 2022 was $120,853. It was $286,125 in FY 2023 and estimated to be $285,250 in FY 2024. The increase is due to payments for the SSIB Certificate of Participation (COP). In FY 2022, only the interest was due for payment on the SSIB COP. However, in FY 2023 and FY 2024, both the interest and principal are due for payment. The debt service obligation status is expected to remain the same or slightly decline in the subsequent years, since the College does not have any capital projects in the pipeline that will source for additional COP funds.

Current Ratio

Current Ratio is a measure of short-term solvency or current financial viability, showing availability of liquidity or cash to pay short-term obligations or obligations that are due for payment immediately and within 12 months. Figure 23 shows Current Ratio was in positive trend, increasing from 2.7 in FY 2017 to 3.2 in FY 2022, exceeding the recommended industry current ratio target of 2.0.

Figure 23 - Current Ratio

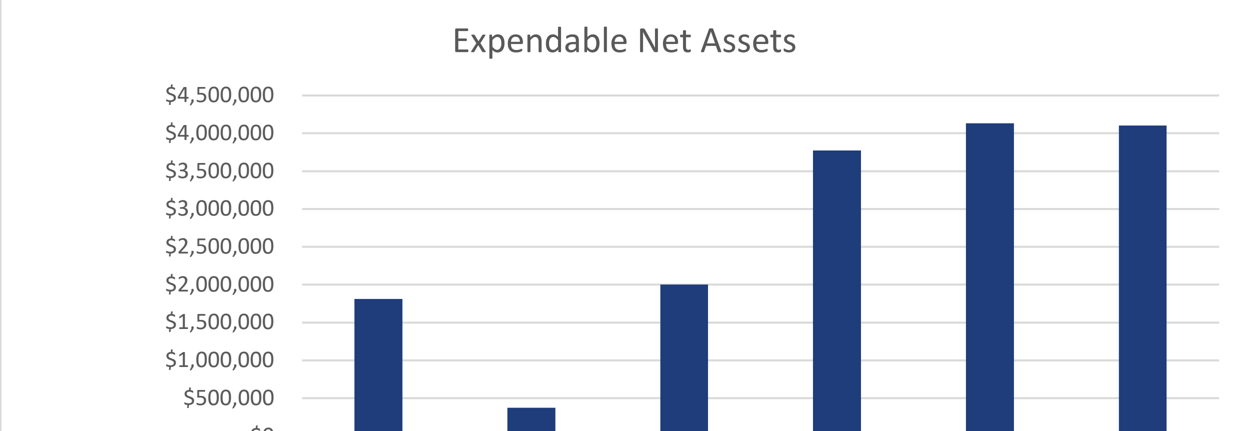


	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Current Ratio	2.7	2.0	2.9	2.5	5.0	3.2
Target	2.0	2.0	2.0	2.0	2.0	2.0

Expendable Net Assets

Expendable net assets are those assets, such as cash and investments, that are not required to be retained in perpetuity, and therefore, are available to be used for operations. Expendable Net Assets are a measure of financial stability, short-term solvency and financial viability over time to carry out the College mission. Figure 24 shows that the College has built back expendable net position, increasing it from a low of approximately $373,000 in FY 2018 to more than $4 million in FY 2022.

Figure 24 - Expendable Net Assets

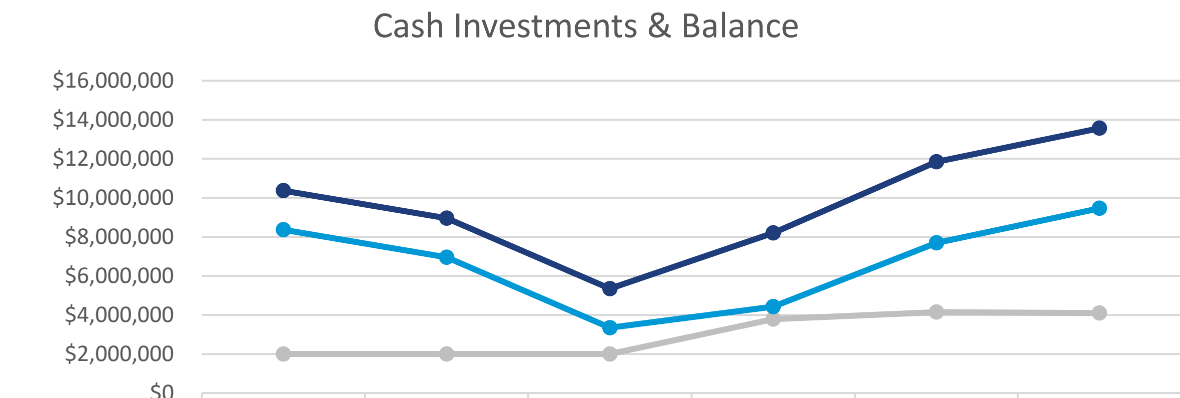


	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Expendable Net Assets	$1,813,290	$373,393	$1,999,978	$3,773,545	$4,132,272	$4,101,458

Cash and Investments Balance

Cash and Investments balance is a measure of financial stability, short-term solvency and financial viability over time to carry out the College mission. Cash and Investments at the College represent the amount of money in the bank, certificates of deposit, and money invested in money market funds that are readily available for use by the College. A portion is restricted for debt service, institutional financial aid to students and student life operations. Figure 25 shows that the College has built back cash and investments balance, increasing it from a low of approximately $5.3 million in FY 2019 to about $13.6 million in FY 2022. The unrestricted portion which is available readily for discretionary use by the College increased from a low of approximately $3.3 million in FY 2019 to about $9.4 million in FY 2022. Unaudited preliminary annual closing numbers for FY 2023 show cash and investments balance of $14.8 million and $10.7 million for the unrestricted portion.

Figure 25 - Cash Investments and Balance



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Cash	$10,366,199	$8,957,882	$5,347,499	$8,203,989	$11,837,279	$13,562,210
Restricted	$1,999,978	$1,999,978	$1,999,978	$3,783,545	$4,142,272	$4,101,458
Unrestricted	$8,366,221	$6,957,904	$3,347,521	$4,420,444	$7,695,007	$9,460,752

Financial Support from the State

The State of Washington is committed to developing and enhancing its skilled workforce through the Community and Technical Colleges (CTC) system. To assist in this effort, the state provides consistent financial support to Grays Harbor College, which is one of 34 institutions in the CTC system. In the past five years, state operating budget support to the College has increased from $10.7 million in FY 2017 to $13.4 million in FY 2022. State operating budget support to the College for FY 2023 was approximately $15.5 million and is expected to further increase in FY 2024.

While many increases in state allocation are typically tied to specific programs or initiatives, the College is often able to leverage the new funds to substitute existing expenses through re-purposing of existing programs and functions to meet the new allocation intent.

In FY 2022, the state provided capital budget allocation of approximately $44 million to support the College to construct a new Student Services and Instructional building. Upon completion, it will revitalize the campus, provide modern equipment and infrastructure, and increase the College's total net assets from approximately $68 million in FY 2021 to about $112 million in FY 2024.

Diversifying Revenue Sources Through Grants

One of the ways GHC has attempted to diversify revenue streams is through grant dollars. In 2017-18, GHC hired a half-time (0.5 FTE) Director of Grant Development. This position was focused on bringing in new grants for the College, and assisting with renewal of federal grants like TRIO. A summary of grants funded with input from this position are listed in Table 9. Grants have included renewal of TRIO student support services, equipment for science and CTE classes, funds to support translation of signage and materials into Spanish, a Mental Health Pilot grant that has funded no-cost telehealth counseling services for GHC's students, to supplement on-campus counseling, and new TRIO Upward Bound and Educational Opportunity Center grants.

Table 9 - Grants Attained by GHC Grant Development Office

Year	Grant Funding Received	Selected Grants Received
2017-18	$120,667	Faculty Development, Vista Worker, Science Equipment
2018-19	$352,765	Evening Childcare, Fish Research, Wide Belt Sander
2019-20	$76,000	Esports Coordinator, Increased Work-study Funds
2020-21	$2,719,965	Renewal of TRIO student support services and STEM grants, expansion of services for Spanish speaking students
2021-22	$5,663,710	TRIO Upward Bound & TRIO Educational Opportunity Center, Summer Running Start, Mental Health Services Pilot

In 2021-22, GHC applied for a Title III Strengthening Institutions grant. Unfortunately, that grant application just missed the cut for the second round of funding. GHC intends to apply for Title III funding the next time the grant cycle opens.

In fall 2022, the Director of Grant Development transitioned from that role into the TRIO Student Services Support Director role. The Director of Grant Development position is currently vacant, but the College continues to pursue new grants and to renew existing grants such as Perkins.

GHC recently received a $110,000 grant to fund efforts in cyber risk assessment and analysis, employee education for prevention, and to develop incident response and recovery plan should the worst happen. With the rise in cyber-attacks on institutions of higher education, the need for this was great, and the grant allows us to fund these vital efforts while preserving operating funds for other efforts.

GHC was also recently awarded a $480,000 Free/Reduced Price Meal Pilot program grant. This grant will help reduce the cost of on-campus food for students, as well as provide training to promote awareness and understanding of food security issues and initiatives.

GHC, with input from several regional partners, recently applied for a regional challenge grant. This grant application focuses on using GHC's existing Medical Assistant and Nursing programs to address the shortage of trained medical professionals in the two-county service district. If funded, GHC would work with existing local partners such as the Twin Harbors Skills Center, local medical providers, and others. A special focus of the grant is on working with the Chehalis, Chinook, Quinault, and Shoalwater Bay Tribal Nations and RISE (Red De Inclsion Solidaridad y Empoderamiento), a local LatinX organization, to make sure GHC's healthcare training incorporates indigenous learning and wisdom, and trains medical professionals who are ready to serve our multicultural population.

Due to the success of the Grant Development office over the 5-year span noted in Table 9, there is currently a budget request to increase that position to a full-time (1.0 FTE) position and fill the vacant position for 2024-25. The budget decision process for FY 2025 is still in process and will not be finalized until June 2024.

Section 5: Conclusion

Investments made in the recruiting team and Director of Marketing positions have already resulted in increased enrollments (Figure 4, Figure 5), including increasing numbers of new students (Figure 12, Figure 13), recovering some of the pandemic loss.

The College is actively working to build on current enrollment growth trends with implementation of the new Strategic Enrollment Action Plan (SEAP). Increasing enrollment will play a large part in the College's continued financial stability through increasing tuition and fees revenue and diversifying revenue sources. The SEAP takes a multi-pronged approach to increasing enrollment through both recruitment and retention. Led by the Executive Director of Project Management and Strategic Initiatives, several initiatives are already in progress to address enrollment challenges such as decreasing numbers of new students, low quarter-to-quarter retention rates, and more. If successful, the SEAP will bolster enrollment in all areas, and help close the gap between GHC's current enrollment and the state allocation baseline which determines the annual funding from the state (Figure 1).

Revenue diversification efforts include expanding grant funding. In FY 2021, the existing two federal TRIO programs were successfully renewed in the amount of $2.7 million for five years. In FY 2022, the College was awarded $1.2 million to start a new federal Education Opportunity Center program. For FY 2023, the College has been awarded $2.9 million to start two new five-year federal Upward Bound programs. Other grant opportunities are being pursued, including initial planning for a Title III grant application.

The Grays Harbor College Foundation supports revenue diversification efforts with their own efforts to increase donor solicitation.

As shown in the cash/investment balance and current ratio (Figure 25, Figure 23), the overall solvency and liquidity position of the College has improved. However, declining revenues from operations and pension/OPEB liability accrual impacts continue to downgrade resource flexibility as shown in the primary and viability ratios (Figure 19, Figure 22). While the current financial position of the College is healthy, there is recognition of potential risks that the College is actively monitoring and addressing. Specifically, the College acknowledges the significant reliance on state funding that is in jeopardy facing declining state funded enrollments.

GHC's Executive Leadership Team, led by President Schiffner, is committed to monitoring revenue, driven largely by enrollment, and spending to maintain financial solvency. GHC's leadership, supported by its Board of Trustees, discusses its budget position at least quarterly and is committed to acting to mitigate potential shortfalls before they materialize. Assuming spring 2024 enrollments come in as expected, GHC is currently on track to end FY 2024 within budget.

References

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Appendices are in a separate document.

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Grays Harbor College does not discriminate on the basis of race, color, national origin, sex, disability, sexual orientation, creed, religion, marital status, veteran status, genetics, or age in its programs, activities, and employment. The following person has been designated to handle inquiries regarding the non-discrimination policies:

Title II/Section 504 Coordinator
Jamie Quigg, Interim Associate Vice President for Human Resources
Grays Harbor College
1620 Edward P. Smith Drive
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360-538-4234
jamie.quigg@ghc.edu

Title IX Coordinator
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ashley.bowiegallegos@ghc.edu

In order to productively engage with equity, diversity and inclusion (EDI) issues, it is important to have a shared understanding of the language that we use. The Diversity Advisory Committee developed a glossary of Diversity Definitions during the 2021 academic year. To access this glossary, please visit https://www.ghc.edu/edi/diversity-definitions.