

*To colleagues at the Seattle Community Colleges –*

Many of you are aware of news media reports this week on the continuing decline in state revenues. Today, we received the following information from the State Board for Community and Technical Colleges on the expected impacts to our budgets in the coming two-year period. Discussions will continue in the district office and at the colleges about the effects to our district budgets in light of this new information, and we will share information as it becomes available.

*Jill*

*Dr. Jill A. Wakefield*  
*Chancellor*  
*Seattle Community Colleges*

Presidents, Chancellors, and Business Officers:

Last week I sent you a message discussing the decline in the June forecast. State revenues have fallen by approximately \$500 million, eating through the state's unrestricted ending balance and leaving the state general fund almost \$200 million in the red. Further, caseload forecasts (demand for public state services such as Medicaid, Corrections, and more) are expected to add \$250 million in mandatory spending obligations. The Governor is reducing state spending beyond the cuts already levied to state government as a first step in addressing this financial deterioration. Please see the memo from Victor Moore:

<http://www.ofm.wa.gov/budget/instructions/other/implementgfsbudgetsavings070109.pdf>

The community and technical college system's share of the cut is \$13.526 million for the 2009-11 biennium. Therefore, we are planning to reduce colleges' allocations for FY2010 by a total of \$6.763 million. By making a permanent cut in the first year, we will carry it forward next year to achieve our total biennial target of \$13.526 million. We have used the same methodology to distribute this reduction that was used to calculate the FY2010 cut included in the initial allocation emailed May 22, 2009 (see attached spreadsheet for college district reductions). Denise Graham will send an official allocation to the business officers later this month that will reflect these reductions.

Victor Moore's letter makes a strong point that the budget situation is likely to deteriorate further before any measurable improvement. The September revenue forecast will be pivotal in determining next steps for the Governor and the Legislature. This latest reduction is planned to be a permanent cut to your base. We do not expect restoration, so you should not attempt to balance your local budgets with one-time sources of money or temporary changes on the expenditure side. With the exception of salary increases (legislatively frozen until next February), colleges retain the flexibility to spend as they choose, consistent with the state allocation requirements. Cabinet agencies are being asked to further adhere to the various freezes (such as contracts, equipment, travel). While colleges may be well served to observe those freezes in principle, you are not required to reduce your spending in those areas. There will be no exemption request process, and we do not expect you to seek any permissions in fulfilling your local obligations.

Please let me, Chris Reykdal (360-704-4390), or Denise Graham (360-704-4350) know if you have any questions.

Charlie Earl

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Washington State Community and Technical Colleges  
FY 2010 July Budget Reduction

2009-11 Biennial Reduction: (13,526,000)  
2009-10 Annual Reduction: (6,763,000)  
% Reduction on Total State Funds: -1.0%

Districts	<b>Subtotal FY 2010 Initial Allocation (Column 34)</b>	<b>Total FY 2010 Exclusions</b>	<b>FY 2010 Adjusted Base</b>	<b>FY 2010 July Budget Reduction</b>
Bates	22,690,789	1,663,438	21,027,351	<b>(216,644)</b>
Bellevue	33,863,609	2,078,335	31,785,274	<b>(327,482)</b>
Bellingham	10,763,225	721,544	10,041,681	<b>(103,459)</b>
Big Bend	10,826,663	723,622	10,103,041	<b>(104,091)</b>
Cascadia	10,489,151	456,895	10,032,256	<b>(103,362)</b>
Centralia	12,359,191	1,110,531	11,248,660	<b>(115,894)</b>
Clark	31,558,167	1,164,497	30,393,670	<b>(313,145)</b>
Clover Park	20,182,092	1,431,309	18,750,783	<b>(193,188)</b>
Columbia Basin	22,291,873	1,663,946	20,627,927	<b>(212,529)</b>
Edmonds	27,456,014	3,181,468	24,274,546	<b>(250,100)</b>
Everett	26,253,785	2,819,150	23,434,635	<b>(241,446)</b>
Grays Harbor	10,704,721	1,135,203	9,569,518	<b>(98,594)</b>
Green River	26,721,019	1,966,648	24,754,371	<b>(255,043)</b>
Highline	26,470,730	1,817,788	24,652,942	<b>(253,998)</b>
Lake Washington	15,177,571	1,337,856	13,839,715	<b>(142,590)</b>
Lower Columbia	14,194,032	871,354	13,322,678	<b>(137,263)</b>
Olympic	22,249,303	1,774,079	20,475,224	<b>(210,955)</b>
Peninsula	11,442,151	1,538,942	9,903,209	<b>(102,032)</b>
Pierce	26,762,153	2,277,377	24,484,776	<b>(252,266)</b>
Renton	18,970,742	1,931,054	17,039,688	<b>(175,559)</b>
Seattle	74,523,771	7,838,092	66,685,679	<b>(687,059)</b>
Shoreline	23,583,353	1,304,145	22,279,208	<b>(229,542)</b>
Skagit Valley	18,900,109	1,039,391	17,860,718	<b>(184,018)</b>
South Puget Sound	17,598,405	713,178	16,885,227	<b>(173,968)</b>
Spokane	62,425,770	2,246,152	60,179,618	<b>(620,028)</b>
Tacoma	22,277,991	1,359,612	20,918,379	<b>(215,521)</b>
Walla Walla	17,424,887	1,986,638	15,438,249	<b>(159,060)</b>
Wenatchee Valley	13,833,527	909,586	12,923,941	<b>(133,155)</b>
Whatcom	13,387,376	557,708	12,829,668	<b>(132,183)</b>
Yakima Valley	20,273,076	1,014,286	19,258,790	<b>(198,422)</b>
<b>District Total</b>	<b>685,655,243</b>	<b>50,633,824</b>	<b>635,021,419</b>	<b>(6,542,596)</b>
SBCTC Olympia	14,963,783	7,390,651	7,573,132	<b>(78,026)</b>
SBCTC Bellevue	9,587,717	9,000	9,578,717	<b>(98,689)</b>
Future Allocations	26,173,257	21,932,832	4,240,425	<b>(43,689)</b>
<b>System Total</b>	<b>736,380,000</b>	<b>79,966,307</b>	<b>656,413,693</b>	<b>(6,763,000)</b>

Washington State Community and Technical Colleges  
 FY 2010 Exclusions to Budget Reduction Basis

Districts	Applied Baccs	Aerospace Apprentice	Basic Skills Enhancement	Centers of Excellence	Disability Accommod.	Life Transitions Program	Employment Resource Center	DOC Comp	Gateway Center	Hospital Employee Education & Training	Job Skills Program	M&O (New)
Bates	-	-	-	-	81,097	-	-	-	-	-	-	-
Bellevue	270,900	-	-	120,000	80,679	-	-	-	-	-	-	-
Bellingham	-	-	-	120,000	45,915	-	-	-	-	-	-	-
Big Bend	-	-	-	-	30,597	-	-	-	-	-	-	-
Cascadia	-	-	-	-	29,603	-	-	-	-	-	-	-
Centralia	-	-	-	120,000	41,676	-	-	-	-	-	-	-
Clark	-	-	-	-	73,981	60,300	-	-	-	-	-	-
Clover Park	-	-	-	-	47,191	-	-	-	-	-	-	-
Columbia Basin	126,000	-	-	-	76,378	-	-	-	-	-	-	-
Edmonds	-	100,000	-	120,000	117,680	-	1,178,000	-	-	-	-	-
Everett	-	-	-	-	61,345	-	-	-	-	-	-	-
Grays Harbor	-	-	-	-	35,480	-	-	-	-	-	-	-
Green River	-	-	-	120,000	65,761	32,900	-	-	-	-	-	-
Highline	-	-	-	120,000	51,192	-	-	-	75,000	-	-	-
Lake Washington	126,000	-	-	-	41,695	-	-	-	-	281,633	-	-
Lower Columbia	-	-	-	-	29,723	-	-	-	-	300,000	-	-
Olympic	220,500	-	-	-	66,936	52,100	-	-	-	-	-	-
Peninsula	252,000	-	-	-	45,893	-	-	-	-	-	-	-
Pierce	-	-	-	120,000	95,800	41,600	-	-	-	-	-	-
Renton	-	-	-	120,000	38,557	-	-	-	-	400,000	-	-
Seattle	390,600	2,793,500	-	-	145,929	-	-	-	-	297,400	-	-
Shoreline	-	-	-	-	74,702	-	-	-	-	-	-	-
Skagit Valley	-	-	-	120,000	52,897	41,600	-	-	-	-	-	-
South Puget Sound	-	-	-	-	50,037	-	-	-	-	-	-	-
Spokane	-	100,000	-	-	181,133	60,300	-	-	-	117,828	-	-
Tacoma	-	-	-	-	61,118	-	-	-	-	-	-	-
Walla Walla	-	-	-	120,000	44,674	41,600	-	-	-	-	-	-
Wenatchee Valley	-	-	-	-	53,854	-	-	-	-	-	-	-
Whatcom	-	-	-	-	46,227	40,600	-	-	-	-	-	-
Yakima Valley	-	-	-	120,000	51,970	-	-	-	-	-	-	-
<b>District Total</b>	<b>1,386,000</b>	<b>2,993,500</b>	<b>-</b>	<b>1,320,000</b>	<b>1,919,720</b>	<b>371,000</b>	<b>1,178,000</b>	<b>-</b>	<b>75,000</b>	<b>1,396,861</b>	<b>-</b>	<b>-</b>
SBCTC Olympia	-	-	-	-	-	155,321	-	658,700	-	-	2,725,000	-
SBCTC Bellevue	-	6,500	-	-	-	-	-	-	-	2,500	-	-
Future Allocations	-	-	3,469,574	550,000	-	13,700	-	-	-	850,639	-	1,326,000
<b>System Total</b>	<b>1,386,000</b>	<b>3,000,000</b>	<b>3,469,574</b>	<b>1,870,000</b>	<b>1,919,720</b>	<b>540,021</b>	<b>1,178,000</b>	<b>658,700</b>	<b>75,000</b>	<b>2,250,000</b>	<b>2,725,000</b>	<b>1,326,000</b>

\*Proviso and earmark funds are excluded from the basis for spreading budget reductions.

Washington State Community and Technical Colleges  
 FY 2010 Exclusions to Budget Reduction Basis

Districts	UCNPS	Opportunity Grants	Revolving Funds	Student Achievement	Students of Color	Technology Transformation	University Contracts	Worker Retraining	Workforce Development Projects	Workplace-Based Instructional Programs	Total Exclusions
Bates	-	279,412	-	-	16,460	-	-	1,286,469	-	-	1,663,438
Bellevue	-	379,412	-	-	56,150	-	-	1,171,194	-	-	2,078,335
Bellingham	-	373,412	-	-	11,610	-	-	170,607	-	-	721,544
Big Bend	-	428,412	-	-	20,230	-	-	244,383	-	-	723,622
Cascadia	-	279,412	-	-	9,550	-	-	138,330	-	-	456,895
Centralia	-	369,412	-	-	12,290	-	-	567,153	-	-	1,110,531
Clark	-	279,412	-	-	38,430	-	94,500	617,874	-	-	1,164,497
Clover Park	-	448,412	-	-	31,950	-	-	903,756	-	-	1,431,309
Columbia Basin	-	279,412	-	-	47,850	-	-	1,134,306	-	-	1,663,946
Edmonds	-	461,412	-	-	48,620	-	252,000	903,756	-	-	3,181,468
Everett	1,795,500	319,412	-	-	29,630	-	-	613,263	-	-	2,819,150
Grays Harbor	-	299,412	-	-	11,830	-	-	788,481	-	-	1,135,203
Green River	-	354,412	-	-	33,330	-	-	1,360,245	-	-	1,966,648
Highline	-	461,412	-	-	77,320	-	-	1,032,864	-	-	1,817,788
Lake Washington	-	279,412	-	-	28,130	-	-	580,986	-	-	1,337,856
Lower Columbia	-	306,412	-	-	9,280	-	-	225,939	-	-	871,354
Olympic	-	334,412	-	-	30,430	-	189,000	880,701	-	-	1,774,079
Peninsula	-	399,412	-	-	8,600	-	63,000	770,037	-	-	1,538,942
Pierce	-	688,824	-	-	46,340	-	441,000	843,813	-	-	2,277,377
Renton	-	279,412	-	-	51,720	-	-	991,365	-	50,000	1,931,054
Seattle	-	1,028,236	-	-	199,110	-	-	2,983,317	-	-	7,838,092
Shoreline	-	445,412	-	-	41,660	-	-	742,371	-	-	1,304,145
Skagit Valley	-	279,412	-	-	29,050	-	-	516,432	-	-	1,039,391
South Puget Sound	-	279,412	-	-	19,460	-	-	364,269	-	-	713,178
Spokane	-	598,824	-	-	49,150	-	-	1,138,917	-	-	2,246,152
Tacoma	-	279,412	-	-	41,550	-	-	977,532	-	-	1,359,612
Walla Walla	-	461,412	-	-	18,650	-	-	1,300,302	-	-	1,986,638
Wenatchee Valley	-	279,412	-	-	23,000	-	-	553,320	-	-	909,586
Whatcom	-	279,412	-	-	11,640	-	-	179,829	-	-	557,708
Yakima Valley	-	392,412	-	-	62,580	-	-	387,324	-	-	1,014,286
<b>District Total</b>	<b>1,795,500</b>	<b>11,624,008</b>	<b>-</b>	<b>-</b>	<b>1,115,600</b>	<b>-</b>	<b>1,039,500</b>	<b>24,369,135</b>	<b>-</b>	<b>50,000</b>	<b>50,633,824</b>
SBCTC Olympia	-	815,000	-	-	-	1,112,000	-	1,924,630	-	-	7,390,651
SBCTC Bellevue	-	-	-	-	-	-	-	-	-	-	9,000
Future Allocations	-	60,992	5,033,051	1,000,000	-	-	126,000	8,965,335	537,541	-	21,932,832
<b>System Total</b>	<b>1,795,500</b>	<b>12,500,000</b>	<b>5,033,051</b>	<b>1,000,000</b>	<b>1,115,600</b>	<b>1,112,000</b>	<b>1,165,500</b>	<b>35,259,100</b>	<b>537,541</b>	<b>50,000</b>	<b>79,966,307</b>