

From: Chancellor's Office

Sent: Tuesday, April 13, 2010 3:43 PM

Subject: Operating and Capital Budget Details from the Conference Budgets

To colleagues at the Seattle Community Colleges –

Today, Governor Gregoire is expected to sign the state budget for Fiscal Year 2010-2011. Barring any last minute changes, the state's community and technical college system is expecting a cut of approximately \$44.8 million, a 6.5% reduction to our total state funding. The budget also is expected to include an additional \$17.6 million to the state system for Worker Retraining for one year only.

For the Seattle Community Colleges, we estimate this translates to a reduction of \$4.5 million (minus a share of the targeted Worker Retraining funds). Some of this reduction will be offset by our increased tuition revenue, but likely not all of it. We have received the attached operating and capital project worksheets from Olympia, and until we receive more detailed information about the budget, I wanted you to know the situation as it currently stands.

Sincerely,

A handwritten signature in black ink that reads "Jill Wakefield". The signature is written in a cursive, flowing style.

Jill A. Wakefield
Chancellor

**2010 SUPPLEMENTAL CAPITAL BUDGET
FOR THE COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

							Changes to the Enacted Budget *	
College	Budget Name	Type	Number	Senate	House	Conference	Notes	
Tacoma Community College	Science Building	Construction	20012687	(918,000)		(918,000)	Uncommitted balance of \$1,669,093.	
Clark College	East County Satellite	Construction	20041689	(220,000)	(220,000)	(220,000)	House and Senate estimate of bid savings.	
Centralia Community College	Science Building	Construction	20042850			(263,000)	Still checking to see if this was bid savings estimate or formula driven.	
Green River Community College	Humanities and Classroom Building	COP	20061205	4,044,000	4,044,000	4,044,000	We rounded up the actual to nearest 1,000.	
Spokane Falls Community College	Campus Classrooms	Design	20062696		(567,000)	(567,000)	Shift Construction Administration funding to when construction is funded in future.	
Lake Washington Technical College	Allied Health Building	Construction	20062697	(2,110,000)	(1,216,000)	(2,110,000)	Recast budget = -\$627,000	
Clover Park Technical College	Allied Health Care Facility	Design	20062699		(697,000)	(697,000)	Shift Construction Administration funding to when construction is funded in future.	
North Seattle Community College	Employment Resource Center	Construction	20062851	(805,000)	(805,000)	(805,000)	\$3.481M was transferred from 20081220. This is the legislative reduction after the swap.	
System Wide	Minor Works - Facility Preservation - Roof Repairs	Minor	20081010	0		0	Swap 253 for 057	
Seattle Central Community College	Wood Construction Center	Construction	20081216	(4,885,000)	(3,370,000)	(4,885,000)	Recast budget with no new = -\$3,370,000	
Peninsula College	Business and Humanities Center	Construction	20081218	(3,983,000)	(3,380,000)	(3,983,000)	SBCTC estimate = -\$3,380,000	
Spokane Falls Community College	Chemistry and Life Science Building	Construction	20081219	(6,793,000)	(6,793,000)	(6,793,000)	Reduced by extra FF&E and bid savings.	
Spokane Community College	Technical Education Building	Construction	20081220	(8,256,000)	(3,320,000)	(3,200,000)	\$3.481M was transferred to 20062851. This is the legislative reduction after the swap.	
Everett Community College	Index Hall Replacement	Design	20081221		(144,000)	(144,000)	Shift Construction Administration funding to when construction is funded in future.	
Green River Community College	Trades and Industry Building	Design	20081222		(918,000)	(918,000)	Shift Construction Administration funding to when construction is funded in future.	
Bellingham Technical College	Instructional Resource Center	COP	20081223	2,438,000	2,438,000	2,288,000	Less conservative interest estimate. NTE reduced to \$27M	
Skagit Valley College	Academic and Student Services Building	Design	20081224		(386,000)	(386,000)	Shift Construction Administration funding to when construction is funded in future.	
Lower Columbia College	Health and Science Building	Design	20081225		(782,000)	(782,000)	Shift Construction Administration funding to when construction is funded in future.	
Grays Harbor College	Science and Math Building	Design	20081226		(1,291,000)	(1,291,000)	Shift Construction Administration funding to when construction is funded in future.	
South Puget Sound Community College	Building 22 Renovation	Construction	20081316		(422,000)		No reduction in the conference budget	
Spokane Community College	Building 7 Renovation	Construction	20081319	(1,405,000)	(672,000)	(1,405,000)	SBCTC estimate = -672,000	
Spokane Falls Community College	Music Building 15 Renovation	Construction	20081320	(3,347,000)	(2,542,000)	(3,347,000)	SBCTC proposed to return \$2.5M in supplemental.	
Pierce College Fort Steilacoom	Cascade Core	Construction	20081321	7,704,000	(796,000)	6,599,000	Legislature is funding at \$8.5M request for new less their estimate of bid savings.	
Bellevue Community College	L Building Emergency Repairs	Construction	20081850	(1,073,000)	(1,073,000)	(1,073,000)	Project complete. Return unspent balance.	
Tacoma Community College	Health Careers Center	Design	20082701		(1,135,000)	(1,135,000)	Shift Construction Administration funding to when construction is funded in future.	
Bellevue Community College	Health Science Building	Design	20082702		(1,440,000)	(1,440,000)	Shift Construction Administration funding to when construction is funded in future.	
Bates Technical College	Mohler Communications Technology Center	Design	20082703		(563,000)	(563,000)	Shift Construction Administration funding to when construction is funded in future.	
Clark College	Health and Advanced Technologies Building	Design	20082705		(182,000)	(182,000)	Shift Construction Administration funding to when construction is funded in future.	
System Wide	Roof Repairs "A"	Minor	30000010	988,000		988,000	Funding our request for \$988,000 but swapping the source of funds.	
System Wide	Minor Works - Program	Minor	30000078	2,513,000		2,513,000	Funding our request for \$2,513,000 but swapping to 057.	
Seattle Central Community College	Seattle Maritime Academy	Design	30000120		(1,502,000)	(1,502,000)	Shift Construction Administration funding to when construction is funded in future.	
Yakima Valley Community College	Palmer Martin Building	Design	30000121		(467,000)	(467,000)	Shift Construction Administration funding to when construction is funded in future.	
North Seattle Community College	Technology Building Renewal	Design	30000129		(892,000)	(892,000)	Shift Construction Administration funding to when construction is funded in future.	
Green River Community College	Science Math and Technology Building	Design	30000130		(385,000)	(385,000)	Shift Construction Administration funding to when construction is funded in future.	
System Wide	Minor Works - Preservation	Minor	30000210	884,000		884,000	Funding our request for \$844,000 but swapping to 057.	
System Wide	Preventative Facility Maintenance and Building System	M&O	30000287	(22,800,000)		(22,800,000)	Reduction is offset in their Operating budget.	
System Wide	Construction Contingency Pool	New	92000007	3,312,000		3,339,000	SBCTC Contingency Pool.	

2009-11 Proposed Supplemental Change (34,712,000) (29,478,000) (42,498,000)

Capital Funds:
State Building Construction Account (Fund 057)
Community and Technical Colleges Capital Projects Account (Fund 060)
Education Construction Account (Fund 253)
Gardner-Evans Higher Education Construction Account (Fund 357)

By Type			
Minor Work	4,385,000	0	4,385,000
Design	0	(11,351,000)	(11,351,000)
Construction	(26,091,000)	(24,609,000)	(22,403,000)
COP Financing	6,482,000	6,482,000	6,332,000
Matching Funds	0	0	0
Maintenance and Operation	(22,800,000)	0	(22,800,000)
New	3,312,000	0	3,339,000
All Funds	(34,712,000)	(29,478,000)	(42,498,000)
By Fund			
General Obligation Bond (057 & 357) Total	(50,153,000)	(35,960,000)	(57,789,000)
Building Fee (060) Total	17,549,000	6,482,000	17,399,000
Lottery Revenue (253) Total	(2,108,000)	0	(2,108,000)
All Funds	(34,712,000)	(29,478,000)	(42,498,000)

* The Senate and House handled the transfer between 20081220 and 20062851 approved on August 4, 2009, differently. Numbers in this table were adjusted to reflect the change since the transfer was completed.

**SBCTC 2009-11 Biennium Operating Budget
2010 Supplemental Budget Proposals
\$s in Thousands**

2010 Supplemental Budget Proposals									
	Senate			House			Conference Budget		
	FY 2010	FY 2011	Total	FY 2010	FY 2011	Total	FY 2010	FY 2011	Total
Original 2009-11 Appropriations	\$684,829	\$690,050	\$1,374,879	\$684,829	\$690,050	\$1,374,879	\$684,829	\$690,050	\$1,374,879
2010 Supplemental Proposed Changes									
Budget Reduction	-	(36,616)	(36,616)	-	(20,703)	(20,703)	-	(37,746)	(37,746)
SB 6503 (Furloughs & Other Comp Savings)	(708)	(8,499)	(9,207)	(505)	(6,060)	(6,565)	-	(7,054)	(7,054)
Total Reduction	(708)	(45,115)	(45,823)	(505)	(26,763)	(27,268)	-	(44,800)	(44,800)
1 Facilities-Related Expenditures		11	11	296	513	809	296	513	809
2 Additional Worker Retraining Slots	-	27,834	27,834	-	1,039	1,039	-	17,556	17,556
3 Opportunity Grants					1,000	1,000		1,000	1,000
4 BS in Nursing/University Center	-	-	-		210	210		158	158
5 Transfer Labor Ed and Research Center	-	-	-	-	164	164	-	164	164
6 Aerospace Training and Research Center	-	-	-	-	2,000	2,000	-	1,750	1,750
Total Non-Compensation Changes	(708)	(17,270)	(17,978)	(209)	(21,837)	(22,046)	296	(23,659)	(23,363)
Compensation-Related Changes									
7 Pension Adj and Health Ins Rate Increase	37	5,939	5,976	37	37	74	37	17,961	17,998
Total Proposed Appropriations	\$684,158	\$678,719	\$1,362,877	\$684,657	\$668,250	\$1,352,907	\$685,162	\$684,352	\$1,369,514
Analysis Proposed Additional Budget Reductions Net of Tuition Increases									
	Senate		House		House				
	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011			
2009-11 Maintenance Level (Before Cuts)	766,454	767,276	766,454	767,276	766,454	767,276			
Budget Reduction in Original 2009-11 Budget	(82,425)	(82,425)	(82,425)	(82,425)	(82,425)	(82,425)			
Additional 2010 Supp Budget Reductions	(708)	(45,115)	(505)	(27,763) w/Opp Grants	-	(45,800) w/Opp Grants			
New Worker Retraining Funding	-	27,834	-	1,039 added back	-	17,556 added back			
Net impact prior to tuition	(83,133)	(99,706)	(82,930)	(109,149)	(82,425)	(110,669)			
Tuition Increase of 7% each year	18,500	37,000	18,500	37,000	18,500	37,000			
Net after tuition increases	(64,633)	(62,706)	(64,430)	(72,149)	(63,925)	(73,669)			
% change from ML, prior to tuition	-11%	-13%	-11%	-14%	-11%	-14%			
% change from ML, after tuition increase	-8%	-8%	-8%	-9%	-8%	-10%			

Notes on Conference Budget:

- Facilities-Related Expenditures:** Funds SBCTC request for M&O on North Seattle Employment Resource Center and Green River Kent Station II, and property insurance for Green River Humanities Building.
- Additional Worker Retraining Slots:** 3,784 additional Worker Retraining enrollments at current funding rate (\$4,639) for FY 2011.
- Opportunity Grants:** An additional \$1 million for Opportunity Grants for FY2011.
- BS in Nursing/University Center:** Funding is provided to implement House Bill 2694 (bachelor of science in nursing program at the university center). The University Center at Everett Community College, in partnership with the University of Washington- Bothell, must offer a bachelor of science in nursing program for 50 students (25 are funded in this appropriation).
- Transfer Labor Edu. & Res. Center** - Transfers the Labor Education and Research Center from The Evergreen State College to South Seattle Community College beginning July 1, 2010.
- Aerospace Training and Research Center:** Provides \$1.75 million to the State Board to contract with the Aerospace Training and Research Center on Paine field in Everett, Washington to support industry-identified training in the aerospace sector.
- Pension Adj and Health Insurance Rate Increase:** Adjusts employer health benefit funding rate to \$850. A small adjustment in the amount appropriated to pay for pensions (\$37K per year).
- M&O Fund Shifts:** Shifts \$11.4 million per year in M&O funding from the Building Fee Account in the Capital Budget to the Operating Budget. The shift is not shown on this spreadsheet because it does not impact districts' available M&O funding.

2010 Supplemental Budget Proposals
Comparison of On-Going Impacts of Governor, Senate, House, Final Legislative Budget Proposals
\$s in Thousands

	Current Biennium				Future Biennia			
	FY 2011				On-Going			
	Governor	Senate	House	Final Leg.	Governor	Senate	House	Final Leg.
On-going Budget Reduction	(43,545)	(36,616)	(20,703)	(37,746)	(43,545)	(36,616)	(20,703)	(37,746)
One-Time Systemwide Changes								
SB 6503 (Furloughs & Other Comp Savings)	-	(8,499)	(6,060)	(7,054)	-	-	-	-
Additional Worker Retraining Slots	11,533	27,834	1,039	17,556	-	-	-	-
Net System Change	(32,012)	(17,281)	(25,724)	(27,244)	(43,545)	(36,616)	(20,703)	(37,746)