

**From:** Chris Reykdal [mailto:CReykdal@sbctc.edu]  
**Sent:** Thursday, September 17, 2009 1:54 PM  
**Subject:** September Forecast is Released

Good afternoon chancellors, presidents, and business officers,

The September Revenue Forecast was released this morning. Generally things are stable and the bottom appears to be in place. They did pull the forecast down by \$238 million <http://www.erfc.wa.gov/pubs/pres0909.pdf>. Combined with the \$482 million reduction in June, the State's operating budget is down by at least \$720 million since the legislature left town. We of course do not have details on the caseload forecast, but most folks are still talking about a total budget deficit of \$1 billion.

I spent a little time this morning looking at the details and was struck by the unemployment rate forecast. The unemployment rate correlates so tightly with our annual change in enrollments (specifically Worker Retraining) that it's worth watching. The unemployment rate is currently at 9.2%. It is not expected to peak until the second quarter of 2010 at 9.85% (approximately 9-12 months from now). More interesting than that is the fact that under the current forecast the unemployment rate will be at or above today's level until the third quarter of 2011. Therefore we are probably looking at demand for Worker Retraining to remain quite steady for the next two years. Having served 9,000 total FTES last year, we expect this year's number to land somewhere between 12,000 and 15,000 FTES - we are funded for 6,200 from the state.

As you meet with legislators this Fall, please make clear that we are in desperate need of resources for the Worker Retraining Program. We will produce more details and supporting materials as we finish a round of conversations with the State Board next week and with WACTC in early October.

Don't hesitate to contact me if you need additional information or if you have questions,

Chris Reykdal  
360-704-4390