

From: Buttleman, Kurt
Sent: Thursday, January 21, 2010 2:19 PM
Subject: Fiscal Year 2010-11 Budget Update

Following is an update from the State Board for Community and Technical Colleges (SBCTC) regarding the budget discussions in Olympia.

Bottom line: Per the information below from SBCTC, the Seattle District's reduction could vary from between \$4.5 million and \$7.25 million for next year (approximately 4.0% - 6.5% of our operating budget). A portion of this reduction would be offset by increased tuition revenues resulting from our record enrollments. As more information about the State budget and our tuition collection becomes available, we will provide more detailed updates on the developing budget situation.

Kurt R. Buttleman, Ed.D.
Chief Financial Officer
Seattle Community Colleges

Good afternoon Chancellors, Presidents and Business Officers. The purpose of this email is to provide a brief update on 2010 supplemental operating budget discussions and to alert you to potential additional reductions.

Potential for Deeper Cut

As we communicated previously, the Governor proposes to reduce higher education institutions' budgets (i.e., excluding cuts to financial aid) by \$90 million. This includes the \$43.5 million cut to our system.

Legislative staffers have identified an additional \$28 million that could be cut from institutions' budgets without violating the federal maintenance of effort (MOE) requirements. This additional capacity was discussed this week in a staff presentation to the Senate Higher Education and Workforce Committee and is the result of a \$28 million addition to higher education in the Governor's proposed budget to pay for increased health benefit costs.

The legislature has discretion, of course, in whether or not to take the additional cut and if they do how to spread it across higher ed. We are arguing against any cut to the two-year colleges: State funding to our system has already been reduced by \$82 million or 11% annually; the governor's budget reduces us another \$43 million, for a cumulative total reduction of 15%. Yet we are serving an additional 20,000 FTE students compared to two years ago when the cuts began. This cannot be sustained.

New Budget Proposal from the Governor

The Governor's "Book 2" budget, released this week, would restore some of the cuts included in her December release and would require \$779 million in new revenues. Lawmakers are discussing potential new federal stimulus funding and tax increases as sources of new revenue.

Her Book 2 budget for higher education institutions, including the community and technical colleges, is the same as her December budget proposal. (We sent you the details for our system in December, and they include a reduction of \$43.5 million and an increase of \$11.5 million for Worker Retraining.) The Book 2 budget does, however, restore the \$146 million cut to the State Need Grant included in her December proposal.

Contact me or Chris Reykdal if you have any questions.

Denise Graham

Director, Operating Budget

Washington State Board for Community and Technical Colleges

360.704.4350