

Budget Update
Board of Trustees Meeting
January 8, 2009

The Governor released her proposed 2009 supplemental, 2009-11 operating, and 2009-11 capital budgets on December 18, 2008. The community-technical colleges received an early Holiday gift, when the Governor announced that the budget reduction for the CTC's would be only 6%. The four year institutions were cut by 13%. The following statement by the Governor indicates that she appreciates the value of the CTC's, and their mission. *"The lower rate of reduction for the community and technical colleges is in recognition of their unique mission in job training and skills developments essential to the state's economic recovery."* These are the highlights of the Governor's proposed budget.

2009 Supplemental Operating Budget Request for the CTC System (current fiscal year)

- Governor recommends a **reduction** of \$32.1 million, or approximately 4.3% for the current fiscal year. This is slightly more than the \$30.5 million or 4.1% the system was previously directed to cut. The 4.3% reduction for the Seattle District is approximately \$3.1 million
- Tuition rates remain unchanged for the current year
- Enrollment targets remain unchanged for the current year

Governor's Proposed 2009-11 Operating Budget for the CTC System

- The Governor's proposed **reduction** to the CTC systems operating budget is 6%. This cut includes the reductions already taken during the current fiscal year i.e. the \$32.1 million stated above. **To clarify: Based on actual numbers, the State Board estimates the system's total cut to be closer to 6.5%. This fiscal year the System/District has been directed to cut 4.3% from the budget, with the balance of the 6.5% cut taken in the next biennium.**
- Tuition increases are limited to 5% in the first year of the biennium, and another 5% increase in the second year for resident undergraduate students. This will increase tuition to \$83.50 per credit.
- No fee increases for higher education are proposed.
- Enrollment targets remain the same for the next biennium.
- Three legislative provisos remain for next biennium. Worker Retraining, Job Skills, and a new proviso for Student Achievement Initiatives.

- No salary increases are provided to any employee groups. Health benefits are fully funded, where the employer pays 88% and the employee 12% of the costs.

Capital Budget (this is the most complicated of all the budgets, based on the various funding sources)

- Governor's proposed capital budget is \$477.3 million. The system request totaled \$549.6 million. This proposed budget includes renovation of Wood Construction, the redesign of North's Allied Health Technology building, and the redesign of the Seattle Maritime Academy.
- As part of a stimulus package, two Seattle District capital projects are on the accelerated project list. North's Employment Resource Center and Central's Wood Construction renovation.

Other Information

- These are the reduction percentages for other units of State Government:
 - K-12- 5.6%
 - Public Safety- 6.3 %
 - Early Learning- 6.4%
 - Healthcare and Human Services- 12.2%
 - Natural Resources-12.2%I-728 class size reduction funds for the K-12 system were cut by 21% for the 2009-11 biennium.
- Legislature begins its session on January 12, 2008. There could be significant changes made to the Governor's proposed budget
- The next State revenue forecast is due in March.
- We don't expect to have a final budget until late June.