

Community and Technical College System
Plan for Implementing 6.287 Percent Across-the-Board Allotment Reductions

Context and Background

The community and technical college system's state funding has been reduced by \$127 million over the last two years. From our 2009-11 maintenance level budget, this represents a 16% cut. The September 2010 across-the-board 6.287% reduction will add another \$39.6 million to the cut in state funding, for a total reduction of \$167 million a year, or -21%. Additional funding for selected programs (most importantly, Worker Retraining and Opportunity Grants) and tuition increases of 7 percent in FY 2010 and FY 2011 have helped to mitigate the effects of the state funding reductions, for a net change of -11% on average, across the system. Because the proportion of tuition-paying students varies by college (discussed below), the actual net reduction varies by college.

At the same time state funding has been reduced, the economic downturn has driven a surge of enrollments at the community and technical colleges: From 136,500 full-time equivalent students (FTES) in 2007-08 to 161,000 FTES in 2009-10, a 17% increase. The 2009-10 enrollments were 15% higher than the legislative enrollment target of 139,000. As the fall quarter begins, colleges are reporting even bigger enrollment demand this year.

Budget reductions are distributed among the 30 college districts (representing 34 colleges) proportionately, with each college determining how to implement the reductions at the local level. With each new budget reduction over the last two years, the colleges have engaged their entire campus communities in reduction discussions. The across-the-board reductions are coming as the fall quarter begins and faculty are just returning to campuses. All the colleges have started the budget reduction process which will continue over the next few months.

The 34 community and technical colleges across the state are each uniquely situated in their communities, enrolling different mixes of academic transfer, workforce, and adult basic education students. Academic transfer and workforce students generate tuition revenues for the colleges, providing marginal revenue to serve the increased numbers of students. The colleges have served the surge in enrollments by adding sections, particularly in academic transfer courses, and filling each section with the maximum number of students. The additional sections are often taught by part-time faculty, whose annualized salaries, on average, are less than full-time faculty. Sections that do not have the maximum number of students are often cancelled, making it more difficult for students to get the courses they need to complete their degrees and certificates.

Workforce course sections are more difficult to add because they tend to be higher cost due to the necessity of keeping class sizes relatively small, and because they often require special teaching facilities, including machines and equipment. Workforce students are therefore taking a larger than usual proportion of their academic courses up front. There is a growing concern that these students will not be able to finish their programs without additional funding to add program capacity.

Adult basic education students (such as ESL students) pay only \$25 per quarter to ensure affordability. Some of the colleges responded to state budget reductions in part by consolidating ABE instruction, including closing off-site facilities, reducing evening and weekend hours of instruction, and increasing class size. The consequence of these budget reduction strategies is decreased access for low-skilled adults,

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those who are the most affected by today's layoffs. ABE enrollment FTES declined by 3% from 2008-09 to 2009-10.

While the colleges have enrolled increasing numbers of students by adding and over-filling course sections, they have reduced staffing, hours, and services in other areas of the campus. Administration, student services, libraries and facilities maintenance have been reduced, making it more difficult for students to get timely responses and services.

Impacts of the 6.287 Percent Allotment Reductions

While the colleges will, wherever possible, maintain their commitments to students currently enrolled, enrollment FTES are expected to decrease with this budget reduction. Reductions in FTES are estimated to be between 7,000 and 9,000 FTES on an annualized basis. Because cuts to instructional programs won't take place winter quarter, however, enrollment reductions this year are projected to be between 4,700 and 6,200 FTES. The drop in FTES is expected for the following reasons:

- With the 6.287 percent reduction, many of the colleges will cut back on the number of course section offered; as a result, students will find it even more difficult to get into the classes they need.
- While there is some capacity to increase class sizes in a few instances, many of the colleges have already maximized faculty workloads as well as physical classroom space.
- Adult basic education course offerings will be scaled back even further, as the colleges continue to maximize their tuition revenue generating programs.
- Additional cuts to student services will mean staffing reductions, resulting in even longer delays in processing registration and financial aid applications, and increasing the wait times to see academic advisors and tutors. Students are less likely to persist in their educations under these conditions.

General Budget Reductions. The budget reductions will fall into two primary categories: The first is general cuts to the colleges and the second is cuts to specific provisioned appropriations in the operating budget act. The across-the-board reductions will reduce provisions by \$2.3 million, leaving \$37.3 million in general reductions. The estimated distribution of the general budget reductions and their impacts are described below.

- **Instruction (\$19.3 million):** Instruction expenditures make up 52% of college budgets and are expected to take the same proportion of this round of budget cuts. Reductions to instruction will be carried out through reduction in full-time faculty through attrition and possible layoffs; offering fewer courses taught by part-time faculty; and by eliminating select workforce program offerings. Students will find it even more difficult to get into the classes they need and will find a more limited number of workforce programs to choose from. Adult basic education programs will take a disproportionately high share of the cuts (projected as -8% cuts to ABE program expenditures) as colleges cut back even more on the number of ABE courses, as well as the times and locations of course offerings.
- **Student Services (\$5.2 million):** Additional cut backs to staffing through attrition and potential layoffs will further increase financial aid and registration processing times; decrease public hours to allow for more processing time; increase the amount of time it takes to see an academic advisor; eliminate employment services such as workshops; replace some face-to-face contact with on-line tutorials and group sessions.

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- **Central and Instructional Administration (\$7.9 million):** Reductions in staffing will take place through attrition as well as layoffs. Increased use of furlough days will also be considered.
- **Libraries (\$1 million):** Colleges have already reduced staffing, hours of operation, and book and learning resources purchases. They will make further reductions through the same means, further limiting students' access to learning resources.
- **Plant Operations and Maintenance (\$3.8 million):** The savings will be realized through reductions to staffing through furloughs, layoffs, and attrition; further utility conservation measures (electricity, water); deferred equipment replacement and purchases. Previous reductions have already resulted in increasing concern over the safety and cleanliness of the campuses.

Provisos: The budget bill contains six General-Fund State provisos, which stipulate that the funding provided must be spent solely on particular programs. The across-the-board reduction will result in the following cuts:

- **Worker Retraining Program:** A 6.287% reduction to the \$28.8 million appropriation cuts \$1.8 million. This program provides training for unemployed workers. The cut will result in 390 FTES fewer Worker Retraining students.
- **Job Skills Program:** A 6.287% reduction to the \$2,725,000 appropriation cuts \$171,000 from this proviso. The Job Skills Program provides training to incumbent workers, which is proving to be critical for businesses in order to compete in the global, regional, and local marketplaces. With a reduction of \$171,000, at least 3 companies will not be served, and 178 or more employees will not be trained.
- **Aerospace Training Center:** A 6.287% reduction to the \$1,750,000 appropriation cuts \$110,000 from this proviso. The Washington Aerospace Training Resource Center in Everett provides customized training for Boeing workers and aerospace employment seekers. The center is currently developing and offering technical training modules for the aerospace industry. Reduction in funding for the Center would reduce development of new courses by 50% and result in limiting the pool of qualified, skilled workers for the aerospace industry.
- **BS in Nursing at University Center at Everett:** A 6.287% reduction to the \$158,000 appropriation cuts \$10,000 from this proviso. This funding supports 25 FTES in the Bachelor of Science Nursing program at the University Center at Everett through a partnership between Everett Community College and the University of Washington-Bothell. The cut will mean fewer BSN graduates.
- **Hospital Employee Education and Training Grants:** A 6.287% reduction to the \$2,250,000 appropriation cuts \$141,000 from this proviso. These grants are for innovative programs that provide training in nursing and other high demand health care fields to hospital workers, resulting in greater diversity to the health care workforce. Grants have been awarded for eight projects. Applications for additional projects are due September 30, 2010. The budget reduction will mean the additional project is not funded.
- **Technology Transformation:** A 6.287% reduction to the \$1,113,000 appropriation cuts \$70,000 from this proviso. This funding supports the implementation of the State Board's Strategic Technology Plan (<http://techplan.sbctc.edu>). This cut will be implemented by reducing (1) student and faculty 24/7 help desk support for key instructional technology systems and (2) eLearning faculty professional development.

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Estimates for FY 2011 6.287% Across-the-Board Budget Reductions

Non-Provided Budget	\$592,988,000
GF-S Provisos	<u>\$36,757,000</u>
FY 2011 GF-S Appropriation	\$629,745,000
Across-the-Board Percentage Cut	-6.287%
Across-the-Board Cut Amount	(\$39,592,000)

General Budget Reductions				
<u>Program Area</u>	Estimated FY 2011 Expenditures	% of Total Expenditures	Estimated Cut	% Cut to Estimated Expenditures
Instruction	<u>\$307,396,118</u>	<u>52%</u>	<u>(\$19,327,000)</u>	-6.3%
Academic Transfer	\$129,376,801	22%	(\$7,456,000)	-5.8%
Basic Skills	\$30,736,327	5%	(\$2,610,000)	-8.5%
Developmental Ed	\$20,835,631	4%	(\$1,310,000)	-6.3%
Workforce Ed	\$126,447,359	21%	(\$7,951,000)	-6.3%
Libraries	\$16,500,497	3%	(\$1,037,000)	-6.3%
Student Services	\$82,383,366	14%	(\$5,180,000)	-6.3%
Administration	\$125,896,611	21%	(\$7,915,000)	-6.3%
Plant Operations and Maintenance	<u>\$60,811,408</u>	<u>10%</u>	<u>(\$3,823,000)</u>	-6.3%
	\$592,988,000	100%	(\$37,282,000)	-6.3%

Reductions to Provisos		
<u>General Fund-State Provisos</u>	Proviso Amounts	6.287% Cut
Worker Retraining Proviso	28,761,000	(\$1,808,000)
Job Skills Program	\$2,725,000	(\$171,000)
Aerospace Training Center	\$1,750,000	(\$110,000)
BS in Nursing / University Center	\$158,000	(\$10,000)
Hospital Employee Education & Training	2,250,000	(\$141,000)
Technology Transformation	<u>1,113,000</u>	<u>(\$70,000)</u>
Total Provisos	\$36,757,000	(\$2,310,000)

Total Cut **-\$39,592,000**