

# Washington Community and Technical Colleges State Operating and Capital Budgets

New Trustees Orientation

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# Outline

- State of Washington Budget Process
- Operating Budget
- Capital Budget

# State of Washington Budget Process

# State of Washington Biennial Budget Process

- SBCTC prepares budget requests, based upon State Board Strategic Direction priorities
- SBCTC submits operating and capital budget requests to Governor
  - Fall, even years
- Governor makes biennial budget proposal to Legislature
  - December, even years

# State of Washington Biennial Budget Process (cont'd)

- Each chamber of the Legislature writes its own budget
  - The Governor's proposed budget is considered by the Legislature
  - The Legislature is not required to follow the Governor's proposal
  - The budget is a law! (with a two-year life)
  - Both chambers must agree on everything, down to the last word

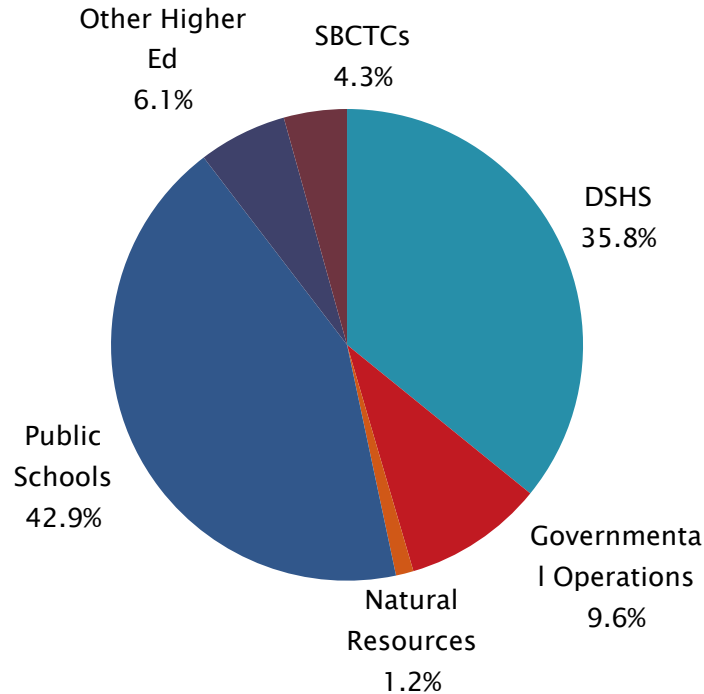
# State of Washington Biennial Budget Process (cont'd)

- Legislature appropriates state funds to the SBCTC
- The Governor signs the budget – has power to veto subsections
- In the even-numbered years, “supplemental” budgets adjust the biennial budget
- SBCTC allocates fund to colleges

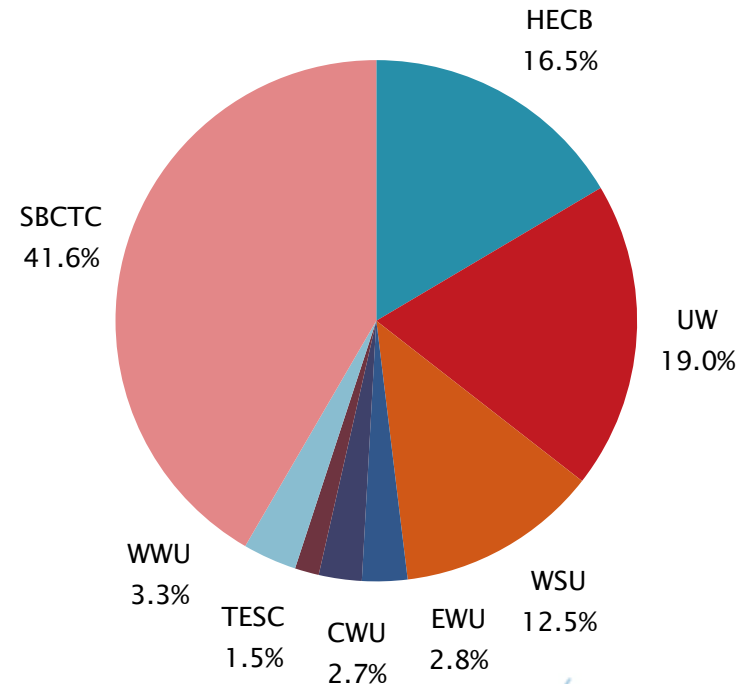
# Operating Budget

# State of Washington General Fund Operating Budget 2009-11 Biennium

Washington State = \$31.4B



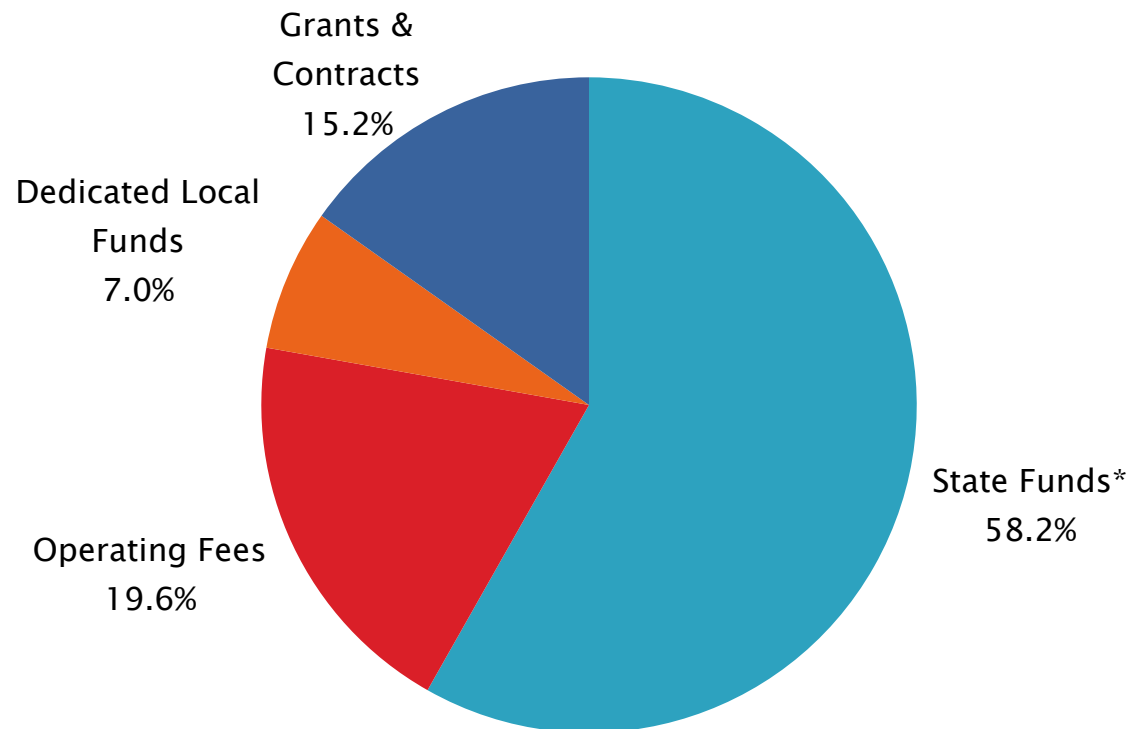
Higher Education = \$3.3B



CTCs serve 60% of higher education enrollments

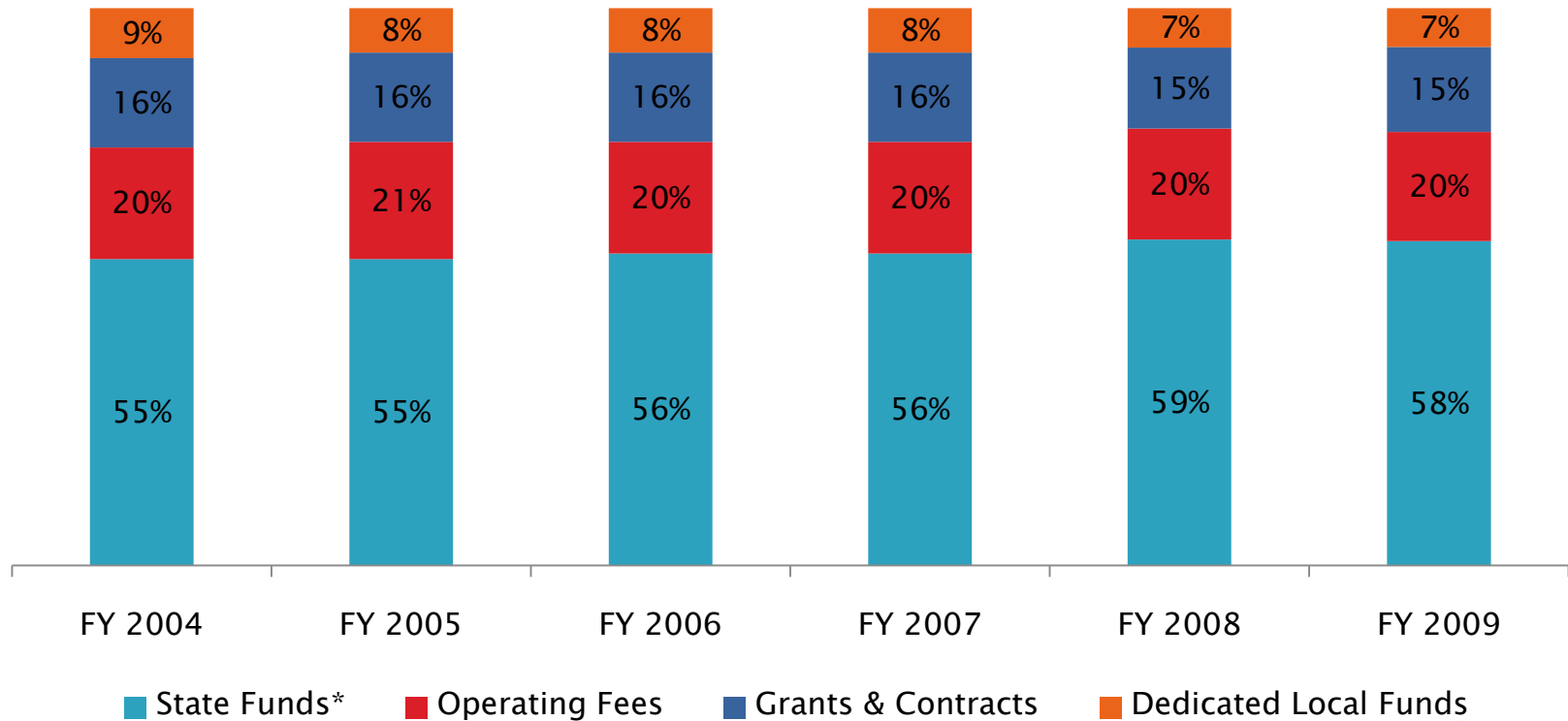


# Where does College Operating Money come from? FY 2009



\* Includes the General Fund-State and Near General Fund accounts.

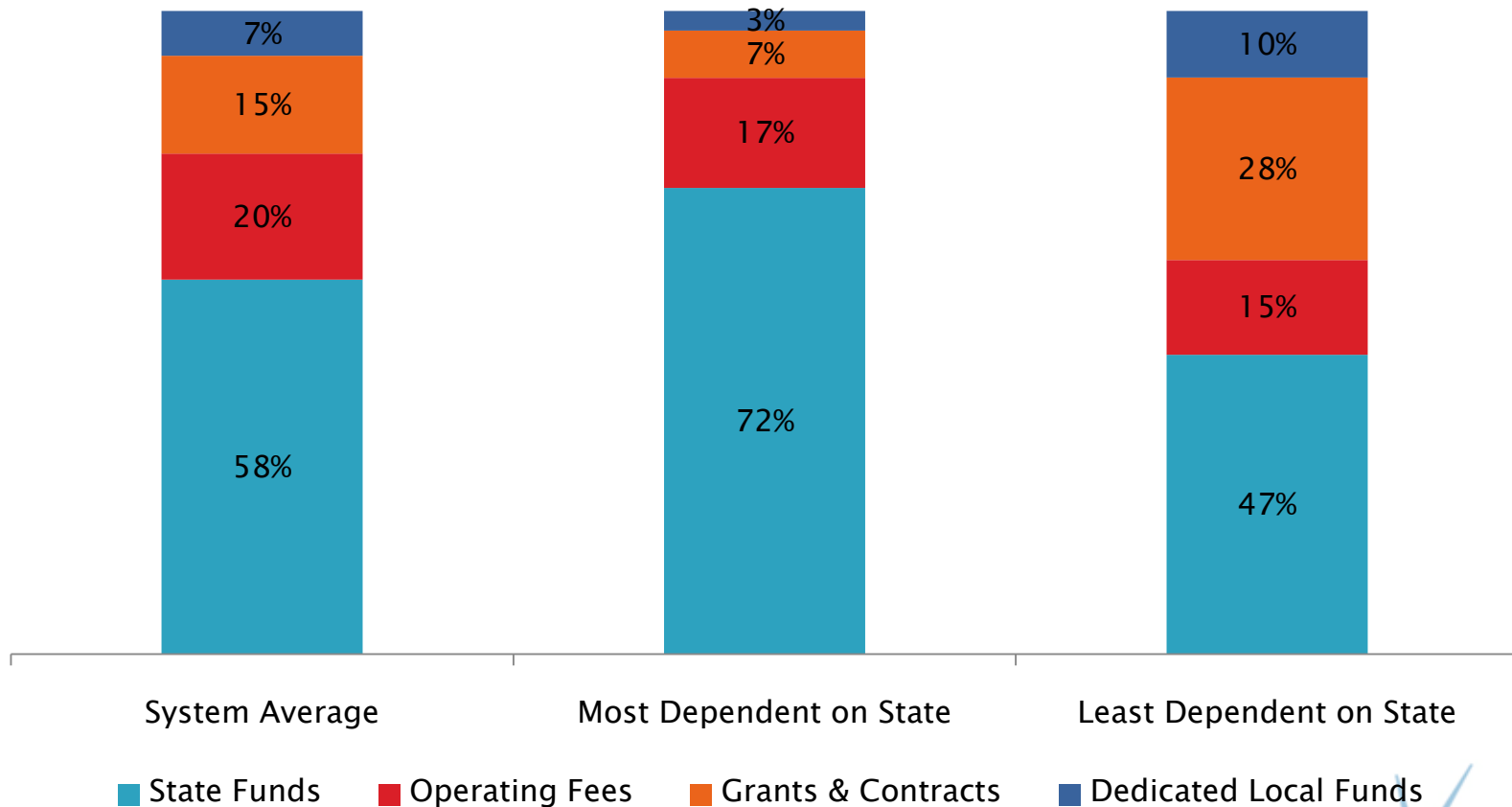
# Sources of College Operating Expenditures FY 2004 to FY 2009



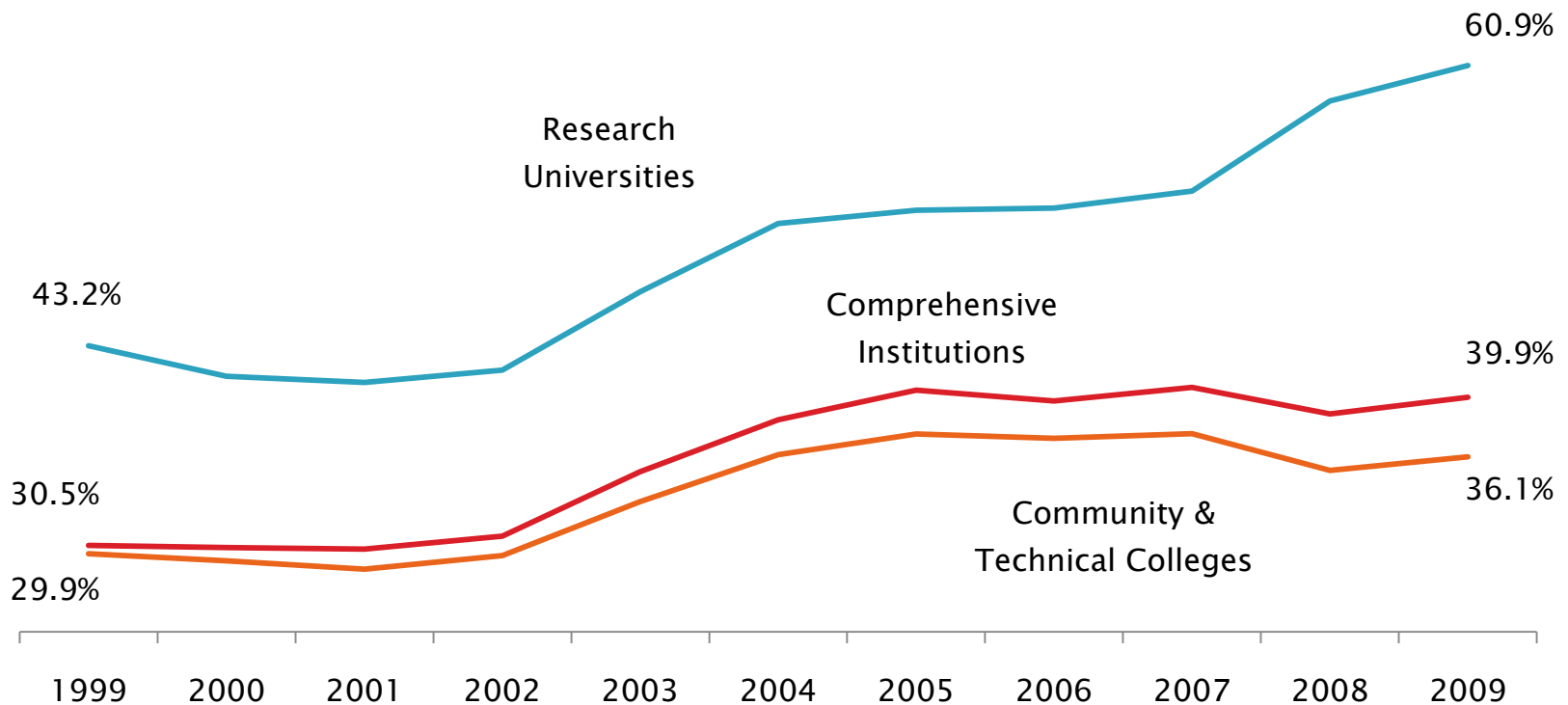
\* Includes the General Fund-State and Near General Fund accounts.



# Community and Technical College System Dependency by Fund FY 2009



# Washington CTC Students\* pay 36% of their instructional costs today vs. 30% a decade ago



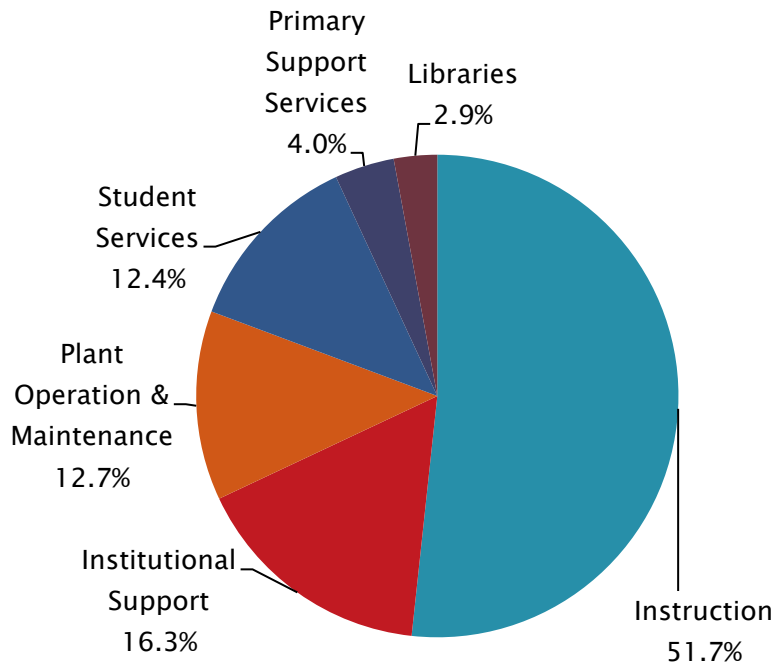
\*Full tuition paying student receiving no waivers

# How Colleges Spend their Money

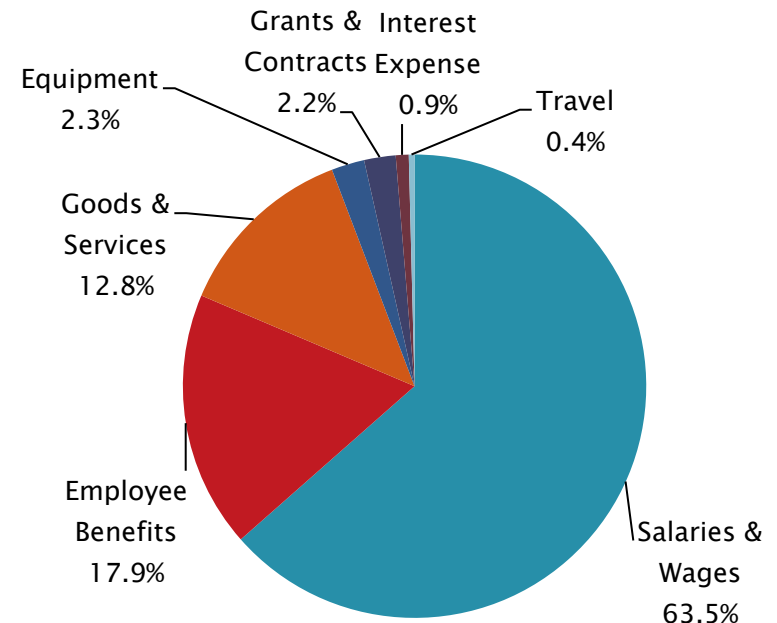
## General Fund State and Operating Fees

### FY 2009

#### Expenditures by Program



#### Types of Expenditures



# SBCTC State Funds Allocations

## State Operating Budget

- Allocations based upon State Board priorities and legislative direction
- “Base Plus” approach – colleges keep the money they have. One-time funds removed, results is college “based budget”
- New money is added – typical new funds include:
  - Growth enrollment slots
  - Compensation increased
  - New programs/specified funding

# SBCTC State Funds Allocations

## State Operating Budget (cont'd)

- State Board allocates some funds for its strategic priorities
- Most allocated money is unrestricted – colleges develop local priorities

# Allocation of Growth Enrollment Slots

- Biennial enrollment plan – intent is to put enrollment growth where it will be needed
- Funding for growth enrollments set by the Legislature

# Statutory Authority: Salary Setting

- College Governing Boards
  - Hire/set salaries for presidents, faculty and administrative officers
  - Set compensation and salary increases within legislative limits
- Collective bargaining on faculty and classified staff salaries

# Compensation Increases

- Legislature controls salary increases
- Increases are delineated in biennial appropriations act
- **Salary increases are limited to those allowed in the appropriations act – no other increases may be provided by the colleges!**
- **Until February 18, 2010, additional legislative restrictions apply: no salary increases allowed**

# Typical Types of Compensation Increases

- COLAs – limited to % set by Legislature
- Faculty Increments – limited to funds allowed by Legislature, plus turnover savings, sometimes COLA
- Part-time Faculty – limited by specific legislative language

# Authorized Increases for the 2009-11 Biennium

- After the prohibition on salary increases is lifted February 2010, “The only allowable salary increases are those associated with normally occurring promotions and increases related to faculty and staff retention....” (from appropriations act)

# Tuition

- Traditionally set by Washington Legislature
- Recent trend to delegate authority to State Board to increase CC resident tuition up to legislative maximum
  - State Board has authority to set CC non-resident tuition
  - Technical Colleges' Boards of Trustees set TC tuition and fees, cannot exceed legislative maximum % increase
  - Since 1992, tuition revenues (except building fees) are retained by colleges

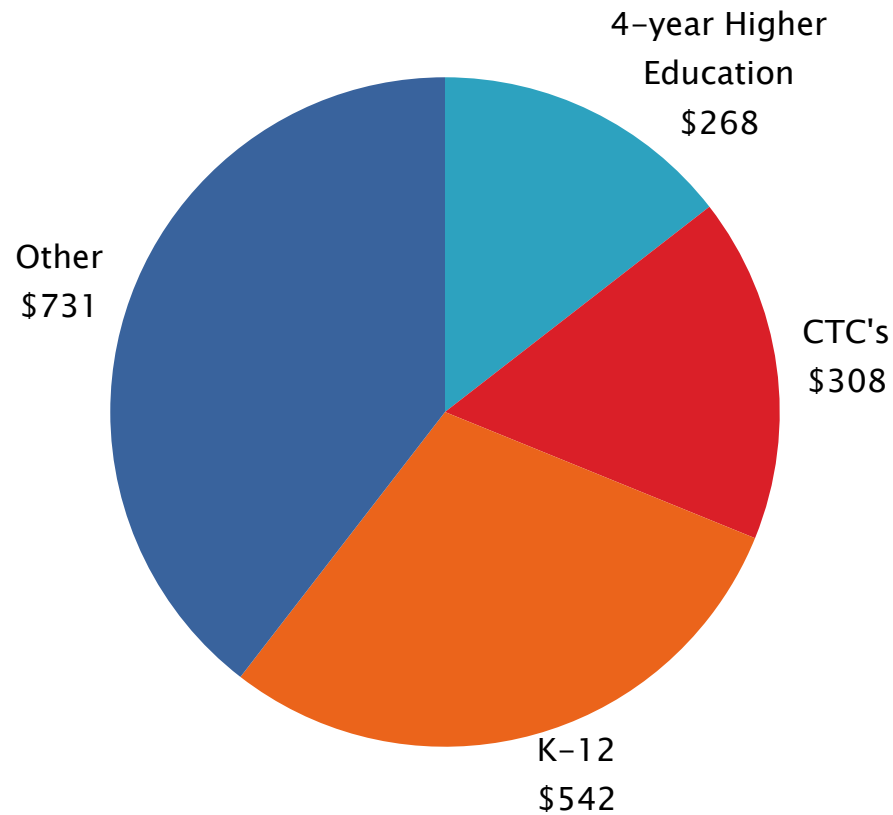
# Tuition

- Components of Tuition and Fees
  - 3.5% of student's payment set aside at college for assistance to needy students (state law)
  - Remainder divided as follows:
    - Operating Fees (80%)
      - Retained locally to help pay general expenses of the college
    - Building Fees (10%)
      - Sent to State Treasurer, funds a portion of the colleges' capital budget
    - Service and Activity Fees (10%)
      - Retained locally; used to fund student activities such as sports, clubs, childcare, etc.
      - Colleges may charge less than maximum

# Capital Budget

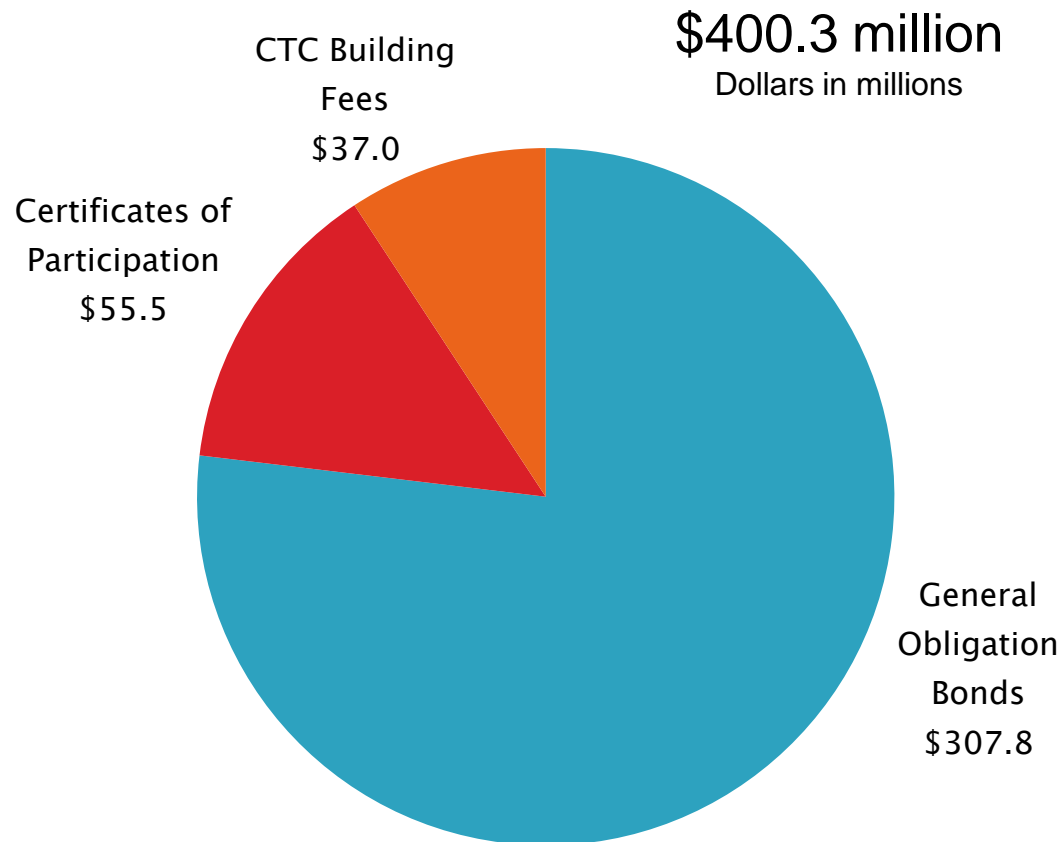
# 2009 General Obligation Bonds Funds by Major Category

\$1.85 billion  
Dollars in millions



# Where Does SBCTC Capital Money Come From ?

## 2009 – 11 Biennium



# SBCTC Capital Process

- Construct quality buildings
- Flexibility to respond to changing program requirements
- Keep facilities from deteriorating and eliminate temporary structures on main campuses
- Focus on renovating and replacing the work buildings first

# SBCTC Capital Process

- Colleges prepare capital project requests every two years
- A single, prioritized capital project request list is developed and submitted to the Governor/Legislature
- System strives to request only solid, well-justified projects
- CTC prioritized request is generally respected by state budgeters – projects funded in priority order

# How Do Colleges Get Projects on the Request List?

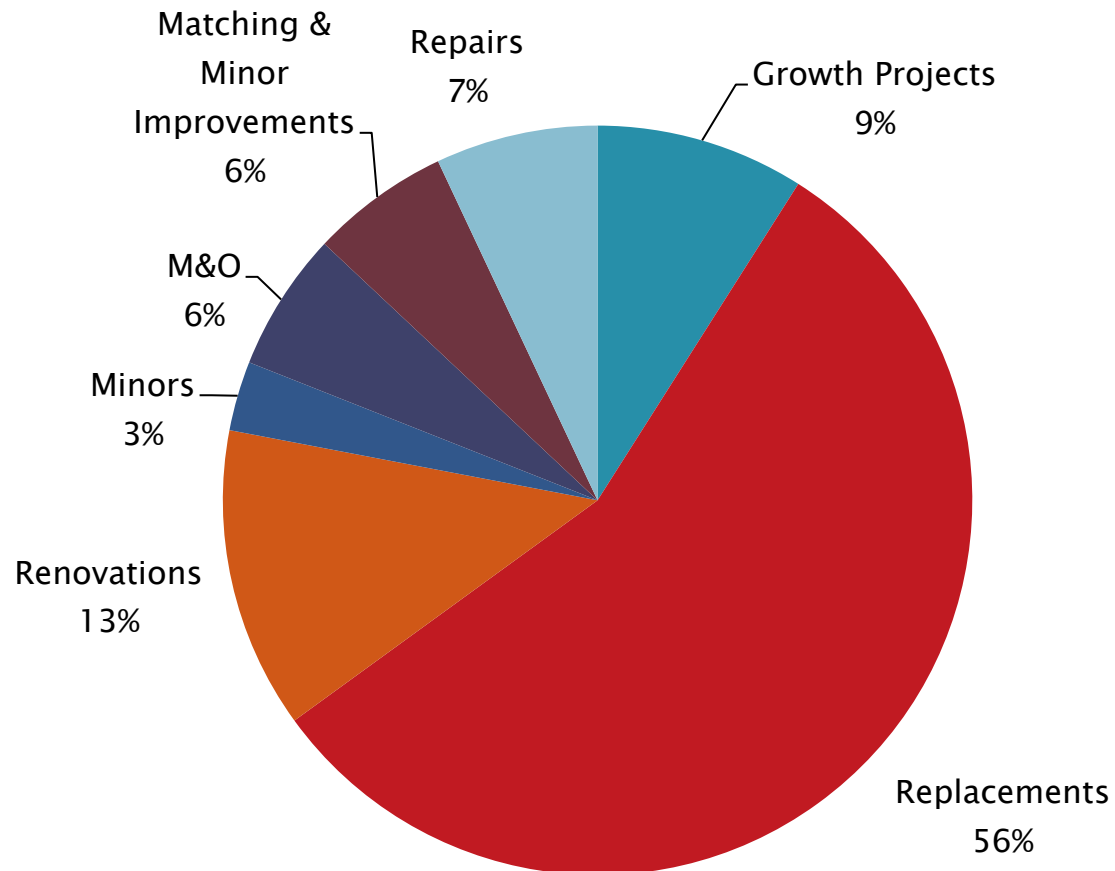
- Project conformance with college strategic and master plans
- Well-planned and justified program needs
- Facility condition
- State projections for student growth

# Who Decides which Projects are on the Request List, and in what order?

- Scoring committee of presidents, business officers, Instruction and Student Services Commission representatives and facility coordinators
- Common criteria used to score and rank each request
- Capital Budget Task Force agrees on final prioritized request list, recommendation to the State Board

# SBCTC 2009 – 11 Capital Projects

## Type of Projects



# Questions?