

# Washington Community and Technical Colleges State Operating and Capital Budgets

New Trustee Orientation

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Denise Graham

SBCTC Deputy Executive Director, Finance



# 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
- 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

- 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

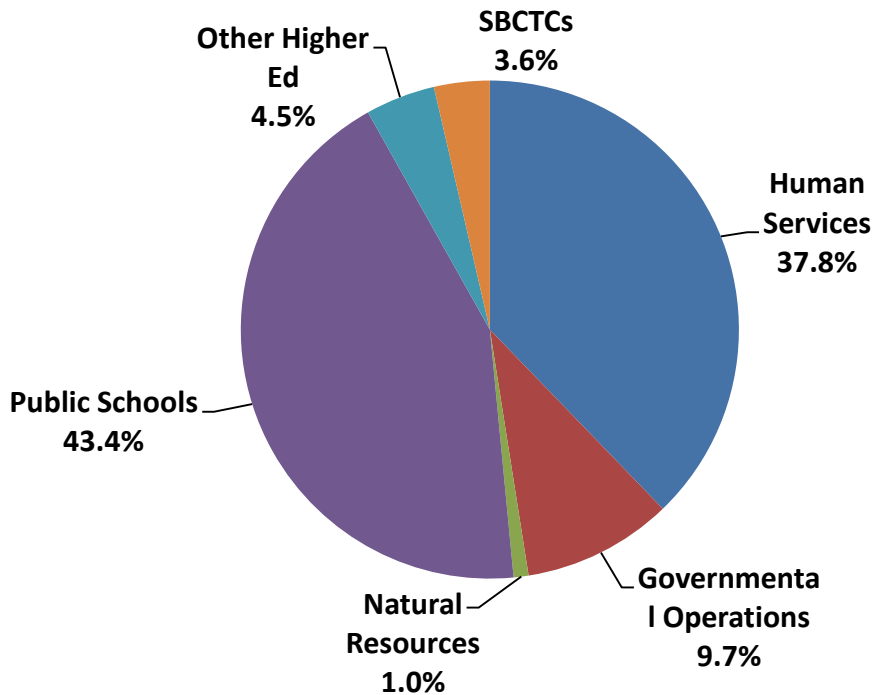
# State of Washington Biennial Budget Process

- 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 funds to colleges

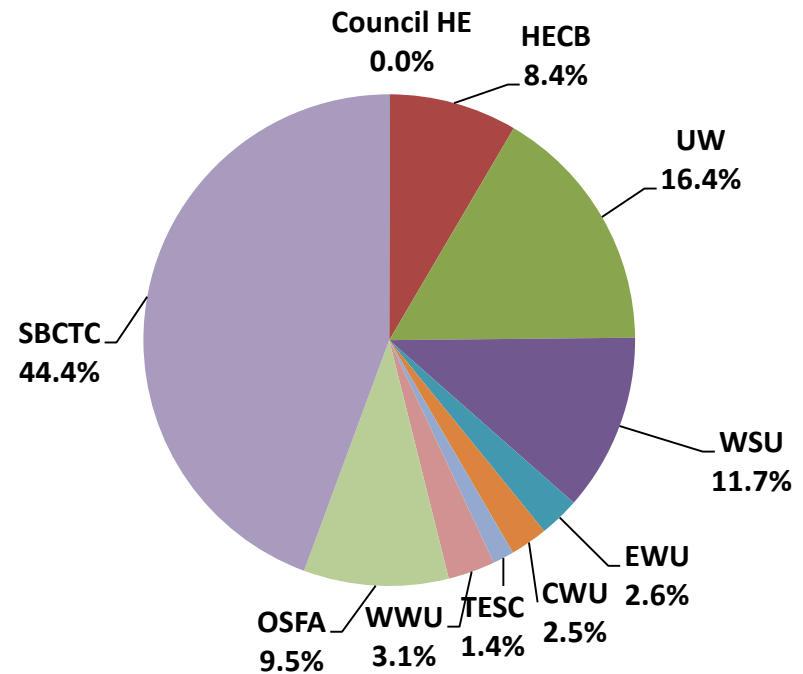
# Operating Budget

# State of Washington General Fund Operating Budget 2011-13 Biennium

Washington State = \$32.0B

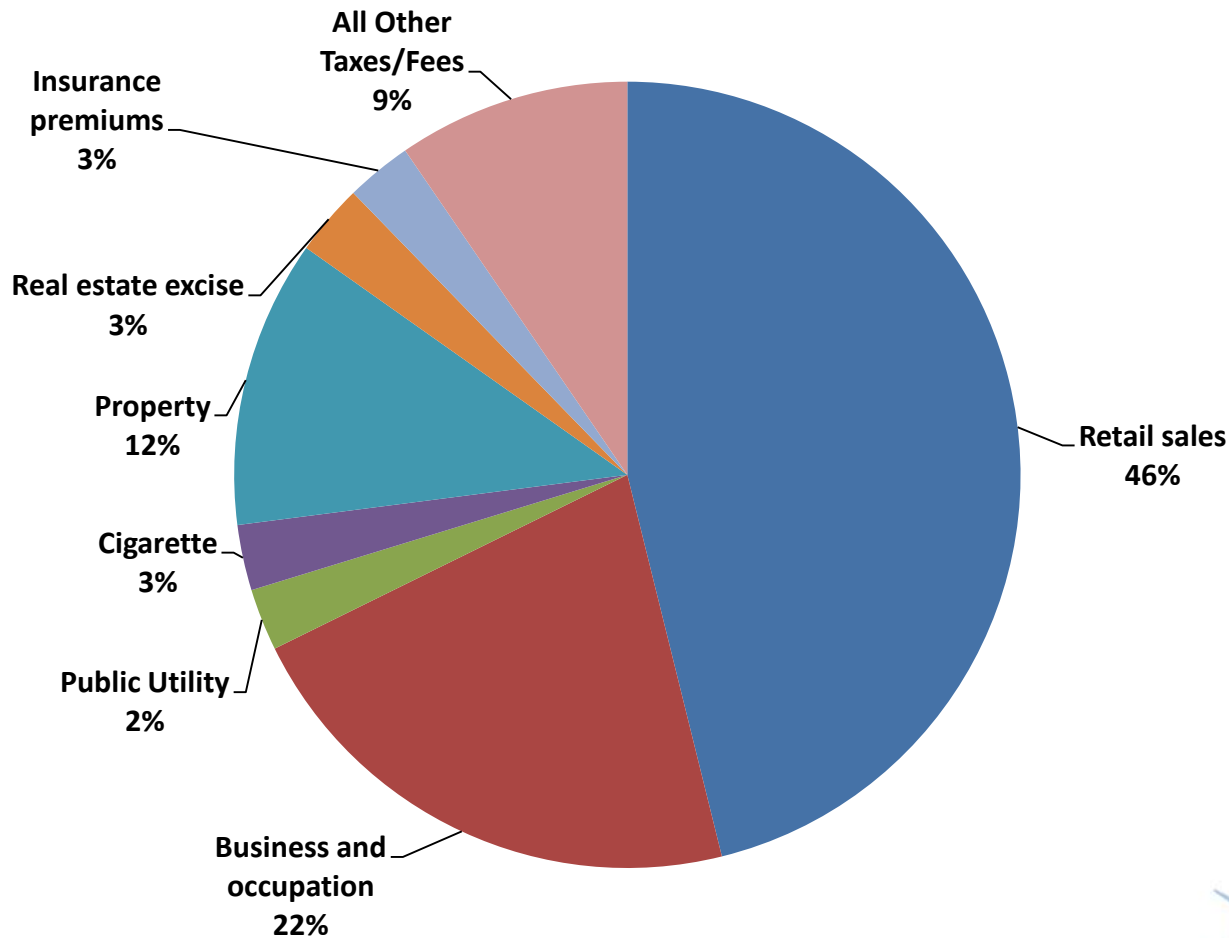


Higher Education = \$2.6B

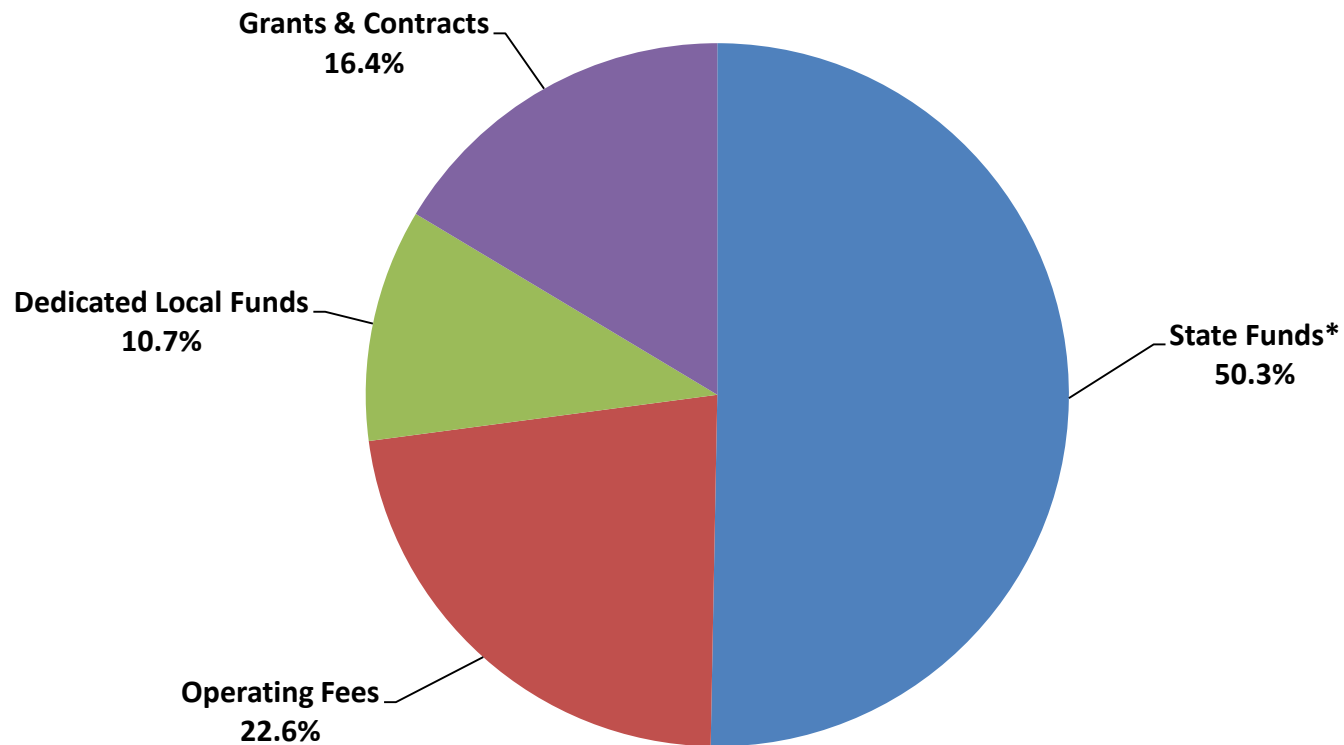


CTCs serve 60% of higher education enrollments

# 2011-13 Sources of General Fund Estimated Revenues

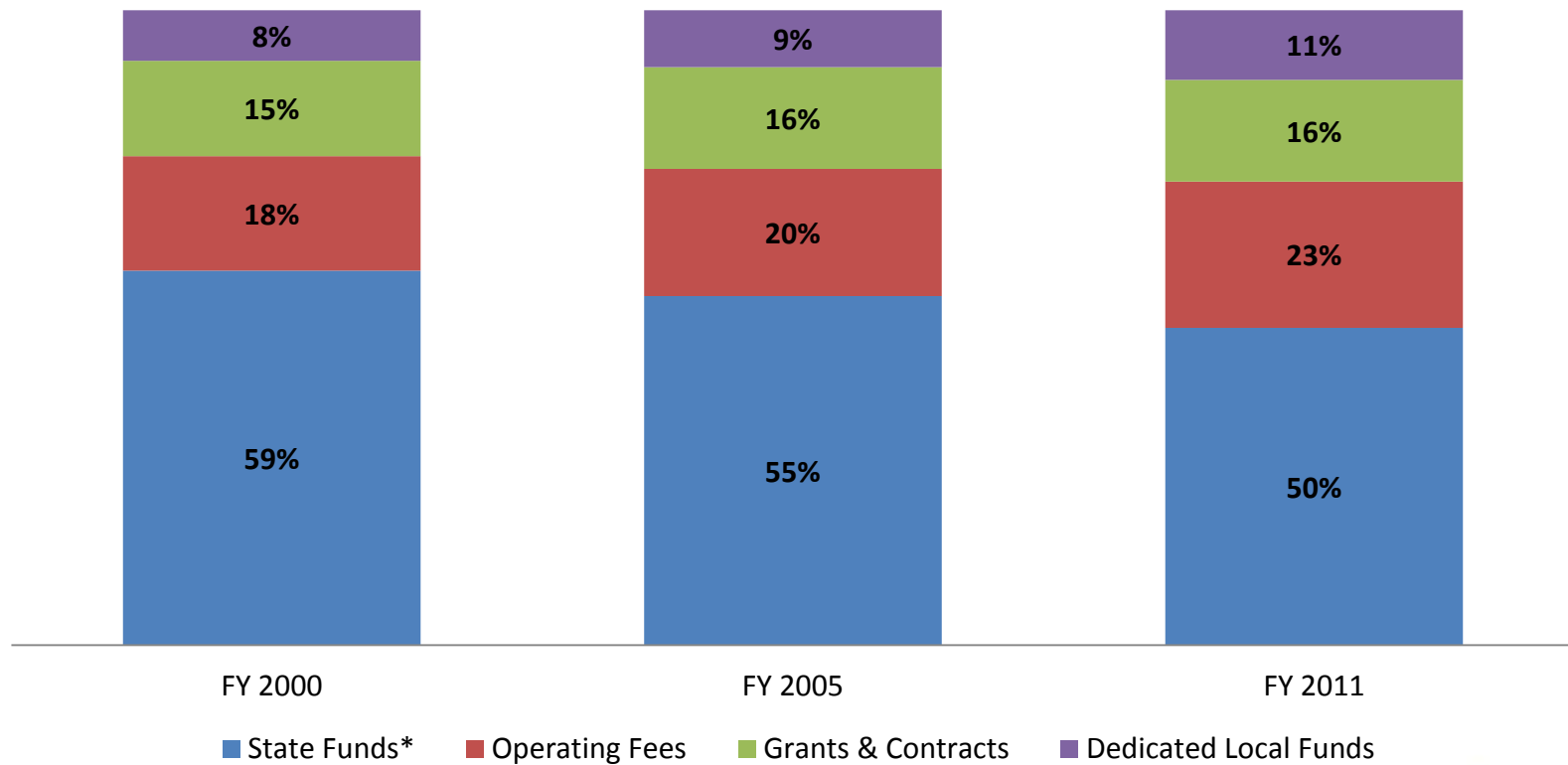


# Where Does College Operating Money Come From? FY 2011



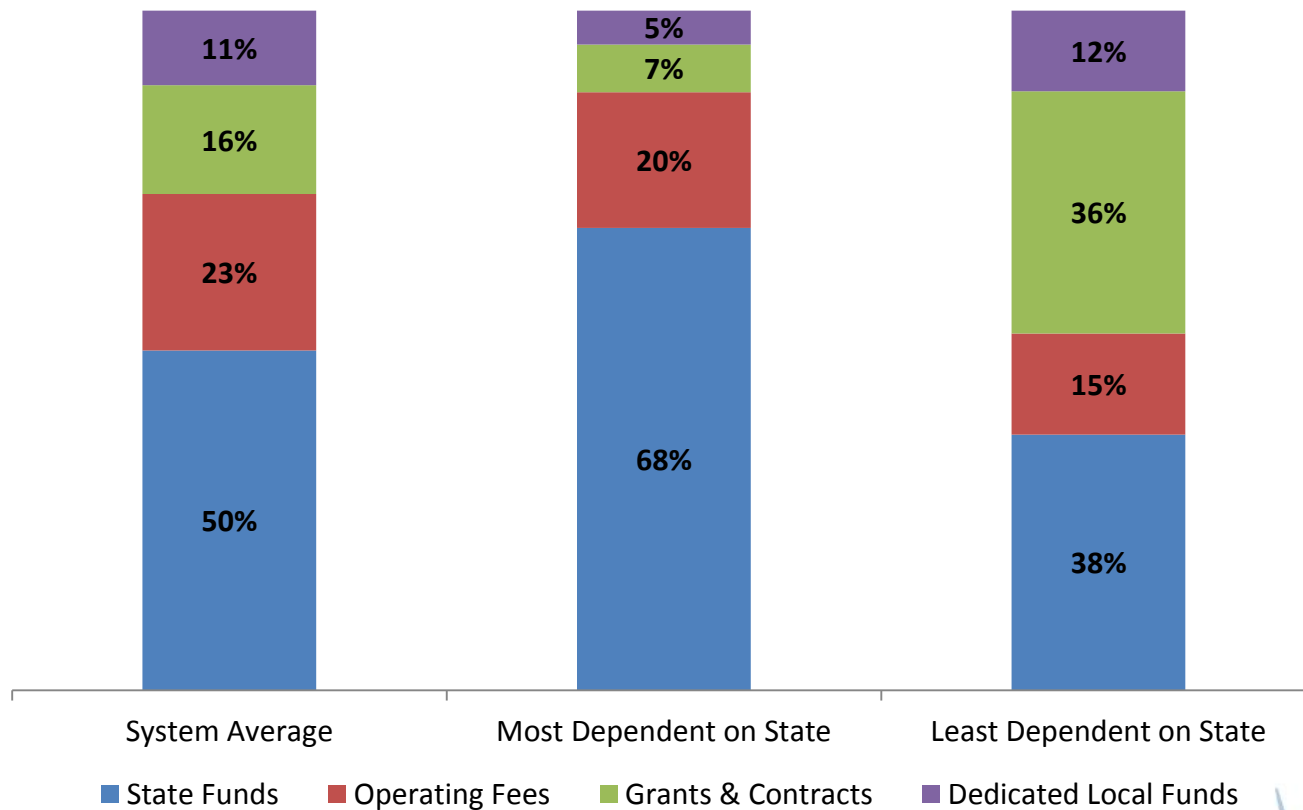
\* Includes the General Fund-State and Near General Fund accounts.

# Sources of College Operating Expenditures FYs 2000, 2005 and 2011

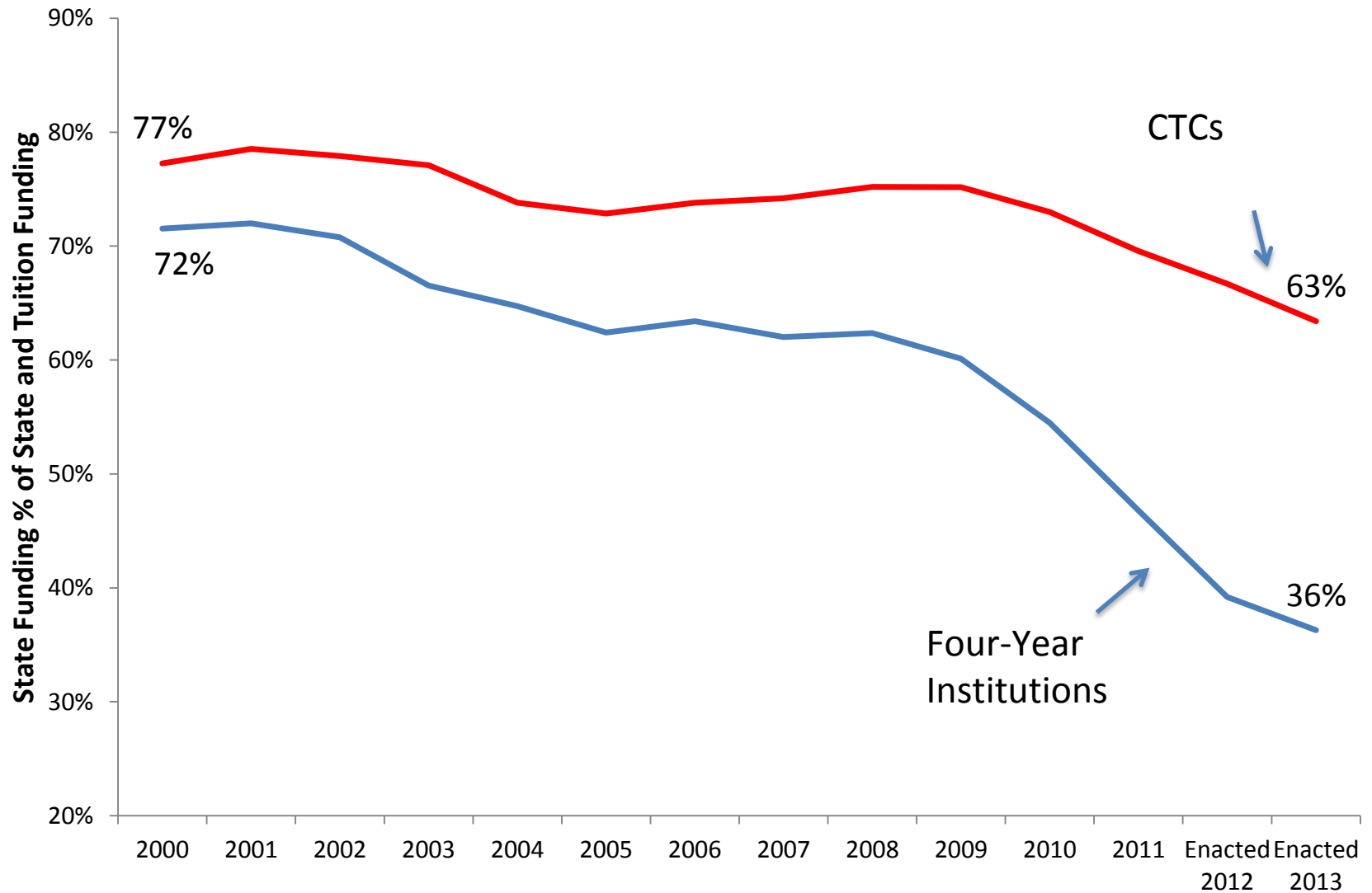


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# Community and Technical College System Dependency by Fund FY 2011



## Students are Paying a Greater and Greater Share of the Cost of Higher Education: State Funding as Share of State and Tuition Funding has Decreased Significantly

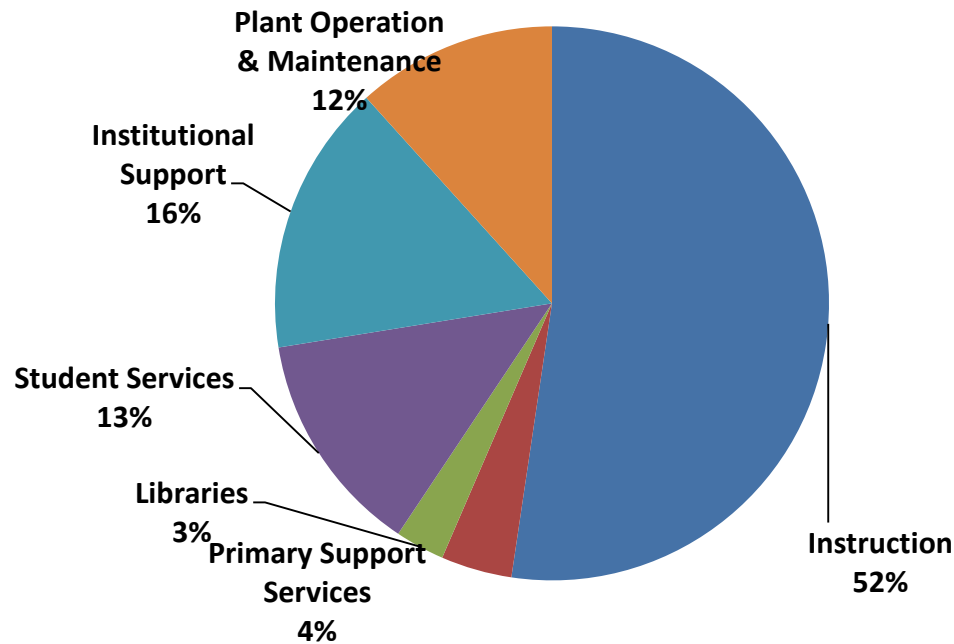


# How Colleges Spend their Money

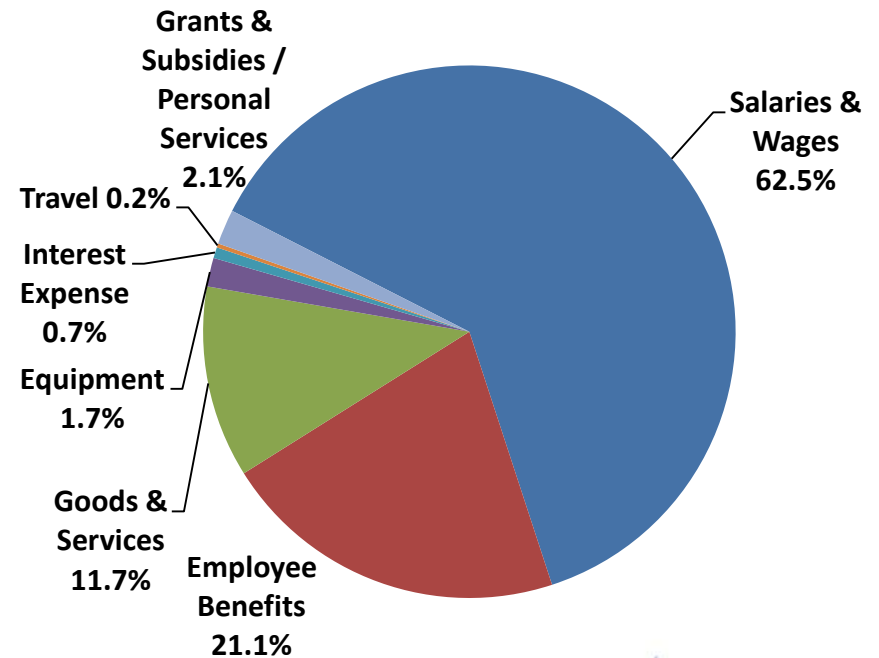
## General Fund State & Operating Fees

### FY 2011

#### Expenditures by Program



#### Types of Expenditures



# SBCTC State Funds Allocations

## State Operating Budget

- Allocations based upon State Board priorities and legislative direction
- “Base Plus/Minus” approach
  - Start with prior year allocations
  - Remove one-time funding
  - Add new funds – typical new funds include:
    - Growth enrollment slots
    - Compensation increases
    - New programs/specified funding
  - Adjust for budget reductions

# SBCTC State Funds Allocations

## State Operating Budget

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

# 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 for faculty and classified staff salaries

# Compensation Increases

- Legislature controls salary increases
- Increases are delineated in biennial appropriations act
- Compensation increases are limited to those allowed in the appropriations act – no other increases may be provided by the colleges!
- **Until June 30, 2013, additional legislative restrictions apply: with a few exceptions, no salary increases allowed**

# Authorized Increases for the 2011-13 Biennium

- The only allowable salary increases are those associated with normally occurring promotions and increases related to faculty and staff retention (subject to freeze legislation, which allows for labor negotiated salary and retention increases)

# Authorized Increases for the 2011-13 Biennium

- CTC Bottom line – TC classified may negotiate salary increases; Faculty may negotiate increases based on promotions and retention; Exempt employees may receive retention increases; CC classified receive step increases.
  - **All Increases must be reported to the Legislature by July 31 of each year.**

# Tuition

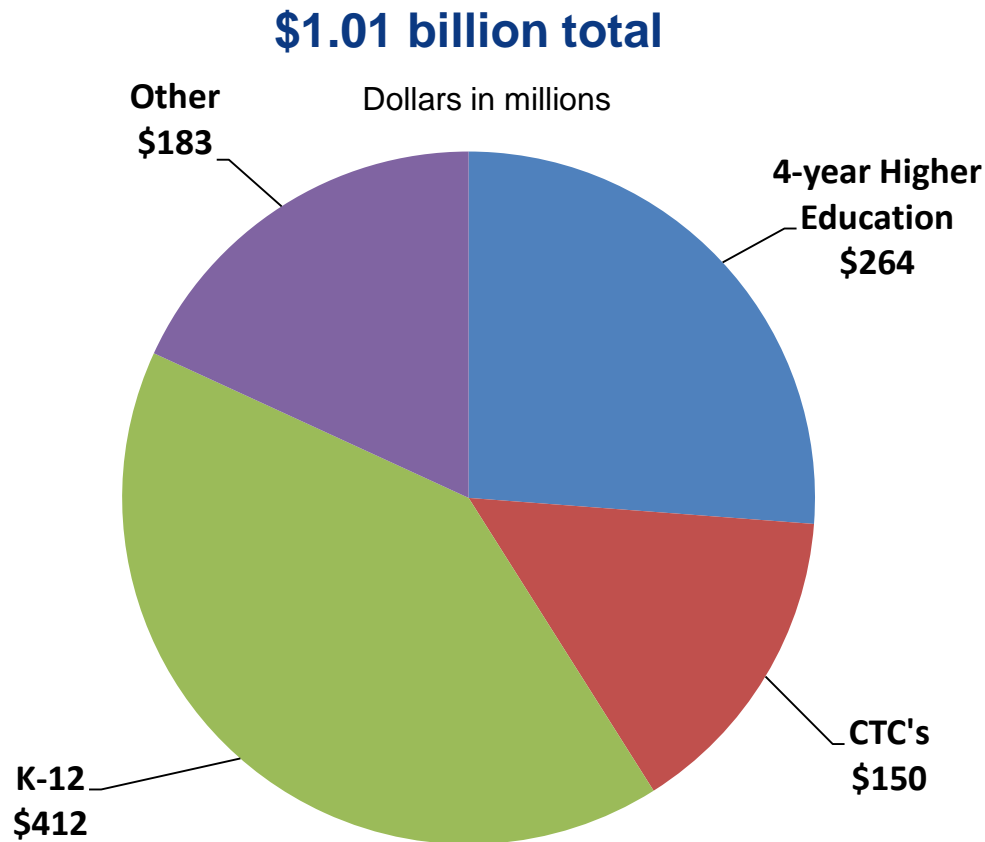
- Legislature delegates authority to State Board to increase CC resident tuition up to a maximum percentage increase
  - State Board has authority to set CC non-resident tuition
  - Technical Colleges' Boards of Trustees set TC tuition and fees, cannot exceed legislative maximum percentage increase
  - 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)
  - 2.0% of student's payment transferred to the Community and Technical College Innovation Account
  - 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

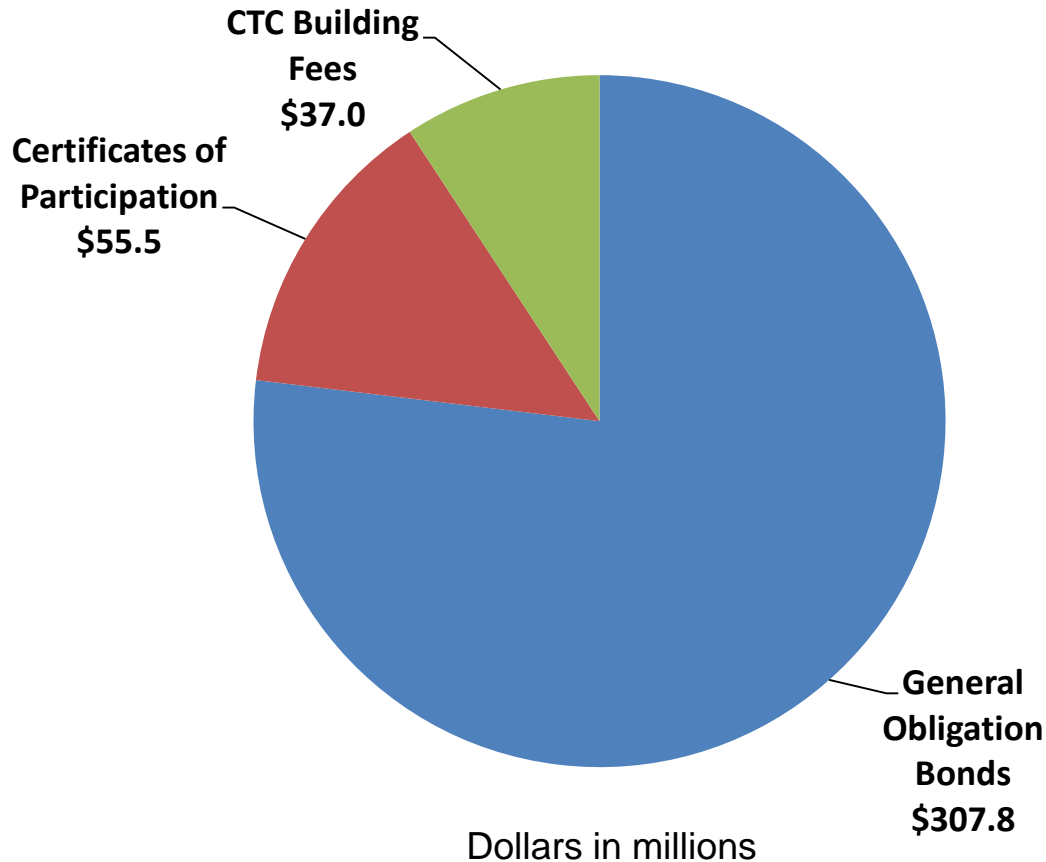
# Capital Budget

# Who received the State's 2011-13 General Obligation Bonds Funds?



# Where Does SBCTC 2011-13 Capital Money Come From?

**\$400.3 million total**



# SBCTC Capital Objectives

- Construct quality buildings
- Design in flexibility to respond to changing program requirements
- Keep facilities from deteriorating and eliminate temporary structures on main campuses
- Take care of what we have

# 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

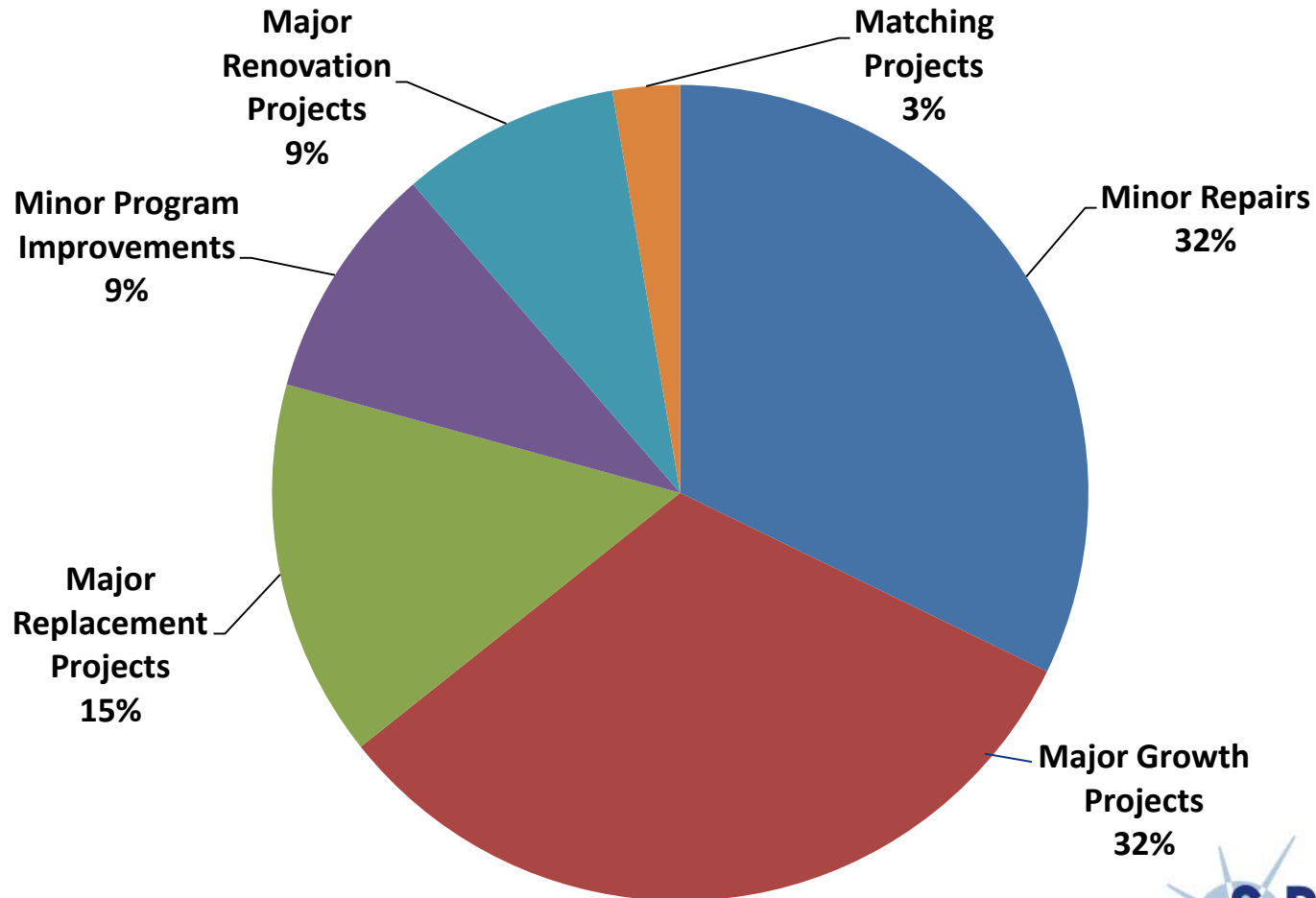
# How Do Colleges Get Projects on the Request List?

- 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 criteria developed by committee of presidents, business officers, Instruction and Student Services Commission representatives, facility coordinators, trustees and State Board staff.
- Common criteria used to score and rank each request
- Capital Budget Task Force recommendation to the State Board

# SBCTC 2011-13 Types of Capital Projects Requested



Percentage of Requested Funding

30

# Capital Requests for New Appropriated Funds in 2011-13

Priority	Type	College	Project	Request	Funded
1	Minor Works - Preservation	Statewide	Emergency Repairs and Improvements	16,000,000	16,001,000
2	Roof Repairs "A"	Statewide	Roof Repairs	9,125,291	9,125,000
3	Facility Repairs "A"	Statewide	Facility Repairs	15,828,821	15,829,000
4	Site Repairs "A"	Statewide	Site Repairs	5,045,888	5,045,000
5	Matching Fund Projects	Peninsula	Fort Worden Education Center	2,000,000	2,000,000
6 ***	Matching Fund Projects	Spokane Falls	Stadium and Athletic Fields	-	758,000
7 *	Matching Fund Projects	Bellingham	Fisheries Program	2,000,000	2,000,000
8 ***	Matching Fund Projects	Lower Columbia	Myklebust Gymnasium	-	2,000,000
9 *	Matching Fund Projects	Wenatchee	Music and Arts Center	1,688,652	1,689,000
10	Minor Works - Program	Statewide	Minor Program Improvements	20,000,000	20,000,000
11	Major Project - Construction	Spokane Falls	Campus Classrooms	20,761,000	17,647,000
12	Major Project - Construction	South Puget Sound	Learning Resource Center	35,525,411	30,196,000
13	Major Project - Construction	Clover Park	Allied Health Care Facility	24,360,000	20,706,000
14	Major Project - Construction	Everett	Index Hall Replacement	37,633,000	31,988,000
15	Major Project - Construction	Green River	Science Math and Technology Building	21,838,000	18,562,000
16	Major Project - Construction	Skagit Valley	Academic and Student Services Building	29,494,000	-
17	Major Project - Construction	Lower Columbia	Health and Science Building	37,701,000	-
18	Major Project - Design	Olympic	College Instruction Center	3,369,203	-
19 **	Major Project - Construction	North Seattle	Technology Building Renewal	23,278,000	-
20	Major Project - Construction	Tacoma	Health Careers Center	38,819,000	-
21	Major Project - Design	Centralia	Student Services	4,138,456	-
22	Major Project - Construction	Bellevue	Health Science Building	37,948,757	-
23	Major Project - Design	Columbia Basin	Social Science Center	1,106,359	-
24	Major Project - Design	Peninsula	Allied Health and Early Childhood Dev Center	1,696,496	-
25	Major Project - Construction	Grays Harbor	Science and Math Building	43,614,000	-
26	Major Project - Design	South Seattle	Cascade Court	2,303,853	-
27	Major Project - Design	Renton	Automotive Complex Renovation	1,770,611	-
28	Major Project - Design	Edmonds	Science Engineering Technology Bldg	8,375,751	-
29	Major Project - Construction	Seattle Central	Seattle Maritime Academy	16,923,000	-
30	Major Project - Construction	Yakima Valley	Palmer Martin Building	20,589,000	-
31	Major Project - Construction	Green River	Trades and Industry Building	29,989,616	-
32	Major Project - Design	Whatcom	Learning Commons	1,622,763	-
33	Major Project - Construction	Bates	Mohler Communications Technology Center	22,325,000	-
34	Major Project - Construction	Clark	Health and Advanced Technologies Building	38,828,000	-

575,698,928 193,546,000

# Future Capital Requests

The existing pipeline represents about \$1B worth of projects that will take about six more years to complete at recent funding levels.

With so many projects already in the pipeline the Presidents and State Board staff are recommending no new major projects be added for the 2013-15 request.

However, we would have new minor repair and program requests whose funding is formula driven based on facility inventories, building conditions, and student FTEs.

Questions?