

SBCTC 2011-13 Budget Request

For Presentation to
The Higher Education Coordinating Board
October 20, 2010

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Context

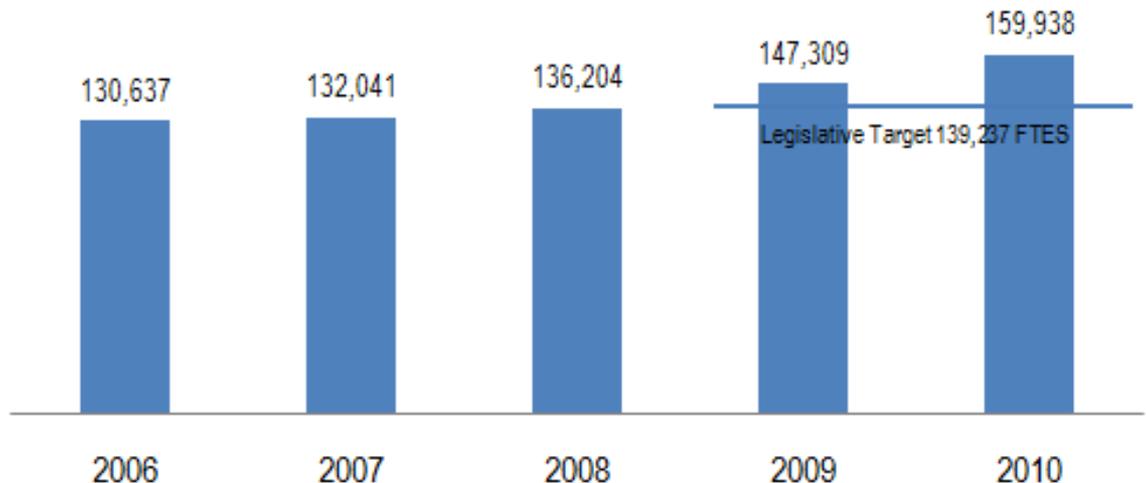
State-Supported FTES

State-supported FTES increased by nearly 9% in 2010 over 2009.

Colleges were 16% higher than the enrollment target set by the Legislature in 2010.

In particular, the recession has caused the demand for workforce education to skyrocket, driven primarily by huge increases in worker retraining students (12,738 FTES in 2010).

Colleges Enrolled 159,938 State-Supported FTES in 2010



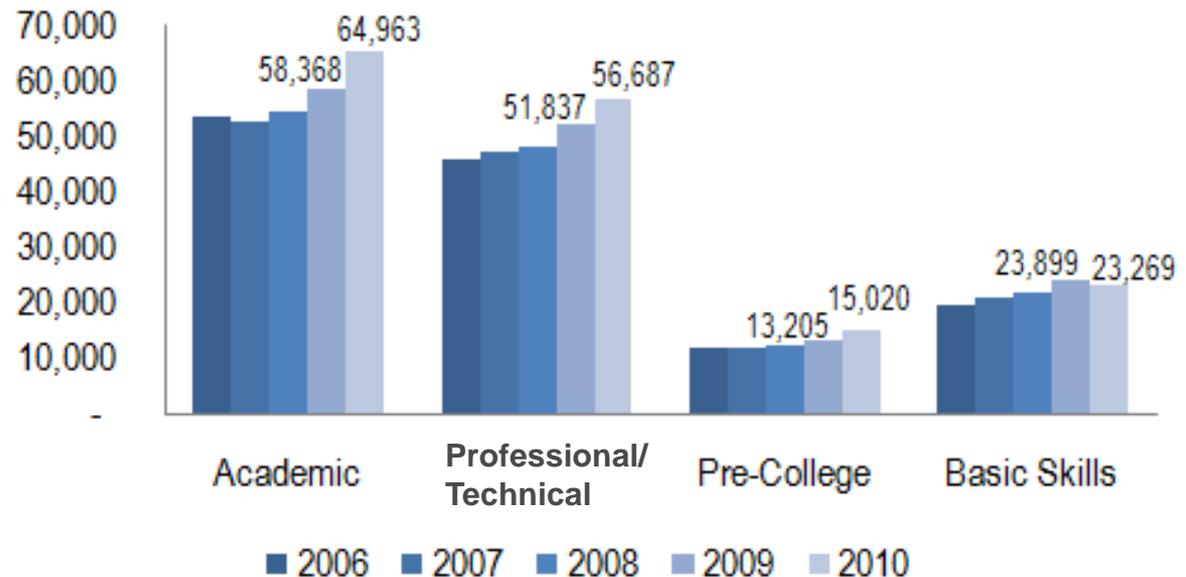
State-Supported Course FTES

Except for basic skills, colleges increased state-supported FTES in all course areas in 2010.

Colleges grew course effort in academic (11%), professional/technical (9%) and pre-college (14%) in 2010 over the previous year.

Basic skills FTES decreased by 3% as 18 colleges cut courses.

State FTES by Course Area



eLearning

121, 573 students enrolled in at least one eLearning course.

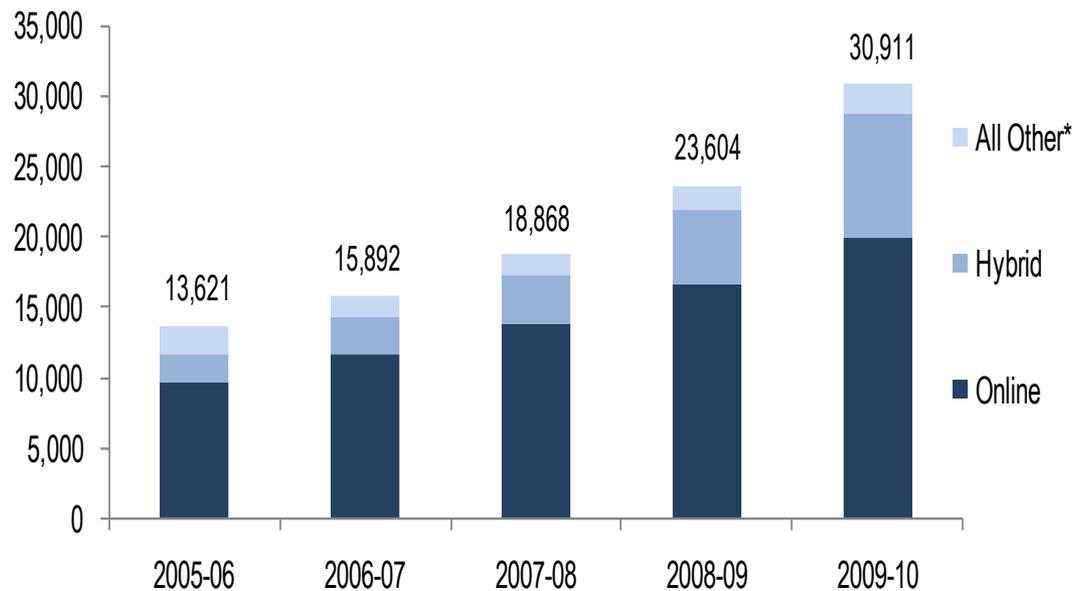
One-fifth of all state FTES in 2010. Grew by 7,307 FTES or 31 percent.

Contributed to 58 percent of the system's total state growth.

Online learning, with no face-to-face instruction, grew by nearly 16 percent.

Hybrid courses that combine online with some face-to-face grew by 40 percent.

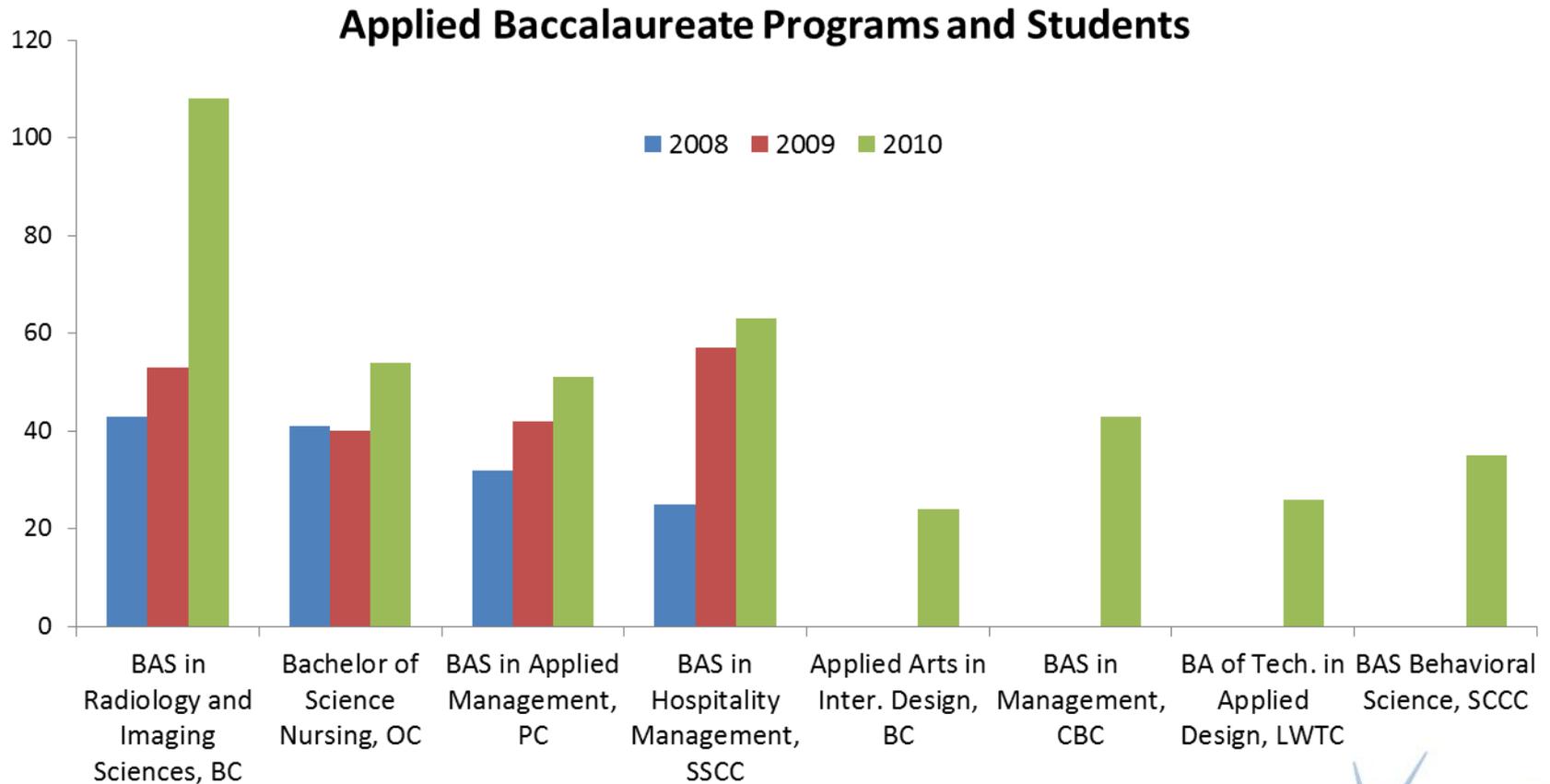
**eLearning FTES
State Supported**



*Includes Telecourses, Correspondence and ITV

Applied Baccalaureate Programs

Colleges have created 8 programs since 2008 - all are growing enrollments.
35 graduates in the class of 2008, 51 in class of 2009.



State Budget Reductions and Tuition

- CTC reductions in state funding from 2009-11 maintenance level:
 - through 2010 supplemental budget \$127 million or 16%.
 - Governor's 6.3% across-the-board cuts add an additional \$40 million, for a total state funding reduction of \$167 million, or 21%.
- One-time additions for Worker Retraining (\$17.6 million) and Opportunity Grants (\$1 million) in the 2010 supplemental budget will help this year, but they are for one year only.
- 7% Tuition increases have partially offset state budget reductions
 - Net total reduction through Governor's across-the-board, including one-time increased funding and budgeted tuition increases -13%.
- For the CTCs, a 2.5% tuition increase raises enough revenue to make up for a 1% state budget reduction .

Impacts of Budget Reductions

- **Instruction**
 - Differential impacts by mission area: Academic Transfer, Workforce, Adult Basic Education
 - Increased student/faculty ratios
 - Increased use of part-time faculty
 - Fewer Workforce Programs
- **Administration, libraries, student services and facilities maintenance have been reduced.**
- **Student representatives to Board:**

Much more difficult now to go to college than it was three years ago. Harder to get into see an advisor, to reach people on the phone, and to get into the classes you need to graduate. Students need to be “on their A game” to navigate the system because there is less staff today and more students.”

Additional Budget Reductions Will Impact

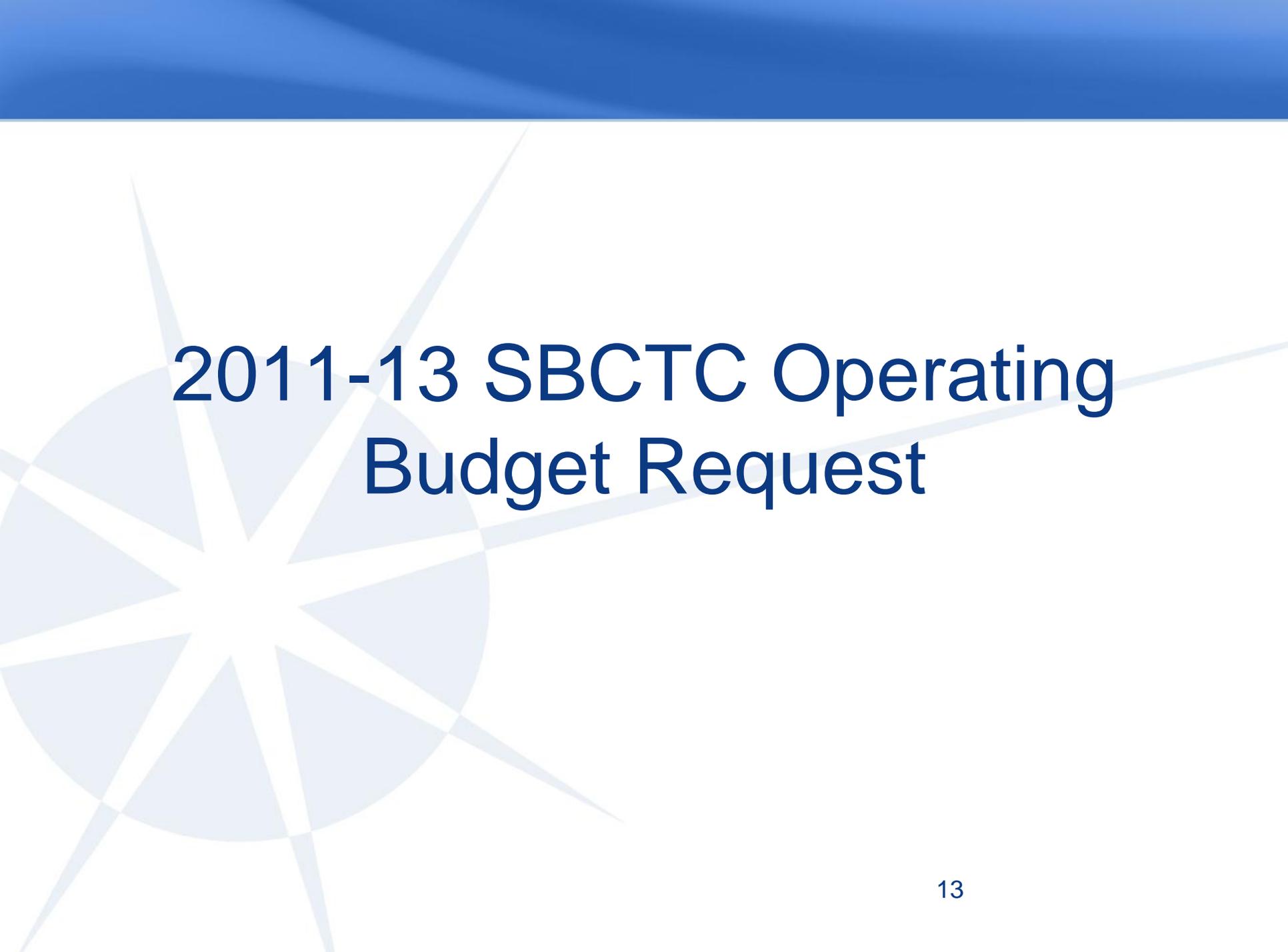
- With additional cuts (6.3% this year, 10% next year), colleges will:
 - Cut back on number of course sections offered
 - Increase use of part-time faculty
 - Faculty workloads already maximized
 - Eliminate select workforce programs
 - Adult basic education course offerings will be scaled back further
 - Additional staffing cuts in student services – longer delays in processing registration and financial aid applications, increasing wait times to see academic advisors and tutors.

Summary

- Colleges' enrollments have grown well beyond pre-recession 2008 levels and the enrollment target set by the Legislature.
- The fastest growth has been among workforce students, led by Worker Retraining students and a record number of vocational program applicants this past year.
- However, professional/technical courses are limited by constrained class size, and colleges are not able to add enough new programs to meet demand with increasingly shrinking budgets.
- For now, larger academic courses provide a place for students to start their pathways and provide a way for colleges to meet student demand; however, this creates additional pent up demand for professional/technical courses.

Summary continued...

- Students are staying in college and increasing their achievement in pre-college and academic courses (student achievement is increasing).
- Longer term, the bottlenecks created in professional/technical courses could affect completions.
- Summer enrollments (up 11% over prior summer) and early fall enrollment reports suggest this year's demand could be even bigger than last year.
- Basic skills enrollments, however, have decreased as colleges have focused on tuition-paying students.



2011-13 SBCTC Operating Budget Request

SBCTC 2011-13 Operating Budget

2011-13 Operating Budget \$s in Millions

2011-13 State Funding

Maintenance Level	\$1,399.8
Governor 10% Reduction	- <u>\$128.6</u>
Total	\$1,271.2

2011-13 Operating Budget Request \$189.8

Tuition Increases ?

*10% of GF-S Funding only

Prioritized 2011-13 Operating Budget Request

	Biennial Request	Strategic Direction	Mission Study
1 Retain Worker Retraining Funding	\$35,112	Economic Demand	Close Skills Gap
2 Student Achievement Initiative	\$10,770	Student Success	Fund Student Achievement
3 Restore Adult Basic Education	\$31,200	Student Success	Increase ABE Funding
4 Fund Enrollments	\$90,720	Economic Demand	Serve More Students
5 Technology Stabilization (ERP)	\$2,000	Innovation	Technology Tools
6 Compensation	\$20,000	Innovation	Invest in Faculty and Staff
Total Policy Level Request	\$189,802		



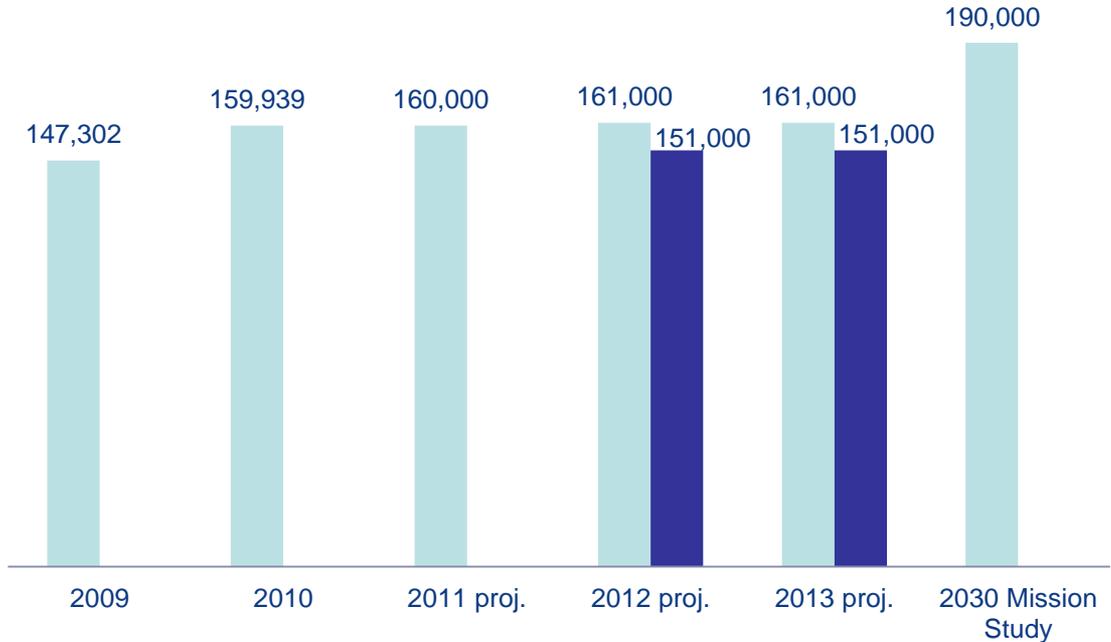
Enrollments

System projected to stay at 160,000 FTES enrollment level for FY 2011.

If 2011-2013 SBCTC budget request is funded, enrollments will stay at this level through end of biennium.

However, if budgets cut 10%, 10,000 fewer FTES may be served.

**FTE Enrollments
(2012 and 2103 shown with SBCTC budget request and 10% cut)**



Professional Technical Graduates

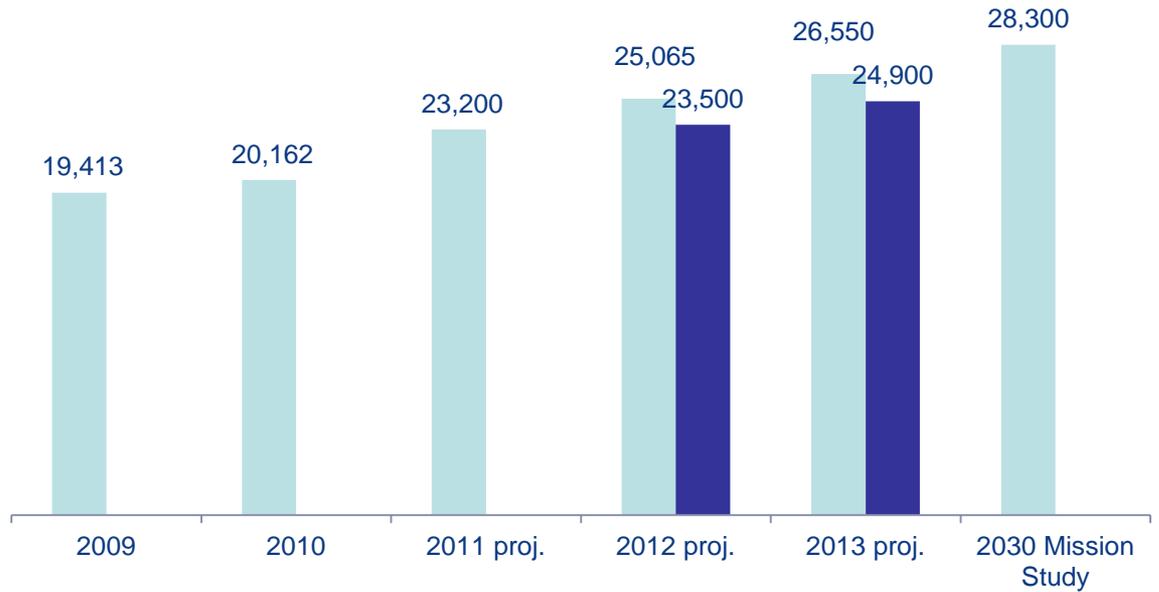
In our Mission Study, to close skills gaps colleges need to graduate 28,300 students by 2030.

If 2011-13 SBCTC budget request is funded, colleges will be well on the way to hitting the target.

If budgets are cut 10%, 3,200 fewer students will graduate next biennium.

(Mission Study target aligns with WTECB Supply Demand Gap.)

Professional Technical Graduates
(2012 and 2013 shown with SBCTC request and with 10% funding cut)



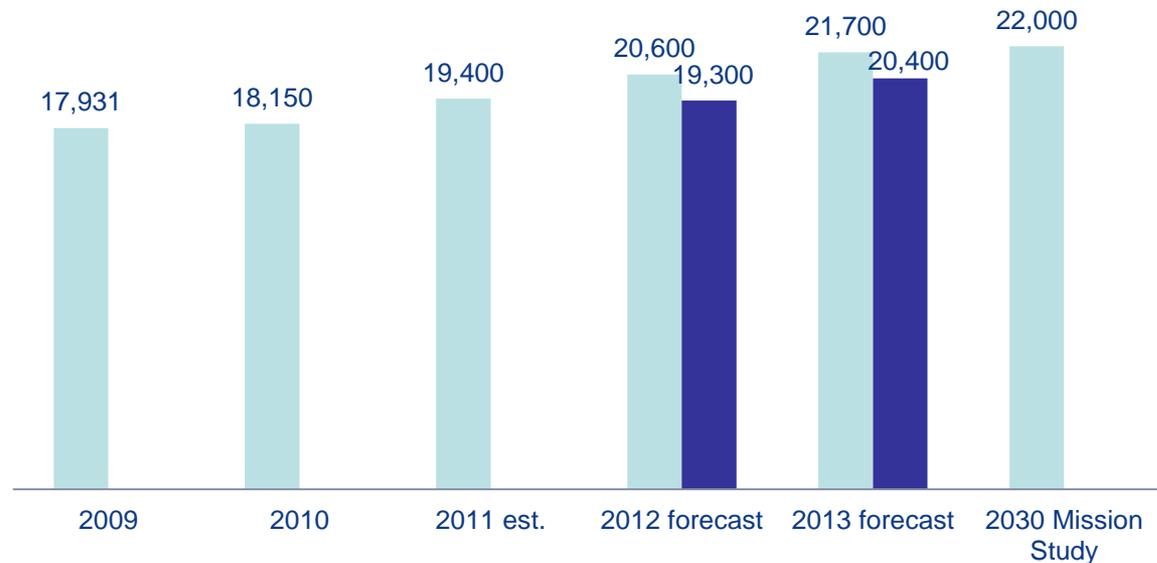
Transfers to 4 Years

We will surpass that 2015 mission study target in 2011 and move well beyond by the end of the next biennium if our budget request is approved.

If budgets are cut 10%, 2,900 fewer students will transfer to 4 years in the next biennium.

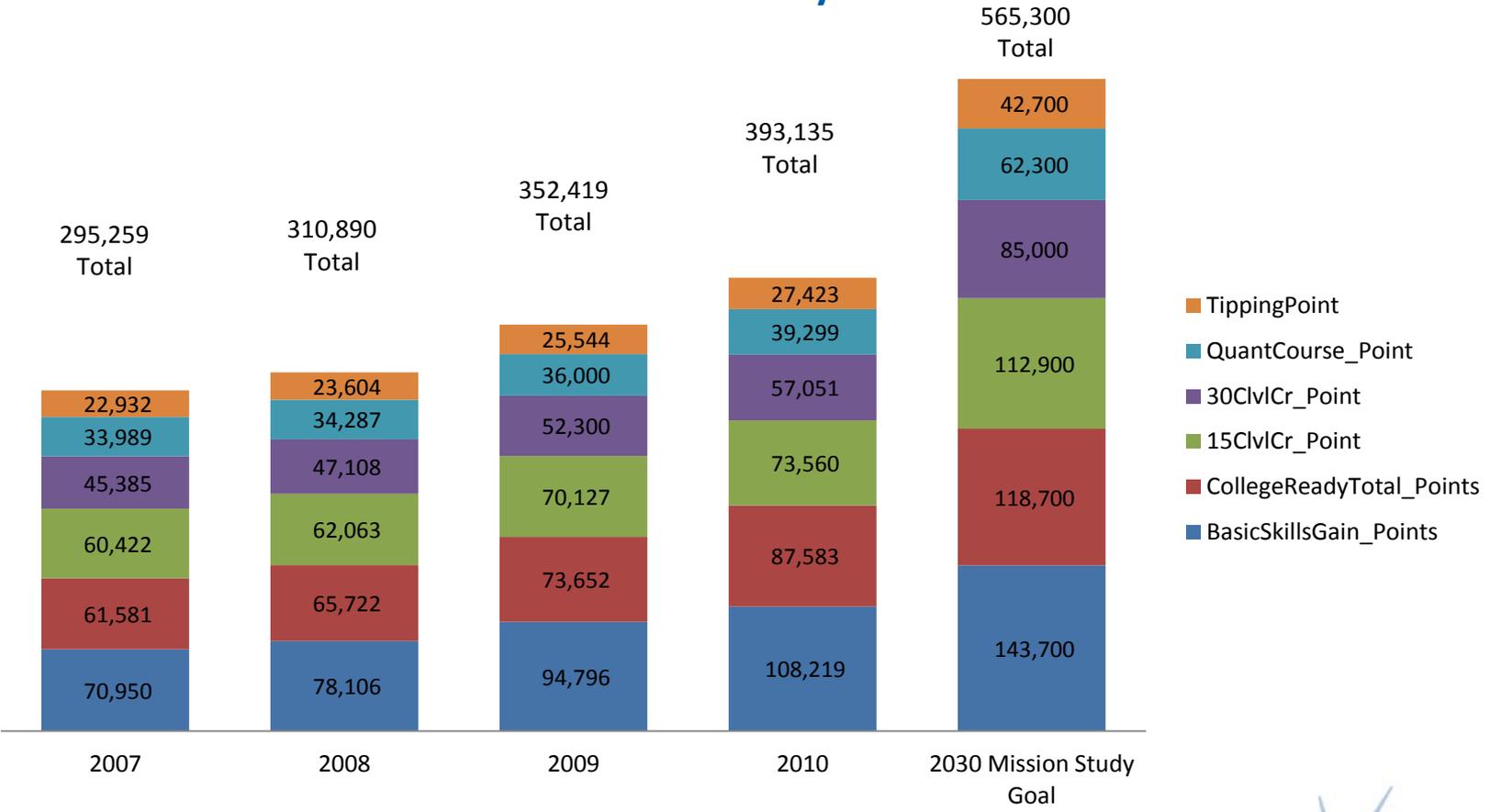
(Mission Study targets align with HECB Master Plan.)

Transfers to 4 Years
(2012 and 2013 shown with SBCTC request and with 10% funding cut)



Student Achievement Initiative

Student Achievement has increased in every category since 2007, the baseline year.



Student Achievement Initiative - continued

Achievement points increased in every category and grew far faster than enrollments. In fact points per student accounted for more than 90% of the increase, more students less than 10%.

	Achievement Points							
	Total Headcount	Basic Skills	College Readiness	1st 15 Credits	1st 30 Credits	Quantitative/ Computation	Certificate, Degree, Apprenticeships	Total Points
2010	489,406	108,219	87,583	73,560	57,051	39,299	27,423	393,135
2009	486,927	94,796	73,652	70,127	52,300	36,000	25,544	352,419
Variance	2,479	13,423	13,931	3,433	4,751	3,299	1,879	40,716
% Change from 2008-09 Final	1%	14%	19%	5%	9%	9%	7%	12%



SBCTC Capital Budget Request

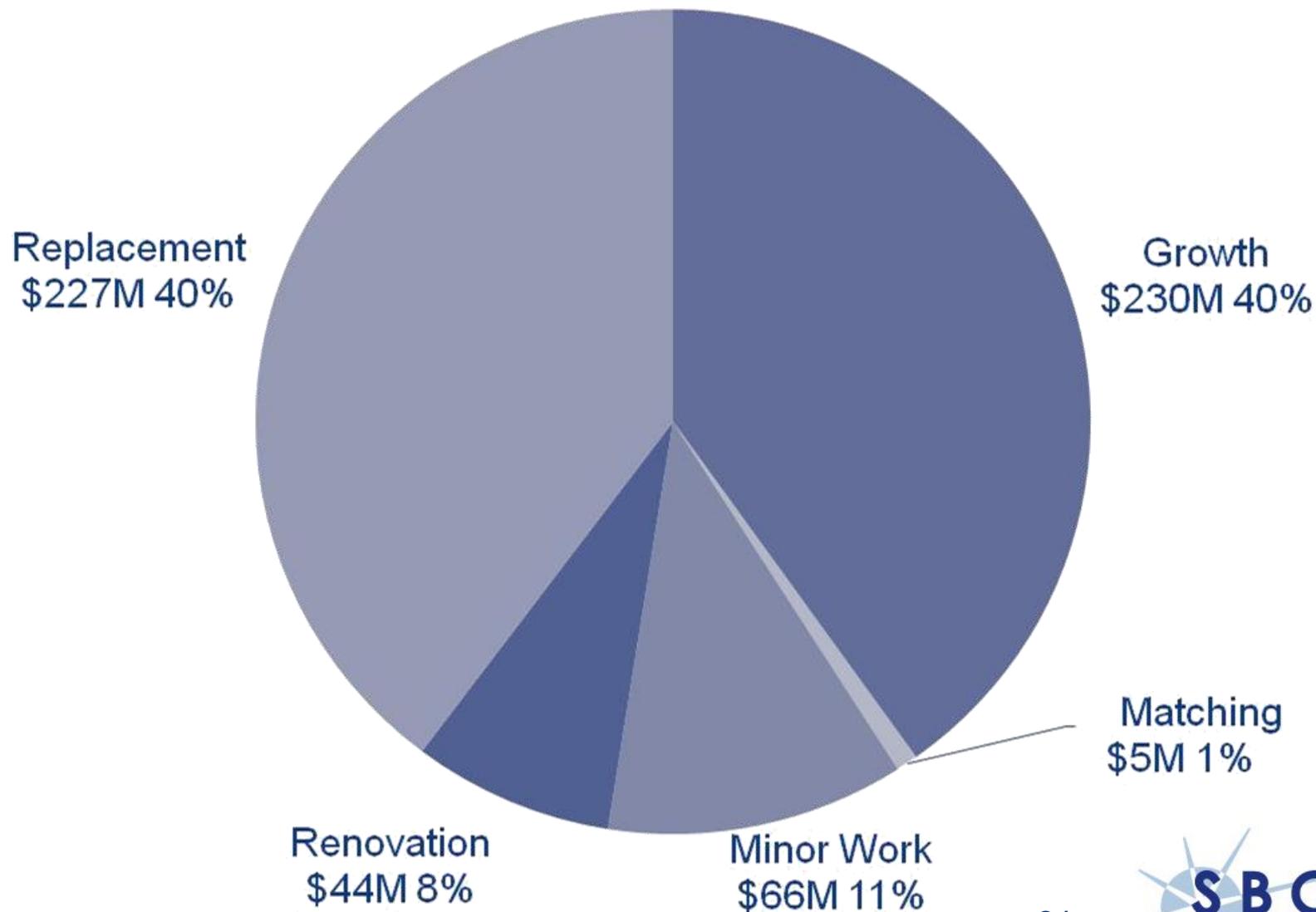
Basis of Our Capital Request

- Campus Strategic and Facility Master Plans
- Statewide Facility Condition Survey
- Space Needs and Enrollment Forecasts
- System Priority to Preserve Existing Facilities and Reduce the Amount of Substandard Facilities

New for 2011-13

- Requesting Same Major Projects as 2009-11
- Projects Updated to Reflect New Information
- Requesting Predesign and Design Funds Together to Address Needs Sooner
- Not asking for Construction Administration in Design Appropriations
- Projects Requested in System Priority Order
- Same Funding Level for Minor Preservation and Programmatic Projects as 2009-11
- Reappropriations are about ½ of 2009-11

Requested Funds By Project Type



We Use Space and Dollars Efficiently

- Two-year colleges make great use of their facilities—from early morning to late evening and weekends.
- We had 20,000 FTES enrolled in online learning and this accounted for 14% of our total FTE during the 2009-10 academic year. The use of online learning enables colleges to teach more with the same physical space.

SBCTC Capital Requests for New Appropriated Funds in 2011-13

Based on May 28, 2010 and June 30, 2010 WACTC Recommendations and SBCTC Resolutions 10-06-29 and 10-08-33.

Priority	Type	Category	College	Number	Project	New Approp.	Biennium
1	Minor Works - Preservation	Statewide	Statewide	30000461	Emergency Repairs and Improvements	16,000,000	16,000,000
2	Roof Repairs "A"	Statewide	Statewide	30000434	Roof Repairs	9,125,291	25,125,291
3	Facility Repairs "A"	Statewide	Statewide	30000505	Facility Repairs	15,828,821	40,954,112
4	Site Repairs "A"	Statewide	Statewide	30000504	Site Repairs	5,045,888	46,000,000
5	Matching Fund Projects	Matching Fund Projects	Peninsula	30000114	Fort Worden Education Center	2,000,000	48,000,000
6	Matching Fund Projects	Matching Fund Projects	Spokane Falls	30000116	Stadium and Athletic Fields	758,000	48,758,000
7	Matching Fund Projects	Matching Fund Projects	Lower Columbia	30000118	Myklebust Gymnasium	2,000,000	50,758,000
8	Minor Works - Program	Statewide	Statewide	30000674	Minor Program Improvements	20,000,000	70,758,000
9	Major Project - Construction	Growth	Spokane Falls	20062696	Campus Classrooms	20,761,000	91,519,000
10	Major Project - Construction	Growth	South Puget Sound	20062698	Learning Resource Center	35,525,411	127,044,411
11	Major Project - Construction	Growth	Clover Park	20062699	Allied Health Care Facility	24,360,000	151,404,411
12	Major Project - Construction	Replacement	Everett	20081221	Index Hall Replacement	37,633,000	189,037,411
13	Major Project - Construction	Renovation	Green River	30000130	Science Math and Technology Building	21,838,000	210,875,411
14	Major Project - Construction	Replacement	Skagit Valley	20081224	Academic and Student Services Building	29,494,000	240,369,411
15	Major Project - Construction	Replacement	Lower Columbia	20081225	Health and Science Building	37,701,000	278,070,411
16	Major Project - Design	Replacement	Olympic	30000122	College Instruction Center	3,369,203	281,439,614
17	Major Project - Construction	Renovation	North Seattle	30000129	Technology Building Renewal	20,861,000	302,300,614
18	Major Project - Construction	Growth	Tacoma	20082701	Health Careers Center	38,819,000	341,119,614
19	Major Project - Design	Replacement	Centralia	30000123	Student Services	4,138,456	345,258,070
20	Major Project - Construction	Growth	Bellevue	20082702	Health Science Building	37,948,757	383,206,827
21	Major Project - Design	Growth	Columbia Basin	20082704	Social Science Center	1,106,359	384,313,186
22	Major Project - Design	Replacement	Peninsula	30000126	Allied Health and Early Childhood Dev Ce	1,696,496	386,009,682
23	Major Project - Construction	Replacement	Grays Harbor	20081226	Science and Math Building	43,614,000	429,623,682
24	Major Project - Design	Replacement	South Seattle	30000128	Cascade Court	2,303,853	431,927,535
25	Major Project - Design	Renovation	Renton	30000134	Automotive Complex Renovation	1,770,611	433,698,146
26	Major Project - Design	Growth	Edmonds	30000137	Science Engineering Technology Bldg	8,375,751	442,073,897
27	Major Project - Construction	Replacement	Seattle Central	30000120	Seattle Maritime Academy	16,923,000	458,996,897
28	Major Project - Construction	Replacement	Yakima Valley	30000121	Palmer Martin Building	20,589,000	479,585,897
29	Major Project - Construction	Replacement	Green River	20081222	Trades and Industry Building	29,989,616	509,575,513
30	Major Project - Design	Growth	Whatcom	30000138	Learning Commons	1,622,763	511,198,276
31	Major Project - Construction	Growth	Bates	20082703	Mohler Communications Technology Ce	22,325,000	533,523,276
32	Major Project - Construction	Growth	Clark	20082705	Health and Advanced Technologies Builc	38,828,000	572,351,276

**STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES
2011-13 BIENNIAL BUDGET POLICY LEVEL REQUEST**

	<u>Biennial Request</u>	<u>Strategic Direction</u>	<u>Mission Study</u>
1. Retain Worker Retraining Funding	\$35,112	Economic Demand	Close Skills Gap
2. Student Achievement Initiative	\$10,770	Student Success	Fund Student Achievement
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Retain Worker Retraining Funding

\$35.1 Million

The Legislature has provided \$28.8 million per year for 6,200 Worker Retraining (WRT) program FTES since 1997. The high unemployment in the current recession has increased demand for this program to record levels – more than 13,000 FTES in FY 2010. The 2010 Legislature responded by providing a one-time addition of \$17.5 million for 3,784 additional Worker Retraining FTES in FY 2010. Demand for Worker Retraining Program slots is projected to stay above 11,000 FTES throughout next biennium. This request will maintain the funding level provided in FY 2011.

Student Achievement Initiative

\$10.8 million

Funding is requested to continue expanding funding for the Student Achievement Initiative. The Student Achievement Initiative is a performance funding system that rewards colleges on the basis of student achievement points. Rigorous data analysis has identified Achievement points that, once accomplished, substantially improve students’ chances of completing degrees and certificates. The four categories of Achievement measures are:

- a. Building towards college level skills (basic skills gains, passing precollege writing or math)
- b. First year retention (earning 15, then 30 college level credits)
- c. Completing college level math (passing math courses required for either technical or academic associate degrees)
- d. Completions (degrees, certificates, apprenticeship training)

SBCTC 2011-13 Operating Budget Request

Restore Adult Basic Education

\$31.2 Million

This funding will help restore Adult Basic Education (ABE) programs throughout the state. While other mission areas have increased in size, Adult Basic Education -- which serves the fastest growing part of our workforce -- has lost ground as colleges have dealt with three consecutive years of state funding reductions. The colleges responded to state budget reductions in part by consolidating ABE instruction, which has meant closing off-site facilities, reducing evening and weekend hours of instruction, and increasing class sizes. This funding request will help restore access.

Enrollment

\$90.7 Million

Funding is requested to support enrollments above the current legislative enrollment target of 143,000 FTES. The colleges enrolled 161,000 FTES last year, significantly higher than the enrollment target established by the Legislature. Enrollment projections for next biennium indicate the system will enroll at least 151,150 FTES. Funding is requested beginning in FY 2012 for 8,100 FTES at \$5,600 per FTE. This funding will help restore student support services, pre-recession class sizes, instructional equipment, facilities maintenance, and access to workforce programs.

Technology Stabilization (ERP)

\$2.0 Million

This funding will support a substantial planning effort to lay the foundation for replacing the system's current core administrative computer applications with an Enterprise Resource Planning (ERP) system. This commercial software integrates student information, financial, human resources, and other educational functions into a single computer system. Referred to as an administrative system, it is much more than that in higher education: It links students to educational content, student services, portals and gateways to other educational resources, and faculty to students. Students will be able to access information -- including financial aid status, grades, transcripts, and class schedules -- from a single student portal regardless of college attended. Students will be able to apply to multiple institutions, apply for financial aid, and view college catalogs and schedules from a single location.

Compensation

\$20.0 Million

Faculty and staff across the system have taken on substantial workload increases during this recession. At the same time, employee health benefit costs have increased while salaries have been stagnant, no salary increases having been provided in the last two years. Initiative 732, suspended during the current biennium but required by statute next biennium, provides cost-of-living increases for faculty and technical college classified staff; this funding is requested in the State Board maintenance level budget, consistent with current law. Community college classified staff salary increases are bargained with the Governor. Funding for other types of compensation increases must be requested in the policy level budget. This funding will be used for (1) faculty salary increments; and (2) for non-executive level administrative staff to mitigate salary compression and inversion issues caused by disproportionate COLAs across job classes.