



MEMORANDUM

To: CAMPUS
Fr: Senior Executive Team and Strategic Planning and Budget Committee
Da: December 31, 2011
Re: Budget Status Update – What We Know At the End of 2011

At its special session earlier this fall, the legislature passed a supplemental budget for 2011-2012 on December 14, 2011. The regular legislative session will commence on January 9, 2012. The following represents the status of known financial/budget information through December 31st:

Supplemental Budget for 2011-2012

- The Legislature passed a supplemental budget for the current fiscal year (2011-2012).
- That budget does not include any general decrease to community and technical college budgets. Thus, as of now, Shoreline Community College is not required to make any reductions to its current, existing operating budget for this year.
- However, the legislature could impose cuts for the current year when it returns in January. We have no indication that they plan to do so, but it is always a possibility.
- The supplemental budget does not reduce the State Need Grant or State Work Study program any further for the current fiscal year (through June 30, 2012).
- The supplemental budget does not contemplate any savings from additional furloughs or changes to employee compensation in the current fiscal year (through June 30, 2012).

Next Fiscal Year's Operating Budget: 2012-2013

- Since the Governor released her proposal on November 21st, there have been no "new" details about what next year's cuts might be.
- The Governor's proposal is merely that – a proposal. It is subject to review and much manipulation by the legislature; the regular legislative session convenes on January 9th.
- According to the November revenue projections, the State has to make up about a \$1.4 billion revenue shortfall. (The next revenue projection is scheduled for Feb. 16, 2012.)
- The Governor's proposal would:
 - Cut state funding to Community and Technical Colleges by approximately 13%.

- For Shoreline Community College, a 13% reduction would equal between \$2.0 million and \$2.5 million in 2012-2013. Any cut would become effective as of July 1, 2012.
 - Cut the State Work Study Program in 2012-2013 completely, as of July 1st.
 - Leave the State Need Grant funding intact
 - Not add any additional furloughs or pay cuts
 - However, the Classified staff would STILL be subject to a 3% wage/salary reduction, because that has previously been negotiated with the Classified Staff Union.
- In addition to cuts, the Governor's proposal would:
 - Ask voters to buy back certain cuts through a temporary ½ cent increase in the state sales tax.
 - Raise new revenue from business tax increases and eliminating tax exemptions. Some of these require simple majority votes, some require a 2/3 vote of the legislature.
- The question of whether community colleges can charge differential tuition for professional technical programs may be considered again by the legislature during this session. SCC is preparing for that possibility and will continue to provide updates to everyone on campus during the coming weeks.