Community/Technical College System

2023-25 Second Supplemental Budget Session

Maintenance Level - MA - Maintain Appropriation Levels

Agency Recommendation Summary

The State Board for Community and Technical Colleges requests a technical adjustment of $28,527,000 near general fund-state, to offset a maintenance level reduction correcting carry-forward level funding. Consistent and stable state funding will ensure colleges have the resources necessary to implement negotiated agreements and planned programs and services that drive economic prosperity.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Operating Expenditures						
Fund 001 - 1	$0	$27,884	**$27,884**	$27,884	$27,884	**$55,768**
Fund 08A - 1	$0	$541	**$541**	$541	$541	**$1,082**
Fund 24J - 1	$0	$102	**$102**	$102	$102	**$204**
Total Expenditures	**$0**	**$28,527**	**$28,527**	**$28,527**	**$28,527**	**$57,054**

Decision Package Description

The State Board for Community and Technical Colleges (SBCTC) received notification on August 22, 2024 from the Office of Financial Management (OFM) that $28,527,000 of near general fund-state funding had been duplicated in the 2023-25 operating budget and needs to be removed from college allocations, for recovery in the 2025 supplemental operating budget. This maintenance level request seeks to offset that reduction, resulting in a net-zero change to the funding appropriated to the community and technical college system – either by permanently increasing base funding in the carryforward level or as an increase to the College Affordability Program[1] appropriation.

What are the consequences of not funding this proposal?

Our shared priority is to protect the students served by Washington's community and technical colleges. The budgetary impact will vary from college to college, but each will experience a cut. Reductions range from a low of $330,000 for our small, rural colleges up to more than $2,000,000 for larger districts. The average allocation reduction across the system is $936,000 for each of the thirty districts.

More than two months into the current fiscal year, colleges have completed building their budgets and faculty are back on campus. Many of our colleges have entered into new collective bargaining agreements with unions and have programming set in motion for the current academic year based on the appropriations provided by Legislature. If current funding is cut, colleges will be faced with hiring freezes or layoffs, delays of new program implementation, and possible closure of programs. Reduction allocations for our colleges will be made using the method in which they were originally distributed.

COLLEGE IMPACTS:

# of Districts	Reduction Amounts Resulting from Recovery of $28,527,000
6	between $320,000 - $500,000
13	between $500,000 - $1,000,000
9	between $1,000,000 - $2,000,000
2	greater than $2,000,000

[1] The College Affordability Program, enacted into law in 2015, requires the Legislature to appropriate funds, adjusted for inflation, to compensate for the lost revenue resulting from the 5% tuition reduction.

Assumptions and Calculations

Historical Funding:

The current carry-forward level appropriations include an overage of $28,527,000 related to a duplication of funding associated with I-732 cost of living adjustments, entered in the 2021-23 biennial budget process. OFM has requested these appropriations be made available for recovery in the 2025 supplemental budget.

Expansion, Reduction, Elimination or Alteration of a current program or service:

This request does not expand, reduce, eliminate, or alter current programs or services. Instead, it seeks to offset the recovery of duplicative appropriations that OFM has requested be returned. Maintaining current appropriations in fiscal year 2025 will ensure that colleges are able to sustain the current level of programming and support for the students served in the community and technical college system in the current fiscal year.

Detailed Assumptions and Calculations:

Detailed assumptions and calculations:

FY25	
Fund	**Amount to be recovered**
001-1	$27,884,000
08A-1	$541,000
24J-1	$102,000

Workforce Assumptions:

This request seeks to maintain current appropriations in the current fiscal year. If funded, workforce levels would remain unchanged.

Strategic and Performance Outcomes

Strategic Framework:

Washington community and technical colleges are in great need of additional, core operational support to cover the true cost of running a college. College operating needs and costs have increased dramatically over the past five years. As inflation dramatically increases, tuition rates are capped at the 14-year average annual percentage growth rate in the median hourly wage for Washington – resulting in a reduced ability to generate tuition revenue for our colleges. This leads colleges to rely more heavily on near general fund support from the Legislature. To meet the Governor's Results Washington goal of providing every Washingtonian a world-class education that prepares them for a successful career in their community, colleges must have adequate and stable funding.

The 2020-30 Strategic Action Plan for the Washington State Board for Community and Technical Colleges begins with a vision: "Leading with racial equity, our colleges maximize student potential and transforms lives within a culture of belonging that advances racial, social, and economic justice in service to our diverse communities." This budget request supports the fourth goal to secure resources and develop systemwide strategies to support colleges' financial sustainability and resiliency.

Performance Outcomes:

College operations are well underway for the 2025 academic/fiscal year. This request seeks to maintain current levels of service. If appropriations are reduced, colleges may be forced to reduce staff, programs, and services.

Equity Impacts

Community Inputs and Incorporation:

N/A

Community Outreach and Engagement:

N/A

Disproportional Impact Considerations:

N/A

Target Populations or Communities:

Washington's community and technical college system is composed of 34 community and technical colleges that collectively serve about 290,000 people of all ages and backgrounds across the state. Our colleges provide education and training that leads to well-paying jobs, career mobility, and four-year college or university study. Community and technical colleges are proud to be the most inclusive and diverse higher education institutions in Washington. Our students are more likely to be the first in their families to attend college, come from lower-income families, be people of color, hold down jobs, and care for parents or children. Our open-access colleges serve students for whom a college credential can make the biggest change in the trajectory of their lives and who represent the fastest growing populations in our state. Our students also face some of the biggest barriers to college and the steepest climbs to economic security. How well we serve students in our rapidly changing world will shape the well-being of Washington's families, communities, and businesses now and in the future.

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

N/A

Intergovernmental:

N/A

Stakeholder Response:

N/A

State Facilities Impacts:

N/A

Changes from Current Law:

N/A

Legal or Administrative Mandates:

N/A

HEAL Act Agencies Supplemental Questions:

N/A

Governor's Salmon Strategy:

N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. A	$0	$19,115	**$19,115**	$19,115	$19,115	**$38,230**
Obj. B	$0	$5,990	**$5,990**	$5,990	$5,990	**$11,980**
Obj. E	$0	$3,422	**$3,422**	$3,422	$3,422	**$6,844**

Agency Contact Information

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