



THE EVERGREEN STATE COLLEGE

July 2, 2010

Executive Summary

TO: Board of Trustees

FROM: Thomas L. Purce, President

REFERENCE: 2011-2013 Legislative Operating Budget Request

1.) Administrative Recommendation

Approve the 2011-13 Operating Budget Request as summarized below:

2011-13 Operating Budget Request Summary	FTE Employees	Biennial State Funds	Biennial Tuition Revenue	Total Biennial Budget Request	% Above Current
2009-11 Operating Budget Level	616.60	46,802	51,578	98,380	
2011-13 Current Level Calculations:					
Biennialize Higher Education Reduction	(17.80)	(1,291)	-	(1,291)	
Higher Education Budget Cut Equalization	-	(72)	-	(72)	
Transfer Labor Edu. & Res. Center	-	(164)	-	(164)	
Biennialize Tuition Increase	10.00	-	2,455	2,455	
Biennialize Employee Health Insurance	-	160	-	160	
Biennialize Acad. & Inst. Support Cut	-	1	-	1	
Biennialize Other Non-instructional Cut	-	1	-	1	
Biennialize Fire Protection Agreement	-	9	-	9	
Biennialize Tacoma Lease Increase	-	302	-	302	
Biennialize Health Insurance Inc.	-	584	-	584	
Back out one-time WSIPP Studies	-	(192)	-		
Reverse Maintenance Fund Shift	-	3,247	-	3,247	
Reverse Temporary Layoffs	-	327	241	568	
Sub-Total Current Level Changes	(7.80)	2,912	2,696	5,800	
2011-13 Current Authorized Level Budget	608.80	49,714	54,274	103,988	5.9%
Maintenance plus Enrollments Only:					
Fire Protection Rate Increase	-	9	-	9	
Postage Rate Increase	-	53	-	53	
Utility Rate Increase	-	20	-	20	
Maint. & Operations for new capital projects	0.50	64	-	64	
Accommodate 250 FTE Enrollment Demand	16.50	3,150	2,250	5,400	
Sub-Total Maintenance & Policy Request	17.00	3,296	2,250	5,546	
TOTAL 11-13 Operating Budget Request	625.80	53,010	56,524	109,534	11.3%
<i>Percent change from previous biennium</i>	<i>1.5%</i>	<i>13.3%</i>	<i>9.6%</i>	<i>11.3%</i>	

Explanation:

- a) Present Policy: The proposed 2011-13 legislative operating budget request is one element of a set of efforts to minimize further reductions to our core funding structure. Given the prospects for of significant shortfalls in the state budget for the 2011-13 period, this budget request focuses on maintaining our current funding structure and obtaining state funding to support our current excess enrollment demand. The details of the operating budget request will be converted into the required decision package format for the biennial operating budget request submittal to the Governor's Office of Financial Management on September 2, 2008.

There is no question that the college will likely continue to face significant pressure on the core budget in the ensuing biennium given that state revenues are projected to be well below levels necessary to fund current services levels. We assume that the legislature will continue to be interested in advancing the adopted state master plan goals for increased degree production at a time when all of our baccalaureate institutions are facing substantial over-enrollment conditions. Evergreen is fortunate in that we continue to be in demand and will be exceeding our budget enrollment levels primarily due to the increase retention and increased yield for new students given the economic conditions. We will continue to advocate for improved compensation levels for our faculty and staff as we engage in important negotiations on two labor contracts in the coming months.

This proposed budget request has been constructed within this fiscal and political context. In an effort to help simplify the college's message, there are no new requests for funding for new initiatives. Although we are requesting a 250 FTE increase to our budgeted enrollment levels to provide state support for a portion of our current over-enrollment levels our request will be structured to secure support for our existing students rather than addressing other expressed state-wide budget priorities such as substantial increases in our degree production capabilities and in designing new programs to substantially increase the K-12 pipeline.

The recommended action delineates the essential elements necessary to maintain our basic core funding structure with a particular emphasis on maintaining jobs and enrollments at our current levels. Our policy recommendation is to request legislative support to increase our funding level to address:

- Bowwave funding necessary to support enacted policy directives.
- Inflationary impacts of externally imposed rate and fee increases.
- Basic funding for enrollment demand beyond funded levels.

Although we are recommending the above mentioned policy initiative framework the final documents may require modification due to continued work towards developing a higher education agenda through:

- The Council of President's work to develop a COP common legislative agenda.
- The Governor's Priorities of Government policy work to further provide guidance on higher education investment priorities.
- The Higher Education Coordinating Board's work to implement the recently adopted master plan for higher education in their 2011-13 operating budget recommendations for higher education, and
- Potentially a new performance agreement development framework that could emerge later this summer.

At this point we do not assume that these additional processes will materially change the underlying details of our request submittal. If, however, any material modifications to this request become necessary as a result of those processes we will ask the board to consider approving a modified biennial budget request at a subsequent board meeting. If we are required to develop a performance agreement recommendation we will ask for Board of Trustees approval next Fall prior to the final November submittal date to the Governor.

When the state's final budget is set next Spring, we will return to the Board seeking approval of an operating budget spending plan for the 2011-13 biennium.

b) Proposed by: Thomas L. Purce, President

c) Purpose: To approve the 2011-13 Operating Budget Request to be forwarded to the Governor and Legislature.

2.) Scheduling:

Upon approval of the proposed 2011-13 Operating Budget Request, staff will prepare the necessary documentation for submission of the college's operating budget request that is due to OFM on September 2, 2010.

3.) Fiscal Impact:

The Legislature will determine a final level of state funding for our operating budget and the state need grant program for the 2011-13 biennium. This proposed budget request makes no assumption about the source of new funding or about state or college tuition policy in the next biennium. We expect that the legislature will continue to establish the parameters for tuition and fee increases. Together, these policy frameworks can hopefully provide the necessary state and local fiscal resources to address our most pressing fiscal priorities.

4.) Program Impact:

The funding increases requested in this recommendation would address significant college concerns regarding the lack of adequate state funding levels to support college operations. Adequate compensation levels for faculty and staff and basic funding sufficient to maintain and serve our current budgeted levels continue to be our highest college priorities.

5.) Legal Process:

Washington State Law and the Board's Delegation of Authority require that the Board formally approve the college's legislative operating budget requests.

Staff Review:

_____ Executive Assistant to the President

_____ Executive Director of Operational Planning and Budget