

**SHORELINE COMMUNITY COLLEGE
DISTRICT NUMBER SEVEN
BOARD OF TRUSTEES
REGULAR MEETING OF JUNE 25, 2014**

TAB 3

ACTION

Subject: FY 2014/15 Operating Budget

Background

The College's current fiscal year (FY 2013-14) ends June 30, 2014, along with the fiscal year of the State of Washington. In order to have proper spending authority in place, it is necessary for the College to adopt a budget for next fiscal year (FY2014-15), which begins July 1, 2014.

The State allocation for 2014-15 was reduced by \$576,193 due to the decrease of employer contributions for medical/dental insurance. However, the actual savings to the college is only \$366,055 and results in a cut of \$210,138. Information has not been received from SBCTC regarding Shoreline Community College's portion of a planned Efficiency Reduction but, we have covered for the potential cut in the draft budget. Nondiscretionary State Funding for Basic Skill, SAI, and WRT are allocated on a year to year basis and will be allocated later based upon specific criteria. Local general fund contribution from the CEO Program has been increased by \$200,000. Tuition has been increased \$799,252 and reflects 99% of 2013-14 collections. Carry forward funds of \$385,385 will be used to fund part of the Strategic Actions Plans that were approved for one time funding in 2014-15. Revenue from Local Dedicated Funds (Student Fees) was increased \$35,640

\$642,268 is being held in a reserve account to fund 2014-15 Strategic Action Plans. These plans include requests for personnel, equipment, training, Theater Upgrade, and IT infrastructure. They have been prepared and submitted by personnel and departments across the campus as part of the budget planning needs assessment. They are directly tied to core themes, strategic initiatives and goals. They have been reviewed and prioritized by the Strategic Planning and Budget Committee, Presidents Cabinet, Executive Leadership Team, and the President.

Several long term budgets were zeroed out, including Tenure Buy-Out and Sick and Annual Leave Buy-Out. These costs will be funded by lapsed salaries throughout the year. Additional costs were added to the base budget this year to fund Sabbaticals (\$199,000), Utilities (\$200,000), and Automotive Director (\$82,000).

We must be ever-mindful of the continuing economic conditions. Given the uncertainty of enrollment trends, historically volatile revenues, the unpredictable nature of the State's ongoing fiscal crisis, and the developing expectation that all community and technical colleges will likely experience a significant cut in 2015-17, the administration should continue to take a conservative approach to spending and budget strategy. The impact of our

economic reality continues to be deeply felt throughout our community. We are extraordinarily proud of our faculty, staff, students, and administration – who continue to work together to meet the extraordinary challenges before us.

Recommendation

That the Board of Trustees adopts the proposed FY 2014 – 15 operating budget by motion.

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Shoreline Community College
June 19, 2014