



Executive Summary

TO: Board of Trustees

FROM: Thomas L. Purce, President

REFERENCE: 2001-03 Operating Budget Spending Plan

1) Administrative Recommendation

Approve the attached \$129,890,469 2001-2003 operating budget spending plan for all areas of the college including: appropriated state-general funds, operating fee revenue, local dedicated funds, grants and contracts, and the college's non-budgeted local funds. Included in these spending plans are the following policy changes:

Operating Budget Policies Previously Adopted By The Board of Trustees

- a) *The S&A Tier I & Tier II budget recommendations including food allowance expenditure plans approved by the Board on June 14, 2001; and*
- b) *The Housing rental rate increases approved by the Board on June 14, 2001; and,*
- c) *The 3% Reallocation Plan approved by the Board on June 14, 2001.*

Operating Budget Policies Changes Included in this Administrative Recommendation

- d) *Increase tuition 6.7% in 2001-02 and by 6.1% in 2002-03 for all student categories; and*
- e) *Increase the Community Health and Counseling Fee by \$1.00 per quarter in 2001-02 and by \$.50 per quarter in 2002-03;*
- f) *Approve the funding for the direct instructional costs to support the 124 FTE undergraduate student enrollment growth funded by the legislature;*
- g) *Authorize an additional one percent salary increase for faculty and exempt professional staff for the 2002-03 fiscal year;*
- h) *Approve the allocation of \$250,000 to the Childcare Facilities Building Fund; and,*
- i) *Increase state funded student salary budgets by 5% per year during the 2001-03 biennium.*

2001-03 BIENNIAL SPENDING PLAN BY FUND TYPE

<u>2001-03 SPENDING PLANS</u>	<u>TOTAL</u>
• State General Funds	\$ 51,594,000
• Operating Fee Revenues	30,990,374
• Local Dedicated Funds	4,832,937
• Grants & Contracts	6,967,924
• <u>Non-Budgeted Local Funds</u>	<u>35,505,234</u>
TOTAL 1999-01 SPENDING PLANS	\$ 129,890,469

2) Explanation:

Present Policy: This approval incorporates the internal adjustments required to carry out the legislative changes to the board's previously approved base spending levels. The college's strategic planning process provided further guidance for the development of this plan. These plans reflect the budget adjustments necessary to: 1) maintain an appropriate level of institutional contingency funds; 2) implement needed salary increases for faculty, exempt, classified and student employees; 3) add 124 FTE enrollment growth; 4) adjust the base budget for mandatory costs and strategic priorities; 5) sets matching funds aside for a new childcare facility; 6) adjust locally funded operations for all approved rate and fee increases including the 6.7% and 6.1% tuition increases; 7) reduces the base budget by the 3% reduction plans and, 8) reflect our best estimates for grants and contracts, service and auxiliary activities, and student loan account levels for the next two years. These changes are required to enter into the 2001-03 biennium with an expenditure plan that funds approved policy changes and balances to projected revenues.

b) Proposed by: Thomas L. Purce, President

c) Purpose: To approve the 2001-03 operating budget spending plans for all areas of the college.

3) Scheduling:

The Board approved temporary expenditure authority and the 3% budget reallocation plan in June. This approval will finalize the remaining budget policy elements and allow our internal financial system to have the necessary line item budget controls loaded prior to July month end reports. In addition, this approval will allow us to submit monthly allotments to the Office of Financial Management in July according to schedule.

4) Fiscal Impact:

Provides the funds necessary to carry out legislative intent and approved policy changes.

5) Program Impact:

(see attached recommendations)

6) Legal Process:

The Office of Financial Management provides clear instructions to carry out the legal budgetary requirements. Legislative staff provided the college with necessary legislative intent interpretations on items not specifically written into law. This approval is consistent with legislative intent. Washington state law and the Board's reserved authorities require the Board to approve the college's official spending plan.

7) Staff Review:

_____ Executive Associate to the President

_____ Executive Director of Operational Planning and Budget

_____ Secretary to the Board