Dear Faculty and Staff,

We have received **concerning information regarding next year’s budget**—fiscal year 2020-21—which begins on July 1, 2020.

There are two primary components to our financial concerns.

1. Our **enrollments slipped** again this year, continuing a decade long downward trend. Spring quarter is a significant concern, with enrollments down about 15 percent from this time last year. With the ongoing COVID-19 pandemic, there is uncertainty about our enrollments for both summer and fall (and beyond).
2. The biggest threat to our operations is the **anticipated drop in state allocation** to community and technical colleges. With state revenue projected to be much lower due to significant decreases in sales tax and business and occupation tax collections, we are concerned about the loss of state funding over the next fiscal year and beyond.  The Seattle Times, citing legislative sources, noted this week that the shortfall at the state level could be around seven billion dollars (through June 2023). ***The Washington State Office of Financial Management (OFM), State Board of Community and Technical Colleges staff, and key state legislators have all signaled that state agencies should prepare for significant cuts.***

Here are the steps we’re taking in response to this devastating financial news.

* We are looking at current spending, and **may need to make some immediate decisions** for the current fiscal year. Any savings we can find now will help mitigate cuts next year.
* For next year, the State Board has asked us to look at **three reduction scenarios:  10, 15, and 20 percent.** I have asked the Executive Leadership Team (ELT) to begin the process of determining proposed cuts in their respective areas following those scenarios.
* Since there is so much uncertainty around future enrollments and what our state funding may look like next year, and with the recommendation of ELT, I will be asking the Board of Trustees for a **continuing resolution on the budget**. This will allow us to delay approving a final budget (usually presented in June) until late September.  By that time, we hope to have answers around any allocation reductions by the Governor and/or legislature, and a better sense of enrollments for summer and fall.

The ELT is aware of the significant impact this could have on our employees and students. We will communicate with you regularly and be as transparent as possible throughout the process. No matter what happens, it is **imperative that we keep students at the forefront of our thoughts and actions** in the coming months.

Please feel free to **provide input to your vice president or me** as we work on establishing budget scenarios for next year. Our goal is to come up with a process that results in a sustainable budget, but it’s going to be a long and difficult road.

Sincerely,

Chris Bailey

Lower Columbia College President