



Budget Issues

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BUDGET YEAR 2021-22

- While the pandemic has receded, will it worsen because of new mutant strains of the coronavirus and/or the advent of the traditional flu season?
- Enrollments – What will former, current and new students do?
- Will the SCFF hold harmless be extended? At present, it is set to expire at the end of Fiscal '24. Several districts are looking at a “fiscal cliff” at that point, a situation which, if it materializes, quite likely would affect all districts.

BUDGET PROJECTION, FY 2022-23 thru FY 2025-26

- What will economic recovery look like?
- There will be continued State interest in accountability for student learning.
- Will we see substantive change with a new administration in Washington (health care, funding, etc.)?
- Enrollment – What will former, current and new students do?
- Will SCFF funding be fully implemented?
- Will hold harmless provisions remain intact?
- The Legislative Analyst Office (LAO) projects a significant structural State budget deficit beginning in 2021-22 and reaching around \$17B by 2024-25.
- Mission creep will both challenge higher education generally, as well as possibly lead to a change in the mission of the comprehensive community college.
- Is the CCC evolving from a State-supported system to one that is State-assisted? If so, will community college districts need to look at alternative revenue sources and/or operating efficiencies?
- The rapid pace of technological change will continue to challenge educational institutions, as well as lead to increased competition for students.
- The pension squeeze will continue to pose difficulties for community college long-range financial planning. Increased employer contribution rates drive the compensation share of the budget higher in and add to the costs of salary and step and column increases. This will lead to pressures relative to service levels and the non-compensation part of the budget.