

## **ALABAMA, FREIDA HILL**

Education in Alabama is funded through the Education Trust Fund (ETF), and most of the growth taxes are earmarked for this fund. This is a double-edge sword in that these revenue sources respond quickly to shifts in the economy. The downward shift in the economy was fully evidenced in fiscal years 2008 and 2009.

The Alabama Legislature provided a mechanism in past years of high growth for setting aside funds in a Statutory Proration Prevention Account, which allowed the state to avoid cuts to educational entities in fiscal year 2008. A balance of \$439 million accumulated in this account over a three-year period. The Governor was forced to utilize all of the Statutory Proration Prevention Account in 2008 to avoid proration. If we had not been able to transfer the \$439 million, the ETF would have been in 7.2% proration.

Alabama also has a Constitutional Rainy Day Account, which makes available from the Alabama Trust Fund an amount up to 6.5% of the previous year's appropriations from the ETF. That amount was \$437.5 million, and the entire amount was transferred in fiscal year 2009. This limited the declaration of proration to 11%. Had the Rainy Day Account not been available, the ETF would have been in 18% proration.

Since fiscal year 2007, Alabama's community colleges have lost \$65.4 million in ETF funding. The Alabama Community College System received an appropriation of \$35,471,008 in State Fiscal Stabilization Funds. The decision was made to split the funds between fiscal years 2010 and 2011. These funds helped to mitigate the need to raise tuition and fees. However, after five years of level tuition and fee rates, the State Board of Education approved an adjustment of 16%. The State Fiscal Stabilization Funds and the tuition and fee increase have allowed colleges to limit layoffs. Quarterly reports indicate the stimulus funds have saved approximately 341 jobs. We have also been able to serve more students and not had to cap enrollments.

The community colleges were essentially level funded for fiscal year 2010-2011, and since the stimulus dollars were spread over two years, we will have \$17.7 million available for use during that year.

## **ARKANSAS, ED FRANKLIN**

Arkansas colleges did receive funds . Our 22 colleges received \$5,687,204 for FY 09 plus \$8,972,362 in Capital funds for buildings. For FY 10 we are scheduled to receive \$9,146,413 but may only get half of that.

We have experienced a 14% increase in students and have not had the budget increases to meet this need. We are looking at needing an additional \$2.8 million for FY11 and have no way of getting the funds except through ARRA.

## **COLORADO, NANCY MCCALLIN**

In FY 2009-10 (the current fiscal year), the Colorado Community College System's state appropriation was cut by 49.5% and the Governor/General Assembly backfilled the cut entirely with ARRA state fiscal stabilization funds to keep us level with FY 2008-09 funding (although not on a per FTE basis). At the same time, we are currently experiencing a system-wide 19% resident student FTE increase. In addition to backfilling GF, the ARRA funds also likely helped keep resident tuition increases more reasonable than otherwise would have occurred. Specific numbers for all of these items would be especially useful.

One of the key provisions of the federal legislation was the maintenance of effort requirement to hold GF appropriations to FY 2005-06 levels (unless the State met waiver conditions). In FY 2010-11, this required the General Assembly to restore the FY 09-10 GF cuts back up to FY 05-06 levels, lessening the impact of the FY 2010-11 cuts. However, that same maintenance of effort requirement is not in place for FY 2011-12. Combined with the amount of one-time funds current appropriated in the FY 10-11 state budget (from FMAT to one-time cash fund transfers), all of higher education in Colorado will be facing a financial cliff unless state revenues dramatically rebound. While no one thinks that the State will avoid going off the cliff, additional direct infusion to community colleges in FY 2011-12 (and possibly FY 2012-13) would be very helpful in cushioning the fall

In FY 2010-11, a 7.2% cut including ARRA funds (and a 17.8% cut not including ARRA funds). As I stated above, the stimulus funds ran out and they would have probably cut more but the maintenance of effort provision prevented this from occurring. In FY 2011-12, the current fiscal year's 49.5% cut in GF (which was backfilled with ARRA) serves as a possible guide to illustrate how big the GF cliff really could be in Colorado for community colleges.

We have already done some layoffs and in FY 2010-11 all employees will see a net reduction in take home pay of approx. 2.5%. And, the colleges are facing the possibility of 3 years in a row without a salary increase. However, to date, the ARRA funds have really helped prevent wide-scale layoffs at community colleges. Given our access mission, we have not implemented any enrollment caps to

## **FLORIDA, WILL HOLCOMBE**

In Florida the stabilization funds flattened out what would have been a significant reduction in state support. The reduction in state support from 08-09 to 09-10 was going to be 8.3%. With the \$83,318,845 of ARRA funds, the reduction was .28%. This slight reduction was more than made up by a tuition increase. Some colleges still had layoffs to reallocate resources to meet the incredibly strong enrollment demand. Both the House and Senate budgets for 10-11 have ARRA funds in them. The amount in both budgets is \$83,037,514, a .3% reduction from 09-10. It is difficult to determine our need for additional federal support the following year. The House and Senate budgets are far apart for 10-11. The House is at a 4.5% reduction, including ARRA funds, and the Senate is proposing a 7.9% increase. If the Senate prevails, we would not require additional federal help, but if the House budget emerges, Washington would be on our speed dial. Budgets will be finalized by the end of the month.

**GEORGIA, ROBERT WATTS**

The University System of Georgia is receiving \$257M in federal stabilization in the current fiscal year (FY2010). All these funds have been expended for personal services. They did help prevent more layoffs.

We expect to have \$23M in federal stabilization funds in our budget in FY2011.

From FY2009 to FY2011, our state funds per FTE student have decreased by 23.7%.

**ILLINOIS, GEOFF OBRZUT**

Community colleges were allocated \$7 M in state fiscal stabilization funds and definitely these funds have helped many colleges avoid layoffs. We will not be able to distribute them until May, so we do not have employment statistics required by the feds on ARRA funding and job savings.

Illinois is experiencing a 2.5% decrease in funds. We lost all of the ARRA funds. Some colleges have reduced programs and staff, but actual numbers won't be known until summer. More than the loss of jobs, many of the colleges are experiencing record enrollment increases. Coupled with the loss of funding, they are not hiring full time faculty or student service employees that would be normal during enrollment growth periods. So while some colleges may not be eliminating existing employees, the lack of funds is not allowing them to expand and provide necessary student services.

**IOWA, ROGER UTMAN**

Community Colleges in Iowa received \$23.1 million from the Education Stabilization Funds and \$2.5 million from the Government Services Funds (Total of \$25.6 million) in FY 2010. There were no funds in FY 2009 and there are no funds for FY 2011.

Yes these funds were used to avoid layoffs and reduce tuition increases in FY 2009. As an example, for the July 1, 2009 – March 31, 2010, a total of 257 full time equivalent employees were retained as a result of this funding (401,106 hours worked).

A great example is to document how the state general aid to Iowa's community colleges has dropped since FY 2009. The amount originally appropriated for community college state general aid in FY 2009 was \$183,062,414. In FY 2010 the total appropriated was down to \$168,410,651 which included the \$25.6 million in ARRA funds. For FY 2011, the state general aid amount appropriated is \$158,754,232. The overall change from FY 2009 to FY 2011 represents a decrease of 13%. Community colleges are faced with lay-offs, discontinuing programs, and raising tuition.

**KANSAS, JOAN WARREN**

Kansas received \$7.5 million in funds through the ARRA/SFSF to date and it is anticipated approximately an additional \$6 million will be available for community colleges in FY 2011. Funds were expended in accordance with the provisions of the ARRA including mitigating the impact of resident tuition increases by backfilling operating budgets.

In Kansas the postsecondary education system (including community colleges) has experienced over a \$106 million (12.5%) reduction in state funds over the past year and now sits at Fiscal Year 2006 funding levels.

**MARYLAND, JAMES LYONS**

In Maryland, community colleges received \$14 million in ARRA funds in the fiscal 2010 budget. This money did not increase total funding; rather it was a substitution of federal funds for general funds. The federal funds were subsequently rescinded and transferred to some other use, and are not contained in the fiscal 2011 budget for community colleges. There was no particular impact on the colleges from this brief use of federal funds.

Looking ahead, we did not experience a drastic budget cut for fiscal 2011 and don't expect a substantial cut in fiscal 2012. As far as I know, none of our colleges are contemplating enrollment caps, but there will certainly be tuition increases for fall 2010. Although the budget situation is not rosy in Maryland, I don't see these temporary federal funds as particularly useful. They did not prevent layoffs or furloughs, which, for the most part, have not occurred at Maryland community colleges. Unless a college is facing crippling numbers of layoffs (not the case here) their temporary nature makes them of limited value for operating purposes.

## **MASSACHUSETTS, BILL HART**

Massachusetts Community Colleges DID receive ARRA funds in the last two fiscal years and we anticipate receiving funds in FY11. These funds helped avoid layoffs and maintain college operations and academic programs. It did not allow us to do anything extra since our state appropriation was reduced and backfilled with ARRA funds consistent with the guidelines and the Maintenance of Effort provision.

The Governor's proposed FY11 Budget continues the use of ARRA funds (approx \$24M for community colleges) with a corresponding reduction in his State Appropriation.....the House Budget(to be released this Wednesday) is not expected to maintain the same level of State funding as the Governor has done. We expect a 4% State reduction from the House. Based on those numbers the campuses would consider raising fees(which we here in Mass. Retain) to cover any shortfall. Our enrollments on average went up over 10% last fall from the previous year. Layoffs and or furloughs would be an option that each campus would have to consider to balance their budgets and of course no money would be available for facility maintenance or new programs.

## **MICHIGAN,**

Community colleges did not get any of the ARRA-SFSF funding intended for education purposes. That funding all went to K-12 and the state universities. They did indirectly receive some of the ARRA funds through grants from other ARRA sections intended for job training. The State did keep its commitment by funding community colleges same as previous year.

State funding is expected to be reduced by 5% on 2008 base...since 2009 base was equal to 2008.

## **MINNESOTA, JIM McCORMICK**

Minnesota State Colleges and Universities received \$79.2 million in one-time federal stimulus aid through the American Recovery and Reinvestment Act (ARRA) through fiscal year 2011. Legislative language limited a tuition increase for a Minnesota resident undergraduate student to no more than 5 percent and required the use of federal stimulus funds to buy down the FY2010 tuition increase to no more than 3 percent. The 5 percent tuition increase limit is in law for both fiscal years 2010 and 2011.

- Every effort was made to direct the maximum possible portion of the state funds to the institution basic allocations to provide the most flexible support to all colleges and universities.
- ARRA funds (\$79.2 million) were equally divided between FY2010 and FY2011. The funds have been used for tuition mitigation (\$13million each year) and operating purposes (\$26.6 million each year) at the colleges and universities.

The ARRA funds have been helpful, as state appropriation has been a primary revenue source for the system. With diminishing support from the state, the system's reliance on tuition to support basic education activities has increased. This has resulted in a trend where tuition currently comprises 55 percent of total appropriation and tuition revenue. It is estimated that tuition will be a greater proportion in fiscal year 2011 – 57 percent.

The system has experienced record enrollment increases during the current fiscal year, increasing from 143,924 full-year equivalent (FYE) students in fiscal year 2009 to an estimated 154,249 FYE in fiscal year 2010, a 7.2 percent increase. The record enrollment increases in the current year make it difficult to project the out years not knowing if the increases are an anomaly. The colleges and universities are projecting a modest enrollment growth of 0.8 percent in fiscal year 2011. During this biennium, enrollment is projected to increase overall 8 percent – 11,579 FYE.

In solving budgetary gaps, colleges and universities are using a combination of strategies to position themselves for future years. These solutions vary among the colleges and universities, but overall, include the following:

- program closures or reductions;
- administrative reductions;
- reduction of service hours;
- evaluating all vacancies with the goal to fill only those that are absolutely necessary;
- instructional efficiencies;
- delaying repair and replacement projects or equipment purchases;
- enrollment management;
- implementing Lean concepts;
- developing new programs in high demand areas or slowing down new program implementation.

Reductions in personnel expenses have also aided in solving budget gaps. Employee contracts for the system have been approved with limited increases. In addition, colleges and universities began reducing their workforce starting in FY2009 in response to the FY2009 unallotment and in preparation for reduced resources in FY2010-FY2011.

Overall, colleges and universities reduced positions by slightly less than 200 FTE in FY2009 and plan to reduce positions by another 350 FTE in FY2010. Position reductions impacting FY2011 are unknown at this time; however, consultation on FY2011 budget solutions are being finalized.

Between fiscal year 2009 and proposed fiscal year 2011, the Office of the Chancellor/Shared Services will have reduced its budget by \$4.7 million (10.8 percent). Factoring in presidents' compensation, the

overall reduction will be \$4.2 million (8.3 percent). In response to the budget reductions, 34 positions were eliminated in fiscal year 2010. The staff reductions were addressed mostly through attrition and the elimination of vacancies; however, the Office of the Chancellor did experience some layoffs.

At the close of the 2009 legislative session, the Omnibus Higher Education bill provided the Minnesota State Colleges and Universities with \$1.28 billion of state resources for the 2010-2011 biennium, a reduction of 6.8 percent (\$92.7 million) from the forecast base. The fiscal year 2011 outlook provided to the Board of Trustees in June/July 2009 anticipated a funding level of \$666 million. Since that time, the governor has unallotted \$50 million and the supplemental higher education bill from the 2010 legislative session, which has been signed by the Governor, has further reduced the system's fiscal year 2011 funding level by \$10.5 million.

As a result of those two actions, the system's fiscal year 2011 funding level is \$605.5 million, \$60.5 million below the initial outlook of a year ago. The \$605.5 million returns the system to its fiscal year 2006 funding level.

It is highly probable that we will experience layoffs and enrollment caps at our colleges and universities into the future if no additional state or federal investment is made into higher education. A second distribution of ARRA funds for higher education would allow us to continue the delivery of educational services to the existing student population. Beginning in fiscal year 2012, the student would be responsible for the mitigated tuition amount plus any additional rate increase

#### **NEW HAMPSHIRE, RICHARD GUSTAFSON**

The Community College System of New Hampshire received \$1,090,000 in ARRA stabilization funds for FY 2010. This was a very small component of our state general fund appropriation (2.5%) and the funds were directed primarily to equipment and technology. These funds were not used to prevent layoffs or to add new positions.

We will receive no ARRA funds in our general fund appropriation for 2011. We are on a biennial budget system here in NH.

#### **NEW YORK, JOHANNA DUNCAN-POITIER**

For this current year, the New York State Legislature did use ARRA funds to plug a cut that the Executive Budget had proposed in almost a one-to-one correlation. [Nonetheless, we experienced a \$130 per FTE mid-year cut.] What this meant was that our community colleges could avoid layoffs, but since the ARRA funds were simply a gap-filler for a proposed cut in state aid, they did not provide additional funding to serve more students -- which we got in a 10% statewide increase in 2009-2010. I don't have any specific numbers I can provide to you.

I know that the state is counting on using ARRA funds in a similar manner this next budget year, but the state budget has yet to finalized, so I can't say exactly what will happen. The Governor had proposed

cutting the community colleges another \$285 per FTE (in addition to the mid-year \$130 per FTE cut mentioned above), but in their preliminary proposals both the Assembly and the Senate restored that cut. Still, until the state budget is finalized -- and no one knows when that will be -- we don't know the potential impact and can make no predictions regarding layoffs or cutting services to students.

#### **OREGON, CAM PREUS**

Oregon community colleges did not receive any SFSF dollars—we did get only state general fund. The SFSF went to K-12 & universities and we all took a 10% cut from 2007-09.

#### **TEXAS, CAROL RANEY**

\$15.0 million of FY 2010 instructional formula appropriation to Texas public community colleges was from the ARRA state fiscal stabilization fund. The ARRA funds are 1.6 percent of the total formula funds for 2010.

The funds aided serving students. But, 1.6% is not a lot of money.

There is a potential shortfall of \$11-19 billion. The holes in public education without stimulus dollars are a major part of the structural budget deficit. Addressing the public education need could mitigate cuts in higher education.

A cut of 5% for the current biennium is under consideration; if does not take effect until 2nd year of biennium (after November elections), the net result could be a 10% cut for FY 2011. Community colleges have requested an exemption from the mid-year cuts. No action on the cuts or on the exemption request has been taken.

Texas is experiencing unprecedented enrollment growth (12+% in Fall 2009, Spring 2010). Because of the relative independence of Texas community colleges, each college district will address the issue in a different manner with cuts, soft or hard enrollment caps, etc.

#### **UTAH, GARY WIXOM**

In Utah we received ARRA funds to stop gap the cuts for the 2009 year. The funds did help additional layoffs and gave us the ability to serve more students—27% increase at some institutions. I can't give you specific numbers on the lay offs.

Enrollments are still increasing and over the last three years we have had around a 22% cut.

## **VIRGINIA, GLEN DUBOIS**

Virginia's community colleges (VCCS) are scheduled to receive from the ARRA state stabilization fund \$6.8 million in fiscal year 2010 and \$45 million in fiscal year 2011. The funds will be used in FY2010 for adjunct faculty salaries to support unprecedented enrollment growth of about 14,000 students (13%). The ARRA funds in FY2010 are equivalent to a 2% tuition increase.

While the VCCS appreciates the federal stimulus funds, temporary support does not provide on-going support for one of the most pressing issues at the colleges - providing full-time faculty to serve the increased enrollment. To accommodate the unfunded enrollment growth, colleges must hire adjunct faculty to provide the additional classes. The percentage of full-time faculty has dropped from almost 51% in 1999 to less than 40% in fall 2009. The percentage of full-time faculty will decline further as enrollments grow and funding declines. Full-time faculty provide the services needed to improve student success and support increased participation by underserved populations – two key goals of the VCCS's new strategic plan.

The colleges also have had to resort to partially filling positions in critical support areas such as the business office, admissions and student counseling services because funding is not available to hire a full-time position. The lack of support services in admissions, financial aid, counseling, tutoring, and library services could negatively affect the student retention and graduation rates.

Also, funding is needed to renovate outdated facility space that is in poor condition and to construct additional space to accommodate enrollment growth and workforce development needs.

There have been layoffs of approximately 100 employees in the VCCS because of budget reductions.

In October 2008, state funding for the VCCs was reduced by 5%. The budget was further reduced in FY 2009 by 5%, and again in FY10 by 5% and another 3%, for a cumulative reduction of \$70 million. State funding for the VCCS will be reduced by another \$35 million (almost 10%) in FY 2012.

The VCCS has not and will not cap enrollments. But the limitations of facilities, staff, financial assistance, and other resources does place a de facto cap on some classes and programs. As we have dramatically increased efficiency to accommodate budget cuts, colleges are concerned about student access to courses needed to complete degrees. Colleges have chosen to cancel relatively lower enrollment classes that typically were offered in the past in order to save money on instructional costs. As a result, students are forced to wait until another student drops from the remaining course sections offered or must wait another semester (or year) until the course is offered again.

**WASHINGTON, CHARLIE EARL**

This year the Washington State Legislature used ARRA stabilization funds to backfill a 9% cut to community and technical colleges' funding. We received \$8.5 million for backfill plus additional funding in the form of competitive grants and contracts with local workforce development councils awarded to individual colleges. With the ARRA funding we are able to serve 1,500 FTES. We saw a 6.7% increase in our enrollments this past fall compared to the previous fall quarter, but no additional state funding was allocated to cover our over-enrollments. Some layoffs have occurred, but relatively few and mostly affecting adjunct faculty, student support staff, and mid-level administrators.

Our state budget has not yet been finalized, but we are expecting another 4% to 5% funding cut for fiscal year 2010-2011. Due to maintenance of effort requirements attached to federal money, our cut was less than we would have experienced without the ARRA funds. We are projecting additional budget cuts in 2011-13. We are very concerned in that the discontinuation of ARRA stabilization funding in the next biennium (approximately \$17 million) will compound state fiscal capacity problems and result in severe reductions for higher education.

**WEST VIRGINIA, JIM SKIDMORE**

In West Virginia, our ten community colleges have or will receive \$3,945,618 in state stabilization funds that backfilled an initial FY 2010 budget cut of 3% and an additional mid-year reduction of 3.4%. An additional \$4.7million in stabilization funds will be utilized in FY 2011 to offset a 5% budget reduction. No additional funds, state general revenue or stabilization funds, have been allocated for enrollment growth. The stabilization funding has prevented lay offs, allowed for somewhat normal operations and assisted in accommodating a 17% increase in enrollment.

We are projecting additional budget reductions in 2012, but no stabilization funds will be available to offset those cuts. College presidents are concerned about serving additional students if we experience a sizable budget cut in 2012. At this point, there have been no discussions of enrollment caps.

**WYOMING, JIM ROSE**

ARRA funding was awarded in two parts, one to offset cuts in major maintenance (a total of \$17M for the system) and a second to address unfunded enrollment growth (a system total of \$8.3M)

Our current budget for the 2011/2011 biennium is reduced by 5%. Enrollment continues to grow, but the current state budget does not provide any funding for the growth. We have not thus far been required to cap enrollments. Some layoffs have occurred, although minor and largely in adjunct faculty.