

Dear Highline College community,

As we wrap up the summer quarter 2020, I want to take a moment to thank all of you for the amazing job you have been doing in the past several months under very challenging conditions of the COVID-19 pandemic. Your commitment in serving our students deserve my utmost respect and tremendous appreciations. Thank you!

The on-going pandemic, coupled with declines in enrollment over the past several years, has caused significant fiscal challenges for Highline College. For the fiscal year 2020-21, the College faces a budget shortfall of approximately \$3.2M. In addition, if and when the 15% State budget cut is implemented, the College could lose another \$4.8M of funding. Altogether, our total budget deficit potentially exceeds \$8M in the current fiscal year.

In an effort to guide our budget planning process, the Executive Cabinet adopted a set of budget planning principles (April 2020) and a set of budget reduction principles (as recommended by the Budget Advisory Council in August 2020):

Budget Planning Principles

Highline College budget planning process shall:

1. Be conducted in a deliberate, inclusive, transparent, and financially sustainable manner;
2. Focus on student success, including enrollment, persistence, and completion;
3. Support mission fulfillment, innovation, and institutional excellence, as well as aligning with the strategic planning processes;
4. Be prioritized to ensure a safe, healthy, and accessible learning, teaching, and service environment for our students, faculty, and staff;
5. Promote innovative funding opportunities that benefit the mission of the college, including the use of external funds such as grants and sponsorships.

Budget Reduction Principles

1. Budget reduction decisions to be guided by Highline's commitment to closing equity gaps and increasing student completion rates
2. Budget reductions to utilize available data to make informed decisions
3. Budget reductions to be shared across all college divisions, departments, and programs
4. Budget reduction decisions to be made as promptly as possible
5. Make current year's reductions as temporary budget adjustments, whenever possible

Budget Reduction Strategies

The Executive Cabinet, in working with our respective divisional leadership teams, has been analyzing and strategizing various budget scenarios for the past several months. Given the magnitude of our fiscal challenges, budget planning will be on going for some time. However, in order to meet the budget development deadline of September 1st (for submission to the Board of Trustees), the Highline College budget reduction plan is drafted as follows:

1. To achieve reduction target #1 of \$3.2M, the College shall implement the following strategies:
 - a. Reduction of Equipment, and Goods & Services for up to \$1.7M of savings
 - b. Reduction of Travel for up to \$433K of savings
 - c. Reduction of course sections for up to \$450K of savings
 - d. Maintain hiring freeze/vacancies for up to \$659K of savings
2. To achieve reduction target #2 of \$4.8M (State funding cut of 15%), the College shall implement the following strategies:
 - a. Reduction of hourly student employment for up to \$963K - this does not include Services and Activities (S&A) funded student employment
 - b. Reduction of additional instructional budget for up to \$564K
 - c. Furlough savings of up to \$631K
3. In addition to the above reduction strategies, the College also plans to spend down our reserve and fund balance accounts by up to \$3M to ensure a balanced budget, as well as to alleviate and lessen the reduction impacts on employees and services to students.

Furloughs

The Administration is engaging in discussions with our respective union leadership teams of WPEA and HCEA on the details of any furloughs, as well as other budget reductions. We will inform the campus community of the final decisions and/or agreements by October 1, 2020.

Furloughs for Exempt Employees

Per the feedback received from the Budget Advisory Council as well as others, the College will restore the 3% COLA increases for all exempt employees retroactive to July 1, 2020. All exempt employees, earning a salary of \$40,000 or more annually, however, will be required to take one furloughed day per month, beginning in October 2020, for a total of eight (8) furloughed days by June 30, 2021. The eight (8) unpaid furloughed days will result in the equivalent of a three-percent (3%) salary reduction for the employee during the fiscal year. For those employees, earning less than \$40,000 annually, a total of four (4) furloughed days will be required by January 31, 2021. Additional information and details will be provided to all exempt employees in the upcoming weeks. All Executive Cabinet members will be participating in the eight furloughed days as part of the exempt employee group.

Budget Suggestion Box

As part of budget planning principles to be more inclusive, the College is interested in seeking budget suggestions from employees and students to address some of our fiscal challenges. You are all encouraged to provide budget ideas as well as any feedback at the link [here](#). Your suggestions will be reviewed by the Budget Advisory Council and may be incorporated as part of the Council's ongoing recommendations to the Executive Cabinet.

The state of our budget situations remains very uncertain as well as worrisome. It is obviously with deep concern for me to announce these budget reduction measures, especially those affecting our employees and students. These decisions were not made carelessly or casually. They are necessary to preserve the long-term fiscal viability and sustainability of Highline College. Over the next several months, all of us will have to make some more difficult decisions. Let me assure all of you that my decisions will continue to be guided by our established budget planning and reduction principles, including the commitment to inclusion, transparency and to closing the equity gaps.

Once again, thank you for your sustained hard work and support in serving our students. With all of our collective commitment and shared sacrifices, Highline College will weather this fiscal crisis.

John

John R. Mosby, Ph.D.
President