



MEMORANDUM

TO: Mary Alice Heuschel, Chief of Staff, Governor's Office
David Schumacher, Director, Office of Financial Management

FROM: Marty Brown, Executive Director

DATE: June 17, 2013

SUBJECT: SBCTC Contingency Planning

As requested by your memo dated June 12, 2013, I am submitting contingency planning information on behalf of the State Board for Community and Technical Colleges and the 34 community and technical colleges in the system.

Our system and the colleges do not have funds or programs which fall into category 1, appropriated in the transportation budget; 3, services based upon constitutional mandates or federal law; or 4, programs necessary for public safety or to avoid catastrophic loss of state property. However, we do have limited non-appropriated funds.

We have consulted with the colleges and have determined that in order to best serve our students, many of whom already have begun or will soon begin summer quarter, every college will remain open for a very short period of time by using non-appropriated funds. In addition, the State Board has access to limited, non-appropriated funds used to serve and administer the needs of the colleges. We have determined that we too can remain open for a brief period to maintain services to colleges and students.

Community and technical colleges have an average of 1600 students who receive Opportunity Grants during summer quarter. These are appropriated funds, meaning eligible students will not be receiving these benefits until a final budget is adopted.

In addition, the State Board has numerous contracts with private career schools and community-based organizations which are dependent on appropriated funds. We will begin notifying these schools and organizations that, without a 2013-15 budget, our contracts will be delayed at best. For example, the State Board contracts with the Department of Corrections to provide education services to inmates. This is an appropriated activity in the Corrections budget and therefore, these services will not continue until a budget is adopted. Likewise, we will have to temporarily suspend an appropriated activity in the Department of Social and Health Services budget to provide education and training for WorkFirst participants.

The timelines and consequences of no capital budget are more urgent. If there is no capital budget by July 1, 2013, the timeline is very short to terminate design and construction contracts dependent on appropriated funds. Our understanding is no new contract expenses may be incurred after

SBCTC Contingency Planning
June 17, 2013
Page 2

Sunday, June 30, 2013. Technically, then, we must begin the process today (Monday, June 17, 2013) with the Department of Enterprise Services to prepare for termination. We believe termination notices must be sent by Wednesday, June 19, 2013, to give contractors sufficient time to move all staff, subcontractors, and equipment off the various sites and wrap up compensable contract work by Sunday, June 30, 2013.

I hope this is responsive to your request.

cc: State Board Members
Community and Technical College Chancellors and Presidents