February 9, 2011

Dear Members of the HCC Community:

I wanted to provide you with an update on the latest budget information that we have from Tallahassee based on the release of Governor Scott’s budget for FY 2011-12. It should be noted that the Governor’s budget is a starting point in the legislative budget process and is subject to change through the course of deliberations. However, as expected, the budget proposed cuts in most areas, including education. Based on early revenue projections from the state, the College has been preparing for this scenario, including the loss of $4 million in federal stimulus funds that we have received over the last two years. We have been in the fortunate position of being able to fund gaps in previous years’ budgets through enrollment increases and, unfortunately, through tuition increases. However, the Governor’s budget provides for no tuition increase as a partial remedy and we have been advised to anticipate additional funding cuts. This year, state and federal funds make up nearly 50% of HCC’s operating budget, so these cuts will have a significant impact.

The College is also facing unavoidable cost of doing business increases. Personnel costs, including fringe benefits, make up 68% of our budget. In early discussions with our health insurance provider, we have learned that the College’s health care premium costs may be increased significantly next year. While the College is making strides in reducing its energy consumption, it is also likely that we will see increases in our utility rates next year. In addition to these increases, Governor Scott has proposed an employee contribution to the State’s retirement system as a part of the State’s budget reduction.

Given this information, we have been preparing for budget reductions across the College. With budget planning beginning this week, all Cabinet officers are being asked to reduce their budgets by 3%, and to develop plans for an additional 2% cut, for a total expenditure reduction of 5%. Five percent of our current year operating budget of nearly $110,000,000 would yield close to $5.5 million in budget savings.

We are committed to our core mission of teaching and learning, and our goal through this process will be to minimize the effects of these cuts on student learning and student services. In some cases, this may be unavoidable. We will consider every option to reduce expenditures in non-instructional areas before considering cuts to our teaching and learning mission. This includes exploring all opportunities to use technology to improve service efficiency, to eliminate duplication, and to standardize our processes.

I want to thank you for the great work you do and for your continued commitment to our students, particularly during these challenging economic times. I’m confident that we will weather these budget challenges and emerge as a stronger and more focused institution as a result. I also appreciate your thoughts regarding any efficiencies that could be realized by the college. We will consider all practical recommendations, so I urge you to contact your Cabinet officer or Barbara Larson directly with your suggestion.

Thank you again for your service and for your ideas. We will keep you informed as more information is available.

Sincerely,

Ken Atwater