



Seattle Central College Budget Outlook



CENTRAL
NORTH
SOUTH
SVI

Mega Trends since 2007-2008

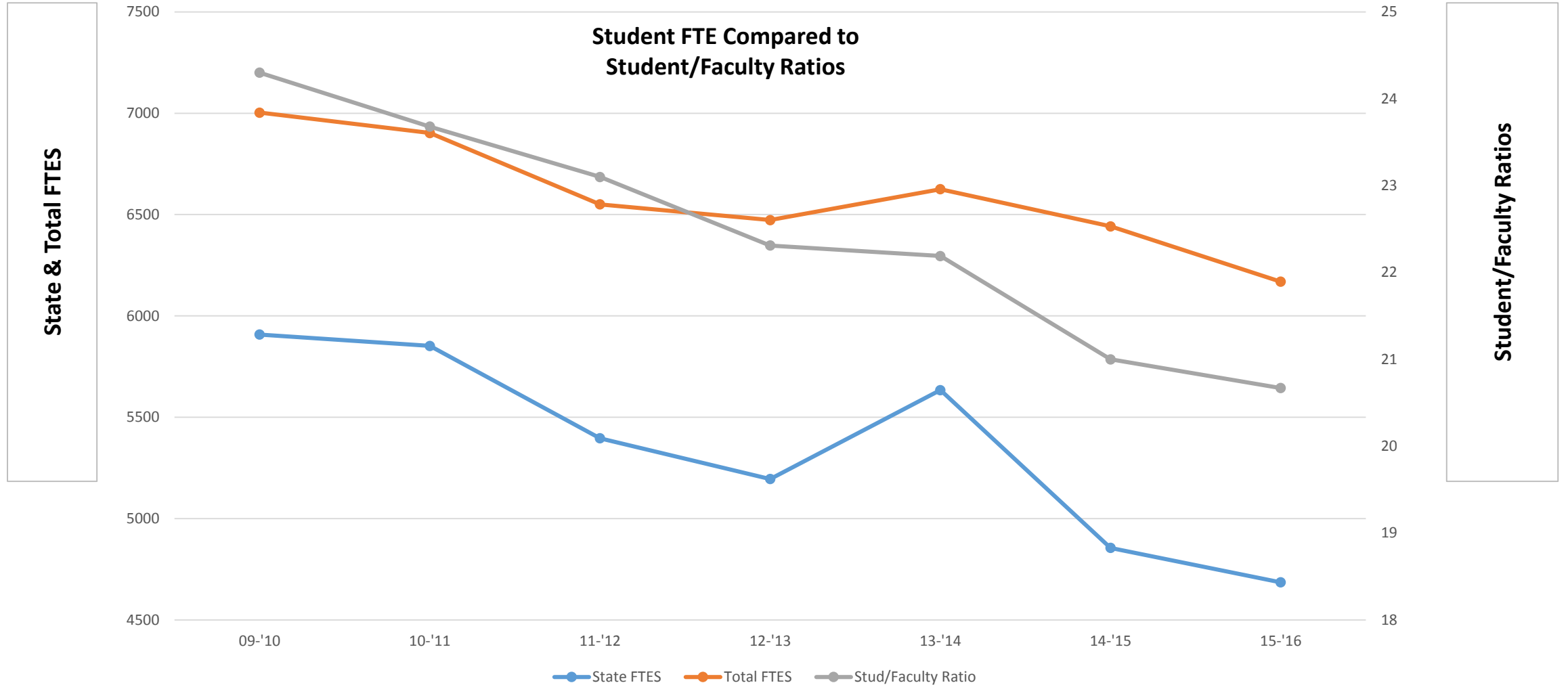
- Declining tax collections resulted in defunding of the community and technical college system.
 - Budget reductions every year since 2008 – 2009.
- Declining enrollments, 18%, due to improving economy and fewer families living in our service area.
- Clear decision to fully fund K-12 resulting in 50% reduction to funds previously available for capital projects.

Mega Trends Since 2007-2008

- Increasing costs. Examples include:
 - Inflation 15.1% since 2008
 - ctcLink \$235K annually
 - Unfunded COLA \$533K annually
 - Minimum wage law \$75K annually
 - District wide deficit \$197K last year
 - Moore v HCA \$556K last year
- The new allocation model reduces Seattle Central by ~ \$2.7M over four years.

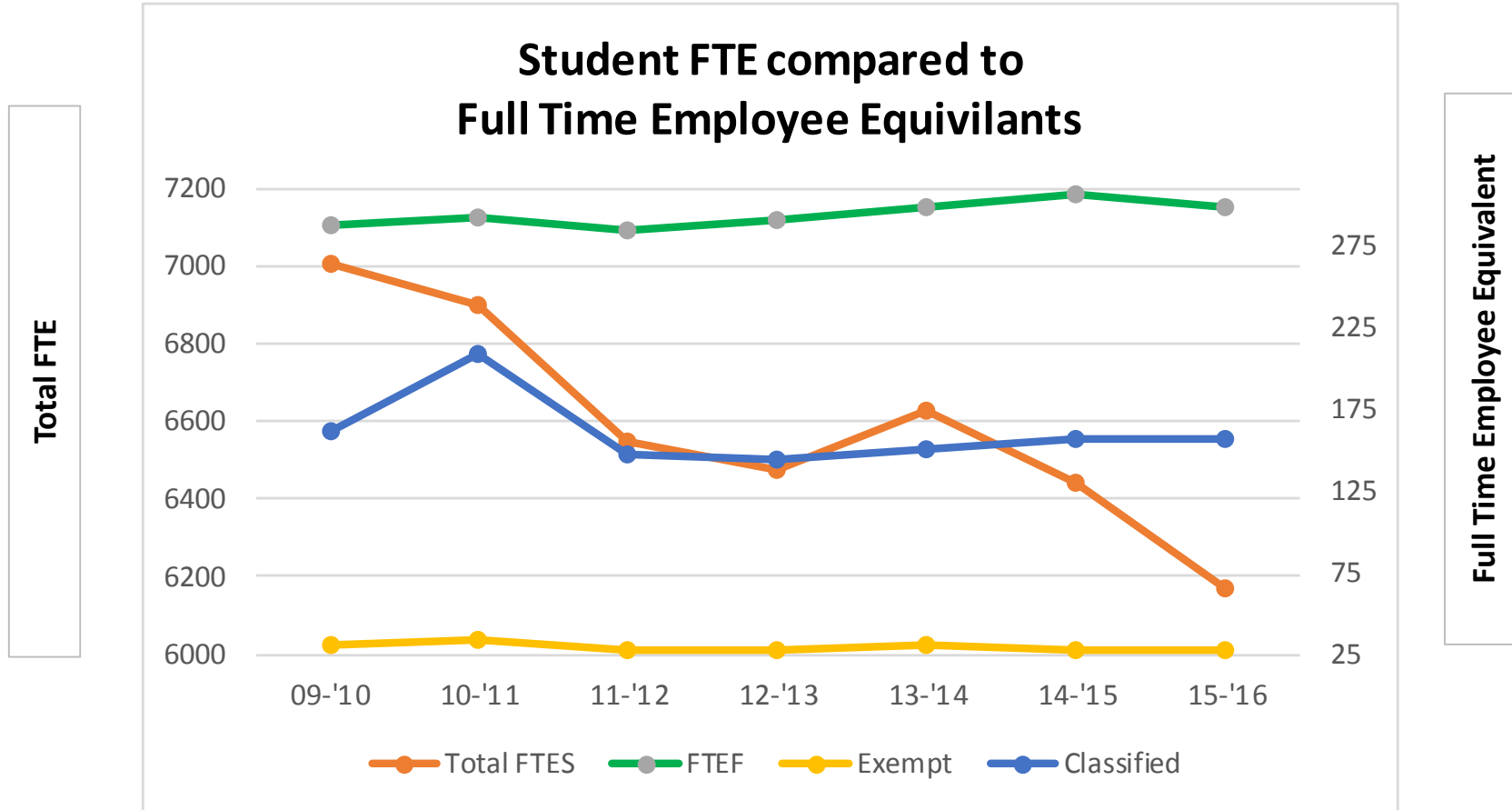
SCC BUDGET PLANNING

Revenue Drop: Enrollment Detail



SCC BUDGET PLANNING

Expense Increase: Employee Detail



	09-'10	10-'11	11-'12	12-'13	13-'14	14-'15	15-'16
Total FTES	7002.91	6902.4	6550.57	6473.22	6625.46	6442.06	6168.9
FTEF	288.23	291.5	283.6	290.19	298.63	306.71	298.51
Exempt	31	34	28	27	30	27	27
Classified	161	209	147	144	151	156	156

SCC BUDGET PLANNING

Expense Increase: Instructional Cost Detail

Direct Instructional Cost Information

State Budget	1213 Actual	1314 Actual	1415 Actual	1516 Budget
Full-time Faculty	\$7,590,006	\$7,634,201	\$7,576,193	\$8,750,848
Instructional Contract	\$725,925	\$754,932	\$845,714	\$818,066
Part-time Faculty Pool	\$7,759,722	\$8,465,663	\$8,997,584	\$8,467,027
Total	\$16,075,653	\$16,854,796	\$17,419,491	\$18,035,941

Allocation Model Detail

The New Allocation Model – \$3.8M reduction over four years to the Seattle District

- Student Achievement Initiative (performance) 5%
- Premium FTE (130% of normal FTE)
 - ABE and ESL;
 - High demand programs
- Implementation spread over four years

SCC BUDGET PLANNING

Summary

- Enrollment, and the related revenue, has declined since 2008
- Expenses have risen steadily since 2008
- The college made no substantial budget cuts under the previous president
- The college must find the right budget fit through increasing revenue, increasing efficiency and reducing expenses is necessary
- Strategic Priorities should be in focus

Budget Planning: Important Work



SCC BUDGET PLANNING

Strategic Priorities for FY2016-17:

- Increase Enrollment and Retention
- Increase Student Progress and Completion
- Address Institutional Racism, and Achieve Equity and Diversity
- Build a Sense of Shared Community across College Programs and Locations
- Advance the College's Long-Term Fiscal Health

SCC BUDGET PLANNING

The Current Budget Year (FY 2016-17):

- Maintain 15-16 current base funding level(s)
- Use reserves to offset reduced tuition & allocation for 2016 – 2017
- Plan for 17-18 balancing the budget
 - Increase revenue
 - Increase efficiency
 - Reduce costs

SCC BUDGET PLANNING

Potential New Revenue for FY 2017 - 2018:

- Maximize parking revenue
- Focus on contract training with business and industry (high \$/student/hour)
- Increase rental income
 - Use new scheduling software and cloud based systems
- Use old buildings with few FTE to generate lease income
- Increase average number of students per class to 23

SCC BUDGET PLANNING

A few changes that could help:

- An increase in the average class size from 22 to 23.6 would result in a balanced budget.
- 564 new FTE filling empty seats would result in a balanced budget.

SCC BUDGET PLANNING

Budget Development Process in 16-17

1. The College Council developed guiding principles
 - a. Conducted seven outreach and feedback sessions
 - b. Recommendations were made to Cabinet
2. Cabinet reviewed and approved guiding principles
3. The VPI, VPSS & VPA are given budget targets
 - VP's work their team to assess how to reach targets
 - Discuss methods for increasing revenue, increase efficiency and reduced spending
4. Executive Team makes recommendations to reach a balanced budget.
5. Budget is submitted to the Board of Trustees for approval.

College Council Principles for Balancing the Budget

1. When contemplating budget increases and/or reductions, place a high priority on student recruitment and retention items (decrease barriers, increase enrollments). Direct resources toward high impact services. (For example: recruitment, tutors, advisors, TRIO, virtual campus, etc.)
2. Review programs for duplication, and where in alignment with the college mission and the strategic plan, reduce that duplication of services. E.g. cafes, district office, consultants, legal services.
3. When considering budget reductions, assess reductions on a case by case basis. Avoid across the board reductions.

College Council Principles

4. When including grant funds to balance the budget, review to ensure that grants include all expenses (indirect expenses should be covered by grant overhead).
5. When contemplating budget increases and/or reductions, focus on what is necessary for the long term evolution of the college (strategic), not the wants.
6. In keeping with the college mission and the strategic plan, leverage our little/under used properties for the long term benefit of the college and the community that the college has traditionally served. For example, tenants who provide necessary services to students, affordable student, faculty, staff housing, etc.

College Council Principles

7. When potential budget actions could result in a reduction in force, give strong consideration to alternatives that mitigate those reductions, for example, conversion of multiple part-time positions to fulltime, buy-out incentives for employees nearing retirement, reduce the more highly paid positions vs. lower paid positions, restructuring of duties etc.

8. Establish operational goals that lead to or foster standard enrollment practices across the college divisions and programs, Control of unwarranted expense growth, Ongoing implementation of efficiencies, Creative ways to reduce waste (for example implement a nominal application fee that is applied to tuition for those who actually enroll).

College Council Principles

9. Establish priorities that favor revenue increases over expense reductions, including active pursuit of new revenue streams at the State, County, City, and Local levels.

Add resources as needed to achieve a level of success that will offset/mitigate potential expense reductions. For example: organize multi-disciplinary advocacy groups within the college that take advantage of existing personal & business relationships at the various levels of government and elected officials.

10. Evaluate class schedules (e.g. block and hybrid) and employee schedules (e.g. four 10 hour days, or telecommuting) to create efficiencies that will also benefit quality of instruction and working conditions.

11. Attend to improving efficiency in all college operations.

The Budget Impact of the Allocation Model and Declining Enrollment

SCC BUDGET PLANNING

Budget Reduction Pattern for the New Allocation Period

FISCAL YEAR	15-16	16-17	17-18	18-19	19-20	20-21
Allocation change		-\$2,066K	-\$195K	-\$195K	-\$195K	
Tuition shortfall	-\$1,100K	-\$472K				
Increase cost of doing business			-\$960K	-\$960K	-\$960K	
Budget cut target	0	0*	\$3,638K 7.50%	\$1,155K 2.60%	\$1,155K	\$1,155K

* Too late to make significant cuts in 16-17

SCC BUDGET PLANNING

Reductions Underway in FY2016-17 (revise?)

Eliminate the Dean of BITCA position	\$ 100,000
Eliminate the Assistant Dean of Work Force position	\$ 85,000
Eliminate Dean of Extended Learning position	\$ 100,000
Telephone savings	\$ 25,000
Reduce part time faculty spending	\$ 300,000
Other reorganization of Administrative Units	\$ 535,000
	\$ 1,145,000

SCC BUDGET PLANNING

Next Steps

1. The VPI, VPSS & VPA are given budget targets
 - VP's work their team to assess how to reach targets
 - Discuss methods for increasing revenue, increase efficiency and reduced spending
2. Executive Team makes recommendations to reach a balanced budget.
3. Budget is submitted to the Board of Trustees for approval.

Thank You