



# Seattle Central College Budget Status



CENTRAL  
NORTH  
SOUTH  
SVI

## Mega Trends since 2007-2008

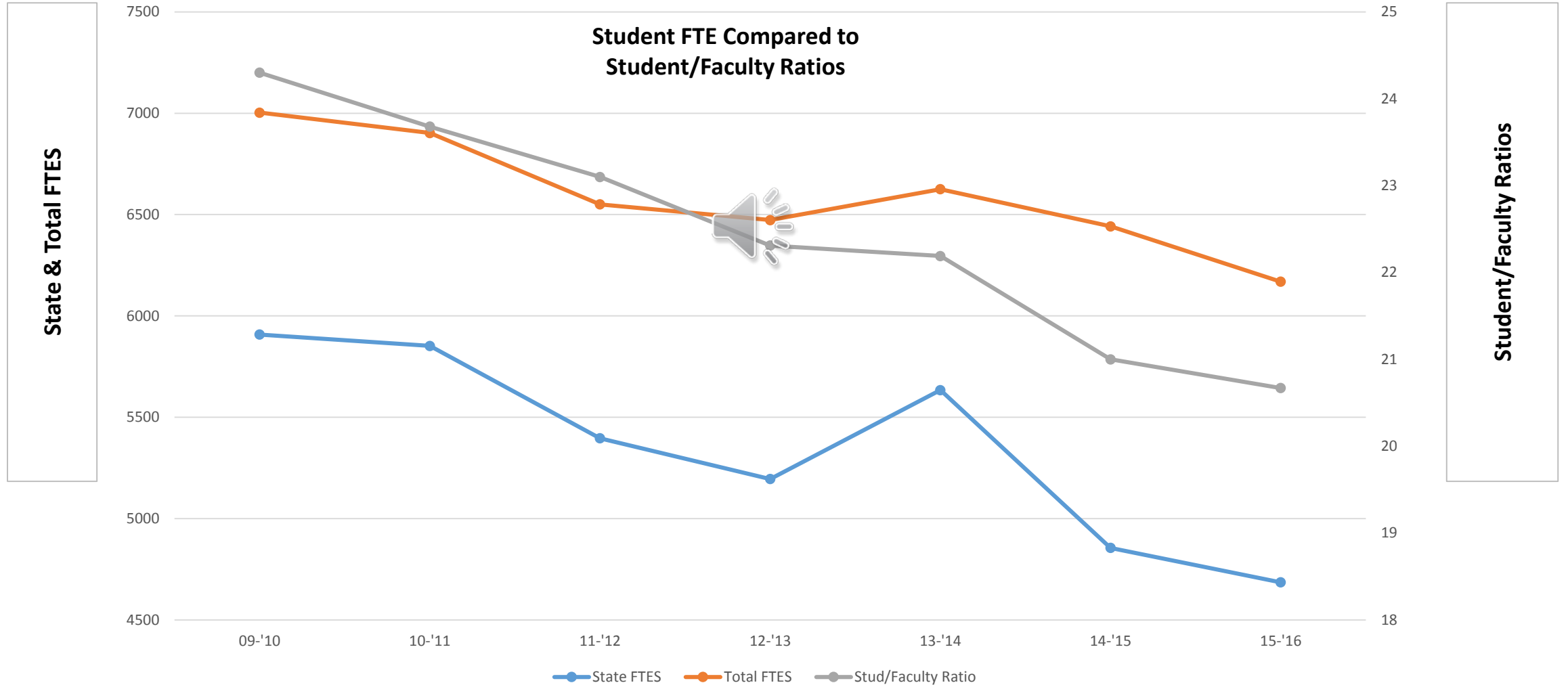
- Declining tax collections resulted in defunding of the community and technical college system.
  - Budget reductions ever year since 2008.
- Declining enrollments, 18%, due to improving economy and fewer families living in our service area.
- Cleary decision to fully fund K-12 resulting in 50% reduction to funds previous 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

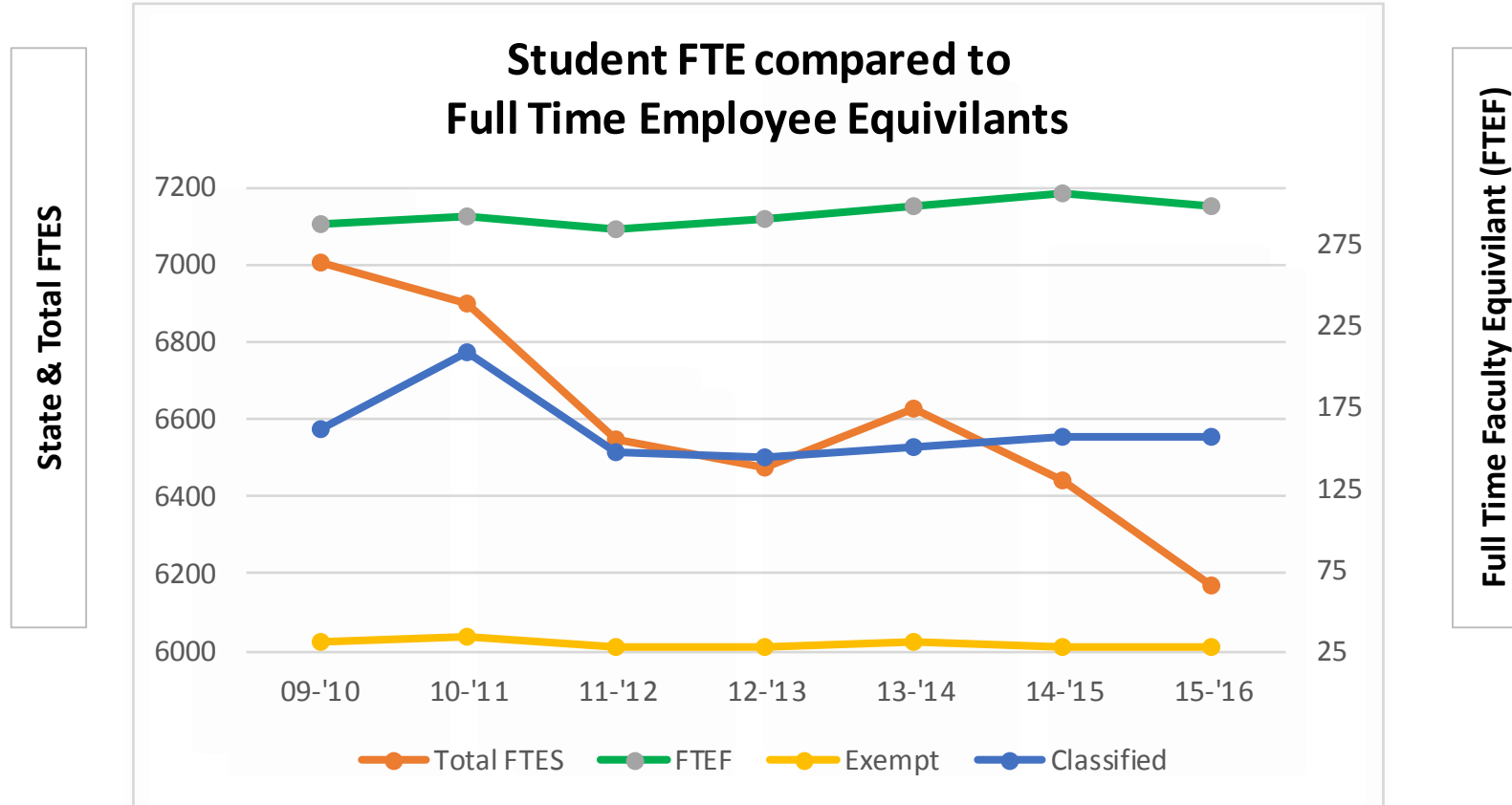
## Revenue Drop: Enrollment Detail



# SCC BUDGET PLANNING



## Expense Increase: Employee Detail



	09-'10	10-'11	11-'12	12-'13	13-'14	14-'15	15-'16
<b>Total FTES</b>	7002.91	6902.4	6550.57	6473.22	6625.46	6442.06	6168.9
<b>FTEF</b>	288.23	291.5	283.6	290.19	298.63	306.71	298.51
<b>Exempt</b>	31	34	28	27	30	27	27
<b>Classified</b>	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
<b>Total</b>	<b>\$16,075,653</b>	<b>\$16,854,796</b>	<b>\$17,419,491</b>	<b>\$18,035,941</b>



## Allocation Model Detail

- The New Allocation Model – \$3.8M reduction 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 allocation model is a large change
- The college must find the right budget fit through increasing revenue, increasing efficiency and reducing expenses is necessary



# Budget Planning: Important Work



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## 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



## 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



## 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 20.6 to 22 would result in a balanced budget.
- 564 new FTE filling empty seats would result in a balanced budget.



## Budget Development Process in 16-17

1. The College Council develops guiding principles
  - a. Outreach and feedback sessions
  - b. Recommendations to Cabinet
2. Cabinet reviews and approves recommendations
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.

# SCC BUDGET PLANNING

## Budget Challenge 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	
Balanced budget 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

## Budget balancing efforts in FY2016-17

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





Moving forward to a new future.



## Part 2

1. Principles for balancing the budget
2. Ideas for efficiencies

# Part 2: Principles for a balanced budget

## Sample Principles

1. Concept: Maximize revenue from excess capacity  
Operational example: increase the parking rates we charge to the public.
2. Concept: Don't implement cost saving measures if the initial cost exceeds the savings.  
Operational example: don't use college funds to put solar panels on the roof if they don't generate enough power to pay for the purchase and installation.

# Part 2: Principles for a balanced budget

## Group Feedback

1. Divide into groups of 5-7 people
  - a) Brainstorm potential principles
  - b) Report out to the entire group
2. Multi vote to top five (5)
3. Comment session

# Part 2: Principles for a balanced budget

## Efficiency examples

1. Eliminate the Director of Administrative Services at SVI and consolidate the work under the SCC business office
2. Put all the classrooms and labs in the scheduling software to increase earning potential from existing resources.
3. Off all the lights and computer monitors at the end of the day.

# Part 2: Principles for a balanced budget

## Efficiencies

1. Write suggestions
2. Criteria
  - a) Impact
  - b) Cost
  - c) Benefit
3. Pool ideas



Thanks for your feedback!

