

Budget Forum

May 4, 2022



**SEATTLE CENTRAL
COLLEGE**

Land acknowledgement



**SEATTLE
COLLEGES**



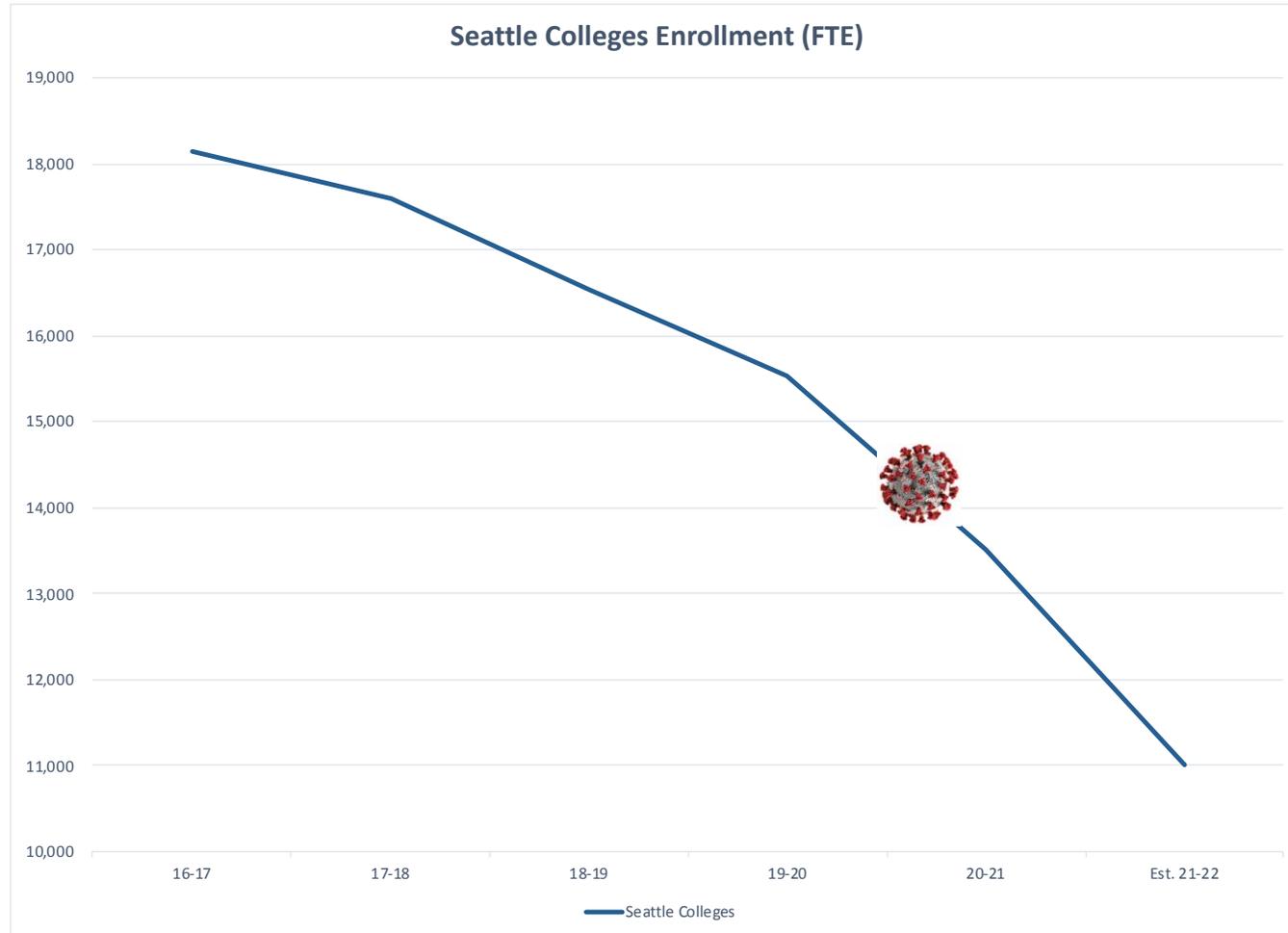
**SEATTLE CENTRAL
COLLEGE**

Budget Forum Topics

May 4, 2022

- Seattle Colleges District Budget Deficit
- Seattle Central Budget Deficit
- Proposed Measures to Balance Central's Budget

How is the Seattle Colleges District doing?



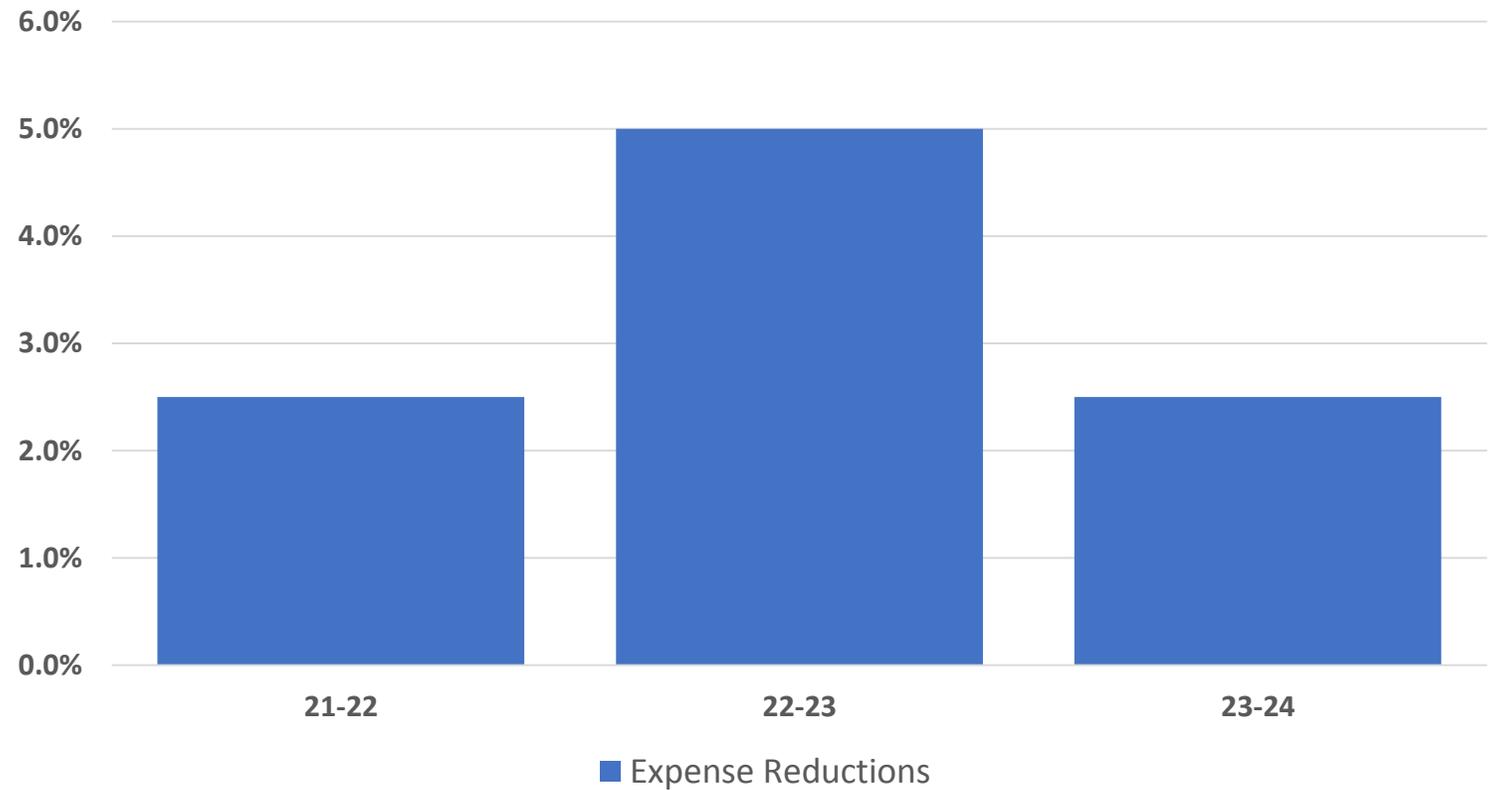
~ \$15 million
deficit budgeted



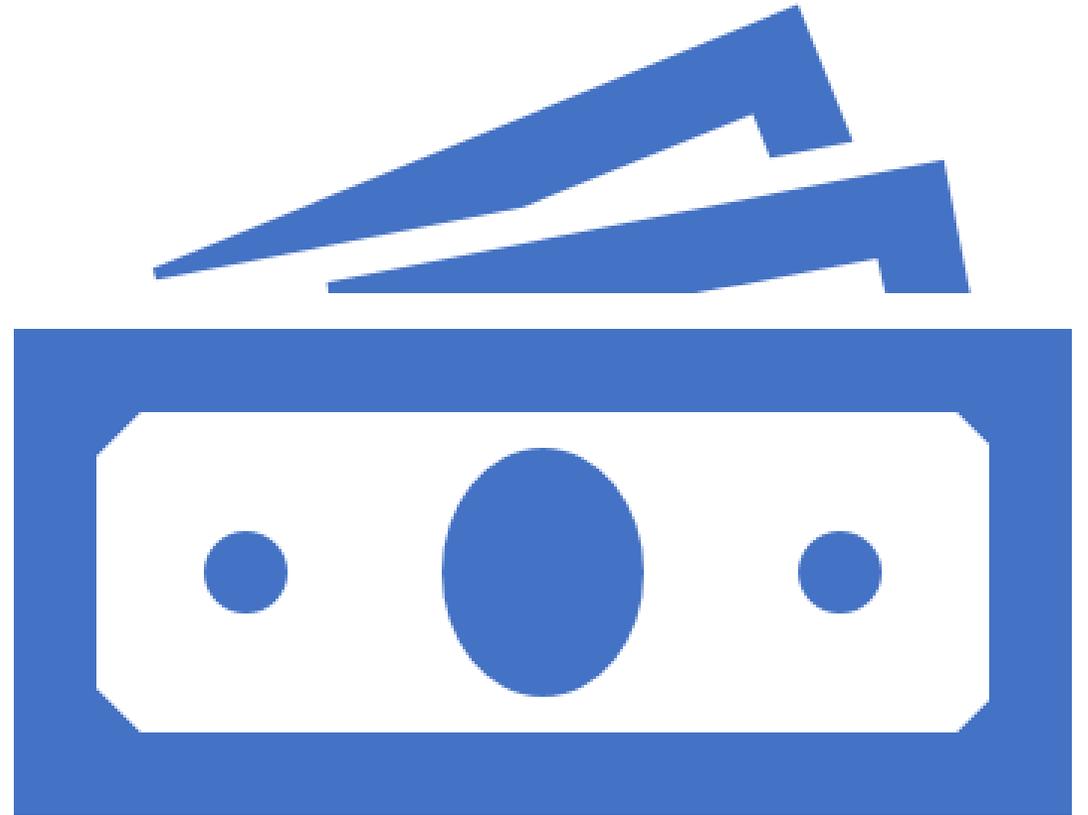
Financial sustainability plan



Chancellor and President's Recommendation – Winter 2020



Are
Siegal/District
expenses
managed?

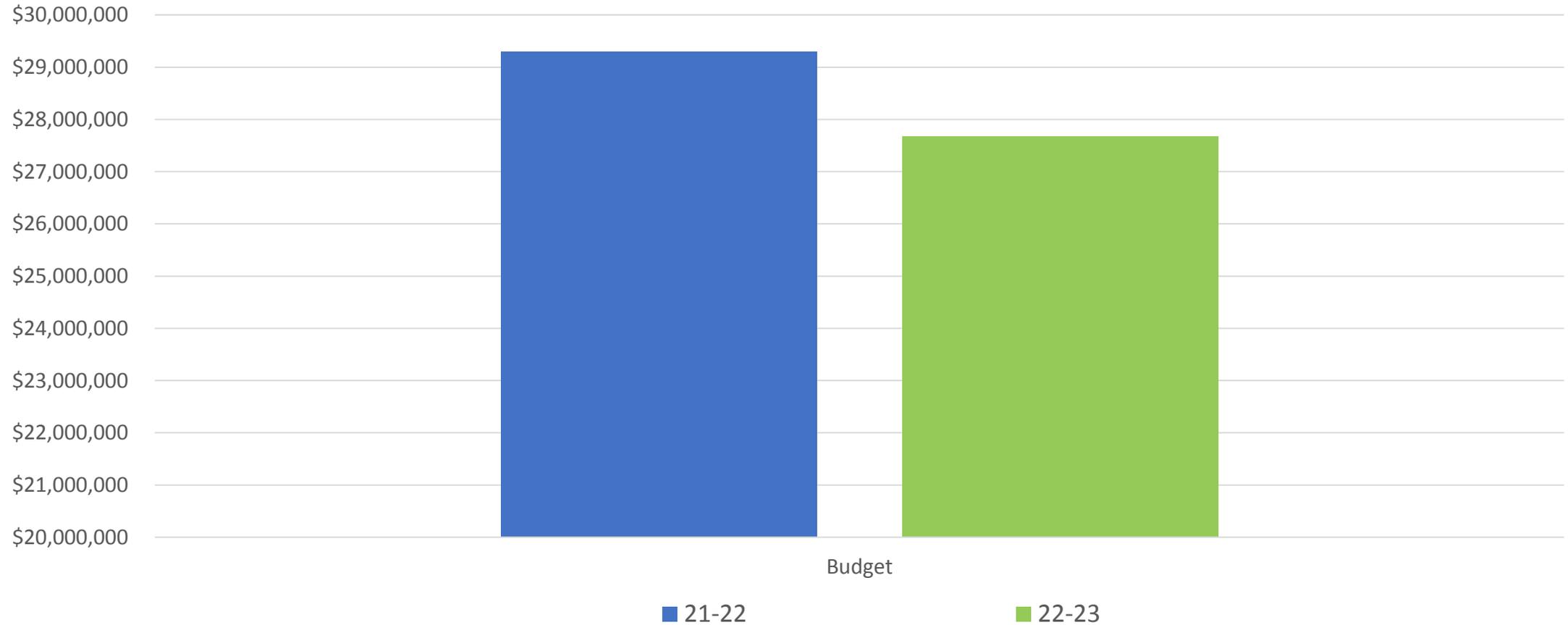


20-21 Siegal/District expense management (last year)

- Position cuts in the following departments:
 - 2 in Finance
 - 7 in Information Technology
 - 2 in Human Resources
 - 2 in Academic and Student Support Services
 - 4 in Advancement
 - 3 in Communications and Web Development
- \$2.3 million in personnel cuts
- \$3 million expense reduction overall



22-23 Siegal District office budget changes*

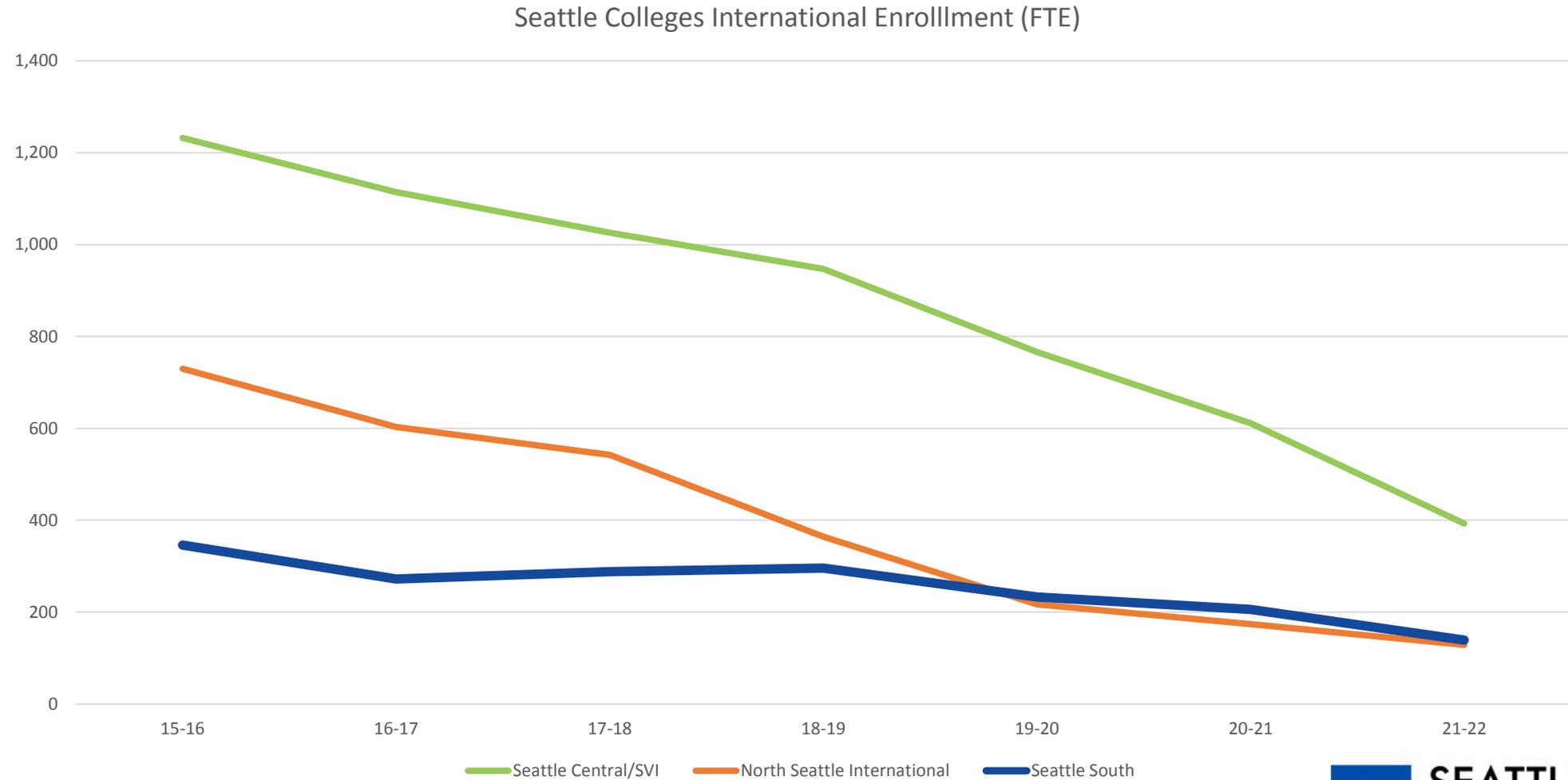


*Excluding EDI reorganization/investment

International Programs Overview

- Enrollment trends
- Revenue trends

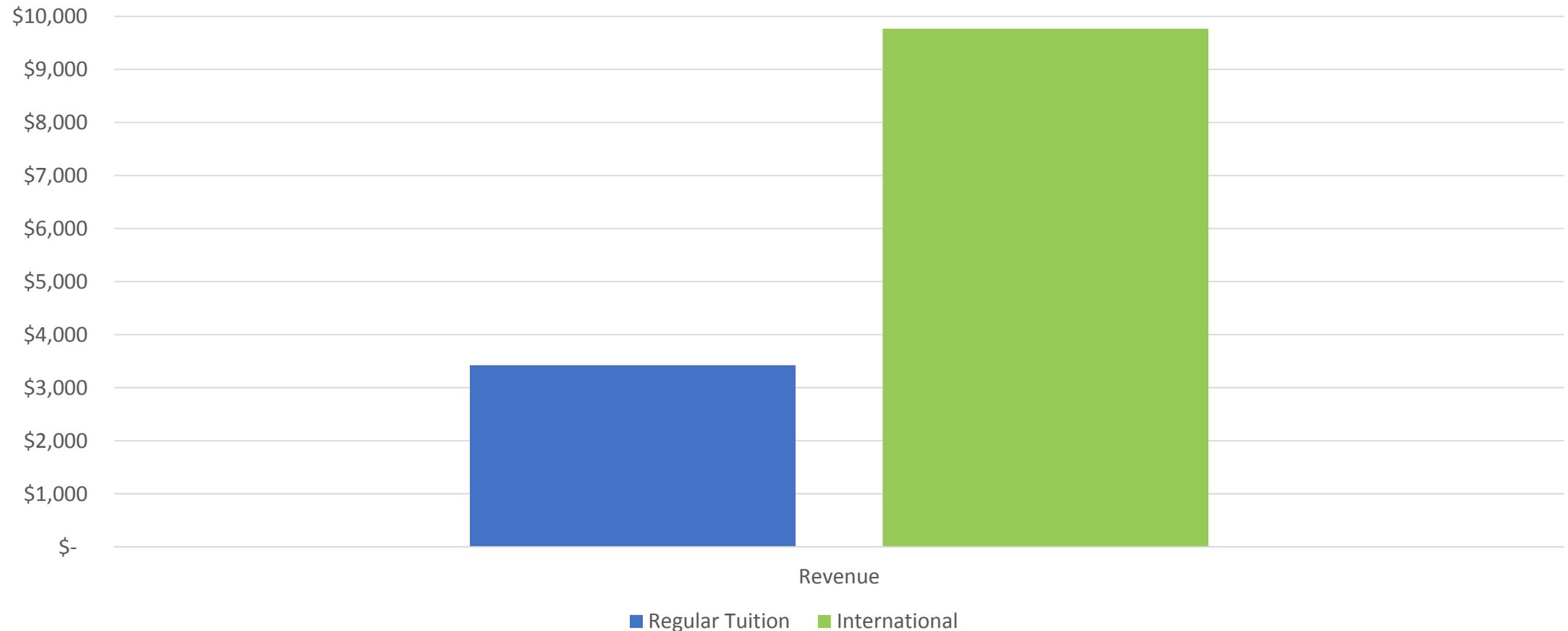
International enrollment is down a lot



College revenue/full time student

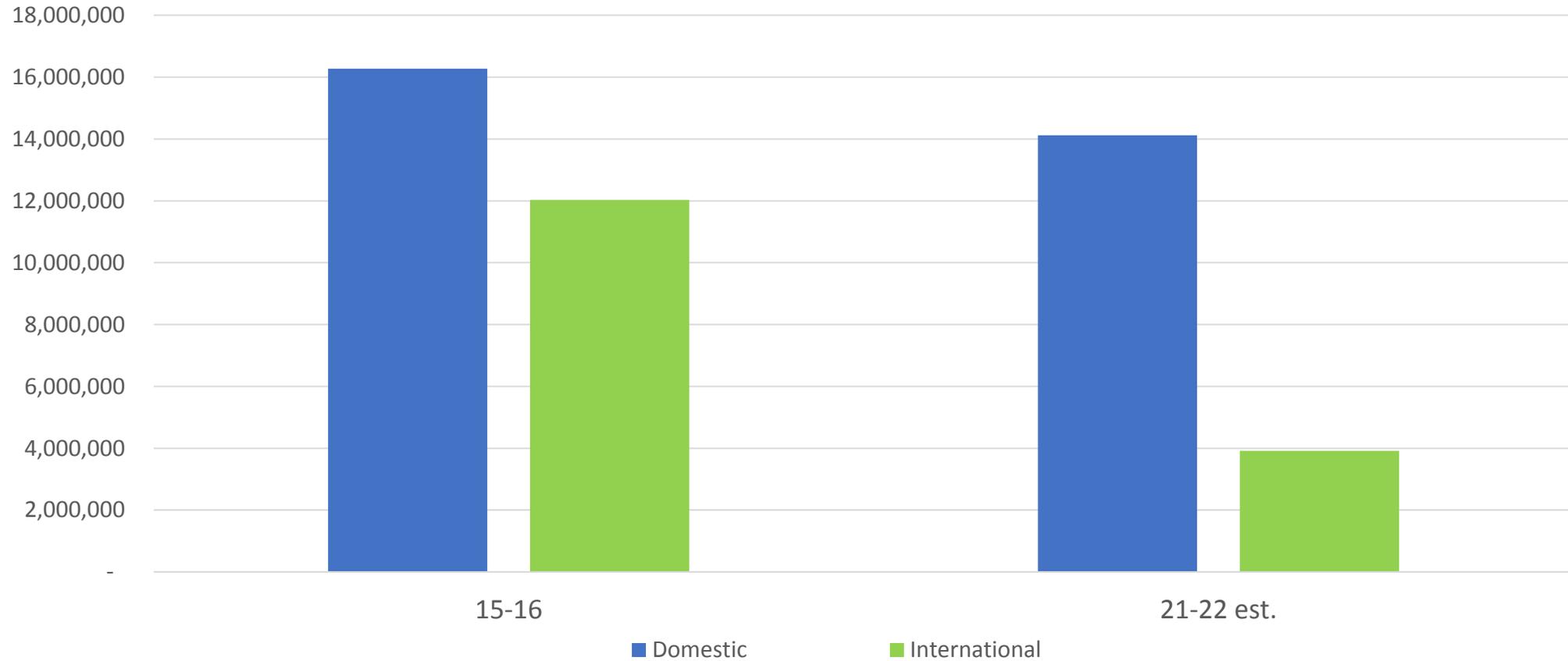


International Student Revenue Premium



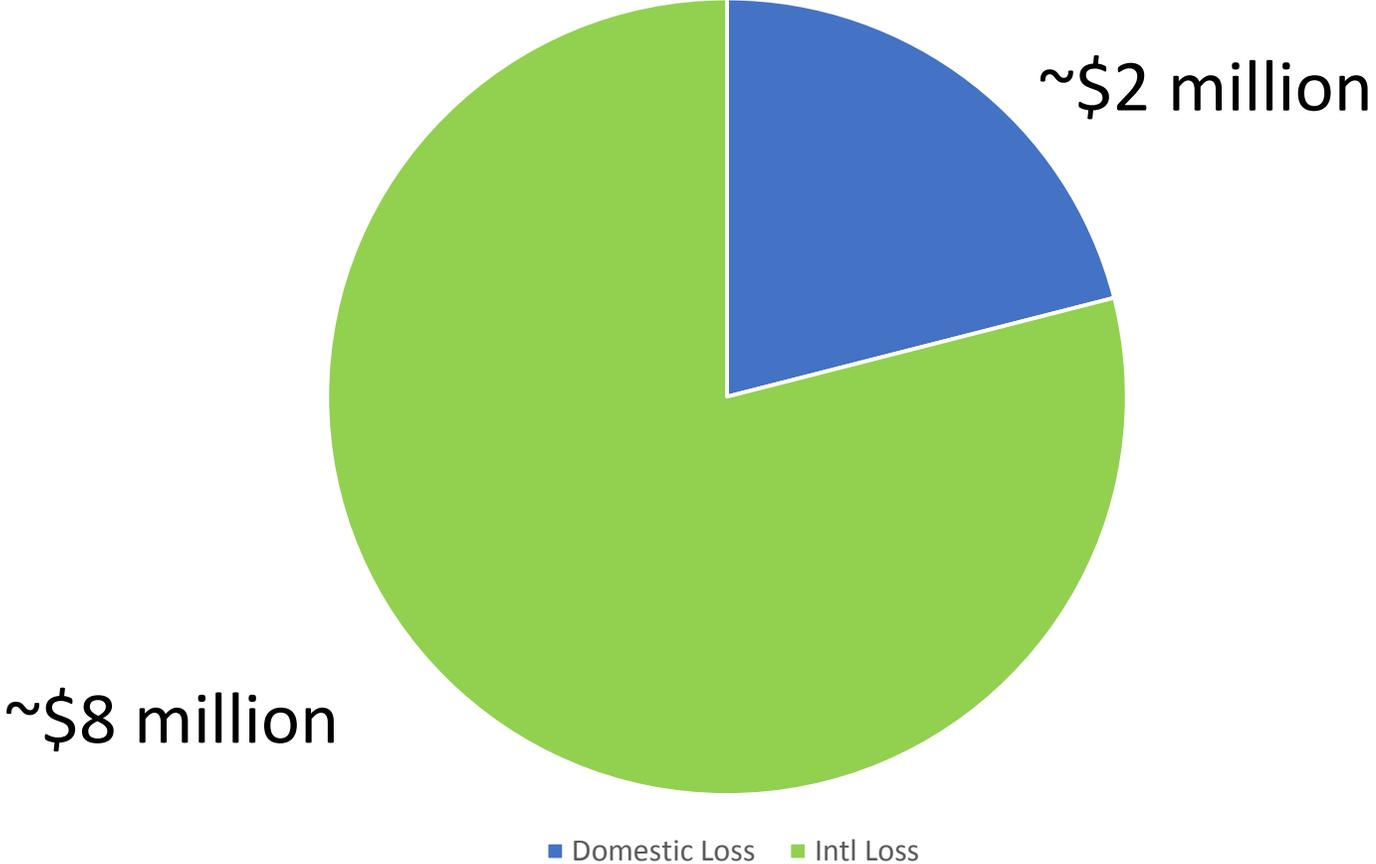
Domestic vs. International revenue comparison 2016 vs 2022 estimate

Based on 21-22 Rates

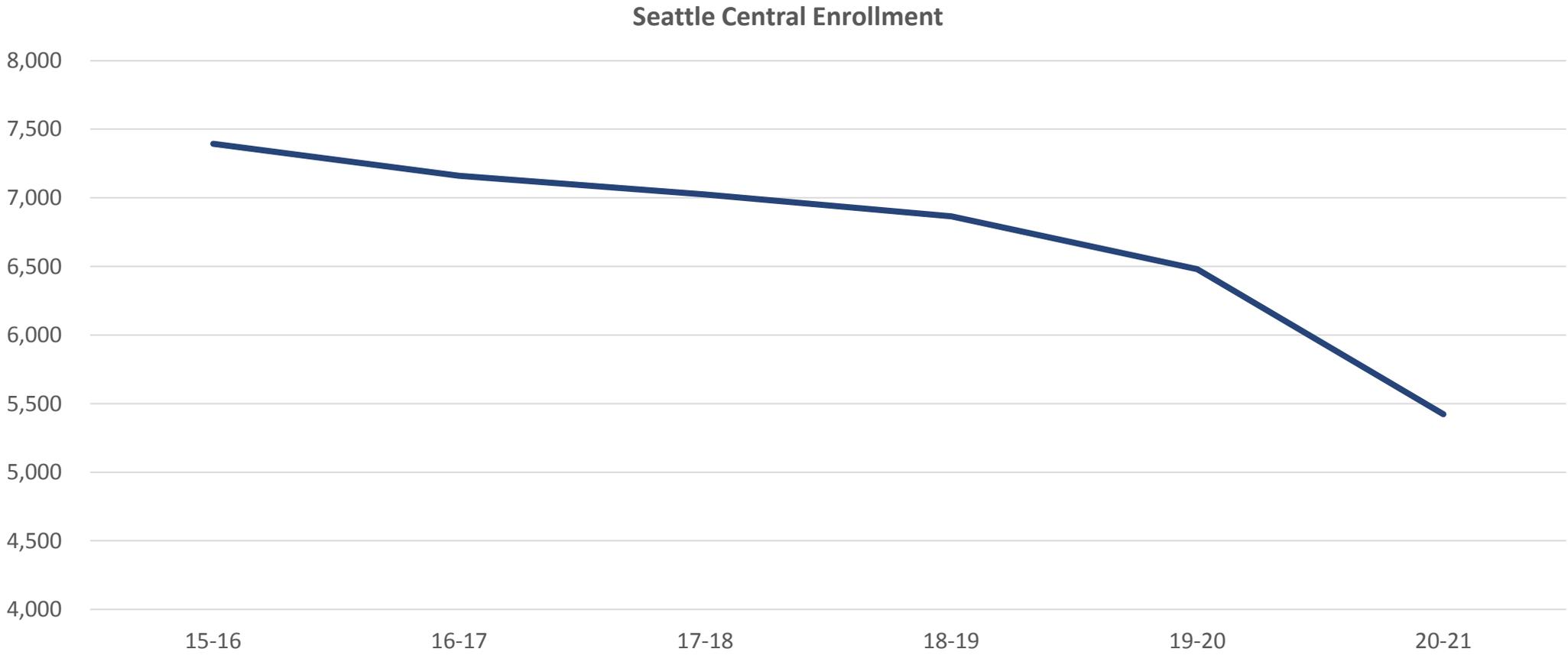


Seattle Central enrollment revenue loss

Seattle Central Enrollment Revenue Loss



Seattle Central enrollment history



Takeaway

- International growth subsidized our cost structure across the District
- Enrollment has declined at Seattle Colleges
- Revenue loss from lower enrollment of International students/FTE's



Enrollment Summary

- **International Enrollment**
 - ~1,200 International Students (15/16)
 - ~400 International Students (21/22)
 - ~\$9,750 per student in revenue
- **Full-time Equivalent Students (FTES)**
 - ~7,400 FTES (15/16)
 - ~5,400 FTES (20/21)
 - ~\$3,400 per student in revenue

Takeaways

- Need to realign expense structure due to
 - Lower international student revenue
 - Lower enrollment overall

21-22 Outlook



We are
working on
growth

Outreach, recruitment and marketing efforts

Discover Seattle College Series

Running Start marketing

Seattle Promise

Enrollment Re-engineering

New academic programs: CS BAS, Fire Sciences

Streamlined and consistent Financial Aid processes

eLearning expansion

Equity Can't Wait



Central's proposed plan

Reduce administrative leadership expense

Align class schedules with enrollment:
increase fill rates

Merge or sunset heavily subsidized programs

Reduce
Administrative
Leadership
Expense
(District-wide)

Currently ~ \$10 million

Intent - 15% reduction

Expense reduction ~\$1.5 million

Subvention

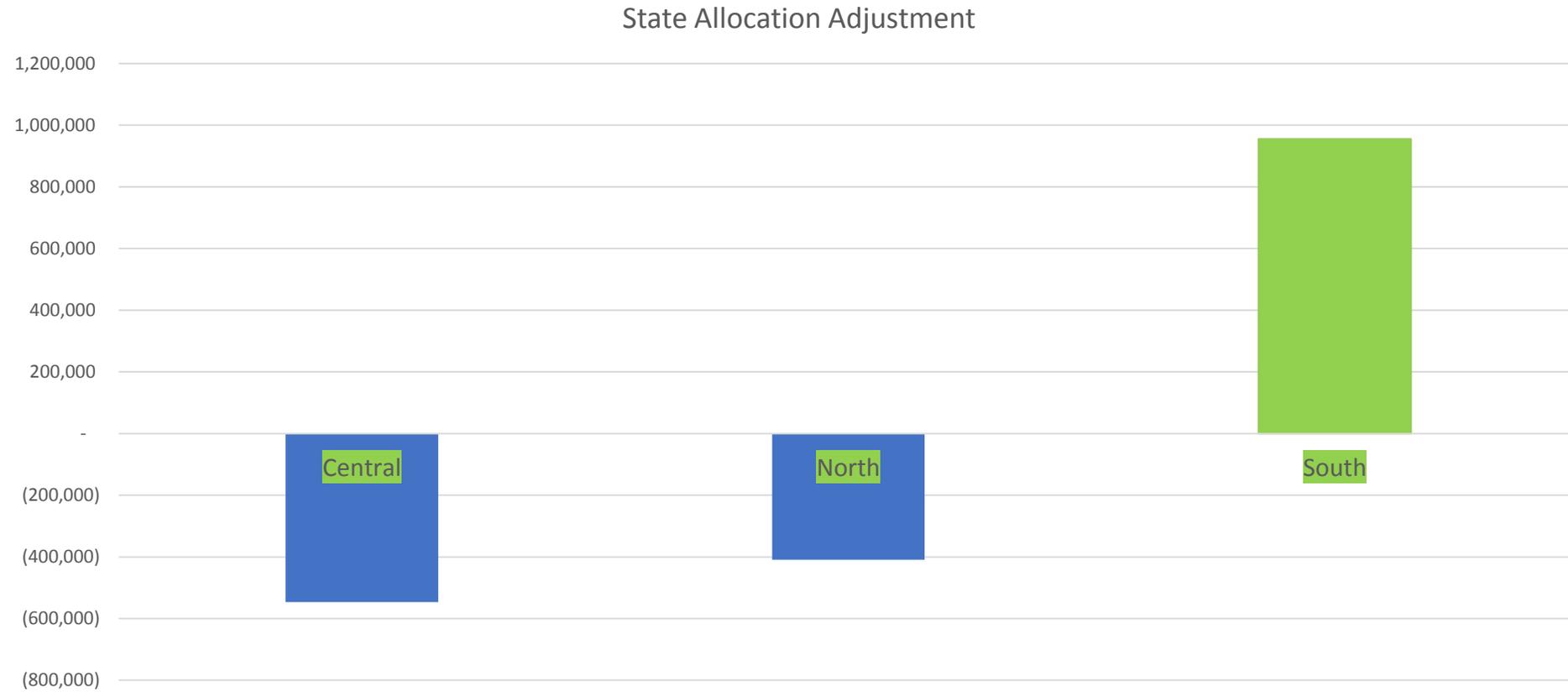
By design . . .

Low cost, high efficiency classes & programs

subsidize

High cost, low efficiency classes & programs

22-23 Apprenticeship subvention



Enrollment, class schedules and fill rates

Class section economics*

5 Credit Class

~Part Time Faculty Expense	8,531
Average tuition received from one student	379

Students In Class	Revenue vs. Expense
27	1,713
26	1,334
25	954
24	575
23	196
22	(184)
21	(563)
20	(943)
19	(1,322)
18	(1,701)
17	(2,081)
16	(2,460)
15	(2,840)

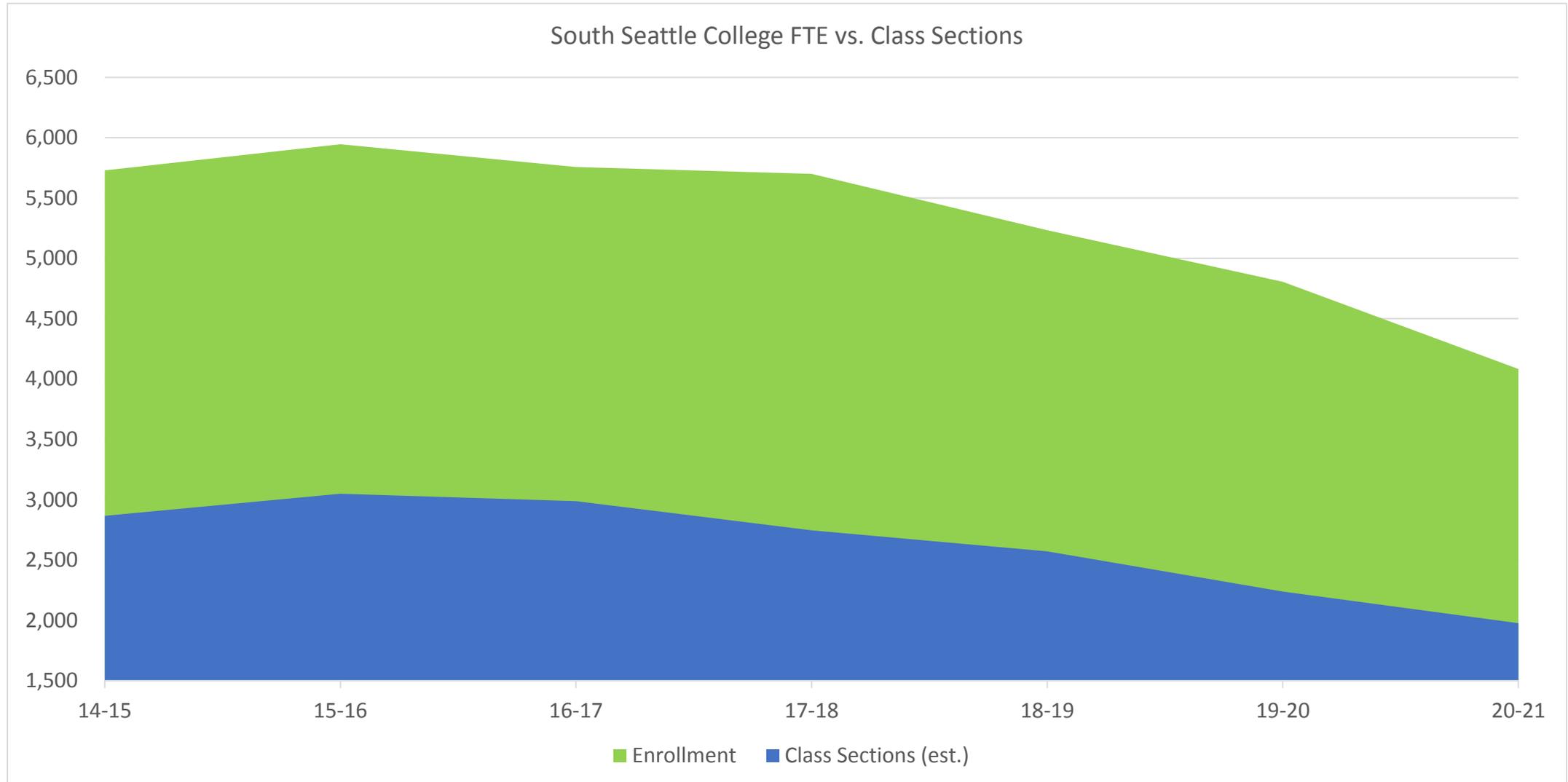
The surplus from the class with 27 students offsets the loss of offering a class with only 18 students.

Central's S/F ratio was 15.16 last year

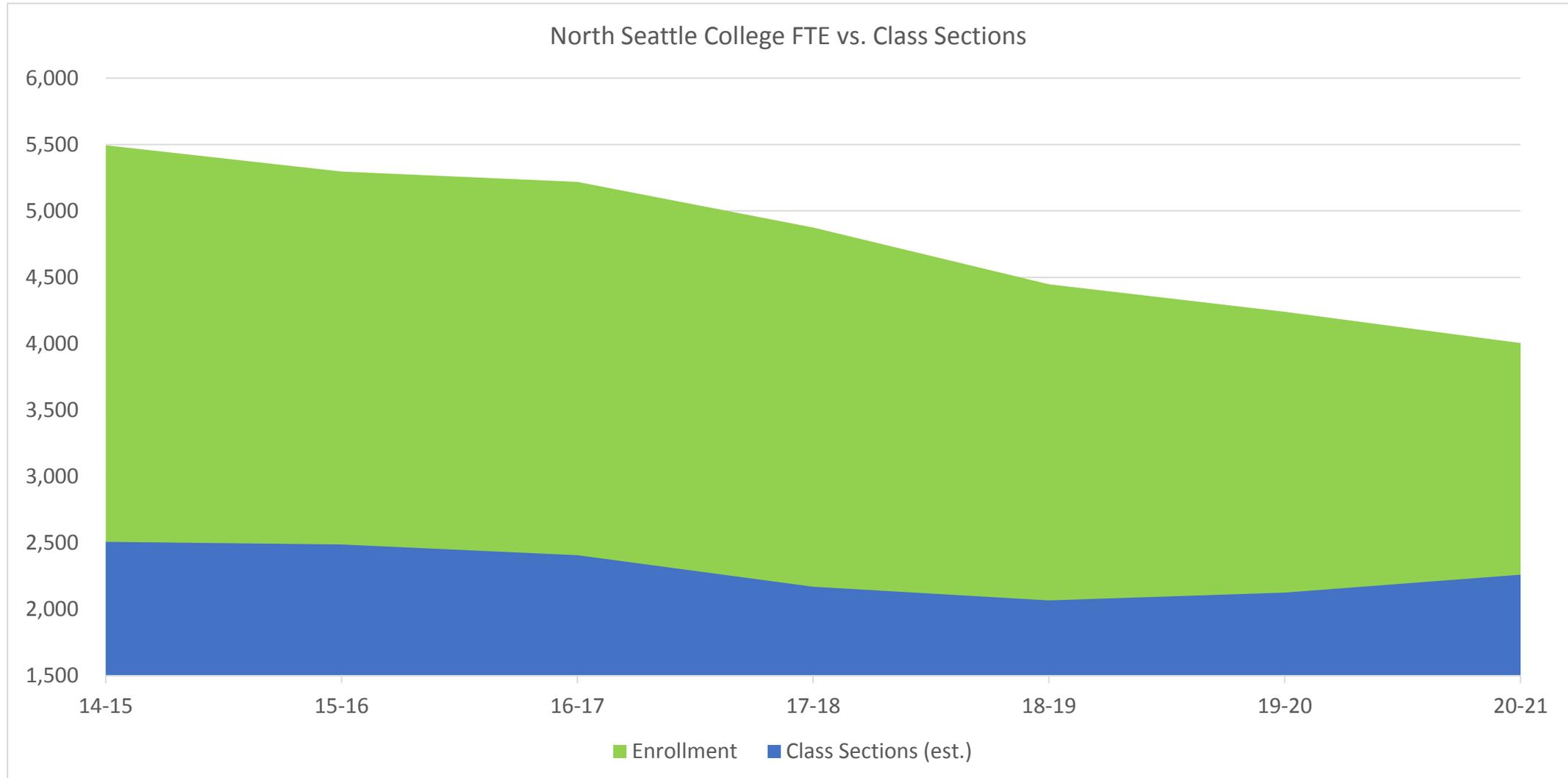


*assumes regular tuition

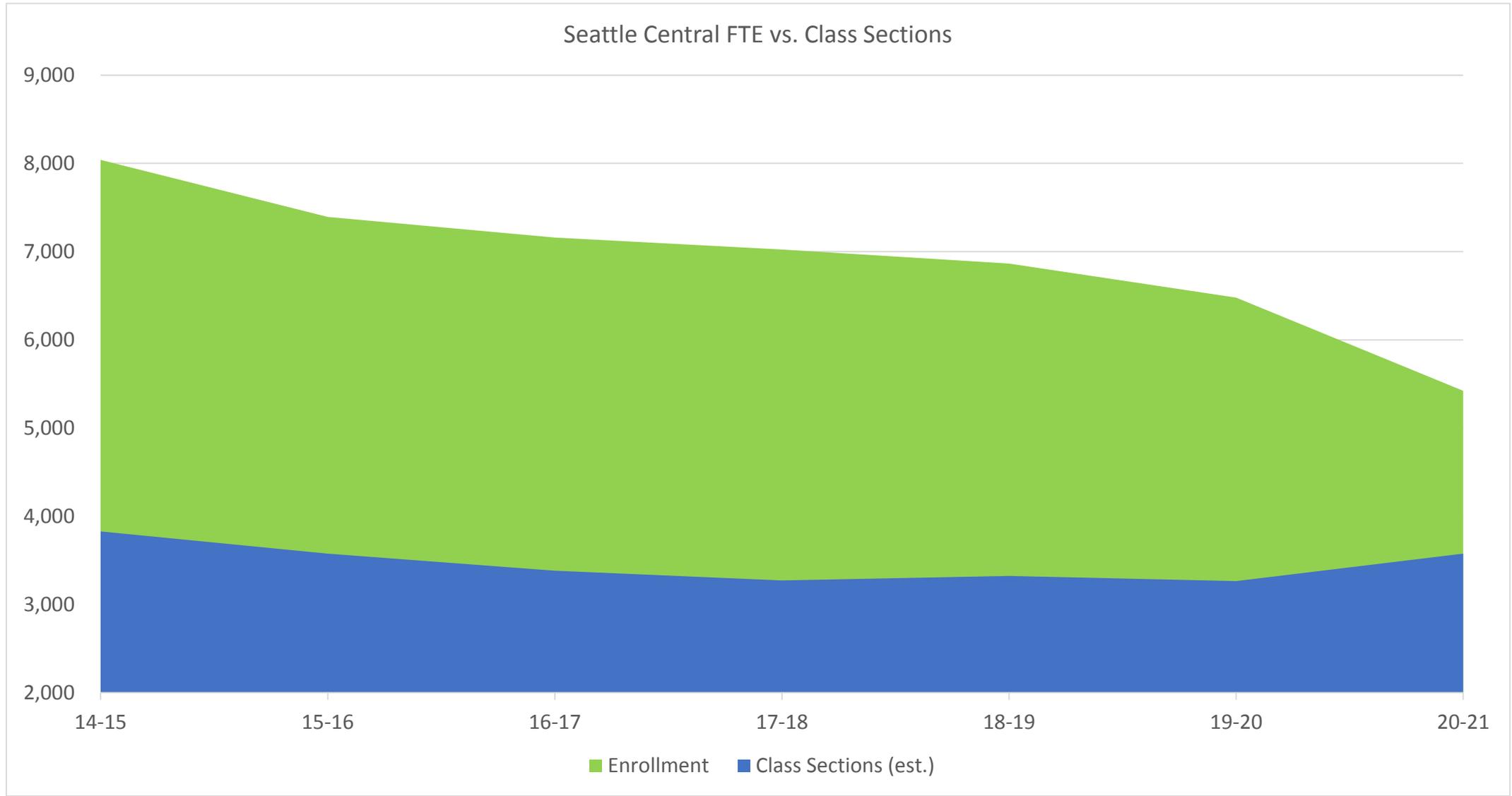
South Seattle FTE vs. class sections

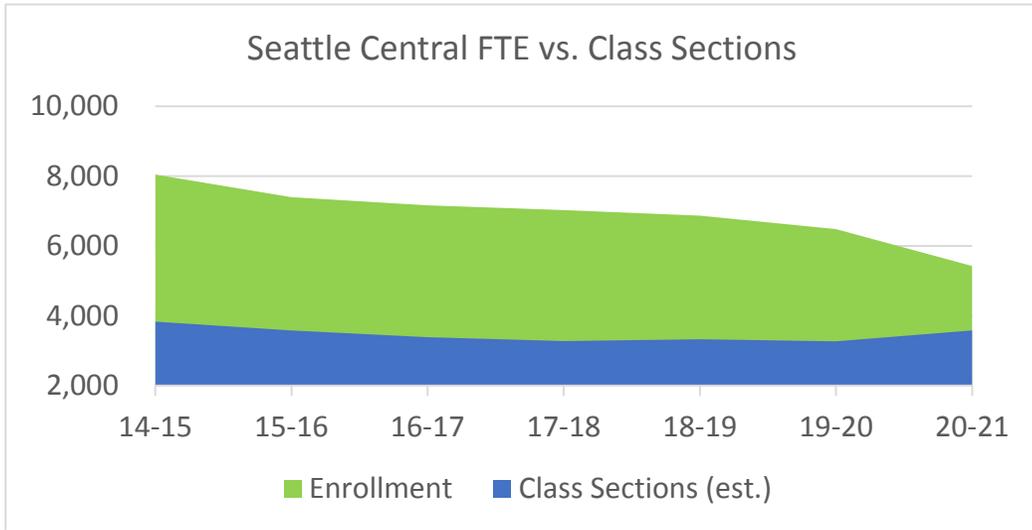


North Seattle FTE vs. class sections

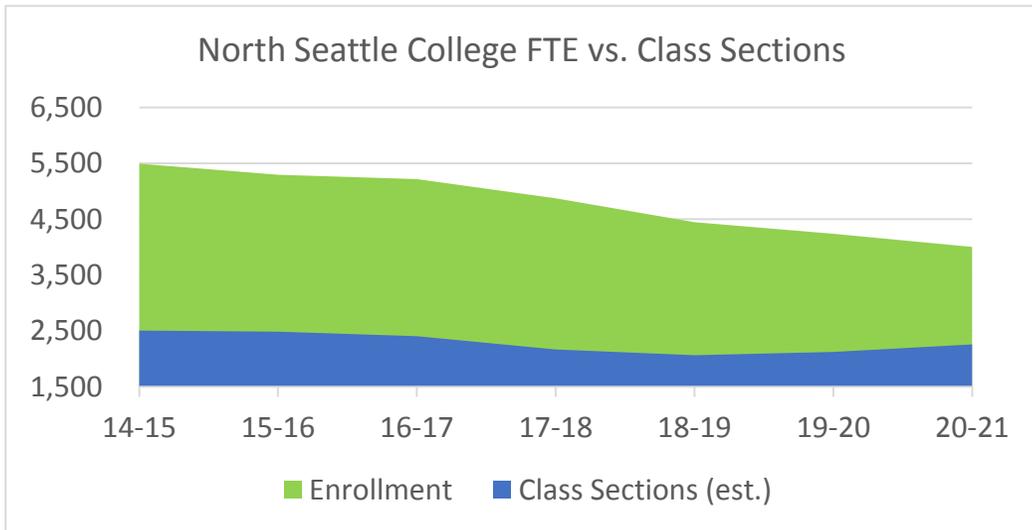


Seattle Central FTE vs. class sections

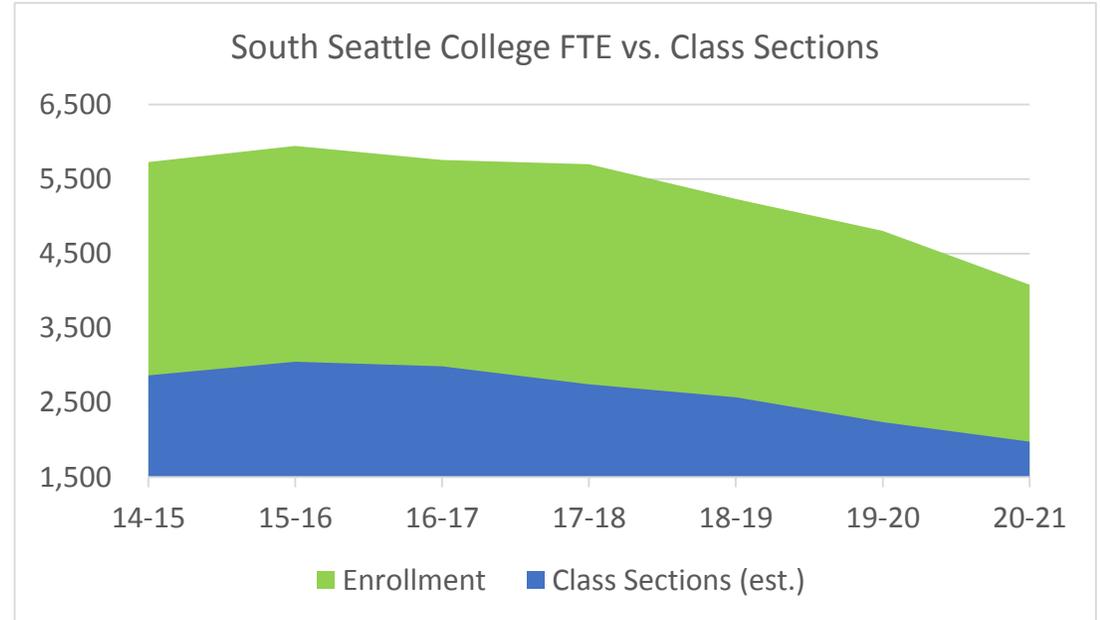




~\$10.9 million deficit



~\$4.5 million deficit



~\$1.3 million deficit

Schedule
optimization

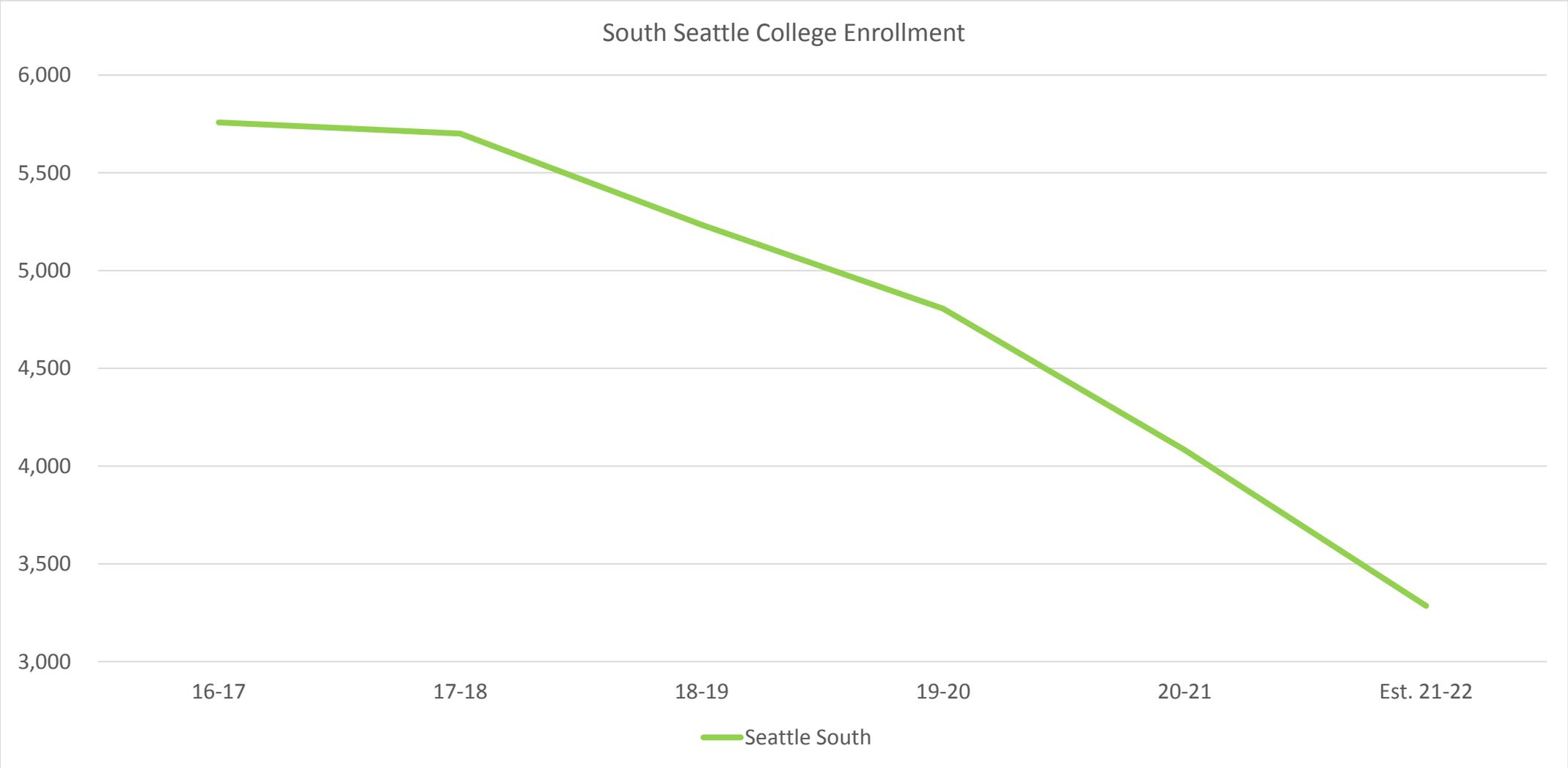
80% fill rates

Align class schedules with enrollment

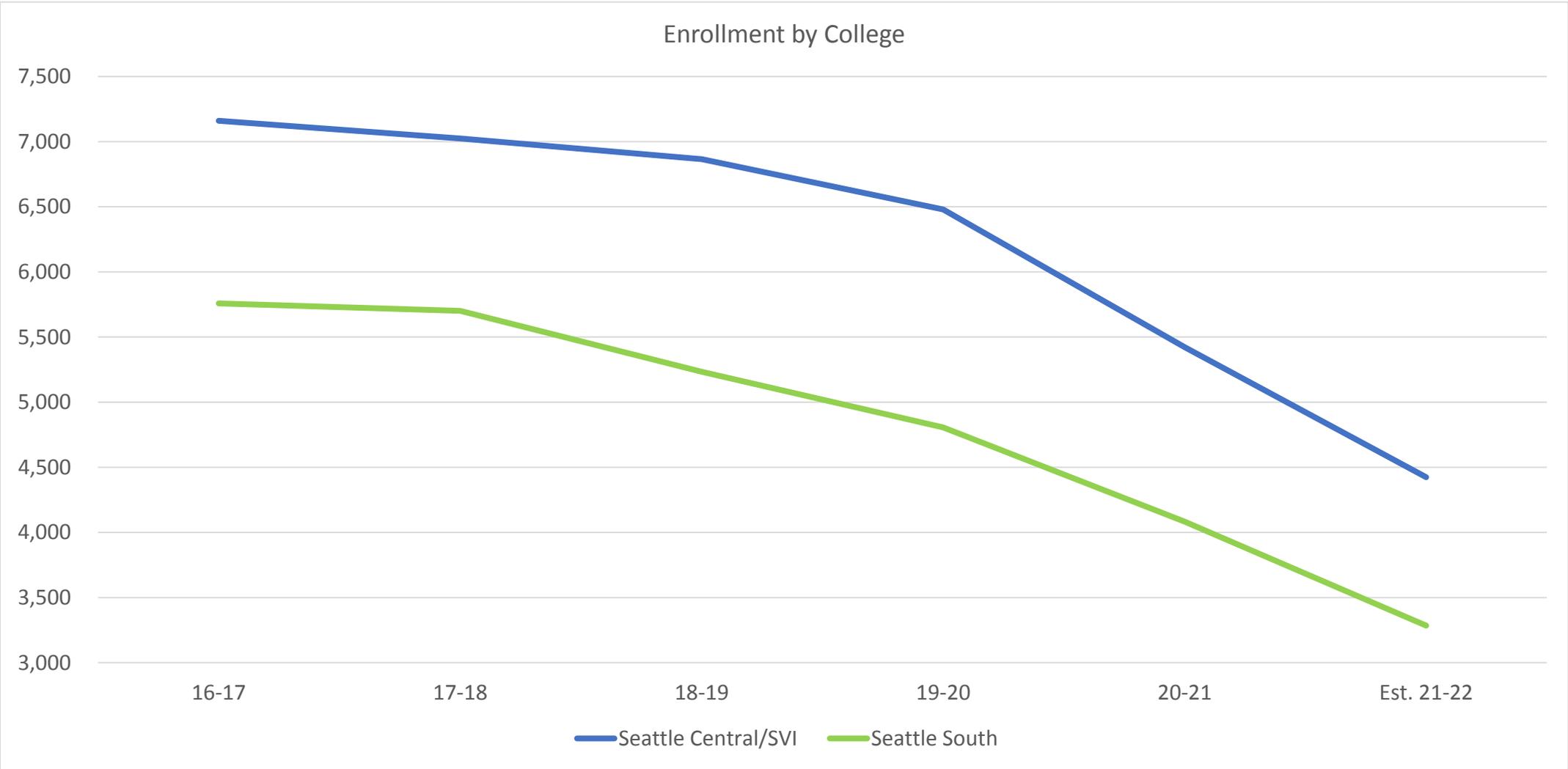
Maximize fill rates for classes

Increase student/faculty ratios

Did schedule optimization hurt enrollment?



The data



Schedule related savings scenarios

Seattle Central		North Seattle		South Seattle	
S/F Ratio	Est. Savings	S/F Ratio	Est. Savings	S/F Ratio	Est. Savings
15.16	-	17.72	-	20.66	-
16.16	1,530,874	18.72	834,984	21.66	631,087
17.16	2,883,324	19.72	1,585,285	22.32	1,016,627
18.16	4,086,826	20.72	2,263,162	22.66	1,206,473
19.16	5,164,701	21.72	2,878,620		
20.16	6,135,644	22.72	3,439,901		
21.16	7,014,816	23.61	3,899,452		
22.16	7,814,640	23.72	3,953,855		



22-23 Budget

\$600,000 reduction in goods & routine services

\$4.3 million from staffing

5 exempt positions

10 classified positions

10 full time faculty positions

\$2 million in part time faculty expense

Takeaway

No program closures this year



22-23 Budget

Seattle Central College Proposed 22-23 Budget

Operating Budget Summary	21-22 Budget	22-23 Budget	Change	%
Revenue	53,532,732	56,415,277	2,882,545	5.4%
Expense	65,670,802	60,581,548	(5,089,254)	-7.7%
Net Revenue (Loss)	(12,138,070)	(4,166,271)	7,971,799	-65.7%

23-24 Plan

avoid program closures

High-cost program subsidies

Up to \$21,800 per student
opportunity cost

Resources for other programs

Student support resources

Newer equipment

Strategic investments

Program merger or sunset

Plan B (if we fail to get support) *sunset the programs beginning 23-24*

Plan B Considerations

Value of program to students

Alternatives available to students

Type of students served

Number of students served

Subsidy per student/opportunity cost

High Cost Programs

Summary	Maritime	Culinary	Wood Tech	Apparel Design	Total
Revenue	381,503	348,738	256,425	259,844	1,246,510
Expense	1,189,595	1,713,279	1,289,867	471,128	4,663,868
Subsidy	808,092	1,364,541	1,033,442	211,284	3,417,358
Student FTE	37	102	75	76	290
Faculty Cost/Student FTE	7,861	10,051	6,510	5,776	
Staff Cost/Student FTE	19,479	4,295	7,048	279	
Non-compensation Cost/Student FTE	4,811	2,451	3,640	144	
Total Cost/Student FTE	32,151	16,797	17,198	6,199	16,082
Total Subsidy/Student FTE	21,840	13,378	13,779	2,780	11,784
S/F Ratio	8	8	12	12	

Note: The State of Washington provides funds to Seattle Central for enrolling students

The Next Steps

- ✓ Central's plan presented to the Chancellor – March 13
- ✓ Central's budget finalized for the Board – May 4
- Recommendations to the Board – May 12
- Review and approval by the Board – June 9th

Questions?

