



SEATTLE COLLEGES FY26 BUDGET OVERVIEW

Seattle Colleges Spring 2025 Town Hall

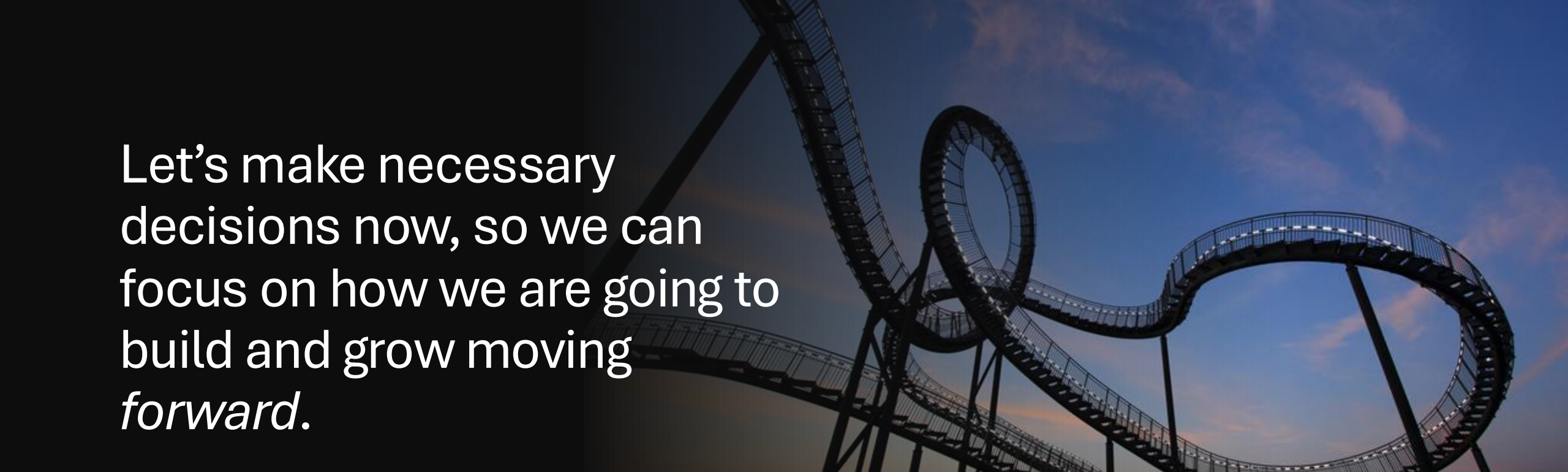
May 6, 2025 | Virtual via Zoom

Presented by: *Rosie Rimando-Chareunsap*, Chancellor
Rachel Solemsaas, Acting VC of Finance and Operations &
North President

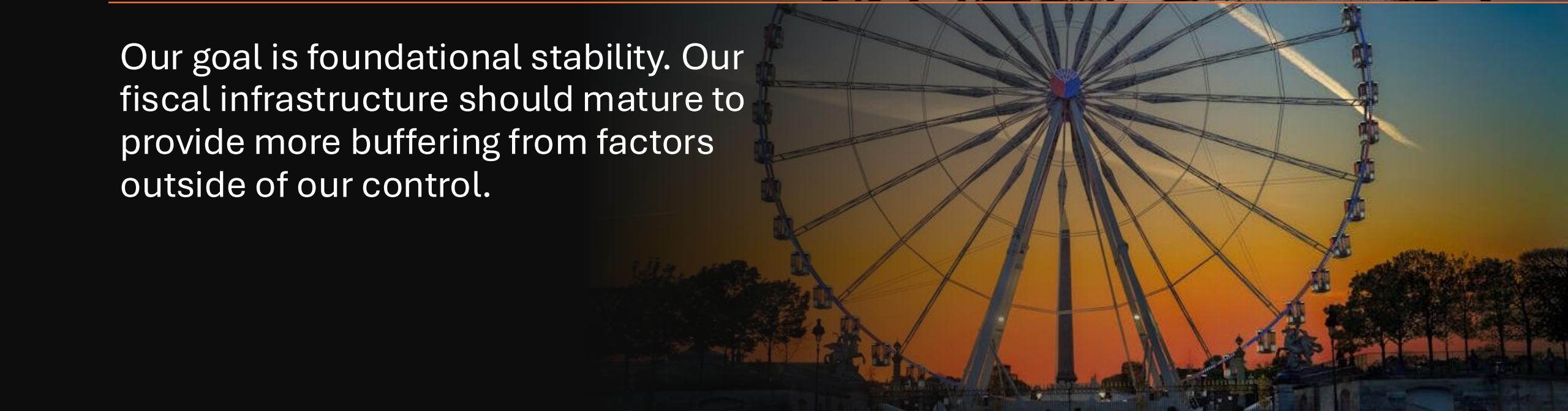
In partnership with:
Chantae Recasner, Central Interim President &
Monica Brown, South President

AGENDA

- The budget environment
 - FY26 Proposed Budget
 - Overview of reductions
 - Questions
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- State Allocation 101
 - What happens next in the budget process
 - What is next for Seattle Colleges
 - Questions and closing
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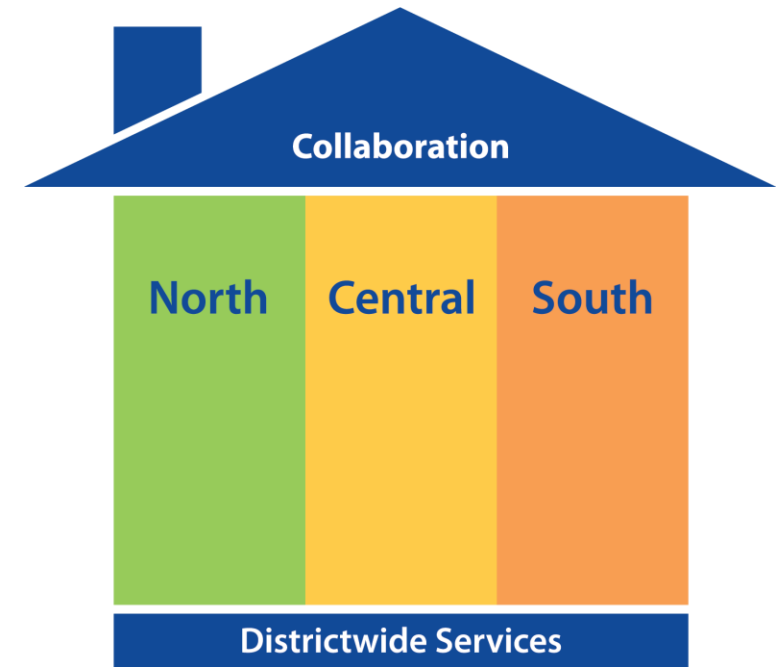
Let's make necessary
decisions now, so we can
focus on how we are going to
build and grow moving
forward.



Our goal is foundational stability. Our
fiscal infrastructure should mature to
provide more buffering from factors
outside of our control.

SEATTLE COLLEGES IS AN ECOSYSTEM

- We are interconnected; we have evolved to become interdependent
 - Changes to any one of our budgets or operations has carry over impact to one another, anticipated or not
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FISCAL STABILITY IS A STUDENT SUCCESS ISSUE

Our students deserve an educational experience that is reliable and stable.

We have faced many years of cuts, and made many short-and medium-term decisions to “survive them.”

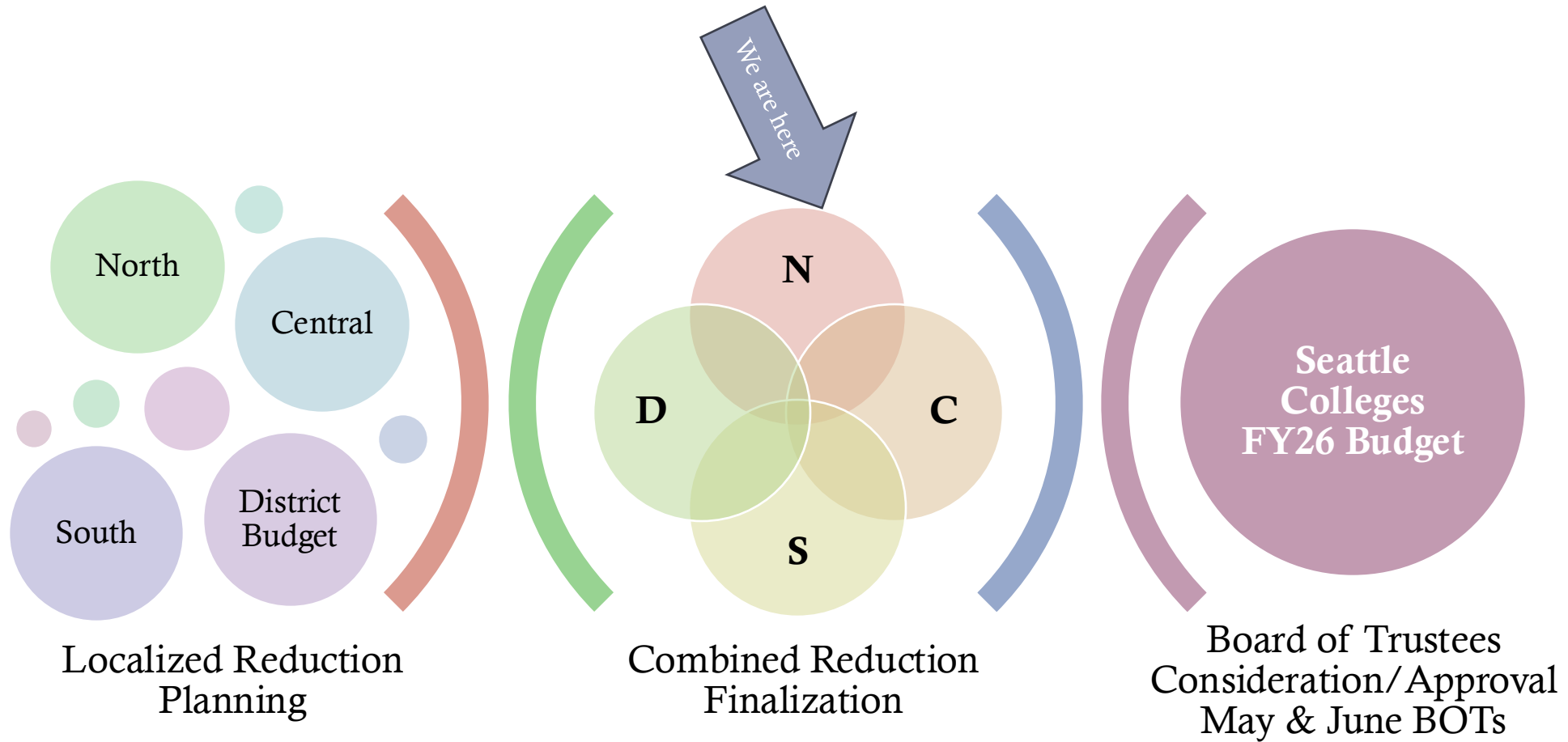
Our focus now is to address the deeply structural issues that ultimately prevent us from stabilizing for the longer term.

Our students—current and future ones—and our community deserve a strong and stable Seattle Colleges. In addition to excellence in teaching and in services, that includes a healthy infrastructure to provide them.

GLOSSARY OF TERMS

- **Fiscal Year or FY:** the 12 month period defining our budget periods, July 1-June 30; roughly follows the academic year; shorthand is FY+year, e.g. 2024-2025 budget is abbreviated to FY25
 - **Board of Trustees or BOT:** our Seattle Colleges governing board of volunteers appointed by the WA Governor to oversee financial operations, policy and supervise the Chancellor/CEO; BOT meets monthly and is the only venue where they take action
 - **Furlough:** A reduction in work hours and pay, quantified by days; a temporary measure to achieve savings on salary costs for the organization
 - **OFM or Office of Financial Management:** The Washington state agency responsible for overseeing and managing the state budget. They are the state's "Business Office."
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WHERE WE ARE IN THE PROCESS



DRIVING STRATEGIES FOR BUDGET REDUCTIONS

1) Reduce spending on things and activities

e.g. nonessential goods, services, contracts, travel



2) Save on vacant positions

No impact on current employees, unit leaders to reassess



3) Save on salaries, retain people (proposed furloughs)

Temporary measure only



4) Layoffs as a last resort

Requires the most time and detail to implement

THE BOTTOM LINE: FY26 REDUCTION TOTALS

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To date, the FY26 proposed budget is a **\$24.8 million reduction** from FY25

This represents an overall **12% reduction** from FY25

FY 25-26	Total			
	Modified Budget FY 25	Proposed Budget FY 26	Difference	Ratio
Sources of Funds (Revenues)				
State Allocation	\$ 117,238,289	\$ 115,061,162	\$ (2,177,127)	65%
Tuition	33,109,070	35,526,033	2,416,963	20%
International	9,326,287	9,634,054	307,767	6%
Running Start	12,385,070	13,289,180	904,110	8%
F&A (Indirect)	1,614,030	1,474,030	(140,000)	1%
Total Estimated Source of Funds	\$ 173,672,745	\$ 174,984,458	\$ 1,311,713	100%
Uses of Funds (Expenditures)				
Personnel	163,600,099	143,004,294	(20,595,805)	82%
Non-Personnel	30,645,560	26,964,021	(3,681,540)	15%
International Program	4,215,306	3,714,876	(500,430)	2%
Running Start	1,276,965	1,301,268	24,302	1%
Total Budgeted Use of Funds	\$ 199,737,931	\$ 174,984,459	\$ (24,753,472)	100%
			-12.00%	
Transfer in from Colleges	26,530,698	26,530,698	\$ -	
Transfer out (to District & International Program OH)	(26,530,698)	(26,530,698)	\$ -	
Net Transfers	-	\$ -	\$ -	
Source over Use of Funds: Surplus (Deficit)	\$ (26,065,186)	\$ (0)	\$ 26,065,186	
% of Deficit to Total Expenditures	-13.05%	0.00%		

Table source: Seattle Colleges Finance

REDUCTIONS *TO DATE*: DISTRICT/SIEGAL

Net Reduction of \$8.2M
21% of FY 25 Budget

FY 25-26	Siegal/District- 7060		
	Modified Budget FY 25	Proposed Budget FY 26	Difference
Uses of Funds (Expenditures)			
Personnel	29,026,990	23,907,641	(5,119,349)
Non-Personnel	6,852,057	4,111,699	(2,740,358)
International Program	3,730,515	3,371,919	(358,596)
Running Start	-	-	-
Total Budgeted Use of Funds	\$ 39,609,562	\$ 31,391,259	\$ (8,218,303)
Source over Use of Funds: Surplus (Deficit)	\$ (10,552,803)	\$ (0)	\$ 10,552,803
% of Deficit to Total Expenditures	-26.64%	0.00%	

Table source: Seattle Colleges Finance

REDUCTIONS *TO DATE*. NORTH SEATTLE

Net Reduction of \$3.6M
6.65% of FY 25 Budget

FY 25-26	North - 7063		
	Modified Budget FY 25	Proposed Budget FY 26	Difference
Uses of Funds (Expenditures)			
Personnel	39,172,123	35,215,711	(3,956,412)
Non-Personnel	6,787,920	7,241,005	453,084
Transfer out (to District & International Program OH)	8,052,575	8,052,575	-
International Program	308,128	160,465	(147,664)
Running Start	499,491	505,635	6,143
Total Budgeted Use of Funds	\$54,820,238	\$51,175,390	\$ (3,644,848)
Source over Use of Funds: Surplus (Deficit)	\$ (3,323,026)	\$ 0	\$ 3,323,026
% of Deficit to Total Expenditures	-6.06%	0.00%	

Table source: Seattle Colleges Finance



SYNOPSIS OF REDUCTIONS *TO DATE*. SEATTLE CENTRAL

Net Reduction of \$10.2M
13% of FY 25 Budget

FY 25-26	Central - 7062		
	Modified Budget FY 25	Proposed Budget FY 26	Difference
Uses of Funds (Expenditures)			
Personnel	59,328,257	49,980,224	(9,348,033)
Non-Personnel	7,861,939	6,989,027	(872,912)
Transfer out (to District & International Program OH)	10,729,621	10,729,621	-
International Program	150,903	155,883	4,980
Running Start	149,245	160,075	10,830
Total Budgeted Use of Funds	\$ 78,219,965	\$ 68,014,829	\$(10,205,136)
Source over Use of Funds: Surplus (Deficit)	\$(10,074,140)	\$ 0	\$ 10,074,140
% of Deficit to Total Expenditures	-12.88%	0.00%	

Table source: Seattle Colleges Finance

REDUCTIONS *TO DATE*: SOUTH SEATTLE

Net Reduction of \$2.6M
5% of FY 25 Budget

FY 25-26	South - 7064		
	Modified Budget FY 25	Proposed Budget FY 26	Difference
Uses of Funds (Expenditures)			
Personnel	36,072,729	33,900,718	(2,172,011)
Non-Personnel	9,143,644	8,622,290	(521,354)
Transfer out (to District & International Program OH)	7,748,503	7,748,503	-
International Program	25,760	26,610	850
Running Start	628,229	635,558	7,329
Total Budgeted Use of Funds	\$53,618,865	\$ 50,933,679	\$(2,685,185)
Source over Use of Funds: Surplus (Deficit)	\$ (2,115,216)	\$ (0)	\$ 2,115,215
% of Deficit to Total Expenditures	-3.94%	0.00%	

Table source: Seattle Colleges Finance

PROPOSED
FURLOUGHS
ARE INCLUDED
IN THE BUDGET
PLANS

- **12 days** for full-time classified and exempt (represented and non-represented)
- **Exploring non-instructional days** for FT faculty
- Exemptions:
 - All full-time employees making below \$67,000 & those fully funded by grants and contracts would be exempt

Furloughs as proposed would create \$3 million in savings district wide

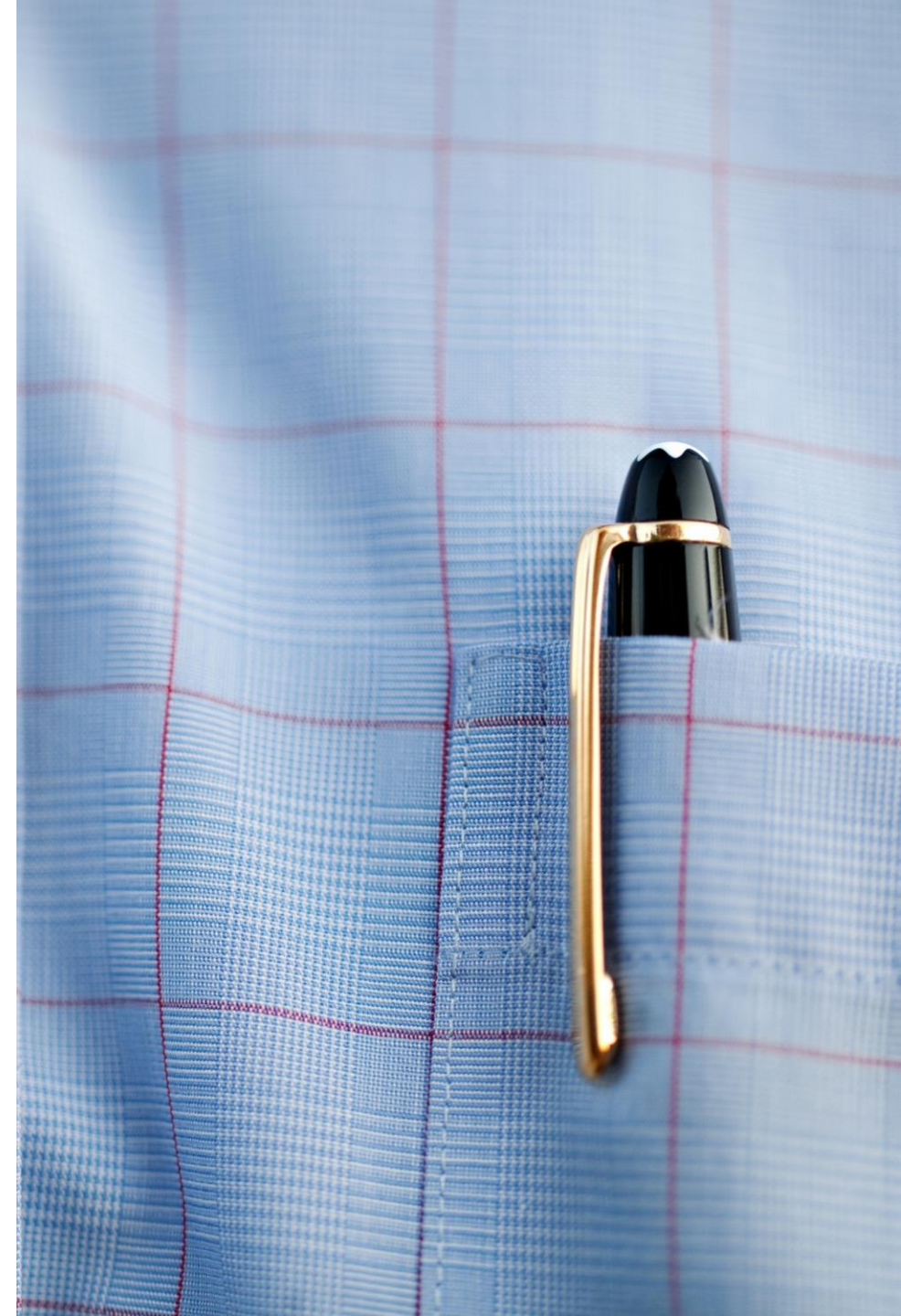
Furloughs for all represented employees won't be finalized until discussed with labor partners.

NEXT STEPS FOR THE SEATTLE COLLEGES BUDGET

- **May 8:** BOT meeting to consider “first read” of the FY26 budget
- **June 12:** BOT meeting to vote whether to adopt the FY26 budget
- **June 30:** Last day of current FY25 fiscal year
- **July 1:** First day of FY26 fiscal year

Awaiting Governor Ferguson to adopt the WA State Legislature’s conference budget

FYI: Many adjustments are made by WA Office of Financial Management (OFM) and by SBCTC to the allocation to colleges in the next several months





STATE ALLOCATION 101

Learning more about how the money comes to the Seattle Colleges

THE BOTTOM LINE: FY26 REDUCTION TOTALS

A DEEPER DIVE INTO THE STATE ALLOCATION

The budget is a \$1 billion reduction from FY25

This represents an overall **12% reduction** from FY25

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STATE ALLOCATION TO CTCs: A PUBLIC GOOD

- Pursuing the right-size pie for CTCs
 - **Covering all salary increases**
 - **Maintenance of efforts**
 - **Equity in Higher Education funding**



BUILD YOUR OWN PIZZA

AVAILABLE IN 7 SIZES

EVERY PIZZA IS CUSTOM MADE TO ORDER. OUR PIZZA DOUGH IS MADE FRESH DAILY WITH NO PRESERVATIVES.

	Mini Papa®	Medium	Large	X-Large	Jumbo	Big Mama's®	Big Papa's®
Sizes.....	10"	13"	16"	18"	24"	28"	36"
Slices.....	6	8	10	12	20	30	40
Serves.....	1-2	2-3	3-4	4-5	6-8	8-10	12-15
Cheese & Sauce...	6.99	9.99	12.99	14.99	22.99	28.99	44.99
Each Topping....	.70	1.00	1.50	1.80	2.25	3.00	6.00
Thick Crust.....	.70	1.00	1.50	1.80	2.25	3.00	6.00
Extra Cheese.....	1.20	1.50	2.00	2.50	3.25	5.00	9.00

EVERY PIZZA IS MADE REGULAR CRUST. THIN OR THICK CRUST AVAILABLE UPON REQUEST.

REGULAR CRUST

THICK CRUST

THIN CRUST

Slicing the Pie, staying vigilant and diligent to our share of the pie

HOW THE DOLLARS FLOW...

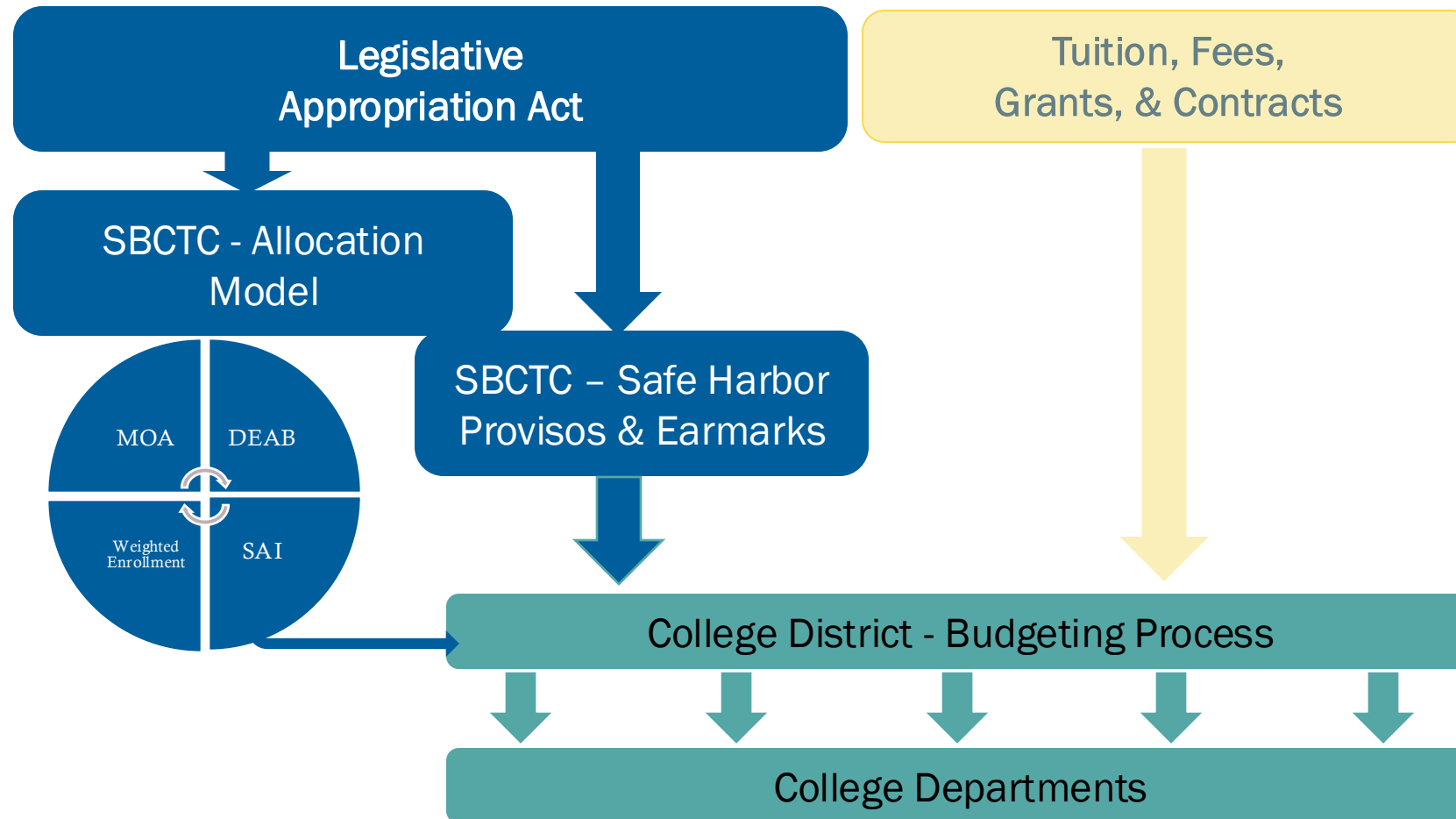


Illustration source: SBCTC

WHAT IS IN THE SBCTC ALLOCATION MODEL

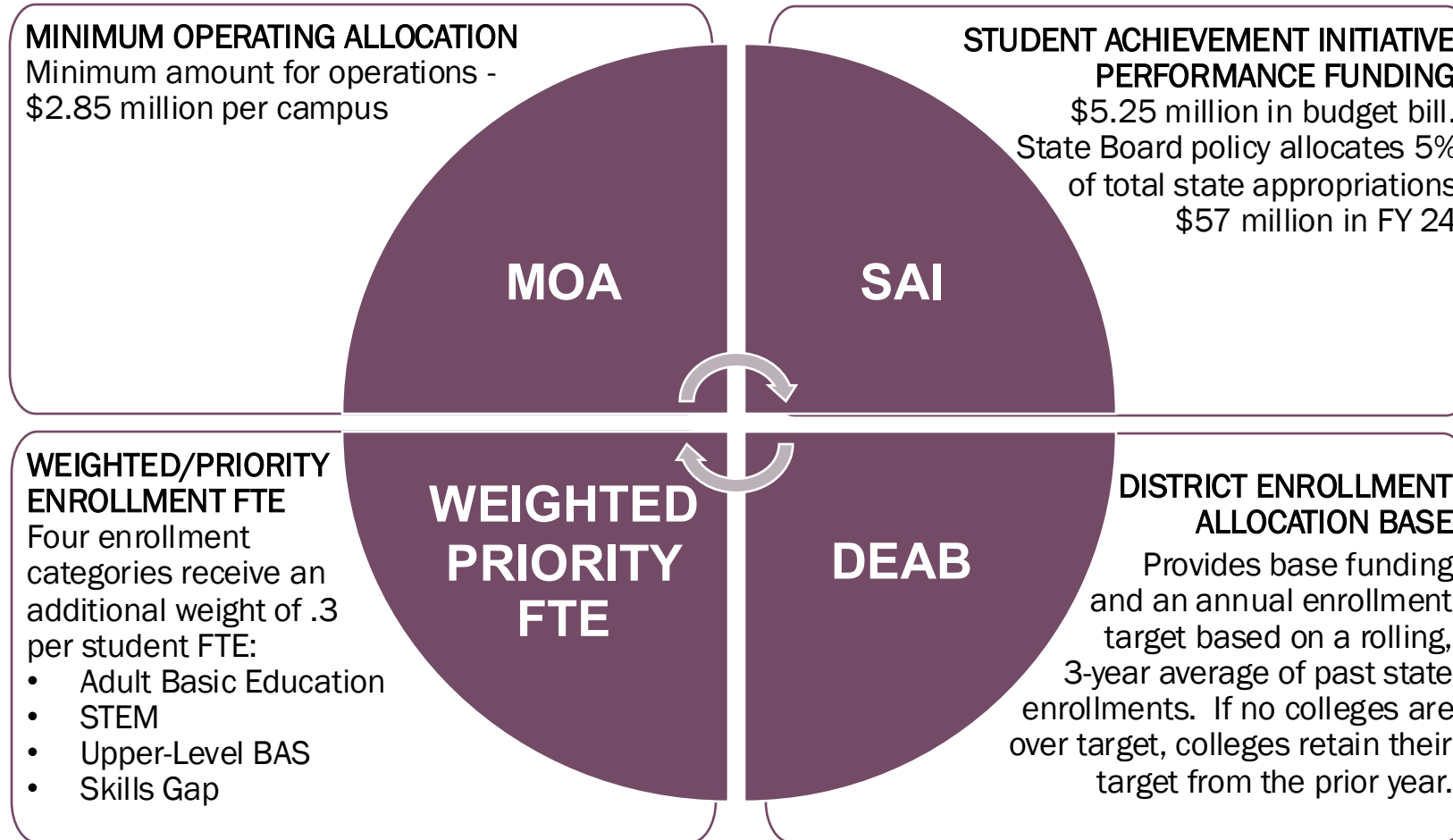


Illustration source: SBCTC

WHAT IS OUTSIDE THE MODEL – SAFE HARBOR

BUDGET PROVISOS

- Language in appropriations act that places conditions from legislature on the use of the funds
- Examples: Guided Pathways, Worker Retraining, MESA, I-BEST, and college-specific projects such as Wildfire Prevention Program at Wenatchee Valley College

COMPENSATION M&O LEASES

- Compensation funding includes wage increases, health benefit rate changes, paid family leave and pension rate change
- Compensation funds are distributed based on each district's share of salary or benefit expenditures in the prior fiscal year
- Compensation, M&O, and Leases are held in safe harbor for four years.

STATE BOARD EARMARKS

- Program or population-specific funds identified by the State Board
- Reviewed annually, funds can remain in safe harbor indefinitely
- Examples: Opportunity Scholarship, Centers of Excellence, Workforce Development Projects, funds for Diversity, equity, inclusion, and antiracism, funds for Disability Accommodations and Students of Color



Total State Appropriation	\$1,238,977,000	100%
State Board Admin, System IT, Central Svs & Reserves	\$41,629,318	3%
State Appropriations Minus State Board	\$1,197,347,682	
Safe Harbor - Provisos and Earmarks	514,043,692	41%

Total Model Allocation		
(State Approp minus State Board & Safe Harbor)	\$683,303,990	55%
Total Minimum Operating Allocation (MOA)	\$85,500,000	7%
Total Performance Funding (SAI)	\$61,386,300	5%
Total for District Enrollment Allocation Base (DEAB)	\$477,793,743	39%
Additional Funding for Priority Enrollments (Weighted)	\$58,623,947	5%

DISTRIBUTION OF SBCTC SYSTEM FUNDING

- 3% to SBCTC
- 41% protected in “safe harbor”
- 7% MOA evenly distributed to each college
- 5% in performance funding (*we can impact*)
- 43% (39%+5%) are based on enrollment (*we can impact*)

Table source: SBCTC

SEATTLE COLLEGES' SLICE OF THE PIE

	Seattle
Colleges (#)	3 (North, Central, South)
2025 Min. Operating Allocation (MOA) \$2.85M per College	\$7.2M + \$1.3M (capital funds) = \$8.5M
2024-25 SAI % of State Total	9.7% of state total = \$5.9M
2024-25 DEAB FTE/proportion	12,997 / 9.92% of state total = \$47.4M
2024-25 Extra Weight FTE/proportion	1,486 / 9.25% of state total = \$7.8M
Safe Harbor Provisos and Earmarks	(8.83% of state total) = \$45.4M
<i>Total Allocation to Seattle Colleges</i>	<i>\$115M</i>

**60% of Seattle Colleges
total budget of \$175M
relies on Student
Enrollments**

- **30% Student Tuition**
- **30% from DEAB +
Weighted FTE**

Data source: SBCTC

Provisos and Related Earmarks	TOTALS	CENTRAL	NORTH	SOUTH	DISTRICT
Allied Health Programs	425,000	425,000			
Apprenticeship & Higher Educ essb 5764 (WEIA)	101,240			101,240	
Apprenticeship & Higher Educ ESSB 5764 (GF-Stat	55,925			55,925	
Diversity, Equity, Inclusion Support					
Diversity SB5227 (GF-STATE)	214,843				214,843
Higher Ed Opiod Prevention 2SHB 2112	-				
Equity & Access SB 5194	884,657	125,000	125,000	125,000	509,657
High Demand Enrollments	83,388		83,388		
Labor Center Earmark, Labor Ed (17), Opp Center	716,868		216,000	500,868	
Maritime Academy	427,000	427,000			
Mental Health Pilot SB 5194 (27)	125,000		125,000		
MESA Community College Programs	157,000	157,000			
Nurse Education Enrollment Increases (WEIA)	180,000	180,000			
College in High School Fees SSSB 5048	79,005		79,005		
Early Achievers Grant Support	46,000		46,000		
Sim Lab Equipment (30) Estimated w/ FY24	77,000	77,000			
Students Experiencing Homelessness	247,500	115,000	125,000	7,500	
Student Needs SSHB 1559 (50)	195,087	65,029	65,029	65,029	
Student Emergency Assistance (WEIA)	527,200	172,000	183,200	172,000	
BS in Computer Science Increase Degree	71,881		51,426	20,455	
Worker Retraining- Base and Variable combined	4,414,052	1,344,921	1,344,921	1,344,921	379,289
Aerospace Apprenticeships	224,000			224,000	
Aerospace Enrollments (1000 FTES)	784,565		462,209	322,356	
Disability Accomdations	116,481	37,933	54,733	23,815	
2020 Regional Pay - King County	2,627,870	998,591	656,968	630,689	341,622
Maritime Industries	255,000	255,000			
Opportunity Grants	1,069,912	379,411	356,547	333,954	
Students of Color	121,132	51,677	31,714	37,741	
Goldstar Families	8,982	5,136	1,407	2,439	
Health Rate Changes	5,217,494	2,034,823	1,356,548	1,147,849	678,274
Pension Rate Changes	(1,372,307)	(535,200)	(329,354)	(301,907)	(205,846)
Wage Increase	17,173,791	6,526,041	4,293,448	4,121,709	2,232,593
M&O	86,000			86,000	

PRIVOSOS AND EARMARKS

*Anticipated Allocation

KEY POINTS OF LEGISLATIVE APPROPRIATION – STATE ALLOCATION FY 26-27

- CUTS to SBCTC: OFM Error adjustment of \$28M and 0.05% General Fund Reduction
- Salary increases are ONLY funded at 79% (all colleges must make up the other 21%)
 - **I-732 Increases (faculty):** 3% for FY26, based on the Implicit Price Deflator in accordance with SB 5970
 - **WFSE and Non-Represented General Wage Increases (classified and exempt):** 3% for FY26
 - **Health Benefit Rate:** \$1,333 for FY26
 - **Pension Rates** (per ESSB 5357) for FY26:
 - TRS: 7.85%, PERS: 7.04%
- Provisos moved to Base Funding resulting in net loss of \$860,160 to system

Provisos in the Base	State	SCD	Old Ratio	New Ratio	Gain (Loss) in Revenues
College Affordability Program CAP	\$ 25,314,000	\$2,477,340	9.79%	9.92%	\$ 32,908
Foundational & College Operating Costs Support	15,220,000	2,541,782	16.70%	9.92%	(1,031,916)
Guided Pathways	40,845,000	4,313,918	10.56%	9.92%	(261,408)
High Demand Faculty Salaries Increases	20,000,000	2,036,359	10.18%	9.92%	(52,000)
Nurse Educator Salaries	20,400,000	1,527,501	7.49%	9.92%	495,720
Opioid Prevention	260,000	36,351	13.98%	9.92%	(10,556)
Net Gain (Loss)					\$ (860,160)

Table source: SBCTC

But our
enrollment is
increasing?


These are unusual times

- Enrollment has been increasing since COVID low points
 - Winter24 to Winter25 enrollment has grown 9%
- **Enrollment is part of a complex funding formula** in our state:
 - 60% of our funding is tied to enrollment
 - Cost of doing business grows rapidly due to inflation
 - State allocation model is not enough to keep up, salaries are not keeping up
 - Tuition capped at 3.3%, not enough to keep up with inflation. *and not our preferred way to close the gap*

WILD CARD: FEDERAL IMPACTS

- Seattle Colleges remains in compliance with Washington laws, executive orders, and directives. We are closely monitoring and evaluating recent federal actions and changes in policies and the possible impacts they may have on the members of our community—including students, staff, and faculty—as well as impacts on our teaching and services.
- It is difficult to plan or anticipate how federal actions will impact our budget at this time.
- Seattle Colleges receives \$25M in various federal grants and administers \$18M in federal financial aid annually.
Both of these are restricted funds, and are not represented in the operating budget proposed.



A photograph of a dirt path winding through a forest. The path is made of reddish-brown soil and leads into the distance. On either side of the path are large, mature trees with thick trunks and green foliage. The ground is covered in green grass and some fallen leaves. The lighting is soft, suggesting a misty or overcast day.

Next, we must shift quickly to developing a growth strategy to stabilize our base and rebuild our operations to serve the needs of our community.

These fiscal reductions should be a temporary circumstance.

Questions & Discussion

