






Budget Forum

April 19, 2022






Today

- What about “The District”?
 - Where are we and how did we get here?
 - What are our options?
 - What happens if we don’t meet our goals?
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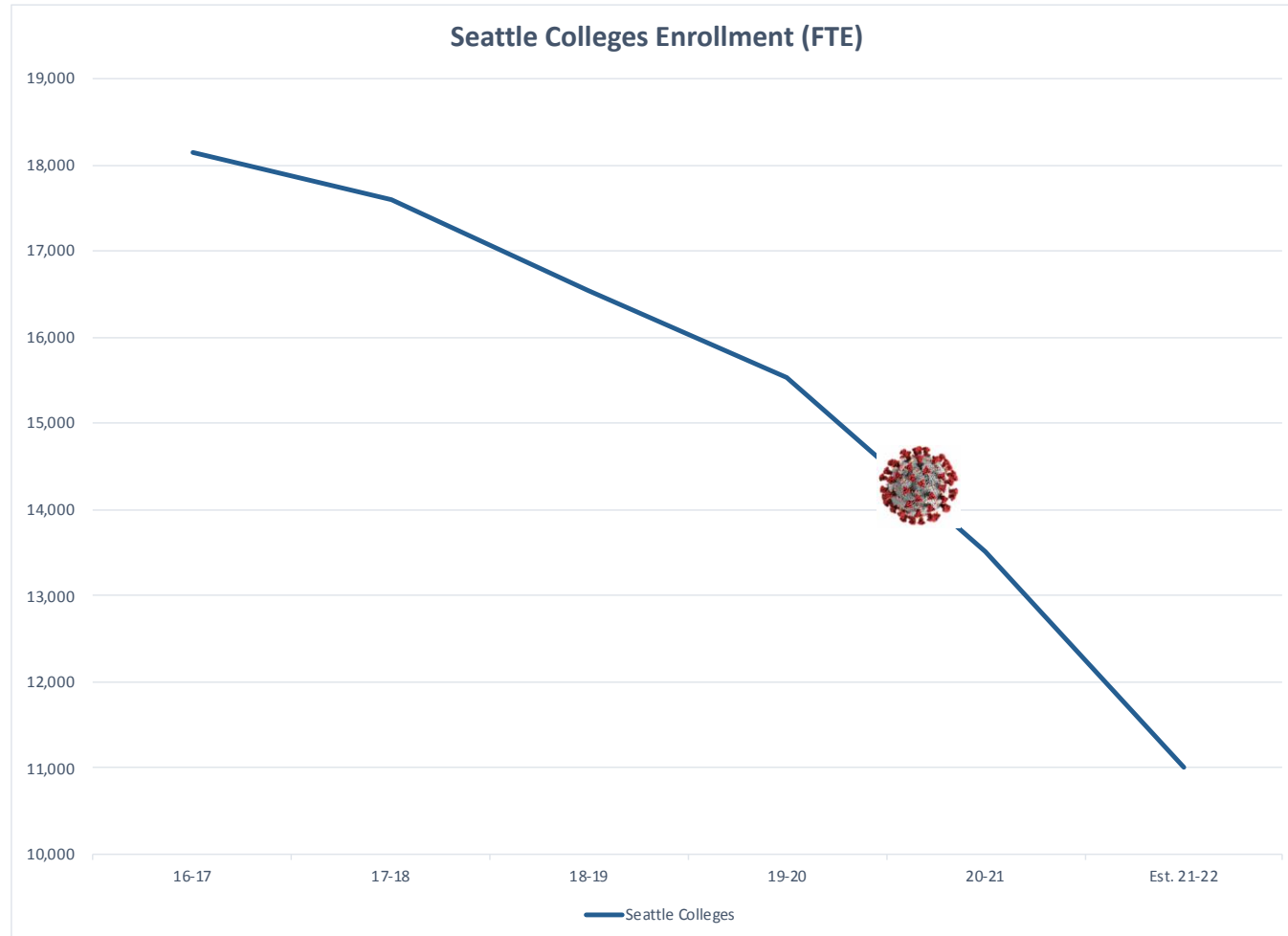
District

- North, Central and South Seattle Colleges
 - Siegal District Offices
 - Services
 - District Administration
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How is the Seattle Colleges District doing?




~ \$15 million
deficit budgeted

Without a
change we run
out of money in
~ 3 years








Siegal District Office Divisions

- Academic and Student Success
 - Communication and Strategic Initiatives
 - Finance and Operations
 - Governmental Relations
 - Human Resources
 - Information Technology
 - International Education
 - Seattle Colleges Foundation
 - Workforce Development
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Administrative Services

- Accounting
 - Budget planning and finance management
 - Federal and state financial audits
 - Purchasing good and services, RFPs management
 - Environment sustainability and green energy management
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HR Services

- HR Management
 - Payroll processing
 - Unemployment benefits management
 - Union relations management and negotiations
 - Employee recruitment and orientation
 - Employee training and professional development
 - Employee grievance, complaint investigations, Title IX investigations
 - Emergency management, health and pandemic management
 - Public record requests
 - Workplace safety
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Academic and student services




- Academic program planning and evaluation
 - ctcLink
 - eLearning
 - Institutional research and planning
 - Library technical services
 - Seattle Promise
 - Starfish
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External relationship management

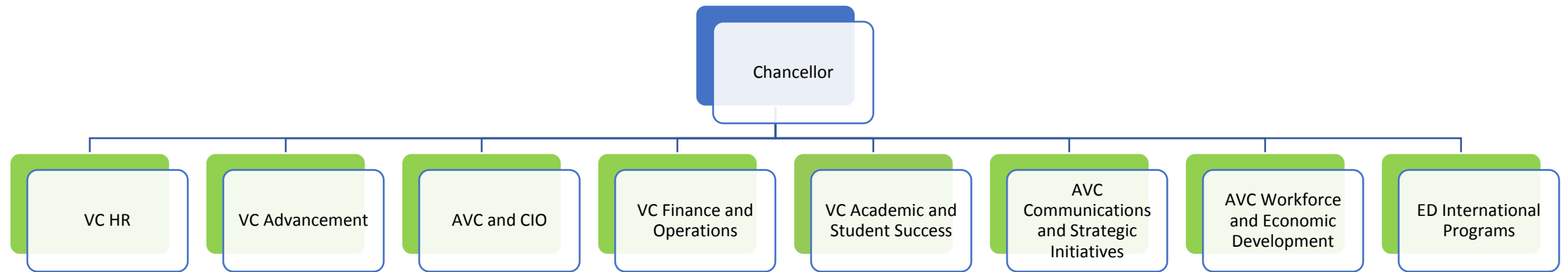
- Business partnerships, workforce development and corporate training
- Lobbying
- Local, state, and federal regulations compliance and audit reports
- Private fundraising
- Public relations management with city, state, and federal governments



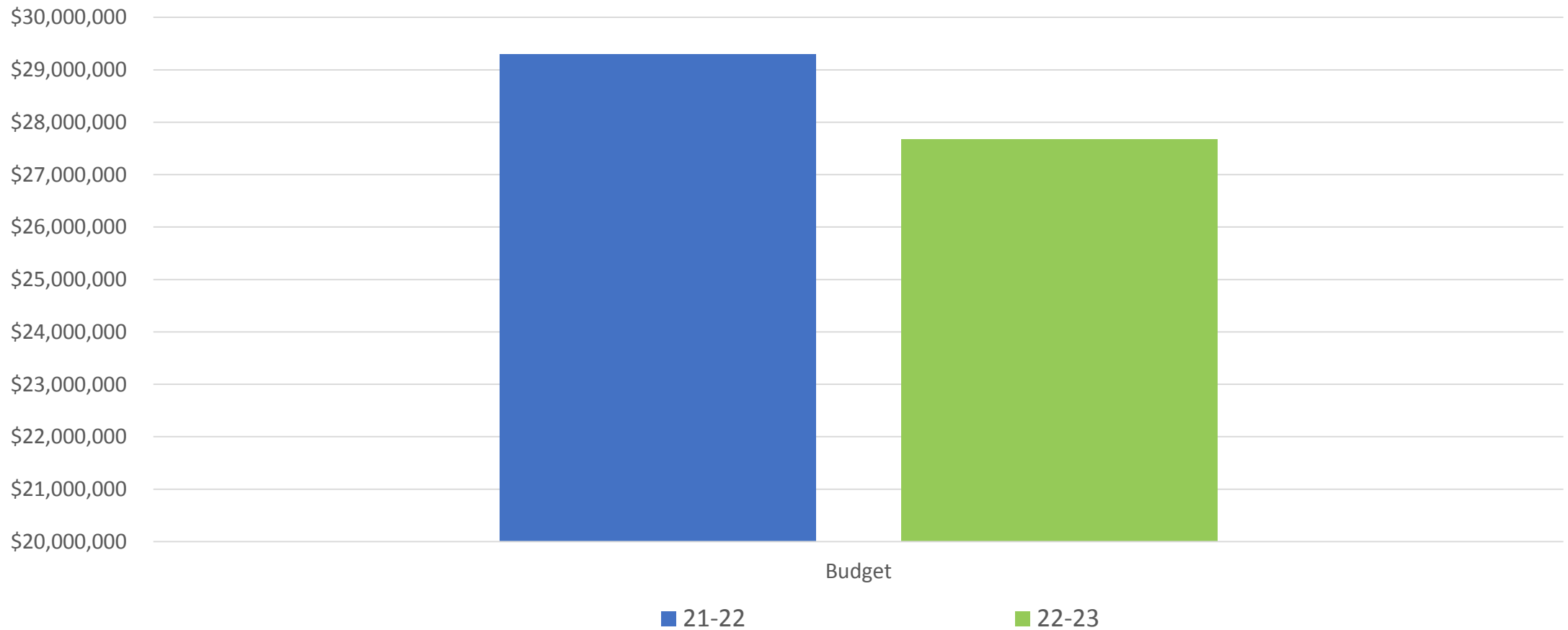
And some other useful stuff . . .

- Information technology services
 - International student recruitment and program administration
 - Public website infrastructure
 - Communications
 - SCCtv
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District Administrative Structure

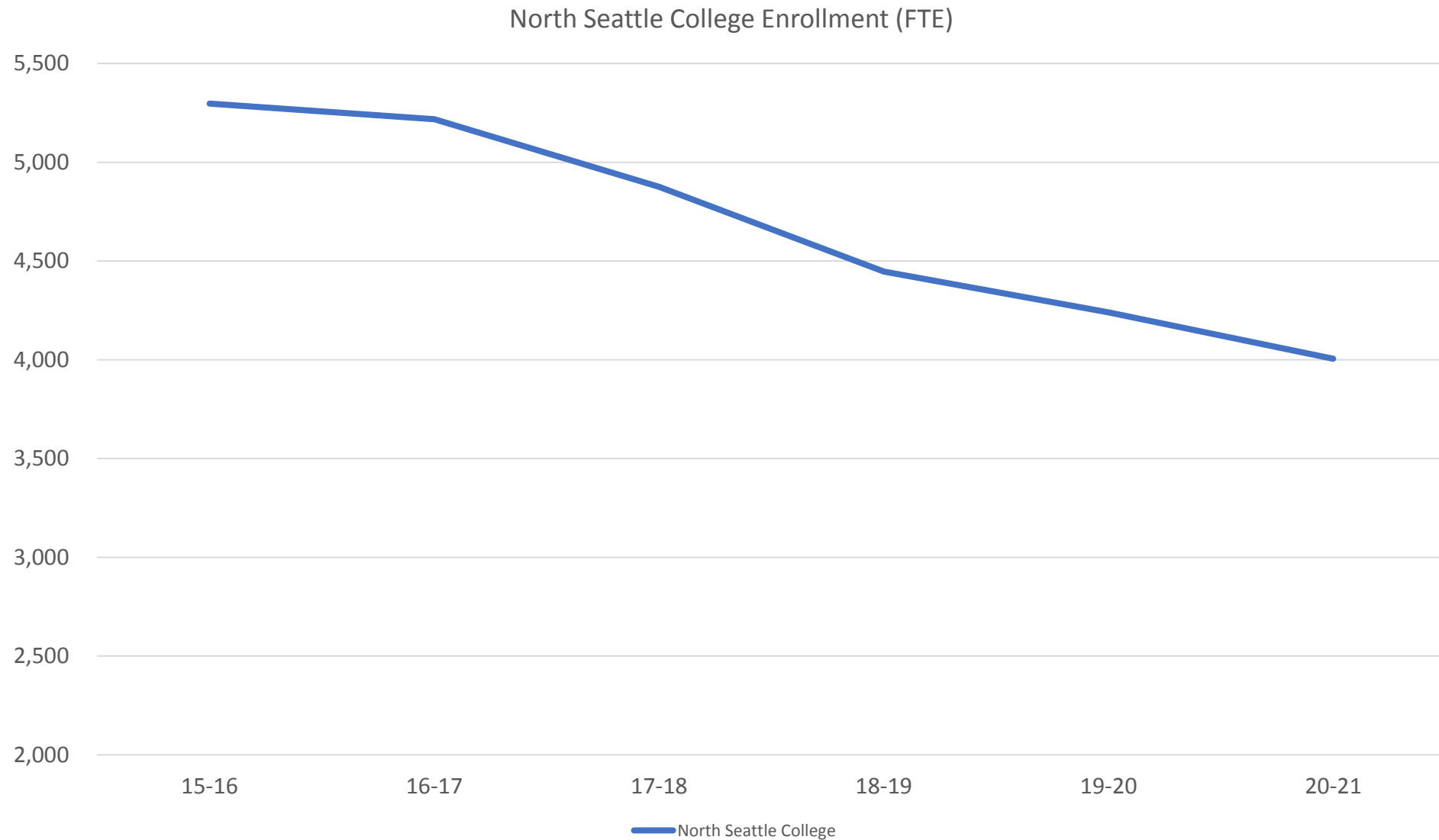


Siegal District office budget changes*

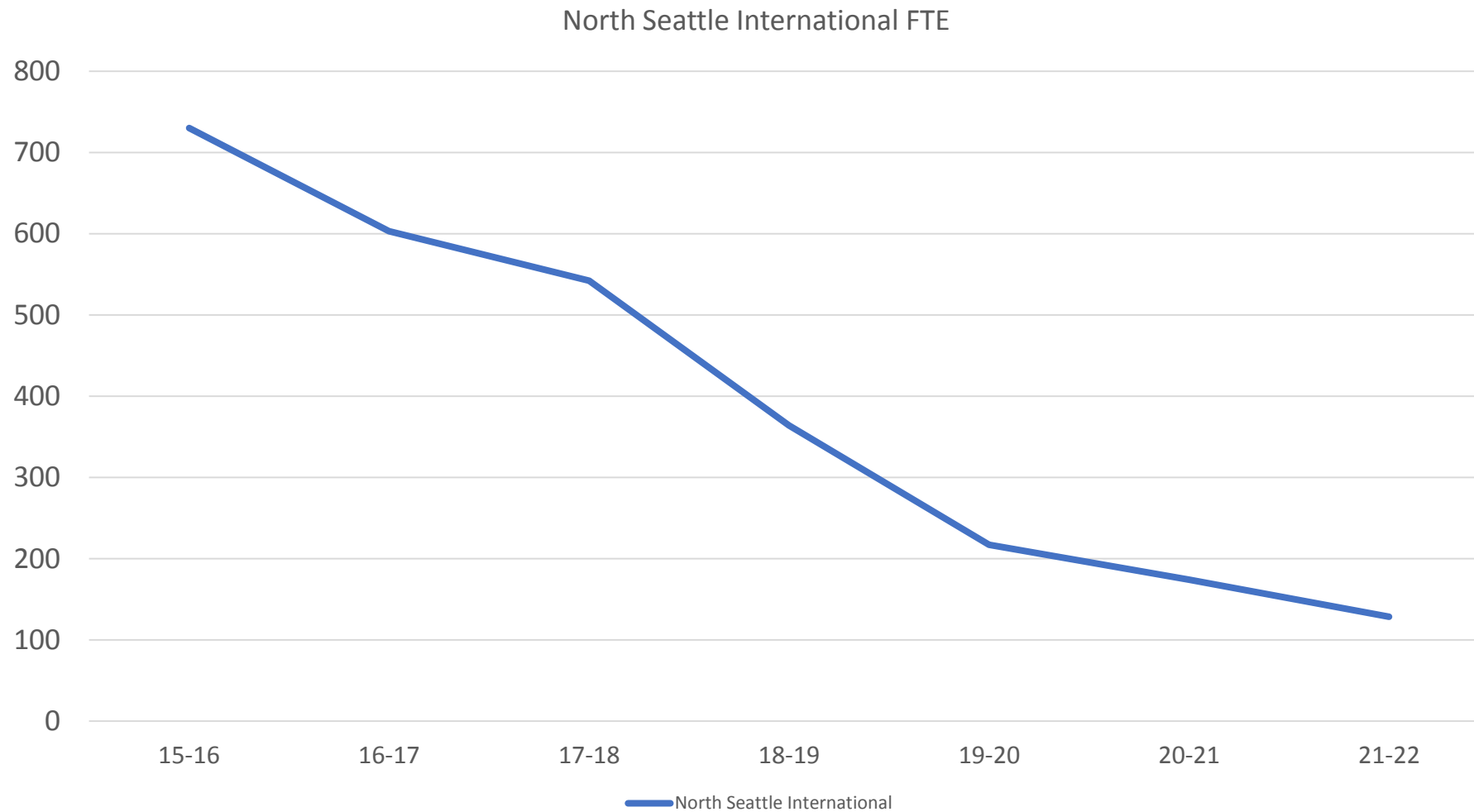


*Excluding EDI reorganization/investment

Where does North stand?



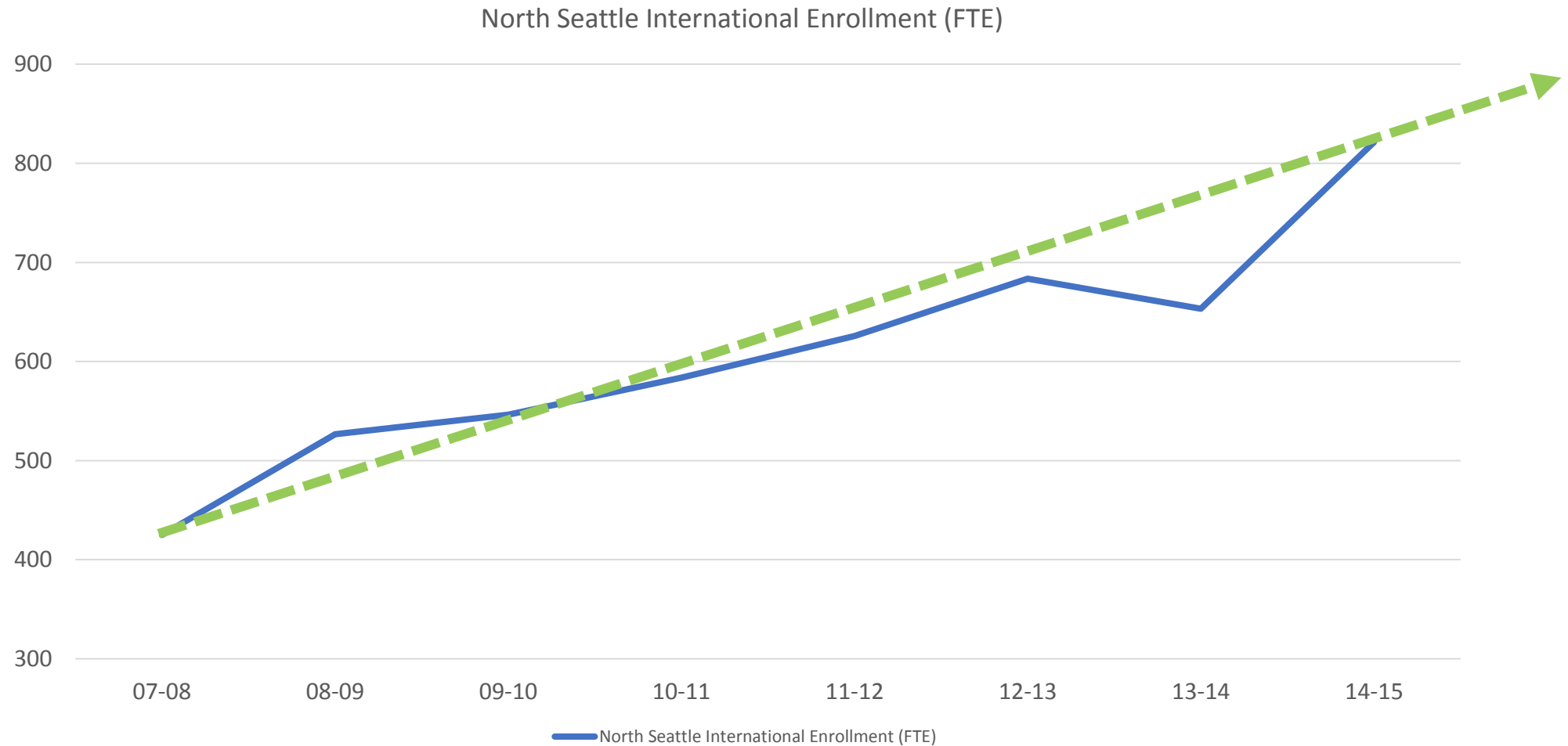
International falloff is steeper



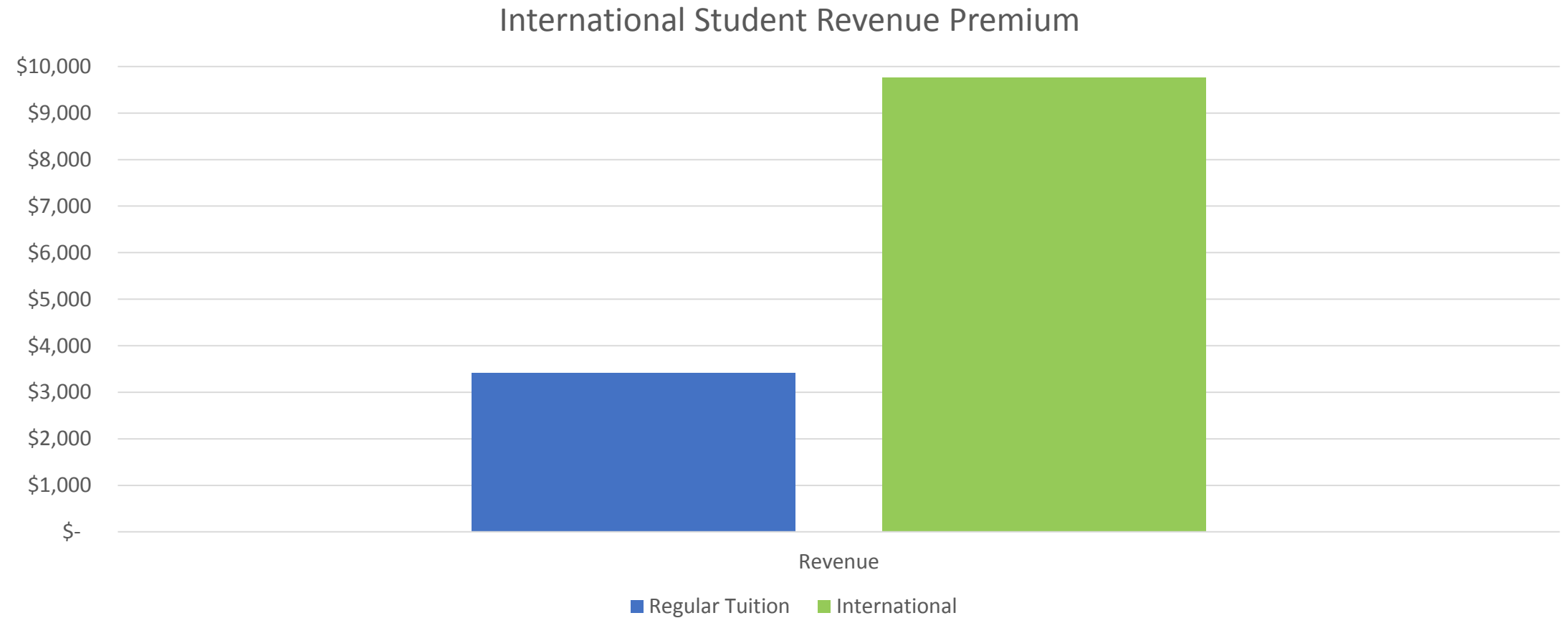


Once upon a time . . .

North Seattle International enrollment



College revenue/full time student



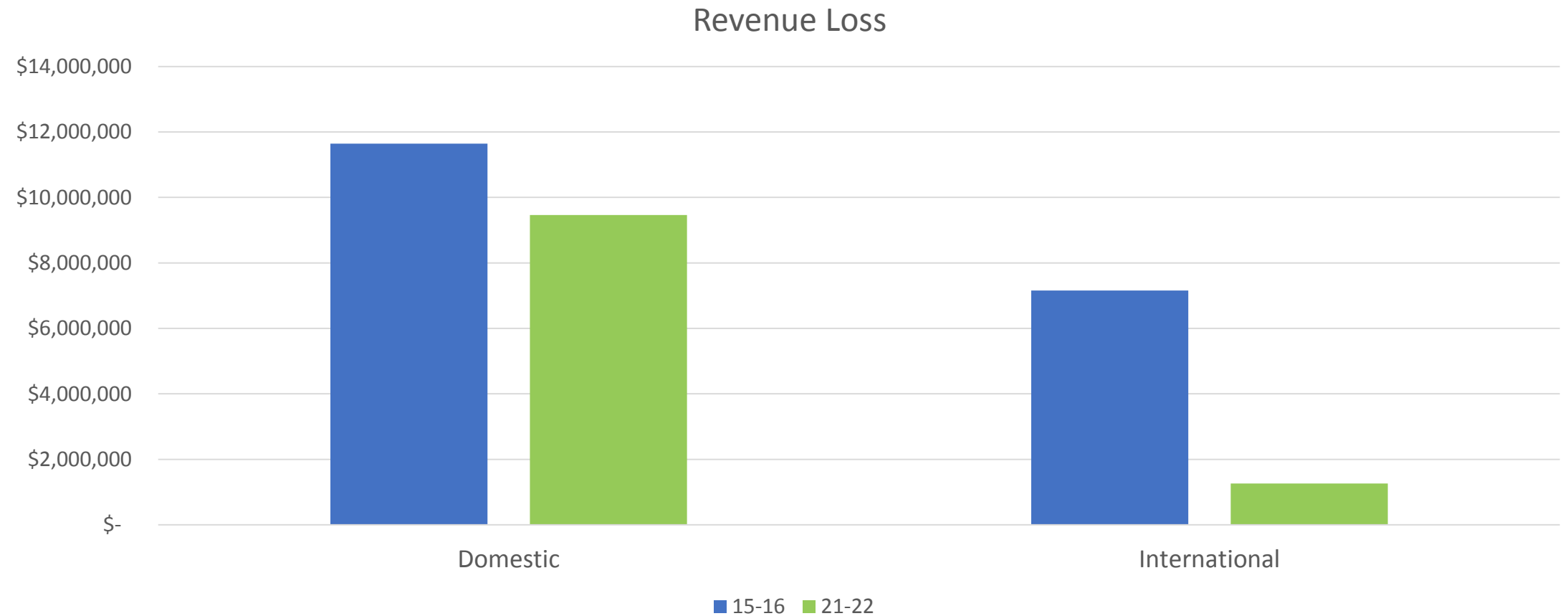


Takeaway

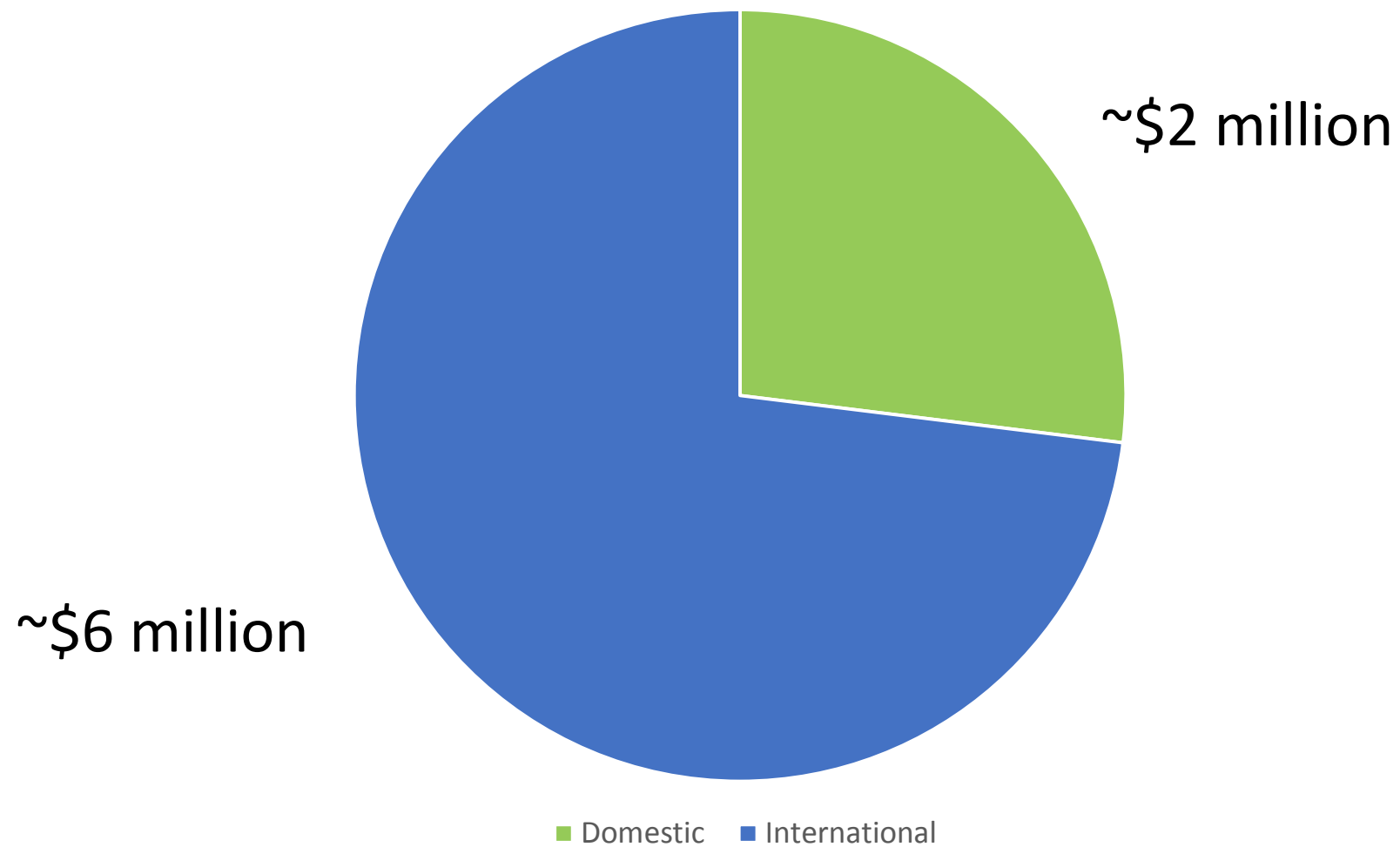
International growth subsidized our cost structure



Revenue comparison based on 21-22 rates



Enrollment revenue loss



The background is a solid blue color. It is decorated with various green elements: a large monstera leaf in the top-left corner, a spiral with radiating lines in the top-center, a monstera leaf in the top-right corner, a branch with small leaves in the middle-left, a branch with small leaves in the middle-right, a palm frond in the bottom-left, a spiral with radiating lines in the bottom-center, and a branch with small leaves in the bottom-right.

International comeback?



International enrollment dynamics

Historic drivers

- Seattle Colleges marketing outreach

Current state

- COVID travel restrictions have limited outreach
- 






International enrollment dynamics

Historic drivers

- Seattle Colleges marketing outreach
- Intensive English Programs feeding College level enrollment

Current state

- COVID travel restrictions have limited outreach
 - Asian private in-country competition shrinking market
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International enrollment dynamics

Historic drivers

- Seattle Colleges marketing outreach
- Intensive English Programs feeding College level enrollment
- Middle East government sponsored study abroad

Current state

- COVID travel restrictions have limited outreach
 - Asian private in-country competition shrinking market
 - Sharp reduction in sponsorship by governments
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International enrollment dynamics

Historic drivers



- Seattle Colleges marketing outreach
- Intensive English Programs feeding College level enrollment
- Middle East government sponsored study abroad
- China, China, China

Current state

- COVID travel restrictions have limited outreach
- Asian private in-country competition shrinking market
- Sharp reduction in sponsorship by governments
- US losing share to other countries, demographic decline in China



International comeback?

- Slow rebound
 - We have yet to get "back out there"
 - Two-year cultivation cycle
 - Ultimately
 - No new "China" out there
 - US visa issuance policies primary issue
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Domestic outlook?

- High costs driving families out of Seattle downtown
 - OSPI projecting decline in students
 - Seattle Promise program is counterbalancing, but long-term trend is down
- Running Start was a growth area
 - Disproportionate decline in pandemic
 - Running Start students find online modality less appealing
- Academic programs
 - Decline in appeal of traditional professional technical programs
 - Developing promising new programs, requiring time and investments



Takeaways

Won't grow out of the problem in the near term

Need to realign expense structure to recognize loss of International revenue and lower overall enrollment levels

83% of expenses are salaries and benefits



We are working on growth

Outreach, recruitment and marketing efforts

Discover Seattle College Series

Running Start marketing

Seattle Promise

Enrollment Re-engineering

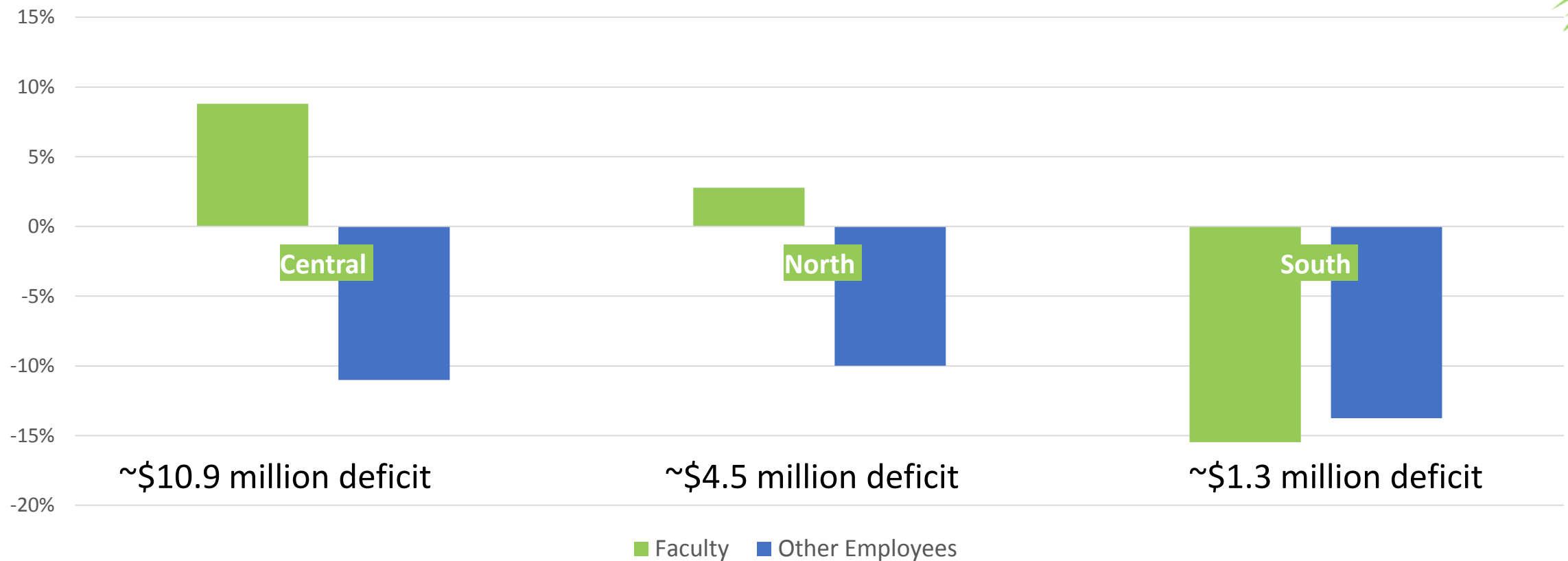
New academic programs: CS BAS, Fire Sciences

Streamlined and consistent Financial Aid processes

eLearning expansion

College strategies and outlook*

Salary Expense Change 16-17 vs. 20-21



*Excludes District expense



Options & plan

Reduce administrative expense

Merge or eliminate heavily subsidized programs

Align class schedules with enrollment





Administrative expense

~ \$10 million

Intent - 15% reduction

Expense reduction ~\$1.5 million

Accreditation structure challenge



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Subvention

By design

Low cost, high efficiency classes & programs

subsidize

High cost, low efficiency classes & programs

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.

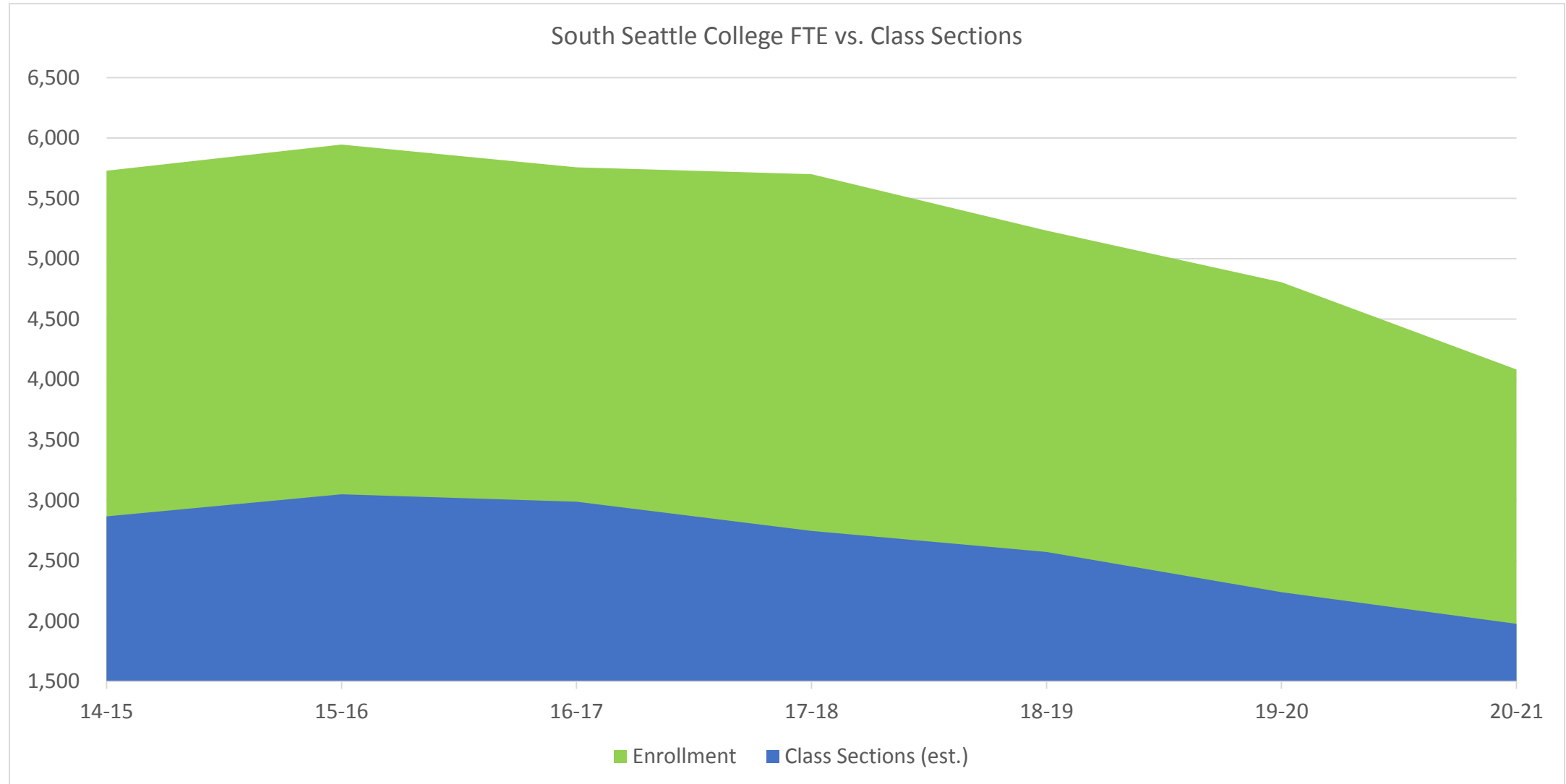
North's S/F ratio was 17.2 last year

*assumes regular tuition

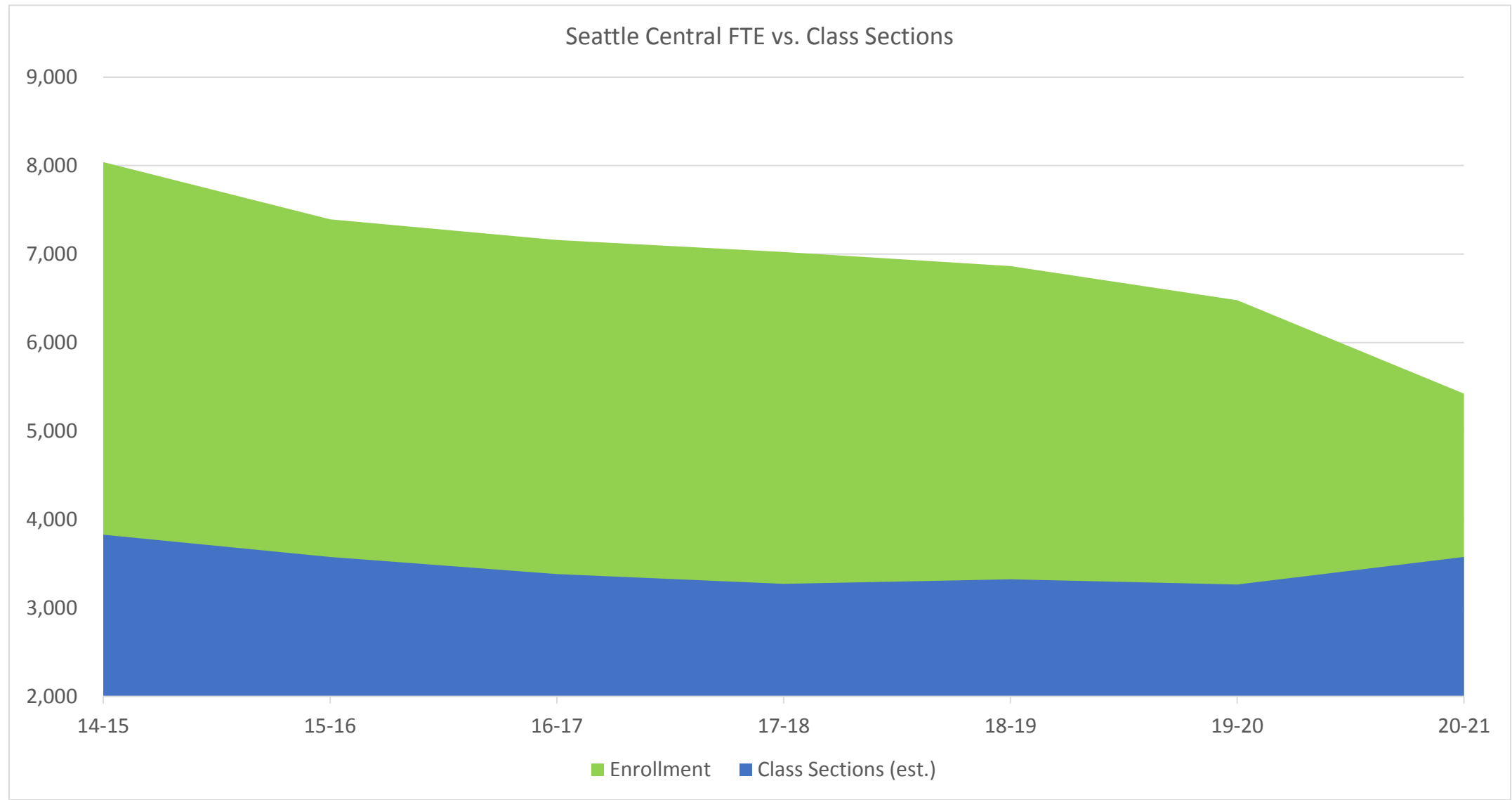


Enrollment and class schedules

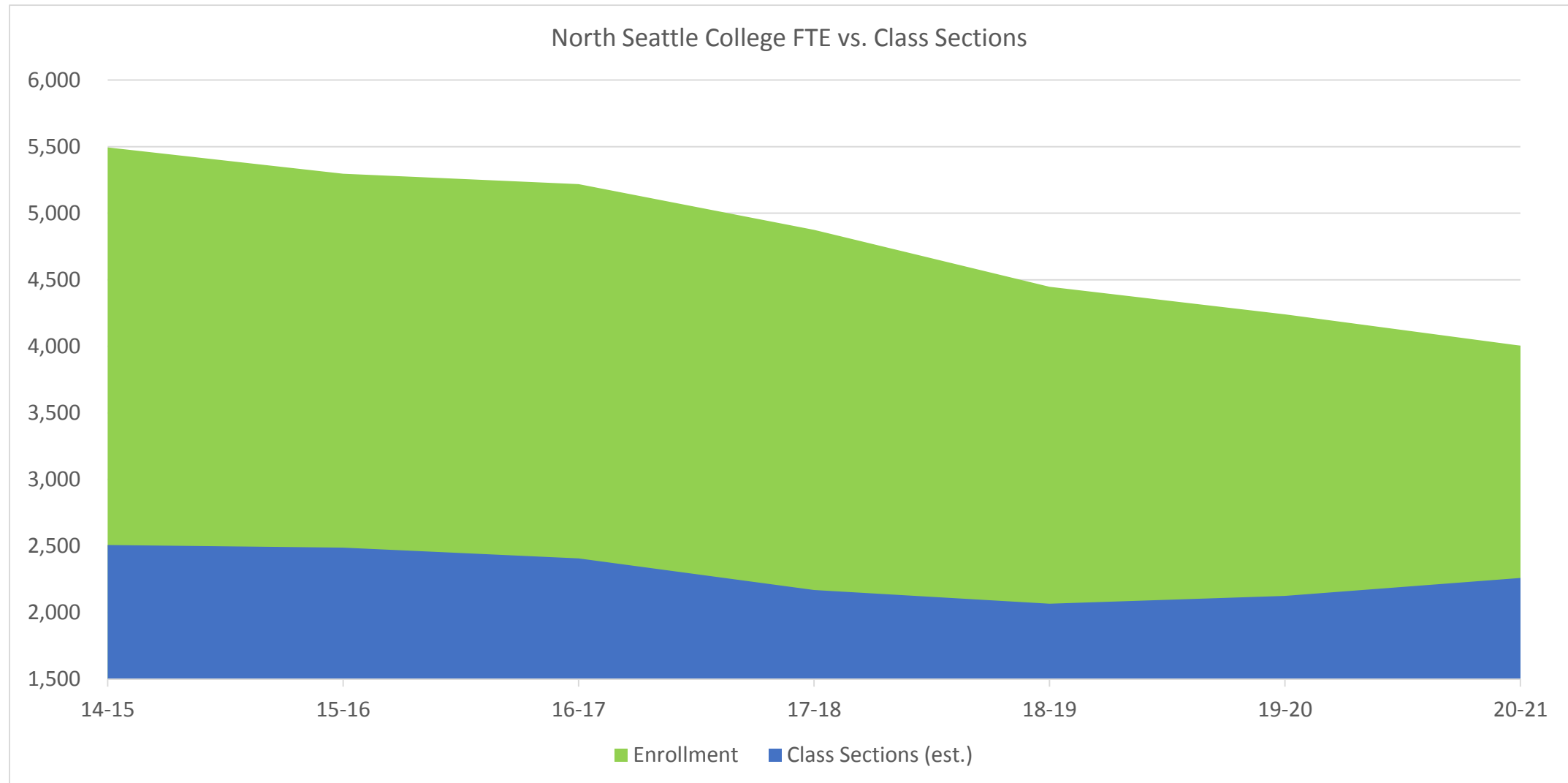
South Seattle FTE vs. class sections

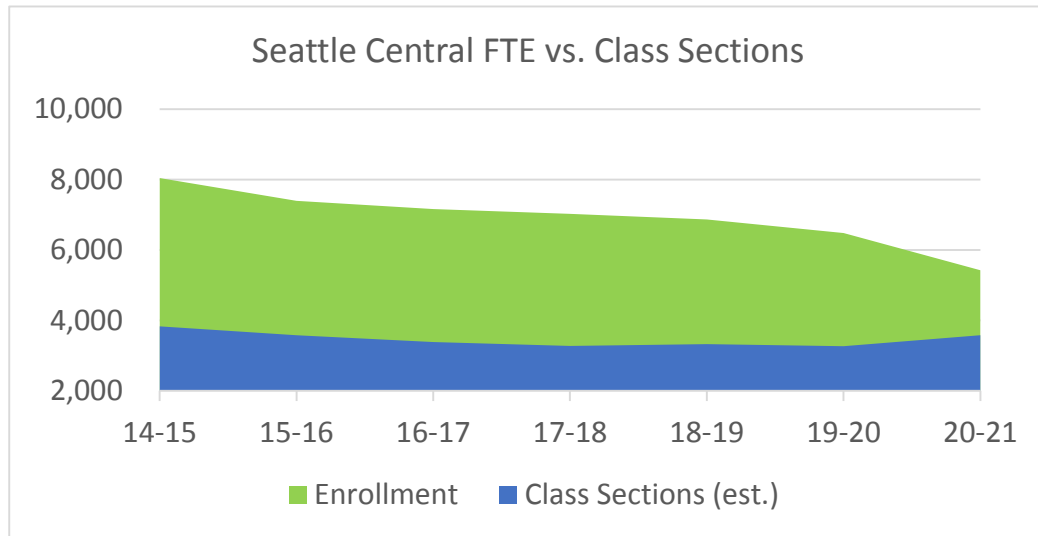


Seattle Central FTE vs. class sections

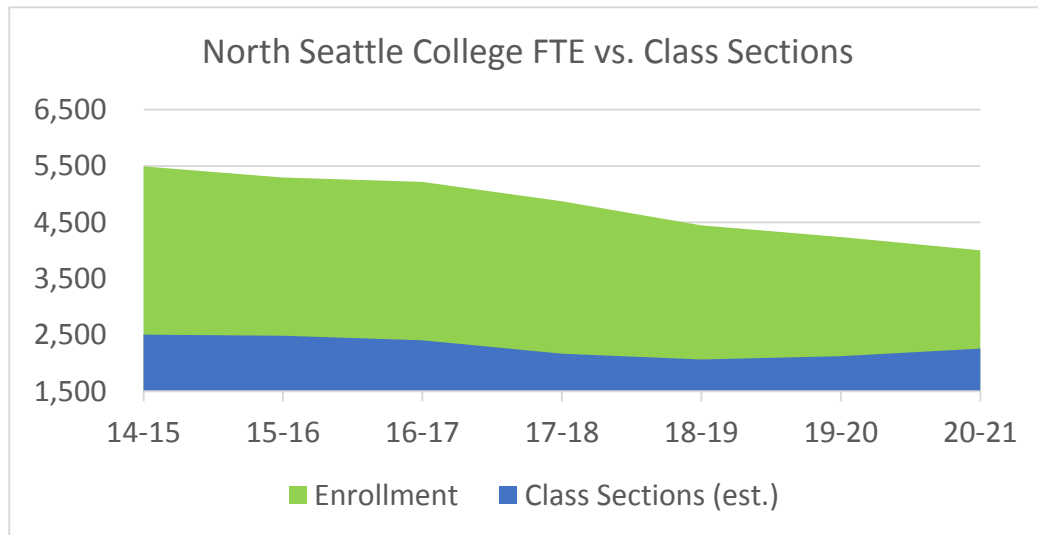


North Seattle FTE vs. class sections

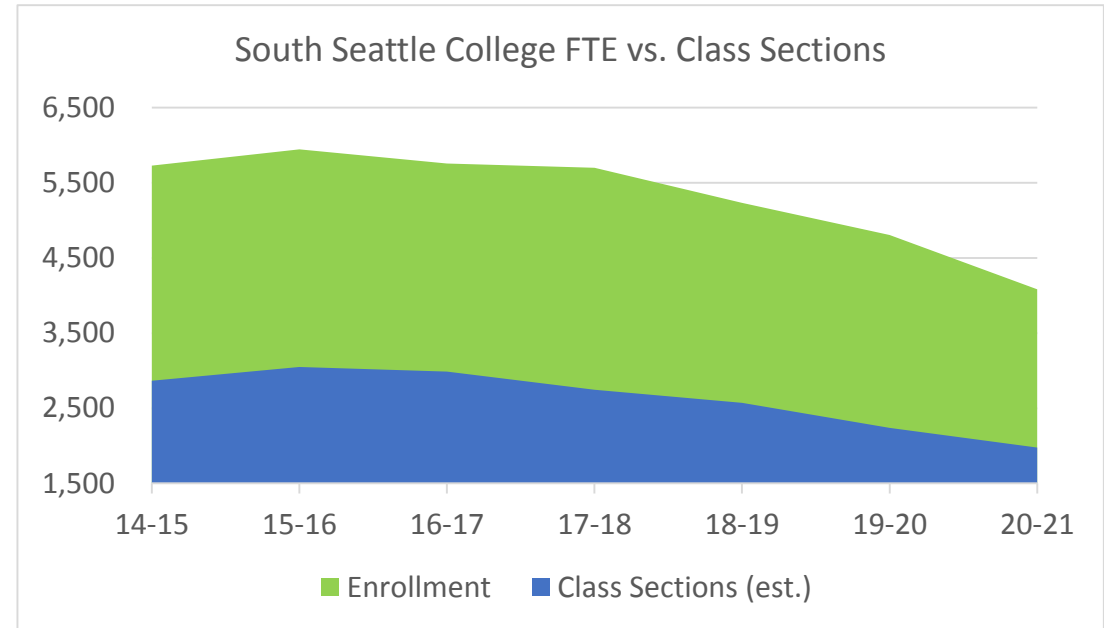




~\$10.9 million deficit



~\$4.5 million deficit



~\$1.3 million deficit



Schedule optimization

Align class schedules with enrollment

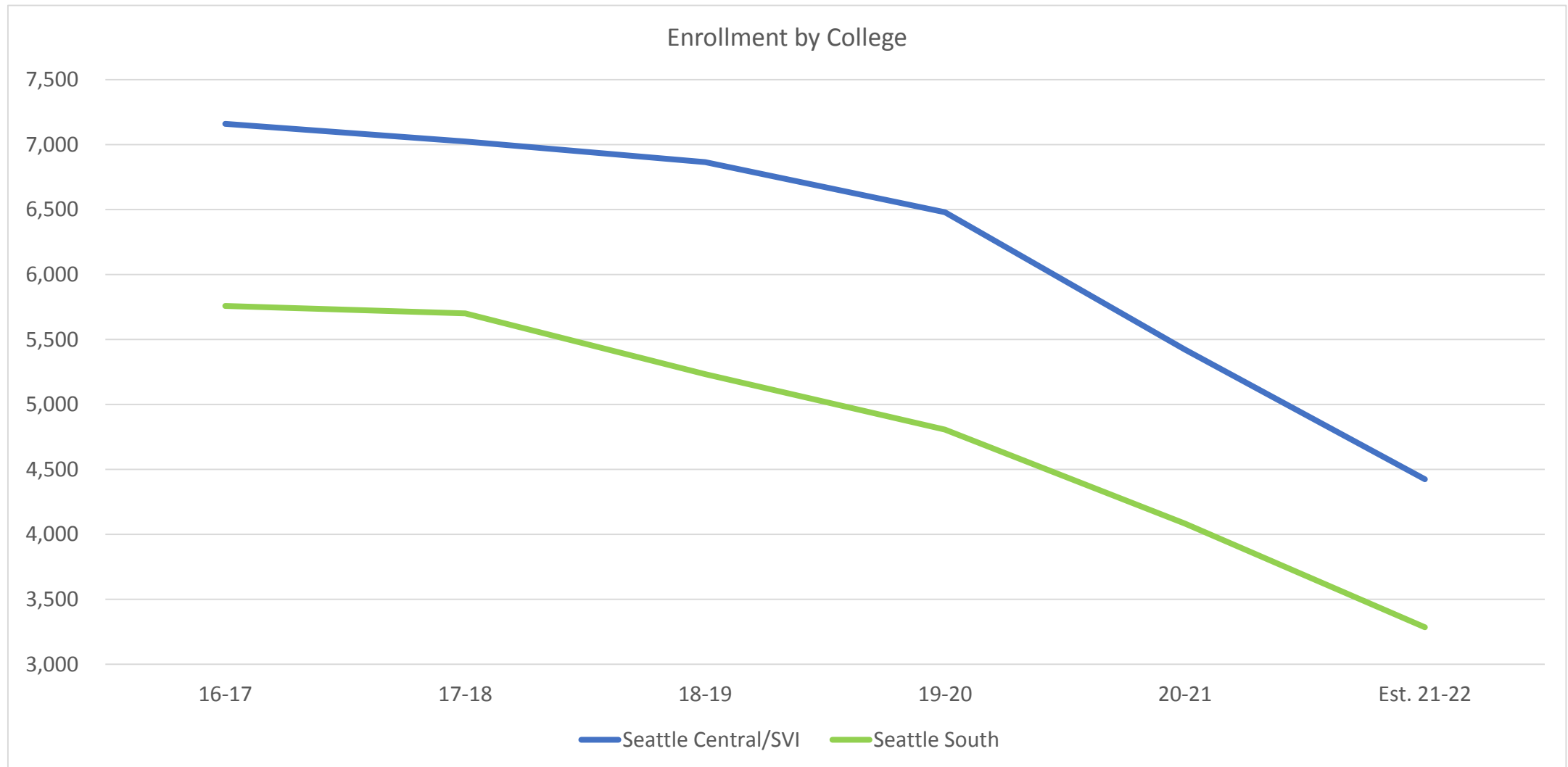
More limited choice of classes for students

Fewer class time options

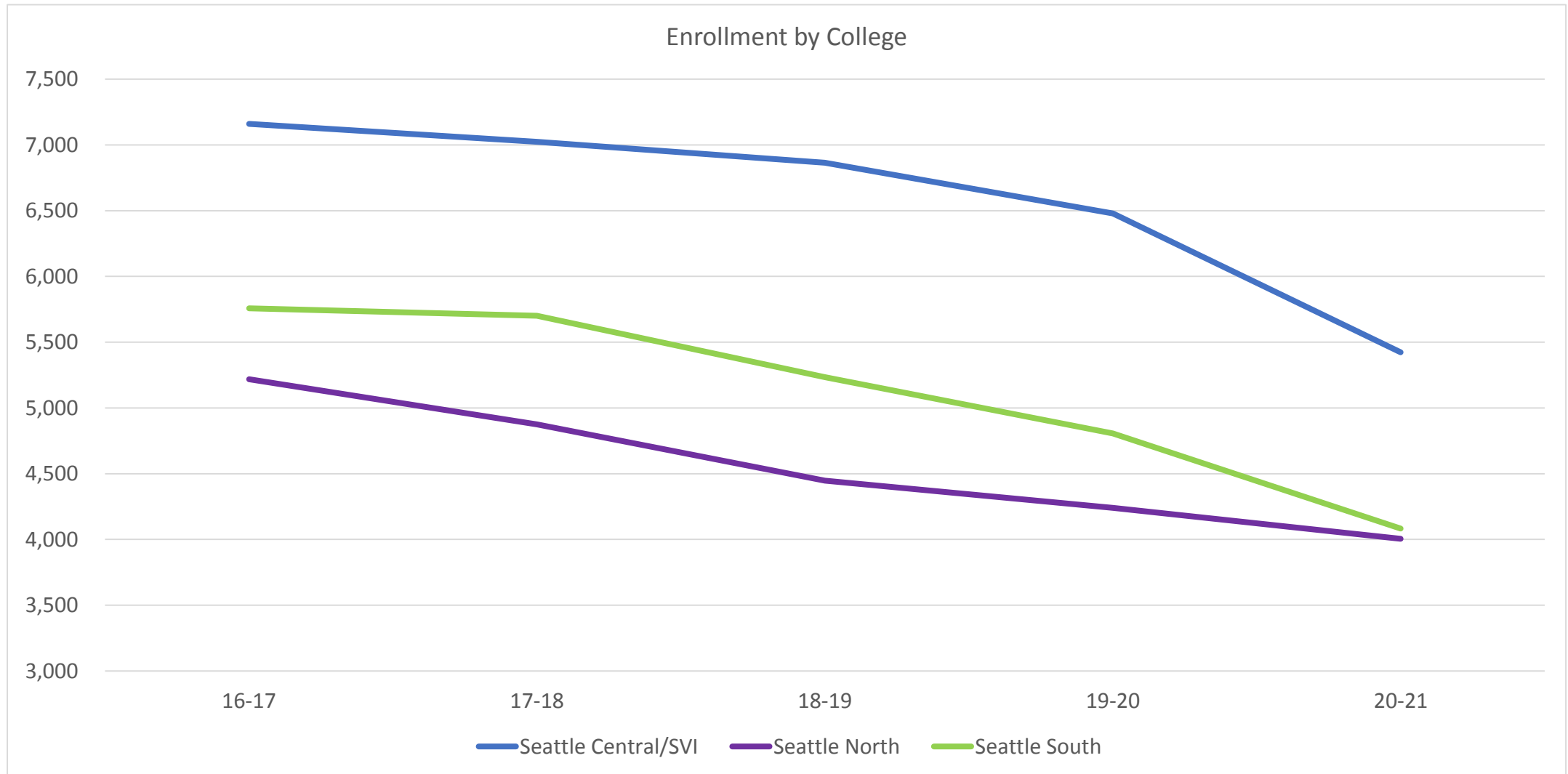
Fewer course sections for faculty to teach, higher S/F ratios



Schedule optimization hurt enrollment?



Schedule optimization



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		



What happens if we meet our goals,
but not all do?



We are not going there.



But what if we end up there?



Not pretty

Community College of San Francisco scenario

SBCTC intervention








We are working diligently to not end up there



Timing

- Board 1st read of budget – May 12th
 - Program suspension (if decided upon) – May 16th
 - Budget Approval – June 9th
 - Position impacts
 - Private – after April 28th
 - Public – after June 9th
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The background is a solid blue gradient. It is decorated with green floral and leaf patterns. In the top left, there is a large monstera leaf and a curved vine. In the top center, there is a spiral shell. In the top right, there is a curved vine. In the middle right, there is a monstera leaf. In the bottom left, there is a palm frond and a spiral shell. In the bottom center, there is a spiral shell. In the bottom right, there is a sprig of leaves.

The floor is yours