



# State of the Pond: FY 2026 Budget vs Actual

Status as of Winter Quarter: December Month-end



# Go Seahawks

Superbowl ZOOM Background

[hawks\\_zoom.jpg](#)

# Agenda

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**01**

Federal Updates

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**02**

Meeting Target Reserves

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**03**

FY 26 Budget vs. Actual Status

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**04**

Budget Solutions

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**05**

FY 27 Budget Planning  
Assumptions

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## **Savings Account**

# **Meeting Target Reserves**

## Policy 608

\*25% Operating Reserves

\*25% Ancillary and Auxiliary Reserves

\*3% Contingency Reserves

\*Capital & Debt Service





**Assuming Balanced Budget, Operating Revenues = Operating Expenses					
	<b>Projected FY 26 Year 1</b>	<b>Projected FY 27 Year 2</b>	<b>Projected FY 28 Year 3</b>	<b>Projected FY 29 Year 4</b>	<b>Projected FY 30 Year 5</b>
<b>Total Estimated Source of Funds, Operating Revenues</b>	<b>\$ 43,229,108</b>	<b>\$ 44,209,946</b>	<b>\$ 45,210,160</b>	<b>\$ 46,062,976</b>	<b>\$ 46,932,606</b>
<b>Total Estimated Source of Funds, Non-Operating Revenues</b>	<b>\$ 2,498,670</b>	<b>\$ 2,548,643</b>	<b>\$ 2,599,616</b>	<b>\$ 2,651,608</b>	<b>\$ 2,704,640</b>
<b>Fund Balance Strategy</b>					
<b>Target Operating FB @25% of revenues</b>	\$ 10,807,277	\$ 11,052,487	\$ 11,302,540	\$ 11,515,744	\$ 11,733,152
<b>Target Non-Operating FB @ 25% of revenues</b>	\$ 624,668	\$ 637,161	\$ 649,904	\$ 662,902	\$ 676,160
<b>Total Target FB</b>	<b>\$ 11,431,945</b>	<b>\$ 11,689,648</b>	<b>\$ 11,952,444</b>	<b>\$ 12,178,646</b>	<b>\$ 12,409,312</b>
<b>Sources for FB</b>					
<b>Beginning Cash Reserve (Unrestricted)</b>	10,958,513	7,661,640	7,661,640	12,161,640	12,161,640
Contribution to Target Contingency for Operating Budget @ 3% of revenues (Year 1)	(1,296,873)				
Sale of Assets: Thunderbird Nest			4,500,000		
Sale/Lease of Assets: (YMCA) partnership					250,000
Others: FY 26 Deficit	(2,000,000)				
<b>Ending Cash Reserve</b>	7,661,640	7,661,640	12,161,640	12,161,640	12,411,640
<b>Difference to Target Reserve</b>	3,770,305	4,028,008	(209,196)	17,006	(2,328)
<b>% to Revenues</b>	<b>16.75%</b>	<b>16.39%</b>	<b>25.44%</b>	<b>24.97%</b>	<b>25.00%</b>

**With sale or  
lease of assets,  
we can  
meet our share  
of the  
District's target  
reserves by  
FY 2028**

# FY 2026 Budget Status as of December 2025

	Prior Year Actuals	Adopted Budget	Modified Budget (Oct)	Modified Budget (Dec)
Operating Revenue	\$51,335,163	\$51,175,390	\$51,586,611	\$51,587,090
District Transfer- International Program	(903,909)	(809,261)	(1,114,668)	(1,114,668)
District Transfer	(7,148,666)	(7,243,314)	(7,243,314)	(7,243,314)
Total Spending Authority	43,282,588	43,122,815	43,228,629	43,229,108
Operating Expenditures	(45,035,628)	(43,122,815)	(44,439,411)	(47,184,889)
<b>Net Operating Surplus (Deficit)</b>	<b>(1,753,040)</b>	<b>0</b>	<b>\$(1,210,782)</b>	<b>\$(3,955,781)</b>

# Changes in Revenue Estimates

	Prior Year FY25 Total YTD	FY26 Modified Budget – October 2025	Budget Adjustments BOT Nov-Dec	FY26 Modified Budget – February 2026
<b>Operating Revenue</b>				
State Allocation	\$34,165,200	\$32,477,480	\$479	\$32,477,959
Tuition	11,108,550	11,900,000		11,900,000
International Programs	2,389,210	3,206,937		3,206,937
Running Start	3,532,984	3,862,194		3,862,194
F&A (Indirect)	139,220	140,000		140,000
<b>Total Operating Revenue</b>	<b>\$51,335,163</b>	<b>\$51,175,390</b>	<b>\$ 479</b>	<b>\$51,587,090</b>

**Adjustments to Revenue Estimates, additional state allocation**



# Adjusting Expenditures

# Adjustments to Expenditures

	Prior Year FY25 Total YTD	FY26 BOT Adopted Budget	FY26 Modified Budget – October 2025	FY26 Modified Budget – February 2026
<b>Operating Expenses by Category</b>				
Salary & Wages	\$29,643,687	\$27,707,220	\$28,975,356	\$31,510,185
Benefits	9,224,070	7,508,491	9,060,253	9,838,280
Grants & Scholarships	1,301,342	1,031,926	1,694,859	1,031,926
Goods & Services	414,704	775,207	443,080	443,080
Capital Expenditures	99,964	58,929	58,929	58,929
Contracted Services	697,689	996,642	759,058	759,058
Utilities	1,751,420	1,440,882	1,440,882	1,760,000
Travel	63,670	142,905	150,474	150,474
Other Expenses	952,883	2,598,285	982,364	758,801
Running Start	453,319	505,635	517,463	517,463
International Programs	222,848	160,465	160,465	160,465
Debt Service Principal & Interest	210,032	196,228	196,228	196,228
<b>Total Operating Expenses by Category</b>	<b>\$45,035,628</b>	<b>\$43,122,815</b>	<b>\$44,439,411</b>	<b>\$47,184,889</b>

# Adjustments to Expenditures

<b>Operating Expenses by Category</b>	<b>Increase (Decrease)</b>
Salary & Wages	2,534,829
Benefits	778,027
Grants & Scholarships	(662,933)
Utilities	319,118
Other Expenses	(223,563)
<b>Total Operating Expenses by Category</b>	<b>2,745,478</b>

Crosswalk of Salary and Benefits changes

	Salary	Benefits	Total
<b>FY 2025 Actual</b>	<b>\$29,643,687</b>	<b>\$9,224,070</b>	<b>\$38,867,757</b>
<b>Less:</b>			
Positions Eliminated	1,919,517	695,156	2,614,673
Furlough Savings	642,654	122,104	764,758
	2,562,171	817,260	3,379,431
<b>Subtotal</b>	<b>27,081,516</b>	<b>8,406,809</b>	<b>35,488,326</b>
<b>Add:</b>			
Furlough Savings Adjustments	292,833	55,638	348,471
Unbudgeted COLA/STEP Adjustments	843,373	276,880	1,120,254
Unbudgeted Separation Adjustments	336,718	45,988	382,706
Unbudgeted WFSE Pay Adjustments	27,302	11,358	38,660
Unbudgeted AFT-Pro Pay Adjustments	20,698	7,058	27,757
New Position due to loss of Fed Funding	107,124	32,566	139,690
Additional Part-time Faculty (backfill and new sections) \$7.4M Budget, \$9.8M FY 25 Actual	2,800,620	1,001,982	3,802,602
<b>Subtotal</b>	<b>4,428,669</b>	<b>1,431,470</b>	<b>5,860,139</b>
<b>FY 2026 Modified Budget Winter</b>	<b>\$31,510,185</b>	<b>\$9,838,280</b>	<b>\$41,348,465</b>

Changes in Salary & Benefits

Part Time Faculty Impact:

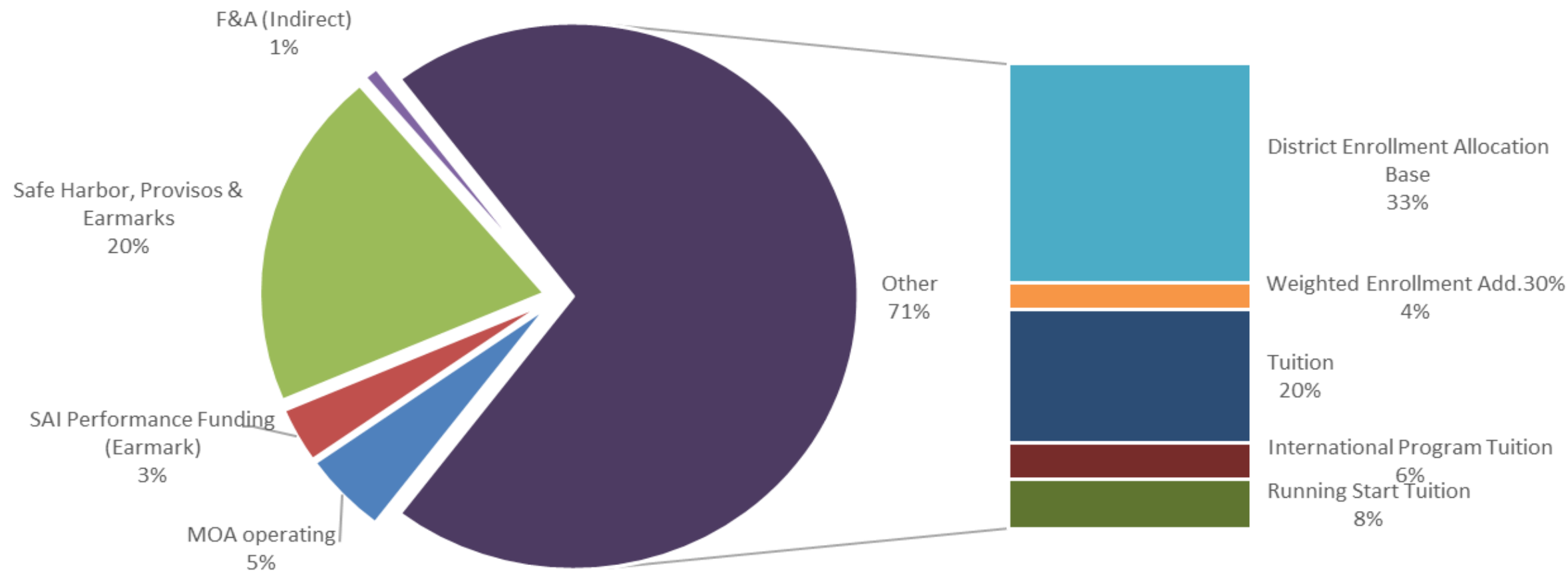
Maintenance of Effort from FY 2025 \$2.4M

Enrollment Growth \$1.4M

# Budget Solutions

# Increasing Revenues (Public good 66% vs Private good 34%)

Seattle Colleges Sources of Operating Budget Revenues





# Revenue Strategies



Fully Funding COLAs \$150K



Improve Performance Metrics



Increase indirect contributions (soft funding) e.g. Facility Rentals, Wellness Center



Meet enrollment demand - **GROW**

# Enrollment Matters: 71%

Enrollment Based Revenues



# Growing Enrollment Implication (State): A Timing Difference

\*Section Management-  
SFR to recoup or  
minimize cost of  
instruction

\*\*Contract FTEs like  
Running Start and  
International Program,  
revenues are realized on  
year of growth.



Year One

Tuition  
Revenues  
Realized (47%)



Year Two

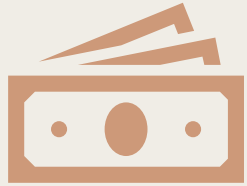
Tuition  
Revenues  
Realized (47%)



Year three

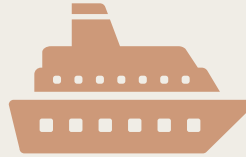
State Allocation  
Realized (53%)  
Tuition  
Revenues  
Realized

# Decreasing Expenditures



## **Personnel Savings**

- Hold Vacant positions
- Reduce stipends
- Transition to soft funding
- Layoffs



## **Travel, Contracts and Good/Services**



## **Functional Analysis between district and college services**

# FY 26 Proposed Budget Solutions

- FROST (positions, stipends and travel)
  - Vacancy Savings \$1.2M
  - Stipends \$140K
  - Travel \$75K
- One-time Soft Funding
  - AFS 35% to College \$122K
  - Lab fees \$25K, Wellness Center \$60K, BeDA/EL Civics \$300K
- Work Study Costs to 3.5% Financial Aid Account \$150K

**Total Identified Savings \$2,059,974**

**Deficit Balance remaining \$1.9M to draw from Fund Balance Reserves**

Preparing for  
FY 27



# FY 2027 Budget Assumptions

Planning for FY 2027	North
Current Operating Revenue/Spending Authority	\$ 43,229,108
Revenue/Spending Authority Changes:	
FY26 Projected Revenue (Shortfall) Surplus	664,288
FY26 Int Progs Spending Authority @ 35%	(305,407)
FY27 1.5% Legislative Decrease	(479,970)
FY27 Financial Model Changes	52,316
FY27 Wage Increase Funding @ 79% of COLA	530,289
FY27 Estimated Tuition Change (3.3%) - with a flat enrollment assumption	392,700
<b>Estimated Revenue/Spending Authority 2027</b>	<b>44,083,325</b>
Current Operating Expenses	47,184,889
Expense Changes:	
FY26 Projected Personnel Expense Overage (part-time faculty)	500,000
FY27 Furlough Add Back	447,133
CBA Requirement to add 1 Counselor per College, full impact for FY27	
FY27 Classified Wage Progression	194,708
FY27 COLA - 2%/2.7% I-732	671,252
FY27 Additional Faculty CBA 1.5%	180,378
<b>Estimated Expenses 2027</b>	<b>\$49,178,360</b>
Implement 3% Contingency per Policy 608	200,000
Estimated 2027 (Shortfall) Surplus	\$ (5,295,036)

# FY 2027 Guiding Principles, Budget Priority, Budget Reductions Rubric

## [Guiding Principles](#)

- Commitment to students, community and each other
- Equity, Inclusion and Transparency
- Financial Stewardship and Stability

## [Budget Priority](#)

- Institutional Priorities to meet District Goals/Core Themes
- Compliance

## [Budget Reduction Rubric](#)

- Contribution to Budget Priority
- Contribution to District Goals (core themes)
- Contribution to program/unit workplan

# Invest in the Future: AFS Funds

- Budget Taskforce
- Budget Rubric
  - 65% to Students
  - 35% to College