



State of the Pond: FY 2027 Budget Preparation

A path to our future

Agenda

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Meeting Target Reserves

02

Update on FY 2026 Budget
Solutions

03

Legislative Updates

04

FY 27 Budget Planning
Assumptions

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

Meeting Target Reserves



Savings Account

Policy 608

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

- *25% Operating Reserves
- *25% Ancillary and Auxiliary Reserves
- *3% Contingency Reserves
- *Capital & Debt Service

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Select ▾

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Thunderbird Nest

9250 College Way North, Seattle, WA 98103, USA

OPENING IN 2029

Applications are NOT being accepted yet (no waitlist)

[Email us](#)

Dayna Dealy

Sr. Housing Developer

David Baker, Housing Developer

Media Contact:

Megan Mayes

mmayes@bellwetherhousing.org

206-428-3761

209 Homes

Licton Springs

Monetizing Assets

- SW Corner : [ThunderBird Nest Project](#) with Bellwether and Chief Seattle Club
- SE Corner or adjacent to Wellness Center: LOI with YMCA

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)
Net Operating Surplus (Deficit)	(1,753,040)	0	\$(1,210,782)	\$(3,955,781)

Budget Solutions

FY 26 Budget Solutions (with estimated amounts)

- 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

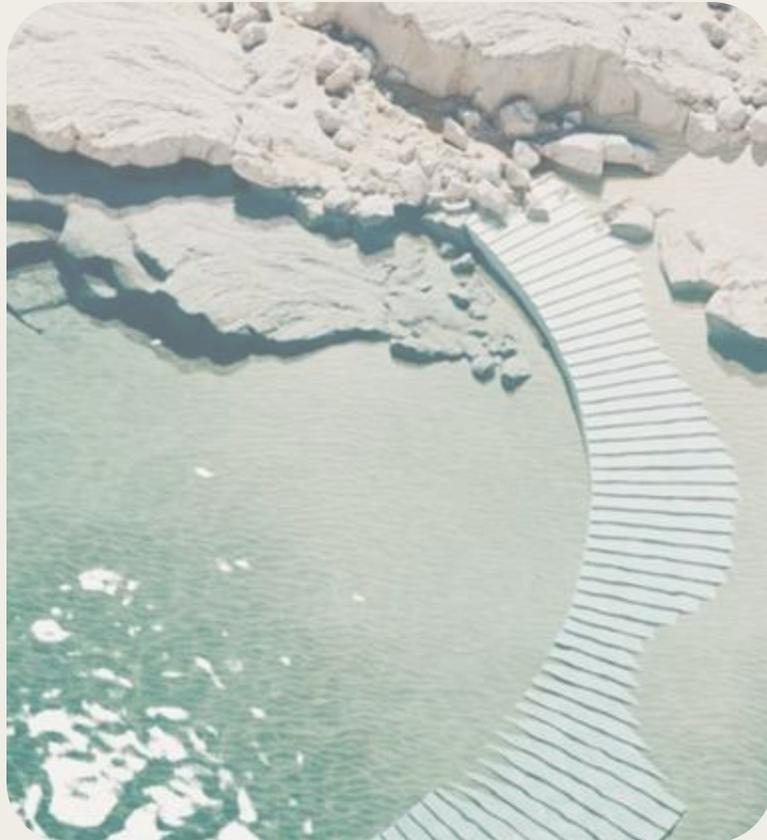
Approved by College Council February 2026

List of Vacancies

Salary & Benefits

*Backfilled

To be Hired



Title	POSITION TITLE	Net Estimated Savings
BUSINESS OPERATIONS*	Fiscal Analyst 2	\$88,613
Facilities & Plant Operations*	HVAC Technician	\$127,381
Facilities & Plant Operations	Maintenance Mechanic 2	\$94,661
Custodial Services*	Custodian - North	\$63,042
Custodial Services*	Custodian 2	\$65,831
Facilities & Plant Operations*	Custodian 2	\$43,940
Advising & Student Success	Specialist - Student Success	\$63,196
Math & Science*	FTF - Physics	\$15,000
Campus Security*	Campus Security Officer	\$103,764
INSTRUCTION	Spec - Workforce Education	\$101,245
WORKFORCE INSTRUCTION*	FTF - Business	\$15,000
WORKFORCE INSTRUCTION*	Internship Coordinator	\$59,270
STUDENT SERVICES	Navigator	\$101,246
STUDENT SERVICES*	Dean of Student Services	\$0
ACO*	ACO Director	\$33,761
BUSINESS OPERATIONS*	Associate Director	\$30,000
Media Center	Program Manager A	\$9,602

List of Travel and Stipend Reductions

Department	Type	Amount
Worker Retraining	Travel	\$52,000
Accreditation	Travel	\$4,500
Accreditation	Stipends	\$2,628
VP of Instruction	Travel	\$1,039
Faculty Development	Travel	\$1,250
Math & Science	Travel	\$550
App Development	Travel	\$1,500
Early Childhood Education	Travel	\$2,474
Instruction – PT Faculty	Stipends	\$62,607
Faculty Development	Stipends	\$69,552
Business Office	Travel	\$6,231
Total		\$204,421

Preparing for
FY 27

Legislative Status, Session ends 3/12

Operating Budget

- Funding Split 79% vs 21%: \$240K
- 1.5% Reduction: \$480K
- Running Start: reduction of summer RS enrollment: \$124K

Capital Budget

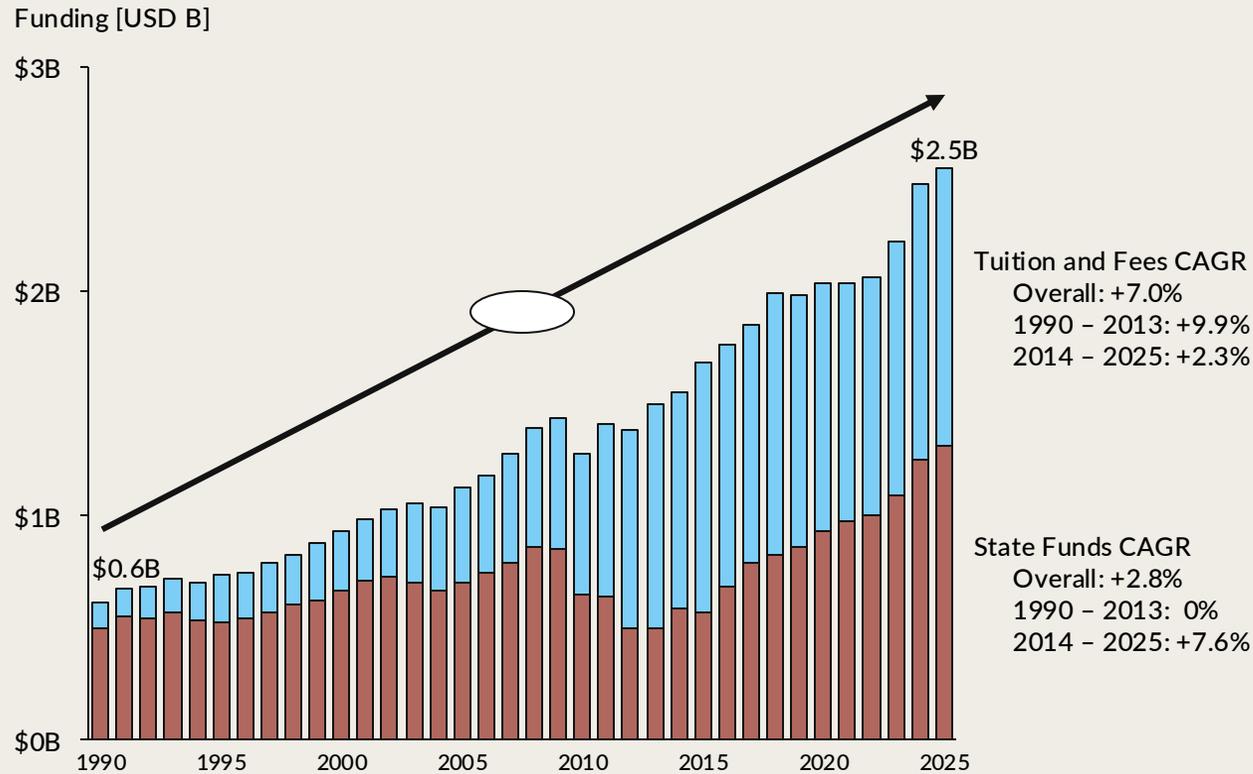
- Decarbonization Arts & Sciences Bldg \$7.8M

Other Policy Implication

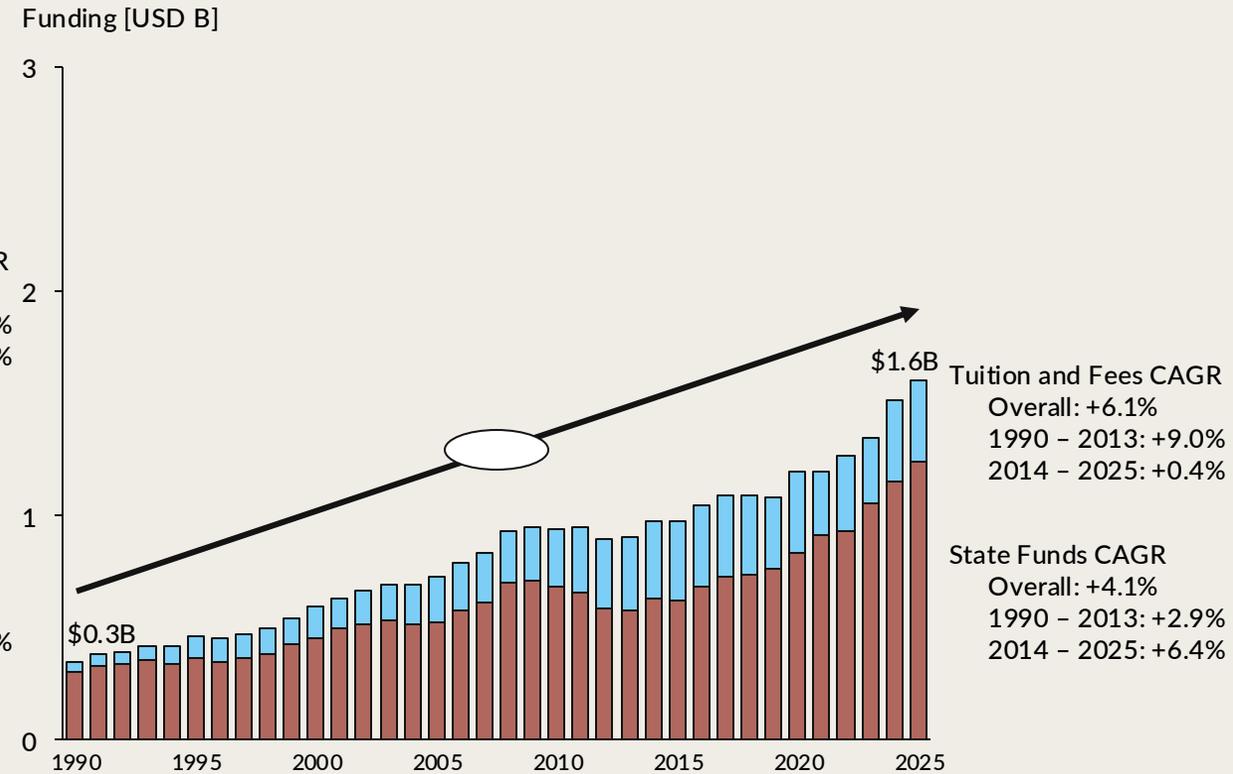
- Efficiency Proposal
- Use of Building Fees
- College Affordability Program of 2015

Level Setting: State Funds and Tuition by Sector

Baccalaureate Institutions State Funds and Tuition



Community and Technical Colleges State Funds and Tuition



Notes:

- Not adjusted for inflation. State funds do not include accounts related to capital (i.e., construction, building, or facility maintenance), all other sources included
- State-based financial aid is captured within Tuition and Fees (to be validated with OFM)

Source: [Legislative Evaluation and Accountability Program \(LEAP\) Committee's "Higher Education Historical Data Report," Updated May 2024](#)

Major influences on higher education funding policy over time in WA



Efficiency Proposals- District Closures or Consolidation

District/College Closures or Consolidations

Authorities and Legislation

Item/Concept	Who Has Authority/Responsibility	Legal Reference
<i>What Districts Exist and What are their Geographic Boundaries?</i>	Legislature	RCW 28B.50.040
<i>Modifying district geographic boundaries and consolidations of “district structures”</i>	The State Board	RCW 28B.50.090(6)
<i>Proposed House budget: “The state board for community and technical colleges shall examine the current number of community and technical colleges and make a recommendation for the reduction of at least one institution in the system...”</i>	The State Board	House Appropriations Bill: HB 2289

Fund Swap: Building Fee to Operating Budget

- How the current Building Fee appropriation is set and used
 - SBCTC projects biennial revenue
 - SBCTC requests minor works projects that use up that projection
 - During the Biennium, SBCTC monitors actual revenue. If there's a shortfall, we work with system colleges to stop bidding on any projects that haven't been started yet.

Fund Swap: Building Fee to Operating Budget

- If Building Fee is used for the Operating Budget
 - Leg “sweeps” non-existent funds. The Capital Appropriation was based on a projection, not on “money-in-hand.”
 - Leg provides operating appropriation for full year. Colleges budget that for the year.
 - If there is a revenue shortfall, *OFM must either find some other backfill source, or cut our allotment mid-year.*

College Affordability Program (CAP)

- 2015 ESSB 5954
 - Reduced Tuition by 5% in 2015-16 and 5% in 2016-17
 - Guaranteed to backfill that amount
 - Guaranteed to increase that original backfill amount by CPI inflation
 - Our “backfill” proviso in any appropriations act is just the legislature following their own law to make sure that the original tuition backfill in from the cuts in 2015-17 gets inflated over time. (Roughly \$25M for the entire system)

FY 2027 Budget Assumptions

Planning for FY 2027	As of Feb 2026	As of Mar 2026
Current Operating Revenue/Spending Authority	\$ 43,229,108	\$ 43,229,108
Revenue/Spending Authority Changes:		
FY26 Projected Revenue (Shortfall) Surplus	664,288	664,288
FY26 Int Progs Spending Authority @ 35%	(305,407)	(305,407)
FY27 1.5% Legislative Decrease	(479,970)	(479,970)
FY27 Financial Model Changes	52,316	52,316
FY27 Wage Increase Funding @ 79% of COLA	530,289	904,465
FY27 Estimated Tuition Change (3.3%) - with a flat enrollment assumption	392,700	392,700
Estimated Revenue/Spending Authority 2027	44,083,325	44,457,500
Current Operating Expenses	47,184,889	47,184,889
Expense Changes:		
FY26 Projected Personnel Expense Overage (part-time faculty)	500,000	536,641
FY26 Int Progs Spending Authority @ 35%		
FY27 Furlough Add Back	447,133	447,133
FY27 Classified Wage Progression	194,708	194,708
FY27 COLA - 2%/2.7% I-732	671,252	1,144,892
FY27 Additional Faculty CBA 1.5%	180,378	398,110
Estimated Expenses 2027	\$49,178,360	\$49,906,373
Implement 3% Contingency per Policy 608	200,000	200,000
Estimated 2027 (Shortfall) Surplus	\$ (5,295,036)	\$ (5,648,873)

Other Updates

- Parent Education
- 15% Budget Scenario
- Budget Timeline
- FEES proposal

FY27 BoT Fee Proposals

Department Name:	Type of Fee Request:	Fee Type:	FY26 Amount:	Proposed FY27 Amount:
Student Services	Existing Fee	Pass-through Fee	20.00	21.20
Arts, Humanities, and Social Sciences	New Fee	Pass-through Fee	-	150.00
Workforce Instruction Division - Computer Science	New Fee	State-funded Class/Course Fee (pass thru fee)	-	25.00
Workforce Instruction Division - Information Technology	New Fee	State-funded Class/Course Fee (pass thru fee)	-	15.00
Electronics - Workforce Instruction Division.	Existing Fee	State-funded Class/Course Fee	10.00	10.65
Electronics - Workforce Instruction Division	Existing Fee	State-funded Class/Course Fee	95.00	101.18
Transportation, Safety and Security	Existing Fee	Miscellaneous Fee	10.00	30.00
Transportation, Safety and Security	New Fee	Miscellaneous Fee	-	10.00