

STRATEGIC BUDGET REDUCTION AND FUTURE PLANNING TASK FORCE

Report #1 to the Chancellor | July 2, 2020

Guiding Principles

Prioritize students and student learning.

Remain true to Seattle Colleges’ [Strategic Plan](#) and to our critical role in the community

Prioritize equity, diversity, and inclusion in discussions and when building consensus.

Invest in:

- The core of what we do: teaching and learning and critical support services.
- Creative, entrepreneurial ways to generate opportunities and revenue.
- Partnerships with community, business, and industry.

Protect Seattle Colleges’ strengths and long-term viability.

Comply with mandates of external agencies.

Fulfill contractual obligations.

OVERVIEW

In May 2020, Seattle Colleges Chancellor Shouan Pan established a Strategic Budget Reduction and Future Planning Task Force to recommend potential district-wide budget reduction strategies as well as longer-term strategies for revenue growth and financial sustainability. Dr. Pan appointed Vice Chancellor Kurt Buttleman and Executive Vice President Bradley Lane to facilitate the process and meetings. The Task Force consists of 16 members representing the Colleges and the District Office (Attachment A). Faculty, classified staff, and professional staff were represented by their respective unions. The chairs of each College Council also served as representatives of their colleges, and Chancellor’s Executive Cabinet appointed the remaining administrators. The Committee’s guiding principles were developed at the first meeting and are provided in the column at left.

CHARGE FROM THE CHANCELLOR

In Chancellor Pan’s words, “the outbreak of Covid-19 pandemic has drastically changed financial realities for Seattle Colleges. The federal CARES Act funds are timely in helping students and colleges offset some of the unexpected expenses incurred in order to respond to the pandemic; Seattle Colleges, however, faces looming budget cuts, most likely in the range of 10%-20%.”

In response to this challenge, Chancellor Pan formed this Task Force to bring stakeholders together to “lean into our collective discipline, best thinking, and creativity to build a budget and a future investment plan that not only addresses budgetary shortfalls, but more importantly repositions us to be a more viable system beyond the Covid-19 pandemic.”

The Task Force was given a draft of some common budget reduction tools utilized in higher education, accrued from statewide surveys conducted by the Washington State Board for Community and Technical Colleges. The Task Force was then asked to provide responses to these tools in the form of recommendations that could be presented to the Chancellor and Presidents by July 1, 2020 to help inform their decisions.

Beyond these initial recommendations, the Task Force is expected to further inform recommendations on increasing efficiency and identifying opportunities for future investment in further meetings in Summer and Fall 2020.

TIMELINE

The July 1 deadline imposed by the Chancellor and Presidents for an initial report meant that the first phase of the Task Force’s work would be completed approximately over one month’s time. As a result of this short time frame, the committee did not delve into long-term rebalancing and revenue generating strategies nor perform in-depth budget and data analysis for a particular college or unit. Instead, the committee was primarily tasked with providing broad “big picture” input on the following:

- recommend guiding principles for decision making
- recommend options for balancing the budget that focused on more immediate, short-term budget reduction strategies
- generate ideas for long-term financial stability

Four meetings of the Task Force were held via Zoom on May 27, June 6, June 22, and June 26. Minutes and materials from the meetings can be found at: <https://www.seattlecolleges.edu/strategic-budget-reductions-and-future-planning>

Leading with Racial Equity

It is essential to apply an equity lens to guide the District Strategic Budget Reduction and Future Planning Task Force to reflect on how budgetary decisions burden or benefit underserved communities, particularly communities of color and low-income communities within our institution.

The Task Force developed an equity framework to analyze each decision to ensure that we are advancing equity through applying an equity lens and to lead with racial equity. The Task Force is made up of members from all three of the colleges who have diverse work, educational, and life experiences, and includes SCD alumni. Please see committee member list in Attachment A.

The Task Force recognizes that our membership might not reflect all voices, racial identities, gender expressions, and abilities. We further recognize that the compressed timeline brought about by the Covid-19 crisis did not provide us with enough time to identify and address as many dynamics of racism within our processes as we would have liked. That said, our desire is to lead with racial equity and we are committed to ongoing reflection and improvement.

Overview of the District Strategic Budget Reduction and Future Planning Task Force Equity Training Experience:

Seattle Colleges’ Equity Leadership Capacity Building Institute; People’s Institute’s Undoing Institutional Racism training; University of California Equity and Inclusion training; PSESD (Puget Sound Educational Service District 121) Coaching and Leading for Racial Equity and Inclusion; Implicit Bias for Hiring Committees training; Race & Labor training; Intercultural Development Inventory training; Inclusion Advocate training; Power, Privilege and Systemic oppression training; Safe Zones training, Anti-Bias Training; Alliance building training; Intercultural Development and Crisis; Mindfulness facilitation training; Cultural sensitivity in the classroom training. EDI Strategic Decision Making Training; Strategies for Supporting Basic and Human Needs Training.

Racial Equity Guiding Budget Questions for Leadership and the Task Force:

Why is it important for you to disrupt and dismantle inequitable budget practices, policies, and systems so that all have equitable access to resources and the ability to achieve at high levels within the institution?

What does this data tell us about how communities of color and low-income communities are faring during the budgetary decision, and/or processes?

If proposing a recommendation, what will be the impact on specific racial identities and income demographics who will be affected by the recommendation?

Prioritizing equity in budgetary decisions should be transparently reflected in your institutions overall budget. Are you able to see equity in your recommendation?

Review Racial Equity Framework please see **Attachment B**.

Review Equity, Diversity & Inclusion Definitions please see **Attachment C**.

BUDGET REDUCTION STRATEGIES – RANKING AND IMPACT ANALYSIS

The Task Force focused its work on prioritizing a list of budget reduction strategies and providing feedback and stakeholder input on those strategies. This list was compiled from items listed on a survey sent out by SBCTC in Spring 2020, ideas considered by a previous Seattle Colleges' Budget committee in 2009, and other items suggested by the Task Force members or in conversations with leadership. The list was intended to start budget reduction conversations at each college rather than represent specific decision points that colleges would be required to implement. **It is expected that, after the distribution of this report, the Colleges and the District Office will undertake their own budget reduction processes based on their specific contexts.**

During its deliberations, the Task Force engaged in a brainstorming process that considered a number of impacts for each strategy, including the impact on possible cost savings (although limited data on savings estimates was readily available), the direct impact on students, the impact on collective bargaining agreements, and the impact on racial equity, especially for students or employees from historically underserved groups. If a listed strategy was deemed to have a high potential for inequitable racial impact, it was de-prioritized or consideration was given to how to minimize that potential.

The complete table of budget reduction strategies is provided below, along with the Task Force's impact analysis and any notes or questions from the Task Force concerning a particular idea. Strategies are sorted from highest priority to lowest priority in the table —i.e., the budget strategies at the top of the list were ranked as a higher priority for executive leadership to consider implementing than those at the bottom of the list. Additional remarks concerning the strategies will follow the table.

BUDGET REDUCTION STRATEGIES	Savings potential	Impact on students	Impacts on contracts	Potential for inequitable impact	Notes / Questions
Voluntary Furloughs	Low	Low	Low	Low	The impact of this is highly dependent on who and how many would volunteer.
Offer early retirement incentives	Low	Low	Low	Medium	Questions around the different retirement options and how this would impact the different employee groups. Would potentially allow for progress toward a more diverse staff and faculty.
Freeze / reduce spending on travel	Low	Low	Low	Low	It is perceived this would be a fairly small savings. Would need more data to make a more informed recommendation.
ctcLink change impact / review ctcLink's overlap with other software licenses (ex. Starfish)	high	high	Medium	Low	Would need detailed information on what overlaps exist to be able to determine the significance of the impact on students, faculty, and staff.
Reduce or eliminate paid sabbaticals	Low	Low	Medium	Low	It is perceived this would be a fairly small savings. Would need more data to inform a more informed recommendation.
Freeze vacancies	Medium	High	High	High	Equity impact depends on what areas the vacancies are in. If these are student-facing areas, could have a significant inequitable impact. Movement of existing employees into critical vacancies should be considered. Attempt to retain existing employees as much as we can. Be cognizant of unintended negative impacts to progress on Strategic Plan.
Increase private fundraising (benefit to students & programs)	Low	High	Low	Low	
Seek Federal economic stimulus package funds	High	High	Low	High	Concerns about the limitations on current student CARES funds (i.e., DACA, etc.) / Take advantage of this if available and the "strings" are palatable.

Consolidation of programs and services	high	high	high	High	<p>Potential for inequitable impact depending on what programs or services would be consolidated. Could have a significant inequitable impact (access to programs / transportation issues / access).</p> <p>Consider if these are "high impact" to students. Some of the "back office" programs and services should be considered first. Centralizing administrative and other support services and other long-term strategies could be very efficient, assuming that the latest telecommunication technologies can be utilized to increase the efficiency of centralized administration so that it could help with faster cross-department communications, response, and feedback.</p>
Look for opportunities to leverage assets and equipment, such as selling available real property, leasing space, renting equipment, leasing advertising space	Low	Low	Low	Medium	<p>Sunk (fixed) costs can recover some overhead. State Property would first go back to State so opportunities are limited. COVID could cause decline in renting office space. Prioritize spaces for student needs before considering.</p>
Freeze / reduce spending on professional development	Medium	Medium	Medium	Medium	<p>Need more data to determine savings impact.</p>
Combine positions - colleges and across the District	Low	High	High	High	<p>Consider if these are "high impact" to students. Some of the "back office" positions should be considered first. Centralizing administrative and other support services and other long-term strategies could be very efficient, assuming that the latest telecommunication technologies can be utilized to increase the efficiency of centralized administration so that it could help with faster cross-department communications, response, and feedback.</p>
Reduce auxiliary services (food service, rentals, conference services, etc.)	Medium	Medium	Medium	Medium	<p>Need more data to determine cost versus savings impact.</p>

Require furloughs (unpaid leave)	Medium	High	High	High	More information on which classifications of employees would be furloughed. Potential to "further the divide" between staff and faculty since the reality is that faculty can't technically participate in a furlough.
Freeze / reduce spending on supplies	high	high	low	High	Probably not significant savings in supplies. Faculty / front line staff may be burdened with having to supply supplies for students, etc.
Close / reduce low revenue generating programs	High	Medium	High	Medium	
Close / reduce lower demand programs	High	Low	High	Medium	Need more data on who the programs serve.
Do not give COLA on July 1	High	Low	High	High	Concerns about this and the possibility of it not being restored later.
Increase class size up to class caps	Medium	High	Low	High	Lots of local factors go into the decisions on this.
Position reductions (layoffs)	Medium	High	High	High	
Eliminate low enrolled programs	Low	High	Medium	High	Could also impact community partnerships.
Freeze / reduce spending on equipment	Medium	High	Low	High	Need more data to determine savings impact.
Eliminate part time positions	high	high	high	High	
Close / reduce high cost programs	High	Medium	High	Medium	Need data on program enrollments and outcomes.
Contract out selected support services	Medium	High	High	High	

Establish a Grants Office to Increase grant funding that supports and fits the mission	Low	High	Medium	High	Idea- consolidated grants office
Delay budget cuts by using reserves & other non-state revenue	Low	Low	Low	Low	Not allow us to "kick the can" down the road and make some of the hard decisions to be more effective for students. More information on the size of potential reserves is needed to make a more informed recommendation.
Reduce enrollment in non tuition paying programs	Medium	High	High	High	
Reduce community outreach / fund-raising	Medium	High	Medium	High	Outreach is Student Services, and Fundraising is Strategic Partnerships/Development.
Further defer facilities' maintenance (Distinguish tween RMI-State- Local Funds)	Low	High	Low	Medium	Student impact high and inequitable (lower paid staff).
Reduce student activities	Low	Medium	Low	High	Not funded through State \$, funded through S&A; therefore, minimal savings potential.
Reduce IT support and planned IT upgrades	High	High	Medium	High	
Reduce direct student services (Financial Aid, Library, Advising, Career Services, etc.)	Medium	High	High	High	Need to differentiate Student Services from other area (i.e. Library is Instruction).

GENERAL BUDGET RECOMMENDATIONS

The Task Force recommends that Colleges and the District regularly review performance against budget to keep program expenses within budget, as well as budget against revenue to ensure expenses can be covered by existing resources. Quarterly reviews need to be in place to identify programs that are overspending based on projected revenue. Variance reports should be reviewed each quarter examining both expenses and revenue projections versus actuals. Self-support programs must fully cover expenses with revenues each year.

The Task Force recognizes that college programs and services do not operate in silos. Cuts in one area directly impact others. Recognizing this, appropriate stakeholders need to be consulted when evaluating possible cuts to programs or services. Consideration should be given to what adjustments might need to be made to related programs or services in response to cuts made elsewhere.

The Task Force recommends that position reductions and mandatory furloughs use a progressive approach that is sensitive to our BIPOC employees and creates the least financial harm to those with the most to lose. Mandatory furloughs should not fall on lower paid employees unless higher paid employees are also included. This is important due to both issues of equity and as a community of colleagues working towards the needs of our students. The lived reality of an hourly employee being forced to reduce hours is significantly different than a higher paid salary employee being asked the same thing. The optics of not starting furloughs with the highest paid employees is deeply problematic when we are asking our larger communities to share in the burden of budget cuts.

Constituents questioned whether opportunities for increased revenue are being investigated as well and expressed concern about cuts that impact the ability to serve students. Given that one of the biggest strengths of the 2-year college is flexibility and nimbleness, meaning SCD is better positioned to make changes to attract potential students than larger institutions, the Task Force requests that part of the ongoing project, in addition to budget cuts, is to identify innovations that could take advantage of the opportunities presented by high unemployment and current political and cultural conditions.

STRATEGIES DISCUSSED- RECOMMEND

Strategies from the table with the highest level of support hold potential for cost savings or additional revenue, and, when compared to other strategies, may lead to fewer negative impacts to students or be less likely to exacerbate racial inequities for students and employees. These include:

- Voluntary furloughs.
- Early retirement incentives.
- Freeze/reduce spending on travel.
- Review licenses and costs of software/technology in relation to ctclink (eg. Starfish).
- Reduce or eliminate paid sabbaticals.
- Freeze vacancies, with some exceptions.
- Increase private fundraising.
- Seek additional economic stimulus package funds.
- Consolidate 'back office' programs and services that do not provide direct service to students.
- Leverage assets and equipment, including sale or lease to outside agencies where appropriate.
- Freeze or reduce spending on professional development.

STRATEGIES DISCUSSED- MIXED SUPPORT

Many of the strategies with more mixed levels of support hold some potential for cost savings but may also lead to potentially negative impacts to students and/or exacerbate racial inequities for students and employees. Other strategies with mixed support have less potential for cost savings compared to the effort required to implement the given strategy. Although it may be unavoidable to consider strategies like these given the magnitude of cuts required, the Task Force encourages executive leadership to employ equity-based decision-making tools and consider alternatives prior to implementing strategies from this list:

- Combine positions, across colleges and the district.
- Reduce auxiliary services.
- Require furloughs, especially for employees earning salaries above the median wage.
- Freeze or reduce spending on supplies.
- Close or reduce low-revenue generating programs.
- Close or reduce lower demand or low-enrolled programs.
- Do not give COLA on July 1.
- Increase class sizes up to class caps.
- Position reductions/layoffs.
- Freeze or reduce spending on equipment.
- Eliminate part-time positions.
- Close or reduce high-cost programs.

STRATEGIES DISCUSSED- DO NOT RECOMMEND

For many of the strategies below that are not recommended, the potential negative impacts may outweigh the potential cost savings for a given strategy. Again, the Task Force encourages executive leadership to consider alternatives while employing equity-based decision-making tools, rather than implementing strategies such as these at this time:

- Reduce direct services to students (financial aid, library, advising, career services).
- Consolidate programs and services that provide direct services to students (as opposed to 'back office' functions).
- Reduce IT support
- Stop planned IT upgrades.
- Reduce student engagement activities.
- Further defer facilities' maintenance.
- Reduce community outreach/fundraising.
- Reduce enrollment in non-tuition-paying programs.
- Delay budget cuts by using reserves and other non-state revenue.

NEXT STEPS

The Task Force will reconvene during Summer and Fall 2020 to continue their work and to look specifically at longer-term strategies for revenue generation and ongoing financial sustainability. One strategy that was discussed by the task force but not placed in one of the categories above was the establishment of a more consolidated approach to grants to increase grant funding in alignment with mission. Because this is a longer-term strategy aimed more at revenue generation, the Task Force will consider it alongside other similar strategies during a later phase of its work.

ATTACHMENT A
Strategic Budget Reduction
and Future Planning Task Force

COMMITTEE MEMBERS

CO-CHAIRS	Kurt Buttleman, <i>Vice Chancellor, Academic and Student Success</i> [District] Bradley Lane, <i>Executive Vice President, Instruction, Finance, & Planning</i> [Central]
NORTH SEATTLE	Toni Castro, <i>Vice President, Student Services</i> D’Andre Fisher, <i>Associate Vice President, Equity, Diversity, and Inclusion</i> Jim Jewell, <i>English faculty, College Council representative</i>
SEATTLE CENTRAL	Johnny Dwyer, <i>IT Services, WFSE representative</i> Kao LéZheo, <i>Dean of Student Success, College Council representative</i> Scott Rixon, <i>Director of Human Resources</i>
SOUTH SEATTLE	Lawrence Cushnie, <i>Political Science faculty, College Council representative</i> Julienne DeGeyter, <i>Vice President, Administrative Services</i> Cody Hiatt, <i>Director of Fiscal Services, AFT ProStaff representative</i> Leticia Lopez, <i>English faculty, AFT representative</i> Veronica Wade, <i>Executive Dean, Professional and Technical Education</i> Mac Witt, <i>Communications Consultant, College Council representative</i>
DISTRICT OFFICE	Jennifer Strother, <i>Interim Vice Chancellor, Finance and Operations</i> Annette Stofer, <i>Basic & Transition Studies faculty, Intensive English faculty, part-time faculty, AFT representative</i>

ATTACHMENT B

This framework is to help structure leadership, decision-making, and approaches to managing the work of the District's Strategic Budget Planning and Future Planning Task Force. The Seattle Colleges' definitions of Equity, Diversity & Inclusion guide our work (Attachment C.).

Below are three major recommendations to drive Leading with Racial Equity on the District's Strategic Budget Planning and Future Planning Task Force.

Apply Racial Equity Making Decisions – The ability to apply racial equity is a skill that must be added to all decision-making committees. We must keep asking equitable questions at every point in the decision-making process. This will ensure we are reaching and including our most vulnerable and marginalized populations so that everyone comes through this together and well.

Support Communities with Racial Equity – In a time like this, the needs of diverse and most vulnerable students, staff, and faculty may easily be lost in efforts to build mass solutions to budget reductions. We must set up processes to address not only institutional and academic but also basic and cultural needs. Specific to our most vulnerable communities may be a need for additional support due to mental and emotional health, job loss and limited financial resources, weak social networks, abusive home situations, disabilities, digital deserts, sick leave, and many more issues. We must work to maintain a strong sense of community in classes, departments, units, colleges, and across the entire District. To be inclusive, we must ensure that those who understand these needs are centrally embedded in the decision-making processes.

Communicate Thoughtfully and Inclusively – There is no such thing as over-communication in a budget meeting. Communicating intentionally, inclusively, transparently, and often are crucial as we provide budget recommendations to leadership.

Working within this three-part action framework, we can prevent people of diverse identities from being left further behind during our budgetary decisions, and we can continue to advance an agenda that makes our organizations inclusive and excellent for everyone.

References

Fisher, D. (2020). Associate Vice President of Equity, Diversity and Inclusion: Chief Diversity and Equity Officer at North Seattle College.

Williams, D. (2013). Strategic Diversity Leadership: Activating Change and Transformation in Higher Education. Sterling, VA: Stylus Publishing Press.

Williams, D., and Wade-Golden, K. (2013). The Chief Diversity Officer: Strategy, Structure and Change Management. Sterling, VA: Stylus Publishing Press.

ATTACHMENT C

Equity, Diversity & Inclusion Definitions

The Seattle Colleges' definitions of Equity, Diversity & Inclusion guide our work.

EQUITY - "Historically, equity refers to the process of creating equivalent outcomes for members of historically underrepresented and oppressed individuals and groups. Equity is about ending systematic discrimination against people based on their identity or background." Williams and Wade-Golden, 2008

Seattle Colleges leads with racial equity because we acknowledge the history and impact that intergenerational and institutional barriers have had on students of color, who make up 44% of our student body (or nearly 60% of students who identify by race on their applications), while our faculty and staff do not yet reflect these same demographics.

DIVERSITY - As an open access institution, Seattle Colleges holds diversity as an ongoing discovery of the intersections of identities, and "diversity refers to all of the ways in which people differ, including primary characteristics, such as age, race, gender, ethnicity, mental and physical abilities, and sexual orientation, and secondary characteristics, such as education, income, religion, work experience, language skills, geographic location, and family status. Put simply, diversity refers to all of the characteristics that make individuals different from each other and in its most basic form refers to heterogeneity." (Williams and Wade-Golden, 2008)

INCLUSION - This work matters because students and employees thrive where they feel they belong, especially in a climate of political divisiveness. "Inclusion exists when traditionally marginalized individuals and groups feel a sense of belonging and are empowered to participate in majority culture as full and valued members of the community, shaping and redefining that culture in different ways." (Williams and Wade-Golden, 2008) It is important to note that inclusion, by itself, is not enough. The pursuit of inclusion without discernment of the impact of providing commensurate access to majoritarian actions and practices can actually undermine the original purpose of empowering minoritized communities.