

Special Meeting
Board of Trustees
Coast Community College District
District Board Room
5:00 p.m. Special Meeting
June 3, 2009
Minutes

1. Call to Order

Board President Jim Moreno called the meeting to order at 5:02 p.m.

Thank you for joining us tonight as we begin a discussion of what will be the first of several pertaining to the state of the budget. We are not on the dais tonight as we want to have interactive dialogue. There will be no debate tonight and we will run a tight ship. The dialogue will consist of a compilation of your remarks, suggestions and presentations. Staff will review the information as well as the Budget Advisory Committee and recommendations will be made.

I don't know how to convey to you how difficult it is to conduct business right now. What we thought was normal 6 months or even a year ago is no longer normal. I think back to January when one of the analysts stated that this was going to be a tough year and suggested that we all treat each other with kindness. Let's keep that in mind here tonight.

We are a community that needs to work this out and come up with solutions. They will be tough solutions but they will be our solutions.

2. Pledge of Allegiance

Trustee Mary Hornbuckle led the Pledge of Allegiance to the United States of America.

3. Roll Call

Trustees Present: Jim Moreno, Jerry Patterson, Mary Hornbuckle, Walter Howald,
Student Trustee Michael Battistone and Student Trustee Elect
Robert Lane

Trustees Absent: Dr. Lorraine Prinsky

4. Opportunity for Public Comment (Items on the Agenda)

Bonnie Roohk

Thank you for the opportunity to address the Board. I am the Dean of Math and Science for Golden West College but I am not here in that capacity but as an employee of this district. We are in tough times right now and at our graduation ceremony, the commencement speaker mentioned how important this district is to him, as it is to us all.

With these budget times, I don't want to see Budget cuts or my supply budget cut in Math and Science to the point that I can't do my job. I don't want to see us cutting classes. If we cut classes, then my part-time faculty pay and they count on me like I do them and I don't want to see it. We need to hang together. We have a district that is 90% salaries. I don't see a way to take away one set of salaries over others. I'd like to see some way to do an across-the-board cut from administration to part-time to 160's. I don't mean cut out all the 160's, I'm talking about a percentage because otherwise I can't do the job I love to do. This is my personal opinion that we find a way to make that happen.

This district is too great and this community has hung with us during Bond times and when times are good. I think we look at them and we say that you know what, "times are bad and we are going to hurt with you. We are going to feel it too and we are going to continue to serve when you need us most because the community needs to come to us and manage to get service from us." That's my opinion. Thank you.

Community Member- Alan Remington

I am here to offer suggestions. Lay-offs are probably inevitable. The District budget is 80% personnel. Tonight I have heard about how the students are number one. Well, it's time to put your money where your mouth is. A very important factor in a student is a teacher and that includes part-time teachers. It includes support personnel, reprographics, AV techs, maintenance and security. Everything and everyone else is expendable. Everyone in this building is expendable.

I've heard during past budget crises how important the students are, yet they are the first ones that cuts are made to. I retired from Orange Coast College in 2003 after 25 years. The reason I retired was that they cut 1000 class offerings and laid-off 400 teachers and at the same time, hired two administrators with full staff. I realized that OCC and I were not on the same wave length. The current students have not been here long enough to have seen the patterns of the past. Students and faculty are necessary evils as far as the District is concerned. I know you don't want to hear it. Jack Scott gave you a very good plan to follow. The students I've heard from here tonight have made the most sense here and I hope you've listened.

5. Oath of Office – Student Trustee Robert Lane

Board President Jim Moreno administered the Oath of Office to Robert Lane, who will serve as the Student Trustee for the 2009-2010 academic year.

7. Adoption of Resolution #09-29 Authorizing Payment to Trustee Absent from Board Meeting

It was moved by Mr. Patterson and seconded by Mr. Howald to move forward and approve agenda item 7.

Resolution #09-29 Authorizing Payment to Trustee Absent from Board Meeting

WHEREAS, California Education Code Section 72024(d) provides that "a member (of the Board of Trustees) may be paid for any meeting when absent if the Board by Resolution duly adopted and included in its minutes finds that at the time of the meeting he or she is performing services outside the meeting for the community college district, he or she was ill or on jury duty, or the absence was due to a hardship deemed acceptable by the Board"; and

WHEREAS, on June 3, 2009 the Board of Trustees of the Coast Community College District held a Special Board meeting; and

WHEREAS, Trustee Lorraine Prinsky was not present at the Board meeting; and

WHEREAS, the Board has determined that Trustee Prinsky's absence was due to hardship;

NOW, THEREFORE, BE IT RESOLVED, that Trustee Lorraine Prinsky shall be paid at the regular rate of compensation for the Board meeting on June 3, 2009.

Motion carried with the following vote:

Aye:	Mr. Moreno, Mr. Patterson, Mr. Howald, and Ms. Hornbuckle
No:	None
Absent:	Dr. Prinsky

STUDY SESSION

6. Board of Trustees' Study Session: Coast Community College District Budget

Study Session matters are held for the purpose of providing and receiving information and discussion of issues related to the subject. No substantive votes shall be taken. Procedural votes may occur with respect to matters being referred to Staff for further analysis and reporting back to the Board of Trustees, or to establish additional Study Session dates.

6.01 Presentations by Administration

Board President Moreno – Before we get started with this process tonight, I'd like to have the Board Members say a few words.

Trustee Patterson

We are beginning a series of meetings that none of us want to have. We want to have nice budget meetings where the thought is expansion not contracting. The national economy is working against us. This is the worst recession in my lifetime. The state budget is a calamity. The politicians cannot pass a budget, even in good years, on time, and now we are advised that the state runs out of cash in July and we are dependent for

our revenues from the state as a result of Proposition 13's changes in the property tax. We have no ability to raise revenues. The problem we are faced with is structural beyond our borders, and yet, we must address this issue. This budget news is bad for at least three years to come. Whether it is two or three years, it will last a while. So, we have to be really, really smart. We have to really take into consideration everything that we do individually and collectively so we can meet our number one goal to provide education for students. Everyone in this room will feel the pain. Our business is education. We need to make the kind of effort that makes the reductions necessary. We need to put things on hold that we are now doing. I think we will come back in two to three years, and I hold that opinion strongly. I am pleased that there are people here. We are going to be very interested in hearing from our Chancellor, our Budget Committee, the classified, and academic senates, and students and we look forward to doing a lot of listening tonight.

Trustee Howald

The theme needs to be that we are a team. I have been here the longest of all my Trustees. I have seen this group go through a lot of processes, but we have all gone through it successfully. We are a team for common cause and that will prevail through this crisis. This is the most financially painful that we have seen. It is a mess. We have to do the best we can, but everyone needs to share the pain of cutting back and making sure that we keep a strong focus on our classrooms, and making sure our presentation is complete. Here we can build a much stronger district, with you on the team; I have confidence that we are able to do that. I am here to be a good listener, and we are not here to make decisions tonight. We will be taking notes and we will be interested in our deliberations in the future as to how we are going to accommodate students.

Trustee Hornbuckle

I think Trustee Patterson is right, and we need to focus on student success and educating students. Once we do this, we can see what is frivolous, and what is less important. When times are flush, we all get a little comfortable. We spend money where we really do not need to. When times are lean, we can find areas to cut, and we can find things that can be cut. I would like to see each of the campuses come up with ideas where they can cut. I would like to see each of you come up in your own area of expertise where money can be saved. I think you can do this without too much pain to your organization. If we start there, I believe that we can get through this time. I believe that things will get worse before they get better, and believe it will be 3 to 5 years before the situation improves. I see this as a collaborative process. There are little things we can do: we can install a machine in the lobby where water can be purchased instead of providing it at meetings. With over 80% of the budget in personnel costs, this is where a lot of the cost cutting is going to happen. When times are tough, we all have to work and make it through. I would like to see us all work together. It can also be a learning experience for students in all of the classes. If we work with the students, we can work with everyone to find a solution.

Student Trustee Robert Lane

There are two very important issues in this situation from the student perspective. Both the home front, and our families, have been cut by the economy and it is hurting us. I completely understand that is an issue for every category. I understand that sacrifices and compromises must be made in this process for every category, and I am here today to be very responsive to this situation.

Board President Jim Moreno

I want to advise everyone that we are taking input and mulling over ideas as we proceed.

The Chancellor's role tonight is that of administrative advisor. She will be our key leader in the discussion that will go on tonight in collecting this information.

I ask the Chancellor to make her opening statement.

Acting Chancellor Dr. Ding-Jo Currie

It is great to see this many people here in the audience. That shows me that everyone cares so much. On Monday, President Moreno and I sent a letter to the Foundation Board members at the District, and I am very touched and pleased to find members of the Foundation Boards in the audience tonight.

I appreciate the comments that Trustee members have given us. It sets the tone for all of us and how to go about deliberating for the very tough times we have ahead. When Ms. Rhook referred to the Golden West Speaker at commencement, one of my takeaways is that "tough times shall pass, people will not." We are all here on the budget. I have spent a lot of time thinking about the budget and the global picture and how we go about budgeting. We have a fiduciary responsibility that the public has entrusted to us. How do we go about making sure that we do it well, and that we do it for our students and the well-being of the community?

With the help of Vice Chancellor Brahmbhatt, I prepared some material that is a foundation, a global principle, as our mission and vision in terms of what we are about. (see Appendix D, pages 27-37) I think we must not forget about your comments earlier. What I heard, was that students are front and center. I know that every single person here is in the business of education. If you are in the business of education, you better be in the business of the well being and success of our students. We are writing down some of the thoughts, whether it is a good time or bad time, one of the things that I follow that it does not matter what you face, who is in front of you, you try to save the course. You try to anchor your values and principles that do not let anything change your behavior. Good times and bad times, responsible fiscal management is the key. When you have good times, a plan drives the budget, and the budget follows the plan. What is our mission, what is our master plan? The second is the constant and robust fiscal stability. The constant part for us is not something we are gathering because of a crisis, instead, I hope we have continuous and constant discussion because resources drive what we do. If we are going to provide excellence to our students, then we have to operate from a position of strength if you don't have robust fiscal stability. The third item is long term solutions, followed by sound strategy and action. We may be in a mode of crisis management – but crisis is about opportunity. The long term part is about not looking at finding the money for solving the crisis but the solution is steadfast, for 100 years from now. Our solution and plan needs to be long term. The long term benefit is going to be essential. Trustee Hornbuckle, yes, everyone sacrifices. But, for me, the worst sacrifice is on a subtraction frame of mind: not what I am sacrificing, but instead, what are we gaining because of the action we are taking, in terms of what this means for our students. We must take action. At the end of the day, we can be talking and talking, but if we do not act decisively, and responsibly, we are delaying the inevitable. We need multiple study sessions. Also, we need to provide maximum level of programs and classes. It is a constant goal in our budgeting decisions – we try to offer the maximum

number of classes that we can afford. That we can look to and say that these actions caused us, if not to maintain, if not what we have been offering, we will be even more proud of ourselves, but we are even offering more...this means a lot to me if we can commit to that. If we can maintain the number of staff, faculty and managers, would mean a great deal. Our livelihood would be our own concern. Protecting a well run infrastructure that can offer a balanced program to our students is a must. Because of a short term shortfall that we immediately go to destroy, or chop off our infrastructure, would be short-sighted. We will continue to hire faculty with the best abilities. We need management and staff to function.

Displaced workers are flocking to our door. Our high school graduates, returning veterans, are all coming to us. Good times were there, but it is during the hard times, we need to step up, be a leader, and show how we as a District are there for them. We can diversify their financial resources – to create new revenue streams. If you have all of your eggs in one basket, that basket won't last too long. We diversify our financial portfolio to increase stability. We can no longer count on the Government, in this case, the State, to be there to bail us out. We have to take our own destiny in our own hands. If we continue to have 90% of our resources from a single source, we will do this over and over. We must be more aggressive and vigilant. We need to find new revenue streams. We have a lot of very creative, people wanting to give their own ideas and resources. This is the most powerful resource that we have: we have thousands of staff and many have offered their ideas. I have a folder – individuals have given us excellent ideas that we should ponder. I follow the principle of maximum utilization of existing resources. In recent weeks, from conversations, emails I have received, it has proven over and over again to me that our human resources that are here are strong.

We are going to take some emergency measures, but people need to have assurances, that these are a short detour. We must get back on track as soon as possible. If we are going to anticipate this down slope – we must prevail. That is the light we already see at the end of the tunnel, and for that reason, we must get back on the main stream, get back on track, as soon as we can. There are many guiding principles that we will continue to follow. There are many other planning, guiding principles and goals that we will receive. We also need to provide balanced program and support services to ensure student access and success. With some cuts that we are hearing, some of these programs are the exact programs why community colleges exist. Programs like EOPS and Categorical Programs are those programs. To have a devastating cut, proposed as high as 57%, is unthinkable. Let's reaffirm that we are here to assure equal access for students. Their success is the key for what we do. We need to cultivate open, collaborative and a unified institutional culture. Only when we have a unified spirit, coming to the table, only when we have come 360, and that is not enough, come with a spherical perspective. You have to have the spherical perspective to have this institutional culture. In times like this, people feel very vulnerable. We have new information from Sacramento every day. What does this mean to me? What does this mean to Students? We have to tell them frequently, openly, and provide good information and honest information for people. Authentic democracy cannot be achieved if you do not have informed citizenship. Each of you, out there, when you receive information, you have a responsibility to look into issues. We need to respect and follow shared governance processes. There are people feeling left out – we need to help to continually improve that process, but once we decide with a process, let's stick with that – if you all unify. We can all be wrong, but decide to turn around. Agreeing and respecting each other – we have to be kind to each other, that is the kind and respectful thing to do. These are some of the guiding principles that I feel are so important before

we go into any discussion on numbers. This is not a numbers game; it is a people's game.

I would like to give the Board a state of financial well-being of where we are today.

Vice Chancellor, Administrative Services C.M. Brahmbhatt

I have been with the District for 23 years, and from time to time, we have come across hiccups. But, this one won't stop for a while. This time, it is a little bit different; we did have a conversation with Dr. Currie. Why do this unless we have a definitive desire to go somewhere that we should land there. Those kinds of goals and guiding principles will help the District for years to come. On Page 2, (see Appendix D, page 28) there were \$23.6 million dollars of ending balance. It was fairly reasonably healthy support from the Board to make sure that we have enough reserve to make sure we hold our ground. We were projecting revenue of about \$193 million. We also have the reserve, \$2.3 million at colleges, and reserve for contingencies for \$16.7 million. Also, there was a \$2 million reserve for contingency. We could use those dollars in tougher times, for our own challenges. What we know as of today, to close our books, for 2008-09, the ending balance for the District is \$17,600,000. We will start the year with this total and move forward.

For our 2008-09 budget, the District lost the COLA from the state and we lost \$1.2 million. The District has to come up with deficit money which is about \$2.1 million. At this time, if you already know, the State is asking us for 2008-09, for all categorical programs, almost \$2 million in cuts. It will be the most difficult task for the categorical programs to come up with an ending balance with all of the students gone. Somewhere we have to absorb another \$2 million to absorb our cost. This leads us with the \$17.6 million ending balance.

On Page 3, (see Appendix D, page 29) on May 19th, at 10:30 a.m. we knew that the Governor was hoping that all of the Propositions would pass. With the failure of them, Page 3 is what the budget will look like. For 2009-10, the cut is \$697,800 – the government is making cuts across the board. We took this number to see how we can work together. This morning, after the May Revise, at about 11:43 a.m., they're telling us that the numbers are no longer good, which is an amended version as of this morning. Page 3a, (see Appendix D, page 30) as of this afternoon, the Department of Finance does not have language in place for the committee to work on community college totals at this level. The news we got today, is somewhat better, because we want to make sure that the committee and the legislature will come up with their own proposals. They are saying that the cuts are going to stay. How they will affect you, we don't know – that is the message we get from the State. Even in a tougher time, when they are asking the categorical programs to make the cuts, more than 50% of cuts, they still want to protect 3 or 4 programs. We don't know who is getting to the Department of Finance to protect some programs and cut others. Putting all that aside, we know where the Coast District has to come up with cuts.

On Page 4, (see Appendix D, page 31) we are facing \$20.4 million for our District, for 2008-2009 and 2009-2010. We want to make sure that we know what will be our general purpose dollars, so if you look at item A, that \$3.2 million worth of costs – our own obligation that we have to come up for those dollars for next year. The state is cutting by \$7.1 million. We are looking at \$3 million worth of cuts to balance our budget. Categorical programs must be cut over \$10 million in the next two years. Right now, we

are only addressing the \$10.3 million total at the top of the page because of the unanswered question from the state.

On Page 5, (see Appendix D, page 32) the State is cutting funding for the property tax shortfall and making PE courses as non-credit courses. We don't support that at this time at all. Right now, 2009-2010, they are putting \$160,000 in growth dollars, but we have not budgeted this. And, we were told today that there will be no growth money at all. It will be zero percent for 2009-2010 for those of us to go forward.

New Costs: Health and welfare cost increase of \$580,000. Step and column increases for our employees will be \$1,255,000. The negotiated salary increase will be \$1,200,000. Statutory benefits will be \$190,000.

Page 6: (see Appendix D, page 33) This is our proposal. We have never gone and chopped things. There was an unwritten rule to protect jobs at all cost. For that reason, we would like to save some of our dollars sitting in the bank: we would like to recommend our stabilization dollar to zero. We want to reduce \$3.3 million from reserve for contingency. With these figures, we can make half the cuts for our budget cuts. But, we only have 12 months to balance the budget for the next year. You have to identify more cuts. The \$2,000,000 reduction for campus and District will come from supplies, utilities, hourly employees, or equipment. At this time, the campuses do have to come up with the \$2,000,000, and the District, in order to permanently reduce those dollars out of the budget. And the last thing that we have started working with is that we need to identify \$3,000,000 worth of cuts, permanently, now, to balance our budget. We are looking at an approach over multiple years so we can serve the students and our community, without impacting what we offer in our classes. This is all General Funds. Now, I am moving to Categorical Programs.

What you are seeing on Page 7, (see Appendix D, page 34) right hand side, is the proposal being put together by the CEO of Community Colleges. That proposal may go somewhere, may not go anywhere. It looks like the initial proposal is \$8 million, our revised proposal is a bit better, only \$6 million, but we can't necessarily hang up our hat now until the budget can be improved. EOPS and DSPS have a significant impact on our students: we would like to see them work between now and July to come up with 15% to 20% in cuts.

On Page 8, (see Appendix D, page 35) you will see a bit more clarity, in terms of the programs of our District. We see about \$4.5 million worth of cuts. There are significant amount of cuts.

This is our overall picture. Somewhere along the lines, other Chief Budget Officers envy our position. They have respect for Coast District, but they know that even we have to do some work to come out of it. I turn it over to Dr. Currie now to the process.

Acting Chancellor Dr. Ding-Jo Currie

We are looking at a 20% cut to programs such as EOPS and DSPS. This was expressed by several people at the District budget advisory committee. Representatives and leaders from those departments stood up and said that they can absorb 20% of the cut. Not any single isolated program had been asked to absorb a 20% reduction: that is very steep. Those programs are heavy in service. For them to stand up, and accept the cut, then we will also make commitment to make sure that your students are not being affected. We

need to recognize this. There are programs like these that are unevenly affected by this cut.

On Page 9, (see Appendix D, page 36) I sent to you on the News Brief, and the order has changed, and this list has the added price tag to it. We spent a good three hours or more yesterday, and I am so thankful that we had this group. This group is made up of representatives from across the District, including students. This body has met several times and it is not an easy task to go through. The list has 21 items. There are significant ones. I am compiling them. Many had excellent ideas: including Trustee Hornbuckle's ideas about water. I am compiling them, as I am making the list, I will send it to the campuses. On Page 9, on this page only, I am showing recommendations from yesterday's meeting that we would like you to consider, and ask you to go over each one of them and what that means. None of them is set in stone, and they are qualified to give you a flavor. I recommend that the Board have more study sessions, because I think we are going to do this in phases. As we move into 2009-2010 and find long term solutions. Some of these are not immediate. They are not particularly ranked in order. The ranking you see is a second round with our top five.

Number 1, in rank order, this one is pretty much sweeping across the state in many community college districts. The hiring slowdown is an immediate measure. We have 67 vacant positions in the District. What that equates to is just a little shy of \$4 million. I have discussed it with the presidents, in terms of looking at the positions, and most are classified and faculty – but you can't have a real freeze because we don't want to freeze operations for students. After studying them, campuses have not decided what positions to freeze. What is real implementable is not a \$4 million freeze, but a \$2 million freeze. Some of those managers, I will use Golden West, the VP of Student Services has been an Interim. One of the decisions that Golden West has made, as painful as it is – is not to have that position for 6 months – GWC is considering waiting for six months.

Number 17, there were suggestions for a 4-10 work week. There is a reduction for utilities, but if you cut down the workweek, 4-8 is the new twist, that we discussed, for the summer, if this is what we decide to do, if we are going to go down this route for this summer, we would probably have a minimum of 6, with a maximum of 8, to shut down the campuses on Fridays. And, we would mandate some vacation days. We would implement this – it would deviate people's lives – they may not have enough vacation, but if they use up their vacation, their vacation days can be advanced. I must qualify that, there were a number of student leaders who expressed concern about the impact to students if we take this action. While there isn't a lot of student activity, there is heavy student services activity. If you shut them down from a 40 hour week to a 32 hour week, the students feel concerned. The saving is for \$120,000 for utilities. The \$1.3 million for vacation is a reduction of liability, not something that we can count toward the reduction.

The next item is the freezing of health benefits, at \$12,500 per staff member. It's not a cut to the benefit, but to ask the employees, all of them, to make a contribution so that they can maintain the benefit at the same level. One and a half percent to one percent is about \$1 million of savings. What does that mean for our staff? This is probably one of the equitable examples – if your annual salary is \$50,000, it translates to \$20 per month. It is a half percent increase, for a person who is earning \$50,000 per year. For someone at the highest salary level, it would be about \$1000 per year, pre-tax. This is the first item that I have come to, but an item like this has been bargained. It is negotiated. People have given up something else to get this. This is an item that is not something that we

can just do tomorrow. If the Board wants to consider this, we need to have discussions with our employee representative groups. There are other items like this throughout the list.

No salary increase for each group for the next two fiscal years. This is a cost neutral item.

Reduce Board and administrative travel. The \$250,000 savings is a price tag that is an estimate. If we reduce travel by 50%, we are talking about \$250,000. Inclusive of this number is the negotiated items.

Review and evaluate all positions using a District task-force. When we have done these evaluations, as in the past, as an exercise at the District level, we have contracted consultants. I am not sure it is something that we want to take on at this point. But, when we talk about this item, part of the sentiment is, business cannot be as-usual. We are going to ask every position that becomes vacated require some dialogue and discussion.

For a retirement incentive, number 20, we have offered this. The incentive reduces when you have a number of high paying top salary employees retiring. It reduces some of those human resource liabilities. We are trying to find money – there is no money for incentive dollars, but a twist to this came up. The numbers we see – what this means is that we use the example of 5,000 given here. If you give retirement notice, you get \$5,000, and if you give two years notice, we give \$10,000 toward incentive. This gives us information that we can plan on. If we get the notice, we can re-evaluate the position right now. This gives us planning.

Reduce management expense by 10% over the next two years. Just like the evaluation of positions, I think that management positions should not be any different, in terms of requiring evaluation. Often times, management dollars may not be from general funds, but it is lumped in together, and for this particular recommendation, it needs to be looked at closely, like any other position that we have. Making sure that we have met, for example, if we are looking at faculty, we need to establish a goal, some target that we can agree upon. We are not going to go outside of state-mandated guidelines when we evaluate a position. This does not mean that we will cut out positions by 10%. It means that managers may like to have an 11 month contract. It needs to come from a variety of ways.

On number 11, eliminate the Associate Vice Chancellor for Education Services. We can't have this position completely vacant. I am very thankful that John Breihan is here with us three days per week. I am not going to recommend that the District permanently fill the position at this time.

The next one is eliminating the District PR program. There is an allocation of \$300,000 to combine efforts to market the District and three colleges together. These are the ads, Career Focus, movie advertising – this totals \$300,000 – this means, that we would not do those bus ads at the District level. This does not mean that each campus cannot do their individual marketing programs. This only pertains to the District.

Number 18, is eliminate GASB 45. In our District, we have \$70 million of obligations. We are at \$28 million and completely on schedule. From the last audit report, we are about \$1 million over budget. This particular recommendation is that since we are ahead, because of the hardship, reduce the contribution. If you want to reduce, 2% from 3%, that

would be \$1,000,000. We have some mixed messages on this. There are concerns that people do not want to have their retirement benefits missed. To not meet the contribution period – could be a problem. If our Accreditation mid-term report indicates that we have stopped altogether, this could be problematic. If we are ahead, and we all felt that we could reduce our contribution, we could explain that one away.

On the next page, (see Appendix D, page 37) there is the proposal to reduce classified and hourly by 50% - it would be \$2,000,000 in budget cuts. Number 10 – freeze step and column increases – this is a \$1.2 million savings for this proposed item.

6.02 Testimony by Constituency Groups

Coast Federation of Educators – Dean Mancina

Good evening, I am Dean Mancina, Golden West College Faculty and elected President of the Coast Federation of Educators. Thank you for having this study session and for having Coast Federation of Educators share their perspective on the District's budget. We understand you are planning to have more of these sessions and we take that as a clear indication of the Board's interest in making the best budget decisions as possible for the ultimate benefit of the students.

I've had some time to review the preliminary cost saving measures and have asked the faculty for their input during this budget scrutinizing process. We are working on putting a packet together for the faculty containing information on the budget, and information on the project and process the District Budget Advisory Committee is working on. We are also seeking solicitation of their input.

Our recommendations tonight are based on the limited input we have at this time. On the other hand, we feel well positioned to begin more comprehensive discussions early next fall when the faculty have returned if there are further anticipated cuts for the 2010/2011 academic year. On the front side of the handout I provided (see Appendix A, page 20) are the three recommendations made by State Chancellor Jack Scott. On the reverse are recommendations from the Coast Federation of Educators.

The first item, with regard to a retirement incentive, I remind you that this is a negotiable item and CFE has proposed this to the District for the past two years. The savings will be due to those people who would not have otherwise retired and whether they are replaced. Second is a hiring slowdown. We call it a slowdown as well as Acting Chancellor Dr. Currie because we recognize there are positions that are absolutely necessary to fill when vacancies occur. This allows for one more prudent review of positions before we proceed to rehire. It's an approach to avoiding the possibility of future lay-offs. Mr. Brahmbhatt has estimated that this could save \$ 2 million or more. Third, for the time being we recommend not filling the position of Vice Chancellor of Educational Services. When the budget improves we can take another look at the benefits of the position. Fourth, is to reduce Board and Administrative travel. Again, this is to provide another level of scrutiny before approving travel and conference expenses. We did not include classified and faculty in this item because these groups already have to appear before a committee who approves or disproves their request before it goes to Board. The fifth recommendation consists of 6 ideas that the faculty came up with as follows: 1. Eliminate services that we are contracting out that we may be able to do ourselves. 2. Use foundation dollars to fund classroom and office supplies. 3. Sell surplus assets like one of the donated yachts. 4. Increase swap meet fees. 5. Landscape in Xeroscape plants. 6. Cancel water-cooler contracts throughout the district. The sixth and

final recommendation at this time it to postpone the GASB 45 contributions.

There is a lot of misinformation about GASB 45. GASB 45 is not the retiree health benefits. It is a method to fund the future costs of retiree health benefits. For decades this district paid for retiree health benefits without GASB45. The annual contribution has been \$3 million dollars. It was our understanding yesterday from the District Budget Advisory Committee meeting that we needed to find \$5 million, but tonight, we are talking \$3 million. We recommend postponing the contribution from \$1-3 million or whatever it takes to make up where we need to be.

I want to reiterate that these are temporary measures that should be re-evaluated when the budget improves. Also, some of the ideas you are hearing tonight are negotiable items. In other words, subject to collective bargaining between the Chief Negotiator for the District and one or more of our bargaining units. When you ask us to the table to negotiate new features for members that we represent like retirement incentives, that's one thing, but when you ask us to return to the table to renegotiate parts of our complex contract, that is something entirely different.

We were in negotiations with the District two years ago on the contract and gave up many things to get what both sides agreed to. Our contract does not expire until June 30, 2011. We believe the District thoughtfully and with due diligence entered into a three year contract roll-over agreement last June. It will be difficult for our members to give up more than what we have already in the roll-over agreement. This semester in re-opener negotiations we dropped several important proposals our members asked us to negotiate for them. We dropped them for one reason only, and that was the budget crisis in California. These proposals while sound, appropriate and justified were costly at the time, and as a partner in the Coast Community College District we therefore took them off the table. We made this very clear to the management team at the table. We gave up a lot and when it comes time to ratify our re-opener agreements and hopefully finish in September, we will do our best to sell our members on what we did.

Finally, the Coast Federation of Educators recommends that carefully researched and factual information be imparted on our employees and students regarding the complex topics related to the budget. For many, the budget was not previously much direct interest to them except for when it actually affected them. But now, many more students and employees are getting actively involved which is great. The turnout at the District Budget Advisory Committee has been 50-60 people while only 18 are voting members. There is a learning curve as you know to understanding the unique and complex budget, I would caution everyone to be careful about making exaggerated statements such as comparing the Coast District to the auto industry or the implications of the GASB 45. Exaggerations are effective in scaring people but not effective in consensual decisions on our future budgets. Thank you.

(Pages 19-21 provided by Mr. Mancina and attached as Appendix A)

Coast Federation of Classified Employees – Neal Kelsey

Good evening, I am Neal Kelsey, Executive Director of Coast Federation of Classified Employees and I too would like to thank the Board and Dr. Currie for this open and collaborative budget process. I am not a member of the District Budget Advisory Committee but I have attended the meetings which appear to be very productive. People appear to be working very hard to find common solutions.

(Mr. Kelsey communicated a presentation to the Board as attached as Appendix B on pages 22 through 25)

Coast Community College Association/California Teachers Association – Jack Price

When the District budget catches a cold, the part-time faculty get pneumonia. That is how these budget discussions affect us.

My comments tonight are not new suggestions for budget cuts. We have already made those to the District Budget Advisory Committee (DBAC) and some appear on the sheets that you have before you. Instead, I offer suggestions as you pore through the materials given to you tonight.

1. Remember our bottom line is the students that we serve. We can't just give lip service to the idea of students first. The cuts need to be taken as far away from the classroom as possible, yet the college has decimated the summer programs as well as the programs for the fall.
2. You need to look carefully at all the suggestions. Even though the DBAC may have ranked them for you, often they did not have the discussion they needed to make choices. There are hard choices but significant savings there.
3. Deans will need help in making ethical and reasoned decisions particularly as they relate to part-time faculty. We have already heard of higher paid part-time faculty being replaced by lesser-paid and some losing classes so the benefits are gone and then having the classes taken by new part-time faculty. These changes are not in the best interests of the students or the District.
4. Sometimes we need to spend money to save money. For example, the presentation on Banner two Board meetings ago indicated that Personnel Action Forms would eventually be online. When that happens, it might make possible a streamlining of the four HR departments and improve the communication among them. That would result in significant savings.

Finally, we are fully in support of the four guiding principles put forth by Dr. Currie. The sooner that those are put into practice by all facets of the District the better chance we have of getting through this present "opportunity."

Coast District Management Association – Michael Mandelkern

Good evening. My name is Michael Mandelkern from the Coast District Management Association and I have a short presentation. With regard to Item # 1 (Budget Recommendation report presented by Acting Chancellor Dr. Currie and C.M. Brahmbhatt), which involved the proposal of a 10% reduction in managers, I appreciate what Dr. Currie said and I think most, if not all, managers' continued employment should be considered under the proposed hiring slowdown and not as a separate item. As positions are vacated they should be evaluated to see where there could be potential cost savings and I think that's how all the managers feel. As a Dean at Orange Coast College, I know that the managers look at this budget crisis very seriously. They have been taking a look at their non-instructional hourly accounts and planning to make reductions using the 50% cut as proposed by the District as our goal. That would go towards the \$2 million savings which is part of the General Fund reduction that we are looking at and I'm sure it will be difficult but

we understand that it is an identified goal and it is something we are working on. We also take the idea of the hiring slowdown very seriously. At Orange Coast College at the Planning and Budget Committee Meeting on June 18, 2009 the issue will be discussed and there will be manager representation as there is at all the colleges. At Orange Coast College we have set-up three sub-committees to look at how we can reduce personnel, operational and categorical expenses. We are also studying how we can increase dedicated revenue streams on the campuses. There are a lot of things the managers are doing and will continue to do. Thank you.

Trustee Hornbuckle to Mr. Mandelkern – Will you please identify what the dedicated revenue streams are? **Per Mr. Mandelkern**- It is revenue generated by things such as the swap meet, facility rentals, out-of-state tuition fees and boat sales.

Coastline Community College Academic Senate – Cheryl Stewart

I'd like to start by sharing the following quote with you:

- *It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change. ~Author unknown*

One of the things we are being asked to do right now is to change and it's not going to be easy. Change is really hard on human beings even when it's for our benefit. We are going to feel the effects at all three of our colleges and all the categories of employment as we are being asked to make changes in order to continue serving our students at the appropriate levels. I would like to suggest, and this is my personal opinion only, that the District offer support services to those departments that are being asked to dramatically alter their department in order to reduce expenses.

I sent our faculty the information from the District Budget Advisory Committee meeting and solicited feedback. Since I did not receive any, I am going to assume that the faculty at Coastline Community College is ok with the proposed cuts.

(Ms. Stewart presented the Board with the recommendations and suggestions as listed on page 26 and attached as Appendix C.)

I am thankful to Dr. Currie, C.M. Brahmbhatt, and the Board of Trustees for having the wisdom to put together these district-wide committees before the crisis actually hit because we now see the benefit of collaboration, open information, dialogue and exchange and that wouldn't have happened without all of us facing these challenges. The fact that there are more people in attendance at the District Budget Advisory Committee than the committee itself says a lot about the need for information. In that regard, I would like to make a strong recommendation that the District consider the recommendations from the committees on some areas to consolidate specific college operations into District operations where appropriate to see if the cost savings warrant the change. That's not across the board or to lose autonomy at the colleges but the committees are talking about some ways that may benefit the District.

I want to thank Dr. Currie and Mr. Brahmbhatt for their support of EOPS and DSPS and I'm hoping a similar approach regarding matriculation will be evident. We can't function without matriculation. It is counseling, and Admission & Records. It's about getting students through the door and helping them successfully traverse the college experience. Matriculation has been categorical but it really is required and having it cut from categorical funding would be a

disaster for the colleges. Thank you.

Golden West College Academic Senate – Dr. Diane Restelli

Having worked in Health Care for the past 38 years, I have come up with a diagnosis for what we are facing. It is, "Inadequate funding to the Coast Community College District related to reduced state funds, secondary to severe state revenue problems". With that in mind, I've approached this situation from my background using a process made up of four major areas. The first is assessment, second is planning, third is implementation and the fourth is evaluation.

Assessment is taking a look at the problem and where it is that we need to come up with the funding. We need to continue looking at this and revise as needed. In planning, we know there are going to be cuts but I caution against cutting to the bare bones. We are going to see side-effects and what we want to avoid are the untoward side-effects at all costs. This planning process has led to a joint collaborative process and I commend this process. We need to set up specific and measurable goals. They should be realistic, attainable and have a time frame attached to them.

I agree that all the constituencies need to be part of the planning process. Cuts need to go at all levels and need to have sound and long-range changes. With the evaluation process, we need to see short and long-term plans. We need to focus on jobs, staff, classrooms, students and the community and not in that order. We can't forget the process.

Orange Coast College Academic Senate – Dr. Eduardo Arismendi-Pardi

I met with my Executive Board today and we don't come here with suggestions, but with questions. Has the Board thought about the following four items? First, if not filled, the current vacant management positions could save us \$300,000. We currently have two vacant management positions which I feel we could look at further. Also, to analyze the number of staff supervised by each of the managers district-wide could bring in a savings of \$450,000 which would mean reducing some of the management positions. Third, has the District thought about applying "value-added user fees" that would be paid by the entire campus community including full and part-time faculty, staff, managers, students and the community? For example, apply a fee to use campus facilities, Wi-fi, the health center and parking permits. This could possibly generate a million dollars. Also, has the Board considered optimizing rental facilities like hosting weddings at the Captain's Table? Fifth, and this is my personal opinion is that everyone should seriously read the memo from Dr. Jack Scott. I think it's important to consider using this as a roadmap or compass that could lead us in the right direction. Thank you.

Coastline Community College Student Advisory Council – Lee Fuller

I am not here tonight to present recommendation for cuts. I don't have the information to make those recommendations but what I can tell you is how some of the proposed cuts can affect the students. Each meeting that I have attended, I have heard about how important the students are to the District and that's good to hear. But what does that really mean to me and the other students? As a student, we look at it from the perspective of how the cuts will impact our lives. In Dr. Scott's message, it was clear that there are things that need protecting and I feel that we need to protect the transfer students as much as possible. Most transfer students have a plan, and if they are unable to stick to it, it could have a significant impact on their personal well-being. If course sections are cut, it will impact their educational

plan. Students know cuts are coming and they understand that but in reality it's still the process in their mind to continue with their plan. These changes will affect their reality.

I come here with questions. There was discussion in the past about protecting the transfer students. I'm not saying they are more important than other students but because they are here for a specific goal, they are more likely to finish their education as opposed to someone wanting to take a class for recreational purposes. I'm not saying that is not important. I'm saying that if we are looking to prioritize cuts, we could start there. We, the students, are here to get an education so that we can get a better job and pay higher taxes and we are the ones that are going to change the economy of California. So by prioritizing where we are will be prioritizing where we end up. Dr. Scott made that abundantly clear.

Lastly, there were talks about increasing tuition fees. If fees are increased by \$4.00, that would be ok. That would not be a crisis but if they are doubled, that would become a real hardship for the students. When looking at cuts, I ask you to look at the reality for students.

Associated Students of Golden West College – David Lopez and Jeff Weaver

Mr. Lopez - We come here tonight with comments and suggestions. It appears by everyone's comments tonight that the students are at the center of these discussions. Everyone in this room was a student at one time.

Mr. Weaver- The budget and planning goals presented here tonight are good but I would like to add one more to the list and that would be to achieve sustainability. There has been a lot of work towards this on all three campuses and I think that by achieving this it will go far to help the budget crisis. We need to look into renewable energy resources. If we had started this 10 or 15 years ago, we would not have utility bills. We, the students, would like to see classes offered in sustainability such as Environmental Law, Organic Chemistry and Environmental Science. Another aspect would be to expand the waste management program. Orange Coast College has a great program and I would like to see one at Golden West. Finally, we need to reduce water usage and this could be done by Xeroscaping the campuses and using plants that are native to California.

I would like to encourage the Board to look into ways that we could reach sustainability.

Associated Students of Orange Coast College – Jamey Briddle and Hal Gohlson

Mr. Gohlson- I would like to begin with stating our opposition to Item # 2 on the proposed cuts spreadsheet. We feel that this would be detrimental to the students. **Per C.M.**

Brahmbhatt- This proposed cut would not include cutting student hourly employees.

We, the students would also like to see other ways at which dedicated revenue could be increased. Another suggestion is that we feel that the buildings at Orange Coast College should be metered for their utility usage. We know that there is a lot of waste happening here.

Mr. Briddle- The utility costs run \$1 million over budget on electricity alone. This usage needs to be metered.

We also agree that the District should pursue Xeroscaping landscaping at all three campuses and expand the recycling center to include Golden West. The city of Costa Mesa does not recycle and I think that if we outsourced our services to the community, it could

generate a lot of revenue. **Per Ms. Hornbuckle-** The city of Costa Mesa does recycle. The residents don't individually, but the waste is transported to a facility in Stanton where it is separated and over 50% is recovered and recycled.

END STUDY SESSION

7. This item was heard earlier in the Agenda.

8. Adjournment

There being no further business, it was moved by Mr. Howald and seconded by Mr. Patterson that the meeting be adjourned.

Aye:	Mr. Moreno, Ms. Hornbuckle, Mr. Howald and Mr. Patterson
No:	None
Absent:	Dr. Lorraine Prinsky

The meeting was adjourned at 8:26 p.m.

Secretary of the Board of Trustees

APPENDICES

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Appendix A



**Presentation to the
Board of Trustees
Budget Study Session
Coast Community College District Budget
June 3, 2009**

"I would advise all of you to take steps such as the following:

- 1) Reduce course sections for the next year. We can no longer educate above the cap.*
- 2) In most cases, don't replace resignations and retirements.*
- 3) Reduce administrative costs by having fewer administrators oversee larger areas."*

*Chancellor Jack Scott
May 20, 2009*

**CFE's Response to the Challenge of
Cutting \$5 million from the 2009-10 Budget**

★ These are in addition to the 20% cut Categorical Programs will make in their budgets, the \$5.327 million from reserves, and the \$2 million overhead cuts at the colleges & district office. ★

<u>Strategy</u>	<u>Estimated Savings (in millions)</u>
1. Retirement Incentive * (depends on # of retirees)	
2. Hiring Slowdown	\$ 2
3. Don't fill the Associate Vice-Chancellor Educational Services position	\$ 0.1-0.2
4. Reduce Board and Administrative Travel	\$.15
5. Miscellaneous reductions/revenue increases:	
• Are there things we are contracting out for that we can do less expensively ourselves?	
• Using Foundation dollars to fund classroom/office supplies	?
• Sell surplus assets. One of our donated yachts?	
• Increase swap meet fees	
• Landscape using xeriscape plants	
• Cancel water cooler contracts	
6. Postpone GASB 45 Contributions	\$ 1-3

Note: These are all recommended as temporary measures, subject to review as the state's financial condition and budget allocation to community colleges changes.

* Retirement Incentive Programs require negotiations with bargaining units.

**Coast Federation of Educators
Recommendations
regarding the
District Budget Plan**

based upon the presentation made to the Board on March 18, 2009

RECOMMENDATION #1: Direct Staff to prepare a chart with the number of employees in each group and total salaries of each of the following: the District's Management & Administrative group, Faculty group, and Classified group.

RECOMMENDATION #2: Charge the District Budget Advisory Committee with developing a long-term faculty staffing plan for the District/colleges with annual review by the Board.

RECOMMENDATION #3: Direct General Counsel to provide a legal opinion on the requirement to fund GASB 45.

RECOMMENDATION #4: Direct staff to prepare a report of how much each of the 9 comparison Districts have contributed to GASB 45.

RECOMMENDATION #5: Charge the District Budget Advisory Committee with recommending a goal regarding the 50% law, for review and approval by the Board.

RECOMMENDATION #6: Direct staff to prepare estimates of these increases in addition to the high school decreases so as to present a more balanced picture of what we may be facing during the next several years.

RECOMMENDATION #7: The Budget Workshop should occur earlier in the year, and the Board should review, consider, and approve a Budget Plan at that meeting or soon thereafter, since immediate budgetary decisions must be made for the ensuing academic year. Decisions to make cuts, such as \$750,000 in class section offerings, should always be made by the Board after receiving shared governance input.

RECOMMENDATION #8: Schedule an immediate Workshop Meeting or Board Agenda item on the topic of Course Offering levels for 2009-10 and, thereafter, each year in the future, for the Board to hear input from the District Budget Advisory Committee, on this and other relevant topics. By doing this, the Trustees will hear from college presidents, vice-presidents, deans, faculty, classified staff, and students, not just District Administrative Services, so the Board can make an informed decision about how to proceed.

RECOMMENDATION #9: Charge the District Budget Advisory Committee with developing budget cut recommendations and prioritizations, and presenting that information to the Board for their input and consideration for approval.

RECOMMENDATION #10: Direct staff to prepare a report comparing the cost of living for the 9 comparison districts, and compare that to the salaries of the faculty in those districts.

RECOMMENDATION #11: The District honors the current Bargaining Unit Agreement with the Coast Federation of Educators and respect the purview of the Academic Senates with regard to faculty conference and meeting expenses.

Appendix B

6/3/2009

Recommendations and Concerns of the Coast Federation of Classified Employees, AFT Local 4794

**Prepared for the CCCD Budget Workshop
Coast Community College District
Board Room
June 3, 2009**



**Coast Federation of
Classified Employees**

Framing the Solution

- ❑ The emphasis in this budget process, so far, has been on reducing District expenses by identifying "cost-saving measures."
- ❑ This framing represents an adoption of the rationale and rhetoric of those interest groups within the State that are opposed to supporting the services provided within the public sector by the State of California.
- ❑ The reality is that we have a "revenue" problem, not an "expense" problem.
- ❑ Coast students will not be well served by gutting our educational programs and services. Indeed, the State will not be well served by this thrash and burn approach to the budget, which the Governor seems intent on implementing. Many analysts are warning that such drastic cuts will create long-term damage to the State's ability to provide a well-trained workforce in the future.
- ❑ Before the District implements cost-saving measures that impact our ability to deliver services, it should seek ways of enhancing revenues, including
 - Moving a percentage of the reserves into the general fund
 - Decreasing the GASB 45 contribution towards retiree health benefits
 - Borrowing funds from the accumulated GASB 45 monies



**Coast Federation of Classified Employees
AFT Local 4794**

Slide 2 of 8

6/3/2009

General Goals and Guiding Principles

- ❑ Minimize Impact on the District's ability to deliver student services
- ❑ Minimize economic consequences for employees due to decreased real annual wages or increase in cost of benefits to employees
- ❑ Preserve jobs
- ❑ Implementation of budget strategies that have an equal effect on all constituencies
- ❑ Minimize Impact on ability to maintain safe and fully functional campuses and District office
- ❑ Maintain practices that are consistent with Accreditation Standards
- ❑ Adhere to Generally Accepted Accounting Practices
- ❑ Recognize the CCCA, CFE, and CFCE as the exclusive bargaining representatives for their respective constituencies



Coast Federation of Classified Employees
AFT Local 4794

Slide 3 of 8

Cost Savings Measures Should Focus on Non-personnel Items

- ❑ Reduce management expenses by 10% over the next two years.
- ❑ Reduce Board and administrative travel by 50%.
- ❑ Reduce all other travel in the District by 50%.
- ❑ Eliminate the District building and grounds program and have it covered by OCC.
- ❑ Make a concerted effort to sell/lease all excess District property.
- ❑ Eliminate funding of PR programs at the District.
- ❑ Decrease GASB 45 contribution towards retiree health benefits.
- ❑ Make use of accumulated GASB 45 contributions.
- ❑ Move funds from reserve account into the general fund.



Coast Federation of Classified Employees
AFT Local 4794

Slide 4 of 8

6/3/2009

Cost Savings Measures that are Subjects of Negotiation

- ❑ Go to 4/10 work week during summer for utility savings
- ❑ Go to 4/8 work week during the summer
- ❑ Close campuses down on Fridays to save on utility costs
- ❑ No salary increase to any employee constituency group for 2009/2010 and 2010/2011
- ❑ Review/re-evaluate all positions using District-wide task force
- ❑ Freeze step and column increases for 2009/2010
- ❑ A one-day/month furlough for all classified staff and managers
- ❑ Freeze health benefits at \$12,500 for next two years
- ❑ Reduce vacation days to maximum of 12 days/year for all employees for the next two (2) years



Coast Federation of Classified Employees
AFT Local 4794

Slide 5 of 8

Budget Saving Measures Identified by District Budget Advisory Committee

Item	Budget Saving Measure	Rank
1	Hiring slowdown/freeze across the board	\$2.00M
18	Reduce GASB 45 contributions towards retiree health benefits	\$1.50M
17	4/8 workweek for summer session	\$0.30M
13	Reduce Board and administrative travel	\$0.25M
16	Eliminate funding for District public relations programs	\$0.30M
8	No salary increase to any group for 2009-2010 and 2010-2011	\$0.25M
20	Initiate a retirement incentive to lessen higher paid salaries	Unknown
11	Eliminate the Assistant Vice-Chancellor for Educational Services position	\$0.10M
6	Review/re-evaluate all positions using District-wide task force	Unknown
7	Reduce management expenses by 10% over the next two years	\$1.40M
	TOTAL	\$6.10M



Coast Federation of Classified Employees
AFT Local 4794

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6/3/2009

Budget Saving Measures

Identified by District Budget Advisory Committee

Subjects of Negotiations Identified

Rank	Budget Saving Measure	Amount
1	Hiring slowdown/freezes across the board	\$2.00M
18	Reduce GASB 45 contributions towards retiree health benefits	\$1.50M
17	4/8 workweek for summer session	\$0.30M
13	Reduce Board and administrative travel	\$0.25M
16	Eliminate funding for District public relations programs	\$0.30M
8	No salary increase to any group for 2009-2010 and 2010-2011	\$0.25M
20	Initiate a retirement incentive to lessen higher paid salaries	Unknown
11	Eliminate the Assistant Vice-Chancellor for Educational Services position	\$0.10M
6	Review/re-evaluate all positions using District-wide task force	Unknown
7	Reduce management expenses by 10% over the next two years	\$1.40M
	TOTAL	\$3.55M

Items associated with subjects of negotiation are highlighted in bold blue.



Coast Federation of Classified Employees
AFT Local 4794

Slide 7 of 8

CFCE Recommended Budget Strategies

Budget Strategies	Amount
Move a percentage of funds from reserves to general fund	\$5.00M
Decrease GASB 45 contributions towards retiree health benefits	\$3.00M
Borrow funds from accumulated GASB 45 account and move into general fund	\$3.00M
Eliminate funding for District public relations programs	\$0.30M
Reduce management expenses by 10% over next 2 years	\$1.40M
Reduce Board and administrative travel by 50%	\$0.25M
TOTAL	\$12.95M



Coast Federation of Classified Employees
AFT Local 4794

Slide 8 of 8

Appendix C

CCCD Budget Study Session

June 3, 2009

Prepared by Cheryl Stewart, AS President, Coastline Community College

It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change. ~Author unknown

- 1. In general the recommendations of the Budget Advisory Committee are acceptable to faculty.**
- 2. Several of the recommendations will require negotiation between the District and the bargaining units.**
- 3. Like the Trustees, faculty members want to ensure that classes and seats are available for as many students as possible.**
- 4. Faculty members want to preserve part-time faculty assignments.**
- 5. Coast District needs to develop a 5-year, multi-phase budget plan.**
- 6. Each district entity, the three colleges and the district office, should undertake workplace assessments immediately to identify ways to improve operations and reduce costs.**
- 7. Solicit recommendations from District committees regarding consolidation of specific college operations into District operations where appropriate and where the cost savings warrant the change.**
- 8. Since change is hard on human beings, the District needs to provide support, training, and preparation to individuals and departments that are asked to radically alter their way of doing business in order to reduce expenses.**

Appendix D

Coast Community College District

Budgeting Planning Goals

1. Budget follows Plan
2. Maintain constant and robust fiscal stability
3. Plan for long term developments and solutions and follow up with sound financial strategy and action
4. Provide maximum level of programs and class offerings to the community and students within the capacity and constraints of available resources
5. Maintain sufficient number of faculty, staff, and managers positions and provide adequate working conditions under responsible fiscal management
6. Serve as a leader in protecting the educational, cultural, and economic well being of our community
7. Diversify financial resources with enhanced advancement efforts and creating new revenue streams.
8. Promote and encourage innovations and entrepreneurship
9. Commit to restoration of emergency measures whenever possible and as soon as possible

Guiding Principles

1. Provide balanced programs and support services to ensure student access and success
2. Cultivate open, collaborative, and unified institutional culture
3. Communicate by regular, transparent, and authentic information
4. Respect and follow shared governance process agreed upon by constituencies

2008-09 Adopted Budget**Unrestricted General Fund****Beginning Balance**

District Balance	22,129,416
College Balances	<u>1,471,664</u>
Total Beginning Balance	23,601,080

Revenues

State	80,757,519
Local	<u>112,708,400</u>
Total Revenue	193,465,919

Expenditures

Certificated Salaries	65,544,340
Certificated Manager Salaries	7,445,617
Classified Salaries	38,937,321
Classified Manager Salaries	7,599,922
Staff Benefits	43,228,617
Supplies	3,603,851
Other Operating	25,741,041
Capital Outlay	1,867,832
Student Financial Aid & Transfers	<u>2,003,359</u>
Total Expenditures	195,971,900

Reserves

College Reserves	2,345,099
Reserve for Contingencies	16,750,000
Stability Reserve	<u>2,000,000</u>
Total Reserves	21,095,099

Beginning Balance + Revenues -

Expenditures - Reserves 0

Estimated Ending Balances

College Ending Balances	600,000
District Ending Balance	<u>17,000,000</u>
Total Ending Balances	17,600,000

May 21, 2009
10:30amCOMMUNITY COLLEGE LEAGUE
OF CALIFORNIA

Item	2008-09 REVISED ENACTED BUDGET	2009-10 ENACTED BUDGET	Proposed Changes to 2008-09	Proposed Changes to 2009-10
General Appropriation				
Base Appropriation (incl: GF, P-Tax, Fee)	5,724,008,000	5,827,508,000		
Property tax shortfall			-42,100,000	-116,700,000
Appropriation reduction: fund physical education and recreational classes at noncredit rate.				-120,000,000
	5,724,008,000	5,827,508,000	-42,100,000	-236,700,000
Cost-of-living adjustment	0 (a)	0		
Growth for Appropriations	113,500,000 (b)	174,800,000		-116,800,000
Total General Appropriation	5,837,508,000	6,002,308,000	-42,100,000	-363,600,000
Categorical Programs				
Academic Senate for the Community Colleges	467,000	467,000	-68,700	-267,000
Apprenticeship	14,641,000	14,641,000	-2,153,200	-8,371,400
Basic Skills	33,100,000	33,100,000	-4,867,900	-18,825,800
Career Technical Education	10,000,000	10,000,000	-1,470,700	-5,717,800
Child Care Tax Rebate	8,836,000	8,836,000	-1,005,300	-3,906,700
Disabled Students Programs and Services	115,011,000	118,481,330	-18,914,200	-67,733,400
Economic Development	46,780,000	46,780,000	-8,881,200	-26,753,400
EOPS	106,786,000	109,988,800	-15,704,800	-62,889,500
CARE	15,505,000	15,970,150	-2,280,300	-9,131,400
Equal Employment Opportunity	1,747,000	1,747,000	-256,900	-998,900
Postsecondary Education Program	5,254,000	5,254,000	-772,700	-3,004,100
Fund for Student Success	6,158,000	6,158,000	-805,600	-3,621,000
Matriculation	101,803,000	104,857,080	-14,971,800	-60,864,800
Nursing	22,100,000	22,100,000	-3,280,200	-12,636,300
Part-Time Faculty Compensation	50,828,000	50,828,000	-7,475,100	-29,082,300
Part-Time Faculty Health Insurance	1,000,000	1,000,000	-147,100	-571,800
Part-Time Faculty Office Hours	7,172,000	7,172,000	-1,064,800	-4,100,800
Physical Plant and Instructional Support	27,345,000	27,345,000	-4,021,500	-15,638,200
Special Services for CalWORKs Recipients	43,580,000	43,580,000	0	0
Student Financial Aid Administration	51,269,000	51,269,000	0	0
Telecommunications / Technology Svcs / C.V. U	28,197,000	28,197,000	0	0
Transfer Education and Articulation	1,424,000	1,424,000	-209,400	-814,200
Mandates (6870-285-0001)	4,004,000	4,000	-588,900	-2,300
Categorical across-the board reductions			-65,000,000	-334,000,000
Categorical growth cuts (DSPS, EOPS, CARE, Metric)				-16,200,000
Total Categorical Funds	688,017,000	705,190,170	-65,000,000	-344,300,000
Ongoing Funds Subtotal	6,525,525,000	6,707,498,170	-127,100,000	-687,800,000
One-Time Funds (Prop. 53 Reversion & Settle-up)				
Physical Plant & Instructional Support				
Career Technical Education SB 1133	38,000,000	38,000,000		
Mandate reimb (SB 1108, Chapter 216 Statutes 2004)	25,000,000	0		
One-time Prop 53 Funds Subtotal	63,000,000	38,000,000		
Miscellaneous (Non-program) Items				
Fiscal Crisis Management Assistance Team (FCMAT)	508,000	508,000		
STRS Payments for CCC Employees	88,128,000	88,128,000		
Lease-Purchase Bond Payments	88,122,000	88,122,000		
Lottery	167,535,000 (c)	167,535,000		
Total State-Determined Funding	6,923,816,000	7,068,788,170	-127,100,000	-687,800,000
Funded FTEs	1,191,367	1,227,046		
Prop 53 (Local) Ongoing Funding per FTEs	5,487	5,486	\$ (107)	\$ (10,722)
Prop 53 (Local) One-Time Funding per FTEs	53	31		(874)
Funding per FTEs	\$ 5,512	\$ 5,782	\$ 5,705	\$ 5,188

June 3, 2009
8:00amCOMMUNITY COLLEGE LEAGUE
OF CALIFORNIA

Item	2008-09 REVISED ENACTED BUDGET	Governor's May Revised Proposal 2009- 09	2009-10 ENACTED BUDGET	Governor's May Revised Proposal 2009-10
General Appropriation				
Base Appropriation (incl. GF, P-Tax, Fee)	5,727,059,000	5,727,059,000	5,840,559,000	5,840,559,000
Property tax shortfall		(41,100,000)		(116,700,000)
Appropriation reduction: fund physical education and recreational classes at noncredit rate.				(120,000,000)
Redirect: 1% Appropriation Growth to base shortfall				58,313,000
	5,727,059,000	5,685,959,000	5,840,559,000	5,662,172,000
Cost-of-living adjustment	0	0	0	0
Growth for Appropriations	113,500,000	113,600,000	175,213,000	0
Total General Appropriation	5,840,559,000	5,799,559,000	6,015,772,000	5,662,172,000
Categorical Programs				
Academic Senate for the Community Colleges	487,000	398,400	487,000	217,000
Apprenticeship	14,641,000	12,480,800	14,641,000	6,803,000
Basic Skills	33,100,000	28,238,400	33,100,000	15,380,200
Career Technical Education	20,000,000	17,082,400	20,000,000	9,283,100
Child Care Tax Refund	6,836,000	5,831,900	6,836,000	3,176,400
Disabled Students Programs and Services	115,011,000	98,118,500	118,481,000	63,440,700 c
Economic Development	46,790,000	38,917,800	46,790,000	21,741,300
EO/PS	108,798,000	91,101,500	108,990,000	49,618,900 c
CARE	15,606,000	13,227,700	15,970,000	7,204,500 c
Equal Employment Opportunity	1,747,000	1,480,400	1,747,000	811,800
Foster Care Education Program	5,254,000	5,254,000 a	5,254,000	5,254,000 b
Fund for Student Success	6,168,000	5,253,500	6,168,000	2,891,400
Metropolitan	101,803,000	86,850,400	104,857,000	47,303,500 c
Nursing	22,100,000	18,854,000	22,100,000	10,289,600
Part-Time Faculty Compensation	50,828,000	43,382,500	50,828,000	23,617,600
Part-Time Faculty Health Insurance	1,000,000	853,100	1,000,000	464,700
Part-Time Faculty Office Hours	7,172,000	6,118,800	7,172,000	3,332,500
Physical Plant and Instructional Support	27,345,000	23,328,800	27,345,000	12,705,100
Special Services for CCH/CRKs Recipients	43,590,000	43,590,000 a	43,590,000	20,249,800
Student Financial Aid Administration	51,289,000	51,289,000 a	51,289,000	51,289,000 b
Telecommunications / Technology Svcs / C.V. U	28,197,000	28,197,000 a	28,197,000	28,197,000 b
Transfer Education and Articulation	1,424,000	1,214,800	1,424,000	891,700
Total Categorical Funds	706,013,000	620,012,900	715,188,000	371,873,100
Ongoing Funds Subtotal	6,546,572,000	6,419,471,900	6,730,958,000	6,034,045,100
One-Time Funds (Prop. 88 Reversion & Settle-up)				
Physical Plant & Instructional Support				
Career Technical Education SB 1133	38,000,000	38,000,000	38,000,000	38,000,000
One-time Prop 88 Funds Subtotal	38,000,000	38,000,000	38,000,000	38,000,000
Miscellaneous Non-program Items				
Fiscal Crisis Management Assistance Team (FCMAT)	508,000	508,000	508,000	508,000
Mandates (8870-296-0001)	4,004,000	4,004,000	3,000	3,000
STRS Payments for CCC Employees	89,173,000	89,173,000	95,524,000	95,524,000
Lease-Purchase Bond Payments	88,100,000	88,100,000	88,629,000	88,629,000
Lottery	184,170,000	184,170,000	148,679,000	148,679,000
Total State-Determined Funding	6,809,827,000	6,781,423,900	7,000,591,000	6,362,686,100
Funded FTEs				
Funded FTEs	1,200,433	1,203,342	1,238,448	1,203,342
Prop 88 (Local) Ongoing Funding per FTEs	5,453	5,335	5,444	5,914
Prop 88 (Local) One-Time Funding per FTEs	32	32	31	32
Funding per FTEs	\$ 6,786	\$ 5,827	\$ 5,728	\$ 5,306

a Categorical Program exempt from cut in 2008-09. All other programs reduced by 14.59%
 b Categorical Program exempt from cut in 2009-10. All other programs reduced by 53.53%
 c 2009-10 Growth of 3% backed out then 53.53% reduction applied

2009-2010 Budget Challenges

A	New cost increase for District	\$ 3,225,000.00
	Budget cuts from State	<u>7,102,000.00</u>
	Target	<u>\$ 10,327,000.00</u>
B	Categorical Programs	
	2008-09 Budget Cuts	\$ 2,007,828.00
	2009-10 Budget Cuts	<u>8,065,778.00</u>
	Total Categorical	<u>\$ 10,073,606.00</u>
	Total Budget Shortfall	<u>\$ 20,400,606.00</u>

	2009-10 BUDGET	COAST SHARE (3%)
UNRESTRICTED GENERAL FUND		
<u>Revenue Reductions</u>		
Property Tax Shortfall	116,700,000	3,502,000
Apportionment Reduction (PE Classes)	120,000,000	3,600,000
09-10 Growth for Apportionments	116,900,000	- (not budgeted)
	353,600,000	7,102,000
<u>New Costs</u>		
Health & Welfare increase to \$12,800		580,000
Step and Column movements		1,255,000
Negotiated salary increase		1,200,000
Statutory Benefits		190,000
(Benefits on salary increase and PERS rate increase)		3,225,000
TOTAL REVENUE REDUCTIONS AND NEW COSTS		10,327,000

Proposed Budget Solutions 2009-2010 General Apportionment

Target	\$ <u>10,327,000.00</u>
Reduction Stabilization Reserve (one-time funds)	\$ 2,000,000.00
Reduction Reserve for Contingency (one-time funds)	\$ 3,327,000.00
Reduction of Campus and District Office Operations (on-going)	\$ 2,000,000.00
Additional District-Wide Reductions	\$ <u>3,000,000.00</u>
	\$ <u>10,327,000.00</u>

CATEGORICAL REDUCTIONS										
Item	INITIAL PROPOSAL					REVISED PROPOSAL				
	2009-10 ENACTED BUDGET	Proposed Changes to 2009-10	09-10 COAST ESTIMATED ALLOCATION	COAST % OF TOTAL	Proposed Changes to Coast 09-10	2009-10 ENACTED BUDGET	Proposed Changes to 2009-10	09-10 COAST ESTIMATED ALLOCATION	COAST % OF TOTAL	Proposed Changes to Coast 09-10
Categorical Programs										
Basic Skills	33,100,000	-18,925,800	457,399	1.38%	(261,530)	33,100,000	-20,522,000	457,399	1.38%	(263,567)
Career Technical Education	10,000,000	-5,717,800	1,400,000	14.00%	(800,492)	10,000,000	-8,200,000	1,400,000	14.00%	(868,000)
Disabled Students Programs and Svcs	118,461,330	-67,733,400	2,870,577	2.42%	(1,724,937)	118,461,330	-23,882,298	2,870,577	2.42%	(857,724)
Economic Development	46,790,000	-28,753,400	425,764	0.91%	(243,442)	46,790,000	-26,009,800	425,764	0.91%	(263,974)
EOPS	109,989,600	-62,899,500	3,188,127	2.80%	(1,915,795)	109,989,600	-21,897,920	3,188,127	2.80%	(730,494)
CARE	15,670,150	-8,131,400	225,189	1.41%	(135,317)	15,670,150	-3,194,030	225,189	1.41%	(51,897)
Matriculation	104,857,090	-69,964,800	2,628,590	2.51%	(1,579,528)	104,857,090	-65,011,398	2,628,590	2.51%	(1,706,287)
Nursing	22,100,000	-12,698,300	175,400	0.79%	(100,290)	22,100,000	-13,702,000	175,400	0.79%	(108,749)
Part-Time Faculty Compensation	50,808,000	-29,062,300	1,520,708	2.89%	(888,509)	50,808,000	-31,513,900	1,520,708	2.89%	(942,335)
Physical Plant and Instructional Support	27,345,000	-15,635,200	748,757	2.74%	(428,121)	27,345,000	-16,063,900	748,757	2.74%	(464,229)
Student Financial Aid Administration	51,269,000	0	1,320,169	2.57%	-	51,269,000	0	1,320,169	2.57%	-
Telecommunications / Technology Svcs	28,197,000	0	108,108	0.41%	-	28,197,000	0	108,108	0.41%	-
Transfer Education and Articulation	1,424,000	-614,200	12,000	0.84%	(6,861)	1,424,000	-852,580	12,000	0.84%	(7,440)
Total Categorical Funds	618,331,170	-302,254,100	15,069,789		-8,063,778	618,331,170	-322,679,652	15,069,789		-8,064,008
		87.18%					28% DSPS and EOPS			
							62% Other			
Programs Eliminated										
Special Services - CalWORKs Recipients	43,580,000	0	818,031	1.88%	-	43,580,000	-43,580,000	818,031	1.88%	(918,031)

	2008/2009 ALLOCATION	14.71% REDUCTION	FINAL 2008/2009 ALLOCATION	2009/2010 ALLOCATION	57.18% REDUCTION	FINAL 2009/2010 ALLOCATION	2009/2010 ALLOCATION	20.00% REDUCTION	FINAL 2009/2010 ALLOCATION
OCC									
DSPS	1,108,259	166,207	942,052	1,108,259	633,702	474,557	1,108,259	221,652	886,607
EOPS	1,488,076	219,954	1,268,122	1,488,076	850,882	637,194	1,488,076	297,615	1,190,461
GWC									
DSPS	745,701	123,804	621,897	745,701	426,392	319,309	745,701	149,140	596,561
EOPS	1,357,755	199,726	1,158,029	1,357,755	776,364	581,391	1,357,755	271,551	1,086,204
CCC									
DSPS	873,797	132,251	741,546	873,797	499,637	374,160	873,797	174,759	699,038
EOPS	342,296	51,410	290,886	342,296	195,725	146,571	342,296	68,459	273,837
CCCD TOTALS									
DSPS	2,727,757	422,262	2,305,495	2,727,757	1,559,731	1,168,026	2,727,757	545,551	2,182,206
EOPS	3,188,127	471,090	2,717,037	3,188,127	1,822,971	1,365,156	3,188,127	637,625	2,550,502
TOTALS	5,915,884	893,352	5,022,532	5,915,884	3,382,702	2,533,182	5,915,884	1,183,177	4,732,707
Matriculation									
OCC MATRIC	1,138,287	167,442	970,845	1,138,287	650,873	487,414	1,138,287	705,738	432,549
GWC MATRIC	739,396	108,765	630,631	739,396	422,787	316,609	739,396	458,426	280,970
CCC MATRIC	626,015	92,087	533,928	626,015	357,955	268,060	626,015	388,129	237,886
CCCD MATRIC	2,503,698	368,294	2,135,404	2,503,698	1,431,615	1,072,083	2,503,698	1,552,293	951,405

COAST COMMUNITY COLLEGE DISTRICT DISTRICT BUDGET ADVISORY COMMITTEE MEETING JUNE 2, 2009, 2:00-4:00, DISTRICT BOARD ROOM						Presented for Recommendation
Recommendations of 21 District Budget Committee Members For Cost Saving Measures. For Presentation to Board of Trustees on June 3, 2009						
	Round One No. of Votes	Round One Ranking	Round Two No. of Votes	Round Two Ranking	Comments	
Item # 1 (No Committee Members oppose recommendation) Hiring slowdown/freeze across the board. For current FY 2008-09, all hiring must be approved by campus Presidents, Vice Chancellors and Chancellor.	12	1	12	1	\$2.0 million savings on hiring freeze. Review hiring in 2009-10 for additional savings.	
Item #17 (7 Committee Members oppose recommendation) Go to 4/10 work week during summer for utility savings.	10	2	8	5	4/8 work week with mandatory 6 vacation days. Savings: \$120,000 in utilities, \$1.3 million vacation liability reduction.	
Item #3 (3 Committee Members oppose recommendation) Freeze health benefits at \$12,500 for next two years. Additional cost will be added to employee contribution. Increase % of 1% to higher percentage.	9	4	10	2	Increase % of 1% employee health benefit contribution to 1.5%. Savings of \$1.0 million.	
Item #8 (2 Committee Members oppose recommendation) No salary increase to any group for 2009-2010 and 2010-2011.	9	5	9	4	No additional cost to District for two years.	
Item #13 (No Committee Members oppose recommendation) Reduce Board and administrative travel.	9	7	6	Not in top five	\$250,000 savings with 50% reduction for all travel.	
Item #6 (No Committee Members oppose recommendation) Review/re-evaluate all positions using District-wide task force.	8	8	4	Not in top five	No immediate savings to District.	
Item #20 (No Committee Members oppose recommendation) Initiate a retirement incentive to lessen higher paid salaries.	7	10	5	Not in top five	\$5,000 for 1-year advance. \$10,000 for 2-year advance. (After 10 yrs service with district)	
Item #7 (10 Committee Members oppose recommendation) Reduce management expenses by 10% over the next two years.	5	Not in top ten	N/A	N/A	\$1.4 million with 10% reduction of managers.	
Item #11 (No Committee Members oppose recommendation) Eliminate the Assistant Vice-Chancellor for Educational Services position.	5	Not in top ten	N/A	N/A	\$100,000 currently spent for temporary position	
Item #16 (1 Committee Member opposes recommendation) Eliminate the PR programs (district-wide advertising) at the District and Colleges.	4	Not in top 10	N/A	N/A	\$300,000 savings to eliminate student campaigns, etc.	
Item #18 (No Committee Members oppose recommendation) Eliminate GASB 45 contributions towards retiree health benefits.	3	Not in top 10	N/A	N/A	\$3.0 million current contribution. Reduce from 3% to 2%.	

Presented for Consideration

COAST COMMUNITY COLLEGE DISTRICT DISTRICT BUDGET ADVISORY COMMITTEE MEETING JUNE 2, 2009, 2:00-4:00, DISTRICT BOARD ROOM					
Recommendations of 21 District Budget Committee Members For Cost Saving Measures.					
For Presentation to Board of Trustees on June 3, 2009					
Item #2 (Not recommended by Committee Members)	Round One No. of Votes	Round One Ranking	Round Two No. of Votes	Round Two Ranking	Comments
Reduce classified hourly costs 50% by reducing hours to 20 hours per week with single assignment at one site only.	9	3	9	3	Savings will be to colleges towards their \$2.0 million budget reduction.
Item #10 (Not recommended by Committee Members)	9	6	7	Not in top five	\$1.2 million in savings.
Freeze step and column increase for 2009-2010.	8	9	7	Not in top five	\$43,200 annual savings. (\$1,800 per meeting for 24 meetings.)
Item #12 (Not recommended by Committee Members)	6	11	3	Not in top five	\$1.0 million savings on utilities. 20% reduction in salary of classified and management. Impacts employment service years.
Item #21 (Not recommended by Committee Members)	4	Not in top ten	N/A	N/A	\$2.0 million savings
Close campuses down on Fridays to save on utility costs.	4	Not in top 10	N/A	N/A	\$1.0 - \$2.0 million ongoing revenue starting 2013-14
Item #4 (Not recommended by Committee Members)	3	Not in top ten	N/A	N/A	Equal to 32 full-time positions to recapture \$2.2 million.
Item #15 (Not recommended by Committee Members)	3	Not in top ten	N/A	N/A	\$2.5 million savings.
Make a concerted effort to sell/lease all excess District property.	2	Not in top 10	N/A	N/A	Depends on how much is withdrawn.
Item #5 (Not recommended by Committee Members)	1	Not in top 10	N/A	N/A	No savings.
Reduce vacation days to a maximum of 12 days/year for all employees for next two years.					
Item #9 (Not recommended by Committee Members)					
A one-day/month furlough day for all classified staff and managers (5% pay reduction)					
Item #19 (Not recommended by Committee Members)					
Make use of accumulated GASB 45 contributions.					
Item #14 (Not recommended by Committee Members)					
Eliminate the District building and grounds program and have it covered by OCC					