

**Coast Community College District
District Budget Advisory Committee**

January 22, 2010, 3:00 – 5:00 p.m.
Meeting Summary

The District Budget Advisory Committee (DBAC) Meeting was called to order by **Dr. Currie** at 3:02 p.m. in the District Board Room.

Committee Members Present:

1. Minal Ajbani, Classified Representative, CCC
2. C.M. Brahmbhatt, Vice Chancellor, Administrative Services, District
3. Marilyn Brock, Interim President, Coastline Community College
4. Wes Bryan, President, Golden West College, GWC
5. Susana Castellanos-Gaona, Classified Representative, GWC
6. Ding-Jo Currie, Chancellor, District
7. Lee Fuller, Student, CCC
8. Raine Hambly, Classified Representative, District
9. Dennis Hawkins, President, Orange Coast College
10. Janet Houlihan, Vice President, Administrative Services, GWC
11. Dean Mancina, CFE Representative
12. Michael Mandelkern, CDMA Representative
13. Kevin McElroy, Vice President, Administrative Services, CCC
14. Rich Pagel, Vice President, Administrative Services, OCC
15. Norma Pollaro, Confidential Representative
16. Jack Price, CCA Representative
17. Diane Restelli, Academic Senate Representative, GWC
18. Lynne Riddle reporting for Helen Hawthorne, Student Representative, OCC
19. Cheryl Stewart, Faculty Representative, CCC
20. Danny Wojciechowski, CFCE Representative

Committee Members Absent:

1. Eduardo Arismendi-Pardi, Academic Senate, OCC
2. Rodney Foster, Faculty Representative, OCC
3. Nancy Jones, Academic Senate, CCC
4. Judi Lagerlof, Classified Representative, OCC
5. Amir Shakoorian, Student Representative, GWC
6. Linda York, Faculty Representative, GWC

Dr. Currie welcomed attendees and introduced **Dr. Marilyn Brock**, Interim President at Coastline Community College, and **Dr. Dennis Harkins**, President of Orange Coast College. Committee members introduced themselves and welcomed the presidents to Coast.

State Budget and Budget Process Overview

Dr. Currie asked **Mr. Brahmbhatt** to discuss the latest round of **Governor Schwarzenegger's** budget proposals and to provide an overview of the entire state budget process. **Mr. Brahmbhatt** distributed a handout entitled, "Overview of the Community College Proposed State Budget for 2010-11," informing that the budget includes "the good, the bad, and the ugly." The "good" element of the state budget as it relates to community colleges is that student fees

remain steady; there will be no fee increases. Also, the budget provides 2.2 percent growth funding for community colleges, which is the only entity to receive new money in the budget. The “bad” part of the budget is that the \$19 billion deficit is dependent on the federal government to the tune of \$7 billion; it is expected that the federal government would provide \$2-3 billion, in a best case scenario. Also, both the Extended Opportunity and Programs Services (EOPS) and part-time faculty lose \$10 million each; \$20 million will be added to Career and Technical Education funding. The “ugly” portion of the state budget pertains to the continuation of the categorical program cuts that were implemented in 2009-2010, impacting important services for students. At the District level, there will be a loss of funding for EOPS and part-time faculty, as well as negative COLA of \$600,000 on an on-going basis. **Mr. Brahmbhatt** informed that he attended the Governor’s budget meeting on January 15 in Sacramento and noted that from this point forward, community colleges face the risk of budget cuts. Although a 2.2 percent increase in growth funding was announced as part of the 2010-2011 budget, **Mr. Brahmbhatt** cautioned not to depend on these funds. He explained that, historically, Coast does not incorporate first-year growth funding in our budget. This means that Coast will not receive any new money for 2010-2011, and will have a loss of \$600,000 due to COLA. In response to **Ms. Pollaro’s** inquiry about the suspension of mandates referenced in the Governor’s proposed budget, **Mr. Brahmbhatt** shared that the District has not been paid for any of the mandates, such as reimbursement for health fees and collective bargaining, for the previous five to six years, which equates to approximately \$2-3 million. Adherence to the mandates will still be required; however, the Governor proposes suspending the funding portion. **Dr. Currie** reported that Trustees and colleagues will join her in advocacy efforts this weekend at the League’s Legislative Conference in Sacramento. ■ **Mr. Brahmbhatt** presented an overview of the annual budget process at the state level, referring to a flowchart prepared by the Assembly Budget Committee. Each department submits their plans annually. The Department of Finance analyzes the baseline budget and Budget Change Proposals, and prepares a balanced expenditure plan for the Governor’s approval. The Governor’s Budget is released to the Legislature by January 10th; two identical budget bills are submitted for independent consideration by each house. Public input is sought, while the Legislative Analyst’s Office releases a non-partisan analysis of the budget. Both the Senate and Assembly have subcommittees to review the budget. Both houses work toward obtaining a 2/3 vote for passage. The Budget Conference Committee attempts to work out differences between the Senate and Assembly versions of the budget. The Big 5 (Governor, Speaker of Assembly, Senate President Pro Tempore, and Minority Leaders of both houses) meet, if needed, to obtain the 2/3 vote required in each house. Once a 2/3 vote has been obtained, the budget is submitted to the Governor for signature, who may apply the line-item veto. Officially, this all transpires by June 30. Over the last twenty years, the budget has not been completed on time for the majority of years. **Mr. Brahmbhatt** noted that he monitors the state budget process as of January, determining the best-case scenario for allocation of funds within our District, which is subject to change based on adjustments at the state level.

District Budget Update

Mr. Brahmbhatt distributed an updated handout dated January 12, 2010, entitled, “Budget Shortfall Forecast for Future Years as of 1/12/10.” He noted three changes from the previous version: the PERS increase for 2010-2011 will be .5 percent, which is lower than previously anticipated; incorporation of the negative state COLA, which will be an on-going expense; and a reduced salary increase for CFE resulting from the negative COLA. Despite these adjustments, the cumulative shortfall remains basically the same as previously presented, and includes the District’s commitment to support categorical contract employees in the amount of \$1.5 million through 2012-2013.

Budget Mitigation Measures Update

Reduction of Hourly Employees

The loss of hourly employees has been felt within the District. **Mr. Brahmhatt** advised that the payrolls will be monitored between now and the end of the fiscal year to determine the savings, extrapolating that data to project the savings for 2010-2011. **Dr. Currie** expressed regret that this measure had to be taken, as many of the hourly employees were well-trained and highly valued team members.

External Hiring Freeze

Dr. Currie provided an overview of the external hiring freeze process, beginning with a diligent review of the vacant position at the campus level to determine if it absolutely must be replaced, keeping in mind the goal of the freeze is to garner savings. If the position is deemed necessary, then it is brought to the Chancellor's executive meeting (Presidents' Council) to determine if the function can be consolidated with that of a sister college, or if a staff person at another college can take on the assignment. If not, an opportunity for a lateral transfer at the originating college is offered. If the position is not filled through a college transfer, then the District transfer list will be considered. If the position remains unfilled, Human Resources will post a 10-day recruitment among full-time, internal staff. If at the end of this process, no applicant fills the position, further discussion with the Board of Trustees will transpire. As positions are vacated and filled through this process, a domino effect emerges. **Dr. Currie** asked Committee members to consider the process and offer solutions that offer minimum interference of work-flow operations and disruption to students and staff, keeping in mind that an open and fair process is paramount. **Dr. Jack Price** asked if consideration had been given to the Committee's previous concern about the amount of money being spent for services provided by the District's General Counsel. **Dr. Currie** replied that discussion transpired at the previous Board meeting to streamline the use of General Counsel services. She noted that the District has used the services of legal counsel in the past from multiple firms; the fees are more visible now with the use of a single firm. Additionally, General Counsel is able to respond much more efficiently without bottleneck delays that can occur through use of the Orange County Department of Education legal office, whose staff are meeting the demands of numerous institutions. **Dr. Currie** further noted that General Counsel's participation at open public sessions of future Board meetings will be off the billable clock. He has asked not to be compensated for his attendance at open sessions.

ENDS Program

Dr. Quarles reported that 37 employees have submitted their intent to resign or retire, with 15 who have submitted an irrevocable notice. The deadline to submit the Notice of Intent is February 16, 2010, and the deadline to turn in the irrevocable notice is April 30, 2010. **Dr. Currie** stated that this is an alternative way to downsize, and that plans to rebuild in the future must be thoughtful in order to have a balanced approach to serve students efficiently and effectively. **Mr. Mancina** suggested it would be helpful for them to see a qualifying statement on job announcements that addresses funding uncertainties while also addressing the length of time it takes to replace faculty. He proposed as an example, "Due to unstable funding, this position is offered with the caveat that the position may be withdrawn." **Dr. Currie** asked **Dr. Quarles** to continue sharing information about faculty departures to the campuses, in the event faculty members do not notify the campus directly. Committee members concurred that the ENDS Program may offer opportunities for internal job promotion, and constituent group leaders may want to encourage staff to think about exploring other opportunities. **Dr. Currie** also addressed the topic of reassign time for faculty, noting that the ENDS Program in and of itself will not garner enough savings to mitigate our deficit. Therefore, it is necessary that other options continue to be explored. Reassign time is one way to fund classes.

Summer 2010 Plans

Dr. Currie addressed the proposed plan to implement a 4/8 summer schedule, noting the concern that has been voiced about reduced services to students and a shortened time frame for staff to accomplish their work. It was stated that monetary savings could be accomplished if operational five-days a week, provided classrooms are consolidated within a few buildings on campus. Some buildings have the ability to operate utilities (lights, heating, and air conditioning) room by room to avoid wasteful energy consumption. **Dr. Currie** asked that this information be communicated widely so there is no misperception about wasted resources. **Dr. Currie** also reported that she met with a representative of a solar power firm today to explore long-term energy savings, and will continue to look at additional long-term solutions. **Dr. Currie** asked for feedback to resolve the matter of the summer schedule so students and staff can be notified and plan accordingly. **Mr. Brahmhatt** stated that staff have taken on an increased workload due to multiple factors (hiring slowdown, ENDS Program, removal of 160-day employees), and offered that implementation of a 4/8 schedule this summer would place an even greater burden them in terms of workload. He suggested that the 4/8 schedule not be implemented this summer, but reconsidered in the future, if needed. **Mr. McElroy** shared that students have had to deal with reduced class sections, and it would be detrimental to them if they were unable to take care of business due to campus closures. **Dr. Currie** thanked the Committee for their input and for making students and staff a priority consideration.

Other

Mr. Fuller announced the formation of a Task Force at the District Student Council level to participate in development of a student-centered text-messaging campaign to bring attention to the burden felt by students as a result of budget woes. Participation will be encouraged, and will involve sending a text message, such as "No More Cuts," to a designated phone number. An external company will count and tally the data; it is hoped that 1 million texts will be received, excluding duplicates, which can be printed out to accompany an advocacy letter to state and local legislators. Promotion of the campaign will begin March 8, with texting to be tallied from March 12 through March 19.

Dr. Currie distributed a copy of an article by **Trustee Jim Moreno** published in the winter 2009 edition of the *Trustee Quarterly*, in which he offered a case study about the establishment of budget transparency at the Coast Community College District, notably referring to the creation of the District Budget Advisory Committee.

Mr. Brahmhatt distributed a final handout entitled, "2010-2011 SSC Community College Financial Projection Dartboard, Governor's Budget Proposal Version." It contains projections for various categories, such as COLA, growth, categorical programs, PERS rates, etc., through 2014-2015, which may be useful as a future planning tool.

The next District Budget Advisory Committee meeting was scheduled for **February 19, 2010, 3:00-5:00 p.m., in the District Board Room.**

The meeting adjourned at 5:00 p.m.