

Coast Community College District District Budget Advisory Committee

April 9, 2010, 3:00 – 5:00 p.m.
Meeting Summary

The District Budget Advisory Committee (DBAC) Meeting was called to order by **Dr. Currie** at 3:03 p.m. in the District Board Room.

Committee Members Present:

1. Minal Ajbani, Classified Representative, CCC
2. Paula Brady for Norma Pollaro, Confidentials Representative
3. C.M. Brahmhatt, Vice Chancellor, Administrative Services, District
4. Marilyn Brock, Interim President, CCC
5. Wes Bryan, President, GWC
6. Susana Castellanos-Gaona, Classified Representative, GWC
7. Ding-Jo Currie, Chancellor, District
8. Dennis Harkins, President, Orange Coast College
9. Helen Hawthorne, Student Representative, OCC
10. Janet Houlihan, Vice President, Administrative Services, GWC
11. Nancy Jones, Faculty Representative, CCC
12. Michael Mandelkern, CDMA Representative
13. Kevin McElroy, Vice President, Administrative Services, CCC
14. Rich Pagel, Vice President, Administrative Services, OCC
15. Jack Price, CCA Representative
16. Diane Restelli, Academic Senate Representative, GWC
17. Cheryl Stewart, Faculty Representative, CCC
18. Jeff Weaver, Student Representative, GWC
19. Danny Wojciechowski, CFCE Representative
20. Linda York, Faculty Representative, GWC

Committee Members Absent:

1. Eduardo Arismendi-Pardi, Faculty Representative, OCC
2. Rodney Foster, Faculty Representative, OCC
3. Lee Fuller, Student Representative, CCC
4. Raine Hambly, Classified Representative, District
5. Judi Lagerlof, Classified Representative, OCC
6. Dean Mancina, CFE Representative

BUDGET UPDATE

Discussion:

- At the state level, **C.M. Brahmhatt** advised:
 - Revenue is better than expected for month of March 2010. Anticipate April revenue will improve due to income tax payments
 - EDD recognized unemployment insurance cost of .72 percent to employer is highest ever seen
 - Federal government is projecting new money; state may get less than \$2 billion
- On May 1, will know April revenue from the state
- On May 12 or 13, will have May Revised figures

CATEGORICAL FUNDING 2010-2011

Discussion:

- **Ding-Jo Currie** summarized District's commitment from last fall of \$1.5 million to protect categorical contract employees. General fund money not available to support categorical services in 2010-2011 and beyond. Future options must be explored.
- By April 30, categorical staff will offer response to District's request to explore creative options to deliver programs and services for 2010-2011 and beyond; how can we serve as many students as possible with fewer resources?
- Options for consideration: categorical programs continue with same services, but available to fewer students due to limited resources, or implement flexibility option offered by the state to create different level of services to greater number of students
- Technology to play important role because staff will not be available to provide services as in the past.
- Concern about de-categorization is that college resources will not be directed to these services.
- **Vangie Meneses** offered concept of Student Success Services in which the specific programs currently offered are generalized so that every student gets some services.
- **Cheryl Stewart** suggested allocation of resources in a manner that might allow District to assist with technology for scheduling counseling appointments, completion of degree audits, preparing education plans, or providing additional counselors and classified staff to help students meet their goals.
- Just as more students are now served in the area of instruction due to technology, **Wes Bryan** recommended reengineering categorical programs to get the most benefit out of shared resources.

Action:

- **Tom Snyder** informed that any matching costs for the District's Financial Aid program are waived (i.e. SEOG's and Work study) if all three colleges in District obtain Title 3 eligibility, allowing matching money to be used elsewhere. **Ding-Jo Currie** announced that she will look into that immediately, seeking **Tom's** guidance, as needed.

BUDGET SHORTFALL

Discussion:

- **Ding-Jo Currie** reviewed handouts, noting that the District's 2010-2011 budget shortfall increased since presentation of the handout at the March 17 Board meeting, from \$11.3 million to \$12.7 million, resulting from:
 - \$550,000 additional cost for the Board of Trustees' election in November 2010,
 - \$800,000 increase in health benefits due to \$13,200 per employee estimated annual cost versus \$12,800 cost originally projected (based on July 1 – December 30 actual costs)
 - Medical/Prescription cost history reflects greatest increase attributed to prescription costs, which have increased 1,246 percent over the last 20 years.
- **C.M. Brahmhatt** advised that the District would like to return to a ratio of 85/15, in which 85 percent of the District's expenditures are spent on salary and benefits, versus our current expenditure rate of 88 percent.
- **C.M. Brahmhatt** informed that the District's balanced budget is on target, unless we have a property tax shortfall or the Governor's May Revise includes mid-year cuts.

BUDGET SOLUTIONS/RECOMMENDATIONS

Discussion:

- Future proposed budget solutions were reviewed and additional ideas solicited. Numbers will have to be identified in May for preparation of the 2010-2011 tentative budget.
- **C.M. Brahmhatt** explained the budget timeline.
 - April 21 – Board of Trustees' Budget Study Session
 - May 5 – Board of Trustees will receive consequences from ENDS program final results
 - May 14 – Proposed DBAC meeting
 - May 19 – Board of Trustees' meeting

- May 26 – Board of Trustees’ Budget Study Session. Will obtain numbers to incorporate on tentative budget.
- June 23 – Tentative Budget presented to Board of Trustees
- **Ding-Jo Currie** reviewed long-term budget solutions for stability
 - Strategic budget planning
 - Reduce ongoing expenditures
 - Eighty-eight percent of cost is in people. ENDS reduction will help mitigate.
 - Budget according to institutional priorities
 - Leverage and maximize existing resources of all four sites
 - Contain and cap costs in all areas
 - Reorganize for cost efficiency and institutional effectiveness
 - Make necessary shifts in positions and re-evaluate
 - Invest in professional development
 - Must invest in our faculty and staff now to be able to serve students
- **Ding-Jo Currie** proposed itemizing a target of \$15 million short-term budget solutions, which is \$2 million more than the shortfall currently identified, to allow for additional cuts that may realistically be needed. Approximately half of that amount (\$8.5 million) of ongoing solutions for 2010-2013 have been identified:
 - \$4.5 million ENDS program (based on projection)
 - \$2.0 million Summer reduction
 - \$1.0 million Non-instructional hourly
 - 0.5 million KOCE note repayment
 - 0.5 million Travel, memberships, miscellaneous (excluding contractual obligations)
- **Ding-Jo Currie** advised the campuses to retain their ending balance and not exceed their campus budget as the District will not have resources to assist with any bail out. She emphasized the importance of each campus planning and managing their budget strategically.
- **Jeff Weaver** offered suggestion that the District collect \$25 outstanding debt from 60,000 students. **C.M. Brahmhatt** responded that the District will explore idea, taking into consideration net benefit after factoring in cost of staff to process collection.
- **Wes Bryan** inquired about passing on one-half million in bank fees (point-of-sale, convenience, credit card transfer fees). **Janet Houlihan** inquired if Banner could accommodate e-checks so that students could enter a routing number during registration. **Ding-Jo Currie** and **C.M. Brahmhatt** responded that they prefer to consider that option as a last resort since it places a financial burden on students.
- **Jack Price** inquired about legal costs. **Ding-Jo Currie** replied that legal costs are ongoing. The majority of District legal fees are now paid to one firm, as opposed to multiple firms as was done in the past. Diminished resources frequently lead to increased grievances as a result of reduced staff, stress, etc., which also increase legal costs.
- **Ding-Jo Currie** distributed a handout containing Coast Federation of Educators’ budget solutions, which was distributed at the previous Board meeting by **Dean Mancina**. She will ask **Mr. Mancina** to review it at the next DBAC meeting, since he was not attendance at this meeting.

ACTION

- **Ding-Jo Currie** asked Committee members to send budget solution ideas and suggestions to her and **C.M. Brahmhatt**.

NEXT MEETING DATE:

- May 14, 2010, 3:00 – 5:00 p.m.
District Board Room

The meeting adjourned at 5:03 p.m.

Recorded by Nancy Sprague