OPEN FORUM
CONTINGENCY BUDGET PLANNING
September 18, 2012

The Situation

- If Prop 30 fails, then
  - $5.5B trigger cut to K-14
    - CCC would lose $213M in deferral buy down – cashflow management
    - And experience a $338M workload reduction
- MPC Trigger Cut = $2.28M mid-year cut in apportionment equivalent to a workload reduction of 515 FTES [7.3%]
- The District has engaged in deficit spending using $4.6M in reserves and 1X funds since 2011-12 from the rate stabilization fund

The 12-13 Contingency Challenge

	Budgeted 2011-12	Worst Case Actual 2011-12		Worst Case 2012-13	**Hybrid Est. 2012-13**
Apportionment	$34,672,438	$35,046,195		$35,046,195	**$35,046,195**
Trigger Cut - Workload Reduction	included	included		($2,287,810)	**??**
Deficit Coefficient - BOG Waivers	$0	($823,390)		??	**??**
Stability Funding	NA	NA		??	**Yes**
					($750,000)
Total Apportionment	$34,672,438	$34,222,805		$32,758,385	**$34,296,195**
		$34,672,438			$32,758,385
Shortfall in Revenue		($449,633)			($1,537,810)
Increase in expenses (ISA, CDC & Dept)		($1,050,084)			
Amount Needed Balance Budget in 2011-12		($1,499,717)			

Intended Approach

- Work through Advisory Groups to identify options
- Solicit direct suggestions and discuss in Open Forums
- Work through Negotiating Teams for bargaining related issues
- Discuss refined proposals in College Council
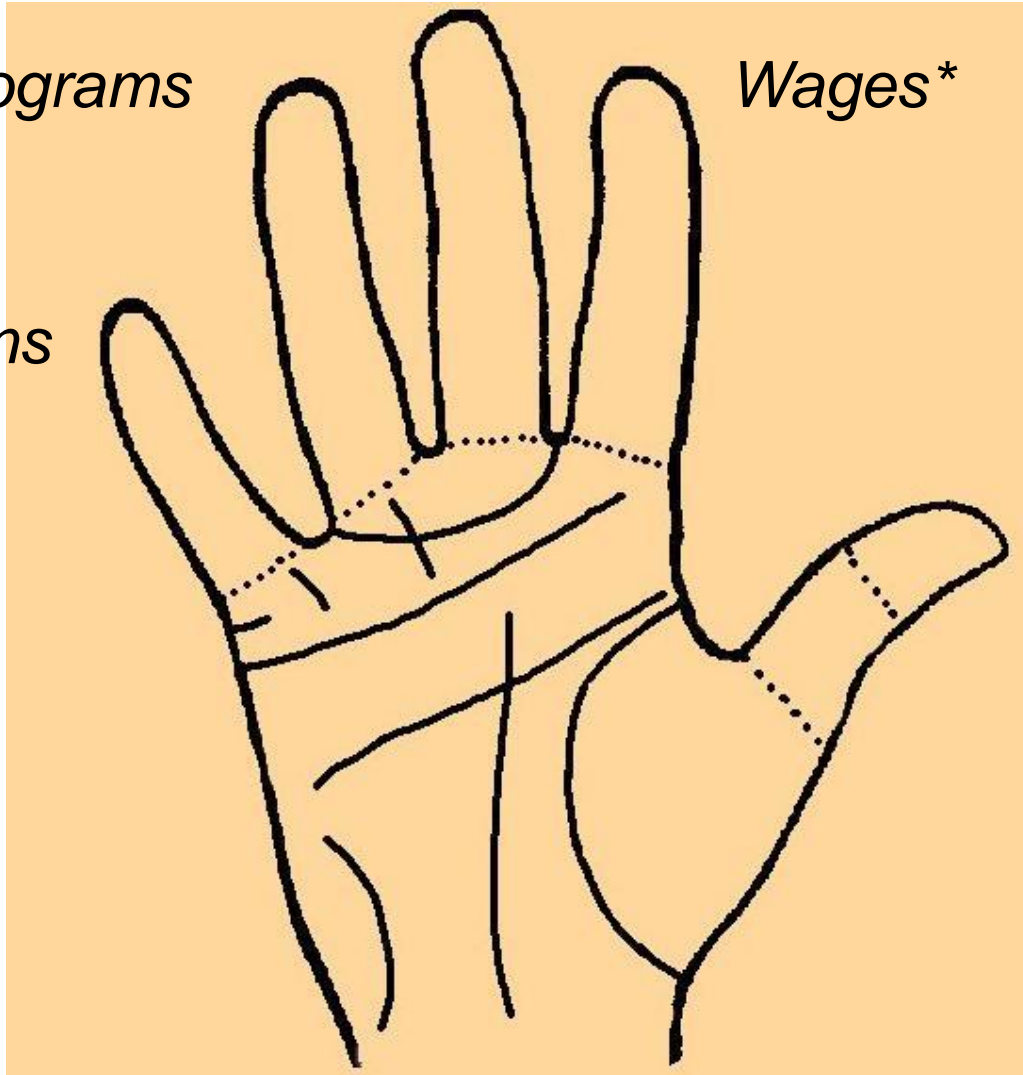- Present recommendations to Board of Trustees by November

Positions*

Programs

Wages*

Operations

Benefits*

Operations

- Wait lists
- Assign classrooms by size
- Replace cancelled classes w/late starts
- Revise curriculum
- Increase online
- Unpack class schedule
- Combine/Resize programs
- Increase flexible class schedules [late starts, weekends, nights, etc]
- Add/Retain students
- Credit/No-Credit
- Eliminate Early Spring
- Reduce/Eliminate Summer Session
- Partial closure of facilities
- Compact hours

- Consolidate functions
- Modify marketing
- Share resources
- Wholesale supplies contracts
- Limit watering of grass
- Limit support to Foundation
- Increase donations
- Investigate entrepreneurial activities
- Consider ATM contracts
- Investigate add'l partnerships
- Reconsider operating swimming pool
- Reduce Cal cards
- Reduce/eliminate travel
- Limit training to on-line sources

Operations

- Lower heating point to 68
- Decrease paper publications
- Re-evaluate space rental fees
- Charge trust accts. admin fees
- Implement 24/7 parking regs
- Parking fees for employees
- Leverage categorical funding#
- Implement new fees#
- Increase Community Ed#
- Reduce ISAs#
- Investigate 4/10 workweek#*
- Investigate a parcel tax#

- Estimated funding
  - 12/13 = $100K
  - 13/14 = $250K

[Does not include parcel tax]

Programs

- Increase Int'l Students revenue
- Consolidate functions
- Reorganization
- Suspend selected academic programs#*
- Reduce student services#*
- Assign counselors contract days over 12 months*
- Increase class size*
- Resize Athletics*
- Close CDC*

- Estimated funding
  - 12/13 = $??
  - 13/14 = $500K

Positions

- Hiring freeze
- Retirement incentive*
- Attrition*#
- Reduction in force*

- Estimated funding
  - 12/13 = $300K?
  - 13/14 = $500K - $1M

Wages

- Workload changes*
- Wage concessions*
- Furloughs*#

- Estimated funding [1% - $284K]
    - 12/13 = $200K?
    - 13/14 = $1M

Benefits

- Move to another phase in Self Insured health program*
- Investigate other sources of health benefits*
- Revise health benefits costs for retirees*
- Phase out health benefits for future retirees*
- Limit District contribution to health plan*

- Estimated funding
  - 12/13 = $200K-300K
  - 13/14 = $450K

[Phase 2 - $400K]

[Phase 3 - $600K]

Now What?

- No one "finger" can solve our problem
- Even this year's budget relies on deficit spending
- Operational changes are "easiest" but result in the least savings
- Organizational changes are necessary
- Advisory & Governance groups must discuss options
- Wages/Benefit changes are part of the solution
- Informal collective bargaining discussions must begin right away
- **Once again, we must address institutional values**