

# Presidents Council Recommendations

## A. Budget Changes for 2008-09

College administrators have been working closely with their staff over the last couple of months to balance next year's budget. College operating revenues are expected to flatten over the next few years as last year's large (5%) enrollment drop is phased in, and also to changes in the community college distribution formula. Next biennium's state funding is also of concern due to a softening national economy. The combination of flat revenues and increased costs has created a projected seven million dollar shortfall in fiscal 10/11. By being proactive and making budget adjustments now, we can greatly reduce the shortfall's size and better manage its impact to the college. To that end, this year's budget process has focused on increasing revenue, shifting costs to other funding sources and reducing expenses.

Deans have worked with each of their departments, chairs, directors and managers to find savings, efficiencies and revenue enhancements. Courtney Wilton and Baldwin van der Bijl have been meeting bi-weekly with association presidents to ensure ongoing communication. Ideas have been proposed, vetted at multiple levels and recommendations were made. How can we do our work differently? Can we rearrange work and work groups? Can the number of sections taught be reduced without greatly reducing FTE? In the past we did not make across-the-board reductions, nor do we plan to at this time.

The Presidents Council endorsed keeping the budget focused on students and supporting the college's comprehensive mission. It is important that we build on our strengths and continue to grow. With decision packages we will make investments in new programs and areas as appropriate while at the same time making reductions in other areas. We will be guided by our college values and institutional strategic priorities.

Below is a recap of recommended budget actions:

### A. Increased Revenue - \$755,000 / year:

#### 1. Tuition

In March, the college board of education is expected to take action on a recommended \$5 tuition increase - from \$57 to \$62 per credit hour. Even with the increase the college's rate will remain one of the lowest in the state, and the least cost option in the metro area. No increase is recommended for the \$5 general student fee. Each \$1 increase in tuition raises approximately \$135,000. If the Board approves the recommended increase, an additional **\$675,000** of revenue is expected.

#### 2. Other Revenue

Another **\$80,000** per year can be generated from nursing contract reimbursements, a new space rental charge and a restructuring of high school alternative education contracts.

### B. Shifts to Other Funding Sources - \$600,000 / year:

#### 1. Storm-water Mitigation Costs

The college has been contributing **\$500,000** per year for storm-water mitigation. The capital contribution has been discontinued with this budget saving the college's operating budget \$1,000,000 over the next two years. The costs of this capital project will likely be shifted to a future bond request.

#### 2. Other Cost Shifts

Another **\$100,000** per year can be saved by shifting certain existing general fund costs to grants, contracts for services or other revenues.

**C. Savings and Efficiencies - \$700,000 / year:**

Expenses will be reduced in a number of ways. Measures include eliminating two exempt positions, reducing various class sections where it appears related enrollment can be shifted, holding certain full time faculty positions open, reducing classified positions, cutting part time classified costs, reducing materials and services, and eliminating the subsidy to the college's food service contractor. In addition, the college will open its Harmony building next year with no new non-instructional staff, but rather rely on the transfer of existing personnel - saving additional amounts over what would be required if new staffing were added.

A detail of the savings is as follows:

Full time faculty: Leave positions open in Business, English, Engineering, Human Services, and Social Science.

Full time classified: Eliminate or leave open two vacant custodial positions and evaluate other efficiencies.

Exempt: Eliminate two positions - one of which will be transferred to Harmony next year on a temporary basis to assist with day-to-day operations. The purchasing manager position will not be refilled and related work will be transferred to the business office.

Part time faculty: \$242,000

Part time classified: \$55,000

Materials & Services: \$45,500

Building Construction program suspended

**B. Organizational Changes for 2008-09**

In addition to budget adjustments, several reorganizations are tentatively planned. These reorganizations have less to do with money and more to do with locating the program in the division where we believe it will be most successful.

<b>Department/program</b>	<b>From Division</b>	<b>To Division</b>
Criminal Justice	Extended Learning	Health Science
Education & Early Childhood	Extended Learning	Arts, Humanities and Social Science
WIA	Student Services	Career Technical
Human Services	Extended Learning	Student Services
Advanced College Credit	Career Technical	Extended Learning
High School connections	Student Services	Extended Learning
Purchasing (location change only)	Business Services	Business Services
Duplication / Warehouse / Motor Pool	Business Services	Campus Services
Library	Extended Learning	Business, Math & Sciences
YMCA childcare / Headstart	Extended Learning	Student Services

## Next Steps

On March 4<sup>th</sup>, college deans will review and prioritize decision packages. These, in turn, will be reviewed by Presidents Council the following week. College Council will be updated on March 21 and April 18. The college's budget committee (comprised of the Board and an equal number of citizen appointees) will meet three times starting March 12<sup>th</sup> - culminating in approval of the proposed budget sometime in May. Throughout this process there will be a number of opportunities for employees and students to give feedback on budget proposals via open forums of the president's fireside chats. Regardless of the budget cycle, our efforts to find efficiencies and make strategic investments will continue on an ongoing basis.

## Thanks

There is no doubt about it - the current budget scene is stressful. We have felt it while preparing these proposals, and we know you feel it too. While change and financial constraints are a reality of our current work environment, we want to do everything we can to not let these challenges drive us apart. Our success depends on the extraordinary efforts of so many and your continued input and involvement is crucial. Thanks for all that you do and for your help during this process.

Baldwin van der Bijl

Courtney Wilton