



A Message from the Acting Chancellor

June 15, 2009

Dear Coast District Faculty and Staff,

Greetings! This is my second communication to you regarding the budget. Though many of you are on break during the summer, I feel it is important to maintain regular communication by giving you the latest information and District budget activities and decisions.

The California budget has become daily national news with its increasing ambiguity and complexity; I cannot begin to distill all of its implications. While the Governor's budget remains a moving target, we continue to be steadfast with our efforts in planning our own budget here in the District. The District Budget Advisory Committee has met two more times (on May 21 and again on June 2) to discuss recommendations that were then forwarded to the Board of Trustees for their consideration. For the past two weeks, our Board of Trustees has held two Study Sessions regarding the 2009/10 budget. At the first session, the Board heard testimonies and suggestions from the leaders of all employee representative groups, and the presidents of three Academic Senates, Student Government Bodies, and the Coast District Management Association. I presented a set of budget planning goals with guiding principles. I also explained the recommendations of the District Budget Advisory Committee to the Board of Trustees and discussed strategic plans for how we intend to confront and mitigate the \$10M proposed cuts to our general apportionment funding and an additional \$8M-\$10M in categorical programs. At the second study session, I presented more detailed information on a few of the pertinent recommendations such as a hiring slowdown and the GASB 45 retirement benefit liability. A roundtable discussion was held with faculty, staff, and student representative groups and each group provided more input regarding savings recommendations (see attachments).

At the upcoming June 17 Board of Trustees meeting, I will be submitting for approval the Tentative Budget with recommendations to mitigate the \$10M general fund reductions derived from the following sources:

- \$2M of the one-time stabilization funds
- \$3.37M from our reserve (leaving 6% remaining in reserve)
- \$2M from cuts to campus/District office allocations, and
- \$2M from campus/District hiring slow down/freeze
- \$1M from reduction of GASB 45 contribution (we contribute \$3M annually and we are ahead by \$1M currently)

In addition, I have recommended that the District-wide travel budget be reduced by \$200,000, leaving the contractual PDI funds protected. The District-wide marketing/advertising program of \$300,000 is also being recommended for suspension during 2009/10. These recommendations to the Board took into consideration the input from everyone's expressed top priorities to keep the cuts away from students' classes and services as much as possible and protect our institutions' infrastructure by preserving contract faculty and staff positions.

The leaders of categorical programs including EOPS, DSPS, and Matriculation have met under Interim Associate Vice President John Breihan's leadership to discuss and plan resolutions to their potential 57% cuts to the programs. The staff of all categorical programs should be applauded for committing to absorb 20% of the reductions within their programs. At this point, we hope their cuts can be contained at 20% after the state budget is finalized. What the categorical programs are facing is overwhelming and what they are pledging is truly commendable.

I want to thank many of you who sent in your ideas for cost cutting, revenue generation and saving measures to me. Many of your ideas are not difficult to implement, however, some require further discussions and study as well as negotiations. I have compiled those ideas received thus far into a Master List of Budget Ideas (attached) using the following criteria:

1. No personal attacks on specific individuals, positions, or programs
2. No attacks to any specific groups such as faculty, staff, management, job classifications, etc.
3. No highlighting one specific activity or practice of an individual
4. No recommendations that contradicts Title V Education Codes or current laws

The only bad ideas are those that divide us and I ask that we consider and consult on some of those ideas with thoughtfulness, respect, and seriousness before they are tossed aside or criticized. This will be an arduous long-term process as each campus determines what is best for them under these extreme budget circumstances. I am requiring each campus and the District office to report *how* cuts are decided and *where* the cuts will be enacted to ensure our cuts are kept away from students to the best of our ability, as students must remain our top priority. For the Coast District, I have pledged to continue to fund the maximum number of classes possible even though many will not be reimbursed by the State. We are very different from other districts in this respect by funding classes beyond cap. I am proud of the fact that the 2009-2010 Tentative Budget submitted to the Board is one that came from District-wide input, without changes in compensations or benefit reductions to contract employees.

As we start the new fiscal year on July 1, our focus needs to be on the 2010-2011 budget which is expected to be much worse. I need all of your collective efforts, creativity, and diligence to be prudent, sacrificial, and vigilant in the coming year. Most of all, I need you to join me in building a stronger, more engaged culture of openness and unity within the District in order to embrace the necessary changes ahead. I find Abraham Lincoln's timeless quote to be so appropriate for framing our mindset as we stand at the crossroads of danger and opportunity:

"The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew."

Together, we can achieve much more beyond the impossible. Thank you for being there for our students!

Ding-Jo H. Currie
Acting Chancellor