

Chancellor's Office

September 30, 2009

Dear Coast District Faculty and Staff,

Greetings! I was reminded by Coastline history faculty Dan Johnson of the great American Revolution. The colonists were severely limited in the resources available to them during their battles with formidable and well-equipped foes. The Americans recognized that they could not use traditional warfare to fight and win against the British. They adopted a guerilla strategy that ultimately denied the British victory. If you believe that history is full of lessons for the future and that it also repeats itself, then you may have faith that it does not matter what conditions we face, we shall be triumphantly victorious in our current battle against budget reductions. Be that as it may, this battle requires strategies that are non-traditional and moves we've not tried before. I look to the American Revolution and the countless examples of persistence, courage, sacrifices, and heroism in the face of adversity; of using limited resources to create opportunities; and of the spirit to breaking new frontiers and define a new institution. I ask you to read this message with the frame of mind of the great American Revolutionists.



Budget 2009/2010

On September 2, our Board of Trustees adopted the final budget for 2009/2010, implementing the following cuts to mitigate the \$11.8 million budget deficit:

- \$5.8 million – One-Time from District Reserve/Ending Balance
- \$2 million – Reductions from College/District Operational Expenditures
- \$2 million – Hiring Slowdown
- \$1 million – Reduction in Retiree Health Benefit Contribution (3% to 2%)

- \$200,000 – Reductions on Travel Expenditures
- \$300,000 – Elimination of District-Wide Advertising /Outreach Expenditures
- \$500,000 – One-Time from Ending Balance for Categorical Programs
- **TOTAL – \$11.8 million**

To view the District's budget information, including the 2009-10 adopted budget, please visit the District's website at www.cccd.edu.

District Reserves

You may recall in my July 29 message, the proposed amount to be taken from our reserve for this year was \$5 million. However, the Governor's last budget resulted in an additional cut of \$800,000 with an unprecedented and unthinkable 3.59% permanent reduction in our base workload measure allocation (FTES measurement, which counts for funding). In order not to negatively impact the class sections and campus operations, the Board approved this additional \$500,000 to be taken out of our reserve as another one time measure. With the adoption of 09/10 budget, our District Reserve remains at 6% with a balance of \$13.3 million.

Seat Count Soars Despite Class Section Drops

Because we took proactive moves to reduce our higher cost summer offerings, we were able to minimize the section reductions during primary terms during fall and spring this year. District-wide, we offered 165 fewer total sections this Fall compared to Fall 2008. Yet despite the section drop, our seat counts increased by 3.7%!! What does this mean? I have only one answer – students flocked in and YOU ROCKED!!! Those staff who were on the frontlines serving students, in the background making sure that facilities were ready for classes, that technology worked, that financial aid was received, that grounds were clean, that paperwork processed, etc. etc. – YOU are the heroes for our students. You helped, processed, and supported more students than last fall so our students were able to experience success before and after they enrolled. Those faculty who took in as many students as you could, way beyond the class limits, you are heroes and life savers to hundreds and thousands of students. And all managers who are put to the task of managing the reduced budgets, under many constraints, facing dilemmas, and extra duties assigned, you are also my unsung heroes. If this Fall's record is any indication of how we will fight this battle ahead against the budget, we've won already.

Hiring Slowdown

The hiring slowdowns at each college and the District office are continuing in several different ways. Because of the base allocations being permanently reduced at this point, many of the positions will no longer be funded "permanently." This hurts . . . a lot. It especially hurts when we actually need more support as the increase in student enrollment numbers indicate above.

It is important to note that since our main objective has been in keeping the cuts away from classrooms, NONE of the full-time faculty positions were eliminated. The slowdown of moving forward in the recruitment and hiring process on some of the faculty positions helps us to have some breathing room this year. On the other hand, we have painfully eliminated a number of classified and management positions that will not be replaced. There are also a number of positions slowed-down in the recruitment and hiring process by a semester, a year, or maybe longer. Certain positions, such as Vice President of Student Services at GWC that have been filled by Interims for more than a year and vacant for the Fall semester, are moving forward in order to prevent high risks from a vacuum of oversight. We will continue to evaluate every single management and classified position when they become vacant as well as opportunities to re-align organizational structures for leaner and better efficiency under our current circumstances.

Our Plan for 2010/2011 and Beyond

In keeping with my revolutionary theme, I am reminded of a Chinese philosopher in 100 B.C. One of the most brilliant military strategists said this about the art of strategy, "Those who are victorious plan effectively and change decisively. They are like a great river that maintains its course but adjusts its flow . . . they have form but are formless. They are skilled at both planning and adapting and need not fear the results of a thousand battles; for they win in advance, defeating those that have already lost."

Unless a miracle happens soon, there is very little hope in the state budget to recover and be restored next year. The federal stimulus funding that the California community colleges had hoped for in the amount of \$130 million has now been reduced down to \$30 million to backfill categorical program cuts. We must plan effectively and change decisively. I am teaming with the presidents in working on several fronts:

- close examination of every available dollar in the budget
- explore opportunities for reorganization of staff/management whenever vacancies occur
- ways and means to maximize class section offerings
- change and adopt new business practices
- implement student-centered initiatives
- invest in revenue generation capacities

The Board of Trustees has also authorized me to work with each bargaining unit and each meet-and-confer group to review various options for how all of us may assist in mitigating the anticipated \$12 million budget reduction next year. (It is likely that further state reductions will add to this figure.) You will hear various proposals concerning work terms and conditions through your employee representative group leadership in the very near future. I can assure you that none will be decided upon or implemented without very specific triggers and restoration plans. In fact, it would be our last resort to implement any measures that affect the livelihood of our contract employees. Tough times force us to make tough choices. We stand at

the turning point of our District, our State and our Nation. It will be up to us to make the right decisions while facing these tough choices.

In the meantime, we continue to search for as many revenue sources as possible both inside and outside of the District.

Board of Governors' Proposal

The California Community Colleges board of governors has proposed their budget priorities for 2010/2011. If we can be successful in any of the following requests, then there just may be a slight glimpse of hope. The BOG key proposals are:

1. Restoration of categorical program funding in the amount of \$313,142,000; 2. Cost of Living Adjustment of 5% amounting to \$298,768,000 and 3. Enrollment FTES growth 3.4% for \$196,482,000.

Of course any of the above would depend on the Legislature and the Governor. We will need to do A LOT more aggressive advocacy in order to have our priorities be ahead of all other competing needs not only from educational sectors but also other stakeholders. I would like to thank the student government associations and the CFE for their participation and strong support of a very successful and large rally for community colleges held earlier this summer. Other Districts such as San Diego CCD have led the charge in organized rallies in their districts to direct their messages to their local legislators. We should and will explore our Coast District's advocacy effort in fighting for more state allocated investments for community college students.

The District Budget Advisory Committee will continue to meet and work toward our budget goals. The next meeting will be held on October 16 at 1:00pm in the District Board Room.

Once again, let me thank you for your heroism demonstrated this Fall as a beginning of how we will fight this with the sacrifice you started in extending your support for our students by your action. I'm humbled by your dedication, moved by your commitment, and honored to have you as my colleague.

Sincerely,

Ding-Jo