

COAST COMMUNITY COLLEGE DISTRICT

District Budget Advisory Committee Meeting Summary

October 13, 2011

CALL TO ORDER

Chancellor Andrew Jones called the meeting to order at 3:04 p.m. in the District Board Room. He welcomed the Committee and introduced himself as the new Chancellor of Coast Colleges.

Committee members present were:

1. Wes Bryan, President, Golden West College, GWC
2. Susana Castellanos-Gaona, Classified Representative, GWC
3. Andrew Dunn, Vice Chancellor, Administrative Services, District
4. Bob Fey, CFE Representative, on behalf of Dean Mancina
5. Chantelle Gonzalez, Student Representative, OCC, on behalf of Alex Ceballos
6. Raine Hambly, Classified Representative, District
7. Dennis Harkins, President, OCC
8. Andrew Jones, Chancellor, District
9. Judi Lagerlof, Classified Representative, OCC
10. Margaret Lovig, Academic Senate Representative, CCC
11. Vesna Mancina, Academic Senate Representative, OCC
12. Christine Nguyen, Vice President, Administrative Services, CCC
13. Robin O'Connor, Faculty Representative, OCC
14. Christina Oja, Confidentials Representative, on behalf of Norma Pollaro
15. Lucian Oprea, Student Representative, CCC
16. Richard Pagel, Vice President, Administrative Services, OCC
17. Joe Poshek, Representing CDMA Representative
18. Jack Price, Coast CCA Representative
19. Cheryl Stewart, Faculty Representative, CCC
20. Ha Tran, Classified Representative, CCC
21. Linda York, Faculty Representative, GWC

Committee Members Absent:

1. Lori Adrian, President, CCC, represented by Christine Nguyen
2. Alex Ceballos, Student Representative, OCC, represented by Chantelle Gonzalez
3. Janet Houlihan, Vice President, Administrative Services, GWC
4. Theresa Lavarini, Academic Senate Representative, GWC
5. Dean Mancina, CFE Representative, represented by Bob Fey
6. Ann Nicholson, CFCE Designee Representative
7. Norma Pollaro, Confidentials Representative, GWC, represented by Christina Oja
8. Anh (Bella) Tran, Student Representative, GWC

Would if You Could Exercise

Discussion:

- **Dr. Jones** opened the meeting with a brief visioning exercise in which he asked Committee members to identify one thing they could change at Coast that would make a difference and not cost money. A selection of responses included:
 - Require fewer regulations
 - Facilitate local control
 - Implement an electronic student education plan
 - Initiate rehire rights for part-time faculty

- Begin every action with genuine graciousness
 - Start faculty inquiry groups to discuss students' work and how to help them
 - Assign learning space for faculty leadership
 - Volunteer time to perform research projects
 - Increase dialogue with students
 - Increase participation on committees
 - Leverage resources among colleges
 - Operate without barriers
 - Increase sustainability
 - Utilize cross observation to appreciate the work of colleagues.
- **Dr. Jones** explained that he would ask the Committee to look at how we perceive and do things differently. This year, the focus will be on an appreciative budget model as opposed to a deficit model; that is, looking at what we have and using it efficiently. Although our budget of \$220 million is smaller than past years, it is larger than most college districts in the world. We need to develop an adequate plan to use existing resources within the constraints of rules and regulations.
 - With mid-year cuts imminent and erosion of the 2012-2013 budget, **Dr. Jones** informed that he will ask the Committee to come up with ways to radically change the way we do business, explore fiscal investments (even in these times), reflect on how we treat each other, and consider opportunities to invest in ourselves. Answers may not come exclusively from an educational context; we may need to look at emerging technologies arising in industry and consider alternate approaches and philosophies.

Status of 2011-2012 Budget

Discussion:

- **Andy Dunn** informed that a separate meeting would be held to review "budget basics," discuss the role of this Committee, and consider establishing standing meeting dates, as previously requested last spring to occur this fall.
- **Andy Dunn** presented an overview of the 2011-2012 budget, noting that the presentation would be made available on the District website.
- At the state/system level:
 - Workload reductions are preliminary; final figures will accompany final re-calculations in February.
 - Student fee increases (\$36/unit to \$46/unit) postponed to summer 2012.
 - K-12 organizations filed a lawsuit against the state alleging underfunding of Proposition 98.
- For Coast:
 - Various revenue triggers were planned based on expected 2011-2012 mid-year cuts. One-time funds have been set aside should the Tier 2 trigger need to be implemented mid-year. However, it will be problematic for 2012-2013 fiscal year.
 - Staff did a good job containing costs last year (2010-2011); ending balance of \$27 million was larger than previous year.
 - There was slight improvement in Coast's 50% law percentage in 2010-2011; it will continue to be tracked.
 - Since 2002, health insurance premiums increase by 117.5%, more than four times the 23.1% increase in California's overall inflation rate. Through collaborative endeavors involving efforts at the bargaining table, our third party administrator and favorable utilization experience, the District was able to realize a \$1.5 million savings in the cost of our health benefit plan.
 - The claims cost per employee in the 2011-2012 adopted budget is \$14,650. It is projected to be \$17,000 in 2012-2013.

- State provided cost-of-living-adjustment (COLA) has not kept pace with the increase in health benefits.
- Coast reduced the percentage spent on salary and benefits in 2010-2011, in part due to the three voluntary separation plans resulting in fewer employees.
- Upcoming revenue projections assume no new COLA or growth. Coast will use one-time solutions for this year's mid-year cuts, but need to deal with imbalance in 2012-2013.
- Upcoming expense projections estimate potential \$6 million to \$9 million problem for 2012-2013. Although this is early in the process, we need to plan ahead.
- **Governor Brown** will release his 2012-2013 budget in 90 days.
- Summary of budgetary risk Coast is facing:
 - Mid-year cut triggers
 - Student fee shortfall
 - Overly optimistic economic recovery assumption
- Summary of how Coast is mitigating risk:
 - Projected impact of Tier II mid-year cuts
 - Designated one-time funds in ending balance (will require structural solution in 2012-2013)
 - Will not further impact service or access this year (will carry structural imbalance into 2012-2013)
- As we look ahead:
 - Reports indicate State revenue is down \$700 million in first three months of year
 - Mid-year cuts determined by:
 - Legislative Analyst's Office release of fiscal outlook in November
 - Department of Finance pronouncement in December.
- Spring enrollment at all three colleges is expected to be less than the fall semester.
- **Dr. Jones** offered that we can find innovative ways to deal with the budget challenges by being willing to consider different structures and by keeping the lines of communication open.

Action:

- For the next meeting, **Dr. Jones** asked Committee members to bring a written idea about how we can do things differently, perhaps offer a different business model, or share an idea you may have heard about.

NEXT MEETING DATE:

The next meeting was scheduled for November 10, 2011 at 3:00 p.m. in the District Board Room.

The meeting adjourned at 4:01 p.m.

Recorded by Nancy Sprague