

2010/11 Budget Decisions

Highlights:

- The college must reduce its budget from \$28.3M (2008/09 year) to \$22.1M by 2010/11. This represents a reduction of close to 22% and is a direct result of the state budget crisis.
- The Budget Planning Committee has recommended 8 general budget reduction strategies.
- The leadership of the Academic Senate, the AFT, the CSEA, the Budget Planning Committee and the administration have met to discuss an overall process and to clarify decision making roles.
- The administration, including division deans, has developed a preliminary list of suggested curricular reductions. The Academic Senate will review this list and make modifications if necessary.
- The college will use existing institutional planning committees to develop recommendations for non-curricular matters.
- Specific budget recommendations must be made by December 2009. These recommendations will be implemented by the 2010/11 academic year.
- Many decisions will be made over the next month. It is important to stay informed and to speak with your constituency representatives so that your voice is heard.
- It is also important to recognize the significant reductions that have taken place already. We have lost many classified staff due to managed hiring and our adjunct faculty have felt the brunt of our reductions in course offerings.

Dear Colleagues,

My association with our local community colleges began when I first attended Cañada College in 1980. That experience changed my life and I have been passionate about community colleges ever since. Over the last 22 years I have had the good fortune to work at our community colleges in a variety of positions. Regardless of my role the one constant that I have noted during my 22 years is that we provide a first-rate education despite the fact that our state provides second-rate financial support. In fact, our funding per student has slipped to about 50% of the average funding per student for San Mateo County K-12 schools. Furthermore, our per-student funding levels are well below the CSU and UC systems.

Unfortunately, the latest state budget crisis has given rise to a new trend—a trend that I am very much concerned about: **our state leaders have crafted a state budget that will force us to do less—much less.** Because of the state budget meltdown we will have no choice but to serve fewer students despite a sharp increase in student demand. Furthermore, we will provide diminished services to those students who are fortunate enough to get classes. Consequently, we will need to make painful decisions about programs and services—decisions on what we keep, and decisions on what we must

reduce or eliminate. This directive from Sacramento defies logic and comes to us at a time when our community needs us the most. As Chancellor Galatolo stated on Opening Day, our state leaders are systematically dismantling higher education. In my opinion we are killing the goose that lays the golden eggs.

What is the impact on CSM?

Our operating budget will be reduced from \$28.3 million in 2008/09 to \$22.1 million by 2010/11. This represents a \$6.2 million, or 21.9% reduction over a two year period. Our sister colleges and the District Office will be making drastic reductions as well. In addition, the state has slashed various categorical budgets by up to 68%. Federal stimulus funds will fall far short to help us in any meaningful way. Finally, state revenues are already running well behind budget projections for the current year and it is possible that our budget deficit will become worse by this January.

Our college typically spends operating funds as follows:

Faculty:	68%
Staff:	20%
Administration:	7%
Supplies/Other	5%

As you can see, approximately 95% of our budget is spent on personnel. Unfortunately there is no way that we can achieve a budget cut of \$6.2 million without impacting people.

How will we make these cuts?

We must not take the easy way out. That is, we cannot make a simple across-the-board cut of 22%. I feel that we will need to do our utmost to ensure that our college remains a comprehensive institution. We will need to rely on the facts documented in our Educational Master Plan, program reviews, and other historical data in order to make informed decisions. Our specific budget reductions will be based upon the combined result of broad strategies process, and action steps. Our strategies and processes are outlined below:

Strategies

Before making specific decisions we must come to an agreement on an overall approach. In the absence of a simplistic across-the-board cut, what strategies will we employ to close the budget gap? The Budget Planning Committee (BPC) has recommended 8 broad strategies, which are listed below. College Council is reviewing these strategies and will make a final recommendation by the end of this month.

Strategy:

Eliminate 2.0 FTE administrative positions.

Current Status:

The BPC has recommended this strategy. It is a management prerogative to eliminate or add administrative positions after proper consultation. Management has announced the positions to be eliminated. The positions will be defunded as of 7/1/2010. Additional administrative positions may be defunded if the budget situation worsens.

Strategy:

Eliminate low-enrolled sections in accordance enrollment minimums established in District Rules and Regulations 6.04; achieve a minimum LOAD of 570.

Current Status:

This strategy was recommended by the BPC and approved by College Council in the last academic year; the strategy has been fully implemented.

Strategy:

Execute the Board of Trustee approved managed hiring process.

Current Status:

This strategy was recommended by the BPC and approved by College Council in the last academic year; the strategy has been fully implemented.

Strategy:

Eliminate or reduce community partnership programs.

Current Status:

The BPC has recommended this strategy. The college has already reduced its funding commitment to the South Bay Regional Public Safety Consortium. Other community partnerships programs will be evaluated using the college's institutional planning processes.

Strategy:

Eliminate certain programs and/or courses staffed by adjunct faculty and offer curriculum through Community Education where applicable.

Current Status:

The BPC has recommended this strategy. The administration has prepared a detailed list of courses and programs for consideration. Since this is a curricular matter, the Academic Senate will review the list and make modifications and other adjustments if deemed necessary. If the Academic Senate makes a modification, it is the expectation of the BPC that the Academic Senate identify other cost savings at least equal to the cost savings of the recommended program or course elimination.

Strategy:

Eliminate low enrolled, low load programs and/or consolidate programs with our sister colleges where necessary.

Current Status:

The BPC has recommended this strategy. The administration has prepared a detailed list of programs for elimination or consolidation for consideration. Since this is a curricular matter, the Academic Senate will review the list and make modifications and other adjustments if deemed necessary. If the Academic Senate makes a modification, it is the expectation of the BPC that the Academic Senate identify other cost savings at least equal to the cost savings of the recommended program or course elimination.

Strategy:

Further reduce course offerings if the State reduces the District's enrollment cap.

Current Status:

The BPC has recommended this strategy. No further action has been taken at this time. This strategy will only be implemented if necessary.

Strategy:

Execute round II of managed hiring.

Current Status:

The BPC has recommended this strategy. No further action has been taken at this time. This strategy will only be implemented if necessary and is also contingent upon the results of program elimination and/or consolidation.

Process

I am committed to making this process as transparent as possible. Similar to our former accreditation warning, which have addressed successfully, this is a problem at a scale that requires us all to work together. To that end I have convened the leadership of the Academic Senate, the AFT, the CSEA, and our Budget Planning Committee in order to share information, to discuss process, and to clarify decision making roles. This group has met several times and we will continue to meet as often as needed. I want to stress that this group is not a decision making body—the sole purpose of the group is to facilitate the process and to share information.

The following individuals have participated in our discussions:

- Academic Senate: Diana Bennett, Laura Demsetz, Jim Robertson
- AFT: Teeka James, Anne Stafford, Jackie Gamelin, Dan Kaplan
- CSEA: Annette Perot, Kathy Chaika
- Budget Planning Committee: Rick Ambrose, Henry Villareal
- Cabinet: Mike Claire, Susan Estes, Jennifer Hughes, Virgil Stanford

We have developed the following overall process:

1. The Budget Planning Committee has recommended the general budget reduction strategies noted above. These strategies provide the framework for specific actions and will be reviewed by College Council.
2. The three college presidents and Chancellor Galatolo met with the District Academic Senate late last May. It was agreed by all that there would be no “summer surprise”. That is, no action would be taken on any program over the summer months. However, all parties agreed that the administration and each respective senate would work together to expedite the decision making process during the Fall 2009 semester.

3. During the summer months the CSM administration developed a preliminary list of possible curricular reductions (see Attachment A). It is very important to note that this list is a starting point in the discussion. The Academic Senate maintains primacy over curricular matters. The Academic Senate will develop their own process to review the recommendations made by the administration and will make adjustments as they deem necessary. However, it is the expectation of the Budget Planning Committee that if the list of recommendations is altered, that the Senate recommend other adjustments that will yield an equivalent amount of savings.
4. We will use our existing institutional planning processes to make recommendations on non-curricular matters (see Attachment B).
5. Reductions in Student Services will also be identified, some of which will be forced by reductions in categorical funds. Recommendations will be made to the Academic Senate and to our institutional planning committees as appropriate.
6. The administration will continue to consult with the AFT and the CSEA with respect to budget decisions that may have contractual implications. The AFT has already held meetings at CSM and at Cañada to garner feedback on the proposed budget cuts. A future meeting is scheduled at Skyline College.
7. College Council is the final recommending body for decisions that do not involve curriculum. The college president may accept or reject a specific recommendation. If the college president rejects a recommendation he must state the rationale.
8. The timeline for all budget recommendations is early December 2009 with full implementation by July 2010.

Specific Action Steps

Our specific action steps and the timing of these steps flow from the strategies and process outlined above. Many specific actions steps are already underway. I will forward a separate document that summarizes recommended action steps once the BPC has had an opportunity to review the document.

How can you help?

I welcome your help. This problem is complex and requires us to look at potential solutions from a variety of perspectives. We will be forced to make decisions among competing needs. I sincerely hope that the whole campus is engaged actively in the process.

As a first step I encourage you to take some time to review the Office of Planning, Research, and Institutional Effectiveness (PRIE) website: <http://www.collegeofsanmateo.edu/prie> . This site provides access to our Educational Master Plan and a wealth of other data. You may also wish to provide suggestions to the Budget Planning Committee through this site. The Budget Planning Committee is reviewing all of the suggestions submitted thus far.

Most importantly, all of the agendas and meeting summaries for each institutional planning committee is posted on the PRIE site. This site will enable you to keep track of all of current decisions and future decisions as they pertain to the budget. With the exception of the Budget Planning Committee, all

committee meetings are open to any member of the campus community. Please watch your email for meeting announcements. We will be adding meetings over the remainder of the fall semester in order to finalize budget recommendations.

Most importantly, please make sure that your voices are heard through your appropriate representatives on the various institutional planning committees, College Council, Budget Planning Committee, Academic Senate, AFT, and the CSEA. In addition to the PRIE website, you may find the following websites helpful:

Academic Senate: <http://www.collegeofsanmateo.edu/academicsenate>
District Academic Senate: <http://www.smccd.edu/accounts/smccd/committees/academicsenate/>
AFT: <http://www.aft1493.org>,
CSEA: <http://www.smccd.net/accounts/csea/>
College Council: <http://www.collegeofsanmateo.edu/collegecouncil>.

Final Thoughts

We are going through a difficult and stressful time that I believe will get worse. For me it feels as if a major storm is heading our way and we have no choice but to prepare and do the best that we can under difficult circumstances. We will not know the true severity or the duration of this “financial storm” for some time to come. However, like all storms, this storm will pass in due time. Thus, it is also important to start planning for our recovery. While it will be difficult to reduce or eliminate parts of the college, I also believe that we have an opportunity to build a new institution—an institution that carries forward the very best of our traditions but that is also well-positioned to serve our future students and community. I am confident that we will emerge from this budget crisis stronger and more focused than ever.