

**2009-10 and 2010-11  
Budget Reduction Criteria, Commitments and Strategies**

The economic crisis affecting the state budget is conservatively projected to last at least three years. At the current time, our best efforts at projecting the fiscal impact on Cabrillo indicate that our state apportionment funding will decline. Additionally, categorically funded programs will also experience a significant loss of state and/or county funding.

The intent of the following criteria, process commitments, and strategies is to enable Cabrillo to move quickly from being a college that is organized and staffed to operate on a \$60 million budget to an organization and staffing level that can sustainably deliver excellent services to the community with a smaller budget. Again, it is important to emphasize that the numbers will change throughout the process.

The College Master Plan provided the general framework for the following criteria:

I. Criteria

- A. Implement an effective multi-year enrollment management plan that includes an FTES target that maximizes state apportionment funding. Goal A
- B. Protect core course offerings in transfer, basic skills, and Career Technical Education (CTE) programs. Goal B
  - Core courses toward an AA/AS degree
  - General Education breadth
- C. Examine all programs or activities including the performance categories identified in the Accountability Reporting for the Community Colleges (ARCC): 1) degrees, certificates, and transfer, 2) vocational, occupational, and workforce development and 3) basic skills and English as a Second Language. Goal B & C
  - Base program reduction decisions on clear historical enrollment data and financial trends and labor market demand as defined by the Workforce Investment Board
- D. Examine all non-base budget programs to determine if they are self-supporting, i.e. total compensation of employees and operating expenses (including indirect charges) are funded by the program revenue received and meet all program compliance requirements by the end of 2010-11. Goal E
  - Auxillary/ancillary operations
  - Categoricals and grant-funded programs
- E. Evaluate college-wide services and systems and explore alternative delivery models across components to reduce costs, reduce duplication of function, and increase efficiencies throughout the college. Goal A. Technology Plan.

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- F. Maintain compliance with the 50% Law and the Full-Time Faculty Obligation requirement as stated in Education Code sections 84362 and Title 5 section 51025. Goal B
  - Board of Governors approval to maintain the full-time faculty obligation at the Fall 2008 level; 205.6 FTE
- G. To the extent possible, address the maintenance and operational needs of new and existing facilities. Goal D. Facilities Master Plan.
- H. Review and evaluate facilities use: Goal E
  - cost effectiveness of programs and services at all locations including satellite operations
  - utilization of existing facilities at all sites
  - energy conservation

## II. Process Commitments

- A. Link Budget planning, including program and service reductions and redesign efficiencies, to long range planning.
- B. Utilize the appropriate forums to dialogue about the restructuring, consolidation, reductions, and/or elimination of programs and services resulting from a reduction in resources.
- C. In the event that program and workforce reductions are necessary, the college will work to retain permanent employees when possible and, if not possible, will assist with employment-related transitional issues.
- D. The process will be characterized by openness, respect, sensitivity, and inclusiveness.

## III. Strategies:

- A. Calculate the budget reduction target for 2009-10 and 2010-11.
- B. Determine the FTES target for 2010-11.
- C. Utilize existing processes, as well as cross-functional teams, to make recommendations on strategies to develop a strong \$xx million budget which represents a reduction in current expenditures by \$y million.
- D. Review all auxiliary and categorical program budgets with the appropriate budget administrator to identify reductions.
- E. Utilize salary savings for vacant positions to reduce the overall budget reduction target.
  - Salary savings may be used to fund replacements for vacant positions based on demonstrated need and the approval of the Vice President/President.

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- Salary savings may not be used to cover other operating expenses or equipment purchases.
- F. Evaluate facility use for efficiency and effectiveness.
- G. Discuss compensation and benefit programs with bargaining groups.
- H. Cabinet may approve the recruitment of vacant positions based on demonstrated need.
  - Human Resources will provide a list of vacant positions and the status of recruitments on a weekly basis.
  - Business Services will provide a report of cumulative salary savings on a monthly basis.

#### IV. **Historical Data Available**

##### A. Internal Data

- Cost Center
  - Actual 06-07 Expenditures, number of full-time equivalent faculty, staff and administrators (FTE) and FTES
  - Actual 07-08 Expenditures, FTE and FTES
  - Budget 08-09 Expenditures, FTE
- Staffing levels by department and bargaining unit from accreditation self-study
- FACT Books
- Space Planning project database
- Suggestion box for anonymous input
- Budget reduction website

##### B. External Data

- Fiscal Data Abstract 06-07
- Current Cost of Education 06-07