

Management Position Statement Regarding Reductions
8/20/09

The following was developed and endorsed by the management group, which includes all managers except members of Cabinet. We endorse any combination of these options which reflect a commitment to a district-wide approach to budget reductions and employee compensation concessions.

Please note that this document focuses more on fiscal issues than the educational policy that should be governing all decisions of this nature. The following items are intended to move the college budget back into balance as quickly as possible. But, they are not a substitute for the continuing need to balance financial resources with objectives of the educational master plan to most effectively and sustainably meet the needs of our community. Cabrillo has long prided itself on the quality of education we offer. We believe that we can sustain that quality with a smaller budget, but it will require a willingness to evaluate, limit, even eliminate services, practices, and/or costs that have become ingrained in our structure. We look forward to participating in these discussions.

Many of the items below, particularly numbers 13 through 19 under “District,” should be viewed as long-term solutions to structural concerns rather than immediate opportunities for savings. These structural items have been identified in one or both union contracts as contributing to internal compensation alignment inequities and resulting in escalating costs to the district. These structural expenses need to be addressed at the negotiating table and should be brought under control to ensure the on-going financial health of the organization. Several of the other, non-negotiated items under “District” are already being addressed, and we strongly support continuing these efforts.

Basic Premise: All employee groups need to be part of the solution, and a package of reductions needs to be identified. It is unfair to expect some groups to suffer reductions in pay while other employee groups continue to receive pay increases. We do not support putting forward items separately, nor do we believe that the managers should be asked to continue to “lead the way” in taking reductions given the facts surrounding the lack of internal alignment of total compensation. Managers have already taken the lead in the following:

- Withdrew our request for a compensation study
- Agreed to the lowest cost HMO if other groups also participate.

Also, we recognize that management positions have been lost temporarily with the possibility of some positions being lost permanently. These losses, as well as the loss of support staff, impact the workload of members of the management team. Savings due to lost management positions should be recognized as reductions suffered by the college’s administrative employee group. The management group looks forward to participating in discussions regarding the future of vacant management positions, including possible restructuring or reorganization of responsibilities.

As stated above, this document contains an inventory of options, many of which require negotiations. If options below which impact the managers require the agreement of other employee groups, and that agreement is not obtained, we expect to revisit our endorsements.

EMPLOYEE Compensation & Benefits reductions/savings:

1. The managers would be willing to freeze step and column increases for a year if all other groups do the same and if the classified unit freezes longevity at the current level for a year. It is unfair for some employees to get compensation increases while management compensation is frozen.
2. Furlough days – Managers were presented with the idea of taking five furlough days with the goal of achieving a 2% salary reduction (in addition to any benefit savings or vacant positions). Since it is impossible to furlough all employees (i.e. certificated employees are required to work a 175 day schedule), we recommend that each group be required to present a plan to achieve a 2% reduction, furlough being one option. The managers would then, as part of this process, present our recommendation for a 2% reduction in management compensation.
3. Paid PERS. We recommend that all NEW classified and confidential hires be required to pay the employee share of their retirement plan, as is required of existing members of all other employee groups.
4. Freeze longevity and professional growth increases for one year.
5. Freeze classification studies during the current fiscal year except for classification changes due to a restructuring.
6. Limit or eliminate retiree benefits and longevity for NEW employees and consider implementing a retiree contribution
7. Implement lowest cost Blue Shield HMO
8. Enforce the cap on vacation accrual by disallowing the accumulation of hours beyond the caps in the CCEU contract.
9. Encourage reduced contracts on a voluntary basis if they are programmatically sound.

DISTRICT program & service potential reductions/savings:

(Items 10, 11, and 12 are not recommended as long-term, ongoing changes.)

10. Eliminate Wintersession (If so, close the college for one week to recoup maximum savings. If there are furloughs, this period could be used to take furloughs or this time could be used to reduce vacation liability.)
11. Continue limiting summer session to six weeks. (See comment under #10.)
12. Scotts Valley – Explore options to maintain an educational presence in Scotts Valley at a lesser cost than the existing facility.
13. Stricter guidelines and compliance re: student fee collection (front end), including but not limited to international and out-of-state students. Continue the clarification and implementation of policy.
14. To the greatest extent possible, ensure that revenue-generating, non-base budget programs be totally funded by the program revenue received and meet all program

- compliance requirements. (e.g. total compensation of employees and operating expenses including indirect charges)
15. Eliminate duplication of services throughout the college when feasible and programmatically sound.
 16. Implement a formal process for reviewing new initiatives to ensure that the financial and manpower resources for institutional support exist.
 17. Review large expenditures of one-time funds (including those already approved by CPC) while cash flow restrictions are in effect.
 18. Review all one-time and carry-over funds for potential savings.
 19. Categorical Programs – Evaluate the impact of categorical reductions on mandated services and determine the appropriate level of district backfill, if any.