



AGENDA ITEM BACKGROUND

TO: GOVERNING BOARD		DATE February 14, 2011
FROM: PRESIDENT		
SUBJECT: 2011-12 through 2013-14 Budget Reduction Process Commitments, Criteria and Strategies		ENCLOSURE(S) Page 1 of 4
REASON FOR BOARD CONSIDERATION ACTION	ITEM NUMBER B.1	

BACKGROUND:

The College is moving forward with budget planning for the 2011-12 fiscal year. In October of 2010, the College Planning Council reviewed and revised the Budget Reduction Process Commitments, Criteria and Strategies that will be used for budget planning for 2011-12 through 2013-14.

The attached document was reviewed by the Governing Board in November, 2010 as a part of the 2010-11 and 2011-12 Budget Planning Parameter Update.

FISCAL IMPACT:

None.

RECOMMENDATION:

It is recommended that the Governing Board approve the budget reduction process, commitments, criteria and strategies for fiscal years 2011-12 through 2013-14

Administrator Initiating Item: Victoria Lewis	Academic and Professional Matter <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Final Disposition
	If yes, Faculty Senate Agreement <input type="checkbox"/> Yes <input type="checkbox"/> No	
	Senate President Signature	

**2011-12 through 2013-14
Budget Reduction Process Commitments, Criteria 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 funding may continue to decline.

The intent of the following process commitments, criteria and strategies is to enable Cabrillo to move from being a college that is organized and staffed to operate on a \$60 million budget to an organization and staffing level that can deliver sustainable services to the community with a smaller budget.

I. Process Commitments

- A. Link Budget planning, including program and service reductions and redesign efficiencies, to long range planning, including the evaluation of the impact on student success.
- 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 preserve faculty, staff and management positions 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.

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

II. Criteria

- A. Compliance Requirements
 1. Maintain accreditation standards of the college and academic programs
 2. Maintain state and federal compliance requirements (CMP Goal B) e.g.:
 - 50% law
 - Full-Time faculty obligation number (FON)
 - Accessibility
- B. Preserve transfer, basic skills, and Career Technical Education so students are able to complete their academic goals (CMP Goal B)
 - Core courses toward an AA/AS
 - General education breadth
 - Labor market
- C. Minimize negative impact on student success (CMP Goals B & C) e.g.
 - ARCC
- D. Optimize enrollment to achieve maximum state revenues.

- E. Minimize impact of non-base budget programs on General Fund (CMP Goal E)
 - Ancillary/Auxiliary operations
 - Categorical and grant-funded programs
- F. Maximize efficiency of programs and services (CMP Goal A and Technology Plan)
 - Are college programs and services efficient?
 - WSCH/FTEF
 - Non-redundant
- G. Minimize the negative impact on the operational needs of new and existing facilities (CMP Goal D and Facilities Master Plan)
- H. Optimize effective utilization of college facilities (CMP Goal E)
- I. Maximize flexibility and opportunities for employees (Process Commitment C)

III. Strategies

- A. Design and implement Strategic Enrollment Management Plan and determine the FTES targets for 2011-12 through 2013-14.
- B. Review all auxiliary and categorical program budgets with the appropriate budget administrator to identify reductions.
- C. Evaluate college-wide services and systems; explore alternative models across components; reduce costs, reduce duplication of function, and increase efficiencies throughout the college.
- D. Management of personnel budget.

Process Overview

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.
 - Salary savings may not be used to cover other operating expenses or equipment purchases.
 - 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.
 - Administrative Services will provide a report of cumulative salary savings on a monthly basis.
- E. Evaluate facility use for efficiency and effectiveness.
 - Watsonville
 - Scotts Valley
 - Energy Use Reduction
 - F. Discuss compensation and benefit programs with all employee groups.

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 <http://pro.cabrillo.edu/pro/factbook/index.html>
- Space Planning project database
- Suggestion box for anonymous input
- Budget reduction website
- Accreditation Self-Study <http://www.cabrillo.edu/services/pro/accred/index.html>
- Program Planning Pages <http://pro.cabrillo.edu/pro/factbook/programPlanningTables.html>

B. External Data

- Fiscal Data Abstract 06-07
- Current Cost of Education 06-07
- WASC Accreditation Standards
<http://www.cabrillo.edu/services/pro/accred/pdf/ACCJC%20NEW%20STANDARDS.pdf>