First 2008-09 "Town-Hall" Budget Status Meeting

Imperial Valley College
Room 2131
November 13 & 14, 2008

Topics

- Governor's Proposed Budget Cuts
- Legislative Analyst's Budget Recommendations
- Impact of Proposed Cuts on IVC
- Principles for Budget Reduction
- Process for Budget Reduction
- Recommended 1st Actions
- Advocacy to Minimize Impact
- Funding of 5 Mgt. Positions
- Q&A

Governor's Mid-Year Budget Proposal

- $9.2 Billion in current year budget solutions
  - $4.7 billion in new taxes
    - Increase sales tax by 1.5 cents
    - Expanding sales tax to include some services
    - Increasing alcohol taxes by 5 cents per drink
    - Instituting an oil severance tax
  - $4.5 billion in budget cuts
    - Higher Education Cut a total of 10% for the year (including below-statutory COLA) – mid-year cuts are an additional approximately 6%
    - K-12 cut $2.2 Billion
- Legislature must approve but is not likely to approve as proposed

LAO Budget Recommendations

Nonpartisan Advisor to the Legislature

- Budget Deficit – 08 – 09, $11.2 billion, 09 – 10, $13 billion – shortfall total $27.8 billion.
- Act quickly
  - Maximize options, in terms of both revenue and cuts
  - Allow local governments, districts, and agencies more time to prepare for the cuts
  - Allow time to take ballot measures, including tax increases and constitutional amendments, to the people for ratification

LAO Recommendations (continued)

- Revenue – endorses Gov.'s proposals, but also calls for a partial restoration of "car tax"
- Budget reduction: less on mid-year cuts, but deeper cuts in 2009 – 10
- Specific recommendations.
  - Eliminate the 0.68% COLA
  - Increase credit fee to $26 per unit effective 1/1/09 and increased credit fee to $30 /unit on 7/1/09.
  - Reduce funding to the regular noncredit rate for certain credit bearing physical education classes, effective 01/01/09 and additional enrichment courses on 07/01/09
  - ***No 5% Cut to General Apportionment***

Impact of Budget Cuts on CC's

- Cutting $39.8 million, the remaining funded 0.68% COLA – equals a reduction of 5.66% from statutory funding level
- Cut 5% from district's general apportionment totaling $292.4 million
- Allowing districts to backfill portions of their general apportionment cut by doing mid-year shift from categorical program funding
- Lower funding from $5,845 per FTES student to $$4,595
- 10% Cut while Colleges are Growing at 10%

Impact on Governor's Proposal on IVC – Remember this is *not* yet approved

- Worst possible time for these proposed cuts
  - Unemployment in Imperial County leads nation at 25.4% and displaced workers are likely in this economy
- IVC has a deficit (unbalanced) budget which compounds the shortage for 2008-2009
- The Governor's recommendation would force us to cut another $1.73 – $2 million this year
- The Legislative Analyst's reductions would only reduce the budget approximately $300,000 +

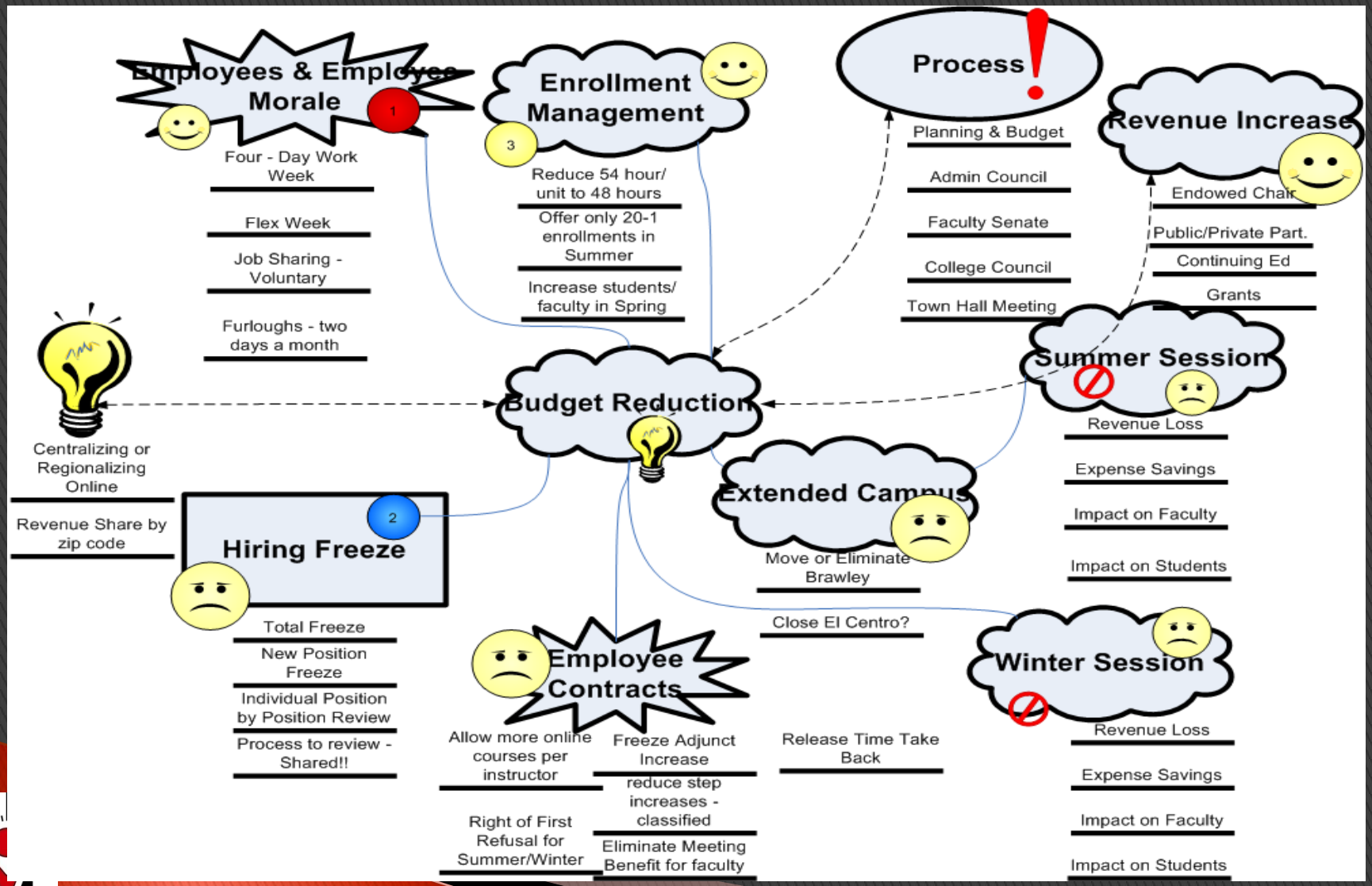
President's Recommendations Start with Principles

- Every full-time employee will keep their job
- We must balance our budget in 2009-10
  - Reserves will be applied to one-time expenditures
  - No salaries will be paid from reserves in 2009-2010
- Process to reduce the budget will be open and led by the Budget and Fiscal Planning Co.
- IVC Books will be open to faculty and staff
- Non-committed funds for salaries will be frozen first
- Voluntary Reductions will be sought
- Employee preservation is Priority #1

Process to Reduce Budget

- The Participatory Governance Process will be followed
- The President's Office will recommend reductions to the Budget and Fiscal Planning Committee who will react and make their own recommendations
- All recommendations will be submitted to the Academic Senate and the College Council
- Academic Senate and College Council will make final recommendations to President
- President will make final recommendation to the Board of Trustees – Any differences from Budget and Fiscal Planning, College Council and Academic Senate will also be presented to the Board

What is the President Thinking?



Recommendations

- The Five Classified Management Positions, although cost savings over budget may be frozen unless non general fund dollars can be found
- All other current openings frozen
- Freeze openings by retirements and turnover
- Frozen positions will be submitted to "Thaw" Committee on a case-by-case basis – allowing a position by position review
- Complete Review of VATEA, Basic Skills, Matriculation & Other Categorical funds to determine if there is potential General Fund relief without supplanting through these funds
- A Four-day or 9 day = 80 hour work week, flex weeks
- Furloughs and Voluntary job sharing
- Instructional hours per unit reduced
- Summer and Winter Sessions – Demand Classes only
- Increase class size (contractual)
- Reduce step increases (contractual)
- Reduce release time (contractual)
- Increase the number of online sections
- Allow full-time faculty to teach more online sections (contractual)

Advocacy at the State Level

- The 10% cut at a time of 10% enrollment increase will slash 165,000 FTE students and will slow economic recovery in California
- Currently there are 100,000 unfunded FTES the Governor's proposal would cut 64,066 more FTES
- With increased unemployment comes increased enrollment demands
- Instead of the $332 million cut the 100,000 unfunded FTES should be funded
- Community Colleges have been belt tightening for years and receive one-half of what the CSU receives per student and 1/3 what the UC receives
- Any mid-year proposal for community colleges must be accompanied by the same guarantee of property tax revenues that the Legislature and Governor have made for K-12 schools.
- The "categorical flexibility" is bad policy and pit disable students against poor students and career-technical programs against major initiatives to address the basic skills crisis

Funding – 5 Classified Managers

November 1008

Board Approved Classified Management Positions

- Director of Campus Safety and Security
- Director of Purchasing
- Director of Admissions and Records
- Director of Research, Planning and Grants
- Director of Public and Media Relations – ½ time

•All of these are budgeted positions in the approved 2008-2009 Budget
•Where possible each position replaced an existing position (next slide)
•The positions were developed as cost neutral
•An actual savings to the 2007-08 budget has been realized (see slide)

Position Offset Study

New Position	Former Position
Safety and Security	Parking Control Officer
Purchasing	No Offset – position should pay for itself
Admissions & Records	Associate Dean A&R and (no backfill)
Research, Planning & Grants	Internal ??, no backfill
Public & Media Relations	Contract for Public & Media Relations

Fiscal Picture – New Positions– 2008–2009 – ½ Year

New Position	Finance Picture	
	Cost/Savings	GF Cost/Sav
Safety and Security		$ 16,035
Purchasing		$139,202*
Admissions & Records		$ 26,839
Research, Planning & Grants		$ 3,936
Public & Media Relations		$ 1,161
Totals		***$125,623***
Totals		***$13,579***

Fiscal Picture – New Positions – 2009 – 2010

New Position	Finance Picture	
	Cost/Savings	GF Cost/Sav
Safety and Security		$ 3,306
Purchasing		$ 92,720
Admissions & Records		$ 47,133
Research, Planning & Grants		$ 7,872
Public & Media Relations		$ 9,000
Totals		***$137,675***
Totals		***$44,955***

Q & A

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