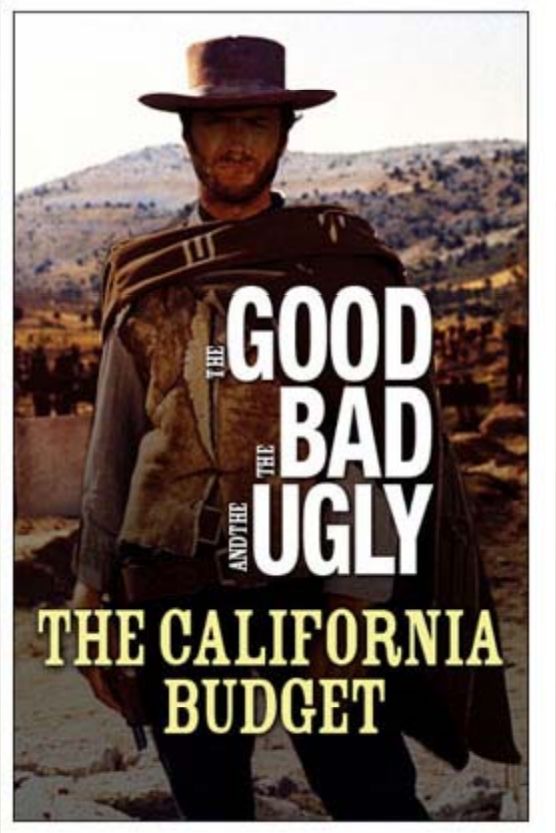
Status of the 2009 – 2010 Budget

Town – Hall Meeting 6/4/2009

The Budget Crisis is Statewide



What Gives? The Budget Gets “Badder”, Uglier, and there is little, if any good in it?

Debunking the Rumor Mill

- There will be a summer school this year it has been reduced but the schedule that students are registering for will be offered on a 4 day week.
- There is no truth to the rumor that administration is requiring faculty to limit classes to the class cap. Faculty will be able to use discretion
- While I probably have access, if I wanted it, to all e-mail I have never looked nor will I look at e-mail except those e-mails that are sent or cc'd to me.
- I do have a pen that records, however I don't use it in any private meetings. It is only used in group meetings.
- We did spend $4,000 on Board of Trustees and President Medallions for Graduation

Our General Fund Situation

A "Perfect Storm"

- The IVC 2009 – 2010 General Fund Budget, based on the Governor's Proposed Budget in March and the amount of ongoing costs (salaries, etc.), was out of balance by $3,263,697 dollars.
  - Projected Revenue from the State = $38,391,748
  - Planned Expenditures = $41,655,445
  - A 6% reserve on our projected 2009 – 2010 budget would be $2,499,327
- Additionally $2,351,646 of new general fund cuts have been proposed by the Governor
- Governor proposes reducing PE/Rec - -$760,000
- Our combined projection is -$5,615,343 or -4.55%

Our Categorical Fund Situation

- Governor has recommended a 58.8% ongoing reduction or $1,990,622 in IVC categorical programs:
  - Basic Skills -$230,356
  - CARE -$116,604
  - Matriculation Credit -$264,807
  - Matriculation Non-Credit -$34,906
  - DSPS -$348,064
  - EOPS -$745,189
  - Instructional Equipment -$57,170
  - Part-time Faculty Compensation -$136,356
  - Scheduled Maintenance -$57,170

Our Categorical Fund Situation – cont.

- Governor has recommended a one time categorical cut of -$511,590 or -14.7%:
  - Basic Skills -$59,201
  - CARE -$29,967
  - Matriculation Credit -$68,055
  - Matriculation Non-Credit -$8,971
  - DSPS -$89,452
  - EOPS -$191,514
  - Instructional Equipment -$14,963
  - Part-time Faculty Compensation -$35,043
  - Scheduled Maintenance -$14,693

CalWORKS

- The Governor has proposed the elimination of the CalWORKS program for Counties in 2009-10
- Community Colleges have a separate CalWORKS Allocation that has been placed on the *"Exempt from Cuts"* list for this year, but will be reduced to 0 next year if the Governor's proposal is approved.
- The District is letting CalWORKS employees know that they will not have a job by June 30 if the State eliminates Cal Works
- 8 FTE Employees with bumping rights

Community College Efforts and Concession

- Reduce the reduction in DSPS and EOPS to -15%
- All remaining categorical programs reduced -62.3%
- Ask the Legislature to not single out specific programs for reductions (-$760,000 from PE/REC to IVC) to a general apportionment reduction of an equal amount
- Request the following changes resulting in $202,000,000 of which $82,000,000 would go to categorical programs
  - Backfill the recommended PE/Art cut
  - 1% Growth Reduction (rather than 2) (as of today 0 Growth)
  - Ask for $150,000 in Federal Stimulus funds
  - Support a $2 per credit fee increase generating $28 - $30 million (most likely to end up $26 - $30 or $84 to $210
- Reduce Workload and Mandates proportionate to Appropriation

How did this Happen?

- The State has a $24 billion Deficit.
- The Governor has planned a reduction in $ per FTES from $5,812 to $5,093 which, if approved, would lower our base funding into the future.
- The ending balance in 2006-2007 produced a 27% surplus and from that budget and at that time the approved budget included $2.6 million in ongoing salary and related expenses. This brought the reserve to approximately 18% last year, 10% at the end of this year.
- *We only have one budget to react to at this time, it's a moving target and the Legislature has not "weighed-in." We will reduce to that budget and add back in if there is better news.*
- The ending balance this year with the new General Fund cuts would be -$5,615,343 or – 4.55%

Alternatives Currently Considered

- Deny all new requests in the budget then cut the existing budget across the board by 10%
  - Pro – Simple
  - Con – 1) Fails to comply with major recommendation of Accreditation. 2) Assumes resources are currently being used efficiently and effectively.
  - Rejected due to requirements of accreditation
- Review entire budget and reduce programs and services
  - Pro – Program Review Process influences outcome
  - Pro – Opportunity to balance budget and cease using reserves for ongoing expense.

Recommendation or Decision

- Balance 2009-2010 budget to proposed Governor's Budget figures and stop dependency on Reserves for on-going costs categorical $2,502,212 + GF $5,700,000
- Will review every program, course, session for cost to revenue efficiency and effectiveness
- Preserve Core of Educational Programs and community needs first – Basic Skills, General Education and Graduation requirements, productive vocational programs.
- Reduce all categorical programs to the recommended 62.3% reduction in all programs other than EOPS & DSPS which will be reduced 15% - $2,502,212
- Match expenditures to Educational Master Plan and align with program reviews

Decisions and Recommendations cont.

- Reduce our contribution to GASB 45 $200,000
- Reduce Capital outlay $178,331
- Reduce Memberships, travel, consult $200,000
- No increase in overload/adjunct pay $365,183
- Reduce overload/adjunct pay $5 $365,183
- Reduce Classified Overtime $50,000
- No Step increase for Admin. ?
- Hiring Freeze, select replacements $1,000,000
- Cut Summer School in ½ $600,000
- Cut Winter session in ½ $460,000
- Consider eliminating low producing programs and services $?

Decisions and Recommendations cont.

- Reduce Extended Campus Programs & Services $?
- Reduce Supply Accounts (except lottery) $100,000
- Eliminate Non-Credit Programs $239,788
- Reduction or Elimination of Athletics $?
- Pooling Division Assistants & Consider return to 10 months
- Minimizing number of 199 day contracts
- Reducing Counseling services with potential closing of outreach counseling
- Push for Bucket Expenditure Plan
- Consider Hybrid courses
- Use new Enlighten Software to cut “low hanging fruit” sessions
- Work with region to consider regionalization
- Alternatives to get work done

Recommendations & Decisions cont.

- Create Entrepreneurial/New Revenue Task Group
- Create Grant Task Groups
  - Three New WIA Grants received
  - Good likelihood of a minimum of $800,000 in new Stimulus WIB Grants
  - Pursuing NSF and DOL Competitive Grants
- Seeking input
  - CMCA has suggested reductions
  - Brown Bag
  - Planning and Budget Committee
- Considering furloughs to balance budget and/or 4 day week

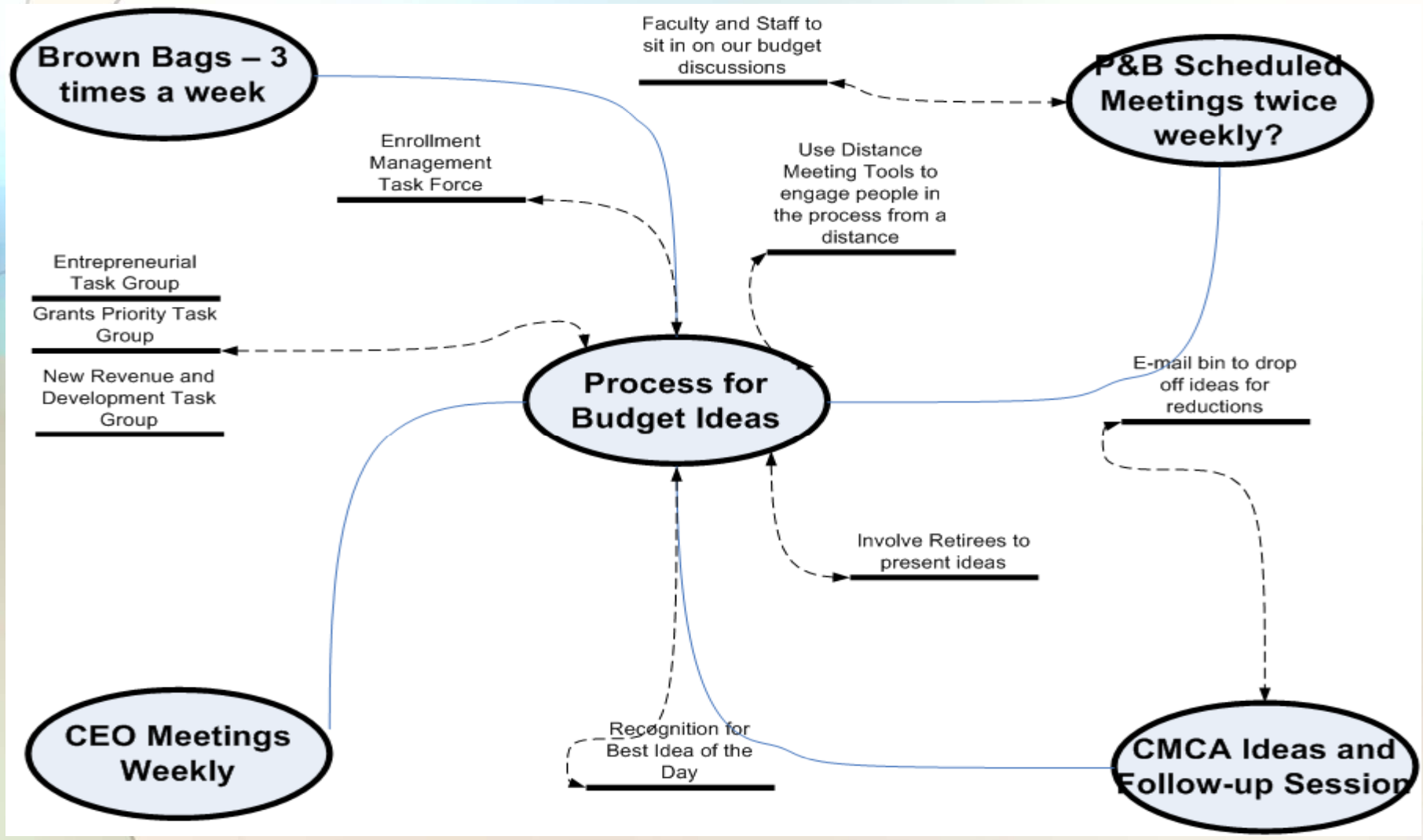
Enrollment Management 2009-2010

- We will be reducing our offerings if the State grants a workload reduction if not our target FTES is 7200
- We will maximize course offerings in Fall & Spring Semesters and minimize offerings in Winter and Summer
  - Costs for Adjunct and Faculty Overload are the same in Fall & Spring Semesters
  - Faculty Pro-rata pay costs more than Adjunct Pay in Summer and Winter – right of first refusal
- Enlighten Program allows us to determine cost of every class offered. High cost/low yield courses will be first to be eliminated.
- We will be increasing average class size through cutting low yield classes and requiring minimum of 15 in each course.

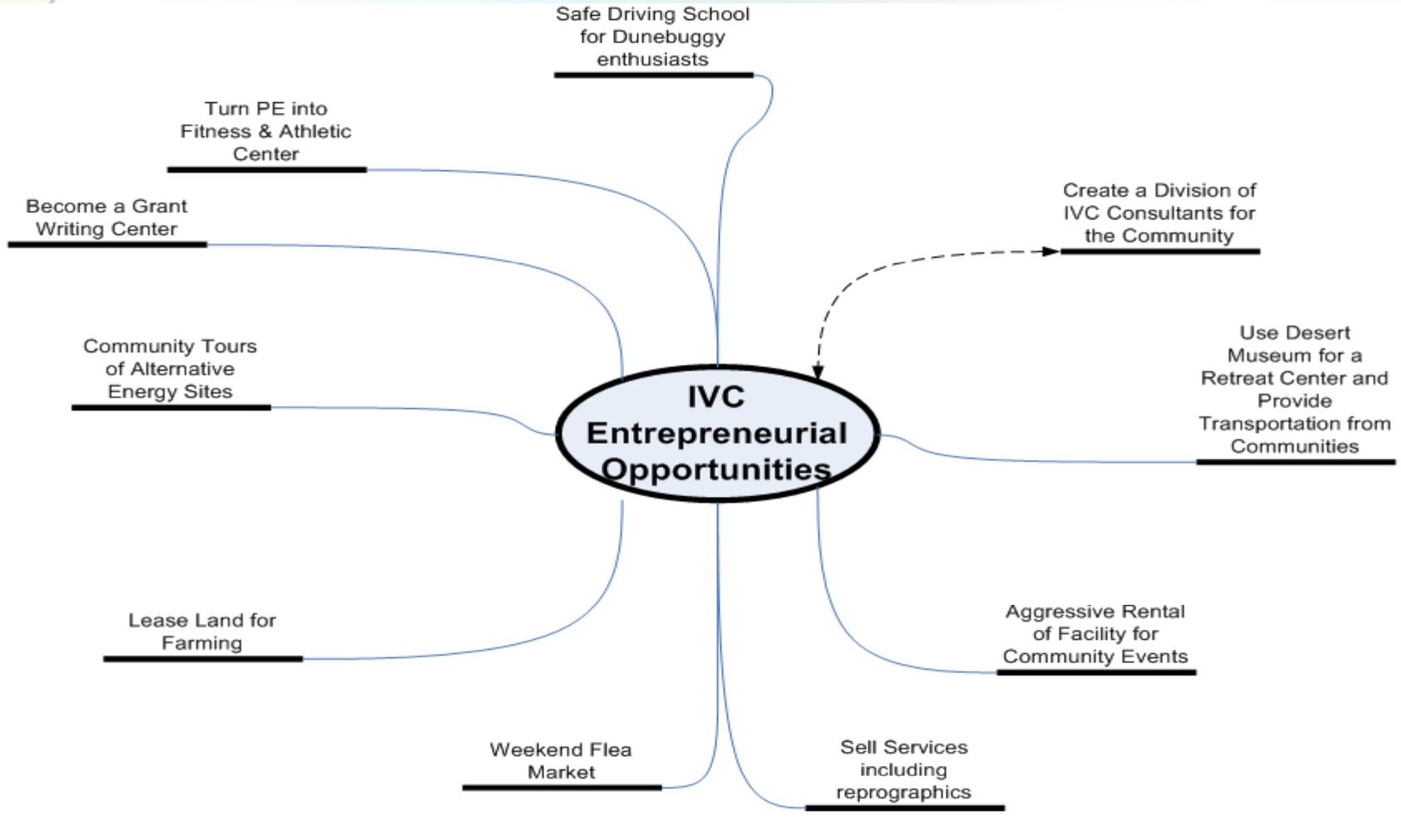
What We are Doing

- Move as many eliminated positions to grant funded positions
- Creating Teams to do Process Reengineering to utilize technology effectively
- Develop a plan to reduce staff due to attrition
- Pooling or Centralizing People and Budgetary Resources for Greater Efficiency
- Reviewing every lease contract
- Centralizing Purchasing
- Becoming “leaner”
- Looking at new efficient and effective models of Instruction
- Implementing as many suggestions from Brown Bag Sessions, Shared Governance input as possible
- Developing a Balanced Budget

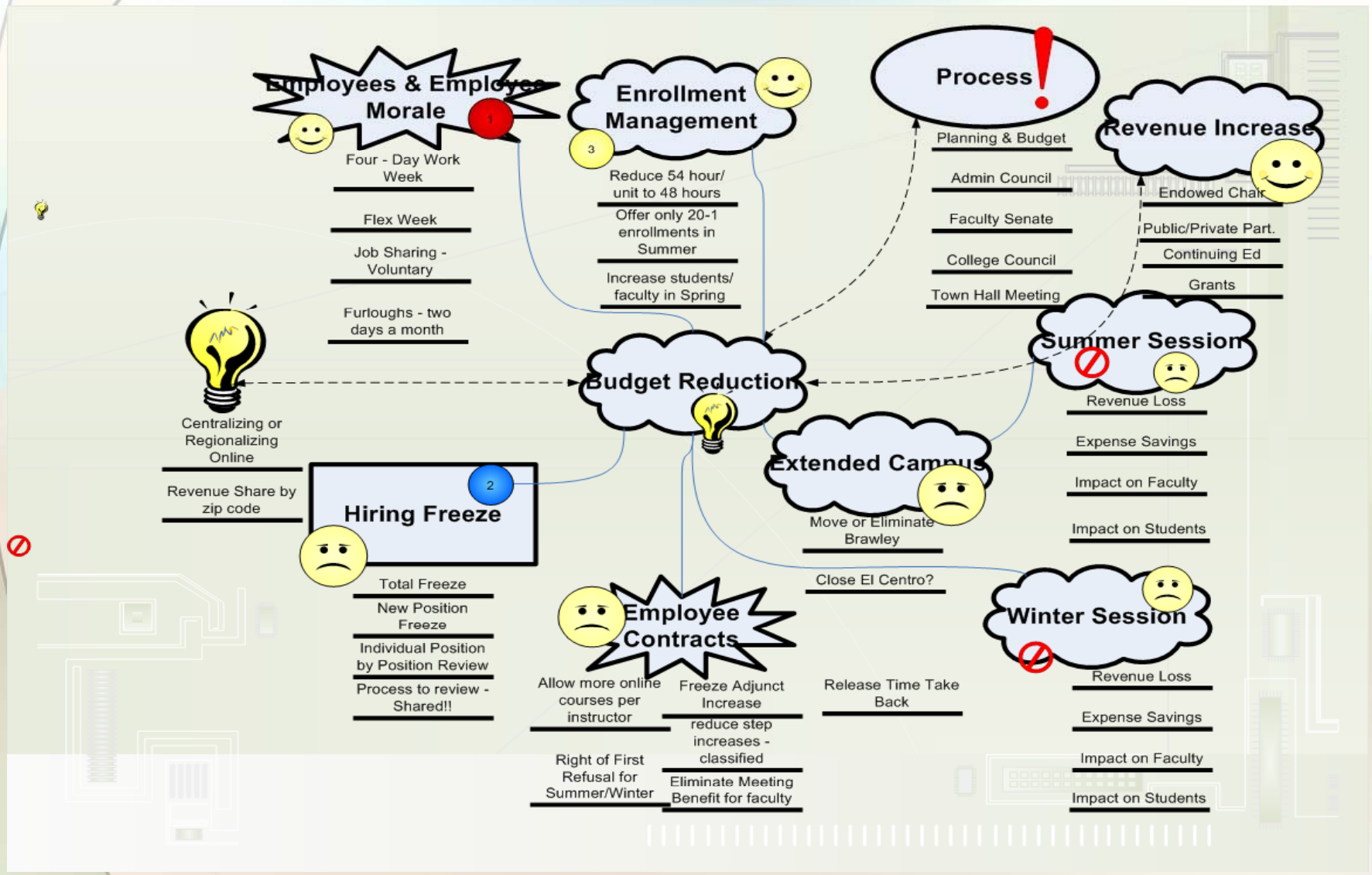
Searching for Income and Expense Changes



Thinking Outside of the Box



Revisiting Previous Ideas



Listening to Your Ideas

Budget Reduction Ideas

- CMCA - $4.9 mil in reductions
- Make the fitness center available to faculty, staff, and administrators to earn a reduction in the cost of health insurance
- Eliminate the printed publication of both the Class Schedule and the Catalog and have it available online.
- Make the Grading System and Add/Drops available to faculty online.
- Reduce Division Assistants to 10 months
- Merge lab services in the summer and make Lab Techs available for other Tech Projects
- Reduce Overload/Adjunct pay from $55 to $50.
- Centralize balance of Travel Money with VP's and President for allocation approval needed by Business Office
- Have volunteers from Special Ed Classes and Services supporting landscape and custodial work.

Revenue Enhancement Ideas

- If possible or feasible sell advertising in the class schedule and/or web site.
- Consider making the Gym, swimming pool, and fitness facilities available to the public like a fitness center charging daily, weekly, monthly or annual memberships
- If a schedule and/or catalog are published consider selling them rather than giving them away.
- Consider using the Desert Museum for corporate retreats, weddings, etc.
- Consider providing photo tour services for a fee.
- Take over the management of the International Salton Sea Bird Watching Festival. The business club is currently doing the registration.
- Consider the development of an International Student Program.
- Actualize the IVC Superstore
- Create an Entrepreneurial Task Force that will create ways to provide academic services, non-credit activities, etc. as a fee based system.
- Weekend Flea Market

Listening to Your Ideas

Budget Reduction Ideas

- Work sharing Program – Option to layoff – allows for a work reduction and the unemployment insurance benefit amount equal to the percentage of the wage reduction – Eligibility requires a 10% reduction of wages – 10% of the employer's regular workforce or a unit of the workforce must be affected by the layoffs.
  - Reduce the number of days from 5 to 4
  - Furlough two days per month
  - Rotate Employees/reduce working hours
  - Cancel Summer/Winter Intersession ?
- Administration show the lead by reducing salaries or freezing steps
- Do not replace administrative vacancies

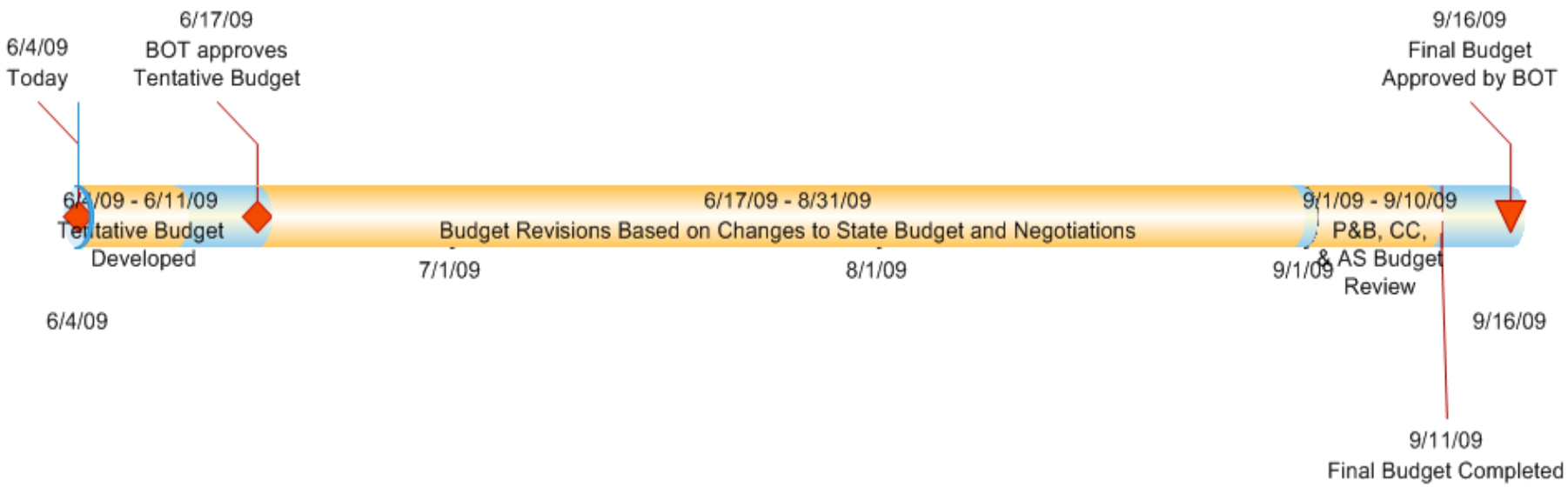
Revenue Enhancement Ideas

- Lease Land for Farming
- Community Tours of Alternative Energy Sites
- Become a Grant Writing Center
- Safe Driving School for Dune Buggy enthusiasts
- Create a Consultant Service
- Aggressive program of rental of IVC facilities for Community Events
- Sell Services like Reprographics
- Establish Continuing Education Programs
- Become a "testing center."

Budget Timeline

Budget Development Timeline

Balanced Budgets Will Be Presented to Board of Trustees



May Revision was Given to District on May 26, 2009

Our Vision for the Future

- We will live within our means and balance the Budget
- Create an Ongoing Budget based on appropriate salary to budget ratio of less than 85% salary
- Preserve Core Program First
- Meet all Planning and Program requirements to meet Accreditation Plans
- Create a Futures Task Force that works with Strategic Planning
- Begin addressing basic skills and ESL needs with new models of instruction
- Tailor Occupational Programs to local employment needs

Summary

- We will save as many jobs possible and likely all jobs where a program is not slated for elimination
- We will get through this
- We will continue to be the economic engine of the Imperial Valley
- We will meet the student needs with quality programs and services
- Everyone and every area will be impacted but come back even stronger