

**Minutes**  
**CCSF Planning and Budgeting Council (PBC)**  
**March 17, 2008**  
**Rosenberg 518**  
**2:00 PM**

**Present:** John Bilmont, Carlota del Portillo, Attila Gabor, Richard Gale, David Gallerani, Peter Goldstein, Don Q. Griffin (Chair), Stephen Herman, Marc Kitchel, Susan Lopez, Madeline Mueller, Alice Murillo, Stephanie Nutman, Dennis Piontkowski, Mark Robinson, David Yee

**1. Approval of Minutes**

The minutes of February 22, 2008 were approved.

**2. Budget Update**

Vice Chancellor Goldstein's Report:

Peter Goldstein reported on the State Budget and on issues with three CCSF budgets, those for FY 2006-07, FY 2007-08 and FY 2008-09.

On 2/28/08, CCSF was notified via the First Principal Apportionment (P-1) and Recalculation of a retroactive reduction of base funding per FTES totaling \$1.37 mil. That would have affected CCSF's funding for 2006-07 and would have resulted in an additional loss for 2007-08 as well. However, the CCSF finance team was able to argue successfully with the State Chancellor's Office that the recalculation was not based on the correct reimbursement rate per FTES.

Unfortunately, that is not the only threat to emerge since the last PBC meeting. CCSF has also been given less money than expected (-\$2.49 mil.) for 2007-08 because of a shortfall in statewide property tax collection of \$75 mil., which has affected the State's ability to fund districts at the expected level. That means there will be a deficit coefficient of 1.05% for 2007-08---meaning that expected funding for growth will be reduced by that amount. Achieving the needed savings is difficult at this point because only four months remain before the end of the fiscal year. There have been a few budget positives: nonresident tuition revenues and final credit and noncredit enrollment for 2006-07 came in higher than expected, having some positive effect on our base for the current year. The combination of the positives and the negatives will reduce the District's ending balance by about \$1.14 mil., making it only about \$1 mil. instead of the \$2 mil. that was planned.

For the next budget year, 2008-09, the Governor's Budget does not look favorable to us and relief is not expected from the May Revision because some of the Governor's budget assumptions seem overly optimistic (e.g., growth in property tax). Peter Goldstein explained the various costs that the College will have next year that go beyond this year's expenditures. The College faces a potential \$6.3 mil. shortfall next year due to the cost increases and the smaller starting balance. Categoricals will be cut at the state level and that will be reflected in some cuts to those at CCSF. Some savings/cuts areas have been identified by administration with the agreement of constituency leadership. For example, it may be necessary to postpone the start date of some faculty hiring. But it will also

likely be necessary to transfer about \$2 mil. from the reserve. That will bring us below the required minimum reserve, but many colleges will have a similar problem next year and the state will probably be lenient. In 2008-09, we probably will not be given the opportunity to earn any growth money even if we have some growth.

Peter cautioned that his estimates were only best guesses which should be seen as representing ranges of likely results more than exact figures. He further warned this could be a College budgetary problem lasting more than one year.

#### Chancellor Griffin's Report:

Chancellor Griffin expressed particular concern that most of the savings we plan are only one-time things that cannot generate on-going savings, whereas the shortfall may be more like 30 months. He said the District would prefer to minimize cuts in faculty and classified, to the degree possible. In the near term, it is primarily summer faculty assignments which may be affected, if they are not basic skills related. We will have to reduce the number of low-enrolled classes for fall and spring by not offering them in the first place if they have been recently low. We can expect some reduction in hiring of new faculty. We will have to follow through on some of the Joint Working Group budget recommendations regarding departments that have been struggling, have low productivity, etc.

Dr. Griffin explained a summer enrollment strategy involving moving enrollment earned in Summer 2009 to the 2009-10 year. This will create an apparent enrollment decrease in the 2008-09 budget, but we are held harmless by the state for one year of enrollment below our base, so it works out better for us to do that. He explained the District is going to have to get rid of a number of consultants and will be looking at that issue carefully to see what can be done in-house. He wants to reconsider whether to go ahead with the LTS's that have been approved but not hired. For example, in the case of sabbaticals, possibly those departments could cut under-enrolled (<20 enrolled) sections instead of hiring LTS's in many cases. Although sections will be cut overall, the Mission Campus and the Wellness Center, need to be supported as new facilities with a good number of sections, so that the community will become used to using those locations. The chancellor expressed that such a strategy will pay off in increased enrollment for many years to come.

Dr. Griffin talked about the need to "spread the pain" of the budget cuts among the various constituencies in a fair way. Classified hiring will therefore also be impacted and we need to keep an accurate tally of vacancies not filled. We need transparency in tracking classified vacancies. Dr. Griffin is not quite sure about the proposal to take \$2 mil. from the reserve, saying he would actually prefer to take less, e.g., \$1 mil., if possible, since we don't know how long the emergency will last. He noted that long-term projections are difficult because if the economy gets particularly bad, we could be looking at future difficulties of even greater magnitude. He characterized the current situation as a "crisis" and intends to send a clear signal to the College community and larger community to that effect.

### **3. Budget Instructions /Process**

John Bilmont discussed the instructions that will be issued to the Major Cost Centers. On 4/2 the budget preparation process will be reviewed with the cost center managers. The

week of 4/10, budgets will need to be turned in. The PBC will have its budget hearing on May 2. This is a return to the former PBC practice, enabling the college to have a full discussion of "something less than a cost-to-continue budget." Dr. Griffin emphasized again that sections cannot be added in one area unless sections are eliminated somewhere else, so that overall there will be a reduction of sections.

Respectfully submitted,  
Susan Lopez