

Minutes
Planning and Budgeting Council (PBC)
December 15, 2008
Rosenberg 518
2:00 PM

Members present: John Bilmont, Sunny Clark, Carlota del Portillo, Richard Gale, Peter Goldstein, Don Q. Griffin (Chair), Marc Kitchel, Donald Lind, Susan Lopez, Alice Murillo, Stephanie Nuttman, Dennis Piontkowski, Athena Steff, Fred Teti, David Yee.

Guests: Leilani Battiste, Gus Goldstein, Chris Hanzo, Hal Huntsman, Lidia Jenkins, Carl Jew, MaryLou Leyba, Monika Liu, Ed Murray, Francine Podenski, Debra Porter.

1. Faculty Position Allocation Committee (FPAC) Recommendations

There was a review of FPAC recommendations that included LTS positions, regular replacement positions, and consolidations. Fewer than half the sabbaticals are associated with LTS replacements. (Out of 54 sabbatical awards, 23 requests came in for replacements.) A motion to approve the LTS positions was approved. A motion to approve replacement positions was approved, with two abstentions. A motion to approve the consolidations was approved.

2. CCSF Budget Status 2008-2009

CCSF will lose sales tax revenues because of the decline of the economy, perhaps a million or more, which would be worse than last year. The worst-case scenario would amount to a total cut of \$10.57 mil. over the 18 months from January 2009 through June 2010.

Dr. Griffin reported on the strategy for dealing with the multi-million-dollar reduction. He said that the budget information to be presented had been discussed with all constituency groups at the College recently, and that those groups had raised various ideas about where to make cuts. A summer school reduction and spending reduction of 1% had been discussed. Chancellor Griffin noted that we do not want to fall below our base and we do not want to lose noncredit enrollment in the fall due to summer cutbacks. Because summer is a balancing act in that regard, the 1% overall reduction would be a goal; the alternative would be to transfer additional money from the reserve. A summer 2009 reduction of 20% could save \$.3 mil. in 2008-09, part of an overall 1% cut in spending. The District should plan to spend about \$1.8 mil less than the \$198 mil. currently budgeted for expenditures. The Chancellor noted that one of the main principles would be not to treat any constituency at the college less favorably than any other.

From January 2009 through June 2010, a transfer of \$1-1.5 mil. from the reserve will be needed. Total reductions of \$8.57-10.57 mil. are planned for the 18-month period.

In terms of revenues, the basic skills money will be more flexible this year and since we had not yet allocated it, it can be used in the General Fund to help meet expenses. Additionally, the State may remove strings from the categoricals, which is expected to free up another half million. We still will have about \$1.5 mil in one-time money, of which two major sources are state payments for unpaid student health fees and instructional block grant money. Strategies to save summer money could encompass July 2008, June-July 2009 and June 2010. Transferring money in from the reserve takes a 2/3 vote of trustees; we may need to do that in both 2008-09 and 2009-10.

There was a question about whether CCSF would be able to maintain an adequate reserve as required by the State. Peter Goldstein explained that the answer is yes; our designated reserve is still going to be OK within state guidelines because of the inclusion of a long-term prepaid lease. Vice Chancellor Goldstein reported that health service premiums are rising and these will be significant additional costs for the District in 2009-2010. CCSF also needs to provide for step increases. It was also reported that the Castro-Valencia Campus needs to move to a different site since James Lick is not ADA accessible.

Dr. Griffin added that it will help that, other than that, we are not opening new buildings next year, nor expanding the number of sections. The Associate Dean of CalWorks and Financial Aid position will be funded through the restricted budget, not the General Fund. Also needed are a police chief and one administrative position in the Chancellor's office. However, Dr. Griffin observed that over the past several years, the number of administrators has increased a lot, as have their salaries. He stated that the total spent on administration needs to come under control. Attrition may help, as several administrators plan to leave in 2010. There has been a considerable reduction in consultants. Consultants in ITS, Student Development, and the Chancellor's Office have been eliminated, as well as a consultant in Washington, DC.

Chancellor Griffin mentioned some areas that would be experiencing changes. He stated that ITS is not sufficiently centralized in its operations. The Chancellor wants to hire a chief technology officer in July 2009. This will help ensure that ITS is supervising its own people, instead of ITS employees sometimes being supervised by managers of other areas. He noted that CCSF cannot be paying a lot of overtime for CCSF police and we may need to do some hiring, if necessary there. The childcare program could earn us more FTES; there is potential for reducing the deficit there. The food services deficit of a half million dollars per year needs to be reduced also. Dr. Griffin mentioned that he himself asked for a salary \$80,000-90,000 less than that of his predecessor, as a positive first step toward bringing expenses under control.

There was further discussion of the enrollment situation. Fall 2008 enrollment was record-setting in credit, at about 11,300 FTES. We need a strong summer enrollment to move into 2009-2010 because we cannot be below base that year. It is important not to cut noncredit summer because we need to maintain that continuity of enrollment. By contrast, summer credit classes serve a good number of students from CSU. That makes it a different dynamic from noncredit, and cutting credit in the summer does not affect enrollment as much later on down the line.

Athena Steff opposed the cuts to summer, on the basis that those could result in cuts to jobs. A motion passed not to reduce overall level of summer offerings in 2009-2010. The meaning of that decision is that reductions in spending need to be \$2.1 mil.; otherwise, we will have to take more out of reserve. Various ideas for cutting costs, such as reducing overtime and reassigned time, were discussed.

3. CCSF Budget 2009-2010

CCSF has a savings strategy for 2008-09, but it is important to look at the next year also, which could be even more difficult. There was an additional discussion of that fiscal year. Dr. Griffin stated that consulting needs to be reduced further. The number of administrators needs to be reduced. A permanent Science and Math dean will not be hired this fiscal year, nor will the Vice Chancellor of Institutional Advancement be replaced. Along with a few non-personnel items, we can reduce as much as 3/4 mil. dollars. As needed, other cuts to that year may have to be discussed later.

Respectfully submitted,
Susan Lopez