Our Members

- Laura Osinski and Mark Thomas, Jr., Co-Chairs
- Tim Casper
- Mike Kent
- Bonny Laufenberg
- Sylvia Ramirez
- Emily Sanders
- Bryan Woodhouse

- Jill Spilde, Staff Support
- Kathleen Paris, IBPS Facilitator
The Issue

• How can we present a balanced operating budget for 2015-16 to the District Board that supports the mission, open access to higher education, strategic priorities, and the continued need for college financial stability?

• This Task Force had 6 weeks to complete its task and was limited in identifying solutions to closing the budget gap

• Used an accelerated IBPS process (see IAS handout)
Our Process

• Solicited interests and ideas from the entire College
  • Received over 100 suggestions

• Selected 25 to gather data on for education & evaluation

• The Budget Office provided data for each of the 25 options

• Options were discussed with our criteria in mind
Our Timeline

• Seven 2-hour meetings

• First meeting: January 15, 2015

• Decisional meeting: February, 26, 2015

• Recommendations thumbed by FMOE Council: March 4, 2015
Our Criteria

A. Legal/Regulatory
B. Logistically/Operationally Feasible
C. Consistent with Board Policy
D. Promote Our Mission/Values/Ethics
   1. Minimize, avoid lay-offs
   2. Shared sacrifice—not one employee group to make all the sacrifices
   3. Value employees
Our Criteria, continued

E. Financially responsible
F. Long-term perspective
G. Promotes access to higher education and student success*
H. Budget must balance
I. Supports our strategic priorities*

*from Cabinet charge to us
Additional Principles

• Use policy recommendations herein to submit a balanced budget to the District Board in a manner that reflects our global priorities

• Recommendations are intended to be a baseline from which Budget Managers will make decisions about allocating reductions in their areas

• Uniform across-the-board cuts are not desirable

• Balancing the budget solely based on vacancies is not desirable

• Any monetary impact on employees should be progressive

• Weigh options more heavily towards long-term structural solutions
Budgetary Context

• Current budget deficit: $5.2M-$8.0M
• Need long-term structural solutions:
  • FY16-17 Budget Deficit Proj: $9.4M-$13.5M
  • FY17-18 Budget Deficit Proj.: $8.8M-$12.9M
• The State budget could significantly impact the budget picture in this year and subsequent years
Short-term/Long-term solutions

The options identified by the task force include both short-term (fiscal year 2015-16) and long-term (subsequent fiscal years) savings and revenues.

• Example of short-term:

  Holding positions vacant for an extended period of time: impacts *only* the FY2015-16 budget

• Example of long-term:

  Eliminating vacant positions
The Dial Metaphor
Policy Recommendations

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<th>Recommendation</th>
<th>Potential Savings</th>
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<td>1. Reduce supplies and services (5200)</td>
<td>$731,200</td>
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<td>2. Delay Hiring of Vacant Positions</td>
<td>$1,777,500</td>
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<td>3. Eliminate* Some Vacant Positions</td>
<td>$828,900</td>
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<td>4. Reduce the Use of Overtime</td>
<td>$100,500</td>
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<td>5. Reduce Cost to the College of Health Insurance</td>
<td>$340,000</td>
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<td>6. Charge Employees for Parking</td>
<td>$543,200</td>
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<td>7. Substitute Instructor Pay</td>
<td>$175,000</td>
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<tr>
<td>8. Special Assignment/Curriculum Pay</td>
<td>$250,000</td>
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**Total Potential Savings** $4,746,300

*or convert to part-time
1. Reduce supplies and services

- Total Budget: $20 million
- $5 million “required” expense (taxes, instructional supplies, etc.)
- $15 million available for reduction
  - 1% Reduction $153,900
  - 5% Reduction $770,000
  - 10% Reduction $1,539,100
  - 20% Reduction $3,078,200

**Recommendation:** Reduce supplies and services expenditures by $731,200
2. Delay Hiring of Vacant Positions

• Total Projected Vacant Positions: 91
• Possible savings: $6.8M (delay hiring of all vacant positions for one year)

Recommendation: Delay filling vacant positions to save $1,777,500

• Faculty: Hold open 10 positions for one year (21% of vacant)
• PSRP: Hold open 7 positions for one year (24% of vacant)
• Admin: Hold open 2 positions for one year (20% of vacant)
3. Eliminate or Convert to Part-time Some Vacant Positions

- Total Projected Vacant Positions: 91
- Possible savings: $9.7M (eliminate all vacant positions)

Recommendation: Eliminate positions to save $828,900

- Faculty: Eliminate 3 of 48 (6%)
- PSRP: Eliminate/convert to part-time 4 of 33 (12%)
- Admin: Eliminate 1 of 10 (10%)
4. Reduce the Use of Overtime

• Total Overtime Expense: $750,000 (FY13-14)

• Overtime may be used for:
  • Coverage for vacant positions
  • Special projects
  • Sporadically to finish services transactions

Recommendation: Reduce overtime to save $100,500
5. Reduce the Cost of Health Insurance to the College

- FY15-16 Health Insurance Estimate: $19.0M
- Estimate assumes 6% increase over prior year budget
- Benefits Committee responsible for managing the College’s health insurance expense

Recommendation: Reduce the cost of health insurance to the College by $340,000
6. Charge Employees for Parking

• Students already pay up to $118/year
• Helps cover maintenance and compliance costs

Recommendation: Charge 0.7%* of salary = $543,200

This means if your salary is:
  • $50,000  =  $13/paycheck
  • $90,000  =  $24/paycheck
  • $125,000 =  $36/paycheck

*Percentage is on a progressive scale
7. Substitute Instructor Pay Policy

Limit use of substitute instructor pay, using substitutes primarily for medical leave and regulatory face time requirements

Recommendation: Reduce substitute instructor pay to save $175,000
8. Special Assignment/Curriculum Pay

Reduce faculty special assignment and curriculum development pay

Recommendation: Reduce $250,000
How do we turn the dials?

- Interests
- Saving
- Ideas

Budget Task Force

- Local decisions
- Turn Dials

Budget Managers

- Review submittals
- Turn dials

VPs and Dr. Daniels

- Receives balance budget

Board
Ideas We Rejected

• Furlough days (a short-term solution)
• Increasing student parking fees
• Implement a travel freeze for non-essential employee travel
• One-time expenses to pay-out of reserves were not identified
Future Steps

• Will ask for thumbs here on March 25, 2015.
• Vice Presidents will meet with their direct reports to determine how to allocate the reductions.
• Cabinet and Dr. Daniels will meet to complete final budget revisions.
• Board actions:
  • Present a balanced budget to Board April 8
  • Public hearing at May 13 Board
  • Pass budget at June 10 Board
• Managers start managing 2015-16 budget July 1st
• FMOEC begins planning for FY2016-17 July 1st