PALOMAR COLLEGE
Learning for Success

SPECIAL
STRATEGIC PLANNING COUNCIL
AGENDA

Date:	May 21, 2009
Starting Time:	2:00 p.m.
Ending Time:	4:00 p.m.
Place:	SU-18

CHAIR: Deegan
MEMBERS: Barton, Brannick, Cerda, Claypool, Cuaron, Dowd, Gowen, Halttunen, Hoffmann, Japtok, Kovrig, Laughlin, Lienhart, Madrigal, McCluskey, Owens, Talmo, Titus, Tortarolo
RECORDER: Ashour

	Attachments	Time
A. TITLE V COOPERATIVE GRANT		15 min
B. ACCREDITATION UPDATE		15 min
C. CURRENT STATE BUDGET CRISIS	Exhibit C	45 min
D. BUDGET PLANNING	Exhibit D	45 min

1. Establish a Task Force to develop an Implementation Plan and strategy for zero-based budgeting and define decision points and time frames for budget approval.

STRATEGIC PLANNING COUNCIL
SPECIAL MEETING MINUTES
May 21, 2009

A special meeting of the Palomar College Strategic Planning Council scheduled for May 21, 2009, was held in B-5. Members of the Budget Committee had been invited to attend today's special SPC meeting. President Robert Deegan called the meeting to order at 1:00 p.m.

ROLL CALL

Members Present:	Barton, Brannick, Cerda, Claypool, Cuaron, Deegan, Dowd, Gowen, Halttunen, Hoffmann, Japtok, Kovrig, Laughlin, Lienhart, Madrigal, McCluskey, Owens, Talmo, Titus, Tortarolo
Recorder:	Cheryl Ashour
Guests:	Laura Gropen, Glynda Knighten, Tom Medel

A. TITLE V COOPERATIVE GRANT

Michelle Barton made a recommendation to apply for the Title V Cooperative Grant. After discussion, everyone agreed to move forward. A faculty work group will be formed to do the work. It was suggested that a faculty member from the Multicultural Department be involved in the process.

B. ACCREDITATION UPDATE

Vice President Cuaron reported that the final report was submitted to ACCJC. The ACCJC Commission meeting is scheduled for Tuesday, June 9. The Commission has invited President Deegan and Vice President Cuaron to speak to the commission on behalf of the College at the meeting. The Governing Board meeting which was scheduled for the same date has been moved to June 10. Vice President Cuaron reminded everyone to continue submitting their bi-weekly accreditation reports.

C. CURRENT STATE BUDGET CRISIS (Exhibit C)

Vice President Dowd discussed what is known at this time regarding the state budget. Dr. Dowd distributed and discussed the following documents:

- 2008-2009 First Principal Apportionment – March Revision, Statewide
- 2008-2009 First Principal Apportionment – March Revision, Palomar College
- A chart from Scott Lay, Community College League, showing the impact to community colleges if Propositions 1C through 1E pass and impact if they fail
- Budget update from Community College League dated May 15, 2009
- Budget update from Community College League dated May 21, 2009
- Monthly Payment Schedule – April Revision, Palomar College
- Memo from Erik Skinner, Chancellor's Office, dated May 14, 2009

D. BUDGET PLANNING AND RESOURCE ALLOCATION (Exhibit D)

Michelle Barton discussed linking budget with program review, grants, the bond, basic skills, and the annual plan. Ms. Barton distributed and discussed a proposed planning model Palomar could use. Discussion ensued and suggestions were made to improve the document. The model will be revised and brought back to the next meeting.

A Special SPC meeting has been scheduled for June 24, 2009. The Budget Committee will also be invited to attend.

E. ADJOURNMENT

There being no remaining items, the meeting was adjourned.

CALIFORNIA COMMUNITY COLLEGES
2008-09 FIRST PRINCIPAL APPORTIONMENT - March Revision
STATEWIDE TOTAL

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Restored FTES	Funded Growth FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,579.080000	4,564.830000	1,073,028.34	11,049.47	24,676.39	-3,539.11	1,105,215.09	33,998.54	1,139,213.63
Noncredit FTES	2,744.957800	2,744.957800	54,441.54	576.62	-187.99	166.97	54,997.14	1,864.83	56,861.97
Noncredit - CDCP FTES	3,232.067600	3,232.067600	43,269.39	19.31	-79.31	-79.16	43,130.23	786.38	43,916.61
Total FTES:			1,170,739.28	11,645.40	24,409.09	-3,451.30	1,203,342.46	36,649.75	1,239,992.21

I Base Revenues +/- Restore or Decline

A Basic Allocation		$488,820,737
B Base Revenue		$5,202,773,887
1 Credit Base Revenue	$4,913,484,501	
2 Noncredit Base Revenue	$149,439,770	
3 Career Development College NonCr	$139,849,616	
C Current Year Decline		$-15,952,942
D Total Base Revenue Less Decline		$5,675,641,682

II Inflation Adjustment

A Statewide Inflation Adjustment		
B Inflation Adjustment Entitlement	$0	
C Current Year Base Revenue + Inflation Adjustment		$5,675,641,682

III Basic Allocation & Restoration

Basic Allocation Adjustment	$7,058,284
Basic Allocation Adjustment COLA	$0
Restoration	$52,062,940
Total	$59,121,224

IV Growth

A Unadjusted Growth Rate		
B Constrained Growth Rate		
C Constrained Growth Cap	$114,798,817	
D Actual Growth	$274,728,675	
E Funded Credit Growth Revenue	$112,643,389	
F Funded Noncredit Growth Revenue	$-516,002	
G Funded Noncredit CDCP Growth Revenue	$-256,269	
Total Growth Revenue		$111,871,118

V Other Revenues Adjustments

A Audit Adjustment	$-1,546,668
B CDCP Rate Adjustment	$268
Total Revenue Adjustments	$-1,546,400

VI Stability Adjustment

VI Stability Adjustment	$15,952,942

VII Total Computational Revenue

(sum of II, III, IV, V, & VI)

VII Total Computational Revenue		$5,862,348,408
Deficit Coefficient	0.9870130240	$-73,737,653
Adjusted Revenue Entitlement		$5,786,214,230

VIII District Revenue Source

A1 Property Taxes	$2,119,597,054
A2 Less Property Taxes Excess	-$94,004,392
B Student Enrollment Fees	$287,705,265
C State General Apportionment	$3,472,916,303
D Total Available General Revenue	$5,786,214,230

IX Other Allowances and Total Apportionments

A State General Apportionment	$3,472,916,303
B Statewide Average Replacement Cost	
Number of Faculty Not Hired	$0.00
Full-time Faculty Adjustment	$0
C Net State General Apportionment	$3,472,916,303

X Remaining Unrestored Decline (informational)
(as of the most recent apportionment)

A 1st Year	$42,812,449
B 2nd Year	$25,427,012
C 3rd Year	$23,701,591
D Total	$91,941,052

Regular Growth Caps adjusted by a factor of 1.35011185 to match funding.

Basic Allocation Calculation
College/Center Base Funding Rates:

Single College District Funding Rates: Total FTES / Multi-College District Funding Rate: Total FTES

>20,000	>10,000	<=10,000	Rural	>20,000	>10,000	<=10,000
$5,535,909	$4,428,727	$3,321,545	$553,591	$4,428,727	$3,875,136	$3,321,545

Single College District - College FTES / Multi-College District - College FTES:

>20,000	>10,000	<=10,000	Rural	>20,000	>10,000	<=10,000	Total Colleges
			11				112

Revenue:

>20,000	>10,000	<=10,000	Rural	>20,000	>10,000	<=10,000	Total Colleges
			$6,089,501				

State Approved Center: Funding Rates		Total State Approved Centers	Total State Approved Centers Revenue
31	$1,107,182	31	$34,322,642

Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels

>1,000	>750	>500	>250	<=250
$1,107,182	$830,386	$553,591	$276,795	$138,398

Number of Grandfathered or Previously Approved Centers: @ Total FTES

>1,000	>750	>500	>250	<=250	Total Grandfathered or Previously Approved Centers
20	2	2	10	3	37

Grandfathered or Previously Approved Center Revenue:

>1,000	>750	>500	>250	<=250	Total Grandfathered or Approved Center
$22,143,640	$1,660,772	$1,107,182	$2,767,950	$415,194	$28,094,738

Total Basic Allocation Revenue
$495,879,021

CALIFORNIA COMMUNITY COLLEGES
2008-09 FIRST PRINCIPAL APPORTIONMENT - March Revision
PALOMAR COMMUNITY COLLEGE DISTRICT

EXHIBIT C

Workload measures:	Base Funding	Marginal Funding	Base FTES	Restored FTES	Funded Growth FTES	Stability FTES	Total Funded FTES	Unfunded FTES	Actual FTES
Credit FTES	4,564.830000	4,564.830000	18,096.66	0.00	549.88	0.00	18,646.54	0.00	18,646.54
Noncredit FTES	2,744.957800	2,744.957800	726.71	0.00	-192.73	0.00	533.98	0.00	533.98
Noncredit - CDCP FTES	3,232.067600	3,232.067600	645.79	0.00	227.23	0.00	873.02	0.00	873.02
Total FTES:			19,469.16 1.66	0.00	584.38	0.00	20,053.54	0.00	20,053.54

I Base Revenues +/- Restore or Decline

A Basic Allocation		$6,643,091 1.35
B Base Revenue		$86,690,113 1.66
1 Credit Base Revenue	$82,608,088	
2 Noncredit Base Revenue	$1,994,788	
3 Career Development College NonCr	$2,087,237	
C Current Year Decline		$0
D Total Base Revenue Less Decline		$93,333,204

II Inflation Adjustment

A Statewide Inflation Adjustment	0%	
B Inflation Adjustment Entitlement	$0	
C Current Year Base Revenue + Inflation Adjustment		$93,333,204 1.64

III Basic Allocation & Restoration

Basic Allocation Adjustment	$0
Basic Allocation Adjustment COLA	$0
Restoration	$0
Total	$0

IV Growth

A Unadjusted Growth Rate	12.75%	
B Constrained Growth Rate	3.46%	
C Constrained Growth Cap	$3,046,014	
D Actual Growth	$2,715,493	
E Funded Credit Growth Revenue	$2,510,106	
F Funded Noncredit Growth Revenue	$-529,036	
G Funded Noncredit CDCP Growth Revenue	$734,423	
Total Growth Revenue		$2,715,493

V Other Revenues Adjustments

A Audit Adjustment	$0
B CDCP Rate Adjustment	$0
Total Revenue Adjustments	$0

VI Stability Adjustment

VI Stability Adjustment	$0

VII Total Computational Revenue

VII Total Computational Revenue (sum of II, III, IV, V, & VI)		$96,048,697
Deficit Coefficient	0.9869921609	$-1,249,386
Adjusted Revenue Entitlement		$94,799,311

VIII District Revenue Source

A1 Property Taxes	$55,263,453
A2 Less Property Taxes Excess	$0
B Student Enrollment Fees	$3,652,544
C State General Apportionment	$35,883,314
D Total Available General Revenue	$94,799,311

IX Other Allowances and Total Apportionments

A State General Apportionment	$35,883,314
B Statewide Average Replacement Cost	$60,289
Number of Faculty Not Hired	$0.00
Full-time Faculty Adjustment	$0
C Net State General Apportionment	$35,883,314

X Remaining Unrestored Decline (informational)
(as of the most recent apportionment)

A 1st Year	$0
B 2nd Year	$0
C 3rd Year	$0
D Total	$0

Regular Growth Caps adjusted by a factor of 1.35011185 to match funding.

Basic Allocation Calculation
College/Center Base Funding Rates:

Single College District Funding Rates: Total FTES

>20,000	>10,000	<=10,000
$5,535,909	$4,428,727	$3,321,545

Mult-College District Funding Rate: Total FTES

Rural	>20,000	>10,000	<=10,000
$553,591	$4,428,727	$3,875,136	$3,321,545

Single College District - College FTES / Multi-College District - College FTES:

>20,000	>10,000	<=10,000	Rural	>20,000	>10,000	<=10,000	Total Colleges
1	0	0	0	0	0	0	1

Revenue:

>20,000	>10,000	<=10,000	Rural	>20,000	>10,000	<=10,000	Total Colleges
$5,535,909	$0	$0	$0	$0	$0	$0	$5,535,909

State Approved Center: Funding Rates		Total State Approved Centers	Total State Approved Centers Revenue
1	$1,107,182	1	$1,107,182

Grandfathered or Previously Approved Center: Funding Rates @ FTES Levels

>1,000	>750	>500	>250	<=250
$1,107,182	$830,386	$553,591	$276,795	$138,398

Number of Grandfathered or Previously Approved Centers: @ Total FTES

>1,000	>750	>500	>250	<=250	Total Grandfathered or Previously Approved Centers
0	0	0	0	0	0

Grandfathered or Previously Approved Center Revenue:

>1,000	>750	>500	>250	<=250	Total Grandfathered or Approved Center
$0	$0	$0	$0	$0	$0

Total Basic Allocation Revenue
$6,643,091

3

Dowd, Bonnie

From: scottlay@ccleague.org
Sent: Thursday, May 14, 2009 2:47 PM
To: CBO060
Subject: Governor proposes devastating cuts to community colleges

May 14, 2009

Dear Bonnie A,

The governor has released his proposed revisions to the current year budget for community colleges and to the adopted 2009-10 budget. These are devastating cuts, whether or not the ballot measures pass.

We are currently crafting talking points and will be distributing more information as it becomes available.

ITEM	ASSUMING PROPS 1C-1E PASS	IF PROPS 1C-1E FAIL
2008-09		
Apportionment deferral (additional)	-$115,000,000	-$115,000,000
Categorical cuts	-$85,000,000	-$85,000,000
Property tax shortfall	-$42,100,000	-$42,100,000
2009-10		
Reduction in apportionments: fund physical ed and recreational classes at noncredit	-$120,000,000	-$120,000,000
Enrollment growth	-$58,400,000	-$127,100,000
Categorical cuts	-$221,600,000	-$334,000,000
Property tax shortfall	-$116,700,000	-$116,700,000
TOTAL	-$758,800,000	-$939,900,000

Clearly, we have a major fight ahead if we are going to provide a semblance of the access and success Californians expect from their community colleges.

Thank you,

Scott Lay
President and Chief Executive Officer

May 15, 2009
07:30am

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

Item	2008-09 REVISED ENACTED BUDGET	2009-10 ENACTED BUDGET	Proposed Changes to 2008-09	Proposed Changes to 2009-10
<u>General Apportionment</u>				
Base Apportionment (incl: GF, P-Tax, Fee)	5,724,006,000	5,827,506,000		
Deferral (Reduces Community college Prop. 98 funding)				-115,000,000
Property tax shortfall			-42,100,000	-116,700,000
Apportionment reduction: fund physical education and recreational classes at noncredit rate.				-120,000,000
	5,724,006,000	5,827,506,000	-42,100,000	-351,700,000
Cost-of-living adjustment	0 (a)	0		
Growth for Apportionments	113,500,000 (b)	174,800,000		-116,900,000
Total General Apportionment	5,837,506,000	6,002,306,000	-42,100,000	-468,600,000
<u>Categorical Programs</u>				
Academic Senate for the Community Colleges	467,000	467,000	-56,300	-221,200
Apprenticeship	14,641,000	14,641,000	-1,764,800	-6,934,400
Basic Skills	33,100,000	33,100,000	-3,989,700	-15,677,200
Career Technical Education	10,000,000	10,000,000	-1,205,300	-4,736,300
Child Care Tax Bailout	6,836,000	6,836,000	-824,000	-3,237,700
Disabled Students Programs and Services	115,011,000	118,461,330	-13,862,800	-58,522,200
Economic Development	46,790,000	46,790,000	-5,639,800	-22,161,200
EOPS	106,786,000	109,989,600	-12,871,400	-54,337,000
CARE	15,505,000	15,970,150	-1,868,900	-7,889,600
Equal Employment Opportunity	1,747,000	1,747,000	-210,600	-827,400
Foster Care Education Program	5,254,000	5,254,000	-633,300	-2,488,500
Fund for Student Success	6,158,000	6,158,000	-742,300	-2,916,600
Matriculation	101,803,000	104,857,090	-12,270,800	-51,801,400
Nursing	22,100,000	22,100,000	-2,663,800	-10,467,200
Part-Time Faculty Compensation	50,828,000	50,828,000	-6,126,500	-24,073,700
Part-Time Faculty Health Insurance	1,000,000	1,000,000	-120,500	-473,600
Part-Time Faculty Office Hours	7,172,000	7,172,000	-864,500	-3,396,900
Physical Plant and Instructional Support	27,345,000	27,345,000	-3,296,000	-12,951,400
Special Services for CalWORKs Recipients	43,580,000	43,580,000	-5,252,900	-20,640,800
Student Financial Aid Administration	51,269,000	51,269,000	-6,179,700	-24,282,600
Telecommunications / Technology Svcs / C.V. U	26,197,000	26,197,000	-3,157,700	-12,407,700
Transfer Education and Articulation	1,424,000	1,424,000	-171,600	-674,500
Mandates (6870-295-0001)	4,004,000	4,000	-482,600	-1,900
Categorical across-the board reductions			***-85,000,000***	***-334,000,000***
Categorical growth cuts (DSPS, EOPS, CARE, Matric)				***-10,200,000***
Total Categorical Funds	*699,017,000*	*705,190,170*	***-85,000,000***	***-344,200,000***
Ongoing Funds Subtotal	*6,536,523,000*	*6,707,496,170*	**-127,100,000**	**-812,800,000**
<u>One-Time Funds (Prop. 98 Reversion & Settle-up)</u>				
Physical Plant & Instructional Support				
Career Technical Education SB 1133	38,000,000	38,000,000		
Mandate reimb (SB 1108, Chapter 216 Statutes 2004)	25,000,000	0		
One-time Prop 98 Funds Subtotal	63,000,000	38,000,000		
<u>Miscelleaneous (Non-program) Items</u>				
Fiscal Crisis Management Assistance Team (FCMAT)	508,000	508,000		
STRS Payments for CCC Employees	88,128,000	88,128,000		
Lease-Purchase Bond Payments	68,122,000	68,122,000		
Lottery	167,535,000 (c)	167,535,000		
Total State-Determined Funding	***6,923,816,000***	***7,069,789,170***	-127,100,000	-812,800,000

Funded FTES	1,191,307	3% 1,227,046		(1%) (10,722)
Prop 98 (Local) Ongoing Funding per FTES	*5,487*	*5,466*	$ (107)	$ (668)
Prop 98 (Local) One-Time Funding per FTES	***53***	***31***		
Funding per FTES	$ 5,812	$ 5,762	$ 5,705	$ 5,093

2% 2008-09 levels

May 21, 2009
10:30am

COMMUNITY COLLEGE LEAGUE OF CALIFORNIA

Item	2008-09 REVISED ENACTED BUDGET	2009-10 ENACTED BUDGET	Proposed Changes to 2008-09	Proposed Changes to 2009-10
General Apportionment				
Base Apportionment (incl: GF, P-Tax, Fee)	5,724,006,000	5,827,506,000		
Property tax shortfall			-42,100,000	-116,700,000
Apportionment reduction: fund physical education and recreational classes at noncredit rate.				-120,000,000
	5,724,006,000	5,827,506,000	-42,100,000	-236,700,000
Cost-of-living adjustment	0 (a)	0		
Growth for Apportionments	113,500,000 (b)	174,800,000		-116,900,000
Total General Apportionment	5,837,506,000	6,002,306,000	-42,100,000	-353,600,000
Categorical Programs				
Academic Senate for the Community Colleges	467,000	467,000	-68,700	-267,000
Apprenticeship	14,641,000	14,641,000	-2,153,200	-8,371,400
Basic Skills	33,100,000	33,100,000	-4,867,900	-18,925,800
Career Technical Education	10,000,000	10,000,000	-1,470,700	-5,717,800
Child Care Tax Bailout	6,836,000	6,836,000	-1,005,300	-3,908,700
Disabled Students Programs and Services	115,011,000	118,461,330	-16,914,200	-67,733,400
Economic Development	46,790,000	46,790,000	-6,881,200	-26,753,400
EOPS	106,786,000	109,989,600	-15,704,600	-62,889,500
CARE	15,505,000	15,970,150	-2,280,300	-9,131,400
Equal Employment Opportunity	1,747,000	1,747,000	-256,900	-998,900
Foster Care Education Program	5,254,000	5,254,000	-772,700	-3,004,100
Fund for Student Success	6,158,000	6,158,000	-905,600	-3,521,000
Matriculation	101,803,000	104,857,090	-14,971,800	-59,954,800
Nursing	22,100,000	22,100,000	-3,250,200	-12,636,300
Part-Time Faculty Compensation	50,828,000	50,828,000	-7,475,100	-29,062,300
Part-Time Faculty Health Insurance	1,000,000	1,000,000	-147,100	-571,800
Part-Time Faculty Office Hours	7,172,000	7,172,000	-1,054,800	-4,100,800
Physical Plant and Instructional Support	27,345,000	27,345,000	-4,021,500	-15,635,200
Special Services for CalWORKs Recipients	43,580,000	43,580,000	0	0
Student Financial Aid Administration	51,269,000	51,269,000	0	0
Telecommunications / Technology Svcs / C.V. U	26,197,000	26,197,000	0	0
Transfer Education and Articulation	1,424,000	1,424,000	-209,400	-814,200
Mandates (6870-295-0001)	4,004,000	4,000	-588,900	-2,300
Categorical across-the board reductions			***-85,000,000***	***-334,000,000***
Categorical growth cuts (DSPS, EOPS, CARE, Matric)				***-10,200,000***
Total Categorical Funds	*699,017,000*	*705,190,170*	***-85,000,000***	***-344,200,000***
Ongoing Funds Subtotal	*6,536,523,000*	*6,707,496,170*	**-127,100,000**	**-697,800,000**
One-Time Funds (Prop. 98 Reversion & Settle-up)				
Physical Plant & Instructional Support				
Career Technical Education SB 1133	38,000,000	38,000,000		
Mandate reimb (SB 1108, Chapter 216 Statutes 2004)	25,000,000	0		
One-time Prop 98 Funds Subtotal	63,000,000	38,000,000		
Miscelleaneous (Non-program) Items				
Fiscal Crisis Management Assistance Team (FCMAT)	508,000	508,000		
STRS Payments for CCC Employees	88,128,000	88,128,000		
Lease-Purchase Bond Payments	68,122,000	68,122,000		
Lottery	167,535,000 (c)	167,535,000		
Total State-Determined Funding	***6,923,816,000***	***7,069,789,170***	-127,100,000	-697,800,000

Funded FTES	**1,191,307**	**1,227,046**		**(10,722)**
Prop 98 (Local) Ongoing Funding per FTES	***5,487***	***5,466***	**$ (107)**	**$ (574)**
Prop 98 (Local) One-Time Funding per FTES	***53***	***31***		
Funding per FTES	**$ 5,812**	**$ 5,762**	**$ 5,705**	**$ 5,188**

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CALIFORNIA COMMUNITY COLLEGES
MONTHLY PAYMENT SCHEDULE - April Revision
2008-09 FIRST PRINCIPAL APPORTIONMENT

EXHIBIT A

PALOMAR COMMUNITY COLLEGE DISTRICT
SAN DIEGO COUNTY

PROGRAM	AMOUNT CERTIFIED	TOTAL PAID THRU. JAN. 2009	FEBRUARY PAYMENT	MARCH PAYMENT	APRIL PAYMENT	MAY PAYMENT	TOTAL PAID THRU. MAY 2009
GENERAL APPORTIONMENT	35,883,314	18,545,032	1,039,365	2,494,083	2,053,437	2,453,419	26,585,336
ENROLL FEE ADMIN (2%)	42,212	24,853	3,377	3,377	3,377	3,377	38,361
APPRENTICE ALLOWANCE	1,351,239	682,014	108,099	108,099	108,099	108,099	1,114,410
BASIC SKILLS	380,561	234,491	31,881	30,445	30,445	30,445	357,707
S. F. A. A.	517,579	299,048	41,286	41,406	41,406	41,406	464,552
E. O. P. S.	1,306,209	743,277	104,497	104,497	104,497	104,497	1,161,265
C. A. R. E.	137,790	82,674	11,023	11,023	11,023	11,023	126,766
D. S. P. S.	1,182,400	552,412	94,592	94,592	94,592	94,592	930,780
STATE HOSPITALS	0	0	0	0	0	0	0
CALWORKS	299,324	138,459	23,946	23,946	23,946	23,946	234,243
MATRICULATION (CREDIT)	1,336,424	757,521	106,914	106,914	106,914	106,914	1,185,177
MATRICULATION (NONCREDIT)	352,955	105,405	28,236	28,236	28,236	28,236	218,349
FAC. & STAFF DIVERSITY	20,536 –?	10,875	1,450	1,643	1,643	1,643	17,254
PART-TIME FACULTY ALLOCATION	859,775	448,176	68,569	68,782	68,782	68,782	723,091
TELECOMMUNICATIONS	36,036	21,622	2,883	2,883	2,883	2,883	33,154
INST. EQUIPMENT & LIBRARY	211,656	121,065	16,757	16,932	16,932	16,932	188,618
SCHDL. MAINT. & REPAIRS	211,675	121,073	16,759	16,934	16,934	16,934	188,634
CALWORKS	59,147	27,360	4,732	4,732	4,732	4,732	46,288
ECONOMIC DEVELOPMENT	0	0	0	0	0	0	0
NURSING EDUCATION	317,900	165,308	25,432	25,432	25,432	25,432	267,036
OTHER ADJUSTMENTS	0	0	0	0	0	0	0
STATE CAREER TECH. EDUCATION 07-08	0	0	0	0	0	0	0
STATE CAREER TECH. EDUCATON 06-07	0	0	0	0	0	0	0
CHILDCARE TAXBAILOUT	185,773	173,707	12,066	0	0	0	185,773
TRANSFER & ARTICULATION	4,000	1,000	2,000	1,000	0	0	4,000
FUNDING OBLIGATION SETTLEMENT(SB1133)	162,378	97,426	12,990	12,990	12,990	12,990	149,386
STATE CAREER TECH. EDUCATION 08-09	0	0	0	0	0	0	0
PRIOR YEAR CORRECTION	2,392,857	0	1,342,973	1,049,884	0	0	2,392,857
GENERAL APPORTIONMENT BACKFILLS	1,097,427	1,084,057	0	0	13,370	0	1,097,427
TOTAL	48,349,167	24,436,855	3,099,827	4,247,830	2,769,670	3,156,282	37,710,464

8,770,979
12.5% = 1,053 m

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Dowd, Bonnie

From: Skinner, Erik [eskinner@CCCCO.EDU]
˜ent: Thursday, May 14, 2009 3:46 PM
. o: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: Budget Update--May 14, 2009

Dear Colleagues:

This afternoon, Governor Schwarzenegger unveiled his May Revision budget proposal. The May Revision package outlines his proposed budget solutions under two scenarios—a "base" proposal that assumes the ballot measures in Tuesday's special election pass, and a "contingency" proposal assuming the measures fail. The base proposal balances a projected $15.4 billion budget shortfall. The contingency proposal balances a projected $21.3 billion budget shortfall.

Both the base and the contingency proposals contain deep cuts in all areas of the budget. In the current year (2008-09), Proposition 98 spending would be reduced by between $1 billion and $1.6 billion. For 2009-10, Proposition 98 spending would be reduced by between $2 billion and $3.7 billion. (The lower end of the ranges are under the base proposal, the higher under the contingency proposal.)

For the California Community Colleges, the proposed cuts would be devastating. The Governor's proposed cuts are as follows:

<u>Current Year (2008-09):</u>
˜CC budget is identical under base and contingency proposals)

- Defer an additional $115 in apportionment payments from 2008-09 to 2009-10.
- $85 million in across-the-board cuts to categorical programs.
- Broad flexibility for districts to spend categorical funds to meet local needs. This flexibility applies to all categorical programs except Financial Aid Administration and Cal Works.
- The Administration estimates a $42.1 million local property tax shortfall and proposes no backfill for the colleges.

<u>Budget Year (2009-10):</u>
Base Proposal:

- $221.6 million in across the board cuts to categorical programs. Flexibility noted above.
- Eliminate 1 percent enrollment growth, cut of $58 million (would leave 2 percent growth funding)
- $120 million cut to apportionments to implement LAO's recommendation to lower the funding rate for credit PE and recreation courses to the non-credit rate.
- The Administration projects a $116.7 million local property tax shortfall and proposes no backfill for the colleges.

Contingency Proposal

- All elements of base proposal.
- Eliminate an additional 1 percent enrollment growth, additional cut of $58 million (would leave 1 percent growth funding).
- An additional $122 million in across-the-board cuts to categorical programs.

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IMPLEMENTING ZERO-BASE BUDGETING

Zero-Base Budgeting is a simple concept to understand, yet it is difficult to implement an effective ZBB system complete with forms, processes, and procedures which accomplishes the intended purposes. It is easy to say that next year's budget will start with a "zero base," and that each and every expenditure must be explained and justified. The distance between stating this and successfully implementing it in a highly complex institution of higher education, most of which are still not united to striving for common objectives, nor oriented to stressing effective management, is considerable.

Following are some recommendations which, if followed, will permit a college or university to maximize their chances of success with ZBB.

1. *Develop an Implementing Plan and Strategy.* Each institution should study its internal situation and then carefully design a timetable for implementing ZBB. *Table 3.1* illustrates a simple Gantt Chart outline of the steps and timetable an institution may wish to follow. Such questions must be answered as: "Will we require ZBB every year, or only once every two to four years?" "Who will quarterback the process and be responsible for it?" "Who will make decisions on which Decision Units will be used?" "Who will be responsible for final decisions on which decision packages will be developed?" "Who will make the final decisions on priorities and selection of final decision packages to go into the final budget?" In other words, a carefully planned systems design effort must be undertaken.

2. *Define and Diagram System.* It is helpful if each system is diagrammed with decision points and time frames clearly laid out, so that everyone will be able to see how the system looks and will function. This process, when laid out, should cover all budget activities, including the final development and approval of the budget.

3. *Design Proper Forms.* Each institution is better off designing forms for decision packages and summary forms (such as for ranking packages) which fit into their current budget and accounting system and fit comfortably into their current systems and terminology.

4. *Educate the Staff.* Each college or university should develop materials and workshops which acquaint the staff with the ZBB concept and the processes, forms, and procedures which will be used by the institution to implement the concept.

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5. *Use Expert Help.* The institution should use expert h[illegible] articularly in the initial implementation for Items 1, 2, 3, and 4 above. Such help may be available within the university now, or can be secured from consultants outside the institution.

6. *Use the First Time Through as a Trial and "Debugging" Exercise.* The staff should be aware that while you are using ZBB to develop the final budget, nevertheless, the first time through is a trial period after which they will be solicited for comments and suggestions for improving the system.

7. *Provide Resources for Cost Estimating and Data Development.* The heart of a good ZBB system focuses on identifying alternative methods for carrying out activities and then accurately costing out these alternatives. Most staff members will need help and some basic "rules of thumb" to use in costing out new programs. This assistance must be provided and is probably best provided by assigning someone in the business office with this type of expertise to consult with staff members as they develop their decision packages.

8. *Allow Proper Time for Successful Implementation.* The first time through ZBB will take more time. Schedule adequate time so that the staff can implement it in a relaxed, unhurried environment. Depending on the complexity of the institution, how many decision packages you use, and whether you use it throughout the institution or in one area, the time should range from two to four months to complete once the adequate preparations have been made.

There are basically three areas where problems are likely to occur in the ZBB implementing process. The first is in the area of *administrator attitudes.* Doubts, fears, and resistance may develop. Numbers 1 and 4 above are designed to focus on these matters. Unless they are recognized and handled, the system could be seriously damaged before it gets started.

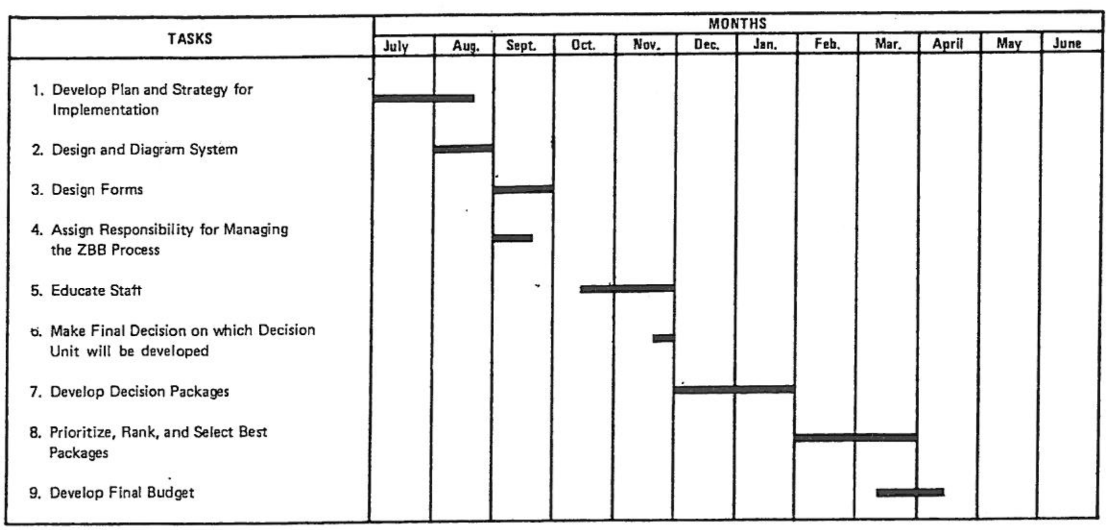
The second area in which problems may develop is in the *decision package formulation.* Problems of which Decision Units to use, how costs are established, and who makes the decisions on which alternatives to use for packages all can cause problems. Elements 1, 2, 3, 4, and 6 above are particularly addressed to these problems.

The third area of problems relates to the *final ranking and decision process.* Who makes the decisions and who has the final voice needs to be clarified. The author firmly believes that ZBB can best function in a framework of participative management where subordinates, while not having a final veto on decisions, do have meaningful and effective input into decisions that affect them and that utilize their expertise.

The implementation of ZBB is a difficult process. All due care needs to be taken if a successful system is to be installed.

TABLE 3.1

SAMPLE SCHEDULE FOR IMPLEMENTING
ZERO-BASED BUDGETING*



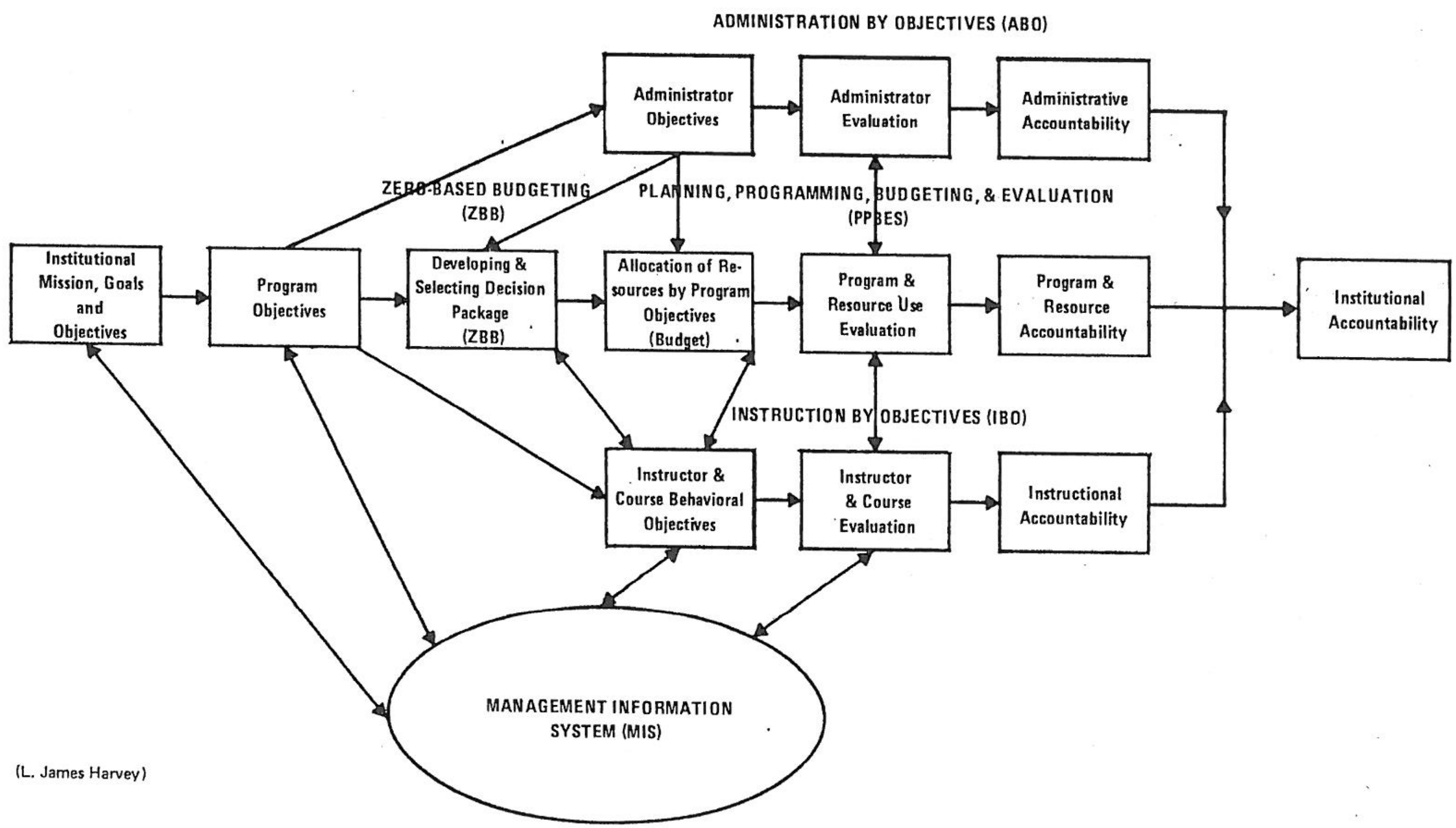
Source: Zero Base Budgeting in Colleges and Universities

L. James Harvey, Ph.D.

(Ireland Educational Corp.) 1977

TABLE 1.1

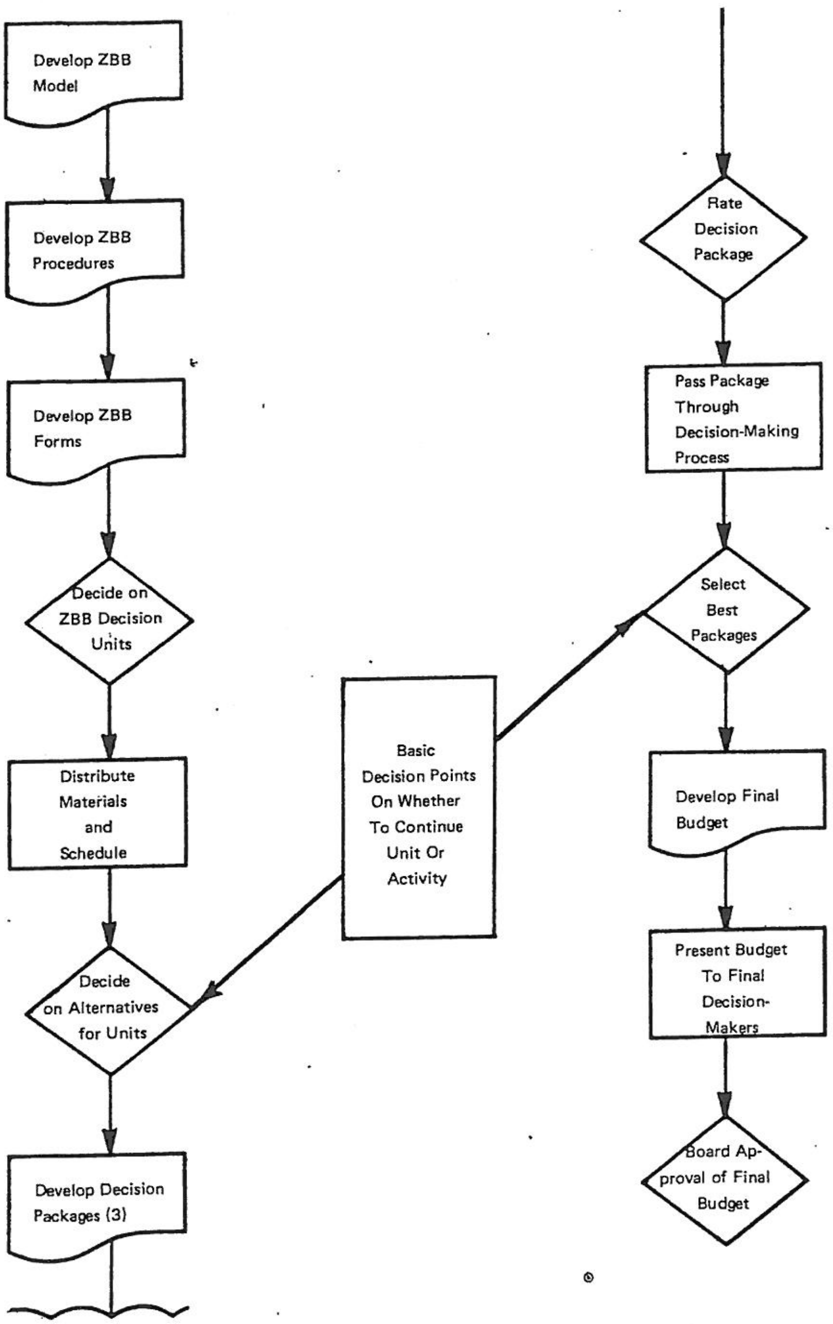
ACCOUNTABILITY IN HIGHER EDUCATION THROUGH THE SYSTEMS APPROACH



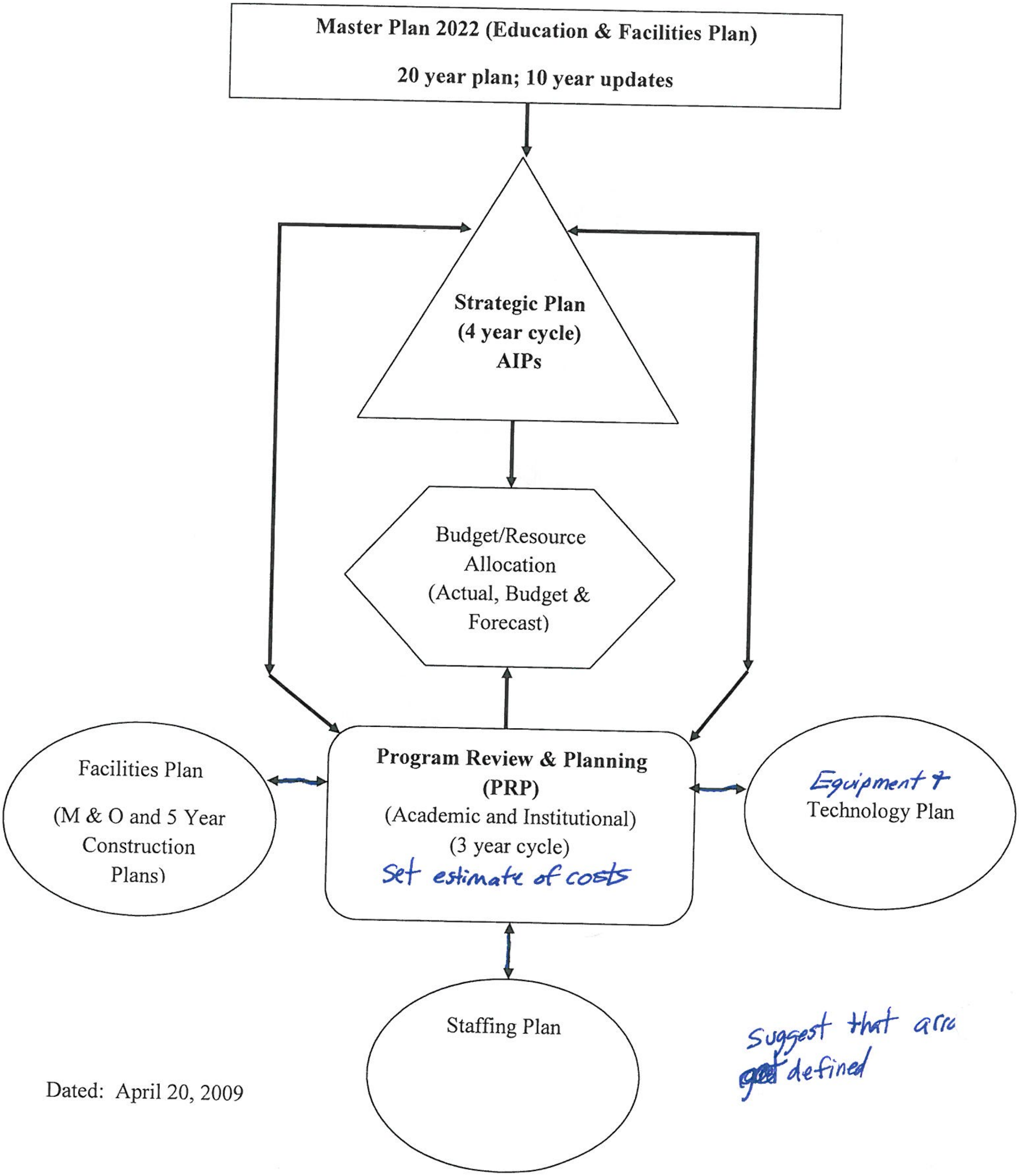
(L. James Harvey)

TABLE 1.4

ZERO-BASED BUDGETING PROCESS



Palomar College Planning Cycle Flowchart



Dated: April 20, 2009

Suggest that are ~~get~~ defined