

Message from the President: College budget update



College community,

On May 22, I shared information about the 2019-2020 budget with the Board of Trustees. I heard the concerns that faculty and staff expressed at the Board meeting about being transparent regarding the budget. To that end, I want to fully share with you the same information that was provided to the Trustees.

The budget decisions that have been made were difficult. Many of them directly impact our faculty, staff, administrators and therefore our students. I want you to know that these decisions were made with care and consideration. I understand that you didn't receive as much information as you would have preferred earlier in the process. It was because we wanted to ensure that the employees directly impacted by budget reductions were informed first. Those employees received official notification today.

In making these budget decisions, Executive Cabinet operated with the following objectives and understandings:

- Prioritize our employees and their professional development first.
- Sustain our commitments to Guided Pathways and the Social Equity Plan.
- Be conservative in our projections for student enrollment and in our estimates for tuition and Running Start reimbursement revenue.
- Consistent with feedback from the Budget Committee, be frugal – don't commit every dollar.
- Set aside a portion of our anticipated new revenue for contingency.

Starting from this basis, EC established the following framework for our budget discussions:

- Leave the 5% reductions in place. These reductions made it possible to not only cover the \$1.5 million shortage in next year's must-fund costs but also offset the loss of \$800,000 in our base state funding due to changes in the allocation model.
- Move ahead only with the additional revenue we believe we have now, and not try to guess what may come later from the state.

This new revenue is currently projected at \$1,425,489 and is comprised of:

- \$438,009
in unallocated permanent funding made available by the 5% reductions.
- \$987,480
from higher-than-expected tuition and Running Start revenue, and from un-committing the local funding we no longer need to cover 35% of next year's mandatory state wage adjustments.

Within this framework, EC made the following budget decisions:

- Fund the first five requests on the Reallocation List as recommended by the Budget Committee:
 - \$37,926
for the Veterans Resource Center Manager
 - \$63,043
for the Instructional Accessibility Tech
 - \$30,760
for the Cybersecurity BAS program
 - \$63,043
for the Enrollment Navigator
 - \$147,764
for the Palo Alto Firewall.
- Support employees and their professional development, including funding for two additional requests on the Reallocation List:
 - \$16,000
for the annual Teaching and Learning Days
 - \$40,000
for ongoing Power, Privilege and Inequity training (from the Reallocation List)
 - \$53,000
for Teaching and Learning Center programming (from the Reallocation List)
- Dedicate funding for faculty salary improvements:
 - \$600,000
- Support teach-outs in Instruction
 - \$200,000

After accounting for these commitments, \$173,953 remains

in unallocated contingency. It's a small cushion but will provide some flexibility should our tuition and Running Start revenue projections fall short, or if unexpected needs emerge during the course of the year. We also haven't ruled out using this contingency to go further down the Reallocation List.

We expect to see our initial allocation from the state board in the next few weeks. Once we have those numbers I will send out another message describing not only the amount we received but also any rules or restrictions on how those dollars may be used. Our goal remains having a 2019-20 budget to present to the Board of Trustees for approval on June 12.

I appreciate your patience as we have worked through a very difficult and complex budget development process.

Bob Knight

President