

## Budget forum

June 10, 2009

Joan Ray opened the meeting by summarizing the work and structure of the College Council, which is comprised of 17 members from all areas of the college. There are also students on the Council. She recognized and thanked members of the Council for their work this year.

George Gary summarized the work of the College Council budget subcommittee (which he chairs). The subcommittee hears budget presentations from all departments. They then make recommendations to the College Council, which are then given to the President. George said their work was very difficult this year.

Faculty member Michael Faucette spoke briefly about the budget subcommittee (he was a member). He emphasized the difficult task of addressing the college budget during very difficult economic times. He noted that it was gratifying to be a part of a group that worked together for the good of the college.

Janet Barker then presented the operating budget for Seattle Central. The sheet is attached, but here are key points:

- 2008-09 State base allocation was \$25,536,337
- Total tuition was \$7,557,432
- Local revenue was \$5,210,985
- Total college resources = 36,677,991
- Total budget reduction = 1,722,594

Dr. Mildred Ollee opened her comments by explaining the “three-legged” stool that makes up the funding for Seattle Central: state allocations, local revenue and tuition. (Slide #2).

She explained that the State Board has authorized a seven percent tuition increase; Seattle Central receives five percent of that seven percent. (The District Office also takes a portion of the 5 percent.)

Ollee spoke of the difficulty of making budget decisions in an unstable economic climate. “We are not the only organization going through this,” she noted. “We are making decisions that will have a negative impact on the college. When possible, we are trying to save positions.”

In response to a question, Dr. Ollee said, “this is not easy. I am not the enemy and will not be treated as the enemy. We are working hard to make this work. This is not a protest meeting. If students want to meet with me, my office has always been open. I will not have the people who came here to learn and ask questions be disrespected.”

"In 08-09 we had two things happen," she said. "We had increased revenue from enrollment and we had dollars that had been given to us earlier that we could add in." Total revenue from increased enrollment was \$849,008.

Initially, cuts were to be at the 11 percent level, she said. (Slide #3). Impacts of an 11 percent cut would have included:

Reducing security from 6 to 4 officers

Eliminate evening security

Loss of between 3-4 custodial positions

From student services, most of the part-time, hourly money would have been cut.

Front window, front line staff would have been reduced by 50% or eliminated. Some services would have been eliminated or reduced.

Utilities and rent are not represented in the budget figures, as they are mandatory and cannot be changed. Further, worker retraining funds cannot be touched, and professional development was unchanged.

"You hear that we may be back doing this cutting again in the fall," Dr. Ollee noted. "We have held \$103,000 in case we have another reduction.

"We can't afford to take that kind of cut without impact," she said. "What is the impact – how does it impact people?" When possible, positions were placed on to self-support budgets. "There are still potential layoffs," she noted. "We can't give specific answers because they are still in negotiations."

Dr. Ollee says the college tried to take advantage of vacant positions as a way to save money. "We hope to add those back and build one day," she said. "We will not always be in this situation." One person who accepted a full-time position agreed to

a 50% position, and I want to thank them for that. We also eliminated four vacant faculty positions. We eliminated a program but were able to retain the two full-time faculty members.

"We have restored some of part-time money in student services and administrative services. (Slide #6). It was not all restored. Being able to walk up and get service right away will not happen. Instead, we will go to an appointment system." Dr. Ollee said the College Council recommendations were to do everything possible to maintain FTEs. We want student services to be prepared to work with students, and get them properly placed in classrooms. "Students make decisions based on how things look. We want to make sure that facilities are maintained at a healthy level.

"There has been a lot of talk saying that we should spend reserves. You can see the scaffolding on the Mitchell Activity Center. Repairs to that building will cost more than \$1 million. We have gone to the

state for help – they will give us \$250,000. We must draw on the resources that we have to complete that work. Plus, we have a requirement of five percent reserves that the State Board requires.”

Questions (answered by Dr. Ollee unless otherwise noted).

Q: Did we dip into reserves for last budget cut? Are we still short in reserves?

A: 10.7 represents a cumulative reduction. We are still short in reserves

Q: How many PT faculty will be laid off in instruction given a five percent cut?

A: (Dr. Hamberg) We took a \$200,000 reduction in the spring. It is not possible to answer this question at this time. Part-time faculty work many different schedules – some teach one class, some work 20 percent or 10 percent. The average PT section is about 6,500. Divide 200,000 by 6,500.

Q: Are furloughs still on the table?

A: I would imagine if someone wants to volunteer they could. I am not making a request for anyone to take a furlough. Plus, we need the services.

Q: I am confused about cutting classes that have high enrollment and help with the AA degree. Do they cost money?

A: The college has not cut any class that had high enrollment. We know the enrollment of every class. The college has been studying the enrollment of classes for the last three years. Not just state-funded but contract too. The college has been working to improve our student/faculty ratio. We have also been looking at low-enrolled programs

(Dr. Hamberg) Decisions about what to offer are complicated. We do try and keep classes with high enrollment. Not going to go through the entire schedule of classes we will offer. We reduced some language classes and restored others. Every class we offer loses money. Your tuition covers about 22 percent of cost of running the institution. We don't have those kinds of dollars. It is a misunderstanding that 30 students are enough to cover the cost of a class. It is not enough to cover all the costs.

Q: Is there a freeze on new hires?

A: Yes, except for positions directly related to instruction.

(there was discussion here about the position -- an instructional dean at SVI, which has its own budget).

Q: The trend seems to be towards getting rid of classified employees. We're all in this together, so why are classified employees taking the brunt of cutbacks

A: You're right. When you get into student services and administrative services, that's where most classified staff are. Many of the employees affected have bumping rights.

(Kathy Woodley) If there are vacant positions within college or District they may have options to bump or move into vacant positions. This will all happen further down the road. We still need to bargain with the federation.

(Milton Smith) We (classified union) are negotiating with the administration. They are at a standstill.

(Kathy Woodley). We are trying to schedule a meeting with the union. We act as a District when negotiating with the union. We're not allowed to do anything on the campus level until that's done.

Q: When will layoffs take place? I thought it had to happen in July?

A: It may be in July. Can't do it until we meet with the union. Right now there are no answers. Not a campus decision, it's a district decision. Wanted to deal with this some time ago. Part of the negotiating process does not allow us to do this.

Q: Why weren't students part of the budget subcommittee?

A: Students were invited to be on committee. It requires a commitment of three full days. We did not get anyone was able to spend that time.

Q: Why weren't reserves tapped?

A: (George Gary) Reserves don't accumulate over a daily basis. They grow over years and years. Once reserves are gone, what do you do? Eighty-five percent of our budget is people. The other 15 percent is goods and services. If you start paying people out of reserves then what happens to your salary? It's a way to augment a budget, it's not a way to balance the budget.

Q: The slide says "10 employees or fewer" could be laid off. What would reduce the number laid off?

A: Some may opt to take early retirement. We don't know who might take retirement yet.