RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council
Meeting of June 13, 2011
DL 409
10:00 a.m. – 1:00 p.m.

MEETING

Task Force Members

Present
Jim Buysse, Vice Chancellor, Administration and Finance
Aaron Brown, Associate Vice Chancellor, Finance
Norm Godin, Vice President, Business Services (Riverside)
David Bobbit, Interim Vice President, Business Services (Moreno Valley)
Laurens Thurman, Interim Vice President, Business Services (Norco)
Michael McQuead, Associate Professor, CIS (Moreno Valley)
Tom Allen, Associate Professor, English & Speech Communication (Riverside)
Pam Kollar, Academic Evaluations Specialist (Norco)
Mary Legner, Associate Professor, Mathematics (Riverside)
Botra Ra Moeung, Educational Advisor – STEM Counseling (Riverside)
Gustavo Segura, Instructional Media/Broadcast Coordinator (Moreno Valley)
Vickie Vega, Confidential Representative (Recorder)

Absent
Jim Parsons, Associate Vice Chancellor, Strategic Communications & Relations
Tom Wagner, Associate Professor, Business Administration (Norco)
Meghan Skaggs, ASRCC (Norco)

I. Meeting was called to order

II. 2016 Budget Scenarios

Dr. Buysse discussed information (see handout) as we plan for how RCCD may look as we move to the year 2016 (our 100th Anniversary):

- Status Quo?
- State Assisted?
- State Assisted (plus)?
- Major Restructuring?

The situation we are in is serious and all of the above scenarios are risky.

Our goal is to provide guidance to the Chancellor and the College’s Strategic Planning Committees to help guide our institution through this crises and major restructuring.
With the Golden Handshakes, there is going to be a great deal of turmoil related to workload redistribution. The institution is going to go through grief just as an individual would. Dr. Buysse distributed two, “Four Stages of Grief” handouts to help us understand what we are up against:

<table>
<thead>
<tr>
<th>Handout #1</th>
<th>Handout #2</th>
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</thead>
<tbody>
<tr>
<td>• Shock</td>
<td>• Denial</td>
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<tr>
<td>• Denial</td>
<td>• Anger</td>
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<tr>
<td>• Anger</td>
<td>• Depression</td>
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<tr>
<td>• Resolution</td>
<td>• Acceptance and Hope</td>
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</table>

III. **Principles**

Dr. Buysse distributed suggested for “Principles” for the DBAC to consider (see handout).

Dr. Buysse would like the group to think about processes/principles, keeping in mind our Mission, and forward comments/suggestions to him for discussion at the next meeting. The goal will be to finalize DBAC’s new “Principles.”

IV. **Next Meeting**

Dr. Buysse distributed three handouts (2011-12 May Revision, Hole/Whole Analysis, 2011-2012 Projected Budget Problem) for review prior to our next DBAC meeting (Meeting date to be determined).
2016 BUDGET SCENARIOS

- **Status Quo**...continue on as we have and continue to look for band-aids to stop the bleeding...could be a rather emaciated version of our former selves.

- **State Assisted**...Find new revenue sources to offset State cuts and assume modest increases in the enrollment fee; probably a bit smaller organization, which would likely require modest restructuring.

- **State Assisted +**...Same as above but with an enrollment fee at or above the national average for tuition; probably an enrollment size below the other State-assisted scenario; again, some restructuring would be required.

- **Major Restructuring**...Assumes new revenue sources are few, if any, and that the enrollment fee is at or above the national average; no real systemic change in parameters applied to the CCC; significantly smaller enrollment and organization; major restructuring required.
The 4 Stages of Grief
By KaLynV, eHow Contributor
Grief is an emotional response to a loss. All humans feel grief when they lose someone they loved or a beloved pet, or when they face a life-threatening or life-altering illness. Experts refer to grief as a process because it is felt and dealt with in stages. Not all people go through every stage and some feel each stage in a different order. Grief is a natural process that produces a range of emotions to help people deal with their losses and their fears.

Denial
An individual's first response to bad news is often disbelief or denial. During this stage, people may feel emotionally numb. They may deny that the situation is happening, or they might try to reduce its severity. Those in the denial stage often isolate themselves or withdraw emotionally. This is a natural part of the grief process, but those who remain in denial for too long risk emotional detachment and damaged relationships.

Anger
Once a person has accepted a situation, he moves from denial to anger. People who have suffered a loss may try to find something to blame for the situation. They might blame God, themselves or even the one they lost. People in the anger stage might be irritable, have short tempers or lash out at people around them. They often don't realize that their anger comes from their grief.

Depression
After awhile, anger fades and leaves behind despair and depression. At this point, an individual may feel as if her grief is permanent. She feels overwhelmed and helpless and starts to believe that her life will never improve. People in this stage of grief may try to shield themselves from their pain by withdrawing and closing
off their emotions. The primary emotion during the depression stage is sadness.

Acceptance and Hope
At this stage of the grief process, anger and sadness have begun to fade and a person begins to accept the loss. He begins to realize that he can overcome his grief. People at this stage often try to find hope in the situation. They look for meaning or for lessons they can learn. This stage of the grieving process is where recovery truly begins.
The Four Stages of Grief

According to Dr. Phil, the biggest challenge people who are grieving will deal with is getting their minds around what they are facing. If you are in the grieving process, you can expect to go through these four stages:

1. **Shock**: Feeling numb. You may wake up wondering, "Is this real?"

2. **Denial**: Being unable to accept the situation. You may find yourself thinking, "This can't be happening. It's not real."

3. **Anger**: Wanting to lash out at everyone. You may continually ask, "How can this happen?"

4. **Resolution**: Feeling like there is a way past the grief, an end to the sadness. You may say to yourself, "I will get through this."

During the grieving process, you may feel like you are on an emotional roller coaster ride, but things will get better if you allow yourself to heal.
FW: Principles
Buysse, Jim

Sent: Monday, February 21, 2011 8:13 AM
To: Buysse, Jim

1. This is a long term situation the length and depth of which are unique in our lifetimes.

2. We must achieve and maintain alignment of our ongoing revenues and expenditures, and we must use the breathing space created by one-time solutions to position the College District to do so.

3. We must preserve the strong financial ratings we've received from rating agencies.

4. We must achieve our funded enrollment level, albeit with the judicious use of the State's restoration process when necessary.

5. We must maintain collegiality and equity within and between all permanent employee groups as we proceed.

6. We must actively maintain strong communications within and outside the College District.

7. We must not burden the future with the decisions we make today.

8. We must preserve quality service and instruction for all students we serve.

https://mymail.rcc.edu/owa/?ae=Item&t=IPM.Note&id=RgAAACNmThBOqSrQZRBO... 2/21/2011
Community College Financial Projection Dartboard
2011-12 May Revision Version

This version of SSC’s Financial Projection Dartboard is based on the Governor’s 2011-12 May Revision. We have updated the COLA, CPI, and ten-year T-bill factors per the latest economic forecasts. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are, at best, general guidelines.

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<tbody>
<tr>
<td>Statutory COLA for Apportionments</td>
<td>-0.39%</td>
<td>2.24%</td>
<td>3.20%</td>
<td>2.70%</td>
<td>2.90%</td>
<td>3.10%</td>
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<tr>
<td>Funded COLA</td>
<td>0%</td>
<td>0.00%</td>
<td>3.20%</td>
<td>2.70%</td>
<td>2.90%</td>
<td>3.10%</td>
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<tr>
<td>Growth Funding</td>
<td>2.2%</td>
<td>0.00%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.0%</td>
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<tr>
<td>Workload Reduction</td>
<td>-3.34%</td>
<td>Additional</td>
<td>-5%, Total 8.34%</td>
<td>Ongoing</td>
<td>Ongoing</td>
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<td>&quot;Protected&quot; State Categorical Programs</td>
<td>Ongoing</td>
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<td>&quot;Unprotected&quot; State Categorical Programs</td>
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<tr>
<td>California CPI</td>
<td>1.80%</td>
<td>3.10%</td>
<td>2.70%</td>
<td>3.10%</td>
<td>3.20%</td>
<td>3.50%</td>
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<tr>
<td>California Prop 20</td>
<td>Base $112.50</td>
<td>$111.00</td>
<td>$110.00</td>
<td>$108.75</td>
<td>$108.75</td>
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<tr>
<td>Lottery</td>
<td>Prop 20 $17.50</td>
<td>$17.50</td>
<td>$17.20</td>
<td>$17.20</td>
<td>$17.20</td>
<td>$17.20</td>
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<tr>
<td>PERS Employer Rate</td>
<td>10.70%</td>
<td>10.923%</td>
<td>14.126%</td>
<td>14.430%</td>
<td>14.430%</td>
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</tr>
<tr>
<td>Interest Rate for 10-Year Treasuries</td>
<td>3.20%</td>
<td>3.80%</td>
<td>4.10%</td>
<td>4.30%</td>
<td>4.40%</td>
<td>4.50%</td>
</tr>
</tbody>
</table>

1 This is a result of the $190 million reduction in general purpose funding in 2009-10 and $292.9 million reduction in 2011-12.
2 Reflects 2009-10 cut of 22% (except as noted in list). Programs are "protected" because the funding restrictions and requirements remain.
3 Reflects 2009-10 cut of 62% (except as noted in list). Programs are "unprotected" because, following a public hearing of the governing board, districts can redirect the funding to any other state categorical program, and funding restrictions and requirements are waived as a result through 2014-15. Funding allocations will be proportional based on 2008-09.

Protected Programs
- Basic Skills
- CalWORKS (augmented 2009-10)
- Career-Technical Education (augmented 2010-11)
- Cooperative Agency Resources for Education (CARE)
- Disabled Students Programs and Services (DSPS)
- Extended Opportunity Programs and Services (EOPS) (48% cut)
- Fund for Student Success
- Foster Care Education (25% cut)
- Nursing Program Support
- Student Financial Aid Administration
- Telecommunications and Technology
- Extended Opportunity Programs and Services (EOPS) (48% cut)

Unprotected Programs
- Apprenticeship
- Campus Child Care Tax Bailout
- Economic Development
- Equal Employment Opportunity
- Matriculation
- Part-time Faculty Compensation (71% cut)
- Part-time Faculty Health Insurance
- Part-time Faculty Office Hours
- Physical Plant/Instructural Support (funding eliminated)
- Transfer Education and Articulation
- Transfer Education and Articulation

The forecast for Lottery funding per FTES includes both base (unrestricted) funding and the amount restricted by Proposition 20 for instructional materials. Lottery funding is initially based on prior year actual annual FTES, and is ultimately based on current-year annual FTES.

These best available figures for 2012-13 and beyond reflect the PERS Board’s adoption of a revised smoothing method and new actuarial assumptions.

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Legislative Analyst Recommends Reduction for "Basic Aid" Districts

The Legislative Analyst's Office (LAO) just posted a short narrative and a recommendation on its website to reduce General Fund support for "basic aid" community college districts by $5.9 million starting in 2011-12.

A district is designated as being "basic aid" when property tax and student enrollment fee revenues exceed the district's apportionment revenue entitlement. Unlike the majority of community college districts, "basic aid" districts do not receive any state general apportionment funds. They do, however, receive categorical program funding to achieve specific educational purposes, which are allocated based on separate formulas. Based upon the 2010-11 First Principal Apportionment, there are three community college districts that are "basic aid."

For these community college districts, the LAO points out that what used to be Partnership for Excellence funding was redesignated as apportionment funding in the 2004 State Budget Act. That Budget included language that allowed "basic aid" districts to continue to receive the funding for that year. The language was not carried forward in subsequent State Budgets, but "basic aid" districts have continued to receive the funding since that time. The LAO recommends that this practice be ended and that the $5.9 million in funding either be reallocated to non-"basic aid" districts or kept as state General Fund savings.

For the full background and narrative, go to: [http://www.lao.ca.gov/laoapp/budgetlist/PublicSearch.aspx?Yr=2011&KeyCol=412](http://www.lao.ca.gov/laoapp/budgetlist/PublicSearch.aspx?Yr=2011&KeyCol=412).

—Michelle McKay Underwood and Sheila G. Vickers

posted 05/20/2011
HOLE/WHOLE ANALYSIS

What we confront looks something like this:

- One-Time Fixes, 2011-12: $8.30
- Interfund Borrowing: 2.75
- Restoring Reserves (2%): 2.92
- Management Furloughs: .28
- Positive Budget Variance/Freeze: 2.94
- Hourly Staffing: .37
- Nursing/Science: .70

Size of the Hole: $18.26

Plus 2012-13 Problem: $2.00 - 5.00

Total Restoration: $20.26 – 25.26