

Testimony to BOT from CFE regarding Final Budget 2013-14

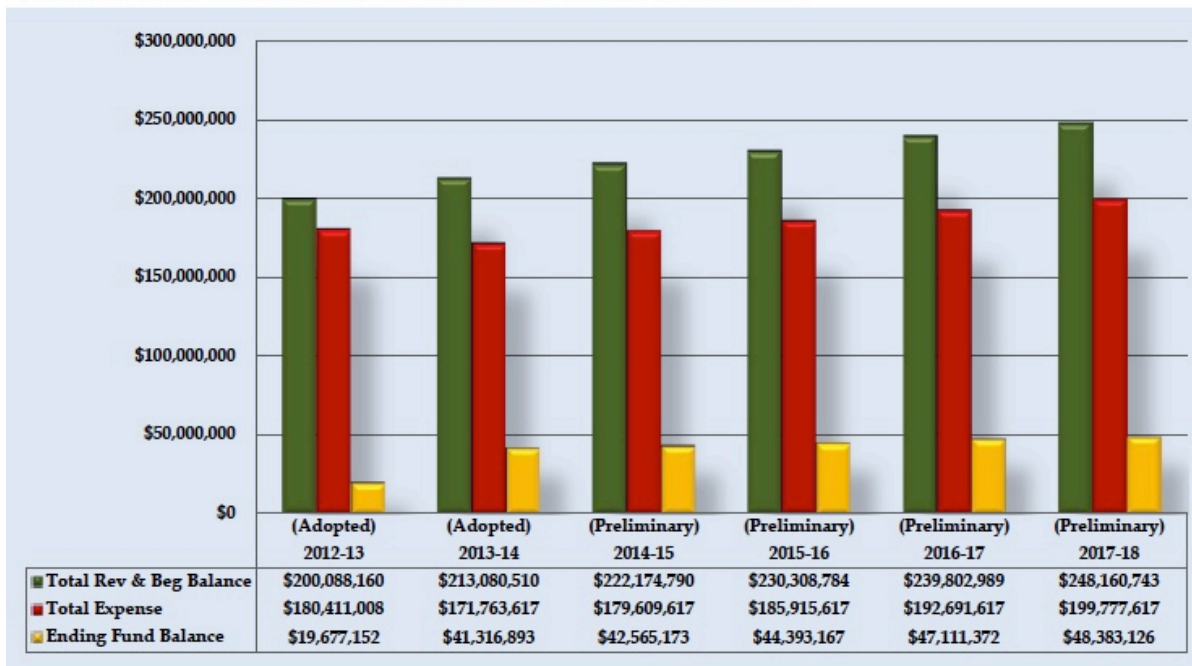
Presented by Dean Mancina to the CCCD Board of Trustees on Sept. 4, 2013

This is the public testimony from the Coast Federation of Educators on the proposed final budget, presented this evening by Vice Chancellor Dunn. We have five points to make

But first, CFE wants to thank Vice Chancellor Dunn for his summary presentation, which he made last week at Budget Advisory Committee, presented publicly tonight, and makes available for our review at the District website after the budget is approved. His charts and graphs help us get a handle on an otherwise complex and confusing book of numbers that are difficult for most of us to comprehend. It's exciting not to have a doom and gloom budget this year... mostly thanks to our success in passing Proposition 30.

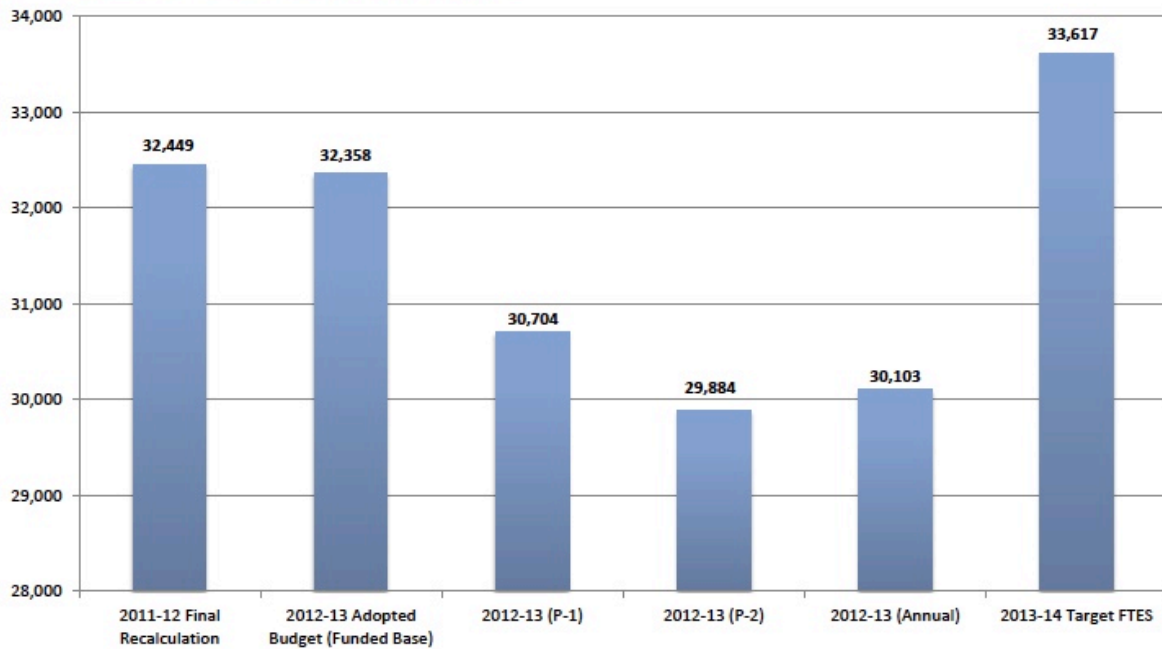
Point #1. Know that this budget was built 100% by management. The District Budget Advisory Committee, and other college constituent-based committees had no structured process to provide guidance to the documents in front of you.

MULTI-YEAR PROJECTIONS



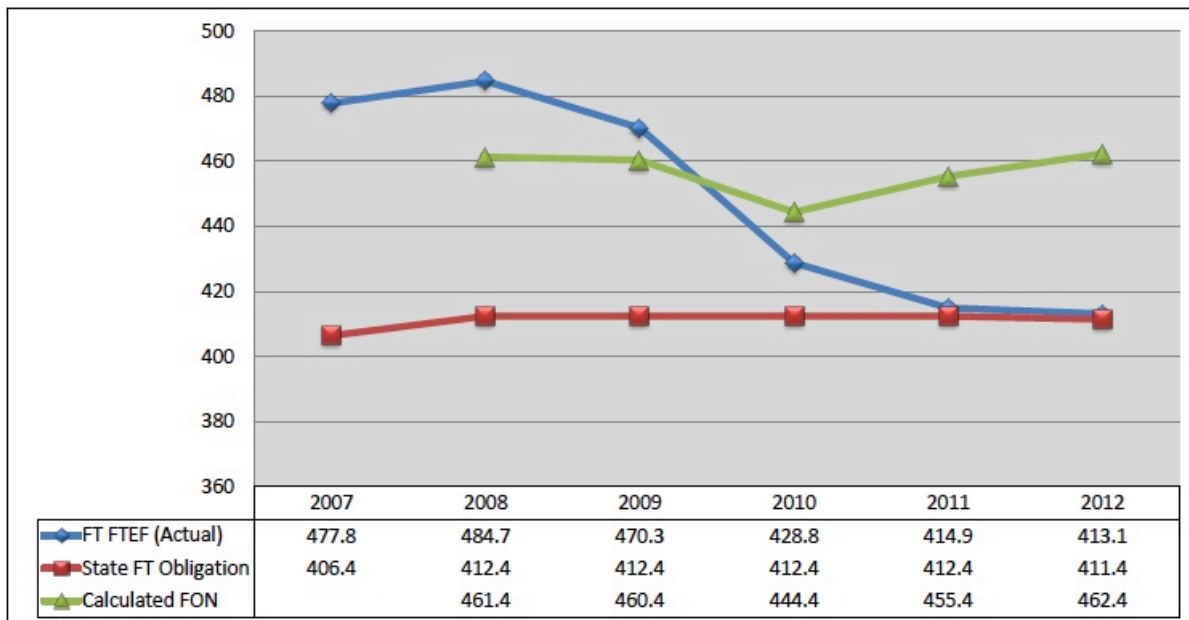
Point #2. CFE would like to point out that on the slide above, you are being asked to approve a budget with an estimated 20% reserve. As we have seen from past years, the ending fund balance is estimated conservatively, so don't be surprised if next June we end up with a 25 or 30% ending balance. When times are good, we are told it's time to pump up the reserve. When times are bad, we are told it's time to pump up our reserve. Year after year these dollars are held in reserve, not available to improve student success. When the same dollar bills are held year after year after year, it's interesting to CFE that these are referred, as so many of our annual dollars are, as "one-time funds."

FTES SUMMARY



Point #3. In the slide above, year 2012-13, note that the FTEs generated last year were achieved with an overuse of part-time faculty. For a District of our size, we have one of the smallest full-time faculty teams in the state. More about our full-time faculty ranks in a moment. Note the huge increase for our 2013-14 FTE target. **100% of that increase** will be achieved with more part-time faculty. The full-time faculty have been stretched to their limit. With all due respect to our outstanding work of our part-time faculty, this graph shines a light on the severe over-reliance on contingent faculty in the Coast District.

2007-2012 FON HISTORY

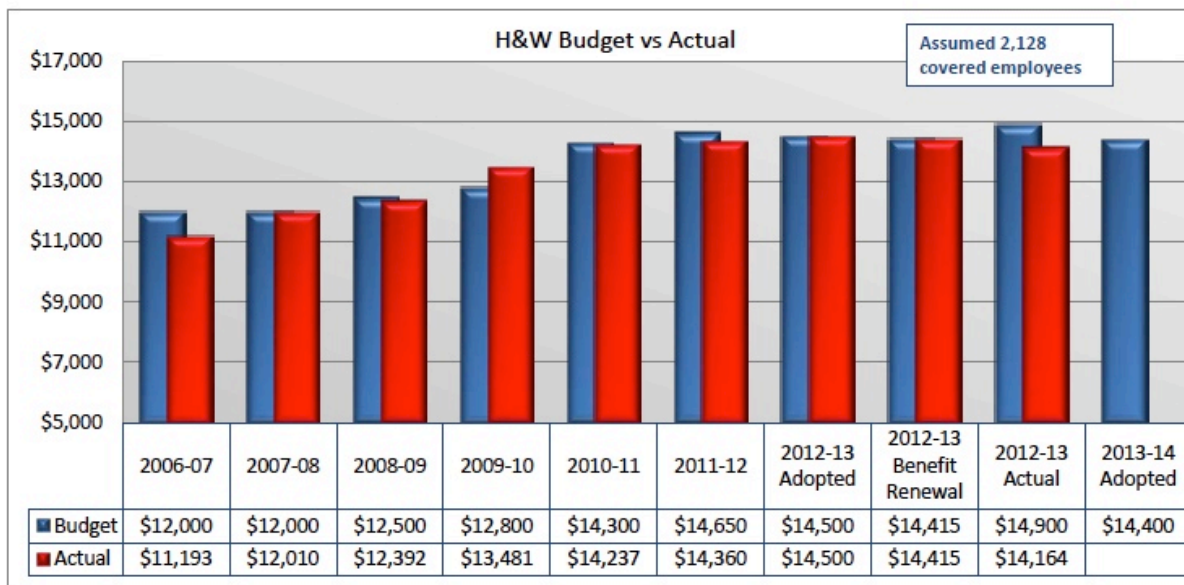


Point #4. This slide shows that we are barely in compliance with the lower, waived FON, the **minimum** number of full-time faculty required by the state for our district to employ.

And we are 51 faculty below the real FON, which is likely to be re-instituted by the Board of Governors as early as this November for next fall. As we learned last year when we hired 29 full-time faculty to partially replace the 33 who left that year, it pushes the District's staff to the limit to hire that many faculty in one year. It's difficult for management and staff to put the ducks in a row that are required to hire such positions, and creating search committees and tenure-track evaluation committees was nearly impossible last time with 29 positions. We can't hire 50+ faculty in one year. Yet management continues to avoid committing to a timeline and specific plan to shore up the full-time faculty ranks in order be in compliance with state regulations. Time and time again I hear that this will be "addressed" by the District over the next few years. Time is running out. It's not just 50 positions that need to be filled. Each year we lose about a dozen tenured faculty, so the target to avoid the state penalty of \$60,000 per faculty member per year for violating the FON is quickly moving out of our reach. We need to hire a minimum 30 faculty per year for the next several years, starting immediately.

Management has covered itself by presenting reports on the FON to you at least twice each year. It's the Board's responsibility to direct management to develop this plan. This discussion should be agendized by the Board and discussed publicly in the immediate future. This is not a closed session topic.

HEALTH BENEFITS - PEPY Trend



Point 5. In this slide you can see that our health benefits expenses have stabilized since 2010. This is significant, since at several prior Board meetings management has publicly announced that our annual health benefits costs are "increasing at an unsustainable rate." This graph proves that simply is not true. Thanks to the work of the Health Benefits Advisory Committee, we have achieved what so many other organizations have tried unsuccessfully to do... continue to provide good health coverage to employees and retirees and to simultaneously control costs.

This concludes CFE's testimony. Thank you.