



**San Diego Community College District  
Office of the Chancellor**

September 25, 2009

*An Update on the State Budget and SDCCD Planning*

Dear Colleagues and Friends:



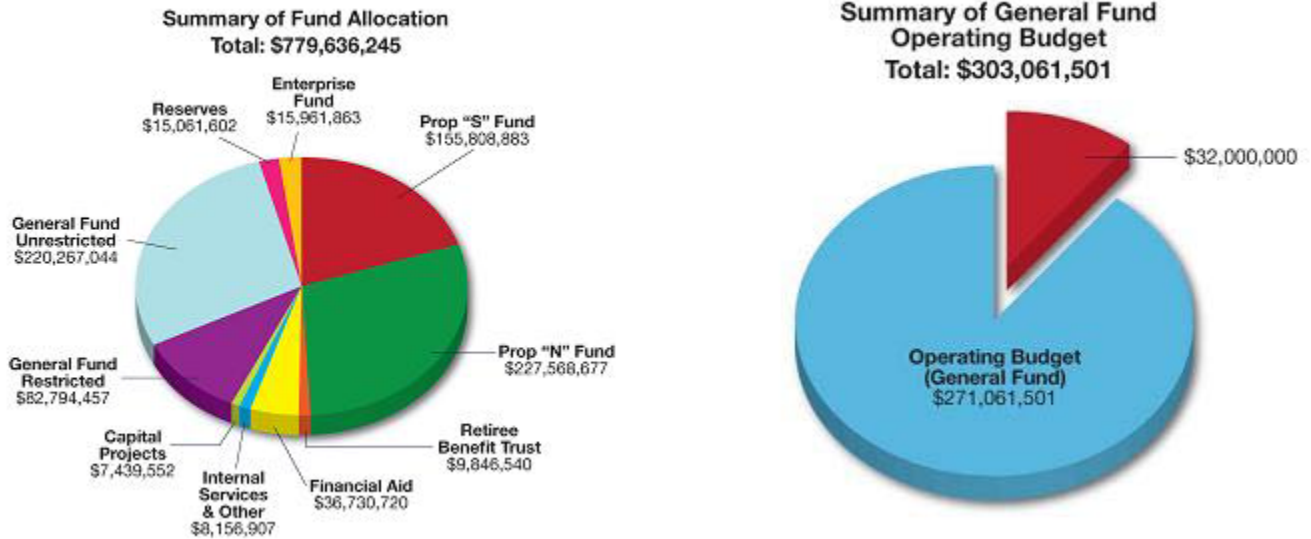
*Théodore Géricault: Raft of the Medusa (Louvre Museum, Paris)*

In June 1816, a small convoy of French ships set out on a voyage to Senegal, with the ship "Medusa" in the lead. Unfortunately, due to improper navigation by a poorly trained captain, the Medusa hit a sandbank off the coast of Mauritania. While the other ships sailed ahead, frantic efforts were made to free the Medusa, but these efforts were in vain. The ship continued to sink. Those who could be accommodated in life boats set off to safety. However, many were abandoned on the

sinking Medusa. In the last hours, a raft was crafted and about 150 people climbed on board, far too many for the raft to support and far too many for the meager food supply to sustain. After 13 days of trauma at sea, the raft was finally rescued with only 15 men still alive. There is a famous painting of this event, which hangs in the Louvre.

Well, we are surviving our budget journey because of effective navigation by everyone involved in helping us make it through this crisis: the Board of Trustees, the administrators, the faculty and staff, the student leaders, the collective bargaining groups, and the meet-and-confer groups. We are all in this together and we are all determined to reach land, with our contract employees protected and our core classes intact. I am proud of everyone for this great effort, which is moving us forward to our goal of reducing expenditures by about \$32 million, a target which was dramatically affected by the new State cut to categorical programs.

Our overall budget and the reduction in our operating budget are depicted in the charts below.



Thus far in our budget reduction journey toward the target date of July 1, 2010, we have achieved the following:

**Reductions to Date for 2008-09 & 2009-10**

- |   |                            |
|---|----------------------------|
| 1. Hiring Freeze  | \$ 5,858,420               |
| • Eliminated 125 positions  |                            |
| 2. Reduced District operating accounts  | 2,920,170                  |
| 3. Reduced campus operating accounts and class sections                             | 1,731,327                  |
| • Reduced 600 class sections  |                            |
| 4. Categorical reductions   | 4,399,898                  |
| 5. Reduce an additional 677 class sections  | 1,905,521                  |
| 6. Reduce contracted services   | 1,500,000                  |
| 7. Recover direct costs from Prop 39 funds  | <u>1,279,999</u>           |
| <b>Total 2008-09 &amp; 2009-10 reductions to date</b>                               | <b><u>\$19,595,335</u></b> |
| 8. Selective Early Retirement Program<br>(to offset categorical program reductions) | TBD                        |

**Impact to Date of Budget Reductions and State Decisions**

- Elimination of 1,277 class sections

- Loss of 125 jobs
- Loss of \$4.4 million in categorical services
- Loss of \$600,000 in interest revenue due to approximately \$18 million in revenue “deferrals” from the State

Item #8 above will yield savings that move us closer to the goal. Also, each bargaining unit and each meet-and-confer group (including the Chancellor) are reviewing options to assist in the overall reduction effort. Unless something massive occurs in the State budget that plunges it further down, I am now cautiously optimistic, as they say, that our plan will get us to the goal. The planning and actions that we are undertaking now will also reduce the severity of any remaining cuts that may come our way in 2010-2011.

In the meantime, the process of budget requests for 2010-2011 has already begun at the statewide level. The California Community Colleges Board of Governors has proposed priorities for the 2010-2011 System Budget Proposal, as follows: 1) Restoration of Categorical Program Funding in the amount of \$313,142,000; 2) Cost of Living Adjustment (COLA) of 5% amounting to \$298,768,000; and 3) Enrollment FTES Growth of 3.4% for \$196,482,000. The total request for new and restoration funding is \$808,392,000. However, any progress in these areas will depend upon funding decisions by the Legislature and the Governor. So, on the one hand, we are being required to cut our budgets by July 1, 2010, and, on the other, we are being given a glimmer of hope, effective the same date as the cuts.

In November, we will begin the active phase of our legislative advocacy in order to let the Legislature and Governor know that we deserve better and expect more from them as our leaders. We hope that you will keep informed and get involved in the advocacy effort.

Thank you for your understanding, support, and ideas, and for the continuing honor of allowing me to work with you as your Chancellor.

Sincerely,

*Constance*

Dr. Constance M. Carroll  
Chancellor