The Planning and Budget Forum was well attended last week, but I know many of you were unable to attend due to a variety of reasons. Therefore, I am sending you this summary of what we discussed to provide information and clarification on some of the issues regarding the state budget and its impact on Butte College.

As you can imagine, this was the most difficult budget forum we've ever had to deliver, because the budget reduction decisions, specifically as they impacted staff, were the hardest we've ever had to make. Choices are never easy when they affect people. For the past several years, we've been able to temporarily protect employees from layoffs and reductions by using one-time reserves; in fact, we were one of the few colleges that did not make any layoffs the past two years. These reserves provided us time to plan for how and where to make budget reductions that would have the least impact on students. Unfortunately, with no chance of a tax extension being placed on the June ballot, the budget gap we face in 2011-12 is at least $6.4 million (a.k.a. “scenario 2”). An even “worse case” scenario for Butte College presented by the Community College League of California, estimates we could face a budget gap as high as $9.4 million if Prop. 98, the minimum funding guarantee, is suspended. We made the decision early on that we would plan for scenario 2 and backfill with one-time reserves for another year if faced with the “worse case”.

Butte College is fortunate to have available some new ongoing funds for next year that we can use to help offset some of this gap. Since there were no mid-year cuts this year, we have approximately $1.6 million in new growth funds, $225K in lottery and non-resident fee revenue, and beginning in 2011-12, we will use $570K of interest revenue from the retiree benefit fund to help offset the gap. This left a remaining gap of $4 million we still needed to close with budget cuts and/or other new revenue. In January, we asked the managers to come up with 5% cuts from their areas to generate approximately $3 million in budget reductions. With a district budget that is primarily made up of salaries and benefits (84%), it is very difficult to make $3 million in cuts and not impact personnel. On top of these cuts, we still needed to eliminate the backfill we had been providing to the categorical programs for the past two years.

At the forum, one slide showed how the budget reductions impacted regular personnel in both the unrestricted fund and the categorical programs. The following is what was presented:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Fund</th>
<th>Categorical Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management (9 layoffs, 2 reductions)</td>
<td>$560K</td>
<td>$550K</td>
</tr>
<tr>
<td>Full-time Faculty (5 layoffs)</td>
<td>$100K</td>
<td>$440K</td>
</tr>
<tr>
<td>Regular Classified (9 layoffs, 39 reductions)</td>
<td>$430K</td>
<td>$250K</td>
</tr>
</tbody>
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It was noted that of the $6.4 million budget gap in the unrestricted general fund, approximately $1.1 million was used from staff layoffs and reductions to help close the gap. (Another $1.2 million was needed to close the gap caused by previous years' reductions to categorical programs.) Although the partial “reductions” made by classified and management impacted a larger number of people, they essentially combined to help save other full-time positions from a total lay off. The student assistant budgets were also significantly reduced thereby impacting more personnel resources.

We also talked about the even more significant impact that cuts to class sections would have on our part-time faculty. The state budget cut to Butte College estimates that over 500 class sections provided this year would no longer be funded in 2011-12. To reduce the number of unfunded class sections, and as part of the 5% cuts to the instructional area, the part-time faculty budget was reduced by approximately $900K. This reflects the elimination of approximately 280 class sections and the need for our part-time faculty to teach them. We will be eliminating the winter session and reducing the summer session as part of the reduction to the class schedule.
Should the college need to make more cuts next year, we will ask each union/constituent group for input into what those cuts might be. If the additional cuts are severe, we will approach all groups collectively for salary or benefit concessions before we look at any additional layoffs.

Although the impact to personnel is significant next year, we should keep in mind that we were able to protect many more employees from reductions or layoffs. We should also keep in mind that even those employees who were not laid off or reduced will feel the impact and loss of those who were.

What needs to be made clear is that the elimination and reduction of our fellow staff members is not a reflection on their performance, and by no way means the district does not value their services. These reductions have been forced upon us due to the state’s economic and budget problems. If and when the budget reflects better economic times, we will look to once again provide these services. But until then, we must operate with fewer resources.

In closing, we ask that everyone make an attempt to maintain staff morale and support each other with positive communication and encouragement. Butte College remains one of, if not the best, community college in the state. We will continue to provide excellent service to our community and our students while doing whatever we can to protect as many staff as possible.

Andrew Suleski
Vice President for Administration
Butte-Glenn Community College District