

July 22, 2024

TO: Maria Coulson, Academic Senate President & PRAC Co-Chair
Mia Robertshaw, Interim VP & PRAC Co-Chair

FROM: Jonathan Eldridge, Superintendent/President

RE: June 7th, 2024 Memo Outlining PRAC's Recommendations

My thanks to you and all members of PRAC for the thoughtful and comprehensive approach to the recommendations outlined in your June 7th memo. Now that the 2024-25 budget is coming into better focus, I feel equipped to respond.

As we well know, over 80% of the College's budget is tied to salaries and benefits. Each year, those costs increase, both through employee step/COLA increases and external factors impacting benefits. We have enjoyed stability with our faculty, staff, and administrators, as increasing numbers of individuals in each category reach the top of their respective salary schedule. This does, however, add to our personnel cost increases, which project to outstrip our rate of annual revenue increases as we look to the future.

We have also added and expanded programs and services over the past number of years, usually to the direct benefit of students. With many, at least portions of these new endeavors have initially been financed through categorical, grant, or other funds. In some situations, these programs and services are no longer funded externally, or the external funds no longer fully cover their escalating costs. As a result, the College has committed general funds to keep them whole. As time progresses and the costs of these programs and services increase, these obligations also run the risk of outstripping our rate of annual revenue increases.

Finally, as an institution we have been good at finding new and innovative ways to support students and meet our mission—but we have not been as good at finding efficiencies or sunsetting other activities. As a result, our costs—personnel and otherwise—grow even faster.

These factors are important because budget projections indicate we cannot continue this trajectory without eroding our reserves—which means we will be deficit-spending. This in turn means without acting, we will before long dip below our board-mandated minimum reserve—which we cannot do by policy (nor by fiscally responsible practice, as it would put the College at serious risk on a number of fronts). As such, I will be tasking budget managers to work together to undertake the following as we head into fall semester:

1. Review all contracts for services, service agreements, and other operational expenses to determine whether they are truly necessary and, if so, whether consolidations, re-negotiations, or other approaches can reduce costs (for example, the College has installed over 30 filtered water bottle filling stations across both campuses, yet maintains multiple contracts for water delivery);
2. Make decisions within existing operating budgets to create space for those PRAC recommendations under \$5,000. If these are priorities, then they can be prioritized over other items (for example, within the Student Learning & Success division alone, more money was spent on food for (non-student event) meetings than all of PRAC's first six recommendations total combined);
3. Review all unfilled but budgeted staff positions and prioritize them in relation to the eight PRAC-recommended new staff positions (if these new positions are needed, are they needed more than or sooner than other already existing positions that have become vacant?);
4. I agree with PRAC's recommendation that unit allocation be driven by student enrollment and demand, with in-depth analysis by deans and chairs and adherence to the faculty collective bargaining agreement. As such, academic budget managers will review 5-year trends with instructional units in relation to actual enrollments. I note throughout the requests that came to PRAC this year several for more units (some ultimately supported by PRAC, others not). However, the College's enrollment is just now at 2019 levels, which begs the question—if enrollment has not grown over the past five years, why do we need to add units, especially when there consistently are open seats in a variety of courses across the curriculum?

The outcome of these tasks will provide data to bring back to PRAC and support future institutional decision-making. Some aspects of these tasks will require broad consultation—both with departments and within participatory governance. In the end, we will have the necessary information gathered to begin making qualitative decisions about how best to protect our core responsibilities and commitments while sufficiently tempering our increasing expenses. This is not unlike the work we did in 2017-18, when we identified structural cost savings—and did so beyond what the budget demanded to support new PRAC-supported initiatives.

What does this mean for PRAC's current recommendations? At this point I support:

1. Re-directing existing funds to cover the first ten recommendations in your June 7th memo.
2. Converting part-time teaching units to hire a FT Communication instructor and 1-2 FT ESL instructor(s).
3. The hiring of a Psychology instructor and CDP teacher based on recent resignations.
4. Beyond these items, the work outlined above needs to take place before any other additions to our budget obligations are approved.
5. I support equipment recommendations as outlined in the attached Excel sheet.

I look forward to working with PRAC to continue innovating and improving, while meeting our fiduciary responsibilities.

Again, thank you.