Cabrillo College Restructuring Process

Two Year Background:

The college has updated the campus community on 2014-15 enrollment, as well as given a three-year budget projection based on the new enrollment cap.

- Deans, program chairs, and faculty carefully analyzed data, looked at wait lists, and added classes to meet student demand.
- Enrollment, fill rates, and FTES continue to decline even with $1.5 million in one-time and ongoing money used to add sections in both 2013-14 and 2014-15.
- Spring 2015 is the biggest decline to date. The college is 4.5% below the spring 2014 FTES.
- Student headcount has failed to increase and instead declined from about 18,300 in 2012-2013 to about 18,100 in 2014-2015.
- The percent of students attending full time has been increasing with about one third of students currently attending full time.
- Fall to spring persistence has declined slightly over the last 4 years.
- No one-time or on-going teaching unit funding will be allocated in 2015-2016.
- In addition, the college will have additional obligations to pay higher rates for PERS and STRS exacerbating the effect of a lower FTES cap.

What is the enrollment plan?

The college’s additional TU allocations did not result in as much additional FTES as hoped. For one more year (2014-2015) the college will “swing” summer FTES to achieve the cap of 10,887. The college will go back into budget stability in 2015-2016.

What is budget stability?

Education Code section 48776 specifies that a district shall receive budget stability funding (full funding) the year it declines below its funded base level FTES. If the district does not return to the base level FTES in the year following the decline, a permanent reduction in apportionment is instituted. The stability provision also applies to other components of the apportionment funding formula; i.e. additional funding received for colleges with FTES greater than 10,000 but less than 20,000 and colleges with education centers maintaining 1,000 or more FTES. That means that a college such as Cabrillo can lose permanent funding by dropping below 10,000 FTES or 1,000 FTES at the Watsonville Center.

Is the college cap of 10,887 FTES sustainable?

No, the college’s cap of 10,887 FTES is not sustainable. For the last two years, the college has worked diligently to strategically add and market classes, yet enrollment continues to decline. At this point, the three-year projection shows that a cap of 10,500 FTES is the highest level attainable and sustainable with balanced summers. From this new base level, the college can attempt to grow as the college continues to analyze student needs and
continues to work on new initiatives such as an enhanced non-credit program, concurrent high school enrollment, and increasing distance education offerings.

**What does this mean for funding?**

The college general fund is based on FTES. Each FTES brings in approximately $4600 in revenue. Therefore, if the college decreases the cap from 10,887 FTES to 10,500 FTES, the apportionment funding will be reduced by nearly two million dollars. In addition, the college will see the following impacts:

- Faculty Obligation Number (FON) would decrease
- Lottery funds would be reduced
  - Printing and copying
  - Library books and databases
  - Specialized instructional equipment
- State Instructional Equipment funding would be reduced
  - Replacement computers and other instructional equipment
  - Smart classrooms
- State mandate block grants would be reduced
  - This is the only one-time unallocated funding for 2015-2016
  - Used often for facilities and unanticipated expenses
- Student service programs/student equity that receive funding based on FTES or number of students served would receive decreased funding
  - Non-categorical fee-based programs with funding based on headcounts will experience a decline in funding (i.e. Student Health Services)

**Goals:**

- Develop the framework for redefining an effective college organizational structure, and reduce ($2 million district-wide) of on-going costs starting fiscal 2016-2017. The $2 million reduction is based on the enrollment revenue that will be lost with our reduction in base, a blended formula that is available through the business services department.
  - Restructuring process to be reviewed by CPC Spring 2015 and to begin immediately upon constituency review and recommended approval to the president
- Streamline and strengthen Cabrillo College through achievement of the new base and restructuring to support that reduced base; streamline and strengthen Cabrillo College to support the reduced student headcount.
- Continued leveraging of available resources to assist in the restructure process.
**Approach:**

1. All Component Areas (Instruction, Student Services, Administrative Services, and President’s Office) will begin a systematic review of restructure/reductions based on prompts developed by Cabinet and reviewed by CPC. Each component area will commit to creating a plan that will provide a 2%, 5% and 7% reduction, (dollar amounts to be provided by Business Services). This includes review of base budget and college wide programs and services, including all non-general fund programs, (restricted fund programs and categoricals). Restructure or reduction recommendations must result in general fund reductions.

   ✓ Component areas will use existing councils for this process (component areas will be asked to include Subject Matter Experts [SME] from outside their component to assist in an inter-component dialogue). It is important that all cross component representatives inform their groups of discussions, recommendations, and impacts documentation. All cross component representatives will be given a form to complete communications and will be advised of the cross component lead to receive communications.

   o Component areas will include alternate component participation and feedback via surveys or technology as an integral part of the process, discussion and recommendations; impact arguments will be included for final recommendations as deemed necessary by the component

   ✓ Recommendations will be submitted to the Business Services Office (BSO) for review and verification of reduction savings – if not verified the recommendations will be returned to the component for continued review

   ✓ Quarterly updates will be provided both on the CPC webpage so the college has increased opportunity to stay up to date on the status of the process and recommendations; update links will be sent out to the college at large by the president’s office

   ✓ Component councils will schedule one all campus forum to review draft recommendations and take public comment; all impact arguments will be provided with all draft recommendations for the college

   ✓ Finalized recommendations will be reported to the CPC by the component Vice President or President’s designee

2. CPC Role:

   ✓ CPC will receive and discuss quarterly updates as part of the committee process

   o Minutes of the quarterly review will be available on the CPC website

   ✓ CPC will receive impact statements along with prioritized recommendations for review and consideration

   o CPC will develop finalized recommendations to submit to the college President in its advisory role

   ✓ Final approval of recommendations resides with the President who will provide a written response to the CPC on restructure/reduction recommendations, approval and next steps
3. **Think Tank Research Team** consisting of both Subject Matter Experts (SME) as well as assigned participants who will provide questions for specific areas of inquiry that may require a deep dive into existing practice and review of possible efficiencies. This Think Tank Research Team will represent a cross representation of college experts who will assist the process by identifying key areas of information. In addition possible names of faculty, classified, student, confidential and manager representatives will be submitted to the President for consideration as think tank participants. These participants will develop questions for the responsible components to include in their college restructure process. The Think Tank Research team will be led by the Director of Planning and Research.

4. **College Planning Council** will receive component recommendations. The CPC will review submitted impact arguments and will synthesize all recommendations into a final report. This report will be submitted to the President who will work with the administration and impacted components and constituencies on the implementation for 2016-2017. (Reductions that occur earlier will be counted towards the $2 million total and reviewed by CPC as information items.)
Ground Rules:

- Acknowledge that we have all already done reductions in recent past
- Attempt Out-of-the-Box Thinking and be willing to reduce and restructure – this is a college wide response
- Real and Substantial Recommendations
- Maintain All College Perspective
  - What is best for the College and for students
- Don’t Take Things Personally
- Maintain Core Mission
- Positive, Productive, and Collaborative
- A separate spreadsheet of one-time reductions maybe created by each component
- All recommendations that have bargainable impacts will be submitted to the appropriate bargaining unit and noted on the restructure/reduction spreadsheet
- In the event that program and workforce reductions are necessary, the college will work to preserve faculty, staff and management positions when possible and, if not possible, will assist with employment-related transitional issues.

Common framework inquiries for components will be developed by the Cabinet and reviewed by CPC. These common framework inquiries will be developed from the following criteria:

- Key Instructional Priorities From the State
  - Transfer/GE, Basic Skills, Career Technical Education
- Student Success Act
- Efficiency
- Redundancy
- Consolidation
- Elimination
- Relevant / Up-to-Date
- College Mission
- Fiscally Responsible for the college both in short term and long term

Additional questions can be developed by the component and the Think Tank and should be part of the overall review and included in the component restructure/reduction process. All component documentation should be retained in the Vice President/President’s office.

Process Supports:

- Instructions for components and Think Tank
- Timelines and milestones for components and Think Tank
- Framework questions for components
- Component recommendation form with impact proposal perspectives included
- Central intranet site for information requests forms and other useful resources including those that help & plan restructure/reduction scenarios