

Date: July 1, 2009

To: Campus Community

From: Budget Committee

RE: Summary regarding Budget reduction process

Due to the economic recession leading to significant reductions in state revenue collections and the forecast of future reductions, the college has been faced with the need to budget college operations with a large reduction in state funding. President Lambert recognized the advantage of planning early, even in light of the fact the size of the potential reduction was unknown. In early October, the Budget Committee, working against an extremely short timeline, helped to conceive the document *Points of Consideration*. The *Points of Consideration* are a series of guidelines intended to insure fair and effective decision-making for the President and Vice Presidents in developing scenarios for cost savings or reductions for the current year (2008-09) and for developing the budget for the 2009-10 academic year.

The *Points of Consideration* were shared with the campus community at the December All-Campus meeting along with a timeline of early March as an indicator to begin the RIF process by contract if needed. In addition to the *Points of Consideration*, the President and Senior Executive Team (SET) sought feedback on budgetary reductions and savings from the campus. It then became the task of the Budget Committee to attest that the *Points of Consideration* were adhered to and that the President and SET used these guidelines as part of their decision-making process. It is not the charge of the Budget Committee to approve the budgetary decisions that were made.

December through mid January, each Vice President (VP) applied the *Points of Consideration* to assess their areas for reduction and met with President Lambert to present each of their reduction scenarios. In February, the four Vice Presidents met with the Budget Committee, and each VP presented to the Budget Committee the steps being taken to develop cost reductions in respect of the *Points of Consideration* at the 10%, 15% and 20% ranges, as the size of the actual reduction was still unknown and messages from the State Board were unclear. A similar presentation was made to a joint meeting of the Strategic Planning Committee and Budget Committee; this meeting included attendance by other deans and directors. At both sessions, some committee members requested more detailed information related to the measurements that were being employed to evaluate programs and the definition of programs, especially in non-instructional areas. While the VP's were accessible in these meetings for all questions, concerns, or requests, specifics and details could not be provided until affected individuals were notified and contractual obligations fulfilled. After these presentations, the consensus of the Budget Committee members was that they did not have sufficient information to determine if the *Points of Consideration* were followed. The Budget Committee members felt that they would be in better position to evaluate whether the *Points of Consideration* were consistently applied had the type and source of data being used been made available to the Committee. At this time it is apparent to Budget Committee members that the *Points of Consideration* are too broad to assess a very detailed process.

In April, supporting documentation, primarily for the 10% reduction from each VP was made available to Budget Committee members for review. The committee had one week to prepare for a meeting with the VP's to review the process in relation to the *Points of Consideration*. The President and Vice Presidents were readily available for questions and comments. Throughout the year the Budget Committee struggled in an attempt to reach consensus on a definition of "transparent" as it relates to the budget reduction process and how transparency is viewed across the campus. In addition, the Committee never reached consensus concerning the correct and/or preferred timing for receipt of information from the VP's. Some members felt that more detailed information should be available to the Committee, including highly sensitive personnel information, before decisions were made. Other Committee members felt that receiving information after decisions were made still allowed for an assessment of whether the process was followed.

Several members of the committee felt that data or metrics concerning how programs were assessed should have been available to the Committee early in the process before decisions were made. On this issue, however, there was no consensus. Additionally, some committee members expressed concern over the lack of consistent use of data across instructional divisions and between instructional and non-instructional programs. In any event, the Administration was averse to releasing any program specific information because of confidentiality issues. After decisions were made, and individuals notified, Committee members questioned what specific metrics were used to assess programs and how these were considered in combination with other factors to assess the overall impact of a reduction decision. This information was not provided to the Committee. Although some documentation was provided after the process was completed citing the *Points of Consideration* that were relevant in each decision, these documents did not provide any information on how the *Points of Consideration* were considered and even what specifically was considered from program to program.

The combination of continuously changing budget information from the State, the uncertainty of the state and national economic climate, and contractual obligations of the College provided a very limited time frame in which serious and far reaching budget decisions had to be made by the President and SET. Due to these factors, not all of the documentation and backup data that were presented to the Committee were in a standardized and/or easily accessible format. There was insufficient time for the Committee members as a group to thoroughly review and discuss the data and information presented before the end of the current fiscal year. It seemed clear to some members of the Budget Committee that the VP's incorporated the *Points of Consideration* in their divisional/departmental processes, while other members did not see connection; however, there was consensus that the application varied from program to program. It is also apparent that communication within divisions/program varied greatly and has added to the perception of a perhaps uneven application of the *Points of Consideration* across the programs.

After reviewing the documentation made available to the Committee, members felt that it was difficult to follow the path of the information collected and the final decision. The information provided was collected from each VP, and there was little documentation as to the process of considering the impacts of the proposed reduction from a college-wide perspective. It appears that the level of communication and feedback varied greatly among the various operational units.

There was little documented information to support that the strategic plan led the decision making process.

While the process is definitely not capricious and it appears open, as earlier noted, it is difficult to define transparency. As this process has unfolded the need for better standardized data, measurable outcomes for all programs, regular program reviews and feedback of the evaluation process is absolutely essential. These would be vital improvements to develop a means of an informed decision making process which would be understandable to members of the campus community. The following represents strengths, weaknesses and areas for process improvement.

Strengths:

Proactive approach to address pending economics and impact on the budget.

Process invited the campus community to participate through open comments and anonymous comment submission.

PSET/SET has been available and accessible with their time.

Regular communication (campus meetings, blogs) with the campus community with budget updates.

Start of annual program review process with measurable outcomes in instructional areas.

Weaknesses:

The use of PSET/SET time with the budget committee may have not been fully utilized due to confidentiality issues and contractual obligations.

Points of Consideration are too broad for application.

Strategic Plan is too broad for budget building.

Application of Point 4 of the Points of Consideration (quoted below), second arrow did not have supported documentation.

4 All programs/services, defined as organizational units at the College that provide academic, student, public or any other services, and all aspects of the current operation, are reviewed for possible reduction. In general, the process will:

- Emphasize the principle of efficiency, whereby the total cost (considered in terms of economics, educational, social, human, community, etc.) associated with a retained program does not exceed total benefit.*
- Emphasize current and future cost-effectiveness, defined as the 'relative cost of offering a program/service measured against the relative outcomes (i.e., impacts)' of a program/service.*

- *Consider the positive impact that a program/service has on meeting state mandated student achievement initiative targets*
http://www.sbctc.ctc.edu/college/e_studentachievement.aspx
- *Be balanced in a way so as to meet the mission of the college*

Areas needing improvement:

P/SET Recognize/address campus participation and input within the area they were received.

BC and P/SET Refine the Points of Consideration for specific use and adoption for other budgetary uses (reduction *and* expansion). Specify supporting documentation and direction.

SP and BC Develop consistent standardized data and measurable outcomes across college programs.

P/SET Require documentation regarding application of *Points of Consideration* and Strategic Plan in all VP areas. Summary of discussion items, impact of reduction to area and campus.

BC and P/SET Allow more time to refine decisions and assess consequences through campus feedback.

SP and BC Refine Strategic Plan in order to drive future budget development.

P/SET Provide documentation of the analysis of *Point 4*(*quoted above*) and subset arrows.

P/SET Require one note taker at all discussions in order to support analysis at review. Content of the discussion may need to be confidential at the time, but documentation needs to be kept to support a meaningful review later in the process.

P/SET Provide summary of their analysis at end of decision making process, after confidentiality is no longer an issue.

Communication from the State regarding budget forecasts, projections, etc., is provided to the budget committee in a timely and complete manner.

P/SET show application of Point 7 (quoted below) across all employee groups:

7 Treat people with respect and dignity; make every effort to minimize impact on people's lives (e.g. early notification from the president, confidentiality, focus on positions rather than performance or persons, and data-driven decisions).

Implement a campus employee climate survey concerning reduction process.

Conclusion

This is an ongoing process. The Budget Committee is committed to refining the process for P/SET including better defining the guidelines, *Points of Consideration*, and identifying data

types that would provide a basis to determine if the guidelines are followed. It is our intent that the process should be applicable to a decision process for reductions or growth opportunities. This is the feedback step of this process related to the budget development for 2009 – 10. Your input as to what worked and where improvements need to be made are a vital part of this process. These decisions impact the campus as a whole and the Budget Committee strives to reflect the needs and concerns of the whole campus community.