Recommendations of the Operations Think Tank

Submitted to the President February 6, 2012

Introduction

The Operations Think Tank attending members are Zerryl Becker, Donna Jean Darby, Edwin Deas, Joy Dellarso, Wade Ellis, Bina Isaac, Matthew Jackson, Lauro Jimenez, Donna Kirscht, Ana McGraw, Aisha McKee, Doug MacIntire, Jesus Madrid, Robert Pellenbarg, Florante Roa, Christen Smith, Karen Tabor, and John Williams, .

During the Fall 2011 semester, the Think Tank met on 10 occasions. Over the course of its work, the Think Tank adopted three methodologies in identifying potential savings in the Operations area of the General Fund Budget, namely:

1. Analysis of the line items within each departmental budget with the help of interpretation and explanation by Wade Ellis, particularly in terms of categorization of the expenditures as mandated, necessary and optional. Think Tank members were invited to identify areas of potential savings based on the information made available. This approach did not realize any significant savings.

2. In-depth review of certain cost centers that had been identified by the Summer Study Group, Again, the focus was on the nature and extent of the expenditures with the aid of interpretation by Wade Ellis. This approach did not realize any significant savings. Both these approaches provided the members of the Think Tank with a far greater knowledge and understanding of the Operations departments' purposes and share of the General Fund resources. It was noted that a high degree of the expenditures were either mandated or essential to the running of the College.

3. A third and final approach was adopted that called for each departmental budget manager to prepare a detailed report that identified how savings of 30% of the existing budget could be achieved by the end of four years and what the impact on college-wide service users might be. This was a radically different approach wherein, during the first two approaches, the onus was on the Think Tank members to identify potential savings from their limited knowledge of the departmental purposes and use of resources whereas in the third approach the members were asked to reflect on the savings that were proposed by the departmental budget managers and subject matter experts. This third approach produced the results presented below.

The outcome of the semester long exercise is a series of recommendations from the Think Tank with savings and ramifications noted for the consideration of the President. In addition, also noted are potential savings that are not recommended to the President with reasons.

Department	**Details of Proposed Savings**	**Recommended to President for Further Consideration**	**Not Recommended to the President for Further Consideration**
Facilities Services: 30% targeted savings $755,872. Projected ongoing savings at the end of the four years $755,872. Note: This budget does not include Utilities which for historical reasons has been included in the Fiscal Services budget even though Facilities Services manages the function and has done much to contain the escalating expenditures in this area.	Option 1: 13.5 FTE reduction in leadership and classified positions. Significant reduction in scope of service—maintenance limited to emergency and health/safety only; grounds maintenance reduced to basin only, no field support; removal of all trees requiring maintenance; custodial reduced two days per week cycle; and in general no support to set up of campus activities. The change would be noticed in 2012 and implemented in 2013. The target of $755,872 can be met.		Option 1 is not recommended because it is considered to have more of a detrimental effect on the campus and its workforce. The loss of services would be significantly higher. However, as is noted below, in the event that Option 2 cannot be fully implemented, a combination of Option1 and 2 may be considered.
	Option 2: 2.5 FTE reduction in leadership and classified position. Outsourcing of grounds maintenance and custodial, amounting to 23 positions (subject to negotiation and statutory restriction SB 1419 and district procedure AB 6370). Limitation in services is not as great as in Option 1 but quality and timing of service might not be to current	Option 2 is recommended by the Asst. Director and by the Think Tank on the basis of losing fewer in-house positions and having lower negative impact on the users of services. It should be noted that the impact of the satellite campuses opening in the next few years will have a heavy impact on Facilities Services and this has not been factored into this	

	standards. The change would be noticed in 2012 and implemented in 2013. The target of $755,872 can be met.	report. Legal restrictions are not inconsiderable and in the event that Option 2 is not fully implemented, a combination of Option 1 and 2 may be considered.	
Office of the Vice President for Business Affairs: 30% targeted savings $190,000. Projected ongoing savings at the end of four years $190,000.	Reductions in budgets: Business Affairs operating capital $107,000; Legal $37,000; Rideshare to be funded by parking revenues $13,000; Services $5,000; 33% of savings on support to three vice presidents $28,000. Total $190,000 and can be implemented as needed.	All recommended savings can be accommodated without significant impact on service users.	
Office of the President: 30% targeted savings $346,126. Projected ongoing savings at end of four years $176,161.	President: Institutional memberships $43,480; Legal $48,240; Other $17,700; Total $109,420 and can be implemented as needed.	Savings recommended but concern expressed about impact of ending institutional memberships.	Elimination of Executive Asst. and 0.5 Asst. to Board of Trustees in amount of $115,124 not recommended at this time due to concerns around needs of new President and functionality of office.
	Board of Trustees: Stipends $2,213; Supplies $4,700; Travel $15,000 Total $21,913 and can be implemented as need.	Savings recommended.	Elimination of 0.5 Asst. and potential savings of $17,000 not recommended on grounds of mandated services and functionality.
	Commencement: Supplies $4,740. Can be implemented	Savings recommended. There may be further savings of $11,000 in	

	gradually.	stage rental if a permanent asset can be acquired from alternate funds.	
	Academic Senate: Dues, supplies, and travel $3,525 Compensation $31,415 (out of $91,876) Total $34,940 and can be implemented as needed	Savings recommended. Compensation reduction should be explored and may be subject to negotiation.	
ITIR: 30% targeted savings $600,000. Projected ongoing savings at end of year 4 $372,109	HP hardware/Datatel $39,533 FY 2012/13	Recommended, efficiency measure	
	Revenues from services to self-supporting entities and revenues including DSPS Lab $104,000 (FY2012/13)		
	Printers and servers $35,576 FY 2012/13	Recommended, efficiency measure	
	15 employees 1.3 furlough days over each year $115,000		Would be subject to unique negotiation. More potentially applicable to entire employee group.
	Reduce .5 FTE in the leadership area or realignment or reduction of summer hours or funded by new projects $75,000 (2014/2015)	Recommended. Saving may be offset by external costs	
	Realignment of 4 positions in the classified area and reduction of summer coverage S115,000	Recommended but subject to negotiation. Services will not be available in the Summer.	

	(2014/2015)		
	Non replacement policy Savings cannot be estimated		Too unpredictable
		The Think Tank encountered repeated references to the negative impact on ITIR (and other service areas such as Facilities; Fiscal Services; and Security) consequent to other areas acquiring external funding such as grants, categorical funding, and self-generating revenue. The negative impact can come about in several ways--where fulfillment of the requirements of the external funding allows the area with the funding to develop its own services; where additional demands are placed on a department such as ITIR without addition to resources from the funding even though it was identified in the funding application; and additional demands on a department without a share of the funding because the need for the service was not even identified in the funding application (commonly affecting Facilities Services). In addition to resourcing services that are directly connected to fulfillment of the requirements of the funding, the Think Tank	

		is of the view that the District should have a General Fund benefit from all external funding, wherever possible, that can be utilized at the discretion of the President. Consequently, the Think Tank recommends that policy and procedures be developed to address the concerns noted above which would reflect a general objective in seeking external funding that such funding must portend to provide benefit to the area in question, other areas affected by the funding, and the District in general.	
Fiscal Services: 30% targeted savings including Utilities $1,417,756 (Utilities $487,500). Projected ongoing savings at end of four years $1,408,617.	Accounting: Non replacement 2 retirees 50% Director and 1FTE cost transferred to redevelopment funds $397,568	Recommended but question predictability of redevelopment funds	
	Purchasing: 2.5 FTE reduction plus copier and postage savings $259,959	Recommended subject to acceptance of new service delivery methods	
	Bursar: 1.5FTE reduction $106,100	Recommended but means decentralization of cash function	
	Risk Management: Raise insurance deductible Do not insure old and temporary buildings	Recommended but caution about redevelopment funds	

	and transfer property insurance to redevelopment funds $139,144		
	Safety: Eliminate discretionary budget $40,000	Recommended Can be funded from other sources.	
	Warehouse 1FTE after retirement, offset by off-site storage $88,687	Recommended. All deliveries direct to ordering department	
	Copy Center: New operations lead to elimination of net expenditure, i.e. runs on total cost-recovery basis. Saving $189,920	Recommended.	
	Utilities: No savings noted but additional savings in other sub-departments contribute to required target.		
	Bond Audit: $3,000 transferred to bond program.	Recommended	
	403b match: $184,239	Recommended but subject to negotiation. Care should be taken not to double-count potential savings.	
Security and Emergency Preparedness 30% targeted savings $150,059. Projected ongoing savings equal to target can be achieved.	Virtually the entire budget is human resources and reduction means reduction in services, starting with all campus events that require additional staffing and moving forward to potentially no service during times there are few people on campus such as overnight and weekends.		

	Action item: Ensure that 10% of all security costs and 90% of all parking costs are set against the categorical parking revenues. This already happens to some large extent but needs to be quantified	Recommended	
	Plan #1: Lay-off all full-time and permanent part-time officers. Replace with part-time officers with no benefits. Savings $150,059 There will be serious service reductions	Recommended as fall back plan to Plan #4	
	Plan #2: As above but outsource. Savings $150,059 There will be equivalent service reductions to Plan #1 but the added uncertainty of quality of service and future contract price escalation		Not recommended
	Plan #3: Lay-offs of all permanent part-time officers. Severe permanent curtailment of services during nights and weekends. Savings similar, in the region of $150,059 but may be offset by higher losses and lawsuits.		Not recommended
	Plan #4: Elimination of all permanent part-time positions. Full-time officer positions would be by attrition and not filled once vacated.	Recommended as first priority upon advice for Director, with Plan #1 as fall back if Plan #4 is deemed not feasible.	

	Workforce would eventually be comprised of new category of contract employees, with competitive salaries but no benefits. If possible, contract employees would be permitted to pay for health coverage through the District's plan. Plan #4 is the most innovative, calls for the greatest degree of change, facilitates the creation of a supervisory structure not possible within the current classified staff, and ensures all current employment is continued albeit under different terms. Range of services would remain largely unchanged due to increased flexibility of deployment of resources. Savings $150,059		
Institutional Advancement: 30% targeted savings $59,191. Much of Institutional Advancement is current funded from a Title V grant and the Foundation. The savings plan is based only on the General Fund component but consideration will have to be given to the future of the overall initiative once the categorical funding ends.	Proposed is a staged reduction in operating costs that will obviously have a detrimental effect on the initiative's goals if there is no offset from categorical funding sources.	Postage 2012/13 reduction $4,245	

Projected ongoing savings at the end of four years $55,845 2/3/12: Look into indirect costs w/grants in all other areas			
		Travel 2012/13 $6,000	
		Advertising: 2012/13 $10,000 2013/14 $10,000 2014/15 $10,000	
Human Resources: 30% targeted savings $231,130. Projected ongoing savings at the end of four years $233,792.	Means of savings required dollars without being a coherent plan. The consequences have not been fully articulated: Reduce or do not replace 1 FTE $75,404; 2 FTE reduced to 2x O.57 FTE $60,000; 1 FTE reduced to .75 FTE $23,738; Executive Director reclassified as Director $55,983; 1 FTE reduced to .85 FTE $18,667. Total savings $233,792	Recommended for further consideration but more work is required on changes and particularly on consequences.	
	Alternative proposal: Replace 1 FTE position eliminated above 2 part-timers and introduce outsourcing for recruiting. Savings would be substantially lower but have not been quantified.	Also recommended for further consideration.	
Total 30% targeted savings $3,750,134. **Aggregate of recommendations leads to projected**			

ongoing savings of $3,342,455 at the end of four years			