

Carole Meagher's Thoughts About the Multi-Year Budget and Enrollment Plan

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Subject: MYBE and Board Meeting

Hi to the Budget Committee and select members of Enrollment Management,

There are a lot of things to talk about at Tuesday's Budget Committee meeting, and it's faster to just write these out, let people skim, and we can decide which to discuss rather than taking up too much time talking about everything.

TLDR: Everything the committee has been asking for came up at the Board of Trustees meeting. And, golf.

Here goes:

We need to quantify the roll forward of expenses from the past few years to show how we got here. Some of the general explanations we are making for how we got into this budget crisis are not ringing true. Show the numbers so people can see why these decisions apparently need to be reversed.

- Salary increases for Classified, Faculty and Administrative were approved while we were in "Hold Harmless," and already quite aware of the upcoming fiscal cliff as well as the impact of the SCFF. So, why do we need to do salary and benefit cuts now? What changed? Not COVID-19 – that actually bought us more time.
- Yes, we increased sections, expecting increased enrollment, which didn't quite pan out. Still, we increased sections in areas that already had long waiting lists. So wouldn't those extra sections have been accretive to the bottom line? What was the cost of sections we added that did not fill? Were there that many?

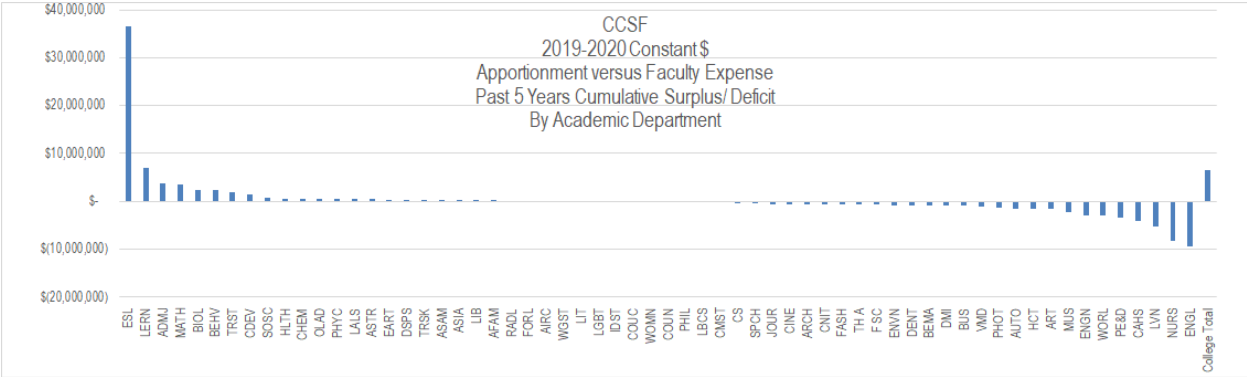
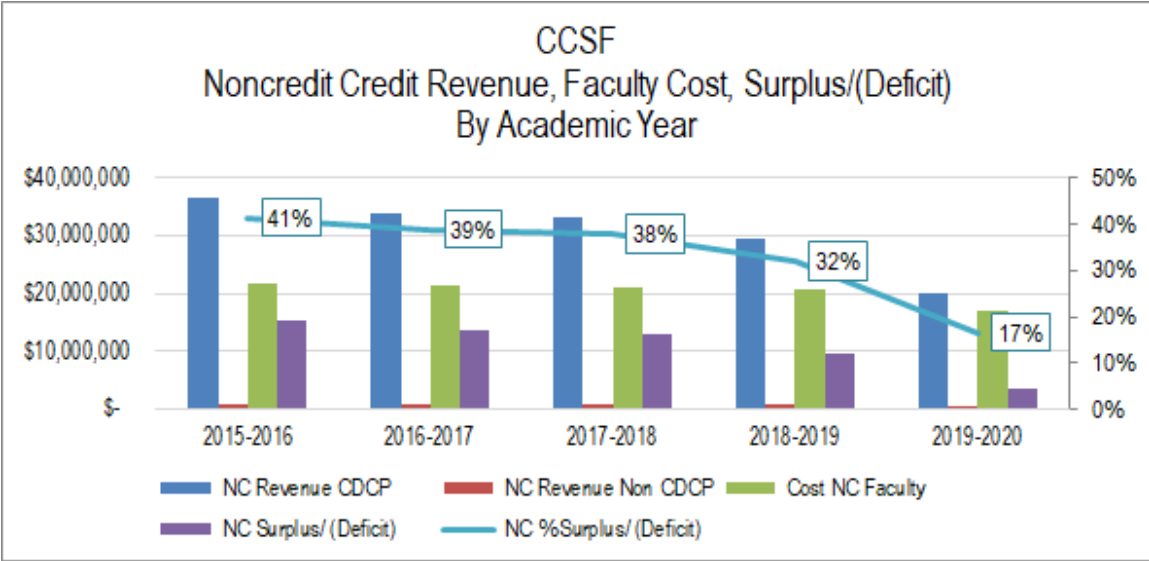
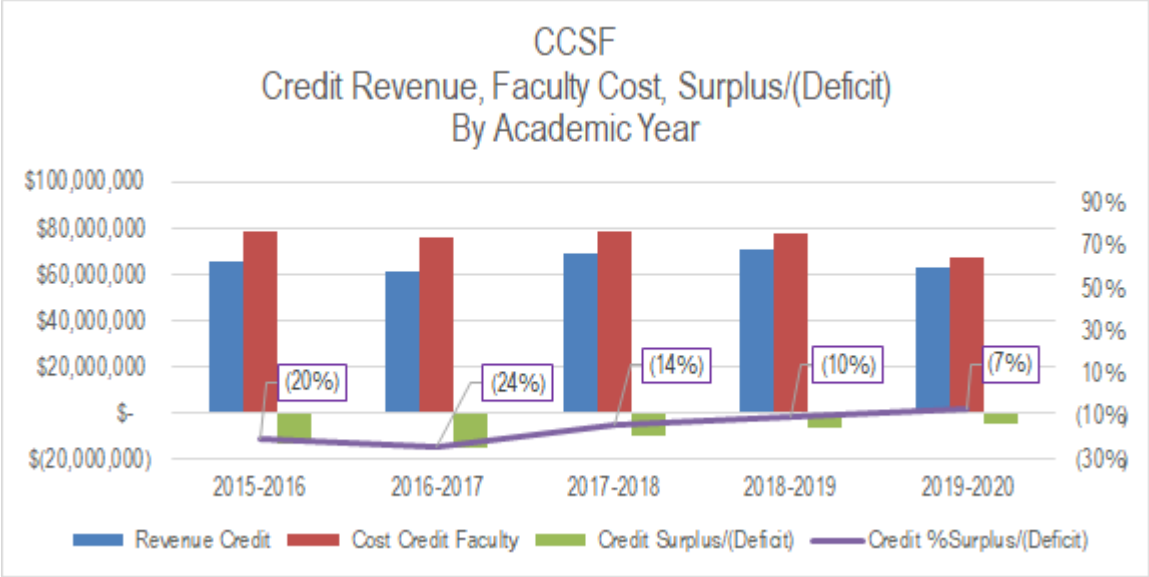
- Trustee Selby asked about changes in repeatability as a change in enrollment... were these that material to the overall college performance? It just impacted a few departments and not a lot of FTES at the end of the day.

We need a solid vision for FY 24-25 and have yearly goals to get to that point, and then beyond.

- Making little decisions every year without a vision of FY 24-25 may head us in an off direction. As Trustee Randolph said, for several years we knew older adults were a growing population, and then we cut their programs last year. We even refused to allow them to run their programs through CCSF Extension and refunded their money, further insulting and alienating a crucial source of FTES, recommendations and Foundation donations.
- People need to see metrics and tools to show how decisions will be made. As Trustee Lee pointed out, people don't feel safe. They don't understand how decisions will be made, or whether they need to make decisions for themselves.
- And yes, every year we will review the plan and roll it out for another year, per Trustee Rizzo, to understand the long-term impact of decisions we make.
- This document is showing that some programs will not be viable. As AFT said, it is clearly saying that some people will need to leave. If 1,200 FTEF (~ 5,600 sections) was already untenable, where can we cut another 600? How can people know what steps to take to save their programs or make other plans for themselves, and gracefully make those transitions?
- As Vice President Temprano said, we have been needing to have a more robust framework and discussion for some time. We're out of runway and forced the Board to vote on something which will show the ACCJC that we haven't really had those discussions. That we haven't learned from 2012.

We need to look at departmental contributions and program expenses.

- We can develop a strategy for supporting programs that don't generate sufficient apportionment. For example, fundraising; shifting classes to CCSF Extension; etc.
- We can leverage Guided Pathways to streamline programs and offerings, avoiding duplication and finding efficiencies.
- We can find ways to deliver classes and programs more efficiently once we know the cost of certain decisions and offerings.
- We can present our offerings to maximize our apportionment and surplus. For example, Noncredit faculty know that CDCP gets 40% more apportionment and has a 40% lower FTEF expense, thus these programs generate a strong surplus. The back-of-the-envelope "Carole Math" suggests that NC ESL has carried the college for the past 5 years. (*Now for a brief graphic interlude*)



- The above may be all kinds of wrong, but let's figure this out.

The myth that Budget and Enrollment Management keep asking for data then swatting it away is gaining traction.

- No constituent group or participatory governance committee expressed satisfaction with the content or quality of CCSF planning for several years. This was not mentioned at BoT, just “the draft was shown.”
- Various individuals and constituent groups have asked for data that has not been provided.
- We still haven't seen basic financial and operational analysis, despite various consultants, new hires, special projects. What is going on?
- The Administrators Association seems to think that there is enough information to make critical decisions for their own programs, then acknowledges that the MYBE is just a start... how do they expect to make these decisions, such as growing diversity programs in response for AB 1460?
- The MYBE puts responsibility on the Enrollment Management committee to make recommendations, yet this is not how decisions will actually be made for the college.

Using the “peanut butter” approach to apply expense cuts is backfiring and pitting groups against one another.

- As the Department Chairs pointed out, just cutting part-time faculty and low-seniority faculty will hurt diversity efforts and the newer, more innovative programs that happen to have these faculty. How will we respond to a changing City with changing needs?
- We heard Classified Staff angrily point out that they took more retirements in the SERP than other groups.
- Faculty are concerned that we are falling below the 50% law, when we may actually be barely covering our cost of instruction. Do we know what that even is?

Oh, golf. It's the Masters Tournament this week at Augusta National. They talked about the importance in a strategy of aiming for the green, not the flagstick. FY24-25 is the green in this case. We need a good strategy to get to the green, then worry about putting over mounds and ridges. Where is the green? Where shall we lay up? Or should we drive over the lake? Should I chip to the front or the back?

We start getting hung up in meaningless conversations – how can we predict electricity expenses and overhead? Actually there are a lot of metrics that can be used to measure and analyze programs without getting bogged down in immaterial details. Gross margin, operating margin, EBITDA, EVA, BCG, and lots more alphabet soup. Establish the common tools, build the common language, and have everyone manage to common broad goals.

Thank you for reading this far. Mention this line and Philz, my treat, next time we see one another.

Best,
Carole

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"Ideas are cheap. Execution is expensive."