

VVC's budget needs to be restructured

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Victor Valley College is in great financial shape. The college has a significant reserve, which, if used, could carry it through the next few years with a balanced budget. The question is, should VVC use its reserves to balance its budget, and if not, how should it do so?

A little history might be appropriate at this point. Before 2007, the State of California funded community colleges sufficiently so that revenue exceeded expenses. In fact, in the early 2000s VVC had sufficient revenue so that the employee groups on campus were able to negotiate some quite lucrative agreements. However, in 2008 and for the next few years, until 2013, the state severely reduced the amount of revenue for community colleges. This was done through a system called "workload reduction." If Victor Valley College had not had sufficient reserves to get through this period while serving essentially the same number of students, it would have had to reduce the number of students served by almost 1,000 full time equivalent students. The college instead decided to continue to serve as many students as possible; therefore in spite of the fact that revenue decreased, expenses did not. As a result, VVC has created a "structural deficit." This means that the revenue coming in from the state and from property taxes are insufficient to cover annual expenses. The Accrediting Commission for Community Colleges has now dictated that VVC must balance its budget without resorting to the use of reserves.

The expense budget for VVC runs about \$ 55 million per year, much of that being returned to the community in the form of employee spending and contracts with local vendors.

The college's expenses are made up of several components. The primary one is salary and benefits, which currently consume about 85 percent of the budget. While this is in line with other institutions, it is not an acceptable percentage. Using that much of the budget for salaries and benefits means that other important expenses, like instructional equipment and supply budgets, are reduced. Obviously this affects the instruction of our students.

It will take time

However, this situation cannot be resolved quickly. Salaries and benefits at VVC are dictated by three different union contracts. These contracts specify that pay for current employees will be based on experience and education. Additionally, benefits are guaranteed and paid for by the district. Other components of the budget are contracts and services, equipment and supplies, miscellaneous transfers, and vacation liability accruals.

In order to meet accreditation requirements, the college has to either find a way to increase revenue or decrease expenses. The College Foundation has done an excellent job of helping fund classes by providing the resources through community fundraising. However, that is not nearly sufficient to balance a \$3 million deficit. Proposition 30 has provided some relief and has allowed the college to balance its budget for this year. Still, projected revenues will not be sufficient to balance revenues with expenses in future years.

Considering costs

On Sept. 23 the Board of Trustees will be meeting to discuss cost saving measures and ways to balance the budget. I have proposed several cost-saving measures to the trustees. Each of these would affect one or more future college employee groups.

I will be proposing that the college look at a complete revamping of the way the Instruction side of the house is managed. Currently we have one vice president together with three instructional deans supervising 118 full time and 462 part-time faculty. This is an impossible span of control and it means that we have to have full-time faculty serving in staff functions, which results in increased cost to the district, including income for faculty.

It makes more sense to me that teachers should be focused on teaching and administering should be left to administrators. I think we need to take a long hard look at all of the functions that are required to serve students effectively and design our workforce accordingly.

Peter Allan is interim president/superintendent of Victor Valley College.