

# Case Study

## Establishing Budget Transparency at the Coast Community College District

*This case is provided as a tool to foster discussion of governance issues related to budget management.*

By Jim Moreno

The state of California continues to waver through an uncertain budget crisis. This past winter, my concerns about our district's budget, and that of the California Community College system, continued to grow. After spending more than 35 years as a public servant in the Los Angeles County government and having gone through many difficult budget cycles, I wanted to make certain that my board and organization were prepared. The Community College System has seen difficult fiscal events, but had never before faced the challenges brought forth by the current financial collapse. With the long-lasting recession, double-digit unemployment, loss of wealth in the stock market, high home foreclosure rates, and a long-term budget stalemate prevailing in the statehouse, it was imperative that our district change the way it approached its budget plan.

I strongly believe that transparency in our district, specifically related to budgeting, was necessary to get through this nearly impossible time in our history. I recommended that our chancellor establish a District-wide Budget Advisory Committee (DBAC). No such entity had existed in our district previously, and I felt that this new task force would provide needed input to our entire organization. With California's budget teetering on the brink of insolvency and tied to the passage of five ballot initiatives at the time, the uncertainty facing the community college budget made establishing this task force all the more critical. In the spirit of shared governance, I requested that the DBAC be formed through the district's Chancellor's Cabinet, with constituencies of faculty, students, staff, collective bargaining units, and management appointing its members.

After the state's proposed ballot initiatives were rejected by California voters on May 19, the district received from the governor's office a dire budget requiring cuts of approximately \$10 million that same week. I requested that the chancellor convene the DBAC, and that its members present recommendations for proposed reductions to the district's budget. The task force met in late May and in early June, and came up with a comprehensive list of proposals.

The board of trustees and the DBAC worked to support transparency and improve understanding of the district's budget. Budgets at this level are complicated and require a great deal of technical knowledge, along with higher education experience, in order to be fully mastered. Many governing board members — and even administrators — did not have a complete understanding of the budget's inner workings. As a result, the board established a new

meeting format, a "study session." Held in an informal roundtable setting, these gatherings allowed trustees, the administration, and constituency groups to discuss issues and collaborate with each other.

After the state ballot initiatives failed, our board held two study sessions solely related to budget issues in June, and another in August. The chancellor prepared detailed board presentations about the DBAC's recommended reductions. Further, the study sessions allowed each constituency group to present its own proposal for budget reductions and to comment on other reduction plans being submitted. In the end, through the final recommendations of the DBAC, the board met the \$10 million goal in reductions by implementing a hiring slowdown, reducing the district-wide marketing budget, terminating specified consultants, significantly cutting travel expenditures, and directing our three campuses and district office to reduce operating budgets by specific levels.

Our fiscal problems in California are far from over. The Coast Community College District still faces numerous challenges — most notably the governor's proposal to permanently reduce our student apportionment by approximately 27,000 seats. Yet our district now has an open, transparent process for addressing budget matters through its DBAC. This task force has proven to be an invaluable tool in promoting awareness and collaboration on the budget challenges we face. I encourage all community college boards to consider such options to promote transparency and good governance for their organizations.

### DISCUSSION QUESTIONS:

1. How informed are you about your institution's budget? What steps can you do to obtain more information?
2. What can you do to establish more transparency in your district or college budgeting processes?
3. What can your board and administration do to educate more staff, students, and community members about budget processes and systems?



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