



## San Luis Obispo County Community College District Board of Trustees



Board Date: Wednesday, April 4, 2012

Title: SLOCCCD Resolution No. 08-12 Voluntary Separation Incentive Offer

Description: The District is recommending a Voluntary Separation Incentive Offer for eligible faculty as one of many actions to be taken in support of the 2012-2013 Budget Reduction Plan of \$3,000,000

Agenda Section: Discussion/Action

Originator: Administrative Services

Other:

Presented by: Toni Sommer

**Background Information:** The 2011-2012 adopted Final Budget includes an additional reduction of \$1,949,652 due to state budget cuts. An increase in faculty salaries and benefits of \$209,657 is needed in order to offer a more robust 2012 summer school curriculum. These additional reductions and costs have reduced the required reserve by \$99,166 per Board Policy 6200. To mitigate this shortfall, the Executive Managers agreed to a voluntary 5% reduction in salary effective January 1, 2012. The net result is a need to use \$2,041,543 of the contingency funds for the 2011-2012 budget, leaving only \$1,053,445 in contingency funds for 2012-2013.

There is also a projected deficit of \$3,164,805 for the 2012-2013 budget year and an additional cut of \$2,178,928 if the November Tax Incentive does not pass.

Therefore, the Planning and Budget Committee recommended to the Superintendent/President a 2012-2013 Budget Reduction Plan in the amount of \$3,000,000.

**Current Considerations:** One of the cost-cutting strategies in the 2012-2013 Budget Reduction Plan is a Voluntary Separation Incentive Offer for qualified regular faculty members.

This supports the Educational Master Plan Core Principle 4, Institutional Effectiveness.

**Fiscal Impacts:** The total fiscal savings of the proposed Voluntary Separation Incentive Offer will depend on the number of participants. It is estimated that there will be an average annual savings of \$40,613 per volunteer retiree with their loads being backfilled with part-time faculty.

**Recommendation:** It is recommended that the Board of Trustees approve the attached Voluntary Separation Incentive Offer to qualifying faculty members.

Agenda Approval: \_\_\_\_\_, Gilbert H. Stork, Ed.D,  
Superintendent/President

Date: \_\_\_\_\_