

5% Salary Reduction Proposal

Dear Southwestern Staff and Faculty Members:

I am writing to you on behalf of your employment representative group leaders and your executive management team. SCEA President Andy MacNeill, CSEA President Bruce MacNintch, Confidential Representative Kim Rader, SCCDAA President Aaron Stark, your Vice Presidents and I are joining together to reach out to employees, providing clarification and support for the Big Table proposal you are preparing to ratify.

The proposal before us is a 5% pay reduction for one year. The proposal is based on the need to reduce \$5.6 million in ongoing expenses from our general fund accounts (this is based on maintaining step and column advancements). The salary reductions will cover \$3.1 million of this amount. The remaining \$2.5 million reduction will come from reserves, overload/part-time budget and supply budget reductions. This is a ONE YEAR solution. **Every employee of this district will participate.** This includes all Governing Board members, your Superintendent/President, your Vice Presidents, and all hourly and other non-contract employees.

Discussions taking place in forums, via email, and in other venues demonstrate the need for more information and clarification of decisions. It is imperative that all of us have accurate information in order to make the most informed decision.

Please understand there is **no other proposal** on the table. Your leadership worked tirelessly, in cooperation with all units, to reach a solution that was EQUITABLE and honored our common value of PRESERVING JOBS. No solution will ever be equal in the strictest sense of the term. However, our leaders need to be recognized and commended for having **developed a solution that is as equitable as possible** given that each unit has different types of employment structures, such as different calendars, hours, vacation pay, etc.

There has been considerable discussion of why different types of reductions could not be preferable. Our negotiation leadership teams reviewed and debated dozens of solutions. Every alternative proposal that I have heard in discussion this week was brought to the Big Table. There was extensive and robust discussion for each and every strategy presented. Over 700 cumulative hours were spent at the Big Table. The rationale for opting out of other types of reductions is complex. You are urged to **communicate directly with your unit representatives for full explanations** of the various reasons why alternative proposals were rejected in favor of the 5% reduction.

Our budgets are extremely complex and we do not know how deep the future cuts for 2012-2013 will be, but we do know that we must find an ongoing adjustment for last year's \$5.5 million workload reduction. We also need to remember that we had to absorb an additional \$2.4 million cut this year (property tax and fees shortfall) as well as absorbing a \$1.7 million cut (redevelopment funds). We anticipate an additional workload reduction for next year.

We are proposing that we continue to draw down our reserves, and even will present our Governing Board with a request to reduce our 7% reserve policy to 5%. However, with 85% of our general fund budget allocated to salary and benefits, we simply **cannot maintain our value of preserving jobs without reducing salaries.**

Equity is a value that we must join together in honoring and preserving. Southwestern College has suffered greatly in the past from divisive acts that have pitted groups against others and have resulted in mistrust and retreats into silo mentality.

What we desperately need at this critical point in time is the will to come together and to resolve this financial challenge as an entire college. We need to resist the temptation of viewing ourselves as independent from our Southwestern brothers and sisters.

This is a pivotal moment in our history. Today's challenge can become an opportunity for us to demonstrate to ourselves, to our students, and to our community that we can address extremely difficult problems as a common body – we can adopt sound solutions – we can trust our elected and appointed unit leaders to represent our specific interests, but in a manner that honors the overriding values of the entire college body of employees.

Not to ratify the proposal before you is a choice to relinquish your opportunity to stand together and will certainly result in actions that will directly and very negatively impact each and every one of us – particularly our students.

Many have asked what will happen if we don't ratify? Can we go back to the Big Table and renegotiate? Basically, we do not have time to do this and arrive at a ratified solution in time for a July 1, 2012 implementation. There is an additional concern. Not to ratify this proposal may push some constituencies away from the Big Table process completely.

If this proposal is not ratified, the college will continue to exist, but the decisions of what to cut will be different.

- **First, all non-contract employment will be reviewed and reduced to as close to zero as possible. These hourly employees and student workers will not be backfilled.**
- **Second, any non-mandated costs to programs will be reviewed for elimination.**
- **Third, overload/part-time budgets will be reduced by more than the proposed \$1 million. We will review the option of going into stabilization.**
- **Fourth, all classified, confidential, and management positions, in every division will be reviewed for layoffs.**

A combination of these four actions will be employed to arrive at our \$5.6 million reduction of ongoing expenses and will be immediately implemented.

What does this mean? Loss of hourly employees and student workers will result in fewer student and instructional support services, significantly reduced tutoring staff and significant reductions in hours of operation for most services. Cutting non-mandated costs will reduce funding to many student affairs categorical programs. This will have a negative impact on services which we know are fundamental to student success, such as matriculation, EOPS, DSS, and others. Cutting overload/part-time budgets by any amount reduces classes for students. The deeper the cuts, the less likely it will be that students will be able to complete their programs of study in a timely manner, if at all, at Southwestern. Finally, layoffs will give us financial flexibility, but will greatly damage morale, will have a significant and very negative impact on operations in all areas of the college, and will be highly disruptive as bumping rights are honored and staff begins shifting to positions in a manner that does not allow for properly aligning resources with needs.

We have a choice before us. We can show our support for the time, the talent, and the hard work of our leadership teams and support the proposal that they negotiated, TOGETHER, allowing us to keep all our full-time employees and as many part-time/hourly as possible...and further allowing us to have at least a \$5 million solution now since we will need to immediately start work next fall to address the 2013-2014 budget....OR we can dismiss the values of equity and employment integrity and proceed into the "Plan B" approach with hourly, program, overload/part-time cuts, coupled with layoffs.

As your Superintendent/President, as your Vice Presidents, as your SCEA, CSEA, Confidential, and SCCDAA leaders, we ask you to carefully consider the impact of your vote. We ask you to join with us and support the 5% proposal. This is a difficult time for us, but this is the very time that we have the opportunity to demonstrate the strength of what it means to be a member of the Southwestern family by showing our support and resolve to work together for the common good of our college, our students, and our community.

Respectfully,

Melinda Nish, Superintendent/President
C.M. Brahmbhatt, Interim Vice President Business and Financial Affairs
Joe Quarles, Interim Vice President Human Resources
Kathy Tyner, Interim Vice President Academic Affairs
Angelica Suarez, Vice President Student Affairs
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