

Category	Priority	Recommendations for Expenditure Reductions/Revenue Growth	Discussion/Considerations	Champion	Functional Team	Resources	Estimated Savings	Status
Resources - Completed	1	Maximize CARES and other stimulus funding such as CA State Block Grant	Abate COVID-19 related expenditures	Business Office	Administrative Services	David T.	\$2,546,663	\$1,807,669 - Institutional Portion \$240,285 - Minority-serving Institutional Portion As of 6/30 we have spent about half of the available funding from all sources. Major expenditures include laptops, hot spots, PPE, cleaning supplies, security, expenses associated with transitioning to distance education and lost revenues. See report out on 7/23.
Personnel - Ongoing	2	Limit filling non-emergency vacancies	Existing groups would create the priorities. For example, the IPRE Office has supported budget savings due to not hiring for three vacancies that occurred between late Fall 2019 and early 2020, and devising a new hybrid position that would provide permanent savings if approved in lieu of filling two of these vacancies.	HR through Collective Bargaining	Collective Bargaining		\$2,400,000	Incorporated the projected savings into tentative budget
Benefits - Saving in Budget	1	Recognize reductions in CalPERS and CalSTRS rates for FY20-21	Based upon Governor's May Revise, rates will drop to 20.70% (from 22.67%) and 16.15% (from 17.10%) respectively. Review senate budget proposal to determine whether this is included in the revised proposal. Budget package to be voted on June 15th.	Business Office	Administrative Services	David T.	\$668,000	Incorporated the projected savings into tentative budget
Resources - On Hold for 2020-21	1	PARS	Transfer PARS Funds	Business Office	Administrative Services	David T.	\$600,000	PARS funds are set aside to be used as an offset to increasing STRS and PERS contributions. We can withdraw up to the amount of the current year expenditure.
Discretionary - Final budget supply cost was not reduced due to additional funding available.	1	Reduce supplies budget back to FY17-18 levels	<p>+\$114,274 (21%) increase from 17-18 to 20-21 preliminary budget.</p> <p>-\$318,291 decrease for 2019-20. 34% available 19-20 budget as of 6/30/20.</p> <p>-\$285,013 decrease for 2020-21. 30% reduction from 19-20 budget.</p> <p>More realistic to project \$50k. May include lab supplies. Need to evaluate expenditures and make strategic recommendations.</p>	Administrative Services	Administrative Services	David T.	\$332,623	<p>Incorporated projected savings into tentative budget</p> <p>-\$533,336 spent in FY17-18.</p> <p>-\$629,300 spent in FY18-19 (18% increase from 17-18).</p> <p>-\$614,332 projected for FY19-20 (15% increase from 17-18).</p> <p>-\$647,610 budgeted for FY20-21. (21% increase from 17-18).</p> <p>*\$932,623 budgeted for FY19-20. (30% decrease from 19-20 budget).</p> <p>*We're projected to spend closer to \$600,000 for fiscal year 20-21</p>
Resources - On Hold for 2020-21	1	Temporarily Reduce Operating Reserve	Given the uncertainty of the revenue projections and the fact that clarity will likely not come until later in the summer due to tax filing extensions impacting the State's cash flow, we recommend the Board of Trustees consider temporarily relaxing the 20% mandated Operating Reserve ratio for the next two years (reduce the floor to 15% of the current operating budget) in order to provide the governance councils time to thoroughly research these recommendations and associated cost saving measures.	Board through Superintendent	Administrative Services	Linda	\$2,500,000	5% of the operating budget equates to \$2.5M, which is not enough to cover one month's payroll. If we reduce our reserves, we have no cushion. We have approached the board with interfund borrowing resolutions, which will allow us to temporarily access other available funds to cover our monthly obligations, as well as a Dry Period Loan agreement with the County, whereby we could temporarily borrow against projected property tax revenues, to be repaid when those revenues are actually distributed. We have also discussed a TRAN, whereby we take out a loan. This would be the least viable option, as there are significant fees associated with such a transaction; however, the State recently announced a Statewide pooled TRAN will be available to districts in need, mitigating some of those costs.

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Benefits - Amount of future savings unknown.	1	Examine Savings available via the golden handshake	Long term strategy. Due to upfront cost, this initiative will probably not result in immediate savings. Survey has gone out to faculty to determine interest. Note that we have been hiring many faculty who have considerable experience, and bringing said faculty in at fairly high steps (mid-level) which reduces the fiscal benefits of this program. Part of the analysis may involve modeling realistic hires, or following a policy of hiring at the lowest steps moving forward - or perhaps not replacing if manageable.	HR through Collective Bargaining	Collective Bargaining	Michelle, Anne, Laura	\$1,500,000	Working directly with our provider to determine what capabilities we have in terms of providing a supplemental employee retirement plan (SERP). The college's SERP team met with faculty leadership. Faculty had originally proposed a 2+2 plan under STRS; however, that plan sunset in 2004 and is no longer available. The district would have had to have passed a resolution back in 2004 to preserve the option, and Hartnell did not. The SERP under current discussion amounts to an annuity plan based upon 65% of the employee's salary and would not necessarily require the employee to retire from STRS or PERS. The annuity could be taken in a variety of payout increments and may be combined with a 401k/403b plan in order to defer tax consequences. Data suggests anywhere from 13-20 faculty would retire. We are currently looking into the feasibility of offering a two date retirement scheme - ie December 31, 2020 and June 30, 2021. The plan would be offered to all bargaining groups. Actual savings realized will be dependent upon the number of employees who elect to participate along with the District's subsequent actions with respect to rehiring.
Resources	1	Consider transfers from Other Unrestricted Funds	Transfer Bookstore Fund Balance	Business Office	Administrative Services	David T.	\$695,621	\$695,621 Bookstore fund balance could be used if we run into cash flow problems.
Discretionary - ongoing review	1	Reduce maintenance agreements	\$500k increase from FY17-18 to FY18-19. Look at contract terms and opportunities for renegotiation.	Technology Development Council	IT	David Phillips	\$378,000	Reduce ongoing maintenance agreements in favor of time and materials where appropriate. Negotiate with larger vendors (Ellucian, etc.) to secure long-term savings \$300k. VM Ware \$56k. COGNOS \$22k
Resources - On Hold for 2020-21	1	Foundation match for centers	Per VP Cruz, the Foundation has generated matching funds specifically supporting the opening of the new centers.	Advancement Council	Advancement	Jackie Cruz	\$200,000	Continue fund raising efforts
Discretionary - Pending further review.	1	Explore efficiency in utility usage	Parking structure system just went online. After 2 years we can buy out the system (Measure T?) and realize even more savings.	Facilities	Administrative Services	Joseph	\$110,000	Solar on parking structure went live 7/22. Estimated savings will be built into Adopted budget.
Benefits - No savings in 2020-21	2	Reduce benefit costs. Examine existing benefits packages for efficiencies or other providers for cost-savings.	We expect health plan costs to rise substantially into the indefinite future; devise strategies to offset increasing costs to the district moving forward. A study is currently underway to determine feasible cost reduction and plan enrichment opportunities. One option to consider is to look at alternatives to MCSIG that may save the district money, particularly given their current financial picture.	HR through Collective Bargaining	Collective Bargaining		\$100,000	Increasing the employee share of cost is not as desirable as reducing the costs overall. One of the strategies we can employ to do that is to shop around and look at other JPA's. We've discussed the status of MCSIG and making sure that we maintain a robust palette of choices for employees. HR is working through this particular item.
Discretionary Progressing	3	Reduce copier and printing expenses. Digitize signatures, payroll, invoicing - everything possible	Workflow Task Force subcommittee. Adobe Sign to be launched imminently. Review existing lease agreement. Consider bringing reprographics in-house. Issue an RFP for this and document management. Payroll through MCOE will also need to be studied. Consider offering pay advices on line rather than mailing and hand-delivering.	Technology Development Council	IT	IT Staff	\$100,000	Meet with vendor to discuss reducing existing expenses and what we can do going forward. Schedule a walk-through to assess the existing inventory, review previous surveys to determine additional needs. Possible RFP.
Discretionary - Deployed. Complex calculation	1	Generate a new report on current savings from the campus-wide shutdown	Look at April and extrapolate. Calculate savings per month, savings per employee.	Facilities	Administrative Services	Joseph	\$190,000	We could potentially save \$190,000 annually in utilities for the length of time the campus stays closed; however, there isn't really much in the way of savings on the maintenance side - we're actually using more materials and supplies in that area due to aggressive cleaning and disinfecting protocols.
Discretionary - ongoing review	1	Cut ALL travel that is not absolutely vital (to be defined)	Vital travel should be approved by the President to ensure the standard is being met.	Business Office	Administrative Services	David T.	\$40,000	\$141,461 budgeted for 20-21. \$101,027 projected to be spent in 19-20. Potential savings \$40k.

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Discretionary - On Hold	2	Disallow food expenditures	\$45,685 in 18-19. \$21,805 in 2019-20.	Business Office	Administrative Services	David T.	\$20,900	Tentative budget includes \$31,700 for food purchases. We could recognize about \$21,000 savings. Typically food is budgeted for in-service trainings, or any kind of working meetings - essentially, we don't have any of those right now. APR uses grant money to purchase food to support their participants - the Department of Social Services grant that Margie Wiebusch runs.
Discretionary - ongoing review	2	Eliminate the use of gas cards for everything except away sport team games - if sports happen next year	Consider purchasing vans/buses rather than renting through Enterprise.	Athletics	Administrative Services	Joseph	\$15,000	Cards are used in 3 areas, the only cost currently would be in maintenance. Sports cancelled until Spring.
Personnel - Ongoing	3	College redesign	College redesign is the mechanism by which we achieve maximum efficiency and effectiveness by reviewing and updating our business practices. Examine existing vacancies to determine whether there is any opportunity for consolidation and/or upgrade such that we end with fewer, but more highly skilled/compensated positions.	CRest	Research		\$0	We do not see any savings in the near term resulting from these efforts. However, beyond research, the IPRE Office has supported budget savings due to not hiring for three vacancies that occurred between late Fall 2019 and early 2020, and devising a new hybrid position that would provide permanent savings if approved in lieu of filling two of these vacancies. \$75k in savings currently baked into \$2.4M vacancy line.
Revenue - Ongoing	3	Review facility rental pricing. Explore revenue vs expenses for Pool Maintenance, and discontinue use if needed.	Labor, overtime, materials, supplies need to be considered. Our costs are much more than what we receive for events.	Administrative Services Council	Administrative Services	Joseph, Daniel S.	\$0	No savings at this time, campus is closed. Potential is there for spring semester when campus is anticipated to be open and sports is anticipated to resume.
							\$12,566,207	
		May require collective bargaining						
		Priority #1 items						