

CNM Budget Reduction Plan

March 26, 2009

The CNM Budget Reduction Plan is designed to carry us through fiscal year 2010. The current plan ensures CNM employees that they will not experience budget-related layoffs. CNM has also avoided reducing compensation, including the college's contributions to employee benefits during this budget reduction process. And as importantly, we have continued to focus on our future success by ensuring that even in tough times we continue to provide ways to grow our enrollment, provide our students with an ever-increasing number of talented faculty, and focus on the safety and security of our employees and students.

CNM has been fortunate to this point that we were able to achieve our goals in these current budget reduction efforts, which were to avoid any layoffs and keep current compensation intact. However, you need to know that further reductions in state or local funding will require us to reconsider how we make these difficult budget decisions in the future.

I hope, like all of us, that the state's economy rebounds soon and our budget outlook becomes brighter. But we could face more drastic budget cuts next year. Unfortunately, that's a possibility of which we should all be aware. Please know, however, that CNM will continue to be forthcoming about budget conditions, and we will collaborate with the CNM community to meet any new budget challenges that might come our way.

Below are the facts, as we know them, about state appropriation reductions and the impact legislative decisions will have on CNM and our employees.

Current Year State Appropriation Reductions

The current year budget (FY 2009) was reduced by **\$1,376,400**, a 2.5% state funding reduction. Since the budget reductions for FY 2009 were taken in the middle of the academic year, the cuts to CNM's budget involved non-recurring (or one-time) funds. The recurring cut necessary to balance the budget will be finalized as part of the FY 2010 budget reductions.

The cuts in the current year budget (FY 2009) were accomplished through a combination of efforts. We reduced our spending on travel and equipment by **\$169,717**. Some reductions were made in operating costs (**\$108,600**), mostly tied to sustainability efforts. CNM also took advantage of natural employee turnover to recover **\$963,483** in salary savings. CNM has held more than 94 positions vacant since October 2008. Finally, standardizing the faculty extra compensation process provided **\$126,000** in savings for FY 2009.

Next Year's State Appropriation Reductions:

The FY 2010 budget will be reduced by **\$6,541,800**, a recurring state appropriation reduction of 11.8 %. This amount is inclusive of the FY 2009 budget reduction.

It is also important to note two additional decisions that were made during the 2009 Legislative Session. These decisions will impact all CNM faculty and staff. No salary increases were provided for any state or educational employees in the appropriation bill. Also, the Legislature increased by 1.5% the amount all employees covered by PERA and ERA must pay into their retirement fund beginning on July 1, 2009.

During the recent forums, I have been asked by employees if CNM will provide salary increases. I want to provide a straight answer on this issue. CNM's first priority during these difficult economic times is saving jobs. This effort will take priority over working to generate additional budget reductions to cover salary increases. If the economy improves and additional state funds become available, CNM will revisit this decision.

I was also asked during the forums to remind everyone that change creates stress, which means that it is more important than ever for us to remember that civility is one of CNM's core values. As we all work hard to become accustomed to new situations and new expectations, please be kind and patient with each other.

CNM's Budget Process:

During the fall 2008 academic term, we understood that negative economic trends would impact New Mexico higher education in general and CNM specifically. At this time, CNM began reducing spending. We also asked for your help in creating a financial plan that would provide CNM an opportunity to face the oncoming financial challenge by identifying ways to sharpen CNM's focus on student success. You provided ideas, which helped us greatly in drafting the budget reduction plan. Your ideas helped move CNM forward while creatively strengthening CNM's commitment to our vision: *Changing Lives, Building Community*.

The draft was distributed on February 5, 2009. The Allocation Recommendation Team (ART), which is made up of faculty, staff and students and has played a significant role in CNM's budget process for 10 years, accepted comments and recommendations from the CNM community and then made final recommendations to the Executive Team during the first week of March. The Executive Team accepted the ART recommendations and developed the Final Budget Reduction Plan for Governing Board review based on the state appropriation dollars

available from our analysis of House Bill 2 on March 15, 2009. The Executive Team met with the Governing Board on March 18, 2009, to discuss the final Budget Reduction Plan. The final state budget bill, HB2, was approved and sent to the Governor for signature on March 19, 2009. The Governor has 20 days to make line-item changes and approve the budget.

As stated in the preliminary budget reduction plan, "Many of the decisions can be accomplished quickly; others may take time, patience and determination. All require CNM to face this challenge with courage."

Final Budget Reduction Plan

The budget reductions will be categorized under the five themes that emerged from your budget reduction suggestions. These themes were first outlined in the budget reduction draft plan: 1) Consolidations; 2) Elimination of Administrative Costs; 3) Process Improvements; 4) Sustainability Efforts; and 5) Revenue Increases. Along with these specific themes, CNM will also implement strategies to formally review all travel and equipment purchases, as well as review all positions. Organizational structures will continue to be assessed to achieve our goal of eliminating layers and improving efficiency.

A detailed implementation plan is currently being developed and will be posted on CNM's web site. The implementation plan will provide a listing of each budget reduction action, the timing for the action to take place, the Executive Team member(s) responsible for carrying out the action and the preliminary estimates of money savings. The document will also be used to assess progress on our plan.

The changes CNM will make will not be easy, but I am confident they will allow CNM to survive and thrive during these difficult economic times. I remain optimistic that the faculty, staff and students at CNM will use the economic challenge to creatively move the College toward its mission of *"pursuing a level of community college excellence that is worthy of local and national recognition."*

**Review and Change Common Practices to
Convert FY 2009 Non-Recurring Reductions to FY 2010 Recurring Reductions:**

It is important to continue being financially conservative until the economy completely turns around. This requires continued planning for further budget reductions. Revenue projections from the State's Department of Tax and Revenue and the Department of Finance and Administration suggest additional budget reductions may be necessary for FY 2010, as well as continued revenue shortfalls through 2013. These changes prepare CNM for continued tight budgets.

Estimated Savings for Changes in Practice: \$768,980

Budget Reduction Decision	Preferred Timeline
<ul style="list-style-type: none"> Develop a division specific travel approval process (Executive Team) 	May 30, 2009
<ul style="list-style-type: none"> Develop an updated and permanent college-wide equipment replacement & approval process (VP of Planning & Budget) 	May 30, 2009
<ul style="list-style-type: none"> Develop an updated and permanent college-wide position approval process (VP of Administrative Services) 	May 30, 2009
<ul style="list-style-type: none"> Standardize the faculty extra-compensation process (VP of Academic Affairs) 	January 1, 2010

Consolidations:

CNM is carrying out consolidations to create efficiencies and improve effectiveness. The consolidations listed below will combine areas that compliment each other in critical ways while providing less administrative cost. Additional consolidations will take place as opportunities arise.

Estimated Savings for Consolidations: \$871,337

Budget Reduction Decision	Preferred Timeline
<ul style="list-style-type: none"> Centralize and standardize the master scheduling process and align room scheduling (VP of Academic Affairs) 	July 1, 2009
<ul style="list-style-type: none"> Complete the campus profile process (VP for External Affairs) using the results to develop an implementation plan for consolidation of programs, services and multi-campus leadership/management (VP of Student Services and VP for Academic Affairs) 	July 1, 2009
<ul style="list-style-type: none"> Consolidate accounting and budget functions (VP of Planning & Budget) 	July 1, 2009
<ul style="list-style-type: none"> Consolidate Emeritus/community education programs 	July 1, 2009

with Workforce Training Center non-credit training	
<ul style="list-style-type: none"> Consolidate management of Instructional Media Resources on each campus (VP of Academic Affairs) 	July 1, 2009
<ul style="list-style-type: none"> Consolidate Recruitment with Marketing and Communications Office (Chief Communications Officer) 	July 1, 2009
<ul style="list-style-type: none"> Consolidate Testing and Assessment Services, excluding ABE and for-profit WTC testing (VP of Student Services) 	July 1, 2009
<ul style="list-style-type: none"> Reorganize a few academic programs among schools, create improved alignment and provide improved support (VP of Academic Affairs) 	July 1, 2009
<ul style="list-style-type: none"> Reorganize the Human Resource and Payroll functions within academic schools as appropriate to respond to changes created by People-Admin software and the electronic time reporting roll-out (VP for Administrative Services and VP for Planning and Budget) 	July 1, 2009
<ul style="list-style-type: none"> Consolidate management of academic computer labs at each campus (VP of Planning & Budget) 	September 1, 2009
<ul style="list-style-type: none"> Develop a new comprehensive model for academic advising and support services that includes academic advising and career development, achievement coaches and faculty (VP of Student Services and the VP of Academic Affairs) 	December 15, 2009
<ul style="list-style-type: none"> Centralize Tutoring Services and determine scope of services on each campus (VP for Academic Affairs) 	January 1, 2010
<ul style="list-style-type: none"> Reorganize the purchasing function and staff within academics schools under VP of Administrative Services 	January 1, 2010
<i>Other Reductions in Administrative Costs:</i>	
<p>CNM is committed to using natural employee turnover to create a leaner, flatter organization that is more responsive, more accountable and less expensive. Over time, CNM's goal is to create a structure with fewer layers between front line staff and executive administration. Therefore, additional organizational changes will continue as opportunities arise.</p>	
Estimated Savings for Reductions in Administrative Cost: \$853,543	
Budget Reduction Decision	Preferred Timeline
<ul style="list-style-type: none"> Eliminate vacant Director of Human Resources position (VP of Administrative Services) 	Currently Vacant
<ul style="list-style-type: none"> Eliminate vacant Associate Director of Financial Aid position (VP of Student Services) 	Currently Vacant
<ul style="list-style-type: none"> Combine the vacant DPC and vacant Warehouse Manager positions (VP of Administrative Services) 	April 1, 2009

<ul style="list-style-type: none"> • Reorganize policies and procedures responsibilities and eliminate vacant director and assistant positions (VP for Administrative Services) 	April 1, 2009
<ul style="list-style-type: none"> • Combine the two vacant Associate Vice President positions into one Associate Vice President for Academic Affairs (VP for Academic Affairs) 	July 1, 2009
<ul style="list-style-type: none"> • Eliminate vacant Grants Coordinator position (VP of Planning & Budget) 	July 1, 2009
<ul style="list-style-type: none"> • Eliminate Special Assistant to the President position for Quality Improvement at the end of the current contract (President) 	July 1, 2009
<ul style="list-style-type: none"> • Eliminate VP of External Affairs position at the end of the current contract (President) 	July 1, 2009
<ul style="list-style-type: none"> • Eliminate the two Temporary Executive Director positions in Academic Affairs at the end of the current contract (VP of Academic Affairs) 	July 1, 2009
<ul style="list-style-type: none"> • Reassign the Director of Instruction positions (VP of Academic Affairs) 	January 1, 2010

Process Improvement:

CNM will increase effectiveness, efficiency and improve our ability to appropriately use technology. CNM will also eliminate unnecessary or redundant steps within critical processes. We recognize that some of these items may require one-time start-up funds but understand the investment will reduce recurring resources over the long-term.

Estimated Savings for Process Improvements: \$479,550

Budget Reduction Decision	Preferred Timeline
<ul style="list-style-type: none"> • Align calendar, where possible, with UNM and APS (Chief Communications Officer) 	Ongoing
<ul style="list-style-type: none"> • Centralize academic computer hardware and software purchases (VP of Academic Affairs working with VP of Administrative Services) 	May 1, 2009
<ul style="list-style-type: none"> • Complete the CAPP module in Banner to support advising and registration process for students (VP of Student Services working with VP of Planning & Budget) 	May 1, 2009
<ul style="list-style-type: none"> • Develop a cleaning schedule for custodial crews that focuses on student learning spaces and cleans offices less frequently (VP of Administrative Services) 	May 1, 2009
<ul style="list-style-type: none"> • Implement Phase I of the Electronic Time Reporting Process (VP of Planning & Budget) 	May 1, 2009

<ul style="list-style-type: none"> Promote posting materials and announcements online (Chief Communications Officer) 	May 1, 2009
<ul style="list-style-type: none"> Streamline gradebook/greenbars and letters of appointment processes (VP of Academic Affairs) 	April 1, 2009
<ul style="list-style-type: none"> Centralize dues and subscriptions to eliminate duplications (VP of Administrative Services) 	July 1, 2009
<ul style="list-style-type: none"> Evaluate parking for improved efficiency and cost-effectiveness including special events (VP of Planning & Budget and VP of Administrative Services) 	July 1, 2009
<ul style="list-style-type: none"> Expand e-Recruiting (Chief Communications Officer) 	July 1, 2009
<ul style="list-style-type: none"> Implement electronic transcript delivery for UNM transfer students (VP of Student Services) 	July 1, 2009
<ul style="list-style-type: none"> Improve assignment process for work-study students (VP of Student Services) 	July 1, 2009
<ul style="list-style-type: none"> Transfer financial reporting of Foundation to Banner System (Executive Director of Foundation, VP of Planning & Budget and VP of Administrative Services) 	July 1, 2009
<ul style="list-style-type: none"> Move from individual printers to networked printers as appropriate (VP of Planning & Budget) 	August 1, 2009
<ul style="list-style-type: none"> Redesign purchase orders (PO) and provide them online (VP of Administrative Services working with VP of Planning & Budget) 	August 1, 2009
<ul style="list-style-type: none"> Complete electronic time reporting process (VP of Planning & Budget) 	September 1, 2009
<ul style="list-style-type: none"> Develop online modules for mandatory employee training (VP of Academic Affairs working with VP of Administrative Services) 	September 1, 2009
<ul style="list-style-type: none"> Distribute payroll distribution reports electronically (VP of Administrative Services) 	September 1, 2009
<ul style="list-style-type: none"> Expand tutoring, reader/writer and note taking services by engaging students where possible (VP of Student Services) 	September 1, 2009
<ul style="list-style-type: none"> Install software in library and computing labs to limit copies per person per day (VP of Planning & Budget and VP of Academic Affairs) 	September 1, 2009
<ul style="list-style-type: none"> Collaboratively develop a data-informed, college-wide proposal on pedagogically sound class capacities and assess current facility requirements that would be necessary to accommodate larger classes (VP of Academic Affairs) 	September 1, 2009
<ul style="list-style-type: none"> Implement document imaging software (VP of Administrative Services working with VP of Planning & 	October 1, 2009

Budget)	
<ul style="list-style-type: none"> Develop a plan to use CNM ID cards for security and other purposes (VP of Student Services) 	December 1, 2009
<ul style="list-style-type: none"> Implement net meeting software (VP of Planning & Budget) 	December 1, 2009
<ul style="list-style-type: none"> Implement process flow technology to include electronic signature authority (VP of Planning & Budget) 	December 1, 2009
<ul style="list-style-type: none"> Develop a sustainable, meaningful faculty evaluation method that addresses the concept of college service for full-time faculty and focuses on new faculty (VP of Academic Affairs) 	January 1, 2010
<ul style="list-style-type: none"> Use master scheduling improvements to limit travel for faculty, staff and students between campuses (VP of Academic Affairs) 	January 1, 2010
<p>Sustainability:</p> <p>Creating a culture of environmental sustainability at CNM has been a positive change at the College. The budget reduction decisions provide an opportunity for employees at CNM to engage in reducing our use of energy and other natural resources.</p>	
<p>Estimated Savings for Sustainability Efforts: \$257,661</p>	
Budget Reduction Decision	Preferred Timeline
<ul style="list-style-type: none"> Check all faucets and toilets for leaks (VP of Administrative Services) 	May 1, 2009
<ul style="list-style-type: none"> Consolidate summer, evening and weekend courses to fewer buildings and shut down those not in use (VP of Academic Affairs and VP of Administrative Services) 	May 1, 2009
<ul style="list-style-type: none"> Fully implement web for faculty (VP of Planning & Budget) 	May 1, 2009
<ul style="list-style-type: none"> Reorganize staffing shifts to move night staff to day schedules when energy savings will be realized (VP of Administrative Services) 	May 1, 2009
<ul style="list-style-type: none"> Replace computers less frequently by creating an extended replacement plan (VP of Planning & Budget) 	May 1, 2009
<ul style="list-style-type: none"> Develop energy star and other green criteria for procurement (VP of Administrative Services) 	July 1, 2009
<ul style="list-style-type: none"> Encourage employees to turn off all computers at night working towards a permanent computer shut off for all offices (VP of Planning & Budget) 	July 1, 2009
<ul style="list-style-type: none"> Consolidate waste management contracts to create 	August 1, 2009

efficiencies and improve recycling efforts (VP of Administrative Services)	
<ul style="list-style-type: none"> Reduce student mailing with the implementation of my CNM (VP of Student Services and Chief Communications Officer) 	September 1, 2009
<ul style="list-style-type: none"> Replace grass with xeriscape landscaping where possible (VP of Administrative Services) 	September 1, 2009
<ul style="list-style-type: none"> Focus on electronic distribution of catalogs, course schedules, Express, and other CNM publications (Chief Communications Officer) 	December 1, 2009
<ul style="list-style-type: none"> Install motion sensitive lights in classrooms (VP of Administrative Services) 	December 1, 2009
<ul style="list-style-type: none"> Reduce personal microwave oven and refrigerator use by encouraging department and location sharing (All VP's) 	December 1, 2009
<ul style="list-style-type: none"> Replace all space heaters with energy efficient models once the individual space has been evaluated and determined to require additional heat (VP of Administrative Services) 	December 1, 2009
<ul style="list-style-type: none"> Replace all toilets and bathroom counters (VP of Administrative Services) 	January 15, 2010
<p><i>Increase Revenue:</i></p> <p>Supporting our students and our community is an integral part of how CNM changes lives and builds community. The decisions under this theme help CNM be more consistent and equitable in how we treat our students and our community.</p>	
<p>Estimated Revenue Increases: \$3,229,729</p>	
Budget Reduction Decision	Preferred Timeline
<ul style="list-style-type: none"> Carefully consider tuition and fee schedule to ensure all increases are made with every consideration to CNM students (VP of Planning & Budget working with VP of Academic Affairs) 	April 1, 2009
<ul style="list-style-type: none"> Review current courses and programs to ensure an appropriate distinction between career and technical courses and transfer courses for tuition purposes (VP of Academic Affairs) 	April 1, 2009
<ul style="list-style-type: none"> Continue to focus on enrollment growth understanding that growth will eventually translate into more state support, increase our opportunities to build community and improve the goodwill of our 	May 1, 2009

donors and friends (All VPs)	
<ul style="list-style-type: none"> • Develop a consistent facility rental policy and fee structure (VP of Administrative Services) 	July 1, 2009
<ul style="list-style-type: none"> • Develop a plan to increase private donations to support instructional programs (Executive Director of Foundation) 	July 1, 2009
<ul style="list-style-type: none"> • Develop a plan to take advantage of opportunities to charge for parking during Isotopes and Lobo games (VP of Student Services with VP of Administrative Services) 	July 1, 2009
<ul style="list-style-type: none"> • Increase Auxiliary revenues by increasing bookstore services and minimizing food services losses (VP of Student Services) 	July 1, 2009
<ul style="list-style-type: none"> • Change refund policy for registration fee (VP of Student Services working with VP of Administrative Services) 	September 1, 2009