

What is the Scott-Skillman Gap?

Interim Chancellor Thelma Scott-Skillman and current CCSF administration have punched a hole in next year's budget. Here's the story of how they did it.

All through spring and into fall of 2012, after the “Show Cause” edict by ACCJC and through the extensive visits and analysis by the State’s Fiscal Crisis Management Assistance Team (FCMAT), the District has looked for ways to reduce costs, balance its budget, and build a viable budget forecast for the coming three years, beginning with 2013-14.

Into November, administration projected a \$727k budget surplus for 2013-14 if both state-wide Prop 30 and the CCSF parcel tax, Prop A, were passed by voters. This was the “best-case scenario,” one of four considered by the District and analyzed and validated by FCMAT, discussed in committee and accreditation meetings, at the bargaining table, and publicly offered in Board meetings.

The FCMAT report was clear: “In every scenario other than the best case in which both taxes pass in November, CCSF faces substantial solvency issues over the next several years” (19). FCMAT also stated that if no other changes were made, CCSF faced a challenging fiscal road.

A key assumption in all budget scenarios beginning in 2013-14 was that CCSF would continue spending “at the same level” in terms of programs and overall costs, but that temporary 2012-13 labor concessions used to balance this year’s budget would expire. Additionally, the District is already accomplishing new sav-

ings in the current budget year and implementing or otherwise achieving additional, ongoing savings for next year through cuts, efficiencies, and attrition—including campus closures. These savings presumably add to the amount that CCSF could be “in the black.”

Before the Scott-Skillman Gap, the District signaled a balanced approach, predicting that the best-case scenario would use the resources available to the College over the next several years to to address accreditation, education, and human needs. If voters staved off further, deep cuts by passing Prop. 30 and offset state budget cuts locally with the projected \$16 m. from Prop. A, the College had a bit of breathing room. It was in a position to be innovative, work collaboratively with labor, and ultimately make thoughtful and prudent—if challenging—choices about how to proceed with necessary fiscal adjustments. It did not, however, choose this route.

November election victories, enter Scott-Skillman and the State’s trustee

Suddenly in November, under the leadership of new interim Chancellor Thelma Scott-Skillman, a \$10-plus million budget gap appeared—and with it, the demand for ongoing wage reductions and major concessions. Never mind the best-case scenario, the breathing room, a balanced approach, or the opportunity and support provided by the voters.

When the District came to the bargaining table demanding major, ongoing concessions and threatening to impose them if the Union did not agree, their claim of a \$10 million budget gap in 2013-14 made no sense. Finally, after repeatedly pressing District negotiators on this point, they admitted their intent to divert the entire \$14 million in Parcel Tax revenues (the

City projects \$16 m.) from next year’s General Fund revenues! They reluctantly acknowledged that their takeaway proposals and the financial planning it was based on marked a change in their widely distributed and discussed multiyear budget scenarios.

The Parcel Tax revenues simply disappeared from budget planning, as you can see on the flip side (over). Line 37 of District budget revenues—gone! And there you have it: an instantly manufactured budget gap, gift of Chancellor Scott-Skillman, and prelude for further downsizing and contract takeaways.

Where does the District want the millions in new revenues to go? Rather than taking a balanced approach, they intend for workers at the College to pay for the Scott-Skillman Gap while using Prop. A revenues solely for “accreditation purposes,” including to replace and grow the District’s reserve at record pace to a level over-and-above the State’s suggested 5%.

Enough is enough. We know the purpose of Prop A monies and we know that San Franciscans voted by a 73% margin to keep City College accessible to the community, maintain quality education and services for students, restore the viability of programs, prevent layoffs, and protect the well-being of its employees. San Francisco deserves better, and City College deserves better, than to be treated with this shell game. The voters want City College to succeed, to retain its accreditation, and to find a path forward that allows City College to be the educational institution San Franciscans deserve.

Say no to the Scott-Skillman gap!

See other side →

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Widely distributed public projections of 2013-14 budget

Best-case scenario!

Provided to AFT 21 Nov. 28 to "explain" why major ongoing concessions were "necessary" after years of givebacks.

Best-case scenario prevails!

WHERE DID PROP A FUNDS GO?

July 27, 2012 Draft Version 2013-2014				
	Governor's compromise ballot measure passes and the Parcel tax passes	Only Parcel Tax Measure Passes	Governor's compromise ballot measure passes and the Parcel tax fails (Note 1)	Governor's compromise ballot measure fails and Parcel tax fails
	FY 2013-14	FY 2013-14	FY 2013-14	FY 2013-14
State General Apportionment (TCR)	155,508,259	55,508,259	155,508,259	155,508,259
State General Apportionment - Noncredit				
State General Apportionment - Noncredit CDCP				
Growth				
COLA				
If Revenue Measures Fail In November 2012		(10,346,559)		(10,346,559)
Governors Compromise Ballot Measure				
Total Apportionment	155,508,259	145,161,700	155,508,259	145,161,700
Property tax				
Student Enrollment Fees (96%)				
Subtotal				
Total District General Revenues	155,508,259	145,161,700	155,508,259	145,161,700
Deficit Factor	1.00000	1.00000	1.00000	1.00000
Revised Deficit Affected Revenues	155,508,259	145,161,700	155,508,259	145,161,700
Partnership for Excellence ()				
Prior Year Correction (1)				
Lottery	4,370,000	4,370,000	4,370,000	4,370,000
Mandated Cost	950,000	-	950,000	-
Part-Time Equalization	785,955	785,955	785,955	785,955
Part-Time Faculty Health Ins	84,569	84,569	84,569	84,569

35	One-Time Equalization	-	-
36	Sales Tax	15,600,000	15,600,000
37	Parcel Tax	14,000,000	14,000,000
38	Interest Income (net)	-	-
39	Non-Resident Tuition	8,916,298	8,916,298

44	Other Revenue (See Note XX)	400,000	400,000	400,000	400,000
45	Transfers in (additional items see Note 2)	900,000	900,000	900,000	900,000
46	Transfers In - Designated Internal Service				
47	Total Categorical Revenues awarded with The Costs	-	-	-	-
48	Total District Other Revenues	46,668,352	45,718,352	32,687,880	31,718,352
49	Total Unrestricted Revenues	202,176,611	190,880,052	188,196,139	176,880,052
50	Beginning Balance	-	-	-	-
51	Add'l Corpus Release (Note2)	-	-	-	-
52	Departmental Funds	-	-	-	-
53	Dept Of Election PPD	-	-	-	-
54	Dividend Refund from Insurance JPA	-	-	-	-
55	Pr Yr ADJ 'S- for Allow Debt Accts	-	-	-	-
56	Transfers from Board Designated Reserves	-	-	-	-
57	Total Resources	202,176,611	190,880,052	188,196,139	176,880,052
58	Total Certificated Salaries	95,757,696	95,757,696	95,757,696	95,757,696
59	Total Classified Salaries	38,270,529	38,270,529	38,270,529	38,270,529
60	Total Fringe Benefits	46,766,608	46,766,608	46,766,608	46,766,608
61	Supplies and Materials	1,330,299	1,330,299	1,330,299	1,330,299
62	Other Operating Expenses	10,682,873	10,682,873	10,682,873	10,682,873
63	Capital Outlay	2,110,547	2,110,547	2,110,547	2,110,547
64	Transfers out	6,531,401	6,531,401	6,531,401	6,531,401
65	Total Estimated Expenditures,	201,449,953	201,449,953	201,449,953	201,449,953
66	Surplus (Deficit) of Revenues over Expenditures "GAP"	726,658	(10,569,901)	(13,253,814)	(24,569,901)
67	"Additional" solutions both Revenue and Expenditure (07/26/2012)				
68	Estimated Additional Amount from Board Designated Reserve				
69	Budget cuts and negotiated concessions to balance	-	(10,569,901)	(13,253,814)	(24,569,901)
70	Note 1:				
71	Note Used				

A small 2013-14 surplus even if no further cuts were made

No concessions necessary to balance

35	One-Time Equalization	-	-
36	Sales Tax	15,600,000	15,600,000
37	Parcel Tax	14,000,000	14,000,000
38	Interest Income (net)	-	-
39	Non-Resident Tuition	8,916,298	8,916,298

46	Transfers IN (additional items see Note 2)	800,000	800,000
47	Transfers In - Designated Internal Service		
48	Total Categorical Revenues awarded with The Costs	-	-
49	Total District Other Revenues	32,668,352	32,668,352
50	Total Unrestricted Revenues	186,621,528	186,621,528
51	Beginning Balance	-	-
52	Add'l Corpus Release (Note2:)	-	-
53	Departmental Funds	-	-
54	Dept Of Election PPD	-	-
55	Dividend Refund from Insurance JPA	-	-
56	Pr Yr ADJ 'S- for Allow Debt Accts	-	-
57	Transfers from Board Designated Reserves	-	-
58	Total Resources	186,621,528	186,621,528
59	Total Certificated Salaries	95,757,696	95,757,696
60	Total Classified Salaries	38,270,529	38,270,529
61	Total Fringe Benefits	46,766,608	46,766,608
62	Supplies and Materials	1,330,299	1,330,299
63	Other Operating Expenses	10,682,873	10,682,873
64	Capital Outlay	110,547	110,547
65	Transfers out	3,531,401	3,531,401
66	Total Estimated Expenditures,	196,449,953	196,449,953
67	Surplus (Deficit) of Revenues over Expenditures "GAP"	(9,828,425)	(9,828,425)
68	"Additional" solutions both Revenue and Expenditure (07/26/2012)		
69	Estimated Additional Amount from Board Designated Reserve		
70	Budget cuts and negotiated concessions to balance	-	-
71	Note 1:		
72	Note Used		

The Scott-Skillman Gap: A false \$10m deficit