AGENDA ITEM #11

Transition Planning Work Group Update

The CCHE Board's Transition Planning Work Group met again on July 7, 2011, and considered two issues, the partnership proposal from the California Association of Museums (CAM) for a CA Special Interest License Plate and options for CCHE for Facilities and Administrative Services.

CAM Partnership Proposal

CAM had approached the CCHE at the March 2011 Transition Work Group meeting with an invitation to have the CCHE serve as the state partner for the proposed Special Interest License Plate. State Librarian and CCHE Board Chair Stacey Aldrich announced at the July meeting that she had met with the CAM representatives since the March meeting and had developed a plan in which the Library would move forward as the partner with CAM instead of the CCHE.

Facilities and Administrative Services Options

CCHE has limited funds for the four remaining fiscal years and can't afford to have its facilities and administrative costs remain at the current levels. CCHE has been housed at the California State Library since its creation and there has never been a written agreement outlining the CCHE's share of facilities, accounting, budgeting, human resources, information technology and other administrative costs. The annual amount paid by the CCHE has fluctuated significantly over the first seven years at the Library.

At the March 2011 meeting, the CCHE Transition Working Group members directed both the CCHE Executive Officer and the California State Library to research lower cost options. Specifically, the Library was asked to present a proposal for what they could afford to charge the CCHE for the remaining years and the CCHE was tasked with researching facility and administrative services options for the CCHE outside of the Library.

At the July meeting, CCHE Executive Officer Mimi Morris presented three alternative facilities and administrative services options for the CCHE and Stacey Aldrich shared new analyses of facilities and administration expenses for the CCHE at the California State Library.

Options for rent and facilities outside of the Library ranged from a low of $76,000 per year to a high of $92,000.

The Library indicated that the CCHE is only using about 1,000 square feet of the 2,440 currently allocated to it and charged to it and offered to move the CCHE to alternative space of 1,000 square feet, an action that would result in substantial savings to the CCHE. Specifically, such a move would reduce CCHE's share of facilities expenses from 2.3% of the entire CSL space (at 2,443 square feet) to .9% of the entire CSL space (at 1,000 square feet) and from roughly $30,000 per year to approximately $11,800. This was deemed a reasonable proposal by all and the Library agreed to hold off until after the September board meeting to move the CCHE. The Library has provided floorplans of two potential spaces to the CCHE and has been trying to schedule CCHE staff visits of the space to make a final selection.

The Library also reduced CCHE's long-standing share of the contracted accounting costs from $22,000 per year to roughly $11,000 per year, another very reasonable reduction that more accurately relates to the proportion of accounting services used by the CCHE.

Finally, the Library agreed to a reduction of Administrative Costs from roughly $81,000 in 10-11 and 11-12 and dropping to $68.5K in 12-13, $49K in 13-14, and $28.5K in 14-15.

The adjusted costs offered by the Library were considered very fair by all the working group members and the decision was made for the CCHE to stay at the Library. The working group members did ask that the declining staffing at the CCHE be taken into consideration so that the full 1,000 square feet is not fixed for the next four years, but adjustable as the staff count diminishes.

Staffing Plans

Although not officially on the agenda for the July meeting, there was a brief discussion at the July meeting regarding staffing, specifically progress being made on the recruitments for temporary positions to replace other temporary positions expiring in January of 2012.

CCHE expressed appreciation for the Library's efforts to hold the necessary exams in anticipation of running recruitments for the positions and the Library indicated that there were still justifications required that might hinder the hiring processes.

Since the July meeting, the Governor has authorized certain departments to hire if certain budgetary reductions were made, eliminating the need for additional justifications. The Library has made the required budget reductions and is authorized to hire to fill vacant positions. CCHE is working with the Library and has requested that our recruitments be posted as soon as possible so that hiring individuals for the positions can occur before the current positions expire.

Additionally, since the July meeting, there has been an unanticipated staffing reduction. One of the Project Managers, the individual in a permanent position, accepted a new position within the State Library and is no longer a part of the CCHE staff. Due to the limited resources of the CCHE, we have decided not to fill that position and have added to remaining staff's workload in order to reassign the departed individual's portfolio. The departure enables the CCHE to have sufficient resources to keep the Staff Services Analyst, the position which is responsible for processing all the invoices and also for general office coordination, on in a full-time capacity through the end of 12-13. The prior plan had been to reduce that position to a half-time basis starting on July 1, 2012. The position is expected to be very busy through the end of fiscal year 12-13 as a result of both the invoices, the Landmarks California pilot project, and the culminating event for the survey.

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