

Santa Barbara City College
College Planning Council
Monday, July 27, 2009
3:00 pm – 5:00 pm
A218C
Minutes

PRESENT: A. Serban (Chair), I. Alarcon, O. Arellano, L. Auchincloss, P. Bishop, S. Ehrlich, J. Friedlander, T. Garey, M. Guillen, J. Meyer, K. Molloy, K. Monda, D. Nevins, C. Ramirez, J. Sullivan

GUESTS: L. Griffin, B. Partee, A. Scharper, G. Smith, M. Spaventa, L. Stark

Call to Order

Superintendent/President Dr. Serban called the meeting to order

Information Items

1. Annual apportionment report 2008-09

a. Target FTES to reduce if workload reduction is implemented for 2009-10

Superintendent/President Serban briefly reviewed, for the new members of CPC, what the apportionment reports mean. The apportionment report is submitted three times a year, and a significant portion of our funding relates to the California resident FTES. July 15 is the date of the annual report when we submit actual FTES generated during the prior fiscal year.

Superintendent/President Serban reported the good news: No FTES borrowed from Summer 2009. The college achieved all the growth allowable for 2008 – 09. She further explained in detail that the college generated slightly more FTES than the allowable growth.

On the non-credit side, the number in the enhanced credit, which is the higher reimbursement rate, is slightly higher than what was reported in 2007 -08, but lower in the non-enhanced which gets the regular reimbursement rate. This happened partly by design because in Winter 2009 we decided to reduce some classes to save money, and it may be also that implementation of Lumens, the new registration system has posed significant difficulties. The new system had glitches and even now there are still some issues.

Superintendent/President Serban continued reporting that the advantage to what has happened in terms of the growth in FTES we have experienced is two-fold: 1) the Deans and Jack have been already been more aggressive about cancelling

sections with low enrollments because we did not need to borrow from Summer 09 and we are continuing to experience significant growth. The Fall 09 headcount is up 22.4% as compared to last year and the units are also up a lot . 2) The workload reduction works in terms of dollars, meaning the amount that is cut from our general apportionment for 2009/10 becomes the dollar amount that guides what combination of FTES we want to cut without our funding being cut. As long as we stay within our allowable number, we can cut more from non-credit for example. There is no mandate that states that one has to cut equally percentage-wise, so the targets are 300 FTES from non-credit for 2009-10 and 300 for credit California resident credit. We don't have the official approval from the Governor on this budget. We are going with those numbers as our guiding numbers. All in all this is a very positive outcome in terms of the FTES achieved. She thanked everyone for their hard work which is truly appreciated.

b. Assessment of impact on college operations and programs

This year, since there is no growth funding, we want to produce only as much FTES for which we are funded. Serban stated that this will have an unfortunate impact on some students and instructors who will not have those sections to teach.

c. Credit and non-credit sections cancelled to date for Fall 2009 and impact – Jack Friedlander, Ofelia Arellano

Executive VP Friedlander reported that the Deans, and Dept. Chairs all worked together to identify Fall classes that need to be cut to work towards the target of 300 FTES to be cut this year. They stayed away from the priority courses and looked at the courses/sections that have low enrollment and historically have not made it to 20 students or more or the classes that can be combined without displacing students. So far, they have identified and cut 100 sections which equals 274 TLUs. Each TLU is an average of an hourly rate \$1,600 per TLU. Further analysis will continue for the Fall classes as well as going forward to the Spring semester to identify more classes that need to be cut or combined. So far 43 sections from the Spring semester have been identified. We are trying to have as minimal impact as we can on students. He reported that when Fall sections were cancelled with students, there was a procedure where the Administrative Assistants for the Deans contact the students, leave a voicemail message, and send them emails through Pipeline. By enlarge, the students that have been affected have been contacted and they have been making the adjustments.

VP Ofelia Arellano reported that the Fall Schedule of Classes went to print today. The Directors and Dean William "Ron" Christie will meet tomorrow to do an

analysis in terms of enrollment patterns for the past year. VP Arellano said that their focus is definitely on non-enhanced. The Directors will also look at courses that were low enrolled and that were cancelled. We still need to evaluate the feasibility of keeping those in our Fall Schedule. For non-enhanced, we are looking at again, low enrolled courses, multiple sections such that we can cancel and move students into other sections to increase efficiency so that is another strategy. We are also looking at the pros and cons of canceling versus reducing weeks again and the impact on our registration process. So those are the kind of things we are looking at and will have a proposal to Andreea next week in terms of how we are going to reduce. We have changed our cancellation policy in the past it was 17, in the Fall we are raising it to a minimum of 20 students. She reported that we are offering weaving this fall to allow us more time to do an analysis of space utilization.

2. Centennial kick-off event August 20 12pm-1:15pm La Playa Stadium

Superintendent/President Serban reported that the Centennial Planning Committee she is chairing, comprised of Barbara Ben-Horin, Stefanie Davis, Joan Galvan, Guy Smith, Karen Sophiea and others have been preparing events to acknowledge the College's 100th year. Serban said it is important to take the time to celebrate as a community and to acknowledge the great history of this College in spite of the current budget cuts. The College will have two events that are especially designed for the Centennial, this kick-off and another event. Everything else being done is using events that we have anyway, but focusing on the Centennial. She acknowledged Interim Director of PE Kathy O'Connor and the PE Department who have volunteered to do all the cooking and the serving at the August 20 event. SBCC Board of Trustees President, Dr. Katherine Alexander accepted the invitation to give a few remarks on behalf of the SBCC Board of Trustees. She is one of two Board of Trustees members in the State of California who has been acknowledged for her extraordinary longevity (over 40 years) by the California Community College League.

Discussion Items

3. Status of funding for capital projects and options to consider regarding SOMA and other projects. (Attachment)

Superintendent/President Serban opened this discussion stating that the College needs to make a very difficult decision about how to proceed with the plans for the College's capital projects as well as how to proceed with SoMA. The attachment that was sent with this agenda delineated the current financial situation regarding the reduction in State Funding, what we are left with, the pros and cons of the two options available to us

ending with questions to assist in looking at how to proceed. The decision that needs to be made is whether to fund SoMA from Measure V funding or delay the project.

She stated that it has been an agonizing effort to even consider Option #2, which would be to revert the State matching funds for SoMA. Having to pose this option has been done with great difficulty because of the time, plus the financial and emotional effort that has been put into working toward the concept of SoMA, the fundraising, and the involving of the community at large as well as the college community. She noted that we must look at the critical questions of what is important now, five to ten years from now and what is important in 50 years from now. How important is SoMA for us from a standpoint of concept and looking into the future and where technology is moving, whether students want to have something of this type. On the other hand, it is a fact that we are not going to get any State Funding for Humanities and the Campus Center, for example. The best we can do is hopefully to get State Funding for the Schott and Administration Building within the next 3 to 8 years. We will not get any money from the State for any of the other of the projects in the lifetime of this bond, which is ten years. However, we do need to make a decision soon because we also need to expend a certain amount, about, 85% of the bond money, within three years – by November 2011.

Superintendent/President Serban acknowledged the tremendous efforts put forth by Dean Guy Smith, Foundation for SBCC CEO, Barbara Ben-Horin and her staff and the Foundation Board members on behalf of SoMA.

She opened the “floor” for comments and concerns from the Council. Academic Senator Garey wanted Option #2 clarified. Superintendent/President Serban stated that the college would reapply as if it was a new project. Our project would go back into the State’s que of projects and compete with all the other projects. The SoMA project scored very well in the list of the State’s projects. The big advantage we have is that we have gone through preliminary working drawings and the project is well known at the Chancellor’s Office. There was further discussion regarding how the State will respond to us reverting the State matching funds for SoMA, even though the State is the agency withholding \$10 M from our funding. It is the Chancellor’s Office that makes the ultimate decision which projects get done. CSEA Member Ramirez asked about the cost two, five, ten years down the road to get us back into the que. There was some further discussion about the costs and the credibility of the college with the public if we do or don’t build SoMA, We now have an opportunity to repair existing buildings that are sorely in need of repair. Superintendent/President Serban reminded that there are existing projects currently moving forward with repairs such as the Drama/Music remodel, the bridge, the Press and Conference Center and a few smaller projects.

The discussion that took place among the council members ranged from: 1) Concern about money for maintenance of the buildings if we do go ahead, and concern about money for the existing buildings that are falling apart. 2) This the time to do things that are visionary when things are difficult to get ready for times when things turn around, you do need to move forward. Leadership is sometimes about doing really difficult things when it is not popular to do so.

The Board of Trustees saw the attached information for the first time at the Study Session a few days ago and the same discussion took place. We need time to absorb and discuss all aspects of this situation. Superintendent/President Serban stated that SoMA is a project with future focus and if we want to move toward into the future, we have to do it when we can do it and we do have the money. She noted that she can easily make the argument that we should move forward with SoMA. But we will never get money for deferred maintenance projects except if we go out for another bond since there is no chance of any money from the State.

Academic Senate Member Garey asked if some of these maintenance projects are done, will it then reduce some of the demand on the general fund for ongoing maintenance. Yes.

Another point was brought up that there are three major goals in building SoMA: unify all SoMA programs under one roof, get needed studio space and allow the program to grow: Can some of the goals be met using Measure V funds to create some of the space needed and to allow the program to grow. Dean Smith said he hopes so because the space where many of the classes meet are in disrepair, especially Journalism.

Superintendent/President Serban stated that she will be discussing this situation with the chair of the Citizens' Committee to get a sense of what the community thinks. The next Citizens' Committee meeting is not until November 12th and, of course, we cannot wait until Nov 12th. It is now a different world than 14 months ago, and everyone understands the bind we are in, this is one of those few times where a big decision needs to be made that has extraordinarily long term implications. This is truly a very important decision, either way, there will be consequences.

There was further discussion regarding the consequences of reverting the State matching for SoMA , then applying for another new and separate bond. This is such a difficult decision because the voters may not want a new bond in the future. Everything is different now, there is no normal, there is no certainty.

Further discussion on maintenance centered around the fact that once the repairs start,

under the surface seems to always be in worse shape that anyone thought. Many of our buildings have major issues and we need to repair them.

Since this was a brainstorming session, the idea of privately borrowing the money until the State could fund was brought up since we would lose \$22 million if we pull out. Is this too big a risk? Too ridiculous? It was brought up that the issue is how much one spends in order to borrow the \$22 million and what one could do with that interest money. We still need to request for bids for SoMA and you don't know what the actual construction cost will be until you get there.

Superintendent/President Serban said that if we go with Option #2, basically we would stay within the Measure V money, and realistically acknowledge that only 4 projects have a chance for money from the State . She stressed that we cannot assume any State funding for anything but those four projects, because really it is not going to happen in the next ten years for the other projects, so then the concept is with the money from Measure V, we must look at how we can maximize that amount to do the most to refurbish the existing infrastructure. That is really the question.

Superintendent/President Serban asked the CSEA President Auchincloss if she would get a sense from the Classified Consultation Group sometime in the next two or three weeks. The Academic Senate will have an opportunity to discuss and come up with a sense of their thoughts by the next CPC meeting.

4. Budget for 2009-10 (handouts) – Leslie Griffin, Joe Sullivan, Andreea Serban

a. Revisions based on July 20 communication from the League

Leslie Griffin went over the reports she handed out. She explained what the columns represent, and the contents. The Board-approved tentative budget from June 2008 will change but it is what gives us the legal ability to pay the bills. Based on the Governor's May revise and we know we have a lot of changes since then in Conference Committees and then in the Legislation that has been passed that we presume will be signed into law by the Governor. The numbers will be made clearer to us in communications from the Chancellor's Office as we go forward. This September, the Board of Trustees will adopt or approve an adopted budget and this, if we follow our budget principles, will be a balanced budget as our target.

On the handout, there is a projection for next year and including some significant things that we would want to achieve next year. The first is we know that PERS and STERS have announced some tremendous losses in the fiscal year that just ended.

We expect that we will be asked to contribute higher contributions into those two retirement plans. We have heard that maybe PERS would increase the amount from 9.7% from where we are now of a person's salary contributed into PERS by the District, to 11.7%. We don't know about STRS yet. She had not heard that the increased percent will be from the individual. The District's portion is what we are budgeting for at the moment. The other thing for the 2010-11 year, we would like to be able to make contributions to our construction and equipment funds because we have not made any really sizable contributions last year nor this year. We have equipment that needs to be replaced. We have maintenance in Construction projects that need to go forward.

b. Steps taken to reduce expenditures and raise new revenues – estimated impact on 2009-10 budget

Superintendent/President Serban reported on the reduction of expenditures and generation of new revenues. The savings from the unfilled vacancies are now coming through, savings from not spending, and savings from reduced travel. The SBCC Community has been very responsive as shown in the significant savings in supplies, travel and other areas. The most significant savings came from the vacancies in the positions that were not filled for months and in the reduction in the hourlies. That is really where the bulk of the savings came from.

In this tentative budget and adopted, as of now, we have a structural imbalance. The structural imbalance is we are spending more than the revenue and the fundamentals of a structured balance is you don't spend more than you have revenues for.

No transferring money to equipment, and to construction. This will be the second year in a row to not replace equipment other than a very limited few.

The second page is very much a work in progress because there are some significant numbers that are still unclear that we are working on.

Controller Griffin and Senior Director, International Programs Smith have spent a lot of time looking at what is generated in additional revenue from International Students this Spring. Taking into account the costs associated with the increase, they are estimating an actual additional revenue of about \$350,000.

The targeted reduction of \$1.5 million in hourlies between credit and non-credit is still being discussed and it may not be realistically possible considering some of the consequences of doing so. Both VP Arellano and Executive VP Friedlander are working with staff to explore what is realistically feasible. We may not be able to cut \$1.5 million from the hourly budget.

The cancelled sections may result in about \$300,000 in savings for fall. The reason we do not have a number for Spring yet is because we want to see what has happened in the Fall semester.

Non-Credit again is given a target to reduce 300 non-enhanced, non-credit FTES. We still need an estimate of what is achieved in savings in hourly instructors in Continuing Education.

The cell-phone and mileage allowances have been reduced; they are safe numbers to assume a savings because they are already in place.

Travel, we can reduce travel further and we will be discussing this next week.

Institutional memberships have been reduced and we know that this number is a true savings.

The other part that needs to be discussed is the Federal Back-Fill and how is it going to be distributed. It has been confirmed with the Chancellor's Office and the League that we have three years to spend this money.

There are six positions that we are not planning on filling which will save about \$500,000 from permanent classified staff and management positions that have become vacant: They are one LRC position, one Office of Student Life SPA, one Theatre Arts – Admin Asst., one DBA position in IT that has been vacant for two years now, one Catering LTA , Continuing Education – the permanent instructor position in OMEGA.

The numbers that have been identified with certainty are \$1.6 million, leaving \$2.8 million so that we have a balanced budget which we are working on. It is another reason to need another CPC meeting before September 1st because we need to review this before it goes to the Board. We want to achieve a balanced budget by saving permanent positions as much as possible. We have discussed the need for categorical programs that we will try in 2009 – 10 to back-fill permanent positions but only 2009 -10, come 2010-11 forward, we have to look more closely at what we can afford to backfill and what level of minimum service we want to offer in these programs.

Instructors' Association President Starke asked about the categorical backfill of the \$1.9 million on the tentative budget which resulted in a detailed discussion on what the actual backfill will be. Those staff members in the Categorical Programs need to go back and look again at their numbers. We now assume that these numbers are pretty stable and the impact on various programs is not equal. The cuts are extraordinary and since the money cannot be moved around, we will see in the future

what this means for full-time people and how that will work.

Instructors' Association President Starke asked where the \$1.5 million that we are targeting to cut in the hourlies appears.

Superintendent/President Serban clarified that there is a difference in the hourly rates reduction and the \$1.5 million cuts target. The \$1.5 million target is a lot higher than what you can achieve by reducing the pay rates. By the reduction of hourly rates between restricted and non-restricted together, we would save \$700,000 in 2009-10. This is a \$1.5 million target from the unrestricted general fund, so it is very different.

Superintendent/President Serban further clarified that the cuts have been identified, but the money has not been taken out yet. There is further work that needs to be done in that area.

Instructors' Association President Starke asked if the following is correct: Seems then that what you are telling me is that we could have a categorical reduction that is almost \$1 million less than the number we are given here, plus some additional reduction from these hourly employees which could be \$500,000 or \$1 million. Superintendent/President Serban said that is what we are trying to achieve.

Instructors' Association President Starke pointed out that the ending fund balance that was projected \$11 million is now \$16 million. How did we do so well?

Superintendent/President Serban said these are the savings from the unfilled vacancies, supplies and travel spending. And there was additional revenue from growth at P2, we reported higher FTES at P2 than at P1, so there was money for growth that is now accounted for that was not accounted for before. Plus there were retroactive cuts that were projected, \$1.1 million, plus another \$500,000 that did not take place in 2008-09.

Controller Griffin pointed out that we had the savings that the Superintendent/President Serban mentioned because in the legislature when they passed the budget, they increased our deferral. This last Spring, we had system-wide \$540 million in deferred revenue that they took out during Spring months and gave back to us in July. They have increased that to \$703 million for Spring 2010, so we are going to have to have enough cash on hand to be able to handle even a larger deferral than we had in Spring 2009. The ball park figure is as best I could provide with the information I have available, that we will have a \$10 million deferral.

5. Approach to development of the Interim Educational Master Plan 2009-11 (handout)

Executive VP Friedlander handed out the draft approach to developing the Educational

Master Plan (EMP) that he and a workgroup are developing. He requested direction from the Council. The EMP is intended to define where the college is going in terms of educational programs and related facility needs and what plans does the college have to support the defined direction being taken currently and in the future. So far the workgroup has proposed that the plan contain: background information about the District, the process for developing an Educational Master Plan and a key part of that process is drawing from the Program Reviews that we did last year and that is where the information is coming from. The second important part of the EMP is how we link Program Review, budgeting, planning and facilities. All the Departments will be listed. He reviewed how the workgroup will continue with this effort.

In the Fall, he stated that we will take the draft through the consultation process recognizing that we will not have it completed then, but this is a draft that we can have done in time for the Accreditation Team visit.

Superintendent/President Serban stated that the reason to have an Education Master Plan (EMP) is because programmatic needs should drive facility needs. We need to acknowledge if there is a gap and where it is and what are the needs that have been identified, we can actually address. That is the thrust of this effort. She acknowledged the work done by Academic Senate President Alarcon and Executive VP Friedlander and the workgroup for the excellent work done on the Educational Master Plan. Executive VP Friedlander reported that Dean Scharper, Associate Professor of Theater Mokler and Academic Senate Member Garey found that looking at the Program Reviews led to informed discussions resulting in the distillation of ideas which are now included in the draft handout. This allows us to see more clearly what the overall direction of the college is, look at what fundamental changes we need to make in how we think about how we deliver and support our core mission in a way that we can afford. The discussion about the Education Master Plan continued, pointing out that this is an interim plan. Once we start the next cycle for the College Plan in 2 years or so, then this is when the Education Master Plan becomes really valuable because that should help drive the plans goals and objectives going forward.

6. College priorities for 2009-10 – This was not discussed at this meeting and postponed to another meeting.
 - a. Year 1 evaluation of college plan 2008-11 and district technology plan 2008-11
 - b. Objectives from the college plan 2008-11 and district technology plan 2008-11 on which to focus in 2009-10

Superintendent/President Serban asked that the Council meet before the scheduled September 1st meeting to vote on : 1) SoMA and 2) to look at the version of budget before it goes to the

Board for approval to become the adopted budget.

Superintendent/President Serban thanked everyone and adjourned the meeting.

Next meeting: Tuesday, August 25, 2009, 1:00pm – 2:30pm