Budget Information #1:

1993-94 Fiscal Year Budget Situation

a. Changes From Adopted Budget To P-1 Apportionment

$ 310,819 Reduction In Total General Revenue

254,449 Prior Year Correction

62,107 Reduction In Basic Skills Funding

$ 627,375 Total Adjustments From Adopted Budget (As Of 3/1/94)

592,240 Original 2 Percent Deficit In Adopted Budget

$1,219,615 Total 1993-94 General Revenue Shortfall

b. Potential For Additional One Percent Deficit ($300,000) At P-2

c. Level Of Basic Skills Funding Uncertain ($273,336 At P-1)

d. Operational Reserve Must Be Maintained (5 Percent)
TO: Charles Hanson
FROM: David Pickering
DATE: March 10, 1994
SUBJ: 1993-1994 General Fund Mid-Year Adjustment

Attached is the mid-year budget revisions document for submittal to the Board for approval. Also attached is the March 2nd comparison of the Adopted Budget to P-1 showing the $627,375 decrease in available revenue.

Reconciliation of the mid-year document and the comparison of Adopted Budget to P-1 report:

- General Revenue Adjustment: $(310,819)
- Prior Year Adjustment: $(254,449)
- Basic Skills Reduction: $(62,107)

P-1 Report Total Decrease: $(627,375)

Additional Federal Revenue:
- Veterans Educations: $873
- PELL Administration Cost: 5,765
- Additional State Revenue: 11,374

GAIN:
- Mandated Cost: $(10,000)

Additional Uncommitted Local Revenue: 267,053
- Sale of Surplus: 374
- Rents and Leases: 5,650
- Non Resident Students Including International: 200,029
- Other: 51,000
- Interest: 10,000

Estimated Net Shortfall: $(342,310)
1994-95 Budget Planning

a. Budget Planning Assumptions From the 1993-94 Adopted Budget

$ 400,000 Must be Redirected to Cover Fixed Cost Increases

335,000 Reduction in Basic Skills Funding

$300,000 - 900,000 Shortfall in Revenue Due to State Apportionment

$1,035,000 - 1,635,000 Potential Revenue Reductions

b. Enrollment/FTEs Levels Uncertain Due To Fee Increases

c. Prior Year Adjustment Could be Negative; e.g., additional 1993-94 property tax shortfall. For each additional 1 percent there is a reduction of $300,000.

d. Operational Reserve Must Be Maintained (5 Percent)
## Budget Reduction Status Report

Target: $1,035,000 - $1,635,000

<table>
<thead>
<tr>
<th>Redirect Expenses to Cover Fixed Cost Increases</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000</td>
<td>Four Contract at $25,000</td>
</tr>
<tr>
<td>130,000</td>
<td>Recognized Hourly Average Allocated to Cont. Ed. 1993-94 to Make FTE CAP.</td>
</tr>
<tr>
<td>&lt;113,000&gt;</td>
<td>Original Projected Cost for Workers Comp. Increase</td>
</tr>
<tr>
<td>&lt;37,000&gt;</td>
<td>Utilities</td>
</tr>
</tbody>
</table>

- **-$400,000**

**$635,000 - $1,235,000**

- **Deferred Actions Until Uncertainty Factors are Defined**

| 275,000                                       | Contract Faculty Est. $25,000/Position |
| 100,000                                       | 4 Classified Positions at $25,000 |

- **-$375,000**

**$260,000 - $860,000**

**Note:** Credit hourly budget has been maintained at the 1992-93 level. FTEs have dropped by 8.8%. It is assumed that savings can occur here.

**Other Actions:** To Be Defined
Budget Information #3:

Long-Term Budget Planning (1995-96 Budget And Beyond)

Assumptions:
1. Stable Or Decreasing Revenue
2. Need For Salary Adjustments ( $ 800,000)
3. Need To Meet Annual Fixed Cost Increases ( $ 400,000)

Annual Need: $1,200,000

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Cumulative Total Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-96</td>
<td>1,200,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>1996-97</td>
<td>1,200,000</td>
<td>2,400,000</td>
</tr>
<tr>
<td>1997-98</td>
<td>1,200,000</td>
<td>3,600,000</td>
</tr>
<tr>
<td>1998-99</td>
<td>1,200,000</td>
<td>4,800,000</td>
</tr>
<tr>
<td>1999-2000</td>
<td>1,200,000</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>
Key Action Dates For SBCC 1994-95 Budget Planning

a. May Revision Of 1994-95 Governor's Budget (May 15, 1994)
   Will provide revised property tax, fee, and state general fund revenues.

b. Second Principal Apportionment (P-2) For 1993-94 (June 30, 1994)
   Will recalculate SBCC 1993-94 General Apportionment revenues.

c. Adoption Of 1994-95 State Budget (June 1994)
   Will determine statewide community college revenues for 1994-95.

d. Trustees Action On Tentative Budget (June 30, 1994)

e. End Of Fall 1994 Registration (August 19, 1994)

f. Trustees Action On 1994-95 Adoption Budget (August 30, 1994)

g. Fall 1994 First Census Report (September 12, 1994)

h. End Of Spring 1995 Registration (January 20, 1995)

i. Spring 1995 First Census Report (February 13, 1995)

j. First Principal Apportionment For 1994-95 (February 28, 1995)
   Will provide 1994-95 revenues and prior year corrections.

k. Second Principal Apportionment (P-2) For 1994-95 (June 30, 1995)
   Will recalculate 1994-95 revenues based on P-2 workload and income.
## Uncertainty Factors

<table>
<thead>
<tr>
<th>Factor</th>
<th>Potential Impact</th>
<th>When Resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. State Budget (as Contrasted to Governor’s 1/15/94 Budget Proposal)</td>
<td>Could result in fewer dollars for California community colleges. Amount uncertain.</td>
<td>July 1, 1994</td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td>Since the Gov.’s Jan. proposal the fed. request for $3 Billion is unlikely.</td>
<td></td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td>Also, there is a 1993-94 deficit. Reduction in state budget expenditures are expected.</td>
<td></td>
</tr>
<tr>
<td>2. Property Tax Shortfall</td>
<td>Loss of income could be $900,000 to $1,500,000 (3-5 percent shortfall)</td>
<td>O'Connell Bill - Assume</td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td>Could be more (earthquake, continuing devaluation of property tax).</td>
<td>July 1994</td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td>Could be zero - O'Connell Bill &quot;Hold Harmless.&quot;</td>
<td>Without O'Connell Bill, the shortfall would not be known until Feb. 1995 (P1) and June 1995 (P2).</td>
</tr>
<tr>
<td>3. Enrollment Decline/Fee Increases</td>
<td>For every 1% of drop in credit enrollment below funded CAP, we would lose $260,000.</td>
<td>Fall &amp; Spring Census (October 1994 and March 1995)</td>
</tr>
</tbody>
</table>
Assumptions to Guide SBCC Budget Reductions for 1994-95 and Beyond

1. The present fiscal crisis is one that will be prolonged -- it began in 1991-92 and 1992-93 (no cost-of-living adjustments) and no substantial change is projected for the immediate future. Thus, the approach will not be to try to get through one to two years, but to make decisions that will be consistent with sustaining an ongoing high quality college operation with a budget that will not increase and could very well decline.

2. The College is functioning in a fiscal environment that is increasingly unstable. The major contributor to this instability is the State fiscal situation. Specifically, we have been told our budget will be one amount and then a shortfall of a considerable magnitude from the state-allocated amount is experienced, e.g., in 1993-94 over $1 million. This makes it most difficult to plan or respond. Secondary, but of increasing and long-term concern is the sharp decline in enrollment in the credit program.

   The planning challenge is not to reduce expenditures beyond what might occur yet to take actions that will assure we can respond to a worse case budget shortfall. To achieve such flexibility, decisions that provide a maximum ability to adjust; e.g., not filling positions on a permanent basis, must be made until greater stability exists.

3. The College's noncredit program has been stable and, with the credit enrollment drop, the noncredit program accounts for a larger proportion of the District's FTEs. To date, fees have not been imposed on our noncredit program. Certainly, this is a factor in program stability. Any state fee mandate for noncredit could adversely affect the District's program and finances.

   Though efficiencies will be sought in the noncredit division, as in all areas of the College, a stable base of support is essential to maintain the noncredit FTEs.

4. We will maintain a balanced, comprehensive credit instructional program with an emphasis on courses and services to matriculating students.

5. Our planning must be such that a more direct relationship can occur between enrollment declines and expense reductions.

   In 1993-94, the credit enrollment declined by approximately 8.8% FTEs. However, that drop was sudden and unexpected; thus, the ability to effect savings in expenses has been limited. Our fiscal planning procedures must work toward bringing expense reductions in line with declines in enrollment (revenue).

6. There is a need for a short-term plan and a long-term approach. The short-term plan should enable us to respond to what is assumed now (1993-94 and 1994-95) to be an unexpected and dramatic reduction in revenue. The long-term plan (1995-96 and beyond) will assume a stable, yet less than adequate base of funding. Planning assumptions may be common to both, however applications of the principles may differ.

7. To maintain a high level of quality and achieve the necessary short and long-term budget reductions, we cannot continue with "business as usual." The systems for providing services and our educational programs must be rethought (re-engineered) in order to provide quality programs and services with fewer resources.

8. To plan effectively there is a need for:

   - information that is accurate and available in a timely manner. The Information Resources Unit will have primary responsibility to provide.
   - Financial planning tools; e.g., software packages that can project financial consequences of actions such as adding or deleting program X/Y with WSCH/FTE at various levels, must be available. The Business Services Division will have primary responsibility for obtaining and applying such tools.
Principles to Guide SBCC Budget Reductions for 1994-95 and Beyond

1. The College must balance its budget; i.e., ongoing expenses must be supported by ongoing income and reserve of 5% maintained.

2. We will proceed with firm reductions on the basis of what is known. Other actions will be taken to enable us to implement reductions as factors such as enrollment declines or budget shortfalls materialize.

3. Lay-offs will be avoided if possible. Certificated and classified positions that become vacant may not be filled and reassignments may be necessary.

4. It is recognized that the faculty and staff are SBCC’s greatest resource. The faculty and staff will need to participate in identifying solutions and increasing efficiencies. Staff development activities to increase capability of faculty and staff to contribute; e.g., using technology to increase our effectiveness, will be supported.

5. The FTE cap must be met. If it is not, the fiscal problems will worsen. Consistent with the ability to meet our mission, a higher WSCH/FTE will be a major factor in considering program retention.

6. With fewer resources, it may not be possible to conduct the scope of academic and support programs that we have had in the past. The majority of reductions will not be across the board. High cost programs and services, particularly, if student demand is not high, will be considered for reduction/elimination.

7. We will work to assure that educational program quality and service to students and the public is enhanced. We will work to assure that the public is fully aware of SBCC’s continuing ability to meet the community’s high expectations for quality education.

8. Serious effort should be made to assure that salaries do not deteriorate.

9. Equipment replacement and repair funds will be maintained at the minimum level specified in Board policy. Support of maintenance and purchase of equipment that enable SBCC to apply technology to gain efficiencies will be a priority.

10. Building and grounds must be maintained sufficiently to assure the campus remaining attractive to students and protect the investment in these facilities.

11. Because long-term efficiencies are viewed as being heavily dependent on technology, additional investments may have to be made there and other areas in order to realize cost savings.

12. Categorical funds; e.g., DSPS, EOPS, staff development must be spent in accordance with the program guidelines.

13. All federal, state and local legal mandates shall be complied with; e.g., collective bargaining agreements, etc.

14. The College will continue to seek and expand revenue sources.
<table>
<thead>
<tr>
<th>Period</th>
<th>Board Responsibility</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1 - June 30</td>
<td>Review of State fiscal picture, review of budget assumptions, and District financial condition</td>
<td>Board Review</td>
</tr>
<tr>
<td>June 30</td>
<td>Tentative Budget</td>
<td>Board Adoption</td>
</tr>
<tr>
<td>August 25</td>
<td>Adoption Budget</td>
<td>Board Adoption</td>
</tr>
<tr>
<td>November 15</td>
<td>Quarterly Financial Statements</td>
<td>Board Review</td>
</tr>
<tr>
<td>February 15</td>
<td>1st Quarter</td>
<td></td>
</tr>
<tr>
<td>May 15</td>
<td>2nd Quarter</td>
<td></td>
</tr>
<tr>
<td>May 15</td>
<td>3rd Quarter</td>
<td></td>
</tr>
<tr>
<td>February 28</td>
<td>First Principal Apportionment (P1) (certified by Chancellor's Office)</td>
<td>Board Review</td>
</tr>
<tr>
<td>March 31</td>
<td>Mid-year budget adjustment</td>
<td>Board Resolution</td>
</tr>
<tr>
<td>All year</td>
<td>Budget adjustments / internal transfers Major transfers</td>
<td>Board Resolution</td>
</tr>
<tr>
<td>August 25</td>
<td>ENROLLMENT STATISTICS</td>
<td></td>
</tr>
<tr>
<td>September 12</td>
<td>Registration - fall classes</td>
<td>Board Review</td>
</tr>
<tr>
<td>February 13</td>
<td>Census report - fall</td>
<td>Board Review</td>
</tr>
<tr>
<td></td>
<td>Census report - spring</td>
<td></td>
</tr>
</tbody>
</table>

CLH:ba
3/28/94
[FISCAL: BOT-BUD.94-95]
MEMORANDUM

March 17, 1994

To:    Dr. Peter MacDougall

From:  WB. Martin Bobgan

Re:    Vice President, Continuing Education Division

In order to best understand the importance of the Vice President, Continuing Education's position and how it functions, it is first necessary to understand how the noncredit division functions in contrast to the credit division. In order to manage the credit division, released time is given to department and division chairs. These faculty members function as quasi-managers. The amount of released time and extended contract days for these faculty members is equivalent to over 11 full-time quasi-managers. In addition, there are various released full-time faculty members who also function as quasi-managers. And, there are a large number of faculty assigned non-instructional TLUs. (See enclosed) In other words, there are the equivalent of over 11 full-time faculty quasi-managers plus full-time faculty quasi-managers and a large number of faculty released time quasi-managers who report to four deans who in turn report to a vice president.

Also, to be kept in mind is the fact that there are 210 contract faculty and 18 temporary contract faculty. It is easy to see that there are a large number of contract faculty from whom to derive a lot of services in addition to classroom teaching.

Being on campus, you see daily and learn in detail all aspects of how the credit organization functions. In contrast to the above credit organization, the noncredit organization consists of five managers, and two full-time, non-teaching faculty members who primarily work on curriculum with the teachers in their departments. The two full-time non-teaching faculty also work as quasi-managers for part of their load. One of these two full-time, non-teaching faculty members is retiring and I am recommending only a 20-hour per week replacement employed on an hourly basis. Therefore, beginning in the fall, there will be five full-time managers and one part of a full-time faculty member quasi manager. And, Adult Education has no contract faculty from whom we can expect any services other than classroom teaching.

The division operates very simply and very economically. There is a vice president who supervises five managers who program over 400 hourly faculty members each term and offer over 2,500 classes annually in over 100 locations to over 36,000 different adults. And, this is done three times during the year plus the summer session. Aside from the one remaining non-
teaching faculty member in the fall, there will be no contract faculty members.* There is tremendous economy and efficiency in the noncredit management system.

Before describing the important responsibilities of the division, it is necessary to state the comprehensive goal of the division. The overall goal of the division is to continue to be the most intensive, most comprehensive and most community responsive in the state and to continue to be a model throughout the nation. Keeping this goal in mind, the following represent some of the responsibilities of the vice president. Any one of the following could be described in detail, but it would require too much space. However, I would like to describe some in detail to you personally so you understand what lies below the following brief statements.

1. Provides general administration leadership for the division.
   a. Analyzes organizational effectiveness and reassigns management responsibilities to fit the latest programming needs.
   b. Examines enrollments in all classes to determine where best to spend the division budget related to the priorities set for classes.
   c. Encourages programmers to keep abreast of potential classes, teachers, and speakers and provides leads to such possibilities.
   d. Provides leadership for the development of the curriculum and the setting of priorities for class offerings.
   e. Lead the division in offering over 2,500 classes annually. Approximately 250 are new each year.
   f. Present all new courses three times a year to the board and superintendent for approval and keep a catalog of all approved courses.
   g. Responsible for relationships and communication with the public schools and other facilities where classes are held and to seek out new locations where classes can be held. (238 different locations have been used over the years.)
   h. Maintain the computer software system which is an integrated system used for student registration, hourly payroll, certificated personnel, room scheduling, master course file maintenance and state reporting.
   i. Be responsible for and the final appeal for student complaints attempting to discourage individual complaints from unnecessarily reaching the superintendent.
   j. Prepare and supervise the annual budget.
   k. Supervise all purchases for the division.
   l. Supervise preregistration and registration and evaluate their effectiveness.
   m. Prepare state reports such as attendance, etc.
   n. Work with the Vice President, Academic Affairs on specific areas of credit and noncredit coordination such as ESL and Business/Technical.
   o. Attend college meetings such as CPC and the Superintendent's cabinet.
   p. Actively engage in campus meetings concerned with policies, procedures, curriculum and budget.

2. Community involvement.
   a. Continue to contact various local organizations with whom to co-sponsor classes. (The division has co-sponsored classes with 494 community organizations over the years.)
b. Recruit, maintain, and work with the Citizens' Advisory Council and its subcommittees. The council and subcommittees meet a total of 15 times during the year.

c. Maintain relationships with local organizations and particularly those with whom we have major programming interests such as the Santa Barbara Museum of Art and the Museum of Natural History.

3. Research and reporting.
   a. Keep figures each term and annually on important facts such as enrollments, hours of attendance, number of classes offered, average class size, cosponsoring organizations, teaching staff, programmers' loads, cancelled classes, facility use, etc.
   b. Conduct student surveys.

4. Provide publicity and promotion for the entire division.
   a. Produce a Schedule of Classes four times a year.
   b. Develop additional promotional literature for the division.
   c. Send out the Schedule of Classes through U.S. bulk mail to other colleges, universities, governmental offices, etc.
   d. Update the Advisory Council Handbook biannually.

5. Personnel
   a. Supervise and evaluate the five managers, senior account clerk-payroll, public information assistant and administrative secretary.
   b. Employ almost 300 nonclassified hourly persons to serve as teacher aides, toolkeepers, companions, registrars, lab teaching assistants, etc.
   c. Supervise overall employment of hourly teaching staff and consultants. The vice president is responsible for all teachers, classes, consultants, evaluations, and teacher related problems of the program coordinators who are classified managers.
   d. Hear all teachers complaints prior to their use of the Mediation Procedure.
   e. Represent the division in hearings once the Instructor Mediation Procedure is utilized.
   f. Responsible for the system of teacher evaluations.
   g. Provide assistance and monitoring of all large lecture series for smooth operating procedures.
   h. Provide inservice for all teachers at the annual faculty breakfast.
   i. Provide inservice to the teachers who report to the classified managers.
   j. Meet with and make presentations to the Continuing Education Instructors' Association executive committee.
   k. Sensitize the managers to increasing the number of ethnic minority teachers.
   l. Meet weekly with the programmers.
   m. Provide a monthly Faculty Bulletin with the paychecks.
   n. Update the Faculty Handbook annually.
   o. Along with a dean, supervise the Student Body, senior account clerk. The Student Body is a very sensitive source of revenue for the division.
Conclusion:
As you are aware, there is a projected 986.53 credit decline in FTES from 1992-93 to 1993-94. At $3,200 per FTES, that amounts to $3,156,896! Even if one calculates that some of this decline is in over cap FTES, the result is still a whopping amount of money. No such decline has occurred in Adult Education. In 1991-92, $200,000 was permanently removed from the Adult Education budget to pay for added contract faculty. All of the contract faculty were added to the credit program. Now we have the reverse of that situation. In addition, even though the district has a million dollar surplus in the construction fund after all current projects are paid for, the Adult Education Student Body is paying for about $400,000 of the current Wake Center project. This in light of the fact that the district has spent millions of dollars from the construction fund on the campus and almost nothing for Adult Education. This in spite of the fact that Adult Education has generated over 2 million dollars in surpluses over the years you have been here.

If the Ellen Downing certificated position is downgraded to a program coordinator, the new Vice President will be responsible for the hiring, "firing," evaluating, complaints and grievances of over 240 teachers per term and over 1,250 classes per year. And, the three programmers have over 150 new teachers each year.

Recently, I compared the daily rate of a program coordinator at the top with a faculty member at class I step 1. At the top, the program coordinator's daily rate is $136.72. At the bottom, a faculty member's daily rate is $155.80. The program coordinators cannot be expected to provide services for which they are neither qualified nor paid.

The very nature of the program being so vibrant with all the new classes each term, new teachers, and the inevitable detail, plus carrying out the assigned responsibilities as listed above, it has been necessary for me to get to work shortly after seven each morning and to work most every weekend in order to be on top of everything to assure an efficient administrative operation.

I realize that there may be 11 faculty positions that will not be filled by tenure track instructors. However, these positions will be filled at least by hourly teachers. But teaching by hourly teachers is as effective for the students as teaching by contract teachers. This cannot be done for the V.P. Continuing Education Division. The responsibility and complexities are too great; and the commitment needed is such that a permanent V.P. is needed to devote himself/herself to the great task of learning about and leading the division. Without the strong leadership of a V.P., the division will surely and quickly decline in importance and effectiveness.

ad

* Except the four, 80 percent contract Parent/Child Workshop directors.
<table>
<thead>
<tr>
<th>School Year</th>
<th>ADA (FTES)</th>
<th>Program Staff</th>
<th>Annual # of Classes</th>
<th>Summer Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-74</td>
<td>1622.03</td>
<td>6</td>
<td>1,269</td>
<td>no</td>
</tr>
<tr>
<td>1993-94</td>
<td>2140 (projected)</td>
<td>6</td>
<td>2500 (estimated)</td>
<td>yes</td>
</tr>
</tbody>
</table>

3/21/94

d:\misc\comp7393.doc
March 22, 1994

To: Dr. Peter MacDougall

From: Martin Bobgan

Re: Adult Education Funding

1. Present funding and restrictions, hiring/firing policies.

   Funding and restrictions
   There are nine categories funded by the state as follows:
   1. Parenting, including parent co-operative preschools, classes in child growth and development
      and parent-child relationships, and classes in parenting.
   2. Elementary and secondary basic skills and other courses and classes such as remedial
      academic courses or classes in reading, mathematics, and language arts.
   3. English as a second language.
   5. Education programs for substantially handicapped.
   6. Short-term vocational programs with high employment potential.
   7. Education programs for older adults.
   8. Education programs in home economics.

   Currently the state will pay the district to offer these classes. The district can choose to charge a
   fee for these classes. However, the state will then no longer reimburse the district for them. It's
   an either/or situation.

   Hiring/Firing policies
   The two Deans, the Coordinator 2, and the Vice President choose which classes will be offered
   and which teachers will be employed. For certain areas of the program, the Vice President
   selects and then assigns the classes and teachers to the Program Coordinators who are classified
   managers.

   Teachers are selected on the basis of those who have already applied. Once a year we advertise
   for individuals to apply for Adult Education teaching. Some teachers apply as result of our
   advertising, but most apply for other reasons.

   Once hired, we evaluate term by term whether or not to continue a class. Two major factors are
   involved in the decision to continue or not. These two factors are the ability to attract a
   sufficient number of students and to retain them. Because we wish to be as financially
   productive as possible, we do give precedence to those instructors who attracted and retained
   larger numbers of students.

2. Role of Adult Ed donations to the SBCC Foundation.
   I suggest you ask Jim Minow.

3. Role of discretionary funds allocated by the Advisory Council Finance Subcommittee.
   The Adult Education Student Body Fund has two major sources of income. The two major
   sources are optional lab fees and sales of books and supplies. Any profits derived over and
   above expenses are available for use.

   Study Session
   3/30/94
The Finance Subcommittee of the Advisory Council approves expenditures from the Student Body Account. In the past expenditures have been approved for such items as classroom furniture and equipment.

The Student Body Fund is audited annually along with other district accounts.

   (See March 14 and 16 CCLC memos.)

5. Possibility of fee based noncredit classes.  
   This is not currently permissible. If this issue is raised it may precipitate high fees for Adult Education.

   See questionnaire now being used.

7. Need to educate public regarding Adult Education funding restrictions--WHY WE CAN'T CHARGE MORE? 
   This is a difficult task. We can tell the public that it's illegal to charge an enrollment fee for state-supported classes. However, the explanation is difficult simply because I don't know why the legislation never permitted districts to charge a moderate fee. I doubt that the legislature even knows.

   We will, if the Superintendent and the Board approves, be charging more for enrollment fee classes.
CONTINUING EDUCATION DIVISION
Santa Barbara City College

310 W. Padre St.
Santa Barbara, CA 93105

Phone: (805) 687-0812
Fax: (805) 569-5457

MEMORANDUM

March 22, 1994

To: Dr. Peter MacDougall

From: Martin Bobgan

Re: Teaching Load, Continuing Education Division

As you are aware, a full-time teaching load for an Adult Education teacher is 25 lecture hours, 35 lab hours or some combination of the two. Since my first term in Adult Education, the division has restricted teachers to no more than two classes. This does not apply in the ESL area because a single class may meet five days a week.

The exceptions to this practice are for popular teachers who attract and turn away large numbers of students and where teachers are not available to teach, such as daytime computer classes. As you know, we at no time give any teaching load that exceeds 60% of full time. Therefore, no Adult Education teacher will teach more than 15 lecture hours, 21 lab hours or a combination thereof per week. Thus, even when additional classes are given, instructors are never given more than the 60% maximum.

The following are reasons for the two class limitation.
1. It provides a greater variety of teachers for students.
2. It provides more opportunity for diversity of teachers.
3. It prevents jealousies regarding work load.
4. A teacher with a large teaching load who leaves last minute or during the term creates difficulties with respect to replacements.
5. It avoids developing a staff that will be highly dependent upon hourly teaching as a sole source of income.
6. In the future, some law may give teachers benefits related to teaching load. I doubt such benefits would be given for such few hours per week of teaching. This could save the district a lot of money.

Our Instructors Association (CEIA) has for many years complained about this practice. The CEIA feels that instructors should be given more classes. The CEIA claims that Student Services and Academic Affairs have many counselors and teachers who are at 60%.

MB:ad

Attach: B - 4

Sandy Seaman

3/30/94
March 14, 1994

To: The File
From: Rita Mize
Re: Update re: Adult Ed

In recent weeks, the State Board of Education has directed Dave Dawson to resolve the adult education controversy by demanding immediate (i.e. by June 1994) return of "their" programs from Mt. SAC, North Orange, and Rancho Santiago. Meres has met with Dawson and heard his position, as well as received the State Department of Education’s (SDE) legal analysis which differs significantly from that of the community colleges and indicates that high school/unified districts have full authority for these programs. Meres has directed Ralph Black, Acting General Counsel, to continue negotiations with the SDE to seek common legal interpretations. However, there is little belief that this will be satisfactory for community colleges.

Meanwhile, the Chancellor held a conference call with representatives of the five affected districts (Mt. SAC, San Diego, Rancho Santiago, North Orange, and SF) and the League to determine next steps. All agreed that we should seek legislative resolution while continuing to pursue administrative channels through the Chancellor’s Office.

To that end, community college representatives have met with Cathi Davis, Legislative Advocate for the California Council for Adult Education (CCAE), the major K-12 adult education group. We drafted language which grandfathers all current programs (both high school/unified and community colleges) which were operating before January 1, 1993; and prohibits new programs (those begun on or after January 1, 1993) from operating or receiving funds unless they meet current requirements of a written mutual agreement with their local community college district. (This latter provision may be modified to allow these programs to continue in operation at their 1993-94 levels without community college agreement, but they would be restricted to their 1993-94 ADA levels of 15 ADA each until/unless they receive community college approval for expansion.)

Cathy believes CCAE will support this language. Her Legislative Committee met 10 days ago and was inclined to support it but was hesitant due to the Department of Education’s positions on this issue. Therefore, they have decided to wait for their Board of Directors to meet (tomorrow afternoon, March 15). Cathy will be working with her board to gain their approval, and will call Wednesday with final word.

Cathi has told her Board that the "Department of Education is leading them over the cliff" with its position, and she does not believe they should follow. She also indicated that she views the Department’s stand on this issue as "repugnant" and believes it endangers high school/unified programs as well as community college ones and does not benefit students.

Cathi has also spoken with Bob Wells, Legislative Advocate for the Association of California School Administrators. He thinks this bill is a great idea and believes his organization will support it.

Cathi has a call into the Department of Education to find out why they are so strongly opposed. She also intends to tell them that she does not expect her organization to follow.

If CCAE agrees to the proposed language, it will be amended into a current bill. (We expect that to be AB 1056, Alpert). If CCAE does not agree, there will be another conference call among Chancellor Meres and representatives of the League and the five districts to determine the next steps.

bcc: Cindra Smith
      Peter MacDougall
Employees Paid by the Foundation

- The Foundation's total operating budget is now about $550,000 per year.
- In many community college districts, Foundation personnel and grant writers are paid by the District. At SBCC the Foundation pays for all its staff and benefits at no District expense.
- For the 1992-93 and the 1993-94 fiscal years, the grant writer housed in the Foundation office will be paid by the District.

The Foundation for SBCC
Annual Gift and Budget Totals

The Foundation for SBCC
March 16, 1994

To:
Rancho Santiago CCD
Vivian Blevins, Chancellor
Margaret Manson, Asst. Dean Cont. Ed. Division
Kathy Mennealy, Vice Chancellor, Centennial RSCCD

San Diego CCD
Augie Gallego, Chancellor
Fred Colby, Trustee

San Francisco CCD
Dale Shimasaki

Mt San Antonio CCD
Bill Feddersen, Superintendent/President

North Orange CCD
Tom Harris, Chancellor

Chancellor's Office
David Mertes, Chancellor
Rita Cepeda, Vice Chancellor
Norma Morris
Gus Guichard, Vice Chancellor
Joe Newmyer, Vice Chancellor

Tom Travis, First Vice President, ACCE
Judy Michaels, Legislative Advocate, CFT

From:
David Viar, Executive Director
Rita Mize, Director of Research and Policy Analysis
Bonnie Slosson, Director of Governmental Affairs

Re: Adult Education Legislation

As you know, we have proposed language to Cathi Davis, Legislative Advocate for the California Council for Adult Education (CCAE) for a jointly-sponsored bill on the subject of adult education. In simple terms, our language included two major elements: (1) Grandfathering of all adult education programs, whether run by a high school/unified/or community college district, which were in operation before January 1, 1993; and (2) Elimination of all new start-up programs begun since January 1, 1993 if they do not have a signed mutual agreement with their local community college district. CCAE's board met yesterday afternoon and agreed to our language with the following modifications:

1) Rather than eliminate programs begun since January 1, 1993 if they do not have a signed mutual agreement, they propose language to freeze such programs at their 1993 level (i.e., 15 ADA per
district) until and unless they have a signed, mutual agreement with their local community college. (We have all discussed this in the past and agreed that this would be an acceptable amendment.)

2) They suggest that we grandfather all programs in place before January 1, 1993, except the six to 10 high school/unified districts and the three community college districts (Mt. San Antonio, North Orange, and Rancho Santiago) which have filed or received administrative complaints since January 1993. They believe these disputes might be resolved more appropriately through the administrative process or the courts. Cathi indicates that this amendment is a politically-expedient one on their part. Her group believes that this bill is an easy one without the three community college districts and their respective high school/unified districts: she believes it will be too dangerous to insert these districts due to the volatility of the situation and the likelihood of becoming embroiled in a major political battle if their legislators enter the fray or seek a gubernatorial veto. If this were to occur, it would endanger the bill and possibly the stability of all other districts and students who would be better served by grandfathering programs in place. As Chancellor Mettes mentioned in our last telephone conversation, a major battle over adult education also is likely to detract seriously from our attempts to secure general funding for community colleges in the legislative session.

The League staff believes that the best interests of all parties would be served by the inclusion of Mt San Antonio, North Orange, and Rancho Santiago. However, we also recognize that our chances for a successful bill are increased significantly by the co-sponsorship with CCAE and the other unified/high school support which they can generate.

We propose that the CEOs of Mt. San Antonio, North Orange, and Rancho Santiago Community College Districts meet immediately with your legislators. Inform them of this matter and gain a solid commitment from them that they will be either supportive of our bill or at least neutral on it. We will need to have these commitments secured by April 4th so that we can respond to CCAE. Once these commitments are gained, we can prove that inclusion will not create a political difficulty.

If we can be of any assistance in this matter, please contact either Rita or Bonnie at (916) 441-0353 or David at (916) 444-8641. We look forward to receiving word that all three districts have gained the necessary commitments to allow us to introduce our language.
Endowment and Asset Growth

The Foundation for SBCC
Anticipated Dissolution Dates of Trust Gifts of $500,000 and Over

<table>
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<tr>
<th>Trust #</th>
<th>Current Asset Value</th>
<th>Probable Date Available for SBCC Use</th>
<th>Estimated Value at Dissolution Date</th>
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The Foundation for SBCC
The Annual Fund

- Telemarketing and Direct Mail fundraising to:
  - Alumni
  - Parents of Students
  - Adult Students
  - Adult Education Students
  - General Community
The success of the Annual Fund is the primary reason behind the explosive growth in the number of donors to SBCC.

- Ms. Louise Rosen is the Director of the Annual Fund.
Business & Industry Associates

- Develops relationships with and raises money from local business.
- In its second year, the Business & Industry Associates has 250 corporate members.
- A major community public relations vehicle for the College.
- Helped develop SBCC's new Internship Program.
- Sponsors a successful luncheon series bringing national and international CEOs to SBCC and the Santa Barbara business community.
- Ms. Kathleen Fors is the Director of the Business & Industry Associates.

The Foundation for SBCC
DATE: 03/18/94

TO: Dr. Peter MacDougau and Vice President John Romo

FROM: Jack Friedlander, Dean of Academic Affairs

SUBJECT: Budget Update for the Business Outreach Program

Attached is the cash flow report for the Business Outreach Program that was compiled by Dave Pickering and validated by Richard Molsby. As of now we are projecting an end-of-year deficit of $14,156. This projection is based on the following assumptions:

1. The project with RP Richards will be approved by ETP in April and will begin in May. The project will generate $11,333 a month for 15 months beginning in May.

2. The Business Outreach Program will generate $34,837 in new income in June. The income for June will come from the following sources: (1) PS Medical’s project will be approved by ETP in May and it will generate $10,344 a month for 15 months beginning in June; (2) RP Richards will be billed for $11,333 for services provided in June; and (3) the Santa Barbara News-Press ETP project will be approved in May and will generate $13,000 a month for 15 months beginning in June.

3. DAKO Corporation/Deckers, Ridal and possibly WCT Communications are strong possibilities for having their projects approved by ETP in June. Income derived from these potential projects was not included in the future income projections. These companies are potential backup projects for those identified above in point 2.

4. Income derived from small projects and the SBAC is not included in these projections.

At our meeting in February, it was anticipated that contracts with Renco and ITT would be approved by the ETP at is April meeting. Due to very heavy production requirements, Reno felt that it could not divert any of its staff from production to participate in training at this time. The company is still committed to work with us, but it asked to delay the start of its project until an unspecified later date. This is a $90,000 project and the anticipated income has not been included in any of our calculations. The CEO at IT was given the impression by his Human Resources staff member who was working with us on this contract that the project would make money for the

At the 3/30/94
company (the difference in what ATP is billed minus the actual costs of the training would be kept by IT as profit). Upon learning that this was not the case, the CEO decided not to submit his application to ATP.

RECOMMENDATIONS FOR CONTINGENCY PLAN

At its current staff level, the Business Outreach Program needs to generate $35,000 a month to break even. This figure includes the cost of trainers and other expenses to provide the services required to generate this amount of income. Although the Business Outreach staff is currently developing projects that will generate income far in excess of the $35,000 a month required to break even, it would be prudent at this time to institute a contingency plan to protect the District in case the anticipated projects are not funded.

Recommendation 1. All staff on "soft money" in the Business Outreach Department should be notified that their positions will be terminated this year. Chris Briner, Dorothy Campos, and Christina Kelly-Romero should be given 30 days notice on April 1, 1994. Shirley Lemmex, Ely Pitts and Victoria Fernandez should be notified that their jobs will be terminated at the end of June, 1994. If and when $35,000 in income from new projects is realized, all staff members will have their layoff notices rescinded.

Recommendation 2. The Business Outreach Department will need to generate $27,000 a month to pay for the salaries of Shirley Lemmex, Ely Pitts and Victoria Fernandez and the training expenses needed to generate this level of income. The layoff notices to these three individuals should be retracted if new projects generating this level of income are realized. The order of call back would be Shirley Lemmex, Victoria Fernandez, and Ely Pitts. Shirley is needed to manage the projects and help Richard generate new contracts. Victoria is needed to provide contract administration. Ely should be called back to allow for additional time to make his operation self funded. The Business Outreach Program would need to generate $20,000 a month to keep Shirley and Victoria employed.

Recommendation 3. If less than $20,000 a month in income is generated by the Business Outreach Department, then the staff should be reduced to Richard Molsby, Victoria Fernandez and Maria Buell, the department secretary. These individuals would manage the existing projects and work on generating new projects. If the Department is not able to produce $20,000 a month in new income by November, 1994, the remaining individuals should be informed that effective June, 1995, they will either not have their contracts renewed (Richard Molsby), their positions will be terminated (Victoria Fernandez) or they will be reassigned (Maria Buell).

Conclusion
Given the amount of activity underway with the generation of new contracts, I am reasonably confident that we will generate sufficient income to keep the operation going. The question is whether the new contracts will be in place in time to avoid layoffs.
Scholarship Program

- The Foundation awarded over $140,000 in scholarships to students last year.
- Over $40,000 is from a single program, the Adopt-a-Student Assistance Program (ASAP).
- Five years ago, the Foundation awarded less than $25,000 in financial aid support.
- Ms. Kathleen Fors is the Director of the Foundation's Scholarship Program.

The Foundation for SBCC
Santa Barbara City College Alumni Association

- One year old.
- The Association has an active and hard-working board.
- The Alumni Association will assist with the Concours d'Elegance classic auto show sponsored by the Scholarship Foundation of Santa Barbara.
- Ms. Louise Rosen also serves as Director of the Alumni Association. Ms. Kimberly Peden is the Alumni Coordinator.

The Foundation for SBCC
AFFINITY CARD AGREEMENT

THIS AGREEMENT, entered into this ___ day of March 1994, by and between:

The Foundation for Santa Barbara City College, a nonprofit California Corporation having its principal place of business in Santa Barbara, Santa Barbara County, California, sometimes hereafter referred to as "FSBCC".

AND

CITY COMMERCE BANK, a California banking corporation having its principal place of business in Santa Barbara, Santa Barbara County, California sometimes hereafter referred to as "CCB".

WITNESSETH:

WHEREAS, CCB sponsors credit cards under the name MASTERCARD and has approached FSBCC concerning the possible issuance of what is known as an affinity card to persons connected with FSBCC and

WHEREAS, FSBCC is desirous that CCB, issue a credit card with an affinity to FSBCC under the terms and conditions set forth herein;

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby and in consideration of the mutual promises and covenants contained herein, do agree as follows:

I. CCB and FSBCC staff shall design an affinity credit card program through the MASTERCARD credit card system that will identify the credit card with FSBCC and with MASTERCARD and which will include various benefits and enhancements as provided by MASTERCARD and CCB. Individual benefits may be subject to change during the term of this agreement.
2. The existing CCB business card application will be used for FSBCC's purposes combined with an introductory letter from CCB and/or the FSBCC, or a representative both parties agree upon. CCB will be responsible for the production, storage and maintenance of the business card application form.

B. Card Stock

1. CCB's existing Card design and stock will be used with either a fourth line of embossing or hot stamping (to be determined by the parties and with MASTERCARD approval), to communicate the cardholder's association with FSBCC. CCB will be responsible for the production, storage and maintenance of card stock using the existing design.

2. Upon reaching a combined total of 2,000 Student and Standard cards, FSBCC may provide CCB, at FSBCC's expense, with camera ready, CCB and MASTERCARD approved artwork and proof for a custom card design. CCB agrees to produce the custom cards at CCB's expense and be responsible for card storage and maintenance.

C. Target Market

1. Cards will be marketed to all FSBCC affiliate groups including:

   a. Current students
   b. Adult Education students
   c. Alumni
   d. Parents of former and current students
   e. Faculty/Staff
   f. Business and Industry Associates
   g. Foundation Board/VIP's/President's Council Members
   h. Non-alumni volunteers serving the College in various capacities
   i. Any person who has an affiliation with or affinity to SBCC.

D. Publications

1. CCB will make Cardholder statement messages available for FSBCC use eight (8) times per year, at CCB's expense.
CARDS: Issuers ‘know, if they catch them at that age they’ll use it for years

Continued from 1E1

"The credit card issuers "know, if they catch them at that age, they'll pretty much be using that card for many, many years," said Nancy Johnson, president of Consumer Credit Counseling Service in
Bakersfield.

"We see this happen a lot," Johnson said, "young people are aggressively marketed. They don't have a job or a credit rating but they can get a card. They can sign up without their parents OK."

Credit card issuers have targeted college students particularly in the past five years, said Ann Walsh, a California State University, Bakersfield lecturer who is studying credit card use among college students.

Information tables set up on campus, flyers posted on bulletin boards and placed in textbooks have been part of a "major initiative" by credit card issuers, said Walsh, who has a doctorate in business philosophy.

heard students talking about how easy it was to get a credit card.

"I thought you had to have a credit rating, an income and all those other things," she said. But when Walsh examined credit card flyers and other marketing items, she found the requirements minimal.

"You have to be 18, you have to have an income source, but that can be student aid, your parents, or just about anything."

A credit history is required. But a "blank slate" is acceptable, she said. "Almost anyone in college can get a credit card."

Walsh delved further into the matter by beginning an ongoing survey of credit card use on the CSUB campus. She will present her first findings at the Western Decision Sciences Institute annual meeting in Hawaii this week.

Walsh surveyed about 100 CSUB business students of the CSUB students, 60 percent owed more than $100.

Fourteen percent of the Iowa State students owed more than $1,000. At CSUB, 20 percent owed more than $1,000.

Forty percent of the Iowa State students didn't pay off the full balance each month. Among the CSUB students surveyed, 58 percent didn't pay the full balance each month.

At Iowa State, 25 percent of those surveyed had one credit card, 15 percent had two and 32 percent had three or more cards.

At CSUB, 14 percent had one credit card, 12 percent had two and 55 percent had three or more.

The people who might be most surprised by these numbers are the parents of these students, Walsh said. "Many parents don't know their children can do this. They think the kids will have to get them to co-sign. But they don’t."

Many college students learn lessons in debt

By JOHN C. TEVES

A college education is a fixture in the American dream. Work hard, get a degree and you can get ahead in life.

But for many college students, getting a degree isn't going to mean getting ahead. At the end of their college years, they have a degree and perhaps a good job. But they also have a heavy debt load, including college loans and, increasingly, credit card debt.

Concerns about the growth of credit card debt among college students has risen dramatically in recent years. Earlier this month, a House Banking subcommittee on Consumer Credit and Insurance began hearings on bank credit card issuers who issue credit cards to young consumers.

Many are students who must finance their education with their credit cards and, without a job or other source of income, pay only the minimum payment each month. As a result, they wind up putting themselves in debt for years, even decades.

A student who runs up a balance of $5,000 could take two decades to pay it off. At an average interest rate of 16.5 percent and a typical monthly payment of 2.5 percent of the total due, it would take 20.5 years to pay off the debt. That figure assumes the student does not make any more charges or purchases.

And that could be getting off light. According to The Associated Press, a recent study found that the average undergraduate borrower carried away a debt load of $7,000.

Compounding the problem is what some have characterized as the aggressive pursuit of college students by some credit card issuers.
March 3, 1994

Dr. Peter R. MacDougall  
Superintendent/President  
Santa Barbara City College  
721 Cliff Drive  
Santa Barbara, California 93109  

Re: Santa Barbara City College vs. Christopher Carroll  
(Fence Matter)  

Dear Dr. MacDougall:  

Please find enclosed herein a conformed copy of the Complaint  
for Mandatory Injunction filed on March 2, 1994, in the above- 
entitled matter.  

We have obtained service upon Mr. Carroll.  

Please call me if you have any questions or comments.  

Yours very truly,  

Thomas P. Anderle  

TPA/pmb  
Enclosure  

[Handwritten notes on the bottom right corner:  
Attack D: 8  
Study Session  
3/30/94]
RESOLUTION NO. 15-934
DIFFERENTIAL FEE LIMITS ACCESS,
HINDERS ECONOMIC RECOVERY

WHEREAS, California Community Colleges have been forced to charge students holding university degrees much higher enrollment fees than other students; and

WHEREAS, this policy of "differential fees" has led to the loss of more than 1,000 students with university degrees at Chabot and Las Positas colleges in one year, and more than 54,000 students at community colleges statewide; and

WHEREAS, before the differential fees were levied, one-half of our students with university degrees were upgrading their skills, learning a new career or taking vocational training, and 29 percent had household incomes of under $25,000; and

WHEREAS, senior citizens, women re-entering the workforce, single parents and the economically disadvantaged have been particularly hurt by these fees, with many priced out of higher education because of their fixed or limited incomes; and

WHEREAS, community colleges give Californians their best hope in gaining access to higher education and job training, and are critical to this state’s future economic growth; and

WHEREAS, the state’s economic recovery cannot succeed if we force vital groups needing job training or retraining out of the educational arena because fees are not fair, moderate or predictable;

THEREFORE, BE IT RESOLVED that the Chabot-Las Positas Community College District Board of Trustees does hereby register its opposition to the differential fee system. We call upon California Community Colleges Chancellor David Mertes, Governor Pete Wilson, and members of the Legislature to work to rescind these fees and restore full access to higher education to the citizens of this state.

PASSED AND ADOPTED by the following roll call this 1st day of February 1994:

AYES: Lewis, Craig, Cedillo, Cooper, Dvorsky, Schrader

NOES: None

ABSENT: Tangren

[Signature]
President of the Board of Trustees of the Chabot-Las Positas Community College District

[Signature]
[Stamp] 3/30/94