I. Finance

A. 1993-94

Reviewed were: the state's projected property tax shortfall (approximately 2.5%, and a projected $750,000 reduction for SBCC); possible consequences of the 1993-94 enrollment decline; and, the strategy designed to respond to this situation. If the 2.5 percent property tax shortfall materializes, the deficit could be in the range of $300,000 to $750,000. The critical variable is the ability of the College to reach its funding cap and qualify for overcap basic skills funding.

The District strategy to respond to the situation is to increase the FTEs in the noncredit division. Specifically, three weeks will be added to the spring term, making it a ten-week term. This should result in an increase of 150 FTEs. In addition, if as anticipated this takes place, the deficit would not exceed $350,000. End-of-year balances, will help to absorb this deficit, but will greatly reduce the amount transferred into the construction fund.

Thus, with the $400,000 budget realignments made for the 1993-94 budget, the District will handle the shortfall without making additional cuts during the current year.

B. 1994-95 Budget Alternatives

The Superintendent/President reviewed the situation involving the best case, possible outcomes and the worst case. The probable outcomes of each of those alternatives were reviewed with the Board.

It was made clear that any one of these alternatives might materialize and certainly the worst-case picture was not at all improbable. Given the alternative of a less than favorable situation materializing, the Superintendent/President recommended that the best-case alternative be the one that is pursued in the development of the College's budget.

The rationale for this approach was that even the "possible alternative" would require a reduction of nearly $1 million to balance the budget. These would have to be permanent cuts and with the short period of time available would have to involve personnel. Further, at present there is a reserve fund that would help us absorb the shortfall while the College takes more time to adjust. The fiscal situation is unstable. The President and Dr. Hanson will monitor this closely and will make adjustments accordingly.
The Superintendent/President also outlined the approach to cuts this year being different than the approach taken last year; specifically, four faculty positions are not being replaced. This results in a reduction of $100,000; $130,000 from the instructional hourly budget; $80,000 from classified hourly, and $90,000 from 4000 and 5000 accounts. A list of the possible reductions was shared.

After considerable discussion, the consensus supported the approach to the budget taking place under the best-case scenario.

C. Long-Term Planning

The Superintendent/President outlined his assumptions regarding the likely level of support from the State of California over the next five years. Also, the fiscal planning objectives or principles that need to guide the College as it operates with "steady state" funding and meets staff needs for salary adjustments at least consistent with cost of living changes. Specifically, the principles are:

♦ The College’s core educational program must enable the mission of the college to be achieved and of sufficient size to assure the College meets both its funding FTE cap and growth objectives.

♦ Educational program quality and service to students and the public cannot be diminished, and should be enhanced.

♦ Building and grounds upkeep must be maintained.

♦ Equipment replacement and instructional support dollars should be maintained.

♦ Lay-off of staff should be averted if at all possible.

♦ Every effort should be made to assure that salaries do not deteriorate; i.e., that at a minimum the salaries are increased consistent with increases in the cost of living.

With these thoughts the Superintendent/President discussed the magnitude of the budget realignments that would have to occur over the next five years and the difficulty in doing that.

There was a consensus and support for what was sought, the principles that would guide that direction, and the process that would be followed.

II. Summerland Property - Status Report

It was communicated that the property that had been reviewed for possible acquisition by the College was now in escrow with a Carpinteria firm and that a sales agreement had been reached. Only if the agreement fails to materialize will the College be able to exert efforts to acquire the property. Disappointment was expressed on the College not being able to effect the acquisition.
III. Foundation for Santa Barbara City College

A. Continuing Education Program

A review was held regarding possible areas of vulnerability for the Continuing Education Program and the need to identify endowments to support parts of the program for which funding may be reduced over the next few years. A specific example was the possibility of a campaign to endow support for the Mind/Supermind series by naming it in honor of Ellen Downing, long-term coordinator, who has announced plans to retire effective August. This was supported.

B. Naming Policy for Buildings

There was a consensus supporting the existing policy where naming opportunities would be consistent with the estimated worth of the project. In evaluating cash gifts, it was agreed that the worth of the gift would be viewed as having a value of a deferred gift in which interest at eight percent was compounded over a ten-year period. Essentially, this means that a gift of $100,000 in cash would have a naming value of $215,892.

C. Operating Issues Regarding the Foundation

The Superintendent/President reviewed governance, fiscal control, programs, and future direction. He offered his opinion that he feels the Foundation is operating soundly; however, he wanted to be sure the Trustees were comfortable with the operation and if there were any concerns they should be identified before a problem manifested itself. No issues were forthcoming.

IV. Miscellaneous

A. Legal Issue Regarding Property Adjacent to SBCC West Campus

The Superintendent/President reviewed with the Board members a copy of the communication which he will send to the property owner on the West Campus.

B. Women's Day Conference

It was announced that the Women's Day Committee had incorporated under 5013C organization and the group was no longer using the Foundation for donations.

C. Facilities

No discussion of this item took place.

D. Trustee Conferences

It was announced that Ms. Livingston and Mr. Villegas would be attending the legislative conference. Some discussion took place about the annual CCCT conference in La Jolla. Board members will decide whether they will attend that conference.
E. Continuing Education Program

1. It was announced that funding for the Citizenship Center would be for a two-year period.

2. The distribution of courses among the nine funded categories of adult education were reviewed. Also, the ethnic distribution participation rate from our community in adult education was noted.

F. Title IX

There was discussion regarding the law on complying with gender equity in athletics. Board members offered various suggestions in terms of how to respond to that issue.

The meeting adjourned at 8:45 p.m.

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Peter R. MacDougall
Superintendent/President
Secretary to the Board of Trustees