District Counsel Selection Process

Potential Candidates:

- Don Boden
- Fred Clough
- Susan Ehrlich
- Brad Ginder (Hollister/Brace)
- Brian Gough/Joe Howell, Jr. (Howell/Moore/Gough)
- Rick Hardin
- Craig Price
- Gary Ricks
- Gary Robinson
- Stanley Roden
- Michael Schley

Fees:

- Current fees versus “market rate”

Process:

- Discussion with the Board; proceed to work with 2-3; and decision.
SBCC / GOVERNET MARKETING AGREEMENT

Draft Concept

In principle, SBCC will pay for the development of a Student Information System (SIS), intended principally to serve SBCC. SBCC will also modify certain Oracle software, as well as other third party software, to achieve a high level of integration with the SIS. The resulting “WEBCC Suite” will be marketed and supported by Governet to all external clients. While the original development effort borne by SBCC resources will be focused primarily on internal needs, the future changes Governet may make to the original software will be focused on external market demands, not internal SBCC needs.

As each new client acquires and installs the WEBCC Suite, it is anticipated that numerous additional changes and enhancements will be required. While the original role of Governet will be marketing, this will shift progressively to include not only conventional implementation and support but also significant redevelopment of the original systems using new tools and perhaps even new database and other structural redesign. The entire cost of these new developments will be borne by Governet. Governet will also bear the total burden of any potential liability arising from the sale and use of said software by future clients.

As a consequence of these changing roles, the proposed revenue sharing is based on a sliding scale. At the end of five years, SBCC’s return is set at a fixed percentage of 50% until such time as SBCC has recovered 200% of its original investment.

1. SBCC owns the software until it achieves a 200% return on its investment; Governet markets, modifies, installs, and supports it under a long-term contract. Governet makes all future development changes for external clients. SBCC has a perpetual right to such future enhancements at no charge for product license fees. Governet bears 100% of any product liability from future external clients that might arise from the sale or use of these products.

2. Revenue is shared according to relative roles over time. Sharing is based on gross revenues (not net) for each category of revenue:

   - Product License of WEBCC Modules (SIS, Instructional Delivery, etc):
   - Oracle Product Licenses:
   - Implementation Services
   - Consulting
**SBCC Share of Future Revenues, by Class of Revenue, by Year of Onset**  
(WEBCC Modules may have different years of onset)

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1. SBCC’s revenue goal: recovery of 200% of original investment (the amount of the original investment will be determined by SBCC).

2. At the point at which SBCC achieves a 200% return on its original investment, revenue sharing ceases, but SBCC will have earned a 10% share in the equity value of the product. That is, if the product is sold as an asset to any third party, or if Governet is acquired by a third party, SBCC will be entitled to 10% of the valuation of the software product at that time.

3. In the event of a possible future sale of the developed products by Governet, or of Governet itself, SBCC shall have the right to approve any sale or transfer of rights relating to these products to any third party. If SBCC approves such subsequent action, it shall be entitled to a share of the proceeds of such a sale as follows:

   - If the sale is before the end of the five-year term of this agreement, the parties will each have a pro-rata share of the proceeds from the sale of these products based on the date of the sale. In no event will SBCC receive less than 10% of the share of the proceeds.

   - If the sale is after the end of the five-year term of this agreement, SBCC shall receive a 10% share of the proceeds from the sale of these products.
### 1995-96 Budget Categories (01-0000-9040)

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### 1996-97 Budget Categories (01-9059)

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## Database Conversion Project Implementation Costs

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## Sources Of Funding

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Information technology is increasingly a mixed blessing for higher education in the United States.

On the one hand, technology enthusiasts revel in the rich information resources and the collaborative opportunities provided by the Internet. On the other, many educators and administrators are beginning to worry about the vast expenses imposed by trying to keep up with technological changes and the hiring of experts to run complex networks.

Concerns are also growing over the blurring of the line between education and training, and over the penetration of the university by corporate agendas, especially by companies that want to lock students and faculties into proprietary software and hardware standards. Two recent cases in California illustrate these worries rather starkly.

The first is the California Educational Technology Initiative, or CETI, proposed by the California State University system. CETI is a proposed 10-year contract between CSU and four large technology corporations: Microsoft Corp., GTE Corp., Fujitsu Ltd. and Hughes Electronics Corp. The companies would provide technology and networking to CSU campuses, which would in turn charge
DIGITAL: Schools’ Costly Commitment

Continued from D1

students and campus budgets to repay the for-profit partnership—a deal potentially worth more than $5 billion to the firms. The deal is on hold because of widespread criticism and alarm from students, the faculty, a few state legislators and companies not part of the partnership. The California State Student Assn. passed a resolution opposing any “privatization of the California State University as a whole.”

CSU administrators saw this partnership as a way to bring state-of-the-art technologies to their campuses without begging the Legislature for more funds.

But David Klein, a professor of mathematics at Cal State Northridge, wrote in an op-ed piece in the Los Angeles Times on Jan. 11: “CETI would lock campuses into standardized proprietary technology, placing graduates at a disadvantage for finding employment with non-CETI companies. Professors would be rewarded for marketing products to their students. CSUN’s mission would shift a few degrees away from educating students and a few degrees toward fleecing them.”

The second case involves another new university-sponsored for-profit corporation, UCLA’s Home Education Network, which is also a partnership with private corporations, including Times Mirror Co., publisher of The Times.

The Home Education Network is in the business of selling Internet-based education, sometimes called “distance-learning.” UCLA administrators are edging toward a policy in which UCLA faculty members may be forced to make their course curricula and other teaching material available to the Home Education Network as the “intellectual property” of the university, to be sold in a for-profit market, that many experts think will boom over the next decade.

UCLA’s new venture and similar efforts around the country were blasted recently in an essay by noted technology critic David Noble, an American who teaches in Canada’s York University. “Digital Diploma Mills: The Automation of Higher Education” has been circulating on the Internet and was published this month in an online scholarly journal, First Monday (http://www.firstmonday.dk/issues/issue3_1/noble/index.html). It’s been generating a good deal of discussion among academics.

Noble writes, “Universities are not simply undergoing a technological transformation. Beneath that change, and camouflaged by it, lies another: the commercialization of higher education.”

Distance-learning and online courseware are hot topics among university officials. Two weeks ago, Gov. Pete Wilson announced a “California Virtual University” project, with a proposed budget of $12 million over the next three years. Western Governors University, based in Salt Lake City, grants degrees using online courses, collecting courses from 16 states and Guam. Duke University in North Carolina offers a master’s degree in business administration online. The cost: $32,500.

University officials typically cite the growing market for “lifelong learning,” especially among people who can’t take time off from jobs to return to college. Noble cites a report from the investment firm Lehman Bros., which estimated the market to be several hundred billion dollars in the near future, a “focus industry” for investment. “In the future, an institution of higher education will become a little like a local television station,” Utah Gov. Mike Leavitt has said.

Faculties have many reasons to be alarmed by such trends, of course. The ultimate realization of “virtual universities” would be a market-driven panoply of courses offered by “stars” in each respective field, eroding the need for depth in university faculties and fostering a kind of celebrity hierarchy driven by profit.

There is also a disturbing trend pointing toward “competency-based” training online, substituting for full, well-rounded liberal arts education. In response to President Clinton’s announcement last week of millions of new dollars in training funds to support the expansion of the nation’s high-tech work force, Barbara Bolin, the associate vice president for Austin Community College in Texas, said, “Industry needs competencies, not degrees.”

There are rumors of plans underway at Microsoft for a “Microsoft University” that would confer “certificates” of competency for specific Microsoft software products. Western Governors University already offers such certification programs.

In fact, critics of the White House plan for training high-tech workers have pointed out that tech companies will run with this money and simply attempt to expand their user base rather than truly train workers for an ever-changing economy.

Underlying the misgivings of many academics about the trends illustrated by CETI, the Home Education Network and virtual universities is the suspicion that administrators, legislators and university trustees, under pressure because of mounting technology expenses, are capitulating to the high-tech industry’s political agenda, which is clearly hostile to educational principles such as faculty governance and social critique.

In other words, some academics are starting to view their institutions as emergent clones of market-driven high-tech companies instead of as universities and colleges. Recent attacks on tenure across the country—a principle not coincidentally reviled by many high-tech leaders—only fuel such suspicions.

By now, nearly every faculty member and student in every college and university uses a computer every day. But the glowing screens of those machines may come to represent, for some, the ghastly presence of some alien and unwelcome ideas.

Gary Chapman is director of the 21st Century Project at the University of Texas at Austin. He can be reached at gary.chapman@mail.utexas.edu
When Public Needs Meet Private Money

Proposed Deal Between Companies and Universities Is Under Fire

By LAURIE FLYNN

SAN FRANCISCO, Dec. 21 — The California State University system, the nation's largest network of universities, is embroiled in a spirited battle over a proposal to recognize four companies as the exclusive providers of networking, telecommunications and computing technology.

The plan, one of the most ambitious partnerships ever forged between the private sector and public education, was proposed three months ago as a way to finance much-needed new technologies for the 23 campuses and the 330,000 students of the financially constrained system.

Since then, students and faculty leaders on nearly every campus have debated the plan, which would give the four companies the exclusive right to install high-speed networks within the campuses, and the right to provide E-mail and other network services, to maintain the computers used by the staff and administrators, to develop software and to provide training and support.

The consortium, led by the telecommunications giant GTE and includes Fujitsu, Hughes Electronics and the Microsoft Corporation. Under the proposal, called the California Educational Technology Initiative, or CETI, the four companies would invest more than $300 million to install and maintain computing and communications equipment.

Although top university officials have hailed the proposal as a boon for the campuses and the companies involved, a growing number of students and faculty members are attacking it as anti-competitive and a threat to the principles of higher education.

A rally protesting the initiative attracted about 200 students at San Francisco State University two weeks ago, said Nathan Newman, president of Net Action, one of the groups leading the drive against the initiative.

A similar protest took place at Humboldt State University and included a group of students who replaced the school's entrance signs with ones that read "Microsoft University." Mr. Newman, who said 200 students had participated in the Humboldt rally, though university officials said the crowd was much smaller.

Net Action has long been a vocal critic of Microsoft's business practices, and indeed, the involvement of the software giant is among the most controversial elements of the proposed deal.

Even before the protests, mounting public pressure had led the system's board to delay a vote on the proposal until after a special hearing by the State Assembly, which will be held on Jan. 6.

One of the signs at Humboldt State University was revised to protest a plan that would give Microsoft exclusive rights to install high-speed networks at California universities.

"Much more discussion needs to take place of the ethical dilemma of a public-private partnership in education," said Kenneth B. Peter, chairman of the academic senate at San Jose State University, which voted unanimously to oppose the current plan.

"The question is whether the values of the private sector and public education can work together," he added.

One concern, Mr. Peter said, is that public employees might participate, whether inadvertently or intentionally, in serving the business interests of the consortium's member companies.

Other skeptics, including the union that represents the majority of university staff members, are worried that the consortium could jeopardize jobs as work now being done by the university is transferred to the companies.

Furthermore, critics say, handing over the university's entire computing business to a single private entity could transform the schools into training grounds for the companies' products.

For example, they warn that the arrangement could promote the use of personal computers that run Microsoft's Windows operating system over those that run Apple's Macintosh system or could encourage use of Microsoft's Internet browser, Explorer, over the Netscape Communications Corporation's browser, Navigator.

A chief concern of critics is that the initiative's business plan calls for the partners to generate revenues as high as $3 billion over 10 years by marketing services like pager accounts, technical support and high-speed Internet access to students and faculty members, who would become a captive audience for the partners' products.

Mr. Newman of Net Action asserted that universities, as incubators of innovation, should be technologically neutral. The initiative could turn the campuses into training schools for Microsoft, he said, which in turn could help the company control standards.

This is particularly important at the huge San Jose State campus, in the heart of Silicon Valley, where many of the school's graduates find jobs in technology companies every year. But the initiative's members and supporters insist that the critics are misinformed about how the consortium would work.

Much of the criticism of the initiative seems to focus on Microsoft's role rather than on the basic relationship between the private sector and public education.

Alluding to the investigation and antitrust lawsuit under way by the United States Justice Department, Mr. Peter said, "We're not sure we want to be partners with a company that may be guilty of antitrust violations."
The Total Endowment: The Endowment is a funding resource for SBCC and is derived from major gifts received through the Foundation for SBCC. The endowment provides a base of ongoing financial support that can enable SBCC to maintain a "margin of excellence" in its programs and services for students and our community.

True Endowment Funds: These are funds for which the donor has specified that the gift principal must be held in perpetuity. Only the spendable portion of the fund may be utilized for the donor's designation.

- Designated Endowment Funds - Funds where the donor has provided clear instructions and specified that a particular program, department, or purpose receive the annual spendable portion of the Endowment Fund, e.g. The Winslow Maxwell Endowed Scholarship Fund.
- Undesignated Endowment Funds - Funds where the donor has left instructions that the spendable portion of the fund is for the general support of the College and has not specified a particular program, department, or purpose, e.g. The Frank and Janice Day Endowment Fund.

Quasi-Endowment Funds: These are funds which are unrestricted and which are wholly expendable. However, due to the size of certain unrestricted gifts, the Foundation has agreed with the College President to treat those gifts "like an endowment". This election can be reversed at a later date.
ENDOWMENT ADMINISTRATION

1) Legal Principles Governing True Endowments -

- **Principal** - In the case of a true endowment, the original gift (which is also known as the historical dollar value) can never be withdrawn from the endowment without agreement from the donor. Using the recent gift from Harold & Diana Frank as an example, per the donor’s instruction the $1M will become an endowment and maintained in perpetuity to fulfill the purpose designated by the donor and agreed to by the College at the time of gift acceptance.

- **Distributable (“Spendable”)** - The spendable portion of the fund (which is not principal) must be used in accordance with the donor’s instructions, or in the absence of instructions, for the general benefit of the College. Again, using the recent Frank gift as an example, the annual “spendable” allocation will be used to support scholarships for single parents returning to school; acceptance of this gift by the College assumes an agreement to abide by the donor-specified restrictions on its usage.

2) Foundation Policy Guidelines for Endowment Administration -

- The Endowment is invested in accordance with the Foundation’s **Investment Policy**; these assets are currently invested approximately 60% in equities and 40% in fixed-income. One of the primary objectives of the Foundation’s Investment Policy is to maintain the purchasing power of the original gift (historical dollar value adjusted for inflation) while at the same time providing an annual allocation which can be expended.

- An annual allocation is made available to be expended in accordance with the Foundation’s **Spending Policy**; for 1997-98, this was 5% of the fair market value of each fund on June 30, 1997.

- All Endowment and Quasi-Endowment gifts are subject to a one-time gift fee (currently 5%) in accordance with the Foundation’s **Gift Fee Policy**.

This document is intended for discussion purposes only.
3) Annual Usage of the Spendable Portions of the Undesignated Endowment and Quasi-Endowment

- The mission of The Foundation for SBCC is to carry out the College’s development (fundraising) function in accord with the Master Agreement. The Foundation budget is not supported with state funds, but with unrestricted annual gifts and fee income. To protect against unanticipated shortfalls in unrestricted funds to support the Foundation’s operation, a portion of the quasi-endowment—equal to approximately a one-year Foundation expense budget—will be maintained. These funds may be used to support unanticipated budget shortfalls that could threaten the viability of the Foundation in carrying out its fundraising function on behalf of SBCC.

- A priority objective of the College and the Foundation is to provide for the fiscal efficacy of the Foundation and ensure a secure base of operating support of approximately $100,000 per year for a minimum of the next five fiscal years. To achieve this end, the annual lease payments from Motel 6, or an equivalent investment, (currently $84,000 per year) will continue to be available to support the Foundation’s operations. In addition, the first earnings on the Quasi-Endowment (the principal of which will continue to grow through new gifts, capital appreciation, and unexpended reinvested earnings) will be made available first to meet Foundation operating needs of $16,000 per year. (Motel 6: $84K + Quasi-endowment earnings: $16K = $100K)

- The balance of the spendable portion of the undesignated endowment and the quasi-endowment may be expended for the general purposes of the College in accordance with priorities established by the Office of the President and the College Trustees. The Foundation will notify the College annually of the spendable allocation available.

- When the Foundation’s actual annual operating revenues exceed the actual annual expenses, the Foundation may “set aside” that excess amount to establish a Foundation operating reserve, managed as a quasi-endowment fund. This fund will be specifically for one-time capital needs, periodic equipment replacement, or to meet emergency shortfalls in the Foundation’s operating budget. This operating reserve will not exceed the annual Foundation expense budget.
MASTER AGREEMENT
BY AND BETWEEN THE
SANTA BARBARA COMMUNITY COLLEGE DISTRICT AND
THE FOUNDATION FOR SANTA BARBARA CITY COLLEGE

This agreement is made and entered into this 24th day of July, 1997 by and between the Santa Barbara Community College District, hereinafter referred to as “District,” on behalf of Santa Barbara City College, hereinafter collectively referred to as “College,” and The Foundation for Santa Barbara City College, hereinafter referred to as “Foundation,” a nonprofit organization operated for the benefit of the College (but not an auxiliary described in Education Code §§ 72670 et seq.). This agreement completely supersedes a similar agreement dated December 8, 1995 by and between the parties.

I. BACKGROUND AND PURPOSE

The Foundation is an independent nonprofit corporation existing to serve the District and the College. The Foundation has developed an impressive track record of generating financial support for the programs and facilities of the College. Administration by the Foundation of its fundraising, development, and funds management functions, which by charter may only serve to benefit the District, is most efficiently performed by a private sector, nonprofit entity. So long as the Foundation is performing these functions for the benefit of the District, it is in the interests of the District and the College that the operations of the Foundation be supported by provision of facilities and certain administrative services that impose little or no incremental cost upon the District.

The purpose of this agreement is to establish the terms under which the District will provide space and administrative support to the Foundation, and to establish other parameters of the relationship between the District and the Foundation. It is the good faith business judgment of the Board of Trustees of the College that the services and funds provided by the Foundation to the College have a fair market value far surpassing the value of the administrative services and facilities provided by the College to the Foundation under this agreement.

II. USE OF FACILITIES

The Foundation may occupy, operate, and use College facilities and property separately or jointly with the College as identified by agreements made from time to time by the President of the College and the Executive Director of the Foundation. The Foundation shall use the facilities and property only for those services and functions that are consistent with the policies, rules, and regulations which have been or may be adopted by the Board of Trustees or Administration of the Santa Barbara Community College District. The right to use any of the College facilities or equipment pursuant to the terms and conditions of this agreement shall terminate upon ninety (90) days’ written notice by the College President.
III. PROVISION OF SERVICES

The Foundation shall, by prior written agreement, reimburse the College for certain expenditures incurred by the College as a result of the activities of the Foundation. The College shall invoice the Foundation for such expenditures, indicating items charged and the method of determining costs. Any invoice shall be paid within thirty (30) days of the time it is submitted.

The College will provide certain services, at no cost, to the Foundation, which may include custodial and facilities maintenance services, equipment and information systems service and advice, personnel and related assistance and other similar services as from time to time agreed upon in writing. The Foundation may also provide certain specified services to the District, which shall be designated in writing, for which the College shall reimburse the Foundation within thirty (30) days of the time any invoice is submitted.

IV. ANNUAL AUDITS

An independent CPA firm selected by the Board of Directors or an appropriate Committee of the Foundation, on which a Foundation director who is the College President or designee shall serve, will be retained annually to audit the Foundation, with the costs of that service paid by the Foundation. Such audit reports shall be supplied to the College as soon as they are available, but no later than one hundred eighty (180) days after the close of the fiscal year, or such earlier date as may be required by law.

V. COVENANT

During the term of this agreement, the Foundation agrees to maintain its existence and to operate in accordance with state and federal laws governing nonprofit organizations.

VI. SIGNS, FIXTURES AND EQUIPMENT

During the term of this agreement, the Foundation shall have the right to place and attach fixtures, signs, and equipment in or upon facilities as authorized in writing by the College President as to number, site, and location. Fixtures, signs or equipment so erected, placed or attached by the Foundation shall be and remain the property of the Foundation and shall be removed therefrom by the Foundation upon the termination of this agreement, when directed by the College President in writing.

VII. RIGHT OF ENTRY

It is understood and agreed that at any time the College and its agents shall have the right to enter the described facilities or any part thereof for any purpose.
VIII. DISPOSITION OF EARNINGS

Net income generated by the Foundation shall be used solely to benefit the College. Provisions for the acceptance, management and investment of gifts shall be established by the Board of Directors of the Foundation to insure the good stewardship and fiduciary responsibilities of the Foundation for endowment and other gifts.

IX. ALIGNMENT OF INTERESTS WITH COLLEGE

So long as this agreement is in force and effect:

1) The Board of Directors of the Foundation shall include the President of the College, or his or her designee, as an ex officio member.

2) The College President shall have the right to cause the Foundation to cease any activity deemed, in his or her judgment, to be contrary to the interests of the College or inconsistent with policies or purposes of the College.

Upon cessation of operations of the Foundation, the net assets of the Foundation resulting or arising from this agreement shall be either transferred to the College or expended for the benefit of the College.

X. PUBLIC RELATIONS

With respect to expenditures for public relations or other purposes which would serve to augment District appropriations for the operation of the College, the Foundation may expend funds in such amount and for such purposes as are approved by the Board of Directors of the Foundation.

XI. THIRD PARTY AGREEMENT BY FOUNDATION

The Foundation shall not enter into any contract that would obligate the District or the College without the prior written approval of the College President and which shall be for the benefit of the College.

XII. INSURANCE, INDEMNIFICATION, AND RESTORATION

The Foundation and its directors, officers and agents shall be included in the District’s insurance policies for all of its regular functions, including liability for actions, covered perils, errors and omissions, and similar coverages; workers’ compensation and employee fidelity bonds are specifically excluded under this agreement. When special events are sponsored by the Foundation, separate insurance coverage may be required by the District, at the Foundation’s expense. Losses incurred by the Foundation because of deductibles or exclusions on insurance provided by the College shall be borne by the Foundation.
The Foundation agrees to indemnify, defend, and save harmless the District, the College, their trustees, officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred by them, caused by, arising out of, or in any way connected with the use of the described facilities by the Foundation in connection with this agreement.

The District agrees to indemnify, defend, and save harmless the Foundation, its directors, officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred by them on account of their performance in good faith of functions intended to benefit the District or the College.

XIII. NONASSIGNABILITY

This agreement is not assignable by either party.

XIV. TERM OF AGREEMENT

This agreement will be in effect until it is changed; however, it may be terminated by the Board of Trustees of the College or the Board of Directors of the Foundation upon ninety (90) days’ written notice.

XV. NOTICES

All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and received by the Foundation’s Executive Director or the District Superintendent.

IN WITNESS WHEREOF, this agreement has been executed in duplicate by the parties hereeto as of the date first above written.

Santa Barbara Community College District

By: [Signature]
Peter R. MacDougall
President/Superintendent

The Foundation for Santa Barbara City College

By: [Signature]
James D. Scheinfeld, President
• COLLEGE FUNDRAISING PRIORITIES 1997-2000
For presentation to College Planning Council on 11/4/97

- **College-Wide**
  
  Project Redesign—acquisition of needed technology to improve the teaching/learning process

  Faculty /Staff Support—President’s Excellence fund, endowed Outstanding Faculty Awards ($100,000), endowed Distinguished Professorships ($1.5 million)

  Student Support—with emphasis on department internships and book scholarships

  General College Endowment—for support of programs, facilities and students

- **Academic Affairs**
  
  1. Equipping of the new Advanced Technology Center on the East Campus ($300,000)

  2. Equipping of the renovated Nursing Learning Laboratory ($500,000)

- **Student Affairs**
  
  1. Operational funding for the athletic program and specific teams that rely on community support—women’s golf, soccer, volleyball ($50,000+ annually)

  2. Childcare assistance for CARE single parents and additional welfare to work students ($75,000 annually)

- **Adult Ed**
  
  1. Supplemental funding for the CIOF Center—laboratory renovations, equipment, and program ($200,000+)—1997

  2. Funding for the master plan improvements to facilities and landscaping at the Schott and Wake Centers ($2-3 million)—1998-2000

- **Construction/Renovation of Facilities/Landscape**
  
  1. Completion of projects in the campus master landscaping plan (see attached)

  2. Digital/Video Arts Building ($6-8 million)

  3. International Studies Center ($3-4 million)

  4. Gymnasium renovations and stadium improvements ($2+ million)

  5. Lecture/Demonstration Classroom for HRC

  6. Infant/Childcare Center—off campus ($1.5-1.75 million)

  7. Improvements to Studio Theatre ($5 million)

  8. Classroom renovations to: A160, A163, A211 including HUAC ($6 million)

  9. LSG Remodel—to cover increased costs not covered by the State funding (seismic etc. $5-8 million)
### Landscape Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm Court &amp; Fountain</td>
<td>$1 million</td>
</tr>
<tr>
<td>Castillo Point Overlook, East Campus</td>
<td>$500,000</td>
</tr>
<tr>
<td>West Campus Bikeway and Overlooks</td>
<td>$500,000</td>
</tr>
<tr>
<td>Campus Center Terraces/Free Speech Grove</td>
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<tr>
<td>La Playa Stadium Entry/Plaza (lower level)</td>
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</tr>
<tr>
<td>East Campus Clock Tower &amp; Plaza</td>
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</tr>
<tr>
<td>Wake and Schott Center Landscaping</td>
<td>$300,000</td>
</tr>
<tr>
<td>East Campus Entrance Sign &amp; Lighting</td>
<td>$50,000</td>
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</tbody>
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Facilities Planning

Current Plans for Revision of SBCC's Main Campus Long-Range Development Plan

- Classroom Building (West Campus) - 30,000 - 40,000 ASF
- International Student Programs and Classroom Building (East Campus) - Approximately 12,000 - 15,000 ASF
- Classroom Building (East Campus) - 20,000 ASF
- Gymnasium Addition

Action Steps (Board/Administration)

- Confirm Long-Range Campus Development Plan as outlined above.
- Steve Stanley to begin process and determine CEQA, Coastal Commission, EIR and other potential requirements.
- Determine whether a master plan architect should be retained to update the Campus Master Plan.
- Assess long-range facility needs for campus departments. (Vice Presidents Fairly, Friedlander and Hanson)
  ➢ Work with CPC and College President to define campus building priorities, recommended timeline and justification of need.
- Identify funding options. (Board and Administration)
  ➢ Determine approach to fund the development of campus facilities.
  ➢ Implement the plan.
Schott and Wake Centers Facilities Planning

- Action plan outlined at the September 25, 1997, Board Study Session (copy enclosed).
- Architect Don Ziemer contracted with at the October 23, 1997, Board of Trustees' meeting to conduct an assessment of both centers, develop project plans consistent with that assessment, develop cost estimates for each component and the total project.
- Following Board of Trustees review and approval of the plans for enhancement for both centers, a fundraising plan will be developed with the Foundation for Santa Barbara City College.
- With Board of Trustees approval and the approval of the Foundation Board of Directors, a fundraising campaign could begin as early as September 1998.

Note: The above represents the current status of planning for the Continuing Education Centers. However, since that time questions have arisen in regard to the expansion of facilities at the Wake Center. (The limited parking at the Schott Center is seen as a restriction in regard to expanding the classroom space in that location.) The assumption is that now (rather than after the remodel) is the time to consider expansion of the Wake Center.

Action Plan:

1. Vice President Romo will meet with the architect (Mr. Don Ziemer) to ask Mr. Ziemer to expand the scope of his project. The scope expansion will include the development of options for expanding classroom and office facilities. Options will include expansion that can be accommodated with single story buildings and expansion that can be accommodated by going to two stories. The expansion range is 20,000 to 25,000 ASF.

2. Vice President Romo will assess facility needs and provide a justification for any proposed expansion.

3. The Board of Trustees will review the proposals for enhancement/expansion of the two Continuing Education Centers. If supported, a plan for implementation and financing will be developed and put into effect.
TO: Board of Trustees
FROM: Peter R. MacDougall
DATE: November 26, 1997
SUBJECT: Potential Development of a New Children's Center

Recent discussions have been taking place with a donor regarding the possibility of a gift in the range of $1 million to establish a new Children's Center for Santa Barbara City College. The new Center would focus on infants and toddlers (newborns to 36 months of age). The purpose of this note is to bring you up to date on the objectives of pursuing this program expansion and to identify the issues and obstacles to successfully achieving the objective.

Purpose: There are two fundamental purposes why Santa Barbara City College would expand its Children's Center/child care capabilities. Those are:

1. **An Infant/Toddler Center would strengthen the Early Childhood Education Program of Santa Barbara City College**

   A new Center would provide a Children's Center with a capacity to deal with children in the infant/toddler age group. This age group requires a higher ratio of teachers to children and age-appropriate educational activities. The ECE lab experience would be enriched through the College's management of such a facility. With an Infant/Toddler Center, the Early Childhood Education Program of Santa Barbara City College would have two distinct laboratories—one the traditional 36- to 60-month-old child care/children center facilities and the second for children from one- to 36-months of age.

   Though students in the ECE Program have access to infant/toddler facilities, that access is limited and the quality of the programs vary significantly. By having our own Infant/Toddler Center, the ability to demonstrate excellence in delivering early childhood education to students in our ECE Program would represent a plus for the ECE teachers and students. With an Infant/Toddler Center, we could have one of the finest programs available anywhere and, thus, certainly be even more attractive to ECE students.

2. **Provide Child Care to Support SBCC Students**

   There are a large number of Santa Barbara City College students who need such child care services in order to attend the College. By expanding our facilities, more students could have access to quality child care and thus be able to attend SBCC.

3. **Parenting Skills**

   For SBCC students who have children in the Center, participation in a parenting skills class would be required. This should increase the probability that they will be better parents.
Board of Trustees
November 26, 1997
Page 2

Issues:

1. Property Location, Property Acquisition and Construction Costs

A tentative site has been identified and an architect (Don Ziemer) has provided a rough estimate of construction costs. The property is located at 302 West Montecito Street. It is not in the best neighborhood, but it is a large piece of property, commercially zoned, and would accommodate a children's center. The lot is as close to the College as we are likely to find. The initial asking price is $675,000. Property acquisition and equipping the building are estimated at $1.85 million. With a gift of $1 million, we would have to raise $850,000 just to construct and prepare the facility.

In discussions with Pat Snyder, she feels reasonably confident that such a fundraising objective could be obtained.

2. Operating Costs

Providing infant/toddler care in accordance with the State requirements is extremely expensive. Based on the school calendar year which would include 175 days, the total estimate of cost per child is approximately $8,372 per child. A budget has been prepared (attached). The projected income and expenses to operate the Center will result in a funding gap of approximately $60,000 to $80,000.

My assumption has been, given the Board's consistent support of child-care services and the ECE Program and a financially sound plan, the Board would approve developing another high-quality, child-care facility. That assumption needs to be verified.

In terms of the property, I will be reviewing the property with Mr. Luria and discussing it later with the Facilities Committee. (Note: Eli and I reviewed the property on November 25. We both had serious concerns about the neighborhood fit for such a facility. Pat Snyder will be informing the owner that it is highly improbable that we will proceed with a purchase. We will be seeking other alternatives.)

The key issue is that of being able to sustain operation by expenses being met by income. Assurance that if we develop the program there will be a capacity to have it run in a cost-effective manner is a necessity.

I had a meeting with all staff involved with this issue. Though everyone wants to establish an infant/toddler program, there is recognition that this cannot be done without a balanced budget.

Given the budget situation, I will be setting up a meeting with Mr. Chuck Slosser, Director of the Santa Barbara Foundation. We will also invite Charlene Chase from the Department of Social Services to join us. The Santa Barbara Foundation (as is the case with many groups) is very interested in expanding child care within the community. I want to determine if Chuck has options for how we might fill the financial gap in the operational budget. DSS recognizes that the availability of child care is a necessity. They have had contact with the Packard Foundation and may be able to help.

This gives you an overview of the issue. I will welcome any questions you have and look forward to the opportunity of talking with you about it.

PRM:sjc
Santa Barbara City College
Academic Senate, Planning and Resources Committee

Facilities Master Planning Discussion Guide

January 20, 1998

OVERVIEW: The college is in the process of developing a proposal for updating the Facilities Master Plan. The Academic Senate through the Planning and Resources Committee is seeking faculty input regarding the proposed process and criteria for long-range facilities planning and projected programmatic and/or discipline specific needs for the next 10-15 years (2008-2015). Please review and provide feedback to your division representative to the Planning Resources Committee on the proposed process and criteria.

PROPOSED PROCESS AND CRITERIA:

Principles Related to Facilities Planning

> To maintain open areas along the bluffs.
> New construction will be consistent with the overall design of the campus.

Buildings Under Consideration

> 30,000 to 40,000 sq. foot building behind the Garvin Theatre
> 20,000 sq. foot building behind the Student Services Building
> 12,000 sq. foot building to replace the approximately 6,000 sq. foot building in which ESL offices and some classrooms are located.
> Addition to Physical Education Building.
Note: At this point, additions to the Master Plan are conceptual.

Criteria for Requesting Additional Space

> Principle: The need for space should be such that it would be easy to justify to the Board and members of the community who will be asked to pay for it by voting in support of a bond measure.

> Space is needed to:
  a. Accommodate growth.
  b. Accommodate new instructional programs that will attract additional students.
  c. Offer instruction more efficiently and effectively (e.g. having all of the arts/visual communication programs, faculty offices and instructional production facilities in one location).
  d. Enable the college to serve more students in both the new facility as well as in existing facilities affected by the new instructional space.
  e. Accommodate alternative methods of delivering instruction and enable the college to better serve students.
  f. Provide adequate offices and work areas for faculty and staff that are in compliance with state standards.
Approval of Criteria for Requesting Additional Space

> The Planning and Resources Committee will be asked to review the criteria noted above and to provide input for development of criteria to be used in ranking requests for new instructional facilities.

Process for Identifying New Facility Needs

> The deans, in consultation with their department chairs, will identify new facility needs that meet the criteria noted above.

> The list of facility needs is reviewed and placed into a preliminary proposal by the deans, Vice President Academic Affairs and the President of the Academic Senate.

> The draft proposal developed by the Office of Academic Affairs, as well as the facilities needs identified by each department, will be forwarded to the Planning and Resources Committee for review and consultation.

> The role of the Planning and Resources Committee is to advise the Academic Senate and the Vice President Academic Affairs on the long-range instructional facilities needs of the college. It will be asked to review the requests and work in consultation with the Office of Academic Affairs in completing the facilities plan to be submitted to the Academic Senate.

> The Academic Senate will review the long range plan for proposed instructional facilities and submit its recommendations to the Vice President Academic Affairs. The Vice President, Academic Affairs, will submit the final proposal to the College Planning Committee and the Superintendent/President.

> Other ideas ( ?)

BRAINSTORMING REGARDING PROJECTED PROGRAM OR DISCIPLINESPECIFIC INSTRUCTIONAL NEEDS:

What are your Department’s/Division’s Projected Facility Needs? Discussion should include recommendations for either reconfiguration of existing facilities or projected needs for space in one of the proposed “new” buildings. Discussion should focus on the following:

> Projected changes in teaching courses in your discipline.
> Anticipated needs through the year 2008–2015.
> Potential need for off-campus facilities.
> Projected needs for “bunkered” classrooms, computer labs, workrooms, conference facilities, office space, etc.

Briefly identify a preliminary list of projected needs and give a copy of this list to the Division Dean and to the Planning and Resources Committee representative from your division. At a future date, a more formal proposal with justification for these needs will be requested.

K. Hanna
Memo

To: Dave Pickering
From: John Romo, Vice President
Date: December 4, 1997
Re: CIOF Funds

The Continuing Education Advisory Council Finance Committee authorized a commitment of up to $110,000 from Continuing Education Student Body Funds to be used for renovation of the Computers in Our Future lab and for acquisition of equipment.

The first installment of these funds will come from a Certificate of Deposit which matures in January 1998. Dr. MacDougall has authorized proceeding with setting up the account now. Furthermore, he has approved the charging of expenditures against these funds.

Nick Tonkin will be working with Margaret Okina in allocating the funds to the appropriate accounts.

Thank you.

cc: Dr. MacDougall
Dr. Hanson
Mr. Tonkin
Ms. Okinaka
Isla Vista Housing Inspection Program

November 1997

History: The multiple family housing stock in Isla Vista was generally built in the early 1960's. The buildings are now 35 plus years old and have experienced moderate to heavy usage over the years. The recent increase in occupants per units has contributed to an accelerated deterioration of the buildings.

The current inspection program is based on complaints received from the public and utilizes the regular building inspector for the West Goleta/Isla Vista area. However, with over 5,000 rental units, high occupant density, and the deterioration of Isla Vista housing stock, the normal inspection program can not keep up with the demand.

Program: The rental units would be inspected for substandard conditions based on several factors. These factors would include; obvious signs of deterioration, reports of substandard conditions from other agencies (i.e. Foot Patrol, Health Department, Fire Department), and complaints from the public. If the initial inspection revealed significant substandard areas then the inspector would request a full inspection of the building. Conversely, if the inspection revealed localized damage to a unit then the entire building would not necessarily need a review. This would focus the inspection program on apartment buildings which had significant dilapidation of many of the units.

Buildings that were generally in good repair but contained a localized, substandard condition would have an inspection on the problem areas and not the entire building. Landlords that maintained their buildings in reasonable condition would have less disruption due to inspections, repair orders, and spending time resolving issues with the County inspector.

A clear advantage to the random nature of inspections is that the physical condition of the building and to some degree the satisfaction of the tenants, would be the determining factors for housing inspections.
Program Funding: It is anticipated the County Redevelopment Agency will pay for the bulk of the program. Necessary charges for follow-up inspections, citations and fines will be reinvested into the program to offset general program costs.

Members of the Board of Supervisors have indicated an interest in UCSB financially participating in the program. A successful program is in the best, long-term interest of the University and it is recognized that UCSB must be a partner in this effort.

UCSB has identified Isla Vista housing as an important component of its goal to attract and retain high-quality students (CREST Report 1995). The University has accepted the findings of the Isla Vista Enhancement Report from 1992 which outlines an active inspection program with at least one inspector dedicated to Isla Vista.

In addition, to ensure the success of the program, the Associated Students and Francisco Torres have committed to financially support the program. Santa Barbara City College will also be contacted for their support of this effort.

The Main Advantages of the Program Are:

- No initial costs to property owners to operate the program. The County’s RDA and University contribution, along with support from Associated Students and Francisco Torres, will remove annual inspection fees and Proposition 218 concerns.

- The efforts of the program would focus on the buildings with significant deterioration.

- Reinvestment of necessary charges for follow-up inspections, citations and fines will offset general program costs.

- Landlords with good maintenance programs would have fewer inspections and less repair permit costs and less disruption.

- Less displacement of tenants at a given time throughout the community.
Memorandum

To: Gail
From: Mark
Date: December 5, 1997
Subject: UCSB and SBCC Students Living in Isla Vista

Hello Gail,

Here the numbers you asked about:

The estimated population of Isla Vista: 15,890*

Santa Barbara City College Students in Isla Vista: 1,444  9%

UCSB Students in Isla Vista:
   Various Apartments, Sororities and Fraternities: 1,560
   Francisco Torres  925
   Other Isla Vista  6,246
   Sub-Total  8,731  55%

Students Living in Isla Vista (UCSB + SBCC)  10,175  64%

* It is generally estimated that 20,000 people live on the IV/UCSB mesa. 15,980 represents 20,000 less the number of people who live on campus and in buildings just outside of the classic IV “box” (SY apartments, family and faculty housing, etc).

SBCC’s 1,444 student population equals 9% of that total

UCSB’s 8,731 student population equals 55% of that total

If this holds correct, the remaining population represents 36%

MC
December 3, 1997

William H. Pickens
Executive Director
California Citizens Commission on Higher Education
10951 West Pico Blvd, Suite 120
Los Angeles, CA 90064

Dear Bill:

This is in response to your faxed letter of November 24th, inviting me to meet with the Citizens Commission on December 9th to discuss certain recommendations the Commission is considering. While my schedule is already committed for that date, I do wish to send some comments and have asked Vice Chancellor Judy Walters to attend the meeting and assist you and the Commission in any way she can.

At the outset, I should clarify and qualify the response I am about to provide. Your letter raises many complex and controversial recommendations. While I have personal views about virtually all of these recommendations, as Chancellor I have a responsibility to represent the system—and not simply convey my personal views. Consequently, whenever the Board of Governors has an established policy or position on any of the recommendations the Commission is considering, I will communicate that policy or position. When the system does not have a policy or position on a recommendation under consideration, I will convey my personal views; but I ask that these remarks not be given any special weight or authority, and that the Commission not treat these views as positions of the system.

Also at the outset, I want to applaud you and the Citizens Commission for being willing to ask tough questions and raise controversial recommendations. While I might not agree with a number of the recommendations, I do think they should be considered, discussed, and debated—and not simply rejected out of hand. In this spirit, I offer the following commentary:

First, the community colleges as a system would support the Commission’s general recommendation that State government should reverse its long-term trend of providing a declining proportion of total General 
• Fund appropriations to higher education. The Board of Governors’ 2005 Project and the accompanying papers developed by my staff have amply demonstrated need for the State to increase its investment in community colleges as well as higher education. As you know, the common wisdom that Proposition 98 protects the community colleges is not accurate. Over the past two decades, the State has not maintained its investment in the community colleges, resulting not only in a substantial reduction in access, but also in some compromises in quality.

Second, while there is no specific system policy on point, I believe we would join the Commission in endorsing a general recommendation for the State to declare the importance for all citizens have at least two years of postsecondary education and occupational education beyond high school. In essence, unless the Commission is considering making this additional two years mandatory, what you’re talking about is reaffirming the Master Plan’s vision of open access to higher education to all who have the capacity and motivation to benefit. We share that vision.

Now, then, to the eleven specific recommendations raised in your letter.

1. State government should adopt a "shared responsibility" approach for funding additional enrollments.

While I believe we could support the general notion of shared responsibility, I don’t think we could support the specific notion of the one-third, one-third, one-third split between the State, the students, and additional efficiencies. As I read the recommendation, if we determined that $100 million was needed to increase the level of enrollments for community colleges: 1) the State would put up $33 million, plus whatever additional student financial aid was necessary; 2) the students would pay increased fees to generate $33 million; and the colleges would absorb one third of the cost through various efficiencies.
For community college students to absorb up to one-third of the cost of funding new enrollments would defeat the State's overriding goal of access. Our research demonstrates that even with good financial aid delivery in place, even modest fee increases will hurt access. In addition, the California Community Colleges provide instruction and services at the lowest cost in the nation—at about $3500 per full-time equivalent student (FTES). With the national average for community colleges being about $6022 per FTES, we are concerned about where there is budgetary flexibility for our colleges to come up with additional efficiencies.

2. More programs, facilities, and resources should be shared among the higher education segments. State policy should place a high priority on links among the segments and provide financial incentives for them.

The Board of Governors is on record, in its New Basic Agenda and other policies, as being supportive of the three segments sharing programs, facilities and resources. As a system, we'd want to be involved in any discussion of what "financial incentives" might be put in place to stimulate this activity.

3. State government and the public institutions of higher education should adopt a long-term policy that new construction in the public segments to accommodate new students should occur only as a last resort and under the most compelling circumstances.

While I believe there is much to support in the general thrust of this recommendation, the specifics that accompany it in the text raise several concerns. The community colleges are already moving to year-round instruction. Currently, the average number of days our colleges are offering at least some form of instruction is 271 days. The community colleges are embracing electronic instruction, but this effort may well open additional demands for access, should be seen as only part of the solution, and could prove more costly at least in the short run. Eighty percent of community college students work full or part time, and many of our students are poor; thus, redirecting our students to other campuses is a viable option only some of the time for some of the students. On the other hand, I think we could support the recommendation that, "differences among the segments in terms of current delivery systems and campus utilization should be taken into account in allocating funds for new capital construction."

The Board of Governors has adopted a policy to seek a change in the two-thirds vote requirement to pass local capital outlay bonds. We believe this is an important solution to add to the mix of those being considered by the Commission.

4. Rather than having one appropriation rate for all Community College credit instruction, the major instructional categories (transfer courses, general education, vocational education, etc.) should be funded at different rates based on their general costs and state priorities.

In response to a legislative mandate, the Board of Governors developed and adopted the current "program-based funding" approach for community college funding. This approach was incorporated into AB 1725 (effective Jan. 1989), and was implemented as a part of that legislation. Thus, after seven or eight years, it is probably appropriate to review the effectiveness of this funding methodology and consider changes.

Your recommendation appears to recommend "differential funding", based on the kind of academic program being offered. Rather than jump to this solution, I believe we favor an analysis of the current funding mechanism. Here are some of the issues we should consider:

1) The program-based funding standards for the various categories of operation (instruction, instructional services, student services, maintenance and operations, institutional support, etc.) have not been fully funded (the system has only been funded to about 53% of standard). How can we evaluate the effectiveness of a mechanism that has been so underfunded?
2) What, specifically, is wrong with funding on the basis of the categories of operation?
3) We all agree the State has not maintained its investment in higher education over the past two decades. Is there anything about program-based funding that has created or encouraged this result? Is there anything about differential funding that will assure us that the State will be more attentive to
funding the legitimate needs of the community colleges?

4) Is there any evidence that courses within the various instructional categories (transfer courses, general education, vocational education, etc.) cost about the same from district to district? Should we expect the costs to be the same?

5. A stronger and better financed systemwide Chancellor's Office, exempt from bureaucratic controls imposed on state agencies, is necessary to provide statewide leadership and stronger direction to represent the public's interest in Community Colleges.

The system would support this recommendation of the Commission. The New Basic Agenda as well as other Board policy statements dating back over ten years have consistently noted the need for a stronger, more flexible Chancellor's Office. The system's legislative package for 1997-98 also includes initiatives to address this recommendation.

I should point out that it's not necessary to "abolish the Chancellor's Office as a state agency" or "get out of civil service" in order to accomplish this recommendation. In particular, we're looking at what the California State University has done over the last several years in order to break free of certain bureaucratic controls and gain more flexibility.

6. The State government should appropriate a certain amount of funding over and above that necessary to maintain the essential operations of public institutions, to institutions which show progress in achieving state priorities which are of broad public interest . . .

As a part of its system budget proposal for 1998-99, the Board of Governors has requested an additional $100 million for "Academic Excellence"--a proposal that would address this potential recommendation of the Commission. The academic excellence proposal has been met with controversy and concern from many organizations and constituencies within the system. The Board, however, has kept the proposal in its package, and has directed me to continue to refine and develop the details, using the system's Consultation process.

A key issue that will continue to be debated within our system is the notion of the funding being, "over and above that necessary to maintain essential operations of public institutions." From our work on the 2005 project, we have strong evidence of the substantial underfunding of our colleges during the past two decades. Thus, many argue that until this underfunding is addressed, we won't really have a situation where there is funding available for something "over and above" essential operations. On the other hand, it's my view that given limited funds available to the State, and given the strong competition for Proposition 98 dollars with K-12, the Governor and Legislature have been unwilling to simply allocate more money to the colleges because of prior underfunding. Instead, we are being asked where the additional money will go, and what will change as a result of the State's increased investment.

If the State does decide to move to some form of performance-based funding for the segments, I believe the segments should have broad discretion in determining the best method of implementing this direction.

7. The State should adopt a long-term student charges framework which would be beyond annual manipulation. This framework should ensure that annual changes in student charges for all public segments are gradual, moderate, predictable, and equitable. The framework should allow governing boards the latitude to increase student charges during fiscal emergencies provided that, when the emergency is over, a portion of the continuing level of student charges be held in reserve for future fiscal emergencies. In that way pressures for large increases in student charges could be reduced.

Existing policy of the Board of Governors would support the recommendation for a fee framework which has changes which are graduate, moderate, predictable, and fair. As part of my "State of the California Community Colleges" address given in September of this year, I have proposed that legislation be enacted to put a cost of living index on the current community college enrollment fee.

The issue of governing board latitude to increase fees during fiscal emergencies is a new one, and I have
not yet formed any personal views as to whether this might be a good public policy. In general, I would want to know more about the details of such a proposal before I could accurately assess it.

8. The governance and structure of the California Community Colleges should be changed from the current three-level "system" consisting of (i) the statewide chancellor's office and the Board of Governors, (ii) regional districts governed by local trustees, and (iii) individual two-year colleges to one consisting of essentially two levels: (a) a statewide chancellor's office and Board of Trustees and (b) individual campuses.

To implement this broad recommendation, you offer a number of other more specific recommendations, including: 1) locally-elected boards of trustees being replaced by boards of advisors for each college; 2) colleges being authorized to seek voter approval of local taxes to support capital outlay and operations needs of the colleges, with the boards of advisors having fiduciary responsibility for the funds; 3) statewide collective bargaining should be implemented for the community colleges; 4) the Education Code, as it pertains to community colleges, should sunset, with authorizing legislation to create this reconfigured system of postsecondary education; and 5) the statewide Board of Trustees should develop a comprehensive framework for measuring the effectiveness of education within the colleges.

Given the complexity and scope of these recommendations, I will not attempt to provide comments and concerns at this early stage. Suffice it to say that the recommendations deserve discussion and critical analysis in the coming months ahead. What I'd like to offer for you and the Commission are some additional perspectives and comments that also merit discussion and critical analysis as you develop final recommendations.

First, and fundamentally, the governance structure for community colleges must be one that is designed to help the colleges carry out their unique mission. Since 1907, our colleges have evolved from institutions almost exclusively focused on serving local educational needs within the broad mission to institutions that serve both local and systemwide (or State) needs within the broad mission. In the 21st century, the community colleges will continue to serve both local and system needs within the mission. The State's and system's needs will not be well served if the 71 local districts have unilateral and complete authority to determine the educational needs they respond to; conversely, neither the State as a whole nor the local communities will be well served by a governance structure which would place unilateral and complete authority at the system level to determine the educational needs to be addressed.

Before AB 1725, the 71 local districts constituted the system (if you could call it a "system") , with the Chancellor's Office and Board of Governors being an arm (agency) of the State to carry out certain legislative directives on behalf of the State. With AB 1725, the State created a two-part system, consisting of the Board of Governors and local boards of trustees, each with its delineation of authority. Like our nation's Constitution that created a federalism with separately defined roles of the federal and state governments, AB 1725 created a community college system by laying out the respective governance roles of the Board of Governors and local boards. Our nation's founders and the states did not trust central government and thus did not create a Constitution that gave plenary and residual authority to the federal government. Instead, a federal government with enumerated powers was created, with residual authority being vested with the states.

Given the compelling state and local needs that must be balanced in delivering the broad mission of the community colleges--to the benefit of the particular communities as well as to the benefit of the State--this federalism kind of governance structure for the community colleges has considerable merit. The issue we should debate is whether the governance structure created by AB 1725--the respective delineation of the local and state roles--was really more of an Articles of Confederation than a unified governance structure that enabled a capable response by the system as a whole. In our nation's history, the Articles of Confederation provided the states with too much ultimate authority and did not enable the union to thrive, prosper as a union, and protect the states from enemies--foreign and domestic.

In my view, it would be worthwhile to consider the existing governance delineation and discuss what kinds of adjustments would be appropriate to create the kind of system/local balance to have a strong, responsive system that serves both local and state needs.
In terms of the specific governance recommendations, the New Basic Agenda of the Board of Governors supports a rewriting of the Education Code as it pertains to community colleges. This project is already underway, with initial recommendations as to a conceptual framework to come in spring of 1998, and legislation to be introduced in 1999. As part of this project, we'll be discussing not only the governance structure, but also the financing mechanism, the components for accountability, and other key issues.

9. Regional educational, collaborative associations should be created which would link all public institutions and those private colleges and universities who wished to join. These would be formal structures for encouraging course and program articulation agreements... They would receive and appropriation directly from State government.

The Board of Governors does not have an existing policy or position on this recommendation. The recommendation deserves discussion and critical analysis. My initial thoughts are to be somewhat skeptical of formal and separately-funded regional collaboratives. We should discuss whether this would create another layer that could end just making matters more complicated. As you pursue this recommendation, thought should be given to whether there could be some fiscal incentives to the colleges that would encourage or reward institutional collaboration at the regional level.

10. The University of California and the California State University should place a high priority on establishing academic programs on those California Community College campuses which (i) have excess facilities in urban areas, or (ii) have low transfer rates, or (iii) are geographically isolated...

Again, this recommendation appears to be focused on collaborative efforts among the institutions. The Board of Governors supports such efforts, and I foresee the Education Roundtable and CPEC taking the lead in encouraging these kinds of efforts. In addition, the respective segments could enter into separate Memoranda of Understanding (MOU), much as the recent MOU between the President of the University of California and the Chancellor of the California Community Colleges to improve transfer between UC and the Community Colleges.

11. The public segments should convey the clear message that high school graduates who seek admission to higher education should have the knowledge and skills necessary to enter and succeed in college-level work whether in academic or vocational programs... The Education Roundtable should take the lead in making this message a reality.

While I clearly understand this message in terms of UC and CSU--institutions with selective admissions criteria--I'm not sure I understand it with respect to the Master Plan's open admissions mandate for community colleges. Our colleges are required by law to admit all high school graduates who seek admission. In addition, our statutory mission includes remedial coursework necessary for a student to succeed at college-level work. I would be concerned about a message that told students, "don't come to community colleges if you're not immediately ready to succeed in college-level work." Considering that our students, even our remedial students, do very well once they transfer to UC or CSU, I don't believe we want to send this message. I believe there is a way to rephrase the message to achieve much of the same effect, yet remain true to the basic tenets of the Master Plan's vision for open access to higher education.

In closing, I'd like to comment on two items that I did not find in the recommendations, but that I believe are important for the Commission to consider. First, I note there are no recommendations regarding shared governance in the community colleges. I know this topic has been researched and discussed by the Commission. More out of curiosity than anything else, I'm wondering why there are no recommendations on the subject.

Finally, and more important, I hope that in the context of the Commission's report that you clearly embrace and support the critical role that higher education plays in the social and economic success of the State. Higher education in California is not broken; rather, higher education needs to get even better, and a key part of the solution is for the State to increase its investment. The public, the media, and our policy makers need to more fully understand the value and benefit of what we do. At the same time, we
in higher education need to be more responsive to changing needs, and we need to operate more accountably and efficiently. While we are the envy of the World in terms of public higher education, this does not mean we can't or shouldn't improve and be more responsive. I urge you and the Commission to embrace this important context as you deliberate and develop your final report in the months to come.

Thank you for this opportunity to comment at this early stage.

Sincerely,

Thomas J. Nussbaum
Chancellor

cc: Board of Governors
Consultation Council

Return to the Consultation Council Home Page

For further information contact:

Helga Martin
hmartin@cc1.cccco.edu
The Partnership for Excellence is a mutual commitment by the State of California and the California Community Colleges system to significantly expand the contribution of the community colleges to the social and economic success of California. It is structured in phases, with substantial financial investment by the State in exchange for a credible commitment from the System to specific student and performance outcomes.

**State Investment**

The State shall commit first to fully funding enrollment expansion both to meet population growth and to expand the college participation rate, and to protecting the colleges against inflationary erosion through annual cost-of-living adjustments. The State shall then commit to investing $100 million as an infusion into base apportionment funding.

**System Goals**

As its responsibility within the Partnership, the System shall commit to achieving outcomes which reflect high priority policy objectives of the State. The performance outcomes are derived from the mission of the California Community Colleges, but they are not intended to represent an exhaustive operationalization of the mission or to fully capture the complete value of a community college education. It is unnecessary for the Partnership to be wholly comprehensive; the funding infusion it represents accounts for less than three percent of the System budget.

The System commits to achieving the following annual performance goals by the year 2005, with full performance being conditional upon receipt of the state support previously described:

1. **Transfer**
   An increase from 79,574 to ____ in the number of students who transfer from community colleges to baccalaureate institutions, and an increase from ____ to ____ in the number of students who become transfer-ready. This performance goal may also be expressed in the form of segmental subgoals: an increase from 10,886 to 14,500 in the number of transfers to UC, an increase from 48,688 to ____ in the number of transfers to CSU, and an increase from 20,000 to ____ in the number of transfers to independent and out-of-state colleges.

2. **Degrees and Certificates**
   An increase from 86,545 to ____ in the number of degrees and certificates awarded. This performance goal may also be expressed as subgoals to achieve an increase from 57,076 to ____ in the number of associate degrees awarded and an increase from 29,469 to ____ in the number of certificates awarded.

3. **Retention**
   An increase from 81% to ____% in the rate of students retained to the end of the course.

4. **Successful Course Completion**
   An increase from 66.8% to ____% in the rate of successful course completions.

5. **High-Demand Occupation Preparation**
   An increase from ____ to ____ in the number of students completing courses (programs) in occupational areas with high employer demand.

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The actual goal levels for performance remain to be established. Goals would be set at levels which can be reasonably accomplished given adequate investment, and which are sufficiently ambitious to inspire State support and campus vision. For goals expressed in the form of raw numbers rather than rates or proportions, the target levels would go beyond the increases that will naturally result from enrollment growth.
6. Employer-Based Training

An increase from ____ to ____ in the number of businesses receiving employer-based training services through contract education.

Funding Allocation

The $100 million appropriation shall be allocated by the Chancellor to local districts on a per-FTES basis. Districts are expected to use the funds to invest in infrastructure and program enhancements which will increase performance toward the System goals. Districts shall have broad flexibility in expending the funds in such areas as:

- Improving course, certificate, and degree completion rates by enhancing libraries and learning resource centers, lowering student-to-faculty and student-to-counselor ratios, expanding articulation with colleges and schools, increasing the proportion of credit instruction taught by full-time instructors, and reinvigorating transfer centers.
- Intensifying the economic impact of the colleges by expanding access to high-demand occupational programs, continuously aligning the curriculum to meet workforce demand and stimulate economic development, and developing specialized employer-based training in response to dynamic local needs.

The Chancellor’s Office will assess overall system effort and progress, and offer technical assistance to districts.

Performance Timeframe and Contingent Funding Mechanism

Beginning in 1998-99, districts shall report data for each of the eight performance outcome areas to the Chancellor’s Office, which shall compile and analyze the information for report to the Legislature and Governor. Nearly all of the data is already being reported to the Chancellor’s Office under the existing Management Information System (only Goal 6 [Employer-Based Training] involves new reporting, and that data is readily accessible to local districts).

The 2000-01 fiscal year report shall indicate whether reasonable progress had been made toward meeting the System goals. If the System has made reasonable progress, funding will continue to be allocated on a per-FTES basis. System performance would then be assessed annually.

If the State fulfills its investment commitment and the System makes little or no progress, the Board of Governors would be authorized to use a contingent funding allocation in order to create direct incentives at the district level for achievement of the goals. This approach permits the Board of Governors to share and distribute accountability among the districts, whose expenditure and programmatic decisions ultimately determine the level of performance.

If the contingent funding allocation is triggered by the Board of Governors following the three-year initial incentive period, or at a later time, the Chancellor shall establish district-level goals that are derived from the System goals. Funds shall be allocated to districts as payments for specific outcomes and performance improvements over the base level in the initial year of the Partnership for Excellence.