AGENDA

SPECIAL MEETING OF THE BOARD OF TRUSTEES
SANTA BARBARA COMMUNITY COLLEGE DISTRICT

STUDY SESSION

August 8, 2002

4:00 p.m.
Room A-218 C

MAC Building
Santa Barbara City College

The Study Session will provide the Board with the opportunity to hold general discussions on a range of college issues. No action will be taken.

1. College Facilities
   a. Faculty and Staff Housing
      • Assumptions and Principles to Guide Actions
   b. SBCC's Long Range Development Plan for the Cliff Drive Campus
   c. Wake and Schott Center – Plans for Development. (Also church next door.)
   d. Carpinteria Higher Education Center
   e. Campus Parking
      • General situation and connection to SBCC's LRDP.

2. College Finances
   a. 2002-03 Budget
      Areas of Attention:
      • Budget principles (CPC)
      -Leadership for developing and process
      • Understanding of the College Budget and areas of vulnerability
   b. Collective Bargaining
      • Fall 2003 open for salaries and two items
      • Preparation
      • Salaries - Regional vs. State Rankings
c. Special Funds
   • Construction and Maintenance
   • Equipment Replacement
     o Technology
     o Regular

d. State – Situation - next few years

3. Technology
1. Oracle Student Info System
   • Status

2. Challenges, general

3. Demands and special funding

4. District Policies
a. Policy Review Project

b. Affirmative Action Policies

c. Nepotism Policy

d. Classified Council and New State Law

5. Campus Climate

6. Governance Issues

7. Miscellaneous
a. HRC Program
   • Reorganization

b. International Students Cap, 525 to 600

c. Accreditation Visit, October 1-3

d. Naming of Learning Assistance Center
DRAFT

SBCCD Employee Housing Assistance Program Guidelines

Background:

The median cost of housing in the Santa Barbara area is approximately $600,000. It is anticipated that the local demand for housing will continue to exceed the supply, and thus the cost of housing will continue to escalate well above increases in the cost of living. A 5/1/02 letter from Santa Barbara's Coastal housing Partnership contained the following quote:

"As of this year, Santa Barbara County became the least affordable county in California, according to the California Association of Realtors."

Traditionally lower cost housing in areas to the North (Lompoc and Santa Maria) and South (Ventura and Oxnard) of Santa Barbara are now experiencing cost increases well above the Consumer Price Index (CPI). In addition, more time is required to commute to Santa Barbara from these locations due to the substantial increase in commuters.

Assumptions:

- Given the above considerations and a fixed capacity of the SBCCD to respond re: salaries, future SBCC employees will be less able to afford residences;

- Individuals who can afford residences in outlying areas (North and South of SB) will be confronted by a continuing expansion in the time required to commute;

- The above two assumptions becoming operative will result in a reduction in SBCC being seen as an "attractive employer", and there will be fewer candidates for employment;

- If SBCC wishes to continue to attract sizeable candidate pools, it must take action that will result in its employees being able to obtain acceptable housing in areas of close proximity to the campus (the closer the housing can be to the campus the better); and,

- Institutions of higher education, and more recently a secondary school system, that have provided employee housing assistance have had success in attracting and retaining employees (LA Times).

- SBCC Employee housing solutions will be met by adding to rather than replacing the inventory of housing available in the SBCCD.

Recommendations:

The SBCCD should explore options that will enable present and future employees to obtain housing within the district boundaries.
Actions to assist employees can include assistance in the financing of properties and/or controlling an inventory of housing units that will be available to college employees at a minimum of 33% below market value.

**Principles:**

Efforts by SBCCD to provide housing assistance to employees will be guided by the following principles and other considerations.

- State revenues provided for operation of the college will not be used for the direct costs of a housing program;

- The college’s option to obtain low interest bonds may be exercised to fund employee housing;

- With the appropriate support and approvals, funds from the Foundation for SBCC may also be used to support an SBCC employee residence assistance program;

- The college will seek to avoid:
  - Managing a housing program
  - Being in a direct landlord-tenant relationship with employees;

- Collaboration will be sought with entities experienced in the housing field to have them construct and manage residences for SBCC employees;

- All housing arrangements made and policies applied will enable the college to have residences, at rates well below market, available over time to its employees.
  - Policies for occupancy will ensure cost controls on resale of residential units and housing units being available only to college employees;
  - Prices for units will increase in accord with the general CPI, defined annually, and not the increases for local real estate, and,

- Construction of housing for employees will first be attempted on non-campus property. On campus housing may be considered if the project can be accommodated without the primary mission of instruction being hampered.

Peter MacDougall
8/8/02
District Offers Teachers Shelter From Housing Costs

Please see TEACHERS' ALL

...
I. TEACHERS: SANTA CLARA DISTRICT HOPE FOR SUBSIDIZED HOUSING WILL HOLD THE STAFF
How UC Irvine Makes Offers They Don't Refuse
Long Range Development Plan (LRDP)
Approval by the California Coastal Commission (CCC)

SBCC’s LRDP assumes completion of the EBS (Earth and Biological Science Building) and gymnasium classrooms. We also assume we will proceed with a remodel (health and safety) for the Physical Science Building (Chemistry and Physics).

The LRDP to be approved by the California Coastal Commission assumes the construction of three buildings: School of Media Arts, high tech building in the Student Services Patio area; classroom/office complex replacing the International Student/ESL temporary building in front of the Campus Center; and, the construction of a moderate size classroom faculty office complex on the West campus in front of the facilities staff building.

A timeline for LRDP approval needs to be established and followed. On 7/30/02 a meeting was held with the Consultants with whom we are working to obtain CCC approval. College reps at the meeting included: Trustee Eli Luria, then S/P PRM and VP Fahnstock.

The assumption of the California Coastal Commission is that the presence of the three new buildings will increase enrollment and thus have an impact on traffic/parking. The first task is to reach concurrence with the CCC on the method to assess the scope of the expected impact. Based upon the method agreed to, the mitigation required of the college will be defined. The desired method is a forecast of the student population increase, and a concomitant proportional increase in parking spaces.

An important consideration is SBCC’s Transportation Demand Management (TDM) plan, and the effect that plan implementation has on reducing traffic congestion and the demand for parking. SBCC’s TDM Plan, developed by VP Fahnstock, is considered one of the most aggressive in the region. At issue is how to measure the outcomes of the plan’s implementation.

The issues of the TDM plan and the determination of the number of parking spaces required are central. The consultant working with the CCC staff will determine the college’s requirements. The time line for proceeding with submittal of SBCC’s plan to the Coastal Commission will be reviewed. Also, actions/steps that may assist in plan approval will be evaluated.
Santa Barbara City College  
Public Works Plan Amendment: Parking Assessment and Improvement Timeline  
8 August, 2002

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<tr>
<th>Activity</th>
<th>Begin Date (Estimated)</th>
<th>End Date (Estimated)</th>
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<tr>
<td>Transportation Demand Management program (TDM) refinement.</td>
<td>1 May 2001</td>
<td>30 March 2002</td>
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<tr>
<td>Determination of New Buildings' parking demand, availability of campus surface parking area, potential parking structure size</td>
<td>1 April 2002</td>
<td>1 September 2002</td>
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<td>Consultation with Coastal Commission staff to seek approval of parking demand methodology</td>
<td>2 September</td>
<td>30 September 2002</td>
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**Scenario 1: Surface Area Parking Development**

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<th>Activity</th>
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<tr>
<td>Preparation of Public Draft Mitigated Negative Declaration (MND): assumes sufficient campus surface parking area available and Coastal Commission acceptance of this methodology.</td>
<td>1 October 2002</td>
<td>30 November 2002</td>
</tr>
<tr>
<td>Public Review (30 days) and SBCC Board of Trustees certification of MND and Public Works Amendment</td>
<td>1 December 2002</td>
<td>28 February 2003</td>
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<tr>
<td>Coastal Commission review and certification</td>
<td>1 March 2003</td>
<td>1 June 2003</td>
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**Scenario 2: Parking Structure Development**

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<tr>
<td>Parking Structure Design</td>
<td>1 October 2002</td>
<td>30 November 2002</td>
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<tr>
<td>Public Review (45 days) and SBCC Board of Trustees certification of MND and Public Works Amendment</td>
<td>1 March 2003</td>
<td>30 May 2003</td>
</tr>
<tr>
<td>Coastal Commission review and certification</td>
<td>1 June 2003</td>
<td>1 October 2003</td>
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SBCC Carpinteria
Higher Education Center and Employee Housing

A. Background

Early Activity:

- In January 2000 the idea of land for SBCC in Carpinteria was first discussed by the S/P with Tim Marquez, CEO, Venoco.

- February 2000 Trustee Powell expressed enthusiasm for the concept.

- March 2000 we defined our priorities as (1) Faculty/Employee housing and (2) classrooms in a center operated in collaboration with CSU.

- Trustees Luria and Villegas along with VP Fahnstock and S/P MacDougall visited the Venoco property and assessed its potential for use by SBCC.

- 5/11/01 need statement for the SBCC Higher Education Center in Carpenteria was developed.

- 9/5/01 Venoco facilitated a meeting involving SBCC’s S/P and the Carpinteria City Manager David Durflinger and a member of the City Council.

- The informal meeting held with Mr. Durflinger and a Council rep, discussed the development of a parcel, approximately 6 – 9 acres. The development would include an SBCC Carpinteria Higher Education Center and lower cost housing for college employees.

- 9/01 Venoco determined that a donation to the City of Carpinteria was most appropriate for them, and the college assumed that their land would no longer be available.

- Coordination with the CSU. PRM has had a conversation with Dr. Richard Rush, President CSUCI, re cooperating on the operation of a higher ed center in Carpinteria. He has expressed his support for the concept while making clear his need to focus on developing the CSUCI campus and, at some later date, involving the CSUCI faculty in any planning effort.

Recent Activity

- Collaboration with present developer: Fall, '01 Meeting with PRM, Brian and Eli with Craig Etchegoyen (Basque Financial Services) and John Stanck (Western Pacific Housing) re: SBCC participating with them on a project on property in Carpinteria.

- They expressed an interest in working with SBCC on the development of the parcel. Our need for housing and the higher ed center was understood and supported by them.
• As follow-up, conceptual plans for a SBCC Carpinteria Higher Education Center were developed by architect Don Zeimer.

• From Fall '01 through a 8/2/02 various meetings have been held with Mr. Etchegoyen, and others from his company, On 8/2/02. Mr. Luria, Brian Fahnestock, President Romo and PRM met with him and he confirmed the desire to continue with the project.

B. Present situation:

The proposal now being considered calls for:

1) developing 94 residential units at $325,000 that could be built and be available for that price in 2005;

2) the college receiving via donation (actually paid for by +$25,000 per unit) 3.8 acres of land for the higher education center; (It is assumed that such a center would only be funded through a voter approved bond issue.)

3) the college being an advocate for the project before Carpinteria planning groups;

4) Mr. Etchegoyen obtaining an additional donation of at least $500,000 (possibly $1m) from his firm and the possibility of that being matched; and,

5) the college using its authority to issue bonds to fund the construction of the residential units. However, if that does not occur, Mr. Etchegoyen has access to funding.

C. Focus of the discussion:

• The district's desire to achieve the 94 housing units and an SBCC Carpinteria Higher Education project is viewed as a given.

• Due diligence must be met in regard to any partner with whom we work. Certainly this must be achieved with the group coordinating the Carpinteria project.

• Role of SBCC representation working through the approval process with the city of Carpinteria.

• Determining the benefits/liabilities of SBCCD bond funding for the Housing units.

• Process for eventual development of the Higher Education Center, i.e., a bond

• Other issues.
There are numerous examples of organizations that have become ineffective because of a lack of sound fiscal planning. Organizational leaders should assure (Drucker) that organizations have: a capacity for survival; structural strength and soundness; and, the ability to survive a blow, adapt to sudden change, and avail itself of new opportunities.

The delineation of principles applied in developing the College's budget is intended to protect SBCC's viability—as an institution capable of fulfilling its educational mission for the greater Santa Barbara community. Providing students with quality educational and student services consistent with our mission and State funding is the objective sought through applying these principles.

Principles:

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

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

3. Lay-offs will be avoided if possible. In the event funding shortfalls, 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 the capability of faculty and staff to contribute, e.g. using technology to increase effectiveness, will be supported.

5. The FTE cap must be met. If it is not, fiscal problems may develop. Consistent with the ability to meet our mission, a higher WSCH/FTES 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 currently have. 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. Serious effort should be made to assure that salaries do not deteriorate.

8. Equipment replacement and repair funds will be maintained at the 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.
9. Building and grounds must be maintained sufficiently to assure the campus remaining attractive to students and protect the investment in these facilities.

10. 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.

11. Categorical funds, e.g. DSPS, EOPS, and staff development, must be spent in accord with the program guidelines.

12. All Federal, State, and local legal mandates shall be complied with, e.g. collective bargaining agreements, etc.

13. One-time funds will not be used to fund essential ongoing programs or activities.

14. Utility, liability and property insurance, salary steps, and reserve expense increases are projected annually, and allocations made early in the budget development process (preliminary budget) to meet those mandates expenses.

15. For non-state income (out-of-state fees, interest income, lottery), a conservative estimate is made, e.g. a three-year historical trend is used to establish a base and adjustment made for current conditions.

16. The District equipment inventory is estimated at $12 million. To assure the College's capacity to provide quality programs, this inventory should be replaced in a timely fashion. Items have an estimated life of ten years; thus, $1.2 million is needed annually to maintain current levels; that is a minimum goal. Under no circumstance should the replacement go below a 15-year replacement criterion ($800,000). To achieve this, lottery income will continue to be used primarily for the systematic and timely replacement of the District equipment inventory. (Board Policy #3, 1991-92, 8/22/91)

17. There is a responsibility to maintain the College's buildings and grounds. To achieve this, funds will be transferred from the general fund to the Construction Fund for maintenance projects. A minimum level of funding to maintain College buildings and grounds is projected to be $1.2 million/year. (Board Policy #2, 1991-92, 8/22/91)
Even Worse Budget Woes Predicted

Spending: With this year's plan stalled in Legislature, officials say scrapping programs, jobs may be the only way to plug gap next year.

BY JULIE TAMAKI TIMES STAFF WRITER

SACRAMENTO—As Assembly Democrats struggled to gain passage of an overdue budget by proposing a massive tobacco tax increase, a letter sent to state agencies warns that layoffs, program eliminations and agency overhauls may be necessary to balance next year's spending plan.

The letter, prepared by officials at the state Department of Finance, underscores the gloomy fiscal conditions that have contributed to a $23.6-billion budget gap and to analysts forecasts of an average year of multimillion-dollar budget shortfalls. It also reflects the fact that state offices have already tapped many of the more attractive deficit-shedding options, such as loans and transfers, to close this year's gap.

"It is expected that reductions for the 2003-04 budget will be more complex, and require the elimination of programs or layoffs of employees," Finance Director Tom Gage warned in the letter.

To gain passage of the 2002-03 budget, now more than a month overdue, Assembly Speaker Herb Wesson (D-Deliver City) on Tuesday proposed more than tripling California's cigarette tax to $3 per pack—the highest of any state in the nation. He also outlined a plan to levy a 5% tax on satellite television services to raise $35 million.

Wesson floated the hefty tobacco tax increase to replace a proposal to more than double vehicle license fees, which has proved widely unpopular among legislators of both parties. Republicans are calling for spending cuts and Democrats prefer an alternative proposal to tax the rich.

"Republican opposition to new taxes to balance the state's books has given rise to the prolonged standoff over the $9.8-billion spending package, which was supposed to take effect July 1. Wesson said studies show that when tobacco taxes are raised 10% or more, smoking declines by 4%, suggesting the tax increase would be good public policy."

"This is the only tax that save lives," he said.

"This is no drill," Wesson later warned Republicans. "We will stay here until Christmas. We will fight for this budget.

The proposal would permanently raise the state's tax of 67 cents per package to $3—an amount levied only by New York City. In California, the higher tax would be projected to raise $1.7 billion, which when combined with another plan to borrow against the state's share of the national tobacco litigation settlement means the state would need to raise $2.5 billion to meet its obligations.

Continued from B1

SPEND: Worse Budget Problems Predicted

Democratic lawmakers have previously sought a 60-cent increase on cigarettes to raise $250 million. Wesson said he is comfortable raising more money from smokers to get the state out of the red, as are Gov. Gray Davis and Senate Leader John Burton (D-San Francisco).

"Can I vote for a cigarette tax instead of a vehicle license fee increase?" Yeah," Burton said. "But the question is: Are we going to get the bill?"

Assembly lawmakers voted 50 to 23 to make the changes to the tax package, but did not take a follow-up vote Tuesday on the amended spending plan. A vote could come as soon as Thursday.

Assemblyman John Campbell (R-Irvine) said his caucus is pleased that Democrats have agreed to drop their plan to increase vehicle license fees—a move he described as a good start. But he warned that, given the threat of future deficits, cuts are needed to garner Republican support for the spending package.

Campbell also questioned Democrats' contention that the tobacco tax can save lives and balance the budget.

"If smoking drops off, the state's position becomes worse," Campbell said. "So if you don't smoke, the state is in trouble.

Democrats contend that their revenue projections taken into consideration a decline in smoking triggered by the higher tobacco tax. Tobacco officials warned that the tax increase would drive sales to other sources, such as the Internet.

"It will be a disaster for California's small businesses," said Brendan McCormick, a spokesman for Philip Morris U.S.A.

"It will also place an unforeseen burden on a small group of the population.

"If someone between the ages of 18 and 24, young working-class Asians and working-class whites continue to have higher smoking rates than other groups, meaning they could be the hardest hit by the tax increase."

In addition to the tobacco and satellite television taxes, the Democrats' proposed revenue package also steps up withholding for stock options and bonuses. Schools would receive an extra $381 million under the latest tax plan.

Republicans have called for a spending limit to stave off future deficits and the tax increases they fear Democrats will seek to close them.

State tax collections for May and June are running $659 million below forecast, causing some budget watchers to predict that the $23.6-billion gap projected for next year will likely range from $12 billion to $20 billion.

The July 1 letter from Gage to agency heads and department directors warns that no money is expected in the 2003-04 fiscal year for new programs or expansion of existing ones.

State agencies and departments, which have already seen their budgets cut by 5%, to 25%, are tiring to digest an order from the Legislature to eliminate 8,000 vacant positions to save $300 million.

Gage warned in the letter that his department anticipates the need for additional cuts and that agencies and departments should be prepared to submit reduction plans like the ones they turned in last year.

"State budgets are now more than 10% below the 2001-02 budget," he wrote. "This has serious consequences for all state agencies and departments and will have to be addressed in the upcoming budget process."

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District May Use Surplus for Benefits

By Solomon Moore

A Los Angeles Unified School District surplus that was earmarked for teacher retirement benefits is now under consideration for use as a reserve fund to cover health-care costs.

School board members are currently considering proposals to use the $32.5-million surplus as a windfall to cover health-care costs for teachers. The board is expected to vote on the proposal at its next meeting, scheduled for Tuesday.

The surplus was created when the district received a lump sum payment from the California State Teachers Retirement System, which operates the state's public-employee pension system.

The district's retirement fund, which is one of the largest in the country, has a surplus of $32.5 million, according to the board's latest financial report.

The proposal would allocate the surplus to the district's health-care fund, which currently has a deficit of $16.5 million.

The proposal is intended to provide relief to teachers who have been struggling with rising health-care costs.

The district's health-care costs have been rising sharply in recent years, largely due to the growing number of retired teachers who are eligible for health coverage.

The proposal would provide a one-time payment to teachers who are currently enrolled in the district's health-care plan.

The district's health-care plan is administered by Blue Shield of California, which provides coverage to about 100,000 district employees and retirees.

The district's health-care costs have been rising at a faster pace than the rate of inflation, according to the district's financial reports.

Last year, the district's health-care costs increased by 8.5%, while the cost of living increased by 2.5%.

The district's health-care costs have been a source of concern for district officials, who have been trying to find ways to reduce the deficit.

The district's board has been considering a variety of options, including reducing the size of the surplus fund, cutting health-care benefits, and increasing the district's contributions to the health-care fund.

The district's board is expected to discuss the proposal further at its next meeting, which is scheduled for Tuesday.