MINUTES

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

January 8, 2009

SPECIAL MEETING/STUDY SESSION
Room A-218
4:00 pm

MacDougall Administration Center
Santa Barbara City College
721 Cliff Drive

The District Office is located at 721 Cliff Drive, Santa Barbara, CA, 93109. It is wheelchair accessible. The following services are available when requests are made by 4:00 p.m. of the day before the Board meeting: American Sign Language interpreters or use of a reader during a meeting; large print agenda or minutes in alternative format; assistive listening devices. Please contact the Office of Campus Diversity at (805) 965-0581 ext 3640 if you need assistance in order to participate in a public meeting or if you need the agenda and public documents modified as required by Section 202 of the American with Disabilities Act.

The Office of the Superintendent/President, Room A 110 in the MacDougall Administration Center is the location where documents that are public records relating to any item under discussion on a Board agenda (including documents distributed with the agenda and those distributed to all or a majority of the members of the Board within 72 hours prior to a Board meeting) are available for public inspection.

Board agendas and supporting documents are also posted on the college website at http://www.sbcc.edu/boardoftrustees/.

1. GENERAL FUNCTIONS

1.1 CALL TO ORDER

President Alexander called the meeting to order.

1.2 Members present:
Dr. Alexander, President
Dr. Dobbs, Vice President
Mrs. Green
Ms. Livingston
Mr. O’Neill,
Mr. Villegas

Members absent:
Mr. Jurkowitz
Mr. Knotts, Student Trustee
Others present for all or a portion of the meeting:
Dr. Andreea M. Serban, Supt/President and Secretary
Alarcon, Ignacio, President Academic Senate
Arellano, Ofelia, Guest
Auchtinloss, Liz, President CSEA
Ehrlich, Sue, VP HR/LA
Friedlander, Jack, Executive VP Ed Programs
Galvan, Joan, PIO

Clerk to the Board of Trustees
Garey, Tom, Theater Arts
Griffin, Leslie, Controller
Partee, Ben, Dean Ed Programs
Scharper, Alice, Dean Ed Programs
Sullivan, Joe, VP Business Services

1.3 WELCOME

President Alexander extended a cordial welcome to all.

2. HUMAN RESOURCES & LEGAL AFFAIRS – Ms. Sue Ehrlich

2.1 HUMAN RESOURCES & LEGAL AFFAIRS CONSENT ITEMS

President Alexander requested that the position of Vice President for Continuing Ed be removed from the consent agenda and be voted on separately.

Upon motion by Dr. Dobbs, seconded by Mrs. Green, the Board approved the Human Resources & Legal Affairs consent item, as contained in the agenda and attachment.

Upon motion by Ms. Livingston, seconded by Mr. O’Neill, the Board approved the appointment of Ofelia Arellano as the Vice President for the Continuing Education Division, as contained in the agenda. Dr. Alexander voted no on this item.

Upon motion by Mr. O’Neill, seconded by Dr. Dobbs, the Board approved convening to study session.

3. STUDY SESSION

1. 2008-09 Budget Updates
   a. Budget Adjustments and Mid-Year Reductions (Attachment 1)
   b. Status of State Matching Funds for Capital Projects
   c. Budget Reporting

   a. Superintendent/President Serban reported that prior discussions the college needs to take pro active steps in reducing expenditures for the remainder of this fiscal year because even if the best budget scenario is passed, which is the Governor’s December 31 proposal, there will still be a deficit in our budget that will need to be corrected. The Governor’s December 31 proposal contains additional significant delays in payments which are going to cause strain on cash flow for the college. Even if an apportionment reduction does not happen and COLA is removed, this proposal, if approved, will actually make the deferment of payments worse than the current budget that was signed by the Governor in September 2008. Based on this proposal, the apportionment payments for January and February will be paid in July, July will be paid in October and hopefully March, April, May payments will be made on time, however as everyone knows the state may run out of cash at the end of February, in which case we may receive a reduced or no payment. Communication was received yesterday that CAL grant students will be receiving IOU’s in lieu of payment. The college will backfill the payments for CAL grants.

   College-wide 2008-09 mid-year budget reductions were developed by each Vice President and staff within the respective areas, discussed with the Academic Senate, discussed with CPC and
the outcomes of these discussions were reviewed and discussed at previous study sessions. Superintendent/President Serban reported that diligent efforts were made in all areas and $1,129,378 was identified in expenditure reductions college-wide for Jan-June 2009, which will be posted tomorrow by the accounting office. It was also reported that equipment will not be replaced unless absolutely necessary, this resulted in an additional reduction in expenditures of $1,300,000 for a total of $2,439,378 in expenditure reductions for 2008-09, in addition to the reductions made at the beginning of the fiscal year. It was noted that due to increases in enrollments this academic year, there were additional expenditures for adjuncts that were not originally budgeted. Superintendent/President Serban and Vice President Sullivan reviewed with the Board the mid-year reductions and other adjustments that were made to the budget.

Vice President Sullivan reviewed with the Board impact of the Governor’s proposal of November 6 and the Legislature’s proposal of December 18 on the SBCC budget.

Superintendent/President Serban reported that discussions are taking place with CSEA regarding the possibility of five days of furlough in this fiscal year and a furlough or a salary reduction is being discussed with the other groups. These options are being presented for discussion and if these options are put into place it is hoped that an equitable reduction of 1.923% can be made by all, this includes hourly employees. The trigger that would set these discussion outcomes into motion would be that there isn’t a 08-09 final budget in place by January 31 or that the budget is such that it poses a 3% or higher reduction in the general fund revenue in our adopted September 25 budget. An equivalent 1.923% reduction in the rate for hourly employees, including student workers, was discussed with the Board. Board members concurred. Vice President Ehrlich explained that student and hourly positions are without a property interest, there is no expectation of continued employment and they do not have a bargaining unit. These employees are the employees who work 19 1/2 hrs or less per week and no more than 175 days a year and these employees will be given notice of the changes being made. These reductions would occur also in the Continuing Ed division. These pay changes would occur for the hourly employees in their March paycheck.

Superintendent/President Serban proposed that at the next study session, in February, a review of the Budget Principles, take place in conjunction with the development of the 2009-10 budget.

b. Superintendent/President Serban reported on the state matching funds for construction projects.
- Drama/Music: This project is expected to be submitted for DSA approval on January 12 and to the State Chancellor’s Office for approval on January 13. The Chancellor’s Office has stated that the state matching funds for projects that have been approved is not materializing, because they were unable to sell their bonds. The following options need to be discussed, not only with the Board, but also with the shared governance groups as this will be a very important decision that the college will need to make.
  1. Ask the Chancellor’s Office to allow us to proceed with the construction, which would mean going out to bid for construction and paying the additional $13 million (state matching funding) from Measure V, with the understanding that we may get reimbursed the $13 million, just don’t know when that will happen.
  2. Ask permission from the Chancellor’s Office to go ahead with the construction and we never get reimbursed the $13 million. This would mean that we would incur a reduction of Measure V money of $13 million and some of the other projects will not get completed.
  3. Stop the project until such time that the $13 million is received from the state.

Decision on this will need to be made in about 4 weeks. If we do not stay on schedule, this construction project will not be completed by June of 2010, we will not be able to have everyone move back in and we will not be able to open for Fall of 2010. Costs have been incurred for this project, not only financial costs, but also human costs. Vice President Sullivan did note that if
we go forward with the completion of the project at no point would we forfeit our right to be reimbursed these funds, when the state goes out for bond money at some point in the future. These are voter approved bonds and they have to be funded prior to any future voter approved bonds. We are just in line waiting; the risk of not getting reimbursed would be if the state of California could not sell bonds in the future.

Superintendent/President Serban stated that the expectation is that most of the deferred maintenance projects will be completed, the discussion that needs to take place is which of the other projects that require state matching funds will be postponed if the $13 million reimbursement will be postponed for a longer period.

Board members concurred with the first option discussed and have asked that administration look at all options and come forward with recommendations to the Board for further review and discussion.

c. President Alexander had requested that certain budget reports be available electronically for review by the Board. Superintendent/President Serban reported that beginning this month, January; these reports will be made available. An email will be sent to the Board giving them the link to these reports.

2. Timeline for 2009-10 Budget Development

Superintendent/President Serban reviewed with the Board the draft timeline for the budget development of 2009-10. The only difference with this year's planning would be the discussions of program reviews which also include resource allocation requests made for 2009-10, reallocation of current resources, cost savings and revenue generation proposals.

It was noted that the Fiscal Committee meetings have been scheduled for once a month starting in February through the month of June 2009.

3. Board Committees

<table>
<thead>
<tr>
<th>Educational Policies</th>
<th>Fiscal</th>
<th>Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sally Green, Chair</td>
<td>Luis Villegas, Chair</td>
<td>Morris Jurkowitz, Chair</td>
</tr>
<tr>
<td>Joan Livingston</td>
<td>Morris Jurkowitz</td>
<td>Joan Livingston</td>
</tr>
<tr>
<td>Joe Dobbs</td>
<td>Des O'Neill</td>
<td>Sally Green</td>
</tr>
<tr>
<td>Des O'Neill (alt)</td>
<td>Joe Dobbs (alt)</td>
<td>Luis Villegas (alt)</td>
</tr>
</tbody>
</table>

President Alexander asked the Board if they would want to formalize the working of the Board committees. It was suggested that what the Board may want to re-evaluate its committees by asking: Is the Board still delivering what needs to be accomplished with these three committees. Mr. O'Neill suggested that the committees discuss within their meetings what they see should be done with the information that they generate from their meetings; the committee chair could put this item on the agenda at a future meetings. The outcome of these discussions would then be brought forward as recommendations to a study session for review and discussion by the Board.

Upon motion by Mr. O'Neill, seconded by Mrs. Green, the Board approved reconvening from the study session.
4. CLOSED SESSION
   
a. ADJOURN TO CLOSED SESSION

   Upon motion by Mr. O'Neill, seconded by Ms. Livingston, the Board approved convening to closed session.

   Conference with Labor Negotiators (Employee Organizations: Instructors' Association and California School Employees' Association) pursuant to Government Code Section 54957.6 (a).

   Agency designated representatives:
   Sue Ehrlich, Vice President, Human Resources and Legal Affairs, Jack Friedlander, Executive Vice President, Educational Programs, Joe Sullivan, Vice President, Business Services, Pat English, Director-Human Resources and Legal Affairs

b. RECONVENE TO OPEN SESSION

   Upon motion by Mr. O'Neill, seconded by Dr. Dobbs, the Board approved reconvening to open session.

   President Alexander reported that the Board gave direction to its labor negotiators.

5. ADJOURNMENT

   Upon motion by Mr. O'Neill, seconded by Dr. Dobbs, the Board approved adjourning this meeting. The next Regular Meeting of the Board of Trustees will be held on Thursday, January 22, 2009 at 4:00 p.m. in A211. A Study Session will be held on February 12, 2009 in A218.

APPROVED BY THE BOARD OF TRUSTEES ON __February 12__, 2009

[Signatures]
President, Board of Trustees
Superintendent/President
Secretary/Clerk of the Board