MINUTES
MEETING OF THE BOARD OF TRUSTEES
SANTA BARBARA COMMUNITY COLLEGE DISTRICT
August 13, 2009
SPECIAL MEETING/STUDY SESSION
Room A-218
4:00 pm
MacDougall Administration Center
Santa Barbara City College
721 Cliff Drive

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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

Vice President Dobbs called the meeting to order.

1.2 ROLL CALL

Members present:
Dr. Kathryn Alexander, President (arrived at 4:10)
Dr. Joe Dobbs, Vice President
Mrs. Sally Green
Ms. Joan Livingston
Mr. Des O’Neill
Mr. Luis Villegas

Member absent:
Mr. Morris Jurkowitz

Others present for all or a portion of the meeting:
Dr. Andreea M. Serban, Supt/President and Secretary Clerk to the Board of Trustees
Alarcon, Ignacio, President Academic Senate
Alzheimer-Barthel, Cornelia, Acctg Dept.
Arellano, Dr. Ofelia, VP Continuing Ed
Auchincloss, Liz, President CSEA
Bishop, Dr. Paul, VP Info Technology
Ehrlich, Sue, VP Human Resources
Friedlander, Jack, Exec. VP Ed Prgms
Galvan, Joan, PIO
1.3 WELCOME

Vice President Dobbs extended a cordial welcome to all.

1.4 MINUTES OF THE SPECIAL MEETING AND STUDY SESSION OF JULY 23, 2009

Upon motion by Mr. O’Neill, seconded by Ms. Livingston, the Board approved the minutes of the special meeting of July 23, 2009.

1.5 HEARING OF CITIZENS

No citizen expressed a wish to address the Board.

Upon motion by Ms. Livingston, seconded by Mr. Villegas, the Board approved adjourning to study session.

2. STUDY SESSION

2.1 Board Policies and Administrative Procedures

Enrollment Priorities – this item was also discussed at the July 23, 2009 Study Session

- Board Policy 5055 Enrollment Priorities (Attachment 1)
- Administrative Procedure 5055 Enrollment Priorities (Attachment 2)
- Document Related to Enrollment Priorities Discussed in December 1995 by the Educational Policies Committee (Attachment 3)

Dr. Alexander reported that she had asked that this be brought back for discussion because she felt that the word ‘fair’ should be included in board policy 5055 and also a unit limit for EOPS students should be set in administrative procedure 5055. Superintendent/President Serban stated that she could agree to inserting the word fair, however, she could not agree with adding in a unit limit. Per the discussion at the last study session, it was reported that our current practice is consistent with a majority of all community colleges and this policy and related procedure would align with what we have done in practice for years. Mr. Villegas reported that the Educational Policies committee reviewed the possibility that classes were impacted by this priority enrollment, the Chancellor’s Office was contacted and it was determined that EOPS and DSPS priority enrollments were not impacting any classes and have historically not impacted any enrollments. And because we are practicing what all other colleges are practicing, the policy and procedure should be left as they are.

The consensus of the Board was to leave the policy and procedure wording as was presented and that the board policy should be placed on the August Board agenda for approval.

2.2 Re-affirmation of Accreditation for the Nursing Program with Progress Report Due in Fall 2011

Superintendent/President Serban reported she had received a letter from the National League for Nursing Accrediting Commission (NLNAC) stating that their Board of Commissioners approved with conditions the accreditation of our nursing program at their meeting on July 8-9. Our nursing program had their reaffirmation of accreditation visit last year, a very thorough visit
was conducted and the ADN program had to conduct a self-study. Acknowledged the work of Dr. Karolyn Hannah, who had the lead role of writing the self-study and nursing staff, also acknowledged Erika Endrijonas, Betty Pazich and Sheri Shields for their contribution to the self-study and the visit. Superintendent/President Serban reported that she read the full evaluation report and she was amazed at how many people the team met and that they were able to include a visit to Cottage.

A few areas of deficiency were noted and Betty Pazich was asked to report on those. Ms. Pazich reported that one finding was that one part-time faculty member had a diploma in nursing as the highest level of academic achievement; another finding was that two lab personnel providing evaluation of students hold associate degrees as their highest educational level. The requirement is that nursing staff has a Master’s in nursing. It was also noted that there wasn’t sufficient documentation of evaluation of the part-time faculty in the lab. It was reported that these deficiencies will be rectified and that consultation will be conducted with these part-time faculty and more supervision will be provided. Sheri Shields will make sure that more full time faculty provide the teaching and assessing in the labs. The change in curriculum will also take care of these findings.

2.3 Contract with Cottage Health System for Continued Support of the Nursing Program

Superintendent/President Serban reported that the contract with Cottage Health System (CHS) was negotiated and initiated by Dr. MacDougall in 2001. The contract is about to expire and Superintendent/President Serban spent quite a bit of time with Ron Werft, CEO of Cottage Health System negotiating a new contract. The CHS contract has supported 4.5 FTEF nursing faculty, and other expenses that are critical for the program. During these contract discussions a few things were pointed out with regard to the expectations of CHS. CHS wants to achieve Magnet status and to receive this status they need to have more nursing staff with Bachelor degrees rather than just the two year nursing degree. However, there is still a need for nurses with a two year degree and the concern expressed was that the number of graduates from SBCC being hired by Cottage has not increased much at all over the last ten years. Mr. Werft stated he feels very strongly about their partnership with SBCC, however, they feel that SBCC has not increased the number of graduates and secondly the number of graduates that are actually being hired by Cottage is low. He feels that probably CHS would have gotten the same number of hires even if they had not provided the support. Superintendent/President Serban’s discussions with Mr. Werft included how important their support is and to also let them know that that SBCC is engaged in making significant changes to the nursing curriculum and the changes made this Fall include providing a very different model than the one used in the past.

Mr. Villegas asked if there was any relation to the graduating or hiring of graduates and the curriculum that the college was using in the past. Superintendent/President Serban reported a point made by Mr. Werft was that because the prior curriculum model because self paced, it took students longer to graduate than they would if they were enrolled in the traditional model. The second argument made was that in terms of individuals being hired, it was felt that there are quite a few individuals who graduate from the program, but are not hired by Cottage. SBCC’s response was that we could not control where graduates applied for employment. Mr. Werft suggested that SBCC work in conjunction with CHS’ Human Resources department to encourage more cooperation in informing our students about their employment opportunities and incentives.

Ms. Livingston asked if SBCC were to lose this funding what would be the consequences. Superintendent/President Serban reported that it would be devastating as we would have to scale down the program if we were to loose the faculty positions being funded. Superintendent/President Serban noted that this would be another reason to build up the college’s reserves. Ms Pazich reported that Sheri Shields is very confident that they can
maintain the number of graduates who could be hired there.

Superintendent/President Serban reported that all issues being mentioned at this meeting were discussed, however, it was noted that this is a business investment for Cottage and it was also noted that CSU Channel Island’s nursing program is also now being supported by CHS. It was also reported that there is in place a grant that will allow articulation of programs between SBCC and Channel Islands. Superintendent/President Serban believes that slowly there will be an increase in graduates because of the more traditional curriculum being used now. Ms. Pazich reported that the new curriculum model is going to enhance the relationship between the staff at the hospital and our students, as our students will be at a more identifiable and predictable skill level rather than in the past. This enhancement to our relationship with hospital staff will have a positive impact.

2.4 Follow up Information Regarding School of Media Arts

Superintendent/President Serban introduced Tim Trembley who is a member of the Citizens’ Bond Oversight Committee. It was explained that the President of the committee, Ed Heron was contacted by Superintendent/President Serban and she spoke to him about the possibility of the change in direction of the SoMA building and to let him know that there was going to be follow-up information provided at this meeting. Because the decision can not be put off until the next meeting of the Citizens’ Bond Oversight Committee, Dr. Serban suggested that he attend this meeting. Mr. Heron was not available and requested that Tim Trembley attend in his place.

Superintendent/President Serban reported that at the last study session the Board discussed the funding for SoMA. It was assumed that the project would cost $46 million and the plan was that $32 million would come from the state, $9.3 million would be funded from Measure V and $5 million would be raised by the Foundation. Later, the cost of building went up to $52 million because the LEEDs certification was added as well as additional space. The fundraising to date has netted $1.9 million, the state has reduced their amount from $32 to $22 which means that it would require that $27 million be used from Measure V funds, which is a big increase from the original estimate of $9.3 million. This would mean that a lot less money would be available for the other projects and further more the money that was expected from the state for some of the other projects, like the Humanities remodel, the School of Culinary Arts remodel, the Campus Center remodel for various reasons having to do with the state situation, will not materialize in the next ten years.

The Board now has to make the very difficult decision of whether or not to continue with SoMA. A recommendation was made to postpone SoMA and reapply in the future for funding for this project from the state and perhaps we could get more money from the state. Superintendent/President Serban had a conversation with the Chancellor’s office after the last study session and the Chancellor’s office confirmed that even if we were to reapply we would get under $30 million; the college would still have to invest $22 million from local money. The follow-up information received was that the methodology confirmed that we would only get $29.4 million, however, the state was also concerned with the fact that the College had requested that the funds for this project be re-appropriated three years in a row and even though some of the reasons were not under our control, they don’t like to see that happen, they being the Chancellor’s Office, the State Department of Finance, and the Joint Legislative Budget Committee. As was reported before, the College has had to struggle with the Dept of Finance and the Joint Legislative Budget Committee, who actually wanted to pull all funding for this project. It is felt that the history of this project will not help the college in its pursuit for funding for this project.

Liz Auchincloss had met with the Classified Consultation Group and she reported that the group met and documentation and information were provided. After hearing all of the information, the group voted overwhelmingly for option 2: to not continue with SoMA. The group felt that deferred maintenance is very important for the college and since deferred maintenance funding
is not available through the state and the bond funds are available for those projects, they should be completed and the SoMA building should be postponed. The group felt that because of the current state situation, that the community would not hold it against us if the funds were used for deferred maintenance projects and major renovations rather than the SoMA building. Superintendent/President reminded the Board that if the decision was to go ahead with SoMA there would be no funding available for renovations and deferred maintenance projects. Vice President Sullivan noted that the funds were not only for deferred maintenance projects but that they were also the funding that would be used for other buildings and structures that we would like and need to complete.

Dr. Alexander stated that it is obvious that one way or another, we are not going to be able to do what we said we would do when we put out the bond. It is a question of timing and how do we best capitalize on what we have. There is no doubt that we are going to have to give up something.

Ms. Livingston asked how the Board is going to discuss this as this is probably one of the biggest decisions it has had to make. Ms. Livingston reported that in speaking to some people, they felt that when they voted for the bond they were going to get a new building and she felt that this should be something that should be discussed with the community. The other Board members felt that ultimately the decision was theirs to make and it was noted that anyone is able to attend any Board meeting and provide their comments during the hearing of citizens. Mr. Villegas reminded the Board that they are also governed by the guidelines of Prop 39 and those would need to reviewed to make sure that the Board was not out of compliance with regard to those regulations. Superintendent/President Serban reminded the Board that, ultimately, everyone's interest are the students and the community at large would not have the information the Board has had to make the decision of what is best for our students now and in years to come. Ms. Livingston raised the question of the portables and how was the college planning on maintaining the portables. Dr. Alexander noted that the portables would always be a part of the college, as those buildings would be used as swing space for any remodeling taking place on campus and that they would also be used in the future, if and when the SoMA construction begins. Dr. Alexander stated that she felt that the building was needed to prepare students to get jobs in high tech areas and if we do not have the capability to teach these courses then we shouldn't be offering them. Superintendent/President Serban disagreed with this comment since SoMA courses are being offered now and we currently have great programs because of Guy's work and other people on campus. The building would have brought the programs together and would have allowed for expansion. Mr. O'Neill asked if anyone had thought of adapting SoMA and perhaps clustering classes. Guy Smith was asked to provide his input on this decision and he stated that he is very committed to the building and it would be great to have it. However, he also realizes that this will be a hard decision that will have to be made. Other options for accommodations are being looked at if the decision is made not to proceed with SoMA.

Ignacio Alarcon reported that what he has heard from faculty is the concern of using Measure V funds on only two projects when there are other buildings on this campus that are in disrepair and that it would create a lot of internal resentment. This item will be presented at the Academic Senate retreat next Wednesday.

Superintendent/President Serban reported that if the Board felt very strongly that they wanted to wait and vote on this at the September Board meeting, it could be placed on that agenda. However, she felt that the Board wouldn't hear any new or different information from what has been presented already. The Board also was reminded that there is a timeline that needs to be followed in the spending of the bond funding and this decision should not be postponed later than September. She also reported that once the decision was made by the Board, a press release would be sent out.

Dr. Alexander stated that what the Board is hearing at this meeting is how various components
at this college have discussed this and what they are telling us is that they are advising us on what to consider. The public expects this Board to handle this intelligently and make a decision and the decision needs to be based on hard and natural facts that are out of our control. Dr. Alexander thanked Mr. Trembly for attending this meeting and he was asked to convey the Citizens' Bond Oversight Committee thanks for their interest. Mr. Trembly stated that the general tone here was the same thing that was discussed at their meeting, it is a difficult time and there are a lot of concerns and tough decisions that have to be made. He feels that the taxpayers in Santa Barbara are going to understand, they know what kind of crisis the State of California is in and how Santa Barbara City College is affected by that. The Board needs to remember how much the community appreciates this college, it's considered one of the best in the country and many love this school. The community is going to trust that the Board is doing what is best for the college. There are a lot of things to consider, but the Board should feel good about what we're trying to do in this tough time.

The consensus from the Board was that this item should be placed on the August agenda for a vote. The item will be listed under the Board of Trustees and they would need to vote on whether to proceed or postpone with the SoMA. If the decision is to postpone the building, the state will need to be advised that the college will not be seeking reapportionment of the funds and that we would reapply at a later date.

2.5 Overview of 2008-09 Ending of Year Fiscal Status and Steps Taken to Achieve a Balanced 2009-10 Adopted Budget
2.6 Estimated Revenues in 2009-10 for Selected Categorical Programs
2.7 Steps Taken to Achieve a Balanced Adopted Budget for 2009-10 Budget – Unrestricted General Fund
2.8 Unrestricted General Fund 2007-08 Actual, 2008-09 Unaudited Actual, 2009-10 Tentative Budget, 2009-10 Adopted Budget - Preliminary

Superintendent/President Serban reported that a narrative was provided with these attachments, so she was not going to go over it word by word. She did want to report that where we are now is a result of the efforts that have been made and the result is a good one and a bad one. We were able to reduce expenses because we have had 16 vacancies in 2008-09, many of which stayed unfilled for months, 6 of which will not be filled in 09-10, and hours were reduced in spring 2009. The 2008-09 tentative budget was showing a deficit of $2 million and because of all the measures that were taken, we are ending with positive revenues of $3.8 million and an ending general fund balance of $15 million. This is good as it will help us go into 2009-10 with very strong ending fund balances to absorb backfills that will need to be made, particularly to help categorical programs. Although the cuts were not as bad as estimated in the May 14, 2009 revise, they are still bad and the federal back fill that was originally anticipated as $1.2 million for our categorical programs has been reduced to $470,000 (this is still an estimate, no actual allocation was received from the state), due to the formula that was used for the disbursement of these funds. More work needs to continue to fully understand the impact on the categorical programs, currently the estimate needed is $900,000 to make up for the cuts in State funding for categorical programs. More revenue was received in 2008-09 than what was originally estimated because we captured the entire allowable growth for 08-09 and because some of the cuts that were suppose to be mid-year budget cuts did not materialize. However, they will be absorbed in 09-10 instead. The goal is to come to the September Board meeting with a balanced budget.

Superintendent/President Serban reviewed with the Board the steps that are being taken to achieve a balanced budget for 2009-10. Some of the steps being taken are one time measures, such as no transfers to equipment, copiers, and the energy project and a minimal amount to the construction fund. International students are being increased, but this results in additional expenses. The cut in hours is being reviewed and realistically the amount that can
be cut is $600,000 from credit and $200,000 from non-credit. The big relief from a fiscal standpoint is in the workload reduction; however, this is being handled very carefully because we would not want to dismantle entire course offerings, which could hurt us in the future. Cuts have been made to cell phones allowances, mileage allowances, travel, and institutional memberships; the positive is that we will only need to back fill about $900,000 in categorical programs. The allocations for vacant positions that will not be filled are being removed from the budget, 6 classified positions and Erika Endrijonas' position will not be filled. Additional revenue of $478,399 was received for growth in 2008-09. It was received after the tentative budget was approved in June. It is felt that the state's estimated revenues will not materialize and in the realistic budget we are building in $1,000,000 as a deficit factor, and in the optimistic budget we are going by the state's revenue estimate and no deficit factor is included. Many discussions have taken place with the Vice Presidents, with Ignacio Alarcon and with Liz Auchincloss and it was noted that some of the reductions made cannot continue after 2009-10. Superintendent/President Serban noted that in 2010-11 transfers need to be made to construction and equipment. Also the reduction in hourlies hours needs to be reviewed. In a short time, we have reduced the hours of service drastically and the impact will be felt this year as there will be fewer hours of service for students. We need to remember our mission which is to serve the students and if they don't have the services they need to succeed, then we are not fulfilling our mission.

Superintendent/President Serban proposed that two budget lines be added to the college budget in the future and that an effort be made to transfer funds to these, one would be a student success budget item, the college needs to budget for this and the other would be a program review fund. We have spent a tremendous amount of time this past year revising our program review process so that we would have in place a process used to identify resource needs. Because of the current budget crisis in the State of California, we will not be seeing any new money for quite a while and building a program review fund would allow us to budget for these items. We are required to link program review with budget allocations and we need to show that we are doing this. Internal discussions will need to take place. Superintendent/President Serban wanted to put this on the table now so that the Board knows that this is a direction that will be discussed this year.

The budget for 2009-10 being reviewed today has a deficit of $340,616 and this amount could be backfilled from ending fund balances. Superintendent/President Serban noted that no further cuts can be made, this is all that can be cut from this budget. However, we do need to recognize that these efforts have paid off and a lot of effort has been made to be fiscally responsible and appreciates everyone's efforts with these cuts.

Ms. Livingston requested that sabbaticals be revisited and Superintendent/President Serban noted that this item could be revisited in 2010-11.

The consensus of the Board was that the budget as presented at this meeting be submitted for approval at the September board meeting.

2.9 Cash Flow 2008-09 Actual – General Fund

Superintendent/President Serban reported that this represented the actual cash flow for 2008-09. This is based on the general fund only, and, as you recall, this was the year that the first payment from the state was not received until October. The college was able to avoid borrowing funds to get us through September by using funds from the bookstore and reserves to make payroll, this is why reserves are important.

2.10 Cash Flow 2009-10 Projected – General Fund

Superintendent/President Serban noted that the only actual information on this projection is the month of July; the rest of the year is projected. The funds for the 2008-09 deferrals did
materialize in July which helped us; otherwise we would have had a deficit that month. The deferrals for 2009-10 have actually increased from $7 million to $10 million. If all continues as planned, the college will have the needed cash in 2009-10. However, we would end the year with a reduced fund balance of $9.2 million.

2.11 Discussion of Proposed Items for Future Agendas of Board Meetings (regular meetings, study sessions, or committee meetings)

Ms. Livingston requested information on how employees are compensated, what amount is spent on step increases, etc. Superintendent/President Serban will put this on a future agenda for review.

Upon motion by Mr. O'Neill, seconded by Dr. Dobbs, the Board approved adjourning the study session.

3. CLOSED SESSION

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

1. 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.

2. RECONVENE TO OPEN SESSION

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

President Alexander reported that no action was taken in Closed Session. The Board gave direction to the District negotiators.

4. 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, August 27, 2009 at 4:00 p.m. in A211. A Study Session will be held on September 10, 2009 in A218.

APPROVED BY THE BOARD OF TRUSTEES ON September 10, 2009

President, Board of Trustees

Superintendent/President
Secretary/Clerk of the Board