MINUTES

MEETING OF THE BOARD OF TRUSTEES
SANTA BARBARA COMMUNITY COLLEGE DISTRICT

September 10, 2009

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

MacDougall Administration Center
Santa Barbara City College
721 Cliff Drive

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 regular Board meeting or within 24 hours prior to a special or committee meeting) are available for public inspection.

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

1. GENERAL FUNCTIONS

1.1 CALL TO ORDER

President Alexander called the meeting to order.

1.2 ROLL CALL
Members present:
Dr. Kathryn Alexander, President
Mrs. Sally Green
Mr. Morris Jurkowitz
Ms. Joan Livingston
Mr. Des O'Neill
Mr. Luis Villegas

Members absent:
Dr. Joe Dobbs, Vice President

Others present for all or some of the meeting:
Dr. Andreea M. Serban, Supt/President and Secretary Clerk to the Board of Trustees
Dr. Ofelia Arellano, VP Continuing Ed
Dr. Alice Scharper, Ed Programs
Joan Galvan, PIO
Dr. Lynne Stark, President IA
Tom Garey, Theater

Dr. Paul Bishop, VP Info Technology
Liz Auchincloss, President CSEA
Ignacio Alarcon, President Academic Senate
Marilynn Spaventa, Ed Programs
Joe Sullivan, VP Business Services
1.3 WELCOME

President Alexander extended a cordial welcome to all

1.4 MINUTES OF THE STUDY SESSION OF AUGUST 13, 2009

Upon motion by Mr. O'Neill, seconded by Mrs. Green, the Board approved the minutes of the study session of August 13, 2009.

1.5 HEARING OF CITIZENS

No citizen expressed a wish to address the Board.

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

2. STUDY SESSION

2.1 Steps Taken to Achieve a Balanced Adopted Budget for 2009-10

Superintendent/President Serban reported that the information being presented is the result of everyone's efforts to date and it's a slightly better outcome than the last time we met. It's becoming increasingly apparent now that the semester has been underway, on the credit side; the reductions are now being felt. On the positive side we were able to fulfill the promise of presenting the Board with a balanced budget for approval. However, there are issues with the assumptions made, with the reductions made and the fact that many of them simply can not continue, if we continue to hold them there will be significant consequences. Over the Fall semester we will be having discussions as to what extent can the 10-11 budget be balanced or will we have to use some of our reserves in order to continue to provide support to the areas that were cut back. Steps taken to achieve a balanced budget is a document that Superintendent/President Serban wants the Board to understand because it is clear that in 10-11 we need to go back to transferring money back into the equipment and construction funds. This is something that can no longer be debated; the funds in these accounts are being depleted and need to be replaced. Superintendent/President Serban reported that while on the credit side sections have been reduced for the Fall semester, cutting sections in the non-credit side is proving to be difficult. Cutting sections in Continuing Education has never been done and the reaction from the community has been strong, it varies from outright threats and being nasty to Dr. Ofelia Arellano. Reductions have never occurred in Continuing Ed before and though everyone knows we have a budget crisis, no one is willing to give up their classes and they don't understand the concept of the cost of these classes. Realistically we will not be able to reduce the non-credit FTES as noted previously. Dr. Ofelia Arellano reported that in the past the enrollment policy had not been enforced, the number of students in the class had to be 17, this Fall the number was increased to 20. Dr. Arellano was taken back by the reaction of the initial cut of 13% of sections that was done to try and meet the target of 300 FTES and the reaction from the community. This process was unknown to Continuing Ed and the reaction from the community was shocking.

Superintendent/President Serban reported that this needed to be discussed because
the Board would need to concur with what staff is trying to do with cutting sections at Continuing Ed. Unfortunately these strong reactions were compounded with the unsuccessful online registration for Continuing Ed. If the Board concurs with what staff needs to do in Continuing Ed, then they will continue, however, if the Board does not the work taking place will stop. Ms. Livingston noted that she felt that this is the kind of discussion that should be taking place with the Continuing Ed Advisory Board. Superintendent/President Serban reported that this was discussed at the advisory meetings, along with the budget crisis the college is facing. Ms. Livingston felt that this should be a two way conversation with the group. Superintendent/President Serban noted that members of the Advisory Council, who had attended the meetings where she and Dr. Arellano discussed the budget issues and what the college planned to do about it, are some of the people who are upset about the cuts being made. Dr. Arellano noted that information regarding the cancellation of classes was posted on the Continuing Ed website. Mrs. Green asked why there isn’t a flat fee charged for classes. Superintendent/President Serban reported that this was reviewed by staff and that the fee charged needed to at least pay for the cost of the instructor, however, the response from the community was negative because they felt the fees were too high. Dr. Arellano reported that they will conduct an analysis of which classes currently being offered by Continuing Ed can be converted to fee base, but realizing at the same time that this will impact their state apportionment. Dr. Arellano reported that the Fall schedule was cut 13% and they are now working towards the reduction of 300 FTES. Fall classes have begun and they will be monitored as there are many classes currently that are under the 20 required enrollments. The instructors have been alerted that they need to get more students in the class or their class will be canceled for low enrollments. The winter session will be reduced from 10 to 8 weeks as a first step vs cutting classes across the board.

The Board concurred with the enrollment work that is currently taking place at Continuing Ed. Discussions will continue on this subject and everything will need to be considered.

The other areas that will need to be discussed further this year are the categorical programs. The backfill for categorical for 09-10 was only $566,885 and this was a result of most programs having carryovers from the 08-09 budget. The carryover will be used this year along with what will be received from the federal stimulus and the 10-11 budget will need to be discussed. To be able to maintain the current services we provide, we will have to backfill a significant amount, close to $2 million from reserves and to continue to do this every year is non-sustainable budgeting. Vice President Sullivan provided a handout of selected categorical programs budgets and noted that the new information received was included which was that the systemwide backfill from federal stimulus had been reduced form $130 million to $37 million. Vice President Sullivan also noted that 25% was actually budgeted and this new figure works out to be about 281/2%, which is about $36 thousand above what was budgeted. The figures presented reflect a net impact of about $$4,032,794 which is about a 10% reduction from prior years. Superintendent/President Serban noted that the college is still holding the line for the 09-10 budget, the problem will be 10-11 and forward. Internal discussions need to take place regarding what cuts will need to be made. Ms. Livingston asked if there was a breakdown available of what is salary and other expenses. Superintendent/President Serban said that she does have that information
and would email the Board, however, some programs if they were to operate on just the state funding, they would not be able to fund the permanent employees currently employed in the programs. This handout does not show the entire support received from the general fund, this is just showing the augmentation to make up for the cuts in the current state allocation. Superintendent/President Serban reported that we are actually funding a lot more from the general fund than is shown and we've traditionally supported these programs significantly from the general fund.

Superintendent/President Serban reported that next year the federal stimulus and carryovers disappear and basically we will be left with only the state allocation which will be approximately 50% less than was received in the past. The questions that will need to be answered internally will be:

- What is the minimum level of support we want to have?
- What does it mean in terms of using general funds?
- Can we afford the programs and for how long before the reserves are depleted?

Superintendent/President Serban noted that these are decisions that will need to be made collectively. It is easy to dismantle, however, it is very difficult to recreate so perhaps it is worth spending the reserves for a few years and hopefully state funding will be restored in 3-4 years and then in the 4th year if there is no funding, then perhaps at that point programs will need to be dismantled. These discussions will need to take place during the coming year.

Ms. Livingston noted that the Board will need to come to terms with the utilization of the reserves before we go to specific uses of it. Superintendent/President Serban reported that these are the discussions that will be taking place because they are so important. The current budget crisis has forced us to see how dependent we are on maintaining high ending balances, because it is the only way we can operate. Our current ongoing expenses are 90% of our revenue and unless we are able to do something about that we will always rely on reserves.

Superintendent/President Serban reported that this is the first year that we will be taking out the funds from the budget for unfilled positions; this doesn’t mean that they will not be filled next year. All the efforts that have been made have resulted in a balanced budget that will be presented for Board approval at the September board meeting.

2.2 2009-10 Adopted Budget Compared to 2007-08 Audited Actuals, 2008-09 Unaudited Actuals and 2009-10 Tentative Budget

Vice President Sullivan reported that the 2009-10 budget is a pretty solid budget. Our revenue didn’t drop as much as it was slated and we had the added advantage of the growth, which is why we ended up on the positive side. Superintendent/President Serban noted that the other item that will be continually repeated is the difference between accrual basis and cash basis. Due to the deferral payments taking place our accrual basis is not accurate; we should be looking at our cash basis which is the actual amount of funds available.
2.3 Complete 2009-10 Adopted Budget Packet

Vice President Sullivan reviewed the budget that would be presented for Board approval. In the unrestricted fund there was a reduction in the state general apportionment and a one-time property tax backfill. There was an increase in the international and nonresident tuition and there were some budget reductions. From this fund there were transfers made to categorical programs to partially backfill state budget cuts, there was a transfer to the Children’s Center and to the construction fund. In the restricted fund the key numbers were the transfer in from unrestricted general fund to partially cover cuts to categorical programs and there were other transfers in that resulted in a zero balance. These figures had been reviewed in the past meetings.

Superintendent/President Serban reported that she has not forgotten that the Board wants to review the Children’s Center operation. This semester a group that includes a consultant being paid by the Orfalea Foundation will review the Children’s Center operation and determine if it can break even.

2.4 Drama/Music Modernization - Unforeseen Conditions and Missing scope

Mr. Steve Massetti reported on the drama/music modernization and as had been discussed that since this is a modernization project and since this is a combination of two projects it was known that there would be some coordination issues and unforeseen issues. Some of those issues have begun to surface and the items being presented are things that have come up. There are no dollar amounts for the majority of these yet and it is suspected that there will be others as the project proceeds.

- Additional asbestos had been discovered and needs to be abated. There are some areas where additional abatement will be required, however, there are areas where the asbestos will be encapsulated or covered and will not be abated. The “as built” plans will now have these locations noted.
- A bank of conduit and wiring had been discovered under the stage that is in conflict with the new structural walls in the theater. In order for the work to be performed the conduits and wires must be relocated, which resulted in delay of the project. An analysis is being conducted on the impact of the change and the architect is designing the necessary scope of work needed. The cost is unknown at this time.
- There are a number of soundproof practice rooms that were to have been replaced; however, due to an oversight this was not included in the specifications for the project. The cost impact is estimated to be in the range of $250,000 to $300,000.

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

Dr. Alexander requested that the November study session agenda include the following items:
- Board Travel
- Institutional memberships
Upon motion by Mr. O’Neill, and seconded by Mrs. Livingston, the Board approved adjourning to closed session.

1. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9 of the Government Code – one case.

Upon motion by Ms. Livingston, seconded by Mrs. Green, the Board approved reconvening to open session.

President Alexander noted that there was nothing to report.

4. ADJOURNMENT

Upon motion by Mr. O’Neill, seconded by Mr. Jurkowitz, the Board approved adjourning the study session. The next Regular Meeting of the Board of Trustees will be held on Thursday, September 24, 2009 at 4:00 p.m. in A211. A Study Session will be held on October 8, 2009 in A218.

APPROVED BY THE BOARD OF TRUSTEES ON October 8, 2009

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