

**SANTA BARBARA CITY COLLEGE
COLLEGE PLANNING COUNCIL**

February 4, 2003

3:00 – 4:30 PM

Room A218C

MINUTES

PRESENT: J. Friedlander, B. Fahnestock, S. Ehrlich, L. Fairly, B. Hamre, K. McLellan, A. Serban, L. Rose, T. Garey, G. Carroll, E. Frankel, P. Haslund, L. Auchincloss and J. Jackson

GUESTS: L. Griffin

1.0 Call to Order

1.1 Approval of the minutes of January 21st and January 28th CPC meetings.

The approval of the minutes was tabled until the next meeting.

1.2 Announcements

There were no announcements.

2.0 Information Items

2.1 Update on spring 2003 enrollments

Dr. Friedlander reported that as of this morning, the credit spring enrollment is up 7.1% headcount and up over 14% in full-time students. Last spring was a record high enrollment for the college and we are up substantially over that enrollment. If the enrollment holds through census, the college will receive the full amount of growth that is funded by the state. The growth in full-time students gives the college a larger base to draw upon for next year and will offset some of the potential loss in credit FTES that may result from a fee increase.

2.2 Proposed changes to Student Services Building hours

Keith McLellan discussed the proposal to reduce the Student Services Building hours beginning in July of 2003. Keith presented a detailed description of the projected decrease in the hours the Student Services Building would be open if the proposal he presented were implemented. In general, the hours would be reduced from Monday through Thursday from 8:00 p.m. to 7:00 p.m. and close on Friday at noon. Keith projected that these proposed changes in hours would result in \$40,000 to \$50,000 in savings. However there are issues that need to be resolved with staff receiving additional compensation to work on differential shifts and those who would need to work elongated shifts Monday through Thursday since they would not be working a full day on Friday. Keith said he has built a matriculation calendar that would allow this to happen should the proposed calendar be approved. Because we have to build the calendar now for next summer, it has been designed so that if these proposed changes were to be enacted, it would not show Friday afternoon hours. There is a general consensus in most student services departments that the proposed changes could be done. Liz Auchincloss indicated that this would be a negotiated issue in respect to full-time classified staff who will have to modify their hours. Dr. Friedlander indicated that based on the input he has received from managers of the services affected by the reduction in hours, the change

would not have much of an adverse effect on students' ability to access needed services. If the proposed changes in building hours were to be implemented, it would result in a reduction in hours for adjunct counselors and classified hourly staff. Tom Garey commented that to keep in mind that the 16-week calendar may have an impact on the needs for student services on Fridays. For key enrollment periods, student services would maintain a full day on Fridays. Keith will work with HRLA and CSEA to determine the issues that have to be resolved to go forward with this proposal.

2.3 Update on state budget

John Romo joined the meeting at 3:00 p.m. to give the Council an update on what he learned this past week at the CCLC legislative advocacy conference as well as to update the Council on the proposed budget reductions offered by the vice presidents.

John said there were sessions with members of the Senate and Assembly education committees. The legislators commented on how well the community college system has done in presenting its system-wide view of the legislative process and in the proposals it presented for reducing the budget for community colleges. The legislators are counting on CCLC to provide them with legislative language that makes sense to them that they can advance. CCLC is the strongest entity in the community college system from a political perspective and was given more credit than the Chancellor's Office for bringing the system together and all the consultation and constituency bodies in presenting this unanimous proposal. John reported that in terms of the budget itself, CCLC felt there will be a fee increase but it will not be \$24 a unit. They are discussing a methodology for an incremental fee increase over time possibly based upon CPI. There was also discussion in the sessions with the state legislators regarding the use of a mechanism where some of the money from the increase in fees stays with the colleges.

A representative from the Chancellor Office, in a meeting on financial aid, said that with what the Governor put into the Cal grants aid that there should be more than enough money to cover any qualified individual who needs help to meet the fee differential. The Chancellor's Office is requesting that additional funds be made available to financial aid offices to handle the increased workload that would result by having more students apply for BOGs and other forms of financial aid to help offset the fee increase. John also reported that the Legislature is very concerned about abuses in the Dual Enrollment program and that it will be initiating an investigation and necessary changes in law.

President Romo said that a major topic of conversation at the CCLC conference was recommendation 34 of the master plan on governance. Senate Bill 6 (SB6) was introduced by the person who spearheaded the Master Plan. CCLC pulled together a consensus opposition to the language as it currently existed in SB6. CCLC was assured that the language of SB6 would be more consistent with what the community colleges feel is necessary to assure that there is clarity of the role of local boards. The role of the Board of Governors is more coordinative and should deal at highest level of statewide policy issues but not micro-managing local districts. John will distribute information received from CCLC on their long-range advocacy strategy.

One debate was whether or not the community college system should stay in Prop 98 since it continues to receive a lower percentage of its share of these funds than it is entitled. Dr. Friedlander argued in favor of staying in Prop 98 indicating that enrollments in K-12 are not projected to grow as rapidly as those in community colleges. To the degree this change in demographics continues, in a few years the community college share of Prop 98 dollars should increase. On the other hand, Dr. Friedlander stated that it is likely that the Legislature's commitment to supporting K-12 will continue to be greater than that for community colleges.

To the degree that this bias remains, community colleges may not receive their fair share of the Prop 98 funds.

John said there was a special meeting of "low revenue districts" of which we are one. We are using a very rough ranking in how districts get reimbursed in FTES with a caveat in the numbers being used. SBCC ranks 56 out of 72 in our FTES reimbursement. One proposal being discussed is to have the state distribute new funds in a manner that would help reduce the per FTES reimbursement inequities that exist among community colleges.

John Romo said that the process for identifying the amount of money that needs to be reduced from the college's budget for this year and next is very difficult in light of the absence of good information from the Chancellor's Office and the state Legislature on the status of the allocations colleges will receive this year and next. We are continuing to make adjustments in the calculations of our revenues for 2002-03.

Brian Fahnestock distributed the 2-year projection of the Unrestricted General Fund model and indicated that based on the governor's proposed budget for this year and next, we anticipate a loss in state funding of about \$7.5m between January 1, 2003 and June 30, 2004. However, the effect in the short term is considerably better. Brian indicated that he told CPC two weeks ago that even with the cuts that we anticipated making this year the college would be \$600,000 short in balancing its budget. In working with the Governor's proposal, we now think that our cut from the state will be considerably less. The growth and basic skills that we are going to get this year [\$2m] plus the reductions we have already taken, will give us a positive fund balance at year end. We will have our 5% contingency, \$600,000 for the benefit package [will use \$300,000 next year], and we anticipate that we will have \$2.8m to carry forward to next year. Brian said to keep in mind that we still have a 7.5% cut over 18 months so we will need the \$2.8m savings from the 2002-03 ending balance.

Brian continued that for 2003-04 we have only the Governor's proposal. The Legislature has not given any indication of what they are going to propose next year and we still have a way to go to make cuts that are necessary. This year our revenues will be slightly more than our expenditures. However, the college's budget for 2003-2004 is still structurally out of balance. Brian discussed some of the rough figures for 2003-04 budget in the line items. John Romo stressed that it is important to note that this model is just a starting point. He said that the model does not include any contribution to the equipment fund, which is an important program and policy decision. We have a mechanism right now that sweeps from end of year balances the amount of money needed to support these reserve accounts. The construction fund is money that has been going toward the district match for state-funded renovation and construction projects on campus. In that fund is the large amount that is set aside specifically for the parking structure in the future.

Brian also made the point that the projected budget for next year assumes that the college will back-fill the cuts to the restricted categorical programs, including EOPS, Matriculation, DSPS, PFE and CalWORKS. He indicated that the \$4,019,208 shortfall for 2003-04 is approximately 6% of the budget. This was offset by the \$2,822,792 projected ending balance for 2002-03.

John Romo had asked the vice presidents to assume a 12% cut for 2003-04. Dr. Friedlander opined that we should look more in line with an 8% cut. He said that it would be too disruptive to the college to reduce the budget by 12% in one year. Furthermore, he believes the actual cuts to the system's budget will be substantially less than 12%. If the reduction in state funding for community colleges is greater than 8%, the college would use next year to prepare to make the adjustments in programs and services required to function at such a reduced funding level. Jack said the main change for 2002-03 is the Governor's cut in the amount of growth and Basic skills FTES he proposes to fund. What the House and Senate sent to the Governor was

for no cut to this year's growth funding and no additional cut in the amount of money available to support Basic Skills funding. John Romo suggested that it would be more prudent to cut 10% from next year's college budget. He has asked Dr. Friedlander to begin the process for the waiver on the full-time requirement as it is currently authorized. He also indicated that we will not be filling a number of the faculty positions, even the replacement positions. Dr. Friedlander said he and members of the Academic Senate agreed to initiate a process to identify the most critical faculty positions to fill for fall 2003. Dr. Friedlander estimated that this process would result in not filling 17 to 19 contract faculty positions.

Lana expressed concern about the projected unrestricted ending fund balance of \$2,822,792 in light of the fact that we are being asked to cut our budgets. She suggested that the college community be informed of the rationale for this significant ending balance. John Romo indicated that what has facilitated having an ending balance this year, along with all of the projections of the savings we will accrue, is the legacy of prudent financial management. There has always been some doubt about whether or not this was a good way of doing business. There was always an assumption that there would be substantial ending balances that would be able to support the contingency reserve that we have and then make additional funds available to go into other funds. For 2003-04, the discussion is a moot point as we see a projected 6% deficit to the budget. This year that reality has resulted in providing a buffer against what we will be facing next year. John Romo said that he would like to put funding for replacement equipment into the operating budget.

Lynda Fairly expressed concern that she does not want go through the exercise of identifying potential layoffs until we reach the point where we have to make this a consideration. Liz Auchincloss commented that this campus has had a culture of not laying off people in the worst of times. If we begin with just one layoff, for whatever reason, you change this part of the college's culture. Tom Garey articulated support for a more conservative cut. In approaching 2002-03, our panic has been tempered by the 5% operating reserve and considerable funds in the equipment and construction reserves. Our carryover fund balance from 2002-03 mitigates the 12.5% cut that might befall the system. Financially, we are in a remarkably strong position especially compared to other colleges around the state. That testifies enormously well to administrative decision-making over the last decade. He said Jack's recommendation of an 8% cut makes a more sensible exercise. If we are wrong, we still have resources to fall back upon to mitigate it. There will be more attrition next year and there will be more options to consider. Dr. Friedlander said that he is constantly meeting with deans to determine how cuts impact departments. At this point, he doesn't believe the deans can identify reductions of 8% without cutting FTES-generating classes. He went on to state that while it would be a challenge to identify cuts totaling 8% for the college, it is a target that could be achieved. John Romo said he will take the Council's recommendations into consideration and appreciated its input.

3.0 Discussion Items

3.1 Budget revisions/reductions for 2002-03

John Romo led a discussion of potential budget reductions for 2002-03 from the recommendations made by the educational divisions of the college as well as recommendation on the potential reductions by the Executive Council. John also put forth the Executive Council's recommendations for reconsideration of positions that they determined are essential for performing critical functions. The following positions are being reconsidered for funding. If these positions were not replaced, it would have resulted in a savings of about \$217,956.

Credit Educational Programs

Student Activities Secretary
International Students Secretary
Cosmetology Staff
Online College Instructional Aides
Biological Sciences LTA

Business Services

Reduced maintenance, grounds and custodial service (hourly)
(including replacing R. Maya)
Security (hourly)

Human Resources/Legal Affairs

Benefits Position Freeze (replace B. Benjamin). Can replace with a resource person, not a management-level position)

Lana inquired as to appropriate language to communicate the reasons for reconsidering these positions. John Romo indicated that in the 18-month cumulative, things are not as bad as we thought. We have given ourselves more time and flexibility to deal with the 18-month situation. In looking at these actions, the freeze on management and classified positions was an interim freeze until we had more information. For 2002-2003 we have more flexibility, as cuts will likely be less than those proposed by the Governor. These positions are very important and were the result of an appeal process.

President Romo also told that Council that one of our budget principles is that layoff will be avoided if at all possible. That has been a consistent principle in terms of our workforce. However, he could not commit that there will not be layoffs because, at this point, we do not know the final budget.

John Romo stated that the sabbaticals for 2003-04 would be deferred for one year and then re-evaluate funding available for next year. Dr. Friedlander indicated that although we are deferring sabbaticals for a year, we are making a commitment to reinstate them at such time that the budget enables us to do so. It will not disappear from the budget, but we are just trying to get through next year. In fairness in terms of faculty planning ahead for a sabbatical and the scheduling for fall classes, an impact of not making this decision now to defer the sabbatical leaves would be difficult since we will not know our budget until later in the fall.

Dr. Friedlander discussed the methodology for calculating the budget cuts to the Educational Programs area. A model of potential expenditure reductions for 2002/03 was distributed which outlined savings from each of the areas within the Educational Programs Division of the college.

4.0 Action Items

4.1 District Budget Principles

M/S/C [Rose/Fahnestock] unanimously to approve the Principles of Budget Development.

John Romo said that he appreciated the consultation process of the college in developing the budget principles. Dr. Friedlander echoed this appreciation.

5.0 Other Items

There were no other items.

6.0 Adjournment

Dr. Friedlander adjourned the meeting at 5:00 PM.

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