

**SANTA BARBARA CITY COLLEGE
COLLEGE PLANNING COUNCIL**

**April 27, 2004
3:00 – 4:30 PM
Room A218C**

MINUTES

PRESENT: J. Friedlander, B. Hamre, L. Fairly, J. Sullivan, K. McLellan, A. Serban, T. Garey,
L. Rose, G. Carroll, P. Haslund, E. Frankel, L. Auchincloss, J. Jackson, R. Ladanyi

ABSENT: S. Ehrlich

GUESTS: J. Schultz, L. Griffin, S. Coffield, P. Naylor

1.0 Call to Order

Chairperson Jack Friedlander called the meeting to order.

1.1 Approval of the minutes of the April 6th CPC meeting.

**M/S/C [Carroll/Rose] to approve the minutes of the April 6th CPC meeting.
Tom Garey abstained.**

2.0 Announcements

- 2.1** Andreea Serban reported that the system-wide enrollments are down 6.7% fall 2003 compared to fall 2002. In fall 2003 the system had an unduplicated headcount of 1.6 million; in fall 2002 the system had over 1.7 million. Dr. Serban remarked that this is a tremendous decline, even worse than what was anticipated. In terms of unit load, SBCC experienced in fall 2003 more full-time students. She added that 20.7% of the students were full-time at the system level. Dr. Friedlander added that we want to determine whether this will affect our overall chance of receiving additional FTES. Dr. Serban indicated that we will probably receive more funded FTES even though there were more full-time students system-wide which may off-set much of the overall decline in headcount.
- 2.2** Jack Friedlander announced that Kathy Molloy was selected as the new president-elect of the Academic Senate.
- 2.3** Jack Friedlander reported that all faculty positions except the PE track and cross-country position have been filled. He said that we had a superb quality of finalists and are very fortunate to have the persons who accepted the positions as members of our faculty.
- 2.4** Dr. Friedlander related that John Romo traveled to Minneapolis to be present when SBCC student Ben Eidelson was named to the All-USA Academic Team for Community

Colleges. Ben received national recognition for his achievements at Santa Barbara City College.

3.0 Information Items

3.1 Update on state budget deliberations

Jack Friedlander reported that the latest information from CLCC is that revenues for the state in the last month or so have come in higher than expected. It is too early to determine if the increase in state revenue will expand the amount of money available for Prop. 98. Thus, at this point in time, we shouldn't count any more dollars being available to expand the full Prop 98 dollars available for K-14. Dr. Friedlander and Tom Garey expressed a concern that dollars to fund COLA may come from equalization. The statutory COLA for next year is going to be 2.4 percent as opposed to 1.87 percent because of inflation. The unknown is where that money is going to come from to pay for the entire COLA.

3.2 Interim reorganization for Educational Programs

Dr. Friedlander discussed the interim reorganization of Educational Programs implemented as a result of the resignation of Michael Gallegos as Dean of Educational Technologies. The intent is not to fill that position for one year. The responsibilities of that position will be absorbed by other administrators in Educational Programs. There is quite a savings as a result of not filling that position. Dr. Friedlander wants to preserve that position because of the extra responsibilities the deans are taking on as a result of not filling that position. The reorganization was endorsed by the Instructional Technologies Committee and it will be on the Academic Senate agenda as an information item to discuss any concerns.

3.3 Status of remodels for Campus Center, Sports Pavilion and Physical Science Building

Campus Center

Joe Sullivan reported that the initial bids were too high and they have gone out for re-bids. Alex Pittman will act as the general contractor as a cost saving measure. It should be completed by the end of summer.

Sports Pavilion

The remodel is scheduled to start in January. The temporary buildings will go in for the Life Fitness Center which is scheduled to move on December 10th. Joe Sullivan said that although there will be a loss of 37 parking spaces in this move, there is plan being developed to add a minimum of 149 parking spaces over the next couple of years. Alex Pittman, with an outside contractor, has been putting together proposals that will provide additional spaces. The intent here is to develop enough parking spaces so that we do not have to build a parking structure in order to build the SoMA building.

P.S. Building

The remodel timeline has been extended until the completion of the construction of the Sports Pavilion in order to not lose existing classroom space. Vice President Sullivan said we are going through the planning stage and completing the working drawings and then will ask for the extension of this project so as not to lose the funding.

3.4 Faculty hiring (*addressed under 2.3*)

4.0 Discussion Items

4.1 Overview of college budget projections for 2004-05 and

4.2 Update on college's multi-year budget projections

Joe Sullivan provided and discussed the spreadsheet which incorporates the revised salary models, the expense budgets for the supplies and materials and other operating expenses. He said we now have a consolidated budget based on the input to date from the governor's January proposals. Joe Sullivan informed the Council that the recommendation to the Board would be that we operate at a deficit for this year. When we receive the May revise and have more information we can address the deficit in 2005-06 as the primary issue going forward to balance the budget. Vice President Sullivan said that we can estimate receiving \$1m in growth money which is not included in the budget but cautioned that the deficit factor is also not included in the budget. He will bring a four-year projection to the next meeting. Dr. Friedlander indicated that the budget reflects the reinstatement of sabbaticals, the \$4.8m for equipment and \$1.2m for the construction fund. The intent is to keep these items in the budget subject to the May revise in the final budget and the Board's willingness to draw down end-of-year balances for the third year to balance the budget. President Romo will recommend to the Board that we discontinue drawing down our balances beyond next year because we cannot continue to rely on deficit spending. Dr. Friedlander said that the Council will start its work on the budget on May 25th and into next year to determine how we are going to correct our structural imbalance, through additional revenue and reductions in expenses. Vice President Sullivan added that in this budget we didn't include the cost of the classification study once its completed, any estimate on the outcomes of the collective bargaining agreement that would be negotiated this year, the funding for sabbaticals leaves, and the funding of the construction and equipment funds which are in discussion with the Board.

5.0 First Hearing

5.1 Educational Programs, Continuing Education and Business Services requests for one-time funds, budget restorations and budget augmentations

Jack Friedlander discussed the total of requests for one-time funding, restoration of budget reductions and requests for budget augmentations for Educational Programs. He said given where we are with the instructional deficit, John Romo has asked each of the vice presidents to do their best to meet their most pressing needs within their own budget areas. What will be brought back on May 25th are those items that meet the two criteria established by CPC that rise to the point of urgency or a program that will not be able to operate without these dollars. Dr. Friedlander said there will be a fairly limited number of items for CPC's consideration.

5.2 Web Policies

Bill Hamre said this is the first hearing of a very distilled set of web policies that has undergone review all year. He said Keith McLellan has worked very hard on refining this policy which has been discussed in the Academic Senate. The purpose of these policies is to establish some structure and standards for navigation, accessibility, compliance and

also ensuring the accuracy and recency of content on the web page through various levels of the web pages. These policies were developed by a workgroup of faculty and administrative staff and were reviewed with the vice president of HR/LA. The Board policy statements have been reviewed and approved by the Instructional Technology Committee, the Academic Senate and District Technology Committee. Keith McLellan said this has been a 2.5- to 3-year process. The recommendation is to separate out general policy from operating procedures. This is now the policy statement. There is another group working on the procedures which are being reviewed by ITC and DTC. There is nothing in this document that differs from what was approved last year in both spirit and content by ITC and the Academic Senate. The Academic Senate will be asked to approve the abbreviated web policy. This is a policy statement that authorizes the President to develop operating procedures. The operational procedures are in the process of being developed will go back through consultation.

M/S/C [Garey/Rose] to move the item to action.

M/S/ [Rose/Garey] to approve the web policies.

Keith McLellan indicated that we had a high level of conceptual and procedural consent on this policy. Bill Hamre said that CPC will have ultimate review and approval of the procedures after they have gone through consultation. Procedures do not have to go to the Board for approval.

The motion was unanimously approved.

6.0 Action Items

- 6.1 *Smoke-Free Workplace Policy 2510.* Tobacco Prevention Settlement Program can provide \$3,400-plus for signage to support a designated smoking area policy at SBCC.

M/S [Carroll/McLellan] to approve the Smoke-Free Workplace Policy 2510 effective September 1, 2004 with the understanding that a workgroup will be formed to identify the designated smoking areas and to make specific recommendations as to the signage. Those recommendations will be brought back to CPC for ratification. The policy will be reevaluated once it has been implemented and if changes are needed.

Jack Friedlander indicated that the clarification on the obligation we have to go to a designed smoking area under the law or signage was distributed to CPC by Joe Sullivan. The next step is to form a workgroup to identify designated smoking areas. Appropriate constituent groups will be represented on the committee [CSEA, students, faculty, administration, security, facilities]. The committee will also determine the location of the signage. This will be an evolving process. Dr. Friedlander acknowledged that it would be a fair assumption that, if needed, the policy would be re-evaluated in one year. Tom Garey recommended that once the committee makes its recommendations, it be brought back to CPC for ratification. A decision was made to implement the policy for the fall semester so that this can be announced in our publications. Liz Auchincloss added that insofar as staff discipline for a violation of this policy it would be subject to negotiation.

M/S/C [Garey/Rose] for a friendly amendment to have the policy effective September 1, 2004.

The original motion was carried: Yeas: Nine; Nays: Liz Auchincloss and Jan Jackson (*representing CSEA*) and Rose Ladanyi (*representing Associated Students*); Abstention: Tom Garey

6.2 See item 5.2, Web Policies

7.0 Other Items

CPC will not meet on May 4th.

CPC will next meet on May 25th from 10:00 a.m. until 12:00 noon. CPC will determine a date for a summer meeting at that time.

Jack Friedlander acknowledged Lana Rose for her 10 years of participation in CPC and for her exceptional and valued contributions to the Council.

8.0 Adjournment

On motion [Garey/McLellan] the meeting was adjourned by chairperson Jack Friedlander.

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**SANTA BARBARA CITY COLLEGE
COLLEGE PLANNING COUNCIL**

**May 25, 2004
10:00 AM-12:00 PM
Room A218C**

MINUTES

PRESENT: J. Friedlander, J. Romo, B. Hamre, A. Serban, K. McLellan, P. Haslund, T. Garey,
K. Molloy, E. Frankel, L. Auchincloss, R. Nadanyi

ABSENT: S. Ehrlich, J. Sullivan, L. Fairly, J. Schultz, J. Jackson

GUESTS: L. Griffin, M. Spaventa, P. Naylor, C. Purdie, C. Salazar, S. Coffield

1.0 Call to Order

Chairperson Jack Friedlander called the meeting to order.

1.1 Approval of the minutes of the April 27th CPC meeting.

Tabled until next meeting

2.0 Announcements

Dr. Friedlander announced that Jan Schultz received the Coast Geological Society Outstanding Undergraduate Educator of the Year for 2004 award. He said that only twice has this award been given to a Community College instructor.

Dr. Friedlander also announced that SBCC students Karen Clark and Crystal Hendrickx are the recipients of \$1,000 scholarships presented by the California Health Information Association. He said our HIT program continues to receive national recognition.

Tom Garey announced that two of our actors who participated in SBCC theatre productions this past year have both won Indy's, which is the Independent's Annual Awards given to area theatre productions.

3.0 Information Items

There were no information items

4.0 Discussion Items

4.1 Review of the Governor's May Revise Budget for Community Colleges

John Romo gave an overview of what is transpiring at the state level with the governor's budget and in the Legislature. He said there were no surprises in the May revise. Proposed funding is budgeted at 3.65% for growth, 2.41% for COLA and some enrollment growth funding for a few categorical programs. The governor proposed \$80m for equalization. He included a \$40m augmentation for Adult Education; however, this is only for colleges which do not receive equalization money. The Governor sustained the \$26 enrollment fee for regular students and the \$50 differential fee for students with Bachelor Degrees.

President Romo distributed and referred to the State Budget Update #8 dated May 21st. He said from all indications it is likely that we will have a budget by July 1st. He indicated there are some significant differences in the May revise from the budget submitted by the governor in January. The *Assembly Budget Subcommittee* version of the budget took the \$80m dollars for equalization giving \$40m to equalization and \$40m to buy down the \$26 fee to \$22. The result would be a lower fee for students but less money for low revenue districts, such as SBCC. President Romo discussed his concern of the distribution of the remaining \$40m for equalization and for the Partnership for Excellence category. The Council discussed the ramifications of this potential disbursement of the equalization funds and allocating a portion of these funds to increasing the full-time/part-time faculty ratio. John Romo stated that he doesn't believe that equalization funds should be linked to the hiring of additional full-time faculty members since the rationale for the need for these two priority areas are so different. President Romo said the *Senate* version left the \$80m for equalization and the \$26 fee. Both houses did come to agreement on rejecting the governor's proposal to impose the differential fee of \$50 per unit fee for Bachelor Degree students. John Romo believes from all indications that there will not be a \$50 differential fee. However, if there isn't it will come out of our allocation somewhere.

Andreea Serban cautioned that just because the system may receive funding to support a 3.65% increase in FTES, the amount of growth funds made available to SBCC will be determined by the Chancellor's Office and will be lower than 3.65%.

4.2 First draft of college's analysis of the Governor's May Revise budget on the college

Leslie Griffin distributed the spreadsheet showing revenues and expenditures of the colleges adopted budget for the unrestricted General Fund for 2004-05 based on the governor's May revise of the state budget. She said in this budget model a conservative approach has been taken to revenue sources. Growth dollars of approximately 2.2 percent [out of the 3.65 allocated in the May revise] have not been budgeted. That has the potential of adding almost \$1m in revenue. COLA of 2.41 percent has been added to the budget. Leslie Griffin indicated there is the potential of having a deficit factor applied against this general apportionment. This current year we have seen a 2 percent deficit factor and although we received dollars for growth and basic skills, they did take away almost a million dollars. She said there is a potential of a shortfall in property taxes and student fees. When that happens a deficit factor is applied to the FTES reimbursement rate provided to all community colleges.

In regard to equalization money, if the Governor's \$80m is approved, our share of it will be \$1.3m. Leslie Griffin also indicated that the deficit factor would apply to all monies to which we were entitled. She indicated that our PERS contribution, initially estimated at

12.2 percent, has been approved at 9.95%. The college's unemployment insurance rate has been increased for 2004-05 due to the number of claims made, particularly by adjunct instructors. The 16-week calendar increases the entitlement period for this benefit. Dr. Friedlander said there has been a campaign statewide to inform adjunct instructors that they can and should apply for unemployment benefits. This has resulted in a rather sharp increase in the number of adjunct instructors filing for unemployment benefits when they are not teaching during semester breaks between terms, including summers. Jack Friedlander stated that read that this practice is being challenged in the courts. However, until this case is resolved, all colleges, including SBCC, will experience higher UI rates due to increased claims.

In summary, the draft of the college's adopted budget for 2004-05 has an undesignated fund balance of \$4,104,656.

4.3 04-05 Enrollment Issues: *Jack Friedlander and Andreea Serban*

Jack Friedlander said that it is critical that we meet our enrollment growth target and basic skills target to receive the extra revenue. He said the threat on the horizon is with the increase in the student enrollment fee from \$18 to \$22 or \$26 a unit. There is some relief with both subcommittees not recommending the \$50 per unit differential fee. At one point we were counting on UC and CSU redirects to help meet our enrollment target. However, discussion taking place in the Legislature may result in a decision to not implement the governor's plan to re-direct UC and CSU eligible students to community colleges. Part of the deal the governor made with UC and CSU was to guarantee these systems funds to grow 3-4-percent beginning in 2005-06 in exchange for accepting the budget cuts, including the re-direct program, for the coming year. Whatever the outcome is of these negotiations, Dr. Friedlander stated that the increase in enrollments resulting from UC and CSU redirects that community colleges thought would take place is not likely to materialize.

4.4 SBCC Budget Projections: 04-05 and beyond

Budget Model

Leslie Griffin provided a budget model and discussed the projections for the college's budget through 2007-08. John Romo indicated that the model reflects the assumptions that: (1) we would continue to receive growth at a rate of 2% for 2005-06 going forward; (2) there would be a COLA factor of 2.41% for 2004-05 and 2% in each of the following years; (3) the full-time/part-time faculty ratio obligation will continue; and (4) benefits and salaries would grow over time. He felt that these assumptions were reasonable in terms of expectations for the future. Ending fund balances for a 4-year projection through 2007-08 for the unrestricted General Fund and the Equipment and Construction Funds were provided as well as a projection of the fund balance for Workers Comp.

Challenges and Implications

John Romo gave a presentation of the budget issues for 2004-05. He indicated the college would face budget challenges in spite of better than expected news from the governor. The most significant would be:

Potential Budget Impacts

- Operating budget is out of balance by at least \$ 1Million
\$1m if we were to count growth and Basic Skills.
(The deficit would be \$2.2 Million if growth or Basic Skills funding didn't materialize.)
- Ending balance beyond contingency \$ 700K
(If ending balance funds transferred to equip and construction)
- Sabbaticals reinstated \$128K
- Equipment fund commitment \$1.8 Million
- Construction fund commitment \$1.2 Million
- Classification study implementation \$?
- Negotiations \$?
- CE OSS implementation \$?

President Romo outlined a timeline for developing the 05-06 budget reduction methodology which will necessitate CPC meeting weekly in the fall. It will present its recommendations to the President in January. The President will report to the Board on the progress towards achieving the 2004-05 budget reduction target. John Romo said it is hoped that by March, we will have completed our consultation process to present to the Board the 2005-06 budget reductions as well as major decisions on 06-07 as well.

President Romo outlined the immediate strategies toward achieving a balanced budget over three years.

- Freeze replacement positions
- Freeze all but health & safety/critical equipment and construction expenses
- Advocate at state-level for a change in the 75/25 FT/PT faculty requirement.
If successful, consider retirement incentive program.
- Generate other sources of revenue (e.g. international/out-of-state students)
- Consider actions to reduce need for program reduction/elimination and layoffs
(e.g. redirect non-teaching TLUs back to the instruction, class size increases, negotiate instructional load changes)
- Initiate cost of governance analysis
- Initiate OSS business processes analysis (Spring 05)
- Reduce General Fund expenditures

Peter Haslund asked President Romo for clarification on the intent to freeze positions and what assurance can one have that this is temporary. John Romo responded that in freezing positions he has taken the position this past semester and will in the future that nobody is obligated to the cut on a permanent basis. Positions that have been frozen will go back to the table and will be evaluated in the context of all the possibilities that are being considered at that time. He said that a number of the positions that were frozen did get reinstated.

Bill Hamre stated that the target expense reductions for 2004-05 would not necessarily be ongoing and the determination about whether they would be ongoing or not would be part of the 2005-06 budget considerations. Leslie Griffin stated that if we continue our current ways of doing business, in the near future approximately 90% of the college's unrestricted general fund budget would be allocated to salaries and benefits. President

Romo indicated that along with salary increases there are increases we have no control over such as benefits and PERS contributions.

Liz Auchincloss asked that a document be produced showing the amount of work being done by hourly classified employees.

5.0 Action Items

5.1 Approve 2004-2005 college budget recommendations to be submitted to the President: *Leslie Griffin*

Leslie Griffin led the Council through an overview of the proposed adopted budget for the fiscal year 2004-05. The Council asked that clarification be provided on the positions that have been cut and/or suspended, their cost savings, and the funds for these positions that remain in the budget. Keith McLellan indicated that although there are positions that have not been filled, we continue trying to do business in the same manner as when the position was filled. It was his understanding that we would come back and evaluate the impact of those positions that we cut. Leslie said that as we institute other budget reductions, we could learn from this process.

Keith McLellan brought up the critical need for funding new and replacement computers. Bill Hamre said for the last two years we have not had added money to the budget to fund new technology initiatives. When Partnership for Excellence funding was available, we allocated \$50k a year for new initiatives plus the funding for replacement of those new initiatives deposited to Fund 41. He said it is not just replacing existing equipment but as we take on new initiatives and hire new faculty there are costs associated with that. Jack Friedlander added that any health and safety matters are critical to fund but also he considers the Cyber Center critical from a strategic standpoint to not only support OSS but student use of our web-based OSS and non-OSS based computer applications programs. He said these are difficult choices to make to meet our goal of having a balanced budget without sacrificing the quality of services and support that needs to be provided to our students, faculty and staff.

Liz Auchincloss recommended that the Equipment Fund be augmented by \$1.8 million with the caveat of being prudent in identify expenditures from that fund. Jack Friedlander and Keith McLellan echoed that recommendation. Sharon Coffield added that if we transfer money into the Equipment Fund, it would increase the college's structural budget deficit in the unrestricted general fund. She said we have almost \$9m in fund balance for the Equipment & Construction Funds. Her opinion is that both the Equipment Fund and the Construction Fund could go one more year without a transfer.

Peter Naylor asked for an itemization of the \$15m in capital outlay expenditures in the Construction Fund. Leslie Griffin will provide that information at the next meeting.

Action on the adopted budget will be tabled until June 3rd so that the Council can entertain further discussion on the additional clarifications of positions that have been frozen and to debate the consequences of transfers to the Equipment and Construction Funds.

6.0 Other Items

6.1 Establishment of dates for two summer CPC meetings

CPC will first meet on Thursday, June 3rd from 1:00 to 3:00 p.m.

6.2 Need for more frequent CPC meetings during fall semester to complete plan to eliminate the college's structural budget deficit.

John Romo informed the Council that it may be necessary to meet each week beginning in the fall semester to begin development of the 2005-06 and 2006/07 budgets as well as to identify steps to take to reduce expenses in the 2004-05 budget.

7.0 Adjournment

Chairperson Jack Friedlander adjourned the meeting.



Budget Reduction Criteria for Units in Support of Instruction

- Congruence with the mission
- Essential vs desirable
- Cost in relation to return on investment
- Impact on FT/PT requirement (i.e. instructor time out of instruction)



Budget Reduction Criteria for Units in Support of Students

- Congruence with the mission
- Extent of direct support for transfer
- Extent of direct support for vocational programs
- Benchmarked to like programs
- Essential vs desirable



Budget Reduction Criteria for Operations Units

- Benchmarked to like services
- Essential vs desirable
- Potential for consolidation



05-06 Budget Reduction Methodology

preliminary

Summer: Data collection and analysis

Fall 04: CPC meet weekly to begin development of 05-06/06-07
recommendations to President. Begin with operations units

January 05: Recommendations to President

February 05: Report to board on progress toward achieving 04-05
budget reduction target. Mid-year expenditure
report with projection for balance of the year

March 05: President 05-06/06-07 budget reduction
recommendations to the Board



Immediate Strategies for Achieving a Balanced Budget Over Two Years

- Target 04-05 expenses to be reduced by \$500K
- Freeze replacement positions
- Freeze all but HS/critical equipment and construction expenses
- Advocate at state-level for a change in the 75/25 FT/PT faculty requirement. If successful, consider retirement incentive program.
- Generate other sources of revenue (e.g. international/OS)
- Consider actions to reduce need for program reduction/elimination and layoffs (e.g. redirect non-teaching TLUs back to the instruction, class size increases, negotiate instructional load changes)
- Initiate cost of governance analysis
- Initiate OSS business processes analysis (Spring 05)
- Reduce General Fund Expenditures