

Santa Barbara City College
Special College Planning Council
Thursday, December 16, 2010
9:00 am – 10:00 am
A218C
Minutes

PRESENT: A. Serban (Chair), I. Alarcon, O. Arellano, L. Auchincloss, P. Bishop, S. Ehrlich, R. Else J. Friedlander, A. Garfinkel, M. Guillen, K. Monda, K. Neufeld, D. Nevins, C. Salazar, J. Sullivan

ABSENT: T. Garey

GUESTS: K. O'Connor, A. Orozco, A. Scharper, J. Schultz, M. Spaventa, D. Waggoner

Superintendent/President Serban called the meeting to order.

Discussion Items

1. Opening of additional credit classes in Spring 2011 that are the most critical for graduation or transfer of students.

Superintendent /President Serban acknowledged Associated Student Senate President Atty Garfinkel on behalf of the College Planning Council for her leadership in the Student Senate. Dr. Serban said that Ms. Garfinkel has been a very effective and engaged Student Senate President. Dr. Serban informed everyone that Atty will need to temporarily step down for the next few months because she will be dealing with the arrival of her baby and other related issues. Ruby Limon, who is currently Vice President will take the role as President of Student Senate. Executive VP Friedlander said the Student Senate has flourished under Atty Garfinkel's leadership. Dr. Friedlander spoke about the Student Senate regional meeting that the SBCC Student Senate hosted and what the Dean of Student Life, Dr. Partee reported was that SBCC's Student Senate is looked to as a model of how a student senate should run, so Atty Garfinkel's work has been most appreciated. Dr. Serban thanked her and wished her well.

Dr. Serban handed out two attachments that serve as information for the one agenda item for today. Dr. Serban gave background information for those who do not know why this agenda item has come back to CPC.

The Academic Senate held a special meeting yesterday on the very same item and the handout that was passed around was prepared by Executive VP Friedlander based on information from Deans, Department Chairs and other individuals. Since this was discussed yesterday, Superintendent/President Serban asked that Dr. Friedlander and Academic Senate President Alarcon summarize what took place at the Academic Senate Meeting yesterday.

Academic Senate President Alarcon reported that he called a special meeting of the Academic Senate to discuss the opening of additional credit classes in Spring 2011 that are the most critical for graduation or transfer of students. Mr. Alarcon stated that there was a quorum, they needed 11 Senators and they had 14; this really speaks to the dedication of

Senators to come to an extra meeting when school is no longer in session or to take the time to attend by phone as ASB President Garfinkel did. Mr. Alarcon stated that the tone of the Senate Meeting went from mild irritation to complete frustration because we had discussed this two weeks ago. But it turned out to be a good discussion in terms of looking at this again. President Alarcon said that what is new now is that there are new Board Members who said that they wanted to discuss this.

Superintendent/President Serban explained why the special Academic Senate Meeting was held and this special CPC is being held, because she wanted everybody to have the same information.

Dr. Serban said an orientation for the new Board Members took place on December 9 and December 10. The primary purpose of the orientation was to inform the new Trustees about the college and who is responsible for what, but during this orientation, many questions were posed related to various other topics not necessarily on the agenda for the orientation.

One of the topics that garnered attention, although not part of the orientation itself, was the issue related to availability of classes. Trustees Croninger and Macker commented that they had heard from some students and faculty who had spoken to the Board Members directly about the fact that the demand for our classes is high. It was mentioned that even in the priority registration period some classes seem to be filling very quickly and we don't know to what extent the individuals who went to open registration would even have a space in some of the classes. There were some examples given by a couple of Board Members. One of the examples is the lack of space in the biology class that Board Member Macker mentioned because her son is enrolled in dual enrollment and wants to enroll in Biology 103. Because of this, Board Member Macker has very close knowledge of the fact that this is a highly impacted class, and is concerned about the issue of adding sections. But that was an example in the context of the larger discussion.

Dr. Serban explained to the Board that CPC did discuss this issue at length and that the Academic Senate and the Student Senate had expressed their opinions as well. Therefore because both groups recommended against adding sections, we at CPC did not even take a vote because we did not feel that it would make sense to go against what these two groups had already had a very strong opinion on. We also discussed the importance of honoring and following the internal governance processes because normally it would be very unusual for the Board of Trustees to unilaterally reverse a recommendation that was the same recommendation from Academic Senate, Student Senate and CPC. In this case again we did not even vote.

Then the discussion was broadened to a larger discussion and that is that the new Board Members want to understand how the decisions are made at the College, what is the process, who is involved, what is the flow, a legitimate desire on the part of the new Board Members. Particularly in such a key area as establishing our course offerings and especially when the demand is so high that we could easily enroll 2,000 to 3,000 students tomorrow if we opened more sections. The demand is that high at this point. So the discussion went into a larger area of interest in trying to understand the enrollment management process at the college. How does it work? How do we track and how do we gauge that students have the necessary courses to complete? What are the mechanisms by which we are able to

determine that information? Do we know exactly, for example, in any given year, how many exact students are there who, if the right courses are offered, would be able to graduate or transfer in a particular academic year? The discussion became much broader than this item per se. We tried to bring it back to something we can get our hands around and the discussion then came back to the concept of: If money was not an issue, or if there was the ability to allocate additional resources, what is the magnitude of the need for Spring 2011 and to what extent can this be done in a timely fashion to make a difference? Obviously the discussion was around the question of when is it too late to even add anything. There was discussion related to personnel issues, and finding the right instructors. Board Trustee President Dr. Haslund, for example, did comment that as a former Department Chair, there is a point-in-time where it is really difficult to find qualified adjuncts if you want to add sections at a late date.

Dr. Serban went on to say that for those CPC Members who looked at the Board Agenda for today (December 16, 2010), then you saw that it was worded fairly generally, because we did not end the orientation meeting for the new Trustees with clarity of what the discussion would entail per se, but Dr. Serban did stress the fact that the Board level of proper discussion is about the dollar amount rather than discussing or choosing particular sections. Choosing sections is an operational internal decision that is made by faculty, Department Chairs, Deans and Dr. Friedlander. But resource allocation is a concept of a budgetary adjustment of a certain magnitude certainly in the purview of the Board. Dr. Serban stated that this is a summary of an hour's worth of discussion on December 10 during the orientation session for new Board members.

Academic Senate President Alarcon reminded the CPC members that there is a recording of the orientation meeting for the new Trustees on the web. The Academic Senate had a discussion centered on the list that was part of the prior CPC meeting and they talked about whether some of these courses were really critical for graduation. Some of the classes Mr. Alarcon mentioned were classes such as ENG 103, ENG 100, Field Studies 104 that are normally not offered in the Spring. There was a motion that eventually passed. The motion was that we agree on this request but paring down the attached list to these sections that are critical for groups of students to graduate in the Spring or to transfer or to get a degree and not to exceed the \$97,000 of that is in the budget that was not encumbered because of savings from unfilled faculty positions. We agreed that we do not want to go over budget into reserves and then even that may not be the full amount. Also, part of the motion was that it will be very desirable that this situation does not occur again, this way of extraordinary meeting and all these things happening, that it is important to follow a process.

Executive VP Friedlander stated that in the very spirit of debate, most of the arguments that the Senators at the Academic Senate Meeting made regarding to not go forward with the motion were the same that were discussed at CPC last time.

Dr. Friedlander stated that he had some new information that was not presented at CPC or the last time the Senate discussed this. Dr. Friedlander reported that at the last Academic Senate Meeting he withdrew the request to even have a vote because there was no point because clearly at that time there wasn't adequate support to move forward. What Dr. Friedlander said at yesterday's presentation, was that #1) the amount that would be required to fund all the sections listed plus reader support would be \$148,000. The truth is that at this

late date, we would be hard pressed to find an instructor and/or room to even offer half of these. The amount of money that actually would be spent if this is approved would be somewhere realistically in the \$40,000/\$50,000 range, more so than even this, which would be money that, in the end it is all general fund dollars, but right now it would not be going to reserves at all or even coming close to that. It would be money that we had budgeted for full time faculty who, as Academic Senate President Alarcon said, for various reasons were not teaching this year and we hired adjuncts and that savings was \$97,000.

Some students are probably enrolling in courses that are not the best courses for them to take, so it is not like we are serving more students, they are just taking classes that it is not the most efficient way for them to complete their degree certificates and their transfer curriculum. What it does, it ties up seats. This Spring we have no way of knowing how many, but they will be back next Fall trying to get into these sections which they need which will compound the problem next Fall and then next Spring on and on.

Second point Dr. Friedlander made is that, although we will not come close to meeting the needs of students who are placed in basic skills, reading, writing and our math classes, these students are still enrolling in classes, so that just means that they are going to be enrolling in degree applicable courses for which we know they do not have the skills to succeed. So what happened at the end of the Spring semester is we can predict most of the students who will end up getting "W's" or some of those who go into academic debt when they come back for the Fall. We cannot serve all the students who place, but to the degree we serve 40 or 50 more of that number, there might 44 students who are not who we will see on probation because they are taking classes for which they are ill equipped to succeed. The number of sections that we asked for were what the departments felt they could reasonably offer even if that will be a struggle at this late date. But that is the rationale for those basic skills classes.

There are a number of students in certain areas that actually do have to have classes, for example in Culinary Arts. What happens in the Culinary Arts curriculum is that it is a highly sequential curriculum, so students cannot take classes in semester four unless they complete the courses in semester three. What has happened in Culinary Arts, over the years, is that a number of students do not complete the sequence, they get hired. They are already working and they get hired full-time and then their work dominates and they do not complete this curriculum. We implemented various strategies to increase persistence rates, we have worked with our employers, saying please, let the students finish. And this year, it worked better than last year. This Fall it turns out that these strategies worked out better than we predicted, so we have eight more students who must have these two Culinary Arts classes this spring in order to get their certificate in Culinary Arts. The Department has already taken more students in their labs than they normally would take and there is no room now to take even more students. Those cooking labs are too small. For these students, we know for a fact that it will delay them getting their certificates until the end of next Fall, plus, if we give them those classes next Fall, that means we will have the bumping effect of students who need those classes that are now needed who won't have those seats because these students will have priority on that. There are a few other situations that the faculty reported that they know that there is an X number of students who actually have to have a class in order to graduate on time.

One of the major factors that has guided SBCC's Title V grant proposal was "Time is the

Enemy". The more time it takes a student to complete the degrees or certificate programs; it is less likely that they will do it. Dr. Friedlander extracted a recommendation from University of California's Strategic Plan, they are saying how do we handle a situation where we have less money and more demand than we ever had in the past. One of the recommendations was to have students take courses more efficiently and that would enable them to serve X number of more students in a more timely manner and we would increase their degree completion rates. Same thing we have here.

The last factor that Dr. Friedlander did not share at the Academic Senate Meeting yesterday is what happened was after we developed the Spring schedule of classes, UCs and CSUs said because of budgetary constraints we are going to reduce by quite a bit the number of freshmen we accept and we are no longer accepting mid-year transfers, Community College students. What happened with students who wanted to be accepted to UCs or CSUs is that they are coming here as well as other community colleges as full time students. And then UCs and CSUs announced late in the Fall semester, we are no longer going to accept mid-year transfers. Those students now are here, where in the past they would not be, they would have done the mid-year transfer. It turns out that at the last minute, late November, CSUs, because they were able to raise their fees for the Spring, said we are now open to take mid-year transfers. By then, talked to Dean McLellan and the counselors, and they said very few of our students have transferred, it is too late. So they were here.

What has happened since is that both UCs and CSUs have fairly significant tuition increases and they are going to accept more students next year as a result of that. So it will take some of the pressure off Community Colleges and us next year. We had that extraordinary set of circumstances compounding in the Spring and it was not in our planning when we developed the Spring schedule of classes. For those reasons, what he asked the Senate yesterday and by the smallest of margins they supported was to work with the Deans and Chairs, look at the list, and open up those classes that rise to the top as being most essential. And that is what we will do with the best information that we have available and the counselors have done a lot of analysis. Probably, at best, it will be \$50 - \$60,000 worth and none of that would come as a new resource request to CPC.

What we are doing strategically to be more precise, for example, how many students actually need these classes to graduate, to make progress and in most cases, we don't know. We don't have the tools to measure that. But, the good news is that one of the goals of the Title V Grant is to build the tools to find out. Then we have programs for students to transition to who want to transfer or obtain an Associate Degree. But we are telling the students joining Express to Success (funded by the Title V grant) that they need to follow their educational plan and to the degree that that program expands we will know with more precision what classes students are supposed to take semester one, two, three and four to complete their goals in a timely manner.

In the Title V grant, we put quite a bit of money into IT for programming support and to purchase some products. One program we put in there called Degree Works, that combined with our existing tools and integrated into Banner and with our plan to require students every semester in order to take classes, they would have to upgrade their education goals and key points that help give us more accurate information as to what their goal really is. Plus you have these benchmarks where students say that by this time the student should have done

these 30 units, these 45 units/these courses, 60 units with these courses which would be in their electronic ed plan, which we built money into the grant to develop, plus get this product. We can, probably within a year or year and a half, depends on how fast we are able to move forward, implement and integrate this. We will be able to say with a lot more precision. We know now in building this Spring schedule whereas building the Fall schedule that x number of students they follow their ed plans, then these are how many will need these kinds of courses. We never had that before. At that point, if they can't get the classes because they did not take advantage of the priority registration, Dr. Friedlander will be a lot less sympathetic to students procrastinating or they did not know. Because at that point, there is no reason why they should not know. Also at that point having that information and the benchmark tools, the electronic ed plan integrated, we can be much more prescriptive in what we communicate to students and what we expect of them in their best interest. He thinks by a year from now as we build Fall 2012 and Spring 2013, they will have that extra intelligence going forward. CPC is being asked to reconsider this request with the parameters that were asked for by the Academic Senate and knowing that the amount asked would be at best half of the \$97,000 originally mentioned.

CSEA President/Chair Classified Consultation Group Liz Auchincloss stated that she recalled that at the last CPC meeting one of the strongest arguments against doing this wasn't money, but the fact that if we continue to do more for less at the State level we will not be reimbursed. She took classes in the 80s and did not always get the classes she wanted. This is not a first time problem; it is a continuing problem. You serve so many students and not everyone is going to get what they want and even at a four year school they don't always give the classes students need to graduate and they have to come back. So it is not that this is a new problem. She wanted to remind CPC of the strong argument that was made at the last CPC that was not the money it was the other issues involved with adding classes. And why didn't BIO 103 make the list. Executive VP Friedlander stated that Bio 103 was the one change he made. It was on the list yesterday, in consultation with others, it did not have the total support to move forward with that class and so how we work with faculty in terms of curriculum, we felt it would not be appropriate to keep it on the list since there was no support for it. It was more of a staffing issue, it wasn't that students didn't need the class; it was the impact on staff. Ms. Auchincloss asked if he checked the staffing for classes like Science classes, required labs etc. Dr. Friedlander stated that it came from the Department Chair in consultation with the Dean and that is one of the things we looked at.

CSEA President/Chair Classified Consultation Group Auchincloss said that she attended both the Board of Trustees Orientation sessions and she wanted to say that Superintendent/President Serban did a great job of getting these meetings going because the Board wanted to continue to talk about these issues no matter what. Ms. Auchincloss said that she thinks that Dr. Serban did quite a job and Mr. Alarcon also did a great job in the Senate Meeting so we could preserve our consultation process. Ms. Auchincloss stated that there was a point where she was not sure that the consultation process would be preserved if it had not been for Dr. Serban's efforts. Ms. Auchincloss stated that she listened to two days of Board Orientation and she is ready to make sure that our processes are preserved. She had some doubts, and reiterated that Dr. Serban did a great job getting this done.

Dr. Serban thanked Ms. Auchincloss. All Vice Presidents did a lot of work on their presentations for the orientation for the new Trustees and Mr. Alarcon and Ms. Auchincloss

stayed heroically throughout all of the meetings.

ASB President Garfinkel reported that the Student Senate had an email meeting telling everybody what was going on with the Academic Senate Meeting and with the CPC Meeting and asked if anyone had any input. The input that Student Senate has is that they have not changed their position; the only classes that they will support being added would be IGETC requirements and major requirements and the rest of the fluff needs to be cut out. That was that.

Executive VP Friedlander asked Ms. Garfinkel what she said yesterday about the English and Math classes. Ms. Garfinkel responded that she meant the English and Math classes being the IGETC major classes that the Student Senate was specifically looking at. She said she saw the English 100 on there and frankly if a student cannot take the English 100 class ahead of time, before one starts to get into classes that the student needs, then that student needs to see an Academic Counselor. She has no sympathy for the people that need the English 100 classes that have not already signed up for them with the exception of the incoming freshmen and if they have just completed them, they should be able to assess past the English 100 class.

VP HRLA Ehrlich asked how the Academic Senate in their meeting yesterday, addressed the issue that Ms. Auchincloss raised, of the Senate having taken a strong position initially which is that the College continually sends the message that we are able to find ways of doing more with less to the ultimate detriment of our ability to plan and how the institutions are perceived and what is now some modification of that apparently.

Academic Senate President Alarcon answered saying that is a concern all the time; at the same time, the reality is that we have the students here, how are you going to say no to the students that you are seeing face to face. That is a tension between those two arguments all the time. This is a concern all the time. Now we hear that the cuts are starting January 10th even further.

VP Business Services Sullivan expressed his concern. What are we actually going to vote on because when he looks at this list, we are voting on a list of classes that people put the argument for, but actually we are voting on some subset of this list and we don't actually know what that subset is and so to him it is kind of ambiguous in that context. It puts a difficult burden on Educational Programs to try to figure out who is actually going to get bumped and why.

Superintendent/President stated that we will not vote on sections. Dr. Serban said that she wanted to make that clear. Dr. Serban said we don't micromanage the section decision process. CPC only votes on an amount of money and on the agreement that we are ok to use up to x amount which normally would have fallen to the end-of-year balances to be used for this purpose. CPC will never get into the micromanagement of schedule development.

Academic Senate Vice-President Neufeld referred to Ms Auchincloss' earlier question regarding how the College manages to do more for less only to the College's detriment in terms of State funding and yes, Mr. Neufeld stated that the Academic Senate did discuss that

again. It is very present for us.

Mr. Neufeld reported the following. Library 101 is a graduation requirement and we have five sections, they all filled up immediately, they all have five people on the waiting list, so that is 25 students on the waiting list. We have heard from at least 8 students who say they needed it to graduate in the Spring at least. They beg, they plead, they do it every semester. This semester is no different than any other semester with that particular class. We could easily add a section and fill it and we would probably still have students contacting us in January saying I need this class to graduate. It is just a reality unfortunately.

In preparing our Spring schedules earlier this year, we were told to reduce TLU allocation for the schedule, for this whole entire year which departments did do. And we are also aware that there is mid-year budget cuts possible happening in January and yet we are here at the very last minute being asked to add sections to the Spring schedule given those circumstances even. The Senate had two meetings on this.

We probably spent several thousand dollars in meetings already. The arguments we had yesterday were virtually identical to arguments we had two weeks ago. Yesterday the vote was 50%, Academic President Alarcon broke the tie and what they did agree to is what Mr. Alarcon outlined. That was the compromise is what it was, given that we had been talking for an hour and a half already. It took ninety minutes to get to that point before we had that.

Mr. Neufeld thought that the primary concerns from the Academic Senate, at least from many of the Senators, had to do with process, the extremely short time-frame that we are being asked to respond to, the method in which these sections were selected, it was not as completely open as it could have been, whether it is truly wise to spend money at this point in time, given the mid-year budget cut potential and that we are well over our State cap already in terms of student enrollment. The problem is obviously much larger than adding a couple of dozen sections to this Spring Schedule and that has been highlighted with clarity by the Executive VP Friedlander, in the sense that we need to have better data to work with to make these decisions. Obviously the Library 101 students are going to benefit by adding a section; there will be students who will benefit by adding many of these sections, possibly all of them, we do not know.

He personally voted against the motion yesterday at the Senate primarily on the philosophical grounds of whether it is wise to spend money at this time and given that we are well over cap and we are looking at potential cuts in January. That said, we are not talking about a great deal of money. We are talking about what Executive VP Friedlander is now saying is about \$50,000, and we have spent several thousand discussing this. He will reluctantly support this motion; he still does not think it is necessarily the right thing to do. Clearly it will help some students, trying to look at both sides and it is a little bit frustrating to be at this point in time right now given that background from my perspective.

Academic Senate President-elect Nevins stated that he is not going to support this and there are a lot of reasons for that, some of them articulated well, already. One of the things that we have been working on very hard is to tie budget and planning. This blows that completely out. It does not do either. That is one of the reasons he does not support this kind of approach. Also, this is a result of teaching classes for free. We are stuffing the pipeline with

students by teaching these classes for free because the State has told us, we do not want to pay you to teach these classes and we are doing it anyway. We created this problem ourselves, so this does not solve the problem and also, this is going to continue.

This will happen this semester, we already know these new systems which he fully supports, they are great ideas and initiatives, but they are not coming alive until at least a year. So we are going to have this similar situation which will occur in the future, whether it comes to us or not it will probably won't because of the current reaction; it will still be there, but will be handled differently. This is not going to solve our problem. It violates our own processes. Also the Deans were asked to cut classes and not to ask for new allocations. Also, we have just a couple of classes that were a problem, you know we do cancel classes. That does happen on this campus. If it is just a couple of classes, why don't we re-allocate those TLUs and that solves the problem without doing this. If the problem truly is a few classes, that is contained within the slots that we normally have. There is no need to do this. My objection to this comes from if following the process doesn't solve the problem and we have a way to address the really super critical classes that are needed.

CSEA President/Chair Classified Consultation Group Auchincloss said she has the same question VP Sullivan had about what are we going to vote on today, but hearing the new Board Members at orientation, what is their part in this process? This topic is on their Board agenda for today's meeting. If they decide that they are going to allocate more money, does that require us to add more classes? Ms. Auchincloss does not understand exactly how, now that our process is all jumbled, what will happen if we say no and the Board says well we are going to allocate the money, will that force us to add classes?

Academic Senate Vice-President Neufeld stated that we don't have teachers to teach them.

Superintendent/President Serban stated that she thinks it is a learning process right now with the new Board members. They have good intentions in their concerns for how students are impacted and we all know that the demand is huge, we all know that for all the reasons we do not need to repeat, there are many students for whom we are literally their last frontier, their last chance to move forward. Ms Auchincloss was at the orientation for new Board members the entire time so she knows, that their intention is a noble intention which is how can we as a college can serve the most students. Dr. Serban's opinion from what she observed in this interaction is the need for the new Board Members to become familiar with how participatory governments processes work and what is the role of the Board vis a vis the internal college processes, meaning as it also relates to the ten plus one. Accreditation standard IV is very clear about what the role of the Board is supposed to be and how the Board really needs to rely on the internal processes and so it would be very unusual if the internal processes don't recommend something for the Board to unilaterally decide the opposite, it would have to be an extraordinary situation for the Board to reverse that. That being said, since you are there, you saw that it became very clear that it was a very strong desire to put something on the agenda to allow for this conversation to occur. Dr. Serban thinks about this in a positive way, this allows for understanding of the Board, of how we work, what our governance processes are and what is the expectation that these processes are honored and observed as they should. Dr. Serban's opinion is that it is a matter of learning. It is a matter of understanding; it is a matter of collectively trying to calibrate what their roles are.

CSEA President/Chair Classified Consultation Group Auchincloss said it is almost like we were pressured. Are they arm twisting or are they learning? She feels arm twisting.

Dr. Serban suggested that it is important for Ms. Auchincloss and Mr. Alarcon who are giving reports at the Board Meetings to express their own views as they relate to the process because she thinks that is an important learning piece here, that the sooner it happens, the better we are able to preserve the structure of a participatory governance, a structure that has always worked really well here. We can always improve, but it is important. And then going to Dr. Nevin's point, Dr. Serban said, we would all like to serve more students. The best thing we could do, talk about the Holiday gift, we are already 8% over cap, wouldn't it be nice to say, you know what, anybody who needs something, we will just give it to you; we would all like that. We would like to make students happy; that is greatest satisfaction for each of us internally to do that but we have a process and we need to adhere to the process.

Dr. Serban went on to say that the process is there for a reason and we also know that we have a very strong enrollment management process in place. Actually this college has been looked at as a model for enrollment management by many. In my prior life at this college, I was asked by many colleges to give workshops for others. Dr. Friedlander and the Deans have been asked how they do because you seem to do it much better than we seem to be able to do it. There is a lot of thought that is put internally in how things are scheduled, trying to be as responsive to student needs as we can. That is why we are here, but we also need to recognize that there are certain budgetary constraints and the great uncertainty.

The problem is much bigger, going back to your point, than these sections. What we really need to talk about in the Spring, and it needs to be talked about the policy recommendations that Dr. Friedlander and I have talked about. We need to really discuss what the maximum over cap percent that we at the College agree to be. Once that is agreed, we should not be in this position again, and that is also Board level decision because that is the underlying fundamental decision. If we agree that we want to be 10% over cap, for example, then we will stick to that and we will not need to constantly juggle and have this back and forth. We will not micromanage what is part of the 10%, that is the job of faculty, Department Chairs, Deans and Executive VP Friedlander. Our job is the overall resource allocation recommendations. The cost of being 10% over cap depends what classes make up the 10%. If most of it is classes under 25 students, it costs more so it is not only the cap in terms of FTES, but also the dollar amount. Dr. Serban believes that a body like CPC should not look at lists of sections offered; this is not our job.

Executive VP Friedlander said that what CPC takes to the Board is a dollar amount. We are not showing them sections. Dr. Friedlander stated that what Dr. Serban articulated is exactly what we should do and what we have been doing.

We knew going in this year, we are able with the software we have do simulations. With this schedule of classes that we initially developed, what cost would it incur and what would be the FTES if students enrolled in these classes in the same pattern as they did in prior semesters. So we knew in our processes, that we would be over cap, but in a budget amount that we established. Early on when we said this is what we need to have is TLU allocations cuts for credit, in Spring he came back to Dr. Serban and reported that Deans worked with the Department Chairs. We have cut some more but beyond this point, we are

really cutting into the bone and so what Dr. Serban did is she brought it back to CPC, and we discussed taking money out of reserves to make up that gap, and what was in our adopted budget and what we had planned to cut in credit. That decision was made early this Fall.

Dr. Friedlander said it wasn't until he listened to the Board Orientation tape and plus part of the session that he was there that in talking to Dr. Serban we decided to look that with respect to what the Board Members wanted was a budget discussion, not a class by class discussion. As Ms. Auchincloss said we are not going outside our governance process. That is what we did yesterday. That is what we are doing today and but that is the background. We built this schedule within our budget constraints, we knew what we were doing going in, everybody had a chance to have the courses, we worked at the faculty level, department level, so we did things the right way with what some of the people's concerns were two weeks ago.

Academic Senate, Planning & Resources Committee Representative Monda stated that she agreed with Ms. Auchincloss and Dr. Nevins' concerns. She said she has four points: 1) The new Board is trying to be effective Board Members and help their constituents. It is an educational opportunity. She would like to respectfully say we appreciate your concern, but we spent a lot of time discussing this over the semester and had meetings and determined that it was not a good idea. That is still what she would like to tell them. We made these special meetings to revisit this because of their request to discuss this issue, we had a process, we had a lot of reasons for this and we would like you to learn from that and then for the future if you want to consider this raising cap, there would be a chance to do it. That is a feeling of what Ms. Monda thinks we should say to the Board because we have been through all of this. Now if we go back and say yes let's spend more money, what we are really saying is, we are doing this out of respect for you. Maybe we do want to say that. You are new Board members, ok do it because you want it, but that is not what our process came up with before we had these extraordinary meetings.

Ms. Monda thinks this is an opportunity to revisit the prerequisite issue. She remembers hearing somewhere that requirements for pre-requisites had changed a little bit. It is really bad when students who should be in basic skills classes get into the upper level classes. It is a waste of money; it is destructive for them. It is a very easy thing to improve our entire system and save a lot of money and serve students more efficiently. She thinks this should be on the agenda for everybody. Dr. Friedlander stated that the Board of Governors is now considering a change in Title 5 that would give colleges much more flexibility in how they establish prerequisites. Ms. Monda said if that is a possibility she thinks is a really good idea. She feels we have had such an emphasis on student success that sometimes we pretend they succeed when they have not. It needs to be a real partnership towards success. The Library 101 case: students don't pass English 120 and then they have to stumble into Library 101. It is an easy class to pass. It is this final in the library that you can pass if you spend 10 minutes looking at the book and they just don't go. They needed to graduate. They messed up and she doesn't think it is so bad if they have to wait. It is a learning process. Mr. Neufeld reassured her that most of them are not that category. Most of them are transfer students. Ms. Monda said she would like to see the numbers on that.

Ms. Monda stated that she wanted the CPC members to think about the international students, that is the group she thinks we owe something to. We did have a plan for them and

keeping the sections for them. She thinks that is important. They spent money, they come here late and it is not their fault that they could not get classes. Dr. Friedlander said that they had addressed that.

Superintendent/President asked if there was a motion.

M/S [Alarcon/Friedlander] to accept extra expenditures not to exceed \$97,000 for extra sections that Executive Vice President Friedlander along with the Deans have decided as critical for transfer or graduation in the Spring. After a discussion there were 2 yays and 12 nays. The motion failed.

The discussion that followed the motion was as followed:

Mr. Neufeld stated that he was not at the orientation, but downloaded the recording and has not listened to it yet, but he did speak to the SBCC Board President Haslund last night and Dr. Haslund said that the Board was not requesting more sections to be added but they wanted a process to be discussed. That is one person who was there. Mr. Neufeld is reporting what he heard him say because he thought it was pertinent to the discussion. Everyone said listen to the recording of the orientation for the new Trustees, that is not what was said by the new Board members during the orientation.

Mr. Nevins said that at the Academic Senate Meeting, Dr. Haslund did in fact say that they wanted to look at process. He did not say anything about them wanting specific classes. The Board can only exert their power when they put something on the agenda and have a vote. They cannot just want to have something happen; that is not ok. Mr. Nevins said he is a Board member on an elected Board and each individual person does not have any power at all unless they act as a Board and vote. Other than that, they don't.

Interim PE Director O'Connor stated that there are four of them. Mr. Nevins said it does not matter.

Ms. O'Connor said that the other thing Dr. Haslund, President of the Board of Trustees, said yesterday, in spite of the fact of what he said at the orientation, is that if he was sitting at that table with us he would have voted it down. Superintendent/President thanked everyone and said the meeting is adjourned.

Next meetings:

Tuesday, February 8, 2011, 3:00-4:30pm, A218C; Tuesday, February 22, 2011, 3:00-4:30pm, A218C; Tuesday, March 1, 2011, 3:00-4:30pm, A218C; Tuesday, March 22, 2011, 3:00-4:30pm, A218C

Working sessions on draft of College Plan 2011-2014 scheduled for March 11, 2011 9am-12pm A217 and March 18, 2011 9am-12pm A217

Santa Barbara City College
College Planning Council
Tuesday, February 8, 2011
3:00 pm – 4:30 pm
A218C
Minutes

PRESENT:

A. Serban (Chair), Superintendent/President;	M. Guillen, Classified Staff Representative;
I. Alarcon, President, Academic Senate;	R. Limon, President Student Senate;
O. Arellano, Vice President, Continuing Education;	K. Monda, Academic Senate Representative, Chair Planning and Resources Committee;
L. Auchincloss, President, CSEA;	K. Neufeld, VP, Academic Senate;
P. Bishop, VP Information Technology;	D. Nevins, President Elect Academic Senate;
S. Ehrlich, VP HR &LA	C. Salazar, Classified Staff Representative;
J. Friedlander, Executive VP Ed Programs;	J. Sullivan, VP Business Service
T. Garey, Academic Senate Representative;	

ABSENT: R. Else, Sr. Dir. Institutional Advancement, Research & Planning

GUESTS:

C. Alsheimer, Instructors' Association Chief Negotiator;	L. Stark, President, Instructors' Association;
M. Blum, Board of Trustees Member;	E. Stoddard, Instructor Cont Ed at Parent Child Workshop;
M. Croninger, Board of Trustees Member;	L. Vasquez, Instructional Technology Committee Chair
K. O'Connor, Interim Director, PE;	
M. Spaventa, Dean, Educational Programs;	

Superintendent/President Serban called the meeting to order and welcomed everyone to the first CPC Meeting of 2011. Dr. Serban then introduced and welcomed the new President of the Associated Student Senate, Ruby Limon, who will be attending CPC Meetings for the remainder of the Spring Semester.

1. Approval of the minutes of the November 30, 2010 CPC meeting (attached)

M/S/C [Guillen/Salazar] to approve corrected minutes of the November 30, 2010. Liz Auchincloss abstained as she was not in attendance at that meeting. The rest of the members in favor.

Information Items/Announcements

Superintendent/President stated that we are at the official starting time of the College budget planning process for 2011-12, now that we partially know something from the State. We will look at how we can proceed from the information we have now, by March 12th there will be more information, but for now we will start with the process of looking at various scenarios.

Dr. Serban spoke about how the process will move forward: A number of proposals will be brought forward, and then the Academic Senate and the Classified Consultation Group will discuss priorities, then come back to CPC with the priorities for the college as a whole that we can agree on. After coming to an agreement, the tentative budget for 2011 – 12 will be developed.

Before discussing the agenda items listed, Dr. Serban asked VP IT Bishop to give an update of the new feature on “pipeline”, the student email. VP Bishop explained the details of the new tab on pipeline that allows the user to opt-in to move from the old pipeline email to the new Gmail email, resulting in more features and larger storage.

2. 2010-11 SBCC P1 (Projection 1) apportionment report (CCFS 320) and implications for 2010-11 state funding for SBCC (attachment)

Dr. Serban gave an update on SBCC’s P1 projection for the 2010-11 apportionment report (CCFS 320) and the changes in what we are now including.

Dr. Serban reminded everyone that when the State budget for this year first came out there was a growth amount of 2.21%, \$126 million for the system and the SBCC share would be \$1.690,970. It was assumed that the growth amount would not hold, but early last week, after checking with the State Chancellor’s Office, we learned that they feel confident that the growth for the system will actually hold, because the proposed Governor’s budget for 2011-12 does not include a mid-year cut for 2010-11. Superintendent/President stated that now we are including the growth in our budget, which was not the case up until this point.

The 2009 – 10 apportionment base is what we were funded and is a lot less than the total FTES we had, as you recall we were about 7.5% above the funded number, but just to create the target for calculation, by applying this 2.21%, the 2010 -11 target FTES funded by the state line is what our target for this year would be in terms of what we would be funded.

This year, no matter what each individual District’s actual allowable growth rate is, every District will get the same in an effort to partially restore the Workload reduction from 2009-10.

Superintendent/President Serban pointed out the January 12, 2011 projections that were reported to the State, and the two other deadlines are April 20th , a projection, and July 15th, the actual annual final FTES numbers. Now that we have this growth, we can take into account, on the credit side we are about 260 FTES higher and on the non-credit side we are actually lower. Bottom line, the total FTES unfunded is about 15, which is good (phenomenal), but in terms of amounts, what matters is that it is because of the credit FTES is higher, the unfunded growth is higher than what you think when you look at the FTES.

Then the next segment is the difference between what we project for 2010-11 and the 2009-10 base which is what was funded last year. Dr. Serban explained how actual growth is calculated and that the amount of growth we will be receiving this year is \$1,690,970. Dr. Serban concluded reporting about this agenda item saying that the growth funding for this year is very helpful to us and it is also helping us not absorb as much unfunded growth as we had last year. Dr. Serban explained why there is a chance that we could get more growth money from the State than the amount currently allotted in July after all districts submit their

numbers to the State Chancellor's Office. The money would come from those Districts who did not have enough FTES to obtain all funding.

Discussion Items

3. Analysis of the 2010-11 adjusted budget and cash flow as of December 31, 2010 (attachments)

a. 2010-11 unrestricted general fund year-to-date actual compared to adjusted budget .

VP Business Services Sullivan reported from this attachment column by column and showed that under General Apportionment, the College has received about 57% of the current revenues. The college usually receives revenues a little bit higher in the first six months with expenditures being a little bit less in the first six months. So far the college is tracking pretty much on normal and there are no big surprises so far.

Dr. Serban said that a question was posed to her regarding the finances of SB County. Will Santa Barbara County, where most of the College's money is, go bankrupt since they have such a huge deficit? VP Sullivan reported that the County is conservative with their investments and the last time he received a detailed analysis from the County, it was found that they are on secure ground. Dr. Serban stated that the public reads about the County's deficit, the layoffs and the furloughs and that information creates confusion in the public's mind. The deficit is in their operating fund. The College's fund, as well as the other funds they hold, is in a different fund from their general operating fund.

There was discussion about the College's various revenue sources, then VP Sullivan reported that all expenditures are on track and are where they should be.

b. Unrestricted general fund projection for 2010-11

VP Sullivan reported from this attachment pointing out that the 2010 projection will eventually become the adjusted budget, which is a moving target until we finally reach the budget that we adopt. Mr. Sullivan explained the projected revenues and expenditures and there were further discussions around various details such as mandated expenditures, interest expense, international student and non-resident student fees, (There are more 87 international students this Spring from last Spring and fees from them are lower, which is being investigated.). Mr. Sullivan pointed out the increase of expenditures in Academic Salaries due to the increase in TLUs. These Academic Salaries are projected higher for the future assuming the same thing will happen, which is a conservative method of budgeting. We do not expect it to be that high, but want to be prepared. There were further questions and clarifications.

Mr. Sullivan ended saying that the plus side is that potentially we could see the ending balances be approximately \$4 million higher than what is projected here, if all that comes to pass. Superintendent/President Serban stated that this is excellent considering what we are going to talk about next.

- c. 2010-11 expenditures year-to-date compared to adjusted budget with percent spent.

Superintendent/President Serban stated that the expenditure balances are for the members' information and if there are any questions, please feel free to ask.

- d. Cash flow general fund actual 2009-10

Dr. Serban stated that it is useful to go over the cash balances. The 2009 – 10 cash balances are attached for the members' information, but we will spend time with the actual and projected 2010 – 11 cash balances in order to give everyone a sense of where we are.

- e. Cash flow general fund 2010-11 actual for July 2010 through December 2010 and projected for January 2011 through June 2011.

VP Business Services Sullivan reported from the 2010/11 General Fund Cash flow spreadsheet attachment line by line. Mr. Sullivan pointed out that the State's 2010-11 deferrals were paid in October 2010, but it is projected that there will be \$11.3 million in deferrals that will be paid partially in July 2011 and partially in October 2011. In the first 6 months, the budget was delayed and that ended up in the College getting a delay in revenues received; it was additional deferrals of \$10 million in the first three months of the 2010-11 fiscal year which we got in October 2010. He pointed out that the college received the 2009 – 10 deferral in July 2010.

Mr. Sullivan went through the Cash in-flow line by line: the other apportionment revenues along with property tax, interest, lottery, financial aid reimbursement inter-fund transfers and other miscellaneous revenue. The Cash out-flow, Mr. Sullivan explained, line by line including the ending cash balances month by month.

Dr. Serban pointed out that in the 2008-09 and 2009-10 actuals, six of the twelve months we were in the red. So if it was not for having cash balances, six out of twelve months, we would not have the money to pay the College's expenditures. Dr. Serban pointed to January 2011 where the net cash-flow in and out would be a negative of \$17.6 million. Dr. Serban said that if we think of the cash we should have in hand throughout the year to ensure that we are able to fully cover these expenses and don't need to borrow, for 2010-11 it would be a minimum of \$18 million.

Dr. Serban made a strong point that a budget crisis does not provide for an excuse for the accreditation standards to not be met. The expectation is that colleges, regardless of a financial crisis, are supposed to have planned appropriately to ensure a secure an appropriate financial base. As educators, we have an obligation to ensure through good planning and reserves that we provide proper quality services to our students at any point in time. This point was reinforced on January 31st when the Accreditation Commission announced the results of the accreditation visits to the California Community Colleges within the last 6 months and many of them received warning letters which is a couple of steps away from losing their Accreditation.

Dr. Serban reminded the CPC members that SBCC has an accreditation mid-term report due Oct 15 2012. The expectation of this report is two-fold: 1) to show that we have delivered on the self-study planning agendas that we had and 2) we want to show that we have fully addressed the recommendations for improvement. Dr. Serban said we have dealt with these recommendations. Dr. Friedlander reminded the group of the Educational Plan that we need to bring back to CPC. The interim plan has been done, and this year we will need to work on the new version.

Further questions and clarifications regarding the budget were brought up

f. Subsidization of parent child workshops (PCW)

Superintendent/President Serban stated that she wanted to bring the subsidization of the parent child workshops/parent education classes to CPC's attention. Normally, when the college does this kind of subsidizing, it would come through the college governance process. But given how this particular situation evolved, it did not come through this process and given that it is a significant amount of money, \$320,571, there is uncertainty about how this would continue in terms of need for subsidizing or not.

Dr. Serban reiterated what was in the attached written analysis of the situation that was presented to the Board at the January 13, 2011 Study Session. In short, the four Parent Child Workshops were asked to contribute 20% of the salary and benefits of SBCC's Continuing Education Instructors teaching at the PCWs for an additional period of hours per week to perform non-instructional responsibilities associated with the operation of the Workshop. The San Marcos PCW did not agree to provide that reimbursement for the 20% time. The Oaks does not pay because the College created a new position, in place of the position where the person retired. That new position is on a different salary schedule that relates to compensation just for the instructional component not for the administrative work.

What has occurred that was unexpected is that the Parent Education Courses taught at these locations were denied approval by the State, therefore for this year 2010 – 11 we are not able to claim any FTES. That is about 120 FTES in non-enhanced non-credit that basically we are not able to claim. Therefore the college has subsidized for this year \$320,571. This is a significant amount of money and while new course outlines have been developed and have been submitted to the State, we do not know when we will hear from the State. To the extent that these courses are not approved in terms of the planning and budgeting for 2011 – 12, there will be a serious question as it relates to possibly continuing to subsidize or not subsidize this kind of expenditure. We had significant discussions about much smaller amounts than this, so Dr. Serban thought CPC members should all be aware that the college has undertaken a significant financial commitment by fully subsidizing the \$320,571.00 this year.

There was further discussion about why these courses were not approved by the State. Ms. Ellen Stoddard, SBCC Continuing Education instructor, who teaches at the Lou Grant Parent Child Workshop, summarized by saying that they had a course outline, it was approved in Sacramento, then in 2005 they needed to add the SLOs and update the course outlines, which was done. There was a mistake on it in terms of calculating the hours based on the information she and the other three Cont Ed instructors were

given in 2005. And the course outline never completed the process to go through the Curriculum Advisory Committee (CAC) and so it was sent to Sacramento as an approved title but it had never actually completed the correct approval process here.

Dr. Serban encouraged the CPC members to read the course outline. One of the challenges, is in terms of explaining a course outline of record. There are Title 5 regulations that say a course outline must be written and must have a number of contact hours which is different than submitting positive attendance hours for reimbursement. You may have an approved course by the State, but that does not necessarily mean that the course outline of record is compliant enough to submit those hours for funding. There were significant issues with the parent education course outline. This course outline of record was never approved by the State and that is the issue.

There was further discussion about the course outline for Spring 2011, when it is due, when it will be sent, when it will be approved. Superintendent/President wanted to say that if it does not get approved, then it will become part of our normal discussion of the budget: whether to subsidize or not. There are many classes in non-credit that require a significant cleaning which VP Continuing Education Arellano, the Continuing Ed Directors and faculty are working on with Vice Chancellor Barry Russell from the Chancellor's Office. The CAC is approving the courses as they come through if they meet the requirements.

In answer to Academic Senate President-elect Nevins' question, will we expect to see all those courses brought forward for subsidy like the courses taught at the parent child workshops, Dr. Serban said no. She went on to say that some of these non-compliant classes have become fee based and some of them are not being claimed for apportionment like Mind/Super Mind and other classes as well. And as the CPC members know from last April, Physical Education classes for older adults are no longer funded by the State. Some of those courses were actually subsidized through fundraised money, not general fund money, for a term and then faculty have worked to develop new course outlines, and in the interim, there are fee based courses in the physical education area. We are trying to minimize this kind of situation and there is a lot more work that needs to be done.

4. Budget development for 2011-12 – Andreea Serban, Joe Sullivan

g. Governor's proposed budget for 2011-12 for California Community Colleges and implications for SBCC (attachment)

h. Budget principles (attachment)

Superintendent/President Serban stated that the College has used these Board approved principles really well over the years to build budgets and to build reserves resulting in a very strong fiscal base. Dr. Serban asked that the CPC members and their various groups look at the Principles, and bring back to CPC any concerns, suggestions, questions for further discussion.

Dr. Serban stated that she wants to bring back some suggestions as well as establish a prioritization of what we want to preserve as core versus other things, what is important

and what is useful.

i. Approach to prepare for the three possible state budget scenarios

Superintendent/President Serban referred to the Governor's Proposed Budget for 2011 - 12 implications for California Community Colleges and SBCC attachment in saying that with these very restrictive financial resources it may not be possible to continue at the same level. The California Community College League (CCLC) updated their budget numbers on January 27th and created three scenarios, which are slightly worse than what they originally posted on January 11th.

Dr. Serban said that we will know by March 12 if the proposed extension of tax increases is going to be on the ballot or not, and we will not know until June 8 what happens with these extensions and we may not know until September how the funding from Proposition 98 is going to occur. With that in mind, Dr. Serban suggested that in terms of Prop 98 funding we should be conservative and prepare for the worst in both scenarios re: Proposition 98.

Dr. Serban said that this was discussed in the Executive Committee and that she would like to propose to CPC to consider the three-year phasing in of the revenue reduction and that we draw down to some degree the reserves so that if Scenario three occurs, a \$10.5 million increase in cuts, we will not be decimated.

At the next CPC Meeting, Dr. Serban said that a phase approach needs to be discussed and for CPC to consider these three models for 2011 – 12. We need to see what does and does not materialize before implementing these severe cuts. Dr. Serban delineated what the results would be for each scenario. It is very important for the governance groups at this point to review and think about each scenario as we need input regarding prioritization. This means look at the courses, programs and other services that we offer the students and think about what each member views, what is important in a relative priority mode and then based on that, ensuing reductions would occur through analysis and discussion. We need to make ongoing cuts.

Executive VP Friedlander reported that his area on the credit side is in schedule development for summer 2011 and fall 2011, and that means that they are looking at more than half of next year's budget in terms of the instructional expense in credit. The guidance from CPC and then the Board eventually is critically important for each of us in terms of knowing how to proceed accordingly.

CSEA President/Chair Classified Consultation Group Auchincloss asked if a hiring freeze will be considered. Dr. Serban replied that currently the college is functioning as lean as humanly possible. Currently the administration is looking at every position that becomes vacant with a critical eye as to how long can that position can stay vacant. At this point it would be fairly hard pressed in some operational areas for sure to not replace the positions if they actually become vacant.

Further discussion followed about the report that perhaps the UCs and CSUs may reduce the number of students they will serve and the fact that those students will most

likely be applying for classes here, making it hard on our system.

Academic Senate VP Neufeld reported that the Academic Senate will be looking at the program review material at their meeting tomorrow. He wanted to know that in light of the budget situation, will we be able to seriously consider new proposed items. Dr. Serban said that it is absolutely imperative that we honor the program review process. We have worked so hard on it and it has gotten to the point where it is really working.

j. Prioritizations

5. Measure V projects, actual and projected expenditures (attachment)

VP Sullivan requested that the members review the bond construction fund analysis, it is critical that the members do this for discussion at the next meeting.

The meeting was adjourned.

Next meetings:

Tuesday, February 15, 2011 (NOTE: changed from February 22, 2011 due to change in Foundation Board meeting), 3:00-4:30pm, A218C; Tuesday, March 1, 2011, 3:00-4:30pm, A218C; Tuesday, March 22, 2011, 3:00-4:30pm, A218C, Tuesday, April 5, 2011, 3:00-4:30pm, A218C; Tuesday, April 19, 2011, 3:00-4:30pm, A218C; Tuesday, May 3, 2011, 3:00-4:30pm, A218C; Tuesday, May 17, 2011, 3:00-4:30pm, A218C

Working sessions on draft of College Plan 2011-2014 scheduled for March 11, 2011 9am-12pm A217 and March 18, 2011 9am-12pm A217

Santa Barbara City College
College Planning Council
Tuesday, February 15, 2011
3:00 pm – 4:30 pm
A218C
Minutes

PRESENT:

A. Serban (Chair), Superintendent/President;	M. Guillen, Classified Staff Representative;
I. Alarcon, President, Academic Senate;	R. Limon, President Student Senate;
O. Arellano, Vice President, Continuing Education;	K. Monda, Academic Senate Representative, Chair Planning and Resources Committee;
L. Auchincloss, President, CSEA;	K. Neufeld, VP, Academic Senate Representative;
P. Bishop, VP Information Technology;	C. Salazar, Classified Staff Representative;
S. Ehrlich, VP HR &LA	J. Sullivan, VP Business Service
R. Else, Sr. Dir. Inst. Assessment, Research and Planning	
J. Friedlander, Executive VP Ed Programs;	

ABSENT:

T. Garey, Academic Senate Representative	D. Nevins, Academic Senate President-elect
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GUESTS:

C. Alsheimer, Instructors' Association	M. Spaventa, Dean, Ed Programs
M. Croninger, Board of Trustees Membe;	L. Stark, President, Instructors' Associatio;
L. Macker, Board of Trustees Member	E. Stoddard, Cont Ed Instructor, Parent Child Workshop
J. E. Meyer, Biology Professor	L. Vasquez, Instructional Technology Committee Chair
K. O'Connor, Interim Director, PE	
J. Pike, Director, LRC	
A. Scharper, Dean, Ed Programs	

Superintendent/President Serban called the meeting to order.

Dr. Serban handed out copies of the February 14, 2011 email from Chancellor Jack Scott re: Budget matters. Dr. Serban focused on the magnitude of what is being discussed at the State level. In his email, Chancellor Scott is referring to the most optimistic version of the cuts: \$400 million, which he is arguing for. Even though a vote has not been taken, it is very clear that the chances that this will be implemented through a 5% workload reduction are high. What this 5% reduction would mean for SBCC is (roughly estimated) a reduction of 100 FTES non-credit and about over 600 FTES credit, and this is the optimistic version. The less optimistic version is as high as about 10%, doubling the reduction of FTES. Implementing a cut of over 600 FTES (which is the optimistic version) in credit at this point given the other cuts we have made, the impact on the college will be severe. The college cannot expect this kind of a cut without cutting courses and sections, it is not possible. Dr. Serban gave a rough example of the how it will affect TLUs and stated the administration is in the process of calculating the real cost of producing X amount of FTES. There are so many indirect and shared costs that it is hard to pinpoint an exact cost.

Dr. Serban stated that the February 15 email from the CCLC President and Chief Executive Officer, Scott Lay, is even worse than the news from Chancellor Scott. In his email, Scott Lay reported from a memorandum from the Legislative Analyst's Office which outlines a proposal on how to solve the state's budget problem without tax increases. There were three recommendations and Dr. Serban focused on the recommendation to eliminate state subsidy for intercollegiate athletics (\$55 million). This is really referring to the fact that we could no longer claim FTES for athletic classes which would result in the elimination of the concept of athletics in community colleges, because who could continue to afford to offer athletics if it is not

reimbursed by the State. The PE Interim Director K. O'Connor stated that all the student athletes are full time students, taking a full load of classes; they succeed at a higher rate than the normal student and they have higher transfer rates. By eliminating the state subsidy, the state is cutting out a segment of the population that is actually doing what the state wants them to do. There was a short discussion about the possibility of an actual increase in community college fees from \$26 to \$66 per unit. It is up to the legislature to decide if they will increase the fees. Executive VP Friedlander pointed out how smart it was of Senator Steinberg to request this report as an effort to justify the governor's request that the Legislature place the tax measures on the ballot because it shows what would happen to community colleges without the tax increases. What they do with this information is the question. There was further discussion regarding the range of Legislative Analysts' report. Dr. Serban stated that she thinks it is important for the members to be aware of what is being reported by the state.

Information Items/Announcements

1. Timeline for budget development for 2011-12 (attachment 1) and state allocation timeline (attachment 2)

Dr. Serban wanted to remind everyone about the timeline for budget development. VP Sullivan went through the timeline to show what has been done and what needs to be done. So far, we are on target. Dr. Serban stated that there is more work to do on the initial draft of the budget assumptions which will be brought to the next CPC for discussion. In March, CPC members will be discussing the reallocation of current resources, cost savings and revenue generation proposals, Institutional Effectiveness data and the College Plan evaluation. Questions and discussions ensued.

Attachment 2, The Budget Calendar, will be presented to the Board at tomorrow's meeting. Much of what we do depends on what and when we receive information from the state. This has become less predictable than it used to be resulting in the college needing to become more adaptable to these shifts.

2. CalPERS and CalSTRS rates (attachment 3)

Superintendent/President Serban reminded CPC that one of the assumptions made in the 2011-12 budget is the increase in fixed costs as a result of the increase in the contribution for CalPERS and CalSTRS. The rates are going to go up significantly. For 2010 -11, we did budget for the 10.707% employer contribution rate for CalPERS and each year these rates will continue to go up. CalSTRS will also go up annually. These are part of the ongoing costs for the college that are increasing.

3. Overview of unrestricted general fund revenues and expenditures 2001-02 to 2009-10 actuals and 2010-11 adjusted (attachment 4)

Dr. Serban stated that the important part of this conversation is about the percentages of our revenues and expenses. For example, salaries and benefits are 87% of our expenses, and she continued to point out the percentages of the other expenses. All in all, this year we are at 91% of our expenses which is down compared to the prior years, which is a good thing. The 9% includes such areas as supplies, professional development, consultants. Dr. Serban stated that going back to the concept of how does one implements a cut of anywhere from 2.6% to 10.5%? You cannot implement that unless you touch these expenses. It is back to courses and hourly pay that we cut. VP Sullivan stated that it is important to note that we are spending more of our revenue than we have in the past, even though we are holding our other expenses at a constant level, it looks like we are doing great.

4. Overview of transfers out 2001-02 to 2009-10 actuals (attachment 5)

Dr. Serban stated that it is important to understand where we are. She pointed to the comparison of the percentages of transfers of unrestricted general fund revenues from 2001-02 to 2009-10. In 2001-02 we transferred 13% of our unrestricted general fund revenues to various funds that are

listed on the spreadsheet. In 2009 – 10 the percentage is 1%. This is not a sustainable way to conduct the operations of a college. It means that we are not saving enough money in those funds to have a sustainable base and this is why in 2010-11, we finally went back to putting more into the construction and equipment funds. This is important because when we are going to talk about our assumptions for 2011-12 budget, these are all critical variables that we need to look at and make a decisions about where we want to go, even with the cuts that need to be made.

5. Overview of interest revenue on general fund balances 2001-02 to 2009-10 actuals (attachment 6)
Superintendent/President Serban pointed out the depressing fact that in 2001-02 the interest was three times more than what it is now. This coupled with the other decreases in revenue from workload reduction, cuts in categorical, etc. has decreased our discretionary revenues.
6. Overview of general fund balances 2001-02 to 2009-10 actuals and JPA net assets (attachment 7)
Dr. Serban stated that this is another important indicator of the times. Dr. Serban pointed out the fund balances as a percentage of general fund expenditures excluding transfers in 2001-02 which was 61%. What that means is that basically for about 2/3rds of the year, the college could have paid all of our unrestricted general fund expenditures just from the reserves we had. That is really a very important statement in terms of the stability and of how safe the institution was. That percentage has decreased up to a low of 28% in 2007-08 and now we are going up slightly. Dr. Serban said that compared to 2001-02 we have not made progress in reserves, we have the same total level of reserves of \$30 million as in 2001-02. That being said, we are still doing much better than many other colleges. Executive VP Friedlander spoke of the money put aside at the end of the year to build up the parking reserve. Then we decided we are not going to build a parking lot, but nevertheless, that money was spent on other things.

Discussion Items

7. Measure V projects, actual and projected expenditures (attachment 8) – Joe Sullivan
VP Business Services Sullivan reported from the attached Bond Construction Fund Analysis. He started with pointing out line by line the completed projects, and what the adjusted budget was as of 12/7/10 and the amount it ended up costing. The projects ranged from very large projects like the completion of the bridge and the Luria Conference and Press Center to the smaller maintenance projects and resurfacing of driveways. The adjusted budget and completion costs varied quite a bit, some ended up costing more than expected like the Bridge Seismic Evaluation and Repairs or some cost less like the Sports Pavilion handrail that was expected to cost \$17,000 and ended up costing \$7,000. Mr. Sullivan then went through the projects that are “in-process”. The total costs of these projects have not yet been determined because they are not finished. Questions regarding several of the project areas that are in progress were clarified and different projects were discussed. There was further discussion regarding the deferred maintenance projects which all went through the College consultation process. Various projects that went way over budget due to unexpected problems were discussed, such as the Bridge Repair and the East Campus Water Systems upgrade. The focus then turned to the postponed projects and the fact that even with so much being postponed we are over budget.

Superintendent/President Serban stated that the issue is this assumes that all those postponed projects with no dollar amounts assigned to them will be postponed until we are able to save money in the construction fund. There was a review of the postponed projects that were not brought back into the budget. Some were completed by merging several projects together. There was further discussion regarding how to make this attachment clearer to read and understand.

It was reported that we need \$4 more million to complete all deferred maintenance projects and Dr. Serban stated that we need more than \$4 million because time after time the projects always cost

more than what has been estimated.

VP Sullivan stated that the members need to talk through whether we agree with the proposed budgets so that we can convert them for this “take down” of the bond and get them into our reporting software, Banner.

VP Sullivan explained the section at the end of his report, the contingency or (deficit) and pointed out the new estimate for the Learning Resource Center (LRC) remodel. He stated that if the LRC will be remodeled this summer, the members need to decide if we want to spend this increased amount prior to the April Board Meeting. His department needs to get the bids in and then it needs to be approved by the Board.

Dr. Serban asked that the Director of the Learning Resource Center Jerry Pike explain the remodel. Dr. Pike stated that the building has not been upgraded since 1989 when it was built. The real issue is that the space needs to be reconfigured so that they may accommodate and meet the demand of more students, particularly in the area of tutorials. It means putting the technology in place to meet the demand and what we will gain for the students is pretty substantial. If this project goes through the college processes in a timely manner, the project will run from May 15 to August 15. If we cannot start this May, we will have to put it off until next May. Dean Scharper stated that the success of the LRC, the Tutorial Center and the writing Center are what are driving the remodel. It is very functionally driven; it is not at all cosmetic. Expanding the function and getting maximum use of the current footprint is the goal behind this to serve our students well and all of our faculty would rely on this center.

Dr. Serban asked each member around the table if they were in support of this. Everyone said yes, but would like to take it to their groups for discussion. On March 1st a vote will be taken after the Academic Senate and the Classified Consultation Group will have had a chance to discuss this with their groups. VP Sullivan said with the March 1st vote, there will be time to take it to the April Board meeting.

8. Budget development for 2011-12 – Andreea Serban, Joe Sullivan,

a. Accreditation Standard IIID Fiscal resources (attachment 9) some key points.

Dr. Serban reiterated what she had brought up in previous CPC meetings: the Accreditation Standards need to be met at all times and these standards are minimum standards for an institution to maintain its accreditation status. She read aloud the highlighted area in Standard III, D. 1. c. *“When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies and plans for payment of liabilities and future obligations”*. Dr. Serban stated that drawing down on reserves without a solution that is an ongoing solution to the coming budget cuts is not good planning, so while we will draw on the reserves on the short term, we need to have an ongoing solution to what could be a \$10 million cut.

Then Dr. Serban pointed out D. 2.c. *“The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.”* Dr. Serban emphasized that the College cannot be in a situation where it cannot sustain its cash flow.

Fundamental Assumptions: Superintendent/President Serban stated that it is incumbent on CPC to make clear that when it comes to the fundamental assumptions around planning and budgeting, the College’s position on borrowing is not to borrow. We need to make this a recommendation to the Board. It is not good fiscal planning for an institution to start relying

on borrowing.

Fundamental commitments: Dr. Serban stated that we need to be ready to provide some fundamental commitments that we feel or not feel need to be made. One of her examples was the fundamental commitment to maintaining employment of all permanent employees, meaning that nobody who has a permanent job at this college be laid off. Dr. Serban stated that she strongly believes that as an institution, we have the fiscal capability to not lay off any permanent employees. Dr. Serban stated that it is her personal recommendation that she will make to the Board regardless of the recommendation of CPC. She would like to know what CPC members, the Academic Senate and Classified Consultation Group think about this fundamental assumption that lays the ground work of how the budget cut would be implemented. Dr. Serban stated that these fundamentals commitments are serious and need to be clearly outlined.

Maintain Center Status: Dr. Serban stated that another big issue to discuss is how we want to maintain the Center Status as there are different ways to maintain the center status. Maintaining a center status requires a minimum of 1,000 FTES per center and can be a combination of non-credit and credit FTES. We currently offer 65 to 80 credit FTES at the Wake Center. Dr. Serban stated that we need to provide a recommendation as to how we see the workload reduction being implemented. This comes back to issues of core mission, core priorities, and really a statement of priorities.

Minimum Level of Reserve: Another recommendation that CPC needs to make is regarding what we feel is the minimum level of reserve that we absolutely must have, she pointed out Accreditation Standard III D again. This relates to the commitment to construction fund, equipment fund and our program review process that we have worked so hard on. Very few colleges got commendations for the program review process and we are constantly improving our program review process. The colleges that have not implemented a program review process have ended up on probation or warning. Dr. Serban said it is time to make a commitment as to where we want to be because this next three years we are going to require some fundamental hard decisions and we have to stand by what ensures that the college maintains an exceptional accreditation record.

CSEA President Auchincloss wanted clarification on the workload reduction, whether it would be in dollars or FTES. Dr. Serban stated that at this point it comes as both. Dr. Serban stated that it will be a dollar amount with an understanding that we are allowed to cut the base FTES by an equivalent number to generate the dollar amount that is the cut. Dr. Serban reported that we get paid about \$4,500 for CA credit FTES, about \$2,700 for non-enhanced, non-credit and about \$3,200 for enhanced non-credit.

Dr. Serban reminded the members that when colleges have cut credit significantly they have had a very difficult time recovering. Their experience stresses the importance of thinking strategically beyond these three years to what would happen if we cut credit now too severely and how we would recover from it. Executive VP Friedlander said that what compounds the risk for our particular college is that we are in an area where we do not have a large growing high school enrollments going through the system, so Dr. Serban and he have been overly cautious in that area when looking long term. Strategically we have been on target but our risk is not like the other colleges where it took more than three years to recover.

Faculty Budget Priorities Forum: Academic Senate President Alarcon stated that the Academic Senate is organizing a budget forum to enable more faculty to be able contribute

to this planning and budgeting discussion.

Budget Schedule: Dr. Serban stated that in April the CPC will be discussing iterations of the budget assumptions. Dr. Serban suggested that at the March 11 meeting, we use the morning for budget related discussions and then we add another meeting on Friday March 25th for planning. So we will meet Friday March 11, March 18 and March 25.

Board of Trustees Member Lisa Macker stated that what she wants to know how the curriculum will be changed, what do faculty want to do in terms of the range of the course offerings to be continued, will the faculty want the college be primarily basic skills or vocational.

Kim Monda, Kenley Neufeld and Kathy O'Connor specified some other information they would like to have.

Superintendent/President Serban noted that the direction from the Board of Trustees needs to come through Board meetings, from the Board as a whole. CPC needs to be allowed to have its discussions as an internal college governance body.

Board of Trustees Member Marsha Croninger said that she agrees with Trustee Macker. Trustee Croninger wants CPC to address specific questions. Superintendent/President Serban reiterated the need for individual Board members to provide their views and subsequent direction through the Board meetings rather than through giving individual directions at college governance committee meetings.

There was further discussion regarding what more information the CPC members needed for the planning and budgeting process, regarding the role of Board members in CPC meetings and the governance process, and priorities in the curriculum.

- b. Budget principles (attachment 10)
To be discussed more in depth at the next meeting.
- c. Approach to prepare for the three possible state budget scenarios
- d. Prioritizations
- e. Reserves – minimum that is safe

Superintendent/President Serban adjourned the meeting.

Next meetings:

**Tuesday, March 1, 2011, 3:00-4:30pm, A218C;
Tuesday, March 22, 2011, 3:00-4:30pm, A218C,
Tuesday, April 5, 2011, 3:00-4:30pm, A218C;**

**Tuesday, April 19, 2011, 3:00-4:30pm, A218C;
Tuesday, May 3, 2011, 3:00-4:30pm, A218C;
Tuesday, May 17, 2011, 3:00-4:30pm, A218C**

**March 11, 2011 9am-12pm A217 - Working sessions on draft of College Plan 2011-2014
March 18, 2011 9am-12pm A217 - Working sessions on draft of College Plan 2011-2014**

Santa Barbara City College
College Planning Council
Tuesday, March 1, 2011
3:00 pm – 4:30 pm
A218C
Minutes

PRESENT:

A. Serban (Chair), Superintendent/President;	J. Friedlander, Executive VP Ed Programs;
I. Alarcon, President, Academic Senate;	T. Garey, Academic Senate Representative
O. Arellano, VP, Continuing Education;	M. Guillen, Classified Staff Representative;
L. Auchincloss, President, CSEA;	R. Limon, President Student Senate;
P. Bishop, VP Information Technology;	K. Monda, Academic Senate Representative,
S. Ehrlich, VP HR &LA	Chair Planning and Resources Committee;
R. Else, Sr. Dir. Inst. Assessment, Research and Planning	K. Neufeld, VP, Academic Senate Rep;
	J. Sullivan, VP Business Service

ABSENT:

D. Nevins, Academic Senate President-elect	C. Salazar, Classified Staff Representative
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GUESTS:

C. Alsheimer, Instructors' Association;	K. O'Connor, Interim Director, PE;
M. Blum, Board of Trustee Member	L. Stark, President, Instructors' Association;
M. Croninger, Board of Trustee Member;	L. Vasquez, Instructional Technology
J. E. Meyer, Biology Professor	Committee Chair

Superintendent/President Serban called the meeting to order.

1. Approval of the minutes of the December 7, 2010 CPC meeting (attachment 1)

M/S/C [Guillen/O'Connor] to approve minutes of the December 7, 2010. Sue Ehrlich abstained as she was not in attendance at that meeting. The rest of the members in favor.

Information Items/Announcements

2. Latest communications and articles related to the state budget (attachment 2)
Superintendent/President Serban wants to make sure that all members keep track of articles regarding the budget. She referred to the email from Chancellor Jack Scott and the article from the San Francisco Chronicle story on state subsidy for Community College Athletes classes.
3. Reduction in basic skills allocation for 2010-11 (attachment 3)
Superintendent/President Serban used the following news to highlight why reserves are important. Attachment three is the March revision of the 2010-11 Basic Skills Allocations by District from the 2010-11 first principal apportionment. On February 24, the allocation for the basic skills for 2010-11 was sent to all Districts and colleges. The College's allocation has been reduced from \$225,983 to \$195,422. The good news is that the college has a carry-over from 2009-10 from the Basic Skills allocation that was not spent. So in 2009-10, the college did not spend \$121,812.

However, there were plans to spend the full \$225,983, plus the \$195,422. Every year, the College is required to submit to the Chancellor's Office a plan for spending the Basic Skills allocation and a decision was made when this first came into play in 2007-08 to split the Basic Skills allocation: 60% goes to credit, 40% goes to non-credit. The College submitted a spending plan that was supposed to spend the entire \$225,983 plus the carry-over of \$121,812.

Given that this notification came on February 24, 2011 for fiscal year 2010-11, Dr. Serban stated that she is in favor of back-filling the cut from reserves.

There are two full time positions in credit that are funded from the Basic Skills allocation: one is in the Writing center and the other one is in Gateway Center.

Dr. Serban stated that this fact raises the issue for next year, which will be part of the discussion when looking at the assumptions for next year. Dr. Serban said that she thought that we should not expect any more in Basic Skills Allocation than we get now and if we get \$195,422, we will be lucky.

Dr Serban thinks that part of the budget discussions need to include off-setting cuts in other categoricals: EOPS, DSPS and Matriculation. Dr. Serban would also like to discuss not creating new positions in the future that will rely on categorical funding. The two in credit were created from the beginning to allow the Basic Skills allocation.

Dr. Serban asked if there was interest in back-filling the cut from the Basic Skills allocation.

M/S/C [Friedlander/Alarcon] to back-fill to make up for the approximately \$30,000 shortfall from the money the College allocated in its Basic Skills plan that the College submitted to what its actual allocation is that we were notified on the last day of February for this year to the degree that it is needed. All in Favor.

Discussion: Questions were raised about using the Federal Stimulus money to back-fill the shortfall and Dr. Serban stated that money was used last year. Dr. Serban stated that the back-fill money will come out of the General Fund Reserve. There was further discussion about categorical and basic skills allocations.

Executive VP Friedlander stated that he thought it was premature at this point to make a motion for next year Basic Skills allocations, since the amount needed for back-filling may be a different amount.

Dr. Friedlander reported that the Federal Government is still making cuts to this year's budget and two programs that have relevance to the College budget are the Federal Perkins Grant Program and the Tech-Prep grants. The Tech-Prep funding will end and fold a portion of that program into the Perkins Funding, with that plan comes a substantial cut in the amount we will be receiving. President Obama proposed doing away with dual enrollment monies and that may happen this year.

The Dual Enrollment Coordinator, a full-time position, is funded by this money from Tech-Prep. This person in this position assists in operating the dual enrollment program and that program could not operate without him. Because of this reduction, the college would be looking at back-filling \$20,000 to keep this position. Executive VP Friedlander and Dean

Pazich are researching this further to find out exactly how much we will be receiving and how much we will have to back-fill.

Dr. Friedlander stated that over the years the college has funded a number of lab support positions for career tech programs out of our Perkins knowing that at some point we would revert to the General Fund. We may have to back-fill these positions. There will be further clarification on this at the next meeting.

4. Joint meeting with the Santa Barbara City Council March 2, 4pm, Central Library, Faulkner Gallery, 40 E. Anapamu St. The agenda is posted at:
<http://sbcc.edu/boardoftrustees/specialmeetingsstudysessionsagendasandminutes.php>

Dr. Serban reminded CPC members of the joint meeting of the SBCC Board of Trustees and the Santa Barbara City Council. The agenda is posted on the SBCC webpage.

Discussion Items

5. Budget development for 2011-12

- a. Preliminary recommendations to and questions for the Board of Trustees from the Superintendent/President and Executive Committee – discussed with the Board of Trustees at the February 16 and February 23 study sessions (attachment 4)
- b. Planning and Resources Committee discussion of document above (attachment 5)

Academic Senate Representative, Chair Planning & Resources Committee Monda stated that the College's administration and Board of Trustees want faculty feedback about the upcoming College Budget. Ms. Monda thanked them for that opportunity. Academic President Alarcon asked that the Planning & Resource Committee help with a Faculty Budget Forum where budget information can be presented and discussed. The P & R committee wrote up a document: The Initial Plans for the Faculty Budget Priorities Forum - Friday, March 11 from 1 – 3:30pm, which outlined the purpose of the forum, where to begin, and the information from the preliminary recommendations written up by EC and Dr. Serban.

Since the Forum's purpose is to garner feedback from the College faculty regarding the upcoming budget, P & R decided that they needed to begin by first figuring out a way to educate the faculty in order for them to start to understand all the information about the preliminary recommendations and to make some informed choices. They created a web site with all the necessary documents and an email will go out to all faculty with the links to these documents that are within this internal web page.

Ms. Monda stated that there are questions that Senate members are really grappling with, for example they want to understand the relationship between credit and non-credit as they look at budget cuts, and to understand what has been happening with reductions in Adult Ed and a clear explanation of the funding. The P&R document also had a list of additional issues that needed to be discussed at the forum and requests of the senators to the faculty.

There was further discussion about recording the forum, about the importance of knowing what the College's priorities are, about what we are willing to do to preserve

the things that are important and about ensuring a successful forum.

Ms. Monda invited a group to stay after the CPC Meeting to discuss further details about the forum.

Superintendent/President Serban summarized the college governance process regarding the development of the budget: the Academic Senate makes its recommendations to CPC, Classified Consultation Group makes its recommendations to CPC, Student Senate makes its recommendations to CPC, then CPC discusses and reaches consensus, then this information is included in information given to the Board Members and in the end the Board needs to make a decision. Dr. Serban stated that bottom line the College needs to have its own voice as to what the collective wisdom of the College is.

c. Budgeting for the 4000 and 5000 accounts

Superintendent/President Serban wants all governance groups to discuss the 4000 (supplies) accounts and 5000 (travel) accounts and how they are budgeted.

Dr. Serban stated that this discussion at the last study session regarding these accounts was about the way they are budgeted. One way of budgeting is if you don't spend it, you lose it and you get what you spent last year in the next budget. The other way of budgeting, which has worked well for the college for many years, is the concept to avoid the "use it or lose it" way. The money not spent was put back into general fund reserves and then the next year the departments were given their full budgeted amount.

Dr. Serban said that during the last three years, the managers have worked hard to cut back on their spending because of all the state budget cuts, so the resulting information about that department's budget does not represent the true needs of the department. Also, she pointed out that this is not a real saving, but a one year shift of the budget. In the end, whatever cut needs to be made, it needs to be implemented as a real expenditure cut. The college needs to keep building its reserves, especially now as unannounced issues come up at the last minute. The college now has money to be able to backfill areas that have unexpected budget gaps.

Dr. Serban stated that the current way of budgeting these 4000 and 5000 accounts is an important cultural and conceptual way to deal with the budget that we have used at this college for decades. She asked for a discussion and opinion from each group that is represented at the table about how we want to continue with 2011-12 and beyond.

Dr. Serban outlined 3 different ways of budgeting: 1) Continue with the way the College has done it; 2) Budget for what was spent and make a commitment to save some other way; 3) or a compromise in between. Budget exactly what was spent but add x% to be determined of a level that could be acceptable, for example what we spent in 2011 plus 15% or 20%.

There was further discussion about how the "the use it or lose it" budgeting would be a radical departure from the College's practices; everyone agreed with Dr. Serban

that it would affect everyone's trust and morale. It is as much a cultural decision as it is a fiscal decision. The current system is working.

Superintendent/President Serban stated that she would like each group to discuss this item in their groups and bring their positions back to CPC no later than mid-April.

There was further discussion on Budget Principle 13 and the fact that restoring of funds depends on priorities, equality of needs of each department, and the need for a "cheat" sheet explaining all of these terms.

- d. Budget projections – scenarios for 2011-12, 2012-13 and 2013-14 (handout)
Dr. Serban stressed that this handout is a *work in progress* and a beginning attempt to look three years out at various scenarios. These will be discussed in detail at the March 22nd CPC meeting.

VP Sullivan went through the handout explaining what was adjusted for the three different Scenarios, the transfers out plus other income and outgo for both revenue and expenses. All these factors were included resulting in different ending balances.

VP Sullivan pointed out the bottom line from the 2010-11 Projection for Revenue and Adjusted Budget with the different Scenarios and Assumptions.

- e. Ranking of program review resource requests

6. Scheduling of additional budgeting and planning sessions (handout)

- a. Dr. Serban passed around a list of the upcoming budgeting and planning sessions:
 - i. Friday, March 18, 9am – 12pm for Budget discussions
 - ii. Friday, March 25, 9am – 12pm for College Planning prep and discussion
 - iii. Friday, April 8, 9am – 11am for College Planning prep and discussion
 - iv. Thursday, April 7, 2:30pm – 4:30pm in A211 - Environmental Scanning preparation for the budget discussion with local business, government and education leaders would make presentations to inform our planning development for our College plan. The entire campus is invited to this event. Dr. Serban said that we will see who is available to speak on that date, then we will try to find another date.

Action Item

- 7. Allocation of increased amount for LRC remodel – original estimate was \$300,000. Current revised estimate: \$692,000 with alternates of \$151,000 total = \$843,000

Next CPC meetings:

Tuesday, March 22, 2011, 3:00-4:30pm, A218C, Tuesday, April 5, 2011, 3:00-4:30pm, A218C; Tuesday, April 19, 2011, 3:00-4:30pm, A218C; Tuesday, May 3, 2011, 3:00-4:30pm, A218C; Tuesday, May 17, 2011, 3:00-4:30pm, A218C

Santa Barbara City College
College Planning Council
Friday, March 18, 2011
9:00 am – 12:00 pm
A217
Minutes

PRESENT:

A. Serban (Chair), Superintendent/President;	J. Friedlander, Executive VP Ed Programs;
I. Alarcón, President, Academic Senate;	M. Guillen, Classified Staff Representative;
O. Arellano, VP, Continuing Education;	K. Monda, Academic Senate Representative, Chair Planning and Resources Committee;
L. Auchincloss, President, CSEA;	D. Nevins, Academic Senate President-elect
P. Bishop, VP Information Technology;	J. Sullivan, VP Business Service
S. Ehrlich, VP HR &LA	
R. Else, Sr. Dir. Inst. Assessment, Research and Planning	

ABSENT:

T. Garey, Academic Senate Representative;	K. Neufeld, VP, Academic Senate Rep
R. Limon, President Student Senate;	C. Salazar, Classified Staff Representative

GUESTS:

C. Alsheimer, Instructors' Association;	J. Meyer, Biology Professor
M. Croninger, Board of Trustee Member;	K. O'Connor, Interim Director, PE;
L. Griffin, SBCC Controller	J. Schultz, Academic Senate Member
L. Macker, Board of Trustee Member	L. Stark, President, Instructors' Association;
R. Marx, Cont Ed Student	L. Vasquez, Instructional Technology Committee Chair
C. McCammon, Cont Ed Student, Co-Pres.	

ACES

Superintendent/President Serban called the meeting to order and stated that the main purpose of this session is to look at and discuss the preliminary recommendations for the 2011-12 tentative budget one by one (attachment seen at prior meetings) using information from the attachments that were also discussed at prior CPC Meetings, and note which ones we have agreement on and which ones we don't and add other recommendations. This discussion will continue until no later than the April 19th CPC Meeting when we will vote on what CPC will be endorsing. This will include the endorsements of the Academic Senate and the Classified Consultation Group.

Information Items/Announcements

1. Latest communications and articles related to the state budget (pages 5-6)

Dr. Serban pointed out that as of yesterday, the items that got agreement in the California State Senate and Assembly include everything, but the most important thing, whether the tax extension is going to be on the ballot or not, doesn't look like it is going to happen. Realistically now, we will be looking at Scenario 2 and 3 as referenced in the Preliminary recommendations (Attached).

Discussion Items

2. Budget development for 2011-12 and preparing for 2012-13 and 2013-14

- a. Preliminary recommendations to and questions for the Board of Trustees from the Superintendent/President and Executive Committee – discussed with the Board of Trustees at the February 16, February 23 and March 10 study sessions (pages 1- 4)

After discussing the items below, clarifying points and answering questions, Dr. Serban came back to the recommendations listed on these pages. First she wanted a summary of how the Faculty Forum went. Academic Senate Representative Monda summarized the general consensus from the Forum on each recommendation. Dr Serban stated how important it is that the Academic Senate take a vote on these recommendations if they want to see them happen.

Dr. Serban strongly emphasized how important Recommendation 7. General Fund Reserves is. The minimum cash in hand at any point in time should be enough to cover our bills, meaning that the bottom line minimum amount we need is \$18 million referring to the Cash flow spreadsheet. Dr. Serban stated that we should not commingle the equipment and construction fund in that \$18 million reserve. She stated that this is one of the most important things we need to clarify: the minimum reserve we ought to have. Further discussion ensued about the details of how that would work in terms of carry-over from year to year, ending balances including the construction and equipment fund balances, showing deferrals on the different spreadsheets, workers comp and early retirement benefits.

Dr. Serban would like to see \$18 million in reserves, plus \$6 million in the construction fund and \$4 million in the equipment fund.

- b. Cost of FTES 2008-09 and 2009-10 (pages 7 – 12)

Dr. Serban introduced this agenda item by remarking on all the work that Controller Griffin put into answering questions discussed at prior meetings regarding how much the college spends per FTES. Pages 7 – 12 have the 2008 -09 and 2009-10 (no 2007-08 yet) information. Dr. Serban stated that next week we will look at 2007-08, which is important, because there were minimal reductions, as that was the last year where the College spent a lot more compared to 2008-09 and 2009-10. You will see the difference between these two years because we kept reducing expenditures.

Dr. Serban stressed that this is not how much it costs per FTES, it shows how much money we had available to spend. There is a big difference because we cut back on a lot of expenditures in 2008-09 and more so in 2009-10.

Controller Griffin explained that the general fund combines unrestricted and restricted funds together, then explained how she assembled the Cost of FTES Report. The two different funds were reported separately, the unrestricted where we have most of our operations and restricted where we have grant money or categorical funding. Controller Griffin reported that to assemble the information, the first thing she started with is the FTES because the objective was to come up with some data that would tell

us per FTES what our revenues and expenses are.

Controller Griffin walked through the 2008–09 General Fund (unrestricted and restricted) Cost of FTES report starting with the Resident and Non-Resident (Int'l, Out-of-State) attendance:

FTES for Residence credit and non credit was 16,000 FTES;

FTES for Non-Resident were added in with 2,000 FTES.

For that year, 2008-09, over 18,000 Full Time Equivalent Students.

The next item Ms. Griffin explained from her report was how the revenue was analyzed, account by account, and grant by grant to determine if it was part of the credit program or part of the non-credit program. The total revenue for Credit and Non-Credit was \$104,846,129.

Ms. Griffin explained how the expenses were analyzed and went through how each area was determined and analyzed. Then she explained how and what the transfers-out are.

Ms. Griffin said that they then summed up all of the expenses and compared them to the revenue to get an excess or deficit of revenues. In this particular year the credit side had excess revenues of \$6 million and the non-credit side was in a deficit situation of \$0.8 million. All of these numbers are going to tie directly to our general ledger which was audited for this year.

Ms. Griffin explained that the Credit FTES is funded at a higher level than Non-Credit. The Credit is funded at \$4,565 and Non-Credit FTES is funded: a) Enhanced Non-Credit at \$3,232 and b) the Non-Enhanced Non-Credit at \$2,745. That is why the revenue generated on the credit FTES is always much higher than what it would be if you looked at equal non-credit FTES.

The last section, The Cost per FTES, the formula here is that it takes the expenses and divides them by the number of FTES to come up with a cost per FTES. You can see on the credit side the cost per FTES was \$5,512 on the non credit \$5,031 per FTES.

There were questions and answers clarifying the difference in numbers brought up by Academic Senate President-elect Nevins.

Ms. Griffin explained some of the detail backing up the summary page and stated that in addition to our funding by FTES, the College also receives an amount for the different campuses. For the Main Campus we are getting \$4.4 million and for the Schott and the Wake combined we get \$2.2 million. That \$2.2 million is divided between credit and non-credit based on the relative number of FTES on the two campuses.

Ms. Griffin explained further more revenue detail to show the depth of analysis and answered questions about FTES at Schott and Wake, revenue from International and out-of-state students.

Board of Trustees Member Croninger said she would like to know how much the college spends for international and out-of-state students versus the revenue generated. Dr. Serban responded that the college can quantify some direct costs such as the Office of International Programs. However, other costs are more difficult to assign to these students only as they use shared services such as Admissions and Records, counseling, etc. but an estimate could be created.

Dr. Serban explained that this summary was done to respond to a question from two Board Members who wanted to know how much we spend on FTES. There was an expectation from many that producing non-credit FTES (Continuing Education) is a lot cheaper than credit FTES. That is not the case.

The FTES generation for Continuing Education is comparatively small. VP Sullivan pointed out that that it takes 525 instructional hours to generate 1 FTES. Even if the headcount is large, in reality it takes so many instructional hours to generate 1 FTES, Then, it takes so many sections to generate those instructional hours; those hours need to be scheduled, managed, and instructors need to be there, supplies need to be there. Small entities are more expensive to run than if you have larger entities.

Dr. Serban stated that costs per FTES show how expensive it is to run non-credit on an average basis. The average cost per FTES for Credit is \$5,512 and the average cost per FTES for Non-Credit is \$5,031 per FTES. This is contrary to popular mythology that is out there.

Ms. Griffin then went to the Summary Page for Restricted General Fund. The Revenues were analyzed specifically by each grant and the expenses were analyzed in the same way the previous summary. The down side to receiving grants is that when they are cut, we then have to offset them with money from the General Fund and it becomes a real problem. Foundation for SBCC money is included in the revenue section of this report.

Dr. Serban pointed to the comparison of cost per FTES between 2008-09 and 2009-10. In 2009-10, the cost per FTES went down. The more FTES we serve with the fewer resources gives the wrong impression; it shows that we can go on as usual with fewer resources (do more with less). Dr. Serban said that more faculty members had taken on more students in their classrooms which does not really serve the students well because the quality then goes down. Discussion about Doing More with Less took place. Executive VP Friedlander emphasized that we need to prioritize; what we do here we need to do with excellence.

Superintendent/President Serban said that in 2009-10, the college had not received \$5.2 million of funding and we were 1,158 FTES over cap. The question was asked: how much did it cost to serve the 1,158 FTES? Dr. Serban said that with the work that Ms. Griffin did, now we know it cost us about \$3 million to serve the FTES that was unfunded, money that the college would not have spent otherwise. That year, we depressed expenditures to the maximum. If it was a normal year where we would have had more hourly wages, more student services etc., it would be a lot more than \$3 million.

Dr. Serban said we need to be close to the funded FTES number because then it means we don't incur expenses for which we don't get reimbursed

c. FTES as reported in the CC320 report (page 13)

Dr. Serban stated that this page holds background information that is important in terms of costs that we are going to incur to support unfunded FTES.

d. FTES 2007-08, 2008-09, 2009-10 ; Summer 2008-Summer 2010; nonresident tuition revenues by cost center (pages 14 – 18)

Robert Else first explained from his report "FTES and Non-resident Tuition by Department" stating that this is the actual course level detail of the FTES that we produced (we were not funded for all of them) in these years rolled up into a three year summary broken down by cost center, the same cost center used by Controller Griffin, broken down by resident FTES, state FTES, international FTES, and then Total credit FTES only starting in 2007-08 to 2009-10. Then there is a percent in change in total FTES from those same years and Summer FTES 2008 through Summer 2010. This report shows the trends from year to year.

Dr. Serban said these reports show the reduced sections and the comparisons.

Dr. Serban went to the Top FTES Rankings spreadsheet pointing out that this is important information when considering how we are going to approach cutting college course sections. An example of thinking strategically about this is that PE classes rank #1 for Out-of-State students and #2 for International students. Out-of-State and International students impact our revenues and if we eliminate classes that they take, then we have to think about how this will impact out-of-state and international student enrollments.

Mr. Else showed from his report the patterns of FTES, the interesting shift of enrolling international students in the ESL courses versus more of them enrolling in the higher level English courses. More International students are speaking English well, since they no longer need the ESL classes, they are taking a higher level class, English Skills classes instead. Executive VP Friedlander said that because the International students take English assessment tests at the last minute right after they arrive on campus (two weeks prior to the start of school), more ESL classes end up being cut at the last minute than in years past.

Mr. Else pointed out and explained the changes in FTES in several course areas that if not explained may look as if we could cut those classes, when in fact there have been changes in the courses. This is a reminder to not look at one isolated row of low or zero FTES and think they are in trouble. Everything is tied to everything else. This is not a totally isolated piece of data because it is tied to everything else.

e. Cash flow analysis 2009-10 actual; 2010-11 part actual and part projected (pages 19-

20)

Controller Griffin explained the cash flow spreadsheet and then pointed out significant things that happened in the cash flow: 1) the deferrals of our state money and the delay enactment of the state budget which meant that we could not get any cash from Sacramento until the legislature did pass a tax act which was in October.

Ms. Griffin explained the spreadsheet. The significant cash flow events we were anticipating are 1) the delay in the budget in Sacramento. So in October, shows amount of cash we did not get in those months that finally came in which was \$10,163,026; 2) Deferrals. In July we received money that was due from the prior year, which helped tremendously since we had not received the money from the state for the current fiscal year. At same time, there was an intra-fund deferral, which was money owed in July but not given until October. 3) Other deferral, beginning in January, our payments are going to be reduced by an excess of \$11 million dollars. This money is withheld from the customary payment and it will be delivered to us next July. (Or it could be split from between July and October; we will not know that until they finalize the budget.) Ms. Griffin said that also a proposal was that it could increase \$13 million on deferrals. Basically these are all an IOUs.

Ms. Griffin said what is significant for us is that we do receive some money from the County Tax Assessor in December and again in April.

The other big revenue inflow comes from when students are enrolling. November and December they are enrolling for Spring and then May and June they are enrolling for the summer and fall. We keep this money locally, goes into our bank account, then we report it to the Chancellor's Office and they take it into account and then they award us the State money. The tuition we collect from the international and out-of-state students stays with us. Ms. Griffin went through the pattern of the outflows.

Dr. Serban pointed out 2009-10 and 2010-11, six months out of twelve months, if we did not have the reserves that we have we would have been in the red by those various amounts shown.

One constant here is that as a principle we need to make a commitment to always have enough money in the bank to pay the bills for that month without having to borrow. This is a fundamental concept that Dr. Serban hopes we understand and value.

Ms. Griffin stated that they will be looking forward at the cash flow for next year which will be done in conjunction with developing the budget. The worst case scenario is that we will have \$13 million in deferrals and a cut in revenue for \$10.5 million in state money. Dr. Serban said if you combine the cut in revenue on top of the \$13 million in deferrals that is a major impact for which we need to be prepared.

- f. Computer and server refresh costs 2008-09, 2009-10, 2010-11 and 2011—12 projected (page 21)

VP IT Bishop reviewed what we spent and what we expect to spend in 2011-12 on replacing computers and servers. In 2008-09, because of budget issues, we went to a five-year cycle for replacement which really causes us some initial savings for the next couple of years, but now we are caught up in a regular cycle and now need to replace servers and computers. Next year's projections are lower than 5 years ago, but they are higher than in those initial years where we got the benefit of changing our cycle.

- g. Unrestricted General Fund Revenues and Expenditures 2001-02 to 2010-11 (pages 22- 23)
- h. Unrestricted general fund transfers out history (page 24)
- i. Ending fund balance history (page 25)

Dr. Serban pointed out the changes in the ending fund for 2010-11 and there was discussion regarding the ending fund balance.

- j. Interest revenue 2001-02 to 2009-10 (page 26)
- k. Budget projections – scenarios for 2011-12, 2012-13 and 2013-14 (pages 27 - 30)

Dr. Serban stated that this projection does not include the increases in expenditures that we know we will incur in 2011-12. VP Business Services Sullivan emphasized that this is a WORK IN PROGRESS. Mr. Sullivan then explained the spreadsheet “2010-11 Projection for Revenue and Adjusted Budget with Assumption 1 for Expense and with Assumption 2 for Expense. Shows two different levels of expenses on the projections, that is the primary difference between the two. Only shows projections for \$36 per unit. If you look at it projections for 2011-12 it does not include what we know will change. It could be June before we know what our budget will be for next year. Mr. Sullivan reviewed the different assumptions and scenarios and the differences. Scenario 3 is the best of the scenarios.

There was discussion from the Expenditure Balances in Equipment Spreadsheet which shows the historical spending in spending.

Dr. Serban went to the District Projects Expenditure Balances and stated that moving forward we need to know how much we want to maintain in the construction fund for campus maintenance, miscellaneous projects, and enough for projects that Measure V does not fund. She reiterated that we want to ensure that we do keep replenishing the construction fund.

There was a discussion of what the state may or may not do about Prop. 98.

- l. Equipment fund 41 expenditures 2007-08, 2008-09 and 2009-10 (pages 31-49)

Dr. Serban went through the comparisons from 2007 – 08; 2008 – 09; 2009 – 10;

2010 – 11 and said that this shows the huge effort made to cut back on expenditures for equipment. If one was to ask how much we expect to spend in equipment in 2011-12, then we know from what VP IT Bishop reported, it will be almost \$1.5 million, which is expected to be spent on the replacement of computers and servers.

Departments sent the non-routine equipment requests and program review requests. We are working on the numbers and we are going to have the information at CPC to start looking at that.

Dr. Serban said that unexpected expenses always come up during the year and we do need to have enough to replace equipment that is falling apart or outdated. Executive VP Friedlander stated that he sees equipment as part of our effort towards excellence in instructional support and other program areas.

- m. Bond fund expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (pages 51-54)
- n. State capital projects expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (page 55)
- o. State maintenance projects expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (page 56)
- p. District construction projects funded from the general fund construction expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (pages 57 – 58)
- q. Brief background information about the Continuing Education Division (pages 60-66)
- r. Brief overview of the relationship between SBCC and the Parent Child Workshops (pages 67-70)
- s. Memo from Chancellor Jack Scott dated Oct 28, 2010 regarding priorities in class scheduling (page 71)
- t. Budgeting for the 4000 and 5000 accounts

Discussion/Action Item

3. Sabbaticals for 2011-12

Superintendent/President Serban stated that at the December 7th CPC Meeting, CPC members voted to approve three sabbaticals for 2011–12, which would cost about \$170,000, but with the understanding that if something of significance happened in terms of the budget in 2011–12 it would be up for reconsideration. Dr. Serban stated that the worsening of the budget situation is a significant happening and we need to reconfirm at this time if we are going to put the \$170,000 into the budget for the three Sabbaticals. There was further discussion. Instructors' Association Member Alsheimer stated that she and Tom Garey

recalculated the cost and found it to be \$100,000. There was disagreement with that information from the VP Business Services Sullivan and Superintendent/President Serban.

M/S/C (Friedlander/Nevins) to reconfirm the approval to support the three Sabbaticals estimated to be about \$170,000 for insertion into the 2011 – 12 budget.

There were 5 yays and 5 nays of those present. The Consultation Group was directed to vote against this motion (2 members present, 1 absent), and the Academic Senate was directed to vote for this motion (2 members absent). The votes of the absent members were included in the count leaving the vote 7 yays and 6 nays.

Superintendent/President Serban adjourned the meeting.

Next CPC meetings:

Tuesday, March 22, 2011, 3:00-4:30pm, A218C

Friday, March 25, 2011, 9am-12pm A217 – special meeting preparation for developing the 2011-14 college plan

Tuesday, April 5, 2011, 3:00-4:30pm, A218C

Friday, April 8, 9am-12pm A217 – special meeting preparation for developing the 2011-14 college plan

Tuesday, April 19, 2011, 3:00-4:30pm, A218C

Tuesday, May 3, 2011, 3:00-4:30pm, A218C

Tuesday, May 17, 2011, 3:00-4:30pm, A218C

Santa Barbara City College
College Planning Council
Tuesday, March 22, 2011
3:00 pm – 4:30 pm
A218C
Minutes

PRESENT:

A. Serban (Chair), Superintendent/President;	R. Limon, President Student Senate;
I. Alarcon, President, Academic Senate;	K. Monda, Academic Senate
O. Arellano, VP, Continuing Education;	Representative, Chair Planning and
L. Auchincloss, President, CSEA;	Resources Committee;
P. Bishop, VP Information Technology;	K. Neufeld, VP, Academic Senate
S. Ehrlich, VP HR &LA	Representative;
J. Friedlander, Executive VP Ed Programs;	D. Nevins, Academic Senate President-elect
T. Garey, Academic Senate Representative	J. Sullivan, VP Business Service
M. Guillen, Classified Staff Representative;	

ABSENT:

R. Else, Sr. Dir. Inst. Assessment, Research and Planning	C. Salazar, Classified Staff Representative
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GUESTS:

C. Alsheimer, Instructors' Association;	S. Saenger, Adjunct Instructor, Continuing Ed
L. Blackburn, Cont Ed Instructor., Parent	and Co-President Cont Ed Instructors'
Child Workshop	Association
M. Croninger, Board of Trustee Member;	A. Scharper, Dean, Ed Programs
J. McPheter, Classified Consultation Group	L. Stark, President, Instructors' Association;
J. Meyer, Biology Professor	L. Vasquez, Instructional Technology
K. O'Connor, Interim Director, PE;	Committee Chair

Superintendent/President Serban called the meeting to order, and then acknowledged the efforts of the SBCC International Students Program Support Team, who with other student groups have coordinated a campus-wide fundraising effort to raise money for the Japanese affected by the recent earthquake and tsunami. President of the Student Senate Limon reported that in the past three days they have collected almost \$5,000 from faculty, staff and students and they are half-way to their goal of \$10,000.

Information Items/Announcements

1. The State Chancellor's Office informed us that our Open Source Human Presence Learning Environment was awarded the Technology Focus Award for 2010. Congratulations to Dr. Dough Hersh, Dr. David Wong and the Faculty Resource Center! (attachment 1)

The Technology Focus Award recognizes excellence that evolves out of a comprehensive planning process closely linked to the institution's mission and vision for the future. The award commends strategic and integrated, uses of technology that empower faculty and/or students through sources within reach of all campus constituents, and often the wider community. Dr. Serban acknowledged Dr. Doug Hersh, Dr. David Wong and those at the

Faculty Resource Center for the work they have done on this project. Dr. Serban stated that this award is highly competitive.

Other Announcements:

VP Friedlander reminded everyone that there is a Human Presence Tools Symposium this Friday where Faculty will be showing how they are using these tools in their classrooms. Dr. Friedlander also announced that the Channels received state-wide recognition for excellence in a community college publication.

Dr. Serban announced that she had just been chosen as one of the top 50 Business Women in the Tri-Counties. President, Instructors' Association Stark said she just received an award as the Part-Time Faculty Member of the Year from the Faculty Association of California Community Colleges, FACCC. K. Neufeld, VP, Academic Senate Representative and Director of SBCC's Luria Library was elected the President of the Council of Chief Librarians for the California Community Colleges.

Discussion Items

2. Budget development for 2011-12 and preparing for 2012-13 and 2013-14 – continued from March 18, 2011 CPC meeting.

a. Preliminary recommendations to and questions for the Board of Trustees from the Superintendent/President and Executive Committee – discussed with the Board of Trustees at the February 16, February 23 and March 10 study sessions (pages 1- 4)

b. Cost of FTES 2008-09 and 2009-10 (pages 7 – 12)
Dr. Serban handed out 2007-08 Cost of FTES Analysis Report showing how much the College had available to spend on FTES that year and compared it to the other two reports, 2008 – 09 and 2009 -10. Dr. Serban pointed out that 2007-08 is the last year where the College had more money than in 2008-09 and 2009-10 and in terms of expenditures had spent more.

Dr. Serban stated that in 2007 – 08 non-credit was a deficit operation and in the red by \$1.6 million. That deficit went down in 2008-09 to an \$800,000 deficit and in 2009-10 it was about \$145,000 deficit. Dr. Serban explained how the deficit was lowered by significant cuts in non-credit as well as credit. She said that in the two year period from 2007-08 to 2009-10 that the college is down \$600 per credit FTES expenditures but only about \$200 for non-credit.

This information is to provide clarification for some of the questions that have arisen concerning how much we actually spent per FTES (not how much it cost). The 2007 -08 information is important is because it gives a benchmark showing the last year that we had significant expenditure (support) in all areas of the college, like hourlies, tutors , readers, and sabbaticals that we have since reduced and have not restored it to that same level. Another benchmark is the comparison of the 15,107 total CA resident FTES we served in 2007-08 to the 16,522 served in 2009-10. The College served 1,400 more FTES credit in 2009-10 than in 2007-08 with the expenditure per

FTES down by \$1,335 meaning that we served many more students with less money. Further discussion took place about the 2009-10 Workload Reduction which is where \$2.6 million was cut. We did reduce the FTES on both the credit and non-credit sides. We did reduce non-credit: 90 sections canceled in Fall of 2009 and then in Spring 2010 we converted 20 classes to fee based that were not eligible for State apportionment. There was a clarification regarding Interfund Transfers Out.

- c. FTES as reported in the CC320 report (page 13)
- d. FTES 2007-08, 2008-09, 2009-10 ; Summer 2008-Summer 2010; nonresident tuition revenues by cost center (pages 14 – 18)
- e. Cash flow analysis 2009-10 actual; 2010-11 part actual and part projected (pages 19-20)

Dr. Serban reopened the discussion from the Friday March 18th Planning Meeting regarding the minimum amount of reserves that CPC will endorse. She reviewed the concept that we should have enough reserves for those times when there are more expenses than revenues and make up the difference when the deferred money comes from the state and that amount is \$18 million.

Dr. Serban presented the other concept which is ideally the college should have enough money in savings for six months, if the State Funding does not come through for any reason. For example the only funding that came through in the six months from July to December was one deferral in October 2010 because of the late budget enactment. It is common for many organizations to have a six month emergency fund, should there be a crisis of any kind.

The other concept that Dr. Serban put forward is that the construction and equipment funds should be considered separate from what would be a minimum cash reserve fund.

Dr. Serban stated that she would like to get agreement on this by the end of April and then the meeting was open for discussion and clarification.

From the program review, we will know what we need for equipment and we have a sense of some of the things that we need to spend money on for construction.

There was further discussion on the pattern of spending. VP Bishop stated that on the equipment side, about $\frac{3}{4}$ of it gets spent, summer and fall semester, leading into the new year and a quarter of it at the end of the year. This is a good argument for not counting these funds to offset the cash flow. Superintendent/President Serban said we have to start having more consistency in how we deal with the amount of money we need to run the college. We need to acknowledge that it takes money to have infrastructure in a college of this size. They looked at ending balances and transfers out of the construction and equipment funds to further understand the need that Dr. Serban was talking about. Interim PE Director O'Connor suggested the

assignment of certain dollars based on the requests to these funds and keep them there and spend them as we need them. If we are always in a crisis we might have to go back to those funds but we should budget ahead. We have the information we need to be able to do this.

Dr. Serban stated that there is so much that cannot be predicted anymore, not only the deferrals but the cuts like the basic skills cuts, so you need a safety net that is substantive if we do not want to be caught in a very difficult position.

Academic Senate Representative Garey stated that his concern is that if we continue to shovel into reserves more than we need, that means that we are cutting services more than we need. Dr. Serban said that we are cutting into reserves already. What will help us these next three years will be the reserves which is going to help us phase our implementation of reductions. Academic Senate Representative Garey asked how much is really needed. Are we unnecessarily cutting services? He thinks this is where the discussion needs to go. Further discussion took place.

Academic Senate Representative Neufeld said that if we going to be spending \$8.5 million to \$ 14.5 million from our reserves, significant cuts will have to be made on the expenditure side. Executive VP Friedlander opened the discussion about when should we start making these cuts, about postponing the cuts in sections until Spring or Summer 2012 and what would be the result if we do. VP Sullivan said that if we postpone making the cuts for a year, and we move this model back one year, then we increase the amount we will need to cut in outer years. We have to calculate that once we have the budgets in place and how we budget is going to be based on the assumptions, which is what we need to get to in our budgeting process because it will tell us if we are going to continue to fill positions as they become vacant or what are we going to do as far as next year goes and are we going to reduce expenditures. That is what the discussion is about is how to get to the budget assumptions. There was more discussion and reassurance that this information will be discussed at the next Academic Senate Meetings.

Executive VP Friedlander reminded the members that the discussions around the Spring 2012 offerings need to conclude before everyone leaves for Summer break because August is when we build the schedule for Spring 2012. If we are going to delay any course cuts for Summer or Fall, then we have to reach a conclusion about how we are going to do it by December 2011. The reason for this is because we start building Summer 2012 and Fall 2012 at the end of January 2012. This will be a significant discussion at the Senate because there is an immediacy to what are we going to do about Spring 2012 in terms of the instructional costs. Further details of deadlines were discussed. It was stated that the topic of the cuts should be a focus of In-Service. Academic Senate Representative Neufeld reported that faculty were willing to take the cuts, they wanted the phased in approach but they wanted to have the first year to have the discussions to figure out how to do it. What we need to do is figure out how to speed that up for faculty to have that happen. VP Sullivan spoke to the problem of delaying the cuts.

Dr. Serban stated that the phased in approach recognizes that we will have unfunded

FTES. That is what the phasing approach does. Every year we will have a certain amount of unfunded FTES that we are willingly to fund from reserves. We are already allowing for a fairly large amount of unfunded FTES in this phased approach, unless we get some agreement on the workload reduction we are going to circle around forever because you have to make a decision of how to implement this workload reduction. There is no way around it. Bottom line is that unless we agree and have a clear direction about this split of the workload reduction between credit and non-credit, this is an endless conversation and we will never get anything done.

President Instructors' Association Stark requested that perhaps make the cuts to the non-enhanced, non-credit, classes as slowly as we can economically and fiscally responsibly as they have taken the brunt of so many cut classes. Dr. Serban reminded the members that some of the classes, such as Physical Education for older adults, were not funded by the state anymore, they were not cut because of the college wanted to cut them or transform them to fee-based. The State decided not to fund them anymore.

Discussed what information regarding Continuing Education is still needed for the Academic Senate Meeting.

Instructors' Association C. Alsheimer and VP, Business Services J. Sullivan discussed and clarified details about the numbers in the spreadsheet. Dr. Serban explained one of the points from this discussion which was the fact that the Full-Time Faculty Obligation number is based on the last year's funded CA resident credit FTES, so if the last year's FTES goes down, you see that in the reduction in next year's Full Time Faculty Obligation. So in two years you will see an impact in the number of Full Time faculty required which will go down.

Adjunct Instructor, Continuing Education Saenger thanked Mr. Neufeld and Ms. Monda for organizing such a good faculty forum on the budget. Ms. Sanger stated that she thought it would be smart to learn from the reaction the community had to so many cuts that had been made to Continuing Education in the past several years and that we get more bang for our buck at Continuing Education. Dr. Serban stated that she agreed that the emotional impact was strong and it is a variable that needs to be looked at; however, the data shows that it costs the College a lot of money to produce non-credit FTES as was pointed out earlier. The calculations have been done by the Controller of the College. Dr. Serban thanked her for her input and since the meeting was running late, the discussion went to the routine and non-routine and program review requests.

- f. Computer and server refresh costs 2008-09, 2009-10, 2010-11 and 2011—12 projected (page 21)
- g. Unrestricted General Fund Revenues and Expenditures 2001-02 to 2010-11 (pages 22- 23)
- h. Unrestricted general fund transfers out history (page 24)

- i. Ending fund balance history (page 25)
 - j. Interest revenue 2001-02 to 2009-10 (page 26)
 - k. Budget projections – scenarios for 2011-12, 2012-13 and 2013-14 (pages 27 - 30)
 - l. Equipment fund 41 expenditures 2007-08, 2008-09 and 2009-10 (pages 31-49)
 - m. Bond fund expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (pages 51-54)
 - n. State capital projects expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (page 55)
 - o. State maintenance projects expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (page 56)
 - p. District construction projects funded from the general fund construction expenditures 2007-08, 2008-09, 2009-10 and 2010-11 to date (pages 57 – 58)
 - q. Brief background information about the Continuing Education Division (pages 60-66)
 - r. Brief overview of the relationship between SBCC and the Parent Child Workshops (pages 67-70)
 - s. Memo from Chancellor Jack Scott dated Oct 28, 2010 regarding priorities in class scheduling (page 71)
 - t. Budgeting for the 4000 and 5000 accounts
3. Status of program review resource requests; and routine and non-routine equipment requests – Next steps

- 3.a Routine equipment replacement - Educational Programs – there seems to be confusion in what was requested under this category; this round of requests was supposed to give departments one more opportunity to augment their existing supplies account if they did not request a sufficient augmentation last year. However, the requests submitted are the type that should be funded by the current supply accounts; the requests this time around were supposed to be for exceptional cases where the current supply account budget is not sufficient for routine type of equipment used every year – Ed Programs routine requests augmentation amounts to a total of \$148,000 for 2011-12 in addition to the current supply accounts. We need to use existing supply accounts first.

Executive VP Friedlander to verify with the deans and the department chairs who made the requests how these requests fit within their current supplies accounts. Some of the departments who made large requests under this category already received significant augmentations (which are ongoing) to their supply accounts last year.

Also need to cross check these requests with the requests included in the non-routine equipment replacement requests as some of the items requested are non-routine (i.e., are not replaced every year) rather than routine (need to be replaced or refreshed every year).

- 3.b Non-routine equipment replacement requests received for 2011-12:
- i. Ed Programs total \$637,620 – need to check whether these are not also included in the program review resource requests
 - ii. Business Services total \$533,504 – need to check whether these are not also included in the program review resource requests
 - iii. Continuing Education total \$13,905
 - iv. President's Office total \$20,000
 - v. Human Resources total \$2,000
 - vi. Information Technology \$10,000

TOTAL \$1,216,129. Last year the total requested under this category was \$701,322

3.c Approach to dealing with program review resource requests

Superintendent/President Serban stated that on the routine equipment replacement there has been some confusion on what is supposed to happen. She reiterated what is written in the Agenda Item 3a (above) regarding the next steps. Executive VP Friedlander stated that his office is double checking for any overlaps in departments' routine requests and program review requests. The final analysis will get back to the deans tomorrow, and after this information is cleaned up resulting in a more realistic number, it will be brought to CPC. Dr. Serban stated that the VPs are also looking for duplications in non-routine. Further clarification took place.

Dr. Serban stated that there will be one list with the #1 rankings that have come from the Deans, VPs and Managers for the CPC members' perusal. This is a change from last year when the entire CPC looked at every item and ranked it, this is a more effective use of the members' time. The bottom line is that it comes down to how much we can afford to allocate. Everyone was in agreement that this is a good approach.

Superintendent/President Serban adjourned the meeting.

Next CPC meetings:

Friday, March 25, 2011, 9am-12pm A218C NOTE we are back in A218 for this meeting – special meeting preparation for developing the 2011-14 college plan

Tuesday, April 5, 2011, 3:00-4:30pm, A218C

Friday, April 8, 9am-11am (NOT 12pm as previously stated) A217 – special meeting preparation for developing the 2011-14 college plan

Tuesday, April 19, 2011, 3:00-4:30pm, A218C

Tuesday, May 3, 2011, 3:00-4:30pm, A218C

Tuesday, May 17, 2011, 3:00-4:30pm, A218C

DRAFT

Handout distributed by Trustee Macker at the May 12, 2011 Study Session (Developed by Trustees Macker and Croninger)

SBCC

Policies for 2011/2012 Budget Development and Resource Allocation Discussion Document

These budget policies are to guide budget development and implementation for the year 2011/12 in addition to existing Board budget policies.

I. OVERARCHING POLICIES

1. The impact of state budget cuts on student success and classes will be minimized to the extent possible.
2. The impact of state budget cuts on employees will be minimized to the extent possible.
3. Stakeholder and community engagement in budget discussions and solutions will be encouraged.

II. FINANCIAL POLICIES

1. The impact of the currently expected state budget cuts will be phased in over three years with specifics reassessed as warranted.
2. This year's tentative budget will reflect a potential revenue reduction of \$6.8 M in 2011/12 and if necessary, a second contingency budget reflecting a larger revenue reduction in 2011/12 will be prepared in conjunction with the final budget discussions. Each budget will include the projected impact of the phase-in of expenditure reductions in reducing all funds.
3. General Fund backfill for Categorical Programs will continue at \$825,173 in 2011/12.
4. Revenues, expenditures and fiscal resources will be budgeted and managed so that no borrowing will be needed to cover cash flow needs.
5. Center statuses will be maintained for Schott and Wake in accordance with legal requirements.
6. The minimum total unencumbered balance of All Fundsⁱ will be sufficient to comply with State Chancellor's Office recommendations for a 5% reserve and, in addition, TLU liabilities and anticipated annual deferrals.
7. The 2011/12 tentative and final budgets will be presented to the Board with best realistic projections for revenue, major expenses, and ending fund balances for All Funds for 2010/11 through 2014/15 and identical prior year budget and actual amounts since 2007/08.
8. All expenditure reductions including class cuts will be tracked and the information provided to stakeholders and the community.
9. Under current economic circumstances and recognizing the need for clarity in discussing and understanding the budget, the 2011/12 and following budgets, will use a baseline of actual average expenditures in each major object and account for 08/09 and 09/10. This baseline will be adjusted by projected changes in enrollment and/or reasonably anticipated cost increases or decreases.
 - a. All employees are commended for their efforts in recent years to reduce expenditures. In order to assure that the change to budgeting to realistic expenditures will not unduly impact the

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ability of departments to meet their needs during the year, one or more line items for the relevant department-controlled 4000 and 5000 accounts will be added for expense contingencies.

- b. A line item will be added for additions, if any, to reserves.
10. In 2011/12 there will be actual expenditure reductions of [\$2M]. For 20/11/12 all planned expenditure reductions will be actual ongoing reductions and not reductions using unspent budgeted money.
 11. A hiring chill is imposed as of May 16, 2011.
 - a. Faculty positions already approved by the Academic Senate as of that date for rehire based on retirement or resignations are exempted.
 - b. All other proposed replacement or new hire positions not hired as of May 16, 2011 will be re-evaluated and new or replacement hires proposed will be brought to the Board with a memo addressing the proposed hire in terms of the target, and other relevant factors including recommendations of stakeholder shared governance groups and affected departments.
 12. Budget assumptions for the tentative budget will set specific targets in 2011/12 for reductions in overhead expenses to be implemented including targets for the reduction of open positions utilizing positions vacated by regular employees who have retired or departed.
 13. Revenue enhancing opportunities will be developed.
 - a. Each Academic Department, the CE Division and the Administration will evaluate opportunities for revenue generation and a combined proposal will be provided by the Superintendent/President to the Board by December 1, 2011.
 14. Cost reduction strategies and expenditure reductions will continue to be evaluated and may be adopted after adoption of the tentative budget and throughout the fiscal year.

III. INSTRUCTION

1. Overhead expenditure reductions will not reduce support for student success including tutors, readers and counselors except as justified by reductions in class offerings, enrollment and/or demand and after consultation with the affected stakeholders.
2. Classes will not be offered outside of the district except online.
3. Sections of noncredit classes cut to meet reduced FTES (or similar classes) will be offered as community service classes. Summer community service classes will be increased.
 - a. Noncredit class conversions from state supported to community service can be offset by fundraising up to the estimated 2011/12 savings of \$90,000. If the full \$90,000 is raised, the classes will be offered tuition free. This applies only to budget year 2011/12.

IV. HUMAN RESOURCES

1. Whenever reasonable, consistent with hiring requirements and the skills necessary for each job, existing personnel may be reorganized to achieve efficiencies and reduce positions.

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2. The Administration with stakeholder input will evaluate the potential for savings from implementing cost reductions and efficiencies and provide a report identifying options, potential savings and advantages and disadvantages to the Board by August 15, 2011.
3. Job sharing, voluntary furlough and voluntary hour's reduction options will be developed and implemented where feasible. A report on implementation will be provided to the Board in January 2012.
4. Overtime will be minimized absent exceptional circumstances.
5. To assist student success, further reductions in hours of student employment will be minimized.

V. FACILITIES AND EQUIPMENT

1. Measure V projects will be funded with Measure V monies which may be supplemented by fundraising where feasible. The allocation of Measure V funds to future projects will be re-evaluated in light of current expenditures and the timing of bond sales.
2. The Construction and Equipment Accounts will be used only to accumulate funds for specific approved needs.
 - a. The Construction Fund will be used for ongoing routine maintenance which will be budgeted to average actual expenditures over the last five fiscal years with \$XX for contingencies. In addition \$XX will be budget in 2011/12 for the facilities portion of program review proposed expenditures.
 - b. The Equipment Fund will be used for ongoing routine refresh and equipment purchases. It will be budgeted to average actual expenditures over the last five fiscal years (excluding onetime costs such as costs associated with the implementation of Banner) plus \$XX for contingencies. In addition, \$XX will be budgeted in 2011/12 for the equipment portion of program review proposed expenditures.
 - c. A specific budget and timeline for construction fund and equipment fund expenditures will be presented with the tentative and final budgets and the corresponding amounts will be budgeted to be transferred from General Funds to the Construction and Equipment Accounts, to the extent needed.

ⁱ "All Funds" used in this document includes the General as well as the Construction, Equipment and Joint Powers Agency funds.

SANTA BARBARA CITY COLLEGE
ASSUMPTIONS USED TO DEVELOP THE 2011-12 PROPOSED TENTATIVE
BUDGET
Board of Trustees Study Session May12-16, 2011
May 9, 2011

The overall major assumptions for building the 2011-12 tentative budget are based on Scenario 5 (see attachment 3 for this study session). This scenario includes the following key factors:

- Ongoing reduction in general fund revenues assumed to be \$6.8 million starting in 2011-12 and implemented through workload reduction which means a reduction in the full-time equivalent students funded by the State equivalent to the reduction in revenue
- Implementation of this \$6.8 million reduction in revenue is phased over a three-year period starting in 2011-12
- In 2011-12, the following reductions in budget are implemented
 - o Total reduction in unrestricted general fund budget of \$2 million through a combination of reductions in budgets and actual expenditures as follows:
 - 70 credit sections reduced in Spring 2012 equivalent to \$357,000 reduction in the TLU allocation (Summer 2011 and Fall 2011 kept at the same level as Summer 2010 and Fall 2010, respectively)
 - Reduction of \$90,000 in Continuing Education direct instructional expenditures by converting 60 sections from free (state-supported) to fee-based starting in Winter 2012 (30 sections in Winter 2012 and 30 additional sections in Spring 2012)
 - Reduction of \$500,000 in hourly worker budgets (includes short-term hourly, student workers and overtime)
 - Reduction of \$1,053,000 in 4000s and 5000s budgets (including Continuing Education)

If the cut in state funding is \$10.5 million this approach ensures that the target of \$2 million in expenditure and budget reductions is achieved which is also the target for 2011-12 if the ongoing cut is at the \$10.5 million rather than \$6.8 million.

GENERAL

1. These are the assumptions used to develop the proposed tentative budget to be taken to the Board for approval in June 2011. The assumptions listed below reflect the Governor's State budget proposal as well as updates and information received to date from sources that impact SBCC's expenses and revenues, such as increases in the employer's contribution for PERS and EDD. The January 2011 budget plan pegs the two-year budget shortfall at \$25.4 billion (\$8.2 billion 2010-11 and \$17.2 billion 2011-12). In addition, the Governor indicated that the shortfall could grow by another \$1.2 billion if a controversial sale of state-owned real estate is abandoned. To address the shortfall, Governor Brown's budget proposed \$24.5 billion in spending reductions, \$1.9 billion in other solutions to close the gap and provided for a \$1 billion reserve. **This would result in a \$899 million reduction in revenues for the**

California Community College System. This will be modified in the next few weeks (or months) as the budget is finalized. The impact for SBCC would be approximately \$10.5 million in net revenue reduction.

2. **Student fee increase of \$10 per credit unit from \$26 to \$36.** This has been approved by the Legislature and the Governor and is in effect starting Fall 2011. This increase is expected to generate \$110 million in new revenue for the California Community College System as a whole that would be used to support additional enrollments. This would offset the \$400 million or \$899 million cut, respectively, resulting in a \$290 million or \$789 million workload reduction, which means a reduction of full-time equivalent students equivalent to the reduction in State funding.
3. **An additional \$129 million inter-year funding deferral.** For SBCC, this increases the deferrals from \$11.3 million in 2010-11 to \$13 million in 2011-12. SBCC must have an absolute minimum ending balances of \$13 million to cover the deferred State general apportionment payments. The State general apportionment deferral is withheld from payments for the months January through June and remitted to the College in the following fiscal year part in July and part in October.
4. Additional support from the general fund for categorical programs as a result of state budget cuts are projected by program and budgeted at the same level as in 2010-11 and shown as a transfer out of the Unrestricted General Fund.

REVENUE

1. Any reduction in unrestricted general fund revenues from 2011-12 will result in a “workload” reduction applied to state apportionment for the General Fund. Workload reduction means a reduction in the number of full-time equivalent students funded by the state.
2. Categorical funding was reduced by the state approximately 50% in 2010-11. The full impact to categoricals was reduced by offsetting the reduction in state funding from the General fund and this will continue at \$825,000.
3. Part-time faculty compensation was \$333,456 for 2010-11 and is projected to remain at the same level in 2011-12.
4. The enrollment fee is increasing from \$26 to \$36 per unit effective Fall 2011.
5. There is no system-wide growth funded and is not budgeted.
6. It is assumed that there is no need for a deficit factor to cover a property tax revenue shortfall.
7. Nonresident student enrollments from international and out-of-state students are based on 2010-11 actual. The out-of-state tuition increase from \$183 to \$210/credit and international tuition increase from \$203 to \$210/credit is effective starting Fall 2011. Although this may increase revenue if the out-of-state and international student enrollment increases, it is not possible to predict an increase at this time. The Adopted budget will have a closer estimate as the fall semester registration will be completed. The Tentative budget will reflect no change in revenues for these categories.
8. Interest revenue is conservatively estimated based on declining interest rates and earning cash balances. **If approval of the State budget is delayed this will erode interest income further.**
9. Lottery revenue is assumed to remain flat.
10. The State Physical Plant and Instructional Support Block Grant was eliminated in 2009-10 with the funding shifted to Career Technical Education. This funding is not expected to come back and is not budgeted.

EXPENSE

1. Base salaries and wages are budgeted for the year at pay rates that were effective January 1, 2008 except for longevity, step and column increases. The Tentative Budget assumes the following:
 - a. All open positions are assumed to be filled for 2011-12. It should not be assumed that each vacant position will be filled, but is evaluated when it becomes vacant.
 - b. There is no reduction in credit course sections for Summer 2011 and Fall 2011.
 - c. The Spring 2012 semester is reduced 70 credit sections, which translates into a reduction in the TLU allocation equivalent to \$357,000
 - d. There is no reduction in non-credit sections for Summer 2011 and Fall 2011 compared to Summer 2010 and Fall 2010, respectively.
 - e. Over a three-year period starting in 2011-12, 291 non-enhanced non-credit FTES need to be reduced by converting a number of class sections from free (state-supported) to fee-based. This translates to about 252 class sections to be converted over a three-year period. In order to make the transition easier and provide maximum opportunity for consultation, discussion and input, the number of sections to be converted will be smaller in 2011-12 compared to 2012-13 and 2014-15. For 2011-12, Continuing Education will need to convert to fee-based 60 sections to meet this target. For 2012-13, the target is 96 additional sections and for 2013-14 96 more sections. For 2011-12, this will result in about \$90,000 reduction in direct instructional expenditures.
 - f. There is no adjustment for open positions caused by turnover or retirements that may occur during the budget year.
 - g. The compensation for the Associate Dean Vocational Ed and Dean Media are currently budgeted through the salary model. The salaries from these positions will be transferred permanently to the hourly budget for the Express to Success programs.
2. Benefits are budgeted at the maximum exposure and are not adjusted for open positions or positions vacated during the year. This has resulted in the actual expense coming in at less than the budget.
3. The State Unemployment Contribution Rate will increase effective July 2011 from 0.72% to 1.61%. All salaries and wages (except students) are subject to unemployment contribution. The impact on the Unrestricted General Fund is an increase of approximately \$545,241.
4. Health employer contributions will increase from 2009-10 through collective bargaining. An agreement has been reached with the CSEA and a tentative agreement with the Instructors' Association. It is assumed that all of the "me-too" agreements will be implemented. This will result in a retroactive increase of \$182,000 for 2010-11. The agreement has a cap of a not-to-exceed amount of approximately \$316,000 for 2011-12. The cumulative increase for 2011-12 is \$498,000 and is ongoing. This increase will be represented in the 3000s benefits accounts.
5. The budget for hourly workers, student workers and overtime will be permanently reduced by \$500,000. This reduction will be proportional to each major area of responsibility.
 - a. President's office: \$10,492
 - b. Educational Programs: \$338,462

- c. Business Services: \$64,495
 - d. Information Technology: \$6,744
 - e. Human Resources: \$1,602
 - f. Continuing Education: \$77,784
6. Organizational memberships will remain at the same level as in 2010-11.
 7. Full-Time Faculty Obligation – Due to funded growth in 2008-09, the requirement was to hire 13 new full-time faculty to start in Fall 2010. However, this requirement has been deferred indefinitely due to the state budget reductions and will be reduced further due to the workload reduction. **The College has committed to filling all vacant positions from retirement or resignation in 2010-11 for Fall 2011. Starting in 2011-12, the workload reduction will result in a decline in the full-time faculty obligation for the college approximately 2 fewer full-time faculty positions are required for each 1% decline in funded CA credit resident FTES. As such, retirements or resignations of full-time faculty occurring in 2011-12 and beyond will be replaced only in very limited cases. A process for determining which positions will be replaced will be developed in consultation with the Academic Senate.**
 8. The increase for fixed and mandated expenses is based on actual or trends. Fixed and mandated expenses consist of increases in maintenance agreements, utilities, postage, rent etc. The projected net increase is \$242,083.
 9. Workers compensation insurance is projected to increase statewide. However, the increase for SBCC will be based on the experience factor, this increase will be determined prior to the tentative budget approval. The projection is the current rate of 1.38% and it is increasing to 1.42% in 2011-12. This is projected to increase approximately 10% to 1.56% in 2012-13.
 10. Sabbaticals are reinstated for 2011-12: 3 full-time sabbaticals at a cost of approximately \$153,000.
 11. The CalPERS Board will be voting to increase the employer contribution rate from 10.7% for 2010-11 to 11.6% for 2011-12 which will result in an additional cost of approximately \$303,324 for SBCC in the Tentative Budget.
 12. The unspent amounts in 2010-11 “Supplies and Materials” (4000s accounts) and “Other Operating Expenses” (5000s accounts) were approximately \$600,000 and \$1,600,000, respectively. **We appreciate the cooperation from all faculty, staff and administrators in reducing expenditures for the last three fiscal years to help the overall budget of the college. In order to achieve the \$2,000,000 budget reduction in 2011-12, the 4000s and 5000s budgets need to be reduced by \$1,053,000 as follows.**
 - a. President’s office: \$66,752
 - b. Educational Programs: \$328,989
 - c. Business Services: \$379,231
 - d. Information Technology: \$154,833
 - e. Human Resources: \$13,032
 - f. Continuing Education: \$110,163

TRANSFERS

These are the transfer of funds from the General Fund Ending Balances.

1. To offset the state cuts in categorical programs (EOPS, DSPPS, matriculation), we contributed an additional \$825,173 from the General fund in 2010-11. Additional funding from the general fund reserves will be required for federal or state categorical

allocations that are being eliminated or reduced, e.g. Perkins, Basic Skills, Workforce Investment Act, etc. There are full-time employees currently paid by these funds.

2. Transfer to the Children’s Center Fund is budgeted at \$285,413.
3. Transfer to the Construction Fund for ongoing campus maintenance of \$2.0 million.
4. Transfer to the Construction Fund for loan payments to the California Energy Commission for the photovoltaic system loan was \$197,065 for 2010-11 and will continue for the life of the loan.
5. Transfer to the Equipment Fund is \$1.5 million for the Tentative Budget for equipment replacement and \$155,000 for copier replacement.
6. The Administrative portion of the State Financial Aid Media campaign is projected at \$84,000.

FUND BALANCE

1. State Mandated Operating Contingency = 5%.
2. Other Post Retirement Benefits – The District will be paying for early retiree medical insurance on a pay-as-you-go basis. The cost of medical insurance allowances for early retirees will be budgeted as an operating expense.
3. The liability for banked TLU’s is estimated and reserved for \$1,137,400 in 2011-12.
4. Ending balances will be used to cover approximately \$11.34 million of deferred state payments that are in place for 2010-11 to be paid in 2011-12. The amount of deferral is projected to be increased to approximately \$13.0 million in the 2011-12 fiscal year. This is not reflected in the ending balances due to the accrual method of accounting; but are shown for illustration purposes.

RISKS

When will a budget be passed?

In 2010-11, the budget was not passed until September 2010 which caused the state to not provide any payments to community colleges until October 2010. The impact on SBCC was \$10,163,025 in payments received in October 2010 that should have been received starting in July 2010. We were able to withstand the lack of state payments due to the strong existing cash reserves, which we need to maintain. It is highly likely that this situation will repeat for the 2011-12 budget.

Will there be an election in November? Will the new tax bill pass if there is an election?

SBCC Unrestricted General Fund – Impact of Governor’s Proposed Budget for 2011-12 (based on revised information from CCLC as of Jan 27, 2011*)

Workload Reduction	-5,330,000	-8,261,000	-11,992,000
Increased Student Fees	1,466,000	1,466,000	1,466,000
Net reduction	-3,864,000	-6,795,000	-10,526,000

***CCLC Notes and Assumptions**

- Each district's impact is calculated using Recalculation information from 2009-10.
- For the scenario **2011-12 Tax increases pass,** the projected cut is the district's proportionate share of a \$400 million reduction, with a net reduction calculated based on the district's proportionate share of \$110 million in statewide fee revenue.

For the scenario **2011-12 Tax increases fail Prop 98 minimum funding,** the projected cut is the district's proportionate share of a \$620 million reduction, with a net reduction calculated based on the district's proportionate share of \$110 million in statewide fee revenue. The \$620 million assumes California Community Colleges Receive 11% of a Proposition 98 funding level \$2 billion below (\$47.3b) the governor's January 10 budget (\$49.3b).

For the scenario **2011-12 Tax increases fail Prop 98 suspended,** the projected cut is the district's proportionate share of a \$899 million reduction, which is apports 4.2% of the additional \$12 billion in cuts necessary to balance the budget, with a net reduction calculated based on the district's proportionate share of \$110 million in statewide fee revenue.

In all cases, the student enrollment reduction assumes each college's share of the net funding cut on an average statewide weighted funding rate of credit, noncredit and noncredit-enhanced FTES.

Year	PERS %	PERS Expense	Increase in PERS Expense	Cumulative Increase in PERS Expense	PERS Salaries (Assumes no increase in salaries; if salaries will increase in the future, the College additional cost for PERS will increase)
2009/10	9.71%	\$2,103,552			\$21,666,005
2010/11	10.70%	\$2,318,263	\$108,330		\$21,666,005
2011/12	11.60%	\$2,513,257	\$303,324	\$409,704	\$21,666,005
2012/13	13.70%	\$2,968,243	\$454,986	\$864,690	\$21,666,005
2013/14	14.00%	\$3,033,241	\$64,998	\$929,688	\$21,666,005

SANTA BARBARA COMMUNITY COLLEGE DISTRICT

UNEMPLOYMENT RATE CHANGE

2010-11	0.72%						
2011-12	1.61%						

	Unrestricted Gen Fund	Restricted Gen Fund	Food Svc Fund	Children's Center	Bookstore	TOTAL
SALARY MODEL						
0.72%	380,177.89	26,412.54	3,011.42	3,340.26	4,387.95	417,330.06
1.61%	850,120.00	59,061.38	6,733.87	7,469.19	9,811.95	933,196.39
Increase	469,942.11	32,648.84	3,722.45	4,128.93	5,424.00	515,866.33
Hourly Workers						
Budgeted 2010-11	1,801,819.00	1,288,969.00	181,700.00	28,227.00	0.00	3,300,715.00
0.72%	12,973.00	9,281.00	1,308.00	203.00	0.00	23,765.01
1.61%	29,009.00	20,752.00	2,925.00	454.00	0.00	53,140.02
Increase	16,036.00	11,471.00	1,617.00	251.00	0.00	29,375.01
TOTAL	485,978.11	44,119.84	5,339.45	4,379.93	5,424.00	545,241.33

SANTA BARBARA COMMUNITY COLLEGE DISTRICT

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TENTATIVE BUDGET

for the Fiscal Year

JULY 1, 2011 - JUNE 30, 2012

as of May 5, 2011

Dr. Andreea M. Serban
Superintendent/President

BOARD OF TRUSTEES

MARTY BLUM
MARSHA CRONINGER
DR. PETER HASLUND
MORRIS M. JURKOWITZ

JOAN M. LIVINGSTON
LISA MACKER
NICOLE RIDGELL
LUIS A. VILLEGAS

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011-12 TENTATIVE BUDGET**

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SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
General Fund
(Includes Unrestricted & Restricted Funds)

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%
REVENUES				
Federal	\$ 2,981,474	\$ 2,867,061	\$ (114,413)	(4%)
State	62,394,335	51,834,280	(10,560,055)	(17%)
Local	43,179,389	42,772,723	(406,666)	(1%)
Total Revenues	<u>108,555,198</u>	<u>97,474,064</u>	<u>(11,081,134)</u>	(10%)
EXPENDITURES				
Academic Salaries	42,554,006	43,339,433	785,427	2%
Classified and Other Nonacademic Salaries	23,275,695	23,946,209	670,514	3%
Employee Benefits	14,883,737	17,161,998	2,278,261	15%
Supplies & Materials	3,076,733	3,511,445	434,712	14%
Other Operating Expenses and Services	15,687,026	12,285,294	(3,401,732)	(22%)
Capital Outlay	549,636	459,402	(90,234)	(16%)
Other Outgo	1,070,847	660,964	(409,883)	(38%)
Total Expenditures	<u>101,097,680</u>	<u>101,364,745</u>	<u>267,065</u>	0%
Excess of Revenues over (under) Expenditures	<u>7,457,518</u>	<u>(3,890,681)</u>	<u>(11,348,199)</u>	(152%)
Other Financing Sources (Uses)				
Intrafund Transfers - In	902,595	909,173	6,578	1%
Intrafund Transfers - Out	987,037	909,173	(77,864)	(8%)
Interfund Transfers - In	244,850	41,000	(203,850)	(83%)
Interfund Transfers - Out	8,098,600	4,137,478	(3,961,122)	(49%)
Total Other Financing Sources (Uses)	<u>(7,938,192)</u>	<u>(4,096,478)</u>	<u>3,841,714</u>	(48%)
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	(480,674)	(7,987,159)	<u>\$ (7,506,485)</u>	1,562%
Beginning Fund Balance	<u>22,885,827</u>	<u>22,405,153</u>		
Ending Fund Balance	<u>\$ 22,405,153</u>	<u>\$ 14,417,994</u>		

See comments on following pages.

* As of 4-21-11

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
General Fund - Unrestricted**

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%	
REVENUES					
Federal	\$ 2,250	\$ 2,250	\$ 0	0%	<div style="border: 1px solid black; padding: 5px;"> (\$6,835,000) Workload reduction \$ 618,213 Deficit factor 10-11 will (\$ 292,908) One-time Mandate reir </div>
State	50,744,990	44,235,295	(6,509,695)	(13%)	
Local	38,786,118	38,813,890	27,772	0%	
Total Revenues	<u>89,533,358</u>	<u>83,051,435</u>	<u>(6,481,923)</u>	(7%)	
EXPENDITURES					
Academic Salaries	39,812,730	40,962,426	1,149,696	3%	
Classified and Other Nonacademic Salaries	18,820,084	19,561,015	740,931	4%	
Employee Benefits	13,425,872	15,712,352	2,286,480	17%	
Supplies & Materials	2,225,452	2,455,998	230,546	10%	
Other Operating Expenses and Services	6,877,343	7,216,746	339,403	5%	
Capital Outlay	248,970	276,022	27,052	11%	
Other Outgo	86,522	16,384	(70,138)	(81%)	
Total Expenditures	<u>81,496,973</u>	<u>86,200,943</u>	<u>4,703,970</u>	6%	
Excess of Revenues over (under) Expenditures	<u>8,036,385</u>	<u>(3,149,508)</u>	<u>(11,185,893)</u>		
Other Financing Sources (Uses)					
Intrafund Transfers - In	161,864	84,000	(77,864)	(48%)	<div style="border: 1px solid black; padding: 5px;"> Transfer to Children's Center \$ 285,413 Transfer to Equipment Fund \$1,500,000 - general purpose \$ 155,000 - copiers Transfer to Construction Fund \$2,000,000 - general purpose \$ 197,065 - Energy loan pymt </div>
Intrafund Transfers - Out	825,173	825,173	0	0%	
Interfund Transfers - In	244,850	41,000	(203,850)	(83%)	
Interfund Transfers - Out	8,098,600	4,137,478	(3,961,122)	(49%)	
Total Other Financing Sources (Uses)	<u>(8,517,059)</u>	<u>(4,837,651)</u>	<u>(4,242,836)</u>	50%	
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	<u>(480,674)</u>	<u>(7,987,159)</u>	<u>\$ (7,506,485)</u>	1,562%	
Beginning Fund Balance	<u>22,885,827</u>	<u>22,405,153</u>			
Ending Fund Balance	<u>\$ 22,405,153</u>	<u>\$ 14,417,994</u>			

* As of 4-21-11

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
General Fund - Restricted**

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%
REVENUES				
Federal	\$ 2,979,224	\$ 2,864,811	\$ (114,413)	(4%)
State	11,649,345	7,598,985	(4,050,360)	(35%)
Local	4,393,271	3,958,833	(434,438)	(10%)
Total Revenues	<u>19,021,840</u>	<u>14,422,629</u>	<u>(4,599,211)</u>	(24%)
EXPENDITURES				
Academic Salaries	2,741,276	2,377,007	(364,269)	(13%)
Classified and Other Nonacademic Salaries	4,455,611	4,385,194	(70,417)	(2%)
Employee Benefits	1,457,865	1,449,646	(8,219)	(1%)
Supplies & Materials	851,281	1,055,447	204,166	24%
Other Operating Expenses and Services	8,809,683	5,068,548	(3,741,135)	(42%)
Capital Outlay	300,666	183,380	(117,286)	(39%)
Other Outgo	984,325	644,580	(339,745)	(35%)
Total Expenditures	<u>19,600,707</u>	<u>15,163,802</u>	<u>(4,436,905)</u>	(23%)
Excess of Revenues over (under) Expenditures	<u>(578,867)</u>	<u>(741,173)</u>	<u>(162,306)</u>	28%
Other Financing Sources (Uses)				
Intrafund Transfers - In	740,731	825,173	84,442	11%
Intrafund Transfers - Out	161,864	84,000	(77,864)	(48%)
Interfund Transfers - In	0	0	0	0%
Interfund Transfers - Out	0	0	0	0%
Total Other Financing Sources (Uses)	<u>578,867</u>	<u>741,173</u>	<u>6,578</u>	1%
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	0	0	\$ <u>0</u>	0%
Beginning Fund Balance	<u>0</u>	<u>0</u>		
Ending Fund Balance	\$ <u>0</u>	\$ <u>0</u>		

Grants have ended or been reduced. Pending grants are not budgeted until awards are made.

Reduction in expenses follows reduction in revenue.

* As of 4-21-11

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
General Fund
Fund Balance

	June 30, 2010	2010-2011	June 30, 2011	2011-2012 Tentative Budgeted	June 30, 2012
	Audited Ending Balance	Projected Revenues, Expenses & Transfers *	Projected Ending Balance *	Revenues, Expenses & Transfers	Tentative Budget Ending Balance
Fund Balance					
Reserved for Restricted Purpose	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Designated:					
State Mandated Contingency (5%)	4,135,700	344,100	4,479,800	37,100	4,516,900
Designation-Banked TLUs	1,188,630	0	1,188,630	0	1,188,630
Total Designated	<u>5,324,330</u>	<u>344,100</u>	<u>5,668,430</u>	<u>37,100</u>	<u>5,705,530</u>
Undesignated	17,561,497	(824,774)	16,736,723	(8,024,259)	8,712,464
Total Fund Balance	<u>\$ 22,885,827</u>	<u>\$ (480,674)</u>	<u>\$ 22,405,153</u>	<u>\$ (7,987,159)</u>	<u>\$ 14,417,994</u>

* As of 4-21-11

Fund Balance	22,885,827	22,405,153	14,417,994
State revenue deferral - need for cash reserves			
General Apportionment Deferral	<u>(9,702,391)</u>	<u>(11,344,361)</u>	<u>(13,200,000)</u>
Net Reserve	<u>13,183,436</u>	<u>11,060,792</u>	<u>1,217,994</u>

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
General Fund
Interfund Transfers

	2009-2010 Audited Actual	2010-2011 Projected Actual *	Increase (Decrease)	%	2011-2012 Tentative Budget	Increase (Decrease)	%
INTERFUND TRANSFERS - IN							
From Bookstore	274,000	0	(274,000)	(100%)	0	0	0%
From Construction	41,000	41,000			41,000	0	0%
From Continuing Education	0		0	0%		0	0%
From Equipment	0	203,850	203,850	100%	0	(203,850)	(100%)
Total	<u>\$ 315,000</u>	<u>\$ 244,850</u>	<u>\$ (70,150)</u>	(22%)	<u>\$ 41,000</u>	<u>\$ (203,850)</u>	(83%)
INTERFUND TRANSFERS - OUT							
To Rehab/Construction Fund-General Purpose	\$ 640,000	\$ 2,730,000	\$ 2,090,000	327%	\$ 2,000,000	\$ (730,000)	(27%)
To Rehab/Construction Fund-Specific Purpose	488,633	197,065	(291,568)	(60%)	197,065	0	0%
To Equipment Fund-General Purpose		4,900,000	4,900,000	100%	1,500,000	(3,400,000)	(69%)
To Equipment Fund-Specific Purpose		0	0	0%	155,000	155,000	100%
To Children's Center Fund	271,535	271,535	0	0%	285,413	13,878	5%
To Financial Aid Fund	0		0	0%	0	0	0%
Total	<u>\$ 1,400,168</u>	<u>\$ 8,098,600</u>	<u>\$ 6,698,432</u>	478%	<u>\$ 4,137,478</u>	<u>\$ (3,961,122)</u>	(49%)

* As of 4-21-11

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Bond Interest & Redemption Fund

	2009-2010 Audited Actual	2010-2011 Projected Actual *	2011-2012 Tentative Budget
REVENUES			
Property Taxes	\$ 3,435,580	\$ 3,445,003	\$ 2,468,800
Local	24,906	16,159	16,200
Total Revenues	<u>3,460,486</u>	<u>3,461,162</u>	<u>2,485,000</u>
EXPENDITURES			
Academic Salaries	0	0	0
Classified and Other Nonacademic Salaries	0	0	0
Employee Benefits	0	0	0
Supplies and Materials	0	0	0
Other Operating Expenses and Services	0	0	0
Capital Outlay	0	0	0
Other Outgo -Debt interest & principal	3,426,072	3,378,900	2,421,450
Total Expenditures	<u>3,426,072</u>	<u>3,378,900</u>	<u>2,421,450</u>
Excess of Revenues over (under) Expenditures	<u>34,394</u>	<u>82,262</u>	<u>63,550</u>
Other Financing Sources (Uses)			
Interfund Transfers - In	0	0	0
Interfund Transfers - Out	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	34,394	82,262	63,550
Beginning Fund Balance	<u>3,151,076</u>	<u>3,185,470</u>	<u>3,267,732</u>
Ending Fund Balance	<u>\$ 3,185,470</u>	<u>\$ 3,267,732</u>	<u>\$ 3,331,282</u>

* As of 4-21-11

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Bookstore Fund**

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%	
REVENUES					
Local	\$ 6,900,000	\$ 7,107,000	207,000	3%	
Total Revenues	<u>6,900,000</u>	<u>7,107,000</u>	<u>207,000</u>	3%	
EXPENDITURES					
Classified and Other Nonacademic Salaries	719,000	624,437	(94,563)	(13%)	
Employee Benefits	227,325	263,524	36,199	16%	
Supplies & Materials	4,900,500	5,145,525	245,025	5%	Estimated cost to replace roof
Other Operating Expenses and Services	467,000	350,000	(117,000)	(25%)	
Capital Outlay	0	200,000	200,000	100%	
Other Outgo	Library reserve books → 15,000	16,000	1,000	7%	
Total Expenditures	<u>6,328,825</u>	<u>6,599,486</u>	<u>270,661</u>	4%	
Excess of Revenues over (under) Expenditures	<u>571,175</u>	<u>507,514</u>	<u>(63,661)</u>	(11%)	
Other Financing Sources (Uses)					
Interfund Transfers - Out - Student Life	16,000	18,000	2,000	(13%)	
Interfund Transfers - Out - Co-curricular Activities	49,000	55,500	6,500	(13%)	
Interfund Transfers - Out - Ed Programs support	0	0	0	0%	
Interfund Transfers - Out - Van Pool Support	0	0	0	0%	
Transfer to Foundation for SBCC-internships	50,000	50,000	0	0%	
Transfer to Foundation for SBCC-book scholarships	0	0	0	0%	
Total Other Financing Sources (Uses)	<u>115,000</u>	<u>123,500</u>	<u>8,500</u>	(7%)	
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	456,175	384,014	\$ <u>(72,161)</u>	(16%)	
Beginning Fund Balance	<u>5,530,269</u>	<u>5,986,444</u>			
Ending Fund Balance	\$ <u>5,986,444</u>	\$ <u>6,370,458</u>			Ending Balance is held in \$0.9M inventory, \$1.6M fixed assets, \$0.2M operating cash and \$3.6M reserves for building maintenance, book purchases for one semester and contingency.

* As of 4-21-11

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Food Service Fund

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%	
REVENUES					
Federal	\$ 4,402	\$ 8,000	\$ 3,598	82%	
Local	2,837,397	2,862,870	25,473	1%	
Total Revenues	<u>2,841,799</u>	<u>2,870,870</u>	<u>29,071</u>	1%	
EXPENDITURES					
Academic Salaries	0	0	0	0%	Higher prices for food, supplies & operating expense
Classified and Other Nonacademic Salaries	935,805	955,564	19,759	2%	
Employee Benefits	178,297	197,223	18,926	11%	
Supplies & Materials	1,433,770	1,462,383	28,613	2%	
Other Operating Expenses and Services	129,753	162,700	32,947	25%	
Capital Outlay	47,281	65,000	17,719	37%	Replace equipment, renovate snack shops
Other Outgo	0	0	0	0%	
Total Expenditures	<u>2,724,906</u>	<u>2,842,870</u>	<u>117,964</u>	4%	
Excess of Revenues over (under) Expenditures	<u>116,893</u>	<u>28,000</u>	<u>(88,893)</u>	(76%)	
Other Financing Sources (Uses)					
Interfund Transfers - In	0	0	0	0%	
Interfund Transfers - Out	22,156	28,000	5,844	26%	
Total Other Financing Sources (Uses)	<u>(22,156)</u>	<u>(28,000)</u>	<u>5,844</u>	(26%)	
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	94,737	0	<u>\$ (94,737)</u>	(100%)	
Beginning Fund Balance	<u>479,852</u>	<u>574,589</u>			
Ending Fund Balance	<u>\$ 574,589</u>	<u>\$ 574,589</u>			

* As of 4-21-11

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Children's Center Fund

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%
REVENUES				
Federal	\$ 25,000	\$ 25,000	\$ 0	0%
State	150,420	150,420	0	0%
Local	250,540	249,108	(1,432)	(1%)
Total Revenues	<u>425,960</u>	<u>424,528</u>	<u>(1,432)</u>	(0%)
EXPENDITURES				
Academic Salaries	317,489	320,700	3,211	1%
Classified and Other Nonacademic Salaries	183,557	184,852	1,295	1%
Employee Benefits	159,484	172,611	13,127	8%
Supplies & Materials	31,090	31,090	0	0%
Other Operating Expenses and Services	15,920	688	(15,232)	(96%)
Capital Outlay	0	0	0	0%
Other Outgo	0	0	0	0%
Total Expenditures	<u>707,540</u>	<u>709,941</u>	<u>2,401</u>	0%
Excess of Revenues over (under) Expenditures	<u>(281,580)</u>	<u>(285,413)</u>	<u>(3,833)</u>	1%
Other Financing Sources (Uses)				
Interfund Transfers - In	271,535	285,413	13,878	5%
Interfund Transfers - Out	0	0	0	0%
Total Other Financing Sources (Uses)	<u>271,535</u>	<u>285,413</u>	<u>13,878</u>	5%
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	(10,045)	0	<u>\$ 10,045</u>	(100%)
Beginning Fund Balance	<u>170,790</u>	<u>160,745</u>		
Ending Fund Balance	<u>\$ 160,745</u>	<u>\$ 160,745</u>	\$	

Support from General Fund

* As of 4-21-11

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Equipment Replacement Fund**

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%
REVENUES				
Federal	\$ 0	\$ 0	\$ 0	0%
State	0	0	0	0%
Local	101,280	44,900	(56,380)	(56%)
Total Revenues	<u>101,280</u>	<u>44,900</u>	<u>(56,380)</u>	<u>(56%)</u>
EXPENDITURES				
Academic Salaries	0	0	0	0%
Classified and Other Nonacademic Salaries	0	0	0	0%
Employee Benefits	0	0	0	0%
Supplies & Materials	0	0	0	0%
Other Operating Expenses and Services	151,300	100,000	(51,300)	(34%)
Capital Outlay	1,454,506	3,446,950	1,992,444	137%
Total Expenditures	<u>1,605,806</u>	<u>3,546,950</u>	<u>1,941,144</u>	<u>121%</u>
Excess of Revenues over (under) Expenditures	<u>(1,504,526)</u>	<u>(3,502,050)</u>	<u>(1,997,524)</u>	133%
Other Financing Sources (Uses)				
Sale of Equipment	0	0	0	0%
Interfund Transfers - In	4,942,000	1,655,000	(3,287,000)	(67%)
Interfund Transfers - Out	203,850	0	(203,850)	(100%)
Total Other Financing Sources (Uses)	<u>4,738,150</u>	<u>1,655,000</u>	<u>(3,083,150)</u>	<u>(65%)</u>
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	3,233,624	(1,847,050)	\$ <u>(5,080,674)</u>	(157%)
Beginning Fund Balance	<u>2,674,661</u>	<u>5,908,285</u>		
Ending Fund Balance	\$ <u>5,908,285</u>	\$ <u>4,061,235</u>		

Banner project support

\$ 74K State funded instructional equip
\$1.4M Computer & server replacement
\$489K Program review equip
\$215K Program review tech hardware
\$170K Program review tech software
\$818K Program review nonroutine equip
\$280K Copiers

* As of 4-21-11

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Bond Construction Fund

	2008-2009 Audited Actual	2009-2010 Projected Actual	2010-2011 Projected Actual.*	2011-2012 Tentative Budget	Total
REVENUES					
Bond Proceeds	\$ 47,000,000	\$ 0	\$ 0	\$ 0	\$ 47,000,000
Local	466,269	483,738	238,102	117,200	1,305,309
Total Revenues	<u>47,466,269</u>	<u>483,738</u>	<u>238,102</u>	<u>117,200</u>	<u>48,305,309</u>
EXPENDITURES					
Academic Salaries	7,837	0	22,687	0	30,524
Classified and Other Nonacademic Salaries	18,238	0	0	0	18,238
Employee Benefits	402	0	2,765	0	3,167
Supplies and Materials	4,614	62	1,177	0	5,853
Other Operating Expenses and Services	101,523	41,846	115,114	115,000	373,483
Capital Outlay	4,135,519	8,338,687	13,554,237	9,715,379	35,743,822
Other Outgo	0	0	0	0	0
Total Expenditures	<u>4,268,133</u>	<u>8,380,595</u>	<u>13,695,980</u>	<u>9,830,379</u>	<u>36,175,087</u>
Excess of Revenues over (under) Expenditures	<u>43,198,136</u>	<u>(7,896,857)</u>	<u>(13,457,878)</u>	<u>(9,713,179)</u>	<u>12,130,222</u>
Other Financing Sources (Uses)					
Interfund Transfers - In	0	0	0	0	0
Interfund Transfers - Out	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	43,198,136	(7,896,857)	(13,457,878)	(9,713,179)	<u>\$ 12,130,222</u>
Beginning Fund Balance	<u>0</u>	<u>43,198,136</u>	<u>35,301,279</u>	<u>21,843,401</u>	
Ending Fund Balance	<u>\$ 43,198,136</u>	<u>\$ 35,301,279</u>	<u>\$ 21,843,401</u>	<u>\$ 12,130,222</u>	

* As of 4-21-11

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Rehabilitation/Construction Fund**

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%	
REVENUES					
Federal	\$ 0	0	\$ 0	0%	
State	693,000	80,000	(613,000)	(88%)	State funding for Drama-Music project
Local	608,490	607,400	(1,090)	(0%)	Interest and Aspect rental revenue
Total Revenues	<u>1,301,490</u>	<u>687,400</u>	<u>(614,090)</u>	(47%)	
EXPENDITURES					
Academic Salaries	0	0	0	0%	
Classified and Other Nonacademic Salaries	0	0	0	0%	
Employee Benefits	0	0	0	0%	
Supplies and Materials	0	0	0	0%	
Other Operating Expenses and Services	100,026	100,000	(26)	(0%)	
Capital Outlay	1,080,091	8,787,000	7,706,909	714%	Includes \$6M for Drama-Music project
Other Outgo	0	0	0	0%	
Total Expenditures	<u>1,180,117</u>	<u>8,887,000</u>	<u>7,706,883</u>	653%	
Excess of Revenues over (under) Expenditures	<u>121,373</u>	<u>(8,199,600)</u>	<u>(8,320,973)</u>	(6,856%)	
Other Financing Sources (Uses)					
Interfund Transfers - In	2,927,065	2,197,065	(730,000)	(25%)	
Interfund Transfers - Out	41,000	41,000	0	0%	
Total Other Financing Sources (Uses)	<u>2,886,065</u>	<u>2,156,065</u>	<u>(730,000)</u>	(25%)	From the General Fund: \$2,000,000 General Purpose, \$197,065 Energy Loan Payment
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	3,007,438	(6,043,535)	\$ <u>(9,050,973)</u>	(301%)	
Beginning Fund Balance	<u>4,883,462</u>	<u>7,890,900</u>			
Ending Fund Balance	<u>\$ 7,890,900</u>	<u>\$ 1,847,365</u>			

* As of 4-21-11

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Insurance Fund**

	2010-2011 Projected Actual *	2011-2012 Tentative Budget	Increase (Decrease) in Budget	%
REVENUES				
Local	\$ 59,112	\$ 6,600	\$ (52,512)	(89%)
Total Revenues	<u>59,112</u>	<u>6,600</u>	<u>(52,512)</u>	(89%)
EXPENDITURES				
Other Operating Expenses and Services	153,000	153,000	0	0%
Capital Outlay	0	0	0	0%
Total Expenditures	<u>153,000</u>	<u>153,000</u>	<u>0</u>	0%
Excess of Revenues over (under) Expenditures	<u>(93,888)</u>	<u>(146,400)</u>	<u>(52,512)</u>	56%
Other Financing Sources (Uses)				
Interfund Transfers - In	0	0	0	0%
Interfund Transfers - Out	0	0	0	0%
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	0%
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	<u>(93,888)</u>	<u>(146,400)</u>	<u>\$ (52,512)</u>	56%
Beginning Fund Balance	<u>735,954</u>	<u>642,066</u>		
Ending Fund Balance	<u>\$ 642,066</u>	<u>\$ 495,666</u>		

Includes \$53K one-time grant



* As of 4-21-11

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
2011 - 2012 Tentative Budget
Fiduciary Funds**

	Fund 71	Fund 72	Fund 74	Fund 75	Fund 79	Fund 81	Fund 77	TOTAL
	Associated Students	Student Representation Fee	Financial Aid	Scholarship	Special Trust & Co-curricular	Student Clubs	Adult Ed Trusts	
REVENUES								
Federal	\$ 0	\$ 0	\$ 27,800,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,800,000
State	0	0	540,000	0	0	0	0	540,000
Local	10,000	40,000	0	800,000	800,000	40,000	38,000	1,728,000
Total Revenues	<u>10,000</u>	<u>40,000</u>	<u>28,340,000</u>	<u>800,000</u>	<u>800,000</u>	<u>40,000</u>	<u>38,000</u>	<u>30,068,000</u>
EXPENDITURES								
Academic Salaries	0	0	0	0	0	0	0	0
Classified and Other Nonacademic Salaries	0	0	0	0	0	0	0	0
Employee Benefits	0	0	0	0	0	0	0	0
Supplies & Materials	0	0	0	0	0	0	0	0
Other Operating Expenses and Services	10,000	40,000	0	0	873,500	40,000	60,000	1,023,500
Capital Outlay	0	0	0	0	0	0	0	0
Other Outgo	0	0	28,340,000	800,000	0	0	0	29,140,000
Total Expenditures	<u>10,000</u>	<u>40,000</u>	<u>28,340,000</u>	<u>800,000</u>	<u>873,500</u>	<u>40,000</u>	<u>60,000</u>	<u>30,163,500</u>
Excess of Revenues over (under) Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(73,500)</u>	<u>0</u>	<u>(22,000)</u>	<u>(95,500)</u>
Other Financing Sources (Uses)								
Interfund Transfers - In	0	0	0	0	101,500	0	0	101,500
Interfund Transfers - Out	0	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>101,500</u>	<u>0</u>	<u>0</u>	<u>101,500</u>
Excess of Revenues & Other Sources over (under) Expenditures & Other Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,000)</u>	<u>(22,000)</u>
Beginning Fund Balance	<u>35,506</u>	<u>41,759</u>	<u>88,793</u>	<u>139,806</u>	<u>932,492</u>	<u>38,367</u>	<u>1,223,956</u>	<u>2,500,679</u>
Ending Fund Balance	<u>\$ 35,506</u>	<u>\$ 41,759</u>	<u>\$ 88,793</u>	<u>\$ 139,806</u>	<u>\$ 932,492</u>	<u>\$ 38,367</u>	<u>\$ 1,201,956</u>	<u>\$ 2,478,679</u>