Santa Barbara City College
College Planning Council
Retreat
Thursday, July 21, 2016
8:00 a.m. – 2:00 p.m.

Minutes

1.0 PRESENT:

A. Beebe, Chair, President
E. Auchincloss, President, CSEA
P. Bishop, Vice President, Information Technology
P. Butler, President, Academic Senate
R. Else, Sr. Director, Institutional Assessment, Research and Planning (non-voting)
P. English, Vice President, Human Resources
P. Jarrell, Executive Vice President, Educational Programs
K. Monda, Past President, Academic Senate
J. McPheter, Classified Staff Representative
K. O'Connor, Academic Senate Representative
V. Pelton, Advancing Leadership Committee Representative
C. Salazar, Classified Staff Representative
J. Sullivan, Vice President, Business Services
L. Vasquez, Vice President, Academic Senate
J. Walker, Advancing Leadership Committee Representative

OTHER ATTENDEES:

C. Alsheimer-Barthel, Formula Study Work Group
J. Friedlander, Executive Vice President
S. Kennedy, Formula Study Work Group
L. Maas, Controller
A. Parmely, Formula Study Work Group
A. Perez, Dean, Educational Programs
L. Reyes-Martin, Director of Communications
M. Spaventa, Dean, Educational Programs

2.0 CALL TO ORDER

Dr. Anthony Beebe welcomed the meeting attendees and led a round of self introductions.

2.1 Approval of 5/17/16 Minutes (Att. 5/17/16 CPC Minutes)

M/S/C (Monda/Bishop) to approve the 5/17/16 minutes. The motion passed with 13 approvals and two abstentions.

3.0 ANNOUNCEMENTS

4.0 INFORMATION ITEMS

5.0 DISCUSSION ITEMS

5.1 The Current State of the College and the Impact of Declining Enrollment (Att. Formula Median Salary6/22/16; Senate on FT Faculty Hiring 7/13/16; EMC Marketing and Outreach Recommendations; Classified Staff Survey Summer Sessions 2016)

A. Dr. Beebe introduced Dr. Paul Jarrell who presented an overview of the college's enrollment. Dr. Jarrell began his presentation with a brief explanation of how California community colleges are funded. He explained that there are three main sources of community college funding:

- Unrestricted General Funds which account for approximately 90% of all funding and are tied to the college's enrollment of fulltime equivalent students (FTES);
- Categorical Program Funds which provide support to specific programs such as the Student Success and Support Program, Student Equity Plan, and Career and Technical Education Program, and are also tied to the college's FTES; and,
- Capital Projects Funds which are designated for buildings, equipment and maintenance.

Dr. Jarrell presented an historical view of the college's declining enrollment, and noted that the decline in enrollment correlates with the area's decline in unemployment. He suggested that establishing the college's FTES target should be driven by the programmatic needs of the student body and the fiscal demands of the institution, and that this target may be different from the state's target for the institution.

Dr. Jarrell summarized that enrollment management will require the college to consider its target FTES, its enrollment goal, and its allocation and use of resources. It will further require the college to actively engage in marketing and recruitment, and to continue to support student success, retention and program completion.

It was suggested and agreed that Dr. Jarrell present *Enrollment Management Basics* at the 2016 Fall All Campus Kickoff.

B. Joe Sullivan presented the recommendations of the Median Salary Formula Workgroup, a body composed of representatives from the Instructors' Association (IA), the California School Employee Association (CSEA), the Advancing Leadership Committee (ALC), and Joe Sullivan. The workgroup was charged with finding a way to close the gap between the median salary of the comparative groups for faculty, classified staff, and managers. The following issues were discussed by the workgroup:

- How to balance revenues and expenses while including the adjusted median salary in expenses;
- How to replenish reserves that are used to balance the budget should salary increases result in a negative net revenue/expense; and,
- The lowest amount in Unrestricted General Fund reserves beyond which the college would require a reduction or suspension of the proposed 2% salary schedule adjustment in 2016-17, 2017-18, and 2018-19.

Mr. Sullivan addressed each of the issues. He reported that various means of balancing the budget were considered including reducing full-time faculty, classified, and management staff, reducing hourly staff and the college's operating expenses, improving operational efficiency, and funding maintenance and equipment beyond one-time state funding.

Mr. Sullivan presented the workgroup's proposed formula to increase salaries for faculty, classified staff, and managers by 2% for three successive fiscal years: 2016-17, 2017-18, and 2018-19. The 2% yearly adjustments would be retroactive to July 1 of 2016, 2017 and 2018, and would take into account any state awarded COLA (Cost of Living Adjustment) and funds needed to restore ending balances should they fall below the Board Policy limit.

Mr. Sullivan briefly reviewed the concept of stability and how it would impact the college's budget over the next four academic years. He reviewed three possible budget scenarios. Scenario 1 (Best Case) assumes a 1% annual increase in state COLA beginning in 2017-18, balancing revenues and expenditures by matching the decreases in revenues with expenses, and including a 2% salary adjustment as well as employer contribution increases to CalPERS and CalSTRS. Mr. Sullivan reviewed Scenario 1 transfers as well as ending fund balance projections.

Scenario 2 (Worse Case) assumes no reductions to full-time faculty, a reduction in adjunct faculty and short-term hourly staff in relation to the decline in enrollment, and the replacement of classified staff and management positions at a rate of 50% in relation to the reduction in enrollment. He reviewed the worst case scenario and ending fund balances over the next four academic years.

Scenario 3 (Adjusts Transfers Out) is similar to Scenario 2, but eliminates transfers out to the construction and equipment funds in order to balance the budget. Mr. Sullivan noted that this is not a realistic approach.

Mr. Sullivan concluded his presentation with a summary of the actions needed to achieve a 2% salary adjustment. Dr. Beebe added a comment about the budget reserves and the college's efforts to maintain the board policy minimum reserves.

Discussion ensued regarding the option of a Supplemental Early Retirement Plan (SERP) as a means of reducing the budget by offering the plan to eligible full time faculty and staff. Mr. Sullivan distributed copies of the *Supplemental Employee Retirement Plan* produced by consultant Keenan and Associates for the college. Council discussed the need for a SERP timeline and, depending on the number of retirees, the possible destabilization of the institution.

Lyndsay Maas explained the sample Monthly Alternative Benefit table (page 5 of *SERP: A Keenan Solution*) and Mr. Sullivan reviewed the summary sheet of benefits and projected savings (page 4 of *SERP: A Keenan Solution*).

C. Lyndsay Maas gave a brief explanation of the FON (Faculty Obligation Number). She explained that the FON is based on the number of full-time faculty employed by the college in the fall of each year. Ms. Maas explained that the Chancellor's office assigns an annual FON compliance number which was 230.4 in fall 2015 and 223.4 in fall 2014, and noted that there's a penalty if the college falls below the compliance number. She reported that in fall 2014 and 2015 there were a number of positions, for a variety of reasons, which were not counted in the FON. Therefore, rather than the 229 reported in 2014 and the 233 reported in 2015, the college should have reported 244 in FON each of those years. She further noted that the FON declines as FTES declines.

Mr. Sullivan informed Council that community college funding is based on a functional split between instructional and non-instructional costs, and that funding is mandated by this 50% law. He added that the college has to comply with the 50% law and with the floor of the FON.

He cautioned against assigning an absolute number above the FON because it limits the flexibility of the college's budget. He further noted that any number the college assigns above the state assigned FON costs the college $75,000-$80,000 per number.

D. Dr. Priscilla Butler reported on the Academic Senate's (AS) discussion of the FON and a proposal brought to the 5/17/16 CPC meeting to replace faculty, staff and administrator positions at a 50% rate of vacancies. Dr. Butler reviewed the Senate's recommendations to Council, beginning with a recommendation based on Assembly Bill (AB)1725, which intended for community colleges to reach a goal that at least 75% of credit instruction hours are taught by full-time faculty. She reported that the Senate does not support the proposal to use a 50% non-replacement ratio for staff or faculty hiring, and went on to review the Senate's recommendation on the FON and the proposed buffer of 14 above the FON (3 buffer positions plus 11 categorically funded positions not previously reported). She reiterated the Senate's stance, and Dr. Beebe and Dr. Jarrell concurred, that faculty hiring should be based on programmatic need and not the FON.

Dr. Butler explained that recommendations #3 and #4 were based on a stable budget; recommendations #5 and #6 were based on a budget that is not stable.

Lyndsay Maas clarified that the FON includes all categorical positions. She reported that the Formula Study Workgroup recommended a hiring freeze be placed on classified hiring, and that faculty numbers not be reduced more than the corresponding drop in FTES.

The Senate's last recommendation was that final decisions regarding the number of faculty positions to be funded be reviewed and approved by CPC.

At this point in the meeting, Dr. Beebe proposed and Council agreed to postpone the discussion on the ideal target for FTES and the 2016-17 budget to a future CPC meeting.

E. Dr. Paul Jarrell presented the Enrollment Management Committee's recommendations on marketing and outreach.

Dr. Jarrell gave an overview of the Enrollment Management Committee's charge which was to determine a reasonable number of enrollments for the college, as well as a plan for how that number will be achieved, while promoting student success. The Enrollment Management Committee's recommendations included prioritizing local students, increasing marketing to California residents and out-of-district students, promoting programs that benefit from out-of-state enrollments, and maintaining or increasing the international enrollment to a cap of 1500.

Discussion followed regarding the impact of the College Promise, programs that are experiencing a decline in enrollment, and the need to streamline the registration and enrollment process. The final recommendation by the Enrollment Management Committee prioritized the implementation of a student information management system which would track and evaluate outreach efforts. Jason Walker reported that the implementation of the system being considered by the college was postponed because of higher priority projects. Vanessa Pelton added that feedback from other colleges regarding the system was largely negative and that the delay in implementation would give the software company the opportunity to work out the system's bugs.

Luz Reyes-Martin reported that the marketing budget has, in recent years, focused on print and radio advertising, and that there is a need to diversify marketing efforts to include digital, mobile, and multimedia video methods. She further noted that the most challenging task in her department, the Office of Communications, is the production of catalog and schedule publications. She added that publications take up a significant amount of her staff's time. She informed Council that there is an opportunity to increase enrollment in non-credit courses through a focused marketing strategy and public education.

Council weighed in on international student enrollments and the positive impact international students have on the local economy, various SBCC programs, and the SBCC student community. Dr. Jack Friedlander agreed to bring data which breaks down international student enrollments per program.

After a brief discussion on the registration and enrollment process, Vanessa Pelton agreed to bring back relevant recommendations to CPC.

F. Evaluation of Two Summer Sessions

Dr. Priscilla Butler referred to the CPC minutes of 3/1/16 which stated that "a CPC subgroup will meet to develop a process to assess the summer sessions of 2016 in order to provide a framework for determining whether or not to hold two summer sessions in summer 2017." She also referred to the Academic Senate's approved motion (October 2015) to recommend the offering of two summer sessions in 2016 contingent upon five conditions. Dr. Butler reminded Council that the first three of the five conditions have been met. She suggested that a CPC workgroup, or that Council as a whole, come to an agreement about what information is needed to make an evaluation of two summer sessions.

Dr. Paul Jarrell reviewed the classified staff survey: *Double Summer Session 2016 DRAFT* which was crafted in order to assess whether or not changes were made to improve the experiences of classified staff during double summer sessions. Liz Auchincloss agreed to send out the *Classified Staff Survey: Double Summer Session 2016* during the last week of Summer Session 2.

Dr. Jack Friedlander agreed to bring the summer session evaluation data from 2015 to CPC in order to determine if the same data is needed in future evaluations. Dr. Butler added that the Senate has started a list of questions with regard to the evaluation process.

Dr. Butler, Dr. Jarrell, Lyndsay Maas and Robert Else agreed to meet and review the Senate's list of questions with the aim of determining what data to gather for CPC to disseminate the information to the AS and other groups by August 31, 2016.

The retreat concluded with a discussion about a proposed 2% salary increase. Pat English echoed Joe Sullivan's statement that the salary increase would be retroactive to July 1 for three consecutive years, and would be dependent upon meeting critical budget targets. Dr. Cornelia Alsheimer-Barthel added that current faculty salaries are 2.5-3% behind the state's median. Even though CPC cannot make a decision about salaries because salaries are negotiated by the college's bargaining groups, Dr. Alscheimer-Barthel informed Council that the IA cannot conclude salary contract negotiations without a clearer picture of enrollment, enrollment management, salary formula evaluation data and CPC's input.

A meeting with representatives of CPC, as well as those from the accounting and human resources departments, was scheduled for July 26, 2016, 3:30-4:30 p.m. to discuss the Supplemental Early Retirement Program (SERP).

An emergency meeting of CPC was scheduled for Friday, July 29, 2-4 p.m. to discuss the 2016-17 academic calendar, the assessment of two summer sessions, the SERP, and target FTES.

6.0 ACTION ITEMS

7.0 ADJOURNMENT

7.1 An emergency meeting of CPC is scheduled for Friday, July 29, 2016 in room A218C from 2:00-4:00 p.m. The next regular CPC meeting is scheduled for Tuesday, September 6, 2016 in A218C from 3:00-4:30 p.m.