

Santa Barbara City College
College Planning Council
Friday, April 22, 2011
9:00 am – 11:00 am
A218
Minutes

**Special meeting preparation for developing
the 2011-12 Tentative Budget and the 2011-14 college plan**

PRESENT:

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

D. Nevins, Academic Senate President-elect;
J. Sullivan, VP Business Services

ABSENT:

M. Guillen, Classified Staff Representative;
R. Limon, President Student Senate; C.
Salazar, Classified Staff Representative;

GUESTS:

M. Croninger, Board of Trustee Member;
L. Stark, President, Instructors' Association;
L. Vasquez, IT Committee Chair

Dr. Serban called the meeting to order.

Discussion

1. Updated scenarios for planning reductions in ongoing expenditure reductions starting in 2011-12 through 2013-14 to match cuts in revenues (attachment)

The initial discussion took place concerning the understanding of the expenditures of the 4000/5000 accounts and the hourly budgets in answer to Academic Senate Representative Garey's question: why are we cutting from the hourly budget when it is unspent budget? .

Dr. Serban stated that cutting from the budget an unspent amount is not really reducing the expenditure. It is a proposal that we discussed. We have one side that says let's reduce the expenditures and cut to the point that we have actual reductions in expenditures and on the other side there is a "use it or lose it" mentality that will become then immediately in play if you actually cut \$1.2M from the hourly budget. This gets us some real true expenditure reduction versus budget reduction. In answer to VP, Academic Senate Rep, Neufeld's question: Are you saying that our hourly budget is not being spent completely anyway?" , Dr. Serban said that in it was not spent last year or this year. Dr. Friedlander restated Mr. Garey's question, "Can we cut more in those accounts so that we then may not have to cut as many sections or other areas where it hurts? Mr. Garey said: " I am not proposing where we not cut at this point. I am saying here is an area where we can actually reduce the budget by a larger amount of money without hurting anybody based on the last two years expenditures. And we are going to be serving fewer students anyway. So I suggest we

start looking for places where we can reduce cut and reduce budget amounts and expenditures where it is not going to hurt as much. Dr. Friedlander stated that the 70 sections that will be cut next spring will be reducing students, but not dramatically. This will buy us a little time to get a sense of what we will need to do for next year, where it may or may not be more serious. Dr. Serban stated the need to have at least \$2M-million,000 fall to ending balances from these accounts. You have to pay attention to that. That is key. If that \$2M disappears, we are in the assumption 1 mode. And if you go back and look at the impact of ending balances in the assumption 1 mode, we are in big trouble. Assumption 1, we need to make some severe real expenditure cuts starting in 2011-12 otherwise we are going to burn the reserves at a much higher pace because it is a significant difference between ending balances assumption 1 model and assumption 2. And Assumption 2 is so much better because we absolutely have to have the minimum of \$2M from the 4000 5000 in hourlies falling into the ending balances.

Dr. Serban reiterated that the \$2M is JUST from 4000 5000s account. We also need to have \$2M to transfer to the construction fund \$1.5M to transfer to the equipment fund. The \$3.5 M is needed to maintain this model of Assumption 1.

Mr. Garey asked How much should we be counting on having beyond the \$3.5M. After discussing this question Mr. Garey asked if he understand this correctly then we need to have about \$4.5 M per year in carry-over in ending balances, and if that is right I think we should budget that. Dr. Serban agrees that was a good question, but we also have the other \$19 M General Fund balance that we need to maintain for the other things that we talked about.

VP Business Services Sullivan explained that if we budget but we assume we are going to under spend \$2M, but reduce the amount you spend by \$1M, that means you are counting on people to not spend \$1M even though it is in their budget line, they have no way of tracking that so they know they need to stop spending at that rate. How do they know where to stop? Dr. Serban said that we have had very successful operational behaviors for years, that has ensured the trust of the people in various departments and we have never had to be in a policing mode of behavior. If we budget to the dollar, we will have to be policing . All budget managers will need to police every week. Dr. Serban said we need to have a more flexible budget in order to meet the emergency needs of the college. There was further clarification on the various needs of the college.

Discussion took place regarding the mix of students coming to the college in that more students will be attending who plan to transfer in order to reduce costs of their college education. There was further discussion regarding the fact that the college has a culture that works; however we may have to evaluate as time goes on. There was further discussion on the Measure V projects. Dr. Serban reminded everyone that the \$92M that was to come from the state did not come anyway. Everything was shrunk to about 30% of the original amount. Only the money for Drama/Music is what we received from the State. It could be many years before the state is able to pass the bond or not.

Dr. Serban brought up another issue related to Measure V and the reserves. The college needs to maintain its rating with Moody's and Standard & Poors because at some point the college will need/want to sell the second issuance of this bond. The reason SBCC did so

well with the first one is because of the college's exceptional ratings, due to our exceptional reserves and exceptional fiscal management. If we borrow money to run the college, that rating will be low and we will not be able to sell the second issuance of the bond.

Dr. Serban stated that these next two years will test us in order to maintain not only reserves and be able to deal with the cash flow. We have the ability to avoid that. It is in our power to do, but it takes a commitment to make some hard decisions.

Dr. Serban summed it up: we need to build a draft budget for 2011-12 .

2. Assumptions for development of 2011-12 Tentative Budget (attached – also provided at April 19, 2011 CPC meeting)

Dr. Serban stated that this is based on using the \$6.8M and the \$2M target; if it ends up being \$10.5M we are still in the model that we are trying to follow. In order to get a draft of the tentative budget for us to look at the next CPC, which is the target, this will be the same thing that will go to the Board at the Study Session on May 12.

VP Business Services walked through the Assumptions starting with the overall major assumption for building the 2011-12 tentative budget, based on Scenario 5 which he went also presented. There was further discussion about the details of some of the reductions in the unrestricted general fund expenditures/budget of \$2 million mostly focusing on Continuing Education where they need to reduce expenditures of \$150,000. There was concern and sensitivity regarding communicating this information to the community as well as a huge effort to reach out to faculty and staff to inform them of what is going on with the budget.

Mr. Sullivan started going through the 10 Revenue Assumptions and asked if anyone needed clarification on any of the assumptions. There were discussions around the different aspects of the assumptions. In asking when the budget will be passed, Dr. Serban stated that In 2010-11, the budget was not passed until September 2010 which caused the state not providing any payments to community colleges until October. This will most likely happen again. The impact on SBCC was \$10,163,025. 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.

Dr. Serban said the next step will be that we will have a draft of the tentative budget for next CPC which will actually build these assumptions in and we will look at that.

3. Updated timeline for development of college plan 2011-14 (attached – also provided at April 19, 2011 CPC meeting)

- a. Summer special CPC meetings to finalize first draft of College Plan 2011-14 – proposed dates Thursday July 21 9am-12pm **and** Friday July 22 9am-12pm

Dr. Serban proposed the dates above. The dates were set as Friday July 22nd from 9:30am – 12:30pm and Monday, July 25 from 9:30am – 12:30pm.

Dr. Serban went through the rest of the timeline with a deadline of October 4th CPC Meeting, where the College Plan will be finalized before going to the Board Study Session.

4. Review of recommendations of the Distance Education Taskforce (attached)

Dr. Serban opened this item saying that the Distance Ed Taskforce was convened a year ago, a lot of good work and this is the subset of the overall report, then she asked Dr. Friedlander to talk about it.

VP Friedlander stated that the main focus of this group was to meet our accreditation standards as they pertain to distance education. We had to make sure that we offer the equivalent services, instructional support for students taking Distance Ed classes. The task force looked at this to see what we need to strengthen our Distance Ed programs now going forward. They came up with 27 recommendations The Team came up with 14 actionable items. All of them require staff time. The ones we will go forward with do not have any budgetary implications, and are more manageable. Some require additional study to inquire about how to do it and the associated costs. They would be included for next year's budget development cycle.

Dr. Friedlander stated what he and Dr. Serban are recommending. We develop the college plan that we have an objective in there saying that implement the actual recommendations that are feasible and achieve them within a three year period within the 3 year college plan. They are all achievable within that period for the ones that we determine are feasible meaning the budget and logistic.

Dr. Serban acknowledged the work done on this, the time and the research.

5. Continued discussion of the evaluation of the College Plan 2011-14 and begin drafting goals and objectives of the College Plan 2011-14 (attached)

Dr. Serban wants to confirm the current goals and objectives. The updated version which is in the attachment shows the comments made and whether they should be carried forward or not.

Dr. Serban asked if we want to change the language of the goals which should be broad and objectives are supposed to be more specific. The members looked at the wording of the first goal and discussed the different words and what they meant and does it express what we want our goals and targets to be and are they realistic. Goal 1 will remain the same. Goal 2 needs to be refined to include enhanced and non-enhanced non-credit. This is a good discussion for the Continuing Ed Consultation Council which Dr. Arellano said has already started. There was further discussion regarding having a goal that is about dealing with the challenges for non-enhanced classes. Goal 3 will be changed to reflect what is happening with our budget and this goal will be revisited. Goal 4 needs work and VP Ehrlich will bring a rewording for this Goal. Goal 5. We need to include participatory governance. Goal 6. It was decided that this goal needs to be re-worded. The successful Program Review cycle was completed in 2008-09 which Dr. Serban stated that she is very proud of, so the college has met that objective. This goal needs to be revisited. Goal 7. It was decided that this goal needs to be update and revise to reflect the college's current situation. Goal 8 does not need to be revised. There was further discussion about needing

a goal that deals with the fiscal stability and viability and the plan to have a balanced budget by 2014 – 15.

6. Review of College Mission and Core Principles (attached, also attached mission of California Community Colleges established by the California Education Code Section 66010.4)

Dr. Serban stated that the California Community Colleges' Mission is set in the Ed Code and then every college develops a more individualized statement that is more reflective of that community and its college environment, but bottom line whatever mission statement we develop really cannot supersede what the Ed Code says in terms of what the mission of the Community Colleges is.

Dr. Serban said that maybe for this iteration we include what our primary mission is. Over the last 3 years there has been a lot of discussion about what our mission is, particularly as it relates to Continuing Ed, and there are several groups of people on and off campus who do not understand that our mission has been legislated.

Dr. Serban pointed out that the Ed Code is very clear that it relates to the credit side of the colleges: "(a) 1. The *primary* mission relates to the academic and vocational instruction...." And that (2) In addition to the *primary* mission ...". The other points are part of the primary mission but are not the actual primary mission. Dr. Serban stated that this is not commonly understood by the public at large. Even people who have been at the college for a long time, did not realize that our mission is defined in the Ed Code and whatever we have locally cannot supersede the Ed Code. All sorts of assumptions are made and all sorts of debates are created because of not knowing this. Dr. Serban suggested that maybe we want to have a beginning sentence to clarify this and have it in our own mission statement to be more reflective of what the Ed Code is.

There were suggestions and discussions around how we can change our mission to include the Ed Code wording of "our primary mission". The suggestions were written down and the plan was to email them to Dr. Serban. Mr. Garey will email his suggestion which was that at the end of the first paragraph "In pursuit of these goals SBCC is part of the state-wide system and is committed to fulfilling state-wide educational goals and mandates." Dr. Serban said that what Mr. Garey said will be a revision in this that will be sent through the regular consultation process. There will be time for the changes to go through the consultation process.

The meeting was adjourned.

Next CPC meetings:

Tuesday, May 3, 2011, 3:00-5:00pm, A218C

Tuesday, May 17, 2011, 3:00-5:00pm, A218C

Special summer CPC meetings proposed: to finalize first draft of College Plan 2011-14 – Thursday July 21 9am-12pm and Friday July 22 9am-12pm

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