

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 and 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