

Santa Barbara City College
College Planning Council
Tuesday, February 2, 2010
3:00 pm – 4:30 pm
A218C
Minutes

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

ABSENT: C. Salazar

GUESTS: C. Alsheimer-Barthel, K. O'Connor, A. Orosco, A. Scharper, M. Spaventa, L. Stark, L. Vasquez,

Superintendent/President Serban called the meeting to order. Dr. Serban provided five handouts to the CPC Members.

1. Approval of Minutes from the January 26, 2010 CPC Meeting (attachment)

M/S/C [Bishop/Guillen] to approve the amended minutes of the January 26, 2010 CPC meeting.

Information Items/Announcements

2. Superintendent/President Serban and the CPC members wished VP Arellano a Happy Birthday!
3. Superintendent/President Serban stated that the Dean of the Science Division, Marilyn Spaventa reported that on January 28, Dr. Larry Friesen, Professor in the Biological Sciences Department was honored by the Santa Barbara Museum of Natural History with their first Legacy Award. His association with the SBMNH started when he was age 10 and continues today. As the presenter said: "Simply put, Larry is a world class teacher, scientist, photographer, and philanthropist." Superintendent/President Serban spoke of how important this honor is, along with how important our partnership with the Santa Barbara Museum of Natural History is.
4. Enrollment update
 - a. Sr. Dir. Institutional Assessment, Research & Planning Robert Else gave an enrollment update. As of February 2nd the unduplicated credit headcount was 17, 677 students, .7% less than last year on the same date, which is expected as we need to reduce enrollments as a result of the state budget cuts and workload reduction. He reported that the cumulative units-enrolled is up by 2.34 %, so there are fewer students but more units. He continued to report that the drop off in head-count is in non-California

residents. In Sections, the college has 2,096 sections open, 61 sections cut since December 11th, a little over ½ of those sections, 53% are still open, but only 16% of the seats are left. Still have many open sections but not open seats. Further discussion took place.

- b. VP of Continuing Education Arellano reported that at Continuing Education, students are still enrolling in some of the classes. The non-duplicated head count for this winter term so far is 11,175 and duplicated head-count (enrollments) is 21,798. In winter 2009, the non-duplicated head count was 16,572 students and duplicated was 35,505. The number of sections Continuing Ed had in Winter 09 was 604 and 600 sections for this winter term. Arellano stated that the numbers this year are down slightly as there are still a large number of students who have not yet signed up.

Discussion Items

5. Budget Development for 2010-11

- a. VP of Business Services Sullivan reported on three of the significant items from the Tentative Budget Development Assumptions derived from the Governor's Proposed Budget handout. Sullivan started with Revenue Assumption #7 that the non-resident student enrollments from international and out-of-state students will be based on the 2009 – 10 actual because of the decline in the fees that we can charge there will be a total of \$199,200 decrease in revenue, assuming again that we have the exact same number of units. Further discussion took place. Sullivan continued with Revenue Assumption #10 which states that \$466,575 from the Physical Plant and Instructional Support Block Grant has been eliminated from our revenues. Superintendent/President Serban clarified the information from the Block Grant Allocations table stating that, per Chancellor's Office, this money was redirected to Career Technical Education and the college has not received this money for 2009 – 10. Sullivan spoke about the next item, Expense item 9, the CALPERS Board vote to increase the employer contribution rates to PERS which will result in an additional cost of approximately \$106,380 for SBCC in 2010-2011. CALPERS projected out a 4 year increase which translates into a cumulative annual expense for the college by 2013 – 14 totaling \$930,000. Sullivan went through the Adjusted Budget Chart that shows the adjustments in each area of Unrestricted General Fund Revenues and the Restricted General Fund from 2009 – 10 going to 2010 - 11 totaling \$497,669.00 in a decrease to revenues. Further discussion and clarification took place.
- b. Review of potential sources of funding for equipment and facility requests identified in program reviews (handout) – Andreea Serban
- c. Overall amounts requested for routine and non-routine equipment by areas.
 - i. Superintendent/President Serban opened this discussion item explaining the Routine and Non Routine Equipment Needs handout. This table shows the totals based on what the departments submitted in terms of needs for routine/non-routine equipment that the college is committed to and will build into the

operational budgets for 2010/11 and forward. The total routine equipment amount requested for 2010-11 is \$186,670; the total non-routine equipment request is \$701,322 and there is the contingency funding of 15% of non-routine equipment replacement costs. Ed Programs and Business Services submitted non-routine equipment need requests. Continuing Education will also submit its requests shortly. The VPs explained why the amounts vary between the three years of 2010 – 11, 2011 - 12 and 2012 – 13.

- ii. VP of Business Services Sullivan reported that his departments submitted requests for large non-routine items such as trucks, carts, back hoe, a bus, etc. that need to be provided for and not all in the same year (non-routine). Sullivan went on to say that each year these needs will be re-evaluated. Academic Member Nevin asked how do you decide what is not required? VP Sullivan stated that each year the need would be re-evaluated by looking at the items closely and asking if the purchase can be delayed another year, or can it be given to another department? Also the copier replacement is a large cost that does not happen every year, another factor in adding to the yearly budget variance. Executive VP Friedlander stated that the requests are submitted through the departments to the Deans, then discussed in Deans' Council. Friedlander stated that the departments submitted everything they could think of, some departments were more extensive than others. The Deans worked closely with the Department Chairs to get the requests to a more realistic number. Each year different cost increases are built into the non-routine requests. Friedlander stated that so far this has been a good process.
- iii. Further discussion and clarification took place about building routine and non-routine equipment needs into the yearly budget. Superintendent/President Serban explained that the routine budget for 2010-11 will be "jump-started" from the Equipment 41 Fund, then 2011-12 onward, the routine needs will be part of our ongoing operating budget. The non-routine equipment costs will be funded from our Equipment Fund (Fund 41) but it is going to be in somewhat of a different manner than it has been in the past and we are going to cover that in a second. Academic Senate Member Kathy O'Connor pointed out that new supplies purchased are entered into the routine or non-routine expenses in our operating budget, so the budget amounts are actually going to change every year based on what is added. Superintendent/President Serban agreed that that is a good point. There was further clarification about what is routine and non-routine needs versus new equipment requests.
- iv. Superintendent/President Serban reported from the 1/31/2010 Equipment Fund YTD Budget Summary. Serban pointed out that the current amount shown in the Fiscal Year Variance column for the Fund 41000 – Equipment Fund is the total from the college's departmental cost centers. Different departments think that since this money is listed in their cost centers that the money is fully available to spend. However, the college in the past has needed to use some of these funds for cash flow or for other purposes. By moving to this model with the routine / non routine equipment funding as part of the operational budget, the college's aim is to safeguard that what is really needed to be funded in a given year is truly

going to happen. And as we have talked about, the college is going to use this Fund 41 to “jump-start” this funding approach in 2010-11. Serban stressed again that the Fiscal Year Variance column shows the current balance of \$3,384,214.40.

- v. Serban talked about Fund 41234 for Instructional Equipment Block Grant from the same report. The information contained in this table came from Exhibit A, 2008-09 Physical Plant and Instructional Support Ongoing and One-Time Block Grants Report. Serban explained that The Fiscal Year Adjusted Budget \$184,706.62 is higher than \$168,779 from Exhibit A is because of some money being carried forward from prior years (allowable with block grant allocations). Instructional Equipment Block Grant money covers basically all equipment or instructional support equipment. Serban explained how this money has been used in the past and that some of the items identified in the program reviews will be actually funded this year using this money. Serban pointed out the “Projected remaining on 6/30/10” column states there will be \$2.6 million in the Fund 41000 at the end of June – Equipment Fund and the projected remaining balance in Fund 41234 – Instructional Equipment Block Grant hopefully will still be \$100,000. For both funds the estimated balance at the end of June 2010 should be a total of \$2.7 million. Serban stated that once this money is gone, it is gone, since the state is no longer giving the Block Grants and because of that fact the suggestion on the table is to hold onto this as a reserve.
- vi. Superintendent/President Serban started the discussion from the handout: *Funding model for equipment CPC Feb 2, 2010* and went through the table. The first line shows the current Fund 41 projected remaining balance 2.7 million will be used to “jump-start” funding the routine equipment needs in 2010-11. There is the non-routine equipment requests plus the contingency funding of \$806,520 that will draw down on that balance. Some of that will be used for some computer and server replacement. The college is now using a 5-year replacement cycle and it is not prudent to go any further. Serban reminded the group that in 2008 - 09 and 2009 -10 no transfers were made to the equipment budget. For 2010-11, there needs be a transfer of \$1.2 million from the general fund ending balances to the equipment fund. The ending balance after the Equipment requests have been fulfilled and the Program Review new equipment requests have been fulfilled will be \$1.5 million. Serban stated that in the history of the college, there has never been such low balance in the equipment fund. At different points in the college’s history there has been \$4 million to \$8 million in the Equipment Fund balance. The proposal on the table now is that the college needs to commit to replenishing this fund. Serban stated that with the Program Review New Equipment Requests, the VPs have pared down, from their perspective, what the “must-haves” are. There was an overlap between what was submitted originally in the program reviews and what ended up on the non-routine list. In the master spreadsheet listing resource requests submitted through the program reviews, every item has been kept and if not recommended for ranking, the reason why has been noted in the comment column. There were further questions and clarifications of the process, the ending balance of \$1.5

million and having enough in reserve for emergencies. VP Sullivan stated that when the \$1.2 million transferred from the general fund is plugged into the budget, we will have a chance to see if that holds up or does there need to be another number? Superintendent/President Serban stated that there are still more numbers that we need to look at and when all the pieces come together, we will see more clearly what we are able to fund. The balances are below what Serban thinks they ought to be, but Serban stated that the process needs to be transparent and understood, and after that the difficult decisions will be made as to how low is too low in terms of level of reserves we need to maintain. \$1.5 million is a new low that is being accepted as an option and that will cover us for about a year. It may be that 2011 – 12 comes and there is another budget cut and it may be again the case that the college cannot transfer money into the equipment fund. There was further discussion regarding the ending balance of the Equipment Fund, about it is a realistic amount of ending balances and various aspects of spending Fund 41. Serban stated that she and the managers are looking at departmental expenditures weekly to keep it in check. Serban stated that the college needs to have a true General Fund Reserve that is not spread across cost centers and a true savings account for emergency, cash flow purposes, liability purposes, etc. Serban stressed that this is a new fiscal reality where it is more important to have a higher reserve than the college had in better times. The college is more vulnerable to very unpredictable State funding activity, and it is only getting worse. There are new rules being created all the time such as deferred payments and no more block grant money. It is a time to be more careful and to have a solid reserve.

- d. Requests for new equipment and facility improvements not currently scheduled to be funded from Measure V – prioritization from VPs and EC (handout)
 - i. Superintendent/President Serban opened the discussion from the “Draft for Discussion – Funding Model for Facilities.” Money from the One-Time Funds, \$129,002, was included in the construction fund. Serban discussed the details around the amounts needed for the annual routine campus maintenance, the miscellaneous projects not supported by Measure V, the contingency funds and the transfer from the general fund ending balances to construction assuming a balance of \$ 4 mil. In the past, \$2 million was transferred every year to the construction fund; that was stopped in 2008 – 09. Measure V Funds now help the construction and, at the same time, the college now has the lowest balance in the construction fund than ever before. The requests in this report are not funded by Measure V Funds. Serban then discussed details around the Program Review New Facility Related Requests that are not covered by Measure V. Serban stated that if the college decides to go by this model, Serban reiterated that there will be a remaining balance of \$2.1 million which is the lowest ever in the history of the college. There was further clarification of the table. Serban stated that there are more rankings that have to be turned in and we will see how close this model is to those rankings. If they are too far from matching we will try to understand why and come up with some process to reconcile the various views on what was submitted. Classified Consultation Group President

Auchincloss asked if it is worth ranking the larger spreadsheet versus the shorter spreadsheet and has anything been taken off the long version. Serban answered that nothing has been taken off and that there is a comment column that describes what happened to the request. For Accreditation purposes, we need full documentation on what we have done here. Serban suggested that the members rank the shorter list because the college does not currently have the money to support all the requests on the longer list. They all discussed the process for ranking from the shorter list of the Program Reviews and discussed the time frame for ranking, plus were reminded to look at the comment column to see if the members agreed. The VPs would like the feedback. Serban stated that the last page of the handout is a work in progress done to see everything that is new on one page. Everything that has been discussed thus far is on that page.

- e. Current program requests for general fund supports (handout) – Andreea Serban
- f. Next steps
 - i. Receive ranking from Academic Senate (including ITC and P&R), Classified Consultation Council
 - ii. Overall CPC ranking
 - iii. Recommendation on overall level of funding for the various needs identified

Superintendent/President Serban adjourned the meeting.

Next meetings: Tuesday, February 23, 3:00-4:30pm, A218C
Tuesday, March 16, 3:00-4:30pm, A218C
Tuesday, March 23, 3:00-4:30pm, A218C