

**Santa Barbara City College
College Planning Council
Tuesday, May 19, 2009
3:00 pm – 4:30 pm
A218C
Minutes**

PRESENT: A. Serban (Chair), I. Alarcon, L. Auchincloss, P. Bishop, S. Broderick, S. Ehrlich, J. Friedlander, T. Garey, M. Guillen, J. Meyer, K. Molloy, C. Ramirez, J. Sullivan

GUESTS: L. Griffin, K. O'Connor, A. Scharper, L. Starke, M. Linn

ABSENT: O. Arellano, C. Avendano, S. Knotts,

Call to Order

Superintendent/President Dr. Serban called the meeting to order.

1. Approval of the minutes of the May 5th, 2009 CPC meetings.

M/S/C [Guillen/Ehrlich] to approve the minutes of the May 5th, 2009 CPC Meeting with corrections. Everyone in favor.

Information Items

2. Approval of Substantive Change Proposal (SCP) – Superintendent/President Serban reported that SBCC's Substantive Change Proposal (SCP) has been approved by the Accreditation Commission. In the definition of the Accreditation Commission, every time programs are added that deviate from 100% face to face or anything that's 51% or more distance education or if we start brand new programs face to face or otherwise, we have to submit to ACCJC a SCP. The SCP is an important requirement of the Accreditation Commission. Superintendent/President Dr. Serban acknowledged Doug Hersh and others who contributed to the SCP.
3. May 29 Classified In-Service – CSEA President Auchincloss reported that the Classified In-Service will be May 29th with two presentations of "Learning to Run Wild" by Jean Steele, one at 9am and one at 10:40am. Lunch will follow in the cafeteria with Superintendent/President Serban as the guest speaker. Auchincloss acknowledged Pam Blanchard in Human Resources for her excellent organization of all aspects of this event.
4. Opposition to Assembly Bill 1095 (attachments) – Superintendent/President Serban reported that along with Academic Senate President Alarcon and CSEA President Auchincloss, she

wrote a letter against Assembly Bill 1095. This bill, which is being circulated now in the California State Assembly, wants to take away from the Board of Governors of the California Community Colleges the ability to waive the full-time faculty obligation, which of course in this kind of environment is as absurd as anything.

Discussion Items

5. Revised budget assumptions for 2009-10 per May 14 Governor's Budget Presentation (handout)

Controller, Griffin, in VP Sullivan's absence, reported from two handouts: 1) SBCC's revised tentative budget assumptions and a 2) preliminary budget based on the Governor's May revise. Because of the falling revenue projections for the State, the budget situation is dire. At Governor Schwarzenegger's recent press conference, he presented two budget revisions for this year. One held information that included information as if the propositions passed and the other if the propositions had not passed. Griffin stated that it is SBCC's practice to use the numbers from the Governor's May revise in preparing next year's budget. She presented first the deferrals, then some of the cuts that the Governor proposed. Aside from the deferrals, we have cuts in the categorical programs at a system-wide level. The Governor said that means \$85 million, which is about a 12% cut for this year 2008-09 to categoricals. Superintendent/President Serban stated that all reductions will apply to 09 -10 because it is too late to apply to the 08-09 budget, since we are not too far from the end of that fiscal year. Superintendent/President Serban said we have to think of a combined reduction between what Griffin refers to in "reduction for this fiscal year and next year". In other words, this year's and next year's reductions will be combined and made effective next year. We will use the reserves to backfill most of the cuts in 2008-09. The property tax shortfall this year is anticipated to be worse next year and we do not receive backfill for property tax shortfalls. K-12 does receive back fill, but we do not. Griffin went on to say that it is not our practice to budget for growth. Another proposal is to reduce the reimbursement for physical education and recreation classes from the current credit rate to the non-credit rate, a loss of \$1,800 per FTES. For the whole system that is \$120 million cut representing about 60,000 FTES. There was further discussion on how to handle this situation

6. Revised tentative budget for 2009-10 (handout) and
7. Implementing budget reductions for 2009-10

Controller Griffin went through the college's preliminary budget. The first item in State General Revenue is our general apportionment, a reduction of \$2.4 million. Superintendent/President Serban reminded the CPC members that Griffin applied the cuts on paper to this year even though the cuts will not materialize until next year. The lower number for next year's Apportionment Revenue reflects both the property tax shortfall and

the reduced rate on our PE and recreation classes. Griffin reviewed the numbers.

Superintendent/President Serban noted that the bottom line is that the combined reductions for SBCC are \$9,539,683. And since there is no way we can backfill this level of reduction, we will have to make some significant budget reductions in 2009-10. We need to engage in approaching these reductions strategically, we will not cut across the board which has already been done. The cuts primarily will come from Educational Programs and Continuing Education because that is where the majority of our expenditures are and because the other areas of the College, after implementing twice reductions in 2008-09, have little left at this point. We cannot cut revenues, we need to preserve FTES. In areas where we plan to generate some revenues we will not materialize these revenues until Spring 2010, for example charging for parking at Continuing Education which will not start until January 2010. Because the ways to generate significant unrestricted general fund revenue are very limited, we need to discuss again with the Board a temporary change in the 6 % limit on international students. That is one way to generate additional revenue. The two major problems are the deferred payments of \$8 million which may lead to a cash flow problem and the other is the actual reduction in revenue of \$ 9.5 million. There was further discussion about reductions in categoricals.

Controller Griffin distributed an analysis done on the categoricals showing the reductions proposed in the May revise. She explained how she did the calculations based on information from the Community College League. She explained that the total reduction in the total change column is what we would have to absorb next year. There was further discussion on categorical cuts, such as how does one adhere to State and Federal mandates when 62% of the budget is taken away. There was discussion about what other schools are doing. Many schools are cutting sections, some as many as 100 sections just this summer and then some in the fall. This affects the schools' revenues, cuts the work load for faculty and changes the plans, lives, and education of students. We want to keep our sections and will be forced to cut services. For example, Student Services will be affected, the students will have the courses, but they won't have as many tutors available. There were further questions asking to clarify the reductions. Will the reductions include the \$4.2 million we cut from the budget this year? Yes is the answer. There was further discussion regarding money that can be transferred from construction and equipment funds to help fill in the cash flow gaps. One question was: Is it realistic to think that we can cut \$9 million dollars out of the budget without getting into the instructional programs? Superintendent/President Serban reiterated that the cut in sections would be the last resort because that will cut revenue. Since there is 0% growth money, then we do not want to grow on 09 – 10; we want to maintain base and hold onto what we have. CSEA President Auchincloss asked how the State expects us to continue without paying us and how much longer can we go on if they do not pay us for another year. How can we do it unless we borrow? Superintendent/President

Serban responded by saying that she does not think borrowing is a good idea and we will not borrow. She further commented that some schools have been borrowing and borrowing would take our college deeper into a hole than it needs to be and make matters worse. She further explained the problem with the deferred payment situation. We may not receive the deferred 08-09 payments plus our July apportionment if the budget is not passed. This will compound our cash flow problem. Controller Griffin explained that until they pass a revision, and they will eventually, the Chancellor's office, states at this time, that they will go ahead and disperse on the old schedule, but they could require "pull backs" once they do enact a budget. Even though no one is positive, Griffin has heard that the State will be honoring the legally enacted budget until it is amended or changed with the warning that money may be pulled back, so we need to be prepared. Superintendent/President Serban stated that the enacted budget is the last one that they signed at the end of February 2009.

Superintendent/President Serban stated that we need to have further discussions about structural changes. And as painful as it is, she said, we have to cut back on services. We cannot do the same things that we have always done. The question was asked "How much savings can we generate if we took a 2% pay cut?" Superintendent/President Serban answered saying that a 2% pay cut is a \$1.5 million savings. Superintendent/President Serban said that it is necessary to look at all options. There was a short discussion about classified staff taking a furlough and that it might be smart to have that conversation again. Controller Griffin reiterated what Superintendent/President Serban said which is that we really need to think about some very structural and strategic cuts that are more fundamental than saving a little here and a little there. Student Senator Linn asked about using our Contingency Fund. Superintendent/President Serban explained that the use of the mandatory 5% Contingency Fund would put the college on the State Chancellor's watch list. However there are rules about using the Contingency Fund money which need to be looked into, as well as the rules about borrowing from the Workers' Compensation Fund. Looking at the written rules about borrowing from these funds is our next step and then having a discussion about this at the next CPC meeting on June 17th. We want to know how they operate. What are the penalties. Academic Senate Member Garey stated that he would like to know how these funds work also. He also stated how important it is for faculty to be kept apprised of what is taking place during their summer break. Superintendent/President Serban said that depending on what transpires by June 17th, CPC may need to keep meeting during the Summer because we cannot wait until September to make changes. The subject of borrowing came up again. Superintendent/President Serban said we are better off making structural changes. We will have to cut services and offer what we can; otherwise we will have the compounded effect of borrowing. CSEA President Auchincloss asked how colleges are going to make it. Superintendent/President Serban said that some colleges have started sending layoff notices to classified staff. She stated that we are trying as much as possible to avoid laying off classified staff. CSEA President Auchincloss asked about a hiring freeze?

Superintendent/President Serban stated that we don't have much to hire right now. As time goes on the freeze will be on, but selectively. For example, right now the college needs a Director of Institutional Research. CSEA President Auchincloss asked about positions that become vacant, will we do the same thing we did last year. Superintendent/President Serban stated that some of those positions did stay unfilled for months, but it was not without cost. Further discussion took place regarding generating revenue, community colleges survival, cutting sections as a very last measure, deferred payments, and meeting payroll. There was further discussion on the pros and cons of a tuition increase, where that money goes, and who benefits from an increase. The topic of the tentative budget and a balanced budget came up. The tentative budget needs to be discussed at the next Study Session on June 11th and then approved at the June 25th Board Meeting. Right now it is not clear where we will make the cuts. VP Bishop asked if it was realistic to expect that we could expand the percentage of international and out of state students to more than what we do now. The discussion continued around the amount of support international students need. The bottom line is that the net revenue generated by enrolling additional international students is significant. Student Senator Mike Linn asked about the chances of increasing class size. The response was that this could be another option and the faculty has been asked if they would do this on a voluntary basis. The reality of the situation was brought up that we are looking at reducing \$ 9.5 million on top of the \$4.2 million we have already cut, and something needs to change. This is precisely why we need to look at how can we deliver services and instruction in fundamentally different ways that maintain the quality but reduce costs substantially. This is not a one year problem, but a multi-year year problem before things get better. There was further discussion on details around cutting sections

8. Status of SoMA – reduction in State funding (attachments) –

Superintendent/President Serban reported from two attachments on the latest SoMA Building situation. She needs to get a sense from the college community here about the decision we need to make about SoMA. Both attachments refer to the latest in the Dept of Finance decision. This recent decision made by the Department of Finance at Senator Duchene's request is that the entire \$8 million in cost savings from the original estimate of \$62 million plus other additional funding will be fully absorbed on the college's side rather than the State side. The only commitment from the State is for \$22 million instead of the original \$32 million. Superintendent/President Serban pointed out some of the problems involved with this decision. She asked the CPC members for their input about proceeding with SoMA regardless of the level of funding from the State.

The discussion started with VP Friedlander stating that he has heard over the years the pros and cons of whether we need this building or not. There are many on campus who opposed this building; however, he spoke of the benefits of SoMA that go beyond the programs within SoMA itself that affect other areas on campus and the public relations aspect of it. He gave

a short history of what has now emerged into the School of Media Arts. It started out as a program called multi – media when this industry was still new. All the programs that comprise SoMA have expanded into what is a large part of the US / International economy. The classroom spaces that we have are inadequate in terms of our current needs and future needs. Over the years, a lot of thought went into that building to allow us to not only maintain what is a signature set of programs for us, but to allow us to grow these programs in a lot of creative and innovative ways. These programs also are very important to the local regional economy. It is where the jobs are and is part of our mission in terms of economic development. Over the years we have looked at the different ways we could solve the Media Arts programs and space issues, and none is as adequate as building a space where we can hold the entire program.

SoMA is going to be the last new building built on this campus as everybody knows. By putting this building into place, it is not only a signature building that will benefit generations ahead, but it also provides something that is a huge scarcity for us, which is more space. The faculty and staff that are now sitting in offices in existing buildings will be moving into SoMA which frees up office and other space. If we have to hire 12 – 13 new faculty members in 2010, where will they sit. There is no place for them now.

The secondary affects will allow us to have more space for programs like nursing; it will give them adequate room to expand as well as some other programs room to expand.

SoMA classes are currently being offered in facilities that will now be repositioned to house overflow to other areas, other class sections. Right now we have no capacity to add any more space, but by having this new building it frees up space that other areas and programs in the college will benefit a great deal. The need is there.

Superintendent/President Serban noted that when The College started the campaign for the Bond Measure, this was the signature project that the College sold the bond measure on, along with the other projects that have needed attention for a long time. To date, the Foundation has raised about 2.5 million for SoMA. We have presented the Santa Barbara Community with numerous presentations on how important this building is.

For all those reasons it makes sense to go forward. This is our last new building.

If we go ahead with the Measure V money for SoMA there is money still for most projects on the deferred project list.

Student Senator Linn asked what happens if we run out of money half way through construction. Superintendent/President Serban said we will not run out of Measure V money. The issue is that if we use more for that, other projects can't be funded because there is only so much money. We will have to make further decisions on some of the other projects.

There was further discussion about the different buildings that need work. When asked how many students are served by the School of Media Arts and how many faculty do they have. Superintendent/President Serban said right now there are about 2,500 class enrollments . VP Friedlander reported that the college has a lot of full time faculty in this area, don't have a number available on the spot. We will come back with the number of faculty in SoMA. He spoke of the capacity these programs have in their ability to grow. These programs will attract people not only from the Santa Barbara area but from out of State as well as from the international community.

Academic Senate Member Meyer asked if this was appealable. Superintendent/President Serban said that it is. The chance of having that reversed is very slim because of the budget situation and because they believe that we have made changes that have not gone through the proper process, this is why we were almost about to lose SoMA altogether. It took a lot of effort of talking to many people and a lot of intervention to not lose the project entirely. She said that we will try to appeal the reduction in state funding, but she doubts that it will have a positive outcome. Academic Senate Member Garey basically asked how are we going to afford the maintenance of this building when we are faced with a \$9 million dollar budget reduction? He said he thinks that the project timing needs to be gauged in a way that it will be covered by our recovery of the budget. Garey said that as a faculty member on CPC representing the Academic Senate, before giving an answer to the President's question the Academic Senate needs to have a conversation, since they were part of the long range capitol construction plan that was developed that included all these things.

Superintendent/President Serban said that it will be important to have a sense of what all constituents think and we will discuss on June 17th. It will be important to have input because on June 21st the Citizens' Oversight Committee meets. She wants them to know what the sense of the college community is at this point. In the Fall, we will look at the list of Measure V projects without State funding and how this is going to work.

8. Discussion and ranking of program reviews resource requests -

The Program Review Spreadsheet will be emailed. Please vote, then send back and it will be discussed at the June 17th CPC Meeting.

Superintendent/President Serban thanked the faculty who served on CPC in 2008-09 and who will not be returning. Thank you to Susan Broderick, who had to leave early to carpool, for her service. She thanked Student Senator Mike Linn for his service and wished him well in his future studies. She spoke of what an outstanding student he has been while here and how well he has done. Thanked everyone again for all they have done this year.

Superintendent/President Serban adjourned the meeting.

Next meeting: Wednesday, June 17, 2009 3:00-4:30pm A218C