

**SANTA BARBARA CITY COLLEGE
COLLEGE PLANNING COUNCIL**

**June 3, 2004
1:00 – 3:00 PM
Room A218C**

MINUTES

PRESENT: J. Friedlander, S. Ehrlich, J. Sullivan, L. Fairly, B. Hamre, K. McLellan,
T. Garey, P. Haslund, E. Frankel, L. Auchincloss, J. Jackson

ABSENT: K. Molloy, A. Serban, R. Ladanyi

GUESTS: L. Griffin, S. Coffield

1.0 Call to Order

1.1 Approval of the minutes of the April 27th and May 25th CPC meetings.

M/S/C [Haslund/Fairly] to approve the minutes of the April 27th CPC meeting. Tom Garey abstained.

M/S/C [Garey/Auchincloss] to approve the minutes of the May 25th CPC meeting with a grammatical correction to item 2.0. Lynda Fairly and Jan Jackson abstained.

2.0 Announcements

There were no announcements.

3.0 Information Items

Jack Friedlander said that yesterday was the last day for students to notify UC whether they accepted the offer of redirects to community colleges. Right now there are 55 students who have accepted the offer to come to SBCC. Although the college doesn't receive the fees for these students it would receive FTES.

Dr. Friedlander said that the new accreditation requirements being discussed by Congress as part of the Higher Education Reauthorization Act, call for every institution to define student learning outcomes and to post the attainment of those outcomes on the web and in college publications. The proposed legislation also would require that the outcomes of accreditation self studies be made public and distributed to consumers, and that a national database be created to list common performance rates for each post-secondary education institution (public and private 2-year and four year). The database will allow for easy comparisons of performance on each of the outcome measures among accredited colleges and universities. He said that outside of the funds to create and maintain the outcomes national database, the proposed changes do not include additional money to pay for these new mandates. Dr. Friedlander reported that the

student learning outcomes workshop held this week on campus was very successful. The accreditation standards will require that every function of the college, whether instructional, business or governance, demonstrate how it contributes to the student learning outcomes identified. He announced that a study session will take place on June 8th and 9th to identify strategies for increasing the likelihood that under-prepared and at-risk students will succeed in their classes and in meeting their educational objectives. Dr. Friedlander concluded that student learning outcomes would be part of our college plan for 2005-2008.

4.0 Action Items

4.1 Approve 2004-2005 college budget recommendations to be submitted to the President

Jack Friedlander reminded the Council that this action was tabled from the last meeting so that additional information could be provided on the itemization of the Equipment and Construction Funds. The Council was uncomfortable voting on the budget without more detailed information. Joe Sullivan said the recommendation of EC now is not to transfer \$1.8m to the Equipment Fund and \$1.2m to the Construction Fund. Joe Sullivan indicated that at the last EC meeting, it was decided to not recommend the transfers. Bill Hamre pointed out that the budget as proposed did not include these two budget transfers.

Leslie Griffin distributed an update of the revenue and expenditure page from the 2004-05 adopted budget for the Unrestricted General Fund. This document reflects some changes from the draft that was distributed at the last CPC meeting. It includes transfers of \$125,000 from Continuing Education (\$95k) and the SBCC Theatre Group (\$30k).

The list of the projects committed/not committed going forward from the Construction Fund was discussed. The four areas identified were: (1) state capital outlay projects (100% funded by the state); (2) state-funded major maintenance projects (50% district match); (3) district major maintenance projects (100% local funding); and (4) future projects. Joe Sullivan provided further explanation of the district major maintenance projects which are listed as high, medium and low priority.

Liz Auchincloss indicated that she would like to see the transfers to the Equipment and Construction Funds in the budget to show that need. Jack Friedlander said that Ms. Auchincloss' argument is consistent with what was discussed by EC. That is it is essential to include in our budget planning the actual cost of doing business, including what is required to maintain, replace and update the college's equipment and infrastructure. This is part of our budget challenge. There is the question of whether we can continue to draw down the Equipment and Construction Fund reserves to buy time to put our budget in balance. Joe Sullivan said we are committed to spend about \$2.4 million out of the Construction Fund next year whether we contribute to it or not.

Keith McLellan clarified that the Adopted Budget does not include the transfers to the Equipment and Construction Funds. He wanted to have the Board informed that if it is not in the budget, the Equipment and Construction will be funded from the reserve funds.

M/S/C [McLellan/Haslund] to approve the Adopted Budget for the fiscal year 2004-05 and the Equipment and Construction Fund budgets [pgs 9 and 10] as proposed.

Discussion:

Jack Friedlander offered a suggestion that was made by Liz Auchincloss at the last CPC meeting to approve the drawing down of the reserve funds to give us time to bring the college budget into balance. However, he recommended that the Equipment (\$1.8 million) and the Construction (\$1.2 million) funds be augmented as proposed with the caveat of being prudent in identifying expenditures from these funds.

Lynda Fairly acknowledged that we are committed to expenditures from the Construction Fund for this year, as well as any health and safety items. She went on to propose that any additional expenditure be discussed in CPC.

Liz Auchincloss asked to make an amendment to the motion to include the budget transfers. She indicated this is an important year to decide how to balance the budget and that we indicate the reality of our needs for equipment and construction funding. Joe Sullivan concurred with Liz Auchincloss' point that it is important that on an ongoing basis we have to fund construction and equipment. He said to really balance the budget a decision will need to be made to take \$1.8m and \$1.2m as a bare-bones basis on what the actual annual cost is to the college to replace what is needed. In the future when we balance our budget, the process will need to include projecting our funding equipment and construction funding requirements over a five-year period and to identify the amount of money that needs to be added each year to these accounts to make certain that we don't end the year with a deficit.

Liz Auchincloss reiterated her point of the importance to the college community to reflect accurately the college's costs for equipment and construction through the adopted budget. She said this is an important year to work on the budget and there is an ongoing need for \$3m for equipment and construction and it should be acknowledged.

Bill Hamre asked that the motion reflect that as we move forward with the planning for the next two budget cycles, that we explicitly include the ongoing expenses and transfers to the Equipment and Construction Fund as a part of the resolution supporting the budget.

Tom Garey offered a friendly amendment to the motion to include in the budget document the needed transfers of construction and equipment money with the caveat that we would hold authorization of expending the money until the state budget is finalized.

Keith McLellan did not accept the friendly amendment.

Tom Garey said there should be some caveat that we are increasing the deficit from the projected \$1.6m to close to \$3.5m, and then setting about to correct the structural imbalance of the budget. We now have a commitment that we have to find the \$3.5m correction to that imbalance and those dollars will have to come out of programs. Mr. Garey said he is uncomfortable having to cut programs to find equipment and construction dollars. Jack Friedlander said that as we work on the budget for the next two years, whether we put the money in the general fund or draw down reserves, we would be spending the same amount of money to meet essential equipment and construction needs.

Joe Sullivan clarified that funds would still be spent in the Equipment and Construction Funds as committed, but the difference is we don't transfer the \$3m out of the General Fund if we don't receive the revenues. In addressing the caveat on increasing the deficit, he said a reserve is going to be in place in any event because we have a 5% minimum balance that we have to maintain. If we transfer the \$3m out, we will be at 5% and that is where we would have to maintain the fund balance. Mr. Sullivan said that if we vote to put the \$3m in the Construction and Equipment Funds, we do not have to worry about the revenue issue because of the 5% minimum balance.

Peter Haslund expressed concern about some of the items on the list of priorities identified by EC that are part of the district's major maintenance projects. He felt these warrant further review in light of our current budget situation in that there are not enough funds to cover all of these priorities. Jack Friedlander said that the money is being placed in the budget with the caveat that we be prudent with the distribution of these funds.

Tom Garey said the question would arise in the campus community as to why we would consider cutting programs when we are still budgeting additional money out of the General Fund budget for equipment and construction when there are reserves in those funds. Esther Frankel indicated that the real issue is that we will continue to spend the equipment and construction reserves down over the next several years if we don't put money in now.

Liz Auchincloss reiterated that since we have not yet had to cut any programs, we still need to see the full picture of where we are and then look at cuts. We may decide that we have to cut equipment and construction costs each year. There are ongoing costs that need to be addressed and perhaps cut but we need to acknowledge that they exist.

Keith McLellan said the argument about the funds depleting is why he wants the contributions to the Equipment and Construction funds in the budget. We are not looking at next year only in terms of budget cuts, we are trying to get a balanced infrastructure within two years and if we continue to draw on these funds, they will be depleted in two-to-three years. Esther Frankel commented that the amount we are funding the Construction and Equipment funds does not meet the amount of money we spend from those funds on an annual basis.

A friendly amendment was made [Hamre/McLellan] to recommend that transfers of \$1.8m to the Equipment Fund and \$1.2m to the Construction Fund be included in the proposed Adopted Budget for Fiscal 2004-05. Peter Haslund agreed to the friendly motion.

The motion with the friendly amendment was carried unanimously.

5.0 Discussion Items

5.1 Methodology and criteria for bringing college budget into balance

Jack Friedlander addressed the charge given to CPC by John Romo and the Board that CPC submit by the end of December a proposal on how to structurally balance the budget in the next two years. The Council will need to develop budget reduction criteria

for: (1) units in support of instruction; (2) units in support of students; and (3) all other college operations and services. The criteria developed will be in congruence with the mission of the college.

6.0 Other Items

6.1 Establishment of dates for two summer CPC meetings

The summer meetings for CPC are scheduled in A218C as follows:

Wednesday, June 16th – 9:00 a.m. to noon

Monday, June 28th – 9:00 a.m. to noon

Thursday, July 22nd – 9:00 a.m. to 11:00 a.m.

6.2 Need for more frequent CPC meetings during fall semester to complete plan for eliminating the college's structural budget deficit.

Sue Ehrlich suggested that a lot of budget considerations could be completed outside of a weekly CPC meeting; the Council concurred.

7.0 Adjournment

Upon motion [Ehrlich/Auchincloss] Dr. Friedlander adjourned the meeting.



SBCC 04-05 Budget Issues and Impacts

Potential Budget Impacts

- Operating budget is out of balance by at least \$ 1Million (before growth and BS: \$2.2 Million)
- Ending balance beyond contingency \$ 700K (if ending balance funds transferred to equip and const)
- Sabbaticals reinstatement \$ 128K
- Equipment fund commitment \$ 1.8 Million
- Construction fund commitment \$ 1.2 Million
- Classification study \$?
- Negotiations \$?
- CE OSS implementation \$?



Instructional Units and Programs (Non-categorical Funding)

Credit Program

- Instructional departments
- Dual Enrollment/Middle College
- Gateway to Success
- Honors
- MET/CAP
- On-line instruction
- Professional Development Center
- Study Abroad
- Work Experience

Continuing Education (FTES and Community Services)



Budget Reduction Quantitative Measures for Instructional Units

Information to be collected for departments and programs/units within departments (5 years)

- FTES
- WSCH/FTEF
- Department allocations/expenditures (breakout GF and other funding sources)
- Cost/FTES
- Staff assigned to the unit
- All Credit Departments: Degree and certificate completion
- Vocational Programs: Employment projections
- External benchmark to like programs



Budget Reduction Qualitative Information for Instructional Units

- Congruence with the Mission
 - <Transfer: Core lower division, IGETC, major requirements.
 - <Vocational: Offerings core for certificate or degree, student demand, employment upon completion
 - <Basic Skills and ESL
 - <Economic Development: Employer based education and training
- Likelihood of generating growth in FTES or income
- Are there ways efficiencies/cost reductions could be achieved?
- Unique contribution to college or community
- What is the impact of reducing or eliminating the activity on the college or community?



Units in Support of Instruction

- Credit/Non-credit Academic Program Administration
- Faculty Resource Center
- Marketing/Publications



Budget Reduction Questions for Evaluating Units in Support of Instruction

- By major area of activity, what services/product are provided by the unit?
- How congruent is each service with the mission?
- What are the costs for service delivery by major area of activity?
- What is staffing for the unit?
- Is the service produced by area of activity essential/mandated?
- Are faculty resources committed to delivery of the service?
(impact on FT/PT obligation?)
- Are there ways efficiencies/cost reductions could be achieved?
- How does the service delivery compare to external benchmarks?
- What is the impact of reducing or eliminating the activity on the college or community?



Units in Support of Students

<Admiss/Reg/Recs	<Alumni Association
<Career Advan Cent	<Children's Center
<Counseling	<DSPS
<EOPS/CARE	<Financial Aid
<International	<Learning Services
<Library	<Matriculation/Assmt
<School Relations	<Student Activities
<Transfer Center	



Budget Reduction Questions for Evaluating Units in Support of Students

- What are sources of revenue for the unit?
- How congruent is each service with the mission?
- By area of activity what services/product are provided?
- What are the costs for service delivery by major area of activity?
- What is staffing for the unit?
- Is the service produced by area of activity essential or state mandated?
- Are faculty resources committed to delivery of the service? (impact on FT/PT obligation?)
- Are there ways efficiencies/cost reductions could be achieved?
- How does the service delivery compare to external benchmarks?
- What is the impact of reducing or eliminating the activity on the college or community?
- Are there ways the unit could generate growth in FTES or income?



Operations Units

- Accounting
- Administrative Services
- Facilities and Operations
- Food Services
- Human Resources & Legal Affairs
- Information Resources
- Institutional Research and Planning
- President's Office
- Purchasing
- Security
- Public Information Officer



Budget Reduction Questions for Evaluating Operations Units

- By area of activity, what services are produced/provided by the unit?
- How congruent is each service with the mission?
- What are the costs for service delivery by major area of activity?
- What is staffing for the unit?
- Is the service produced by essential/state mandated?
- How does the service delivery compare to external benchmarks?
- Are there ways efficiencies and cost reductions could be achieved?
- What is the impact of reducing or eliminating the activity on the college or community?
- Are there ways the unit could generate growth in FTES or income



05-06/06-07 Budget Reduction Methodology

Summer: Data collection and analysis

Fall 04: CPC meet weekly to begin development of 05-06/06-07 recommendations to President.

January 05: Recommendations to President

February 05: Report to board on progress toward achieving 04-05 budget reduction target. Mid-year expenditure report with projection for balance of the year

March 05: President 05-06/06-07 budget reduction recommendations to the Board



Immediate Strategies Toward Achieving a Balanced Budget

- **Target 04-05 general fund expenses to be reduced by \$**
- **Replace vacancies only after need evaluation**
- **Proceed only with health and safety/critical equipment and construction expenses**
- **Advocate at state-level for a change in the 75/25 FT/PT faculty requirement. If successful, consider retirement incentive program.**
- **Generate other sources of revenue (e.g. international/OS)**
- **Consider actions to reduce need for program reduction/elimination and layoffs (e.g. redirect non-teaching TLUs back to instruction, class size increases, negotiate instructional load changes, initiate cost of governance and administration analysis)**
- **Evaluate retirement options as a means of reducing on-going expense**
- **Initiate OSS business processes analysis (Spring 05)**