

# **Santa Barbara City College**

## **College Planning Council**

**Friday, June 17, 2011**

**2:30pm – 4:30pm**

**A218C**

### **Minutes**

#### **PRESENT:**

A. Serban (Chair), Superintendent/President; K. Monda, Academic Senate Representative,  
I. Alarcon, Past President, Academic Senate; Chair Planning and Resources Committee;  
O. Arellano, VP, Continuing Education; K. Neufeld, VP, Academic Senate  
L. Auchincloss, President, CSEA; Representative;  
P. Bishop, VP Information Technology; D. Nevins, Academic Senate President;  
S. Ehrlich, VP HR &LA; K. O'Connor, Academic Senate  
R. Else, Sr. Dir. Inst. Assessment, Research Representative;  
and Planning; C. Salazar, Classified Staff Representative;  
J. Friedlander, Executive VP Ed Programs; J. Sullivan, VP Business Service  
M. Guillen, Classified Staff Representative;

#### **ABSENT:**

R. Limon, President Student Senate

#### **GUESTS:**

C. Alsheimer, Instructors' Association

Superintendent/President Serban called the meeting to order.

Dr. Serban acknowledged the efforts of Robert Else, Joan Galvan, and Karen Sophiea in their work on the application required by the Aspen Institute College Excellence program. In April 2011, SBCC was selected from almost 1,200 accredited, public community colleges nationwide to be able to compete for the \$1 million prize funds to be announced in December 2011. The application submitted contained detailed data demonstrating that we deliver exceptional student results and that student success and academic excellence are our top priorities. Superintendent/President Serban said that the end result was a powerful statement in 500 words. In September we will know if we are in the top 8 – 10 Community Colleges and if we are, members from the Aspen Institute College Excellence program will visit campus sometime in October. They then chose from 8 – 1- for 3 to 4 prizes. Right now we are in the top 20.

Superintendent/President Serban handed out a copy of a statement made on June 16, 2011 from the Vice Chancellor for Fiscal Policy Dan Troy from the Chancellor's Office of the California Community Colleges regarding the California State Governor vetoing the majority-vote budget plan. Dr. Serban stated the College will still assume the \$6.8M and the \$13M deferral, just as a basic assumption for this discussion. As we don't know anything other than the May revise, which still stands as official version.

## Discussion

1. Discussion of handout provided by Trustee Macker at the May 12, 2011 Board study session (attached).

Dr. Serban stated that there are two very important things to talk about and the third topic is important, but can wait: 1) The tentative budget, 2) the hand-out provided by the Trustees Croninger and Macker, and 3) the ideas sent to the "SBCC-budget email" for ways to create more revenue and areas where we could cut.

### **1) The discussion with the Board of Trustees relative to the tentative budget and how the tentative budget should change until the budget is adopted.**

Dr. Serban stated that a motion made at the May 12/16, 2011 Board Study Sessions and the discussion at the June 9, 2011 Regular Board Meeting is what has prompted this topic today. She felt that the passed motion requires clarification. The motion is: *"This tentative budget was adopted with the understanding that it needs to be significantly altered in preparation for developing the adopted budget that needs to be adopted in September."*

She said she is not totally clear about what "significantly alter" in preparation for the development of the budget that needs to be adopted in September, but there are several things that we will need to do in building this adopted budget, and she asked for the members' thoughts.

Dr. Serban reviewed with the CPC Members previous reports she had prepared that had gone through the consultation process, then given to the Board of Trustees regarding the process for developing the proposed tentative budget for 2011-12 and recommendations to them and there was discussion among the members about these.

There was further discussion regarding the reserves, vacant faculty and staff positions monies, level of transfers, the 4000s/5000s budgets, budgeting problems with using hourlies, and the need for clear direction from the board and the need to request the we may want to ask for more time to follow our old procedures.

Controller Griffin stated that she understood the Board's perspective which is their concern about the use of fund balance in order to make up a structural deficit. She said that they need to know that over time the college needs to reach a balanced budget and are saying at year three the college needs to balance its budget. Ms. Griffin stated that it is much better to make the cuts earlier than later. If delayed, the cuts are going to be deeper and more painful. At this point, they want to see a more conservative budget this year that they will approve for adoption. Ms. Griffin summed up what she had just stated, that the Board wants to see a plan that would get the college to a balanced position based on whatever assumptions we want on revenue that will get us to a balanced budget at the end of three years.

Superintendent/President Serban said she understood, and that we have been arguing for having a balanced budget way before this new board. I fully agree that we should have a balanced budget. That is why we build the reserves; that is why we have made the changes that we made, some were actually painful changes but we made them to provide this very significant base of reserves that very few colleges have. The fundamental change is how we actually budget.

That is really the fundamental change because again to cut \$3M of real things for the sake of showing a zero, when we know how we work here and we know that this is the way we built the balance, so what you see in a tentative budget you can, if we were to continue how we normally budgeted, you can be certain that there is a \$2 - \$3M range that we will end the year with. Dr. Serban continued to say that by taking that out up front creates the paranoia that everybody will have: "Let me spend every nickel, because now I am actually kept to that level." And that is really the fundamental thing. I don't think it helps this college to cut \$3M of real expenditures that are not needed to be cut given the way we budget, so might as well go and budget to the nickel rather than cutting \$3M of real things for the sake of showing a number on a spreadsheet.

Executive VP Friedlander echoed what others had also state which was that it would be better if the college stick to the previous way of budgeting this year, in order to buy us time to see how things shape up going forward. But we would still have to have a plan for years two and three, which is in Scenario 5.

There was further discussion about the change in the college's budget model, the significance of the steep cuts, the timing of when the college actually make the cuts, what the cuts to student services will do to the students, the idea again of being given time to identify cuts in order to get to a balanced budget, and about the need to express how the change of budgeting the 4000s and 5000s will affect the culture of trust that has been built up.

Superintendent/President Serban spoke further about the fundamental trust that has worked well at this college and how that has brought the college this program review commendation in the accreditation, which is hard to get. EVP Friedlander stated that it seems there is a general consensus to stay with our current way of budgeting the 4000s/5000s and if possible to show on the budget below the bottom line in footnotes - that say "although the budget is showing this much of erosion of reserve, we can be fairly assured that the estimate of \$X amount will not be spent, something along those lines. I don't hear anybody here disagreeing with that approach. And that part of what we will be doing next year is about the specific plan for what we are going to cut in the prior year against the real cuts and how we are going to go about doing that and the impact on what it means to this institution. Further discussion ensued.

Dr. Serban said that if we were to conclude this as we stand right now, is it then the conclusion in this group that:

- 1) we want to continue in the budgeting mode that we were budgeting and do the cuts that we outlined in Scenario 5, recognizing that Scenario 5 did not include the cuts necessary to make up for the increases in benefits and other fixed costs, so we would have to actually up the amount by that amount.
- 2) That being said, we want to maintain the budgeting the way we budgeted 4000s/5000s . That amount would have gone down even with Scenario 5. Point is that would have been starting from 2010 - 11 adopted budget cut from that, rather than cut from actual expenditures.
- 3) Take, at least, 2011 - 12 if the desire of this Board is to move to real expenditure budgeting and allowing 2011 - 12 as the year for discussion of how this would materialize and what does this mean for our program review process, which is

imperative to maintain in order really maintain the very good process we have put in place.

Academic President Nevins asked to break it into smaller items:

- 1) Let's start with the 4000s/5000s; the notion of basically budgeting to actuals in the 4000s/5000s, from my own perspective is not productive at this time.
- 2) Also, if we are going to have these things as directions from the Board, I would like them to come as directions from the Board, because currently there are no formal directions from the Board. They have not taken a vote on instructing you or anyone else, so these documents are for discussion purposes, which is fine, but I think it needs to be understood that they are for discussion purposes and they are NOT Board directives and until we get one, I am hesitant to commit to a direction.

Superintendent/President Serban agreed that it has to become more formal.

## **2. Discussion of the proposed budget development and resource allocation guidelines developed by Trustee Macker and Croninger brought to the May 12 Study Session.**

Superintendent/President Serban introduced the second topic: the discussion of the proposed budget development and resource allocation guidelines developed by Trustee Macker and Croninger brought to the May 12 Study Session. Dr. Serban wanted to discuss these one by one and record the responses into a table which had columns for the Trustees' guideline/request, a second column for questions regarding the request. This document was projected on the screen for everyone to see and it reflected the responses from the group.

The group went through each request one by one starting with the Financial Policies #7 as the first three overarching policies were generic and we are already doing them. The discussion of the group was recorded in order to be presented at the Board of Trustees Study Session on June 23, 2011.

Superintendent/President Serban said that the third item on today's agenda was regarding the budget suggestions CPC received which she had emailed the members. People sent in good ideas which will be discussed another time.

EVP Friedlander motioned for the meeting to adjourn. The meeting was adjourned.

**Next CPC meetings:        July 22 from 9:30am to 1:00pm – A218  
                                     July 25 from 3:00pm to 4:00pm - A 218**