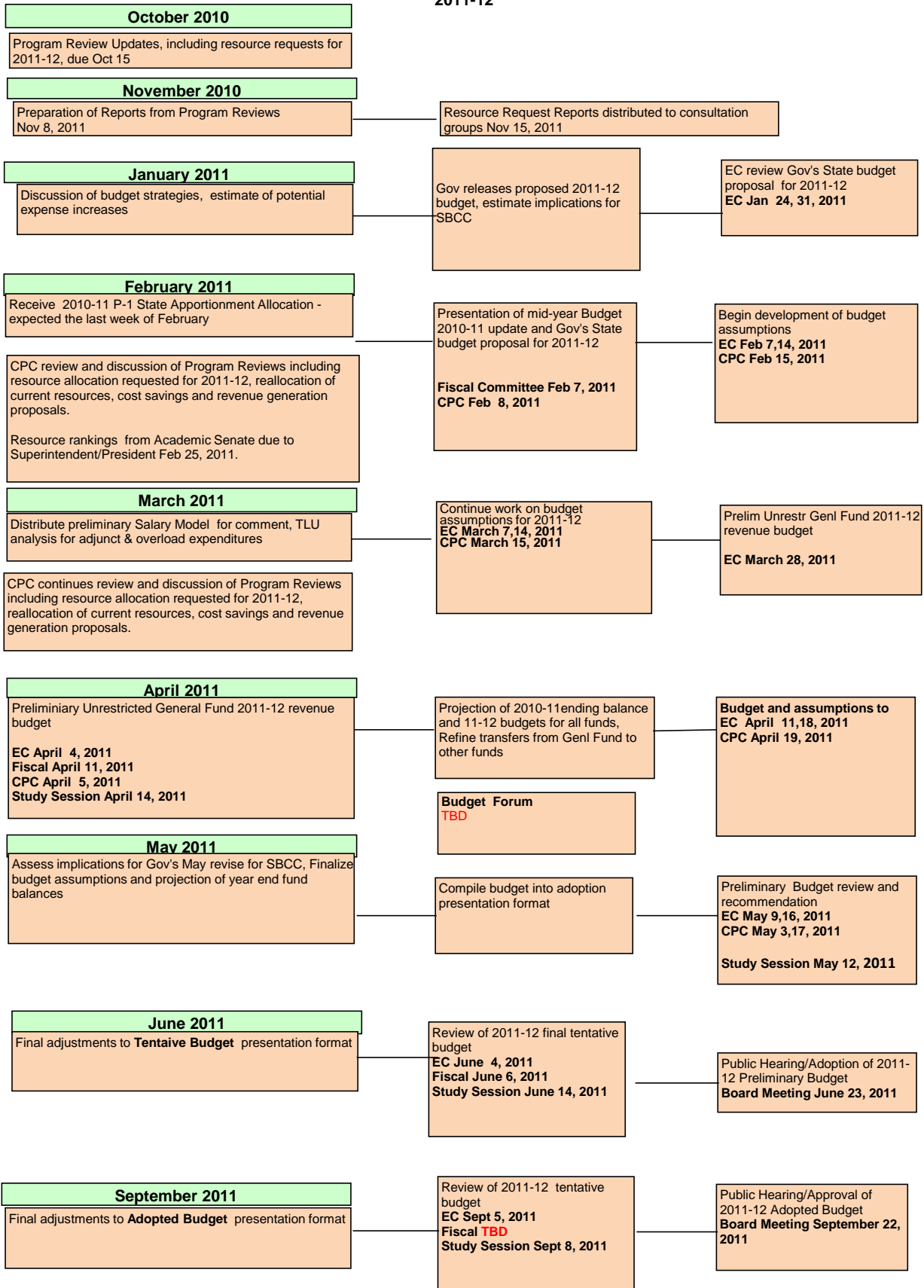


**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
BUDGET DEVELOPMENT TIMELINE UPDATED FEB 11, 2011
2011-12**



**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
BUDGET CALENDAR 2010-11**

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
STATE OF CALIFORNIA				Gov signs 2010-11 budget			Gov's Budget Proposal for 2011/12		3-12-11 Legislature deadline for budget prop for ballot		Gov's May Revise Budget Proposal for 2011/12	June 7 election extension of temp tax hikes
CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE	Payment for 2009-10 deferrals			First payment from the state for FY 2010-11 Advance Apportionment	Chancellor's State Budget Workshop			P-1 First Principal Apportionment Recalc of prior year apportionment				P-2 Second Principal Apportionment
SBCC	Payment for 2009-10 deferrals		2010/11 Adopted Budget approved by Board	Program Review update and resource requests	Program review resource requests to consultation groups		Midyear budget update	Impact of Gov's budget, Program review resource rankings, Routine & nonroutine equip requests 2/17	Salary Model updated, budget discussions continue	Prelim budget for Unrestricted Gen Fund	Impact of Gov's May Revise, Tentative Budget assembled	2011/12 Tentative Budget approved by Board

February 13, 2011

To: Trustees, CEOs, and CBOs

Following my e-mail on Friday about the new report by the LAO on the state's pension systems, several people have asked about the retirement contributions required of community college districts for the 2011-12 fiscal year. This is a bit in the weeds, so please don't feel obligated to read it. I'm sending it to the groups representing the questions I have received.

Community college employees generally fall into either the California State Teachers Retirement System (faculty and academic administrators) and the California Public Employees Retirement System (classified staff and other administrators).

CalSTRS

Contributions to CalSTRS are set by statute and are not adjusted annually based on investment returns. Therefore, barring action by the Legislature, the 2011-12 CalSTRS contributions will be 8.25% from employers, 8% for employees and 2% from the state. (The state contributes an additional 2% to the supplemental fund.) Even under optimistic investment returns, CalSTRS says it needs an [additional \\$3.8 billion in contributions annually](#), or roughly a doubling of contributions from an effective 18% of compensation to 39% of compensation.

CalSTRS proposes a phasing-in of contribution increases and, the earlier they start, the smaller the increase would likely need to be. However, CalSTRS does not expect contributions to increase earlier than July 1, 2012 because of the need to get legislative approval and given the state's fiscal troubles.

CalPERS

CalPERS adjusts its contributions annually based on investment returns and under a smoothing policy that minimizes significant increases in rates. Therefore, employer rates will likely steadily increase each year for several years, even if investment returns far exceed projections. For the 2010-11 fiscal year, the school employer rate was 10.707%. The rate will be set at the May 2011 board meeting, and it is [currently projected to be 11.2%](#), or a 4.5% increase over the current year.

For 2012-13, the rates could vary widely depending on the current year investment returns. CalPERS recently distributed a circular that described the possible rates, which would represent cost increases of between 3.5% and 62%.

Estimated 2012-2013 Employer Rates Under Various Investment Return Scenarios				
Assuming the 2010-2011 Investment	Assuming the 2010-2011 Investment	Assuming the 2010-2011 Investment	Assuming the 2010-2011 Investment	Assuming the 2010-2011 Investment

Return is -11%	Return is 0%	Return is 7.75%	Return is 16%	Return is 27%
18.2%	15.5%	13.7%	11.8%	11.6%

For context, the S&P 500 is up 28.95% since July 1, 2010, **so it is highly likely the rate will be on the lower, and perhaps the lowest, end of the increase.** Further, if policy changes are made to CalPERS by July 2012, the rates would change, likely with the creation of different "tiers" for current and future employees.

The 2012-13 outlook for a cost-of-living adjustment that would pay for the cost increase (as opposed to requiring cuts in other parts of your budgets) is uncertain, and will largely depend on the fate of the June tax measures, where cuts are taken in other parts of the budget, and the natural growth in the state's general fund.

I hope this answers some of the questions I have been getting. Now, off to the American History Museum.

Sincerely,



Scott Lay
 President and Chief Executive Officer
 Orange Coast College '94

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND**

			2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue												Adjusted Budget
	Federal		1,480	1,188	1,085	1,610	1,646	1,739	1,807	1,695	1,939	2,000
	State General Apportionment											
	General Apportionment		28,289,458	27,568,620	27,086,679	32,961,464	39,033,778	46,576,914	48,977,522	49,029,535	46,677,813	45,965,278
	Property Taxes		14,838,126	17,419,236	17,858,986	16,566,459	18,381,700	19,275,907	20,167,805	21,409,750	21,703,296	21,781,822
	Enrollment Fees		2,081,518	2,157,637	3,198,605	4,451,706	4,855,847	4,626,706	4,155,846	4,441,524	5,597,595	5,460,065
	Total Apportionment		45,209,102	47,145,493	48,144,270	53,979,629	62,271,325	70,479,527	73,301,173	74,880,809	73,978,704	73,207,165
	State Other Revenue		6,496,587	6,348,859	6,900,253	5,260,526	3,290,340	5,093,659	2,719,535	3,711,236	2,949,275	2,259,052
	Local											
	Interest		708,414	468,992	308,255	482,193	465,095	737,172	725,722	474,708	309,787	300,000
	International Student Fees		2,003,664	1,873,282	1,846,316	1,980,056	2,491,354	3,051,133	4,442,616	5,948,178	6,675,666	6,798,881
	NonResident Fees		1,539,998	1,669,528	2,130,108	2,207,974	2,463,527	2,598,957	2,916,150	3,236,684	3,341,925	3,255,783
	Other		302,418	606,442	1,505,626	1,157,191	1,007,508	1,009,261	989,476	1,739,052	1,913,067	1,919,095
	Total Revenue		56,261,663	58,113,784	60,835,913	65,069,179	71,990,795	82,971,448	85,096,479	89,992,362	89,170,363	87,741,976
Expense												
	Academic Salaries		24,848,621	28,106,527	27,527,324	29,630,073	32,742,467	36,374,319	39,650,106	41,465,815	40,734,834	40,357,154
	Classified Salaries & Hourly Pay		13,051,649	13,807,295	14,068,351	14,929,911	16,052,845	18,343,648	19,605,622	19,976,004	18,633,176	20,070,933
	Benefits		6,296,854	7,249,248	8,911,498	9,548,085	10,507,016	11,580,150	12,774,373	13,201,662	13,305,466	14,268,116
	Supplies		1,384,540	1,449,048	1,454,091	1,591,273	1,762,738	1,904,565	1,988,679	1,892,110	2,084,032	2,708,321
	Operation Expenses		4,383,260	4,619,078	4,631,767	5,225,644	5,860,252	6,772,483	6,751,049	6,354,716	6,508,605	8,029,019
	Capital Outlay		110,480	143,916	155,303	181,390	157,334	153,270	241,244	120,762	141,444	321,380
	Other Outgo		0	160	0	0	40,923	12,366	35,048	55,774	203,380	216,385
	Total Expense		50,075,404	55,375,272	56,748,334	61,106,376	67,123,575	75,140,801	81,046,121	83,066,843	81,610,937	85,971,308
	Excess Revenue over (under) Expense		6,186,259	2,738,512	4,087,579	3,962,803	4,867,220	7,830,647	4,050,358	6,925,519	7,559,426	1,770,668
Transfers												
	Intrafund In		19,093	18,739	18,739	19,320	377	111,578	84,993	0	49,275	161,864
	Intrafund Out		73,709	122,283	92,025	0	157,094	0	0	106,046	393,707	825,173
	Interfund In		376,581	341,050	879,504	386,311	52,912	47,813	119,919	172,530	291,000	494,850
	Interfund Out		7,312,990	4,911,378	245,382	5,122,000	7,721,700	6,725,768	3,763,115	1,717,909	1,103,381	8,098,600
	Total Net Transfers: in (out)		(6,991,025)	(4,673,872)	560,836	(4,716,369)	(7,825,505)	(6,566,377)	(3,558,203)	(1,651,425)	(1,156,813)	(8,267,059)
	Excess of Sources over (under) Uses		(804,766)	(1,935,360)	4,648,415	(753,566)	(2,958,285)	1,264,270	492,155	5,274,094	6,402,613	(6,496,391)
	Beginning Fund Balance *		11,244,153	10,439,387	8,504,027	13,152,442	12,410,980	9,452,695	10,716,965	11,209,120	16,483,214	22,885,827
	Adjustment to Fund Balance					12,104						
	Ending Fund Balance		10,439,387	8,504,027	13,152,442	12,410,980	9,452,695	10,716,965	11,209,120	16,483,214	22,885,827	16,389,436

SANTA BARBARA COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND

		2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
	Academic Salaries	24,848,621	28,106,527	27,527,324	29,630,073	32,742,467	36,374,319	39,650,106	41,465,815	40,734,834	40,357,154
	Classified Salaries & Hourly Pay	13,051,649	13,807,295	14,068,351	14,929,911	16,052,845	18,343,648	19,605,622	19,976,004	18,633,176	20,070,933
	Benefits	6,296,854	7,249,248	8,911,498	9,548,085	10,507,016	11,580,150	12,774,373	13,201,662	13,305,466	14,268,116
	Total Benefits & Salaries	44,197,124	49,163,070	50,507,173	54,108,069	59,302,328	66,298,117	72,030,101	74,643,481	72,673,476	74,696,203
	As % of Revenue	79%	85%	83%	83%	82%	80%	85%	83%	81%	85%
	As % of Expenses excluding transfers	88%	89%	89%	89%	88%	88%	89%	90%	89%	87%
	Total "fixed costs"	2,579,058	2,721,723	2,418,103	2,575,775	2,798,971	2,912,040	3,257,372	2,958,085	2,785,518	3,848,117
	As % of Revenue	4.6%	4.7%	4.0%	4.0%	3.9%	3.5%	3.8%	3.3%	3.1%	4.4%
	As % of Expenses excluding transfers	5.2%	4.9%	4.3%	4.2%	4.2%	3.9%	4.0%	3.6%	3.4%	4.5%
	Total Salaries, Benefits & Fixed	46,776,182	51,884,793	52,925,276	56,683,844	62,101,299	69,210,157	75,287,473	77,601,566	75,458,994	78,544,320
	As % of Revenue	83%	89%	87%	87%	86%	83%	88%	86%	85%	90%
	As % of Expenses excluding transfers	93%	94%	93%	93%	93%	92%	93%	93%	92%	91%
	Fixed Costs										
541000	Liability Insurance	257,846	303,940	281,588	302,199	361,875	386,790	431,106	442,733	494,442	593,989
551000	Natural Gas	85,944	126,695	132,688	169,239	196,856	149,121	193,152	152,863	153,525	161,250
552000	Electricity	975,859	1,174,846	889,910	921,012	1,001,966	1,091,172	1,085,114	1,073,502	972,992	1,328,000
553000	Water	165,933	152,085	178,073	168,651	149,388	187,550	202,815	206,814	176,405	227,448
554000	Telephone	196,452	197,314	189,581	193,241	188,269	174,999	229,739	202,466	160,213	231,317
557000	Waste Disposal	70,799	90,677	84,966	99,763	106,807	75,188	109,957	111,663	104,117	126,962
562001	Bank Fees	68,019	79,881	149,861	137,578	173,262	193,571	253,127	331,157	389,930	377,650
564800	Computer Maintenance	242,122	119,845	100,730	98,283	143,557	106,222	128,097	51,147	88,646	165,735
571000	Audits	22,645	30,523	22,325	19,713	31,850	33,535	26,150	28,350	27,603	34,200
572000	Elections	0	576	0	49,261	0	0	92,248	0	0	154,000
584000	Postage	154,577	178,060	170,249	175,710	182,383	204,431	150,976	156,522	129,777	195,848
585000	Advertising	338,862	267,281	218,132	241,125	262,758	309,461	354,891	200,868	87,868	251,718
		2,579,058	2,721,723	2,418,103	2,575,775	2,798,971	2,912,040	3,257,372	2,958,085	2,785,518	3,848,117

% Change 2001-02 compared to 2010-11
35.14%
62.48%
46.80%
162.31%
61.93%
-65.23%
-57.65%
239.32%
111.41%
534.58%
55.95%
62.41%
53.78%
126.59%
95.61%
83.17%
190.89%
71.68%
-71.38%
747.77%
1019.50%
31.41%
10.74%
18.25%
707.24%
103.54%
57.00%

% Change 2001-02 compared to 2010-11
62.41%
53.78%
126.59%
69.01%
49.21%
67.92%
130.37%
87.62%
36.09%
37.07%
17.75%
79.33%
455.21%
-31.55%
51.03%
26.70%
-25.72%
49.21%

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
UNRESTRICTED GENERAL FUND**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
INTERFUND TRANSFERS OUT										
Construction Fund	3,000,000	2,162,000		1,200,000	1,200,000	1,200,000	1,200,000	600,000	640,000	
Constr Fund-Sports Pavilion				2,055,000		1,000,000				
Constr Fund-Parking Structure					2,000,000					
Constr Fund-Major Maintenance					364,700					
Constr Fund-Physical Science remodel						781,637				
Constr Fund-Photovoltaic System						430,000			191,846	
Constr Fund-Health & Safety Projects						475,000				
Constr Fund-Student Success Cener						50,000				
Constr Fund-Server Room						44,831				
Constr Fund-Energy Project	950,000						204,786	250,000		
Constr Fund-parkin resurface						76,000				
Equipment Fund	3,140,000	2,520,976		1,800,000	1,200,000	1,800,000	1,800,000	500,000		
Equipment Fund-annual replacement of equip										
Equip Fund-Banner Project					2,761,000	631,000	136,120			
Equip Fund-labs, license						74,000				
Equip Fund-copiers							233,909	117,909		
Equip Fund-Moodle							25,000			
Children's Center	57,200	58,954	61,182	67,000	196,000	163,300	163,300	250,000	271,535	
Cosmetology Fund		69,448	105,200							
Food Service Fund		100,000	50,000							
Trust Fund	165,790		29,000							
Total	7,312,990	4,911,378	245,382	5,122,000	7,721,700	6,725,768	3,763,115	1,717,909	1,103,381	
As a % of Unrestricted	13%	8%	0%	8%	11%	8%	4%	2%	1%	
Gen Fund Revenues										

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
INTEREST REVENUE**

2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	% Change 2001-02 to 2009-10
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Account 886000 -- Interest

11 -- General Fund - Unrestricted	547,026.59	468,992.47	308,255.56	482,192.67	465,095.35	737,171.82	725,721.83	474,708.00	309,786.00	-43.37%
41 -- Equipment	188,247.70	188,799.79	153,204.94	130,811.75	231,850.22	220,971.14	206,105.91	119,901.00	56,235.00	-70.13%
43 -- Construction	174,871.95	322,701.73	245,971.19	255,716.25	310,671.08	485,464.58	388,278.74	170,895.00	26,679.00	-84.74%
	910,146.24	980,493.99	707,431.69	868,720.67	1,007,616.65	1,443,607.54	1,320,106.48	765,504.00	392,700.00	-56.85%

**SANTA BARBARA COMMUNITY COLLEGE DISTRICT
ENDING FUND BALANCE HISTORY**

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	% Change 2001-02 to 2009-10
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
General Fund	10,439,387	8,504,027	13,152,442	12,410,980	9,452,695	10,716,965	11,209,120	16,483,214	22,885,827	119.2%
Equipment Fund	7,331,633	7,165,687	5,851,291	6,314,549	6,343,187	5,019,753	4,306,736	4,192,130	2,674,661	-63.5%
Construction Fund	12,535,950	11,866,929	10,441,195	11,443,083	11,737,662	11,152,899	7,084,777	6,239,672	4,883,462	-61.0%
	30,306,970	27,536,643	29,444,928	30,168,612	27,533,544	26,889,617	22,600,633	26,915,016	30,443,950	0.5%

General Fund Balance as % of annual Unrestricted Salary & Benefits	24%	17%	26%	23%	16%	16%	16%	22%	31%
All Fund Balances as % of annual Unrestricted Salary & Benefits	69%	56%	58%	56%	46%	41%	31%	36%	42%
All Fund Balances as % of Unrestricted Gen Fund Revenues	54%	47%	48%	46%	38%	32%	27%	30%	34%
All Fund Balances as % of Unrestricted Gen Fund Expenditures Excluding Transfers	61%	50%	52%	49%	41%	36%	28%	32%	37%

Southern California CCD
Joint Powers Agency

Net Assets-SBCCD 7,402,180 7,706,622 7,823,676 7,146,137 7,132,843 7,483,700 7,823,534 7,931,793 8,229,023

Bond Construction Fund Analysis

December, 2010

The Adjusted Budget below is based on the bond measures original estimates plus adjustments for projects that have been completed, are in process or have not yet been started, prior to the decision to postpone SOMA. Of the projects not yet started the recommendation is to postpone some of these projects. Some of the projects have been rolled into major modernization projects (e.g. Humanities and Campus Center) and some projects may be started in the future. The adjusted budget covers the first sale of the bond for \$47,000,000 plus interest earned to-date. For the completed projects the Proposed Budget may be actual cost or an estimate of the total cost pending the final change order.

The immediate issue is to determine which projects will be funded with the balance remaining in the first take-down. In the first take-down some of the decisions include: 1. The LRC remodel balance of approximately \$500,000, use District fund 43 or bond? 2. SOMA, do we pursue the DSA approval at this time or postpone to the future? 3. Are there any postponed projects that need to be completed in the current year? 4. The Projects in Process are only estimates, how will any potential overruns be funded?

The follow-up issue is to determine which projects will be funded with the balance remaining in the second take-down. In the second take-down some of the decisions include: 1. The Campus Center could be funded with funds available in the second take-down, however there would remain \$4,000,000 in unfunded projects after the second take-down. How will the unfunded projects be funded? "or" Do we not fund the Campus Center? 2. The Projects in Process are only estimates, how will any potential overruns be funded?

Fund 42000 -- Bond Construction Fund

Organization	Adjusted Budget as of Dec 7, 2010	Proposed Budget		
6586 -- Luria Conference and Press Center	1,079,950	1,246,459	Complete	
6587 -- Bridge Seismic Eval and Repairs	1,000,000	4,507,952	Complete	
6599 -- Portable Building Swing Space	1,371,717	1,467,475	Complete	
6637 -- Early Learning Ctr. Modernization	100,000	181,877	Complete	
6643 -- Repair and Refinish Trellis	250,000	150,000	Complete	
6645 -- Upgrade Energy Mgmt System	202,622	202,622	Complete	
6647 -- Replace HVAC units ECC1-15	42,000	34,000	Complete	
6650 -- PE-paint hallways 1st & 2nd floors	25,000	24,418	Complete	
6651 -- PE recarpet team/locker rooms	25,000	25,000	Complete	
6653 -- Sports Pavilion handrail walkway	17,000	7,700	Complete	
6655 -- PE - paint exterior	100,000	82,683	Complete	
6665 -- MDT resurface driveway	35,000	36,966	Complete	
6666 -- MDT new carpet	25,000	8,519	Complete	
6668 -- OE 180 replace heating system	20,000	24,764	Complete	
6677 -- La Playa Track & Field Replacement	500,000	2,330,000	Complete	
6688 -- Wake - resurface parking lot	300,000	130,000	Complete	
6694 -- Generator Supported Services	100,000	79,163	Complete	
6703 -- Parking Pay Stations		129,000	Complete	
6704 -- ECC Exterior Paint		15,251	Complete	
4600 -- Bond Administration	1,837,530	2,522,800	In Process	Joseph Sullivan:
6555 -- Horticulture Fencing And Path ADA	90,000	90,000	In Process	This is first 3 years of URS Agreement
6561 -- Paint IDC & Bus Comm	100,000	180,000	In Process	BC Summer
6582 -- Drama Music Modernization	9,849,964	9,849,964	In Process	WHFO
6611 -- Install Electronic Locks	300,000	300,000	In Process	Ongoing
6638 -- Cafeteria Grease Trap & GDR Drains	75,000	75,000	In Process	Summer
6639 -- Pigeon Decontamination	80,000	80,000	In Process	January 2011
6644 -- Pershing Park Softball Upgrade	200,000	575,000	In Process	January 2011
6646 -- Replace Doors Sports Pavilion	100,000	100,000	In Process	Spring
6649 -- Landscape ramps, 3rd Flr La Playa	100,000	100,000	In Process	Spring
6659 -- PE - Repair patio at Gym entry	50,000	50,000	In Process	Spring
6660 -- Emergency loudspeaker system	150,000	150,000	In Process	Summer
6672 -- ECC & ESL	75,000	75,000	In Process	ESL Building
6675 -- Replace urinals, toilets, & fountain	50,000	50,000	In Process	Summer
6678 -- Schott Ctr parking lot resurface	120,000	20,000	In Process	Summer

6680 -- Snack Shop East Campus	300,000	300,000	In Process	Summer
6681 -- Snack Shop West Campus	300,000	300,000	In Process	Summer
6682 -- Student Services replace carpet	50,000	50,000	In Process	Spring
6684 -- HRC,MDT,Admin elevator upgrade	118,000	121,213	In Process	January 2011
6685 -- Upgrade Emergency Phone System	50,000	75,000	In Process	Ongoing
6686 -- Oak restoration video surveillance	40,000	105,000	In Process	Spring
6695 -- GDR Interior Upgrade		70,000	In	January 2011
6697 -- Energy Management system PHASE II		1,500,000	In	Ongoing
6698 -- East Campus Water systems Upgrade		2,000,000	In	w/Humanities
6699 -- Network Infrastructure		500,000	In	Spring
6700 -- Humanities Modernization		14,130,222	In	January 2012
6701 -- Portable Building Permitting		100,000	In	Ongoing
6702 -- Campus Center Modernization		2,000,000	In Process	Design Only
6518 -- Loma Alta Cross-Walk	100,000	2,500	Postponed	
6567 -- High Tech School of Media Arts	13,538,005	1,300,000	Postponed	
6576 -- East Campus All-Weather Bus Stop	100,000	2,500	Postponed	
6613 -- Schott Center Modernization	7,084,680	0	Postponed	
6633 -- EBS Hazardous Materials Storage		0	Postponed	
6640 -- Replace Bleacher Seating LaPlaya	50,000	2,205	Postponed	
6654 -- PE - new cabinets & seating LFC/HPC	25,000	0	Postponed	
6656 -- PE - replace bleachers in gym	50,000	0	Postponed	
6657 -- Replace floor in Sports Pavilion	1,002,793	0	Postponed	
6658 -- PE - Upgrade all restrooms	200,000	0	Postponed	
6661 -- IDC-replace flooring & paint	500,000	0	Postponed	
6669 -- OE,Hum,IDE, PE painter interior	25,000	0	Postponed	
6670 -- Pershing Park replace screens	15,000	0	Postponed	
6674 -- PS 101 replace seating	50,000	0	Postponed	
6676 -- La Playa stadium replace bleachers	50,000	0	Postponed	
6683 -- Wake - replace childrens fixtures	25,000	0	Postponed	
6687 -- Wake Cosmetology Conversion	1,000,000	502	Postponed	
6696 -- Physical Science Repair Columns	30,000	0	Postponed	
6652 -- PE Sports Pavillion paint	10,000	0	Project in 6650	
6693 - La Playa Track & Field Replacement	500,000	0	Project in 6677	
6581 -- Campus Center handrails/deck	100,000	0	Project in CC	
6596 -- CC Seismic Re-Glazing Phase II	298,400	0	Project in CC	
6671 -- Campus Center repair columns	50,000	4,144	Project in CC	
6689 -- DM Air Handler Replacement	248,000	0	Project in DM Mod	
6549 -- Sculpture Area Roof	75,000	0	Project in Humanities	
6642 -- Chiller Coil Replacement	189,200	0	Project in Humanities	
6673 -- Replace carpets in Humanities Bldg	525,000	0	Project in Humanities	
6690 -- Humanities Chiller pump retrofit	25,000	0	Project in Humanities	
6691 -- Humanities soundproof rooms 300-303	33,000	0	Project in Humanities	
6692 -- Humanities south stairwell upgrade	11,000	0	Project in Humanities	
6619 -- Update ADA Compliance	2,025,000	6,918	Project in Mod Projects	
6536 -- Schott Ctr. Emergency Lighting	82,240	0	Project in Schott	
6679 -- Schott Ctr replace heater	30,000	0	Project in Schott	
6531 -- Air Handler Student Services	125,000	125,000		
6648 -- Replace Locker room lockers	25,000	25,000		
6662 -- LRC Heating install reheat system	25,000	25,000		
6663 -- LRC Remodel Phase I	150,000	150,000		
6664 -- LRC Remodel: Phase II	150,000	150,000		
6667 -- PE upstairs locker room	25,000	25,000		
Contingency or (deficit)		247,389		
Total in Budget	47,776,101	48,219,206		
Shortfall in Current Funding		0		

Joseph Sullivan:
This is Measure V portion only. Foundation funds are only.
Joseph Sullivan:
This is a requirement for Humanities, Campus Center and Admin projects.

Joseph Sullivan:
This is for design only, not the balance for construction, other soft costs and contingency.

Joseph Sullivan:
The LRC remodel estimate came in at \$692,000 with alternates of \$151,000. Total = \$843,000.

		10,683,849	Complete
Interest 2008-09	466,269	35,469,199	In Process
Interest 2009-10	483,738	1,307,707	Postponed
Interest 2010-11	269,200	6,918	Project in Mod Projects
Total Interest	1,219,206	4,144	Project in CC
		0	Project in Schott
		0	Project in Humanities
		0	

Subtotal w/o Unstarted

47,471,817 Projects

Balance Available in current takedown for projects not yet started	747,389	747,389	Balance w/cost + contingency	This subtotal includes the unstarted projects plus contingency.
	0	48,219,206		

Below is the estimate created for the bond after the decision to postpone SOMA.

REVISED ESTIMATED BOND SPENDING - FIRST BOND ISSUANCE	State Funding	District Funding (Measure V)	Total Funding
ADA Compliance Issues	\$ -	\$ 1,000,000	\$ 1,000,000
Drama Music	\$ 10,888,000	\$ 9,976,731	\$ 20,864,731
Unfunded Major Maintenance Projects Estimate	\$ -	\$ 11,623,459	\$ 11,623,459
High Tech - School of Media Arts (funds already expended on design, preliminary plans and working drawings)		\$ 2,000,000	\$ 2,000,000
Physical Science 101 Modernization		\$ 550,000	\$ 550,000
Campus center - School of Culinary Arts Renovation & Expansion		\$ 4,841,250	\$ 4,841,250
Humanities Building Modernization		\$ 14,051,134	\$ 14,051,134
Contingency/Program Management		\$ 3,000,000	\$ 3,000,000
Total first bond issuance	\$ 10,888,000	\$ 47,042,574	\$ 57,930,574
REVISED ESTIMATED BOND SPENDING - SECOND BOND ISSUANCE	State Funding	District Funding (Measure V)	Total Funding
ADA Compliance Issues	\$ -	\$ 2,050,000	\$ 2,050,000
Schott Center Modernization (ADA/Seismic)	\$ 10,450,000	\$ 7,084,680	\$ 17,534,680
Unfunded Major Maintenance Projects Estimate	\$ -	\$ 5,956,004	\$ 5,956,004
Classroom/Lab Modernization for nursing, health, auto and other career tech programs		\$ 3,173,459	\$ 3,173,459
Administration Building Modernization	\$ 18,480,000	\$ 9,935,296	\$ 28,415,296
Program Management		\$ 2,000,000	\$ 2,000,000
Total second bond issuance	\$ 28,930,000	\$ 30,199,439	\$ 59,129,439
TOTAL 1ST AND 2ND BOND ISSUANCE	\$ 39,818,000	\$ 77,242,013	\$ 117,060,013

SOMA secondary effects, not really applicable at this time.

REVISED BOND SPENDING ESTIMATE DECEMBER, 2010. This is a proposed distribution of the remaining bond funds.

REVISED ESTIMATED BOND SPENDING - SECOND BOND ISSUANCE	State Funding	District Funding (Measure V)	Total Funding
ADA Compliance Issues	\$ -		\$ -
Campus Center		\$ 14,000,000	\$ 14,000,000
Schott Center Modernization (ADA/Seismic)	\$ 10,450,000	\$ 7,084,680	\$ 17,534,680
Unfunded Major Maintenance Projects Estimate	\$ -	\$ (1,234,291)	\$ (1,234,291)
Administration Building Modernization	\$ 18,480,000	\$ 9,935,296	\$ 28,415,296
Program Management		\$ 1,632,960	\$ 1,632,960
Total second bond issuance	\$ 28,930,000	\$ 31,418,645	\$ 60,348,645
TOTAL 1ST AND 2ND BOND ISSUANCE	\$ 39,818,000	\$ 78,461,219	\$ 118,279,219

Included in modernization projects.
Estimate is at approximately \$14 million with soft costs and contingency.

Joseph Sullivan:
Blue highlights are revised estimates.

Used to balance total, can be used for postponed projects, Campus Center or other projects, unless negative.

Original Bond amount plus Interest earned to-date: Dec 7, 2010 \$ 0 \$ 78,461,220
\$ 30,242,013

Total expenditure proposal does not include any interest earned after the estimated budget for 2010-11 (Total interest \$1,219,206, see above)

POSTPONED PROJECTS LISTED ABOVE	Proposed Budget		
6661 -- IDC-replace flooring & paint	1,000,000		
6687 -- Wake Cosmetology Conversion	2,000,000		
6518 -- Loma Alta Cross-Walk	0	Cancel	City will not approve
6576 -- East Campus All-Weather Bus Stop	100,000.00		
6640 -- Replace Bleacher Seating LaPlaya	50,000		
6654 -- PE - new cabinets & seating LFC/HPC	25,000		
6656 -- PE - replace bleachers in gym	100,000		
6657 -- Replace floor in Sports Pavilion	1,002,793		
6658 -- PE - Upgrade all restrooms	400,000		
6669 -- OE,Hum,IDE, PE painter interior		Cancel	SOMA secondary effects
6670 -- Pershing Park replace screens		Cancel	Completed
6674 -- PS 101 replace seating	50,000.00		
6676 -- La Playa stadium replace bleachers	50,000.00		
6683 -- Wake - replace childrens fixtures		Cancel	Not required
6696 -- Physical Science Repair Columns	60,000		
6702 -- Campus Center Modernization	14,000,000		
Total	18,837,793	6,072,084	Remaining Unfunded Balance after CC

Accreditation Standards

Accrediting Commission for Community and Junior Colleges (ACCJC)
Western Association of Schools and Colleges
Approved, June 2002

During the last comprehensive visit for re-affirmation of accreditation conducted in October 2009, SBCC received an exceptional evaluation report and re-affirmation of accreditation. SBCC received nine commendations including the following:

Commendation 1: The Team commends the college for developing a revised program review process which effectively ties program review to budgeting and the College Plan. Of particular note is the impressive software developed by college staff to ensure program reviews are completed, reviewed, used for decision-making, and available to the college community.

Commendation 2: The Team commends the college for developing a College Plan which effectively incorporates goals and measurable objectives. Further, the college annually reviews its progress toward achieving the stated goals and objectives in the College Plan, and disseminates the results widely.

Commendation 8: The Team commends SBCC for its successful fiscal management.

Standard III: Resources

The institution effectively uses its human, physical, technology, and financial resources to achieve its broad educational purposes, including stated student learning outcomes, and to improve institutional effectiveness.

D. Financial Resources

Financial resources are sufficient to support student learning programs and services and to improve institutional effectiveness. The distribution of resources supports the development, maintenance, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. The level of financial resources provides a reasonable expectation of both short-term and long-term financial solvency. Financial resources planning is integrated with institutional planning.

1. The institution relies upon its mission and goals as the foundation for financial planning.
 - a. Financial planning is integrated with and supports all institutional planning.
 - b. Institutional planning reflects realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.
 - c. **When making short-range financial plans, the institution considers its long-range financial priorities to assure financial stability. The institution clearly identifies and plans for payment of liabilities and future obligations.**
 - d. The institution clearly defines and follows its guidelines and processes for financial planning and budget development, with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets.

2. To assure the financial integrity of the institution and responsible use of financial resources, the financial management system has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making.
 - a. Financial documents, including the budget and independent audit, reflect appropriate allocation and use of financial resources to support student learning programs and services. Institutional responses to external audit findings are comprehensive, timely, and communicated appropriately.
 - b. Appropriate financial information is provided throughout the institution.
 - c. **The institution has sufficient cash flow and reserves to maintain stability, strategies for appropriate risk management, and realistic plans to meet financial emergencies and unforeseen occurrences.**
 - d. The institution practices effective oversight of finances, including management of financial aid, grants, externally funded programs, contractual relationships, auxiliary organizations or foundations, and institutional investments and assets.

- e. All financial resources, including those from auxiliary activities, fund-raising efforts, and grants are used with integrity in a manner consistent with the mission and goals of the institution.
 - f. Contractual agreements with external entities are consistent with the mission and goals of the institution, governed by institutional policies, and contain appropriate provisions to maintain the integrity of the institution.⁵
 - g. The institution regularly evaluates its financial management processes, and the results of the evaluation are used to improve financial management systems.
3. The institution systematically assesses the effective use of financial resources and uses the results of the evaluation as the basis for improvement.

BP 6251 PRINCIPLES OF BUDGET DEVELOPMENT

The Principles of Budget Development shall be used to allocate resources and thereby protect Santa Barbara Community College District's viability as an institution capable of fulfilling its educational mission. The allocation of resources shall accomplish the following goals:

- ◆ Support student enrollment, retention and success
 - ◆ Maintain the highest quality of instruction and services
 - ◆ Meet the legal, contractual and accreditation obligations of the college
1. The College shall balance its budget; ongoing expenses shall be supported by ongoing income. A general fund contingency of 5 percent shall be maintained. One-time funds shall not be used to fund programs or activities on an ongoing basis.
 2. The faculty, staff and administrators are one of SBCC's greatest resources. Lay-offs of regular certificated and classified staff will be avoided if possible. In the event of funding shortfalls, positions that become vacant may not be filled, and reassignments may be necessary.
 3. In the event of one-time funding shortfalls or unanticipated expenses, reserves may be used to facilitate budget adjustments while expenses are reduced in the least disruptive manner. Use of reserves shall be short-term and the reestablishment of a 5 percent contingency reserve shall be the highest priority.
 4. Cost effectiveness in all areas shall be a major factor in considering reduction/retention of programs and services rather than instituting across the board cuts.
 5. Employee compensation shall be among the highest priorities in making budget decisions. Funds shall be allocated in order to assure competitive salaries, benefits, and working conditions to recruit, retain, and motivate the best possible administrators, faculty and staff.
 6. The college shall adhere to the principles of shared governance while engaging in institutional planning and budget development.
 7. Meeting the college's FTES (full-time equivalent student) cap in a cost effective and strategic manner shall be a priority.

8. The College shall budget revenue from enrollment when it is received. Similarly, for non-apportionment income (e.g., out-of-state fees, international student fees, interest income, lottery), an estimate shall be made utilizing trends in order to establish revenue projections.
9. Fixed and mandated costs (e.g., utilities, liability and property insurance, salary steps, and reserve requirements) shall be projected annually and allocations will be made to meet these expenses.
10. Growth funds shall be allocated only after receipt and shall be used first to fund growth-related expenses. Remaining growth funds shall be allocated to support institutional priorities determined through collegial consultation.
11. The District's capital equipment shall be provided, maintained and replaced in a systematic manner. Determining the need for transfers from the General Fund to the Equipment Fund shall be part of the ongoing fiscal planning and budget process.
12. Buildings and grounds shall be developed and maintained to meet student and programmatic needs through General Fund transfers to the Construction Fund. Determining the need for transfers from the General Fund to Construction Fund shall be part of the ongoing fiscal planning and budget process.
13. Reinstatement of General Fund Budget reductions resulting from funding shortfalls and/or increased infrastructure costs shall receive highest priority when new funds are available. These reinstatements shall be given first consideration prior to any new funding allocations.