

SANTA BARBARA CITY COLLEGE

COLLEGE PLANNING COMMITTEE

December 9, 1986

Minutes (Revised)

MEMBERS PRESENT: M. Bobgan, J. Diaz, H.P. Fairly, L. Fairly, P. Freeman,
C. Hanson, D. Oroz, J. Romo (Chair), R. Schiferl,
B. Trotter

MEMBERS ABSENT: None

RESOURCE PRESENT: E. Cohen, J. Friedlander, B. Miller, D. Sloane

GUESTS: B. Dinaberg, K. Jeter, D. Pickering, R. Wotruba,
M. Zacovic

CALL TO ORDER

The meeting was called to order at 3:07 p.m.

APPROVAL OF MINUTES

M/S/C (Bobgan/Diaz) - Unanimous

To approve the November 25, 1986 meeting minutes.

PRESENTATION OF LOTTERY RECOMMENDATIONS

The Chair noted that the district total of 1986-87 lottery requests amounted to \$4,946,224.00.

Matriculation

R. Wobtruba reiterated that matriculation is a top priority of the college. It was indicated that the program is administered jointly by the offices of Student Affairs and Academic Affairs. The total request is \$138,878.00.

J. Friedlander noted that the schedule/catalog conversion included in the request would result in a substantial reduction of time and cost to the district for schedule and catalog production.

Health/Safety

These are essential health and safety items. The total request is \$4,375.00.

Priority #1

There was discussion on the Priority #1 listing. It was noted that items BOE,

ECE, English, and Biology were also represented on Business Services' district-wide listing. The total request is \$97,430.00.

Priority #2

It was noted that the item of Math/English (chalkboards) was also represented on Business Services' district-wide listing.

Business Services

C. Hanson noted that the majority of requests constituted equipment. R. Fairly and E. Cohen questioned the high cost of the computers requested; it was established that the figures were a bit skewed due to the fact that estimates were based on the purchase of HP IMB compatible equipment. Furthermore, furniture for the Health Occupations Conference Room was added to the request (@ \$8,000) bringing the total request to \$131,750.00.

Personnel

D. Oroz presented his department's request which amounted to \$8,000.00.

Research/Planning

B. Miller explained the necessity of having the college's data communication system moved from its present location to the telephone switching room; i.e., safety, and security. The total request is \$6,000.00.

To increase staff effectiveness regarding microcomputer usage, a half-time "troubleshooter" is being proposed for one semester. The total request is \$5,200.00.

Student Affairs

L. Fairly indicated that the requests which included Athletics, Security, Financial Aid, and Counseling had been ranked. The total request is \$132,200.00.

District-Wide Needs

C. Hanson noted that the district-wide needs are important, and are more difficult to rank because they reflect college-wide needs and not the needs of a unit. The total request is \$4,406,656.00.

THEATRE ARTS DEFICIT

The Chair reported that the Theatre Arts program has suffered a deficit of approximately \$127,000.00 and that an emergency administrative decision was made to take 1985-86 lottery funds to make up the deficit.

There was discussion regarding usage of lottery funds versus contingency funds. C. Hanson noted that at the time of the decision, it seemed that it was more advantageous to use lottery funds.

ADJOURNMENT

It was noted that unit heads will be reviewing the lottery requests submitted and would present their recommendations at the December 16, 1986 CPC meeting.

The meeting was adjourned at 4:40 p.m.

/bk

cc: Instructional/Student Affairs Deans
Division/Department Chairs
Representative Council
Ms. Harrington

Revised 1/13/87

CPC:12986M

IV

SUPPLIES, EQUIPMENT AND CAPITAL OUTLAY*

Distinguishing between supplies and equipment and between equipment and capital outlay^x is frequently difficult. However, districts must correctly identify each expenditure to maintain necessary accounting uniformity.

Determining whether an item is equipment or supplies can be determined by the length of time it is serviceable and its contribution to the plant value. Supplies are consumed and replaced without increasing the value of physical properties of the district. Equipment has relatively permanent value -- its purchase increases the value of district physical property.

Expenditures for equipment, improvement of sites, and building are usually charged as capital outlay; those for supplies, as current expense. The original purchase of equipment or of capacity-expanding equipment is recorded in object classification 6400; expenditures for replacement of equipment are charged to 4800.

All community college districts should use the same criteria for making these decisions.

Criteria to Distinguish Supplies From Equipment

Supplies are expendable, consumed or worn out, deteriorating in use, or easily broken, damaged, or lost. Examples: paper, pencils, cleaning materials, nails, scissors, test tubes, thumbtacks, and keys.

Items with relatively short service life and replaced frequently are charged as supplies. Examples: brooms, chamois, and rubber stamps.

Some articles do not belong to either of these groups. They have characteristics of equipment but low unit cost, are frequently lost, broken, or worn out and replaced in normal use. To obtain uniformity, the classifier should assign items to the various classifications on the basis of the answers he must give to questions in the following list which pertain here. If the answer to any one of these five questions is yes, the item should be classified as a supply, and recorded under object classification 4300-4700. If all answers are no, the item should be classified under object classification 4800 or 6400.

1. Does the item lose its original shape and appearance with use?
2. Is it consumable, with a normal service life of less than two years?
3. Is it easily broken, damaged, or lost in normal use?
4. Is it usually more feasible to replace it with a new unit than repair it?
5. Is it inexpensive having the characteristics of equipment? Does the small unit cost make it inadvisable to capitalize the item?

EC 72205 requires that a historical record of all items of equipment whose cost exceeds two hundred dollars (\$200) per item shall be maintained on an inventory system. Districts may wish to establish, by local governing board action a lower minimum dollar amount for an equipment item.

*Buildings, sites, and site improvements

Criteria for Identifying Capital Outlay

Capital outlay expenditures result in acquisition of capital assets or additions to capital assets. These expenditures are for sites; improvement of sites; buildings or their improvement; and purchase of initial or additional equipment and purchase of books for new or major expansion of libraries.

Equipment (6400) Includes movable personal property of a relatively permanent nature and/or of significant value. Examples: furniture, machines, musical instruments and vehicles.

Nonconsumable articles generally classified as supplies should be classified as equipment if they are purchased to start or expand materially the equipping of another facility. Equipment constructed for the district should have recorded the cost of all the materials and labor in the total cost of the item produced.

New sites and improvement of sites (6110, 6120) includes acquisition of land, improvement of new and old sites and adjacent ways, and acquisition of physical property of a permanent nature attached to land. Examples: land, curbs, grading, playground surfacing, retaining walls, sidewalks, storm drain systems, landscaping, driveways, parking lots, fixed playground apparatus, and flagpoles.

Building (6200) includes new construction, improvements and remodeling, fixtures, and service systems. Construction or purchase of new buildings and additions, includes advertising costs, architectural and engineering fees, blueprints, inspection, tests and examinations, demolition, razing of existing obsolete or old buildings to clear sites for new buildings, building fixtures and service systems, and any other expenditures directly related to the construction or acquisition of buildings.

Also included are alterations, remodeling, renovations, and replacement of buildings in whole or in part. Such improvements include replacing existing building units or construction improved or superior units, usually resulting in more efficient or longer-lasting property. Significant improvement should be considered a capital outlay.

Improvement of buildings must be recorded under object classification 6200.

Fixtures include attachments which function as an integral part of the building. Such fixtures are generally accepted as real property and lose functional identity as separate units.

Service Systems

Service systems serve a single function throughout a building; are usually included as a part of the original construction or subsequently added; are an integral part of a building; and are expected to have a long and useful life. Such systems are generally accepted as real property and lose identity as separate units. Examples: intercommunication systems or heating and ventilating systems, electrical and plumbing systems.

To be classified as either a building fixture or a service system, an item must conform to five criteria:

1. attached securely to the building,
2. functions as part of the building,
3. removal of the item results in visible damage to the building or impairs the designed use of the facility,
4. is generally accepted as real property (not personal property), and
5. loses identity as a separate unit.

Fixed assets can be acquired by purchase, rental, lease, or lease with option to purchase. Purchase of a fixed asset is charged as any other purchase for which title passes upon receipt of payment.

Rental of a fixed asset does not increase the assets of the district and therefore is not capital outlay. Rentals are charged to 5XXX, except for equipment rented for specific capital outlay projects (e.g., a tractor for a major landscaping project). The latter should be added to that project as a capital expenditure.

Lease of a fixed asset where title will not pass to the district is charged to 5XXX.

Lease with option to purchase that will result in the acquisition of a fixed asset is charged to 6500.

NOTE: See also Appendix "D".

Santa Barbara Community College District

December 16, 1986

To: College Planning Council
From: Charles L. Hanson, Business Manager
Re: 1986-87 LOTTERY FUNDS - RECOMMENDED ALLOCATIONS

On December 15, 1986 the Instructional Vice President, Student Services Vice President, and the Business Manager met and consolidated the several prioritized lists into a combined listing. Equipment was segregated into a separate list to recognize funding sources.

1. Matriculation	\$ 44,888
2. A-202 - carpet	5,800
3. Childrens' Center - Modifications	4,000
4. Career Center - Certificated Hourly	6,000
5. Financial Aid - Consumer Guides	4,000
6. Purchasing - delivery truck	7,000
7. Personnel - Classified Hourly	5,000
8. Data Processing - port selector	6,000
9. Administrative Data Processing - training	5,200
10. Repair walkways - safety	10,000
11. Health Tech Conference Room - carpet	3,000
12. H-302 - drapes	10,000
13. Graphics classroom - air conditioning	3,000
14. Student Services - Minority Mentor	43,000
15. Athletics - supplies	2,000
16. Student Affairs - Classified Hourly	10,080
17. Schedule conversion	10,000
18. English - CONCEPT magazine	400
19. Gallery program - shows, hourly assistance	4,000
20. Child Care stipends	8,000
21. Communications - Speech Contest	2,000
22. Transfer Center - Certificated Hourly	15,000
23. Organic Chemistry - Scale	8,000
24. Counseling - Student Outreach, Student Assistant	800
25. Dental Assistant - operatory	750
26. Library - OCLC	5,000
27. Library - Dialogue	300
28. Financial Aids - training	3,000
29. Faculty Orientation	
30. Media - software	
31. Honors	
T O T A L:	\$ 241,518

CLH:mr
lot1216

Santa Barbara Community College District

December 15, 1986

To: President's Cabinet
From: Charles Hanson
Re: REVIEW OF ALLOCATION LEVELS
1986-87 Lottery
Instructional Equipment
Improvements

A. 1986-87 Lottery Funds

Budget (\$120/ADA)		\$ 1,033,000
Less: Projected Shortfall (10%)		<u>(103,300)</u>
Adjusted Budget		\$ 929,700

Committed -- CPC, July		
Capital Campaign	\$ 80,000	
La Playa Track	50,000	
Equipment	125,000	
Certificated	105,000	
Matriculation	<u>18,700</u>	
		\$ (378,700)

Salary Adjustments, estimate:		<u>(335,000)</u>
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Available for allocation:		\$ 216,000
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B. Instructional Equipment (Prop. 56)

Estimated Revenue:		\$ 350,000
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Matching Funds		
Budgeted		\$ 125,000
VEA Match		91,869

Needed from General Fund		\$ 33,131
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College Equipment		91,869
Instructional Equipment		25,000

Possible Allocation:		\$ 116,869
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C. Improvement/Renovation

Budgeted		\$ 220,000
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CLH:mr
alloc

OFFICE OF THE COUNTY SUPERINTENDENT OF SCHOOLS

4400 Cathedral Oaks Road (P. O. Box 6307), Santa Barbara, California 93160-6307 (805) 964-4711


December 4, 1986

SANTA BARBARA CITY COLLEC
RECEIVED

DEC 8 1986

TO: All School Districts
Community Colleges
Joint Power Agencies
Office of the County Superintendent of Schools - Fiscal Services

ATTN: Chief Fiscal Officer

FROM: Miriam Simmons,  Coordinator, Financial Accounting Services

SUBJECT: LOTTERY

BUSINESS MANAGER

The lottery payment for the first quarter of 1986-87 has not yet been received. We are now being told to expect this payment by December 10, although no firm statement to that effect has been made. It is believed that the 1985-86 ADA figures will be used to compute the amount.

The latest figure estimate per ADA is \$20. The overall reduction from earlier summer estimates is based on two factors:

1. A 9% drop in sales from the 1985-86 figures
2. Lottery revenues for education were over 39% of sales in 1985-86, not the minimum 34%. This additional was represented mainly by administrative costs which were significantly below the 16% maximum percentage. In 1986-87, it is expected that administrative expenses will rise to the maximum of 16% of sales.
3. Since state wide ADA eligible for lottery funding is expected to grow by about 2% over the prior year's ADA, this results in a further decline in revenue per ADA.

I hope this information is helpful. I will continue to update you as more information becomes available. If you have any questions, please call me at 964-4711, extension 268.

MS/dn

cc: Gary J. Pickavet
District Consultants

CHAPTER 1

LEGAL BASIS FOR OPERATION

The power and authority to contract is the responsibility of the Governing Board and may not be delegated. The mechanics of the purchasing function are usually delegated by the governing board through written board policies, with the governing board having the sole authority to contract or to expend funds, except under certain very limited conditions. Education Code 39658.

Basic legal requirements governing purchasing for public school districts are to be found in the Education Code, Public Contract Code and in other codes of the State of California. The Education Code was originally written as a "restrictive" code. Only those functions and acts specifically authorized could be performed. Legislation has now modified the Code to a "permissive" basis under which Boards are permitted to engage in and perform all acts which are appropriate to education unless specifically prohibited or limited by the code. Court decisions and opinions of the Attorney General and of the various County Counsels and District Attorneys also serve as legal guides for purchasing, but may vary from county to county. It is most essential that a continuing working relationship be established and maintained with the designated legal counsel for the school district.

State laws provide "ground rules" for taking of bids in various monetary brackets, and further provide certain exceptions to bidding requirements (See Chapter 3, part II, BIDS). Provision is also made for the purchase of items without bid through the California State Department of General Services, other governmental agencies in the State, United States Government surplus property through the State Department of Education, and from state penal institutions through California Correctional Industries.

I. BIDS AND CONTRACTS

- A. Bid procedures must comply with requirements as contained in various codes.
- B. Certain legalities have been decided in California courts, including the vendor's right to withdraw a bid prior to bid closing date and time. The board of trustees has the right to waive minor irregularities in bids after closing date and time; however, legal counsel should be obtained in these instances.
- C. Collusion between bidders and/or deliberate "freeze-out" specifications may invalidate a contract. When a bid has been accepted by the Board, and has resulted in a contract, it cannot be rescinded except by further Board action. However, bidders do have statutory relief available under certain conditions covered in the Public Contract Code 5103. Legal counsel should be obtained.
- D. The advertising requirements for purchases, sales of personal and real property, as well as labor and material contracts, are outlined in the Education Code and Public Contract Code.

Governing Boards must adhere to legal requirements in the awarding of contracts, both in purchases and in connection with the disposal of personal and real property belonging to the district.

II. APPROVAL OF FORMS

Forms of a legal nature, such as those used for advertising for bids, bid invitations, purchase orders, and contracts should be approved as to form and language by legal counsel.

AWARD OF CONTRACT

- A. Before there can be a contract there must be an acceptance of the vendor's offer by the Governing Board. The contract becomes binding at the time of adoption by the Governing Board and communicated to vendor or contractor.
- B. When the successful bidder fails to accept the contract award, the bid generally cannot be awarded to another bidder except under certain specific statutory conditions. In such cases legal guidance should be obtained and action taken to secure from the bidder any monetary losses sustained by the district.
- C. In cases where a single bid has been received, a contract may be awarded providing proper advertising and other legal requirements have been met.
- D. All bids may be rejected and the original bidding procedure repeated if, in the opinion of the Board, it would serve the best interests of the district.
- E. Certain irregularities or informalities in the bids or in the bidding may be waived, such as matters which do not change the substance or enforceability of the bid or which will not give the bidder an unfair competitive advantage as a result of such waiver. However, failure to furnish a guaranty check or bond or failure to sign a bid are legal grounds for rejection.
- F. In certain contracts involving labor, a payment bond is required as specified in the Civil Code, Chapter 7, Section 3248.
- G. It is desirable to have County Counsel review all proposed contracts prior to making recommendation to the Board for an award and approval of the final contract.

IV. OTHER PROVISIONS

Many other legal provisions are included in the various codes. A number of services may be rendered by the County Superintendent of Schools for school districts, by one district for another, and by several districts in cooperation.

Code sections pertaining to purchasing are listed in Chapter 10.