

SADDLEBACK COMMUNITY COLLEGE DISTRICT
Mission Viejo, California

MINUTES OF THE GOVERNING BOARD

March 6, 1978 -- 5:30 p.m.
Library-Classroom Complex - Room 212
28000 Marguerite Parkway

The Special Meeting of the Governing Board of the Saddleback Community College District was called to order by Trustee Taylor. Trustee Price led the audience in the Pledge of Allegiance and Trustee McKnight gave the Invocation.

CALLED TO ORDER

Present:

PRESENT

Mr. Larry W. Taylor, President
Mrs. Donna C. Berry, Vice-President
Prof. Eugene C. McKnight, Clerk
Mrs. Norrisa P. Brandt, Member
Mr. Robert L. Price, Member
Ms. Harriett S. Walther, Member
Mr. William Watts, Member

BOARD MEMBERS

Dr. Robert A. Lombardi, Superintendent/President
Mr. Roy N. Barletta, Assistant Superintendent-Business Services
Dr. Edward A. Hart, Assistant Superintendent
Mr. William O. Jay, Dean of Instruction

STAFF MEMBERS

A motion was made by Trustee Price, seconded by Trustee Walther and unanimously carried, to adopt the Agenda as presented.

AGENDA ADOPTED

Correspondence from various organizations concerning the Jarvis/Gann Initiative was presented to the Members of the Board of Trustees for information. Trustee Price requested that this material be briefly summarized by the staff. Superintendent/President Lombardi stated that, in general, this material contains further explanations of the Jarvis/Gann Initiative and is to be read by the Trustees at their leisure. Also, the latest information received is that the Governor has signed Senate Bill 1 (Behr) and announced his opposition to the Jarvis/Gann Initiative Proposition.

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Reference was made to correspondence previously received from the Assembly, California Legislature, Committee on Ways and Means, dated February 15, 1978, requesting data to assist in their further analysis of the Jarvis/Gann Initiative. The Board of Trustees had directed the administration, during its meeting on February 27, 1978, to prepare a response. Copies of the proposed response were distributed to those present and its contents were discussed.

Following is the projected position of the District under various conditions:

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The present District income for 1977-1978 is \$25,601,450.

Under the existing law, assuming that the tax rate remains the same and estimating an increase in assessed valuation of 27 percent, it would be \$27,931,811 for 1978-1979.

Under the Behr Bill income is estimated to be \$25,775,317; however, we have not received the Bill in its final form.

Under the Jarvis/Gann Initiative income is estimated to be \$14,552,572.

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The administration feels that, under the most difficult conditions, and assuming that the State does not contribute any monies toward the District's funds, the District could be reasonably assured of receiving \$14,552,572. With these funds it is thought that this College could operate, although not in a totally satisfactory manner. Further construction at Saddleback College or the North Campus would be stopped by using the termination clause we have in our contracts.

It is felt that it is more important to operate the existing programs, providing a basic day-time program with evening and other programs restricted, with the necessary staff to do the job. In this plan the basic education program could be sustained.

Concerning the District's contractual obligations with faculty, it is felt that these could be met; however, there will be need to increase the productivity of full-time faculty members. For example, some full-time faculty members might be required to teach off-campus classes in the evening.

It was noted that cutting classes cuts income on the basis of ADA (average daily attendance). The District would attempt to maintain the same enrollment level of ADA, otherwise it will experience a further reduction in income.

It is the administration's intention to notify all "if-and-as-needed" faculty members by letter that, because of the uncertainty of funds, the District is unable to be absolutely certain that the program they are employed for will exist.

Proposed expenditure reductions were noted:

Salaries	\$ 1,200,000
Benefits	100,000
Supplies	460,000
Other (contract/operating services)	1,000,000
Capital Outlay	8,000,000
Tuition (other districts)	462,745
	<u>\$11,222,745</u>

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Trustee Price stated that if the Jarvis/Gann Initiative is implemented a significant budget reduction will be necessary. However, the Saddleback Community College District is more fortunate than other districts because its large construction projects, which have been financed on a pay-as-you-go basis, have caused its budget to be high. Eliminating just the construction projects provides a significant reduction in the District's budget requirements, thus having a less severe impact on the operation budget of the District. Other districts whose budgets are almost totally used for operations of the district will be impacted more severely.

The administration feels that the Board of Trustees would have to curtail interdistrict attendance. Other districts have funds in the bank which will enable them to survive for a period of time while we, because of our building projects, do not. Some activities possibly could be carried on at the North Campus if covered shells are available by then in which to operate. The District could at least maintain its present level of enrollment with some sacrifice and some inconvenience.

Trustee Price spoke of the possibility of placing a bond issue on the June 6 Ballot, as after July 1 the one percent limit includes bonds.

He feels that people are basically tired of paying taxes. However, he noted that two-thirds of the taxes are paid by large taxpayers while one-third by the homeowner. Thus, the large businesses receive the greatest benefits of the Jarvis/Gann Initiative.

If the Jarvis/Gann Initiative passes and if the State returns a lot of money it really drives us into a statewide system with a major loss of local control. It means that the State of California will run education its way, he stated.

Mr. Harry Wandling, a resident of Leisure World, spoke in opposition to Proposition 13. He suggested that the District inform the people of the affect of this Initiative upon the District if it is enacted.

Trustee Walther asked if it is appropriate for this Board to take a position so that it may speak in the community.

Trustee Taylor stated that it is appropriate, if a majority of the Board Members wish to take a position by a motion duly passed. It is also the privilege of any Board Member to take a minority position.

A motion was made by Trustee Price, seconded by Trustee Walther and carried, to adopt the following Resolution:

RESOLUTION
ADOPTED

WHEREAS, this Board recognizes the facts as presented tonight regarding the Jarvis/Gann Amendment to the effect that if such an amendment is approved by the voters of the State of California all new construction of facilities within the Saddleback Community College District will have to be promptly discontinued; and

WHEREAS, the facts presented to the Board tonight regarding operating expenses indicate that the College will be able to remain open in the year 1978-1979 on an austere basis;

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-CONTINUED-

BE IT RESOLVED THAT, in view of these facts, this Board opposes the adoption of the Jarvis/Gann Amendment.

Roll Call Vote:

Ayes: Trustees Brandt, McKnight, Price, Taylor, Walther, Watts
Noes: Trustee Berry
Absent: None
Abstain: None

Trustee Berry was opposed in deference to the taxpayers, in support of those who feel that the time has come to remove the unlimited spending philosophy that has penetrated our society.

Trustee McKnight stated that no matter what the voters do, the District must continue to plan wisely and to find additional places to limit expenses. In summary, the enactment of Proposition 13 would result in a critical situation, unless the voters and the State support implementing legislation to provide adequate funds for local government. If the proposition carries, the implications are that:

1. there will be a loss of property tax revenues by 58 percent, which would limit many services with nothing clear about how to finance.
2. To freeze assessments is not equitable or fair.
3. Considerable uncertainty and vagueness would result in critical problems.
4. The input on homeowners would be increases in sales taxes, income taxes and maybe even property taxes.

Trustee Brandt stated that, after the staff has conducted this analysis she hopes that it takes the Behr recommendation seriously by showing that the District's expenditures for next year can be cut in some ways, even though not as much as the Jarvis Amendment would require.

Trustee Watts suggested that a document recently received from the Assembly concerning taxes and revenue be given to representatives of the press, as it is important to inform the people and this document contained valuable information.

He stated that he would be in favor of reducing the property tax of the low and middle income people. If the Jarvis/Gann Amendment did this he would probably vote for it - but it does not.

Trustee Walther asked that when the text of the Behr Bill is available to the District it be studied and, perhaps, opposed to or supported by the District. She stated that by opposition to the Jarvis/Gann Initiative the Behr Bill is not automatically being supported by the District.

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-CONTINUED-

Trustee Taylor stressed to those in attendance that the action taken this evening had not been a preconceived action. The meeting had not been called to take such action, the action had grown out of the meeting.

There being no further business, the Meeting was adjourned at 7:00 p.m. until Monday, March 13, 1978, at 5:30 p.m.

ADJOURNMENT

R. A. Lombardi

R. A. Lombardi, Secretary of the Board of Trustees