

The following is a summary of the regular SMC Board of Trustees meeting of Feb. 7, 2012. Board minutes, which provide all official actions of the Board, and these Board summaries are posted at <http://www.smc.edu/ACG/Pages/Trustees-Meeting-Information.aspx>.

Podcasts of the meeting are available at <http://www.smc.edu/itunes>.

EARLY CHILDHOOD EDUCATION CENTER: The Board voted unanimously to approve a Memorandum of Understanding with the City of Santa Monica on a joint project to build and operate an Early Childhood Education Center at the Santa Monica Civic Center. The center will be a childcare teaching facility that will accommodate up to 100 infant, toddler and pre-school children and will include classroom and observation facilities, as well as office and meeting spaces for parenting workshops and early childhood research and development. The center will be partially funded (\$7 million) by Measure S, the SMC bond measure approved by Santa Monica and Malibu voters in 2008, with the remainder of funding (\$5.5 million) coming from the city, for a total of \$12.5 million.

CAMPUS BICYCLE RACKS: The Board voted unanimously to approve an amendment with Morris Architects – not to exceed \$63,765 – for the permanent relocation of bike racks currently located at the Library Village that marks the first step in a comprehensive bicycle parking plan at SMC. With students and employees increasing their use of bicycles as a mode of transportation to campus – a recent survey reported that 5.5 percent of students cycle to campus during the week – the college has recognized the importance of bike transit and parking. SMC currently has 470 bike parking spaces on the main campus, but some of these are temporary or moveable units and do not properly secure the bikes. The plan calls for more than doubling the number of spaces to 1,000 in several locations on the campus' perimeter, as well as establishment of a "Bike Center" that would include training and repairs facilities, as well as lockers and showers.

STATE BUDGET: Vice President of Business & Administration Bob Isomoto reported that the projected current fiscal year-end fund balance (reserves) for the college has worsened in the five months since the college's budget was adopted. This is both a result of new cuts imposed by the state and a lesser amount of revenue than planned from non-resident tuition. The state cuts include trigger cuts that were imposed in December and an anticipated additional deficit factor to be announced in the next few weeks. The December trigger cuts for SMC are composed of an ongoing reduction of \$1.4 million in apportionment and a one-time deficit factor reduction of \$0.6 million. The reduced apportionment imposed by the trigger cuts and the lower revenue from non-residents will be ongoing issues for the college in next year's budget. The adopted budget for the current year, 2011-12, anticipated an operating deficit of \$5.1 million. Primarily as a consequence of the trigger cut in apportionment and the lower-than-expected revenue from non-residents, the operating deficit for the current year is now anticipated to be \$7.6 million.

The beginning fund balance for 2011-12, including designated reserves, was \$23.1 million. At this point, the projected ending fund balance for 2011-12 will be \$11.5 million. With an operating deficit now at \$7.6 million, absent any corrective action this year or

next, the projected ending fund balance for 2012-13 will be \$3.95 million, or 2.8 percent of SMC's total budget. Complicating the picture for 2012-13 is the possibility of an estimated \$5 million in further cuts that would need to be made in the middle of the 2012-13 fiscal year if Gov. Jerry Brown's proposed ballot measure to increase state revenue does not pass this November.

DIGITAL MEDIA PROGRAMS UPDATE: The Board heard a report from Dean of Curriculum Georgia Lorenz and Design Technology Chair Chris Fria on the impressive growth and evolution of SMC's digital media programs housed at the SMC Academy of Entertainment & Technology. The three main programs – entertainment technology, graphic design and interior architectural design – offer degrees and certificates in 13 areas, including animation, digital media, game design and web design. Industry involvement and support is extensive, with an Advisory Board made up of professionals from a diverse range of fields in such highly respected companies as Rhythm & Hues Studios and Sony Computer Entertainment. A full written report is available on pages 8-10 in the Board agenda at http://www.smc.edu/ACG/Documents/Board%20of%20Trustees%20Meetings/Board_of_Trustees_Meetings/2012/BT%20Mtg%202-7-2012%20Agenda.pdf.

MALIBU CAMPUS: SMC officials reported that the college's plan to build a satellite campus in Malibu is gaining momentum as specifics are hammered out and as work is beginning on an environmental impact report. The proposed 25,000-square-foot building at the Malibu Civic Center would be a joint-use facility with the Los Angeles County Sheriff's Department, and SMC is currently in negotiations with the county on the project. Officials reported that the two-story building would include classrooms, a large lecture hall, art studios, science lab, computer lab and large multi-purpose room, as well as a Sheriff's Substation. The college hopes also to attract a community partner to run a variety of events and an interpretive center so that it is a "lively" facility. The \$20 million project would be funded by Measure S, a bond measure passed by Santa Monica and Malibu voters in 2004. College officials are hopeful that construction can begin in 2013 with completion near the end of 2014.

ECONOMIC EXCELLENCE AWARD: SMC President Dr. Chui L. Tsang reported that the college received the 2012 Economic Excellence Award from the Santa Monica Chamber of Commerce at its annual State of The City event held Jan. 26.

AUDIT REPORT: The Board voted unanimously to acknowledge receipt of the 2010-11 Audit Report conducted by independent auditor Vicente, Lloyd & Stutzman. The report expressed an unqualified opinion on the financial statements of the college, the best opinion that can be given, and contained zero findings/deficiencies, which is extremely rare, according to college officials.

TRANSCRIPTS: The Board voted unanimously to approve the implementation of enhanced transcript processing options and a corresponding fee structure.

QUARTERLY BUDGET REPORT: The Board voted unanimously to acknowledge receipt of the 2011-12 quarterly report, as of Dec. 31, 2011.

