

**Minutes of the Annual Retreat of the Board of Trustees
San Mateo County Community College District
February 7, 2009
Redwood City, CA**

The meeting was called to order at 9:00 a.m.

Board Members Present: President Karen Schwarz, Vice President-Clerk Patricia Miljanich, Trustees Helen Hausman, Richard Holober and Dave Mandelkern, and Student Trustee Virginia Medrano Rosales

Others Present: Chancellor Ron Galatolo, Executive Vice Chancellor Jim Keller, Skyline College President Victoria Morrow, College of San Mateo President Michael Claire, Cañada College President Thomas Mohr, and District Academic Senate President Dilko

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

None

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

None

INFORMATION REPORTS

REPORT ON CAPITAL IMPROVEMENT PROGRAM (09-2-1C)

Vice Chancellor José Nuñez said the CIP program is a huge undertaking, incorporating eight years in planning, six years of construction, and three to four more years of construction ahead. The total value of CIP 1 and 2 is \$900 million. The District's three Colleges are like three small cities and construction is taking place in the midst of busy, active campuses.

Linda da Silva showed and explained dozens of slides that demonstrate the upgrades that have been made to classrooms, labs, corridors, offices and exteriors at all three campuses. She reviewed modernization projects, infrastructure repairs, new construction and landscaping projects.

Rick Bennett discussed the program management costs for the CIP2 program. Originally, for a \$562 million total program, program management costs were estimated to be \$39 million (6.9%) of costs. This was lower than CIP1 program management costs which were 7.3% of the program cost.

Currently, with the loss of Lehman funds and State capital outlay funds, the CIP2 program is estimated to be \$506 million and program management costs are estimated to \$33 million – 6.75% of total cost.

Vice Chancellor Nuñez showed color-coded maps that demonstrated projects completed, projects underway and work yet to be done.

The Board and staff discussed the number of projects totaling approximately \$35.7 million that are unfunded due to the loss of Lehman funds and loss of State capital outlay funds.

Frank Vaskelis discussed the challenges faced by ITS regarding equipment replacement and funding. He described the growth of technology equipment and usage within the District, including introduction of

student email and emergency text messaging. He said there is no existing strategy or funding mechanism for replacement as equipment becomes obsolete.

The number of computers in the District has grown from 3,305 in 2003 to 4,483 in 2009, along with 1,100 printers. Two-thirds of the equipment is assigned for instructional/lab uses. Smart classrooms have grown from 38 in 2004-05 to 229 in 2009; nearly 50% of classrooms across the District are now Smart classrooms.

Mr. Vaskelis also discussed the technical support provided by ITS. ITS staff handles 379-489 workstations per technician. A State Chancellor's Office study several years ago recommended 150 workstations per technician.

Mr. Vaskelis discussed the estimated value of technology equipment in the District:

Computers	\$ 9,330,300
Printers	475,000
Network	4,500,000
Servers	3,750,000
Telephone System	2,300,000
Smart Classrooms	<u>1,488,500</u>
	\$ 21,843,800

Mr. Vaskelis also presented a five year technology replacement schedule and a five year infrastructure (network, telephone system, servers and Smart classrooms) replacement schedule which are not funded.

In summary, the District needs \$2.3 million per year for equipment and infrastructure replacement. There is currently \$2 million in bond funds and \$1 million in instructional equipment. Beyond that, there is no funding for future replacement. Trustee Holober asked how the District could fund the needs, citing either the District's general fund or a new bond. He asked whether there are any other sources of funding. Chancellor Galatolo said that the District has a number of unfunded needs, including:

- the District has a \$100 million shortfall with the Lehman and State funding losses
- there are unforeseen conditions and expanded scope of projects
- unfunded technology replacement costs are estimated to be \$20-25 million

Chancellor Galatolo said the District should start thinking about establishing a sinking fund in which the interest pays for the annual cost of ongoing items—like IT equipment replacement. Other sources of funding may be sale of land such as Parcel B. Barbara Christensen said currently there is no market for Parcel B; in the future, it could be worth \$1-3 million per acre.

Trustee Mandelkern asked for a study session on funding the unfunded needs, including:

- sale of land
- federal stimulus funds
- increased State funding
- local bond
- redevelopment funds

Trustee Holober asked whether technology equipment replacement funds were included as part of the 2005 bond; Chancellor Galatolo said they were not.

Vice President Miljanich said that another funding option could be major donors through the Foundation.

Trustee Mandelkern said that a parcel tax might also be a possibility. Chancellor Galatolo was skeptical that the District could pass a parcel tax, which requires a two-thirds majority.

2008-09 BUDGET UPDATE AND 2009-10 BUDGET ASSUMPTIONS (09-2-2C)

Kathy Blackwood presented the update (see slides attached to official minutes) which included:

1. a review of the 2008-09 budget
2. a preview of the proposed 2009-10 budget
3. cash flow analysis
4. needed TRAN resources of \$25 million for 2009-10
5. review of the effect of the triple flip on the District
6. discussion of new proposals to shift property taxes from community colleges to K-12 schools
7. SMCCCD budget projection for 2009-10
8. GASB 43 and 45

PRESIDENTS' PRESENTATIONS

Skyline College

1. Skyline budget processes

President Morrow said the College Budget Committee has been extremely receptive in developing cost cutting strategies, hiring, and communicating decisions College-wide. Programs and services have been affected in the following ways:

1. reduced Health Center and Library hours
2. reduced evening administration
3. research analyst position will remain vacant
4. reducing staff in labs, sometimes during the day
5. reductions in memberships and travel
6. increasing productivity

2. New initiatives

President Morrow discussed the new Department of Labor \$2 million grant. It is titled the San Francisco Bay Area Clean Energy Coalition to develop programs and curriculum to train for jobs in (a) energy efficiency, (b) environmental control technology, and (c) solar technology.

3. Center for International Trade Development (CITD)

President Morrow discussed centers that have been set up throughout the State to promote economic development. Skyline has the CITD which has created the:

- Associate in Science degree with a major in Logistics
- three certificate programs: Customs Broker, Ocean Freight Forward, and Air Freight Forwarding

CITD is also working on a major which will focus on the African Diaspora.

4. Website redesign

President Morrow said the website redesign has been under way for nearly a year; the new website will be launched in the very near future.

College of San Mateo

President Claire distributed the 2008-09 priorities for the College. He discussed the past year's work on accreditation which culminated with the College's accreditation being reaffirmed. He noted that of twelve colleges put on warning, eight were put on sanctions and two were required to "show cause." Fifty percent of the colleges that were on sanctions are still on sanctions.

President Claire gave a brief budget update. A Budget Planning retreat was held in fall of 2008 and an all-college meeting was also held. The midyear budget cut is the first test for the new Budget Planning Committee and contingency plans have been developed for potential cuts. Strategies for budget reductions include:

- accelerate spring 2009 student enrollment decisions in order to be able to cut low enrolled classes sooner
- identify and subsequently cancel low enrolled section; notify students and provide other options and support
- 30% reduction of overhead costs for divisions, 50% reduction for Vice Presidents' and President's Offices

Results of these strategies to date include:

- FTES has increased by 3.9%
- the number of sections offered has decreased by 12.6%
- LOAD at census has increased 17.4% as compared to last year

These results provide a projected savings of approximately \$530,000 for spring 2009.

The Budget Committee is working on finalizing strategy for 2009-10. Also in progress are managed hiring, integrated scheduling, adjustments to remove curriculum duplication, and possible program elimination under the Program Improvement and Viability process.

Cañada College

President Mohr distributed and reviewed a handout prepared for the Retreat. He said that Cañada FTES is up 11.1% and will go higher because high school student enrollments have not yet been counted. Productivity is up 8.9% also, due to better enrollment management.

President Mohr reviewed the College's response to the accreditation warning. He also discussed how the College is planning its budget reductions. He said that increased marketing at Cañada is very important for its future.

President Mohr also discussed the Honors Program that is being developed and the hope that it will attract additional students to the College.

Another major goal at Cañada is to develop a very strong administrative team that is skilled in working with and through faculty and staff to provide excellent educational programs.

REVIEW OF PROGRESS ON 2008 BOARD GOALS AND DISCUSSION OF 2009 GOALS (09-2-4C)

Trustee Holober expressed his disappointment regarding not achieving goal #6 regarding skilled trades preparation. He described the differences between the Adult School program and the program envisioned for the College. President Claire said the curriculum is designed to fit into what the trade apprenticeship

programs need. The College has undertaken very large and far-ranging marketing efforts. When courses were offered, students did not enroll. President Claire will have another discussion with the Adult School program to see how successful that program is.

Regarding concurrent enrollment, Trustee Mandelkern said it is gratifying that the number of concurrent enrollments is up, but that the Colleges need to continue to try to break down barriers at the high schools to increase concurrent enrollment.

The Board added two goals for 2009:

1. Concurrent Enrollment
2. Skilled Trades

DISCUSSION OF STUDY SESSION TOPICS

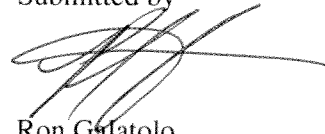
The following were suggested:

1. Capital Funding Options
2. High Cost Programs
3. Concurrent Enrollment Update, with discussion about courses offered on the District's campuses and online courses
4. KCSM Studies
5. Distance Learning
6. CTLs
7. Financial Aid

ADJOURNMENT

The meeting was adjourned by consensus at 3:00 p.m.

Submitted by



Ron Galatolo
Secretary

Approved and entered into the proceedings of the February 25, 2009 meeting.



Patricia Miljanich
Vice President-Clerk