The meeting was called to order at 6:05 p.m.

Board Members Present: President Patricia Miljanich, Vice President Dave Mandelkern, Trustees Holober (arrived at 6:15 p.m.) and Schwarz, 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 Tom Mohr and District Academic Senate President Patty Dilko

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

MINUTES
It was moved by Trustee Schwarz and seconded by Vice President Mandelkern to approve the minutes of the December 9, 2009 meeting of the Board. The motion carried, all members present voting “Aye.”

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS
None

NEW BUSINESS

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (10-1-1A)
It was moved by Vice President Mandelkern and seconded by Trustee Schwarz to approve the actions in Board Report No. 10-1-1A. Vice President Mandelkern questioned whether positions should be approved before the budget planning process is completed. Harry Joel, Vice Chancellor, Human Resources and Employee Relations, said the positions listed are temporary and most end on February 28, 2010. The Office Assistant I position in Business & Technology at College of San Mateo ends on April 1 and is funded by a grant. The Communication Manager in Development, Marketing & Public Relations at Skyline College ends on June 30 and is needed because the current Director is retiring and the Public Information Officer will not return from maternity leave. After this discussion, the motion carried, all members present voting “Aye.”

It was moved by Trustee Schwarz and seconded by Vice President Mandelkern to approve ratification of the contract modifications as detailed in the report. The motion carried, all members present voting “Aye.”

Other Recommendations

APPROVAL OF SUBSTANTIVE CHANGE PROPOSAL – COLLEGE OF SAN MATEO (10-1-1B)
It was moved by Vice President Mandelkern and seconded by Trustee Schwarz to approval the proposal as detailed in the report. Jing Luan, Vice Chancellor, Educational Services & Planning, said this report was prompted by the 2007 accreditation recommendations of the Accrediting Commission for Community and Junior Colleges (ACCJC). Vice Chancellor Luan said the report is well integrated with the District Strategic Plan for Distance Education which was developed by the Distance Education Advisory Committee (DEAC). The report cites information, research and other data from reports developed by DEAC.
Susan Estes, Vice President of Instruction at College of San Mateo, said the ACCJC requires that when 50% or more of the courses in degrees and certificates are offered in the distance education mode, that mode of delivery must be approved by the Board of Trustees and submitted to the ACCJC as a substantive change proposal. Vice President Estes said the Board has already approved all of the courses listed and is now being asked to approve the distance education delivery mode.

Vice President Estes said there was College-wide participation in the preparation of the report. The principal writing was done through the Office of Planning, Research and Institutional Effectiveness, with Milla McConnell-Tuite as the lead writer. The report was reviewed by the Distance Education Committee and was also sent out campus-wide for comments by all employees. The chairperson of the Committee on Instruction also took an active part.

Vice President Estes noted a revision on page 28 of the report. The sentence reading “CSM anticipates that a new evaluation form and model will be adopted in the 2009-2010 academic year” has been revised to read “CSM anticipates that a new evaluation form and model will be reviewed and approved by appropriate constituencies as soon as possible.” Vice President Estes explained that when the report was originally prepared, it was anticipated that a different evaluation process might be in place. The revised language more accurately represents the process as it currently exists; the Distance Education Committee has made recommendations for a new faculty evaluation form and model that are explicitly adapted to distance learning courses and they will be reviewed and approved as soon as possible, but with no specific date.

Vice President Mandelkern asked if there are many students in the District who approach taking 50% or more of their courses in these programs via distance education. Vice President Estes said a small percentage currently reach the threshold. Chancellor Galatolo said the data is available and Vice Chancellor Luan will forward this information to the Board.

Vice President Estes said the goal is to offer more online courses. With the Board’s approval of this report, the distance education program can be publicized and become a stronger program.

Vice President Mandelkern asked if the ACCJC will take action or respond to the report. Vice President Estes said the ACCJC must accept the report. An early draft of the report was sent to the ACCJC last fall and their feedback was incorporated into the final report. Vice President Estes does not anticipate any problem with the acceptance of the report.

Vice President Mandelkern asked for a brief explanation of the differences between eCollege, CurricUNET, TracDat and WebAccess. Vice Chancellor Luan said eCollege and WebAccess are both course management systems. CurricUNET is a curriculum management tool for use by faculty. TracDat is another technical application for faculty to use for student learning outcomes. Vice Chancellor Luan is chairing the committees deploying these tools.

After this discussion, the motion to approve the Substantive Change Proposal as amended carried, all members present voting “Aye.”

CONTRACT AWARD FOR CAÑADA COLLEGE BUILDINGS 5 AND 6 MODERNIZATION PROJECT (10-1-102B)
It was moved by Trustee Schwarz and seconded by Vice President Mandelkern to approve the contract as detailed in the report. The motion carried all members present voting “Aye.”

INFORMATION REPORTS

REVIEW OF GOVERNOR’S TENTATIVE BUDGET; INFORMATION ON STATE OF THE STATE ADDRESS (10-1-1C)
Trustee Holober arrived at the beginning of this discussion.

Chancellor Galatolo said that on Opening Day, he projected a $20 billion budget shortfall for the 2009-10 and 2010-11 fiscal years; the Governor’s initial budget proposal describes a $19.9 billion shortfall. Chancellor
Galatolo said the initial budget proposal does not address structural problems and the legislature must present proposals for meaningful change. He said community colleges fared better than expected in the initial budget proposal; however, changes will be made and not much will be known until the May Revise and the subsequent passage of the budget.

Executive Vice Chancellor Keller distributed an outline of the initial proposed budget which was prepared by the State Chancellor’s Office; a copy is attached to the official minutes of record. He said it provides a good summary of what is known now. He noted that the numbers provided to make up for the shortfall do not add up. The proposed budget includes 2.2% enrollment growth augmentation, -0.38% COLA, and 2010-11 property tax adjustment to compensate for projected declines in property taxes. Executive Vice Chancellor Keller said the projected property tax shortfall continues to be of particular concern.

Executive Vice Chancellor Keller said the proposed budget also includes suspension of all community college mandates and reduction of categorical funding for Educational Opportunity Programs and Services (EOPS) and part-time faculty compensation. The budget proposes adding EOPS, Student Success programs and Basic Skills to the list of programs that have flexibility. The proposed budget also includes suspension of new CalGrant competitive awards.

Executive Vice Chancellor Keller said that not mentioned in the initial proposed budget is the capital bond measure that community colleges and other school districts hoped would be on the November 2010 ballot. He said that Assembly Bill 220, which would have supported a K-12 bond measure, was pulled today.

Chief Financial Officer Kathy Blackwood said the Legislative Analyst released a report which states that the initial proposed budget is not realistic. It said the federal money and waivers do not seem likely to go through, at least not to the extent described in the proposed budget. The report describes risks in the proposed budget:

- Includes revenues the State is unlikely to get.
- Does not include the impact on State revenues of the Governor’s proposed tax credits.
- Expenditure solutions come from savings in Proposition 98 and reduction of State employees’ pay and having them pay into their pensions.
- Savings in Proposition 98 come from shifting transportation tax revenues. There is currently a State sales tax on fuel which is earmarked for transportation. The Governor is proposing eliminating that sales tax and substituting a per gallon excise tax. This would result in a $.05 per gallon decrease for consumers. It would also lower the general fund revenue and, in turn, lower the Proposition 98 guarantee. The Governor must ask for a waiver from the federal government because of the ARRA funds the state accepted; a State may apply for a waiver from the Maintenance of Effort requirement if it can show that education is receiving the same or greater share of the budget as in the previous year.

CFO Blackwood said the budget proposal includes a net reduction in K-12 spending and a net increase in community college spending. She emphasized, however, that this is not what the final budget will look like. She said this proposal counts on revenues that are unlikely to be available, does not acknowledge expenses that will be there, and proposes ballot measures that would have to pass to make the budget work. CFO Blackwood does not believe the District should change its projections and should continue preparing for 10% cuts next year.

Trustee Holober said there is a $6.6 billion shortfall for the current year and $13.3 billion for next year. He asked if the budget for next year would then have to be reduced by $13.3 billion plus the $6.6 billion, or if $13.3 billion is the base reduction for next year. Chancellor Galatolo said the last budget failed to fix the $6.6 billion shortfall and there will be another $13.3 billion next year; therefore, the collective amount of reductions in the next budget is $19.9 billion.

Vice President Mandelkern said he went through the proposed budget; adding up what the Governor expects to get from the federal government, plus projected increases in revenues and projected cuts, he found $15 billion rather than the $20 billion called for in the budget. CFO Blackwood said there is $4.5 billion in “other solutions,” which includes the gas tax law, using Proposition 10 money for children’s programs, redirecting county money for social services, assuming an increase in miscellaneous revenue, and automated speed enforcement, and others.
Trustee Holober asked if $3-4 billion or more in additional cuts will become a reality if the federal money does not materialize by May or June. Chancellor Galatolo said the initial budget proposal in January is usually a good starting point and sends a message to all operating units on how to prepare their budgets for the May Revise. With this proposed budget, however, very little information was received and May will be the critical timeframe.

Chancellor Galatolo said that for the past two years, the District has been proactive in acting on anticipated budget reductions and is now in the process of going through an almost 20% reduction. Chancellor Galatolo said that in the coming year, there might be another 10-15% reduction but the District has received no indication that it should be proactive and get ahead of the curve because all that is shown in the proposed budget is modest growth, a minor takeaway for COLA and some changes to categoricals. Chancellor Galatolo said this will force the District to move from being proactive to being reactive because it cannot anticipate how deeply education will be affected.

Chancellor Galatolo’s recommendation is for the District to hold true to the course it is on. He noted that there are still considerable reductions to effectuate as part of the 20% reduction. He said there is no substantive information that would make him feel comfortable recommending further cuts to the Board or to faculty and staff at this time. He said the District can start planning for the impact of further reductions, but noted that planning and implementing are two very different things.

Vice President Mandelkern said the District has done well in the past by being ahead of the curve and he believes it should try to remain ahead of the curve. He agrees that this is very difficult with no guidance to know what the target is. His concern is that by trying to be reactive, cuts might have to be made in September or October when the fiscal year is almost half over and classes are in session, students are enrolled in sections, etc. At that point, there is very little flexibility to make midcourse corrections and it could potentially leave the District in a dangerous position. Chancellor Galatolo agreed that being reactive means putting the District at or behind the curve and that this puts it in a precarious position. However, he said that in the face of what the proposed budget shows, it would be very difficult to go to faculty and staff and recommend to the Board to make another 10% reduction. At this stage, because so much pain has been brought upon the institution already, Chancellor Galatolo said he is willing to be more reactive.

Chancellor Galatolo said he predicts the State will attack property taxes because they are the last form of revenue to tap into. Cities and counties are putting through an initiative that would preclude the State from taking their property taxes. Chancellor Galatolo said educational institutions are then fully exposed because they do not have the same initiative and do not have the same guarantees under Proposition 1A.

Trustee Schwarz said the District is in upheaval, worrying about how to get through the current round of reductions. She said she personally would rather stick with what we know rather than relying on what might happen. Trustee Schwarz does not believe that faculty, staff and students should be subjected to any more conjecture. She said there are qualified people in the District who keep abreast of what occurs in Sacramento and who will keep the Board informed so that action can be taken if necessary.

Vice President Mandelkern asked to confirm that the current budget planning process, which includes reductions, will go forward and will go to conclusion, and that this discussion is only about not making further reductions. Chancellor Galatolo confirmed that this is correct. He added that staff will still plan for what might occur but will not make recommendations to the Board to execute a third phase of cuts at this time.

Chancellor Galatolo said the District budget for the coming year has an imbalance of slightly more than $1 million, which is approximately 1% of the total budget. Chancellor Galatolo is comfortable that the District can work through this. If the District receives further cuts, further action would have to be considered.

Trustee Holober said community colleges fared well in the proposed budget and he noted that the Governor and his chief of staff referenced the wave of student protests that occurred mainly on the UC and CSU campuses. Trustee Holober said it is important to note that protests can make a difference. Trustee Holober said the District must be self-reliant in the short run because the political dynamic Statewide will play out for years to come before there is widespread recognition of the need for a progressive tax structure which supports education and other vital services. Trustee Holober said that he has confidence in the voters of San Mateo County and that if people at the campuses, especially students, go out to the community and ask voters to support the District, he believes there would be a positive response.
President Miljanich asked if suspension of CalGrants means there would be no grants to future students. Executive Vice Chancellor Keller said it means there would be no new grants.

President Miljanich said the financial situation as presented serves as a reminder that it is important to concentrate on what the District can do to generate sources of revenue.

President Miljanich thanked staff for their presentation.

President Miljanich announced that Trustee Holober requested a return to discussion of agenda item 10-1-2A, Ratification of the 2007-2009 Contract Modifications Between the District and the California School Employees Association (CSEA), Chapter 33, because he was not present when the Board considered this item. Trustee Holober asked for clarification that the Board did not ratify the following paragraph:

“Article 8.7 Salary Survey

****Side notation: The latest survey results for the 07-08 fiscal year are attached. Due to the current budget crisis through the state and the severe impact to our District, the negotiations team is recommending that we forego implementation of the 07-08 adjustments which will further impact the District’s financial crisis. All indications are leading to a very slow recovery for the state as a whole and lay-offs across the board for SMCCCD next year.”

Vice Chancellor Joel confirmed that this paragraph is not part of the contract and was not ratified; this will be reflected in the official minutes of the meeting.

RECESS TO CLOSED SESSION

President Miljanich said that during Closed Session, the Board will consider the personnel items listed as 1A and 1B on the printed agenda. The Board will also hold a conference with agency labor negotiator Harry Joel; the employee organizations are AFT and CSEA.

The Board recessed to Closed Session at 7:20 p.m.
The Board reconvened to Open Session at 9:35 p.m.

CLOSED SESSION ACTIONS TAKEN

President Miljanich reported that at the Closed Session just concluded, the Board voted 4-0 to approve the items listed as 1A and 1B on the printed agenda.

ADJOURNMENT

It was moved by Trustee Holober and seconded by Trustee Schwarz to adjourn the meeting. The motion carried, all members voting “Aye.” The meeting was adjourned at 9:37 p.m.

Submitted by

Ron Galatolo
Secretary

Approved and entered into the proceedings of the January 27, 2009 meeting.

Dave Mandelkern
Vice President-Clerk