

**Minutes of the Regular Meeting of the Board of Trustees
San Mateo County Community College District
January 26, 2011, San Mateo, CA**

The meeting was called to order at 6:04 p.m.

Board Members Present: President Richard Holoher, Vice President-Clerk Dave Mandelkern, Trustees Helen Hausman and Karen Schwarz

Others Present: Chancellor Ron Galatolo, Executive Vice Chancellor Jim Keller, Skyline College President Regina Stanback Stroud, College of San Mateo President Michael Claire, Cañada College President Tom Mohr, District Academic Senate President Ray Hernandez and Associated Students of Skyline College President Raymond Parenti-Kurttila

Pledge of Allegiance

President Holoher announced that Trustee Miljanich will not be at the meeting due to a family emergency.

DISCUSSION OF THE ORDER OF THE AGENDA

President Holoher said that in order to accommodate the auditor, it was requested that items 11-1-101B through 11-1-104B be placed first on the agenda. There were no objections from the Board.

RECEIPT AND ACCEPTANCE OF THE 2009-10 DISTRICT AUDIT REPORT (11-1-101B)

It was moved by Trustee Schwarz and seconded by Trustee Hausman to approve the audit as presented. Auditor Xiupin Guillaume of Vavrinek, Trine, Day & Co., LLP, said the financial information is provided by District management; the auditor's responsibility is to verify that information and provide an opinion based on the audit. The information is presented as of June 30, 2010. The Independent Auditor's Report on page 2 states that the basic financial statements present fairly, in all material respects, the financial position of the District. Pages 4-18 contain Management's Discussion and Analysis. Financial statements are shown on pages 19-26, and the notes on pages 27-50 provide further explanation regarding the financials. The State Awards Findings and Questioned Costs shown on page 73 notes that a one-credit instructor at Skyline College did not have the necessary documentation on file to show that the instruction met the minimum qualifications required by law. Consequently, the recommendation on page 74 calls for improvement of the process regarding instructor qualifications. Vice President Mandelkern asked why this issue falls within the purview of the financial audit. Ms. Guillaume said that because the District receives State funding, part of the auditor's responsibility is to verify compliance with State and federal regulations.

Referring to the "Investment in County Treasury" section on page 33, Vice President Mandelkern noted that in 2008, the District had approximately \$29 million invested in the County Treasury which was written off. Approximately \$4 million of that money was operating funds which would be reflected in this audit report. He asked how these funds, which were invested in Lehman Brothers securities, are being accounted for so that the loss is not forgotten. Executive Vice Chancellor Keller said the District was instructed to record it as a negative asset earnings. Vice President Mandelkern said that asset has some residual value and may have more value at the end of bankruptcy proceedings; he asked if that is reflected in the balance sheets. Executive Vice Chancellor Keller said it is not. He said the District was informed that any funds recovered by the County would be distributed on a proportional basis based on the District's total loss in relation to losses by other owners of the comingled assets at that time. Vice President Mandelkern said he is concerned that, if the status of the investment is not monitored and reported on, follow up may be forgotten. Executive Vice Chancellor Keller said the District booked its loss as reported by the County, had nothing to do with the effort on the County's part to try to recover the funds, and has received no indication of the potential for recovery. President Holoher asked if the Lehman Brothers losses have been written off down to zero. Executive Vice Chancellor Keller said they have. Ms. Guillaume said the loss was written off in last year's audit report. After this discussion, the motion to approve the District audit report carried, all members voting "Aye."

RECEIPT AND ACCEPTANCE OF THE 2009-10 KCSM AUDIT REPORT (11-1-102B)

It was moved by Trustee Hausman and seconded by Vice President Mandelkern to approve the audit as presented. Ms. Guillaume said the opinion of the auditors for both FM and TV is unqualified. President Holoher clarified that the audit is done annually to make sure that all money is properly accounted for. An auditor's "unqualified opinion" means that nothing improper was found. Ms. Guillaume agreed with President Holoher's statement.

Ms. Guillaume said that page 3 of the FM report shows net assets of \$884,953 at the end of the year, an increase of \$48,089 over the previous year. Page 3 of the TV report shows net assets of \$4,704,877 at the end of the year, an increase of \$137,805 over the previous year; this amount includes a transfer from the District to support operations.

President Holober said the report shows that for the year ending June 30, 2010, the general fund provided indirect and direct support for KCSM-TV totaling approximately \$1.75 million. He said that because the District is in difficult budget times and will continue to be so for the foreseeable future, the Board adopted a position last year that the station must be self-supporting; general fund dollars are to be used for classroom programs and student support services. Therefore, the Board expects to see the District's financial support of the station to be zero in the next report. Vice President Mandelkern said his understanding is that the indirect support did not come from the general fund. Executive Vice Chancellor Keller said the indirect support of \$735,342 was actually part of the general fund subsidy last year. Vice President Mandelkern asked if the same is true for FM, i.e. if the indirect support of \$308,880 also came from the general fund. Executive Vice Chancellor Keller said it did. Vice President Mandelkern noted that this means the total general fund subsidy for TV and FM combined was approximately \$2 million for the year ending June 30, 2010. President Holober said the Board has focused on TV because it has been in a chronic subsidization status for some years; he believes a similar discussion regarding FM will be needed. After this discussion, the motion to approve the KCSM audit report carried, all members voting "Aye."

RECEIPT AND ACCEPTANCE OF THE 2009-10 GENERAL OBLIGATION BOND FINANCIAL AND PERFORMANCE AUDITS (11-1-103B)

It was moved by Trustee Hausman and seconded by Vice President Mandelkern to approve the audits as presented. Ms. Guillaume said that for both the 2001 Measure C fund and 2005 Measure A fund, the opinion of the auditors is unqualified. Vice President Mandelkern said the loss from the Lehman Brothers investment is \$25 million in this case. He said he hopes staff will continue to diligently pursue recovery even though the loss is not reflected in the financial statements at this time. After this discussion, the motion to approve the audits carried, all members voting "Aye."

RECEIPT AND ACCEPTANCE OF THE 2009-10 RETIREMENT FUTURIS PUBLIC ENTITY INVESETMENT TRUST AUDIT REPORT (11-1-104B)

It was moved by Trustee Hausman and seconded by Trustee Schwarz to accept the audit report as presented. Ms. Guillaume said the opinion of the auditors is unqualified. President Holober said this is a dedicated trust fund to start to address current and future retiree health benefit costs. Money will be gradually moved into the trust and it will eventually have enough to cover the cost entirely. Vice President Mandelkern noted that the trust currently has assets of approximately \$5 million, and he asked if it is correct that the goal is to get to \$108 million in order to meet future liability. Ms. Guillaume said this is correct. She said the District is not required to fund it all at once, but must make an annual contribution in accordance with the parameters of the Government Accounting Standards Board (GASB). Chancellor Galatolo said the District also has had a retirement fund for a number of years; CFO Blackwood said there is currently approximately \$25 million in that fund. Trustee Hausman credited former Trustee Tullio Bertini, who passed away recently, with being an early advocate of a retirement fund. After this discussion, the motion carried, all members voting "Aye."

MINUTES

It was moved by Vice President Mandelkern and seconded by Trustee Hausman to approve the minutes of the study session of January 12, 2011. The motion carried, all members voting "Aye."

STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES

Chancellor Galatolo said Mr. Bertini was a District Trustee from 1989 to 1997 and President of the Board in 1993-94. He taught Industrial Technology at College of San Mateo and spent 34 years with the San Mateo Union High School District as a teacher and administrator. He dedicated his life to public education at the secondary and post-secondary levels. He was a powerful influence on this District and the State as a whole. Chancellor Galatolo said Mr. Bertini will be sorely missed and respectfully requested that tonight's meeting be adjourned in his honor.

President Stanback Stroud introduced Mike Williamson, who has been named Interim Vice President of Instruction. The SparkPoint San Mateo Center at Skyline College recently entertained a national audience, with United Way personnel from across the nation along with other guests in attendance. The Center has become a model and continues to attract attention and resources. Ninety-nine percent of full-time faculty have completed door cards, which are on the website so that students have full access to faculty office hours. The Facilities Maintenance Center at Skyline was awarded the Leadership in Energy and Environmental Design (LEED) Gold Certification Award by the U.S. Green

Building Council. The Coaches vs. Cancer fundraiser has raised \$500 and students voted to contribute an additional \$300. The fundraiser is ongoing. Skyline has received \$100,000 from the Grove Foundation to fund student scholarships. For the spring 2011 semester, 22 Skyline students received \$2,000 scholarships.

President Claire said Measure G money has allowed College of San Mateo to open new sections and the fill rate in core academic areas is at or above 95%. The Health and Wellness Building has achieved LEED Gold Certification. The building has also been honored with a 2011 Sustainable San Mateo County Green Building Award. The College will be presented with the award on March 10; President Claire said he hopes Board members will be able to attend and that President Holober or his designee will accept the award on behalf of the College. On February 11, the President's Lecture Series will present W. S. Merwin, the country's current Poet Laureate and a Pulitzer Prize winner. President Claire introduced Public Information Officer Beverly Madden and demonstrated a new element of the College's award-winning website. "Explore CSM" is an interactive map. Visitors can click on a building to find information about the programs and services housed in the building and recommended parking areas. The Career/Technical Education program sites will soon offer videos featuring faculty members.

President Mohr thanked Vice President of Student Services Robin Richards and her staff for their work in conducting recent workshops on campus safety. The workshops were designed to help faculty and staff recognize the needs of students and how to help them to either stay focused or get the help they need to function well. President Mohr distributed outlines of the workshops to the Board. Math Jam continues to flourish, with an increasing number of students taking advantage of the program. The winter Math Jam drew 95 students and there was an 84% completion rate. The men's basketball team is doing very well, with a 14-2 record. President Mohr said all of the athletic teams at Cañada are highly competitive and he would like to work toward having more athletics at the College.

Executive Vice Chancellor Keller said Governor Brown released his State budget on January 10. Highlights include:

- no midyear cuts, but it is likely there will be adjustments going forward
- no elimination or reduction of CalGrant funding
- \$400 million cut to the California Community College System; approximately \$8 million to SMCCCD
- 38% increase in student fees, from \$26 to \$36 per unit
- 1.9% enrollment growth funding
- \$129 million in further deferral of apportionments
- no additional cuts identified specifically for categorical programs, but proposed to continue flexibility to use the funds for other programs
- increase in student financial aid
- no COLA for another year
- extension of tax increases; if this fails on a ballot, there will be additional reductions

President Holober said the Community College League of California (CCLC) provided a link showing the impact of the budget on particular districts. It shows a \$7.5 million reduction for SMCCCD with an offset for increased student fees, resulting in a net reduction of approximately \$5.5 million. Chancellor Galatolo said that, in addition to the \$400 million base reduction to community colleges, the Governor's proposal also seeks to generate \$110 million through increased student fees which would go to the State. The Community College System is proposing that the increased fees instead remain in the System to offset the \$400 million burden. He emphasized that the budget proposal is fluid and it is premature to try to predict its total impact. Chancellor Galatolo said he was invited to share his concerns with leaders in Sacramento and also with Appropriations staff in the State Senate and Assembly. Today he sent an email to the Bay 10 Chancellors, the SMCCCD Board of Trustees and staff in response to an email from Scott Lay, President and Chief Executive Officer of the CCLC, regarding budget priorities. Chancellor Galatolo said it is time to talk with the legislature about the impact on students of lower funding for community colleges than for other systems of post-secondary education.

President Hernandez said faculty are back at work for the spring semester and he continues to be impressed with what they do, with the limited resources available, to help students meet their goals. Regarding SB 1440, President Hernandez said the State Academic Senate and the Chancellor's Office have been working on the Transfer Model Curriculum. The first three sets are now ready for the colleges to consider and are on a fast track for implementation. Webinars will be held to assist faculty and colleges to move forward. The second group should be coming soon and many transfer degrees should be in place in time for the fall semester.

BOARD SERIES PRESENTATION – INNOVATIONS IN TEACHING, LEARNING AND SUPPORT SERVICES: MATH ACADEMY AT SKYLINE COLLEGE (11-1-5C)

Vice Chancellor Luan said the Math Academy at Skyline College is an innovative program intended to increase the success rate of at-risk students in math and other lower division courses with the purpose of increasing transfers. He introduced Skyline College Vice President of Instruction Mike Williamson. Vice President Williamson introduced his co-presenters, Professor of Math Pat Deamer and Assistant Professor of Counseling Pauline Wethington.

Vice President Williamson said data accumulated over a nine-year period showed that, both Statewide and at Skyline, only 13% of students who started in elementary algebra eventually went on to pass a transfer-level math course. Math Academy was instituted to try to increase that number. Professor Deamer said Math Academy is a program for at-risk students who never felt they succeeded in math or are afraid of math. Math Academy takes a different approach to supporting students in mathematics. Students are together for two years and the focus is for the students to attain an AA Degree and transfer. Professor Wethington she fills the role of case manager and counselor. The case management approach includes academic counseling, personal intervention, and transfer/academic scholarships. The program is going into its fifth year and up to 50 students will graduate and transfer this coming spring.

Vice President Williamson said math cohort tracking shows that Math Academy students have improved the rate of passing a transfer-level math course from the 13% mentioned earlier to 26%. He said the program is part of the Basic Skills Initiative and, in addition to improving success in mathematics, it has had other impacts on students. Professor Deamer said that although the Math Academy is under the African-American Success Through Excellence and Persistence (ASTEP) program, it is open to all. Math Academy has created student leaders; created a “United Nations of Students” who believe in their ability to succeed; and motivated students to increase their overall GPA. Professor Deamer said that Math Academy is a family in which students support each other both in the classroom and in personal situations.

Students in the Math Academy spoke to the audience about their GPAs and about the schools to which they will be transferring, and spoke about what being in the program has meant for them academically and personally. A main theme was the sense of family they feel with their fellow students and with Professors Deamer and Wethington. Students believe that Math Academy afforded them the opportunity to believe they could succeed and then provided the tools for them to succeed.

Vice President Mandelkern said Professor’s Deamer’s enthusiasm continues unchecked and provides a breath of fresh air. He said this serves as an example that, if given adequate resources to fund such programs, every student can be successful given the District’s talented staff and students. He thanked the presenters and the students for sharing their experiences with the Board.

Trustee Hausman said the presentation was nothing short of uplifting. She said she is particularly pleased to see the emphasis on math at a time when the country needs more emphasis on math and science in order to compete globally.

Trustee Schwarz thanked everyone for taking the time to explain the program. She asked if students reverse their opinions about math once they have achieved their goals; there was widespread agreement among the students that they do. Trustee Schwarz said she knows that the Math Academy staff has gone above and beyond what is required of most jobs.

President Holober thanked Professors Deamer and Wethington for the great work they do and congratulated the students for the successful paths they are on. He told the students that they heard earlier in the meeting about the difficult times the District is facing. He said the Board believes in fighting against the budget cuts and that the Board needs students to be part of that fight.

Chancellor Galatolo said Professors Deamer and Wethington pour their hearts and souls into what they do and operate under the auspices of “high-touch.” He said he is very moved by the accomplishments of the students in the program.

President Stanback Stroud said Math Academy is an example of a program with real integration of Student Services and Instruction; there is a counseling component, a tutoring component, and a faculty and instructional component. She said this integration and collaboration add to the success of the program.

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

JoAnn Campas, Senior Loss Control Consultant at Keenan & Associates, presented Statewide Educational Wrap Up Program (SEWUP) safety awards for the Design-Build projects at College of San Mateo (Buildings 5 and 10) and Skyline College (Buildings 4 and 11).

The project at College of San Mateo was a three-year project with a finished construction value of \$173 million. Ms. Campas said the safety performance throughout the project was outstanding. Accepting the award were Bill Niemann and Dan Crosby for McCarthy Building Companies, Inc.; Mario Galeano for Swinerton Management & Consulting; and Vice Chancellor José Nuñez for the District. Mr. Niemann introduced other members of the McCarthy team: Alec Banta, Tom Dixon, Philip Moorthy and Brad Hulbert.

The project at Skyline College was a two-year project with a finished construction value of \$62 million. Ms. Campas said the safety performance was outstanding throughout this project as well. Accepting the award were Owen Olson for Hensel-Phelps Construction Company; Jack Herbert for Swinerton Management and Consulting; and Vice Chancellor José Nuñez for the District.

Vice Chancellor Nuñez recognized Rick Bennett and Linda da Silva of the Construction Planning Department for their work on both of these Design-Building projects.

NEW BUSINESS

APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (11-1-3A)

It was moved by Vice President Mandelkern and seconded by Trustee Hausman to approve the actions in Board Report No. 11-1-3A. The motion carried, all members voting "Aye."

APPROVAL OF CONSENT AGENDA

President Holober said the Consent Agenda consists of Board Reports 11-1-1CA, Approval of 2011-12 Budget and Planning Calendar, and 11-1-2CA, Ratification of November and December 2010 District Warrants. It was moved by Trustee Hausman and seconded by Vice President Mandelkern to approve the consent agenda. The motion carried, all members voting "Aye."

Other Recommendations

NOMINATIONS FOR MEMBERSHIP ON THE CALIFORNIA COMMUNITY COLLEGE TRUSTEES (CCCT) BOARD, 2011 (11-1-1B)

President Holober asked if there were any nominations of SMCCCD Board members for membership on the CCCT Board. There were none. Vice President Mandelkern suggested that Trustee Miljanich be asked if she is interested in running for a seat on the CCCT Board; staff will do so.

APPROVAL OF NONRESIDENT TUITION FEE, 2010-11 (11-1-105B)

It was moved by Trustee Hausman and seconded by Vice President Mandelkern to approve the fee as detailed in the report. CFO Blackwood said the District was notified by the State of a change regarding the Capital Outlay Fee. When the Board approves that fee, it will now apply to all nonresidents, including students who are residents of the United States but not of California. It previously applied only to students who are residents of a foreign country.

Vice President Mandelkern said the Foothill-De Anza District has an aggressive program to recruit international students. He noted that Foothill-De Anza's nonresident fees are lower than the District's and asked if that might put the District at a competitive disadvantage. Executive Vice Chancellor Keller said the District's competitive disadvantage is a result of the extent and breadth of Foothill-De Anza's marketing effort and how long it has been in existence, rather than a fee issue. Chancellor Galatolo said international education will be discussed in detail at the Board Retreat. After this discussion, the motion to approve the nonresident tuition fee carried, all members voting "Aye."

APPROVAL OF CONSTRUCTION CONSULTANTS (11-1-106B)

It was moved by Trustee Hausman and seconded by Trustee Schwarz to approve the consultant as detailed in the report. The motion carried, all members voting "Aye."

BOARD MEMBER COMPENSATION (11-1-107B)

President Holober said this is an annual item placed on the agenda pursuant to 2001 legislation which allows boards to adopt a 5% increase in compensation. Trustee Hausman noted that for the past two years, the Board has refused to accept the increase because of the financial situation. She said she believes it would not be right for the Board to adopt an increase this year. All Board members agreed with Trustee Hausman's comments. It was moved by Vice President Mandelkern and seconded by Trustee Schwarz to freeze the Board's compensation at the current level. The motion carried, all members voting "Aye."

INFORMATION REPORTS**ACCOUNTABILITY REPORTING FOR THE COMMUNITY COLLEGES (ARCC) REPORT, 2010**

Vice Chancellor Luan said this report, which includes each of the College's ARCC results and which was distributed to the Board, is presented on an annual basis as required by law. He said that each College has reviewed its performance indicators and provided contextual information which is shown on the last page of each College report. The Colleges' performance is not meant to compare Colleges within the District, but rather to allow each College to compare performance against its own historical trend. The "College Peer Grouping" information is based on a very complex computation and is a composite of many colleges. Colleges use this information to compare their own performance when there is a history encompassing a number of years.

Trustee Hausman asked what percentage increase or decrease would be considered significant. Vice Chancellor Luan said the "80/20 Rule" may be used to determine significance. He said a College will be concerned if a trend forms showing a persistent decrease in a particular area.

FIRST QUARTER REPORT OF AUXILIARY OPERATIONS, 2010-11 (11-1-7C)

Vice President Mandelkern said he is pleased to see the results for the San Mateo Athletic Club in the first quarterly report. He asked when more detailed information will be provided, particularly a breakdown on the expense side. Mr. Bauer said the information will be provided in the second quarterly report.

DISCUSSION OF TOPICS FOR BOARD RETREAT OF FEBRUARY 12, 2011

Chancellor Galatolo said agenda items to date include a report on the Board's 2010-11 goals; proposed goals for 2011-12; international education; timing of a potential general obligation bond; communications to the public regarding Measure G efforts; and discussion of the budget. Board members agreed with these agenda items.

STATEMENTS FROM BOARD MEMBERS

Trustee Schwarz attended the Foundation Board meeting on January 18, at which Board members were presented a copy of the Foundation newsletter, "College Views." Staff will send a copy of the newsletter to each Trustee. The Foundation will hold its First Annual Golf Tournament on April 25; proceeds will benefit the Foundation's Scholarship Fund and programs at the Colleges. Board members will be sent information on this event.

Trustee Schwarz said she overheard a conversation among students regarding the rental of books via the Internet. Tom Bauer, Director of Auxiliary Services, said there are companies that rent books and they are competitors of the District's textbook rental program, although the District's pricing is lower. Trustee Hausman asked if students are aware that the District offers a better deal. Mr. Bauer said students are smart shoppers and that all of the District's pricing information is on the website. He said that textbook rental income has doubled since this time last year. Vice President Mandelkern asked if students are able to purchase or rent textbooks at the same time that they register on WebSmart. Mr. Bauer said they cannot do so now, but will be able to beginning in the fall 2011 semester. Chief Financial Officer Kathy Blackwood said registration and the purchase or rental of books will still require two transactions because the two pieces of software are not fully integrated. When students register for classes, they will be able to click on a link to purchase or rent textbooks.

Trustee Hausman also attended the Foundation Board meeting, where members of the Board of Directors who finished their terms were honored. There was discussion regarding the length of terms of Directors and whether Directors who served in the past should be able to serve again at a later time. Trustee Hausman said Mr. Bertini was a remarkable man who had great diversity in interests and abilities. She said he was a kind and helpful person and will be greatly missed.

Vice President Mandelkern said that, although he did not have the privilege of serving on the Board with Mr. Bertini, he met him several times and witnessed his continued interest in the success of the District. Vice President Mandelkern

thanked Mr. Parenti-Kurttala for attending the meeting to represent student interests. He also thanked Jeff Gee for attending the meeting as a representative of Swinerton Management & Consulting and noted that Mr. Gee is also a member of the City Council of Redwood City. Vice President Mandelkern said he appreciated the recognition of the District's Facilities Department staff in President Stanback Stroud's President's Report. He said he heard a report on radio which said there is a shortage of managers for new, high-tech buildings and suggested this might present an opportunity for the District to develop a program to fill the need.

President Holober said he did not know Mr. Bertini well but his experiences with him were positive and it was clear that he was dedicated to his community.

COMMUNICATIONS

None

RECESS TO CLOSED SESSION

President Holober announced that during Closed Session, the Board will (1) consider the personnel items listed as 1-A on the printed agenda and (2) conduct a conference with District Labor Negotiator Harry Joel; the employee organizations are AFT and CSEA.

The Board recessed to Closed Session at 8:05 p.m. and reconvened to Open Session at 9:52 p.m.

CLOSED SESSION ACTIONS TAKEN

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

ADJOURNMENT

It was moved by Trustee Schwarz and seconded by Vice President Mandelkern to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 9:55 p.m. in memory of Tullio Bertini.

Submitted by



Ron Galatolo
Secretary

Approved and entered into the proceedings of the February 23, 2011 meeting.



Dave Mandelkern
Vice President-Clerk