The meeting was called to order at 5:00 p.m.

Board Members Present: President Maurice Goodman, Vice President Karen Schwarz, Trustee Richard Holober, Trustee Dave Mandelkern, Trustee Thomas A. Nuris

ANNOUNCEMENT OF CLOSED SESSION ITEMS FOR DISCUSSION
President Goodman said that during closed session, the Board will (1) hold a conference with legal counsel regarding two cases of anticipated litigation as listed on the printed agenda, and (2) consider employee discipline, dismissal, release.

STATEMENTS FROM THE PUBLIC ON CLOSED SESSION ITEMS ONLY: None

RECESS TO CLOSED SESSION
The Board recessed to closed session at 5:00 p.m.

RECONVENE TO OPEN SESSION
The Board reconvened to open session at 6:43 p.m.

Board Members Present: Vice President Karen Schwarz, Trustee Richard Holober, Trustee Dave Mandelkern, Trustee Thomas A. Nuris, Student Trustee Jordan Chavez

Others Present: Chancellor Ron Galatolo, Chief Financial Officer Bernata Slater, Skyline College Interim President Jannett Jackson, College of San Mateo President Michael Claire, Cañada College President Jamillah Moore, District Academic Senate President Jeramy Wallace

Vice President Schwarz said President Goodman was not feeling well and would not be present for the open session.

President Moore introduced Dr. Manuel Perez, the new Vice President of Student Services at Cañada College.

PLEDGE OF ALLEGIANCE

ANNOUNCEMENT OF REPORTABLE ACTION TAKEN IN CLOSED SESSION
Vice President Schwarz said no reportable actions were taken during closed session.

DISCUSSION OF THE ORDER OF THE AGENDA: None

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS
Regarding Assembly Bill 302, Angela, a resident of San Mateo, said the lack of toilet and shower facilities in parking lots is a public health and sanitation issue. She said counties and cities have already established homeless systems. She said she believes the bill encourages students to leave their homes because they want independence and this is not a good influence on other students. She said she believes individuals other than students will come to the campuses because the places will be better than sleeping on the street.

Cisco Lee said there is an opt-out option for AB 302. She said in the event it becomes law, she would ask the Board to consider that option. Dave Codemo said he learned about the opt-out option when he met with Assemblymembers Kevin Mullin and Marc Berman and he encouraged the Board to opt out if the bill passes. He said he is sympathetic to homeless students; however, he believes there would eventually be an incident that would affect other students or residents of the area and would result in liability for the District. He said the bill now has a sunset date of December 31, 2022 and he questioned whether it would be wise to invest money in the program.

Dave Scott said the study most frequently referred to when discussing AB 302 is the HOPE Center study. He said he questions the methodology of the study and the questions that were asked in terms of defining homelessness. He said the study noted that six percent of students reported being homeless but another 13 percent was added to get to 19 percent. He said this is in stark contrast to the report by the Housing Services Agency of San Mateo County which reported a total of approximately 1,560 homeless individuals in the county. He said that even if all of that number were community
college students, it would be only approximately three percent of the total community college student population. He said he believes that getting a better understanding of what the numbers actually are would lead to a better solution than having students sleep in parking lots.

Zack Bruno, Professor of Music at Skyline College, said he served on the Public Safety Study Committee from 2016 to 2018 as the sole member from the District Academic Senate. He said he believes the campuses are generally safe, but an extraordinary event such as an active shooter would be a catastrophic occurrence. He said the Board agreed to form a subcommittee and study alternatives other than the Margolis Healy recommendation to have sworn, armed officers on the campuses, including the possibility of having Student Resource Officers (SROs) on the campuses. He said this would provide at least some security. He said the subcommittee membership was to be Trustees Goodman and Schwarz and the Student Trustee. Chancellor Galatolo said staff will follow up on this item and will substitute Student Trustee Chavez’s name as the Student Trustee. Trustee Mandelkern said he believes the claim in the Margolis Healy study that all UCs, CSUs and Bay 10 community colleges except the District use sworn, armed officers was determined to be untrue. He said he believes the subcommittee referenced by Professor Bruno should meet and review the SRO model as the Board said it would do.

NEW BUSINESS

APPROVAL OF PERSONNEL ITEMS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (19-7-1A)

It was moved by Trustee Holober and seconded by Trustee Nuris to approve the items in the report. The motion carried, all members voting Aye.

STUDY SESSION

OVERVIEW OF DISTRICT BOOKSTORE OPERATIONS (19-7-1C)

Tom Bauer, Vice Chancellor of Auxiliary Services and Enterprise Operations, introduced the college bookstore managers: James Peacock from College of San Mateo, Jai Kumar from Cañada College and Kevin Chak from Skyline College. Vice Chancellor Bauer said he last presented a report on the bookstores at a study session in January 2006. Over the years since that time, the bookstores have done phenomenally well while many others in California and in the nation have failed. The textbook rental program was instituted at Cañada College in 2006 and the District became the largest purveyor of rented textbooks in the California community college system. The textbook rental program kept the student customer base at the District and because of this, along with coffee and other convenience services, the bookstores did not lose market share like so many others did and were able to remain financially solvent. Vice Chancellor Bauer said the bookstores have made some transitions in the provision of academic materials, largely directed by the Board to explore lower cost options and also by requests from student and academic groups and the changing world in general. These transitions have had an impact on the bookstores.

Vice Chancellor Bauer outlined services provided by the bookstores at no cost to the District:

- Livescans – processed 4,673 scans for District hires since January 2016. Trustee Nuris asked if this service is offered to the public for a fee. Vice Chancellor Bauer said it is offered to other school districts and the public for a fee but is not widely used because many organizations now offer the service.
- Armored car service – provided to each of the colleges at a cost of $40,000 per year for over 30 years.
- Check cashing.
- Copy Centers – during the recession beginning in 2008, the Cañada College and Skyline College copy centers were identified as operations that would have to be outsourced and their classified employees relocated. Vice Chancellor Bauer agreed to incorporate the copy centers into the bookstores in 2010 and added a copy center at College of San Mateo.

Mr. Peacock said the copy centers maintain college and district brand integrity by producing business cards and stationery and managing logos. He said the copy centers must hire, train and retain technically trained and highly skilled staff in the areas of graphic art, software and equipment operation. He said the copy centers have helped expand low cost access to course packs and readers by maintaining relationships with faculty and providing copyright management, production and binding services.
Vice Chancellor Bauer said the District has an agreement with Office Depot for printing and the charge is 2¢ per copy. He said the bookstores match that price but lose money on each copy made. He said the colleges have installed copy production machines in some buildings, resulting in a dramatic decrease in the use of the copy centers. He said the copy centers are operating at a significant loss. He said one of the ways to stabilize the bookstores would be to have the colleges take back operation of the copy centers or make another type of decision.

Mr. Chak outlined additional services offered by the bookstores:

- Brown Bag/Grab ‘n Go Meals – 7,738 meals have been served to the SMCCCD community. Trustee Nuris asked if the meals are produced in-house. Mr. Kumar said some of the meals are produced in-house and others are provided by outside vendors. He said staff wants to make sure the meals are accessible to all students and since some food service sites close early, they have partnered with outside vendors who can deliver larger quantities of packaged meals on short notice. He said they also work with the District’s food service vendor, Pacific Dining, and issue meal vouchers to students who prefer to have hot meals or who have more time to eat a meal. Mr. Kumar said the majority of students are accessing grab ‘n go meals but staff is seeing students gravitate a bit more toward hot meals through Pacific Dining. Mr. Peacock said staff also works closely with the SparkPoint coordinators who provide fresh fruit to pair with the meals. They also work with the Associated Students and with the District’s beverage pouring rights vendor, Pepsi, to offer free or very low-cost water to go with the meals. Chancellor Galatolo added that the Free Community Market at Skyline College provides access to free groceries to students as well as to community members.

- Loan 2 Own computer purchase program for employees
- Student job training
- In-kind donations and event sponsorships
- Departmental event help
- Commencement assistance
- Academic discounts for computer and software purchases
- Coordination of off-site and after-hours sales for off campus/online courses
- Ordering and selling books for President’s Lecture Series and author events
- Free faxing and scanning to emails
- UPS and USPS mailing and shipping
- Recycling of toner cartridges

Vice Chancellor Bauer said that years ago, the sale of new and used textbooks kept the bookstores financially strong because these products could not be found elsewhere. As that business began to wane, the textbook rental program was introduced and has resulted in more than $9 million in savings to students since 2005. Subsequently, the bookstores started working with course materials and kits in response to student needs.

Mr. Kumar said students reported challenges with getting non-book items, e.g. art kits, biology kits, medical assisting supplies, etc. Students would have to go through multiple vendors and locations to acquire all of the materials they needed for their classes. Students had to pay full price and did not always receive the correct items. The bookstores began working with faculty members to combine and consolidate all of the items into either a bag or kit, understanding that course kits would provide students the convenience of acquiring all of the correct items at one location and having them in possession on the first day of class. The bookstores worked directly with vendors to acquire the correct materials specified by faculty. The program was successful at Cañada College and the bookstore began to expand the program, telling vendors they would like to purchase items in volume in return for substantial discounts which were then passed on to students. Students who received financial aid or did not have the initial means to pay for the kits could still acquire the items using campus based funds such as Pell grants. Having the course packs at the bookstores allows students to use secure funds at the point of sale, thus protecting their safety. It ensures that students know where to acquire the materials, have the correct materials, and save money.

Vice Chancellor Bauer said the bookstores have responded to the changing ways in which students learn. When e-books and digital books first came on the market, the bookstores were the first in the Bay Area to begin selling them. As a result, while many publishers were marketing directly to students, the District’s college bookstores continued to be the center for sales of these items to students.

Vice Chancellor Bauer discussed current trends in course materials. Through Open Educational Resources (OER), faculty can compile material that is free in the public domain and put it on Canvas, where students have access at no cost.
A number of faculty are doing this and the District is considering incentivizing them to do more. The Zero Textbook Cost (ZTC) program also offers materials at no cost but may include materials produced by faculty which have a very low cost.

Vice Chancellor Bauer said the Inclusive Access program, while not free, offers a low cost option to students. Cañada College was the first in the District to pilot and adopt Inclusive Access in 2010. Mr. Kumar said staff noticed a move toward a hybrid model of instruction, integrating in-person and online instruction, and recognized the need to modify the delivery model and platforms of content. Particularly in math and science, faculty were integrating more digital content into the curriculum and saw value in using a digital platform to enhance student learning and improving student outcomes. Many companies offered products and this created challenges, including: students had to familiarize themselves with different platforms; each platform required a different login credential; each had a different price; and there were problems with access. Price was a major barrier because of single use restrictions and because students lost money if they dropped a class. To confront these challenges, staff envisioned a uniform student experience regardless of content or portal experience and they designed the very early phases of what is now called the Inclusive Access program.

Vice Chancellor Bauer said benefits of Inclusive Access include:

- **Student Equity** – Day 1 or earlier access for all students; no credit cards required
- **Student Security** – Student information stays with District
- **Student Savings** – Estimated at $2.4 million since 2017

Mr. Kumar said other benefits include single sign on and integration with Canvas; fixed pricing; full refund for students who drop a course within the add/drop period regardless of usage; streamlined delivery; option for students to opt out; and availability of print copy in the bookstores. He said that since the launch of Inclusive Access, prices have remained the same or decreased.

Vice Chancellor Bauer said Inclusive Access challenges include:

- **Lower margins** – Margins are set by vendors
- **Delayed and uncollected payments** – To address this, staff will likely change the way processing is done and this might alter the benefit of every student having materials on the first day of class. Receiving faculty adoptions on time would prevent delayed and uncollected payments.

Vice Chancellor Bauer said the Inclusive Access program has experienced explosive growth in just two years and is projected to grow even more significantly. He said this program, along with OER and ZTC, are wonderful for students but have a direct impact on the bookstores’ finances. With the exception of the last two years, the bookstores have shown a profit and have been able to place funds in the reserve for a rainy day. Last year, the bookstores booked a loss of approximately $200,000. Vice Chancellor Bauer said the loss this year will likely be slightly higher than $400,000 and will continue to increase.

Trustee Mandelkern asked if Inclusive Access is all or mostly digital content. Mr. Kumar said e-books are a part of Inclusive Access but many faculty members are adding adaptive learning systems to enhance student learning. Trustee Mandelkern said that during a discussion about digital content two or three years ago, there was some pushback from students against getting electronic delivery of content versus a physical book. He asked if students are embracing electronic delivery more at this time. Mr. Kumar said there has been a decrease in the number of students opting out of Inclusive Access over the past four semesters. He said that at Cañada College, the highest opt out percentage was 2.5 percent and is now 0.3 percent. Student Trustee Chavez said he finds having digital content very helpful but usage depends upon individual student preference. He said the difficulty with the opt out feature is that some instructors put homework assignments exclusively on Inclusive Access, making it necessary for students to use in order to be successful in the class.

Vice Chancellor Bauer said the bookstores contribute to the overall success of the Promise Program. The Board has approved annual contributions of $200,000 for course materials. In addition, the bookstores manage account balances, purchase history, tracking and reporting, as well as managing transportation cards and food incentives. While staff consider it gratifying to help students in this way and would not want it to change, it does have a considerable financial impact.
Vice Chancellor Bauer said the bookstores have remained sustainable over the years while others have not been able to do so because Chancellor Galatolo has allowed him to empower staff to do things they need to do to help students. He said he also had support from the Board to take risks, including the textbook rental program. He said the bookstores are at a different stage now and he is seeking guidance and direction from the Board on how to move forward. He said he would prefer to engage an independent third party to benchmark everything that is being done at the bookstores against other like colleges, e.g. community colleges in California, especially the Bay 10, that have self-operating bookstores. He noted that the Education Code specifies that bookstores are enterprise operations and must be self-sustaining.

Trustee Holober said he appreciates all of the work that has been done as reflected in the presentation. He asked if the $200,000 contribution to the Promise Program is part of the projected deficit of $400,000. Vice Chancellor Bauer said it is separate and apart from the projected deficit. Trustee Holober asked if functions that might not be viewed within the traditional confines of bookstores functions (e.g. copy centers, armored car service, fingerprinting, gas cards, etc.) are accounted for in the $400,000. Vice Chancellor Bauer said they are. Trustee Holober asked if there is a way to itemize these and have them ascribed to something other than the bookstores. Chancellor Galatolo said it would be possible to shift some of the burden away from the bookstores but due to bookstore overhead, diminishing returns on declining enrollment and the continuing trend to Inclusive Access and online courses, he does not believe it would make the bookstores viable profit centers.

Trustee Nuris said he supports the independent review recommended by Vice Chancellor Bauer, who could then come back to the Board with recommendations.

Trustee Mandelkern said he agrees with the idea of having an independent review with benchmarking. He said there was previously a discussion about outsourcing the bookstores and he commended Vice Chancellor Bauer and his staff for keeping the bookstores internal and adapting to changes in market dynamics, technology, and student needs and demands. He said he does not believe the services that are offered to students today would be possible if the bookstores had been outsourced.

Trustee Mandelkern said the problem of sustainability is not specific to community college bookstores. He said zero margin businesses are not sustainable and it is necessary to determine how to make programs and services not only pay for themselves but also contribute to the overhead of the operation. He said the Board could make a conscious decision to subsidize something considered to be essential to the success of a program, such as gas cards. He said it should not be left to the bookstores to find a way to cover these costs; rather, it should be a higher level policy decision. Regarding the copy centers, Trustee Mandelkern said it does not make sense to have individual copy machines at other places on the campuses. He said he believes they should all be run by the bookstore copy centers, which might have to raise prices, or perhaps contract out certain types of copying to an entity such as Office Depot. Vice Chancellor Bauer said his preference would be to turn copying back to the campuses but have the bookstores continue to produce course packs two times per year.

Regarding the Inclusive Access challenges outlined by Vice Chancellor Bauer, Trustee Mandelkern said that while the margins are dramatically lower, the program is providing a great deal of value to students and the bookstores should be compensated. Recognizing that the margins are set by vendors, he said there could be other ways to add fees or revenue, including a possible policy decision to subsidize certain costs.

Trustee Mandelkern said the issue of delayed and uncollected payments is a process issue that should be solved. Vice Chancellor Bauer agreed that it is a process issue; however, he said getting adoptions from faculty on the days they are needed is an issue for colleges across the country. He said staff works with the Academic Senate president, makes announcements on flex day presentations and sends letters and emails to faculty. Trustee Mandelkern said he believes this issue should be part of a larger discussion to make sure there is understanding of the cost of not getting adoptions in on time and how this affects the Districtwide financial picture overall. District Academic Senate President Wallace said he will address the economic impact of this issue with faculty.

Trustee Nuris asked if there is collaboration with other districts that might be in the same situation. Vice Chancellor Bauer said the District is part of national buying groups. He said that within the Bay 10, the Foothill-De Anza District is the only other district that has not contracted out their bookstores. He said the company that he would like to hire to conduct the independent review would benchmark colleges in like areas such as Los Angeles and San Diego.
Trustee Holober said he believes an independent study makes sense. He said there is more than one component to the growing deficit and there may be more than one element to the solution. He said one suggestion has been to re-characterize certain costs; while this would not make the costs go away, it would keep the bookstores more on track of being self-sustaining.

Trustee Mandelkern said the world is changing and lines are getting blurry, as evidenced by the changes in retail bookstores. He said District bookstores offer coffee service and some food service and there could be consideration of merging the services into one operation such as “Student Services Operations” or “Consumer Operations.” Vice Chancellor Bauer said the independent study will look at all possibilities.

Student Trustee Chavez asked if the Grab ‘n Go and brown bag meals are projected to grow over the next couple of years. He said they are not widely advertised at College of San Mateo and he believes many students are not aware of their availability. Vice Chancellor Bauer said the Associated Student Bodies at the colleges are responsible for advertising the programs and he will bring Student Trustee Chavez’s comments to the Student Life and Leadership Assistant’s attention. Chancellor Galatolo said the Grab ‘n Go and brown bag programs will continue to grow and the District is also addressing food insecurity in general. He said two warm meals per day can be provided to one thousand students at a cost of $1 million per year. He said the Board agreed to this plan at their retreat in March and it will be piloted in the fall.

Student Trustee Chavez said many students are not aware that they have Inclusive Access balances on their account until they are not able to get their ID cards. Mr. Peacock said the reason the charges cannot be placed on a student’s account upfront is due to adoptions from faculty not coming in on time. Because of this, the fees are placed on the account after classes begin so that students will not be dropped for unpaid fees. Trustee Mandelkern said faculty should be educated about the fact that untimely submissions can result in students being unable to get their ID cards. President Wallace said he will also address this issue with faculty.

Vice President Schwarz thanked Vice Chancellor Bauer and his staff for their excellent presentation. She said she recalls problems with the bookstores when she first joined the Board and said that since that time, Vice Chancellor Bauer has created an atmosphere of teamwork and has been able to provide extra services to students.

Vice Chancellor Bauer said he plans to present a follow-up report to the Board in October or November and the individual who will conduct the third-party study will be at the meeting to present his results.

STATEMENTS FROM BOARD MEMBERS
Regarding statements from the public on AB 302, Trustee Mandelkern said there seems to be a misconception that specific parking lots have been designated should the law go into effect. He said this has not been determined. He said it also has been made clear that bathroom facilities would be required.

Vice President Schwarz said there was a meeting of the Educational Housing Corporation dealing with construction at Cañada Vista and the Board of Directors approved a plan to help residents by granting a one-year lease extension to residents of Cañada Vista. She said there is no perfect solution but she believes this is the best solution possible.

ADJOURNMENT
The meeting was adjourned by consensus at 8:46 p.m.

Submitted by

Michael Claire, Secretary

Approved and entered into the proceedings of the September 11, 2019 meeting.

Karen Schwarz, Vice President-Clerk