

February 9, 2005  
San Mateo, California

Prior to the convening of the meeting, members of the Board and administration were provided with a tour of KCSM that included viewing new equipment.

**The meeting was called to order at 6:30 p.m.**

**Board members present:** President Miljanich; Vice President-Clerk Mandelkern; Trustee Hausman; Trustee Holober; Trustee Schwarz; and Student Trustee Burns

**Others present:** Chancellor Galatolo, Executive Vice Chancellor Keller and Vice Chancellor Joel

**And others:** Cañada College President Perez; CSM President Kelly; Skyline College President Morrow; and District Senate President Beringer

**Pledge of Allegiance**

**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 (05-2-1A)**

It was moved by Trustee Holober and seconded by Trustee Mandelkern to approve the actions in Board Report No. 05-2-1A. The motion carried, all members voting "Aye."

**INFORMATION REPORTS**

**KCSM UPDATE (05-2-1C)**

Chancellor Galatolo opened the discussion and explained that the new equipment that was shown during the earlier tour is a result of the Bond measure.

KCSM General Manager Marilyn Lawrence continued with an introduction of her staff: James Ball, KCSM business operations director; Michele Muller, KCSM Director of Engineering; Steve Opson, KCSM-TV programming director; and Dante Betteo, KCSM executive producer.

She provided an overview of the station's activities of the past 18 months. Among the accomplishments at KCSM-FM were successful fundraising drives, digitized/automated recordings to the computer, HD radio-transmitter installed in August 2004, participation in a national jazz core values focus group, and the start of broadcasting from Mt. Diablo. On the TV operations side, she reported on the termination of Channel 60, the installation of a DTV transmitter, a \$366K grant for acquisition of archive capability, launch of JazzTV, and the development of promotional spots for each campus.

Other activities included managed hiring, resulting in new personnel and new positions; participation in the Corporation for Public Broadcasting (CPB) major giving initiative; distance learning; refining the station's mission/vision/values; and reinventing a broadcasting program. Regarding the topic of a broadcasting program, General Manager Lawrence reported that the program had been on hiatus but that, as of Fall 2005, the program will return, with new courses and modified existing courses. Responding to questions and comments from Board members, she said that the program curriculum

reflects industry needs and that, once the program is underway, KCSM will explore the possibilities of partnerships with CSM, UC and Stanford.

Describing the station's mission and values, she said that FM crafts extraordinary jazz programming, delivering the music and its related history to enlighten jazz listeners and artists worldwide. KCSM TV delivers adult distance education and unique programming desired by the Bay Area, based on the philosophy of free inquiry. She described the station's values in terms of education, quality, uniqueness, pioneering and trustworthiness. Overall, she described that, during the past 18 months, the station learned that it is not yet ready to launch full force into multicasting; that the asset management aspect of digital broadcasting is enormous; partnerships will be critical as the station moves forward; and that construction projects on the CSM campus have taken a lot of time away from managing projects.

In addition, the FM station learned that jazz listeners listen to jazz as foreground music as opposed to background music and value the context of jazz as well as the music; that digital radio will have many of the same issues the digital TV has; and that competition will come from satellite radio. Regarding TV, the station learned that people view the channel by appointment; that distance learning students record programs for viewing at another time; and that being local, innovative and different is key to the success of the station.

General Manager Lawrence described the external forces that come to bear on KCSM's accomplishment of its mission: distribution such as Comcast, Dish network, etc.; programming partners such as DOB, PBS, NPR; governmental forces, especially the FCC; and local forces such as the District Colleges themselves, Consortium for Open Learning and Swinerton. Overall, the pushing and pulling of external forces have promoted program acquisition, financial stability, new productions, outreach/promotion, productive pledge drives and distance learning.

The Board and others in the audience complimented Ms. Lawrence and her staff for not only the comprehensive report but also for the evident excellence that the station is striving to achieve.

## **DISCUSSION OF DISTRICT REVENUE ASSUMPTIONS, EXPENDITURE PLANS AND PRIORITIES (05-2-2C)**

Executive Vice Chancellor Keller and Chief Financial Officer Blackwood provided an extensive summary of the current budget issues for 2005-06. The topics included STRS, negotiations, PERS, utilities, benefits, enrollment, "triple flip", and the deficit factor.

Regarding STRS, the Governor has proposed shifting the State contribution for STRS payments to school districts. For 2003-04, the State paid \$1.08M on the District's behalf for STRS. This change will take the District's contribution for STRS from 8.25% to 10.25% of academic salaries. This item will be addressed in the State budget process and is not likely to be addressed by the time of the Tentative Budget.

The issue of negotiations affects the District's largest expense and is affected by the uncertainty as to the 2004-05 budget and 2005-06 revenues. It is hoped that negotiations for 2004-05 will be complete by the Tentative Budget; however, 2005-06 settlements are unlikely until the District has a State Budget. The cost of a 1% increase would be approximately \$785,000.

The Governor has proposed changing PERS from a defined benefit to a defined contribution plan. This would be effective with new employees in 2007. It is not clear how this would affect the District's budget. In general, if this is perceived to be a reduction in benefits, there would be pressure for salaries to increase. In addition, the Department of Finance is currently estimating the PERS employer rate to increase from 9.952% to 10.2%, an increase to the District of approximately \$65,000. PERS board will not issue final rates for 2005-06 until May.

Regarding benefits, the average cost of health insurance premiums went up 18% in January. It is not yet clear how much of that increase will be borne by the District and how much by employees. That split will be determined by negotiations. While the District should know the 2004-05 costs by the Tentative Budget, the District will have to estimate the 2005-06 increases. The District continues to expect double-digit increases in health care costs.

The District has not reached basic aid status, enrollment will drive revenues. The Colleges added additional sections and are adding late classes in order to boost enrollment for Spring. It is likely that the District may borrow from Summer in order to maximize funded enrollment for 2004-05.

The District is still awaiting a decision from the County Controller as to the District's status with the triple flip. This could affect 2004-05 revenues – whether the District receives apportionment and is therefore subject to the State deficit factor. The decision is expected within the week. If the District ends up receiving State apportionment as a backfill for local property taxes, the District will be subject to State deficit factors. The District will have a better sense of the 2004-05 deficit factor by the end of February upon receipt of first period information from the State. At that point, the District will need to decide whether to budget for a deficit factor for 2005-06.

The Board expressed its appreciation for the report.

**The Board recessed to Closed Session at 8:50 p.m.**

**The Board reconvened to Public Session at 9:50 p.m.**

**CLOSED SESSION ACTIONS TAKEN**

President Miljanich stated that, during the Closed Session just concluded, the Board considered the personnel items listed on the printed agenda and voted 5-0 to approve the actions in Board Report No. 1-A. She also reported that the Board discussed collective bargaining matters with Negotiator Joel; no action was taken.

**ADJOURNMENT**

It was moved by Trustee Hausman and seconded by Trustee Schwarz to adjourn the meeting. The motion carried, all members voting “Aye.” The Board adjourned at 9:50 p.m.

The next Regular Meeting of the Board will be February 23, 2005, beginning at 6:00 p.m. in the District Board Room.

Submitted by

Ron Galatolo  
Secretary

Approved and entered into the proceedings of the February 23, 2005 meeting.

Dave Mandelkern  
Vice President-Clerk