

**Minutes of the Study Session of the Board of Trustees
San Mateo County Community College District
July 8, 2015, San Mateo, CA**

The meeting was called to order at 5:15 p.m.

Board Members Present: President Patricia Miljanich, Vice President Dave Mandelkern, Trustees Richard Holober, Tom Mohr and Karen Schwarz, Student Trustee Rupinder Bajwa

Others Present: Chancellor Ron Galatolo, Executive Vice Chancellor Kathy Blackwood, Cañada College President Larry Buckley, College of San Mateo President Michael Claire, Skyline College Vice President of Administrative Services Eloisa Briones

CLOSED SESSION

Personnel Item: Public Employee Discipline, Dismissal, Release

CONVENE TO OPEN SESSION

The Board convened to Open Session at 6:55 p.m.

CLOSED SESSION ACTIONS TAKEN

President Miljanich reported that no actions were taken at the Closed Session that was just concluded.

DISCUSSION OF THE ORDER OF THE AGENDA

None

MINUTES

It was moved by Trustee Holober and seconded by Trustee Schwarz to approve the minutes of the Board meeting of June 24, 2015. The motion carried, all members voting "Aye."

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

Richard Hedges, a resident of San Mateo, said he is a member of the California State Board of Barbering and Cosmetology. He raised the idea of training prisoners in county jails to do barbering, esthetician work and manicuring. He said 80% of those who work in these fields are independent contractors who rent chairs; therefore, they do not need to complete applications and there is no need for anyone to know about their criminal records. He said he believes there could be a pilot program in the new San Mateo County jail that could be a model for the rest of the State. He said there are also apprenticeship programs in these fields. Mr. Hedges said he can be contacted if there is interest in this idea and he can set up meetings with the Executive Director of the State Board.

Mr. Hedges said he also is a member of the Metropolitan Transportation Commission's Advisory Board. He said a subcommittee has been formed, chaired by Alan Talansky, to develop ideas regarding an oil extraction fee, including setting up an income fund, investing the money and using the proceeds for below market rate housing for community college districts and other socially responsible areas. Mr. Hedges said California is the only state without an oil extraction fee but pays fees as it imports oil from other states.

NEW BUSINESS

APPROVAL OF PERSONNEL ITEMS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (15-7-1A)

It was moved by Trustee Schwarz and seconded by Trustee Mohr to approve the actions in Board Report No. 15-7-1A. The motion carried, all members voting "Aye."

STUDY SESSION

DISCUSSION OF DRAFT OF DISTRICT STRATEGIC PLAN (15-7-1C)

Executive Vice Chancellor Blackwood said the Strategic Plan distributed to the Board is still in draft form. She said the development of the Plan has been ongoing for more than a year, with numerous sessions being held at the Colleges. Trustees

Holober and Mohr served on the Steering Committee and provided invaluable guidance. The Plan will be a living document and annual updates will be provided. The Plan will be a major item for discussion at the Board's annual retreat. Work will continue on items that arose during the process, including a data dashboard. Executive Vice Chancellor Blackwood said the draft is being brought to the Board in order to solicit advice and comments from all Board members.

Trustee Holober said it is critical to measure progress on goals that are established and to periodically report to the Board on progress. He said Trustee Mohr played a crucial role in adding this requirement to the Plan. He said that as results are measured, the goals can be adjusted as needed.

Trustee Mohr said governing boards have two major duties: (1) hire the Chancellor and (2) provide direction to the District, in company with the Chancellor and Colleges, with regard to teaching and learning and performance of students. He said the Strategic Plan focuses on the basic mission of the District to deliver curriculum and assess its impact on students. It provides direction on the goals, reporting structure, data to be used, and research to determine progress toward achieving the goals. Trustee Mohr said the District is striving to become the best community college district in the State.

Trustee Mohr said another area of interest in the Strategic Plan is the investment in the teaching process. He said the quality of pedagogy and connection between teachers and students is critical to success. He said the Plan contains many statements about innovation, investing in training for faculty, and helping faculty adjust to best practices.

Trustee Schwarz complimented those who worked on the Plan; she said it addresses all matters that the Board has discussed in the past. She asked for information about the consultant who was hired and about the process of vetting the Plan at the Colleges. Executive Vice Chancellor Blackwood said the District worked initially with Rick Voorhees' consulting firm which was responsible primarily for the graphs and data included in the Plan, although Mr. Voorhees relied heavily on data provided by the College researchers. She said four open forums were held at each campus during the process of developing goals and strategies and determining metrics. Useful feedback was provided through these forums and was incorporated into the Plan as it developed over time. In addition to the Steering Committee – consisting of Trustees Holober and Mohr, Chancellor Galatolo, Executive Vice Chancellor Blackwood, Barbara Christensen and the three College Presidents – a working group that included the College researchers was appointed. Executive Vice Chancellor Blackwood said she anticipates that the final Plan will be taken to the Colleges in the fall. In addition, resources to go with the Plan have been allocated and the Colleges will need to know what the resources are and what the first steps will be.

Vice President Mandelkern thanked Trustees Holober and Mohr for their participation on the Steering Committee. He also thanked Executive Vice Chancellor Blackwood for shepherding the process and asked that she pass his thanks on to her colleagues who worked on the Plan.

The Board held an extensive discussion regarding the goals and strategies contained in the Plan, including:

- The statement in the Introduction that the Strategic Plan signals a “new era” for the District; the fact that this refers to the District being locally funded, allowing more freedom and flexibility with regard to pursuing goals, could be explained more explicitly.
- The mention of “social justice” under Overarching Themes – definition and clarity could be provided; Chancellor Galatolo asked for direction on whether this refers only to students or includes faculty and staff and possibly the community at large. The Board also discussed increased access for poor and underrepresented populations; the use of outside contractors as it relates to equity and social justice; the need for clear framing and parameters regarding broader community; and the appropriateness of proposed entrepreneurial activities.
- Reference to a “more student-centric definition of student success” under Overarching Themes; this is an important goal and might need more explicit language on how to go about developing the definition.
- Placement of list of Districtwide Strategies; discussion of whether this list should come before the Strategic Goals or follow the Goal to which each Strategy is tied.
- Strategic Goal #2 – deals largely with relationships with feeder schools; strategies seem to address a mix of access and success and it might be helpful to have a finer division between Goals #1 and #2.
- Strategic Goal #4 regarding “development of innovative sources of revenue. . .” – “revenue” is appropriate when referring to grants but question of whether “contribution” might be a more accurate metric for other areas, e.g. international student program, contract education and athletic club(s).
- Importance of keeping goals and strategies student-centered; focus should remain on education.
- Suggestion to undertake a SWOT analysis; group discussion of strengths, weaknesses, opportunities and threats can reveal important information.

- Importance of maintaining rigor in program review.
- Examination of classes that begin with full enrollment and end up being under-enrolled; determine reason.
- Use of benchmark data; setting goals on completion, retention, graduation rates, etc.
- Concern that goal to increase the number of students achieving certain letter grades could lead to grade inflation.
- Need for balance between online and face-to-face instruction; students should have choice in delivery method.
- Importance of using multiple measures for placing students in basic skills classes.
- Effect of quality instruction on student success; importance of development and training opportunities.
- Support for the Districtwide Strategy to “continually explore and implement interventions that benefit all students, with particular emphasis on students with high potential and limited resources.”

Executive Vice Chancellor Blackwood said the Board’s suggestions and comments will be useful in finalizing the Plan.

INFORMATION REPORT ON INCORPORATING A LOCAL HIRE REQUIREMENT INTO THE PROGRAM LABOR STABILIZATION AGREEMENT (15-7-2C)

José Nunez, Vice Chancellor of Facilities Planning, Maintenance and Operations, said that in January 2015, the Board appointed a subcommittee to study adding a local hire component into the District’s Project Labor Agreement (PLA). The subcommittee was comprised of Trustees Holober and Schwarz, Vice Chancellor Nuñez and Director of Facilities Planning and Operations Karen Powell. Chancellor Galatolo, Vice Chancellor Eugene Whitlock and Director of Capital Projects Chris Strugar-Fritsch served in supporting roles. The subcommittee met with Eddie Ahn of the Brightline Defense Project, who served as a consultant for the San Francisco local hire ordinance, and with a representative from CityBuild, a San Francisco construction job training program. Staff also reached out to the San Mateo and San Francisco Building and Trades Councils and met with local general contractors and subcontractors and cost estimating consultants.

Vice Chancellor Nuñez discussed the San Francisco local hire ordinance. When it was initiated in 2010, the City’s unemployment rate was 10-12%. It required that 20% of hours worked be local at the beginning of the program, with planned annual increases up to 50% in 2018. The goal is currently frozen at 30%.

Vice Chancellor Nuñez said the District would face challenges in implementing a local hire requirement, including:

- Difficulty in securing data – the data staff has been able to secure is largely anecdotal.
- The cost of the District’s construction program is less the one-half billion dollars, while San Francisco had a multi-billion dollar program.
- The District does not have local resources, such as a County Office of Workforce Development or complementary CityBuild partner, to help put a program in place.
- Because of the construction boom in San Mateo County, contractors could be selective and may not want to compete due to these additional requirements.
- The unemployment rate in San Mateo County is currently 3.16%.

Trustee Holober said the Board must determine its intent and goals along with determining what is reasonable and realistic. He said a local hire program would have two elements – local hire percentages and percentages from census tracts that are poverty areas. Two populations are involved in local hire programs – journey-people and apprentices. Trustee Holober said the District’s tools may be greater for the apprenticeship population because of the Trades Introduction Program (TIP) pre-apprenticeship program and JobTrain. Trustee Holober said he believes it is possible to achieve a local hire program for the District. He said he believes it would make sense to hire Brightline in a consulting capacity to help the District design a program.

Trustee Schwarz said she is impressed with the TIP program and would like to explore the possibility of connecting that program with contractors who would sponsor graduates of the program. She said she supports enhancing education that would eventually lead to the goal of hiring local people from impoverished areas for college projects.

Trustee Mohr said the two issues to be considered are the PLA and a local hire program. He said there are two overarching frames of reference – what is in the interest of students and what is the Board’s fiduciary responsibility. He said the public’s expectation is that their financial support will be used to support education for students and, therefore, the Board must seriously consider the cost differential when discussing a PLA and a local hire program.

Vice President Mandelkern said he does not believe the PLA is part of this discussion. He said the District has had a PLA in the past and he believes it will continue to have a PLA. Vice President Mandelkern said the discussion on local hire is

related to the previous discussion on social justice, with consideration about whether a portion of the funds provided by County residents should be used to benefit the people of the County or whether the commitment is simply to be as economically efficient as possible. Vice President Mandelkern said there seem to be opportunities around the TIP program. He said he agrees with the suggestion to bring in Brightline or another consultant with no preconceived notions to help with the process.

Trustee Holober said the District is not yet ready to launch construction work. He said a local hire program would be incorporated into a newly negotiated PLA and would be included in bid documents. He said that before a PLA is negotiated and bids are awarded, the Board would decide what the requirements would be and then build a system that is reality based with some flexibility to account for changing conditions. Trustee Holober said TIP is a good program but the District cannot guarantee that the graduates will be hired as apprentices. He said a local hire program would enable young people to leverage the District's construction funds into a middle class future. Trustee Holober said that, unlike staffing necessary to implement the program in San Francisco, a District local hire program would probably require a fraction of a full-time employee and could possibly be contracted out.

President Miljanich said she respects the goal and vision of what the outcome of a local hire program could be in terms of social justice. However, she said she has serious concerns about establishing such a program in our District. She said it is not clear to her that setting up a program and assuring compliance would not require a considerable expenditure of funds. She said she is also concerned because she does not believe this is within the District's core mission as an educational institution. She said that addressing the gap in skills levels of students through programs such as TIP in order to help people build skills and be in a position to become employable is within the District's educational mission.

Trustee Mohr noted that the County's unemployment rate is considerably below the State average and, therefore, questioned the urgency and need for a local hire program. He also asked how a local hire program would fit into the District's goal to educate and prepare people for the modern workplace. He said he believes the District is equipped to provide education and training and this is the path it should take.

Trustee Holober said he met with Bill Nack, former Business Manager of the Building and Trades Council, prior to casting his "Aye" vote for the District's bond measure. He said Mr. Nack said the District has leverage because of the need to negotiate a new PLA. He said he felt that Mr. Nack pledged a positive relationship. Trustee Holober said Vice Chancellor Nuñez and Ms. Powell did a good job trying to secure data but met with resistance; however, he said he felt more hopeful after meeting with Brightline at the last meeting of the subcommittee.

Trustee Holober said the District has completed a variety of innovative things such as green building, which is somewhat peripheral to the educational mission. He said he believes the Board could pursue a local hire program and, with the assistance of expertise outside of the District, could bring back a proposal to consider. He said he believes there is time before construction begins to continue to ascertain what is realistic and attainable.

President Miljanich said she is not in favor of soliciting a proposal for a local hire program. She said that rather than requiring mandatory hiring, she would pursue the strategy of helping people to become legitimately prepared to be employed through education.

Trustee Schwarz said current economic circumstances are different than they were when San Francisco instituted a local hire program and the District is a different entity than a city. She said her major concern is that contractors can be selective because of the amount of construction in the County and might be reluctant to bid on the District's projects if there is a mandatory hiring requirement. She said she does not necessarily object to getting a proposal but does not know how much a consultant would charge to prepare the proposal. Trustee Schwarz said she would like to emphasize working on the educational part of the process, such as the TIP program.

Vice President Mandelkern said San Mateo County as a whole has a low unemployment rate but has varying populations, such as the area east of Highway 101, tech communities and the Coastsides, and various demographic groups such as veterans. He said he believes there are opportunities to target certain disadvantaged communities. He said the TIP program is valuable and it would be worthwhile to determine if there is a way to help insure that jobs will be available at the District for graduates of the program. Vice President Mandelkern said he would support getting a proposal from a consultant with expertise in the area of local hire programs to see if a program would be viable for the District.

Trustee Mohr said he is concerned about the escalating cost of the construction projects and does not want to do something that would cause costs to rise more. He said the Board must protect the public's investment and use bond money in a way that will serve students for the next 50 years. Trustee Mohr said he believes that finding ways for the District to train disadvantaged populations for construction work would be more meaningful than setting up mandates for hiring.

Trustee Holober said cost is an unknown factor. He said the construction industry is cyclical and there is a question of whether this is the right time to commence any construction because of skyrocketing costs. Therefore, he said he does not believe the correct approach is to be fixated on today's market conditions. Trustee Holober said San Francisco currently has a 3.5% unemployment rate and is above its 30% local hire goal. He said he does not believe the Board has sufficient information to make a fully informed decision about a local hire program and would like to seek expertise.

Ms. Powell said she was grateful for the participation of Brightline in the subcommittee meeting. She said it highlighted the vast complexity of the San Francisco local hire program which had a broad-based and multi-constituent approach. She said the District is a relatively small entity and she is concerned about how it might be able to harness resources within San Mateo County to get accurate information and vet the data, as well as bringing multiple perspectives and engaging all interested constituents. Vice Chancellor Nuñez added that CityBuild, the pre-apprenticeship program in San Francisco, fed into the San Francisco County's Office of Economic and Workforce Development and became a feeder to the union halls.

Ms. Powell said that during previous times in which it was difficult to get multiple bids for projects, the District learned that subcontractors' participation drove success and the ability to get the work done approximating the project budget. She said a local hire component has the potential to be a disincentive to subcontractors to participate in bidding on projects. Ms. Powell added that the costs to implement a local hire measure do not necessarily decrease due to a smaller magnitude of projects because the program can require the same level of effort.

James Ruigomez, Business Manager/Executive Director of the San Mateo County Building and Trades Council, said he observed how the local hire goals in San Francisco evolved into requirements. He said it could be problematic if contractors are not able to use their set crews because they have to hire local workers because of their zip codes rather than their skill sets. He said dealing with a local hire component in a PLA is a tedious task and could put a wedge between workers. Mr. Ruigomez said numerous studies indicate that PLAs and prevailing wages do not escalate the cost of construction; in fact, not having PLAs and prevailing wages escalates costs because unskilled workers do shoddy work and cost millions of dollars in work that has to be redone. He said PLAs level the playing field and remove wage inequality. He said he believes that trying to implement hiring goals and not mandatory requirements is a good idea.

Trustee Holober said the discussion tonight is about a local hire mandatory provision within the District's PLA. He urged Board members to move forward with learning from Brightline what it would cost to hire Brightline as a consultant for a limited period of time.

Trustee Mohr said he would prefer to work closely with the leadership of local trades and District staff to get their perspective on the realities of San Mateo County and on issues regarding preparing and hiring people.

Trustee Schwarz said she is leaning toward working with the local trades and including goals rather than mandatory requirements in the PLA. She asked Mr. Ruigomez if he believes there is something the District might do to enhance the TIP program educationally so that graduates would have a better chance of securing jobs. Mr. Ruigomez said it could be helpful to have local contractors come to the classes to talk with students about how to get into the trades, what projects they are working on, etc.

Vice President Mandelkern said he does not have enough information at this time to judge whether goals or a requirement is the correct path. He said he would like to get advice from those with expertise, including the building trades. Ms. Powell said she heard clearly at the subcommittee meeting that Brightline's role is to set entities up with a mandatory requirement. Therefore, while she believes Brightline could provide valuable data, she is not sure they would bring an objective and balanced perspective. She suggested that Mr. Ruigomez might provide assistance. Vice Chancellor Whitlock said he believes the first step should be to work with the trades to get data on how many people are out of work, which zip codes are affected, etc. President Miljanich added that information needs to be gathered about how many people who are skilled and ready to take positions are not finding jobs, as well as other questions. Ms. Powell said data from the trades has not been forthcoming and she asked Mr. Ruigomez what the prospect is of securing information from them. Mr. Ruigomez said he can again request information on local unemployment from his affiliates; he said the trades are almost at full employment and the percentage of unemployed will be very low. He said he believes contractors have enough workers

from San Mateo County who are working in other counties and could be shifted to District construction jobs and easily reach the goal of 5% for journey-people and apprentices. Mr. Ruigomez said Brightline wants a mandatory requirement because their fees are justified by penalties. Trustee Holober said his understanding is that Brightline is not funded by San Francisco, but is funded by philanthropic grants.

Trustee Holober said that if Board members have an open mind regarding any possibility of a mandatory program, he believes they should work with Brightline because it is the entity that can pull together enough information to allow Board members to make an informed decision. If Board members do not have open minds to even contemplate a mandatory program, he believes they should not move forward.

Trustee Schwarz said she can keep an open mind and listen to a presentation by Brightline before making a decision.

President Miljanich said she is open minded about many things but has a difference in philosophy on this issue. She said she does not support mandatory requirements or the significant involvement of the many people and work hours that would be needed to set up such a program, especially given the low unemployment rates locally.

Vice President Mandelkern said he does not know if a mandatory requirement would work and he would like to learn more about what the percentages would be. He said there is a significant difference between hiring journey-people who live in San Mateo County vs. focusing on creating opportunities for apprentices who go through the TIP program and he would like to have a better understanding of this issue. Vice President Mandelkern said he needs more information in order to make an informed decision and he has an open mind to learn more about a possible local hire program.

Trustee Mohr said “open mind” and “closed mind” have not been defined in terms of this discussion. He said he is uncomfortable with the idea of a mandate because of the rising cost of construction in general. He said he would prefer to work with District staff and Mr. Ruigomez and his colleagues, who have knowledge and understanding of San Mateo County, and ask them to recommend whether a mandate is feasible. Trustee Mohr said he does not believe that making a greater commitment to a mandate by bringing in a consultant is the correct approach.

President Miljanich said it appears that three Board members are interested in moving forward and she directed staff to work with Brightline or another entity, while understanding that it does not reflect a commitment to a mandatory local hire program. Ms. Powell said staff will begin the process of securing a proposal from Brightline and possibly other consultants.

STATEMENTS FROM BOARD MEMBERS

Trustee Mohr said Ted Kruttschnitt, whom he has known for approximately 25 years, contacted him to say he would like to consider providing scholarships for students in the District. Trustee Mohr introduced Mr. Kruttschnitt to Foundation Executive Director Stephani Scott. Ms. Scott formed a committee comprised of Gus Petropoulos, Margie Carrington and Trustee Mohr; the committee held meetings over a nine-month period. Mr. Kruttschnitt has agreed to provide scholarships in the amount of \$6,000 per student per year to a cohort of 30 students. Each student will receive the scholarship for two years for a total of \$12,000. After the first year, Mr. Kruttschnitt will be providing scholarships in the amount of \$360,000 per year. Students in the cohort will be expected to be full-time students, have a clear education plan and clear goals, and maintain a 2.5 Grade Point Average. Mr. Kruttschnitt wants to know that the scholarships will make a difference between recipients being able to be full-time vs. part-time students. President Miljanich suggested that the Board send a letter of appreciation to Mr. Kruttschnitt and perhaps follow up with another form of recognition.

Vice President Mandelkern said there was a recent newspaper article about some difficulties the South San Francisco School District had when using the lease-leaseback financing method for modular classrooms; he said there might be lessons learned from this experience. Chancellor Galatolo said there is also a recent case, Davis v. Fresno, in which the plaintiff challenged the use of the lease-leaseback contract that the Fresno Unified School District had awarded to Harris Construction for the construction of a middle school. Chancellor Galatolo said Vice Chancellor Whitlock, in his capacity as General Counsel, has been investigating other financing methods and a full report will be made to the Board.

Vice President Mandelkern said there have also been articles about the new UC transfer path for community colleges, with ten majors being identified and ten to follow in the next year. He said he would be interested in a report to the Board on how this will affect what the Colleges do in terms of educational planning and preparing students for transfer.

Trustee Schwarz said she attended retirement parties for Robin Richards and Mike Tyler at Cañada College and she wished them both well. Trustee Schwarz said the Board received a letter from Barbara Beno, President of the ACCJC, outlining

changes to accreditation practices. She asked if there were comments regarding the changes. Chancellor Galatolo said he was asked to testify before the State Assembly Higher Education Committee; he was not able to do so and President Claire will testify in his place. Chancellor Galatolo said he believes the Commission is reacting to pressure because there are more affirmations of colleges recently; however, he believes the Commission is still far from healthy. He said the taskforce on accreditation in the State Chancellor's Office may recommend that the ACCJC be folded into WASC-Jr.

In response to Mr. Hedges' earlier comments, Trustee Holober suggested that the Board look into what is currently being proposed in terms of a severance tax. Chancellor Galatolo said staff will investigate this item.

Student Trustee Bajwa said the California Community College Association of Student Trustees will hold a conference in August and will hold elections for its next Board. Student Trustee Bajwa said he currently holds the position of Director of External Affairs.

President Miljanich said she received copies of the "Find Your Future HERE" brochure from Barbara Christensen and they have been very well received by the students with whom she works. Chancellor Galatolo said copies of the brochure will be sent to Board members.

RECESS TO CONTINUATION OF CLOSED SESSION

President Miljanich said that during Closed Session, the Board will:

1. hold a conference with District Labor Negotiator Eugene Whitlock; the employee organization is AFT
2. hold a conference with legal counsel regarding two cases of anticipated litigation as listed on the printed agenda

The Board recessed to Closed Session at 10:02 p.m.

The Board reconvened to Open Session at 10:45 p.m.

CLOSED SESSION ACTIONS TAKEN

President Miljanich reported that no actions were taken at the Closed Session that was just concluded.

ADJOURNMENT

It was moved by Vice President Mandelkern and seconded by Trustee Mohr to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 10:46 p.m.

Submitted by

Ron Galatolo
Secretary

Approved and entered into the proceedings of the July 22, 2015 meeting.

Dave Mandelkern
Vice President-Clerk