

AGENDA
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES RETREAT
February 4, 2012, 9:00 a.m.
Cañada Vista Club House, 3 Olive Court, Redwood City, CA

NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS

The Board welcomes public discussion.

- *The public's comments on agenda items will be taken at the time the item is discussed by the Board.*
- *To comment on items not on the agenda, a member of the public may address the Board under "Statements from the Public on Non-Agenda Items;" at this time, there can be discussion on any matter related to the Colleges or the District, except for personnel items. No more than 20 minutes will be allocated for this section of the agenda. No Board response will be made nor is Board action permitted on matters presented under this agenda topic.*
- *If a member of the public wishes to present a proposal to be included on a future Board agenda, arrangements should be made through the Chancellor's Office at least seven days in advance of the meeting. These matters will be heard under the agenda item "Presentations to the Board by Persons or Delegations." A member of the public may also write to the Board regarding District business; letters can be addressed to 3401CSM Drive, San Mateo, CA 94402.*
- *Persons with disabilities who require auxiliary aids or services will be provided such aids with a three day notice. For further information, contact the Executive Assistant to the Board at (650) 358-6753.*
- *Regular Board meetings are tape recorded; tapes are kept for one month.*
- *Government Code §54957.5 states that public records relating to any item on the open session agenda for a regular board meeting should be made available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to the members of the Board. The Board has designated the Chancellor's Office at 3401 CSM Drive for the purpose of making those public records available for later inspection; members of the public should call 650-358-6753 to arrange a time for such inspection.*

9:00 a.m. **ROLL CALL**

Pledge of Allegiance

DISCUSSION OF THE ORDER OF THE AGENDA

STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

INFORMATION REPORTS

- | | |
|---------|--|
| 12-2-1C | <u>Board Accomplishments – Review Board Goals for 2011-12</u> |
| 12-2-2C | <u>Proposed Board Goals for 2012-13</u> |
| 12-2-3C | <u>Budget Update</u> |
| 12-2-4C | <u>Priorities and Resources to Complete Facilities Master Plan</u> |
| 12-2-5C | <u>Community/External Relations</u> |

RECESS TO CLOSED SESSION

Public Employee Performance Evaluation – Chancellor

RECONVENE TO OPEN SESSION

ADJOURNMENT

BOARD REPORT NO. 12-2-1C

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT REPORT ON BOARD GOALS FOR 2011-12 February 4, 2012

1. Maintain fiscal stability; continue to scrutinize programs and services to assure that they are most relevant to and aligned with the District's core mission of transfer, career-technical education and basic skills; develop strategies and actions to manage the effects of the State's budget deficit on our District. Reduce operational costs to the greatest extent possible; continue efforts to build energy efficient infrastructure and facilities; and adopt green/clean and sustainable practices. Expand efforts to create programs and services that provide additional unrestricted income for the District to be used to enhance student instruction and support services, i.e., San Mateo Athletic Club, rents from housing projects, increased facility rentals, etc.

In anticipation of two years of budgeting for mid-year cuts that didn't transpire, the District ended 2010-11 with a fund balance sufficient enough to cover a projected \$8 million operating deficit in 2011-12. In addition, this excess fund balance – which is one-time money – has also provided the time (and resources) to effectively manage the anticipated budget deficit for 2012-13 – especially in light of the “reduction floor” caused by transitioning to self-supported (basic aid) status. We fully anticipate transitioning to basic aid status during the 2011-12 fiscal period.

Expanded outreach and marketing resulted in significant membership growth at the San Mateo Athletic Club allowing it to realize an operating surplus in its first full year of operation - as compared to the projected three years of operating deficits through 2012-13. Further, there has been an increase in rental activity – particularly at College of San Mateo. Most of the rentals are happening via word of mouth at this point; the District expects rentals to increase significantly as a full marketing plan is developed and implemented in the coming year.

2. Continue work on managing enrollments and on the consolidation, retooling or reduction of programs to maximize the number of students served even in a time of declining funding. Seek out, implement and expand cost effective means to improve access and higher education opportunities for our community and students. Use the Board's adopted “Core Values” statement (adopted in December, 2009) as a guide for all program/budget modifications and adjustments. Use Measure G Funds to expand instructional opportunities and related student services for students.

College of San Mateo developed and documented a consultative and research based process, in association with the Board's core values, by which program discontinuance recommendations would be made. As previously reported to the Board, American Sign Language, Japanese, Italian, Humanities, Horticulture and Meteorology were assessed and discontinued – effective for the 2012-13 academic year.

The Colleges developed and executed plans for the use of Measure G funds for 2011-12. The funds allowed the colleges to maintain and improve access and higher education opportunities for their communities and students. As previously reported to the Board, College activities and accomplishments as a result of Measure G funding included:

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
PROPOSED BOARD GOALS FOR 2012-13**

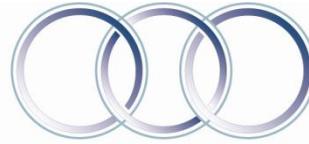
1. Maintain fiscal stability; continue to scrutinize programs and services to assure that they are most relevant to and aligned with the District's core mission of transfer, career-technical education and basic skills; develop strategies and actions to manage the effects of the State's budget deficit on our District. Reduce operational costs to the greatest extent possible; continue efforts to build energy efficient infrastructure and facilities; and adopt green/clean and sustainable practices. Expand efforts to create programs and services that provide additional unrestricted income for the District to be used to enhance student instruction and support services.
2. Aggressively protect local control and retention of property taxes by maintaining a presence in Sacramento; good communication with our local legislators; participation in the Oversight Committees overseeing the wind-down of Redevelopment Agencies; and monitoring the District's progression towards becoming a self-supported District.
3. Continue work on managing enrollments and on the consolidation, retooling or reduction of programs to maximize the number of students served even in a time of declining funding. Seek out, implement and expand cost-effective means to improve access and higher education opportunities for our community and students. Use the Board's adopted "Core Values" statement (adopted in December, 2009) as a guide for all program/budget modifications and adjustments. Use Measure G funds to expand instructional opportunities and related student services for students.
4. Evaluate the impact of the State's adoption of the "Student Success" Task Force recommendations on District programs and student services. Define Student Success for our District and Colleges.
5. Conduct a Community Needs Assessment to identify residents' needs for educational programs. Conduct an Environmental Scan of County employers to determine emerging job opportunities that require postsecondary training programs.
6. Through the SMCCCD Accreditation Coordinating Council (ACC), support the accreditation process by providing Districtwide coordination and District level support for the College accreditation teams. Keep apprised of accreditation progress by way of periodic briefings and presentations from the ACC. Through the state chancellor's office, advocate for accreditation policy that ensures due process for all institutions.
7. Develop efficient, financially feasible and collaborative strategies to ensure that faculty and staff are kept current with the pedagogy, technology and other activities that are critical to student success and organizational excellence.
8. Broaden global perspective and enrich our cultural and educational diversity by fostering institutional relationships abroad; attracting international students to our campuses; and offering teach/study abroad opportunities for faculty and students. Concentrate outreach and recruitment activities in countries and regions sending the largest number of international students to the U.S. Use revenue from international tuition to provide additional classes and services for students. As international education is defined and continues to grow at the Colleges, leverage the experiences of our international students to globalize our curriculum. Determine other implications of a larger international student population on District programs and services.

9. Explore options to complete the District's Facilities Master Plan. Continue to pursue all available options to replace funds lost by the State's abandonment of approved capital projects due to non-authorization of State education bonds for the past six years.
10. Support the Foundation's efforts in cultivating alumni to increase the donor base and support.
11. Pursue relief from regulations that unnecessarily impose high costs or inefficiencies for College and District operations, and that don't further our educational mission and values.

Board Retreat
February 4, 2012
Budget Issues

1. **Governor's Budget.** The Governor's Budget calls for an initiative on taxes to pass in November. If the initiative passes, the budget for community colleges for 12/13 remains essentially flat, and the succeeding 3 years are projected to have increases amounting to 4% per year. Most likely a good chunk of those increases would offset the current \$961M deferrals, which, while assisting our cash flow, does not provide colleges with any additional funds to spend. If the tax initiative doesn't pass, the estimated cuts are \$260- \$300M and would amount to about 5.5% workload reduction. Succeeding years are likely to have continued cuts.
2. **Basic Aid Status.** SMCCCD is currently less than \$1 million away from Basic Aid status. Based on the current projected deficit factor of 2% and the P-1 property taxes and fees, the District should achieve Basic Aid status in the current year. Every scenario for 2012/13 has the District in Basic Aid status, whether we receive RDA funds and whether the Governor's tax passes. The District would likely remain in Basic Aid status until state revenue growth surpasses property tax growth. If the unlikely occurs and we get 4% per year for 3 years from the state, it is possible that we could fall out of Basic Aid status in 2015/16. This is complicated by what decisions the District makes around FTES. The decision to maintain the state funded level of FTES versus choosing to serve fewer students could affect our Basic Aid status. Serving fewer students drops our state determined revenue limit, which is the target that our local revenues need to exceed for us to be Basic Aid. There is always the risk that the state legislature will take away Basic Aid funds, or the ability to become Basic Aid. K-12 Basic Aid schools lose some of their categorical funding in an attempt to have them have a "fair share" of the cuts.
3. **FTES.** The state determines the level of FTES that it will fund. The District usually attempts to be slightly above that target so as to maximize revenue, although as we were growing in the last decade and unable to reach our target, we borrowed FTES from one year to increase revenue and went into stability in the next year – received the same level of funding as the prior year. The Board needs to make some policy decisions as to the level of FTES: should we protect our level of FTES so as to not lose funding should we drop out of Basic Aid, should we reduce the number of students served so as to increase success, etc. Eventually, we need to determine how best to use our resources to meet the needs of our community, regardless of the state determined FTES. In addition, we need to determine how to meet those needs at each college, and what programs services each college will provide. In particular, we need to decide how many students each college will serve and in which disciplines.
4. **Measure G.** Measure G expires in 2013/14. Currently, the colleges are using it to serve students and to fund the adjunct costs that generate almost 2400 FTES. These FTES are counted as part of the FTES that the state is funding. If the District is to maintain our FTES at the current level, those adjunct costs will need to be absorbed back into the Fund 1 budget when Measure G goes away. If the Board elects not to stay at the same FTES level, the costs could be reduced. Similarly, the student services costs that Measure G will need to either be absorbed by Fund 1 or cut in 2014/15.

5. **Redevelopment Agencies.** The California Supreme Court's decision in December ended RDAs as they are currently constructed. There is pending legislation to delay the actual date for takeover by a successor agency and begin the unwinding process. There is also a legislative committee being formed to review and possibly to reconstitute RDAs in some new form. If the RDAs are actually terminated in 2011/12, and the oversight committees can determine how much is available for distribution, some of the funds might become available in 2011/12. If not, we won't see any of the revenue until 2012/13. In either case, the District will continue to receive the pass-through and negotiated payments until the obligations are paid off. It is unlikely that many new RDAs will be created in San Mateo County.
6. **Faculty Obligation Number (FON).** The FON is an arbitrary number or percentage of full time faculty that the District needs to meet or face an economic penalty from the state. The District is currently meeting the FON based on the percentage of part-time faculty to the total faculty. Due to the state budget cuts, the FON (hard number and percentage) is currently frozen at the 2008/09 level. When the Board of Governors decides that there is sufficient funding – or political pressure – to unfreeze the FON, the percentage option will no longer be available. At that time, the state can penalize the District for not meeting its FON hard number by reducing our apportionment. If the District is Basic Aid, there will be no apportionment to reduce and, theoretically, no penalty. If the District were to fall out of Basic Aid, the reality of a penalty is a concern and the impact would be significant.
7. **Reserves.** The District's current policy is to budget for a 5% reserve. Because of budgeting conservatively for mid-year cuts in 2009/10 and 2010/11 that did not come to pass, the District had the reserves to sustain an \$8M operating deficit in 2011/12. If the District becomes Basic Aid in the current year, the additional funds could allow the District to budget for a deficit in future years, if the Board desired. We could provide a smoother transition to Basic Aid by allowing some deficits and surpluses over the next several years in conjunction with our available reserves, rather than a balanced budget each year.
8. **Student Success Initiatives.** As we tackle definitions of student success locally and then attempt to measure and improve on those measures, funding will be required. As yet, we don't know what form it will take. The allocation of resources needs to be tied to whatever board goals are determined for each year. Statewide, there are likely to be changes to our categorical funds in response to the recommendations made by the Student Success Task Force.
9. **State Funding Formula.** Just as the issue of Basic Aid is in question, many other aspects of the state funding formula and regulations are being discussed statewide, including the FON, 50% law, categorical block grants, etc. ACBO is reconstituting the Funding Formula Task Force, of which Kathy Blackwood is a member. There continues to be significant disgruntlement and envy about Basic Aid districts. The Student Success Task Force is likely to instigate changes in allocations as well. In addition, the current governor's budget proposal throws SB361 (the current funding formula for community colleges) out the window and gives the Chancellor's Office discretion in allocating general apportionment funds.



SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT

CAPITAL & TECHNOLOGY NEEDS

FEBRUARY 4, 2012

Proposed Projects



Measure A

Budget Reconciliation

Measure A Fund Balance For the Year Ended June 30, 2011	\$ 62,223,337
Measure A Expenditures (July 1, 2011-December 31, 2011)	\$ (19,037,702)
Measure A Encumbrances (As of December 31, 2011)	\$ (8,308,981)
Measure A Funds Budgeted but not yet Encumbered (July 1, 2011-end of the program)	\$ (15,700,844)
Measure A Uncommitted Funds For the Year Ended December 31, 2011	\$ 19,175,810

District Wide & College Capital & Technology Needs Summary

Facility	August 2011	February 2012
Cañada College	\$114,900,000	\$89,000,000
College of San Mateo	\$146,053,000	\$94,025,000
Skyline College	\$140,164,000	\$101,000,000
District Wide	\$162,725,000	\$176,050,000
Grand Total:	\$563,842,000	\$460,075,000

Cañada College Capital & Technology Needs

Project	Bldg. #	Funding Needed	Description	Cut
Future Science/Allied Health/ Workforce Development Building	TBD	\$40,000,000	New Construction	
Physical Education & Athletics Building	1	\$20,000,000	Modernization & New Construction	
Academic/Technical Building	13	\$20,000,000	Modernization	
Renewable and Alternative Energy Projects	n/a	\$5,000,000	n/a	50%
Humanities/Arts/Theater Building	3	\$4,000,000	Modernization	50%
North Quad Development	n/a	\$4,500,000	New Construction	
Kinesiology Program	2	\$4,900,000	Modernization	
Renovation of south wing, ground floor of Library/Student Services Building	9	\$4,500,000	Modernization	
Northwest Campus Development	n/a	\$3,000,000	Modernization	
	Subtotal:	\$89,000,000		

College of San Mateo Capital & Technology Needs

Project	Bldg. #	Funding Needed	Description	Cut
Gymnasium Building	8	\$20,000,000	Modernization & Expansion	20%
Data Center/Campus Security/CSM 7	1	\$20,000,000	Demo & New Construction	
Emerging Technologies Program	19	\$14,000,000	Modernization	50%
Facilities Maintenance Center	7	\$11,375,000	Demo & New Construction	50%
Renewable and Alternative Energy Systems	n/a	\$8,500,000	New Construction	
Library Modernization	9	\$7,500,000	Modernization	50%
Theatre Improvements	2, 3	\$5,000,000	Modernization	
Science Labs	12	\$4,200,000	Modernization	50%
Corporation Yard	n/a	\$3,450,000	Modernization & New Construction	50%
Exterior Amphitheatre/ Demolish B1	4	\$6,500,000	Demo & New Construction	
	Subtotal:	\$94,025,000		

Skyline College Capital & Technology Needs

Project	Bldg. #	Funding Needed	Description	Cut
Social Science & Creative Arts Building/South Campus Gateway	1	\$72,000,000	Demo & New Construction	10%
Student Services Building	2	\$12,000,000	Modernization	
Pac Heights Demo & North Campus Improvements	19	\$8,000,000	Demo & New Construction	20%
Library/Learning Resource Building	5	\$7,500,000	Modernization	
Loma Chica	14	\$1,500,000	Modernization	50%
Center for Kinesiology and Human Performance/ Environmental Studies	n/a	\$36,000,000	New Construction	
Renewable and Alternative Energy Systems	n/a	\$5,647,000	New Construction	
Subtotal:		\$101,000,000		

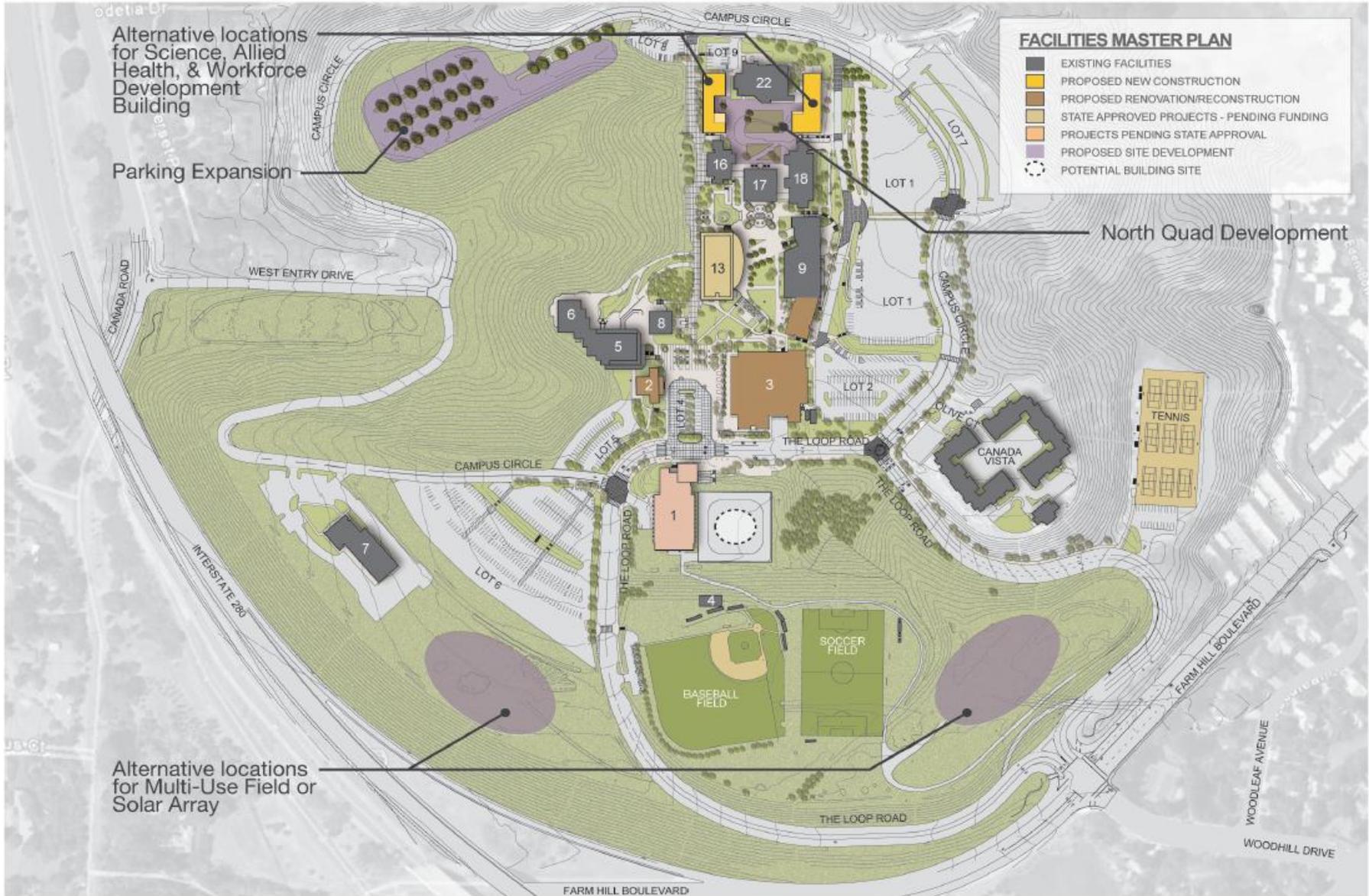
District Wide Capital Needs

Project	Bldg. #	Funding Needed	Description	Cut
Coast Side Joint Use Facility	n/a	TBD	New Construction	
Various Facility/Capital Repairs	n/a	\$40,000,000	Facilities	
Classroom Furniture & Equipment	n/a	\$20,000,000	Colleges	
Roadway and Parking Lot Repairs	n/a	\$14,750,000	Demo & New Parking	
Campus Utilities Repairs & Upgrades	n/a	\$7,800,000	Facilities	
Site Work & ADA Accessibility Upgrades	n/a	\$5,000,000	Facilities	
Hazardous Materials Abatement	n/a	\$3,500,000	Facilities	50%
AED (Defibrillators) Purchase & Installation	n/a	\$175,000	Facilities	COMPLETE
Boiler Plant Air Quality Upgrades	n/a	\$3,000,000	Facilities	IN PROGRESS
Subtotal:		\$91,050,000		

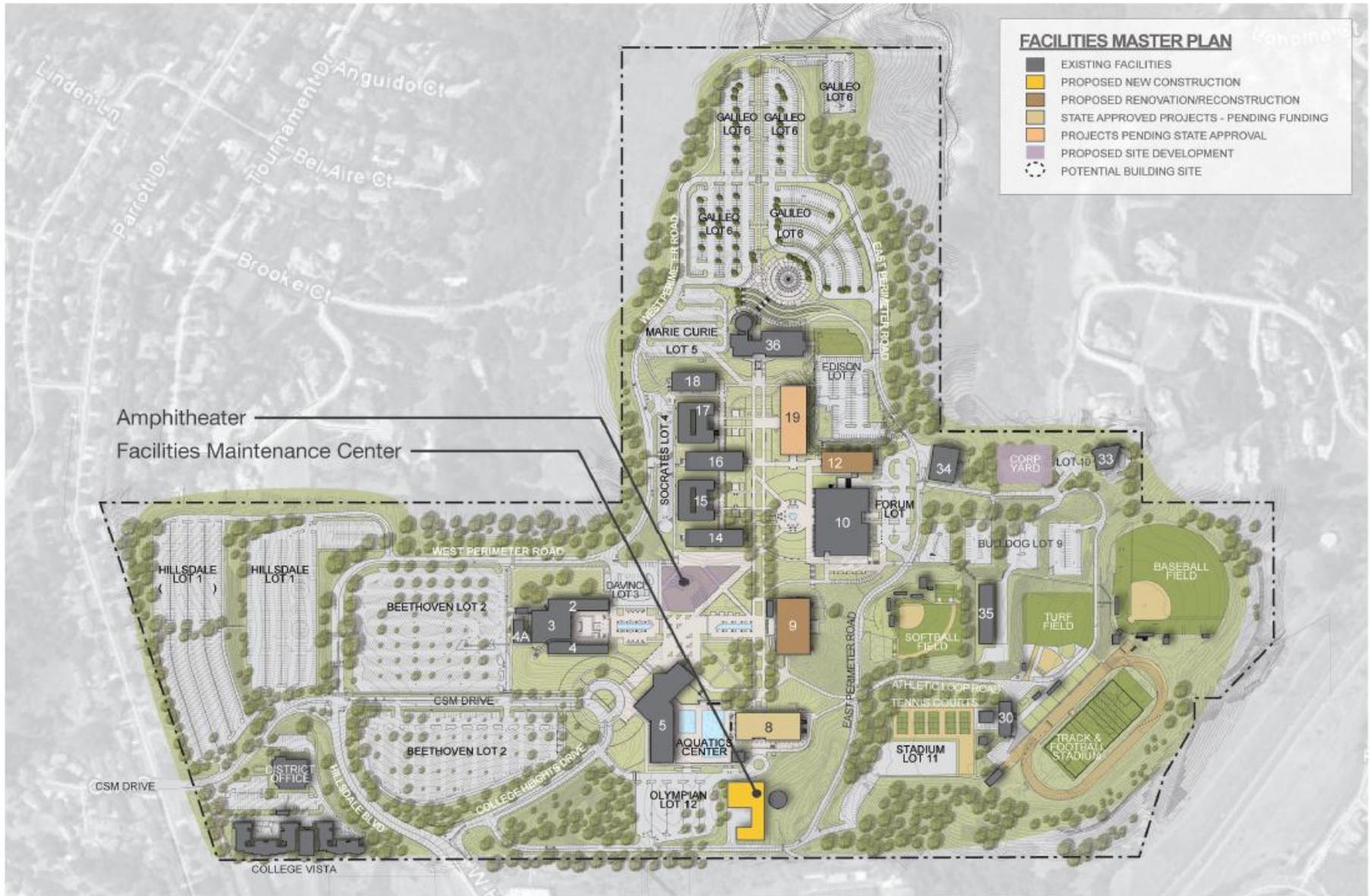
District Wide Technology Needs

Project	Bldg. #	Funding Needed	Description
Network Infrastructure and Phone System	n/a	\$35,000,000	ITS
Technology Upgrades	n/a	\$47,000,000	ITS
Surveillance/Camera/ACAM/EAS Upgrades	n/a	\$3,000,000	Public Safety
	Subtotal:	\$85,000,000	

Cañada College Facilities Master Plan 2011



College of San Mateo Facilities Master Plan 2011



Skyline College Facilities Master Plan 2011



San Mateo County Community College District

February 4, 2012

BOARD REPORT NO. 12-2-5C

COMMUNITY/EXTERNAL RELATIONS

There is no printed board report for this agenda item.