

**CHABOT-LAS POSITAS  
COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
STUDY MEETING**

**MINUTES  
April 6, 2010**

**PLACE**

Chabot-Las Positas Community College District, 5020 Franklin Dr., Pleasanton, California 94588.

**CALL TO ORDER**

The meeting was called to order at 5:00 p.m. Recording Secretary Mary Hargiss called the roll. Trustee Mitzman was absent at the time of roll. Trustee Gelles reported that Trustee Mitzman was excused from the meeting. The Board immediately adjourned to a Closed Session, which ended at 6:30 p.m.

**ATTENDANCE**

Members Present: Trustee Arnulfo Cedillo  
Trustee Isobel F. Dvorsky  
Trustee Donald L. "Dobie" Gelles  
Trustee Hal G. Gin  
Trustee Barbara F. Mertes  
Trustee Carlo Vecchiarelli  
Student Trustee Sudharsan Dwaraknath

Members Absent: Trustee Marshall Mitzman (excused)  
Student Trustee Evani Gil

Managers Present: Dr. Joel L. Kinnamon, Chancellor  
Dr. Celia Barberena, President, Chabot College  
Dr. DeRionne Pollard, President, Las Positas College  
Mr. Ken Agustin  
Mr. Jeff Baker  
Ms. Rita Brown  
Mr. Wyman Fong  
Dr. MaryAnne Gularte  
Mr. Bob Kratochvil  
Mr. Lorenzo Legaspi  
Mr. Yulian Ligioso

Dr. Pam Luster  
Ms. Jeannine Methe  
Ms. Laura Weaver

Recording Secretary: Ms. Mary Hargiss

Others Present :  
Ms. Jennifer Adams, Las Positas College  
Ms. Cinthya Flores, President, Chabot College Associated Students  
Ms. Natasha Lang, President, Las Positas College Classified Senate  
Ms. Barbara Morrissey, Las Positas College Faculty Senate  
Mr. Masi Quorayshi, President, Las Positas College Associated Students  
Ms. Rachel Ugale, President, Chabot College Classified Senate

### **OPEN SESSION**

The Board readjourned in Open Session at 6:31 p.m. Recording Secretary Mary Hargiss called the roll. Trustee Mitzman and Student Trustee Gil were absent at the time of roll. Trustee Gelles reported that Trustee Mitzman was excused from the meeting.

### **PLEDGE TO FLAG**

Mr. Legaspi led the pledge to the flag.

### **PUBLIC COMMENTS**

There were no Public Comments offered at this meeting.

### **PRESENTATION: PRELIMINARY BUDGET FOR FISCAL YEAR 2010-2011**

Mr. Legaspi presented the Preliminary Budget figures for Fiscal Year 2010-2011. Mr. Legaspi reported that the Preliminary Budget is the first step in the development of our budget for Fiscal Year 2010-2011. The early indication will tell us what kind of necessary changes will need to be made between now and when the final budget is adopted in September. The presentation is outlined as follows:

**Governor's January Budget Proposal (January 8, 2010)**

- Budget deficit of \$19.9 billion through June 30, 2011
- Proposed solutions:
  - Expenditure reductions of \$8.5 billion
  - \$6.9 billion increase in federal aid
  - Alternative funding/funding shifts of \$4.5 billion
- 2.21% growth to fund 26,000 FTES statewide (\$126 million)
- -0.38% COLA
- Apportionment deferrals continue (\$11 million from one year into next)
- Student fees remain at \$26/unit
- Proposition 98 funding unchanged from 2009-10
- Categoricals:
  - -0.38% COLA
  - \$10 million cut to Part-Time Faculty Compensation
  - \$10 million cut to EOPS
  - \$20 million increase to Career Tech Ed (CTE)
  - \$2.1 million increase to Financial Aid Administrative Support
- If federal aid does not materialize:
  - Eliminate CalWORKs
  - Eliminate enrollment growth at UC and CSU
  - Freeze level of awards and eligibility for Cal Grants

**District Assumptions**

- Full Time Equivalent Student Enrollment (17,042 state funded)
- Employee Compensation
  - Step/column and longevity increases are included in the compensation expenditures
  - Health and Welfare benefits (medical, dental, life insurance, vision) premium increases are budgeted as follows: Anthem BC HMO 15.5%, Anthem BC PPO 9.5%, Kaiser 4.8%, and dental/vision/life 10.0%
  - Retiree Health Benefits premiums increased by \$403,065
  - Supplemental Employee Retirement Plan (SERP) savings and annuity payments are included
  - Premium increases for property and liability insurance 5%
  - Increase in custodial staffing due to new buildings
  - Increase in utilities
  - Budget reductions from 2009-10 continued

**Changes from Fiscal Year 2009-2010 to Fiscal Year 2010-2011**

New Expenditures - \$1,893,153

- Premium increase for retiree health benefits - \$403,065
- Premium increases for medical/dental/vision/life - \$1,037,088
- Premium increases for property and liability insurance (5%) - \$31,000
- Increase custodial staffing due to new buildings (3.0 FTE) - \$218,000
- Increase in utilities - \$204,000

**2010-11 Preliminary Budget – Unrestricted General Fund**

## Revenue

State General Apportionment	\$86,597,354
Other Revenue	<u>\$10,426,162</u>
Total Revenue	<u>\$97,005,516</u>

## Expenditures

Salaries	\$63,289,296
Benefits	\$18,598,962
Supplies/Services/Capital/Other	\$15,117,258
Projected New Expenditures	<u>\$ 1,893,153</u>
Total Expenditures	<u>\$98,898,669</u>

Net Increase/Decrease to Fund Balance (\$1,893,153)

**Looking Ahead**

- No mid-year cuts this year
- State/National Economic Outlook
  - 162,000 non-farm jobs created for the month of March. (The first time jobs increased since December 2007.)
  - Health Care and Education Affordability Reconciliation Act of 2010 signed by President Obama, which revamped Financial Aid, giving directly to students and cutting out the middleman, saving \$68 billion which would then increase the PELL Grants
  - Nationally, Gross Domestic Product Growth is projected to be approximately 3.2%
  - California State unemployment rate went down slightly
- State Chancellor's Direction to Districts
  - Focus on Basic Skills, Transfers and Career Technical Education, prioritize and be entrepreneurial

- Possible Solutions
  - Cost Containment
  - Negotiations
  - Entrepreneurship
- No Layoffs

Mr. Legaspi reported that the Governor's January Budget Proposal protected education as a whole.

Mr. Legaspi reported that California is a net tax giver, which means the state does not get back all the taxes it gives at the federal level. The Governor is saying that we should get a bigger portion of the taxes that we transfer to the federal government.

Mr. Legaspi reported that the apportionment deferrals will defer approximately \$11 million from one year to the next. This becomes a cash flow issue for many districts; instead of the state borrowing cash, the local districts will have to borrow cash and pay interest and the cost of borrowing money.

Trustee Mertes questioned why the District is projecting a reduction of 7.89% or 17,042 FTES while in 2009-10 FTES for the District was 18,502. Mr. Legaspi reported that the 18,502 is the result of placing more students in the classroom, to which he credited faculty accepting as many students as they can. He reported that Chabot College's fill rate is about 101% and at Las Positas College, the fill rate is 96%. The 17,042 is what is budgeted, but if we continue with the same fill rates or if our productivity is as high, we can serve more students. However, the state is only funding the District at 17,042.

Mr. Legaspi reported that the Supplemental Employee Retirement Plan (SERP) created some savings for the District, enough to offset the cost of step and column increases.

Trustee Gin questioned, as we restrict enrollments, if we are in any way creating incentives for students to graduate sooner so that we open up additional space for incoming students. He expressed that hopefully, we aren't tightening our admission standards so that we are not allowing students an opportunity to attend. In response, Dr. Barberena reported that Chabot College will have less sections scheduled in 2010-11, as has been agreed in the District Enrollment Management Committee and the College Enrollment Management Committee. She reported that Chabot College is cutting Summer Session by 20%. Therefore, Chabot College will have more students wanting to take classes than we have seats. However, the faculty has been extraordinary in taking more students than they normally would or more than the limits set by contract. There is no doubt that there will be students who are not getting all their requirements in a timely fashion who have to take less classes, even with all of the extraordinary efforts everyone is making.

Dr. Pollard responded that at the institutional level, they are cognizant of the fact that we want to provide access to students. However, going with the issues that we are seeing here, if we have fewer dollars to offer fewer sections and the system offers a certain level of privilege to those students currently enrolled, there will be students who will not be served simply because we will not have seats. Of course, this will have an affect on new students and in particular, very indignant parents who are coming to address those issues. She reported that the College is not adding any barriers or limitations to enrollment; however, the very nature of the system of more demand and less supply, is creating the challenge for us.

Trustee Mertes questioned considering more on-line courses. Dr. Barberena responded that even on-line classes must have sections and pay for the faculty to teach the classes. As we limit the number of sections because of dollars, we wouldn't be able to increase the on-line sections. Trustee Mertes also brought up the connection with the City of Hayward for broadcasting services.

Trustee Dvorsky questioned the impact to our reserve. Mr. Legaspi reported that we are preserving our reserve and will have the 5% as required by the state as long as we are able to address the \$1.9 million deficit. He reported that one year ago, the Board and District set guidelines in developing the budgets and one of those guidelines is maintaining our reserve.

Trustee Vecchiarelli questioned how the District will address the deferral. Mr. Legaspi reported that the District is fortunate in that it has cash from other District funds that it can borrow, i.e. sale of site (NIKE fund) and Measure B funds. Mr. Legaspi reported that this would be used for cash flow purposes and not for operational needs. He does not anticipate borrowing cash from outside sources, although in approximately one month he will be bringing to the Board authorization to issue Tax Revenue Anticipation Notes (TRANS) just in case.

Trustee Vecchiarelli also questioned if there was a stipulation in the law that required paying interest to those entities. Mr. Legaspi responded affirmatively.

Trustee Vecchiarelli stressed no furloughs, noting that the integrity of the classroom must be maintained. He does not want to see students in the classroom and the instructor says he/she will be gone four days, as is currently happening at San Jose State University.

Trustee Vecchiarelli clarified that we will be short money to support approximately 1,500 students on the 2010-11 budget. The options are either 1,500 students will be taught without additional revenue or they will be turned away. Mr. Legaspi reported that this year we served approximately 1,500 additional students and didn't get a dime of funding. If we were fully funded, that would equate to approximately \$7 million.

Trustee Vecchiarelli also pointed to the increase in utilities, noting that he understood that the solar panels were going to reduce the cash flow to PG&E. Mr. Legaspi reported that we have included in the budget a reduction to PG&E from the solar panels. He explained that even with the reduction that offsets some of the growth, we still need to increase utilities for additional growth. Without the solar panels, we would be looking at perhaps \$600,000 in increases.

Dr. Barberena noted that we are all very concerned about the coming year and trying to keep morale up, understanding that a difficult year is ahead of us. They are looking at creative ways to address the challenges of not turning away students, but know that they will not be able to serve every student that wishes to enroll at Chabot College.

Dr. Pollard concurred with Dr. Barberena's comments, adding that the Chancellor and the Vice Chancellor have heard her concerns on the budget issues. She commented on the idea that we have to continue to look at morale issues as this is occurring, noting that transparent communication is very important. Secondly, the issue of knowing that we will not be able to serve the students who come to us, which is extremely frustrating, especially for our Student Services staff who are on the front line working with students. To the extent we can, we need to offer them additional support at a time when they are also being compounded by categorical cuts.

Chancellor Kinnamon reported that the District is trying to maintain a Summer Schedule and trying to serve as many students as possible. He reported that we are starting to "see the light at the end of the tunnel", and we want to make sure that we haven't made decisions that have positioned the organization poorly when things do turn around. He reported that the staffs at the colleges have done a very good job making sure the infrastructure services are in place so that when it does turn around, we are able to serve the students the way they need to be served.

Mr. Legaspi reported that in looking at cost containment, the District Enrollment Management Committee (DEMC) recently agreed on a solution where we can be more productive in certain classes, saving \$600,000 towards the \$1.9 million. He also stressed that the District needs to focus on cost containment of medical benefits. He reported that this District is one of the few that doesn't have a cap on benefits; and we can't continue to do that, especially when there are no new revenues coming in to the District. This year, the increases average approximately 10%. Last year, the increases were also 10%. Two years of 10%, and with budget reductions from the state, we can't afford to continue that trend. We need to look towards our employees to help us find solutions. Of course, he realizes that any impacts on benefits will have to be negotiated, and "we will do that in earnest."

Mr. Legaspi reported that he is very confident that the District can address the \$1.9 million deficit. He reported that the Tentative Budget will be presented in July and the Adopted Budget in September.

Trustee Vecchiarelli questioned if Districts become administrators for PELL Grants and other loans, will the federal government compensate Districts for that expense. Mr. Legaspi reported that typically we do get funding for administration of financial aid; however, we will have to sort this out to see how much in PELL Grants and how much the administration allowance will be.

Trustee Vecchiarelli noted that he likes the idea of entrepreneurship, but expressed concern that we can do something in that area in this economic climate. He looks forward to seeing a list of ideas.

Trustee Gelles stressed the significance of the facts that we have served more students this year than we have ever served in the history of our Colleges, and we didn't lay off any staff. That is something in this day and age and a tribute to Mr. Legaspi and to the Chancellor and the leadership at the Colleges. On behalf of the Board, he thanked them for that, noting that he recognizes the amount of work involved.

Dr. Gularte expressed appreciation to the Colleges and other District Managers for working closely with the Human Resource Services Office to address any staffing or funding shortfalls; and to work with them as they find creative ways to address the staffing situation so that we can assure that there are no layoffs.

Trustee Vecchiarelli again reiterated no layoffs and no furloughs.

## **ADJOURNMENT**

### Motion No. 1

Trustee Dvorsky made a motion, seconded by Trustee Mertes, to adjourn the meeting at 7:15 p.m.

Motion carried unanimously, 6-0.

## **NEXT MEETING**

The next Board of Trustees Meeting is an all-day retreat scheduled for Tuesday, April 16, 2010, 8:30 a.m., at the District Office.



Minutes prepared by:

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Beverly Bailey

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Secretary, Board of Trustees  
Chabot-Las Positas Community College District