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

MINUTES
January 24, 2017

PLACE

Chabot-Las Positas Community College District, 7600 Dublin Boulevard, 3rd Floor, Dublin, California.

CALL TO ORDER

The Study Meeting was called to order at 6:30 p.m. by Board President Gin. Recording Secretary Beverly Bailey called the roll. Trustees Dr. Cedillo, Mr. Maduli, and Mr. Vecchiarelli were absent and excused at the time of roll. In addition, Student Trustees Ms. Dogar and Mr. Truelove were absent.

ATTENDANCE

Members Present:

Trustee Mrs. Isobel F. Dvorsky
Trustee Mr. Donald L. "Dobie" Gelles
Trustee Dr. Hal G. Gin
Trustee Dr. Marshall Mitzman

Members Absent:

Trustee Dr. Arnulfo Cedillo (Excused)
Trustee Mr. Edralin "Ed" Maduli (Excused)
Trustee Mr. Carlo Vecchiarelli (Excused)
Student Trustee Ms. Zainab "Z" Dogar
Student Trustee Mr. David Truelove

Recording Secretary:

Ms. Beverly Bailey

Managers Present:

Dr. Jannett N. Jackson, Chancellor
Dr. Matt Kritscher, For President, Chabot College
Dr. Barry Russell, President, Las Positas College
Mr. Ken Agustin
Mr. Wyman Fong
Mr. Doug Horner
Ms. Krista Johns
Mr. Lorenzo Legaspi

Ms. Jeannine Methe
Ms. Guisselle Nunez

Others Present: Ms. Teri Henson, Las Positas College
Mr. Sean Prather, Las Positas College
Ms. Amanda Sintes, TBWB Strategies

PLEDGE TO FLAG

Trustee Mr. Gelles led the pledge to the flag.

PUBLIC COMMENTS

There were no Public Comments offered at this meeting.

PRESENTATION: BOND MEASURE "A" VOTER ANALYSIS

Ms. Guisselle Nunez provided an introduction to Ms. Amanda Sintes, TBWB Strategies and the Bond Measure "A" Voter Survey.

Ms. Amanda Sintes, TBWB Strategies, presented a PowerPoint Presentation on the Post-Election Analysis of the \$950 million Bond Measure "A", which was approved by the voters at the June 7, 2016 Election. She reported on the 2016 Community College Districts Bond Measures, noting that out of 19 bond measures, all but 2 passed. She reported that 55% voter approval is required for a General Obligation Bond. Ms. Sintes reviewed the final results of 134,548 (40.4%) of voters: Yes 87,340 (64.9%); No 47,208 (35.1%).

Ms. Sintes reviewed election results by:

- Absentee vs. Poll Voters;
- Turnout by Absentee vs. Poll Voters;
- Election Results by City;
- Turnout by City;
- Turnout by Trustee Area;
- Turnout by Party;
- Turnout by Age;
- Turnout by Ethnicity.

Board Comments:

Trustee Dr. Gin questioned the percentage of voters that left the measure blank, to which Ms. Sintes reported that she would provide that information to the Board.

In response to a question raised by Trustee Dr. Mitzman, Chancellor Jackson reported that the election analysis provides the District with demographic information that could be valuable in the event the District ever goes out for another Bond Measure. As an example, she reported that Contra Costa Community College District failed in getting a Parcel Tax and used the data to their benefit in later securing a General Obligation Bond Measure.

Trustee Dr. Gin also questioned if Ms. Sintes had any insights into whether going out for the Bond Measure in June vs. November would have made a difference. Ms. Sintes reported that the Feasibility Study showed that the percentages were just a couple points different.

PRESENTATION: FINANCIAL REVIEW

Vice Chancellor Legaspi provided a PowerPoint Presentation on the Budget Allocation Model; the Unrestricted General Fund Balance; and a Budget in Brief on the Governor's January Proposal for 2017-18.

Budget Allocation Model

Vice Chancellor Legaspi reviewed the Budget Allocation Model (BAM). He reported that recent comments at Board meetings have come from the Calculation of State Funding including Apportionment, COLA, Lottery, Mandated Costs, and Other State Revenues. He noted that the comments were about "new" revenues not anticipated when the model was first developed.

Vice Chancellor Legaspi raised the question of "how do we fix it." The Budget Committee is now addressing this and will make a recommendation to the Chancellor regarding one-time money.

Vice Chancellor Legaspi also reported that other concerns expressed are regarding the Reserve Fund Balance. He reported that the reserve is made up of designated and undesignated amounts. He reported that the District Undesignated Ending Balance (Reserve) is 8.49% for 2016-17. He reported that he believes there are reasons why the District needs to build up its Reserve; noting that the Planning and Budget Committee (PBC) agreed to keep the minimum Reserve at 8%.

Board Comments:

Trustee Mr. Gelles expressed that he agrees that the District maintain its Reserve. He also expressed that he hopes that in six months, the District can look at using some of the Reserve; expressing that the District is not in the business of saving money. He expressed that he believes that enrollment has to get better and that is the priority for both Colleges.

Trustee Dr. Gin expressed that there is uncertainty in Washington, D.C., and questioned how that will affect what is happening in California and the District. In response, Vice Chancellor Legaspi reported that the District needs to build a “rainy day fund”, echoing what Governor Brown is saying.

Budget in Brief 2017-18

Vice Chancellor Legaspi provided an update of the Governor’s January Budget Proposal, which was released on January 10, 2017. He noted that Governor Brown stated that this budget will be the most challenging since 2012; and without corrective action, the State faces a \$1.6 billion budget deficit in 2017-18 with \$1 to \$2 billion deficits in future years.

Vice Chancellor Legaspi also provided an update of the Governor’s Budget Proposal as it relates to the California Community Colleges and the Chabot-Las Positas Community College District as follows:

Current-Year (2016-17) Minimum Guarantee - For the current year, the Governor’s Budget acknowledges that revenues are lower than projected in the adopted 2016-17 Budget Act, resulting in the lowering of the current-year minimum guarantee. For the current year, the Proposition 98 guarantee is now estimated at \$71.4 billion, down \$506 million from the enacted level.

Budget Year (2017-18) Minimum Guarantee - The Governor’s Budget proposes a Proposition 98 guarantee of \$73.5 billion, a decrease of \$953 million, relative to the 2016-17 Budget Act.

Proposition 98 Statutory Split - The 2017-18 budget departs from the statutory Proposition 98 split of 10.93% and proposes a split of 10.87% for California Community Colleges. The difference translates into about \$43 million of revenue community colleges should receive.

Rainy Day Fund Proposition 2 and Proposition 98 Reserves - Proposition 2, which revised the state’s Rainy Day Fund (officially titled the Budget Stabilization Account), established a constitutional goal of setting aside 10% of tax revenues as protection against unforeseen Budget shortfalls. The Governor’s Budget proposes to increase the amount in the Rainy Day Fund by \$1.156 billion in 2017-18 to \$7.869 billion. This would equal 63% of the constitutional target. Combined with \$1.554 billion proposed for the Special Fund for Economic Uncertainties, the state would have \$9.4 billion as a Budget cushion in 2017-18.

Base Allocation Funding - \$23.6 million is proposed for a base increase to cover increasing operating costs, primarily rising employer pension costs.

COLA – \$94.1 million for a 1.48% cost-of-living adjustment (COLA).

Mandated Costs – In a departure from prior-year proposals, the Governor does not propose any one-time discretionary funds for 2017-18—funds that have historically been counted as paying down outstanding state mandate claims. However, the mandated cost block grant is still in place for 2017-18.

Access – \$79.3 million of ongoing funds for 1.34% growth funding.

Educational Services – \$150 million of one-time money for implementation of Guided Pathways, which will help students achieve their educational objectives. Guided Pathways is one of the top priorities for the System Office. The purpose is to provide “seed money”, to be used over several years, to build on districts’ initiatives to improve student success. At the budget workshop in Sacramento on January 18, Chancellor Eloy Ortiz Oakley stressed that in five years the system must be able to demonstrate what accomplishments were reached with these investments provided by the State. The Legislative Analyst Office (LAO) stated that funding should be provided to colleges willing and able to make change. The trailer bill related to implementation of Guided Pathways will be released on February 1. \$20 million in one-time funds to provide Innovation Grants. \$3.1 million in ongoing funds for the Full-Time Student Success program.

Facilities – \$43.7 million of one-time funds for Physical Plant and Instructional Equipment (no matching funds required). \$52.3 million of one-time funds for energy efficiency projects through the Proposition 39 program.

Technology – A \$10 million ongoing increase for system-wide access to the Online Education Initiative’s learning management system. A \$6 million one-time allocation for the development of an Integrated Library System that will allow students to access a cloud-based library system.

Categorical Programs – \$5.4 million for a 1.48% COLA for Apprenticeship, Extended Opportunity Programs and Services (EOPS), Disabled Students Programs and Services (DSPS), and California Work Opportunity and Responsibility to Kids (CalWORKs) programs.

Student Success and Support Program, Student Equity, Adult Education, Strong Workforce Program, and Basic Skills – While there are no augmentations for 2017-18, these programs continue at the same funding level as in 2016-17. The \$48 million of ongoing funds for Career Technical Education (CTE) Pathways from 2016-17 is rolled into the Strong Workforce program for 2017-18.

Student Fees - Consistent with the Governor's prior proposals, there is no proposed change to current fee levels for the CCCs.

California Community Colleges Chancellor's Office (CCCCO) Priorities – Mario Rodriguez, Vice Chancellor for College Finance and Facilities Planning, outlined the System Office's top priorities for 2017-18:

- Successful implementation of Guided Pathways;
- Developing guidelines for and granting of innovation awards;
- Correction of the Proposition 98 split;
- Advocate for a larger base increase, primarily for the PERS and STRS increases;
- Encourage the Department of Finance to authorize additional facilities bond projects.

The LAO provides two long-term estimates—one based on an economic growth scenario and another based on a mild recession scenario. Under the economic growth scenario, the Budget will retain a surplus, while the recession scenario reflects that the state's reserves will have to be utilized in order to cover operating deficits out through 2020-21.

Vice Chancellor Legaspi reported that this overview is designed to assist the District in developing its Tentative Budget for fiscal year 2017-18.

Board Comments:

Vice Chancellor Legaspi responded to the Board's questions and comments.

In response to a question raised by Trustee Mr. Gelles, Vice Chancellor Legaspi reported that by 2023, the District will have to contribute 28.2% to PERS as a result of PERS lowering its projected discount rate.

Chancellor Jackson reported that the budget uncertainty tells her that we should maintain our reserves.

Trustee Dr. Mitzman expressed the importance of educating Faculty and Staff on the uncertainties in Washington, D.C. and in California regarding the Budget. In response, Chancellor Jackson reported that she is holding several "Chats with the Chancellor", noting that this is one way to get information out.

Trustee Mrs. Dvorsky noted recent newspaper articles regarding student loans. In response, Chancellor Jackson reported that we do not encourage our students to get loans.

PRESENTATION: ENROLLMENT UPDATE

Vice Chancellor Johns presented a PowerPoint Presentation on Enrollment. She reviewed Enrollment Terminology, i.e. Headcount, Enrollment, FTES, WSCH, Productivity, and FTES Target. Vice Chancellor Johns explained why we monitor headcount, enrollments and FTES.

Vice Chancellor Johns reviewed “Reported” FTES and Apportionment Rates from 2012-2013 to 2015-2016:

	2012-2013	2013-2014	2014-2015	2015-2016
FTES Enrollments (R1-Year End)	16,203	16,456	17,196	17,640
State Funding per FTES	\$4,564	\$4,564	\$4,636	\$4,675

Vice Chancellor Johns reported that for 2016-2017, State funding per FTES is \$5,004. She also reported that the cost of instruction has increased. She reported that the District will not borrow FTES as it has done in previous years due to stabilization.

Vice Chancellor Johns reviewed the following data for the Spring Semester as of today, January 24, 2017:

- FTES is down 1.99% over Spring 2016;
- Sections are up 1.21% over last year;
- Enrollments up .12%.

Vice Chancellor Johns reported the responsive enrollment management actions that have been taken:

- The colleges have cut 34 low enrolled sections to align with enrollments (24-Chabot, 10-Las Positas). This has improved semester productivity numbers: 472 WSCH/FTEF; 15.24 FTES/FTEF and fill rates: LPC 83.31%; Chabot 79.94%.

Vice Chancellor Johns outlined what is planned ahead for 2017-18:

- Re-set year coming out of stability – allocations to be based upon actuals;
- State trend is slowing of enrollments – focus on “strategic enrollment management”; use resources wisely;
- Differentiated enrollment patterns at Chabot College and Las Positas College;
- Strategies focused on:
 - External: marketing, outreach, partnerships;
 - Internal: retention and successful course completion, program completion.

In closing, Vice Chancellor Johns reviewed the FTES and Productivity Targets for 2017-2018:

- The productivity level established for credit courses in the main group (courses excluding Nursing, Dental Hygiene, and Sheriff Academy) is 500 WSCH/FTEF (approximately 33.33 students per section, on average across the schedule).
- The FTES target has been set at 17,400 FTES. This is divided 10,200 to Chabot and 7,200 to Las Positas.

Board Comments:

Trustee Dr. Mitzman expressed concern that the District is setting its goal too low. He expressed concern that he did not hear anything in the presentation regarding International Students or Veterans. In addition, he did not hear anything regarding marketing efforts. He expressed concern that the Colleges are not setting the standard of the level that we are a “college of choice.” He expressed the need to increase enrollment.

Vice Chancellor Johns reported that there is growth in International Students and Veterans, and more information about these areas is available.

Trustee Mrs. Dvorsky also stressed the importance of advertising, noting the beautiful banners in shopping malls.

In response, Chancellor Jackson reported that Headcount was up 20% over the last year when the semester started. She noted that there are more students but that they aren't taking more classes. She reported that the Colleges are offering more sections that aren't filling. She expressed that enrollment management is an art. She questioned if we are offering the classes that the students want. She reported that Ms. Guisselle Nunez, Director of Public Relations, Marketing and Governmental Relations, has conducted a student survey. She reported that she will be holding meetings with her staff to talk strategy.

Trustee Mr. Gelles expressed the need for Faculty and Staff to “buy into” this more. He expressed the need to target middle age groups; those coming back to college.

Trustee Dr. Gin expressed that this subject will be an on-going discussion.

Chancellor Jackson reported that she would like the College Presidents to come back to the Board to present what they are doing in these efforts.

INFORMATIONAL ITEM: IEPI UPDATE – COLLEGES AND DISTRICT

A written update was provided and is linked to the electronic Board Agenda for January 24, 2016. In addition, it was agreed that this update would be provided as a presentation at a future Board Meeting.

ADJOURNMENT

Motion No. 1

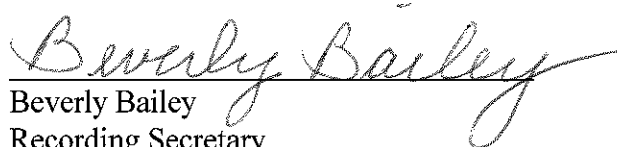
It was moved and seconded to adjourn the meeting at 8:06 p.m.

Motion carried unanimously, 4-0, with Trustees Cedillo, Maduli and Vecchiarelli absent.

NEXT MEETING

The next Meeting of the Board is a Regular Meeting scheduled for February 21, 2017 at the District Office.

Minutes prepared by:


Beverly Bailey
Recording Secretary


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