

OFFICIAL COPY



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

MINUTES
January 26, 2021

PLACE

Chabot-Las Positas Community College District, 7600 Dublin Blvd, Dublin Ca 94568. Due to the current pandemic and social distancing restrictions, this meeting was held through Teleconference, Zoom.

CALL TO ORDER

Board President Randolph called the regular meeting to order at 6:30 p.m., Recording Secretary Debra Nascimento called the roll.

PUBLIC COMMENTS

No Public Comments were made.

1.1 OPEN SESSION

The Board re-adjoined in Open Session at 6:30 p.m. Recording Secretary Debra Nascimento called the roll.

ATTENDANCE

Members Present:

- Trustee Dr. Hal G. Gin
- Trustee Ms. Linda Granger
- Trustee Ms. Maria Heredia
- Trustee Mr. Edralin "Ed" Maduli
- Trustee Ms. Genevieve Randolph
- Trustee Dr. Luis Reynoso
- Trustee Mr. Tim Sbranti

Recording Secretary: Ms. Debra Nascimento

Managers Present: Mr. Ronald Gerhard, Chancellor
 Dr. Susan Sperling, President, Chabot College
 Dr. Dyrell Foster, President, Las Positas College
 Dr. Theresa Fleischer Rowland
 Mr. Wyman Fong
 Mr. Bruce Griffin
 Mr. Jonah Nicholas

1.2 PLEDGE TO FLAG

Trustee Granger led the pledge.

1.3 PUBLIC COMMENTS

No public comments were made.

1.4 PRESENTATION: BUDGET UPDATE AND REVIEW OF GOVERNOR'S BUDGET PROPOSAL AND POTENTIAL IMPACTS

Chancellor Gerhard introduced Vice Chancellor Nicholas who presented the following presentation:

What We Will Cover:

- Governor's January Budget Proposal
 - Released on January 8th, Governor Newsom's proposed budget provides a stark contrast to the previous pessimistic assumptions
- Federal Stimulus Funds
 - The latest round of \$20.2 billion in federal funds for higher education provide welcome relief for the colleges and its students
- Enrollment Update
 - With enrollment continuing to decline it is imperative to evaluate FTES targets and recognize the financial challenges it presents

Governor's Proposal

- Overall
 - The proposed budget is reflective of updated revenue assumptions that align with actual tax receipts; the state's original revenue forecasts proved far more pessimistic than what ultimately materialized
- Proposition 98 Funding
 - Estimated at \$85.8 billion, the highest funding level in history.
- Non-Proposition 98 Funding
 - \$2.3 billion to buy-down employer pension rates in FY 2021-22 (CalPERS and CalSTRS).

Budget Windfall

- Governor’s Proposal
 - Recognizing \$15 billion in one-time revenue (LAO had projected \$26 billion)
- Uses:
 - Paying off two-thirds of the K-14 deferrals
 - Deposit \$3 billion into the Public School System Stabilization Account
 - Other proposals (\$600 relief payments, additional assistance to small businesses, homelessness, etc.)

Community College System:

- 1.5% COLA
 - Approximately \$1.7M in additional, ongoing revenue for the District
 - k-12 received a 3.84% COLA
- 0.5% Growth:
 - The District will almost certainly be unable to access any growth funding
- \$150M for emergency financial aid for students
 - Assuming funding is distributed by FTES, the District should anticipate receiving approximately \$2.2M
- \$100M to address food and housing insecurity
 - Assuming funding is distributed by FTES, the District could anticipate receiving approximately \$1.5M
- Other Items
 - Technology Access for students
 - Professional Development for Faculty to teach online
 - Zero-Textbook-Cost Degrees

Federal Stimulus Funds:

Higher Education Relief Fund (Estimated)			
	Institutional Aid	Student Aid	Total Allocation
Chabot College	7,079,580	2,227,420	9,325,000
Las Positas College	4,524,254	1,489,746	6,014,000
District Total	\$11,621,834	\$3,717,166	\$15,339,000
<i>Source: American Council on Education</i>			

Federal Stimulus Funds:

- Approximately 25% of the funds in direct emergency grants to students
 - The dollars in direct emergency student aid is likely to have the same high level of flexibility for institutions to set their specific criteria for qualifications

- Institutional Funds
 - While no official or formal guidance has been released from the Department of Education, early indications are greater flexibility will be granted to these funds than previous institutional dollars
- California Advocacy
 - California was successful in advocating for distribution of dollars based upon headcount as opposed to the previous FTES methodology

Enrollment Update:

- Fall 2020
 - With nearly all sections shifting to online learning, fall 2020 FTES was down greater than 14% compared to fall 2019
 - Productivity ratios (WSCH/FTEF and FTES/FTEF) are also down semester-to-semester
- Spring 2021
 - While census has not yet occurred, early indications show an FTES decline of greater than 5% compared to spring 2020
- Summer 2020 was up 10.5% but...
 - Summer term represents only 14% of the total FTES generated throughout the academic year and cannot, by itself, compensate for the significant decline in fall semester and the likely decline in spring semester.
- The District recently reported its estimated FTES to the State Chancellor’s Office; this was done prior to the start of spring semester and is updated later in the fiscal year as attendance is firmed up.
- District Enrollment Management Committee
 - Recommended funding at 17,649 FTES in FY 2020-21
 - This recommendation was enacted and the budget allocation model distributed funds to the colleges at this level
 - Recommended funding at 16,974 FTES in FY 2021-22, a year-over-year reduction of 3.8%
 - Based on the recent enrollment figures, additional conversations on the FY 2021-22 target will be occurring

Residents FTES				
	Fy 2019-20	Fy 2020-21 (est.)	Difference	% Change
Chabot College	9,883	9,112	(771)	-7.80%
Las Positas College	7,104	6,159	(945)	-13.30%
District Total	16,987	15,271	(1,716)	-10.10%

As a reminder to the Board...

- The District is under the “hold harmless” provision within the SCFF which under current law sunsets in FY 2024-25

- The “hold harmless” apportionment revenue is based on FY 2017-18, a year in which the District reported two summer sessions and secured funding for over 18,800 resident FTES
- Based on FY 2019-20’s latest apportionment report, the District is receiving \$10.4M in hold harmless funding
- Absent significant changes to the SCFF, the District must continue making strides in controlling and reducing expenditures in preparation for the end of the “hold harmless” funding
 - Work on this is ongoing through the governance structure

Questions:

Trustee Gin thanked Chancellor Gerhard and VC Nicholas for providing clarifying details. He asked how the non-proposition 98 funding would work, dealing with CalPERS and CalSTRS and the affect to our District. VC Nicholas stated it is helpful in mitigating year over year increases in the employer required contributions to the pension which we have seen. He stated specific to the 2.3 billion dollar buy down that is being proposed, the District can anticipate seeing the CalSTRS rate which is for the tenured faculty and academic. He stated the current rate this year is 16.15% and with the buy down this rate will go down year over year to 15.9%, a savings to the District of approximately \$70,000. He stated CalPERS was expected to rise from its current 20% to 25% a significant year over year increase. However, he stated with CalPERS, the buy down rate is now looking to rise from 20.7% to 23%. He stated estimates show this will result in a \$700,000 increase in CalPERS year over year. He added, without the buy down and if the rate had gone up to 25%, the employer increases would be double the \$700,000 amount.

Trustee Granger thanked Chancellor Gerhard and VC Nicholas for their presentation. She also thanked everyone who participated in the advocacy on headcount rather than FTES at the federal level so we could get more resources for our students. She asked, are the different categories funding that is in the governor’s proposal coming out of the prop 98-guarantee money for k-12. VC Nicholas stated yes, those dollars could be shifted towards more base funding and unrestricted funds.

Trustee Granger asked Chancellor Gerhard to confirm that what she understands is that we have a \$7-million-dollar structural deficit however, with the hold harmless guarantee we have \$10 million more than we would have if we were not on hold harmless. Chancellor Gerhard confirmed yes however, it is important to keep in context that is based upon the drop of the lower FTES related to COVID-19. He added, that number is based upon us recording and serving 15,271 full-time students opposed to us serving 17,649 students.

Trustee Granger thanked the staff for analyzing our fiscal state from all angles including worst-case scenario and recognizing ways to save money as we go through the next few years of hold-harmless to re-build our enrollment to Pre- COVID levels.

Trustee Heredia asked why our COLA allocation is only 1.5% and k-12 is 3.85%. VC Nicholas stated there are certain protections for k-12 that are not afforded to the community college system.

He stated what is being seen in the budget proposal is the capture of that 2.3% COLA for k-12 along with the one and a half percent COLA that we as a community college are seeing so it is a compound effect of two statutory COLAs in 2021-2022 that are given to k12.

Trustee Heredia asked for an update on the advocacy that is being done. Chancellor Gerhard stated the Community College League of California held their Annual Legislative Conference today where they hosted a panel with several assembly members. He stated there was advocacy to urge consideration that the state or the governor and Department of Finance consider moving or reallocating the money for student financial aid. He added, there was advocacy for the state to also consider reallocating \$150 million for emergency financial aid for students into COLA from 1.5% to 3.8%. He added system-wide, there is an overall drop of enrollment in excess of 10%.

Chancellor Gerhard stated that the half percent growth proposal that the governor included does not seem like a good use of funds given the fact that at a system level most if not all of that funding will go unallocated. He added, there was a request that money be redirected as well towards augmenting our base funding in the form of either COLA or some other base augmentation, but stay within our statutory split with k-12 and guarantee of our Community College percentage of 10.93%.

Trustee Heredia asked if there are funds allocated to outreach, staff development and faculty diversity. She also asked how retirements have been affected. VC Nicholas stated significant dollars were allocated in restricted fashion for specific categorical uses, most notably the 3SP student success dollars, student equity dollars along with the basic skills. He stated one-time funding was given for staff development throughout the state for particular purposes and there are also categorical monies that can be used towards increasing professional development. He stated categorical dollars could also be used for faculty diversity. He added in relation to the 2021-2022 proposal he is unaware of any allocations for these specific purposes but would argue that existing categorical could be utilized.

Chancellor Gerhard added the funds that Trustee Heredia is referring to is one-time funds of \$20 million dollars that the governor has proposed to support enrollment strategies. He stated he suspects that there is going to be continued advocacy efforts to broaden the use of the \$20 million to better support faculty and classified training in the areas of online counseling and resources to support online counseling and things of that effort. He added there is a lot of discussion regarding the governor trying to place a condition of receiving the 1.5% COLA upon districts ability to demonstrate the closing of equity gaps year over year. He stated there is concern over how that would be operationalized. Trustee Heredia thanked Chancellor Gerhard and VC Nicholas for their extensive explanation.

Trustee Maduli stated he participated in the State Budget Workshop as well as the Legislative Conference and there was a lot of consternation with respect to the COLA differential between k-12 and Community Colleges. He stated our operational costs are no different from k-12 and we need to advocate to get closer to k-12. He stated what is more problematic is the governor is putting a restriction on COLA which has never been done before. He added by doing this, the COLA goes from unrestricted to restricted. He suggested that the Board advocate with other Districts to get rid

of the restrictions otherwise, there will be no unrestricted funds to cover expenses. He asked if this has been tied to what is being given as a three-year agreement to faculty and the senate. Chancellor Gerhard stated yes that was included in the 2021-2022 being the third and final year of both three-year agreements for the Faculty Association as well as SEIU.

Trustee Maduli asked, given that the state is down 10% and we are only decreasing our funding level 3.8%, how that would play into our budget allocation model. He also asked are we getting closer to balancing it out so that the budget allocation model can be utilized in 2021-2022. Chancellor Gerhard stated the work continues on discussing and devising a new internal budget allocation model with our District-wide planning and Budget Committees. He added it is their intention to conclude that work in the spring so it can be reviewed and considered to be looked at in future fiscal years. He stated we have taken steps to reduce our enrollment targets through next year. He stated in regards to the continued drop going into the spring term there is discussion about dropping enrollment targets for budgetary purposes beyond 3.8%.

Trustee Reynoso thanked the staff for the detailed presentation. He asked if strategies are going to be reviewed and how we are going to meet the challenges with the budget. Chancellor Gerhard stated the presentation this evening was to give the Board an understanding of what we foresee. He stated the presentation centers around getting students back into the classroom. He stated we believe that once we have that ability to get students back in the classroom we will see a rebound in restoration in our enrollment and the financial picture will be much different. He stated from a planning perspective a lot of the planning that is going on right now is when the county permits us to return students to the classroom.

Trustee Reynoso stated the language on the Resolution is vague and makes him feel uneasy. He emphasized seeing some data on savings and cost of enrollment per student. President Randolph stated the Board is taking a vote on the Resolution later in the agenda. She stated an Enrollment presentation will also be given at a future Board meeting.

Trustee Sbranti thanked Chancellor Gerhard and VC Nicholas for the presentation. He stated he anticipated revenue from the state that was much higher than early projections, also more stimulus dollars with more institutional support. He stated he is looking forward to discussing enrollment strategies with the Board at a future meeting. He asked what the structural deficit is and when does it start. VC Nicholas stated without knowing the larger variables there will be some level of a structural deficit but it is difficult to predict with certainty at this point.

Trustee Sbranti asked what the staff's recommendation will be regarding the stimulus funds and how we plan for the 2022 budget. Chancellor Gerhard stated last year we overspent in our unrestricted general fund by \$4 million dollars; if not for COVID-19 and the additional costs absorbed with Cares Act funding we would have had that structural deficit. He stated that as we look at 2022 we are looking at using the institutional share of the fourth round of stimulus to support those costs in terms of strategy in getting students back into the classrooms.

Trustee Sbranti asked how the one-time funds slatted for students with housing and food insecurity are going to be used. VC Nicholas stated these types of funds go directly to the colleges for the

various programs that target these needs. He stated the food banks at both colleges are going strong. He stated he is hopeful the state will provide guidance on how they would like us to use the funds. He stated he foresees us having leeway on how we can formulate the programs with the funds to deliver to our students. Trustee Sbranti stated by us formulating a plan to be ready to go once the funds are available we can spend it quickly.

President Randolph asked if students receiving the emergency financial aid have to report this as income for tax purposes. VC Nicholas stated the IRS has categorized those payments as disaster relief payments which falls under a tax code that is exempt from reporting. President Randolph stated that is good news that we are looking out for our students.

President Randolph asked for the make-up of the District Enrollment Management Committee. Chancellor Gerhard stated the District Enrollment Management Committee is composed of eight members equally weighted between faculty and administrative appointees; four administrators, two faculty members and two faculty appointees.

President Randolph thanked the Vice Chancellor for his presentation and looks forward to hearing further information on the governor's proposal.

2.1 ADOPTION OF RESOLUTION NO. 03-2021- AUTHORIZATION TO TAKE ANY AND ALL NECESSARY ACTIONS TO PREPARE AND RESPOND EFFECTIVELY TO THE NOVEL CORONAVIRUS (COVID-19) DECLARING EMERGENCY CONDITIONS EXIST AT LOCATIONS WITHIN THE CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT.

Trustee Reynoso stated he was concerned regarding paragraph number three on page two. President Randolph asked Trustee Reynoso to read the language he referenced. Trustee Reynoso read the paragraph. He stated he is not ready to give his authority. President Randolph thanked Trustee Reynoso for his comments.

Motion No. 1

Trustee Gin made a motion, seconded by Trustee Sbranti, to approve the Consent Calendar.

Motion carried, 6-1.

Motion carried by the following roll call vote:

AYES:	Gin, Granger, Heredia, Maduli, Randolph, Sbranti
NOES:	Reynoso
ABSENT:	
ABSTENTIONS	

3.0 ADJOURNMENT

Motion No. 2

Trustee Gin made a motion, seconded by Trustee Reynoso to adjourn the meeting at 9:09 p.m.

Motion carried unanimously, 7-0.

Motion carried by the following roll call vote:

AYES: Gin, Granger, Heredia, Maduli, Randolph, Reynoso, Sbranti

NOES:

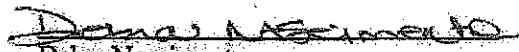
ABSENT:

ABSTENTIONS:

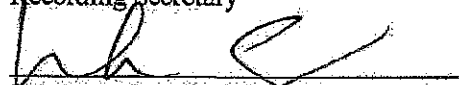
NEXT MEETING

The next meeting of the Board is a Regular Meeting scheduled for February 16, 2021 at the District Office, Dublin.

Minutes prepared by:



Debra Nascimento
Recording Secretary



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