

**Minutes of the Meeting of February 11, 2011
MEASURE “G” OVERSIGHT COMMITTEE
San Mateo County Community College District**

Call to Order

The meeting was called to order at 3:00 p.m. by District Executive Vice Chancellor Jim Keller.

Introduction and Discussion of Measure “G” Oversight Committee (MGOC)

Executive Vice Chancellor Keller said he is the staff person assigned to MGOC. He asked others present to introduce themselves.

Committee members:

John Sheldon, Managing Director, Morgan Stanley
Brian Sullivan, CPA and Investment Broker, The McLean Group
Jim Wyatt, Retired Administrator with the District
Meg Finones, Financial Advisor, Edward Jones
Lori Lutzker, Attorney, Carr, McClellan, Ingersoll, Thompson & Horn
Virginia Chang Kiraly, Member, California Commission for Economic Development

District staff:

Ron Galatolo, Chancellor
Barbara Christensen, Director of Community/Government Relations
Kathy Blackwood, Chief Financial Officer
Tom Casey, Retired County Counsel; provides legal services to the District
Mike Claire, President, College of San Mateo
Tom Mohr, President, Cañada College
Regina Stanback Stroud, President, Skyline College

Committee member Jim Hartnett, attorney with Hartnett, Smith & Associates, was not present.

Chancellor Galatolo thanked MGOC members for agreeing to serve. He said the District is fortunate to have received community support for the first-ever parcel tax for a community college district. He said the parcel tax will provide approximately \$7 million per year for four years to be used for operating purposes. However, under the Governor’s proposed budget designed to address the \$25 billion state deficit, the District would lose approximately \$8 million in state support. Chancellor Galatolo met with State Senator Joe Simitian who told him that if there is no extension of temporary tax increases as proposed in the Governor’s budget, there will be statewide cuts of \$5.5 billion for K-14 education and \$500 million for community colleges. The District has already reduced its budget by \$20 million in the last two years. More students are coming to the District than ever before and there are long waitlists every term. Students are being turned away now and more will be turned away if the budget problems continue. The three College presidents are extremely dedicated to serving students in the best way possible and have developed plans on how to spend the Measure G funds; they will share these plans with MGOC today.

Chancellor Galatolo said the role of MGOC is to make sure that Measure G money is spent in accordance with what was promised to the voters. The District has a long record of doing just that with bond funds and the County Civil Grand Jury twice cited the District as a model to follow. There is not a legal

requirement to have an oversight committee for parcel tax measures, but the District takes its promise to voters very seriously and welcomes citizen oversight.

Review of MGOC Binder

Executive Vice Chancellor Keller reviewed the materials contained in the binders presented to MGOC members. Materials include a Committee roster, agenda, the board report authorizing establishment of MGOC and appointment of its members, the board report and accompanying College presidents' plans for the use of Measure G funds, and a summary of the Brown Act. Additional materials will be sent out prior to each meeting and will include the current agenda, minutes from the past meeting, and any relevant reports, including expenditure reports.

Review of Applicable Laws Governing Committee – Brown Act

Mr. Casey said that MGOC meetings are subject to Brown Act requirements. He explained that the Committee must meet publicly and the notice and agenda of the meeting must be posted within a certain time requirement. Only items on the agenda may be discussed at the meeting; Committee members should let Mr. Keller know if there is something they want to discuss. Time must be allowed for public comment. Any correspondence, including email, is part of the public record. Ms. Christensen said that agendas will be sent to the local press, who may ask about what occurred at any meeting.

College Measure “G” Plans by College Presidents

Cañada College: President Mohr said reductions imposed by the state resulted in Cañada reducing its general fund budget by 23%. Adjunct faculty was reduced by 40% and counseling and guidance classes were reduced by 2,500 hours.

President Mohr said that Cañada's allocation of \$1,914,605 will be spent as follows:

\$957,350 for instruction. The goal is to get rid of all waitlists and make sure students get into the right sequence of classes to complete their majors. Most waitlists have been eliminated. There are still waitlists for science classes because there is not enough lab space to meet demand.

\$577,175 for student support services, which include expansion of library hours; increased counseling services; improvement of articulation with other colleges; expansion of new student orientation; support to veterans; increasing the number of students who complete the Free Application for Federal Student Aid (FAFSA); and expansion of tutoring services.

\$380,080 for innovation programs which include expansion of the Math Jam program to help students place at higher levels of math; expanded basic skills classes for students who did not test well for English and math classes; and expanded professional development for adjunct faculty.

Mr. Sheldon asked how much of the previous cuts were restored by Measure G funds. President Mohr said Cañada is not quite caught up to the previous level, but was able to get rid of waitlists, get the right sequence of courses in place, and restore counseling services. Executive Vice Chancellor Keller added that, even when classes are restored, it is not the same situation as before the budget cuts because there are many more students in the classrooms, with most classes at or exceeding capacity.

College of San Mateo: President Claire said College of San Mateo had cuts of \$6 million over a two and one-half to three year time frame. Measure G money will allow restoration of \$1.8 million of that loss. In general, the College's litmus test for how to spend money is whether it helps students. All Measure G funds will directly touch students. The College's \$1,860,000 in Measure G funds will be spent as follows:

\$1,365,000 to fund classes that would have been cut or to add classes. Decisions on the classes are based on a careful analysis of enrollment trends and waitlists in order to meet growing student demand. Classes that will help students to transfer, career/technical education classes, and basic skills classes are priorities. \$92,000 for additional counseling support. College of San Mateo has a fairly large full-time counseling staff but lost hours due to budget reductions; Measure G funds have restored many of those hours. The College also changed its counseling model to become more efficient and will follow the research to make sure it is also more effective.

\$192,000 to restore or add classified staff who have direct daily interaction with students in critical areas and whose positions were defunded.

\$44,000 for innovation programs which include Math Boost to help students refresh their math skills and bypass remedial courses; \$42,000 for unmet supply needs; \$15,000 for minor innovation grants which enhance student learning in the core mission areas; and \$110,000 to build distance education capacity.

Ms. Christensen noted that there has been a realignment of the curriculum away from lifelong learning and into core classes and core class development at each of the three Colleges. President Claire agreed, stating that courses which tend to attract lifelong learners, such as Masterworks Chorale and conversational foreign language classes, have been shifted to self-supporting Community Education classes when possible.

Skyline College: President Stanback Stroud said Skyline's \$2,072,611 in Measure G funds is being used in three areas, as follows:

\$1,200,000 to restore and add classes. Prior to the passage of Measure G, Skyline would have had to cut approximately 25% of its offerings. Measure G funds allowed the addition or restoration of 123 transfer level classes, 58 career/technical education classes, and 24 basic skills classes. There are now 72 more sections than last year and approximately 4,000 more enrollments due to Measure G.

\$394,125 for student services to meet increased student demand, including staffing in EOP&S, the Transfer Center and the information desk. Included in student services are categorical programs for which the state has set aside money to be used for specific purposes. These programs underwent reductions of 34-68% during the state budget crisis.

\$478,486 for course and program innovation, which also includes class offerings and provision of student services. Programs include:

- the Math Academy which helps prepare students for the math placement test and includes math instruction, counseling and supplemental instruction.
- the opportunity to attract adjunct faculty who can participate in areas that have an impact on student success, such as program review and student learning outcomes; during the budget reductions, Skyline lost adjunct faculty who were connected to the institution and who understand the educational needs of the region.
- the process to seek accreditation of the business program. Skyline would be the first community college in California to become accredited by the Accreditation Council for Business Schools and Programs. Achieving accreditation would help to attract other resources and grants.
- development of certificates which will meet needs in the local community.
- increasing access to courses through distance education. Students can now take all general education requirements online, including Physical Education. The goal is to provide access to entire major programs online as well.

Ms. Chang Kiraly asked how many students take advantage of distance education and how long it has been in existence. President Stanback Stroud said it has existed for a very long time. Students were able to complete all general education requirements except Physical Education, which was added recently. She said that with today's sophisticated technology and interactive resources, there is a new way of thinking about distance education. President Claire said that all three Colleges included distance education in their plans for Measure G funds. At College of San Mateo, television classes were eliminated because they were no longer a valid way to offer courses. He said all of the Colleges will collaborate on new ways to deliver instruction through distance education.

President Stanback Stroud said the attitude and morale at Skyline is high and all constituencies want to be part of a formal thank you to the voters who approved the passage of Measure G. President Mohr said that Cañada College faculty and staff believe the College's plan is student-centered and have embraced it completely. He added that every major decision for expenditures of money at all three Colleges is made using the shared governance process.

Ms. Christensen pointed out that waitlists are not true representations of demand for classes because students may put themselves on several different waitlists, hoping to get into one class. Executive Vice Chancellor Keller said the State is attempting to reduce student demand at community colleges by increasing student fees and capping the number of units students are allowed to take. The State is also considering increasing the threshold for Cal Grant eligibility. President Mohr said the State Chancellor's Office calculated that approximately 136,000 California students who wanted to become first-time community college students were unable to get into a college.

Executive Vice Chancellor Keller said it is clear that thoughtful processes occurred in developing the College plans. The allocations for each College were awarded based on the plans submitted by the presidents and may change over time. There was some delay because the vote was very close and the outcome was uncertain for some time. There was also a delay pending potential challenges. The District is still in dispute with the County which wants to charge \$1.35 per parcel to collect the tax; this would amount to \$280,000 each year. There have been lengthy discussions with the Board of Supervisors to try to get the formula changed.

Discussion of how District will Account for Expenditures/Revenue

Ms. Blackwood said the District has established a separate fund for Measure G money so that it will be clear exactly how the money is spent. The fund will be audited along with the general audit to make sure all expenditures conform to the ballot language. Expense and revenue reports will be provided to MGOC members. There is no report currently because the plans were just passed in December. Some classes were judiciously added in August per Board of Trustees instruction and these expenditures will be reflected in the first report.

Discussion of Governor's Budget Proposal and Impact Relative to Measure "G"

Ms. Blackwood said the impact to the District of the Governor's budget proposal is approximately \$8 million, assuming a ballot measure to extend temporary tax increases is on a June ballot and passes. The Governor's proposal suggests a fee increase from \$26 to \$36 per unit, generating \$110 million which would be put toward growth rather than offsetting cuts; this would, in effect, ask the colleges to educate more students with less money. If extension of the temporary tax increases is not on a ballot or fails to pass, the impact to the District would be \$12-\$15 million. The District may have the ability to become a basic aid rather than a revenue limit district; this occurs when a district's property taxes and student fees combined exceed that district's revenue limit set by the State and the district is allowed to keep the difference. Ms. Chang Kiraly asked how many community colleges in the State are basic aid districts. Ms. Blackwood said there are three and their status is due primarily to a growth in property taxes because of building growth.

Ms. Blackwood said the Governor's proposal includes deferral of an additional \$129 million from the community college system out of the January, February and March apportionments into the October apportionment. This brings the total deferrals from this year's apportionments to \$961 million. To deal with the cash flow issues caused by these deferrals, the District is planning to issue a Tax and Revenue Anticipation Note (TRAN) for \$30 million in June. Executive Vice Chancellor Keller said that, because of the so-called "triple flip," the property taxes which the District should receive in December get shifted to city and county governments and the District does not receive its money until April.

Mr. Sheldon asked if expenditures will be categorized so that Committee members can see if they fit into the ballot language categories. Ms. Blackwood said the largest category will be instructional and the expenditures will be very clear. Executive Vice Chancellor Keller said the intent is to provide the ballot language which justifies the expenditure. President Stanback Stroud noted that the College plans list Measure G criteria along with each segment of the plan. Mr. Sheldon asked if Measure G funds can be used for capital. Ms. Blackwood said funds could be used for instructional equipment for students but the Colleges did not choose to do so.

Public Comments

None

Schedule of Future Meetings

Executive Vice Chancellor Keller said meetings will be held on a quarterly basis. A Committee chair will be selected at the next meeting.

Mr. Sullivan asked what information will be provided so that MGOC members can be prepared to review expenditures at the meetings. Executive Vice Chancellor Keller said materials will be sent out two to three weeks prior to each meeting. Before coming to the meeting, Committee members can direct questions to Executive Vice Chancellor Keller and he will direct the questions to the appropriate people.

Mr. Sullivan asked what level of time commitment will be required of MGOC members. Ms. Christensen said the Bond Oversight Committee reports are normally three pages long and they have many more projects to review; the reports for MGOC will likely be two pages. Executive Vice Chancellor Keller added that the information will be a summary and will be tracked according to what the voters approved.

Ms. Finones asked if MGOC members are charged with making sure the Colleges are spending funds according to their plans. Executive Vice Chancellor said this is not the job of the Committee; rather, Committee members are to make sure the funds are being spent within the confines of what the voters were told. The Colleges' plans are based on the approved ballot language and were approved by the Board of Trustees. Mr. Casey said that the chief business officials at each of the Colleges have been trained on how the money should be tracked appropriately.

Ms. Christensen said the materials sent prior to the meetings will be three-hole punched for placement in the binders; she suggested that members bring their binders to each meeting.

Executive Vice Chancellor Keller will email members about the next meeting. Mr. Sullivan asked if there will be a website for the Committee; Executive Vice Chancellor Keller said there will.

The meeting was adjourned by consensus at 4:38 p.m.