

Special Meeting / Study Session

Board of Trustees

Coast Community College District

District Board Room

3:00 p.m.

April 21, 2010

MINUTES

A Special Meeting/Study Session of the Board of Trustees of the Coast Community College District was held on April 21, 2010 in the Board Room at the District Office.

1. Call to Order

Board President Jerry Patterson called the meeting to order at 3:01 p.m.

2. Roll Call

Trustees Present: Jerry Patterson, Mary Hornbuckle, Jim Moreno,
Lorraine Prinsky and Student Trustee Robert Lane

Trustees Absent: Walter Howald

3. Public Comment (Closed Session – Items on Agenda)

There were no requests to address the Board during Public Comment.

4. Convene to Closed Session

Conducted in Accordance with applicable sections of California law. Closed Sessions are not open to the public.

This item was moved and heard following Agenda Item 11.

5. Reconvene Open Session

This item was moved following Agenda Item 11.

6. Report of Action from Closed Session

This item was moved following Agenda Item 11.

7. Pledge of Allegiance

Trustee Lorraine Prinsky, Board Vice President, led the Pledge of Allegiance to the United States.

8. Opportunity for Public Comment

Betty Rodriguez addressed the Board regarding Agenda Item 9.

9. Public Hearing Concerning the Modified Initial Proposal from the Coast Community College District to Negotiate the Agreement between the Coast Community College District and the Coast Federation of Classified Employees/American Federation of Teachers, AFL/CIO (CFCE/AFT), Local 4794

Board President Patterson opened the Public Hearing at 3:04 p.m.

There were no public comments made during the Public Hearing.

There being no speakers, it was moved by Mr. Patterson and seconded by Ms. Hornbuckle to close the Public Hearing.

Motion carried with the following vote:

Aye: Mr. Patterson, Mr. Moreno, Dr. Prinsky, and Ms. Hornbuckle

No: None

Absent: Mr. Howald

10. Adopt Modified Initial Proposal from the Coast Community College District to Negotiate the Agreement between the Coast Community College District and the Coast Federation of Classified Employees/American Federation of Teachers, AFL/CIO (CFCE/AFT), Local 4794

It was moved by Dr. Prinsky and seconded by Mr. Patterson to adopt the Modified Initial Proposal from the Coast Community College District to Negotiate the Agreement between the Coast Community College District and the Coast Federation of Classified Employees/American Federation of Teachers, AFL/CIO (CFCE/AFT), Local 4794.

Motion carried with the following vote:

Aye: Mr. Patterson, Mr. Moreno, Dr. Prinsky, and Ms. Hornbuckle
No: None
Absent: Mr. Howald

11. Board of Trustees Study Session on the Fiscal Year 2010-11 Budget

Dr. Ding-Jo Currie, Chancellor and C.M. Brahmbhatt, Vice Chancellor of Administrative Services provided the Board with a presentation on the status of the Fiscal Year 2009-10 and 2010-11 Budgets (See appendix A, pages 5-12).

Mr. Brahmbhatt shared with the Board a memo from Scott Lay, President, Community College League of California, regarding updates and the current status of California's budget process (See appendix B, pages 13-14).

Mr. Brahmbhatt provided the Board with a Health Benefits Perspective of the projected cost and increase of health benefits for Fiscal Years 2009-2010 and 2010-2011 (See Appendix C, page 15).

The Board recessed to Closed Session at 4:41 p.m. to discuss the following items:

**a. Conference with Legal Counsel: Existing Litigation
(Pursuant to sub-section "a" of Government Code Section 54956.9)**

*Rodriguez vs. Coast Community College District et al., DFEH Case No. E200910K0841
Rodriguez vs. Coast Community College District et al., EEOC Case No. 37AB014161*

The Board reconvened to Open Session at 5:25 p.m.

There was no report of Closed Session.

12. Adjournment

There being no further business, it was moved by Ms. Hornbuckle and seconded by Mr. Lane that the meeting be adjourned.

Motion carried with the following vote:

Aye: Mr. Patterson, Mr. Moreno, Dr. Prinsky, and Ms. Hornbuckle
No: None
Absent: Mr. Howald

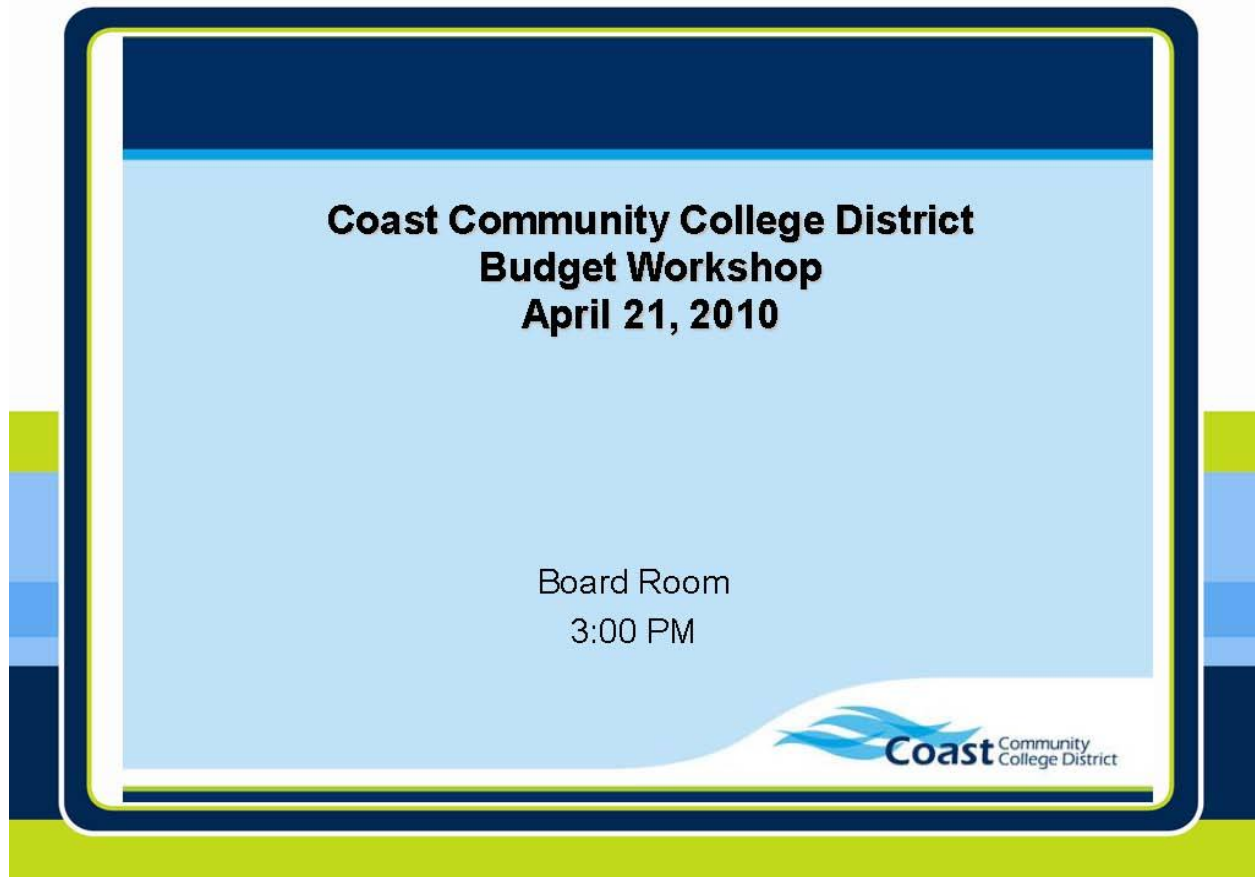
The meeting was adjourned at 5:26 p.m.

Secretary of the Board of Trustees

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Appendix A



Budget Shortfall Forecast for Future Years as of 3/29/10

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
A) 2009-10 Budget Reduction (covered by one-time funds)	\$ 5,822,688	\$ 5,822,688	\$ 5,822,688
Negative State COLA (.38%)	\$ 648,363	\$ 648,363	\$ 648,363
Board Election	\$ 550,000	\$ -	\$ 550,000
Estimated Mandatory Increase			
STRS (0%, 1%, 2%)	\$ -	\$ 535,000	\$ 1,070,000
PERS (.5%, 1.9%, 4%)	\$ 215,000	\$ 817,000	\$ 1,721,000
UIC (.42%)	\$ 515,000	\$ 515,000	\$ 515,000
	<u>\$ 7,751,051</u>	<u>\$ 8,338,051</u>	<u>\$ 10,327,051</u>
B) To Protect Categorical Contract Employees	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
C) Negotiable Items			
Salary Increase			
CFE (10/11 increase .75%)	\$ 400,000	\$ 400,000	\$ 400,000
CFCE/Classified (unfunded 09/10)	\$ 450,000	\$ 450,000	\$ 450,000
CCA	unknown	unknown	unknown
CDMA/Other	unknown	unknown	unknown
Health Benefits	\$ 1,400,000	\$ 2,000,000	\$ 2,600,000
Step & Column	<u>\$ 1,200,000</u>	<u>\$ 2,400,000</u>	<u>\$ 3,600,000</u>
	<u>\$ 3,450,000</u>	<u>\$ 5,250,000</u>	<u>\$ 7,050,000</u>
TOTAL SHORTFALL	<u>\$ 12,701,051</u>	<u>\$ 15,088,051</u>	<u>\$ 18,877,051</u>
CUMULATIVE SHORTFALL	<u>\$ 12,701,051</u>	<u>\$ 27,789,102</u>	<u>\$ 46,666,153</u>

Assumptions

- There will be a negative COLA for 2010/11 and zero the following 2 years
- Statewide Growth Funds of 2.2% available for 2010/11 only. District share is unknown.
- Faculty contract will expire June 30, 2011.
- CFE/Classified and CCA Contract will expire June 30, 2010.
- District will backfill categorical contract employees up to \$1.5 million to protect contract employees' jobs.



	2005/2006		2006/2007		2007/2008		2008/2009		2009/2010	
	Actual		Actual		Actual		Actual		Budget	
DESCRIPTION	EXP	TOT EXP %	EXP	TOT EXP %	EXP	TOT EXP %	EXP	TOT EXP %	EXP	TOT EXP %
ACADEMIC SALARIES	62,224,293	39%	68,753,487	39%	77,119,426	40%	78,566,413	41%	74,000,602	38%
CLASSIFIED SALARIES	38,451,713	24%	41,538,796	23%	45,988,677	24%	46,399,742	24%	46,335,847	24%
TOTAL SALARIES	100,676,006	63%	110,292,283	62%	123,108,103	64%	124,966,155	65%	120,336,449	62%
EMPLOYEE BENEFITS	39,694,283	25%	38,589,412	22%	41,400,218	21%	44,072,466	23%	42,328,536	22%
TOTAL SAL. & BENEFITS	140,370,289	88%	148,881,695	84%	164,508,321	85%	169,038,621	88%	162,664,985	84%
SUPPLIES & MATERIALS	2,464,810	2%	2,693,863	2%	3,178,252	2%	2,631,583	1%	3,219,496	2%
OTHER OPER. EXP. & SERV	13,097,816	8%	16,375,279	9%	17,059,217	9%	18,407,268	10%	23,654,063	12%
CAPITAL OUTLAY	1,676,226	1%	2,329,488	1%	3,753,189	2%	911,784	0%	1,663,610	1%
OTHER OUTGO	1,885,423	1%	6,728,540	4%	6,710,979	3%	2,085,127	1%	2,991,562	2%
TOTAL EXPENDITURES	159,494,564	100%	177,008,865	100%	195,209,958	100%	193,074,383	100%	194,193,716	100%

		2005/2006 Actual	2006/2007 Actual	2007/2008 Actual	2008/2009 Actual	2009/2010 Budget
Supplies						
4200	Reference Books	6,468	19,645	11,321	17,633	19,602
4300	Supplies	2,057,089	2,228,144	2,686,233	2,210,033	2,629,114
4400	Media Supplies	7,253	23,722	8,935	1,221	39,793
4600	Fuel Oil Repair Parts	394,000	422,352	471,762	402,697	530,987
	Total Supplies	2,464,810	2,693,863	3,178,251	2,631,584	3,219,496

Services						
5001	Indirect Exp Chargeback	(303,032)	(287,721)	(321,736)	(270,869)	-
5100	Personal and Consultant	266,365	376,455	689,063	774,077	569,875
5200	Travel	519,009	373,983	417,974	392,264	496,480
5300	Subscriptions/Dues/Memberships	183,205	252,083	213,645	236,188	267,440
5400	Insurance	1,226,346	1,279,403	1,119,354	1,190,445	1,399,877
5500	Utilities	4,116,029	4,986,891	5,290,422	5,808,500	5,128,142
5600	Rent Leases Repairs	2,981,521	4,430,059	4,948,284	4,969,152	5,815,028
5700	Legal/Election/Audit	1,486,957	1,807,020	1,145,461	2,284,794	1,741,880
5800	Other Operating	2,621,416	3,157,106	3,556,750	3,022,717	4,869,301
5900	Holding for Distribution	-	-	-	-	3,366,040
	Total Services	13,097,816	16,375,279	17,059,217	18,407,268	23,654,063

Equipment						
6100	Site Improvement	42,174	21,376	89,265	55,899	50,851
6200	Building Improvement	482,709	81,934	75,711	113	60,118
6300	Library Books	87,144	71,135	169,678	103,316	98,055
6400	Equipment	1,064,199	2,155,043	3,418,535	752,456	1,454,586
	Total Equipment	1,676,226	2,329,488	3,753,189	911,784	1,663,610

5800 Other Operating expenses includes postage, advertising, fees for participation, professional development, bad debt, investment service charges, and other services



FUTURE PROPOSED BUDGET SOLUTIONS

- Reduce Summer Class Offerings
- Re-Direct KOCE Note Payment
- Salary Savings from ENDS Program
- Reduce Non-Instructional Hourly
- External Hiring Freeze
- Eliminate Overtime
- Reduce Reassigned Time
- Limit Purchasing
- Freeze Travel
- Freeze Memberships
- Eliminate Unfunded FTES
- ASB/Foundation Contributions
- Ending Balance
- Negotiable Items
- Suspend Intersession
- Utility Savings
- Reduce District Legal Liabilities
- Eliminate Auxiliary Deficit Operations
- Increase Revenue Generations on Contract Education, Free Based Programs
- International Student Enrollments
- Reduce Non-Credit Programs
- Explore Fee Based Credit Programs
- Additional Cuts to Campuses
- Freeze Hiring - Reorganization
- Consolidate some Operating Functions District Wide
- Enforce Cost-Saving Measures

LONG-TERM BUDGET SOLUTIONS

- Strategic planning for budget planning
- Reduce ongoing expenditures
- Budget according to institutional priorities
- Leverage and maximize existing resources
- Contain and cap costs in all areas
- Invest in revenue generation capacities
- Reorganize for cost efficiency and institutional effectiveness
- Invest in professional development

PROPOSED SHORT-TERM BUDGET SOLUTIONS

Target: \$15 Million

ONGOING (2010 – 2013)

4.5 million	ENDS Program (Based on projection only)
2.0 million	Summer reduction
1.0 million	Non-instructional hourly
0.5 million	KOCE note repayment
0.5 million	Travel, membership, misc.
<u>\$ 8.5 million</u>	

ONE-TIME (2010 – 2011)

\$ 1.0 million	ASB/Foundation/Ancillary
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ENDS Program Statistics - AS OF 4/19/2010

*Longevity is included in Current Salary not Statutory Benefits.

Site: District-wide

	<u>Total # of Employees</u>	<u>Current Salary</u>	<u>Statutory Benefits</u>	<u>Health Benefits</u>	<u>Total</u>
<u>General Fund:</u>					
Faculty - Retirements	19	2,004,299	277,161	-	2,281,460
Counselor - Retirements	1	121,396	16,631	-	138,027
Classified - Retirements	14	819,470	174,931	-	994,401
Classified - Resignations	1	45,335	9,684	12,800	67,819
Confidential - Retirements	0	-	-	-	-
Confidential - Resignations	0	-	-	-	-
Managers - Retirements	3	346,263	59,278	-	405,541
Managers - Resignations	0	-	-	-	-
General Fund Totals:	<u>38</u>	<u>3,336,763</u>	<u>537,685</u>	<u>12,800</u>	<u>3,887,248</u>
Gross GF Savings		3,887,248			
PT Faculty Backfill	19 x \$45,000	855,000			
Net GF Savings		<u>3,032,248</u>			

Appendix B



April 19, 2010

Dear Martha,

While in Seattle for the American Association of Community Colleges, someone asked me last night why all is so quiet on the budgetary front and if the budget process was proceeding on the normal track.

First, describing California's budget process ever as "normal" is like describing a Rube Goldberg machine as efficient. That said, we are in the expected lull in activity as budgeteers figure out just how much they are going to have to cut to close out this year's budget. The real starting line is May 14, when the Governor is expected to release his May Revision to the January proposed budget.

Meanwhile, the budget subcommittees continue to explore "big picture" issues, while most Capitol energy is in the policy committees during a routine end-of-April rush to hear legislation. This Wednesday at 4pm, the budget subcommittee on education and Assembly Higher Education will convene a joint meeting exploring "Higher Education Student Enrollment and Student Success."

Some of you asked good follow-up questions after my message last week as we try to make sense from the daily revenue obsession of April and the overall budget situation.

In January, the Administration projected \$88 billion in revenue in the current year of 2009-10. Through March, revenues exceeded projections by \$2.6 billion. However, April is the most significant revenue month for the state, with \$10 billion in personal income tax (PIT) revenues anticipated.

Through Friday, the [state collected \\$2.9 billion](#) in PIT revenues, which should reflect all tax payments made electronically, but not those that mailed checks on April 15. I would say it would be overly optimistic now that the state will reach its projected revenue. While daily collections are volatile, if we assume the remaining 10 business days in April bring in the average of the last three business days, our end of month total will be just under \$7.5 billion--\$2.5 billion short and essentially wiping out the above-projection revenues from the first three months of the year.

If indeed that happens, we're essentially back at the governor's January budget proposal, which closed a \$19.9 billion shortfall through deep cuts to health, human services and K-12 education, and which anticipated \$8 billion in federal solutions (both revenue and regulatory waivers). With less than \$1 billion of those federal solutions materializing and the Legislature sending strong signals that it is not supportive of many of the health and human services cuts, we are facing a very difficult process closing the budget hole and community colleges will be threatened with further cuts and student fee increases.

Meanwhile, we have some good news on the federal level, which could help ease the state's budget problem.

Senator Harkin introduces education jobs bill

Mirroring the \$23 billion in funding for education jobs included in the House-passed Main Street Jobs for America Act, Senator Tom Harkin (D-IA) introduced the "[Keep Our Educators Working Jobs Act of 2010](#)" last week. Harkin is the chair of the Health, Education, Labor and Pensions committee.

Like last year's State Fiscal Stabilization Fund included in the stimulus bill and intended to minimize devastating state education cut, the funds would be distributed to states that agree to maintain their

level of investment in K-12 and higher education.

The funding for California would likely be around \$2.8 billion--money that can soften the continued cuts at our schools and colleges.

We encourage our colleges to send letters to Senator Harkin in support of the bill. AACC and ACCT have sent a letter (http://www.acct.org/AACC_ACCT_Harkin_Ed_Jobs_Fund_Ltr.pdf), which can be easily tailored to reflect the impacts of budget cuts on your campus. In your letter, focus on the lost jobs, whether from unfilled departures, layoffs, and reduced sections taught by part-time faculty jobs.

By providing state support for education, we keep our community members employed and keep our classes open and services maintained. This is the economically smart thing to do as we recover from the great recession.

SB 1440: The Student Transfer Achievement Reform Act

One of the most significant pieces of legislation for community colleges will be heard on Wednesday by the Senate Education Committee. [SB 1440](#) would provide a clear pathway for students to guaranteed admission at a campus of the California State University while also providing students with associate degrees from their community colleges.

After hearing pros and cons, both policy boards of the League (CCCT and CEOCCC) **took support positions** on SB 1440 during their meetings this weekend. While it is difficult to support the preemption of the ability of local colleges to establish local associate degree requirements, the boards are deeply concerned that as many as 50% of our students transferring to CSU could be otherwise eligible for an associate's degree. With a share of our students transferring to CSU but not completing a bachelor's degree, it is important we provide formal recognition of their community college achievements for their long-term economic security.

It is economical essential for them and their families to ensure they complete an associate's degree on the way to their transfer destination.

The bill would provide one type of associate's degree, and colleges could continue to specify local requirements for the remainder of their associate programs.

The bill also doesn't "fix" the problem of impacted CSU campuses and majors and the seemingly continuous change in admissions requirements, on which we must continue to work. This is mostly the cause of the state's divestment from higher education and we will partner with UC and CSU to advocate to the Legislature and governor to ensure that our students have sufficient slots for transfer.

Sincerely,

Scott Lay
President and Chief Executive Officer
Orange Coast College '94

Community College League of California
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916.444.8641 . www.ccleague.org

Appendix C

Health Benefits Perspective

• Number of Employees Covered = 2,196			
• 2009-2010 Budget per Employee	\$ 12,800		
• 2009-2010 Projected Cost per Employee	\$ 13,200		
• 2010-2011 Projected Cost per Employee	\$ 13,600	Total Cost	\$ 29,865,600
• Maximum District Budget for 2010-2011 (Net Cost per Employee)	\$ 12,000	Total Cost	\$ 26,352,000
• Adjustment Needed for Current Plan			<u>\$ 3,513,600</u>