CALL TO ORDER AND ROLL CALL
President Bruce Swenson declared a quorum was present and called the meeting to order at 1:05 p.m. in the Social Room of the Quinlan Community Center, 10185 North Stelling Road, Cupertino, CA 95014.

Trustees Present:
Bruce Swenson, President
Pearl Cheng, Vice President
Joan Barram
Betsy Bechtle
Laura Casas Frier

For Public Session
Erica Anderson, Foothill College Student Trustee
Isabelle Barrientos Vargas, De Anza College Student Trustee

Linda Thor

President Swenson led the Board and those present in the Pledge of Allegiance.

Item 1
REVIEW DEVELOPMENT OF DISTRICT STRATEGIC PLAN

Vice Chancellor of Technology and Planning Fred Sherman presented a progress report on the district's strategic planning effort and introduced Katharine Boshkoff, a consultant assisting with the process. The district's plan is being updated in anticipation of an accreditation visit in 2011. It builds on the strategic planning work being done by the colleges, so that the district and college efforts are coordinated.
Through the shared governance process with the Chancellor's Advisory Council, the district's plan will establish metrics to assess performance in meeting three overarching district goals, called commitments. The district's commitments are to student access, student success and the stewardship of resources.

After the presentation, board members asked a number of questions about transfer rates, course-success rates and student-participation rates, and urged the planning participants to set challenging goals. Trustees said the district should not be content with simply being better than the state average and, at a minimum, should strive to maintain current levels of success even in the face of state funding reductions. Trustees thanked everyone involved for the thoughtful work that has gone into the planning efforts. Sherman said the Chancellor's Advisory Council would be asked to accept or modify a final draft of the district strategic plan in April.
Item 2
ENROLLMENT AND PROGRAM PLANNING FOR 2010-11

The college presidents presented the board with an overview of changes in curriculum and course offerings resulting from the state’s 4 percent reduction in the number of students community colleges serve this year because of budget cuts.

Since the state cut categorical funding by approximately 50 percent this year, President Judy Miner reported that Foothill has cut course sections in adaptive PE by about 28 percent. In addition, other physical education sections have been reduced by about 20 percent over the prior year, reflecting state priorities, while productivity has increased. Foothill has increased course offerings in science, mathematics and engineering by 2.3 percent to meet student demand, and plans to add additional sections this spring. Additional course-section reductions for 2010-11 are expected in adaptive learning and disabled services, library and physical education, Miner said. Unlike De Anza, Foothill does not require students to have PE credits for an associate’s degree. Unlike De Anza, Foothill does not require students to have PE credits for an associate's degree.

Responding to questions from trustees, Miner said that Foothill strives to maintain a comprehensive curriculum while focusing on the core mission of transfer, career-technical education and basic skills. She said Foothill is exploring shifting some non-core courses to the district’s community education program, which is fully supported by fees, and that may cause "sticker shock" among students.

Instead of making targeted reductions, De Anza is reducing course sections across the board and cutting sections that have been historically under-enrolled, said President Brian Murphy. Despite an overall decrease in sections, he said De Anza has increased the number of students in biological and health sciences, language arts and mathematics in order to meet high demand. Murphy said there were small decreases in PE, business and computer information systems, applied technologies, social sciences and humanities. He said the campus is planning for lower enrollments and some program discontinuance next year and is working on a reorganization of student support programs.

Murphy said De Anza's decisions reflect its commitments to offering basic skills, maintaining a comprehensive curriculum and trying to balance student demand with maintaining the integrity of the curriculum. He said the college will not increase the student-teacher ratio in ESL and composition, and is committed to keeping distinctive courses and programs, such as performance classes. During the budget planning processes, he said, divisions had to determine "what is core." In many cases, this has meant giving priority to lower-level courses at the expense of more advanced courses. Murphy said De Anza has not cut PE as deeply as at Foothill because it is a degree requirement and more De Anza students are younger, less likely to be employed and not as able to afford gym membership. He said the college also plans to begin offering fee-based fitness classes.

Interim Chancellor Mike Brandy noted that only about 5 percent of the district's curriculum is devoted to PE, while the percentage for some community colleges is as high as 25 percent. Brandy also noted that the district is serving about 900 more full-time-equivalent students than the state is funding. He said that raises the question of whether the district can continue offering so many sections.

Item 3
BUDGET UPDATE

Interim Chancellor Brandy reported on the governor's proposed budget for 2010-11 and his expectations for the coming budget year. Although much progress has been made on reducing Foothill-De Anza's
structural deficit, the district projects it will have a $4.1 million General Fund deficit in 2010-11, Brandy said. This is on top of having to implement $6.5 million in categorical cuts next year that could not be absorbed this year when the state slashed funding for categorical programs after the start of the fiscal year. The bottom line is a total projected district budget deficit of $10.6 million for 2010-11 if the state does not make any additional cuts.

Gov. Schwarzenegger's proposed budget is relatively good for community colleges, but unfortunately, Brandy said, the consensus is that the governor is being too optimistic and that additional state spending cuts will be necessary to close a projected $19.5 billion state budget gap ($6.5 billion in the current year and $13 billion in 2010-11).

To deal with the district’s $10.6 projected deficit for 2010-11, reduction targets have been set at approximately $1.3 million for Central Services, $4.8 million for De Anza and $4.4 million for Foothill.

These targets will require the elimination of additional positions, which will come to the board on March 8. Some of these positions will have to be eliminated by June 30 this year, while a portion will be carried for up to one year, to June 30, 2011 with what’s being called the Escrow II account. However, if the state makes additional budget cuts, the Escrow II positions may have to be eliminated Dec. 31, 2010. (Positions being carried in the current year in the Escrow I account will be let go this coming June 30.

As of January, some 18 positions were being supported in the Escrow I account.)

At Central Services, the 2010-11 reductions will be made through B budget cuts, moving some positions from the General Fund to Measure C funding, and position eliminations, said Andy Dunn, vice chancellor of business services.

Describing the "wrenching" decisions the campus has had to make, President Murphy said De Anza expects to have to eliminate as many as 14 positions on June 30, 2010, and temporarily carry 17-18 positions in the Escrow II account. In addition, as part of a reorganization of student support services, he said the college is eliminating the positions of 32 part-time hourly employees who work as readiness teaching assistants in language arts.

At Foothill, 28 positions will be eliminated in 2010-11, President Miner reported. Five positions are currently vacant, six positions will be transferred from General Fund support to other funds, and 17 are filled. Of the filled positions, 13 will be carried in the Escrow II account.

Trustees expressed their appreciation to all who are doing this difficult work and those whose positions are affected. President Swenson acknowledged how difficult it is for staff to make these types of decisions and expressed his thanks for their work.

**Item 4**
PARCEL TAX

When the issue of exploring a parcel tax came to the board last fall, trustees did not think the timing was right and took no action. Since then, Interim Chancellor Brandy said that two neighboring community college districts have decided to commission polls on voter support for a parcel tax. He suggested that trustees consider the "baby step" of polling the Foothill-De Anza community on attitudes toward a limited-term parcel tax in the range of $25, $50 or $75 to help the district get through the state funding crisis. Such a poll would probably cost about $50,000.

Trustees commented on various considerations, including thinking through the timing in relation to area
K-12 districts that may also ask voters to approve such a tax. Trustee Betsy Bechtel, who chaired Foothill-De Anza's Measure C bond campaign, noted that proceeding with a poll would not commit the board to putting a parcel tax on the ballot, but understanding the public's opinions would be a critical to making a decision. The board's consensus was to consider the possibility of initiating a poll at its Feb. 1 meeting.

**Re-Convene Public Session**

President Swenson called a recess at 3:00 p.m. The public session was re-convened at 3:15 p.m.

**Item 5**

**Legislative**

A statewide conversation is under way about whether California community colleges should proactively take a position in support of a "reasonable and predictable" enrollment-fee increase rather than wait for a fee increase proposed by the state Legislature. Although the board was not being asked to take a position at this time, Interim Chancellor Brandy said he wanted trustees to be informed about the debate. The Chancellor's Advisory Council has recommended taking a strategic approach and not getting out in front on this issue. A big question is whether community colleges would get to keep the revenue from a fee increase, noted Trustee Laura Casas Fryer, or whether it would go to the state's General Fund. President Murphy suggested that any proposal for a fee increase should be tied to restoration of competitive Cal Grants.

**Item 6**

**Construction**

**Lease-Leaseback as Alternate Building Construction Method**

Charles Allen, executive director of facilities, operations and construction management, led a presentation on the pros and cons of using a lease-leaseback approach for construction of two major Measure C projects, the Physical Sciences and Engineering Center at Foothill and the Mediated Learning Center at De Anza. This method is employed as a way to avoid lengthy and costly litigation with contractors who submit low bids then drive up costs with change orders arising from conflicts, ambiguities and omissions in contract documents. A legal opinion prepared by attorney Phil Jaret was distributed to board members. Trustees are scheduled to decide whether to use the lease-leaseback approach at their Feb. 1 meeting. Allen said the district is planning to issue a new series of bonds in Fall 2010 to fund upcoming Measure C projects.

**Measure C spending Plan and Series C**

Executive director Charles Allen discussed the spending patterns of the Measure C bond program to date and outlined the expected timeline to issue the next series of bond as authorized under Measure C.

**Photovoltaic Expansion**

Interim Chancellor Brandy briefed the board on a plan to fund a major expansion of solar photovoltaic arrays to significantly reduce energy costs. The district currently spends about $2.2 million a year on electricity and expects cost increases of 5-10 percent in the next few years. Installing parking canopies covered with solar panels on most campus parking lots could save $200,000 to $300,000 a year while reducing the district's carbon footprint. "When you have no new revenue coming in, that means two or three more positions you don't have to layoff every year to pay for utility increases," Brandy said. Funding for expanded solar installations would come from redirecting bond dollars and using interest earnings.
Item 7
TECHNOLOGY

Vice Chancellor Sherman reported to the board on proposed changes to the 15-year Measure C technology replacement program. The bottom line is that Measure C funding alone isn't enough to replace all computers on a four-year cycle because of higher-than-budgeted equipment costs, inadequate funding for labor costs and growth in the computer inventory. Sherman has recommended a plan for a five-year replacement cycle.

Item 8
COMMUNITY OUTREACH

The Board adopted a Community Outreach plan at the beginning of the year and that plan continues to be implemented. The next two activities of the plan are the legislative visits by two board members at the CCLC conference on Jan 24th and 25th and the local League of Women Voter forum on January 27th.

Item 9
CONSTRUCTION PLANS

Executive Director Allen and representatives from Cody Anderson Wasney briefed the board on tentative District Office remodel plans. The remodel is part of the Measure C program.

ADJOURNMENT

President Swenson adjourned the meeting at 5:00 p.m.

CLOSED SESSION

At 5:00 p.m., the Board adjourned into closed session in the Social Room, Quinlan Community Center, with the individuals listed below to discuss:

CONFERENCE WITH LABOR NEGOTIATOR
District Negotiator: Dorene Novotny
Employee Organizations: All Represented and Unrepresented Groups

Executive Administrators Present:
Charles Allen, Executive Director, Facilities, Operations and Construction Management
Mike Brandy, Interim Chancellor
Andy Dunn, Vice Chancellor of Business Services
Judy Miner, President of Foothill College
Brian Murphy, President of De Anza College
Dorene Novotny, Vice Chancellor of Human Resources and Equal Opportunity
Fred Sherman, Vice Chancellor of Technology

Approved 3/1/10

Linda M. Thor, Chancellor
Secretary, Board of Trustees