



**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES
DRAFT MINUTES
BOARD STUDY SESSION
January 23, 2012**

Trustees Present:

Joan Barram, President
Betsy Bechtel
Pearl Cheng
Laura Casas Frier
Bruce Swenson

For Public Session Only:

Emily Kinner, De Anza College Student Trustee (by phone)
Stephanie McGee, Foothill College Student Trustee

CALL TO ORDER

President Barram called the meeting to order at 1:05 p.m. She led those present in the Pledge of Allegiance.

1. Student Success Task Force Recommendations

FA president and Student Success Task Force member Rich Hansen, De Anza Academic Senate president Karen Chow, Foothill Academic Senate president Dolores Davison, and District Academic Senate president Coleen Lee-Wheat addressed the Student Success Task Force recommendations from the faculty perspective, and the next steps for the district.

Rich gave an update on the recommendations stating that the various versions have morphed into a comprehensive final version that was recently adopted by the Board of Governors and will be forwarded to the legislature for review.

The faculty outlined some of the major changes in the recommendations and their concerns:

Major changes:

- Outcomes-based funding – This was not recommended by the task force
- In an opening meeting of the task force, the state chancellor said that any recommendations coming from the committee would have to be done without additional funding. Rich expressed his fear that it could hurt student success more than help if any of the recommendations were instituted without
- additional funding
- categorical consolidation – in the final version categorical consolidation was eliminated and was substituted with language suggesting that there should be more cooperation among categorical programs

Concerns:

- There is a fear that changes in the BOG fee waiver will create a decline in student enrollment
- There are concerns regarding the speed of implementation and whether there is adequate funding to carry out the recommendations
- There are concerns about levying new restrictions on BOG fee waiver eligibility. Maintaining eligibility could reduce student access if there is not adequate counselor support
- The new education plan requirements beg the question of whether counselor and staff time is being utilized wisely when students change their majors quite often, and especially if no additional funds will be forthcoming

- There are concerns about the focus on basic skills that could be a detriment to colleges like Foothill and De Anza that offer a number of extensive high-level courses by instructors who teach a diversity of classes, as well as to students who are well-prepared for transfer. The advantage of being able to teach a variety of courses keeps the instructor engaged and gives them an opportunity to expand students' horizons and better prepare them for transfer.

It was mentioned that the state chancellor's office would like to have more authority to make Title V changes without having to go through the Department of Finance. The Chancellor's office would also like to be able to appoint their own vice chancellors.

Faculty acknowledged that there are some positive recommendations with potentially good outcomes, some that Foothill-De Anza is already doing, and some that could be implemented with relatively little funding. However, they feel that funding is paramount. They stressed board advocacy with legislators for additional funding to implement the recommendations.

Student Trustee Kinner said that the strongest response from students has been to the change to the BOG fee waiver. She feels that basing receipt of the fee waiver on student success is a good goal. Students feel very positively about the implementation of the appeals process. However, there is a concern that without additional funding, there will not be an adequate number of counselors and staff to implement the process.

Faculty responded to trustees' questions. The trustees thanked the faculty for their thoughtful comments and work. President Barram said that several board members and staff will be attending the upcoming legislative conference and will be meeting with local legislators.

2. Legislative Principles

The board reviewed proposed legislative principles for 2012 which provide guidance and a framework for developing a position on bills that may be presented at the state or federal level. Chancellor Thor explained that at the state level guidance was sought from both the CCLC and state chancellor's office's legislative agendas for 2012; the Silicon Valley Leadership Group's expectations for statewide initiatives; and at the federal level, ACCT's and AACC's legislative priorities. The Chancellor's Advisory Council reviewed the legislative principles and suggested slight changes.

The trustees recommended modifications and additions to the principles that will be presented for approval at the February 6, 2012 meeting.

3. Budget Update

Vice Chancellor of Business Services Kevin McElroy reported that the state has a \$9.2 billion deficit, but the economy continues to slowly recover. Funding from the state is anticipated to be about the same even if the tax initiative passes in November. If it does not, community colleges are looking at a possible \$482 million mid-year cut in January 2013. About \$218 million of that would be lost to apportionment buy back. The remaining \$264 million would be a direct reduction to the community college system's operational budget. For Foothill-De Anza that equates to \$7.1 million added to the existing \$10 million deficit. In 2012-13 the district may be looking at a deficit of \$16-\$17 million. With the uncertainty of the passage of the tax measure, the chancellor's office recommends building a conservative budget without additional funds from the tax measure.

The governor's tax initiative estimates \$6.9 billion in additional revenue for education, but the LAO projects about \$2 billion less than the governor's estimates. Closer analysis indicates that if the initiative passes, education would realize only about \$2.5 billion due to additional expenses in Prop 98. If it does not pass, education would actually take a \$4.8 billion hit.

He reviewed scenarios that do not include adjustments for 2nd quarter data and assume that FTES targets are met. Scenario A, based on passage of the tax initiative, shows that the district would end the 2012-13 year

with an \$11.2 million deficit. That projected deficit would be closed by one-time use of stability funds. Scenario B, based on rejection of the initiative, indicates a \$16 million deficit. Additional savings could be realized from the implementation of budget reduction plans in order to meet this year's deficit.

Major variables that could impact projections:

- The student fee revenue projection from the state is much less than originally projected at the beginning of the year. Foothill-De Anza budgeted about \$750 thousand in anticipation of that shortfall. The state chancellor's office now says that amount could be tripled.
- Non-resident tuition enrollment— Projections indicate a positive amount of perhaps up to \$800,000.
- Unrestored FTES – Research shows that the colleges' enrollment is still down. If enrollment is not restored, that could mean an additional \$1-2 million in reduced revenue for 2011-12; this would impact revenue for 2012-13. The colleges are working diligently on strategies to generate additional FTES.
- Impact of fee increase on enrollment – Historically, an increase in fees will trigger a decline in enrollment. However, with the current increase from \$36 to \$46 per semester unit, a more significant decrease is possible, especially in the enrollment of lifelong learning and personal enrichment students.

The board and staff continued to discuss the implications of increased fees and the reduction of budget. Budget Director Bernata Slater said that there has been about a \$30 million reduction in funding over the last three years.

Next steps to be taken include development of the tentative budget and development of a more detailed estimate.

Break

President Barram called for a recess at 2:45 p.m. and reconvened the meeting at 3:00 p.m.

4. Data Center

Vice Chancellor of Technology Fred Sherman explained the necessity for a new data center and options that the board might consider.

Several critical issues of the current site include:

- Its vulnerability to seismic events
- Water intrusion
- Lack of temperature control
- Equipment failure

Because the current building housing the data center was not built to essential services standards, the cost of upgrades would be equivalent to constructing a new building. Funding has been earmarked in both Measures E and C for a new building. Last year, the district engaged an architect to develop a design for a data center complex, but cost estimates exceeded budget by about \$6 million. The architectural firm responded to the district's request for a redesign that is more within budget.

Although original plans called for construction of a new data center, the district is now exploring its options:

- Construct a new data center as originally planned
- Lease an off-site space/collocate with a non-profit partner establishing a relationship to share the cost of either operating or building a data center, or
- Renovate the existing data center to bring it up to essential standards

Key criteria to consider in all options are costs, both fixed (initial investment) and ongoing (collocation/ lease); speed of event recovery (major earthquake); and long-term plans.

The district has been exploring the option of collocating with the Santa Clara County Office of Education whose renovated data center in San Jose does have extra space available that could be shared with the district. Although located out of district boundaries, bond counsel has assured district administrators that Measure C bond funds could be invested in the data center with the County Office of Education.

Vice Chancellor Sherman reviewed key elements to consider

- Essential services – constructing a building that is able to withstand a major (7.5) earthquake and would still be safe to occupy. It is not known if the County’s data center is built to essential services standards.
- Redundancy - the ability to operate through disasters, the capability to remain operable and is structured by Tiers 1-4. It is the district’s desire to be in a Tier 3 building where it has a redundant system for every critical system in the center.

The initial design of a new data center was at Tier 1 with the capability to upgrade to a Tier 3 at some time in the future. The County’s center is currently at Tier 1, but they have expressed an interest in working with the district to upgrade to a Tier 3 standard.

Chancellor Thor clarified that this project addresses the data center needs only; and the need for office space remains to be addressed. Vice Chancellor Sherman said that if collation occurs, a building to house ETS staff would still be constructed.

Vice Chancellor Sherman responded to questions from the trustees regarding cloud hosting, costs, and, if the district were to collocate or lease, possible maintenance terms of the facility, as well as construction and renovation of current facilities.

The trustees thanked district staff for their continuing efforts in exploring options for the data center.

5. Board Organization Items

a. Electronic Board Agendas

In an effort to save staff time and in keeping with the district’s and board’s commitment to sustainability, Chancellor Thor proposed moving toward electronic board agendas. For the past several meetings, members of the Chancellor’s Cabinet have been using electronic devices to view the board agenda and backup materials.

After testing various methods, Vice Chancellor Sherman recommended using Acrobat Pro, which offers annotation capability for computers (either Mac or PC) and Good Reader for iPads. The district would loan either an iPad or laptop for trustees’ use, and one-on-one training would be offered.

Trustees agreed to a trial period during which paper copies would continue to be provided, and until trustees decide if they wish to continue using the paperless method.

b. Action-Only Minutes

Chancellor Thor proposed moving to action-only minutes as opposed to comprehensive discussion minutes. Noting that the Brown Act requires only the recording of actions taken, she said that several municipalities, such as the Mountain View and City of Los Altos city councils, have moved to action-only minutes. She stressed that action-only minutes is not a recommendation to reduce transparency because the Board Highlights, which come out shortly after the meeting and are widely distributed, also records

what takes place. In addition, the meetings are recorded on audio tapes which are available to anyone who wishes to listen to them and are kept indefinitely.

Trustees agreed to action only minutes on a trial basis.

c. Board Self-Evaluation Process

In keeping with accreditation standards, the board conducts an annual self-evaluation. Chancellor Thor suggested an augmentation to that process that includes members of the Chancellor's Advisory Council in the self-evaluation process every three years. The feedback from that would be provided separately for the trustees' consideration. It was suggested that public members of the Citizens' Bond Oversight Committee and Audit & Finance Committee, and the president of the Foundation Board also be included in the survey. Because many of those members do not attend board meetings, Chancellor Thor offered to edit the self-evaluation instrument to make it more applicable to the Chancellor's Advisory Council and community members.

Trustees agreed to the expanded self-evaluation process to be conducted in odd years.

ADJOURNMENT

President Barram adjourned the meeting at 4:05 p.m.

CLOSED SESSION

The Board convened in closed session at 4:30 p.m. in the Hearthside Lounge to discuss:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Position Title: Chancellor

Executive Administrator Present:

Linda Thor, Chancellor