

**CHABOT-LAS POSITAS  
COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES  
WORKSHOP MEETING**

**MINUTES  
September 1, 2009**

**PLACE**

Chabot-Las Positas Community College District, 5020 Franklin Drive, Pleasanton, California 94588.

**CALL TO ORDER**

The meeting was called to order at 6:32 p.m. and adjourned at 7:15 p.m. Recording Secretary Beverly Bailey called the roll. Dr. Cedillo, Mr. Gil and Mr. Dwaraknath were absent at the time of roll. President Gin reported that Dr. Cedillo was excused from this meeting.

**ATTENDANCE**

Members Present:

Mrs. Isobel F. Dvorsky  
Mr. Donald L. "Dobie" Gelles  
Dr. Hal G. Gin  
Dr. Barbara F. Mertes  
Dr. Marshall Mitzman  
Mr. Carlo Vecchiarelli

Members Absent:

Dr. Arnulfo Cedillo (excused)  
Mr. Evani Gil  
Mr. Sudharsan Dwaraknath

Managers Present:

Dr. Joel L. Kinnamon, Chancellor  
Dr. Celia Barberena, President, Chabot College  
Dr. DeRionne Pollard, President, Las Positas College  
Ms. Rita Brown  
Dr. MaryAnne Gularte  
Ms. Judy Hutchinson  
Dr. Laurel Jones  
Mr. Jeffrey Kingston  
Mr. Bob Kratochvil  
Mr. Lorenzo Legaspi  
Ms. Melinda Matsuda

Mrs. Jeannine Methe  
Mr. George Railey, Jr.  
Ms. Laura Weaver

Recording Secretary: Mrs. Beverly Bailey

Others Present : Mr. Michael Absher, President, Chabot College Faculty Senate  
Ms. Jessica Gutierrez, President, Associated Students of Chabot College  
Ms. Natasha Lang, President, Las Positas College Classified Senate  
Ms. Barbara Morrissey, Las Positas College Faculty Senate  
Mr. Masi Quorayshi, President, Associated Students of Las Positas College  
Ms. GeorgeAnna Tow, Faculty Emerita  
Ms. Rachel Ugale, President, Chabot College Classified Senate

### **PLEDGE TO FLAG**

President Gin opened the meeting and asked Mrs. Dvorsky to lead the pledge to the flag.

### **PUBLIC COMMENTS**

There were no Public Comments offered at this meeting.

### **PUBLIC HEARING: 2009-10 BUDGETS – GENERAL FUND, CAFETERIA FUND, CHILD DEVELOPMENT FUND, CAPITAL PROJECTS FUND, SELF-INSURANCE (RUMBL) FUND, AND MEASURE B FUND**

President Gin opened the Public Hearing for the 2009-10 Budgets at 6:35 p.m. Hearing no comments, President Gin closed the Public Hearing at 6:36 p.m.

### **PRESENTATION: 2009-10 BUDGETS – GENERAL FUND, CAFETERIA FUND, CHILD DEVELOPMENT FUND, CAPITAL PROJECTS FUND, SELF-INSURANCE (RUMBL) FUND, AND MEASURE B FUND**

Mr. Legaspi gave a PowerPoint Presentation on the 2009-10 Budgets. He reported that the Budget adopted by the Board will be submitted to the State Chancellor's Office by October 15, 2009. The presentation included the following:

- Governor's Budget Package
  - Chronology of Events
  
- Budget Packet as it Relates to Community Colleges
  - Student fees increased from \$20 to \$26 per credit effective Fall 2009
  - An estimated allocation of \$130 million in federal funds provided through State Stabilization provisions of American Recovery and Reinvestment Act (ARRA)
  - Elimination of all growth funds
  - No COLA
  - \$333 million in cuts to categorical programs-one time backfill is provided using federal ARRA funds
  - \$120 million reduction to general purpose funds (in lieu of the proposal to reduce funding rates for physical education courses)
  - A budgeted 2009-10 local property tax shortfall of \$53 million
  - A budgeted 2009-10 student fee shortfall of \$21 million
  - Language authorizing the Chancellor to reduce base workload measures in proportion to cuts in general apportionment funding
  - Language authorizing community college districts to transfer funds out of certain categorical programs and into any other categorical program
  
- Budget Packet as it Relates to Chabot-Las Positas Community College District
  - For 2009-10 an adjusted reduction of \$3.37 million in unrestricted funds
  - For 2009-10 an adjusted reduction of \$1.90 million in categorical funds
  
- Two Other Significant Factors
  - Enrollment
  - Employee Compensation
  
- Budget Summary
  - Source of Funds/Use of Funds
  - General Fund
  - Chabot College
  - Las Positas College
  - Other District Funds
    - Self-Insurance Fund (RUMBL)
    - Cafeteria Fund
    - Child Development Fund (expenditures exceed revenue)
    - Capital Outlay Projects Fund
    - Property Sale Fund (Nike Site)
    - Measure B Fund
  
- Proposed Budget Cuts

- Looking Ahead
  - Property Tax Shortfall
  - Mid-Year Cuts
  - Deeper Cuts in 2009-10
  - Workload Measures
  - Structural Deficit
  - Live Within Means

Mr. Legaspi reported that while there is a budget in place, there are potential challenges that could threaten the budget:

- American Recovery and Reinvestment Act (ARRA) State Stabilization Funds - The actual amount (\$130 million included in budget package) determined by a formula is projected by the Systems Office at less than 50%. In addition, it should be kept in mind that ARRA funding is a one-time backfill to the categorical cuts.
- Mid-Year Cuts – Less than projected state revenues and local property taxes will result in mid-year cuts to the budget.
- Workload Reductions – Further reductions in apportionment could mean further reductions in district workloads. For most districts it will be too far into the school year to make adjustments to their schedule, especially in the Fall Semester.

Mr. Legaspi reported that in 2006-07, there was \$83 million of growth funds left on the table at the State level. The State gave districts the opportunity to capture some of this growth funds so the District took advantage of this opportunity and shifted (“rolled back”) approximately 701 FTES from Summer 2007 to the 2006-07 fiscal year. That brought enrollment to 17,401 and produced approximately \$3 million one-time money. In 2007-08 the District reported enrollment of 17,064. At that time, there was another opportunity to “roll back” to capture funds left on the table and the District reported 17,501, knowing that in 2008-09 we would be below the 17,500. Therefore, in 2008-09, we were at 17,123, although the District is on stability funding, which is a safety net where the state will actually fund the District at 17,501. In 2009-10, the District will be serving 17,719 students. Workload adjustments will be implemented by the State Chancellor and will reduce workload by 3.39%, using the 2007-08 adjusted number of 16,907 as our FTES target.

Mr. Legaspi reported that the District is spending more than it is taking in (revenue \$111 million, expenditures \$114 million). Mr. Legaspi reported that it was possible to fund expenditures at that level using the one-time money available through the enrollment “roll back.” In future years, the District will have to reverse this trend by identifying more reductions in 2010-11, or if new monies comes in, the District will have to back fill this decrease in fund balance.

Mr. Legaspi reported an ending balance of \$11 million in the General Fund, which includes 5% set aside for economic uncertainties as required by the State and other reserves for an undesignated ending balance of \$388,732. The undesignated ending balance was at approximately \$5 million one year ago.

Board Members thanked Mr. Legaspi for his presentation, noting they appreciate the ease of reading and understanding the document.

Dr. Mertes noted that this is one of the best explanations and presentations on the budget that she has seen.

Dr. Mitzman echoed Dr. Mertes' comments.

Mrs. Dvorsky reported that there isn't much good news with the budget and feels that next year will be even more difficult. The Board will look to the guidance of Mr. Legaspi and Chancellor Kinnamon.

Mr. Gelles recognized Mr. Legaspi for doing a great job. Mr. Gelles reported that he believes in "0" based budgeting and believes the Child Care Development Center, as well as all programs, should pay for itself. Mr. Gelles noted that we have outstanding salaries and health care, which is richly deserved by our staff. "It bodes well for us that we aren't pink slipping this year but realistically this trend can't continue."

Mr. Legaspi responded to questions raised by the Board.

Mr. Vecchiarelli questioned if there was any effort to reduce the RDA reserves, noting that the Governor is "sweeping" that money. Mr. Legaspi responded not yet, but if things get worse, cities surrounding us may not be able to deliver. He reported that currently, we are collecting RDA funds from several cities in our service area.

In response to a question raised by Dr. Mitzman, Mr. Legaspi reported that RDA funds are local funds but is not sure if they are federal or state generated.

Mr. Vecchiarelli noted our "trickle down" economy, and questioned if there are any solutions for solving the budget problem? He questioned where are the new sources of revenue?

Mr. Legaspi reported that at some point we need to increase the "pie." The "pie" gets smaller and smaller each year, and there needs to be a plan to grow the "pie."

Dr. Gin requested clarification on a statement made by Mr. Legaspi that we will need to borrow from the outside. Mr. Legaspi reported that currently, to address some cash flow

needs, we look to Measure B, although to this point we have not had to borrow. He reported that we are rapidly spending down the Measure B Funds. At some point, we will need to look at other sources to borrow, such as Tax Revenue Anticipation Notes, which are short-term borrowing (one year). He suggested that we might be able to pool with other districts through a JPA to borrow as a group to lower the cost of issuance.

Mr. Gelles stressed that the District continue to do what we can to fund retirees' benefits.

Mr. Gelles questioned if the District borrowed from Measure B Funds, who gets the interest that Measure B is currently earning. Mr. Legaspi responded that the District would also pay back the interest.

Mr. Vecchiarelli questioned if we can get a line of credit from a bank. Mr. Legaspi responded affirmatively and that is exactly an option he had in mind when he said to look at other outside sources. He noted that the District could borrow cheaper money than Measure B Funds. Mr. Legaspi reported he has never done a line of credit. Mr. Legaspi also reported that you can earn interest on the money borrowed if you aren't using it.

**ADOPTION OF 2009-10 BUDGETS – GENERAL FUND, CAFETERIA FUND, CHILD DEVELOPMENT FUND, CAPITAL PROJECTS FUND, SELF-INSURANCE (RUMBL) FUND AND MEASURE B FUND**

Motion No. 1

Mr. Gelles made a motion, seconded by Mrs. Dvorsky, to adopt the 2009-10 Budgets for the General Fund, Cafeteria Fund, Child Development Fund, Capital Projects Fund, Self-Insurance (RUMBL) Fund, and Measure B Fund and authorize the Vice Chancellor, Business Services, to file same with the County Superintendent of Schools and California Community College Chancellor's Office as required by law.

Motion carried unanimously, 6-0.

**NEXT MEETING**

The next Board of Trustees Meeting is scheduled for Tuesday, September 15, 2009 at the District Office at 6:30 p.m.

**ADJOURNMENT**

By motion made and seconded, the workshop meeting was adjourned at 7:15 p.m.

Minutes completed by:

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Beverly Bailey

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