

ADOPTED

GLENDALE COMMUNITY COLLEGE DISTRICT
1500 N. Verdugo Road
Glendale, CA 91208

BOARD OF TRUSTEES MEETING NO. 16

The special meeting of the Glendale Community College District Board of Trustees was called to order by Dr. Peroomian at 5:03 p.m. on Monday, June 15, 2009 in Kreider Hall of the San Rafael Building.

Trustees Present:

Mrs. Anita Quinonez Gabrielian
Dr. Vahé Peroomian
Ms. Ann Ransford
Mr. Tony Tartaglia
Ms. Ovsanna Khachikian ST

Not in Attendance:

Dr. Armine G. Hacopian
Dr. Audre Levy

Administrators Present:

Ms. Lisa Brooks
Dr. Kristin Bruno
Dr. Ron Harlan
Dr. Karen Holden-Ferkich
Dr. Edward Karpp
Dr. Dawn Lindsay
Dr. Mary Mirch
Mr. Ron Nakasone
Dr. Vicki Nicholson

Mr. Amir Nour

Dr. Rick Perez
Ms. Jan Swinton
Mr. Steve Wagg

Bargaining Unit Reps:

Ms. Saodat Aziskhanova
Dr. Ramona Barrio-Sotillo
Dr. John Queen

The media was not represented. An audio tape of this meeting will be on file in the Superintendent/President's Office, at the Glendale Central Library, and on the College's website at <<http://www.glendale.edu/boardoftrustees>>. A DVD copy of the videotaping of this meeting is on file in the Superintendent/President's Office.

PLEDGE OF ALLEGIANCE – The Pledge of Allegiance was led by Ms. Ovsanna Khachikian, Student Trustee.

SPECIAL PRESENTATION

1. "Presentation of 2009-2010 Tentative Budget"

Mr. Ron Nakasone, Interim Vice President, Administrative Services, delivered a PowerPoint presentation on the 2009-2010 Tentative Budget, outlined as follows:

2008-09 GCC Budget Status

- 2008-09 Enrollment at P2: 1,469 FTES Unfunded Enrollment = \$5.65 million Unfunded Revenue
- 2008-09 GCC Revenues: \$576K total
- 2008-09 GCC Expenditures: \$5,229M total
- 2008-09 GCC Significant Overdrafts:
 - ♦ Hourly classified used to backfill retirees
 - ♦ Benefits paid out in retirement incentive to a large number of retirees, with unused vacation factored in.
 - ♦ Utilities
- 2008-09 GCC Ending Balance; \$5,803M
 - ♦ 5% - \$4.2 million for reserve
 - ♦ \$1.6 million to be divided into \$800K for this year and \$800K for next year. May be needed to fund cut categoricals.

SPECIAL PRESENTATION NO. 1 – continued

2009-10 State Budget

- State Budget Effect on Community Colleges 2008-09 and 2009-10
 - ♦The .68% COLA for community colleges was eliminated, but GCC did not budget COLA for 2008-09. There is no COLA in 2009-10. Deferral of apportionment funding is a way that the State is addressing its cash flow issue.
- Propositions on Special Election: All propositions failed on the May 19th ballot.
- May Revise: Failure of the propositions created an additional \$6 billion shortfall.
- 2009-10 May Revise Highlights: Current Year (2008-09)
 - Total loss to GCC = \$3.7M and is broken down as follows:
 - ♦\$1.5M in apportionment deferrals is more of a cash flow issue than a budget cut.
 - ♦\$1.2M cut to categorical programs: Could use the \$800K from GCC's 2008-09 ending balance (funds that were to be saved for 2010-11).
 - ♦\$1.0M property tax shortfall with no backfill: The District planned for this.
- 2009-10 May Revise Highlights: Budget Year (2009-10)
 - Total loss to GCC = \$7.8M and is broken down as follows:
 - ♦\$4.6M in categorical cuts.
 - ♦\$0.5M cut to growth: This does not affect GCC's budget. District budgets in subsequent year.
 - ♦\$1.2M cut by funding PE and recreation classes at noncredit rate. Mr. Nakasone said that this is a soft number because the definition of "recreation" is not clear. There is also sentiment that this opens the door to the State choosing certain credit classes to re-categorize as noncredit classes.
 - ♦\$1.5M property tax shortfall: The District built in \$1M for this.
- Current Budget Proposal
 - ♦Total new revenue = \$202M, comprised of 1% growth and federal stimulus monies, along with an increase of the student per unit fee. An increase of up to \$26/unit (from \$20) is being discussed. The Legislative Analyst's Office (LAO) is recommending \$60/unit.
 - ♦The new revenue of \$202M would be used to backfill the PE/Recreation class funding and categorical programs. Backfilling the categoricals would protect DSPS and EOPS and limit cuts to 15% for students who have the greatest need.
- Budget Proposal Comparison: GCC is looking at a range of cuts from \$3.6M - \$5.7M if the proposal goes.
- State Budget Adoption:
 - ♦GCC has formed a fiscal emergency task force.
 - ♦Mr. Nakasone reminded all that the entire Assembly and Senate must approve the State Budget with a 2/3 vote.

2009-10 Tentative Budget Development

- GCC Budget Development Process, Unrestricted General Fund
 - ♦A \$508K budget cut is still required.
 GCC's 2009-10 Tentative Budget includes:
 - ♦5% General Reserve (One-time)
 - ♦\$500K Contingency Reserve (On-going)
 - ♦Use of Ending Fund Balance over 5% balance.
 - ♦The Tentative Budget is based on the State's February Budget and does not include the budget cuts required to balance the May Revise.
- Budget Link to Strategic Master Plan
 - ♦Of the ten Annual Master Plan goals, this year, budget requests had to be linked to one of the top three in order to be sent forward to a governance committee for prioritization. The three master plan goals are:
 1. Provide student access
 2. Expand instructional programs
 3. Upgrade information technology

SPECIAL PRESENTATION NO. 1 – continued

- Board Budget Preparation Resolution: The budget was prepared based on the Board resolution adopted [on the April 20, 2009].
- 2009-10 Projected New Revenue Changes = a decrease of \$1.081M, primarily because of the property tax shortfall.
- 2009-10 Projected Expenditure Adjustments = (\$1,592K)
- 2009-10 Budget Status
 - ♦Budget Cuts for May Revise = \$3.1M to \$5.2M
 - ♦Total Cuts still needed = \$3.6M to \$5.7M
- 2009-10 Budget Cut Options
 - ♦Mr. Nakasone identified seven big ticket items:
 1. Cut/Reduce winter intersession
 2. Freeze all non-essential new hires
 3. Across-the-board pay cut (1%)
 4. Furlough management/classified
 5. Reduce/eliminate pro-rata pay
 6. Reduce student workers
 7. Reduce hourly classified (i.e. police cadets, registration workers, hourly Facilities personnel)
 - ♦Mr. Nakasone noted that student workers and hourly classified could be reduced, but would not be eliminated, as these positions are needed to support staff and that offering student work hours is a good retention tool.
- Budget Cut Principles
 - ♦Minimize impact on students
 - ♦Proportionate cuts to all divisions: Instruction, Student Services, Administrative Services
 - ♦Proportionate cuts to all employee groups: Guild, CSEA, Management
 - ♦Budget cuts evaluated with Master Plan
 - ♦Permanent employee layoffs only as a last resort
 - ♦Minimize impact of main semesters
 - ♦Protect 5% reserve
- Pending College Issues
 - ♦Mr. Nakasone stated that the cuts required is a moving target until the State adopts its budget; and that it is the District's plan to come up with a range of options and alternatives to address the cuts once the State budget is in place. He stated that issues such as furloughs and an across-the-board salary cut must be brought to the CSEA and Guild tables and that this is a "major to-do" once the State budget is adopted.
- Conclusion
 - ♦Mr. Nakasone stated that the State's fiscal problems have severely impacted the College and that this is the greatest amount of budget cuts in the last 15 years. He noted that the College's budget problems are not going to end this year and will impact the 2010-11 budget. He said that there will be no change in the budget situation until the College receives COLA or new discretionary revenues, i.e. growth dollars.

(Post-presentation comments begin on the following page.)

SPECIAL PRESENTATION NO. 1 - continued

Comments following Mr. Nakasone's presentation included:

Negotiable vs. non-negotiable cut options

Mr. Tartaglia asked what the College would do if it does not receive a positive reduction in salary issues at the bargaining table. Mr. Nakasone replied that they have looked at non-negotiable items and could cut by limiting classes, reducing student workers, and extra hourly classified. He said that the College does not have to go to the negotiations table to do a layoff, but does have to go to the table to do a pay cut or furlough. He added that those managers who do not have a contract can be laid off.

Summer and Winter Intersession

Ms. Ransford asked if pro rata would be affected by the reduction of winter 2010. Mr.

Nakasone replied that if full-time faculty wanted to earn their *pro rata* pay, they could teach summer session. To realize the full \$1.9M in savings, the District would have to limit *pro rata* and that would be an item for the negotiations table.

Mrs. Gabrielian asked, in reference to the possibility of higher pro rata for summer if winter is cut, would any of the other cost-cutting options result in a higher expense? Mr. Nakasone replied that, to his knowledge, this is the only case where one has interdependency with the other.

Mr. Tartaglia asked if the College is considering cutting this year's second summer session. He said that it would be draconian and he would not recommend it, that no one wants to do this, but that all options should be on the table. Mr. Nakasone replied that legally, the College could do this, but there is goodwill and extra administrative work involved.

Ms. Khachikian asked what reducing winter intersession would entail. Mr. Nakasone said that the College would offer only classes that are part of a program, such as nursing. Ms. Khachikian said that it is easy to get lost in the numbers, but that all must remember that we are here to serve the students. Cutting winter would be detrimental to all students who have SEP's (Student Educational Plans) and educational goals. She said that this is going to take cooperation of all groups on campus.

Mrs. Gabrielian noted that she would like to see some options for winter, not an "all or nothing." Look at options for students in vital programs and other students, such as those planning to transfer.

Dr. Lindsay said that there are secondary effects to cutting winter intersession, such as building closures and savings on printed schedules. She said that everyone is sensitive to the fact that there are students taking classes to matriculate and that diligent effort will be made to look at the "bread and butter" courses. She said there is buy-in across the campus to have services for students and to get them transferred by June.

Ms. Ransford said that, while we want to protect summer and winter this year, we need to protect for the future. She suggested cutting proportionately in this 3-year cycle so that we don't run out of resources to offer future summer sessions and winter intersessions.

SPECIAL PRESENTATION NO. 1 – Comments following the presentation - continued

Ms. Aziskhanova said that we know that our priority is our students. However, we don't have the funds to support services. She said that the CSEA's position is that we need to eliminate winter intersession, except for Allied Health classes. Classified staff's workload will increase if student workers and hourly employees are cut. She implored the Board to make a decision before it is too late to cut winter intersession.

Dr. Barrio-Sotillo stated that winter intersession is negotiable for some faculty who work as counselors and that any change to winter must be brought to the table.

Increase in fee per unit

Ms. Ransford said that she had received the email today from Mr. Scott Lay, President of the Community College League of California (CCLC) and it sounded as if decisions were being made. Mr. Nakasone replied that the CCLC is recommending a \$26/unit fee and that it is also proposing a reduction to workload in an effort to protect areas such as Basic Skills and Vocational Ed.

Mr. Tartaglia asked if the new dollars from a fee increase would come directly to GCC. Mr. Nakasone replied yes, that this would be the only reason for community colleges supporting the increase.

The 5% Reserve

Dr. Barrio-Sotillo asked if the "General Reserve Increase" of \$75K was included in the 5% reserve and Mr. Nakasone said yes.

Dr. Barrio-Sotillo said that one of the things that the Guild had put on the table was looking at the protection of the 5% reserve vs. students and cutting classes and cutting the second summer session. She said that it was important to look at this as one of the big ticket items. Mr. Nakasone replied that there was much discussion about this in the budget meetings and that some do feel that this is the time to go below the 5% reserve, given the fiscal environment. He said that the reserve is there for a rainy day and asked if today is the rainy day. Dr. Barrio-Sotillo replied that it is raining.

Dr. Peroomian stated that he wished to emphasize Mr. Nakasone's comment that anytime the College dips into the reserve, we are really borrowing against money we don't have. If we borrow \$800K this year to balance on-going funds, we are then \$800K in the hole next year. He stated that the question is whether the College can go below 5% without penalty and without the consequences of being written up by accreditation. Dr. Peroomian stated that it was his understanding that we could not possibly go below 5% and asked if the College had an answer from the Chancellor's Office and the Accreditation Commission about going below the 5%.

Dr. Queen said that it is his belief that the 5% hard line is from the Accreditation Commission (ACCJC), that ACCJC President, Dr. Barbara Beno says that every day, 365 days per year, the College needs to be at 5% or above. He said that the Chancellor's Office's stance is different, that the reserve does not have to be at 5% every day and that the Chancellor's Office recommended taking accreditation into account. Dr. Queen said that if the College were to dip into the reserves, he does not believe the College would suffer great sanctions, because GCC has no history of doing so. He said that if the College does dip into the reserves, we could make our argument by writing up front in the self-study, taking into account Ms. Khachikian's arguments that students are first, that winter intersession and the two summer sessions are important, and that's our priority. He concluded by saying that if the

College plans to build the reserve back up, taking all into account, it is a reasonable action to take.

SPECIAL PRESENTATION NO. 1 – Comments following the presentation - continued

Dr. Peroomian said that Dr. Queen's point is an important one, that if the College goes below the 5%, we need a recovery plan. Dr. Peroomian said that his concern is getting back to 5% in this budget environment and asked what kind of plan will bring the College back to 5% next year and the years after?

Dr. Queen noted that he also read Mr. Lay's email today and had a 180-degree different interpretation and that he is optimistic.

Mr. Tartaglia said that, accreditation aside, one thing that the State has consistently done in the last three to four years is to take money back. He said that the College does not have all its reserves in cash. He said that he, like Dr. Peroomian, would like to see a recovery plan. He said that if the College can start and end the fiscal year at 5%, the College could dip during the year, but if the College plans to be below the 5%, he wants to see a substantial recovery plan. He said that this is hard on everyone, because there are no new revenues.

Mrs. Gabrielian said that she is in agreement with her colleagues regarding the 5% reserve. She said that the reserve is there for an emergency and that we do have our umbrella if it's an emergency, but that we are still trying to prepare a budget. She stated that a recovery plan is absolutely essential so that the College is not spending one-time funds on on-going projected funds.

Dr. Barrio-Sotillo said that many of the faculty perceive this budget situation as cyclical and that the College has gone through ups and downs in the past. She said that it's raining right now and that the College needs to look at whatever percentage it is to save the second summer session and winter intersession. She added that the faculty is trying to start a new page of working together with the Interim Superintendent /President and the Board and that this would go a long way in helping this relationship and taking care of the needs of the students.

Dr. Peroomian said that he agreed, but as Mrs. Gabrielian stated, we've seen the forecast and it says it's not just raining today, but for the next three years. He said that we need to prepare for that and that the College can't use one-time monies to cover this year and the next.

Dr. Barrio-Sotillo said that the College has been at less than 5% before. She said to correct her if she's wrong, but that the College was at 3.5% and never had a problem. She wants to make sure that the reserve is on the table for consideration.

Concluding remarks

Dr. Peroomian said that, in these recessionary times when people go back to community colleges, the colleges are getting the least amount of dollars. If the State Chancellor's projections are correct, we will have 6% growth and will have to make cuts left and right. This is the unfortunate part of having a statewide crisis, not having the money to educate the people who need that education to get the jobs to kick start the economy. We are getting absolutely no help from the State.

Mr. Nakasone concluded by saying that it's not an easy decision. He said that all the proposed cuts are bad, but what is looking the least bad are those cuts that least impact students. He said that positive things have come out of Budget Committee - everyone agrees that there is a budget problem and everyone wants to do their part. He said that where we fall short is, although we all want to be equitable, we don't

agree on what equitable is. He said that this is where we will have to focus our energies to come up with something everyone will agree on.

NEW BUSINESS REPORT

1. Two Side Letter Agreements

Between the District and the Glendale College Guild, Local 2276

Between the District and the California School Employees

Association Chapter 76

It was moved (Mr. Tartaglia) and seconded (Mrs. Gabrielian) to approve New Business Report No. 1.

Dr. Peroomian stated that he was just informed prior to the Board Meeting that the CSEA has not yet ratified their side letter agreement. He said that the District has a 14-day notification period as of today should it wish to declare a fiscal emergency and, if the CSEA side letter is ratified, a seven-day notification period will be in effect.

Ms. Aziskhanova stated that the CSEA had a labor representative at the table when they did the side letter on Thursday, June 11. At that point in time, it was thought that the CSEA did not have to ratify the document. However, she then checked with the CSEA field office on Friday, June 12 and was informed that ratification was necessary and that the document is not legal until it is ratified. She said that if the CSEA side letter is ratified by the Board tonight, then it will go to the CSEA membership for ratification on Wednesday, June 17, in compliance with the five business days stipulation for membership review and ratification. If the Board does not ratify the document tonight, the matter will be dropped.

Dr. Peroomian invited Mr. Kinsler, the College's attorney, to make a comment. Mr. Kinsler stated that this is a tough situation for the Board and everyone involved, as everyone believed going into this that the notice period called for in the spring 2008 agreements could be shortened. He said that his advice would be for the Board to ratify the CSEA side letter tonight, but to also exercise its obligation to send the 14-day notification notice. He added that if there isn't timely ratification by the CSEA, then the Board will have to hold a special Board Meeting on June 29 or 30.

The motion passed with the following vote: Gabrielian, Peroomian, Ransford, Tartaglia, Khachikian (aye); Hacopian (absent).

BOARD OF TRUSTEES REQUEST - INFORMATION AND/OR FUTURE AGENDA ITEMS

There were no requests.

Dr. Peroomian announced at 6:20 p.m. that the Board would adjourn to Closed Session to consider Closed Session Item No. 1.

CLOSED SESSION

1. Conference with Labor Negotiators pursuant to Government Code §54957.6
 - a. Agency designated representative: Dr. Vicki Nicholson
Employee organization: California School Employees Association
 - b. Agency designated representative: Dr. Kristin Bruno
Employee organization: Glendale College Guild

RECONVENE IN PUBLIC SESSION – 7:59 p.m.

REPORT OF CLOSED SESSION ACTION

Dr. Peroomian stated that the Board had a discussion with the District chief negotiators regarding negotiations with the Guild and CSEA and has the following statement, which he read:

"On June 4 and 5, 2009 the District, the Guild and CSEA tentatively agreed to reduce the notice period prior to the Board's declaration of a fiscal emergency from at least two weeks to seven days. However, while the Board understands that the Guild's agreement on June 4, 2009 is binding and does not require ratification by its unit members, CSEA's agreement requires a ratification vote by its members prior to its tentative agreement becoming final and binding. As a result and as a matter of caution, the District will give notice of the Board's consideration of a declaration of a fiscal emergency at a special meeting on June 29, 2009 at 8:30 a.m. If the District receives written notice from the CSEA of its ratification of the reduction from two weeks to seven days and its representation of the two weeks notice is sufficient notice for the Board's consideration of the declaration of a fiscal emergency at its regular meeting on June 22, 2009, the declaration will be considered at that time. That is all we have to report today."

Ms. Aziskhanova announced that the CSEA is going to hold a membership meeting on Wednesday, June 17 to present the side letter for ratification.

Dr. Peroomian stated that if the CSEA side letter is ratified by the membership on June 17, the declaration of a fiscal emergency will be considered at the June 22, 2009 Board Meeting.

ADJOURNMENT

Since all business on the agenda had been considered, the meeting was adjourned at 7:59 p.m.

Dr. Vahé Peroomian, President

Mr. Anthony P. Tartaglia, Clerk