EXECUTIVE COUNCIL MINUTES
Meeting Held May 20, 2009

PRESENT: Bea Cashmore, Kathy DePaolo, Amy Edwards, Karen Erickson, Nicole Gray, Richard Hansen, Meredith Heiser, MaryAnne Ifft, Roger Mack, Faith Milonas, Anne Paye, Bob Pierce, Alan Simes, Chris Storer, Laurel Torres.

ABSENT: Susanne Chan, Mary Ellen Goodwin, Tim Shively.

M/S Agenda approved as written with item #7, Part-time Report being replaced by Science Lab Loads with Erickson presenting. Vote unanimous.

M/S Minutes approved as written. Vote unanimous.

PRESIDENT’S REPORT

California Community College Independents (CCCI) Conference: The proposed merger of CCA/CTA and CCC/CFT was discussed at length at the CCCI Conference. The final feeling among the independents was, that even if the merger were to occur, it still would not offer a viable alternative since the merged group would remain under the same K-12 dominated umbrella organizations. The merged group would suffer from the same lack of independence as in the current situation with meager or no available resources to pursue community college faculty interests that conflict with decisions made in the larger organization. Hansen cited the example of CCA, the community college arm of CTA, who had no further influence once CTA made its decision to oppose Proposition 92. The Independents, which represent about 25 percent of the state’s community college faculty, discussed options for increasing their effectiveness at the state level, and Hansen noted that there was still much to be decided around this issue.

Executive Director Jonathan Lightman gave the FACCC report, which included an update on all of the initiatives on the ballot of the May 19 special election. Ed Derman, the Deputy Chief Executive Officer for Plan Design and Communication at CalSTRS, gave an overview of STRS-sponsored legislation, most of which address technical issues and none of which reflected any major policy shifts. While the retirement plan remains substantially funded, due to the declines in the stock market, some readjustments may be necessary including changes in the contribution rates. No decisions have been made yet on how much of a change is necessary and whether employers, employees or both would be responsible for covering the increased costs.

403(b) & 457 Committee: Hansen reviewed some issues reported at the May 13 403(b) and 457 Committee meeting that had arisen from the requirement of the new third party administrator, AIG, that funds be transferred using the SPARK (Society of Professional Asset Managers and Record Keepers) file format. Since SPARK contains a lot of additional information about the individual accounts and AIG is a competitor in the same marketplace, some vendors, including two currently on the District approved list, American Funds and Vanguard, have refused to use SPARK. Since this only causes oversight problems for the District when loans and hardship withdrawals are made and neither American Funds nor
Vanguard offer these types of services, the District has agreed to allow both to remain on the preferred vendor list and process their contributions in-house.

FACCC Election: Hansen reported that all local candidates had succeeded in winning their respective seats in the April FACCC election. Alex Giardino won for Regional Governor A, Thelma Epstein for Governor for Retired Faculty and Hansen for Treasurer.

Legislative Update: AB 1157 is currently working its way through the legislative process and, if passed, would amend the 50 Percent Law to change it into the 52 Percent Law. As it exists currently, the 50 Percent Law mandates that a minimum of 50 percent of a district’s expenses be used for classroom instruction, most of which goes toward faculty salaries and benefits. Under the 50 Percent Law formula the salaries of counselors are only included in the numerator for time they work in the classroom. Under AB 1157 counselor salaries would be entirely entered in the numerator and the minimum percentage for the combined classroom instructor and counselor salary increased to a minimum of 52 percent of the total district expenses.

Hansen noted that, while this change may sound like a good means of giving districts an incentive to hire more counselors, because counseling is not WSCH generating, administrators will always choose to hire new classroom faculty ahead of counselors. FACCC and most other faculty organizations support, instead, mandating (or setting as a goal) a best practice ratio of counselors to students. At the recent CCCI conference, the Independents voted to oppose this legislation. Hansen pointed out that a quick head-count of counselors at Foothill and De Anza indicates that we would require a “58 Percent Law” to match the present level of counseling faculty the District, and he noted that administrators who support AB 1157 admit that it is really designed to give districts more flexibility in the use of state money.

DISTRICT BUDGET UPDATE

Paye reported that the May 19 District Budget meeting had been cancelled.

HEALTH BENEFITS UPDATE

The Health Benefits Task Force met on May 15 for an all-day retreat that included presentations from Joint Powers Agreement (JPA) groups, CalPERS and the Self-Insured Schools of California (SISC). Paye had hoped these groups would be able to provide data on the cost savings potential of their plan options that were most similar to the District’s current health benefits plans. Preliminary numbers provided by CalPERS indicated that their PPO plan was more expensive and provided less coverage than the District’s current plan. SISC had no plan costs available for comparison. The primary advantage of both of these plans is in the risk sharing and stabilization of costs due to their larger pools of participants. Neither is able to offer better provider discounts.

The District’s health benefits consultants, Lockton, made a presentation on the advantages of continuing as a self-insured program. The primary advantage is that, in low utilization years the district retains all cost savings. In a premium plan the provider gets that benefit. Also,
the float time between the date and the payment of a claim allows for generation of interest.

Mike Brandy, who has been appointed to be the interim Chancellor as soon as Martha Kanter is called to Washington, distributed information on the current utilization and costs of district health benefits and also a comparative study of the cost of benefits in each of the Bay 10 districts. Paye distributed copies of Brandy’s data to the Council and reviewed the data included in the charts and graphs. As they currently stand, health benefits are costing the District $32 million annually. Brandy reported that Foothill-De Anza is paying about $5 million more per year than other districts after data is adjusted for size. Benefits costs increased dramatically between 2001-02 and 2008-09, rising from $14 million to $25 million. Brandy made a special point to note that part-time faculty benefits have cost the District $1 million this year but generated only $55,000 in state reimbursement under the categorical program that had been intended to cover up to one-half of the district’s expense. Paye noted that the District has an automatic contract re-opener in Article 22A, Paid Benefits for Part-time Faculty, regarding changes to funding in this area but had not previously exercised this right despite a widening gap between the costs of the program and the amount of reimbursement.

The Task Force finally requested that Lockton come back with information on the potential cost savings that could be generated from modeling the District’s current plan along the same lines as the options offered by the JPAs.

**NEGOTIATIONS UPDATE**

Paye reported that the negotiating team met with the District immediately prior to the Executive Council meeting and had been presented with the District’s interests for addressing the state’s economic crisis. The District’s first interest is in hiring all new Foothill counselors as 10-month employees rather than as the historical 11-month positions. A new counseling position opening at Foothill is being offered as an 11-month contract only because a tenured counselor in the Transfer Center voluntarily reduced her contract to 10 months. This is the last 11-month counselor that Foothill is hoping to hire. The council briefly discussed the problems inherent in allowing the creation of, essentially, a two-tier system.

The District then presented its proposal on salary cuts and benefit reductions. This proposal includes a cap on the dollar amount the District would pay toward the cost of employee health benefits and an across-the-board salary reduction of 10 percent. Paye noted that, despite threatening language included in the proposal document about imposing these changes retroactively if they were not agreed to before the designated July 1, 2010, implementation date, any changes need to go through negotiations and ratification. Paye discussed preliminary ideas that had emerged during a team brainstorming session for means of making some reductions without eroding the existing salary schedules. Paye also stressed that FA will not come to agreement on any form of salary reduction until assured that 1) cuts will not be used to offset the current operating deficit and 2) the extent of the state budget deficit that must be absorbed by the community colleges is known.
SCIENCE LAB LOADS

Karen Erickson stated that they had been hearing reports in her division (Foothill Biological and Health Sciences) that the loads for lab classes in the Physical Sciences, Math and Engineering (PSME) division were being increased to the full lecture rate. Erickson noted that she had been tasked by her dean to find out if this change is going forward, and if so to see if the same thing could be done for science labs in Biological and Health Sciences.

Paye responded that the PSME division was following the process established under Article 9.6 of the Agreement but noted that this seemed to be the most significant use ever made of this provision. Hansen noted that there has been a general consensus throughout the state that loads for science labs had historically been set too low, and many locals have been seeking increases to lab loads. He reported that an assessment model to determine the percentage of lecture hour load that should be applied to lecture/labs had been presented at the recent CCCI conference. In this model, instituted at Chabot-Las Positas, lecture/lab loads can be set at 85 to 87 percent of the lecture rate through a curriculum application process.

FOR THE GOOD OF THE ORDER

Meredith Heiser confirmed that FA’s End-of-Year Party will be held at Vino Locale in Palo Alto on Friday, June 12 from 4:00 to 7:00 p.m. The Council thanked Heiser for her work in arranging the event.