

SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT

Canada College, Redwood City
College of San Mateo, San Mateo
Skyline College, San Bruno

Office of the Chancellor

**TESTIMONY OF RON GALATOLO, CHANCELLOR OF THE SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT (CA) BEFORE THE HOUSE COMMITTEE ON
FINANCIAL SERVICES
HEARING ON "THE EFFECT OF THE LEHMAN BROTHERS
BANKRUPTCY ON STATE AND LOCAL GOVERNMENTS"
MAY 5, 2009**

Chairman Frank, Ranking Member Bachus, and Members of the Committee:

Thank you for inviting me to testify on the effect of the Lehman Brothers Bankruptcy on state and local governments. My name is Ron Galatolo and I am the Chancellor of the San Mateo County Community College District. Below is a summary of my remarks here today:

- I was formerly a Certified Public Accountant with KPMG Peat Marwick
- Given my professional background I will address the academic consequence as well as the fiscal impact to the district's operating budget as a result of the Lehman bankruptcy.
- The district has three colleges located within the boundary of San Mateo County and serves approximately 45,000 students per year and; in addition to preparing students for transfer to universities, a large portion of the institution's core mission is to provide occupational skills including retraining and preparing dislocated workers for re-entry into the workforce.
- By holding these troubled Lehman assets, the immediate loss consumed most of the district's operating reserves and substantially reduced the amount of resources set aside for capital renovation at our three colleges.
- Overall, we have suffered about a 10% reduction to our budget and are forecasting as much as another 8% reduction in the coming year.
- As a result of our reserves being eliminated by the Lehman bankruptcy, we have no viable option other than to immediately reduce our teachers and support staff in addition to shrinking our academic programs and services.
- When all is said and done, we may have to shed the equivalent of as much as 11% of our full-time workforce. Again, that will directly affect our ability to meet the academic and occupational needs of our community who rely on us to prepare them for local jobs.
- When all is said and done, we will have to abandon many of our construction projects slated to renovate our three aging colleges. By our calculations, this could negatively impact as much as 400 construction jobs... causing a "de-stimulus" to our local economy.
- We are not alone and through no fault of our own... many schools, colleges and universities have experienced similar economic hardship as a result of the Lehman bankruptcy. We are a "labor intensive industry" who invested in what we believed and trusted were very low risk, high quality investments and, ironically, to paraphrase Congresswoman Speier, if we had invested in AIG instead of Lehman... we would not be here today asking for your help.
- I feel that it's highly inequitable to use TARP funding to shore-up banks and cover bad mortgages, but fail to protect agencies' taxpayer dollars such as ours and the others who are testifying before you today.

Ronald D. Galatolo

Experience: *Chancellor* – San Mateo County Community College District

Executive Vice-Chancellor – San Mateo County Community College District
(Chief Financial and Operating Officer)

Controller – Foothill-De Anza Community College District

Adjunct Faculty: Accounting Program – Foothill College
Government Program – Golden Gate University

Certified Public Accountant/Consultant – KPMG Peat Marwick

Education: San Francisco State University, EMBA
San Jose State University, Business Administration

Credentials: Certified Public Accountant (California)
California Community College Instructor Credential
Past President – Administrative Management Association
Member – American Institute of Certified Public Accountants
Member – California Society of Certified Public Accountants

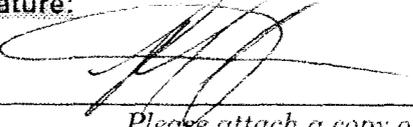
Served on several boards including:

ACE Commissioner – Adult Learning & Educational Credentials,
San Mateo County Community Colleges Foundation – Ex Officio Board Member
Peninsula Policy Partnership of San Mateo County – Board Member
Daytop California – Board Member
San Mateo County Schools Insurance Group – Board Member
Statewide Association of Community Colleges – Board Member
Bay Area Community College Joint Powers Authority – Officer
HOPE (Housing our People Effectively) Leadership Committee
East Palo Alto Community Transportation Plan
Workforce Investment Board, San Mateo County

United States House of Representatives
Committee on Financial Services

“TRUTH IN TESTIMONY” DISCLOSURE FORM

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee on Financial Services require the disclosure of the following information. A copy of this form should be attached to your written testimony.

1. Name: Ron Galatolo	2. Organization or organizations you are representing: San Mateo County Community College District
3. Business Address and telephone number: San Mateo County Community College District 3401 CSM Drive San Mateo, CA 94402	
4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2006, related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	5. Have any of the organizations you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2006, related to the subject on which you have been invited to testify? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
6. If you answered “yes” to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.	
7. Signature: 	

Please attach a copy of this form to your written testimony.