

COUNCIL ON BUDGET AND FACILITIES
August 11, 2025

APPROVED SUMMARY

Members Present: Belinda Allan, Erika Almaraz, Terry Cox, Karla Frizler, Henry Hua, Tony Jake, Elaine Loayza, Jaclyn Magginetti, Michelle Patrick-Norng, Jeremy Peters, Irma Ramos, Gabrielle Stanco, Leslie Tsubaki, Lourdes Valiente, and Fred Williams

Members Absent: Bridget Kominek, Marlo Smith, and Kyle Sue

Guests Present: Thu Nguyen, and Richard Williams

Call to Order: The meeting was called to order at 2:03 p.m.

1. **Summary:** The summary notes of May 12, 2025, meeting were approved with abstentions from Elaine Loayza and Jaclyn Magginetti.
2. **Memberships:** Committee members reviewed the list of memberships. Corrections will be sent to Leslie to reflect the current representatives for each of the constituencies.
3. **Budget Update**

State Budget – Joint Analysis & Compendium – Fred Williams and Erika Almaraz shared a link to the Joint Analysis and the revised Compendium, both published in July.

Vice Chancellor Williams reported that the Governor signed the budget on June 27th, which includes a 2.3% COLA, 3.5% growth, and attempts to address a \$12 billion shortfall through reserves and deferrals. The budget is described as relatively flat. Some details are still pending, including information about a student services block grant of approximately \$60 million statewide.

The District's Proposed Budget is scheduled to be presented to the Board on September 9th. Erika and her staff have been working extensively to complete year-end and close out the books in preparation for the District Budget Book.

2024-25 Settle-Up – Erika Almaraz presented the draft 2024-25 settle up, showing carryovers from ongoing funds totaling \$25.3 million across all centers, including a 1% deficit factor that did not materialize in 2023-24 accounted for \$26 million.

Ending Fund Balance – Decreased from \$141.5 million to \$126.4 million as campuses spend down one-time dollars for their intended purposes. Vice Chancellor Williams expressed concern about how quickly these funds are being depleted and emphasized the importance of having one-time dollars available to cover the cost of unexpected projects or needs.

\$20.7 million was allocated through CBF and DCC, with \$1.9 million unallocated remaining, which could be used for future projects. Mr. Williams and Ms. Almaraz clarified that \$648,000 was swept from inactive programs and returned to the unallocated resources.

The Board Policy Reserve remains unchanged but may need to increase to meet the requirements of maintaining two months' worth of general fund expenses.

Question/Comments:

1. *What is the Board Policy amount?* We'll need to wait until we close out the books and identify the budget. After we identify the budget we'll be able to calculate the amount.
2. *There is a line item under professional development that was swept back into the general fund. What was that originally allocated for?* The exact project is not shown and may be found in prior summary notes, however, when the list was reviewed by CBF the dollars had been unspent for multiple years.
3. *Does the Professional Development department still have an on-going budget even though these funds were swept back into the general fund?* Yes. The original request was an amount in addition to their on-going budget.

4. Budget Assumptions

FTES Targets

The District is projecting a 3.84% increase in FTES for 2025-26, with Cypress and Fullerton showing strong growth, while NOCE is not expected to grow. In addition, the District is projected to come out of hold harmless for the 2025-26 year due to enrollment growth.

Question/Comments:

1. *Are the summer enrollment numbers up?* Gabriell Stanco reported that summer enrollment was up about 5% overall for NOCE was up 5% and credit campuses were up 10% from last year. Fall enrollment is currently up 7%.

RAM Summary

Erika Almaraz noted that the Total Computational Revenue (TCR) stability protection ensures that the college receives the most favorable outcome based on the three different calculations that the State does. One, the SCFF revenue earned, two, the hold harmless threshold (currently \$262.4 million), and lastly, the prior year's TCR adjusted by COLA. For 2025-26, COLA is 2.3%, which results in an additional \$1.56 million based on prior year's funding. When this amount is added to the SCFF revenue, the total exceeds the hold harmless threshold by approximately \$5 million.

Districtwide Expenses

Budgets for legal expenses, utilities, and student insurance coverage have all increased to account for the higher rates. In addition, \$6 million of Retiree Benefits Trust funds will be used to offset the District-wide expense. The trust has over \$120 million and is fully funded, with \$18 million recently moved to short-term investments to ensure funding is available for the next three years.

The District Director, IT, will bring back a detailed report of the Districtwide IT expenses.

Question/Comments:

1. *What does Student Insurance cover?* The coverage is mainly for student athletes but also covers students who are injured on campus.
2. *Could you clarify what the Other Post Employment Benefits (OPEB) allocation is for? Is this for the OPEB benefits?* Yes, the OPEB allocation is specifically intended to fund retiree benefits. The District has a Retiree Benefits Board that oversees and approves all transactions involving the OPEB Trust. Recently, the Board authorized the use of the OPEB Retirement Trust to cover retiree benefit costs, which helps reduce the general fund. This use aligns with the original purpose of the Trust.

5. Facilities Updates

Cypress College – Tony Jake and Fred Williams provided an update on behalf of the campus.

- Fine Arts Building – A recent job walk showed significant progress. A change order is forthcoming, but the project remains within the scope of the original contract.
- Softball field – Construction continues to progress.
- Health & Wellness Center – Project is currently 60% complete with a targeted opening date in Fall 2025. There have been minor delays, but the project remains on track overall.

Fullerton College - Henry Hua provided an update on behalf of the campus.

- Chapman-Newell Student Center & M&O Building –Student Center move was completed in July. M&O will be moving in at a later date.
- Softball field – Staff are looking for more cost-effective solutions and making modifications to meet DSA submittal deadlines in October.
- Wilshire Chiller Relocation – staff continue to work with vendors and SCE to move the project along. The chiller is scheduled to begin running in November. A meeting has been scheduled in mid-August to see if the project continues to be on schedule. Ideal project completion date is prior to the rainy season.
- 300 Building – Currently on schedule and the ADA door hinge issue has been resolved.

Anaheim Campus – Rick Williams provided an update on behalf of the campus.

- East lot portables are being dismantled. Plan to restore the parking lot were approved to begin in the fall/early winter.
- Upper Deck – Final closeout is underway with both DSA and the State.
- Outdoor Patio – Project is fully complete and 100% operational.
- Board Room Renovation – Finishes were delivered ahead of schedule by one week. The primary challenges remaining are staff training and utilization of the new equipment.
- Community Green Space & ADA Plan – Staff are awaiting the Geotechnical report to proceed with coordination of ramps and retaining walls with the architectural team.
- Elevator renovation project – The project involves four elevators and is expected to take approximately 12-18 months to complete. Estimated cost is \$2.3 million, though final estimates are still pending.

5. Other

Questions/Comments:

1. *At the last Board meeting there was some concern by the Board of Trustees and the contract language. Has that been resolved?* Discussions are schedule for the August 26 meeting, with final language expected to be approved at the September meeting.

Meeting was adjourned at 3:54 p.m.