

COUNCIL ON BUDGET AND FACILITIES
February 9, 2026

APPROVED SUMMARY

Members Present: Erika Almaraz, Terry Cox, Steven Estrada, Karla Frizler, Henry Hua, Tony Jake, Bridget Kominek, Elaine Loayza, Jaclyn Maggini, Kathleen McAlister, Michelle Patrick-Norng, Annika Rotana, Marlo Smith, Gabrielle Stanco, Lourdes Valiente, Leslie Tsubaki.

Members Absent: Belinda Allan, Jennifer Vega La Serna, Irma Ramos

Guests Present: Byron Breland, Anita Carlos, Brandon Floerke, Khaoi Mady, Thu Nguyen, Joel Salcedo, Debbie Shandy, and Richard Williams

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

1. **Summary:** The summary notes of December 8, 2025, were approved.
2. **Budget Update –** Erika Almaraz shared key highlights from the Joint Analysis prepared by the California Community Colleges in collaboration with the Association of Chief Business Officials, the Association of California Community College Administrators, and the Community College League of California, and also delivered a presentation on the budget.

The Governor's Proposed Budget is fully balanced and projects \$42.3 billion in revenues above expectations in the 2025 Budget Act related to a stronger-than expected stock market and investor enthusiasm surrounding artificial intelligence.

- For California Community Colleges, the budget proposal focuses on maintaining base funding stability and continued investment in priorities aimed at achieving Vision 2030 and Roadmap goals.
- Under the proposal, the overall state budget would be higher than in 2025-26, increasing by about 8.7% to \$348.9 billion, reflecting higher state receipts driven by stock market gains. General Fund spending would increase by nearly \$20 billion (8.7%) to \$248.3 billion.
- The proposal for additional ongoing spending includes \$240.6 million for a 2.41% cost-of-living adjustment (COLA) for community college apportionments and about \$30.6 million for COLAs and adjustments to certain categorical programs. It also includes \$87.2 million to cover systemwide enrollment growth of 1.5% over two years (\$55.3 million for growth of 1.0% starting in 2025-26 and \$31.9 million for 0.5% growth starting in 2026-27).
- One-time funding in the proposal includes \$120.7 million to address deferred maintenance, \$100 million for the Student Support Block Grant, \$36 million to fully scale the Common Cloud Data Platform, and \$35 million to scale and institutionalize the Credit for Prior Learning Initiative. Forward this form with all backup material to the office of the Vice Chancellor, Finance & Facilities.
- The Governor's proposal includes capital outlay funds from Proposition 2 to support 39 projects. This includes \$25 million in Proposition 2 funding for the Fullerton College STEM Vocational Center.
- The Legislative Analyst's Office (LAO) has identified multi-year state budget deficits in the outyears with estimates ranging from \$20 billion to \$35 billion annually.
- District P-1 enrollment is 1,153.54 FTES (3.65%) above the prior year, positioning the District to exit hold harmless status this fiscal year.

Additional Considerations

- As state revenue projections rely heavily on the artificial intelligence boom, a downturn in the stock market continues to be a significant risk.
- Although the California Community College system requested to fund credit FTES at the higher of the three-year average or the amount reported in the current year, this was not included in the Governor's Proposed Budget.

Questions/Comments:

1. *Is it common for the LAO to have a conservative prediction on the Governor's proposed budget?* Yes, it is quite common for the LAO to have a conservative forecast. In contrast, the Governor's budget often relies on future revenues to try and balance current revenues. These practices are not used at the local level. The LAO has repeatedly warned the public about the risks of relying on short-term fixes instead of addressing long-term structural deficits. Their out-year projects show significant deficits ahead.

3. 2026-27 Budget Assumptions for the Tentative Budget

Ms. Almaraz noted that nothing has been finalized as these are very early preliminary estimates based on the Governor's proposed budget.

Revenues:

- SCFF revenue for 2026–27 estimated at \$282.5M, which includes the proposed 2.41% COLA.
- Assumes zero FTES growth for next year due to slowdown in enrollment momentum; revenue would increase if growth occurs.
- State revenue categories (lottery, mandated costs, etc.) updated slightly for COLA, otherwise largely unchanged.
- Local revenues, interest income (\$3M), and district-wide miscellaneous income (\$10M) remain the same for now.
- Total projected revenues = \$306.1M.

Expenditures:

- Position control (permanent positions) estimated at \$223.8M, including lowered CalPERS rate (26.4%).
- Vacancy cleanup is ongoing; some positions may shift between unrestricted and categorical funds.
- Health and benefit cost estimates still pending update from Benefits.
- Other operating costs (adjuncts, hourly, overload, PT faculty health, etc.) based on 2025–26 proposed budget: \$44.6M.

Items to note that are not yet included in the preliminary assumptions:

- Job Family Study – TBD.
- Required Board Policy Reserve increase – approx. \$851K.
- Contingency for one-time- payment included in the collective bargaining agreements if the District were to exit Hold Harmless is projected at \$7.3M.
- Extended Day overage – current year- spending suggests \$13.6M more than budgeted.
- Vacancy savings (\$20.5M) are shown for awareness but not true savings, as most positions are intended to be filled.

District-wide Expenses

- Grants Accounting Team: Now reflected as an in-and-out cost funded by indirect cost revenues, based on last year's actual indirect cost recovery.
- Part-Time Faculty Insurance Reimbursement: Also shown as an in-and-out item, reflecting full state reimbursement for PT faculty insurance.
- Operating costs increased to \$6.9M (3–4% rise) due to IT, sewer, and legal expenses.

Questions/Comments:

1. *Is a possible SERP included in the estimate for the Job Study? If there were to be another discussion on a possible SERP, would that discussion begin at CBF?* There is currently no cost estimate for the job family study and that a SERP would not be included; it would need its own separate analysis and estimate. Dr. Breland noted that a SERP was previously attempted about two years ago and may consider another attempt. The initial discussion would begin directly with the Board and re-engaging with Keenan to evaluate whether a SERP would make financial sense.
2. *How are the attorney expenses calculated to predict an increase in the next few years?* The district estimates future attorney expenses by looking at current-year actual spending and encumbered costs. Historically, many legal expenses were absorbed within the HR department, but that budget is now too limited to continue covering them. As a result, legal costs that exceed HR's capacity are beginning to shift into the district-wide budget, which is why projected expenses appear to be rising.
3. *If COLA increases or decreases would that affect what was previously negotiated with the collective bargaining units?* While COLA is still just a prediction, if COLA goes down, SCFF revenues would also go down. Current projections still show the District likely coming out of hold harmless and based on what was negotiated the unions would still receive a one-time off schedule payment followed by an on-schedule increase the following year. Based on the assumptions, the on-schedule increase is estimated at 2.97%, which is greater than the proposed COLA.
4. *How is the District planning to address the Extended Day budget being over budget?* We looked at the RAM assuming every campus stayed within its budget, and under that scenario, the 2026–27 projections look positive across all budget centers. But when we factor in the Extended Day 2025–26 projections, the overages are significant — about \$6M at Cypress, \$7M at Fullerton, and \$600k at NOCE, totaling \$13.6M. Without past protections like Hold Harmless and Emergency Conditions, continued overspending could lead to a deficit. Because of that, we've started talking about putting better guardrails around Extended Day — things like setting aside more funds for it and finding areas where we can reduce other costs. Since our RAM revenue is fixed, each campus still has to balance its budget after covering permanent staff and fixed costs, and then decide how to allocate the rest, including Extended Day.

The campus Budget Officers also offered some insight to a few strategies such as education and alignment, avoiding siloed decision-making and working collaboratively on long-term solutions.

The District is also exploring ways to increase SCFF revenue, focusing on growing Pell participation and boosting degrees and certificates—student success areas that positively affect funding. At the same time, structural adjustments are needed.

Overall, the District is taking a phased, collaborative, and data-driven approach to stabilize the budget, improve efficiency, and increase revenue while still positioning students for greater success.

5. *Brandon Floerke commented that while improving efficiency in the extended day budget is necessary, class cancellations carry real impacts for adjunct faculty. He noted that extended day going into the red is not inherently problematic if balanced elsewhere, and that overly heavy cuts in this area risk harming adjuncts who are essential to the District's long-term- talent pipeline. He emphasized that efficiency efforts should be balanced and not rely solely on reducing extended day classes.*
6. *A request was made for a clear, transparent breakdown of the extended day budget by category ("bucket") so staff/faculty can use the data to make informed decisions about sections, efficiency, and strategies to reduce costs. Gabrielle Stanco shared that her team, in conjunction with campus staff, are developing Tableau dashboards to provide detailed breakdowns of extended day budget components (e.g., adjunct, overload, reassigned time). Drafts for Cypress and Fullerton are currently being validated, and NOCE's dashboard is still in progress. Once completed they will be shared with relevant stakeholders.*
7. *How is the extended day budget allocation determined for each site? Allocations are determined by historical usage, primarily the number of sections offered and their costs from year to year. Although the District reduced the extended day budget after hiring new full-time faculty, continued enrollment growth led to offering more sections overall, which increased extended day expenses despite the added faculty. With 12 additional full-time hires planned, the District hopes to reduce reliance on extended day sections over time, though the outcome depends on future enrollment and instructional needs.*

4. Student Centered Funding Metrics

In support of student success and effective fiscal stewardship, the District will begin regularly presenting key student-centered funding metrics to the Council on Budget and Facilities for review and discussion. These metrics will include FTES/FTEF ratios by campus, division, and term for the current and prior two years—using the generally accepted target of 17.5—as well as comparisons of FTES revenue to total cost by campus, division, and term. Additionally, the Council will review Supplemental Allocation headcounts and revenue, along with Student Success headcounts and revenue, across the last two years. Recent discussions have raised several important questions, including the availability of tools to monitor FTES/FTEF ratios and FTES revenue relative to total cost, the long-term sustainability of the California Promise program and potential revisions to strengthen it, and the issue of student-earned certificates that have not yet been awarded and therefore are not reflected in Student Success metrics.

Ms. Almaraz noted that in conjunction with Dr. Stanco's team, it was suggested that the dashboard include an additional column capturing campus overhead and administrative costs, so FTEF revenue can be compared against the total cost of operating each division. These updates will be incorporated into future dashboard adjustments. The team is also taking next steps to address extended day budget overages by working with Dr. Vega Le Serna's group to standardize scheduling and tracking templates for VPIs and deans, followed by training and regular reporting on efficiency metrics. They are also exploring tools like DegreeWorks to project future course needs based on student education plans, helping improve scheduling accuracy and cost planning.

Questions/Comments:

1. *A question was raised about how far in advance scheduling data and reports are needed to inform academic calendar decisions, especially as faculty are being asked to submit schedules earlier each year. It was clarified that HR and UF traditionally negotiate the academic calendar, but there is interest in involving more constituents and planning multiple years ahead. The group noted that the academic calendar (holidays and term*

lengths) can be set years in advance, while detailed course scheduling typically occurs about a year ahead. There was agreement that a more integrated, coordinated process is needed, and this should be discussed further with the appropriate workgroups.

5. Creation of the Resource Allocation Model Workgroup

After volunteers and membership was identified, the group agreed to meet twice monthly (one in-person, one via Zoom) and to aim for preliminary recommendations by the end of the spring semester. These recommendations would inform a draft RAM proposal to be developed over the summer, reviewed by CBF in early fall, and taken to DCC by November to support the next budget cycle.

6. Facilities Updates

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

- Exterior Signage - Completion of work is anticipated in late February, early March 2026 for installation.
- Green Space/Community Enhancement – Bidding for the project will be in March 2026. Project includes a ramp from Romneya to the campus and is estimated to take 8-9 months.
- East Lot Portables – Formerly the NOCE East Swing Space. All of the demo and asphalt is out. Project completion with the final asphalt lay is anticipated for mid-March.
- Lighting Control Upgrade – Awaiting updated quote from contractor and staff are working with NOCE on scheduling installation based on class utilization.
- Modernization Project – DSA submittal package is in progress with comments pending; final drawings expected March 3.
- District Data Center Upgrade – Data array replacement design is nearly complete; installation targeted to begin March 10.
- Electronic Security System: Bid scheduled to be released on February 26 for tower access control and security upgrades, part of a long-term plan.

Questions/Comments:

1. *A question was raised about whether the restored parking lot will serve staff, students, or both. Facilities staff noted the designation is still being determined. Concerns were expressed about the unsafe left turn- access from Euclid onto Romneya due to narrow lanes and fast traffic. It was explained that modifying the street would require an extensive and costly city traffic study, but the college may explore signage options, including limiting left turns, to improve safety.*

Cypress College – Dr. Tony Jake provided an update on behalf of the campus.

- Fine Arts Renovation/Visual And Performing Arts – The move is on schedule to happen in fall 2026 and division meetings continue to take place with stakeholders.

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

- Campus Quad – Quad renovation is completed and fully open.
- 300 Building – Renovation finished; testing, furnishing, and faculty move-in underway.
- 2400 Building – Window and HVAC issues resolved; full chiller capacity restored with Chiller Plant 1 and is operational.
- Performing Arts Center – Construction progressing on schedule; building structure and framing now visible.

Question/Comments:

1. *A concern was raised about whether installing the new gas meter at Wilshire will cause further HVAC issues and about NOCE feeling like an afterthought during campus*

disruptions. Facilities staff reported that no major interruption is expected, though brief impacts are possible due to reliance on the gas company's schedule. They emphasized ongoing communication with site leads, noted that temperatures are currently stable, and apologized for past discomfort. The administration also acknowledged the challenges, thanked staff who worked through the weekend to prevent classroom relocations, and affirmed that NOCE is a priority.

2. *How is tree trimming scheduled? A concern was brought up as to why it occurred during peak parking hours at Wilshire. Tree trimming is performed once per semester by an external contractor, Great Scott. While facilities attempts to schedule the work months in advance and avoid busy times, contractor availability and the large number of trees can limit flexibility. The team will work with M&O to explore better scheduling options.*

Meeting was adjourned at 3:36 p.m.