

COUNCIL ON BUDGET AND FACILITIES
March 9, 2026
APPROVED SUMMARY

Members Present: Erika Almaraz, Terry Cox, Steven Estrada, Karla Frizler, Henry Hua, Tony Jake, Bridget Kominek, Elaine Loayza, Jaclyn Magginetti, Kathleen McAlister, John Parker, Annika Rotana, Marlo Smith, Lourdes Valiente, Jennifer Vega La Serna, and Leslie Tsubaki.

Members Absent: Belinda Allan, Michelle Patrick-Norng, and Irma Ramos

Guests Present: Byron Breland, Brandon Floerke, Luis Gonzalez, Thu Nguyen, Valentina Purtell, Debbie Shandy, and Richard Williams

Call to Order: The meeting was called to order at 2:08 p.m.

1. **Introductions:** Dr. John Parker, Vice Chancellor of Administrative Services was introduced to the committee.
2. **Summary:** The summary of the February 9, 2026, meeting was approved. There was consensus to approve the summary with one abstention (Steven Estrada).
3. **Budget Update –** Erika Almaraz shared a PowerPoint presentation on the District Fiscal Position
 - **Prior Year (2024–25):** State recalculation issued with no deficit factor; no prior-year revenue adjustments needed.
 - **Current Year (2025–26):** FTES came in very close to target, with improvements in student success metrics generating an estimated \$3.3M in additional SCFF revenue.
 - **State Deficit Factor:** A tentative 3.04% deficit factor (\$8.2M) is included at P1 but is expected to shrink; final impact will be known by June 2026.
 - **Expenditures:** Investments of \$13.6M in adjunct and overload to support enrollment growth; funding covered through additional revenue, vacancies, and campus savings.
 - The Campus Budget Officers shared how their individual campuses plan to address the \$13.6 million collectively:
 - Fullerton: Fullerton is taking a holistic approach across all areas to address its portion of the shortfall, guided by student success and preserving personnel, with solutions still in development.
 - Cypress: Cypress will use carryover funds to finish the year and will focus on strategic enrollment management and cross-division efficiencies moving forward.
 - NOCE: NOCE may use carryover funds to cover a potential deficit this year while re-analyzing its budget, particularly extended day and scheduling assumptions.
 - **Bottom Line:** The District is expected to be out of hold harmless and may end the year with a modest surplus, though some campus-level deficits may require backfilling.
 - **Next Year (2026–27) Budget Assumptions:** Estimated \$306.2M in revenues and \$300.5M in expenses, assuming COLA, salary adjustments, benefit cost changes, and current position control.
 - **Economic Outlook:** Growth continues, led by technology sectors, though California faces employment softness and housing constraints; outlook remains sensitive to federal and global conditions.
 - **Multi-Year Projections:** Several four-year budget forecast scenarios were presented using 2025–26 FTES at P-1 and assumptions of flat FTES, a 1% FTES decline, and a

1% FTES decline with no COLA beyond 2026–27. The scenarios were based on 2025–26 budgeted expenses, adjusted for annual salary increases, pension costs, a 5% increase in health and welfare, and CPI-based increases to non-personnel costs. Retiree benefit contributions were assumed to be paid from the Irrevocable Trust. The scenarios illustrated the potential budgetary impact over four years under each FTES assumption.

- **Fiscal Health:** The District's FCMAT risk score reflects low fiscal risk, comparing favorably with other community college districts.
- **Fiscal Stability Plan:** Focus on enrollment management, reserves, expenditure monitoring, multi-year planning, and strengthening campus-level fiscal accountability.

Questions/Comments:

1. *Does the extended day budget augmentation include additional costs related to unfunded FTES (FTS) at the campuses?* No. Unfunded FTES is not included and is not related to this augmentation. The augmentation being discussed applies only to budgeted extended day expenses, which are currently based on the 2025–26 adopted budget. If extended day costs were to increase, there would need to be a corresponding decrease in other budget categories to remain balanced. For context, the previously noted \$13.6 million over budget has not been built into the 2025–26 budget.
2. *Is there an estimated timeline for when the cost of the job family study will be known?* An estimate will be available once there is direction from the Board. Discussions are currently underway; however, because the item relates to collective bargaining negotiations, it is being addressed in closed session.
3. *With the new student attendance accounting formula taking effect in 2027–28, was the potential fiscal impact included in the 1% FTES decline scenarios? Initial estimates suggested the impact could be up to \$2 million.* The District has included a 1% FTES decline as one of the forecast scenarios in anticipation of the new attendance accounting formula; however, the exact fiscal impact is not yet known. Earlier estimates suggested the impact could be up to 2%, but this has not yet been updated and will require further review. At this time, the District anticipates the impact will be slightly adverse.
4. *When will the final amounts for potential negotiated payments be known, and how will updates be communicated?* Final amounts will be determined by the end of June, following the release of the Second Principal Apportionment, which typically occurs between mid-June and late June. Updates will continue to be provided to the CBF Committee as new information becomes available, including any changes related to the deficit factor. Once final numbers are confirmed, they will be effective July 1. In addition to CBF updates, the District will also provide email communication to notify stakeholders when final information is available.
5. *Given the scenario that assumed no COLA, when was the last time the State did not provide a COLA?* Staff acknowledged the question and indicated they would need to research when a no-COLA scenario last occurred and report back at a later date.
6. *Was the implementation of the job family study included in the budget projections?* No. The cost associated with implementing the job family study is not currently included in the projections. As outlined in the budget assumptions shared at the prior CBF meeting, the cost of the job family study is to be determined (TBD).

4. Personnel Cost Budgets and Actuals

Following discussion at the prior CBF meeting regarding extended day, staff responded to feedback requesting a comprehensive review of personnel-related budgets. Materials provided include a campus-level breakdown of academic and classified salary budgets, organized by expense type and showing year-over-year budgets, actuals, and variances. Benefits are excluded. Overspending is highlighted, and FY 2025–26 data reflects expenses

posted through February certificated payroll only. The information was shared for informational purposes and to outline planned steps to address overspending across budget categories.

Questions/Comments:

1. *Do all of the line items shown in the report represent extended day expenditures?*
Yes. All line items shown represent extended day expenditures, identified by account numbers beginning with “13,” which include substitutes, part time (hourly) instructors, and related instructional costs. Currently, full time faculty overload costs are intermingled with part time faculty expenses, making tracking more challenging.
2. *Will these costs be separated in future reporting?* Yes. The District is working with Human Resources and IT to separate these costs in future reporting, with a target implementation of July 1, though timing may align with faculty scheduling cycles and extend to Fall 2026. In the interim, this information can be manually compiled at the campus level, but the separation is time-intensive. The planned system enhancements are intended to improve clarity and streamline reporting.

5. Resource Allocation Model Evaluation

The committee agreed to keep the March 16 meeting date and will reassess the subsequent two dates if adjustments are needed. It was noted that the March 16 meeting will begin with an overview of the current RAM model to ensure a shared understanding, followed by an initial discussion of potential ideas and suggested changes for the RAM workgroup to consider.

The group discussed the need to consider wages within the Resource Allocation Model (RAM), particularly in the context of labor negotiations. Concerns were raised that the current model allows some campuses to fund salary increases while others cannot. Possible revisions were discussed, including funding certain costs centrally before distributing allocations to campuses. It was also noted that the District does not have a separate funding source for negotiations beyond COLA, underscoring the importance of including wage considerations in the RAM review.

6. Facilities Updates

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

- Wilshire Chiller Project – Project commissioned and fully operational as of March 2.
- Performing Arts Center – Construction progressing well; major shoring and structural work underway and visible.
- STEM / Vocational Building – User group and faculty meetings ongoing as part of the design phase; this is the team’s first project managed from initial design through completion.
- 300 Building – Construction complete; fencing removed and quad fully open. Faculty move-in planning underway with spring–summer timing and a tentative October grand opening.

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

- VAPA (Visual & Performing Arts) – Project approximately 85% complete. Move-in anticipated in late July with occupancy beginning August/Fall term; grand opening planning ongoing.
- Health & Wellness Center – Project closeout underway.

- Softball Renovations – New application resubmitted due to code cycle changes; review expected to be completed by late April, allowing construction documents to proceed. Updated target completion year is 2028.
- Learning Library Resource Center (LLRC) – Patio Upgrades. Project currently in design; scope and design revisions completed to remain within budget. Schedule adjusted with anticipated completion in Fall 2027.
- Central Plant Upgrade – Project in design phase; guaranteed maximum price (GMP) proposal underway (Phase 2).
- Lot 8 – Project currently out to bid. Lot will remain closed through the fall semester; ADA parking stalls expected to be completed in summer.

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

- Campus Signage – Installation complete; project in punch-list closeout with electrical testing underway (timers, on/off functionality).
- Exterior Green Space – Contractor pre-proposal meeting held; several vendors expected to pre-qualify. Project anticipated to align with East Lot reopening, with use expected by Spring/early Summer 2027.
- East Parking Lot – Construction progressing well after resolving unforeseen issues; project back on schedule. Lot anticipated to reopen in late March for staff and limited student use, with east entrance access restored.
- Lighting Control Upgrade – Project out for pricing; awaiting contractor quotes.
- Electrical Security System – Project out to bid; bid issued in late February, with work to begin as soon as feasible.

Next Meeting:

- April 13 CBF meeting will be cancelled and replaced by the Resource Allocation Model Workgroup

Meeting was adjourned at 2:56 p.m.