COUNCIL ON BUDGET AND FACILITIES
May 11, 2026
APPROVED SUMMARY

Members Present: Erika Almaraz, Terry Cox, Steven Estrada (non-voting Zoom participation), Karla Frizler (non-voting Zoom participation), Henry Hua, Tony Jake, Bridget Kominek, Elaine Loayza, Jaclyn Magginetti, John Parker, Michelle Patrick-Norng, Annika Rotana, Joel Salcedo, Lourdes Valiente, Jennifer Vega La Serna, and Leslie Tsubaki.

Members Absent: Belinda Allan, Kathleen McAlister, Irma Ramos, and Marlo Smith

Guests Present: Melisa Cornejo, Brandon Floerke, Khaoi Mady, Cynthia Olivo, Debbie Shandy, and Richard Williams

Call to Order: The meeting was called to order at 2:07 p.m.

1. **Summary:** The summary of the March 9, 2026, meeting was approved. There was consensus to approve the summary with no abstentions.

2. **Budget Update –** Erika Almaraz shared a PowerPoint presentation on the District Fiscal Position.

   The meeting covered P2FTS reporting for three campuses in April, with Cypress and Fullerton below target while NOCE met its non-credit target. The district reported overall growth of 941.79 FTEs compared to prior year, though below the target by 272.12 FTEs.

   Questions/Comments:
   1. *Can you provide an overview of how FTES targets are set and how the budget is built around them?* Ms. Almaraz explained that budget development begins with establishing FTS targets, which drive approximately 70% of projected revenue, using historical data and input from Institutional Research. Based on projected growth trends, the District plans to keep NOCE flat with modest growth at Cypress and Fullerton, and campuses then develop expense budgets.

3. **Tentative Budget Assumptions 2026-27** – Erika Almaraz shared a spreadsheet outlining the District's budget assumptions.

   The team reviewed tentative budget assumptions for the 26-27 fiscal year, including estimated SCFF revenues of $279.9 million and expenses of $300.48 million, not including additional costs like the job family study and board policy reserve contributions.

   The Student-Centered Funding Formula currently assumes a 2.41% COLA, consistent with the Governor's January proposed budget. While the statutory COLA is estimated at approximately 2.87%, the District is awaiting the release of the May Revise before making any adjustments. In the interim, the 2.41% COLA assumption remains in place.

   Estimated expenses for permanent positions total $223.8 million. Staff are continuing to review position control to ensure positions are accurately reflected and correctly funded through the appropriate sources, such as the General Fund or grants. Additionally, the vacancy list is being refined to include only positions the District intends to fill, which will inform the final estimated cost for permanent positions.

Questions/Comments:

1. *A request was made to see a comparison of the 2019 and 2025 position control by employee group and percentages.* Staff will provide and review the data at a future CBF meeting.
2. *Will the Extended Day budget allocation remain the same as the prior year's level or has it increased in response to campuses exceeding their budgets?* The budgets will remain the same. This figure serves as a starting point, and each college and campus will continue discussions and adjustments related to Extended Day as part of the ongoing budget process.
3. *Is this a new process for reviewing the extended day budget?* Staff clarified that the budget review process has not changed; however, this year differs because prior over-expenditures were previously backfilled with one-time funds such as Emergency Condition and Hold Harmless dollars, which are no longer available. Despite additional allocations and adjustments, including Cypress College adding $4 million and the use of carryover funds, Extended Day expenditures at both colleges continue to exceed budgets, with Fullerton spending $20 million last year and projecting $22.5 million this year. The committee emphasized the need to identify root causes, ensure consistent and factual messaging, and refine budget planning to maintain fiscal stability and progress toward the 17.5 efficiency benchmark created by the State Chancellor's Office.
4. *Concerns were expressed about the lack of transparency regarding the plan for District Services and what the District administration is examining to right-size budget efficiencies.* District Services clarified that it is also experiencing financial constraints, as its allocation has remained fixed at 9.25% despite rising costs in salaries, benefits, and utilities. To manage this, District Services is using carryover funds to cover districtwide expenses (e.g., legal, IT, and the upcoming Banner/SaaS implementation) without passing costs to the campuses. Additionally, the District is working to improve efficiency by streamlining high-impact administrative processes, such as travel reimbursements, payroll redistribution, budget transfers, and personnel change forms. The campus budget officers also shared their processes at the campus level.
5. *A comment was shared expressing that while budget decisions are operational, there may be value in involving participatory governance when broader, philosophical choices, such as whether to implement across-the-board or targeted cuts are being considered. It was clarified that this is not about governance groups making detailed budget decisions but rather providing input at a higher level to help guide impacts on students and the institution. Incorporating this consultation could help strengthen trust, transparency, and collaboration across the District.*
6. *It was noted that confusion and mixed messaging about budget expectations are creating unnecessary concern among faculty. Information often becomes unclear as it is passed along, and that providing more direct, consistent communication, such as joint forums or regular budget updates, like the May Budget Workshop, which was well received, could help ensure everyone hears the same message. This approach may help reduce misunderstandings and improve clarity and trust.*

4. Budget/SCFF/SEM Workshops

Dr. John Parker provided updates and feedback from the May 1, 2026 SCFF Academy. He also shared brief updates from recent campus budget discussions, including the upcoming Fullerton College budget update scheduled for Wednesday, May 13 at 3:00 p.m.

5. Bond Update

The planned bond issuance for the current fiscal year did not occur and will not move forward. The Board will be asked to approve a revised issuance timeline for the next fiscal year, with issuance targeted for Q2 (October–December). The District is coordinating with bond counsel and legal advisors to meet tax levy requirements.

Staff will work with the Owner's Project Manager (OPM), MAAS, to review and prioritize remaining projects based on prior strategic plans. The District's goal is to proceed with a single issuance, if feasible, to reduce costs, while ensuring projects can be completed within the required three-year expenditure window. Approximately $174 million in bond funds remain.

Rick Williams provided an overview of projects and funding highlights:

- **Cypress College**: Planned demolition of the existing science building; site restoration; potential Health Center/nursing-related project; ongoing five-year planning with possible state matching funds.
- **Fullerton College**: STEM project in design (state match anticipated); Welcome Center remains planned but not fully funded; additional work includes softball field and supporting infrastructure (network/utility improvements).
- **NOCE/Anaheim Campus**: Community green space project bids exceeded estimates (10–20% higher); rebid under consideration; additional projects include chiller plant, lighting controls, and facility remodels.

While several projects are fully funded, rising construction costs, driven by fuel prices, tariffs, and market conditions, continue to impact project budgets and bid results. The District is proceeding cautiously, ensuring that funding is secured before starting new projects. Despite delays in issuing the final bond series, current projections indicate sufficient funding to complete a substantial portion of planned work over the next four to five years.

6. Banner SaaS Timeline

Dr. Parker introduced the need to address ongoing technology challenges, including disjointed systems, limited integration, and inefficiencies. Khaoi Mady provided additional context, explaining that the District currently self-hosts Banner (ERP), while Ellucian is shifting its focus and resources to SaaS/cloud-based solutions. Remaining on the current platform may increase the risk of falling behind and make future migration more difficult. As a result, the District is exploring accelerating the migration timeline, potentially advancing implementation by 12–18 months.

An environmental scan of the current system will be conducted this summer to identify required modifications and customizations. Findings will be shared with IT teams, campuses, and stakeholders to evaluate which customizations can be removed or replaced to streamline processes ahead of migration. Planning efforts are ongoing, informed by engagement with Ellucian and peer institutions, with the goal of positioning the District as a "fast follower" for a more successful implementation. Additional timeline details will be presented at a future meeting.

<u>*Questions/Comments*</u>

1. *What does it mean to "scan the environment" for the Banner SaaS migration? What are you looking for, and what kinds of modifications may be needed?* The environmental scan is a review of how the District currently uses Banner, including all local modifications and customizations. Banner's SaaS platform supports only its standard system (the "core product"), while the District has added customized processes over time. The scan will identify which of these customizations can transition to SaaS and which cannot. For those that cannot be carried over, the District will either identify alternative solutions or discontinue outdated processes. This proactive review is intended to minimize disruption, particularly to workflows such as finance, HR, and

timesheets, and to ensure a smoother transition by aligning current practices with SaaS capabilities before implementation.

2. *Given that employees use Banner in different ways and have developed individualized processes over time, how will the District ensure a smooth transition to SaaS and avoid disruption?* It is acknowledged that Banner usage varies widely across employees, particularly among classified staff and managers, which presents a challenge for standardization during the transition. However, the extended timeline (approximately 18–24 months following the environmental scan) provides an opportunity for hands-on engagement, preparation, and adjustment. Unlike previous reactive system changes, the District is taking a more proactive approach by planning ahead, communicating regularly, and engaging stakeholders throughout the process. While some challenges and adjustments are expected, the goal is to minimize disruption through early preparation, transparency, and collaboration. The transition is also not anticipated to be as disruptive as implementing an entirely new ERP system.

7. Fiscal Year CBF Calendar

The committee reviewed the proposed calendar dates for future meetings. The calendar was unanimously approved by the committee. June 14 will also be marked as a contingency date.

8. Facilities Updates

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

- Exterior Green Space: Project is being re-bid, including potential updates to the upper exterior green space.
- Campus Signage: Exterior signage installation is complete; coordination with NOCE is underway for interior signage, with scope discussions scheduled.
- Tourist Signage: Final scope is being determined to align with the available budget.
- East Parking Lot: Opening is planned for June 1, pending prior delays with light fixture procurement; a ribbon-cutting event is anticipated.
- Line Control System: Final audit is in progress, with budget development underway; estimate expected within approximately one month, followed by construction.
- Lighting Controls: Campus-wide lighting control system upgrades are in progress.
- Security System: Installation is ongoing, with initial system cutovers and testing scheduled next week; phased rollout will proceed floor by floor.

Questions/Comments

1. *Will the construction area for the exterior green space be secured prior to project start?* No. The area will not be secured until a contractor is selected and receives Board approval following the re-bid process. It is anticipated that approval will be taken to the second Board meeting in June or the meeting in July.

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

- Campus Projects (General): Multiple projects are underway, with significant progress noted. Additional construction activity is planned over the summer.
- 300 Building Renovation: Renovation is substantially complete, and occupants are beginning to move in. Remaining minor items are being addressed. A grand opening and ribbon-cutting event is targeted for October.
- Softball Field Project: TSA approval has been received. The project is moving into the bid preparation phase, with bidding anticipated in July–August, pending timeline of the procurement process.

- STEM Building (RIC): Planning and design are ongoing in coordination with IT and user groups, building on previously approved DSA plans.
- Welcome Center: The project is currently transitioning from Initial Project Proposal (IPP) to Final Project Proposal (FPP) and is not yet advancing to the next phase.

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

- VAPA (Visual & Performing Arts) Building: Approximately 90% complete, with commissioning underway. Occupancy is anticipated in August. A grand opening and ribbon-cutting event is planned for October 15, featuring performances and programmatic activities coordinated by the VAPA opening committee.
- Softball Project: No new updates at this time.
- Library Learning Resource Center (LLRC) Patio Upgrades: Construction documents are in progress and were reviewed in May. DSA submittal is scheduled for June 22. The project team is preparing to engage library faculty and staff on design plans. Estimated completion is Fall 2027.
- Central Plant Upgrade: Early planning and procurement activities are underway to expand chilled water capacity and improve HVAC redundancy, supporting current and future campus facilities. The project budget has been increased due to cost escalation since the original estimate (2014–2015). GMP approval is forthcoming.
- Aviation Project: Closeout is in progress. Facilities are operational, with minor items remaining, including drinking fountain replacement and installation of tactile signage.
- Parking Lot Improvements: Lot 8 will be fully closed during summer for paving and improvements, with reopening anticipated for the fall semester. Lot 8A (Arkansas) will also undergo summer work with minimal impact expected to instruction.
- TechEd 3 / T-10 (Auto Program): Interior upgrades are underway, including installation of workbenches, power improvements, and AV enhancements. AV work is scheduled for June.
- Gym 2 Classroom Conversion (Rooms 206, 207, 210): Construction is complete, with punch list issuance imminent. AV installation is pending, and cabinetry installation is scheduled for summer.
- Coffee Shop Renovation: Furniture plan has been approved. Contractor bids were received in May, with project completion targeted for late June.

Questions/Comments:

1. *Will the June meeting provide clarity on potential budget shortfalls (e.g., a projected $5–$9 million gap between revenue, expenses, and items not yet captured in the budget)?* It is still early in the budget development process. At the June 8 meeting, preliminary updates may be shared, including information from the May Revise and any available budget updates. However, a clearer picture on contingency and remaining budget gaps will not be available until later in June, after the Chancellor's Office releases the P2 Exhibit (typically around June 20).
2. Is there any additional information on the Job Study? The information that has been shared has not been well received.
3. *With any of the increases, are any of the job study salary increases required, what is the process? CBF would be a great area to share any details. A lot of misinformation has been disseminated. There will be implications to the overall budget and has been discussed during past CBF meetings.*
4. *Committee members shared that there continues to be significant confusion and concern regarding the status, timeline, and impact of the job family study, particularly related to management versus classified positions, whether recommended changes (e.g., range adjustments) will be implemented automatically, and how these changes affect the district budget.* In addition, limited formal communication has led to widespread misinformation and speculation across campuses. The job family study

has been completed; however, implementation details are still in progress. Management and confidential position changes are anticipated to move forward to the May 26 Board meeting, while classified impacts remain under negotiation. Additional information, including a summary of the study findings and budget implications, is expected to be shared through formal channels, including the Board agenda materials.

Next Meeting:

- June 8, 2026

Meeting was adjourned at 4:13 p.m.