

COUNCIL ON BUDGET AND FACILITIES
November 10, 2025

APPROVED SUMMARY

Members Present: Belinda Allan, Erika Almaraz, Treisa Cassens, Terry Cox, Danielle Davy, Henry Hua, Tony Jake, Bridget Kominek, Jaclyn Magginetti, Annika Rotana, Joel Salcedo, Lourdes Valiente, Jennifer Vega La Serna, and Fred Williams

Members Absent: Steven Estrada, Karla Frizler, Elaine Loayza, Irma Ramos, Marlo Smith, and Leslie Tsubaki

Guests Present: Brandon Floerke, Michelle Patrick-Norng, 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 October 8, 2025, meeting were amended and approved.

2. Memberships: Vice Chancellor Williams introduced Annika Rotana as the new Fullerton College Associated Students member and announced that a Cypress College Associated Students representative was still needed.

3. Evaluation of Resource Allocation Model (RAM)

Ms. Almaraz shared the proposed changes for fiscal year 2026-2027:

Proposal #1 – The District and Campuses charge an indirect cost rate on categoricals and grants ranging from 0% to 32.70% in order to offset the administrative cost of supporting these programs. In the past, these funds were split 50-50 between the District and the Campus, and used to offset overall expenses in the current year. To improve budget and accounting support for categoricals and grants, it is proposed that we shift 100% of indirect cost funds from the District and the Campuses, to Districtwide and utilize these dollars to fund a post-award grants team. A grants team would assist with invoicing; drawdowns; reporting; reconciliations; developing and maintaining a grants database; training project personnel; keeping abreast of new state and federal compliance requirements; updating budgets for new allocations and carryovers; reviewing expense and budget transfers; preparing fiscal-year closing entries and audit schedules. Indirect cost funds over the last two years were: \$750K (FY'25) and \$765K (FY'24). About 36%-38% came from federal funds. The estimated cost of a grants team (1 manager and 3 staff) is about \$720K. Offset by indirect cost, the net cost of a grants team is estimated to be -\$30K.

The committee agreed to move proposal 1 to DCC for approval.

Proposal #2 – The following departments serve all four budget centers (Cypress, Fullerton, NOCE, and District Services). It is proposed that all four budget centers share in the cost of funding these departments (Estimated total: \$1.4M).

- District Campus Safety (Org 1327) about \$169K - New
- District Diversity, Culture, Inclusion (Org 1130) about \$277K
- EEO & Compliance (Org 1425) about \$502K
- Districtwide Staff Development (Org 1420) about \$448K

Questions/Comments:

1. *Would the Interim District Director of Sustainability position be included with these positions, if made permanent?* Currently the position is being budgeted by a one-time allocation made by CBF and DCC. That position is not budgeted as a permanent position, but if it were prioritized, it would fall under District-wide expenses.
2. *There was concern with establishing a “district office” with these particular positions might be a cost that the campuses don’t necessarily agree with or find as valuable.* The District Director, Campus Safety has already been hired and the other three positions have already been in place for a number of years. Moving these positions over to district-wide expenses is a part of our exploration of what other multi-campus districts are doing as part of their allocation models and addresses the issue of having to request the funding at the end.
3. *There was concern for all the positions, but a majority was focused on district-wide staff development and how the District Diversity, Culture, Inclusion and EEO & Compliance used to be one position.* Mr. Williams shared that the District Diversity, Culture, Inclusion and EEO & Compliance position required significant legal support when it was one position, which was a determining factor to split the position into two. Essentially, by splitting the positions, would eliminate some of the legal fees that the District was incurring.
4. *Where are legal fees currently being funded from?* The District receives funding from the state. There is a budget in District Services as well as a supplemental budget in Districtwide expenses.
5. *Based on feedback from FC Senate, the main concern is at a high level, not about individual roles, offices, or the value they bring. If campuses are asked to contribute more financially, there’s an expectation that they will have greater input in decisions about creating new positions.* Since this shift reallocates campus funds to the District under the RAM model, campuses expect meaningful, thoughtful involvement in these decisions. Increased contributions should be matched by increased attention to campus needs and a stronger voice in shaping these offices. An example was District-wide Professional Development opportunities being offered during times that might work better for instructors, or discussions related to positions being split, etc.
6. *If these positions are transitioned to a District-wide expense, will the 9.25% District Services contribution remain the same?* Yes, the contribution percentage would remain at 9.25%. While overall expenses have increased, the District Services allocation is based on a fixed percentage rather than a fixed dollar amount. After discussions with other campuses and district offices, these positions were identified as potential cost-sharing opportunities, but the percentage allocation for District Services would not change. With the exception of Professional Development, the other positions were established after the 9.25% contribution percentage was established.

Mr. Williams highlighted that the proposal will require further refinement and discussion at CBF. The current language will be placed on the DCC agenda to review, discuss and provide feedback.

Proposal #3 - It is proposed that a contingency equaling 3.0% of permanent positions in the Ongoing and Self-Supporting Funds be budgeted annually to cover the cost of Districtwide increases that benefit all four budget centers (e.g. new investments in programs, employees, technology, facilities, etc.). The estimated contingency is about \$6.4M using 2025-26 permanent positions.

Vice Chancellor Williams and Erika Almaraz emphasized that the percentage is arbitrary. This approach was developed in response to concerns raised during prior negotiations and recommendations from United Faculty, which suggested funding permanent positions first to avoid inequities across campuses. By adopting the 3% reserve, campuses maintain autonomy of when they want to add positions, while being proactive and setting money aside to minimize budget cuts later. The Job Family Study was one of the immediate concerns that could possibly affect the budgets.

Questions/Comments:

1. *Why does the contingency fund need to come from campus budgets? The concern is that campuses already maintain significant carryover amounts—historically 20% or more since 2009, and currently around 30% due to Hold Harmless provisions. Redirecting \$2.8 million from campuses for a potential raise and job study could result in cuts to essential services, such as hourly staff and adjunct faculty. It was suggested that these funds could instead be sourced from existing carryovers, since some allocations are known to remain unspent.* Mr. Williams noted Most carryover fund are already held at the campuses for existing commitments. An additional \$47 million is reserved per board policy for two months of operating expenses and cannot be touched, while a small portion is in restricted funds. Last fiscal year we overspent \$15 million, reducing the reserves from \$141 million to \$127 million. Post-Hold Harmless, campuses should not expect the large fund balance increases seen during Hold Harmless years. He suggested campuses set aside the first \$3 million for anticipated needs, emphasizing that contingency planning is essential for future job studies and negotiations.

The Budget Officers shared their experiences and their preference of setting aside a contingency before allocations are made. This helps the budget centers be proactive with their allocations and avoid cuts later in the year.

After further discussions, the committee agreed that the concept and amount would be revisited on an annual basis, noting that Faculty would be more supportive if the dollars were set aside, specifically for negotiations and/or Job Family Study impacts, but opposed to creating a reserve fund without a defined purpose. The language will be revised prior to being placed on the November DCC agenda for further review, discussion, and feedback.

Proposal #4 - It is proposed that beginning Fiscal Year 2026-27 any current year surplus at District Services flow to the three campuses (Cypress, Fullerton, NOCE) based on the percentage of RAM revenue each generated during the fiscal year. Existing and 2025-26 carryovers at District Services would be utilized to complete committed projects and purchases. District Services surpluses over the last two years were: \$4.6M (FY'25) and \$3.1M (FY'24).

Vice Chancellor Williams clarified that some IT funds were previously approved by CBF for multi-year projects, such as cybersecurity and IT infrastructure, but only dollars outside these specific allocations are being considered for discussion.

Questions/Comments:

1. *There is an additional cost of approximately \$30,000 per month due to recent FTES growth. Historically, the District helped cover these costs—such as hiring adjunct faculty and paying overloads—during growth periods. However, the expectation has shifted, and campuses are now required to absorb these expenses within their existing budgets. Is the District able to provide financial support to help campuses meet growth targets, given the strain this places on campus budgets.* Under the previous model, the District retained more funds. With the current RAM, the dollars are directly allocated to the budget centers, and District Services charges 9.25% back. This means campuses now manage their own budgets and assume risk if anticipated revenue doesn't materialize. The model worked well when we had a large amount of surplus, but the change now requires the campuses to be more disciplined in budgeting.
2. *Does the District have any control over the carryovers dollars? The District provides some oversight but we do not sweep carryover funds. This allows the campuses to manage and allocate their own carryovers. Previously, only 50% of carryovers could be retained, but this changed many years ago to prevent unnecessary spending. Campuses now have the responsibility and independence on how they want to allocate the funds. In extreme cases, such as state-mandated cuts, the District would step in to coordinate reductions.*

The committee agreed to move the proposal to DCC for further review, discussion, and feedback.

4. One-time Funding

Mr. Williams noted that Banner 9 will be phasing out and transitioning to Banner SaaS, a cloud-based system that is going to require major changes. This upgrade is a significant, multi-year project with an estimated cost of around \$5 million, though exact figures are unknown. The District has set aside \$2.2 million, but it's suggested that the District add another \$1.4 million to reach \$3.6 million as a starting point. Mr. Williams highlighted the need to plan for funding this transition soon, as waiting too long could create challenges, and shared that other districts have faced difficulties during their implementation.

Another concern was addressed related to the amount of technology equipment, databases, Canvas integrations, etc. at the campuses that were purchased with HERF funds, many of which are reaching end of life as well. Mr. Williams will follow up with District IS to see if this is something that will need to be reassessed.

In addition, the District is facing a potential issue with \$1.4 million in HERF funds approved for a construction project at Cypress College. Despite submitting all required documentation, the funds have not been received—possibly due to the government shutdown. The District did get the Chancellor's Office involved, but there is growing concern that the funds may not be recovered.

Questions/Comments:

1. *For the past two years, one-time dollars have supported the advocates programs at the three campuses. Is there any indication whether these programs will request funding again, or if they plan to pursue institutionalization within their campuses?* No comments were made on whether or not the campuses are pursuing institutionalization or requesting one-time dollars. However, the budget officers will bring a summary of current expenditures for the advocates programs to the next CBF meeting, along with any input on their plans for the future.

Facilities Updates

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

- Visual Performing Arts Center – Transition plans are underway.
- Health and Wellness Center Renovation – The building is operational and staff are beginning to move in. The ribbon cutting ceremony is scheduled for December 2025.
- Fine Arts Renovation Project – Change orders are scheduled to be addressed at the November 18 Board meeting. While there are numerous change orders, the overall percentage is still minimal.
- Campus staff are starting to receive proposals back for some of the bond projects scheduled to begin at Cypress.

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

- The new Student Center Building and M&O Building are now operational, and staff have moved in. The ribbon-cutting ceremony took place on September 19. The project is 98% complete.
- 300 Building – Project is 80% complete. User group meetings have been scheduled to plan for the move and technical equipment is scheduled to be installed in December.
- 100 Building Elevator for the Performing Arts Center – Currently with DSA for approval.
- Fine Arts Chiller Relocation – Staff are coordinating the power transition with SCE. Due to space restriction, the old chiller relocation is on hold.
- Softball field – Plans have been revised, approved, and submitted to DSA for review and permitting

Vice Chancellor Williams indicated that the chiller relocation at Fullerton will likely affect scheduling, and the two recently completed projects may have cost implications. The contractor exceeded the budget and is now requesting an additional \$2.8 million.

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

- East lot portables – Plans to restore the parking lot have been approved, with work scheduled to begin in fall/early winter. The project went out to bid. Project is expected to provide additional parking.
- Green Space - Designs were approved by DSA. Project is on hold until the East Lot is completed.
- Far Lot Solar Parking – Once the East Lot and Green Space Projects are completed, the next large project will be adding solar.
- 2nd Floor Counseling office – Renovation efforts are underway. Architects are currently designing improvements for the registration area. Staff are waiting for bids to come in.
- Upper Deck Parking – Leaks and bubbling were under warranty and have been repaired.

Questions/Comments:

1. *When will the elevator project begin?* The project is in design with PBK Architects and Otis Elevators. It still needs to go through DSA approval before any action can begin. Vice Chancellor Williams also shared that our architect is reviewing the code and Expressed concerns about solely relying on Otis Elevators. Staff will need to be mindful of this.

Meeting was adjourned at 3:40 p.m.