

**COUNCIL ON BUDGET AND FACILITIES**  
**February 10, 2025**

**APPROVED SUMMARY**

**Members Present:** Belinda Allan, Erika Almaraz, Terry Cox, Karla Frizler, Henry Hua, Bridget Kominek, Cherry Li-Bugg, Elaine Loayza, Kathleen McAlister, Michelle Patrick-Norng, Jeremy Peters, Nathan Truong, Leslie Tsubaki, Lourdes Valiente, and Fred Williams

**Members Absent:** Sammy Garcia, Irma Ramos, and Marlo Smith

**Guests Present:** Debbie Shandy and Scott Thayer

**Call to Order:** The meeting was called to order at 2:01 p.m.

1. **Summary:** The summary notes of December 9, 2024 meeting were approved and will reflect the language change on page 2 from A&R counselors to A&R support.

Vice Chancellor Williams began the meeting with committee member introductions.

2. **Governor's Budget & Economic Outlook** – Vice Chancellor, Fred Williams and Executive Director, Erika Almaraz provided the following highlights:

Governor's 2025-26 Proposed Budget

- Presented a balanced budget that overall would be higher than 2024-25 by about 8% to \$322 billion and reflecting higher projected state revenues and cost reductions taken in the 2024-25 budget.
- General Fund spending would increase by 8.2% to \$229 billion.
- 2.43% COLA for apportionments and certain categorical programs, but the District does not expect COLA for apportionment until we're out of hold harmless.
- 0.5% for enrollment growth.
- Capital Outlay funds for 31 projects systemwide, including the Fullerton College STEM Vocational Center (\$1.9 million of Proposition 2 funds).
- Funding for the Master Plan for Career Education, Career Passport, Credit for Prior Learning, and a Systemwide Common Data Platform to address the State's workforce needs, allow more people to turn their real-world experience into college credit and integrate various technology tools.

Question/Comments:

1. *What is the downside to the Systemwide Common Data Platform?* It is a large investment and by implementing the new platform, any previous modifications would be wiped clear and everyone would start from a general baseline. While there are some inconsistencies in date, the ERP system is very complicated, and the implementation could be horrendous. The platform has been implemented for the UC systems but has not been successful.
2. *ERP* – what does it stand for? Enterprise resource planning (ERP) is a software system that helps manage core processes and operations.

Legislative Analyst's Office Analysis

- Cautioned that reliance on a stock market rally may not be sustainable.
- Revenue projections which are lower than what's included in the Proposed Budget.
- A 3-Year forecast suggests revenues are unlikely to grow fast enough to catch up to high spending growth.

- Estimating average growth in spending of 5.8% compared to revenue growth of about 4%.
- Concluded there is no capacity for new ongoing commitments in 2025-26, as outyear estimates reflect operating deficits.
- The impact of recent wildfires is unknown.

#### Enrollment & Expected Revenues for 2024-25

- Cypress College and NOCE are above target FTES at P-1 and Fullerton College is below target.
- Total FTES at P-1 are below target by 254.81 FTES.
- All three campuses show an increase in FTES at P-1 compared to the prior year and while FTES are not at pre-pandemic levels yet, they are moving in the right direction.
- The District expects to be funded at our hold harmless level for 2024-25 (\$262.4 million).

#### Questions/Comments:

1. *Why were the CDCP calculations significantly lower than projected?* NOCE is seeing tremendous growth with its LEAP programs, however, any FTEES produced by LEAP is paid out at a lower rate. NOCE Director, Terry Cox will follow up and report back with additional details.

#### Next Steps

- In February we expect to see a large deficit factor for the 2024-25 budget at P-1, which is likely to significantly reduce by P-2, and we'll know if the 2023-24 deficit factor materializes.
- In March there will be a formal budget presentation which will include the fiscal outlook and fiscal health risk analysis.
- In May the Governor's 2025-26 May Revision will be released.

#### **Budget Assumptions for the Tentative Budget**

Erika Almaraz, Executive Director, Fiscal Affairs, provided handouts of the early overview of the Resource Allocation Model and the preliminary budget which is broken down by revenues and expenditures.

#### Questions/comments:

1. *Is COLA applied to these calculations?* A 2.43% COLA is applied to the SCFF calculation.

Ms. Almaraz provided a summary of local and other (unrestricted) revenues and general ongoing and self-supported/local expenditures. It was also noted that some of the unknown expenses were not included in the budgeted expenses. Estimates were used to calculate the revenues and expenditures and will be updated as more information is provided closer to the release of the tentative and proposed budget.

Vice Chancellor Williams noted that the \$6,655,410 calculation for the Job Study cost is still an estimate based on finding in the IT Job Study and noted that the calculations were very close to the 50% law.

#### Question/Comments:

1. *Is the estimated cost for the Job Study to implement the recommendations as a result of the Job Study? Not the costs to conduct the Job Study.* Correct, the fees to conduct the

job study has already been determined. The cost for the results and to implement the recommendations is a huge unknown at this time.

2. *How many job studies are left?* There are 51 employees remaining and over 600 have been completed.
3. *Will there be conversations on prioritizing the needs after the results are received from McKnight (vendor)?* Vice Chancellor Williams commented that while he is not directly associated with the process, he does know that the study was scheduled to be completed within a two-year period. The Finance & Facilities Department submitted the changes to McKnight and is currently in the second phase of the process. Once all of the job descriptions are completed, McKnight will then do a comparison with outside venues. The questions remain, will the campuses be able to absorb these expenses associated with the Job Study.
4. *How was the 1.5% increase for CSEA salaries calculated?* UF settled at 1.5% and was used for CSEA as a rough estimate to provide numbers to the Board and show a calculation at 1.5%. The calculations will be updated once negotiations are settled with CSEA.
5. *Is there a specific date or time period where Full-Time Faculty need to submit their intent to retire to be counted towards the FON?* Faculty can submit their retirement paperwork at any time, however, if you receive notice 90 days before the FON is due, that position does not need to be replaced for another two years. Mr. Williams commented that the District is still way over the FON.
6. *How long are vacancies budgets for?* The campuses are responsible for removing and prioritizing the positions. A summary of the vacant positions are included on page 200 of the Budget Book. While the exact positions are not listed, the number of vacant positions are shown. It was noted that the ideal time reassess the vacancies within each of the planning committees would be early on in the calendar year.
7. *What is the approval process for approving/removing vacant positions?* Each of the budget centers have their own processes and committee review.
8. *A request was made to provide information on the vacant positions, including the duration of the vacancy, at the next CBF meeting.*
9. *What is the ride share program?* Based on student/staff feedback, at each of the campuses, incentives are given out to individuals using public transportation, ride shares, etc.

### **3. Future Discussions**

One-time funding – Vice Chancellor Williams reminded the committee of a remaining balance of \$1.5 million of unallocated dollars. Fullerton College is looking to request additional dollars for the Student Success Advocates program and will collaborate with other two campuses for the funding request at the next CBF meeting.

### **4. Facilities Updates**

**Fullerton College** – VPAS, Henry provided an update on behalf of the campus.

- 300 Building Renovation – Project completion date is anticipated for Summer 2026. A site walk is scheduled later this month.
- M&O Building – The project is a little behind schedule but moving in the right direction. The team is scheduled to have the furniture, fixtures, and equipment (FFE) walkthrough this week. There was an issue with the Glass Fiber Reinforced Concrete (GFRC) installation, but the team is working to resolve it.
- Chapman/Newell Instructional Building (New Student Support Center) – Should be operational before Summer 2025.
- Wilshire Chiller Plant Relocation – The unforeseen conditions are about 80% complete and about three weeks ahead of schedule.

- Performing Arts Center – Received 3 bids relatively close in prices and received three protests. The project is still \$13M short. The campus plans to use \$5M from infrastructure and an additional \$5M from parking funds.
- Athletic Field, Softball Field – Currently in the bid design phase and is scheduled to be submit to DSA prior to June.
- STEM Center – This project involves the installation of a new HVAC system for the building.
- Central Plant – The original project was completed two years ago; however, staff are currently working with the contractors to resolve some issues.

***Cypress College – President, Scott Thayer, provided an update on behalf of the campus.***

- Fine Arts Renovation – The project 40% complete, framing continues, and slabbing complete. Most of the underground work is complete and project completion is anticipated in fall 2026.
- Health and Wellness Center Renovation – Framing is underway. Project completion anticipated in fall 2025.
- Softball Field Renovation – Design package meeting underway and the cost estimate is due February 10, 2025. Completion anticipated in fall 2026.
- New LLRC Tutoring Reconfiguration – Project was recently bid and will begin construction during winter break. Project involves reconfiguring the existing space to better accommodate group tutoring as well as student guided collaboration.
- New TE ED III X-Ray Replacement – New equipment is being installed, completion anticipated in February 2026.
- New LLRC Exterior Patio Upgrades – User group kickoff meeting is scheduled for March 4. Project completion date anticipated for March 2026.
- New Central Plant Upgrades – Project includes increasing the chiller capacity in the south plant and making modifications to the plant to ensure it can support the north plant and vice versa. Phase one has begun with the vendor.
- New Aviation Upgrades TE II – The project was submitted to DSA for approval on December 10. Construction is anticipated for late spring/early summer 2025.
- Scheduled Maintenance Projects – Auto body shop floor refinish, LLRC boiler replacement, food pantry electrical upgrades, Theater Arts seating and carpet replacement, TE Ed I Reroof, asphalt slurry – lots #1 and portions of #9, pool mechanical room main boiler heater exchange installation.

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

- Board Room Renovation – Demolition is now complete. Occupancy is anticipated in June 2025. Project included major ADA upgrades to the Board Room and sound system. An additional space will also be included on the dais for the new NOCE student trustee position.
- Swing Space – NOCE will remain in its temporary location until the Board Room renovation is complete. Culinary Arts is scheduled to return to the main tower in June.
- Outdoor Patio Remodel – Demolition is complete, and the project remains on schedule. Grading has begun, along with the installation of underground electrical systems and pathways. The canopy, a high-demand system with a four-month manufacturing timeline, is expected to arrive by April, with reopening anticipated in May.

- Interior and Exterior Wayfinding Signage – The team is completing some last-minute updates to the project.
  - Community Green Space – Will be a gathering space for Anaheim Campus students and staff. Project is currently in the planning phases with the architect. A major concern with the project is addressing the student drop off to the main entrance.
4. **Future Meeting** – During the Anaheim Campus construction, meetings will be held in the Chancellor's Conference Room. Videoconferencing options are also available on the campuses.

March 10

April 14\*

May 12

June 9

**Meeting was adjourned at 3:51 p.m.**