

## COUNCIL ON BUDGET AND FACILITIES

February 11, 2019

### APPROVED SUMMARY

**Members Present:** Pete Christenson, Terry Cox, Richard Fee, Rodrigo Garcia, Craig Goralski, Cherry Li-Bugg, Kim Orlijan, Irma Ramos, Bryan Seiling, Leslie Tsubaki, Kashu Vyas, Fred Williams & Marcus Wilson

**Members Absent:** Josh Ashenmiller, Rod Lusch & Tina McClurkin

**Guests:** Rick Williams

**Call to Order:** Irma Ramos called the meeting to order at 2:05 p.m.

**Introductions:** New member, Pete Christenson

- I. **Summary:** The summary of the January 14, 2019 meeting was accepted
- II. **Status on CBF memberships and Alternates:** Pamela Spence and Louella Nelson will be representing CSEA. Associated Students will formalize their representatives at their next official meeting.
- III. **Budget Update -**

**Student Centered Funding Formula Discussion** – New living wage and transfer data for 2017-18 was recently received and will be entered into the calculator for more accurate numbers. Note that 2017-18 data for surrounding districts have not been updated. Based on the new Student Centered Funding Formula, the District will need to determine how credits are allocated to the campuses for students who are attending multiple campuses.

Questions:

1. *Are Basic Aid Districts effected?* Basic Aid District will also go through the calculations as well, but they still receive an amount based on property taxes and enrollment fees.
2. *While the District is coming off of stability from Hold Harmless, does the three year average include the Hold Harmless years or does the average start when we are no longer in Hold Harmless?* No, the last three years of real data is what the district is funded off of. The three year average is based on FTES.
3. *As a Student Centered Funding Formula, there should be some type of assessment on behalf of the students. What is it that the students feel is a need at their campus? There needs to be a better effort in getting the student perspective.* At previous CBF meetings suggestions on where to allocate funds were focused on staff development, and dispersing funds to the campuses to allow them to allocate money in areas they felt necessary. Determining how much would be allocated to the students would need to be made at the campus level.

**MIS submission** – A District-wide taskforce is being implemented immediately. The taskforce is currently reviewing the existing submission process to pin point deficiencies and make corrections for future submission with more accurate data. A Funding Formula dashboard is being created with lead indicators available to staff District-wide. The dashboard is expected to be completed by the end of the Spring term. Since many of the metrics have not been used in the Funding Formula before, further analysis of the different areas will be reviewed.

**Use of One-Time Funding** – The District started with \$50 million of one-time funds at the end of last year, some of which have already been allocated and can be viewed in the Budget document that

was present to the Board in September. Further discussions to take place at the next District Consultation Council (DCC).

Questions:

1. *How much of the \$50 million can actually be spent on students?* The money could be spent however the campuses and District decide.

**Standards for Personnel** – The Board would ideally like to see the numbers at 85% for salaries compared to overall expenditures or other basis. A Sub-committee has been formed to meet and discuss options and alternative solutions on how to reduce the District's percentage.

Questions/Comments:

1. *What is the difference between Standards for Personnel and Position Control?* The Position Control workgroup reviews the number of positions and how many positions there are in a specific category such as managers, faculty, classified, etc. There are a few positions that have been added, and several positions that will be included in the Position Control data that the Board has asked the Chancellor to move forward with. These position will be included, as well as all other positions, in the budget. The Standards for Personnel sub-committee will be responsible for reviewing Standards for positions, e.g. the number of counselors for the number of students, custodial staff per square footage, etc.
2. *At both the budget level committees and DCC there is detailed discussions on Faculty numbers, fulfilling the Full-time Faculty Numbers (FON), is there discussion at these levels regarding the number of manager positions?* Faculty are not paid by the campuses as they are driven by FTES numbers. For all other positions (executives, managers, classified, etc.) if the campuses hire or add a position, the campus will need to fund that position from their campus budget. Typically, for those positions that are to be funded from the District-wide budget, DCC and CBF make recommendations to the Chancellor before the recommendation is taken to the Board.
3. *How common or uncommon is it for the Chancellor to bypass the recommendation process at the CBF and DCC level first?* There have been a few, however, open communication and discussions were made with all groups. While the typical process is for CBF to make recommendations to DCC and DCC make recommendations to the Chancellor, due to the urgency and priority of the management positions, the process was deviated from.
4. *Our District is currently at 90%, is there one area that stands out that we may be able to adjust?* Our District spends more on salary and benefits for our staff compared to other Districts. This is why it is beneficial to review our Staffing Standards. Currently the Chancellor's Office, ACCJC, and FCMAT are working on a methodology to help evaluate districts.
5. *Is there a page in the Budget book that shows the one-time funding amount and a list of areas that the funds would be allocated to?* There is an analysis of ending fund balances. This shows where funds have been allocated. There is a District-wide overall carryover description and a short narrative from the campuses of how the carryover funds would be allocated.
6. *Of the \$50 million, how much of that money can be spent on students? Could some of the money be used on providing food for students who are suffering from food insecurities?*

There is no exact amount on how much can be spend on students. That would need to be determined by the campus and District. Unfortunately, we could not purchase food with that money as it would be considered a gift of public funds. There have been conversations with the State Chancellor on what constitutes a gift of public funds and why certain funds cannot be used to help support students in certain areas, i.e. food insecurities. A revision on how funds can be spend is still pending legal opinion. However, there are a different number of areas where we can support students (i.e. electronic text books, embedded tutors, etc.). These are areas that can be brought up at the campus level for suggestions.

**Allocation Model/New Funding Formula** – There are significant changes being considered on how the District allocates resources. It is recommended by the Chancellor that we allocate resources based on where the revenues are earned and allow the decisions on where to spend the funds to be determined at the campus level.

Resource Allocation Workgroup – Cambridge West will present on the new apportionment calculator, discuss the process for developing a new resource allocation model, and prepare advice for future discussions. The Workgroup is hoping to have a framework by the end of the Spring semester.

#### **IV. Bond Update**

**Anaheim Campus** – Rick Williams provided a facilities update for the Anaheim Campus.

The 10<sup>th</sup> floor will be ready to move in furniture and fixtures by the end of February. The upper deck parking lot will need to be redone, but an estimated date is still undetermined.

**Cypress College** – Rick Williams provided a facilities update for Cypress College.

The groundbreaking ceremony for the SEM building took place on February 8, 2019. A separate groundbreaking for the VRC will take place in March. An estimated \$115 million will be spent on the combined projects, an additional bond series issuance will be needed to fully fund the remainder of these projects.

**Fullerton College** – Rodrigo Garcia provided a facilities update for Fullerton College.

The sale of the Fullerton property will be taken to the Board for approval at the February 12, 2019 meeting. The 300/500 sewage line project is in the design phase. The construction documents for the 300/500 building are almost at 100%. However, DSA is now requiring plans for a new building vs. renovations for the building to justify the replacement cost. There are a few budget concerns with the Instructional building/chiller plant, therefore, Fullerton will be going to Board for approval for additional funds to do a full expansion on the chiller plant.

**Adjournment:** The meeting was adjourned at 3:39 p.m.

**Next Meeting:** March 11, 2019