

**COUNCIL ON BUDGET AND FACILITIES**  
**May 10, 2021**

**APPROVED SUMMARY**

**Members Present:** Terry Cox, Rodrigo Garcia, Craig Goralski, Cherry Li-Bugg, Melisa McLellan, Mary Fola Odebunmi (Alternate for Christie Diep), Kim Orlijan, Alex Porter, Irma Ramos, Leslie Tsubaki, Kashu Vyas, Ty Volcy, and Fred Williams

**Members Absent:** Tonya Cobb, Christie Diep, Temperence Dowdle, and Jennifer Oo

**Guests Present:** Morgan Beck, Damon De La Cruz, Geoff Hurst, Jeremy Peters, Kai Stearns, and Richard Williams

**Call to Order:** The meeting was called to order at 2:02

1. **Summary:** The summary of the April 12, 2021 meeting was amended and approved.
2. **Budget Update –** Staff expects to receive the Governor’s May Revise shortly. COLA was set at 1.5%, however, it will be adjusted once the Governor’s May Revise is released. Staff is anticipating a COLA increase to 1.7%. Staff has also made an effort to reflect the projections in the tentative budget assumptions, but will have more details when the May Revise is released.

**Budget Assumptions –** Kashu Vyas provided an updated summary of the Tentative Budget Assumptions using the new Resource Allocation Model (RAM).

Questions/Comments:

1. *Assuming since the District-wide IT Expenses have not been approved by CBF, those expenses are not included in the Tentative Budget, correct? That is correct.*

Credit FTES and Non-Credit FTES were based on the targets provided by the campuses for the 2021-22 fiscal year. Based on prior numbers and calculations, the District’s potential Student Centered Funding Formula (SCFF) calculation is estimated at \$206.28 million with a hold harmless funding of \$11 million, for a total of \$217.5 million. A second calculation was done based on the District’s decision to use reported P-1 numbers as the emergency condition numbers when the pandemic went into effect. When using the emergency condition numbers, there is an additional \$5 million calculated towards the SCFF and a decrease in hold harmless funds. It is being recommended that the additional \$5 million be allocated to the campuses as a hold harmless to help support current funding/enrollments effected by COVID-19, rather than considering it one-time funding.

A brief overview of the local revenues and expenditures included in the new RAM, District-wide expenses, and chargeback details were provided to the Committee.

3. **RAM Handbook Update –** The RAM Handbook was posted on Teams for several months, however, staff received no additional comments or recommendations from CBF on the new RAM Handbook. Prior to approval, the following sections/topics required further discussion:

- The purpose of CBF is to - Ensure that NOCCCD resources are tied to the District Strategic Plan and the Comprehensive Master Plan.

The Budget Officers found some challenges in the mechanics of preparing the Budget Book to superficially tie the Budget allocation to the District Strategic Plan document changes. Discussions took place on the overall intent of the decision-making processes/choices made by CBF to support Student Success and the campuses. It was suggested to have the bullet point remain in the Handbook.

- Timeline and Process for Budget Development - Progress Report on the District-wide Strategic Plan is presented to the Board of Trustees, by the site CEOs and/or designees, to describe the NOCCCDs progress towards achieving the District Strategic directions.

The last report was presented in 2015. New three-year reports are scheduled to be created and distributed to match the 10-year cycle of the new Master Plan. Dr. Li-Bugg will provide updated language to reflect the periodic updates.

- Closing the Loop – Budget Allocation is linked to District Strategic Directions – Need further discussion at CBF on assessing the effective use of resources.

The following change to the language was recommended, “When appropriate, funding requests shall identify how the use of resources relates to the five District Strategic Directions and/or Comprehensive Master Plan.”

**Recommendation** - Consensus was reached to move the RAM Handbook to DCC for approval, pending the updates made to the document as proposed.

#### 4. One-time Funding Discussion

**Local (\$8 Million) and Scheduled Maintenance (\$5 Million) Funding Requests** – The campus budget officers provided a list of potential areas for funding using one-time funds, including scheduled maintenance projects.

**Fullerton** - \$1,460,000 of one-time funding considerations were discussed at PBSC and PAC planning groups. Fullerton proposed using one-time funding for the following areas/projects: sustainability, outreach, marketing, and temporary projects, and program review. Fullerton’s scheduled maintenances project list (\$4,300,000) included tunnel repairs, boiler repairs/replacement, a computer for the HAVC system. Fullerton’s total funding request is \$5,760,000.

Question/Comments:

1. *Are the computers needed for the HVAC computers specialized computers?*  
Yes, they are specific to the HVAC system and the cost includes labor costs.

**NOCE** - \$960,000 of one time funding considerations were discussed with the President’s Staff and Budget Committee. Curriculum development, distance ed program, website accessibility standards, support sustainability of the Catalyst grant, classroom furniture replacements, and additional facility needs were all listed as areas for funding

consideration. NOCE's scheduled maintenance project list (\$1,000,000) largely focuses on the upper-deck parking renovation. NOCE's total funding request is \$1,960,000.

**District Services** - \$640,000 of one-time funding considerations were discussed amongst the Chancellor and Vice Chancellors. Areas for consideration included the following: HR hiring training module, recruitment module, recruitment videos; IT ROM for computer upgrades for District Services; Consulting Services for timekeeping, self-service for Finance, ACH Payments, and report writing.

**Cypress** – \$2,640,000 of one-time funding considerations will be discussed in more detail with Cypress' PBC and President's Advisory Committee. A draft list was shared with the Committee. The draft included the following areas for consideration: DEI efforts, sustainability, one-time funding needs, and funding to establish a permanent college emergency fund. Cypress' scheduled maintenance project list consisted of roof replacement repairs, fire alarm upgrades/repairs, and classroom maintenance program. Cypress' total funding request is \$4,640,000.

Question/Comments:

1. *What is the Board reserve like in the new RAM? We still maintain the reserve, per Board policy, of 5% at the District. The reserve is intended to accommodate an emergency, if other funds are not available. According to staff, in the past 26+ years, the 5% reserve has not been used. The reserve is set aside before allocating funds to the campuses.*
2. *Is the reserve at Cypress separate from the District reserve? Yes. This would be in addition to the District, one that is specific to the Cypress Campus. It would be essential to set up parameters and guidelines ahead of time when setting up the reserve at Cypress. Yes, this would be part of the shared governance discussions.*

**Recommendation** – Consensus was reached to approve the campus funding requests of \$13,000,000 for local and scheduled maintenance projects to DCC for approval.

5. **District-wide Expenses – Additional** - As previously brought forth, the District IT Department is requesting permanent on-going funding for District-wide IT expenses. Representatives from each of the bargaining groups, from each of the budget centers, have been added and included in the District Technology groups, committees and subcommittees. Specific items would also be kept separately to show exact expenditures at the end of the FY. A detailed list of items was shared with the Committee for approval.

**Recommendation** – Consensus was reached to approve the District-wide IT on-going expenses of \$1.5 million starting with Fiscal Year 2021-22 and move the item forward to DCC for approval.

**6. CARES/CRRSSA – HEERF II Funds Update**

By request, as of April 30, 2021, an update on the HEERF I funds and HEERF II/CRRSSA funds was provided to the Committee. The campuses also provided a list of projected Institutional expenses. While funding is available, expenses need to be in response to the pandemic, to alleviate and/or respond to the pandemic and requires a great deal of

planning. Estimates for the American Rescue Plan (HEERF III) funds were also shared with the Committee but have not been received. Another quarterly report will be brought to the August CBF meeting for review.

Question/Comments:

1. *Are there any differences in how the student grant money from the American Rescue Plan are distributed?* Staff believe they are the same restrictions as the CARES II funds. Chancellor Eloy has stated that districts may choose to support undocumented students, if they wish, however, there has not been any legal documentation which allows districts to do so.
2. *Would it be considered a local decision, to some degree, how the grant money is distributed to students?* The details are constantly changing, but we are starting to see more flexibility on the spending requirements. We are also trying to keep the student allocations consistent throughout the District to ensure equal opportunities at each of the campuses.

## **7. Facilities Update**

Cypress College – Alex Porter provided an update.

- SEM Building – staff is currently working through the HVAC commissioning process and completion. Most case work will be completed by the end of May. FF&E is scheduled for delivery and installation in June. At the May 25<sup>th</sup> Board meeting there will be an item related to additional costs to the Guaranteed Maximum Price.
- Veterans' Resource Center – Furniture was signed off at the end of April. Water proofing, indoor and external signage, and the donor wall are all expected to be completed very soon.
- Fine Arts Renovation Project – currently in the design phase of the project.
- Master Plan (small cap project) – Currently working on the exterior spaces and have begun preliminary discussions with architects.
- Scheduled Maintenance Projects – Cypress continues to work on projects across campus.

Fullerton College – Rodrigo Garcia provided an update.

- Humanities Building – The projects is about 75% complete and is expected to be completed by September. Expected occupancy is scheduled for October.
- Central plant expansion – Project completion is expected by late summer.
- 300/500 – Staff is currently putting together documents to rebid the project. All previous bids came in above the 50% rule. The new bid will not require historical qualification, which will hopefully help lower the bid prices.
- Performing Arts Project – This projects is nearing the end of the schematic design and approaching the deadline for submission to the Chancellor's Office at the end of July.
- Sherbeck Field – currently with DSA. Construction is expected to start December 2021.
- Greenhouse Project – This project was completed.
- M&O/Chapman Newell Project – was advertised in May and staff will be looking to hire a design-build team for this project.
- Scheduled Maintenance project – staff continue to work through the lists of projects.

Fred Williams noted that there is a significant cost escalation in materials, which raises concern for the current budget on the primarily state funded projects.

Anaheim Campus – Richard Williams provided an update.

- Waterproofing Upper Parking Deck Project – Plans were submitted to the State Chancellor's Office a few weeks ago. Looking at interim housing phasing for NOCE staff and students. First phase of the project will be removing the playground.
- Phase 1 of 3 of ADA Upgrades and Corrections –upgrades will include the primary access points to the building/campus. A contract with WLC Architects will be taken to the May 25<sup>th</sup> Board meeting for approval.
- Study on Fire Risers – Waiting to receive information back P2S on the study.
- Solarized Car Ports - This project has been postponed until after the upper deck parking lot is complete.

#### **8. 2021-22 CBF Calendar**

A draft of the 2021-22 CBF Calendar was shared with the Committee and will be brought back for approval at the June 14, 2021 meeting.

#### **9. Future Meeting Dates:**

The June 14, 2021 meeting will remain on schedule for staff to present the tentative budget.

**Meeting adjourned at 3:43 p.m.**