

## COUNCIL ON BUDGET AND FACILITIES

May 14, 2018

### APPROVED SUMMARY

**Members Present:** Josh Ashenmiller, Tonya Cobb, Terry Cox, Danielle Davy, Emily Day, Rodrigo Garcia, Raine Hambly, Cherry Li-Bugg, Elaine Loayza, Rod Lusch, Tina McClurkin, Irma Ramos, Bryan Seiling, Kashu Vyas, Fred Williams & Marcus Wilson

**Members Absent:** All members were present

**Guests:** Brendon Kirby, Pete Snyder & Rick Williams

**Call to Order:** Irma Ramos called the meeting to order at 2:00 p.m.

I. **Summary:** The summary of the April 9, 2018, meeting was accepted.

II. **Budget Update:** Fred Williams shared updates on several budget-related items.

**May Budget Revision:** The two major issues in the May Revision that effect community colleges are the proposed new funding formula and the online college. One big change to the new funding formula is that noncredit funding has been removed from the performance funding model and instead will be funded just on FTES. Concerns were raised on the new funding model related to input with the model and the speed with which the model is proposed to be implemented. Further information reporting the effects of this new formula will be known once simulations are received. There are some changes in the details for the proposed online college, however, the budgeted \$120 million remains the same. The original January proposal of 50-25-25 (FTES – Supplemental Grants – Student Success) is now 60-20-20. In the Governors May Revision, Prop 98 funding for education is up roughly \$2.8 billion from the 2017-2018 levels. COLA increased from 2.51 to 2.71 percent. While the COLA will increase the funding rates, there is some concern that on-going COLA will not be added to the Hold Harmless provision. The Hold Harmless provision was increased from a one year to a two year proposal. The two year Hold Harmless helps the District, but the third year anticipated drop-off in funding is a big concern.

#### Questions:

1. *Is the \$120 million proposed for the online college for startup only and the \$20 million ongoing?*

Yes. It will still be authorized as an educational entity, but will need to be associated with an existing community college. The online college will eventually elect its own president and work to obtain accreditation.

NOTE: The numerical order of items on this agenda is for convenience of reference. To promote efficiency and as an accommodation to the parties involved, agenda items may be taken out of order upon request of the Chair or Members of the CBF.

2. *Will the new formula push out the old formula?*

Yes. However, the effect on our District depends on whether or not the new formula is adopted by the Legislature this year. If the new formula is not adopted, the District loses the benefit of the Hold Harmless provisions included in the May Revision. In the event the formula is adopted, NOCCCD will see the Hold Harmless, but with only a one-time increase for COLA. There should be more information by June 15, 2018 on whether or not the new funding model will be adopted by June 15, 2018.

3. *What is the online college timeline?*

At this time, it is unknown.

**Budget Assumptions:** The “FTES Targets – 2018-2019 Tentative Budget Assumptions” handout was shared. The 2018-2019 targets for Cypress, Fullerton, and NOCE are 11,599.10, 17,997.64, and 4,955.28, respectively. The District is down by approximately 3.6% (or 1,300 FTES) compared to 2015-2016 FTES. The summer shift has proven to be a very beneficial decision, but moving forward, the focus will need to be increasing FTES across the board. The District is behind on budget assumptions due to the lack of simulations at the state level, effects of Supplemental Early Retirement Program (SERP), and difficulty obtaining accurate personnel data information. Projections show that the cost of step increases for current employees is over \$2.1 million, which is more than the District has seen historically.

**Resource Allocation Workgroup:** The Resource Allocation Workgroup is made up of several constituents, including: fiscal officers, faculty, classified staff, and confidential staff. The current members are as follows: Josh Ashenmiller, Terry Cox, Dale Craig, Danielle Davy, Emily Day, Rodrigo Garcia, Vivian Gaytan, Jolena Grande, Raine Hambly, Sharon Kelly, Cherry Li-Bugg; Rod Lusch, Justin Richardson, Bryan Seiling, and Pete Snyder.

Kashu Vyas brought forward the following Principals for Council on Budget and Facilities approval:

- Recognize the District as the fiscal entity while honoring the unique legacy and culture of each institution
- Use planning and goals to drive the budget process
- Ensure that resource allocation decisions align with the type of funding
- Consider both the inputs and outcomes of proposed budget decisions
- Regularly assess operations and use data to inform the decision-making and planning processes
- Incentivize innovation and program development
- Take a long-term perspective
- Be transparent, simple and easy to explain

The Council voted unanimously to approve the principals and move them forward to the District's Consultation Council for further approval and implementation.

Questions:

1. *What does it mean to not spend the same dollar twice?*

Ensuring allocations align with the types of funding, either one-time or on-going.

III. **Bond Update:** A facilities update for each campus was provided.

Anaheim Campus – Fred Williams provided a facilities update for the Anaheim Campus. The 7<sup>th</sup> floor build-out is on-schedule. Once the 7<sup>th</sup> floor is completed, staff on the 10<sup>th</sup> floor will move down to the 7<sup>th</sup> floor and construction on the 10<sup>th</sup> floor will continue. Work on the 2<sup>nd</sup> floor in counseling and 5<sup>th</sup> floor CTE Lab is on-schedule as well.

Cypress Campus – Emily Day provided a facilities update for Cypress College. The Veterans Resource Center/Student Activities Center, and Science, Engineering and Math building projects are all with DSA for review and with plans to receive the permit set in the fall (August approval anticipated). The Parking Lot 5 project was Board approved at the May 8, 2018, Board of Trustees meeting. The other swing space project is the move of SAC to Gym II. Both swing space projects are expected to begin after commencement with an estimated completion date in the summer.

Fullerton Campus – Rodrigo Garcia provided a facilities update for Fullerton College. The 300/500 building design documents are expected in June or July. R2A has designed the sewer line infrastructure for the 300/500 buildings as well. The chiller plant expansion project is progressing with input from user-groups for design. The lot on Chapman and Raymond has been leased and will provide 160 off-site parking spots for students during construction. Shuttling will be provided to students for the first six weeks of class.

IV. **Other Items (Discussion):**

Parking – Fullerton College has also been trying to provide a new program to help students use the bus system as another alternative to driving and parking on campus. The partnership with OCTA would provide students access to ride the bus for a per semester cost of \$4.50 for full-time students and \$3.50 for part-time students.

**Adjournment:** The meeting was adjourned at 3:13 p.m.

**Next Meeting:** June 11, 2018