

COUNCIL ON BUDGET AND FACILITIES

June 11, 2018

APPROVED SUMMARY

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

Members Absent: Tonya Cobb, Bryan Seiling & Tina McClurkin

Guests: Rick Williams

Call to Order: Irma Ramos called the meeting to order at 2:07 p.m.

- I. **Summary:** The summary of the May 14, 2018, meeting was accepted.
- II. **Budget Update:** Fred Williams shared updates on several budget-related items.

Budget Assumptions: Fred Williams presented a PowerPoint presentation.

Currently there is no trailer bill language that explains the detail of the budget. Based on current information, the on-going Conference Committee Budget continues to fund \$175 million in apportionment increases. In addition, \$50 million is earmarked for full-time faculty and \$20 million for the online college. A major change from the Governor's proposals is the deferred maintenance funding that went from \$143 million to \$23 million; the difference is distributed to other line items. The major differences between the May Revision and Conference Committee proposal is the three-year phase in to a 60-20-20 funding percentage (base, equity, and student success) by 2020-21. The one-time COLA in 2018-19 has gone to a proposed three-year COLA and the two-year Hold Harmless was increased to a three-year Hold Harmless.

Questions:

1. *Why do the Unshifted FTES numbers continue to increase in future years for the apportionment revenue?* There is no increase to the estimated FTES numbers, the revenue increase is from the estimated 2% COLA for future years. The hope is to have FTES numbers stay consistent.
2. *What is the difference between apportionment and on-going apportionment?* Apportionment includes PERS and STRS and Hold Harmless revenues that affects the base. On-going apportionment removes the PERS/STRS increases and the Hold Harmless revenues. The purpose of doing this is to get a sustainable base revenue number. The major concern is after the hold

harmless provision expires, the estimated apportionment revenue would decrease from \$215 million to \$198 million per year.

3. *How are the FTES estimates calculated?* Based on class schedules and statistical trends, the campuses are able to provide an estimated number.

Enrollment will be critical for the District, as there is an overall drop in FTES. Compared to 2014-15 FTES, there is a 1,526 drop in estimated FTES. When calculated with the FTES credit rate, the estimated revenue decline is approximately \$8 million.

Outstanding Issues for the District:

- The District is currently in negotiations with the United Faculty and CSEA. Tentative budget assumptions do not include the estimated cost of salary and benefits increases. The 1% across the board salary increase is approximately \$1.5 million.
- The new rates for the 2018-19 PERS and STRS have been incorporated into the on-going expenditure estimates. Overall, the District will continue to accumulate one-time dollars due to the base increase. Last year, there was \$38 million in one-time resources that could be allocated. Some money has been spent; however, a significant amount still remains and can cover this year's deficit.
- The \$11 million estimated for 2018-19 as the on-going deficit should be reduced once clean-up has occurred on the District's position control system.
- The District will need to determine how the one-time dollars are spent.

A one-page handout showed the estimated full-time faculty obligation number (FON). Based on estimated FON numbers, the District is expected to be short for full-time faculty for 2018-19, due to FTES coming in higher than expected. Currently, six replacements have been hired, additional one-year contracts are being offered; however, the District is expected to still be 10 positions under the FON obligation, which will result in a FON penalty. The FON calculation for 2017-18 is estimated to drop from 621 to 527 in 2018-19, further investigation is needed for an accurate FON calculation.

Questions:

1. *When can you anticipate simulations for the new funding formula?*

Information has been promised multiple times, however, no information has been provided, and therefore we cannot anticipate when information will be received. First, there will need to be trailer bill language in order to see how the budget is going to be implemented, but nothing before our tentative budget is approved. More information on the budget will be distributed once it is received.

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

Cypress Campus – Emily Day provided a facilities update for Cypress College.

Veterans Resource Center (VRC) & Student Activities Center (SMC) and Science, Engineering & Math Building (SEM): Projects are all with DSA for review and with plans to receive the permit set in the fall with an anticipated approved date in August. Cypress recently received the 95% estimate for construction which was approximately \$4.5 million greater than the 50% estimate for the SEM building. The campus is working with construction managers and architects on alternative foundation options, similar to the driven piles that were used for the foundation on the M&O building. VRC & SMC are within estimates, however, based on fire code, a fire sprinkler systems will need to be added, an additional \$200,000.

Swing space projects: Parking Lot 5 renovation will provide additional spaces in the fall, prior to Lot 7 being down. During the last two weeks, after commencement, the move from the Student Activity Center to Gym II began and an estimated completion date will be this summer.

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

New Instructional Building BN Builders and RNT Architects are a Design-Build Method Team to incorporate both the architect and builder together, from start to finish, for a seamless delivery method. Initial meetings with the User Group were held to discuss the buildings programming. The next phase will be to sign-off on the schematic design in mid-August. FF&E contractors are working with the design build team, to ensure purchased furniture fits with the initial design. The campus is looking for commissioning services for the instructional building. To accommodate for the loss of parking spaces, the campus has entered into a seven-year lease with an off-site parking lot, off of Raymond and Chapman, that will provide an additional 160 spaces and shuttle transportation will be provided for the first 6 weeks of the semester.

300 & 500 Buildings - Preliminary plans were accepted by the Chancellor's Office and signed off by the state. It is anticipated that the funding for the Working Drawings phase of the project design will be authorized in July 2018 from the state. Glumac has been selected as the Commissioning Agent for this project. R²A was contracted to work on the sewage lines that will connect the 300 & 500 buildings prior to the renovations take place.

TES/Chilled Water Plant – The new TES is currently in the second phase of the project. BN Builders have started working on the concept and programming phase of the expansion. An initial meeting with the User Group was held to create the design criteria. For this particular project the User Group is compiled of M&O staff which will hopefully produce a quicker turnaround time.

Performing Arts Building – Fullerton is working with Cambridge West to submit the initial proposal for the Performing Arts building. Based on Cambridge West's information on the state scoring sheets, Fullerton can anticipate 80/20 funding from the state, which is roughly \$32 million for this project. The next steps will be to submit the IPP. An additional State Bond will be needed to fund this project.

Question:

1. *Were there any faculty at the user group meeting for the instructional building?* Yes. There are meetings scheduled out for the summer that include faculty members.

Anaheim Campus – Fred Williams provided a facilities update for the Anaheim Campus. The 7th floor is anticipated to move during the summer. Once the 7th floor move takes place, the 10th floor move will begin. Contractors will do an evening shift to mitigate noise levels during work hours. The 5th floor is on time with the 7th and 2nd floor. The goal is to have the 7th, 10th, 2nd, and 5th floor completed. Modifications will begin on the 1st floor after the initial move to the 10th floor.

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

Next Meeting: The July 9, 2018 meeting was cancelled. The next meet will be held on August 13, 2018.