

COUNCIL ON BUDGET AND FACILITIES

April 11, 2016
2:00 p.m.
Anaheim Campus Room 105

Videoconferencing of the meeting will be available at Cypress College Room 301 and the Fullerton College President's Conference Room A

AGENDA

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|------|--|-----------------------------------|
| I. | Approval of March 14, 2016, Summary Notes (Action) | Irma Ramos |
| II. | Budget Update | Rodrigo Garcia |
| III. | Bond Update | Rick Williams |
| IV. | Extended Day | Cherry Li-Bugg
Lorenze Legaspi |
| V. | Other Items (Discussion) | Irma Ramos |

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.

COUNCIL ON BUDGET & FACILITIES

March 14, 2016

UNAPPROVED SUMMARY

Members Present: Karen Cant, Rodrigo Garcia, Adam Gottdank, Jolena Grande, Tina Johannsen, Lorenze Legaspi, Elaine Loayza, Rod Lusch, Sandra Palmer, Justin Richardson, Pete Snyder, Richard Storti, Olivia Veloz, Tanya Washington

Absent: Brian Fahnestock, Ian Kolaja, Cherry Li-Bugg, Irma Ramos

Call to Order: The meeting was called to order at 2:04 p.m. by Acting Chair Rodrigo Garcia.

- I. **Summary:** The summary of the February 8, 2016, meeting was accepted as submitted.
- II. **Budget Update:** Mr. Garcia noted that a few weeks ago the Recalculation came out for 2014 15; analysis shows that at P2 we had over 1,100 unfunded FTES and we did receive additional funding for 2014 15 a little over 520 FTES as well as the deficit factor at P2, which was a little over \$500,000, completely went away and we believe it is because so many other schools did not meet their growth target and the money was redistributed. It looks like we have close to \$3 million in one-time funds that will be rolled into this current budget. Mr. Garcia stated that around February or March we find out what we actually received in the previous years which means that the Recalculation should not change whereas P1 and P2 are the best guess at that time and are subject to change. P1 came out we currently have zero unfunded FTES which is good; we had budgeted 3.6% growth in the budget yet we have only reached 2.88%. We still have P2 to see if we can make up that difference if not that is what we're looking at. Our cap was 5.25%. The current deficit at P1 is \$2.4 million and most likely that number will go down.

For the 2017-18 budget year the system has an estimated growth of 2% which is roughly 3.5% for the District; sometime in April we will get what our actual growth cap is. At Chancellor's Staff they talked about a 1.35% growth which is made up of up of 2% at Fullerton, 1% at Cypress, and zero growth at SCE; we will be well below our cap again this year. Cost of living adjustment (COLA) dropped to .47% and it may be cut in half again to .25% before the May revise. They did talk about a base augmentation similar to the one we received last year in the estimated amount of \$8.1 million which was allocated to pay all the current and future PERS and STRS increases. The Chancellor's Office mentioned that there could potentially be another \$50 to \$100 million increased system-wide. We will know more in the upcoming months especially as we get to the May revise. Next month Mr. Garcia will bring the budget assumptions to the next meeting as well as the new extended day allocation model.

- III. **Bond Update:** Mr. Garcia reported the following:
 - ❖ The District hired two underwriters, Morgan Stanley and Piper Jaffray, and had a kickoff meeting with them and the financial advisor on March 22; the District plans to issue bonds sometime in May or June. At the current time, all projects at Cypress College are moving forward and none of them are being stopped or held back as the District is advancing all of the funds necessary. The \$100-\$150 million should cover approximately two years' worth of projects before we go out for another issuance.
 - ❖ Cypress College and the District have been visiting various community colleges to learn about recently constructed science and math buildings.
 - ❖ The 2016/21 Five-year Construction Plan is underway. High priority project for Cypress College is an updated FPP for Arts project which is in progress. High priority project for Fullerton College to be determined.
 - ❖ The draft EIR prepared by Dudek was distributed to the District and colleges for first review.
 - ❖ District Retreat for Measure J bond program is scheduled for April 22 at Fullerton College.

- ❖ MAAS Program Managers shared the new Measure J Bond Update Report to the Bond Oversight Committee. The new format was approved and will soon be added to the District's website with quarterly updates to show planned projects, project updates and completed buildings.

Dr. Richard Storti reported that Fullerton College is continuing with updating their Facilities Master Plan and will not begin any projects until the plan is completed. Drs. Schulz & Storti have been meeting with community members to talk about our plan and are in the process of presenting the Facilities Master Plan to key stakeholders on campus to get endorsements because when we start with the most current accurate information we want that support behind the program. We have also been meeting with Maas on a regular basis and have developed a 20-year projection with preliminary costs related to project construction and close out. After the Board accepts the Master Plan, we will begin the EIR study.

- IV. **Institutional Effectiveness Partnership Initiative Goal Setting:** Mr. Garcia explained that there are a number of metrics in the District-wide Institutional Effectiveness framework of Indicators increased from eighteen to twenty-two and the number of metrics to be adopted increased from four to eight. Of the four goals, two were District-wide and these two goals changed slightly from the previous year. Last year, the audit findings goal was to be looked at as a whole (Financial, Federal, and State Audit). This year the audit findings was broken out into: (1) Financial Audit – unmodified; (2) State Compliance – no findings; and (3) Federal Compliance – no findings. Mr. Garcia also mentioned that there is no difference between unmodified and no findings and that we did meet our goals for last year. **The District-wide institutional effectiveness goals received unanimous consensus and will be forwarded to DCC for approval.**
- V. **Other Items:** Mr. Garcia shared that we are in the last year of our audit contract and that we received responses to an RFP and we will be interviewing new auditors next week for the 2016-17 year. Normally the contract is for three-years with an option to renew for two years. The next meeting will be April 11, 2016.

Adjournment: The meeting adjourned at 2:42 p.m.

***North Orange County Community College District ***

Extended Day Funding Model (FY2016-2017)

FY 2016/17 FTES Targets

	FC		CC		SCE		Total	
2016-17 FTES Targets	19,356.46		11,776.82		5,600.00		36,733.28	Growth over 2015-16: FC 2%; CC 1%; SCE flat with the revised 15/16 target
	53%		32%		15%			
FTES Generated by FTF								
Total FTF	356.00	100%	224.00	100%	29.00	100%		
Less: Counselors	(35.00)	-10%	(22.00)	-10%	(10.00)	-34%		
Less: Librarians	(7.00)	-2%	(6.00)	-3%	-	0%		
Add: Teaching Counselors & Librarians	1.98		1.46		-			
Teaching FTF	315.98	89%	197.46	88%	19.00	66%		
Less: Reassigned Faculty	(17.80)	-5.0%	(11.20)	-5.0%	(1.45)	-5.0%		District proposes maximum 5% of total FTF to be funded as reassigned time
FTF Generating FTES	298.18	84%	186.26	83%	17.55	61%		
FTES Generated by FTF								
Annual Instructional Hours / FTF								
Credit (30 LHE x 17.5 Hrs/LHE)	525.00		525.00					
Noncredit (173 contract days x 5 hr daily load)					865.00			
2 Year Avg Class Size	30.50		30.70		25.26			
Class Size Standard - FTF	32.00		32.00		27.00			Class size - colleges: 32.00, SCE: 27.00
5 Year Avg WSCH per FTEF	474.35		453.64					
FTES Generated per FTF	32.00		32.00		44.49			
FTES Generated by FTF	9,542		5,960		781			
FTES Generated by Adjunct Faculty								
Hours / FTES	525		525		525			
Hours Generated by Adjunct	5,152,717.50		3,053,662.50		2,530,119.75			
Class Size Standard - Adjunct	32.00		32.00		27.00			
Total Adjunct Hours	161,022.42		95,426.95		93,708.14			
Average Adjunct Hourly Rate (Column II, Step 3)	\$ 60.27		\$ 60.27		\$ 50.81			Average of Column II, Step 3 lecture/lab rates divided by 17.5; non-credit rate as posted; overload rate is average of Column III lecture/lab rates. 6%
Adjunct ED	\$ 7,278,616		\$ 4,313,537		\$ 4,523,245			
Average Overload Rate	\$ 62.71		\$ 62.71		\$ 62.71			
Overload ED	\$ 2,524,429		\$ 1,496,056		\$ 293,822			Credit colleges: 75/25 between adjunct and overload; SCE: 95% adjunct, 5% overload
Total ED (before program based funding)	\$ 9,803,045		\$ 5,809,593		\$ 4,817,067		\$ 20,429,705	
	48%		28%		24%			
FTES Rate	\$ 998.81		\$ 998.81		\$ 999.54			

Program Based Funding

Retention rate								Proportionate allocation based on FTES for 2016-2017
Completion rate								
Funding	\$ 1,317,365		\$ 801,509		\$ 381,126		\$ 2,500,000	
Prior year substitute actual	64,973		119,696		73,041			
Net ED - New Model	11,185,383.57	-	6,730,797.78	-	5,271,233.66	-	23,187,415.01	
	48%		29%		23%			