

COUNCIL ON BUDGET AND FACILITIES
October 14, 2019

APPROVED SUMMARY

Members Present: Josh Ashenmiller, Pete Christenson, Terry Cox, Christie Diep, Lisa Gaetje, Rodrigo Garcia, Craig Gorlaski, Sharon Kelly, Tina McClurkin, Melisa McLellan, Kim Orlijan, Irma Ramos, Jason Thibodeau, and Kashu Vyas

Members Absent: Cherry Li-Bugg, Alex Porter, Pamela Spence, Fred Williams

Guests Present: Richard Fee, Raine Hambly

Call to Order: The meeting was called to order at 2:07 p.m.

1. **Summary:** The summary of the September 9, 2019 meeting was approved with no changes. New DMA President, Lisa Gaetje, was welcomed to the group.
2. **Purpose, Function & Guidelines:** Because of questions from members about the responsibilities of CBF, the purpose, functions, and guidelines were reviewed with the group. The following determinations were made:
 - a. Per one of the committee functions, CBF is charged with reviewing the budget assumptions, not approving the budget.
 - b. It was realized that not all faculty presently serving on the committee are voting members (four voting members, but six attend meetings). Faculty were asked to decide which of them will be the voting members.
 - c. Members would like a better sense of their role when items come before them, so in the future agenda items will be identified as informational only or action items.
 - d. The consensus voting method described in the guidelines was reviewed so that members have a better understanding of it.
 - e. Since CBF is a DCC committee, items that are voted on in this committee are recommended to DCC where final decisions are made before going to the Board.
 - f. There were many questions about the size of the ending fund balance, specifically about how the ending balance got so high. Historical data and more explanation on details of carry-overs will be brought to the next meeting.
 - g. It was pointed out that any wording in the document that refers to School of Continuing Education needs to be updated to NOCE.
3. **Fiscal Solvency**
 - a. **Fiscal Health Checklist (Internal Audit)** Referring to the handout in the agenda packet, Kashu Vyas presented the "Internal Review of Management & Accounting Controls for Fiscal Accountability" report to the group. She stated that we do the checklist because we are fiscally accountable to the County. She reported that the findings determined that the District is consistently in compliance with each of the standards. There was a question about the reserve and that we have too much. Kashu explained that the reserve the audit is referring to is the reserve of 5% that the Board has set as our contingency reserve.

- b. **FCMAT – Fiscal Health Risk Analysis** Kashu Vyas also reported on Fiscal Health and Risk Analysis for Community Colleges, a survey developed by the Fiscal Crisis & Management Assistance Team. The purpose of the analysis is to help evaluate a community college’s fiscal health and risk of insolvency in the current and two subsequent fiscal years. NOCCCD’s score was 13% which means the District is considered to be low risk. Questions about the report, which Kashu will follow up on for the next meeting, were as follows:
 - i. Why are answers to numbers 9.4 and 9.5 no?
 - ii. For 12.2, what is the “%” compared to the State?

4. Budget Update

- a. **Budget Calendar** The calendar for the 2020-21 Budget was presented to the group. Kashu Vyas pointed out that the State provides information for the 2020-21 budget in January, with CBF reviewing the Tentative Budget Assumptions and Board priorities in March, April, and May. If the State changes the funding, the information will be shared at CBF.
- b. **One-time Funding** Kashu Vyas presented the information that came out of DCC for one-time funding suggestions and the Allocation of One-Time Funds by Budget Center as of September 23, 2019. This is being shared as informational only because the charge for one-time funding suggestions went out to the campuses through their constituents directly from DCC.
 - i. There was a question about \$200,000 in Professional Development being allocated to the District when Cypress was only allocated \$25,000. Rod explained that Professional Development at the District has not been institutionalized, where PD at the campuses has. Thus, the \$25,000 being allocated to Cypress is in addition to PD funds they have already been allocated, where the District has not had any PD funds allocated previous to this one-time funds allocation.
 - ii. Members were urged to bring forth their ideas for one-time funding requests to future CBF meetings, similar to what budget officers Garcia and Porter are doing today (next agenda item).

- 5. **2019-20 One-Time Funding Requests** VPs Rod Garcia and Alex Porter submitted one-time funding requests, based on their five-year scheduled maintenance plans, for repairs that need to be completed, or at least started, in 2019-20. Cypress College is requesting \$7,557,000, and Fullerton College is requesting \$7,900,000. After an explanation from Rod and some group discussion, there was consensus for approval to send a recommendation forward to DCC for the one-time funding for Cypress and Fullerton regarding scheduled maintenance needs totaling \$15,457,000. It was also agreed that Rod and Alex will go to DCC to explain the recommendation being submitted by CBF.

- 6. **Resource Allocation Model** Kashu Vyas presented the most recent projections from the Resource Allocation Workgroup on the new proposed Resource Allocation Model, with a comparison between the old and new models. The main difference is where the revenue is allocated and that the net (excess) sits at the campuses at the end instead of at the District level. Work on chargebacks is still being done. The workgroup will meet again on

November 19, so updated projections will be brought back to this group at the December meeting.

7. Position Standards

- a. Position Listings** This information was pulled from the Proposed Budget Book, and is being shared with the group because of prior questions. This information will be shared with the Board as well.
- b. Subcommittee Recommendation on Calculations – Update** Last year, CBF created a subcommittee that consisted of Rodrigo Garcia, Fred Williams, Kashu Vyas, and Marcus Wilson, who met to talk about the best way to look at salaries since our District was among the highest on the list of salaries as a percent of earned revenue. The “Salary as a Percent of Earned Revenue Calculator” was created to help us understand the calculations.

8. Bond Update Rodrigo Garcia reported that construction plans for the Instructional Building are moving along as planned, with ground breaking still set for January 2020. The 300-500 project is in DSA and will go to bid in the year after the Instructional Building is done.

9. Next Meeting: December 9, 2019

Adjournment: The meeting was adjourned at 4:20 p.m.