

COUNCIL ON BUDGET AND FACILITIES
December 9, 2019

APPROVED SUMMARY

Members Present: Josh Ashenmiller, Pete Christenson, Terry Cox, Christie Diep, Rodrigo Garcia, Craig Goralski, Sharon Kelly, Melisa McLellan, Kim Orlijan, Alex Porter, Irma Ramos, Pamela Spence, Kashu Vyas, and Fred Williams

Members Absent: Lisa Gaetje, Cherry Li-Bugg, Tina McClurkin, Jason Thibodeau

Guests Present: Jeremy Peters

Call to Order: The meeting was called to order at 2:08 p.m.

1. **Summary:** The summary of the October 14, 2019 meeting was approved with changes.
2. **2019-20 One-Time Funding Requests:** Discussions about one-time funding have been going on for the last year, and information about one-time funding was shared with Board of Trustees at the Study Session on November 19, 2019; Fred Williams provided handouts of what was shared with the Board. Referring to the one-page handout, One-time Funding Allocation Recommendations for 2019-20 and 2020-21 total \$74,500,000. Since this is the last CBF meeting of the year, the further discussion is being put on hiatus until we return in the Spring. The direction that we are likely headed in is that portions will be allocated to the sites based on a variety of factors such as: being a site, based on FTES, or based on certain categories, and another allocation for District-wide. There was not much direction from the Board on how to allocate the funds.

Inquiries regarding the handout included concern about tying up \$30 million to create a trust (what's the return), the one-time monies being put aside for an off-schedule increase, and the order of priorities on the list. One member stated that student success, student basic needs, and ADA compliance issues should be our top priorities. Cypress, Fullerton, and the Anaheim Campus are working on their lists of ADA issues using scheduled maintenance funds that they have already been allocated, but their needs are much more than their allocations. Fred pointed out a one-time funding allocation has not been approved by CBF for the Anaheim Campus. There was a suggestion that each campus be allocated \$10 million to cover their ADA needs.

It was suggested that CBF set some guiding principles for one-time funding requests because there is concern that some the items on the recommendation list have not been vetted at the campuses.

Fred asked for some direction on the last item on the list "Reserves – Categorical Backfill." More and more people are being hired using categorical funds (soft money) because we're receiving so much of it, but when the economy takes a hit, those are the first funds to go away. Rod Garcia voiced concerns because we take a hit with the State when we cover categorical positions in bad times with other funds (such as one-time funds).

When CBF starts up again in the Spring, we will bring the discussions back about creating guiding principles for one-time funds that will include tying requests for funds to student

success, getting the dollars to the campuses, and making a decision on categorical backfills. We will also look at the categories (maybe make three categories), and take a stab at how much or what percentage should go in each category. Hopefully, we can come up with a recommendation for DCC by the end of our next meeting.

There were additional questions about the proposed trust, and a suggestion was made that the Academic Senates discuss the proposal at their meetings when they return in the spring.

- 3. Resource Allocation Model:** Kashu Vyas provided a one-page handout that is the culmination of what the Resource Allocation Workgroup has done to date; this handout has been shared with the Board. The group has a few loose ends to tie up regarding the chargeback methodology, and then will be ready to submit their final recommendations to CBF. At their last meeting they did complete their discussions on what percent the campuses would allocate to “Districtwide”, and their recommendation will be 9.25% instead of the 10% they started off with. Fred reminded the group that this model does not change the amount of revenue or the amount of expenditures; they’re just viewed in a different format and distributed differently. Changing the Resource Allocation Model will improve transparency because allocation of revenue is easily explained.
- 4. Bond Update:** Per the last Citizens’ Oversight Committee meeting, we are officially done with Measure X (pending audit report), and Measure J is continuing. At the Anaheim Campus, floors 7 and 10 are finished, but work still needs to be done on the 2nd floor deck.

Alex Porter reported that work on the SEM and VRC at Cypress is progressing well and on schedule; the bridge portion of the pond has been completed; the long list of scheduled maintenance projects will be worked on during the summer; and work on the baseball clubhouse will also be done over the summer. Lastly, we’re waiting to hear back from the State Chancellor’s Office on funding for the Fine Arts Building project.

Rodrigo Garcia reported that construction plans for the Instructional Building (new home to Humanities) and the Central Plant are moving along as planned, with ground breaking set for February 2020. The 300-500 project (50/50 state bond project) was approved by DSA last month and will go to bid in the year after the Instructional Building; we have to wait until the Humanities Building is done because of swing space issues. One of the summer projects is to build a new sewer line between the 300 and 500 Buildings because we’re always having issues with it. They also have a proposal at the State Chancellor’s Office for the Performing Arts Complex and should have an answer by February; it would be an 80/20 project (80% by the State and 20% Bond). Some property south of Wilshire that the District owned has been sold, and the two houses on Chapman determined to be historical will be moved to that property by the buyer.

The Network Refresh project is moving forward and we should see progress soon; materials totaling about \$19.2 million have been purchased recently.

- 5. Other Items:** Kashu Vyas distributed a three-page handout to the group to answer questions that were raised at the last CBF meeting; she briefly described what was in the handout.

6. Next Meeting:

The next meeting will be Monday, February 10, 2020 since faculty will still be out on winter break on January 13, 2020.

Adjournment: The meeting was adjourned at 3:53 p.m.