

COUNCIL ON BUDGET AND FACILITIES

December 10, 2018

APPROVED SUMMARY

Members Present: Josh Ashenmiller, Terry Cox, Richard Fee, Rodrigo Garcia, Craig Gorklaski, Cherry Li-Bugg, Irma Ramos, Justin Richardson, Leslie Tsubaki, Fred Williams, Marcus Wilson & Kashu Vyas

Members Absent: Bryan Seiling, Rod Lusch, Tina McClurkin, & Kim Orlijan

Call to Order: Irma Ramos called the meeting to order at 2:08 p.m.

I. Summary: The summary of the October 8, 2018 meeting, was accepted. A note was made that Craig Gorklaski was inadvertently left off of the members absent list and will be added.

II. Status of CBF Memberships – Associated Students at each campus is still vacant. CSEA is still missing representation.

III. Budget Update

Faculty Obligation Number (FON) Calculations – A PowerPoint on the FON calculation was shared by Fred Williams. The Chancellor's Office had significantly higher numbers than the District's advanced calculations. The numbers projected by the Chancellor's Office were based on the assumption of growth and restoration, calculating 126 new hires. However, the District's calculation of 65 new hires removed these factors based on credit FTES to determine a lower estimate for fall 2019. On December 10, 2018 a regional workshop was held to provide information on the new funding formula. Further research is still needed regarding the three-year average and funding by the Chancellor's Office, therefore the District's FON will not be known until next year for 2019-20.

Based on the District's target FTES and FON calculation, there was a decision to hire 45 faculty in the first round. Based on the District's P1 report, a determination will be made on whether additional positions will be needed.

Questions/Comments:

1. *When are the P1 numbers due?* The P1 numbers are submitted mid-January. The P1 results have an annualizer built in and numbers are still estimated, as there is typically a declining enrollment trend in the spring versus the fall.
2. *If there is a decision to add more hires in the spring, ideally divisions would like to be notified the Friday before instruction begins, January 25th, as many division meetings are held and information on hiring would benefit the divisions to prepare for any new hires.*
3. *Is there any concern of possibly going over our FON, based on funding and enrollment numbers? When will it be determined whether or not we went over or under?* There is a possibility of going over, but we feel the decision to hire 45 positions is a safe number based on our current numbers and the District can hire more, if needed. The final number for 2018-19 will come in October of 2019. Based on a recent calculation done by the District, the District has met the obligation for fall 2018.

4. *How quickly are we able to hire?* It is dependent on communication and timing. We are hoping to provide the campuses and departments with information on their hiring needs in January.

Use of One –Time Funding – A handout showing an analysis of the District’s ending balances was shared by Fred Williams. The handout outlines the unallocated resources and PERS and STRS dollars that have been accumulated. Chancellor’s staff has been making recommendations and discussing considerations for the use of one-time funding. The analysis shows a concern of a future on-going structural deficit after the hold harmless period expires.

A topic of interest for Adjunct Faculty was professional development. Training that would provide adjunct faculty knowledge on what is needed to teach higher level education courses. The suggestion was noted. In addition, it was shared with the committee that the District recently negotiated a one-year pilot to provide a paid training on sexual harassment at all of the campuses for adjunct faculty. Members also noted that curriculum timelines for each department and campus vary, a large component to consider. Allocating money to the campuses and allowing them to disperse the money accordingly based on needs and taking the training proposal through the campuses instructional departments was suggested. Proposal will be taken to Chancellor’s Staff for further discussion.

Standards for Personnel – Salary and benefits is a major topic amongst Chancellor’s Staff and the Board. Ideally, districts like to see no more than 85% of the total expenditures and transfers out spent on salary and benefits. Based on current scenarios, focusing on on-going dollars for salary and benefits versus on-going revenues, the District is at 91%. A discussion took place on forming a small sub-committee to formulate alternative scenarios as a baseline for the District’s salary and benefits calculation.

Questions/Comments

1. *How was the 91% calculated?* Dollars spent, total expenditures and transfers out versus the amount spent on salary and benefits. While many of the expenditures are on-going, the group would help refine the formula. The idea of creating the sub-committee is to formulate a consistent and accurate formula for comparison purposes rather than manipulating major numbers to get the percentage down, which is not sustainable. A subcommittee was formed of the following people: Fred Williams, Kashu Vyas, Rod Garcia, Justin Richardson, and Marcus Wilson. A subcommittee meeting will be scheduled and information brought back to Council on Budget and Facilities at a further date.

Allocation Model/New Funding Formula – Previously the Resource Allocation Workgroup was using the State’s SB361 model to develop a model to allocate resources. The new current State formula is extremely complicated. A calculating tool was provided to assist Districts in calculating resources based on data. Portions of the District’s 2017/18 data was provided and based on the numbers and calculator, the new funding formula would theoretically effect our current funding; however, with the hold harmless, we will not see any changes for several years. No living wage or transfer information has been shared at this time. All other matrices for 2017/18 have been shared. The accuracy of numbers cannot be confirmed at this time. The District’s hold harmless

is estimated at \$10-12 million for the next few years. Cambridge West has been contracted as a consultant to support the District with the new funding formula. Cambridge West will be focusing on the breakdown of the funding by campus and creating a standard model that will incorporate campus anomalies.

A review of the current/past Resource Allocation Workgroup (RAW) members were reviewed. Kashu Vyas will follow-up with members that have not confirmed their participation. Victor Manchick will be added to group. It was determined that the first meeting will be scheduled for February 12, 2019.

Kashu Vyas also provided the committee with an audit update. Recently the District submitted the annual audit report and both the District and Bond report came back clean with no findings. There will be a presentation at the December 11, 2018 Board meeting on the audit report. Ms. Vyas shared that there were programming issues with the 320 FTES Audit reporting, with classes and data being entered into the database system to calculate FTES. Dr. Li-Bugg shared that additional attendance accounting training will be offered at the campuses to ensure that all sections and programs are accounted for to obtain maximum FTES. Overall, the District will be reviewing how to maximize our FTES, funding in other areas, and areas to improve on.

Questions/Comments

1. *Any idea what to expect from the Governor?* An article recently released mentioned that the Governor's focus is on Pre-K education and Medicare. He has also stated that he has made a decision to hold the line for spending. There has been discussion on additional PERS and STRS money, which would benefit our District, as on-going funds, as we have already allocated money for PERS and STRS.
2. *Who is reviewing the criteria for the funding formula? What systems are set up to maximize the number of degrees awarded?* Dr. Li-Bugg shared that there is an audit awarding system, a degree audit that provides the District with data on students who are close to receiving a degree/certificate. A workgroup, study session that has been created for the audit, however, it will be up to the instructors to use that data to their benefit.
3. *NOCCCD has additional requirements for awarding degrees and certificates, how can we maximize our numbers? Is it possible to standardize our requirements to award more?* Currently we are submitting MIS data as a procedure, but further investigation needs to be done in each specific area to see whether or not our data is correct. Small workgroups have been created and the District's Internal Auditor is reviewing our MIS submission process to provide feedback and suggestions to improve.
4. *How do we address funding and the new concern on certificates while keeping the academic reputation of the District?* Currently, the District is looking into using the existing courses and programs and ways that can stack certificates for additional credit, not creating new certificates. We are reviewing how the courses are being recorded and documented. Attendance accounting training will be taking place, to get maximum FTES.

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

Cypress College – Fred Williams provided a facilities update for Cypress College. Currently in the bidding process for the SEM/VRC projects. The VRC project is on budget. While \$3 million in changes have been backed out of the SEM project it is over budget by roughly \$1 million.

Anaheim Campus – Fred Williams provided a facilities update for the Anaheim Campus. The 7th floor construction is completed. The 10th floor framing and drywall is 90% complete and is expected to be completed in early spring. Five proposals for Network Refresh were received and interviews are scheduled to commence the week of December 10th. Destructive testing took place on the upper deck parking lot. The deck will need to be stripped completely and replaced. This is estimated to be a \$10 million project.

Rick Williams is on a taskforce for the Chancellor's Office regarding State funding for the qualifications for State construction projects. There is a concern with the possibility of a new scoring metrics for proposals. The District may need to resubmit proposals for the Cypress College Fine Arts Project and the Fullerton College Theater project. No information on the scoring criteria and when it will be implemented has been released, however, the process could cost the District a significant number of dollars to resubmit.

Fullerton College - Rodrigo Garcia provided a facilities update for Fullerton College. Instructional Building - The Design Development phase has been concluded and received building user group approval. The Construction Documents phase is in the beginning stages and expected to conclude in March/April of 2019.

Chiller Plant - Currently, Fullerton is looking into the possibility of expanding the scope of the current project from installing a single chiller and cooling tower with infrastructure for future expansion to a full expansion of installing three chillers and cooling towers at once.

300/500 Buildings - The Construction Documents are 60% complete, with an expected 100% completion in January 2019. DSA submittal is expected in March 2019. The sewer line for these buildings is being redesigned. The Design Documents for the sewer line are in progress and construction is expected to occur in the summer of 2019.

Questions/Comment:

1. *Is it possible to include larger work areas in the spacing/office standards?* While it would be ideal to have larger work spaces for instructors, there are additional requirements and guidelines that must be met before additional space can be awarded.

Adjournment: The meeting was adjourned at 3:51

Next Meeting: January 14, 2019