

COUNCIL ON BUDGET AND FACILITIES
February 10, 2020

APPROVED SUMMARY

Members Present: Josh Ashenmiller, Pete Christenson, Terry Cox, Christie Diep, Richard Fee, Lisa Gaetje, Rodrigo Garcia, Craig Goralski, Cherry Li-Bugg, Melisa McLellan, Kim Orlijan, Jeremy Peters, Alex Porter, Irma Ramos, Pamela Spence, Jason Thibodeau, Kashu Vyas, and Fred Williams

Members Absent: Tina McClurkin

Guests Present: Lisa King

Call to Order: The meeting was called to order at 2:05.

- 1. Summary:** The summary of the December 9, 2019 meeting was amended and approved.
- 2. Governor's Budget:** Fred Williams provided a PowerPoint presentation on the 2020-21 Governor's January Proposed Budget.

The January Proposed Budget is showing that there will be additional dollars. A COLA of 2.29% which equates to \$167.2 million, COLA for select Categorical programs is \$9.2 million and growth funds is .5% which is \$31.9 million.

Updates on the Student Success Funding Formula – There is no additional metrics for 2020-21. No Hold Harmless will be added for the 5th year and it is proposed to add a metric for 1st generation students in the future. Districts are expected to receive the funding rates for 2018-19 and 2019-20 by mid-February.

There is the possibility of new money for apprenticeship funding that would increase instructional hours, provided new opportunities, and provide work based learning models.

There are possible funding shifts with the following categorical programs: Student Equity & Achievement programs, Foster Youth, CCC Strong Workforce, Institutional Effectiveness Partnership initiative, integrated technology, transfer education & articulation, expanded delivery of course through technology, and statewide media campaigns. Further details are still needed to know exactly how the money will be consolidated and disbursed.

Facilities includes \$27.6 million in Proposition 51 Capital Outlay funding to support 24 new projects at the campuses in 2020-21, which include the Fullerton 300-500 renovation (\$14.6 million) and Cypress Fine Arts renovation preliminary plans and working drawings (\$1.5 million). Proposition 13 will be on the voting ballot for March for the State Bond, that could be funding for our projects. Additional monies are proposed to be distributed to other programs such as deferred maintenance & instructional equipment, fellowship program, food pantries, part time office hours, developing and implementing zero-textbook-costs, legal services to immigrant students, faculty, and staff, Dreamer Resources Liaisons, and materials for dual enrollment students. More details are expected to be out with the May Revise.

Some of the major take aways from Proposed Budget is that there was a slight error in the Prop 98 split for community colleges, which will be corrected in the May Revise. LAO prefers to contribute to something like the PERS/STRS buy down rather than the small one-time funding pots. The economic forecast is stable and does not foresee a recession in the next 12 to 18 months. The SCFF subcommittee recommended another year of hold harmless, however, they

are currently looking at districts that benefited from the shift and hold harmless dollars, such as ours, and may determine that these districts would not receive additional funding.

Questions/Comments:

1. *Why is there such a delay in receiving the funding rates?*
Attendance numbers are a large factor. Sacramento also has a deficit for total dollars available for apportionment. Once the rates are approved, those will be the final rates moving forward.
2. *What is the timeline for the Cypress Fine Arts Renovation? When are working drawings going to start? Faculty should be included in the design process to give input for staff needs.*
Once the SEM building is complete, it will become the Fine Arts swing space. It will be an 18 month process. The state funding covers the architectural company and drawings. Further discussion will take place when scheduling details are planned.

3. 2019-20 One-Time Funding

Fred Williams provided the Committee with a one-page sheet on one-time funding. Since the last CBF meeting, the same information was shared at DCC to provide them insight on how the funds are being recommended for distribution.

Questions/Comments:

1. *Could you explain a little more on the implementation of the Educational Facilities Master Plan (EFMP)?*
There are major potential changes at the Anaheim Campus and possible changes at Cypress College that are not included in the Bond funds. The process is not complete. Dollars are being set aside for foreseen items that are not currently funded.
2. *There are two separate methods for the Student Success and Equity categories, FTES and Headcounts, what was the methodology behind that?*
NOCE has the largest head count, but does not have FTES counts.
3. *Could you please define what the note, "Dollars can be used over multiple years" means?*
The note was created with the expectation that the funds would be allocated next year and incorporated the anticipated length of time to complete a project. The Intent was that not all dollars would be spent this year.
4. *What is the decision making mechanism on how these pots of money are being spent? There should be timeframe parameters of when the money needs to be spent or when decisions need to be made.*
Timing is a large component. Last year, money was allocated to the campuses allowing them to use the funds as needed. The campuses went through their decision making processes and provided a 5-year detailed list of projects, which included ADA.
5. *Concern was expressed on how large sums of money were being allocated to areas that had no real concrete plan in place, for example, the idea of Cypress College purchasing additional property, when other areas have been clearly defined as to how monies were going to be spent.*

A recommendation was made to take the entire one-time funding list to DCC for approval. Consensus was not made by the committee.

Concern was addressed on monies being allocated to Student Basic Needs and the Educational Facilities Master Plan when the campuses have already identified projects that were not going to be funded. The vetting process for allocating money was also questioned. Rod Garcia reassured the committee that a list of items were brought forth to the committee last year, from both campuses, CBF approved and a recommendation was take to DCC for approval. DCC approved the amounts that the campuses proposed for Facilities Upgrades (ADA). However, additional areas were taken into consideration and money was reallocated to include Student Basic Needs and other areas.

Another motion was made to remove the line items for Student Basic Needs and Educational Facilities Master Plan and move forward with all other on-time funding allocations, with the request that the amounts for the Facilities Upgrades be reconsidered to match the previously submitted campus recommendation needs. A consensus was made by the committee to take the recommendation to DCC.

Categorical Revenues and Expenditures - Fred Williams provided a one-page sheet on trending revenues and expenditures. As Categorical programs continue to grow, more staff are being hired using these funds (soft money). The concern is when there is an economical downfall, Categorical Funds are the first to disappear. By increasing the reserve by \$5 million, this would provide the District with a transition period. The \$5 million would bring the combined Board Policy centering on categorical reserves to approximately 7.5%

Question/Comments:

1. *This lists includes professional experts and anything related to grants?*

Yes. A breakdown of temporary positions will be provided at the next meeting.

Adjunct Faculty Proposal - The proposal included a one-time bonus distributed at the month-end payroll for March in the amount of \$1,000 per employee, regardless of current pay and would not be included in any bargaining unit contract.

It was clarified that any type of monetary increase or change would need to be negotiated and included in each bargaining unit contract.

3. IT Funding Request:

District-wide IT costs inclusive of software, hardware, licenses and maintenance agreements have always been incorporated into the District IS budget. Over the years, as the use of information technology grew, the costs grew in parallel fashion. Information Services came before this committee three years ago to request a budget augmentation and it was approved using one-time funds. However, the costs for District-wide information technology services and products continued to expand significantly over the past three years such that the budget is significantly out of line with costs. Dr. Cherry Li-Bugg provided the committee with a detailed list of expenses.

A recommendation for future action was to separate Information Services budget from District-wide IT budget, to create a separate org for District-wide IT costs. District-wide costs consist of expenses that are used District-wide, all four entities use the software or equipment, etc.

From 2018-19 to 2019-20 there is a drop in obligations and budget due to a previously paid contract.

After review, it was suggested that a cap be put in place for the carry over variances. It was also recommended that the Technology Coordinating Council (TCC), an additional entity or oversight, review the list in detail to see if any costs could be consolidated or if items were still necessary.

This item will be brought back to CBF at the next meeting for additional discussion and action.

- 4. P-1 Report** – Kashu Vyas reported that the P1 report had been submitted. FTES targets were set at the campuses. There was note that Cypress adjusted it's targets down during the preparation of the proposed budget. The adjusted targets were close to the current actual numbers and would result in Cypress being shown closer to their expectation. This is the first time reporting Special Admit FTES at P1. Will be determining an annualization method for this in the future.

- 5. Bond Update**

Cypress College – On February 25th an item will be taken to inform the Board of the progress for the Instructional Building. The cost is less than what was approved for the Guaranteed Maximum Price (GMP). The VRC/SEM project is on track. A few additional changes are needed for the Veterans' Center and will be taken to the Board for approval.

Fullerton College – The new Instructional Building ground breaking ceremony is scheduled for February 20, 2020.

Anaheim Campus – There was nothing to report at this time.

- 6. Next Meeting:** The next meeting will be Monday, March 9, 2020.

Adjournment: The meeting was adjourned at 4:14 p.m.