

COUNCIL ON BUDGET AND FACILITIES
October 11, 2021

APPROVED SUMMARY

Members Present: Terry Cox, Rodrigo Garcia, Craig Goralski (alternate), Monica Hagmaier, Raine Hambly, Jennifer Merchant Fola Odebunmi, Jennifer Oo, Kim Orlijan, Marlo Smith, Leslie Tsubaki, and Kashu Vyas

Members Absent: Damon de la Cruz, Cherry Li-Bugg, Alex Porter, Irma Ramos

Guests Present: Jennifer Combs, Jeremy Peters, Richard Williams

Call to Order: The meeting was called to order at 2:04 p.m.

1. **Summary:** The summary of the September 13, 2021 meeting were approved.

A request was made to provide additional language in the summary notes related to prior discussions on the Board's decision to decline additional Full-time Faculty funding available in the State Budget. Notes from the July 12, 2021 meeting reflected discussions at CBF and were provided to Committee members for review.

Additional information related to the discussion and the Board of Trustee's decision to decline the funding are also reflected in the Board Minutes from the August 24, 2021 meeting. It was also noted that acceptance of this funding came with a requirement to increase the District's Faculty Obligation Number (FON).

2. **Calendar for 2022-23 Budget:** The calendar for the 2022-23 budget highlights significant dates related to budget preparation, including dates for presentations of the tentative budget, required public hearings, Board study sessions, and approval of the final budget.
3. **RAM Evaluation** – In fiscal year 2020-21 the new Resource Allocation Model (RAM) was implemented. On September 27, 2021, DCC approved the RAM Handbook. Per the Handbook, "In October of each year, the Council on Budget and Facilities will evaluate the allocation model for both the process and those allocations that are formula driven and will prepare a report to the District Consultation Council." A report was provided to the Committee for review and evaluation of the model.

Two major components were used to evaluate the model, the methodology applied to the Budget Centers and any formulated allocations. As a result, the following data was shared with the Committee:

- The process used to develop the budget within the RAM appears to have generally worked as intended with all budget centers being able to manage their own activities.
- The allocation formulas also appeared to be generally equitable with regards to expected activity.

Based on activity noted throughout the year, changes were made to the formula:

- When calculating the SCFF allocations for Credit FTES, the RAM used only a single year. This resulted in changes in ratios that skewed funding between the colleges. The Budget Officers proposed that the same 3-year average that was used for the Districtwide calculation within the SCFF be applied to the campus allocations. Doing so appeared to

help smooth out the impact of single year changes and the budget officers were satisfied to implement this change on a go forward basis.

- The Districtwide RAM SCFF continues to be based on the actual final FTES numbers. Any additional funding due to participation in the Emergency Conditions Provision (see below) and Hold Harmless continues to be considered separately from the RAM's ongoing structure.
- The District elected to continue to participate in the Emergency Conditions Provision which holds our FTES to the 2019-20 P1 levels for funding purposes. Funding received above the earned SCFF RAM calculations was also allocated as supplemental revenue to the 3 campuses. District Services chose not to participate in those additional revenues.

In addition, an analysis of the proposed budget and year end actuals (settle-up) were provided to the Committee. Based on staff assessments, many of the planned/anticipated expenditures related to the pandemic were not used and additional federal funding was provided to the campuses and used to backfill local revenues, leaving a net available revenue of \$12.6 million. Under unique circumstances, unusual activities took place, therefore, no adjustments were made to the 2021-22 budget. The overall Budget Allocation Model continues to identify budget by budget centers and allows them to control their activities.

Questions/comments:

1. *Are we able to use excess carry over dollars to cover deficits? It seems like the carry over dollars are placed into a one-time funding pot. Would the structure look similar to the surplus of money that the analysis is currently showing if we were able to use carry over dollars?* The budget centers are responsible for their own activities and have the ability to use their carry over funds or other funding sources to cover any projected shortfalls. While there is a current surplus, position control is the driving force for the overall budget (90%), while the operating expenses account for a small portion of the budget (10%). The District has been fortunate to continue to be held harmless and to have received emergency provisions funding, however, these monies are still considered one-time funding sources.

A five-year budget projection, based on trends, is currently in the works and will hopefully be available to share at the next CBF meeting.

Recommendation – *Consensus was reached to provide the report to DCC. Nine members approved and one member remained neutral.*

4. **One-Time Funds** – A summary of the One-time Funds Allocations was provided to the Committee for review and discussion for future allocations.

Dr. Goralski made a recommendation to use one-time funds to support student housing and noted the importance of having initial discussions at the Campus-based and District-wide governance groups before any formal plans are submitted to the State. It was also suggested that student housing be looked at from a Districtwide perspective to ensure all campuses had an equal opportunity to provide such services to their students.

Kashu Vyas shared additional details provided by the State Chancellor's Office. There will be two types of funding allocations, 1) Colleges will need to submit ready-to-go plans. Plans that are approved will be allocated funds, but not every college will be approved, and amounts may vary

depending on the type of project. 2) The State Chancellor's Office has also allocated some funding to help districts develop plans for student housing.

Richard Williams also shared that he would be attending a state level webinar related to student housing and would share feedback, details, and any additional information with CBF at the next meeting.

5. Post-closing adjustments to Fund Balances – Adjustments have been identified through the audit process, which have been determined to require posting to information reported in the District's CCFS-311 report. A summary of those adjustments to the various 311 Funds and the impact to the Fund Balance were provided to the Committee. The following adjustments were identified:

- 2019-20 Apportionment Revenue Receivable, \$2.9 million will be received in 2021-22. *The state did not settle up the apportionment revenue and adjusted the total amount of available computational revenue upward.*
- Reverse Expense for SERP to be posted in FY 21-22. *Payments were posted based on invoice date.*
- Adjust Cash at County in OCEIP to FMV per new GASB. *Was requested by auditors to increase cash to fair market value*
- General Bond Fund (fund 43) will decrease to account for accrued invoices for services rendered in June
- Settle-up for Cumulative Categorical Funds

Questions/Comments:

1. *When SERPs are presented, it's presented as a savings measure, but SERPs often make the faculty hiring process and faculty prioritizations difficult. Do we know what the overall savings were from the prior SERP? Data is not readily available, but staff will make an effort to pull any relevant data.*

6. Facilities Update

Fullerton – Rodrigo Garcia provided an update.

- Instructional Building/Humanities Building – Staff will begin to move in starting mid-October and substantial completion is expected early November. A ribbon cutting ceremony is expected to take place in January.
- Central Plant Expansion – Project has been completed.
- Chapman Newell Project – Design/Build phase went to the Board at the August 24th meeting for approval. The new building will house Umoja, Veterans, mental health, EOPS, health cares, etc. Project is expected to take about a year and half before the groundbreaking.
- Non-bond Projects:
 - The hot water line at Wilshire is being repaired
 - Starbucks – abatement contractor has been hired
 - Restroom Renovation in 840 building
 - ADA projects across campus
 - Sherbeck Field – the project will be going to bid soon with construction expected to start in December/January and completion is anticipated for summer 2022.
 - Tunnel repairs – The first phase was completed during COVID and the second phase will begin shortly.

- Electric Meter Project – Campus buildings will be individually metered for sustainability and monitoring.

Cypress – Richard Williams provided an update on behalf of Alex Porter

- Fine Arts Project – Comments were received from DSA and architects continue to respond to the comments to move forward with the project. Developing the drawings will be the next phase to the project.
- SEM/ VRC/SAC – The building is open for occupancy and the opening ceremony is scheduled for Tuesday, October 19, 2021. Deliveries are slowly coming in as the shortage on chips continues.
- Central Chiller expansion – A consultant has been hired to complete an analysis and develop the project scope.
- Cypress' Five-Year Plan was approved, which includes some of the following major projects:
 - Re-roofing the Tech III Building and the existing Science Building.
 - New seating in the Theater Arts theater
 - Replacement of gym bleachers

Anaheim/NOCE – Richard Williams provided an update.

- SVA Architects were selected for the Upper Deck Renovation and Water Intrusion Project for the Upper Deck and First Floor Swing Space
- ADA Upgrades – The current project in design phase focuses on providing a compliant path of travel from Romneya Street to the main entrance that will incorporate an accessible ramp and adjacent landscape. The existing lower-level disabled parking area will also be replaced and brought up to current code.
- Wayfinding Signage Plans – Follow-up meetings have been held with the project architects, Westberg & White and installation is expected to start later this fall.
- Penthouse water boiler replacement project – currently on hold until the fire protection system fire line risers are replaced.
- Pipe Replacements – Project has been broken up into a four-phase project. The water pipes are currently being tested in the building and will be replaced to provide an overhead fire protection system fire line risers.
- Scheduled Maintenance Projects:
 - Installation of additional chillers
 - Underground tunnel repairs
 - Repairs to the piping connecting the physical plant to the tower

Questions/Comments

1. *Do we have any updates on the NOCE Culinary Arts Project? No additional information has been shared since July. Culinary Arts was told that the construction phase was expected to begin January 2021 and be completed within 9-12 months. The Culinary Arts housing project is expected to be a 15–18-month project and will be headed by the Cypress College Facilities staff. Either temporary buildings will be brought in, or an off-site space will be leased. A meeting with the Cypress staff is scheduled for later this week to discuss project details.*

7. Future Meeting Dates:

- October 11, 2021
- November 8, 2021
- December 13, 2021

Meeting adjourned at 3:14 p.m.