

COUNCIL ON BUDGET AND FACILITIES

March 12, 2018

UNAPPROVED SUMMARY

Members Present: Josh Ashenmiller, Tonya Cobb, Terry Cox, Danielle Davy, Emily Day, Craig Goralski, Raine Hambly, Cherry Li-Bugg, Elaine Loayza, Rod Lusch, Tina McClurkin, Irma Ramos, Bryan Seiling, Kashu Vyas, Fred Williams

Members Absent: Rodrigo Garcia & Marcus Wilson

Guests: Brendon Kirby & Pete Snyder

Call to Order: Irma Ramos called the meeting to order at 2:05 pm.

Round-table introductions were made as new members were present.

- I. **Summary:** The summary of the February 12, 2018, meeting was accepted with a minor change.
- II. **Budget Update:** Fred Williams shared updates on several budget-related items.

New Funding Model & Budget Assumptions: The new funding model is still being finalized and simulations from the Department of Finance and the Chancellor's Office are expected on March 15, 2018. In the simulations, the Department of Finance is using the P2 figures and not the recently released annual numbers. This could benefit the District as there are approximately 300 FTES for the recalculation that have yet to be counted due to coding (approximately \$1.5 Million more). As the model currently stands, there would be winners and losers across all districts, which is not an ideal formula. Comparing the new model to SB361, it appears that the greatest difference is the exclusion of non-credit in the new model.

Questions:

1. *Why is San Diego, which has a large non-credit population, benefitting so much more than NOCCCD?*

One area that impacts the Department of Finance Model is the effect of shifting summer FTES, which shifts funding significantly. One concern in having a new model is whether or not data is being captured accurately across all districts. When inquiring with Coast, it was determined that they have similar credit FTES but nearly twice as many degrees awarded. Therefore, as a District, the focus needs to be on ensuring that the numbers being reported are accurate.

2. *What is the explanation of why the stability number in 2017-18 is over \$24 Million?*

When shifting the 2,100 FTES, both years are effected and the number of FTES is actually doubled.

3. *Do we know how long the hold-harmless will be?*

No. As currently written, the District would greatly benefit from the formula being implemented now with the shifted FTES revenue (around \$11 Million).

4. *Comment: Everyone needs to keep in-touch with local legislatures to ensure that the District's interests are understood.*
5. *Comment: NOCCCD should figure out what Coast is doing for completion in order to close the gap between the districts completion rates.*

The District will definitely be researching this information and plans on using predictive analytics and existing data to help students complete.

SERP: The estimated calculated 5-Year Savings for the SERP is \$5.4 Million (most of which is a one-time savings). The assumptions used for the SERP are that the District will replace the number of positions, not necessarily the actual position or location; six positions for faculty will be replaced and 55 will be back-filled for 2018-19; and, 49 positions are expected to be filled in 2019-20 with back-fill for 12 positions. The FON is directly related to FTES, so the hope is that all 12 positions in 2019-20 will be filled signaling an increase in FTES.

Enrollment: There is a projected \$5.6 Million decline in revenue for 2018-19 due to a 1,087.60 drop in FTES. One major unknown is whether or not flex was claimed at the campuses in the P1 attendance report for the District, which could mean more FTES (assuming SB361 model). Due to the Summer Shift, the 2016-17 FTES figures are artificially high and the 2017-18 numbers are artificially low. The difference in FTES from 2016-17 to those estimated in 2018-19 is -3.04%, which means FTES must increase in 2019-20 to avoid a further deficit.

Questions:

1. *What is the definition of location when filling number of positions and not locations?*
This is defined as a campus, and there are no promises that the positions will be replaced on the same campus. The CBT re-organization information will be key in helping the District determine where a position should be filled.
2. *Comment: The hiring of 49 positions in 2019-20 could be very challenging with the number of hiring committees needed. This needs to be discussed further with Academic Senate and any questions will be brought to CBF in the future.*
3. *Should the rate for revenue calculations be \$5,005?*
The \$5,151 shown is not the current revenue rate but a projection for 2018-19 including COLA.

One-Time Dollars: Mr. Williams shared some of the items that could be covered with the District's one-time funds. Ideally, some of the funds will be used to pay a portion of the Retiree Benefits to free-up on-going dollars. Furthermore, while the FTES Target subcommittee will reconvene to determine ways to increase enrollment, one-time funds may also be used to cover the structural deficit for some time period.

Resource Allocation Workgroup: Kashu Vyas provided an update on the workgroup's February 20, 2018, meeting. The group has discussed the new funding model and principles/policies for the District's model. The most important principles for the District's funding model are never to spend the same dollar twice and to think of the District as one entity. Upcoming meeting dates for the workgroup are to be determined.

Use of Categorical Funds – Staffing: The State Chancellor has proposed the consolidation of categorical programs such as Student Equity, SSSP, Basic Skills and possibly Strong Workforce. This could be beneficial in terms of duplication of efforts, but more information is needed to determine possible challenges. The committee was implored to create a workgroup to create principles and concepts to be used in preparation for consolidation of these programs. Kashu Vyas, Raine Hambly, Terry Cox, Rodrigo Garcia and Emily Day agreed to head this workgroup.

III. **Bond Update:** Fred Williams provided the group with a facilities update for all campuses.

Anaheim Campus – Construction on the 7th and 10th floors is underway and all framing has been installed on the 7th floor. The 7th floor is on schedule to be completed in May 2018, and the 10th floor is on-schedule to be completed in December 2018.

Cypress College – Parking Lot 5 is being constructed to help mitigate the loss of spaces once the SEM Building construction begins (December 2018 groundbreaking). There may be a delay for this project as there will be a rebid, due to safety concerns with the low bidder. On March 14, 2018, the campus will be working on the DSA intake for the SEM Building and Veteran’s Resource Center.

Fullerton Campus – The EIR for Sherbeck Field is progressing outside of the bond program. The Design-Build team for the new Instructional Building will go to the March 27, 2018, Board of Trustees meeting for approval. In addition, the state has approved the 300-500 Buildings project for an additional year, as construction cannot begin until the new Instructional Building is completed. To mitigate the possible loss of spaces during construction and beyond, Fullerton College is exploring a partnership with OCTA that would give students bus access for a nominal mandatory fee at registration. In addition, the lease of a parking lot on Chapman will go to the March 13, 2018, Board of Trustees for approval. This lease would allow for additional parking for students (Fullerton College will provide shuttle services to campus).

Adjournment: The meeting adjourned at 3:15 p.m.

Next Meeting: April 9, 2018