

COUNCIL ON BUDGET AND FACILITIES
August 10, 2020

APPROVED SUMMARY

Members Present: Pete Christianson, Jennifer Combs, Terry Cox, Damon De La Cruz, Christie Diep, Lisa Gaetje, Rodrigo Garcia, Craig Goralski, Cherry Li-Bugg, Melisa McLellan, Jennifer Oo, Kim Orlijan, Jeremy Peters, Alex Porter, Pamela Spence, Leslie Tsubaki, Kashu Vyas, and Fred Williams

Guests Present: Dawnmarie Neate, Greg Schulz, Kai Stearns-Moore, and Richard Williams

Members Absent: Lisa McPheron and Irma Ramos

Call to Order: The meeting was called to order at 2:03.

1. Summary: The summary of the July 13, 2020 meeting was approved.

2. Year-end Closing/Budget Update

Year-end Closing – Due to COVID-19, there has been a slight delay in closing the books for 2019-20. Staff continue to monitor information on the State Budget developments, particularly the outlooks on the recession and recovery. Kashu Vyas provided the Committee with an update.

- CARES funding continues to be updated and documented. There is conflicting information from the District's auditors and the state Chancellor's Office, which has caused a delay
- Staff are attaching codes to the expenditures that have been clearly identified in the MOUs
- Staff is working on the documentation for cash journal entries related to the North Orange waiver

Budget Update – No new budget at this time, however, Trailer Bill language is expected to be released in August. The Chancellor's Office is providing a Budget Workshop on August 14, 2020 to provide colleges with updates. The District did receive the advanced apportionment numbers. The numbers are in-line with what staff anticipated. Once year-end closing is complete, staff can begin working on the proposed budget in more detail. The proposed budget is typically taken to the Board for approval in mid-September, however, with the effects of COVID-19, deadlines have been extended and the proposed budget will be presented in October.

One-page Summary on Deferrals

- As mentioned at the July 13, 2020 CBF meeting, Fred Williams provided the Committee with the Association of Chief Business Officials (ACBO) one-page summary on deferrals.

3. COVID-19

Block Grant – A copy of the memorandum from the State Chancellor's Office on COVID-19 Response Block Grant – Funding Information and Requirements was distributed to the Committee.

- Allowable expenditures will be back dated to March 2020, the beginning of the COVID-19 pandemic
- The Districts amount was ~\$3.6 million broken down into two components, Federal (\$1.6 million) and State (\$2 million). The Federal funds will need to be spent down by December 2020. In order to spend down the \$1.6 million, the District will be using the funds on expenditures that have already been made, such as Faculty compensation that was tied to the conversion of the classes, which is an allowable expense
- The State portion was allocated to districts on an FTES basis. A portion of the funds will be used for Faculty stipend expenses. The District has not determined how the remaining State funds will be allocated to the campuses or to specific expenses

Questions/Comments:

1. *A suggestion was made to review the expenditures to determine how and where the funding needs to be distributed.*
2. *Kashu Vyas noted that the use of the funds towards faculty stipends align perfectly with the intentions of the Block Grant and suggested the funds continue to be used as much as possible to cover remaining or additional faculty stipends. The use of the dollars for faculty stipends would also free up one-time fund dollars.*
3. *How much has been spent on District-wide Faculty compensation related to COVID-19? Close to \$1.8 million for full-time and part-time faculty, which also includes benefits.*
4. *Could these funds be used for PPE or similar items at the campus? It can be. There are enough expenditures to be covered by the Federal portion, but the State portion (\$2 million) still needs to be discussed.*
5. *Can we use State funds for laptops and/or equipment for faculty to teach remotely? Yes, we believe we can.*
6. *Did the CCCCO allocation for the COVID grant include a fair (FTES based) allocation for NOCE as well, in addition to the FTES driven allocations for CC and FC? Yes, we were told that non-credit FTES was included.*

Personal Protective Equipment (PPE) - The District received 45 pallets of PPE from the State Chancellor's Office. Supplies include face shields, cloth masks, N-95 masks, gloves, sanitizer, and thermometers. The District Emergency Operations Center Logistics Team is currently working with the campuses on distribution and tracking. Supplies will be distributed based on a full-time equivalent employee head count and will be stored at the Anaheim Campus for pick-up when supplies are needed. N-95 masks will be distributed to specific departments based on use and need. Anyone who wears an N-95 must be trained and fit tested.

Questions/Comments:

1. *A suggestion was made for the use of the N-95 masks be distributed to the Cypress College Dental Hygiene Program through the Health Sciences division or any other program that may have higher risks and require in-person contact/instruction. The District Risk Management department has been working with the campuses on identifying key departments and divisions that would require additional training or PPE. An updated report on the status will be brought forth at the next CBF meeting.*
2. *How will the PPE be distributed at the District? Do we ask for what we need? Each floor of the Anaheim Campus has a contact person that will be distribute the supplies accordingly.*

4. One-time Funding Discussion

A one-page summary of One-time Funds was provided to the Committee. Fred Williams highlighted some of the changes made since the July 13th meeting.

- The deficit was adjusted to 2%, which was an advisable amount by the Chancellor's Office. This reduces the District revenues for 2019-20 by \$4 million.
- The 2019-20 MOUs were reduced to \$1.7 million
- The Other Expenses category was adjusted (\$35.2 million)
 - The line items to backfill the campuses for lost revenues were adjusted based on the information received from the campuses
 - The numbers represented on the spreadsheet are estimates and will be adjusted based on actuals, as staff begin to close the books
 - The campuses are asking for ~\$3.7 million for 2019-20
 - For Fall 2020-21, the campuses are projecting over \$5 million. Further discussions will be needed

Questions/Comments:

3. *Where are all of Fullerton's nonresidents coming from? And why the big loss? It may be due to the way Fullerton did the drops and refunds as well as Cypress' numbers not being all inclusive at this time. Nonresident students enrolled at FC are coming from out of the country, and out of state (but within the U.S.). We have been operating a large international student program the past few years, and one factor that has negatively impacted our numbers has been recent policies and communication coming from Washington D.C.*
4. *Does Fullerton have more international students than Cypress? Yes, they do.*

FTES Numbers

Fullerton's projected resident FTES is down 5.9% with a few weeks before the semester. As of August 5, 2020, Cypress' FTES is down 1.2%. Overall, the District is only down 2.6% in FTES as compared to a comparable date last year. Numbers continue to improve as it gets closer to the start of the semester and campuses continue to aggressively work with their registrars and campus communications to contact students to assist them with registration.

Consensus was made by the Committee to allocate one-time funds to the campuses to cover their lost revenues and take the recommendation to DCC.

Questions/Comments:

5. *How will the campuses mitigate these losses in the future? Is there a plan? Overtime, the backfill amounts can become quite large. A spot for the 2020-21 lost revenues were identified on the one-time funding sheet, but the numbers were not provided. At the time, not all the numbers were fully worked through and further discussions will be needed on future allocations once additional information is received.*
6. *If we are receiving monies from the Block Grant and CARES funding for COVID-19 expenses, why are we allocating so much from the one-time dollars? Couldn't we budget less for the COVID-19 expenses and add more later if needed? There may be other unexpected expenses as we get into fall. Some of the dollars have restrictions on how they can be used, which limits the use of the funds.*

7. *At the Cypress Ad HOC advisory Team meeting, discussions took place on having Campus Safety or other personnel monitor or enforcing safety measures for in-person instruction for students, faculty and staff. If this were to become a COVID-19 District policy, would those personnel salaries be covered under the Block Grant? It is a possibility, but the plans will need to come from the campuses and future discussions will need to be made.*

5. Facilities Update

The Oversight Committee is seeking additional members. There were three individuals who expressed interest and will be presented to the Board for approval at the August 25, 2020 meeting. The Committee is still seeking a Business Organization representative.

Anaheim Campus – Fred Williams provided an update for the Anaheim Campus.

- Electrical System – Trane is currently looking at the control system and the project is expected to be completed in September.
- Upper Deck – Submitted an IPP/FPP for state funding on August 1st

Fullerton College – Rodrigo Garcia provided an update for Fullerton College.

- Instructional/Humanities Building - The steel erection is near completion with an expected completion at the end of August
- Central Plant - The foundation has also been poured and the sanitary sewer connection is being finalized, which is ahead of schedule.
- New STEM Vocational Center – An IPP was submitted by staff

Cypress College – Alex Porter provided an update for Cypress College.

- SEM Building – a little over 60% - 65% complete
- VRC – About 90-92% complete.
- Pond/Tribute Garden – has been filled with water
- No major issues and continues to progress
- Tech Ed I and Tech Ed III Building – An IPP to request state funding was submitted
- Fine Arts Project – Received approval from the Chancellor's Office to begin the RFP process for the architects

6. Memberships

The Committee was provided a copy of the CBF Purpose, Function, Guidelines, and Member list. It was noted that the Vice Chancellor, Educational Services & Technology was not an official voting member of CBF but was added to the District Decision Making Resource Manual when the Vice Chancellor position was added in 2014. Constituent representation was also discussed. Staff will research CBF memberships for voting privileges. This item will be brought back for further discussion.

Next meeting: September 14, 2020

Meeting was adjourned at 3:35 p.m.