

COUNCIL ON BUDGET AND FACILITIES

August 8, 2016

APPROVED SUMMARY

Members present: Karen Cant, Terry Cox, Rodrigo Garcia, Jolena Grande, Tina Johannsen, Cherry Li-Bugg, Rod Lusch, Sandra Palmer, Irma Ramos, Justin Richardson, Pete Snyder, Kashu Vyas, and Fred Williams

Guests: Josh Ashenmiller

Absent: Richard Fee, Adam Gottdank, Ian Kolaja, Elaine Loayza, Tanya Washington

Call to Order: The meeting was called to order at 2:04 p.m., by Chair Irma Ramos.

- I. **Summary:** The summary of the July 11, 2016, meeting was accepted as submitted.
- II. **Budget Update:** Mr. Fred Williams shared that several of the Budget Officers attended the Budget Workshop in August and following are some of the take-aways from that workshop:
 - Regarding Advanced Apportionment, we were close on the Tentative Budget Assumptions for our apportionment. We are adjusting apportionment by \$2.8 million as a reduction because we're not planning to capture growth; we have another \$2.8 million that we could capture if we thought we could get there. This is the overarching theme and it's important to take away we don't think we can we can capture this growth. There is a serious concern in terms of where we are in terms of our FTES production.
 - I took away the adjustment for the Scheduled Maintenance/Instructional Equipment we actually have a provision now for water conservation and the decrease was a little larger so we have a slight adjustment. We need to have a high level spending plan from the campuses; Chancellor's staff is looking at all of the pieces and the priorities from the District's perspective so the campuses are sending me their priorities and we will put it all in one cohesive document. The new Chancellor does not want to just allocate all of the resources just on an FTES basis but we want to hear what all of the priorities are within the District to make sure that we handle all of the high priority issues upfront and then we can have some discussion. High priority items being added to the list include the ADA Transition Plan and Security Assessment. We hope to have this priority list completed in September.
 - Mr. Rodrigo Garcia shared that there's definitely less money than last year and they are forecasting an upturn in the economy and a decline in FTES. The 2% for system wide growth seems to be far-fetched and if we can't spend all that money what happens to the dollars; in years past, the dollars would revert back to the state and there's a recognition that probably we are going to see enrollment growth captured and we talked about a proportionate split across the state as a potential.
 - Growth is not going to be a priority with the new State Chancellor. Mr. Garcia stated that for 15-16 it was estimated at 3% growth system wide and we are estimating to be short by 1% which is huge. There are 28 districts in decline at this point so it is a significant issue. At P2 we captured 4.2% and our cap was 5.36%. There are real concerns about our enrollment; we are not meeting our cap so we cannot meet our growth. There is a difference between our targets are caps and stability. Everything revolves around the attendance reports which is our primary source of funding so many things are based upon our FTES. Attendance reports for all 72 districts reflect how the funding mechanism works. All of these reports are available on the Chancellor's office website.
 - Another topic is what we have been seeing all along is that there was \$200 million at the state for the strong workforce program; Orange County and Los Angeles County are grouped

together but we are the third highest in the state in terms of resources. It is based upon the number of CTE courses offered; there are three factors in terms of allocation but he hasn't seen the details. Our percentage of courses that qualify for CTE are pretty significant it is 49% of the courses at Cypress College, 39% at Fullerton College, and 19% at the School of Continuing Education.

- Ms. Kashmira Vyas shared that we were hoping to close the books on August 4 but it did not happen; we had a lot of cleanup to do and we worked closely with the campus to get a lot of adjustments made for categorical programs. We are very close to closing we are finished with the majority of entries and now we're just dealing with a few apportionment issues/calculations that were waiting on PERS/STRS calculations. Once we have those, we hope to close in the next few days and then the budget process will start rolling out.

III. **Bond Update:** Mr. Fred Williams reported that the CC SEM will be going to the Board in terms of estimated costs from \$71 million - \$89 million as all construction cost estimates are escalating 5%-8%. Regarding the Program Manager, we are behind because of health issues; the replacement will begin August 22, 2016. Fullerton College is in the process of hiring a Project Manager Campus Capital Projects. The EIRs are almost complete; we did hear from an Indian Tribe and we are challenging some information that they presented.

IV. **Other Items:** The next meeting will take place on September 12, 2016, at 2 p.m.

Adjournment: The meeting was adjourned at 3:27 p.m.