

COUNCIL ON BUDGET AND FACILITIES

December 11, 2017

UNAPPROVED SUMMARY

Members Present: Josh Ashenmiller, Terry Cox, Danielle Davy, Raine Hambly, Cherry Li-Bugg, Elaine Loayza, Rod Lusch, Tina McClurkin, Bryan Seiling, Kashu Vyas, Fred Williams & Marcus Wilson

Guests: Pete Snyder & Rick Williams

Call to Order: Irma Ramos called the meeting to order at 2:06 pm.

- I. **Summary:** The summary of the November 13, 2017, meeting was accepted.
- II. **Budget Update:** Fred Williams shared that the first look at the Governor's budget will come in January, with favorable expectations for 2017-18. An increase in the apportionment base would significantly benefit NOCCCD, since the District has set aside on-going resources to cover the projected PERS/STRS increases.

Hiring Permanent Positions with "Soft" Dollars

Hiring personnel with "soft" dollars or categorical funding is becoming a concern within the District. Many of the categorical programs are outcome-based and require staff to ensure that these outcomes are being reached, including: SSSP, Pathways, Student Equity, AEBG and Strong Workforce. The concern is that history has shown that these are the funds that are usually cut during lean times, so hiring personnel with these funds could create a need for the General Fund to incur the cost. The committee was tasked with coming up with suggestions and concepts for hiring personnel to work on categorical programs, and to place the District in a position to be fiscally prepared for the impact of cuts to categorical funds. All concepts will need to account for the rules of supplanting, so that the District is not penalized for bailing itself out.

Comments:

In the past layoffs and bumping occurred which was bad for morale, so going forward there needs to be a plan for preparing for the end cycle of contracts.

Questions:

1. *If communicated at the start of the contract for categorical hiring, aren't we covered once the contract/grant ends in letting that person go?*
Faculty positions can be hired on a temporary basis and then the position can be eliminated, but the same cannot be said for classified positions due to Title 5 regulations.
2. *Do the temporary (1-year contract) faculty count towards our FON?*
Yes, as long as they are full-time. However, the concern is with hiring of classified staff.

3. Is there anything articulated within the grants that allows for hiring staff and putting a plan in-place to fund those positions if those funds cease?

There is no phase-out with categorical funding as there is with grants.

The District needs to make the distinction between categorical and grant funding, as hiring of temporary positions for some of the grants is appropriate as those have a true end date. There also needs to be a process in-place to have a phase-out for soft funding, in-which classified positions, can either be absorbed or sustained for an additional set amount of time.

One concept would be to use a ratio that allow part of the one-time funds (\$38 M) to be placed in a holding account to give the District at least one year to account for a cut of categorical funds (to account for attrition or reassignment). Concerns with this concept would be gaining the support of the collective bargaining groups, and that the reserves would make the ending balance appear high. Another concept would be to achieve the outcomes of each program while adding staff (within reason) with the categorical funds. Another idea would be to shift expenses from the general fund to categorical funds to hire the personnel.

Once summarized and reviewed at the next CBF meeting, Mr. Williams will take these and any new recommendations to DCC.

Resource Allocation Workgroup

Kashu provided an updated with the completed list of all representatives for the workgroup. The first meeting will be set-up in mid-late January, and will focus on discussing the chargebacks for each campus and agreeing on a model. Rod Lusch will try to find classified representation for the committee. Bryan Seiling has also requested to be added to the committee.

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

Fullerton Campus – The Program EIR, excluding Sherbeck Field, will be going to the December 12th Board for approval. This will include the first 10 years of the bond, which comprises the 300/500 buildings, the parking structure, New Instructional Building, and possibly a new Fine Arts facility.

Cypress College – There will be a SEM cost update presented at the December 12th Board, for approval to take project costs from \$89 M to \$95 M. The cost increase accounts for increases in DSA fees, length of completion, and foundation additions. The overall cost for the project is approximately \$100 M (with FF&E and infrastructure). The anticipated groundbreaking could be as early as January 2019.

Adjournment: The meeting adjourned at 3:14 p.m.

Next Meeting: January 8, 2018 (tentative)