

DISTRICT CONSULTATION COUNCIL
May 18, 2020

SUMMARY

MEMBERS PRESENT: Josh Ashenmiller, Christie Diep, Cathy Dunne, Lisa Gaetje, Craig Goralski, Manjit Grewall, Cherry Li-Bugg, Cheryl Marshall, Tina McClurkin, Dawnmarie Neate, Arturo Ocampo, Kim Orlijan, Jeremy Peters, Valentina Purtell, Irma Ramos, Lizeth Sanchez, JoAnna Schilling, Greg Schulz, Kai Stearns Moore, and Fred Williams.

VISITORS: Gail Arriola-Nickell, Danielle Davy, Jenny Derry, Rod Garcia, Lisa McPheron, Carissa Oyedele, Andrew Perez, Mario Violich, Kashu Vyas, and Qinyi Wu.

Chancellor Cheryl Marshall called the Zoom teleconference meeting to order at 2:01 p.m.

CONSENT CALENDAR & SUMMARY

Consent Items: The agenda contained no consent items

Summary: The summary of the April 27, 2020, meeting was approved as submitted.

STRATEGIC GOALS & PLANNING

Educational & Facilities Master Plan: Consultants from Brailsford & Dunlavey and Moore, Ruble, and Yudell shared a final draft of the District's Educational and Facilities Master Plan (EFMP) and sought DCC approval and feedback in order to make any additional edits in order to enhance the document for presentation to the Board of Trustees on June 9, 2020. During the public review period the document received 47 comments (32 employees, 12 alumni, one student, and two community members) with additional comments received via the Steering Committee and all comments will be included as an appendix to the final draft. The public comments fell into three primary themes: strategic directions and goals; diversity, equity and inclusion; and the mindful growth initiative.

Consultants emphasized that the EFMP builds on the strategic directions that were developed and correlations that tie the facilities needs to the educational needs of the campuses. The six educational initiatives used included 1) Student Success and Completion; 2) Student Experience and Learning; 3) Diversity, Equity, and Inclusion; 4) Enrollment Management; 5) Workforce Development; and 6) Online Learning. The facilities plan incorporates these six strategic themes: 1) Campus Life; 2) Mobility and Access; 3) Identity; 4) Campus and Community Partnerships; 5) Sustainability, Resiliency, and Stewardship; and 6) Safety and Security.

During the discussion, comments were voiced related to concerns about the planning becoming specific and prescriptive instead of being more thematic, and the need to consider the funding that would need to be identified in order for the projects to materialize. Chancellor Marshall reminded the group that comments related to the EFMP can still be submitted directly to Gail Arriola-Nickell and noted that the document would be presented to the Board in June.

Subsequent to the discussion the vote took place and **there was consensus to approve the NOCCCD Educational and Facilities Master Plan 2021-2030.**

Budget Update: Chancellor Marshall provided a May Revision Budget summary she prepared with information gathered from several summaries, a review of the Governor's posted documents, discussion at the Orange County Legislative Task Force Meeting, and listening to the Department of Finance session. She clarified that in her notes she stated that IEPI funding had been cut, but later learned that it had been lumped with other items and expressed concern that items are easier to eliminate when that occurs.

Vice Chancellor Fred Williams discussed the budget impact on the District –noting the largest impact is to the Student Centered Funding Formula– is estimated at a \$22 million overall reduction, with \$20 million in on-going reductions. Originally, the District anticipated a surplus of \$11.2 million, but with the budget reduction there is now an estimated structural deficit of \$9.4 million. Mr. Williams indicated that he believes the District has enough to cover the budget deficit, but that will also depend on what happens in negotiations. He said that the use of deferrals with the State budget is an accounting gimmick and is essentially borrowing from a future year to pay now. All of the reductions were not all passed down and because of that we are only seeing a small portion of them at this point. He noted that there are one-time funds that have still not been allocated, but that extended day and districtwide Information Technology budgets need to be reviewed. He cautioned that the fiscal climate is worse than what we've seen in the past, but if the federal government funding materializes it would be a saving grace. The District is still OK because hold harmless funding has helped absorb some of the reductions and it will be extended for two additional years in the May Revision. A State budget is expected before June 30 and the Tentative Budget will be presented to the Board on June 23, and the Proposed Budget to the Board in October.

Mr. Williams responded to the following during the discussion:

- Are there still plans to move forward with the hiring of management and other positions? Each campus identified the positions that they deemed necessary, and those are moving forward; approximately 30 positions.
- Is there a suspension of the FON obligation? The State will still do the calculation, but defer the penalty. The Board of Governors might say there is insufficient funds to meet the obligation like in the past, but waiting to see if that occurs.
- The reconfiguration of the SCFF mitigates some of the benefits of the hold harmless and now it doesn't support us as much as in the past? Hold harmless districts were exempt from deficits (the shortfall) before, but until we see the revised P-2 numbers we won't know. The change, while appropriate and fair, hurts the District.
- If the deficit is being distributed to the ones that are benefiting the most from hold harmless, does that mean that the benefits from the summer shift and hold harmless will be reduced in the future? Districts like ours that benefited from it aren't being targeted, but basic aid districts are getting hit with additional reductions to their categoricals.
- We are seeing an increase in enrollment and probably higher in the Fall also. Given the budget, are we to assume that we aren't chasing growth funding? Growth funding has disappeared. For the District, any growth will affect the bottom line. The structural deficit will grow because there are more costs associated with adding additional sections.
- If adding sections for student demand will increase costs, isn't a gain to be had because of the corresponding decrease? Additional FTES helps into the future in increasing our numbers when hold harmless funding goes away, but that's a number of years away.
- One way or another we're going to live within our means, but need to look at ways to accommodate demand. Yes, but the difference between now and the last recession is that

last time there were significant workload measure reductions and currently we're seeing the exact opposite. Districts are expected to generate the same numbers, but with 90% of the revenue and that will be a challenge.

[See addendum for a copy of the budget summary.]

One-time Funds: Vice Chancellor Fred Williams presented an updated spreadsheet outlining one-time funds and noted that a couple of changes had been incorporated to the document since its last presentation. Changes included the addition of the \$6.3 million that the Board did not agree to uncommit against District staff's recommendation; added an expenditure of \$300,000 for Foundation support; and added an expenditure of \$919,829 to backfill campuses for the parking and health fees shortfall to supplement the portion that was refunded to students. Mr. Williams stated that he anticipated additional expenditures related to additional costs associated with generating FTES and the need to set aside funding for COVID-19 related expenses. He also highlighted that the 20-21 hold harmless funding of almost \$11 million had been backed out of the original estimates.

During the discussion, questions were asked about the original amounts allocated for student equity and sustainability that are no longer included and which items were approved by the Council on Budget and Facilities (CBF). Vice Chancellor Williams stated that due to the decreased dollar amount available due to the changing environment, changes were made. While the student equity and sustainability categories remain, they are currently unfunded, and over time dollars can be added back if it is prudent. CBF only approved the facilities upgrades and technology.

POLICY

Board Policy and Administrative Procedure 3900 Revisions: DCC reviewed revised drafts of BP/AP 3900, Speech: Time, Place, and Manner that were presented for consideration. The revisions were spearheaded by the Public Affairs Department who led a collaborative workgroup charged with updating them. The items outlining free speech activities, distribution, and posting of printed materials on campus and District sites, were originally introduced to DCC on March 25, 2019 for discussion and again on September 23, 2019. Subsequently, free speech open forums were hosted to facilitate discussion about the draft policy and procedure at Cypress College, Fullerton College, and NOCE, and have also been reviewed by legal counsel and Cypress College, Fullerton College, and NOCE President's Advisory Councils. DCC reviewed the drafts on April 27 and feedback received was incorporated to the drafts presented.

Subsequent to incorporating suggested language regarding the use of canopies, there was **consensus to approve AP 3900 and post it to the District website**, and to **approve BP 3900 and forward it to the Board of Trustees for their consideration**.

OTHER

Chancellor Marshall thanked everyone for serving on DCC during the year and noted that it would be the last meeting for Josh Ashenmillier, Tina McClurkin, Cathy Dunne, and Lisa Gaetje. Dr. Marshall concluded the meeting by asking everyone to get some rest and stay healthy.

ADJOURNMENT: The meeting adjourned at 3:20 p.m.

Addendum to May 18, 2020 DCC Summary

May Revision Budget Summary

DCC May 18, 2020

The following information was gathered from several summaries, a review of the Governor's posted documents, discussion at the Orange County Legislative Task Force Meeting, and listening to the Department of Finance session. The link to the May Revision as it pertains to community colleges is: <http://www.ebudget.ca.gov/budget/2020-21/#/Department/6870>.

Overview

- The Community Colleges are faced with cuts of \$760 million to the general fund and at least another \$270 million to categorical programs.
- The base reduction plus the loss in COLA totals \$760 million and equals the approximate 10% cut indicated by the Governor. The calculations were done by applying COLA of 2.31% and then making the 10% reduction.
- **SCFF**
 - Funding is reduced by \$593 million or approximately 8%.
 - The hold harmless provisions are extended another two years until 2023-24.
 - The rates for 2019-20 are set at \$4,115 for credit FTES, \$948 for supplemental counts, \$559 for student success metrics, and \$141 for the equity bump on student success metrics. These rates will be reduced in 2020-21 to balance the budget.
 - Reductions will be applied proportionately to all CCCs by reducing the funding formula's rates, stability, and hold harmless provisions.
 - Restoration will depend on receiving federal dollars.
 - There is no corresponding workload reduction and we must continue to provide access and focus on equity.
- As part of a budget savings strategy, the state is deferring \$330.1 million in Proposition 98 funding from 2019-20 to 2020-21 and another \$662.1 million from 2020-21 to 2021-22. The 2020 May and June payments will be deferred to July. For next year, they are still working on cash flow analysis.
- No growth funding is included and will be dependent on federal dollars.
- The trailer bill language will aim to provide flexibility in how funds can be spent.
- PERS/STRS - \$2.3 billion will be reallocated from the PERS and STRS employer long-term unfunded liability payment to offset the PERS and STRS rates in 2020-21 and 2021-22. Doing so brings down the 2020-21 employer rate for PERS from 22.67% to 20.7% and for STRS from 18.41% to 16.15%.
- COVID-19 related expenses incurred by districts will be exempt from the 50 Percent Law and will apply to the year in which the expenses were made. This would not include revenue declines.
- Reductions of 10% were also made to the K-12 LCFF, UCs and CSUs.

Program Cuts and Elimination of January Proposals

The following programs are dependent on receiving federal funding. They will be restored if additional relief comes from the federal government. There will be language on priorities and it will be shared when available.

- The Strong Workforce Program is reduced by \$135.6 million, a cut of over 50%. No language is included on changes to regional vs. local funds.

Addendum to May 18, 2020 DCC Summary

- The Student Equity and Achievement Program is reduced by \$68 million. Food Pantries and Dreamer Liaisons are now expected to be paid for out of SEAP funds but no amount is specified for these programs.
- \$7.3 million reductions were made to the Part-Time Faculty Compensation and Office Hours programs and the statewide Academic Senate.
- No deferred maintenance is included in the budget.

Other Reductions

- Adult Education Program funding is reduced by \$54.4 million.
- The Online College (Calbright) is cut by 15% for a total of \$3 million.
- IEPI funding was eliminated.

Proposed in January and No Longer Funded

- \$15 million one-time Proposition 98 General Fund for a faculty pilot fellowship program.
- \$10 million one-time Proposition 98 General Fund for part-time faculty office hours.
- \$10 million one-time Proposition 98 General Fund to develop and implement zero-textbook cost degrees.
- \$5 million ongoing Proposition 98 General Fund to provide instructional materials for dual enrollment students.

Programs Maintained

- Two years of free community college
- Educational Opportunity Programs and Services Program
- Disabled Students Programs and Services Program
- \$10 million ongoing Proposition 98 General Fund to support immigrant legal services
- Rapid rehousing - \$9M is still in the budget
- Capital Projects for our District
 - \$14 million in 20-21 for the 300 and 500 Buildings at Fullerton College
 - \$1.5 million in 20-21 for the Fine Arts Building at Cypress College

Other Information

The State will be negotiating with labor representatives to reduce employee compensation by 10%. The Chancellor's Office stated they will be asking Colleges to do the same.

All of the Prop 98 rainy day funds were applied to this year to address the deficit.

CARES funds will be included as part of the budget. We are expected to use part of the upcoming 50% for foster youth.

The federal stimulus package is expected to pass the House, but the likelihood of passing the Senate is unknown. Action will probably take place in June. It currently includes \$500 billion for the states and another \$500 billion for counties and cities. \$90 billion is earmarked for education with \$19 billion expected for California's Prop 98.