

**COUNCIL ON BUDGET & FACILITIES**

**June 13, 2016**

**APPROVED SUMMARY**

**Members Present:** Brian Fahnestock, Adam Gottdank, Jolena Grande, Tina Johannsen, Lorenze Legaspi, Cherry Li-Bugg, Elaine Loayza, Rod Lusch, Sandra Palmer, Pete Snyder, Tanya Washington

**Absent:** Karen Cant, Rodrigo Garcia, Ian Kolaja, Irma Ramos, Justin Richardson, Richard Storti, Olivia Veloz

**Call to Order:** The meeting was called to order at 2:04 p.m. by Acting Chair Brian Fahnestock.

- I. **Summary:** The summary of the May 9, 2016, meeting was accepted as submitted.
- II. **Budget Update:** Mr. Brian Fahnestock provided a brief budget presentation on the Governor's budget and reviewed the 2016-17 tentative budget assumptions:

Major Revenue Assumptions: The primary revenue sources include a base of \$182.3 million made up of basic allocation and FTES funding of \$178.3 million; Access funding of \$1.9 million, STRS/PERS contribution of \$2.1 million; Unrestricted Lottery \$5.1 million; Non-Resident Tuition \$1 million; \$3.3 million one-time Mandated Claims funding is earmarked for replacement equipment (not instructional); and one-time Scheduled Maintenance or Instructional Equipment funds of \$5.5 million.

Other revenue assumptions include Prop 39 energy projects of \$1.3 million, 0% COLA; Basic Skills and Workforce Development funds unknown for District but Governor's Proposal is \$30 million and \$200 million respectively.

Unrestricted General Fund Revenue Summary: In summary, apportionment is estimated at \$182,270,114, Lottery \$5,057,192; PT Faculty Comp \$950,724; Non-Resident Tuition \$1 million; Mandated Block Grant estimated at \$1,011,438; Other \$832,132; for a total of \$191,121,600.

Major Expenditure Assumptions: The salary & benefits increase of \$4.8 million includes 3% increase for 2015-16, 3% increase for 2016-17, 5% increase in medical benefits, step & column increases, and the STRS rate increase of 1.85% and PERS rate increase of 2.041%. Retiree medical cost increased by 5%, \$327,492; Operating Allocation decreased \$1,596,979; Extended Day budgets decreased \$1,415,156.

Unrestricted General Fund Expenditure Summary: The unrestricted general fund budget can be summarized:

Revenues

Apportionment	\$182,270,114	
Lottery	\$5,057,192	
PT Faculty Comp	\$950,724	
Mandated Block Grant	\$1,011,438	
Non-Resident Tuition	\$1,000,000	
Other	\$832,132	
Total		\$191,121,600

Expenditures

Personnel	\$139,236,357
Retiree Benefits	\$5,444,229
Extended Day	\$26,408,660
Operating Allocation	\$10,778,348
District-wide	\$6,536,521
Cont. to Retiree Benefit Fund	\$1,011,438
Other	\$1,671,000

Total \$191,086,553

**Surplus** **\$35,047**

Outstanding Issues:

- PERS/STRS rate increase.
- Prop 30 sunset.
- Sustainable growth.

III. **Bond Update:** Mr. Fahnestock reported the following:

- Cypress College Science, Engineering & Math building (SEM) architect contract negotiation in final stage.
- RFQ issued for Construction Manager-at-Risk who will receive request for proposal RFP for the SEM building.
- Fullerton College Facilities Master Plan proposed for June 28 Board Agenda.
- Fullerton College EIR kick-off to begin after Board approval of revised Master Plan.
- Anaheim Campus warehouse renovation/repurpose construction bids due this week and Board approval at first July Board meeting.
- SCE funding for life skills modular building addition at Anaheim Campus just approved. Preliminary site and program analysis to begin this week.
- Cypress College, architect interviews for the Library Learning Resource Center and Veterans Center rescheduled for next week.

IV. **Other Items:** The next meeting is July 11, 2016.

**Adjournment:** The meeting was adjourned at 3:04 p.m.