

COUNCIL ON BUDGET AND FACILITIES

February 10, 2025

2:00 p.m.

Anaheim Campus – Chancellor’s Conference Room

Videoconferencing of the meeting will be available at Cypress College President’s Conference Room and the Fullerton College President’s Conference Room B

AGENDA

- | | | |
|---|---------------------------------|-------------|
| 1. Approval of December 11, 2023 Summary Notes | Irma Ramos | Action |
| 2. Budget Update | | |
| ➤ Governor’s Budget & Economic Outlook Presentation | Fred Williams/
Erika Almaraz | Information |
| ➤ Budget Assumptions for the Tentative Budget | Erika Almaraz | Information |
| 3. Facilities Updates | Budget Officers | Information |
| 4. Future Meeting Dates: | | |
| March 10 | | |
| April 14* | | |
| May 12 | | |
| June 9 | | |

NOTE: The numerical order of items on this agenda is for convenience of reference. To promote efficiency and as an accommodation to the parties involved, agenda items may be taken out of order upon request of the Chair or Members of the CBF.

COUNCIL ON BUDGET AND FACILITIES
December 9, 2024

UNAPPROVED SUMMARY

Members Present: Belinda Allan, Erika Almaraz, Terry Cox, Karla Frizler, Sammy Garcia, Henry Hua, Bridget Kominek, Cherry Li-Bugg, Elaine Loayza, Jaclyn Magginetti, Michelle Patrick-Norng, Jeremy Peters, Nathan Truong, Leslie Tsubaki, Lourdes Valiente, and Fred Williams

Members Absent: Kathleen McAlister, Irma Ramos, and Marlo Smith

Guests Present: Cora Baldovino, Allison Coburn, Geoff Hurst, Thu Nguyen, Debbie Shandy, Scott Thayer, and Richard Williams

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

1. **Summary:** The summary of September 9, 2024, and October 14, 2024, were approved.
2. **Legislative Analyst Office Fiscal Outlook –** Erika Almaraz provided a brief update on the Legislative Analyst’s Office (LAO) Fiscal Outlook, highlighting key financial trends and considerations:
 - The LAO’s analysis evaluates revenue and expenditures but does not account for new legislation or commitments.
 - Revenues are currently increasing, primarily due to capital gains; however, these trends are highly volatile.
 - Despite revenue growth, expenditures continue to exceed revenues.
 - The recommendation is to avoid making new financial commitments for the 2025-26 fiscal year.

Schools Services of California (SSC) summary of the LAO’s Fiscal Outlook for Education

- While the 2024-25 minimum guarantee is projected to be \$3 billion more than originally anticipated due to capital gains, these dollars will go towards funding the Prop 98 reserve.
- No required restoration for 2025-26.
- Overall, the 2025-26 budget is relatively balanced.
- COLA is projected at 2.46% for 2025-26, however, NOCCCD does not expect to receive COLA in 2025-26.

Questions/Comments:

1. *Has there been any discussions on scheduled maintenance funds?* The Budget Officers had voiced that any additional dollars received should be spent on scheduled maintenance and instructional equipment.

3. One-time Funding Allocations

At the September CBF meeting it was requested that each of the budget officers come to the December CBF meeting prepared to discuss spending plans for funds that had been previously allocated through the CBF process.

Details of the one-time fund allocations can be found on page 68 of the 2024-25 Proposed Budget and Financial Report. It was noted that some line items have not been fully utilized in recent years, leading to a recommendation to reallocate any remaining funds. Additionally, Vice Chancellor Williams suggested sweeping the funding from the HR Banner

Projects and Local Funding Requests line items and redistributing these dollars based on the Committee's future recommendations.

Questions/comments:

1. *Are there sufficient funds allocated to the District Professional Development Committee and Faculty Fellows programs, or are they relying on other sources?* These funds were allocated several years ago, and the committee only receives overall spending figures, not detailed breakdowns. Each campus has its own administrative review process, so the funds may have already been processed through that.
2. *Geoff Hurst questioned whether the funds from the District Services Equipment allocation are still available to support current and future IT/IS needs or if the dollars have already been exhausted. A review of the budgets for past purchases will be conducted for further clarification.*

Dr. Thayer and Thu Nguyen shared details about Cypress College's one-time funding allocations:

- Fraud Investigations – Ongoing funds will assist with fraudulent student investigations and will continue to be spent down.
- Campus Enrollment Support – Will cover the hiring of hourly staff, software acquisitions, and book passes.
- ADA Improvements – ADA funds have been allocated to upgrade the softball field.
- Hunger Initiative - funds designated for the hunger initiative will support the food bank and the distribution of food packages.
- Strategic Planning – A timeline for strategic planning—first discussed at the last PBC meeting—is set to begin this spring.
- Student Success Advocates – Advocates were hired for the academic year and are actively supporting students, with additional funds allocated for next year.
- Foundation Funding - Foundation funds are currently supporting temporary positions until a permanent, full-time replacement is found.

Vice President Henry Hua provided an overview of Fullerton College's one-time funding allocations:

- Enrollment Support and Campus Priorities – Funding for these initiatives has already been allocated.
- Local Funding – Designated for the 2024-25 program review.
- Pathways Support – Staff continue to advance the Guided Pathways initiative.
- Strategic Plan for DEIA – Funds are being used to support campus infinity groups.
- Student Success Advocates – Advocates were hired for the academic year to actively support students, with additional funding allocated for the next year.
- Student Success Funds – Utilized to support the Hornets Tutoring Program.
- Website Modifications – One-time funding was provided to make the Foundation's website more inclusive.
- Book Program Pilot Supplement – Allocations covered stipends for faculty, student book vouchers, training, and the purchase of supplies for student use.
- Foundation Funding – \$60,000 was spent this year to meet accounting needs.
- Part-time Faculty Office Hours – Mr. Hua will provide a more detailed review on this item.

Director Terry Cox presented an overview of NOCE's one-time funding allocations:

- Campus Enrollment – Funds have been used for interpreters, flyers, hourly counselors (including A&R counselors), and programs for high school and ESL

students. An additional \$120–\$180 thousand is expected to be spent this year, with a strong focus on boosting retention and enrollment.

- ADA Initiatives – In collaboration with District Facilities, the funding is being directed toward improvements such as automatic doors and ADA-compliant classroom tables.
- Hunger Initiative – Annual basic needs funds have been allocated for office supplies and to support the Pathway of Hope Food Pantry.
- Strategic Plan for DEIA – A \$25,000 allocation was used to hire the RSCC firm to develop a comprehensive DEIA plan and provide training.
- Student Success Advocates – Recent funds have been used to hire 10 professional experts (student navigators) and temporary classified staff to enhance program support.

4. Facilities Updates

Cypress College – Allison Coburn, Capital Project Director, provided an update on behalf of the campus.

- Fine Arts Renovation – Most of the underground upgrades including piles and caissons are near completion. Framing has begun on the 3rd floor as well as overhead mechanical, electrical and plumbing (MEP).
- Electrical Vehicle Charging Stations – 60 stations are operational and available for use. Project is complete.
- Health and Wellness Center Renovation – Construction began in August this year and is anticipated to be completed by Fall 2025.
- Auto Yard Lift Upgrades – Lifts for the users are operational and the contractor is just completing a few remaining punch list corrections this winter break.
- Softball Field Renovation – The schematic design is complete, but the project came in over budget. There has been a cost reduction exercise completed along with the users which included an agreed upon revised scope that now excludes a team room. Instead, the project will include all new tiered bleachers for over 200 spectators, a new pressbox, new backstop and netting, new dugouts and storage. Construction is now anticipated in Fall 2026.
- New LLRC Tutoring Reconfiguration – Project recently bid and will begin construction during the winter break. Project involves reconfiguring the existing space to better accommodate group tutoring as well as student guided collaboration.
- New TE ED III X-Ray Replacement – Project recently bid and will begin construction on 12/10. Project involves replacing an existing old unit that is no longer functional with a new unit that meets the modern requirement of the program.
- New LLRC Exterior Patio Upgrades – Project includes upgrades to the exterior perimeter, including hardscape, softscape, and furniture to improve the space for both students and events. Recommendation to approve the design will be brought to the December Board meeting. Construction is anticipated to begin in Fall 2026.
- New Central Plant Upgrades – Project includes increasing the chiller capacity in the south plant and making modifications to the plant to ensure it can support the north plant and vice versa.
- New Aviation Upgrades TE II – The project was submitted to DSA and the design team is working through addressing final comments to obtain final DSA approval. Construction is anticipated for late spring/early summer 2025.
- Scheduled Maintenance Projects – Auto body shop floor refinish, LLRC boiler replacement, food pantry electrical upgrades, Theater Arts seating and carpet replacement, TE Ed I Reroof, asphalt slurry – lots #1 and portions of #9, pool mechanical room main boiler heater exchange installation.

Anaheim Campus – Richard Williams provided an update on behalf of the campus.

- Upper Deck Renovation – The project is now complete and open for use. Multiple rounds of water testing have been successfully conducted, and the final punch list items will be wrapped up this week.
- Board Room Renovation – The Board has approved the bid, budget, and contingency. This project will feature significant upgrades and improvements to enhance the space.

Question/Comments:

1. *When is construction anticipated to start?* The room is being cleared out and demo is anticipated to start in mid-January.

- Swing Space – NOCE will remain in its temporary location until the Board Room renovation is complete. Culinary Arts is scheduled to return to the main tower in June.
- Outdoor Patio Remodel – Demolition is complete, and the project remains on schedule. Grading has begun, along with the installation of underground electrical systems and pathways. The canopy, a high-demand system with a four-month manufacturing timeline, is expected to arrive by April, with reopening anticipated in May.
- Interior and Exterior Wayfinding Signage – Installation is set to begin soon, with completion expected in December or January.
- 9th Floor Renovation – The project is now complete, and the space is fully occupied.
- Community Green Space – Architects and engineers have collaborated on the design concept and met with the City and Fire Department for approval, including the relocation of the fire lane. The project will enhance ADA compliance by adding more accessible pathways from various locations.
- Water damage to the vaults – During the upper deck project some of the vaults were found to have electrical corroding and will need to be replaced.

Questions/Comments:

1. *Will the solar canopy be integrated with any other projects?* The team is exploring the possibility of designing it concurrently with the Green Space project, though it would involve a separate contractor to determine potential time savings. *Is the West lot still being considered for solar?* Yes, the West lot remains a strong candidate for solar installation.
2. *The EFMP discussion raised concerns about the path of travel from the West lot to the main campus, including poor lighting and steep stairways. Will these issues be addressed in the new projects?* These concerns are on our list, but with limited Capital Outlay Funds, we need to prioritize bidding out the Green Space project first. Additionally, the far lot currently lacks ADA parking spaces, which will need to be addressed. However, lighting improvements are planned as part of the canopy installation.

Fullerton College – VPAS, Henry provided an update on behalf of the campus.

- 300 Building Renovation – Project completion date is anticipated for October 2026.
- M&O Building – The project is a little behind schedule but moving in the right direction. The team is scheduled to have the furniture, fixtures, and equipment (FFE) walkthrough this week. There was an issue with the Glass Fiber Reinforced Concrete (GFRC) installation, but the team is working to resolve it.

- Chapman/Newell Instructional Building (New Student Support Center) - The project is 30 days behind schedule. Roofing components have been installed to avoid any water damage to the drywall that has been installed. The team had a site walk with the Student Services staff and everyone seemed to be very excited. The project is expected to be complete by mid-March.
- Wilshire Chiller Plant Relocation –While this project has run into many unforeseen conditions and unknown findings, the civil engineers have said the project can continue and work around these findings.
- STEM Center – Installing a new HVAC system for the building.
- Central Plant – The original project was completed two years ago; however, staff are currently working with the contractors to resolve some issues.
- Staff Lot E (new Charging stations) – Charging stations were activated in December. A work group has been formed to discuss the concerns of addressing less parking spots due to the installation of the charging stations.
- Solar Panel Project – Solar panels were installed and need to be powered up, the first step is to power things down to connect the panels to the transformers. The first shut down is scheduled in December and the final shut down in February.

Mr. Williams noted Oscar Saghie's, Campus Capital Projects Manager, retirement and last day with Fullerton will be December 23.

4. **Future Meeting** – During the Anaheim Campus construction, meetings will be held in the Chancellor's Conference Room. Videoconferencing options are also available on the campuses.

January 13* - CANCELED Budget info
 February 10 (One-time funding)
 March 10
 April 14*
 May 12
 June 9

Meeting was adjourned at 3:07 p.m.

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: February 6, 2025

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for Council on Budget and Facilities of February 10, 2025

1. AGENDA ITEM NAME

Governor's 2025-26 Budget Proposal

2. AGENDA ITEM ACTION (Please check all that apply.)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

10 minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM:

On January 10, 2025, the Governor introduced the 2025-26 budget proposal. The [Joint Analysis](#) provided by the State Chancellor's Office and an [Initial Impressions of Governor Newsom's 2025-26 State Budget Proposal](#) provided by School Services of California share some insight. While staff continue to review the details, some highlights include:

- Under the proposal, the overall state budget would be higher than in 2024-25, increasing by about 8% to \$322.2 billion, reflecting higher state receipts and cost-cutting actions taken in the current-year budget. General Fund spending would increase by over \$17 billion (8.2%) to \$228.9 billion.
- The budget proposal for the California Community Colleges reflects a significant focus on the Master Plan for Career Education and includes a vision of a Career Passport that would follow a student's educational journey.
- The proposal for additional ongoing spending includes \$230.4 million for a 2.43% cost-of-living adjustment (COLA) for community college apportionments, \$28.7 million for COLAs and adjustments to certain categorical programs, and \$30.4 million for systemwide enrollment growth of 0.5%.
- One-time and ongoing funding in the proposal is dedicated to the establishment of a Systemwide Common Data Platform and scaling up Credit for Prior Learning policies.
- The Governor's proposal includes capital outlay funds from Proposition 51 and

Proposition 2 to support 31 projects.

- **As a reminder, as we are still in Hold Harmless, we will not receive any COLA for the Student Centered Funding Formula (SCFF) but the good news is we are not expecting any cuts.**

5. RECOMMENDATION:

Members are asked to receive and review the information on the Governor's 2025-26 budget proposal.

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: February 6, 2025

From: Erika Almaraz, Executive Director, Fiscal Affairs

Re: Agenda Item for Council on Budget and Facilities of February 10, 2025

1. AGENDA ITEM NAME

2025-26 Budget Assumptions for the Early Preliminary Budget

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

15 minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

To present the initial budget assumptions for the early preliminary budget and to allow members to discuss the information.

5. RECOMMENDATION (Required for all action items; encouraged for all review/discussion items)

Members are asked to review the budget assumptions.

**North Orange County Community College District
2025-26 Early Preliminary Budget
Resource Allocation Model - Budget Assumptions**

Student-Centered Funding Formula

Estimated COLA	2.43%	
	January	
Apportionment Base:	<u>2025-26</u>	
Basic Allocation	\$	17,777,618
Credit FTES		137,052,476
Special Admit		5,812,539
Non-Credit FTES		14,190,694
CDCP		<u>11,310,462</u>
Subtotal	\$	<u>186,143,789</u>
Supplemental Allocation		43,721,464
Student Success Incentive Allocation		26,342,223
SCFF Earned Allocation	\$	256,207,476
2025-26 SCFF Total Revenue	\$	256,207,476
2025-26 SCFF Hold Harmless Allocation	\$	262,433,892 <A>
Amount available for backfill and reserves	\$	<u>6,226,416</u>

State Revenue

Enrollment Fee Waiver		
2% fee waiver administration allocation estimate:	\$	532,095 <A>
Full-Time Faculty Hiring Funds 2018-19		
Provided separately from SCFF in 2018-19 (no COLA on this since initial allocation)	\$	1,441,228 <A>
Part-Time Faculty Compensation Items		
Est. reimbursement for PT faculty office hours	\$	2,295,425 <A>
Est. reimbursement for PT faculty compensation	\$	703,647 <A>
Lottery Funds		
Unrestricted lottery projection, \$191 per FTES:	\$	6,016,170 <A>
Restricted lottery projection, \$82 per FTES:	\$	2,582,858
Mandated Costs		
Budget proposal includes funding for Mandated Block Grant, \$36.51 per FTES:	\$	1,154,664 <A>

Local Revenue/Self-Supporting Revenue

Interest & Investment Income		
Interest earnings estimate	\$	3,000,000 <A>
Miscellaneous Districtwide Income		
Other miscellaneous income estimate:	\$	10,000 <A>
Budget Center Revenues		
Budget Centers have provided for the self-supported activities for each quarter. Included in this section, Cypress College and Fullerton College have budgeted Nonresident Tuition as part of ongoing revenues.	\$	7,702,860 <A>
Interfund Transfer In		
Transfer In from Redevelopment Funds:	\$	1,000,000 <A>
Additional Contribution from OPEB Trust		
In FY 20/21, the Retiree Benefits Trust Board authorized the use of funds to pay current retiree benefit costs, capped at \$3 million.	\$	5,750,057
Total Revenues (excluding Contrib. from OPEB Trust)	\$	<u>286,289,980</u> = sum of <A>

**North Orange County Community College District
2025-26 Early Preliminary Budget
Resource Allocation Model - Budget Assumptions**

Appropriations and Expenditures

Position Control Budgets (Permanent Positions)

All Permanent Positions have been budgeted based on applicable employee step, grade, and, if applicable, longevity, premium pay, professional growth and education stipends. \$ 188,042,777

The current rates for benefits have been applied as follows:	24-25	25-26 Prelim
<u>STRS</u> : For employer share of contributions towards STRS pension costs.	19.10%	19.10%
<u>PERS</u> : For employer share of contributions toward PERS pension costs.	27.05%	27.40%
<u>OASDI</u> : For State Disability Insurance and Medicare required.	6.20% & 1.45%	6.20% & 1.45%
<u>SUI</u> : State Unemployment Insurance.	0.05%	0.05%
<u>WC</u> : Worker's Compensation Rate to contribute towards worker's comp costs.	0.50%	0.50%
<u>RB</u> : Contribution rate toward ongoing retiree health benefit costs.	0.00%	0.00%

Health Costs \$ 12,654,370
Health costs are expected to increase. This estimates an increase of 5% over prior calendar year. \$ 632,718

Dependent Care Coverage Costs
All groups' current agreements include a contribution by the District toward dependent care coverage as well as full family coverage. An estimate of these costs was added based on 24-25 employee participation. \$ 7,574,515

Total Estimated Position Control Costs \$ 208,904,380

Other Operating Expenses

The remaining costs outside of position control have been budgeted to help meet departmental needs at each budget center. Included herein are estimated costs for Adjunct faculty.

Extended Day (including Adjunct & Overload)
Extended Day budgets estimated using 24-25 Proposed Budget. Associated benefits have been included. \$ 38,888,970
Estimated cost of increasing overload by 15% \$ 1,758,750

Health Costs
Part-time Faculty Insurance premiums \$ 4,924,500
Expected reimbursement \$ (4,924,500)

Other Budget Center Expenses: Amounts estimated based on 24-25 actuals and increased by 2.92% CPI. \$ 18,815,794

Districtwide Expenses

Districtwide expenses include budget for costs that have been approved through CBF and DCC and that will be shared across all budget centers. \$ 6,005,349

Total Expenses (net of Contrib. from OPEB Trust) \$ 274,373,243

Items not included in Budgeted Expense:

Estimated cost of increasing CSEA salary schedule by 1.5%, including statutory fringe benefits. \$ 1,196,441

Estimated cost of increasing Adjunct Faculty rates:
By 1% \$ 328,171
By 5% \$ 1,640,855
By 10% \$ 3,281,710
By 15% \$ 4,922,565

Estimated cost of adding 34 new Full-Time Faculty, including benefits
Cypress - adding 15 \$ 2,820,540
Fullerton - adding 15 \$ 2,820,540
NOCE - adding 4 \$ 752,144

Estimated cost savings from vacant positions, including benefits (using 24-25 Position Control) \$ (13,174,893)

Potential estimated cost of Job Family Study (ITS) \$ 618,954
Potential estimated cost of other Job Family Studies \$ 6,655,410

Other Budget Center costs (student food program, student advocates, book program) TBD

North Orange County Community College District
2025-26 Early Preliminary Budget
Districtwide (DW) Expenses in Fund 11200 (Ongoing Budget only)
February 6, 2025

	<u>Actuals</u> <u>2023-24</u>	<u>Budget</u> <u>2024-25</u>	<u>Budget</u> <u>2025-26</u>
Sabbatical Replacement Costs	\$ -	\$ 300,000	\$ 300,000
Related Activity (Additional Duty Days for Faculty)	\$ 442,561.68	350,000	350,000
Subtotal 10000's	\$ 442,561.68	650,000	650,000
Retiree Medical Benefits	\$ 5,395,476.93	5,750,057	5,750,057
Contribution from Retiree OPEB Trust	\$ -	(5,750,057)	(5,750,057) ***
Net Retiree Medical Benefits Cost	\$ 5,395,476.93	-	-
Part-time Faculty Insurance reimbursement program	\$ 134,095.85	215,000	225,750
Part-time Faculty Insurance premiums	\$ 2,304,834.59	4,475,000	4,698,750
Expected Reimbursement	\$ (2,333,385.59)	(4,690,000)	(4,924,500) ◆
Net Part Time Health Insurance Program Expense	\$ 105,544.85	-	-
Fringe Benefits Clearing	\$ 600,574.29	1,000,000	1,000,000
Adjustments/Fees from STRS	\$ 24,607.16	40,000	40,000
Fees from PERS	\$ -	10,000	10,000
Load Banking Benefits Accrual Adjustment*	\$ 39,409.01	15,000	45,000
Subtotal 30000's	\$ 6,165,612.24	1,065,000	1,095,000
Other (Memberships per Contracts for Employees)	\$ -	6,000	6,000
Recruiting Budget	\$ 43,761.55	55,000	55,000
Fingerprinting	\$ 19,595.00	25,000	25,000
Sabbatical Bond Reimbursements	\$ 4,446.50	4,500	4,500
Districtwide Memberships	\$ 142,042.22	143,000	143,000
Audit Expenses*	\$ 121,800.00	133,500	150,300
Information & Emergency Communication System	\$ 47,481.28	51,280	51,280
Sewer Expenses*	\$ 98,726.46	99,000	115,000
Additional Attorney Expenses	\$ 250,968.14	350,000	350,000
Waste Disposal	\$ 196,244.28	200,000	200,000
Election Expense	\$ -	300,000	150,000
Ride Share (AQMD)	\$ 100,432.78	120,000	120,000
Student Insurance*	\$ 235,394.00	236,000	280,000
Employee Assistance Program	\$ 41,437.02	60,000	60,000
Interest	\$ 66,711.23	90,000	90,000
Life insurance	\$ 171,912.25	172,000	172,000
Mandated Fees from PERS (for reports)	\$ 350.00	350	350
County Payroll Postage Charges	\$ 5,513.42	5,700	5,700
DW IT Expenses	\$ 1,551,350.03	1,907,219	1,907,219
Subtotal 50000's	\$ 3,098,166.16	3,958,549	3,885,349
FC Child Care Center Contribution (B/A 4/14/09)	\$ 250,000.00	250,000	250,000
Hospitality	\$ 195,000.00	-	- ◆
Subtotal 70000's	\$ 445,000.00	250,000	250,000
EEO Plan Implementation	\$ -	25,000	25,000
Student Success	\$ -	100,000	100,000
Subtotal 79000's (Contingencies)	\$ -	125,000	125,000
Total Districtwide Expenses	\$ 10,151,340.08	\$ 6,048,549	\$ 6,005,349
Total	10,151,340.08		

***: The Retiree Trust Board approved the use of trust fund assets for the pay-as-you-go annual costs for the health retiree benefits.

◆: We will be using the reimbursement from the state to cover the cost of the part-time faculty health insurance program.

❖: Beginning 24-25, hospitality will no longer be a districtwide shared expense. Hospitality will be budgeted at each budget center.