

**COUNCIL ON BUDGET AND FACILITIES**  
**February 13, 2023**

**APPROVED SUMMARY**

**Members Present:** Jennifer Combs, Terry Cox, Damon de la Cruz, Raine Hambly, Cherry Li-Bugg, Elaine Loayza, Marwin Luminarias, Kathleen McAlister (Academic Senate rep), Fola Odebunmi, Jennifer Oo, Irma Ramos, Stephen Schoonmaker, Marlo Smith, Leslie Tsubaki, Kashu Vyas, and Fred Williams

**Members Absent:** None

**Guests Present:** Daniel Berumen, Henry Hua, Geoff Hurst, Cynthia Olivo, Jeremy Peters, Valentina Purtell, Jeanette Rodriguez, and Richard Williams

**Call to Order:** The meeting was called to order at 2:03

1. **Resolution AB361** – NOCCCD can no longer operate under AB361 after February 28, 2023, all Brown Act Committees, including Council on Budget and Facilities, will be moving to in-person meetings. Meeting locations at the Anaheim Campus, Cypress College and Fullerton College will be identified for participants to join from.
2. **Summary:** The summary of the December 12, 2022, meeting notes were approved.
3. **Budget Update:** Fred Williams, Vice Chancellor, Finance and Facilities reported that the Governor introduced the 2023-24 Budget Proposal on January 10, 2023, and shared the State Chancellor's Office's Joint Analysis and the School Services of California's economic overview which highlighted the following:
  - The proposal tackles a budget deficit while seeking to keep prior year promises without touching the rainy-day funds.
  - Very few new programs in the budget.
  - 8.13% COLA for the Student Centered Funding Formula (SCFF) and categorical programs including adult education.
  - A portion of deferred maintenance funds allocated in FY 2022-23 are being recommended to be reinvested in retention and enrollment efforts.

Vice Chancellor Williams noted that he had not previously seen a proposal from the State to take \$200 million back and reappropriate it.

**Early Preliminary Budget:** Kashu Vyas, District Director, Fiscal Affairs, provided an early overview of the Resource Allocation Model and the preliminary budget highlighting the following:

- Submitted P-1 numbers were used as potential 2023-24 calculations to produce the preliminary numbers.
- 8.13% increased rate is reflected based on the Chancellor's Office guidelines.
- Calculations based on actual amounts expected to be earning based on FTES generated: \$219.7 million. Total Revenues, including Other Revenues, Funding for Districtwide Expenses and Net Chargebacks: \$238.82 million.

- COLA increases, negotiation settlements, STRS and PERS increases, and an anticipated 4.5% increase to health and welfare costs have also been built into the model for position control expenses.
- Personnel costs outside of position control will be updated at the campuses.
- There is a structural deficit of \$29.3 million.

Vice Chancellor Williams noted that the District's calculations are coming in significantly lower than anticipated. The Governor's January Budget Proposal is a preliminary look at the calculations and can be adjusted by the time the May Revise is released. Once the May revise is released staff will be able to validate models currently being used. A major concern is the stability funds not covering the current deficit, as it had previously been anticipated.

Question/Comments:

1. *Is there any news that the provisions will be extended?* No, it is cautioned that emergency conditions and hold harmless are likely going away after next year and that there could be potential penalties for districts that do not get their FTES numbers up.
2. *For NOCE, is this taking into consideration the possible increase in FTE collection based on the update outside of class hours that is currently going through curriculum so we can collect the proper amount of funds for distance education classes?* The RAM does not include future predictions for FTES. The model was changed to calculate the campus level data based on the last known submitted data to account for the differences at the campuses.
3. *The campuses reportedly have been increasing their FTES, when will those numbers be reflected in the RAM?* These are reflective of the current numbers using 2022-23 P-1 reported numbers.

*Note: On February 22, 2023, staff distributed an updated early budget information for 2023-24.*

4. **One-Time Funding Request:** Vice Chancellor Fred Williams provided an update to the One-time Funding requests submitted to DCC and any current allocations.
  - The \$5.5 million request for Capital Projects was approved at the January 23, 2023, DCC meeting.
  - Recently, an MOU for part-time faculty office hours was approved (\$400,000) and implemented for the spring semester, using one-time dollars. It is anticipated that half of these dollars will be reimbursed by the state.
  - Repayment of Financial Aid Payments to Fraudulent Students will be added back to the unallocated total at the end of the year.
  - Current unallocated total: \$9.9 million.

**5. Facilities Updates:**

Cypress College – VPAS, Stephen Schoonmaker provided an update on behalf of the campus.

- Scheduled Maintenance Projects: College Center Complex Elevator system upgrade was completed over break. Restroom flooring was also completed. Campus is looking into two roof replacements, upgrades/repairs to the pool mechanical equipment, boiler replacements, bleacher safety upgrades and valve replacements.

- Fine Arts Swing Space (old SEM Building) – staff meet with the contractors on a weekly basis and continue to work through some delays. Move out scheduled in spring. Overall project is still on target to move in during summer 2023.
- Culinary Arts Swing Space – Program scheduled to move to Cypress winter 2023 and restart program in spring 2024.

Fullerton College – Vice Chancellor, Fred Williams provided an update on behalf of the campus.

- Sherbeck Field – bleachers were delivered and will be installed within the next six weeks.
- Scheduled Maintenance Projects – ADA plan was awarded to a contractor to address some of the issues.
- 300 Building Renovation– Preliminary plans were submitted to DSA for approval.
- Fine Arts – Awaiting DSA for approval.
- Chapman Newell and M&O Building – Currently with DSA and staff continue to reconcile the budget due to cost escalations.

Anaheim Campus – Vice Chancellor, Fred Williams provided an update on behalf of the campus.

- ADA Compliance Plan – Currently have an RFP out to select a contractor to help the District create a multi-year transition plan.
- Sustainability Plan – There is an RFP to select a firm to help with coordination and overall support for the Districtwide sustainability plan.
- Fire Riser – Piping will be replaced throughout the Tower.
- Board Room Renovations – Post pandemic changes will be permanently made to the Board room.
- NOCE Registration Desk and Patio Renovations – Staff are working with architects to possibly install a solar patio covering to the south side of the Tower.
- NOCE Swing Space – Bids are anticipated to come in in mid-March and construction to begin early April. Plan is to move NOCE out by winter break.
- Interior and Exterior Signage – project came in significantly higher than budgeted, however, additional resources will be needed to cover the cost.

## **6. Future Meetings**

- April 10, 2023
- May 8, 2023
- June 12, 2023

**Meeting was adjourned at 2:41 p.m.**