

COUNCIL ON BUDGET AND FACILITIES

September 11, 2023
2:00 p.m.
Anaheim Campus Room 107

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

AGENDA

- | | | |
|---|-----------------|-------------|
| 1. Approval of June 12, 2023 Summary Notes | Irma Ramos | Action |
| 2. Memberships | Fred Williams | Discussion |
| 3. Budget Update | | |
| ➤ Proposed Budget Book & Presentation | Fred Williams/ | Information |
| ➤ 2023-24 California Community Colleges Compendium of Allocations and Resources | Kashu Vyas | |
| 4. One-time Funds | Fred Williams | Information |
| 5. Detailed Spending Allocations of One-time Funds | Kashu Vyas | Information |
| 6. Facilities Updates | Budget Officers | Information |
| 7. 2023-24 Future Meeting Dates: | | |
| ➤ October 9, 2023 | | |
| ➤ November 13, 2023 | | |
| ➤ December 11, 2023 | | |

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
June 12, 2023

UNAPPROVED SUMMARY

Members Present: Jennifer Combs, Henry Hua, Cherry Li-Bugg, Elaine Loayza, Marwin Luminarias, Jeremy Peters, Stephen Schoonmaker, Svetlana Soske, Leslie Tsubaki, and Fred Williams

Members Absent: Terry Cox, Damon de la Cruz, Raine Hambly, Fola Odebunmi, Irma Ramos, Marlo Smith, Kashu Vyas

Guests Present: Geoff Hurst, Cynthia Olivo, Jeanette Rodriguez, Richard Williams

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

1. **Summary:** The summary of the May 8, 2023, meeting notes were approved.

2. **Budget Update**

Governor's May Revise – A copy of the Joint Analysis provided by the California Community Colleges was provided to the Committee. A copy was also distributed via email upon its release on May 12, 2023. Since its release there have been deliberations in both the Senate and Assembly as well as evaluations made by the Legislative Analyst's Office (LAO). The dollars contained in the budget pose an extreme concern that there will be a \$30-\$50 billion deficit within the state. One of the major concerns is not having enough funding to support the 8.22% COLA and was suggested by the LAO to lower COLA to 5.0%. However, this recommendation was not supported by the Senate nor Assembly. One of the major setbacks for our District will be the reduction in deferred maintenance and COVID-19 dollars. These changes will impact facilities planning Districtwide. The budget is expected to be finalized on June 15, 2023.

Questions and Comments:

1. *How will the deficit affect the community colleges in the long run?* The last time the state had insufficient dollars, deferrals were used until the budget recovered. The idea was to match COLA for community colleges with K-12.

Tentative Budget Assumptions – Vice Chancellor, Fred Williams shared the updates with the Committee and noted that while staff believe the 8.22% COLA will be funded, the 8.13% COLA was used in the calculation. As soon as the Governor's budget is released and finalized, staff will update accordingly. Mr. Williams also pointed out that after the two years (2022/23 and 2023/24) of Emergency Condition Funding and the STRS and PERS contributions, the District should be close to getting our reserve balance up to the two months' worth of operating expenditures, which will be significantly higher than the 5% that was previously in our Board Policy.

Questions and Comments:

1. *What does two months of reserves calculate out to?* It depends on expenditures, but it is about 17%, roughly \$45M.

Six Year Forecast – The projection showed an increasingly larger structural deficit as the years progressed. It was emphasized that changes and adjustments will need to be made to

offset the deficit. Vice Chancellor Williams provided the Committee with examples of ways to offset the deficit: increasing enrollment numbers, reducing expenditures, reserving a portion of COLA, offering Supplemental Early Retirement Plans (SERP), etc. Some of the major items that are unforeseeable at this time are the cost associated with the lecture/lab parity, which could be a multi-million dollar impact and the part-time faculty benefits coverage (teaching less than 40%) which could be ~\$2,000 per employee, neither which are included in the current projections.

Questions and Comments:

1. *Where does the 40% workload (roughly 6 units, 2 classes) or part time faculty come from?* The Legislature budgeted \$200 million dollars statewide for part-time medical benefits. Faculty must be teaching 40% to receive benefits. It is still unknown how many Adjunct Faculty will decide to participate, but there is a possibility of receiving reimbursement for those Adjunct Faculty who are employed in multiple districts.
2. *Are the 2017-18 enrollment numbers the highest number the District has seen?* No, these are not the highest.
3. *Why do we continue to higher (top heavy) within the District? Are we able to continue to support these positions?* The positions filled were the priority at the time. If enrollment does not go up, based on the six-year projections, the District will not be able to support these positions. Enrollment management has been the top priority and should continue to be until numbers begin to grow.
4. *Will there still be a DMA vacation payout?* This will be a one-time expense, but there are some tax restrictions that will need to be looked at in further detail. The law does not allow excess vacation to roll over and be paid out. Vice Chancellor, Irma Ramos will have additional details if DMA has further questions.
5. *Has the District had any discussion past 2024-25?* Yes. There have been numerous discussions on how the District will deal with this structural deficit, including a combination of enrollment discussion, not passing COLA through, and reductions in work force. Enrollment data shows a positive effect from quick responses to retention.

Mr. Williams noted that the tentative budget will be presented at the second Board meeting in June and will include the lecture/lab parity numbers. The benefits calculations are based on actuals and staff is expected to have a better understanding/estimate after open enrollment.

May/June CCCCCO Compendium – Pages from the Updated California Community Colleges Compendium of Allocations and Resources was shared with the Committee. Mr. William's noted that the Compendium will continue to be updated regularly and informed the Committee that any fiscal updates can be found on the State Chancellor's Office Budget News webpage at cccco.edu under the Finance and Facilities Planning/Budget page.

4. **Facilities Updates:** Vice Chancellor Williams noted that at the October 9 CBF meeting, staff will bring back a summary of the spent scheduled maintenance funds to share with the Committee.

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

- Fine Arts Swing Space – The project is complete. Staff anticipate the space to be utilized for the fall.

- Culinary Arts Swing Space – This project includes ADA parking lot updates. The campus is trying to complete these during the summers to reduce any disruptions.
- Campus Complex 4th Floor Renovations – Space is being renovated to provide space for professional development, academic senates, and the career center.
- Health and Wellness Center – This project is underway.
- Student Housing – The application was Board approved and was submitted to the state. Unfortunately, CC will not be funded during this round, but will be resubmitting another application by July 3 for a second round of funding considerations.
- Electrical Charging Stations – Plans are currently with DSA and staff are awaiting comments back.
- Scheduled Maintenance – Cypress originally identified \$8M and had identified highly needed projects, however, after the May Revise, the campus is looking at \$2.6M, which will be stretched across as many projects as possible. Currently, the campus is heavily involved in two roofing projects and using existing dollars. The new dollars will go towards the fire alarm replacements, barrier removal projects and phase 2 of the emergency lock down projects, electrical updates in the business building, and exterior restrooms. One of the major projects that had to be postponed was the pool renovation.

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

- 300 Building – Was approved by DSA and will be going to the State Chancellor's Office for approval. The campus hopes to go to bid by November 1 and break ground December/January.
- Chapman Newell and M&O Building – Staff is still waiting to hear back from DSA.
- Performance Art Building – Plans are currently with DSA and staff anticipate approval by August. Once the plans are approved, the project will go out to bid. This is a very high-cost project, roughly \$130M in total, which is \$64M dollars over budget. Staff continue to look at alternate ways to fund this project.
- Summer Projects – Underground tunnel repairs will be done throughout the summer.
- Sherbeck Field – This is a non-bond project and is being funded through campus/local funds. Only finishing punch list close out item remain.
- Scheduled Maintenance Projects – includes the campus bridge beautification project.

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

- Interim housing for NOCE – 100% complete with demolition, next steps will be pouring cement and asphalt. The portables will be delivered mid-July with the plan to move in during winter break. Some departments/programs, such as the food pantry, will be able to move in earlier. The print shop equipment will be moved to Building B by the end of June.
- Upper deck repair – A lift from the west side of building will be installed to provide an ADA and more direct path of travel from Romneya to the 2nd floor.
- Patio Renovations – Is still in the design phase. Will include patio coverage composed of solar arrays.
- Wayfinding/signage – The large marquee sign located on Romneya is scheduled to be replaced during the summer.
- Non-bond projects – The current EV charging stations are out of commission and are being rewired. The original wiring was not sized for the capacity.

- Board Room Renovation – Staff are looking to complete the renovation concurrently with the 1st floor renovation and expanding the Board Room towards the west and adding a control room to enhance audio and visual. Staff have proposed possible ideas to the Board and are awaiting feedback.
- Fireraiser Replacement Project– Anticipated completion date in June 2023.

Questions and Comments:

1. *What is the scope of work for the upper deck?* The main reason for this project will be to waterproof the building, remove faulty asphalt, and repair the cement under the deck to access the main structure of the building. Our Master Plan originally had plans for student areas to congregate, which caused pushback on utilizing the upper deck as parking, however, funding will allow for a parking surface.
2. *When will COLA be reflected on the employee paychecks?* It will be reflected on the August paycheck, the first paycheck of the fiscal year.

Network Refresh Update – Geoff Hurst provided an update.

- VOIP System – Concerns at Fullerton are being addressed.
- Supply Issues – Staff continue to wait for backorder items with no current ETA.
- Completion – Technology updates/programs will continue to be on-going, but staff hope to complete the work outlined in this contract by the end of June.

Future Meetings

It was noted by Mr. Williams that there will not be any significant changes by July 10 and that staff will continue to distribute any additional information that is shared at the state level. The July 10, 2023 meeting was canceled by the Committee members.

- July 10, 2023* - CANCELED
- August 14, 2023* - CANCELED
- September 11, 2023
- October 9, 2023
- November 13, 2023
- December 11, 2023

**Tentative meetings that will only take place if deemed necessary.*

Meeting was adjourned at 3:08 p.m.

Council on Budget and Facilities

As of: 9/8/2023

#	Member	Constituent Group
	Damon De La Cruz	Academic Senate, CC - ALTERNATE
1	Kathleen McAlister	Academic Senate, CC - ALTERNATE
2	Jennifer Oo	Academic Senate, NOCE
3	Marlo Smith	AdFac
4	Terry Cox	Dir Admin Services, NOCE
5	Lourdes Valiente	Student Leader, NOCE
	VACANT	Associated Students, CC
6	Jomari Tugade	Associated Students, FC
7	Leslie Tsubaki	Confidential
8	Marwin Luminarias	CSEA
9	Elaine Loayza	CSEA
10	Kashu Vyas	Dist Dir Fiscal Affairs
11	Raine Hambly	DMA
	Jeanette Rodriguez	Faculty Senate, FC - ALTERNATE
12	Jennifer Combs	Faculty Senate, FC
	Fola Odebunmi	UF
	Christie Diep	UF - ALTERNATE
13	Jeremy Peters	UF - ALTERNATE
14	Cherry Li-Bugg	VC ES&T
15	Fred Williams	VC Finance & Facilities
	Irma Ramos	VC HR
16	Stephen Schoonmaker	Interim VPAS, CC
17	Henry Hua	Interim VPAS, FC

Is considered a voting member only on the days in which they are an acting representative
 Committee Chair, non- voting

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: 9/6/2023

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for Council on Budget and Facilities of September 11, 2023

1. AGENDA ITEM NAME

2023-24 Budget Presentation

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

10 Minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

Staff will present the [2023-24 Proposed Budget and Financial Report](#) to the Board of Trustees at the September 12, 2023, Board meeting. For CBF, staff will present the presentation and answer any questions related to the presentation, proposed budget book and financial report.

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

Members are asked to review the information.

North Orange County Community College District

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: 9/7/2022

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for Council on Budget and Facilities of September 11, 2023

1. AGENDA ITEM NAME

One-time Funding – Unallocated Resources

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

5 Minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

As part of the year end closing process, District staff analyze the ending balances for the District. After this year's close, the District has \$14.0 million of unallocated resources. CBF can begin discussions on making a recommendation for the use of these funds.

Information on the Ending Balance can be found on pages 65 – 66 of the 2023-24 budget document.

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

Members are asked to review the information.

North Orange County Community College District

COUNCIL ON BUDGET & FACILITIES

Agenda Item Submittal Form

Date: 9/8/2022

From: Fred Williams, Vice Chancellor, Finance and Facilities

Re: Agenda Item for Council on Budget and Facilities of September 11, 2023

1. AGENDA ITEM NAME

Detailed Spending Allocations of One-time Funds

2. AGENDA ITEM ACTION (Please check one)

- Information Only
- Review/Discussion
- Action

3. ESTIMATED TIME REQUIRED FOR PRESENTATION/DISCUSSION:

10 Minutes

4. BRIEF NARRATIVE SUMMARY OF AGENDA ITEM

Attached is a summary of the one-time funds and a detailed spending allocation for each of the campuses and Districtwide expenses.

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

Members are asked to review the information.

North Orange County CCD
Detail of Allocations of One-Time Funds (Part of Assigned Fund Balance)
June 30, 2023

Updated 8/29/2023

	<u>Districtwide</u>	<u>Spent</u>	<u>Total DW</u>	<u>DS</u>	<u>Spent</u>	<u>Total DS</u>
Balance of Allocated of One-Time Funds P/Ys:						
Diversity Programs	2,070.09	-	2,070.09	-	-	-
Equipment	-	-	-	316,030.36	-	316,030.36
HR Banner Projects	-	-	-	37,690.31	(9,713.21)	27,977.10
Institutional Capacity	23,264.00	-	23,264.00	-	-	-
Professional Development Program	192,542.18	-	192,542.18	-	-	-
Safety	300,000.00	-	300,000.00	-	-	-
Business Process Analysis	130,151.78	-	130,151.78	-	-	-
Local Funding Requests	-	-	-	454,602.76	(70,775.78)	383,826.98
SERP Final installment	1,000,000.00	(926,511.00)	73,489.00	-	-	-
Technology - Microsoft 365 Collaboration	-	-	-	232,656.25	(34,537.50)	198,118.75
Title IX	-	-	-	225,598.25	(128,165.74)	97,432.51
5-Yr Cyber Security Plan	-	-	-	2,994,829.00	(1,173,817.18)	1,821,011.82
Subtotal Balance of PY Allocations	1,648,028.05	(926,511.00)	721,517.05	4,261,406.93	(1,417,009.41)	2,844,397.52
Allocation of Add'l One-Time Funds 22/23:						
Subtotal Additional Allocations	-	-	-	-	-	-
Funds already allocated	1,648,028.05	(926,511.00)	721,517.05	4,261,406.93	(1,417,009.41)	2,844,397.52
Add'l One-Time Funds to be Allocated						
Book Program Pilot Supplement	-	-	-	-	-	-
Hospitality Supplement	-	-	-	25,000.00	-	25,000.00
Sustainability Plan	-	-	-	1,000,000.00	-	1,000,000.00
Subtotal Additional Allocations	-	-	-	1,025,000.00	-	1,025,000.00
Total	\$ 1,648,028.05	\$ (926,511.00)	\$ 721,517.05	\$ 5,286,406.93	\$ (1,417,009.41)	\$ 3,869,397.52
Amounts/Balances to be returned or adj'd to OTF						
Balance for 22/23 SERP Payments Returned to OTF			(73,489.00)			
			<u>648,028.05</u>			<u>3,869,397.52</u>

North Orange County CCD
Detail of Allocations of One-Time Funds (Part of Assigned Fund Balance)
June 30, 2023

Updated 8/29/2023

	<u>CC</u>	<u>Spent</u>	<u>Net</u>
Balance of Allocated of One-Time Funds P/Ys:			
Assist with Fraudulent Student Investigation activities	100,000.00	(12,101.09)	87,898.91
Campus Enrollment Support	3,120,000.00	(11,619.07)	3,108,380.93
Capital Expenses			
ADA	475,827.00	(300,000.00)	175,827.00
CC Pilot Internship Program: Legacy/Puente	6,969.91	(984.13)	5,985.78
Hunger Initiative	100,000.00	-	100,000.00
Institutional Capacity			
Campus Priorities	302,423.22	(113,615.20)	188,808.02
Outreach/Recruitment/Onboarding/Advertising	20,753.67	(20,753.67)	-
Part-Time Faculty Office Hours Pilot - Spring Semester	128,155.00	(18,936.25)	109,218.75
Strategic Plan Allocation for DEIA	145,000.00	(4,631.35)	140,368.65
Student Success Funds - Online Education	69,741.00	-	69,741.00
Funds already allocated	4,468,869.80	(482,640.76)	3,986,229.04
Add'l One-Time Funds to be Allocated			
Book Program Pilot Supplement	2,500,000.00		2,500,000.00
Hospitality Supplement	5,000.00		5,000.00
Part-Time Faculty Office Hours - Fall Semester	128,155.00		128,155.00
CC Foundation to supplement initial cost of new position	450,000.00		450,000.00
Subtotal Additional Allocations	3,083,155.00	-	3,083,155.00
Total	\$ 7,552,024.80	\$ (482,640.76)	\$ 7,069,384.04

North Orange County CCD
Detail of Allocations of One-Time Funds (Part of Assigned Fund Balance)
June 30, 2023

Updated 8/29/2023

	<u>FC</u>	<u>Spent</u>	<u>Net</u>
Balance of Allocated of One-Time Funds P/Ys:			
Assist with Fraudulent Student Investigation activities	15,496.15	-	15,496.15
Campus Enrollment Support	4,240,000.00	(233,411.13)	4,006,588.87
Foundations	75,262.89	(75,262.89)	-
Institutional Capacity			
Professional Development Program	14,161.13	(7,270.82)	6,890.31
Campus Priorities	1,000,000.00	(76,263.96)	923,736.04
Local Funding Requests	1,224,456.18	(450,845.58)	773,610.60
Outreach/Recruitment/Onboarding/Advertising	48,264.84	(48,264.84)	-
Part-Time Faculty Office Hours Pilot - Spring Semester	194,175.00	(24,203.95)	169,971.05
Pathways Support	121,002.73	-	121,002.73
Strategic Plan Allocation for DEIA	145,000.00	-	145,000.00
Student Success Funds - Supplemental Instruction	409,669.55	(11.04)	409,658.51
Website Modifications	17,863.71	-	17,863.71
Funds already allocated	7,505,352.18	(915,534.21)	6,589,817.97
Add'l One-Time Funds to be Allocated			
Book Program Pilot Supplement	2,400,000.00		2,400,000.00
Hospitality Supplement	20,000.00		20,000.00
Part-Time Faculty Office Hours Pilot - Fall Semester	194,175.00		194,175.00
FC Foundation to supplement initial cost of new position	450,000.00		450,000.00
Subtotal Additional Allocations	3,064,175.00	-	3,064,175.00
Total	\$10,569,527.18	\$ (915,534.21)	\$ 9,653,992.97

North Orange County CCD
Detail of Allocations of One-Time Funds (Part of Assigned Fund Balance)
June 30, 2023

Updated 8/29/2023

	<u>NOCE</u>	<u>Spent</u>	<u>Total</u>
Balance of Allocated of One-Time Funds P/Ys:			
Campus Enrollment Support	640,000.00	(60,332.99)	579,667.01
Capital Expenses	42,479.93	(18,003.12)	24,476.81
ADA	247,771.69	-	247,771.69
Hunger Initiative	6,570.47	(2,939.60)	3,630.87
Local Funding Requests	356,784.37	(352,359.38)	4,424.99
Part-Time Faculty Office Hours Pilot - Spring Semes	77,670.00	(13,076.57)	64,593.43
Strategic Plan Allocation for DEIA	41,500.00	(1,601.24)	39,898.76
Student Success Funds - Universal Design	89,026.95	-	89,026.95
Subtotal Balance of PY Allocations	1,501,803.41	(448,312.90)	1,053,490.51
Allocation of Add'l One-Time Funds 22/23:			
	-	-	-
Subtotal Additional Allocations	-	-	-
Funds already allocated	861,803.41	(387,979.91)	473,823.50
Add'l One-Time Funds to be Allocated			
Book Program Pilot Supplement	100,000.00		100,000.00
Hospitality Supplement	5,000.00		5,000.00
Part-Time Faculty Office Hours - Fall Semester	77,670.00		77,670.00
Subtotal Additional Allocations	182,670.00	-	182,670.00
Total	\$ 1,684,473.41	\$ (448,312.90)	\$ 1,236,160.51