

COUNCIL ON BUDGET AND FACILITIES
June 12, 2023

APPROVED 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 hire (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.