<div align="center">

COUNCIL ON BUDGET AND FACILITIES
May 9, 2022

<u>APPROVED SUMMARY</u>

</div>

Members Present: Jennifer Combs, Rodrigo Garcia, Monica Hagmaier, Raine Hambly, Cherry Li-Bugg, Fola Odebunmi, Alex Porter, Irma Ramos, Marlo Smith, Leslie Tsubaki, and Fred Williams

Members Absent: Terry Cox, Damon de la Cruz, Elaine S. Loayza, Jennifer Oo, and Kashu Vyas

Guests Present: Gilbert Contreras, Craig Goralski, Henry Hua, Geoff Hurst, Jeanette Rodriguez, and Richard Williams

Call to Order: The meeting was called to order at 2:05p.m.

1. **Summary:** The summary of the April 11, 2022, meeting were approved.

2. **Budget Update**
   The District's P-2 attendance report was submitted to the state on April 20, 2022. Mr. Williams noted that the Emergency Conditions were removed and actual FTES numbers were reported. Staff felt it was important to report the actual FTES to establish the Full-time Faculty Obligation Number (FON).

   An analysis of the FTES at P-2 showed a significant decline in FTES, 15.18% from the District reported targets, 20.80% from the prior year and 25.24% from the pre-pandemic numbers. This decline ultimately impacts the District's earned revenue. It is projected that the District will receive $37.6 million in Hold Harmless dollars, down from the estimated $43 million reported in January.

   The Governor's May Revise is expected to be released early to mid-May. No significant changes are anticipated, and COLA is said to have increased to 6.56%. The Budget Officers will be attending the annual 2022 Spring Association of Chief Business Officials (ACBO) Conference in mid-May. Any new information on the May Revise will be shared with the council at the next meeting or when received. Mr. Williams also shared that the District's Tentative Budget will be taken to the June 28, 2022, Board meeting.

3. **One-time Funds – A spreadsheet was provided to the Council Members**
   A one-time funding request was submitted by Dr. Cherry Li-Bugg for a 5-year Cyber Security Plan in the amount of $2,994,828. In response to the recent cyber breach, the 5-year plan was created to help support the District create a solid foundation of IT backup, recovery, threat detection, and monitoring. Geoff Hurst, District Director, Enterprise IT Applications Support and Development, presented the details.

   Major areas covered in the 5-year plan included the following:
   - Adoption of a SOC 24/7 monitoring and threat detection
     - Support tools
     - Services to enhance and support security posture and threat mitigation
     - On-going technical training and security information on threat awareness
   - Data Security (shared drives, desktops, etc). Proposing to move documents to a Banner integrated solution. Creating a common platform throughout the District.
     - Tenant consolidation

             ○ Microsoft A5 Security Licensing
- Backup and Recovery – Districtwide

Question/Comments –
1. *How are the costs broken down?* Anything not specifically broken down by campus would be considered a Districtwide expense, but certain costs were broken down based on the campus size.
2. *Have the issues with the tenant consolidations been addressed?* The IT Department has been working with the company Dyntech to complete a scope and sequence to describe what it would look like if the District were to consolidate out. Money has been set aside for this project, but additional funding will be needed to continue the project.
3. *Some of the major concerns were campus identities being removed from email addresses.* Geoff reassured everyone that no campus branding would be removed from email addresses during the process.
4. *Why are the backup and recovery costs so different between the campuses*? Cypress is beginning their cloud storage process, whereas Fullerton and the District are further along with in their process. Cypress had also requested to have a secondary backup support site.
5. *Fullerton College was phased out of Onbase (system) and came as a surprise to faculty, particularly counseling staff. Is there a timeline for other Onbase conversions?* The switch from Onbase to BDM has been a long on-going process. Onbase is a very costly system, whereas BDM is a flat rate service, but the overall switching is a very extensive process and will take time. Training will be a large component of the transition and a large portion of the cost.
6. *The lack of response to warnings and alarms when the systems were infiltrated by the bad actors, indicates a lack of leadership and/or labor force. While the technical aspects are important, labor should also be considered.* Staffing was included in the original proposal, but was removed, as these costs would be an on-going expense. Labor costs and positions will need to be a separate proposal, however, creating these proposals has allowed staff to assess current roles and responsibilities and identify gaps in specific areas.
7. *The funding request seems to be more of an initial expense, cyber security seems like an on-going expense.* While it is an on-going project, the project allows the District and campuses to assess the current system. The one-time funding will allow the IS teams to get the departments back on their feet and plan for the future.
8. *Will these services replace some of the current services and provide any cost savings?* The Onbase transition will save the District in the long run. Some of the other expenses are add-ons for additional services. These are gross costs and dollars will be saved, but unfortunately, at the current funding levels, the District had inadequate security.
9. *Have the roles been identified as to who is overseeing what at the campuses and District?* All three campuses have agreed to work collaboratively, rather than separately, and leadership roles will be based on skills, knowledge, and expertise, not necessarily location.
10. *Concerns were addressed on how to continue funding after 5-years. On-going costs would impact the campus budgets with the new RAM model.*
11. *Would it be possible to wait and discuss the funding amounts in more detail before the request is approved?* The District system is still very vulnerable to other threats and action should be taken as soon as possible.
12. *What would be the cost breakdown per campus for on-going expenses?* The costs would be analyzed, and a breakdown would be provided at DCC.

RECOMMENDATION –Geoff Hurst will provide a cost breakdown of on-going expenses for cyber security for each of the campuses, which will be included in the DCC proposal.

After the April 11, 2022, meeting, the Campus Enrollment Support was included on the one-time funding sheet. The $8 million will be moved from the District Resource Allocation Model (RAM) to funding for campus enrollment support.

Discussions were had on course offerings, long term investments, enrollment trends, hybrid courses, equipment for virtual classes, training, etc. among the council members as areas that could use the one-time funding to help increase enrollments.

RECOMMENDATION – Council members agreed to move the discussion to DCC for further allocation and discussion. Staff would break down the campus allocation using similar formulas used for prior allocations or by FTES.

4. **Facilities Updates**
    At the March 14, 2022, CBF meeting, a detailed list of campus projects was requested. The Campus Budget Officers shared detailed lists of campus projects, including scheduled maintenance projects, and provided budget details and project status updates.

    Alex Porter provided a breakdown of the local/District funded projects and the state funded projects at Cypress College. Mr. Porter shared a brief overview of the details and information provided on the spreadsheet.

    Rodrigo Garcia provided a list of Fullerton College projects and shared a brief update on each of the line items, highlighting the boiler repair, ADA modifications -phase 1, utility tunnel repairs – phase 2, electric meter install project, 300 building swing space, the Chapman/Newell project, AV campus upgrades, and the security camera project.

    Fred Williams shared a list of the NOCE/Anaheim Campus projects on behalf of Terry Cox, who was not in attendance. In addition to the scheduled maintenance dollars that were allocated by CBF, an additional $10 million in state funded scheduled maintenance funds have been requested in the District Services Administrative Review to help fund some of the major projects at the Anaheim Campus.

    Mr. Williams also noted that the current funding allocation by CBF for scheduled maintenance would not be enough to financially support the on-going list of maintenance projects at the campuses. Staff will need to continue to reassess and prioritize their projects.

5. **2022-23 CBF Calendar** – Leslie Tsubaki shared a second reading of the 2022-23 CBF calendar.

    RECOMMENDATION: The 2022-23 CBF calendar was adopted.

6. **Future Meetings**
    - ➢ June 13, 2022
    - ➢ July 11, 2022*
    - ➢ August 8, 2022*
    - ➢ September 12, 2022

Meeting was adjourned at 3:40 p.m.