

COUNCIL ON BUDGET AND FACILITIES
March 14, 2022

APPROVED SUMMARY

Members Present: Jenifer Combs, Terry Cox, Damon de la Cruz, , Monica Hagmaier, Raine Hambly, Cherry Li-Bugg, Elaine S. Loayza, Jennifer Merchant, Fola Odebunmi, Alex Porter, Irma Ramos, Marlo Smith, Leslie Tsubaki, Kashu Vyas, Fred Williams

Members Absent: Rodrigo Garcia and Jennifer Oo

Guests Present: Gilbert Contreras, Craig Goralski, Jeremy Peters, and Richard Williams

Call to Order: The meeting was called to order at 2:02 p.m.

1. **Summary:** The summary of the February 14, 2022, meeting were approved.
2. **Budget Update** – A copy of the P-1 information that was received from the state was provided to the Council. The funded FTES was calculated using the emergency condition (pre-pandemic) numbers (33,735.67) whereas the reported numbers were ~25,500, significantly lower. While it is believed that the emergency conditions numbers will not be available next year, further discussions are scheduled to take place with Chancellor’s Staff to determine if the District will discontinue the use of the emergency condition option. Although the overall funding allocation does not change, if the District elects to discontinue using the emergency condition numbers, the hold harmless dollar amount will increase. Emergency condition funding for this year was allocated to the campuses to offset any losses. The deficit factor at P-1 was recorded at \$7,553,858. Staff previously accounted for a percentage of the deficit factor in the proposed budget that was presented to the Board in September and have included the remaining deficit into the one-time funding spreadsheet. Staff will continue to follow the numbers as additional information is received.

Questions/Comments

1. *How is the information that was presented at DCC different from the numbers here?*
The information that was presented at DCC was for the 2022-23 year, while the information presented today reflects the current 2021-22 year.
3. **One-time Funding** – A one-page spreadsheet identifying one-time funding allocations was shared with the Council.

Dollars have not been allocated for the repayment of financial aid payments to fraudulent students but a placeholder of \$10,700,00 was placed on the one-time funding spreadsheet. The final SERP Payment of \$2,000,000 has been allocated, \$8,000,000 has been allocated to the District Resource Allocation Model (RAM) for any unforeseen circumstances, and \$210,000 has been allocated to various campus programs. The remaining deficit factor that was not previously accounted for was included and calculated at \$5,225,437. The current unallocated balance is \$6,682,641.

Questions/Comments

1. *The repayment was previously submitted as \$10M, now it is earmarked at \$10.7M. Is there a statute of limitations on the \$10.7M for the repayment? No additional information has been provided at this point.* Documentation has been provided to the Inspector General and our internal auditor has helped identify the dollars associated with the possible fraudulent students. At this point, we will need to wait to here back from the Inspector General.
 2. *Was the \$10M just an estimate? Yes.* When our Internal auditor calculated the District's losses, \$10.7 was a better estimated number.
3. **HEERF Update** – a summary as of the HEERF funding as of February 28, 2022 was shared.

Questions/Comments

1. *Is it possible for a campus representative to articulate their plans for their remaining balance?*
 - Alex provided an overview for Cypress – While plans have not deviated far from Cypress' original plan, the campus plans to offer additional student technology, for example, more laptop purchases. Cypress would like to continue the free food program if funds are available but will need to reassess their plans with the shared governance groups.
 - Terry Cox provided an update for NOCE – NOCE plans to use the funds to help backfill loss revenue; parking fund and self-supporting fund (community services) which includes salaries.
 - Gilbert Contreras provided an update for Fullerton – Fullerton would like to continue to prioritize student basic needs, the healthy hornets program (food program) and hot meal program. Fullerton is also looking to backfill loss revenues, continuing to support the COVID check-in/contract tracing, and paying off student dept.

Summer student parking fees will be waived this year and campuses will need to plan accordingly to backfill for the loss revenue. Planned usage of campus HEERF funds were provided at the May 10, 2021, meeting by CBOs and can be referenced in the minutes for details.

2. *When will the last disbursement of funds be distributed to the District?* The District has received all of the available funds and did not qualify for any additional funding.
3. *Are there any plans to institutionalize the services that were being funded by HEERF funds?* Numerous discussions have been held with the Budget Officers, but at this time the main focus is the decline in enrollments. A large portion of the dollars have been used to backfill for lost revenue. HEERF funds provided the District with a large amount of dollars and unfortunately there isn't a similar type of funding source that could produce such funds into the future. The plan will be to try and re-institutionalize the current programs/services next fall, but there is no immediate plan to institutionalize these programs.

4. *Should there be another variant over the summer to deviate from the plan, would it be appropriate to carry over the funds to be used as temporary relief?* The dollars have been allocated to the campuses and how to best utilize the dollars have been left up to the campuses. Spending rules to the HEERF funds have flexibility built in.

4. Facilities Updates

Cypress College – Alex Porter provided an update.

- SEM/SAC/VRC – Small punch list items continue to be completed.
- Fine Arts Project Swing Space – Project is currently under DSA review. The old SEM design phase of the project is underway and will be utilized as swing space for Fine Arts.
- Central Plant Renovation/Expansion – currently in the planning phase.
- Culinary Arts Project – Staff are looking into temporary modulars at Cypress to house the Culinary Arts program during the Anaheim Campus upper deck renovation.
- Scheduled Maintenance Updates – staff continues to work on projects around campus.

Anaheim Campus – Rick Williams provided an update.

- Upper Deck Renovation – The renovation will include the first and second floors of the Anaheim campus building and swing space for NOCE has been incorporated into the overall project. Staff continue to work with DSA to allow staff parking on the second floor after the renovation is complete. Demolition is scheduled to begin December 10 to avoid class disruption.
- ADA Upgrades – The lower-level circle and ramp are included in the upgrades, including other projects around campus that CBF approved.
- Signage project – The design standards and preliminary plans for the interior and exterior signage have been completed. A Board agenda item to approve a contract with Westberg and White for preparation of construction documents, submission to the Division of State Architect, bidding, and construction administration will be going to the Board later this month.
- West Parking lot – Anticipated DSA approval is mid-March.

Fullerton College – Gilbert Contreras provided an update.

- Sherbeck Field – Construction has been postponed a few months to allow commencement to occur on the field.
- Chapman M&O Project – After the schematic design was completed, the estimated project cost exceeded the budget. The architect and contractors continue to work with staff to bring down the cost. Until the costs issues are resolved, the design-development is currently on hold.
- Humanities Building – The ribbon cutting ceremony will be rescheduled for some time in April. DSA certification is expected by mid-February.
- Central Plant Chiller Expansion – a Board agenda item will be submitted shortly for the financial closeout of this project.

- 300/500 Renovation Project – Project has been decoupled to renovate only the 300 building. A new FPP is being submitted to the State to fast track the project in order to receive State funding (\$16M). The new estimated cost for a full seismic upgrade is \$36M.
- Performing Arts Building – The current theater will be demolished and a new building will be constructed to house all Performing Arts. After the design documents were received, the project was determined to be under budgeted by 20-30%. Department of Finance approved Fullerton to continue with the project and increase the budget, but no additional state funding was approved. The project is probably \$47M over budget and funds will need to be identified before the project can be bid.

A list of scheduled maintenance projects at each of the campuses will be brought back to CBF for review at the April or May meeting.

5. Future Meeting Dates

- April 11, 2022
- May 9, 2022
- June 13, 2022

Meeting adjourned at 2:47 p.m.