



PLANNING AND BUDGET STEERING COMMITTEE

Summary Meeting Notes March 6, 2019

APPROVED April 3, 2019

Members Present: Co-Chairs: Rod Garcia, Carlos Ayon; **Management Reps:** Cyndi Grein, Richard Hartmann; **Faculty Reps:** Marcus Wilson, Kim Orlijan; **Classified Reps:** Nichole Crockrom, Monica Hagmaier; **Members Absent:** Hannah Avalos; Trenton Schamberger.

The meeting commenced at 2:07 p.m. This meeting was recorded.

I. Approval of Meeting Notes: The February 6, 2019 Summary Meeting Notes were unanimously approved by a motion from Marcus Wilson, seconded by Richard Hartmann; all were in favor.

II. Planning Update: Co-chair Ayon reported that the PBSC drafted updated goals and objectives for the strategic plan. We also revised the Mission Statement and Vision Statement so it makes sense to revise our goals and objectives. The PBSC took a first look at it and the Institutional Integrity Committee (IIC) held an open forum for additional input and feedback from the campus. After receiving that information, the IIC has revised the goals and they are being brought to the PBSC as an informational item, and if you have any input, it can be brought back to the IIC. Once the IIC finalizes them, it will be presented to PAC and moved forward with strategic planning. Interestingly enough, the District is working with a Master Planning consultant, and we may find ourselves not entirely aligned with the District's goals, so they may need to be updated to reflect any District updated goals.

The Program Review Committee (PRC) is currently in the process of reviewing the Non-Instructional Program Review Reports. Marcus Wilson asked if the campus would consider switching to a 4-year cycle similar to Cypress College, and if so, what would be the best way to initiate that. Carlos responded that he would support a 4-year cycle and thought it would be best to start discussions with the PRC as they have the expertise. It might better align with the campus-wide strategic plan that is longer and have two years of planning. We could conduct two years of activities and then use the backend to evaluate and planning or an additional year for implementation. Dr. Nunez' philosophy is that program review should be program review and planning. So when you create these program review documents you are planning for a future and not just looking at the backend. Marcus stated that he brought up the 4-year cycle at Faculty Senate and he plans to gather any feedback and refer it to the PRC.

III. Budget Update: Co-chair Garcia presented a handout from a PowerPoint entitled Fiscal and Staffing Update that Dr. Marshall, Fred Williams and Victor Manchik presented to the Board on

February 26, 2019 and Fred presented to management at the Fullerton College Management Team Meeting on March 1, 2019. Rod provided financial-related highlights beginning on page 3 **Slide #5** showing the declining trend of FTES in 2018-19-20 with a slight increase in FTES from 2019-20 due to the fact that we are incorporating the Fullerton Pledge and anticipating we will have the same effect as we did with the Anaheim Pledge in that our full-time students went from 50+% to 75% as well as attracting more students from that district. **Slide #6** basically depicts the apportionment calculation if there would be a 1% change based on the students we serve that qualify for the promise grant, Pell grant or receive the ADTs (Associate Degree for Transfer), and students completing transfer-level Math and English (different components of the new funding model).

Slide #7 - About a year ago Fred started comparing the old funding formula to the new formula to see what that meant dollar wise as far as any difference, and there was a significant drop based on 2016-17 numbers. Since then, the State Chancellor's Office has received the 2017-18 numbers and this slide depicts some of the metrics they pulled, and we have increased significantly from one year to the next. The new funding formula has improved since we initially compared the funding models. The State is looking to cap growth and decline to 10%, but they haven't announced any decision to date. There will be money available that districts can capture that will be reallocated funds that went to growth to the other metrics. When we take a drop, this will significantly affect our revenues. These figures will not be weighted like with FTES (3-year average) and funding will be calculated based on what was accomplished in the previous year. **Slide #8** identifies the apportionment allocations for 2019-20.

Slide #9 is our ongoing revenues totaling about \$211M (11200 funds districtwide) and the first line-item of \$200M in apportionment is taken from the previous slide. The PERS/STRS holding is the amount that the District has set aside for the increases each year as determined on a schedule on another slide. The total ongoing revenues total just under \$211M and does not include hold harmless, carryover or categoricals. About a year ago Fred previously identified an ongoing shortfall of \$6-7M and now he is showing a surplus. **Slide #10** depicts on-going personnel costs totaling about \$153M as a snapshot in time as it will fluctuate throughout the year. **Slide #11** – Based on the COLA received, this table shows the past ongoing salary increases and does not include one-time increases and bonuses. In 2019-20, the full-time faculty (\$2,733,783) and Adjunct faculty (\$1,632,629) salary figures are there because they did not settle their contract. The other groups settled for an on-going increase and 2019-20 was supposed to be an off-schedule increase so the figures are not yet listed. **Slide 12** lists the position counts in each group of employees. **Slide 13** briefly talks about our FON (Full-time Faculty Obligation Number). We currently have 597 in the budget and after subtracting the non-credit faculty, we are at 578, which exceeds the expected 2019-20 FON of 565.

Slide 18 identifies the last five years for extended day budget (X-day). We payout all overload faculty and adjunct and this number has decreased every year, as associated with FTES. They take how many FT faculty positions and estimate the FTES they will generate and whatever is left over is for X-day. The numbers used in the calculation is average class size, that is higher than what we actually have, and are always shortchanged in this category. **Slide 22** depicts the on-going expenses of about \$205M, which is about \$5M less than revenues, thus identifying a surplus. The \$11M Operating Allocation is a small amount to cover the 4 cost centers of

Fullerton College, Cypress College, NOCE, and the District Office. The Districtwide line item is for utilities totaling \$6.6M for electric and gas, which the District covers. **Slide #23** identifies the anticipated PERS and STRS benefit increases. We know the figures for STRS because it's based on legislation; however, the PERS figures shift up and down each year and we don't know them until we do the estimates. We can identify a significant increase that from 2018 (15.531%) to 2022 (24.50%) there will be an anticipated 9% increase. This chart does not show what we have increased over the past five years. These figures show the employer's portion of the expenses. We have been setting aside the funds to cover the increase in the allocation that the state has been giving us to cover these anticipated expenses; but, based on our calculations, we no longer need to use these funds and so we are releasing the funds that we have set aside. **Slide #24** shows the Assumption Summary of ongoing revenues and expenses, and for now we have an ongoing \$5.1 surplus. That does not include the 1% salary increase for Faculty and the fringe benefits increases so when that gets settled that will decrease the surplus by \$2.7M. **Slide #26** depicts the percentage of personnel costs compared to total revenue from 2015-18. This is the number that the chancellor wants to bring down. It was 91%, which was the highest of all community colleges in the state, but the table shows the percent is decreasing.

Slide #30 shows a summary of the recommended use of one-time funding. In 18-19, out of the \$69M, the plan is to allocate close to \$47M, of which \$6.2 for FC. When they adopt this, Rod will share the details with the group. In the next few years we could receive up to \$21M in one-time funds, but this is dependent that our FTES doesn't continue to decrease as this affects our one-time funds. The balances indicate what the District will carryover, which is decreasing over time. We still don't know our apportionment information for next year as the chancellor has not released the estimated figures to date, so the next milestone is the May Revise. A CBF subcommittee (Council on Budget and Facilities) has been working with consultants from Cambridge West to look at the new funding model so that we obtain the best funding available and get that out to all campuses.

IV: Diversity Art PAC Recommendation – Status Update: Rod reported that PAC approved the PBSC's recommendation on February 13, 2019 that recommends the acquisition of artwork through an art competition for Fullerton College's students. Dr. Schulz accepted the recommendation on February 27, 2019. Rod will notify Fine Arts Dean John Tebay and faculty co-chair Moe M. Abdel Haq that the funding has been approved and the budget will be setup for the Diversity Committee to begin working with the Fine Arts Division to move forward with the art competition.

V. Other / General Discussion: Rod stated that Fall 2018 was the first semester the campus leased an off-site parking lot for parking, and the College is currently in discussions to purchase the lot. If we successfully purchase the lot, it will lead to us being able to purchase an adjacent lot which is 3 times that size. Also, next Tuesday the College is going to the Board for the sale of the properties on Wilshire. There will be two agenda items, one to go for bid and a second asking for the Board of Governor's Waiver, which will allow us to negotiate. We are trying to sell two lots and two homes at Chapman / Newell to be moved at buyer's expense to those lots.

Meeting adjourned at 2:48 pm
Meeting Notes transcribed by Melisa McLellan
Next Meeting: March 20, 2019