



PLANNING AND BUDGET STEERING COMMITTEE

Summary Meeting Notes from ZOOM Meeting

October 7, 2020

APPROVED October 21, 2020

Members Present: **Co-Chairs:** Rod Garcia, Joseph Ramirez; **Management Reps:** Cyndi Grein, Rich Hartmann; **Faculty Reps:** Kim Orlijan, Marcus Wilson; **Classified Reps:** Nichole Crockrom; Monica Hagmaier; **Resource Members:** Gil Contreras, Vivian Gaytan, Melisa McLellan, and Catalina Olmedo. **Guests:** Dale Craig.

The meeting commenced at 2:05p.m.

I. Welcome and Introduction of Members: Co-chair welcomed everyone to our first meeting via ZOOM. Rod stated that Marcus Wilson is a returning member who previously served as a faculty representative in the past. The students have yet to appoint their student reps to our committee.

II. Review of PBSC Mission, Purpose, and Guidelines: Rod Garcia stated everyone can read the Mission, Purpose, and Guidelines on their own as there have not been any changes since 2013.

III. Approval of Meeting Notes: The March 4, 2020, Summary Meeting Notes were unanimously approved by a motion from Kim Orlijan and seconded by Monica Hagmaier; all were in favor.

IV. Planning Update: Co-chair Ramirez reported that the Integrated Planning Manual (IPM) was last reviewed in 2017, and it describes the processes and entities of shared governance. He stated we need to update pages 17-18 of the manual, which describes the budget allocation process at Fullerton College as related to the PAC (President's Advisory Committee). He also stated that planning in the time of COVID is interesting and we can ask the group to review the components of the IPM, PBSC and our role. We need to pay special attention to activities of PBSC as it relates to the Program Review components and how requests are forwarded to PBSC on pages 14-16. Melisa McLellan reminded the group that the current Building User Group (BUG) Procedures including the "Participant Selection Process Procedure" and "Building Design Approval Process" need to be added to the manual.

V. Budget Update: Co-chair Garcia referred to the handout sent via email titled Joint Analysis – Enacted 2020-21 Budget dated July 2, 2020, which provides an analysis of the enacted State budget for the 2020-21 fiscal year, which builds on a May 15, 2020 analysis of the Governor's May Revision budget proposal. From Tentative to Proposed, the State Budget started with the plan to cut 15% from the General Fund (GF) and categoricals, but by the May Revision and the adoption of the budget in June 2020, nothing was cut from the GF and categoricals and the

COLA is zero. Systemwide, the total 2020-21 budget reflects state expenditures of \$202 billion, including \$134 billion in General Fund expenditures. While the 2020-21 budget prevents immediate cuts to CCC apportionments and categoricals, it defers \$1.5 billion in CCC (California Community Colleges) funding to 2021-22. Our deferred portion is \$33M and next year funds will fund this year's funds. The State budget preserves funding for most Districts at 2019-20 levels. The State provided a \$120M block grant to help districts cover costs related to COVID. To meet budget reductions, the budget defers payments to Districts from one fiscal year into the next for both 2019-20 and 2020-21.

Apportionments on page 6: The SCFF provides no enrollment growth funding or COLA for apportionments. The budget extends the formula's existing hold harmless (minimum revenue) provision by two years, through 2023-24, meaning under this provision, our District will earn at least their 2017-18 revenue.

Rod reported that the economy is changing due to COVID. The campus will not receive any Instructional Equipment (IE) funding this year, but we did receive portions of CARES Act funds (Coronavirus Aid, Relief, and Economic Security), which amounted to \$9.7M. Fifty percent or \$4.8M was used to pay the Financial Aid \$500 grants to students that requested them for Spring/Summer, and Fall 2020. The other 50% of the funds were used to fund institutional expenses, such as: resources for faculty and staff to work remotely, laptop/loaner program to students, purchasing hot spots, noise canceling headsets, lab kits to students, "Safe to Return" to campus plexiglass, touchless doors and faucets, signage, and touchless drinking faucets. The State extended the deadline to use CARES funding to 2022. Our college also received \$607,000 from the Minority Serving Grant. These funds were used to pay students that responded to the email announcing the available \$500 grants. Marcus asked Rod if he would provide Faculty Senate with a reported list of the resources allocated with CARES funding. Rod stated he would email the list to Kim Orlijan.

Marcus asked if the campus is prepared for the safe return to college. Rod replied he has already spent \$1.1M of the CARES funds thus far for this purpose.

Marcus asked with regard to the \$33M deferral for our campus, is the District looking at it as a cash flow problem or a cut. Rod replied as a cash flow problem, but since we have reserves and are okay, we are in a good position and we are doing a cash flow analysis. Rod stated we get an apportionment each month, but for the next 4 months, we will not receive an apportionment from the state. Not all Districts are in our position, and some have had to furlough staff.

Kim asked what is the deadline to spend the CARES funding, and Rod replied year ending 2022. Originally, it was Summer 2021, but the State extended.

The District received a Federal Block Grant for CARES that needed to be spent by December 2020, so it was agreed that the monies would be used to help pay MOU stipends through Payroll.

Joe asked if the student portion of CARES was direct aid to be spent by this semester, and Gil replied we will have it spent by this October, 2020. Gil also asked what CARES funds are we not

aware of that we can plan to spend in order to get the campus ready. Rod replied that next semester we are planning to spend institutional CARES funds to purchase necessary equipment to screen students at a booth using a temperature check process and distributing wristbands to students that have cleared the booth check.

If there is a statewide deficit, the State will deficit the entire system and not get 17/18 Hold Harmless. The Hold Harmless dollars are not direct dollars to us, but based on revenue earned according to the FTES.

Last year, the District approved \$1.8M for campus projects and \$5M to backfill areas we are having shortfalls due to COVID. Because classes are being taught remotely, our campus is losing revenue in our Bookstore (\$800K for just half a semester), Campus Safety Dept (\$600K deficit as students are not required to purchase a parking permit and loss of revenue from parking citations), Child Dev. Center has been closed and losing money, and Food Services/Sodexo (loss of commissions). As a result, the District approved \$1.5M in one-time funds to backfill these operating losses.

Marcus asked if the campus has considered closing the Bookstore, and Rod replied that we hired a consultant to review our process and make a recommendation. What some may not be aware of is that our Bookstore pays for six (6) full-time classified staff, one manager and some Bursar's Office staff. VP Contreras stated that it would be premature to close now, but it doesn't fund any student services now.

On page 10 of the handout, the following are discussed: 2019-20 \$330M in deferrals, \$120M COVID Block Grant, and the 4% cut in AB19 funding to the Promise Program. If revenues don't materialize to the State, they can't keep deferring. Calbright College was cut \$5M.

Joe asked if the SCFF (Student Centered Funding Formula) overall numbers were based on Performance Metrics and FTES due to decline in enrollment, and will they adjust rates? Rod replied when they don't have enough money, they will back into the rates and surplus to fund hold harmless. Some colleges grow. The rates are going down and not up.

Rod reported that the District's proposed budget is expected to be adopted at the October 27th Board Meeting.

Facilities Update: The State approved capital outlay funding for the new Fullerton College Performing Arts Center using our existing bond so we don't have to rely on a new state bond (This did not make the printing deadline so we don't see the project on page 12). The capital outlay project was approved for 78% State funding and 22% District funding, and the project is expected to cost \$43M.

As for the campus' Chapman Newell Project and M&O Building Project, the Board is expected to approve for our bond program management company, MAAS, to help facilitate to bring an architect on board for design services paid from our redevelopment funds because our Campus Capital Projects team doesn't have the resources to effectively manage 4-5 projects at the same time.

An IPP was submitted to the State to fund the Horticulture/STEM Center, and an outcome is not expected until January/February. Priority of projects are as follows: Instructional Building (IB AKA Humanities) to be completed in October 2021, 300/500 Renovation, Design of Performing Arts, M&O Building, Chapman Newell Building and Horticulture Stem/Child Dev. The Performing Arts building will replace the existing Sculpture Garden and the 1100 and 1300 Buildings. The Chapman Newell project will replace the 4 homes on the south side of Chapman and Newell Streets and will house the Veterans, UMOJA, Health Center, EOPS, CARE, CalWORKS, Foster Youth, and Food Bank, and is expected to be constructed by 2024. District closed escrow on the parking lot we now own on Chapman and Raymond that has been serving as overflow parking with a shuttle to/from campus. This yields 500 parking spaces.

AB-19 Funds Recommendation: Rod informed the committee that he is going to recommend that AB-19 funds be used to temporarily fund staffing in the Promise Center, Financial Aid, and Part-time Counselors because if he doesn't use the funds he will lose them. The funds were going to be allocated to fund the 1500 laptops and other expenses that were instead purchased with CARES funding.

Based on last year's shortfalls, we tapped into carryover and it was cut in half by also funding our extended day (adjunct faculty). Now that Program Review is a 4 year process, we are in the 2nd year of planning and will not have funding for resources. This year's budget did not allocate funding for Instructional Equipment (IE) and AB-19 funds cannot be used for IE. However, effective this year, Lottery Funds may be used to purchase equipment. We were allocated \$1M in Lottery funds and Rod allocated an additional \$700,000, as well as some carryover monies are available.

Since the State pushed off sales tax and property tax, they will not get information on revenue coming in until the first quarter and that is being conservative. We develop the 2021-22 Tentative Budget in January.

VI. Other/General Discussion: None.

Meeting adjourned at 3:00 pm
Meeting Notes taken by Melisa McLellan
Next Meeting: October 21, 2020