



PLANNING AND BUDGET STEERING COMMITTEE

Summary Meeting Notes from ZOOM Meeting

November 4, 2020

APPROVED December 4, 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:** Vivian Gaytan, Melisa McLellan, and Catalina Olmedo. **Resource Members Absent:** Gil Contreras.

The meeting commenced at 2:02 p.m.

I. Approval of Meeting Notes: The October 21, 2020, Summary Meeting Notes were unanimously approved by a motion from Marcus Wilson and seconded by Richard Hartmann; all were in favor.

II. Planning Update: Co-chair Ramirez reviewed and summarized what was discussed at the last PBSC meeting on Oct. 21 related to “Consider and clarify the College’s large-scale planning that links processes such as resource allocation and program review” as the proposed updates to the Integrated Planning Manual (IPM). Areas highlighted in today’s discussion began with the need to distinguish between College Action Plans and Strategic Action Plans. In Section #1.a.ii - Program Review timeline related to annual versus comprehensive reviews, the PBSC concluded that if the Program Review Committee wants to detail the use of the Annual Program Review Update Form in the timeline then they could incorporate those additions.

Ramirez then engaged the members in a discussion on Section #2.b of IPM related to the “faculty hiring prioritization” and “non-faculty staff” hiring processes at Fullerton College. Rod commented that the FON# is currently a District-wide number and now that we are moving to a new State funding model, how can we develop this process if the campus is responsible for faculty decisions on pay and be charged at the campus level. Since the faculty hiring prioritization is already documented in the IPM, the committee focused their discussion on the non-faculty staff, what processes are in place, and what processes should be in place.

The members agreed that the identifier “non-faculty staff” be changed to “Classified Staff” because we do not want to include “hourlies and special project managers” in our discussion, and by definition, they are “non-faculty staff”. Hourlies are hired by divisions/departments based on individual departmental needs and special project managers are hired by approval of the College President (and the Chancellor is reducing/eliminating these positions).

Discussion then focused on the two types of “Classified Staff” hired based on full-time permanent or part-time permanent. The committee narrowed their focus to outline a process

for “campus-wide classified staff” positions because part-time permanent classified staff are hired based on the dean/manager’s departmental needs and we do not want to take budgetary control away from managers. The committee decided to make a statement of the current practice rather than make a recommendation now on what the campus-wide decisions should be. Campus-wide classified staff should be approved at the discretion of the budget center. After discussion concluded, Marcus asked that Rod share our changes with President’s Staff and Deans Council so they can review the document before it appears on the PAC agenda.

Kim Orlijan opened discussion on the topic that this campus needs to reevaluate the decision-making of the PBSC committee. We currently report to PAC, and she proposed a dual reporting structure of the PBSC to be consistent with 10+1 processes relating to planning and budget development. This would mean that the PBSC would report to both PAC and Faculty Senate. The members agree we have a voice in one-time funding and are involved in planning, but how do we continue to plan whether we have funding or not. Joe stated he would finalize the formatting of the IPM and ask the group to formally adopt the document at the next meeting or via email if it’s determined that the meeting on November 18, 2020 is not needed/canceled.

III. Budget Update: Rod reported that the District’s proposed budget was presented and adopted at the Board meeting on October 27, 2020, and the budget rolled the following day. The 20-21 Proposed Budget Report is available at the District’s website, and if you want a bound copy, please email Rod and he will ask the District to send you a copy. The budget book is organized by fund type due to the new SCFF Funding Model from the state.

Rod shared the 20-21 Proposed Budget via PowerPoint. Melisa will email a copy to members following the meeting. Key areas highlighted in the presentation included an update on the State Budget where we started with a surplus and due to the Corona Pandemic, the May Revise stated a \$54.3B deficit. Various methods are being used to reduce that amount including foregoing a 2.31% COLA, no growth, hold harmless extended through 2023-24, cash deferrals amounting to \$1.5B, rate buy downs, and COVID-19 relief funds.

Good news is that Cypress College’s Fine Arts project was approved as well as Fullerton’s Performing Arts project to replace the 1100 and 1300 buildings, and our project will be 78% state-funded. A top-level table summarized the General Fund’s unrestricted and restricted revenues and expenditures leaving an \$11M deficit. Before COVID hit, the District expected a rise in FTES, but due to COVID this Fall, we are expecting a downward trend of 7.9% amounting to a decrease of \$13M. The new Resource Allocation Model (RAM) will push revenues to the campuses so that whatever revenues they generate, they get to keep them, less chargebacks to the District for the percentage of District Services and District Expenses such as audit and legal fees.

Rod explained that the \$7,245,143 in contingency for FC on page 45 refers to the amount of monies he set aside if the faculty negotiations are settled. Rod touched on the Grants totaling \$71.8M in the restricted general fund found on page 61. The slide of page 74 shows the breakdown of the \$93.6M ending balance. Other major topics to consider include the District’s cash flow/deferral analysis, with the estimated beginning cash balance of \$88M in September reduced by \$47.5M in deferrals for an ending cash balance of \$31.5M by June. The District will

receive about \$10M more in hold harmless revenues than what we generate. As for PERS/STRS pension increases, it will cost \$3.8M per year and we only have \$6.7M in committed fund balances to help fund the buy down. With regard to negotiations, there have been offers to United Faculty and CSEA, but nothing has been ratified. As for one-time funding, Rod stated the \$8M under District RAM was earmarked to be used as backfill if the new funding model posed detrimental to a budget center. The unallocated one-time funding amount yet to be determined is \$25,925,380.

IV. Other/General Discussion: None.

Meeting adjourned at 3:16 pm
Meeting Notes taken by Melisa McLellan
Next Meeting: November 18, 2020