

**Cypress College
Planning and Budget Committee
Minutes of October 15, 2020**

Present: Belinda Allan, Damon de la Cruz, Lee Douglas, Brian Gomber, Craig Goralski, Eileen Haddad, Samreen Manjra, Jeremy Peters, Aaron Pilkey, Alex Porter, Marc Posner, Bryan Seiling, Barbara Woolner,

Resource Advisors: Paul de Dios, Silvie Grote, ~~Samreen Manjra~~, Thu Nguyen, Rick Rams, Katy Realista, Eldon Young

Guests:

Absent:

Recorder: AeYoung Kim

1. **Public comment on agenda items**
2. **Unapproved Minutes from 10-1-20 and 10-15-20**

10/1/20- Changes to be made

- *Eileen Haddad- Change heading for #4 to Institutional Research and Planning*
- *Craig Goralski- Under committee feedback, include that improving participatory governance was inadequate and needs to be revised.*

10/15/20- Changes to be made

- *Eileen Haddad- Change heading for #4 to Institutional Research and Planning*

3. **2020/21 Budget Update- Alexander Porter**

Alex updated the committee with what the District Budget has presented to the Board of Trustees at the last meeting held two weeks ago. He shared the numbers that are being presented and some of the topics that were talked about with the Board and across the District.

State budget- Originally the January budget proposal was \$5.6 surplus. While in the middle of the pandemic, the May revisions identified statewide, was a deficit of \$54.3 billion and in order to close the budget gap the state used various methods such as the Rainy day fund, borrowing across the budget model for the state, tax credits and federal funds, and cancellation of expanded programs.

System Budget- There was no COLA identified as part of the budget process for the year, no growth and no workload reductions. The state balanced the budget for the colleges and districts through deferrals. The college gets paid by the state through attendance. The state pays a portion of it by getting progress payments on the budget throughout the year. With the deferral piece is giving the District the full allotment of money that we are due through the apportionment process and the state has decided to defer payments and given the spending authority and the money will come at a different time. In addition, there have been additional funds given for Rate Buy downs for 2020-21 & 2021-22 in the amount of \$2.3 billion and COVID relief funds in the amount of \$120.0 million. The Fine Arts building project has been approved and the architects were just chosen.

General Fund Summary- Some of the reserves have been spent in order to balance the expenditure budget this year in the amount of approximately \$12 million district wide and the combination of One Time funds and other reserves in order to do so.

FTES- The projected enrollment is currently trending downwards and down 8% district wide. They will be monitoring closely but if trends continue there may need to be a revenue adjustments.

Resource Allocation Model (RAM) - It has been recognized that all the revenue that the college earned is reflected directly at the district or at the college location. The money is taken off of the top to fund the District services and dioperations essentially creating a fourth campus. There have been multiple discussions wanting more information about the operations and legal services. Alex will continue to work with the District for more information to share with the committee at a future date. Alex and VPI, Lee Douglas reviewed the instructional budgets and both recognize the need to be sure to get information out as to what the budget is and to communicate to management the importance of being transparent with their staff regarding the budget.

Alex will communicate with Craig and join an Academic Senate meeting to talk about budget and share the numbers.

Model Summary- Alex shared the Model Summary to the committee explaining where the numbers stand districtwide.

Craig Goralski shared some information from CBF and feels that the District perspective seems to be, now that the Resource Allocation Model is here, they have adopted a mindset that the money has been given and at this point the campuses should now allocate and spend correctly. He feels that though Alex has started the discussion for more clear communication it is very important to begin to address this. Updates are provided but it was expressed that the frequency and the level of detail needs improvement. Alex shared that last year they created a budget report was created that showed the entire college budget and its distribution amongst the divisions.

Resource Allocation Model SCFF Calculation Summary- The Base Allocation amount is part of the FTES portion which is approximately 70% based on the FTES generation and the other parts of the supplement for student success allocation functions are all based on performance in some of the metrics, including production and awarding of degrees, Metrics in CTE. Alex would be happy to forward a current copy for those interested.

Expenditures- A chart was shared showing the expenditures and within two basic components, position control and Non Position control. Position Control- Permanent budgeted positions within the District, and Non Position Control- Personnel services that are not part of the permanent budgeted positions.

Transfers & Chargebacks- Chargeback between NOCE for One Budget center providing services that directly benefit another, Maintenance and Operations (custodial personnel), and Campus Security. Transfers within a budget center and supplement programs.

Ending Balance- There is a Budget Booklet produced by the District where you may find online and for those of you who are interested you may find the info through the Fiscal Services website in the budget documents section there will be a link and there you may see the entire budget.

Hold Harmless Fund- Despite the calculations for the Student Center Funding Formula the district was in position where they were not earning as much as the total Computational Revenue. The old formula calculated the earnings to the district at a certain level. There was a decision made about the use of Hold Harmless funds where they would be held separate and the colleges would operate on the funds that was earned and the One-Time Funds would be separate. \$41 million collected by the state has been deposited and made part of the carry over and any balances for the district.

Pension Rate Buy Downs- Money received by the District to offset the costs to help pay for the PERS and STERS costs

Negotiations- The budget is not set in a way where there is structural reserve meaning the colleges have funds that are built into their budget that are savings. Historically the colleges have been functioning on One-Time Funds and carry over funds from year to year as the reserve. Alex's goal over time would be to build a structure reserve into the budget to allow us to create a savings account within the budget each year which would get replenished each year. A big portion of this is funded and received is through the SWAP Meet operations which is a vital part of creating savings from year to year. Money has been set aside in the amount of \$3.5 million to help go towards the settlement that may come out of negotiations. Some committee members shared their concern and would like more information as to how the District spends the 9.25% which is allocated as a prorated amount.

One-Time Funding- Additional information was shared regarding information that has been presented to the board about the available amount.

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Alex will attend the next Academic Senate Meeting Thursday, November 12th. Craig will add him to the agenda and send an invite.

Craig also brought attention back to the deferrals the information that the District is sharing leads on one to believe that the cash reserves will be spent down but these funds will be reimbursed by the state. In turn the board is misinformed. Alex shared that what is showing in the graph is not reflected on any limitations to the budget that being shown. Craig feels that Administration at Cypress College should be pushing back against the misinformation because the Board is making their decisions with the misinformation provided and feels there needs to be a plan and this body needs to be part of that strategy.

Samreen Manjra- Suggested, previously on Opening Day there was always a short presentation on the Budget trends and a large variety of classified, faculty, and administrators were able to be updated and feels this would be very helpful. Alex will speak to Dr. Schilling to add this item to the Opening Day agenda.

4. Classified Position Prioritization Process and Timeline- Alexander Porter

4- Dr. Schilling has requested a reinstating the Classified Position Prioritization process which was last updated in 2016 and revisited every 3 years. One thing discussed

5. Institutional Research and Planning- Eileen Haddad

- **NACCC Student Survey**

Will be administered on November 16th created by USC Equity Center and focuses mainly on racial climate and equity issues and the data collection will continue through the end of the semester. Eileen will be sharing the results to various groups in the Spring Semester.

- **Institution Set Standards Follow-Up**

Eileen thanked the committee for the discussion about the data and some changes about the goals moving forward and setting both floor and aspirational goals. They are still working on some information with proposed methodologies to consider to use to set the goals and hope to have the updated information to share at the next meeting.

6. Other