**Additional Information**
August 28, 2018 Board Meeting

The following additional information was provided regarding the August 28 Board meeting agenda:

Item 3.a, Study Session:

1. Page 2: Why is faculty not included in the chart? **The majority of faculty members who retired have not been replaced; only six were hired for 2018-2019. When the FON is received from the State, we will have a much clearer idea about the number of faculty positions that need to be filled and can update the chart.**

2. Page 3: Why do we see an increase in hiring in the 16-17 school year? **The District had been growing each year prior to 2016-2017. The chart shows the number of employees who were in place and does not include vacancies, so the hiring most likely occurred prior to 16-17 when growth was expected.**

3. Page 6: Can we have a chart that provides the number of positions that are funded by the General Fund versus categorical/soft monies? **See below.**
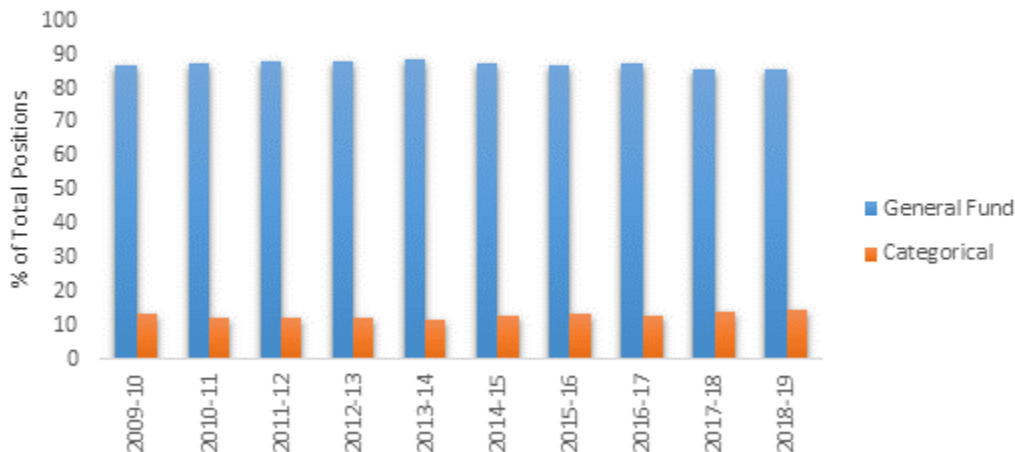
4. Page 7: Is there a number we are trying to reach by the end of the school year in the amount of Special Projects Managers we have? **No, we do not have a specific number in mind. Our goal has been to reduce the number each year until these positions are being used as intended, specifically for projects that do not exceed two years in length.**

5. Page 8: What positions entail Classified Management? **The 54 Classified Managers across the District work in areas such as Human Resources, fiscal and financial departments, safety, research, operations, and technology.**

6. Page 8: How do we compare in class size with these districts? **The following data was obtained from the State Chancellor's Office Data Mart.**

Additional Information
August 28, 2018 Board Meeting

	Fall 2017	Fall 2017	Fall 2017		Spring 2018
	Credit Sections Count	Credit Sections FTES	Enrollment Count		Average Section Size
State of California Total	151,575	500,594.83	3,920,080		26
Coast CCD	3,900	17,020.52	125,369		32
North Orange CCD	3,928	16,711.77	108,998		28
Rancho Santiago CCD	3,106	11,055.73	85,972		28
South Orange County CCD	3,652	10,594.25	89,107		24

	Spring 2018	Spring 2018	Spring 2018		Spring 2018
	Credit Sections Count	Credit Sections FTES	Enrollment Count		Average Section Size
State of California Total	145,491	454,117.39	3,562,915		24
Coast CCD	4,060	16,716.17	123,540		30
North Orange CCD	3,873	15,706.34	101,270		26
Rancho Santiago CCD*	-	-	-		-
South Orange County CCD	3,491	10,124.91	85,107		24

* Rancho Santiago CCC data is not available for Spring 2018

Median Section Size by College and Academic Year					
	2012-13	2013-14	2014-15	2015-16	2016-17
Statewide	28	27	26	26	25
Irvine Valley College	27	26	25	24	23
Saddleback College	26	25	23	24	23
Santa Ana College	28	27	26	25	25
Cerritos College	29	28	27	26	25
Fullerton College	27	27	26	26	25
Cypress College	29	28	27	27	26
Orange Coast College	31	30	28	27	26
Rio Hondo College	30	29	27	27	26
Citrus College	33	32	30	28	27
Coastline College	33	29	28	28	27
Long Beach City College	31	29	29	28	28
Mt. San Antonio College	30	30	29	28	28
Golden West College	33	32	31	29	28

* Source: California Community Colleges Student Success Scorecard

7. **Page 14**: What were general comments that were shared at the DCC and Council on Budget and Facilities' meetings? **Please see the attachments for summaries of what was shared at the District Consultation Council (DCC) and the Council on Budget and Facilities (CBF) meetings.**

8. <u>Page 15</u>: What is the timeline/milestone being achieved within this academic year? **1) Draft of staffing standards for 5-6 key areas during fall and begin review in shared governance committees in spring. 2) Finalize parameters on the use of categorical funds by end of fall. 3) Reporting tool by end of spring. 4) Funding formula analysis in early spring.**

9. <u>Page 17</u>: What feedback has been given to you by deans, the executive team and the Academic Senate President? **The deans and executive team have been supportive of these changes, but we spent quite a bit of time refining and discussing. We actually began with a slightly different proposal. The executive team had an all-day retreat to discuss needs in all areas, then agreed that splitting this position would be a good idea. Even the outgoing EVP agreed the current position had gotten too big to be effective. Dr. Schilling then met with each dean separately, and together as a group, to discuss the re-organization, and also met separately with the Academic Senate President. The Senate President then invited Dr. Schilling to present the proposal to the entire Senate this past Thursday. The Senate asked questions and responded positively, but we agreed to revisit this after the Board presentation**.

10. <u>Page 23</u>: To what extent will a Grants Office be beneficial to NOCE? **A grants office would be beneficial in bringing additional resources. Since each grant has specific requirements and limitations, care would need to be taken in how those funds are applied to cover salary and benefit costs. In general, grant resources would assist in covering some program and services costs.**

11. <u>Page 24</u>: Are the "next steps" going to be completed by the end of the school year or are there certain milestones we are trying to achieve by that time? **Yes, we are aiming for the end of the academic year. The 3-5 year staffing plan may take longer depending on the data we receive from the state and our analysis of the funding formula.**

12. There was mention from both colleges about new org. charts. Are these available? **Finalized charts are not available. After campus-level and Board discussions take place and decisions are made, we will provide organization charts to show any changes.**

The Collegiate Brain Trust (CBT) Report:

1. On page 5, the report provides 13 recommendations. What are the timelines of each recommendation or are there milestones Chancellor's Staff have determined for the school year? The Brain Trust listed 13 recommendations. Where are we in the implementation (regarding staffing/centralization)?

Recommendation	Next Steps	Target Date
1. Centralization/ Decentralization	Discussed in Chancellor's Staff to identify areas where centralization makes sense (e.g., technical systems, HR processes, student onboarding, safety, catalog)	Summer 2018 **Completed**
	Discuss in DCC	Fall 2018

2. District Coordination Role	Discuss in Chancellor's Staff to identify areas where coordination makes sense	Summer 2018 **Completed**
	Explore the establishment of a Grants Office	Summer – Fall 2018
	Explore the establishment of a District Director for Fundraising/Major Gifts	**On hold**
3. Staffing Standards	Discuss in Chancellor's Staff to determine next steps	Summer – Fall 2018 **Workgroup in process**
	Discuss in CBF	Late Fall 2018 – Spring 2019
	Discuss in DCC	Late Fall 2018 – Spring 2019
4. Position Control System	Discuss in Chancellor's Staff to determine next steps	Summer – Fall 2018 **Workgroup in process**
	Discuss in CBF	Late Fall 2018 – Spring 2019
	Discuss in DCC	Late Fall 2018 – Spring 2019
5. Reorg/SERP	Discuss in Chancellor's Staff to prepare initial plan	Spring – Summer 2018 **Completed**
	Conduct campus discussions	Fall 2018
6. NOCE Reorg	Hire interim dean for Wilshire Center	Summer 2018 **Completed**
	Write job description for VP	TBD
7. Cypress College Reorg	Separate Instruction from SS and hire interim VPs	Summer 2018 **Interim EVP Hired**
	Hire permanent VPs	Fall 2018 – Spring 2019
8. HR Specialists	Analyze current work responsibilities	Spring – Summer 2018 **Completed**
	Determine transition plan	Summer – Fall 2018 **Completed**
9. Associate Dean	Develop job description	Fall 2018
	Identify priority and divisions	Summer – Fall 2018 **Completed**
10. Information Services	Develop org structure for District IS	Summer – Fall 2018
	Develop long term plan	Fall 2018 – Spring 2019
11. EM, Marketing, Outreach	Discuss in Chancellor's Staff	Summer 2018 **Partially Completed**
	Discuss in DEMAC	Spring – Fall 2018
12. Professional Development	Recommendation for permanent staffing	Fall 2018
13. Safety	Begin monthly safety meetings and trainings	Summer 2018 **In progress**

DCC Meeting Discussions on One-Time Funds

The District Consultation Council discussed the use of one-time funds on September 25, 2017 and again on March 26, 2018.

September 25, 2017

Budget Update: A budget handout was distributed which outlined earmarked one-time resources totaling $6.5 million; "other" one-time funds totaling $37.85 million ($43.75 million less $5.9 million for the 2017-18 deficit); and other resources that include $16.4 million in redevelopment funds and $14.8 million for the network refresh.

One-Time Earmarked Resources

Strategic Plan Fund	$1.00 million
Organizational Capacity	$2.00 million
Pathway Support	$2.00 million
Student Success Funds	$1.00 million
Workforce Development	$0.50 million
Total	**$6.50 million**

The Workforce Development funding is intended as an enhancement to SWI funding to cover projects or one-time expenses that the sites are not able to fund with local dollars.

Other One-Time Funds

Board Discretionary Contingency	$4.70 million
PERS/STRS Holding	$12.90 million
Committed Benefits	$1.65 million
Stability Funds	$14.40 million
Contribution to Irrevocable Trust	$1.00 million
2017-18 PERS/STRS	$9.10 million
Total	**$43.75 million**
Less 2017-18 Deficit	($5.90 million)
Available Resources	**$37.85 million**

District priorities include covering deficits, supplemental budget center allocations (operating allocation and extended day), off-schedule compensation for salaries and benefits; supporting categorical program salaries; supplements to student success programs; supplements for construction and facilities; and the retiree benefits liability.

Vice Chancellor Fred Williams stated that during this planning year, the District needs to develop a 3-5 year plan to address the deficit and use of one-time funds that should include decision-making processes with recommendations being made to the Chancellor.

During the discussion, questions were raised regarding whether or not there would be a formalized process for the earmarked resources, whether the funding would follow the current budget process, the use of general fund dollars to supplement categorical efforts, inclusion of the comparability agreement with faculty, and incorporating faculty salaries into the budget.

March 26, 2018

Update on One-time Funds: An overview of one-time dollars earmarked or allocated districtwide highlighted by category and site:

One Time Category	Earmarked Funds	Allocated as of 3/26/18
Organization Capacity	$2M	$915,000
Pathway Support	$2M	$1.4M
Student Success	$1M	$2.24M
Workforce Dev	$500,000	
Operating Allocation Restoration		$640,000
Website Enhancements		$150,000
Professional Dev		$50,000
Extended Day		$6M
SERP Costs		
Retiree Benefits		$1M
Projected Deficit		$5.8M

Category	CC	FC	NOCE	DS
Pathways	$600,000 (2 yrs)	$700,000 (2 yrs)	$100,000 (2 yrs)	
Student Success	$940,000 (2 yrs)	$940,000 (2 yrs)	$360,000 (2 yrs)	
Extended Day	$1.5M	$1.5M	$500,000	$2.5M
Prof Dev	$20,000	$20,000	$10,000	$5,000
Website	$50,000	$50,000	$50,000	
Operating Allocation Restoration	$184,986	$247,167	$44,092	$162,147

In the ensuing discussion, questions were posed related to the Legislative Analyst's Office (LAO) role in the funding formula, funding formula simulations, a hold harmless clause, and having a conversation about the possibility of revisiting the District's class size planning document. Chancellor Marshall reminded the group that class size is only one variable among many, but that as a district we need to be able to have honest discussions about class size. She offered to host meetings to facilitate the conversation during non-contract times that would include compensation for participants, and stated that the topic would also be discussed at the upcoming Districtwide Enrollment Management Advisory Committee (DEMAC) meeting.

CBF Meeting Discussions on One-Time Funds

The One-time dollars discussion occurred at the August 14, 2017, September 11, 2017, the October 9, 2017, March 12, 2018 and June 11, 2018 CBF meetings. The general comments were that due to the summer shift and the accumulation of PERS/STRS dollars, the District has a significant amount of one-time dollars that can be spent. Approximately $38 million.

August 14, 2017

In comparing estimated base revenue increases versus the PERS & STRS estimated cost increases, projections lead staff to believe that sufficient dollars have been received to cover all the expected increases. This may lead to abandoning the plan to continue to bank those dollars and allow the District to begin discussing how $22 million of one-time funds might be spent. Two items suggested were to cover the 2017-18 deficit and to provide transition dollars to the campuses during the reduction cycle. Further discussion at DCC and CBF will be necessary.

September 11, 2017

The District will have additional, one-time funds of $43.8 million primarily consisting of Stability Funding and PERS/STRS set-asides and additional base increases. After covering the deficit, we anticipate having a balance of $37.9 million in one-time funds. Significant changes were made to expenses and $3 million will be saved in on-going expenses by eliminating the insurance contribution for the General Fund; eliminating the on-going contribution to the Irrevocable Retiree Benefits Trust; and, by reducing the Workers' Compensation Rate. On the revenue side, Redevelopment Revenue of $1 million was added to the operations budget. 2017-18 will be a planning year that will address several outstanding issues: effective enrollment management, right-sizing District/Campus staffing, bringing salaries and benefits into alignment with comparable districts, continuing to develop alternative resource allocation models, addressing hiring of permanent positions with categorical funds, new regulations for accruing entire unfunded retiree benefits liability (GASB), and compliance with the 50% Law.

Questions: Can the one-time funds available carry us through at least few years? Yes, it could be enough to carry the District several years but other factors need to be accounted for, and determination needs to be made on how we want to spend the onetime funds. The structural deficit will likely increase due to the step increases, cost increases and other factors.

October 9, 2017

Budget Update: Fred Williams reviewed the DCC Budget Discussion handout, which broke down the $37.85 million of one-time funds available (due in most part to the accumulation of funds for the PERS/STRS increase and additional resources from the summer shift). Factoring in the $5.7 million deficit, the question of, "What other priorities should be considered?" was posed to the committee. Some suggestions were made, including: covering the deficit for several more years; current budget or enrollment increases; supplemental budget allocations (i.e. Extended Day); Off-Salary Schedule Compensation starting in 2018-19; reserve for categorical program salaries to prepare for

possible reductions to those funds; construction and facilities supplements; supplement to the Student Success Program; Pathways support; and retiree benefit liability. Going forward, the committee will make additional recommendations on how the onetime funds might best be utilized within a 3-5 year plan.

March 12, 2018

One-Time Dollars: Mr. Williams shared some of the items that could be covered with the District's one-time funds. Ideally, some of the funds will be used to pay a portion of the Retiree Benefits to free-up on-going dollars. Furthermore, while the FTES Target subcommittee will reconvene to determine ways to increase enrollment, one-time funds may also be used to cover the structural deficit for some time period.

June 11, 2018

Under the Outstanding Issues for the District, there is a bullet that states that the District will need to determine how the one-time dollars will are spent.