

**2015-16**  
**Budget Workshop**

**Compton Community College District**

**Board Meeting**

**April 28, 2015**

**Presented by Felipe Lopez, Chief Business Officer**

# Agenda

- Governor's Budget Proposal
- 2015-16 Overarching Priorities
- 2015-16 Preliminary Budget Assumptions

# Governor's 2015-16 Budget Proposal

- **\$200M for student success** – These funds will be split evenly between Student Success and Support Program (SSSP) and Student Equity Plans.
  - Student Success and Equity Funding augmentation of approximately \$1.0 million

# Governor's 2015-16 Budget Proposal

- **\$92.4M for COLA** – This would fund the statutory cost-of-living-adjustment of 1.58%.
  - COLA for Compton is approximately \$446,000. However, the statutory COLA for 2015-2016 is likely to be lower than the 1.58% contained in the Governor's January budget proposal, according to preliminary data from the U.S. Department of Commerce.

# Governor's 2015-16 Budget Proposal

- **\$125M to increase base allocation funding** – This increase is intended to ease the constrained discretionary funding environment colleges have experienced since the economic
- Increase is approximately \$630,000 for increase operating expenses, including annual pension benefit expense increases (PERS/STRS), retirement benefits, professional development, facilities, and other general operating expenses.

# Governor's 2015-16 Budget Proposal

- **\$353.3M to pay down outstanding mandates—**  
These one-time funds would be allocated on a per-FTES basis.
  - One-time funding is approximately \$1.8M for deferred maintenance, instructional equipment, mandated claims, and other one-time costs.

# Governor's 2015-16 Budget Proposal

- **\$94.5M to retire deferrals**— Legislation passed concurrently with the 2014 Budget Act identified deferrals as the first call on any new current year Proposition 98 expenditures.
  - One-time funding would eliminate all apportionment deferrals.

# Governor's 2015-16 Budget Proposal

- **\$39.6M for Prop 39**—These funds support projects and workforce development related to energy sustainability, consistent with the provisions of Proposition 39.
  - Funding is approximately \$202,000 used to improve interior lighting.



# Budget Proposal

## Cautions and Concerns

- Although the budget is positive news, we must note that increases in the STRS/PERS employer contribution rates will impact our general fund budget.
- Proposition 30 is temporary and will begin phasing out in 2017.
- We have significant OPEB liabilities we must address.

# 2015-16 Overarching Priorities

1. Increase Student Enrollment by 5%
  - (Strategic Initiative – A, B, D, E, F)
2. Support El Camino College Compton Center Accreditation
  - (Strategic Initiative – A, B, C, D, E, F)

# 2015-16 Overarching Priorities

3. Ensure the Student Success activities are coordinated & support the Compton Center Institutional Effectiveness Outcomes
  - (Strategic Initiative – A, B, D, E)
  
4. Develop and enhance partnerships with schools, colleges, universities, businesses, and community-based organizations to respond to the educational, workforce training, and economic development
  - (Strategic Initiative – D)

# 2015-16 Overarching Priorities

5. Continue to implement the Planning & Budget Process
  - (Strategic Initiative – A, B, E, F)
  
6. Improve facilities to support student learning and success
  - (Strategic Initiative – A, B, E, F)

# 2015-16 Overarching Priorities

7. Enhance communication with students, employees, and the community
  - (Strategic Initiative – B, C, D)
  
8. Support Professional Development opportunities for employees
  - (Strategic Initiative – C)

# 2015-16 Budget Assumptions

- Unaudited beginning fund balance - \$8.2M
- Estimated State Apportionment - \$31.9M
  - \$21.5M – State Revenues
  - \$5.5M – Prop 30 (EPA)
  - \$4.1M – Property Taxes
  - \$855K – Enrollment Fees

# 2015-16 Budget Assumptions

- Prop 30 (EPA Funds) – to be spent on instructional salaries only
- Revenues based on 6,060 FTES
- Cost of Living Adjustment (COLA) of 1.58% or \$73.88 per credit FTES

# 2015-16 Budget Assumptions

- Increase employee retirement systems
  - CalSTRS – from 8.88% to 10.73,
  - CalPERS – from 11.771% to 12.600%
- One-Time Augmentations/Enhancements - \$350K
  - Enrollment Management Plan (\$100K)
  - One-Time Planning Allocations (\$50K)
  - Site Improvement – Cosmetology (\$200K)



# 2015-16 Budget Assumptions

- No new employee positions
- Line of credit debt payment - \$1.3M
- Police Services Contract - \$1.4M
- OPEB Contribution - \$250K
- Transfers for Property & Liability Fund – \$396K

# Questions & Discussions