

2015-16 Final Budget Assumptions

Compton Community College District

Board of Trustee Meeting

August 18, 2015

Presented by Felipe Lopez, Chief Business Officer

Agenda

- Cautions and Concerns
- Final Budget Assumptions
- Questions

Cautions and Concerns

- Increases STRS and PERS obligations
 - Employer contribution rates increased 8.25% to 8.88%. In 2015-16, the rate increased to 10.73% and will continue to increase until it reaches 19.10% in 2020-21.
- Proposition 30 is *temporary*
 - Sales tax increase terminated at the end of 2016.
 - Income tax increase terminates at the end of 2018.
- We have significant OPEB liabilities we must address
- Sooner or later, the economy will slow.... Therefore we must think conservatively and think long-term.

Budget Assumptions

- Unaudited beginning fund balance - \$9.3M
- Estimated State Apportionment - \$30.8M
 - \$20.1M – State Revenues
 - \$5.8M – Prop 30 (EPA)
 - \$4.1M – Property Taxes
 - \$855K – Enrollment Fees

Budget Assumptions

- Prop 30 (EPA Funds) – to be spent on instructional salaries only
- Revenues based on 5,860 FTES
- Cost of Living Adjustment (COLA) of 1.02% or \$47.69 credit FTES

Budget Assumptions

- \$1.36M for increased operating expenses to help cover the following:
 - Annual pension benefits (PERS & STRS)
 - Retirement benefits
- \$382K to fund four new full-time faculty positions

Budget Assumptions

- *One-Time Funds*
 - \$3.2M for mandated reimbursements
 - Elimination of system deferrals which will improve District cash flow by approximately \$330K.

Budget Assumptions

- Increase employee retirement systems
 - CalSTRS – from 8.88% to 10.73%,
 - CalPERS – from 11.771% to 11.847%
- One-Time Augmentations/Enhancements - \$950K
 - Enrollment Management Plan (\$100K)
 - One-Time Planning Augmentations (\$100K)
 - Budget Enhancements (\$50K)
 - Site Improvement (\$700K)

Budget Assumptions

- Police Services Contract - \$1.4M
- OPEB Contribution - \$250K
- Interfund Transfers - \$596K
- Fund Balance: \$10.06M or (27.75% reserve) which meets the District's 10% minimum reserve policy.

Questions & Discussions