

MEMORANDUM

To: Dr. Keith Curry, Provost/CEO

From: Abiodun Osanyinpeju, Co-Chair Planning and Budget Committee

Date: June 15, 2016

Subject: Planning and Budget Committee (PBC) Recommendations on the 2016-2017
Compton Community College District Tentative Budget

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The 2016-2017 Compton Community College District Tentative Budget was presented to the Planning and Budget Committee (PBC) at its May 21, 2016 and June 7, 2016 meetings. The 2016-2017 Tentative Budget is based on the Governor's May 2016 revised budget. For the first time in three years, the Governor's budget includes no Cost of Living Adjustment (COLA). The 2016-2017 Compton District Tentative Budget includes the following:

1. The Compton District is scheduled to deficit spend by approximately \$450,000.
2. The 2016-2017 Compton District Tentative Budget revenues are reduced by approximately \$1 million compared to the 2015-2016 fiscal year.
3. The Compton District reserve for contingency is over 10%, which is in compliance with board policy 6200 budget preparation.

The PBC unanimously approved the 2016-2017 Compton District Tentative Budget, with the following recommendations:

1. The Compton District should not be allowed to deficit spend as this would have dire consequences on the District's quest for accreditation. The deficit budgeting will affect our responses to the following Accreditation Standard for section 4.D - Financial Resources.

Standard 4.D.1. Financial resources are sufficient to support and sustain student learning programs and services and improve institutional effectiveness. The distribution of resources supports the development, maintenance, allocation and reallocation, and enhancement of programs and services. The institution plans and manages its financial affairs with integrity and in a manner that ensures financial stability. (ER 18)

Standard 4.D.4. Institutional planning reflects a realistic assessment of financial resource availability, development of financial resources, partnerships, and expenditure requirements.

Standard 4.D.5. To assure the financial integrity of the institution and responsible use of its financial resources, the internal control structure has appropriate control mechanisms and widely disseminates dependable and timely information for sound financial decision making. The institution regularly evaluates its financial management practices and uses the results to improve internal control systems.

2. Working with the Chief Business Officer, the PBC shall review the 2016-2017 Tentative Budget and make recommendations to reduce expenditures prior to the 2016-2017 Final Budget being approved by the Compton Community College District Board of Trustees.