



PLANNING & BUDGET COMMITTEE (PBC) MEETING
Compton Community College District
January 26, 2016 – 2:00 pm – 3:00 pm
Board Room

MEMBERS PRESENT

Dr. Rodney Murray Dr. Billie Moore LaVetta Johnson Daisy Delgado
 Dr. Abiodun Osanyinpeju Miguel Ornelas David Simmons
 Carmela Aguilar Dr. Jose Villalobos

OTHERS ATTENDING: Felipe Lopez and Armando Ruiz.

Handouts

- 2016-2017 Compton Community College District Budget Update
- CCCD/El Camino College Compton Center 2016-2017 Planning and Budget Calendar
- CCCD PERS/STRS Funding Schedule /District Funding Plan
- CCCD Future STRS and PERS Costs Fiscal Years 2014 thru 2021

I. Call to Order

The meeting was called to order at 2:05 p.m. by Dr. Abiodun Osanyinpeju.

II. Approval of Minutes

The minutes of November 24, 2015 were approved. Mr. Simmons, Dr. Murray (moved/seconded). The motion passed unanimously.

III. 2016-2017 Planning and Budget Calendar

Mr. Lopez provided an overview of the 2016-2017 Planning and Budget Calendar. He stated that a letter describing the Overarching Priorities of the District will be coming out within the next 30 days. He indicated that his office is putting together preliminary revenue estimates and key budget assumptions. On the next PBC agenda he will discuss budget updates. Mr. Lopez mentioned that he attended a budget workshop the prior week and will discuss some of the updates. He indicated that he will be sending out some timelines to the managers for the budget development process this year along with the deadlines that the managers need to submit their budgets to his office.

Dr. Murray asked if the Technology Committee could submit a budget. Mr. Lopez stated that anyone could submit a budget if he was looking to create something new. Dr. Murray interjected and stated that the Technology Committee never had a budget. Mr. Lopez stated that it is in the program review of Technology. Dr. Murray stated that he did not believe there was ever a Technology Program Review. Mr. Lopez mentioned that he believed there is one because the Business Office received one. Dr. Murray clarified that it would not be the committee but the person over MIS who would do the program review and the committee would consult with him/her. Mr. Lopez mentioned that in the Technology Plan, if there is a certain system or something that seeks to be implemented in the future, it needs to be in there for planning purposes, and during the planning process should be one of the priorities. So, when there are available funds, one-time funds, or ongoing funds when we start funding departments, it can be picked up in that process.

Dr. Murray stated that it is part of accreditation and that is why he brought it up. Mr. Lopez indicated that it was why he brought it up the program review because it is all connected to the higher linkage of institutional planning to budget. He stated that the process needs to be followed and that in the past we did a terrible job of linking of how we got to budget from institutional planning. He stated that if we are going to be successful in the accreditation process, we need to be able to link. He is going to throw it back on the program review process because that is the true linkage of the planning process. If we are making decisions to fund something with no linkage, we will get dinged during the accreditation process.

Mr. Lopez stated that the biggest item in the calendar once we finalize budget assumptions is the Tentative Budget in June and the final budget in September. He indicated that at the next meeting he will prepare a detailed budget timeline that will specify dates and responsibilities from his office, the Board, and the committee on a step by step basis of when things will be approved. He is trying to kick start the budget process sooner than we did last year so we are not rushed as much and will start sending this information out within the next 15 to 30 days. This will give this body adequate time to review and ask questions.

Dr. Osanyinpeju asked Mr. Lopez if the Planning and Budget Calendar could be sent to all managers. Mr. Lopez stated that when he sends out the letter to managers he will attach the calendar.

IV. 2016-2017 Budget Update

Mr. Lopez stated that on January 7th, the Governor released his initial budget proposal for fiscal year 2016-2017. His initial budget proposal notes improvements in revenues, which are estimated at \$124.2 billion. California Community Colleges will be allocated approximately \$7.9 billion in ongoing funds and \$395.8 million in one-time funds. He stated that he attached a chart to the letter that specifies what line items these funds are for.

Unrestricted General Fund

- No monies allocated for operating expenses, including annual pension benefit expense increases (PERS/STRS), retirement benefits, professional development, facilities, and other general operating expenses.
- Cost of Living Adjustment (COLA) augmentation of 0.49 percent or approximately \$150,000.
- Increase of approximately \$114.7 million for access (growth) which Compton will unlikely be able to access based on current enrollment trends. Mr. Lopez stated that growth is one of the things that we have been struggling with and even though there are monies for this the likelihood for us to receive some of this money is not great. Dr. Murray indicated that the District could not receive these fund because we are on stabilization. Mr. Lopez stated that the goal is to get back to where we were, at 6060 FTES. He mentioned that perhaps next year when we have the Cosmetology Program on-site and operational maybe we would be able to recoup some of this money. However, based on the initial spring enrollment, what we got last fall, and what we are projecting for summer it is highly unlikely we are going to be able to access any of the growth monies.
- Increase of approximately \$200 million for Workforce Programs, which will enable community colleges to expand access to additional career technical education courses and programs. The Governor's Office developed a task force for the Workforce Program and the \$200 million will go towards those recommendations published in that report. Dr. Murray inquired if the money had to be spent and not set aside. Mr. Lopez stated that the money is discretionary and does not have to be spent and can be placed in a reserve. In our budget, we cannot tie these funds into the budget as ongoing funds. Dr. Murray asked if it would be made part of the Five-Year budget. Mr. Lopez replied "no." Dr. Moore asked if the money is not used in that year could it be encumbered. Mr. Lopez replied "yes." It could always fall back into the fund balance for us to fund something in the future.

Restricted General Fund

- One-time funding for mandated claims and other one-time costs estimated at \$76.3 million, which is significantly down from the \$632 million received in 2015-2016. It is estimated the District will receive \$65 per FTES or \$394,000, down from the \$3.2 million received in 2015-2016.
- No augmentation in Student Success and Equity Funding, which stands at approximately \$1.1 million.
- Increase in one-time funding for deferred maintenance and instructional equipment of approximately \$1.4 million in 2016-2017, up from \$800,000 a year ago, which is a \$600,000 increase. The District will continue to fund scheduled maintenance projects, which include HVAC, a new boiler so we can have heating in our major buildings, and other needs on campus. For instructional equipment in the Math-Science building, we put a significant

amount of audiovisual in and we will continue to do that in the Vocational Technology Building and the Student Success Center. Mr. Lopez mentioned that the swing space will be coming aboard shortly. He mentioned that Dr. Murray has been working with the Cosmetology Program and we will have instructional equipment that we will be putting in, along with audio visual, and this money will be put to meet this need.

Mr. Lopez stated that overall the budget is positive and we do not have to deal with cuts. We should be cautious, as we still have heavy increases in PERS and STRS and we do not have any additional funding sources to support those costs.

He indicated that Prop 30 will end this year and a continuation will most likely not be on the ballot in November. The sales tax will not be extended. The only thing that may be extended is a possible tax on income. Prop 30 funds will accordingly decrease approximately 20 percent and the state will have to backfill that amount. Every city and county sales tax will decrease back down to what the taxes originally were and the only way the higher rate would continue is if the voters approve it in November.

Mr. Lopez stated that the last SchoolFirst speaker indicated that the budget is based on the assumptions that the stock market remained where it was in December but things look differently now and there is a lot of volatility. Estimates could swing a billion dollars every month depending on the market.

- Increase of \$30 million in Basic Skills Program to implement practices that increase students' mobility to college-level courses.

Mr. Simmons asked when the staff will see the increase in their paychecks. Mr. Lopez replied that they it has to be done one at a time and that faculty is in the queue right now and his staff is removing any of the exceptions that pop out; a process that may be completed within the next five days. The faculty will have the first batch of retros for the first fiscal year, at 3 percent. Classified is being done at the same time. Then the salary schedule has to be updated for the new fiscal year and the process will start all over again. Each group will receive the retro checks.

Ms. Aguilar asked when the administrators will get theirs. Mr. Lopez responded they do not get retro. Dr. Moore asked how much the administrators increase is. Mr. Lopez replied that it is consistent with the faculty increase. He mentioned that he took a lower increase equal to the classified staff, as did Dr. Curry.

Dr. Osanyinpeju stated that prior to the break a copy of the PERS and STRS funding schedule, along with the cost, was provided. He asked that the committee review the handouts prior to the next meeting and come back with questions. He stated that representatives from PARS will be in attendance at the next meeting to talk about a new program.

V. Adjournment - The meeting adjourned at 2:46 pm.