



PLANNING & BUDGET COMMITTEE (PBC) MEETING
Compton Community College District
January 28, 2014 – 2:00 pm – 3:30 pm
Board Room

MEMBERS PRESENT

Trish Bonacic ___ Dr. Billie Moore ___ LaVetta Johnson Miguel Quintero
 Dr. Rodney Murray ___ Dr. Michelle Priest David Simmons
 Carmela Aguilar ___ Dr. Jose Villalobos

OTHERS ATTENDING: Felipe Lopez, Armando Ruiz, Margaret Ramey, Marci Myers, and Irene Graff

Handouts

- Planning Update Fall 2013 Final
- CCCD – ECCC 2014-2015 Planning and Budget Calendar
- CCCD Budget to Actual by Major Object Code as of December 31, 2013

I. Call to Order

The meeting was called to order at 2:13 p.m. by Trish Bonacic.

II. Approval of Minutes

The minutes of December 3, 2013, were approved with the following changes: Mr. Simmons, Ms. Aguilar (moved/seconded). The motion passed unanimously.

- Page 4, fourth paragraph, first sentence – delete.
- Page 5, second to the last bullet, last sentence “so the accrediting body will be linking the” and replace it with “to ensure the linking of” and at the end of the sentence add “and Annual Plan Priorities.
- Page 5, last bullet, second sentence after “happen:” add “to improve integration.”

Ms. Bonacic suggested having each committee member provide feedback after the minutes are approved. Each member if they choose on a voluntary basis will highlight the important issues of their constituent group.

III. Program Review

Ms. Graff provided an update from last’s years Planning Summit to ensure the goals that were set at the Summit are completed. One of the goals was to develop a Student Success Plan for both locations. The Student Success Committee’s main charge will be to oversee the development of the plan. The funds attached to the Student Success Act will be similar to the Matriculation dollars and will be integrated into planning and prioritization for the future. We also have Strategic Initiatives that are currently

being worked on to be measurable. How do we know we made progress? Measurable objectives are being added and will go through the Consultative Council process for review.

The other goal is an Environmental Scan which is an external look at our community, policies, trends, legislation, work force, economic conditions, and all other factors that influence how we want to move forward as a college. Ms. Graff stated that there is a Strategic Planning Committee that will be meeting after the Environmental Scan is conducted.

Ms. Graff stated that the Planning Review and Planning (PRP) tool will hopefully replace Plan Builder, which is the annual planning software. The committee wants to blend program review and planning to make it easier for people to make the connections. The Student Learning Outcomes (SLO) module is produced by software called TracDat. It is currently being evaluated and if all goes well, the District will use TracDat in the fall of 2014. If it proves not to be the tool for us, the committee will need additional time to look at other programs.

Mr. Quintero asked how student participation and/or input of students will be utilized and whether the committee will reach out to student organizations. Ms. Graff stated she did not know but would look into the matter and bring back the information. Mr. Quintero felt that the committee should include students. Ms. Graff mentioned that she would provide an update on the Student Success Committee and the composition for Compton.

IV. 2014-2015 Governor's Proposed Budget

Mr. Lopez provided a presentation of the Governor's 2014-2015 Budget Proposal. A question and answer session followed. The Governor's budget summary provides several reasons for caution, including the short-term nature of Proposition 30, outstanding state debts, and a tax system heavily reliant on capital gains. The following are Community Colleges highlights:

- Access: \$155.2 million to fund a three percent restoration of access. A formula will be adopted for local growth, an allocation that gives priority to districts "identified as having the greatest unmet need."
- COLA: 0.86 percent or \$48.5 million to fund COLA, which is 50 percent less than last year. Tied into growth.
- Student Success (SSSP): \$200 million to support the Student Success Program.
- Deferred Maintenance and Instructional Equipment: \$175 million split between the two programs. One time funds only.
- \$356.8 million proposed one-time funds to completely eliminate debt.
- Proposition 39: \$39 million in funds to address energy efficiency projects.
- Improving Statewide Performance: \$2.5 million to provide local technical assistance. State Chancellor's Office will receive \$1.1 million and nine new positions to implement the effort.
- Adult Education: Commits to provide funding in the 2015-2016 budget
- Flexibility: Allows a district to reallocate up to 25 percent of funds from selected categorical programs (e.g., EOP&S, CalWORKs, and Basic Skills) to other federal, state, or local programs, to meet the needs of student groups as identified in the Student Equity Plan.

Ms. Graff asked if the PBC had reviewed the District's Student Equity Plan. Ms. Bonacic replied that Dr. Curry created a Student Equity Committee he was the Dean of Student Services; however, she had no idea what its current status was.

- Apportionment Stabilization: Proposition 30 requires that each district receive at least \$100 per FTE from EPA. This resulted in additional unfunded obligations to the district that would not have otherwise received state General Fund.
- The Governor proposes to fund these obligations for 2014-2015 and subsequent years, and also to backfill obligations from 2012-2013 and 2013-2014.
- Innovative Models of Higher Education: \$50 million in one-time funding that recognizes models of innovation in higher education.

Budget Proposal Cautions and Concerns

- The Governor notes the state's revenues and the Proposition 28 calculation are highly volatile due a reliance on capital gains.
- Proposition 30 is temporary and will begin to be phased out in 2017.
- Current matching requirements in SSSP, Deferred Maintenance and Instructional Materials will make it difficult for the District to spend down these funds without making some major cuts in other areas. Estimated matching requirement will increase from \$1.5 million in FY 2014 to \$4.1 million in FY 2015.

The Governor's main concerns are paying down debt, providing funds for a rainy day, and ensuring funds are available to fund projects. The Department of Finance indicated that there is no intention to place Bonds on the ballot to fund Capital Outlay. The District could lose its ability to fund Capital Outlay.

V. Budget Calendar

Mr. Lopez provided a handout of the 2014-2015 Planning and Budget Calendar. He indicated that the calendar had been updated. Mr. Lopez asked the committee members if there was anything that they would like to include. He asked the committee for a vote of recommendation for the 2014-2015 Planning and Budget Calendar. Mr. Simmons asked that a "review of the prior year budget to actual" be added to the calendar under the month of December. Mr. Lopez stated that he would include that in the calendar.

Mr. Lopez stated that the District audit was complete. There was a Board presentation. The Board accepted the District's financial audit, as well as the General Bond Obligation financial and performance audits. He indicated that in his letter to Dr. Curry he mentioned that the District had another outstanding year of the audit. It was filed on time and was able to meet his goal by reducing the audit findings by 50 percent. He mentioned that there were 26 findings in 2011, 13 findings in 2012, and 6 findings in 2013; of the 6, 5 were financial and 1 state compliance, which was the Fifty Percent Law. He indicated that three of the six were implemented. Mr. Lopez stated that he plans to bring the financial findings down to no more than two findings.

Dr. Murray asked if a ruling was made on the Fifty Percent Law. Mr. Lopez replied no, not until March. Mr. Simmons asked if we were the only District to file for an exemption. Mr. Lopez responded no. The other two Districts were Barstow and

Marin.

Mr. Simmons moved that the PBC Calendar be approved as amended. Dr. Murray seconded the motion. The vote was 5 in favor, 0 opposed, and 0 abstaining. The motion passed.

VI. 2014 Budget to Actual

Mr. Lopez provided information about the Cosmetology Program. A question and answer session followed. He stated that the District had over reported the FTES for two years. The District agreed to the figure of \$1.2 million. However, the way the funding formula works is that we are funded at the end of the year. It then becomes the base for the following year. The Chancellor's Office stated that our base was never adjusted, so not only are the two years affected, but also the period from 2010 through 2013. Mr. Lopez mentioned that the potential liability therefore went up to \$5.6 million. Mr. Lopez stated that he identified and agreed to adjust our base for Cosmetology for 2008 and 2009. The interest was compounded each year after that. The District would owe \$1.2 million, with the majority of the cost to come from the general fund, a minimal of \$780,000 this year, to stop the accrual of interest. Mr. Simmons asked how many colleges are affected statewide by this issue. Mr. Lopez stated he did not know of any other district so affected.

Mr. Lopez voiced his concern about how this will effect growth because the base is now larger and our FTES is higher. The State Chancellor's Office is going through the calculations and there is a meeting scheduled for next month to obtain a resolution. His recommendation will be taken to the Board in March 2014.

Mr. Lopez provided a handout of the Budget to Actual as of December 31, 2013. He stated that we were on target for the first six months. A question and answer session followed. Mr. Simmons asked if it included the adjustment of \$200 extra per month for health benefits approved at the last Board meeting. Mr. Lopez replied it was incorporated in the overall budget.

Ms. Bonacic asked if there will be some direction to staff about the change in the Health and Welfare benefits that was Board approved. Mr. Lopez replied that the matter was currently being handled by his office. Managers, faculty and staff would receive a notice during the week. Individual allocations for benefits are based on what the individual is utilizing and not everyone will receive the same amount.

VII. Adjournment

The meeting adjourned at 3:42 pm.