



**PLANNING & BUDGET COMMITTEE (PBC) MEETING**  
**Compton Community College District**  
**May 24, 2016 – 2:00 pm – 3:30 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:** Steve Haigler, Barbara Perez, Armando Ruiz, and Rachelle Sasser

Handouts

- El Camino College Compton Center FTES Recovery Timeline
- 2016-2017 Tentative Budget Review Memorandum
- Compton Community College District Budget Assumptions 2017
- Compton Community College District 2016-2017 Tentative Budget General Fund

I. Call to Order

The meeting was called to order at 2:10 p.m. by Dr. Abiodun Osanyinpeju.

II. Approval of Minutes

The minutes of March 22, 2016 and April 26, 2016 were deferred until the next meeting, as there was no quorum.

III. FTES Recovery Timeline

Ms. Perez provided a handout of FTES Recovery Timeline. She mentioned that she wanted to remind the PBC about the FTES Recovery Timeline. She stated that we are in stabilization. Ms. Perez stated that last year we did not have sufficient FTES between what we earned during the academic year and summer to be able to claim 6060 FTES. So, we went into stabilization which allowed us last year to be fully funded at 6060 FTES and what this means is that this year in order to be funded at 6060 FTES we have to earn the 6060 FTES. The plan was that we would get paid for the 6060 FTES, but the only way we can accomplish that is to borrow 619 FTES from summer 2016. We are not making sufficient FTES

between our fall 2015, the last six weeks of summer session in 2015, and spring 2016 as enrollment was not as strong as we had hope, so we had to take 619 FTES from the summer 2016. The only FTES that we can draw from are the first 6 weeks and the 8 weeks and in order to draw we have to have the census date in during the fiscal year that you are claiming it. Then potentially because of us borrowing so much of our summer, we will be in stabilization again for 2016-2017. It is hopeful that by 2017-2018 that some of the Enrollment Management strategies will come into effect. The addition of the Cosmetology Program and early college will help increase the FTES enough that we will be able to get out of this cycle.

Ms. Perez stated that the second page of the document shows where we currently stand for the summer. What is shown at the bottom for Compton Center, currently students have enrolled and produced 666.81 FTES, of that 516.27 encompass the first 6 weeks and 8 weeks. This leaves a deficit of 102.57 FTES. So, between now and the start of the second 8 weeks we are pushing to get our enrollment up. If we do not get the 102.57 FTES in the next four weeks (by June 20, 2016) we will not be able to claim 6060 FTES and we will only be paid on what we have earned. She indicated that we have some classes that has not happened yet, we will be offering some summer school classes at the high schools which will help us to push the numbers up a little bit. However, last year we were at 67 percent for the first 6 weeks, currently, we are at 60 percent. Ms. Perez mentioned that enrollment for the summer started off very well and then stopped and we have some work to do. She mentioned that classes have been added in areas where classes are full, however, there is not enough of those to have us make-up for what we have to cut. We want to be at 85-90 percent efficient and we are at 60 percent, and spending a lot of money not to get what we need to have in the long run.

Mr. Haigler asked Ms. Perez if she could explain the middle part of the chart (2<sup>nd</sup> - 6 weeks). She stated that as for the first 6 weeks will begin on May 31<sup>st</sup> and will be the first day of class. The first day of census fall in 2015-2016, we have the ability to claims that FTES in either fiscal year of 2015-2016 or 2016-2017. The second 6 weeks will not start until July 12<sup>th</sup>, 2016 and can only be claimed in the 2016-2017 fiscal year. So, even though we have made all of the FTES unfortunately 150 FTES is in the wrong fiscal year. Ms. Perez stated that the 8 weeks session will begin on June 20, 2016 and can be claimed in either fiscal year because census will be the week of June 27, 2016.

Dr. Murray mentioned that if we do not receive the 102.57 FTES we will only receive funding for the FTES we actually made which will be reduced by half a million dollars. Ms. Perez replies "correct." She mentioned that we will make up some of the 102 FTES, but the question is can we make up the 102 FTES and that is what is critical. This means more cuts to the tentative budget.

Dr. Osanyinpeju asked if we just need the FTES for the first 6 weeks and 8 weeks of summer school. Ms. Perez responded "no," because long-term we need the

FTES for 2016-2017. She stated that if we have the demand in the first 6 weeks and 8 weeks like the Anatomy class then we will add it to the first session, however, we are robbing Peter to pay Paul, and we still need FTES for the next fiscal year and have no problem adding classes. Dr. Murray asked approximately how many classes was 102.57 FTES. Ms. Perez stated that the average FTES per class is approximately 4, and a 3 unit course is 3 FTES at 100 percent efficiency and we are averaging close to 3 FTES because many of our classes are not full. Ms. Aguilar asked how many classes was that? Ms. Perez replied “approximately 35 classes.” The schedule that we have is when we were made 1100 FTES one summer. The problem is the competition.

#### IV. 2016-2017 Budget Assumptions

Mr. Haigler informed the committee that he was substituting in for Felipe Lopez. Mr. Haigler provided an overview of the 2016-2017 Budget Assumptions.

The Tentative Budget is based on the Governor’s May 2016 Revise Budget. The Governor’s budget is based on a conservative forecast intended to protect the state from boom and bust budgeting cycles. No threat of trigger cuts are forecasted in the Governor’s budget and includes Access funds totaling \$114.7 million, \$200 million for workforce (new), and \$75 million increase to the base apportionment. Budget includes no COLA which is the first time without an increase in three years. In addition the budget includes one-time resources maintenance, instructional equipment, and mandated costs.

- A. Projected beginning balance: \$9,773,000
- B. Estimated local, state, and other revenue: \$35,558,000
- C. Reserve for contingency and ending fund balance: \$9,305,000 of budgeted expenditures.
- D. Budget the General State Apportionment in alignment with the El Camino College Compton Center generating 6,060 FTES.
- E. Offering 1,500 sections in the 2016-2017.
- F. No Cost of Living Adjustment (COLA) increase.
- G. Budget for the GASB “pay as you go” costs for Retiree Benefits: \$525,000.
- H. Project Public Employee Retirement System (PERS) contributions increased to 13.888% and State Teachers Employee Retirement System (STRS) increased to 12.58%.
- I. Budget for projected utilities increase of 2.0% or a total cost of \$1,200,000.
- J. Budget all step and column increases of approximately \$220,000.
- K. Budget to fill the following full-time faculty positions:
  - 1. Anatomy/ Physiology (2- Positions)
  - 2. Communications
  - 3. Cosmetology
  - 4. English/Reading

5. Spanish
  6. Student Success and Support Programs Counselor – Restricted Fund
  7. Student Equity Counselor – Restricted Fund
- L. Budget to fill the following full-time classified position
1. Cosmetology Assistant
- M. Budget for the Vice President of El Camino College Compton Center (\$165,000, including benefits).
- N. Budget for line of credit debt expense (\$1,292,420).
- O. Budget for the Police Services Contract with El Camino College (\$1,435,000).
- P. Budget for Other Postemployment Benefit (OPEB) contribution of \$250,000.
- Q. Budget for the California Public Entity Pension Stabilization Fund (PERS/STRS) contribution of \$200,000 (new).
- R. Budget for Compton Community College District Personnel Commission (\$280,000).
- S. Budget for one-time augmentations for Enrollment Management (\$100,000).
- T. Unrestricted Budget includes the following interfund transfers:
1. Transfer \$400,000 to the Property & Liability Fund (Insurance).

V. Tentative Budget 2016-2017

Mr. Haigler provided an overview of the memorandum from Mr. Lopez. He stated that the memorandum was Mr. Lopez analysis of the Tentative Budget 2016-2017. He stated that we are deficit spending by \$450,000.

Mr. Haigler indicated that as you are aware, the Eligibility Requirement for Accreditation number 5 (Financial Accountability) states, “An applicant institution must not show an annual or cumulative operating deficit at any time during the eligibility application process.” Even though the Compton Center’s Eligibility Application has been approved by the ACCJC, they indicate that compliance with the Eligibility Requirements must continue throughout the evaluation period and will be validated periodically, normally as part of our Institutional Self Evaluation process and external Education Quality and Institutional Effectiveness Review.

Therefore, Mr. Lopez recommend that we reduce expenditures to achieve a balanced budget and ensure compliance with the Eligibility Requirements. This reduction will be reflected in our 2016-17 Final Budget.

Mr. Haigler stated that Mr. Lopez is imploring us to balance the budget. He indicated that the easiest way is to address the 4000, 5000, and 6000 object codes. He mentioned that payroll is 80 percent of the general fund. Ms. Sasser stated that he was talking about Personnel items. Dr. Murray mentioned that anytime you are talking about people and cutting 80 percent you are talking about cutting someone out of the budget. Mr. Haigler stated that we could begin with the discretionary

spending: travel and supplies.

Mr. Simmons mentioned that monies were set aside for OPEB and the STRS Pension fund and indicated that there was a million dollars extra placed in the OPEB Trust and if we skip a year it will not be a big issue. We do not plan on using it for another 20 to 30 years out so, that is \$250,000 now available. Dr. Murray stated that the Trusts are irrevocable and Mr. Simmons stated that the monies do not have to be placed in the Trust every year. Dr. Murray stated that he did not want to cut anyone throat, however, we must be solvent. He then mentioned the reserve. Mr. Simmons indicated that would be deficit spending and others confirmed. Mr. Haigler stated that the PERS/STRS Trust is new and the commitment to that is essential and the rates are still going up. Mr. Haigler mentioned that this is the year that a new GASB law comes into effect and that the entire unfunded OPEB obligation will be presented on the Financial Statements and is a real cost. Ms. Perez stated that we do not spend everything that we budget, so how do we adjust our budget so it is a true reflection of what the expenditures are? For example, at El Camino Torrance campus, they actually build into the budget a \$4 million dollars reallocation saying that the \$4 million dollars will not be spent every year. We budget but not always spend it.

Mr. Simmons stated that the budget is \$450,000 out of balance. Mr. Haigler stated that the budget includes \$36,558,169 revenue and expenses of \$37,018,137. Ms. Perez stated that on page 12 of the tentative budget, under instructional supplies, the budget was cut approximately \$140,000 for some reason and with the money that is there she could only cover Industry and Technology, and maybe Life Science. This means that no other area on campus would have instructional supplies. She also mentioned that on page 13, under Capital Outlay, \$50,000 for Library Books was left out of the budget as well. Mr. Haigler indicated that with these two items, it will make it even more difficult to balance the budget. Mr. Haigler stated that the revenues are based on 6060 FTES and if we do not receive the enrollment, then it may be too high of an estimate.

Mr. Haigler stated that if anyone had any questions, they should email Mr. Lopez with their concerns. Ms. Perez mentioned that the amount of STRS contribution went down instead of up and did not reflect the \$7.3 million in salaries. Mr. Simmons stated that he did not see funding for Basic Skills and Ms. Perez mentioned that the funding is restricted.

VI. Adjournment - The meeting adjourned at 2:35 pm.