



**PLANNING & BUDGET COMMITTEE (PBC) MEETING**  
**Compton Community College District**  
**May 26, 2015 – 2:00 pm – 3:30 pm**  
**Board Room**

**MEMBERS PRESENT**

Trish Bonacic      \_\_\_ Dr. Billie Moore      \_\_\_ LaVetta Johnson      \_\_\_ Nancy Sepulveda  
\_\_\_ Dr. Rodney Murray      \_\_\_ Miguel Ornelas       David Simmons  
 Carmela Aguilar       Dr. Jose Villalobos

**OTHERS ATTENDING:** Felipe Lopez, Barbara Perez, and Armando Ruiz,

Handouts

- 2015-2016 Preliminary Budget Assumptions
- 2015-2016 Tentative Budget

I. Call to Order

The meeting was called to order at 2:07 p.m. by Trish Bonacic.

II. Approval of Minutes

The minutes of April 28, 2015 were deferred until the next meeting, as there was no quorum.

III. Budget Assumptions

Mr. Lopez provided a copy of the 2015-2016 Preliminary Budget Assumptions. He stated that the Tentative Budget reflects information available at this time from the California Community Colleges Chancellor's Office and Governor's 2015 May Revision Budget. It is anticipated that additional adjustments may be required as more information becomes available.

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 is forecast in the Governor's budget, which includes access funds totaling \$156.5 million, \$200 million for student success, \$61 million in COLA, down from 1.58 percent to 1.02 percent, and from \$125 million to \$266.7 million for increased operating expenses to cover annual pension benefits increase (PERS/STRS), professional development, facilities, and other general operating expenses. There was an additional augmentation made

for an increase in enrollment growth from 2 percent to grow 3 percent. The budget also includes the elimination of deferrals at the end of 2015-2016. In addition, the budget includes one-time resources, which include \$94.5 million to retire deferrals and \$627.8 million for deferred maintenance, instructional equipment, mandated claims, and other one-time costs. Prop 39 dollars were used for energy efficient projects. The first years of this funding covered lighting for the administration building, gymnasium, and canopy upgrades, Phase 2 is the Vocational Technology building, and year 3 will be allocated for work by the Southern California Gas Company.

- A. Projected beginning balance: \$5,689,731
- B. Estimated local, state and other revenue: \$3,952,880
- C. Reserve for contingency and ending fund balance: \$4,745,080
- D. General State Apportionment in alignment with the El Camino College Compton Center generating 5,860 FTES. Ms. Perez stated that we did not meet our goal of 6060 FTES even with borrowing from the summer. So, essentially that places us into stability funding. Our decision is therefore to not borrow anything and not start in a hole next year. Everything this summer will go into the next fiscal year and that lowers us from 6060 FTES to 5200 FTES, which is what we attained. If we were able to put in what we borrowed from last year back into this year we would approximately be at 5700 FTES. She stated that if we can make the 5860 target we will stay status quo. Ms. Perez stated that we are instituting the early college and other things in hope of even reaching the original 6060 FTES.

Mr. Simmons asked if we had enough classes to make enrollment. Mr. Lopez responded that we have enough classes but have fallen short on students. Ms. Perez stated that we were at 70 percent efficiency. Mr. Lopez reiterated that we will be placed on stability funding, which means for the 2015-2016 budget we will be funded only our actual 5200 FTES. For every 200 FTES we fall short of our target, we will experience a \$950,000 decrease in general apportionment funding.

Ms. Bonacic stated that under the new funding formula of SSSP a portion is not based on funding but on student success in matriculating. She asked if this was working in our favor. Ms. Perez replied no, because if she recalled, SSSP is based on CORE services and if students are not coming in then we are not doing the CORE services. Mr. Lopez mentioned that we have two years to grow before the number is locked in and once it is locked in we are only allowed to grow based on what the state says was our FTES for 2015-2016.

- E. Offering 1,500 sections in 2015-2016.
- F. Cost of Living Adjustment (COLA) funding of 1.02% or \$47.69 per credit FTES, equates to approximately \$311,000 based on 5,860 FTES.
- G. Budget for GASB “pay as you go” costs for Retiree Benefits: \$442,000.
- H. Budget for the PARS Retirement Payment: \$109,842. The total remaining district liability for participating in PARS is \$109,842.

- I. Public Employee Retirement System (PERS) contributions increased to 11.847% and State Teachers Employee Retirement System (STRS) contributions increased to 10.73%.
- J. Budget for projected utilities, an increase of 2.0%, for a total cost of \$1,142,000.
- K. Budget all step and column increases of approximately \$200,000.
- L. Budget includes no new employee positions.
- M. Budget for the Vice President of El Camino College Compton Center (\$160,000, including benefits) and the Information Technology Supervisor (\$143,000 including benefits) positions.
- N. Budget for line of credit debt expense (\$1,292,420).
- O. Budget for the Police Services Contract with El Camino College (\$1,400,000).
- P. Budget for Other Postemployment Benefits (OPEB) contribution of \$250,000.
- Q. Budget for the following one-time Augmentations/Enhancements (\$350,000):
  - a. Enrollment Management Plan (\$100,000)
  - b. One-Time Planning Allocations (\$50,000)
  - c. Site-Improvements – Cosmetology Program (\$200,000). Mr. Simmons asked if the money that was allocated will be enough to refurbish the building. Mr. Lopez replied that all the costs for the Cosmetology Program are coming from the general fund because since it is not a building that the District owns, we cannot use bond dollars. The actual shell is in good shape and has been used for approximately 15 to 20 years by Compton Unified and we will take down two walls on the interior. The bulk of the money will be for the equipment, plumbing, sinks, and electrical work; and we have been working with the contractor and are coming up with a preliminary budget. Mr. Lopez mentioned that El Camino just re-opened its Cosmetology Program and Dr. Murray went over to pick out some of the equipment that they no longer need but we could use for our program.

Ms. Bonacic asked if the District was still looking at the Fire Academy. Ms. Perez stated that it also required some work. The academy has to get accredited and the curriculum will have to be changed before the program can be reinstated. Ms. Bonacic inquired if it will be located on or off campus. Ms. Perez replied off, because it required working at the fire stations.

- R. Unrestricted Budget includes the following interfund transfers:
  - a. Transfer \$396,000 to the Property & Liability Fund.

#### 2015-2016 Unrestricted General Fund Budget

Mr. Lopez provided a copy of the 2015-2016 Preliminary Budget Assumptions. .

#### Page 1 – General Fund Unrestricted – Fund 01

- 8610 Principal Apportionment \$20,529,277 – Mr. Lopez stated that it is lower this year because our FTES is down.
- 8606 Part-Time Faculty/Full-Time Faculty Apportionment \$382,000 - Mr. Lopez stated that item “G” on page 5, under footnotes, full-time faculty apportionment, supports new hires.
- 8690 Other State Revenue \$1,360,000 - Mr. Lopez stated that item “F” on page 5,

under footnotes, is the additional costs for PERS and STRS.

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Page 2 – Local Revenue

Mr. Lopez stated that under local revenue the bulk of the money comes from property taxes. We have the preliminary estimates from accounting, which are straightforward. The remainder is made up of student enrollment fees that we collect.

Page 3 - Expenditures

*Academic Salaries*

1100 Regular Schedule, Teaching - \$6,507,272

1200 Regular Schedule, Non-Teaching - \$2,739,034

1300 Other Schedule, Teaching - \$4,060,580

1400 Other Schedule, Non-Teaching - \$401,779,

Total Academic Salaries - \$13.7 million. Mr. Lopez stated that it includes administrators, faculty, part-time, and other assignments.

*Staff Benefits.*

- 3120 State Teachers' Retirement (STRS) - Mr. Lopez stated that STRS has a target increase of 1.85 percent every year until it reaches 19.10 percent.
- 3200 Public Employees Retirement (PERS) - Ms. Bonacic stated that PERS was budgeted for less than last year. Mr. Lopez replied that there are some positions that will not be filled immediately. He stated that the PERS rate went up a fraction of a percent. He indicated that there are a couple of classified positions that are frozen; they were advertised but will not be filled right away.

Mr. Lopez stated that the letter to the right of the number stands for the following:

- F – does not include new hires

*Books, Supplies and Materials*

- 4200 Books - Mr. Simmons asked if this funds only the Library books. Mr. Lopez replied it is for all the academic programs.
- 4300 Instructional Supplies \$189,745
- 4400 Repairs and Supplies \$62,500 – Mr. Lopez stated that it covers 8 different departments with the bulk of the money for Vocational Technology
- 4500/4600 Non-Instructional Supplies/Gasoline \$411,378

Page 4 - Contract Services and Operating Expenses

- 5100 Contract for Personal Services \$2,176,820
- 5200 Travel, Conference and Training \$162,788 - Mr. Lopez stated that Professional Development is linked to the overarching priorities
- 5300 Dues and Memberships \$35,790 – Dr. Villalobos inquired about memberships. Mr. Lopez responded that the District has a number of organizations that the District belongs to. The Community College Facility Coalition is under the President but he used to go to the meetings. The athletic conference, was budgeted for in the previous final budget.
- 5400 Insurance for Students \$106,463
- 5500 Utilities and Housekeeping Services \$1,142,000
- 5600 Contracts, Rentals, and Repairs \$683,279 – Mr. Lopez stated that it has stayed

constant. However, there is a slight increase due to upcoming elections so he budgeted an additional \$125,000.

- 5700 Legal, Election, and Audit Expenses \$307,500
- 5800 Other Services, Postage, Advertising - \$633,891
- 5900 Miscellaneous - \$193,146

*Capital Outlay*

- 6100 Site Improvements \$200,000 for Cosmetology, library books, and equipment.
- 6300 Library Books \$50,000 - Ms. Perez stated that the bulk of the money is in her office, vocational technology and a little in science.
- 6400 Equipment \$200,000

*Other Outgo*

- 7100 Debt Retirement \$1,300,000 - Mr. Lopez stated that the District will make repayments to the Line of Credit (LOC) until 2029. He is working on refinancing the debt to a lower interest rate from 6 percent down to 2.5 7300 Inter-fund Transfer \$396,000
- 7600 Other Student Aid \$65,000

- TBD Step and Column Increases – Mr. Simmons inquired about the step and column increase. Mr. Lopez stated that it is already built in and it is only a template.

Mr. Lopez stated that if anyone has any questions to please email him prior to the next meeting on Tuesday, June 9, 2015. He would like to take the tentative budget to the Board for adoption for the June 16, 2015 Board Meeting.

The PBC meeting will be held on the second and fourth Tuesday of the month during the summer.

Ms. Perez asked if Fund 10 had been disseminated for 1006 and 2841 and Mr. Ruiz responded that if she had not yet received them he would email them to her today

IV. Adjournment - The meeting adjourned at 3:05 pm.