



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

**MEMBERS PRESENT**

Trish Bonacic      \_\_\_ Dr. Billie Moore       LaVetta Johnson      \_\_\_ Joanna Navarro  
\_\_\_ Dr. Rodney Murray      \_\_\_ Miguel Ornelas      \_\_\_ David Simmons  
 Carmela Aguilar      \_\_\_ Dr. Michelle Priest

**OTHERS ATTENDING:** Felipe Lopez, Armando Ruiz, and Irene Graff

Handouts

- CCCD Five Year Budget Assumption Projection Details (Draft)

I. Call to Order

The meeting was called to order at 2:15 p.m. by Dr. Rodney Murray.

II. Approval of Minutes

The minutes of April 22, 2014 and May 27, 2014 were deferred until the next meeting, as there was no quorum.

III. Committee Reports – None.

Ms. Bonacic announced that Ms. Graff would be approximately 15 minutes late to the meeting.

Ms. Graff stated that at the El Camino May 15<sup>th</sup> meeting they went over the Strategic Plan which she plans to bring to this committee in July. They discussed the Strategic Plan division goals and strategic initiatives which we are using as our goals for annual planning. She stated that what need to be attached are the objectives. Here is what we are going to do and how we are going to get there. This is mandated by accreditation and is also good practice. We have feedback from the Planning Summit and the Strategic Planning Committee will build on this input and present it at the sessions. Ms. Bonacic asked if TrackDat will be used. Ms. Graff replied, yes. Mr. Lopez asked what the implementation date would be. Ms. Graff stated she was hoping for the summer; however, it might not be until late fall. Ms. Graff asked if the committee had received the Enrollment reports. It was indicated that some had and some had not. Ms. Graff said she would include Compton to receive the report. She mentioned that the Academic Affairs Analyst will be leaving. She also mentioned that Rory Natividad is working on a PBC website. It will contain purpose, goals, committee members, and other kinds of additional information.

#### IV. 5 Year Budget Assumption (Draft Update)

Mr. Lopez provided a handout of the Five Year Budget Projections Details. He stated that the only difference between the previous 5 Year Budget Assumption and the current assumptions was the STRS rate which was based on the May revise. On page 1, line 13 of the assumption, the rate was 8.25 percent for fiscal years 2012-2013 and 2013-2014. In 2015, it will increase 1.25 percent which will increase the District's contribution rate from 8.25 percent to 9.50 percent in 2014-2015. Then increasing again another 1.6 percent in 2016-2017 and 2017-2018 for each of those years; this will ultimately increase the maximum amount from 19.2 percent to approximately 30 percent, almost doubling the amount until we reach the maximum level. This was in accordance with the May revise, which will ultimately impact the general fund approximately \$120,000.

#### V. Tentative Budget

Mr. Lopez provided a handout of the 2014-2015 Tentative Budget. A question and answer session followed.

- Mr. Lopez stated that page 1 is an overview of the budget assumptions that this committee approved, took to board for approval, and was utilized in the 5 Year Budget Assumption.
- Ms. Aguilar asked if all nine new faculty members were hired. Mr. Lopez stated no, not that he was aware of. Mr. Ruiz mentioned that some of the positions were filled. Mr. Lopez indicated that the Math position was filled and Nursing was not yet filled. He could not recall if the other position were filled. The non-faculty positions for the Accountant position will be advertised in July 2014; the Instructional Associate and Lab Technician positions were filled.
- Mr. Lopez stated that page 3 is the general fund unrestricted budget summary which shows our 2012-2013 actuals, the 2013-2014 estimated actuals, and the tentative budget for 2014-2015, which includes all revenues, expenses and ending fund balance. He mentioned that the notations to the right correspond to the notes at the bottom of the page.
  1. Includes the nine faculty positions.
  2. Includes the three new non-faculty positions.
  3. Includes the \$250,000 for the OPEB trust contribution.
  4. Includes the \$50,000 for one-time funding allocations.
  5. Includes the \$110,000 for the site improvements and \$50,000 to fund the Technology Plan.
- Page 4 is the unrestricted which provides a breakdown of all of the revenues that come in for the year.
- Ms. Aguilar inquired about the cosmetology adjustment of \$919,000. Mr. Lopez stated that a decision is still pending. He mentioned that the District was working with Fred Harris. Mr. Harris had left the Chancellor's Office and he is now the CBO at Gavilan College. He is working with the Deputy Chancellor and the Chancellor to get this resolved by June 30<sup>th</sup> 2014. There has not been any final negotiation or acceptance by either party of what would be the actual liability. Mr. Lopez mentioned that he took the amount in question and divided it by five to get the payment over a five year time period and is included in the 5 Year Budget Assumptions.
- Pages 5 and 6 are the details unrestricted expenditures for academic and classified

salaries; employee benefits; books, supplies, and materials; contract services and operating expenses. Page 6 is Capital Outlay, other outgo, reserve for contingencies, and what the ending fund will be. Mr. Lopez stated that the decrease in the ending fund balance for 2014-2015 is the cost of cosmetology. If it were not for this liability our ending balance would match our revenues.

1. Includes \$100 for Enrollment Management.
  2. Includes \$250,000 for the OPEB trust contribution.
  3. Includes \$50,000 for one-time funding allocations.
  4. Includes \$110,000 for Site Improvements.
  5. Includes \$50,000 for the Technology Plan.
- Mr. Lopez stated that this year ending fund balance is a little over \$6 million. In 2015 it is \$5 million assuming everyone spends within their budget and for those that do not spend their allocation the funds will be reallocated or we will decrease the overall budget.
  - The general fund restricted consist of the categorical fund and page 7 shows what the estimated actual was for 2014 and the tentative budget.
  - Page 8 is a breakdown of all the categorical programs by federal revenues, followed by state, and local revenues. The largest federal program is the TRIO program which is made up of Upward Bound, Upward Bound Math Science, and Student Support Services. We no longer have the Student Support Services grant as it can only be given to accredited institutions. However, the Upward Bound grant can be funded to all entities including non-profit, so we are able to receive the money. There were two Upward Bounds grants in the past, however, those grants were closed out. As of today we only have the Upward Bound going forward. We also have, TANF, DPSS, Foster Kinship, Summer Food, and YESS are all federal programs. The state programs are Basic Skills, BFAP, CalWORKS, EOPS/CARE, DSPS, Matriculation, state lottery and the Special Trustee, and Transitional Age Foster Care. This is where we receive the bulk of the money. The bottom shows the local revenues we receive from our local county, Department of Social Services, Department of Health Services from Los Angeles County, VTEA money from El Camino, and parking revenue. Along with sales and commissions money which is for Auxiliary services: 50 percent goes to ASB, 25 percent to the Foundation, and 25 percent to general services.
  - Pages 9 and 10 if everything goes right, we will spend everything, unless carry overs are allowed.
  - Page 11 is the Line of Credit – We do not anticipate any dollars coming out from the Line of Cred this coming year. In the past, FCMAT costs were paid from the Line of Credit. It will now be paid from the Special Trustees account. The only revenue that we will receive is the interest.
  - Capital Outlay fund – There are currently three projects: the Utility Infrastructure Phase 1 which the District has submitted all of the reimbursements that we are entitled to and we have received all of the dollars for claims to the state. For Phase 2 we have submitted approximately 90 percent of the claims to the state. Both Phase 1 and 2 were extended into August 2014 because programing for the blue phones, the lights are still not going off, and the configuration of the building management system which controls the Central Plant which will be funded from the bond. The Allied Health Building will be the only project funded by Capital Outlay. Mr. Lopez mentioned that the ground breaking for the Allied Health Building will be June 11, 2014 at 2:00 pm. The total cost for the Allied Health Building is \$11.5 million which \$7.8 million is funded by the state and \$3.7 million by the District. The state revenues are based on the expenditure claims

that we submitted to the state.

- Ms. Aguilar asked what the projected finish date if for the Allied Health Building. Mr. Lopez responded 548 days or approximately 1.5 years from start to finish by September or October of 2015.
- Ms. Aguilar asked if the building will be one or two stories. Mr. Lopez replied multiple stories but will follow-up.
- Page 17 General Obligation Bond Fund. The first one is primarily used for the District projects which include the LRC, MIS project, the Little Theatre, and some other technology projects. We are anticipating in 2015 to spending the remainder from the Bond fund for these projects. The largest project is the Little Theatre which the District will begin to bid within the next two or three months. It will be complete in a short time frame by 2015. Ms. Aguilar asked if the building would be knocked down. Mr. Lopez replied that it will be renovated.
- Mr. Lopez stated that in the LSSC there is still some minor work to be done on the study room roofs to isolate the noise.
- Page 20 General Obligation Bond Fund Series 2012C every time a bond is issued we open a new fund jacket to keep track of the spending rules. There will be a new fund for Series D as well. In Series C are Infrastructure Phases 1 and 2, the Allied Health Building, and any technology associated with these projects. We anticipate on spending down the entire fund in 2015.
- Mr. Lopez indicated that the last two funds are Worker's Compensation and the Property and Liability funds. On page 20, the Worker's Compensation shows the actual for 2013, the estimated actuals for 2014, and the tentative for 2015. At the top of page 24 we begin with a large negative balance. It is like a roller coaster and it will depend on how many claims the District will receive. The Worker's Compensation is funded through all of the employees' deductions and we set a rate. At the end of 2013 we received a new actuarial study which encouraged the District to raise its rate. It was raised one percent across the board and it is a flexible rate.
- Mr. Lopez indicated that the Property and Liability fund is 100 percent funded by the general fund. In the budget assumptions there is an interfund transfer of \$468,000 to be transferred in from the general fund. This includes vehicle insurance, payment for a flood in the gymnasium, and funds to repair the leaks in the roofs of the row buildings.
- Ms. Graff mentioned that on page 27 of the 2014-2015 budget there was an increase in the beginning balance and wanted to know if it was based on expectations. Mr. Lopez stated the increase was due to claims we thought we would have paid out and the deduction attached to each claim, but did not ultimately pay. He mentioned that the rate wen down after the infrastructure project was completed and we received a deduction on the rate.
- Ms. Aguilar asked why the asphalt between the Administration and the old Library was not replaced. Mr. Lopez stated that the District had a hard time linking it to the actual project. However, there is a plan in to have it removed some time in the future. Ms. Aguilar inquired about the plans for the old Library. Mr. Lopez indicated that the Facilities Master Plan called for it to be torn down but the Master Plan shows it as the Student Service Center -- a one- stop shop for Admissions, Financial Aid, the Bursar, and CalWORKs, to serve students. He stated, however, that the building would have to be torn down for code reasons.
- Mr. Lopez mentioned that the committee would meet twice a month for one hour from June 2014 through August 2014 until the final budget is approved.

VI. Other Business – None.

VII. Adjournment

The meeting adjourned at 3:12 pm.