



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

MEMBERS PRESENT

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

OTHERS ATTENDING: Felipe Lopez

Handouts

- 2016-2017 Proposed Budget Reductions

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 June 7, 2016 were deferred until the next meeting as there was no quorum.

III. 2016-2017 Final Budget

Mr. Lopez stated that on June 21, 2016 the Board approved the Tentative Budget. He indicated that at this meeting we were going to approve the one-time budget augmentations that were submitted. However, at this time we are not funding any of the one-time augmentations. He mentioned that at the last meeting -- per a presentation provided by Mr. Haigler -- the PBC was to provide some recommendations for budget cuts based on the memorandum he sent to the committee.

- Mr. Haigler indicated that 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."
- Mr. Lopez stated that the Tentative Budget was approved by the Board with a

deficit of approximately \$459,968.

- Mr. Lopez indicated that at the August 9, 2016 PBC meeting he will provide the committee with a draft of the Final Budget.
- He mentioned that he will attend the State Budget Workshop on August 4, 2016. This will allow him five days to incorporate any last minute adjustments to the revenue side. We might also have to make some adjustments as we close the books for this fiscal year. Our prior year budget for 2015-2016 called for us generating 6060 FTES and we will fall short at approximately 6,000 FTES, which equates to a loss of approximately \$285,000 and this will affect our bottom line. Our goal is to close the books no later than the second week of August or early the following week.

Mr. Lopez provided a handout of the 2016-2017 Proposed Budget Reductions. A question and answer session followed.

- \$36,758,169.00 Revenues - Tentative Budget
- \$37,218,137.00 Expenditures - Tentative Budget
- (\$459,968.00) Deficit
- \$110,000.00 Line of Credit payment reduction.

Mr. Lopez mentioned that our Tentative Budget had a Line of Credit payment of \$1.2 million. However, this year's budget signed by the Governor allows our Line of Credit to be refinanced with a lower interest rate on an annual basis. The Line of Credit payment will therefore be adjusted down \$110,000.

- \$50,000.00 Student workers – Tutors – 2313.

Mr. Lopez stated that he may be able to make additional cuts from this line item and will be making some assessments of the student workers, hourly, and overtime budgets to fine tune them and the mark-up might be a little bit different than what is shown here.

- \$100,000.00 Hourly budget reduction - 2340
- \$50,000.00 Overtime reduction – 2390.

Mr. Lopez indicated that this is the account that will change the most as he compared it to last year. He is looking to reduce this area by \$25,000 and to increase the Hourly, Student workers, and Tutors account by an additional \$25,000.

- \$30,000.00 Legal reduction – 5713.

Mr. Lopez stated that the plan to help us achieve this goal is to reduce our attorney conversations. He mentioned that the District has a habit of running

everything by legal and the plan is to eliminate that process.

- \$65,000.00 Across the board cut to all 5xxx object codes
- \$140,000.00 Personnel Commission savings.

Mr. Lopez stated that this will be a savings cost this year. In our Tentative Budget it is budgeted for \$280,000; however, we do not have the Personnel Commission in place yet.

Mr. Lopez mentioned that for the Board to gain their power back, FCMAT must first issue its report, which will be released at the August or September Board meeting. Once that is done, the Special Trustee is required to send a recommendation to the Governor's Office, Chancellor's Office, and the Department of Finance. All three bodies will have to concur with the recommendations provided by FCMAT and the Special Trustee. We do not know what the timing will be for the sign off. The District is anticipating that the Board of Trustees will regain its power by January 2017.

- (\$85,000.00) Payroll Supervisor - new position
- \$32.00 Surplus (Deficit)

Mr. Lopez stated that this is his analysis of the budget and he wanted to submit it to the committee for review. Mr. Lopez stated that he would like the PBC to make recommendations for other areas they would like him to explore and he would provide feedback. He mentioned that he has taken as much as he could from the 4000 – Supplies and Materials, and the 5000 for Services. Mr. Lopez indicated that he is looking at the account for printing to see if he can make additional cuts.

There was an in-depth discussion regarding this issue.

- Mr. Lopez will send the 2016-2017 Proposed Budget Reductions out electronically.
- Dr. Osanyinpeju will send out correspondence regarding Dr. Billie Moore's replacement on the Planning and Budget Committee.

IV. Adjournment - The meeting adjourned at 3:00 pm.