



PLANNING & BUDGET COMMITTEE (PBC) MEETING
Compton Community College District
August 9, 2016 – 2:30 pm – 3:30 pm
Board Room

MEMBERS PRESENT

Steven Haigler ___ Dr. Billie Moore LaVetta Johnson Dayshawn Louden
 Dr. Abiodun Osanyinpeju ___ Miguel Ornelas ___ David Simmons
___ Carmela Aguilar Dr. Jose Villalobos

OTHERS ATTENDING:

Handouts

- Compton Community College District Budget Assumptions 2017

I. Call to Order

The meeting was called to order at 2:40 p.m. by Dr. Abiodun Osanyinpeju.

II. Approval of Minutes

The minutes of June 7, 2016 were approved. Ms. Johnson, Mr. Haigler (moved/seconded). The motion passed unanimously.

The minutes of July 26, 2016 were approved. Mr. Haigler, Ms. Johnson, (moved/seconded). The motion passed unanimously.

III. 2016-2017 Final Budget (Budget Assumptions)

Mr. Lopez stated that he would be providing a presentation of the 2016-2017 Final Budget (Budget Assumptions). He indicated that the Tentative Budget to the Final Budget has not changed too much. The changes are as follows:

- A. Projected beginning balance: \$9,488,000 – Mr. Lopez indicated that this was reduced down by \$285,000 to compensate for the reduction of FTES. Our 2015-2016 budget assumed that we would generate 6060 FTES. However, we generated 6,000 FTES and were short 60 FTES, which is approximately \$285,000 short in revenue. This beginning balance takes the short fall into account. He stated that once the books are closed, we will go from a projected

beginning balance to an unaudited beginning balance. He indicated that he will continue to make adjustments until the books are closed in two weeks. We are due to close by August 19, 2016. This projected balance reflects the \$285,000 reduction.

- B. Estimated local, state, and other revenue: \$36,925,000
- C. Reserve for contingency and ending fund balance: \$9,555,000 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 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 increase to 13.888% and State Teachers Employee Retirement System (STRS) increase 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 will include 3 limited term faculty positions.
- M. Budget to fill the following full-time classified positions
 - 1. Cosmetology Assistant
 - 2. Payroll Supervisor - New
- N. Budget for instructional supplies and materials for the Cosmetology program of \$25,000.
- O. Budget for the Vice President of El Camino College Compton Center (\$165,000, including benefits).
- P. Budget for line of credit debt expense (\$1,182,420) - 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.
- Q. Budget for the Police Services Contract with El Camino College (\$1,435,000).
- R. Budget for Other Postemployment Benefit (OPEB) contribution of \$250,000.
- S. Budget for the California Public Entity Pension Stabilization Fund (PERS/STRS) contribution of \$200,000.

- T. Budget for Compton Community College District Personnel Commission (\$140,000) - 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 and it was reduced by one-half.

Mr. Lopez mentioned that for the Board to gain its 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.

- U. Budget for one-time augmentations for Enrollment Management (\$100,000).
- V. Unrestricted Budget includes the following interfund transfers:
1. Transfer \$400,000 to the Property & Liability Fund (Insurance).

Mr. Haigler wanted to clarify the \$110,000 & 140,000 additional cuts. Mr. Lopez stated that at the last meeting he provided a handout of the 2016-2017 Proposed Budget Reductions totaling \$500,000 from our budget. He indicated that the Tentative Budget showed that we were deficit spending. Mr. Haigler mentioned that all of the cuts would equal a balanced budget. A question and answer session followed.

- \$110,000.00 Line of Credit payment reduction.
- \$50,000.00 Student workers – Tutors – 2313.
- \$100,000.00 Hourly budget reduction - 2340
- \$50,000.00 Overtime reduction – 2390.
- \$30,000.00 Legal reduction – 5713.
- \$65,000.00 Across the board cut to all 5xxx object codes
- \$140,000.00 Personnel Commission savings.

Ms. Perez asked that Mr. Lopez clarify the amount for student workers. Mr. Lopez stated that there was an account for Student worker-Tutors which was reduced by \$50,000. He indicated that he compared last year budget with what was spent and believed that the numbers were over inflated and was \$65,000 more than what we spent this year. Ms. Perez voiced her concerns. She indicated that the problem was Basic Skills and Student Equity, which cannot supplant what we do in general fund. Mr. Haigler stated that we are not talking about supplanting, this is the difference between budget and actual.

Ms. Perez stated that is assuming that when the time sheet was submitted it was correctly paid to the right account. She stated that much of this money is not being charged to the right location, it is being charged to another account. She indicated that there are usually 2 to 3 PAR forms per person and since the account code is not

obvious, when they are paying it just gets paid and whether or not it is always to the right account code. Ms. Perez voiced concern because she had just transferred \$70,000 where half of it was faculty hours and the other half was student hours. Mr. Haigler stated that it was between two restricted resources. Ms. Perez stated that all of the students had jobs set-up under the LRC under the unrestricted fund. She indicated that she would get a report as to where the workers are being charged. Ms. Perez stated that there was no communication with her and asked if there was some communication with Ms. Chelvi Subramaniam. Mr. Lopez responded no.

Mr. Loudon ask if there was a check and balance when funds are taken out of other accounts. Ms. Perez stated that part of the problem is when a worker gets hired that individual is paid from two separate accounts. The accounts are set-up and have money in them. It is difficult for the payroll person because what they get from the county to pay the person, does not have the account code on the job. So, it is difficult for him to know which job to pay and to make sure they get paid. Mr. Haigler stated that he did not think that was the case with hourly workers. The time cards comes over coded for an hourly worker and they are input straight from the time card. Ms. Perez reiterated there was often one time sheet and three Par forms. Mr. Haigler stated that each time sheet should have the account code(s) where the workers should be charged. Ms. Perez stated that because there is nothing on the time report for the payroll clerk, he still cannot tell what job to charge. She indicated that it does not happen every time, however, it is still an issue.

Mr. Lopez stated that the following pages are the proposed final budget with the reductions. He mentioned that on the last three pages, 4 through 6, the third column should be "Final Budget" and not "Tentative Budget." He indicated that the tentative budget was updated with those reductions and the reflection was what is in front of the group for the final balanced budget. Mr. Lopez mentioned to Ms. Perez that he would send a reduction notice to all of the managers informing them of the cuts. Ms. Perez stated that part of her problem is that by cutting unrestricted funding, she cannot move funds to restricted accounts because it would be supplanting. Dr. Osanyinpeju asked if that would have a drastic effect on the academic program. Ms. Perez replied "potentially" because it cuts back on tutors, the tutoring center, and teacher's associates, and she will have to do an analysis. Does she think it will impact us, "yes, it will." "she does not know" until she reviews the account funds are being taken out of.

Mr. Lopez stated that the cuts are across the board. He mentioned that his department is implementing procedures to better monitor overtime and to help cut down on the amount of overtime given. Mr. Lopez stated that our goal was to get to a balanced budget. He mentioned that he would be presenting the final budget to the Board the following Tuesday, August 16, 2016. He stated that at the next budget meeting he has invited the Chief of Police to present his budget which is already incorporated into the final budget. Mr. Lopez mentioned that he will also present a detailed final budget that will go to the Board for adoption on September 6, 2016.

Dr. Osanyinpeju stated that we are going to be working with the CBO's cuts so we can have a balanced budget for the year. So, with that in mind he asked for a motion to approve the final budget for 2016-2017, as presented by the Chief Business Officer. Mr. Haigler moved the motion, Ms. Johnson seconded the motion. The vote was 3 in favor, 0 opposed, and 2 abstentions. The motion passed.

IV. Adjournment - The meeting adjourned at 3:10 pm.