



**PLANNING & BUDGET COMMITTEE (PBC) MEETING**  
**Compton Community College District**  
**August 18, 2015 – 2:00 pm – 3:00 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

Handouts

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

I. Call to Order

The meeting was called to order at 2:10 p.m.

II. Approval of Minutes

The minutes of April 28, 2015, May 26, 2015, June 9, 2015, and July 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 he would go over the changes between the Tentative Budget and the final budget. He mentioned that the books were officially closed and that he needs to change letter "A" from "Projected" to "unaudited" beginning balance.

- A. Projected beginning balance: \$9,330,000.
- B. Estimated local, state and other revenue: \$36,302,401
- C. Estimated Education Protection Account (Prop 30) funds to be used entirely for instructional salaries: \$5,836,277.
- D. Estimated funds for increased operating expenses including annual pension benefit expense increase (PERS & STRS), retirement benefits, professional development, facilities, and other general operating expenses: \$1,360,000.
- E. Reserve for contingency and ending fund balance: \$10,060,000 of budgeted

- expenditures.
- F. Estimated one-time funds include the following:
    - a. \$3,200,000 for mandated reimbursements which includes deferred maintenance and instructional equipment.
    - b. Elimination of system deferrals which will improve District cash flow by approximately \$330,000.
  - G. The 2015-2016 general apportionment revenue for the Compton Center is based on 5200 FTES, which is approximately 800 FTES below the general apportionment from the 2014-2015 fiscal year. This represents a \$3.7 million reduction in general apportionment from the 2014-2015 fiscal year. However, the 2015-2016 Compton Center Budget is designed to achieve 5,860 FTES. Mr. Simmons asked how many classes are being offered. Mr. Lopez replied that it was not a class/scheduling issue but a head count issue. He indicated that the fall head count was poor and that there are enough sections to compensate for our decline declined last year and we are budgeting to get to 5,860 FTES. He stated that if we can make the 5860 FTES target which our budget is based on, we can recoup all but 200 FTES below the base. Mr. Lopez stated that because we are in stability mode we will have one more year to grow back to the original base of 6060 FTES and if we do that our base funding will not change. However, if we fail to grow back to the 6060 FTES level, we will have a new adjusted base going forward. If the state allows growth, we can grow beyond that base if we have potential for growth.
  - H. Offering 1,500 course sections in 2015-2016 academic year.
  - I. 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.
  - J. Budget for the GASB “pay as you go” costs for Retiree Benefits: \$442,000. – Remained the same.
  - K. Budget for the PARS Retirement Payment: \$109,842. The total remaining district liability for participating in PARS is: \$109,842. – Remained the same.
  - L. Projected Public Employee Retirement System (PERS) contributions to increase to 11.847% and State Teachers Employee Retirement System (STRS) increased to 10.73%. – Remained the same.
  - M. Budget for projected utilities increase of 2.0% or a total cost of \$1,142,000. – Remained the same.
  - N. Budget all step and column increases of approximately \$200,000. – Remained the same.
  - O. Budget includes hiring four faculty positions funded by new full-time faculty apportionment. Mr. Lopez stated that we received money from the state and it is earmarked specifically for new faculty hires. The District will receive an additional \$380,000 earmarked for these new faculty hires. Mr. Simmons asked if it included the faculty member that resigned. Mr. Lopez replied no, that position does not go away. He stated that a nurse and a faculty member for cosmetology were hired.
  - P. 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. - Remained the same.
  - Q. Budget for line of credit debt expense (\$1,292,420). – Remained the same.
  - R. Budget for the Police Services Contract with El Camino College (\$1,435,000). -

Mr. Lopez stated that there was slight increase of \$35,000 to absorb salary costs. Mr. Simmons stated that salaries were frozen but never cut.

- S. Budget for Other Post Employment Benefit (OPEB) contribution of (\$250,000).
- T. Budget for the following one-time Augmentations/Enhancements (\$950,000):
  - a. Enrollment Management Plan (\$100,000)
  - b. One-Time Planning Augmentations (\$100,000) – Mr. Lopez stated that this line increased by \$50,000
  - c. Budget Enhancements (\$50,000)
  - d. Site-Improvements (\$700,000)
    - i. Cosmetology Program (\$500,000)
    - ii. District Wide Improvements (\$200,000) - Mr. Lopez mentioned that he added an additional \$200,000 for the campus. Dr. Murray asked what the improvements included. Mr. Lopez stated that it is for whatever comes up. Mr. Simmons mentioned that the lights in the Vocational Technology building look nice. Dr. Murray asked what funding was used for the lights. Mr. Lopez replied that it was Proposition 39 and it is being phased out. Proposition 39 funding was used to place lights in the corridors of all the row buildings, the gym, and the Vocational Technology building. Dr. Murray mentioned that the carpet in the Vocational Technology building needs to be replaced. Mr. Lopez stated that the \$200,000 in needs will be prioritized in order to fund much needed repairs.

Mr. Simmons inquired about the Fifty Percent Law. Mr. Lopez stated that we are in compliance. The District was out of compliance in 2012-2013. We were in deficit by \$499,000. We have two years to make up the difference. The first year 2013-2014 we were over \$130,000. This year we will be plus or minus \$15,000. The plan that we implemented is working. We will meet the Fifty Percent Law this year for the second consecutive year.

- U. Unrestricted Budget includes the following interfund transfers: - Remained the same.
  - a. Transfer \$200,000 to the Line of Credit Fund for expenses from the 2009-2010 fiscal year. Total amount due to the line of credit is \$2,000,000. After the transfer the remaining amount due to the line of credit fund will be \$1,400,000.
  - b. Transfer \$396,000 to the Property & Liability Fund.

#### IV. 2015-2016 Tentative Budget General Fund Unrestricted 01

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

##### Page 3 – General Fund Unrestricted – Fund 01 Revenue

- Column 1 2013-2014 – Actual Revenue
- Column 2 2014-2015 – Change from “unaudited actuals” to “closed”
- Column 1 2015-2016 – Final Budget
- Total State Revenue - \$31,940,250. Mr. Lopez stated that there was a large difference between this year’s and last year’s budget of approximately \$4 million. He mentioned that we were receiving one-time funds. He asked the group to look at “g” Mandated

Reimbursements of \$3.2 million. This is one of the main reasons we have a balanced budget. Mr. Simmons asked if the \$3.2 million was unrestricted. Mr. Lopez replied yes.

- Mr. Lopez stated that we are on an opt-in program for mandated costs and instead of submitting claims to the state and waiting 12 to 18 months to be reimbursed. The District will receive a certain guaranteed pot of money up front and break even.
- Mr. Simmons asked how the \$3.2 million dollars is allocated. Mr. Lopez stated that he increased some of the one-time funding projects and increased funding to those departments that needed it the most.

#### Page 4 – General Fund Unrestricted – Fund 01 Local Revenue

Mr. Lopez stated that under local revenue the bulk of the money comes from property taxes.

- Total Revenue – All Sources - \$37,552,887
- 8819 Redevelopment Agency Funds – Mr. Lopez stated this is a pass through account and he does not like to place a dollar figure in there because he does not know the exact dollar amount. He will probably go back and place a number in the account.

#### Page 5 – General Fund Unrestricted - Fund 01 Expenditures

##### *Academic Salaries*

1100 Regular Schedule, Teaching (Certificated Managers and Faculty) - \$6,764,776

- Mr. Lopez stated that footnote “i” has to do with Budget Assumption “O,” which is earmarked for new faculty hires. Our allotment is \$380,000 from the state. This amount includes the four new hires. They have hired two nurses and these funds could be used for a Cosmetology instructor. Dr. Murray asked for how long. Mr. Lopez stated that it would be ongoing until stated otherwise.

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 - \$13,966,169.

#### Page 6 – General Fund Unrestricted - Fund 01 Expenditures

##### *Classified Salaries*

- 2100 Full Time - \$5,210,700. Mr. Lopez stated that footnote “i” means no new positions for this budget.
- 2300 Student Help, Hourly and Overtime – \$604,607. Mr. Lopez stated that footnote “n” is for Enrollment Management - \$100,000 for student workers. He stated that this is where he placed the \$100,000 one-time funding.

##### *Staff Benefits.*

- 3400 Health and Welfare – Medical - \$3,198,430. Mr. Lopez stated that footnote “k” is for OPEB Contribution of \$250,000. Dr. Murray inquired about the State Teachers’ Retirement fund. Mr. Lopez stated it is included. It increased in 2014 to 8 percent and will continue to increase until 2020 to 19.01 percent. Mr. Lopez stated that he will take some of the one-time dollars to fund PERS and STRS, especially if our enrollment does not continue to grow.
- No changes other than adding the incremental costs for new faculty hires.

*Books, Supplies and Materials*

- Total Books, Supplies and Materials - \$663,623 - Mr. Lopez stated that there were no changes.

Page 6 - Contract Services and Operating Expenses

- 5100 Contract for Personal Services \$2,176,820. Mr. Lopez stated that a \$35,000 increase was included for the Police Services contract.
- 5900 Miscellaneous \$293,146 - Mr. Lopez stated that footnote "1" is where he placed all the other budget augmentations as a holding account and once they are approved they will be allocated to the appropriate object code.

*Capital Outlay*

- 6100 Site Improvements \$700,000. Mr. Lopez stated that footnote "1" is related to item "T" under the budget assumptions.

*Other Outgo*

- Total Other Outgo - \$1,961,000 - Mr. Lopez stated that it remained the same as the tentative budget.

*Total Ending Balance/Reserves - \$10,062,138.*

- Dr. Murray asked what the percentage of our reserve was. Mr. Lopez stated that when we closed 2014-2015 it was approximately 25 percent. He stated that the District is above our requirement based on our policy. He mentioned that the budget is built on the assumption that were we will recover from 5,200 FTES to 5,860 FTES, assuming we can generate 600 FTES more this year than last year. If we do not, this budget will dramatically change. Mr. Simmons asked by how much. Mr. Lopez stated that for every 200 FTES it is approximately \$1 million dollars. Mr. Simmons stated that is approximately \$3 million dollars.

Mr. Lopez stated that the budget is scheduled to go to the Board for approval on September 8, 2015. The budget will be available to the public on Tuesday, August 25, 2015 by the end of the day. Per the Education Code, the budget has to be made available to the public 10 days prior to the Board meeting. Mr. Lopez stated he would email a copy of the budget to the PBC members.

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