



**PLANNING & BUDGET COMMITTEE (PBC) MEETING**  
**Compton Community College District**  
**November 4, 2014 – 2:00 pm – 3:30 pm**  
**Board Room**

**MEMBERS PRESENT**

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

**OTHERS ATTENDING:** Chelvi Subramaniam, Estina Pratt, Armando Ruiz, Nehasi Lee, Barbara Perez, and Irene Graff

Handouts

- PBC Evaluation 2014
- Board Policy 6200 Budget Preparation
- Best Practices in Community College Budgeting – Appendix 1
- Budget to Actual By Major Object Code – June 30, 2014

I. Call to Order

The meeting was called to order at 2:11 p.m. by Trish Bonacic.

II. Approval of Minutes

The minutes of September 23, 2014 were approved with the following changes:  
Ms. Aguilar, Ms. Johnson (moved/seconded). The motion passed unanimously.

- Page 4, paragraph 1, second line, change “2015-16 academic year” to “2015-16 through 2019-20 academic years”.
- Page 4, paragraph 2, second line remove “for 2015-16”.
- Page 4, paragraph 3, line six, “basic action plan” should be “Basic Skills Action Plan”.
- Page 4, paragraph 4, second line, change “approves” to “is consulted on”.

III. Committee Reports - None

IV. Annual PBC Survey

Ms. Bonacic stated that everyone should have a copy of the 2014 Annual PBC Evaluation and asked if anyone had anything that he would like to share or discuss. She mentioned that the overall responses were positive; however there were some areas marked either “disagree” or “strongly disagree.” There were some comments

made that we were not meeting some of our goals. The comments made on page 3 are associated with questions 1, 2, 4, 7, 8, 9, 12, and 14. Ms. Bonacic mentioned that we had a good response from the survey. There are nine committee members and 10 responses; two from support staff and eight from committee members.

- Ms. Bonacic stated that the question with the largest discrepancy was number 8. “Regularly informing the Center and District communities of the results of the planning and budgeting process.” She mentioned that there were four who “disagreed” and one who “strongly disagreed.” Ms. Aguilar mentioned that she could see how people could question that because she felt it was not discussed. Ms. Bonacic indicated that the Torrance Campus had developed a website where the campus could go and discuss the minutes and post comments. However, she had not had an opportunity to review the website. The Torrance campus also had discussed creating a newsletter and that there were things that the District could be doing as well. Ms. Bonacic mentioned that the District’s minutes are posted for anyone to review. She hoped that our committee members are going back to their constituent groups and reporting the information being discussed.
- Ms. Bonacic stated that number 1 had three “disagree.” “Review and discuss evaluation outcomes of the Accreditation Self-Study, Comprehensive Master Plan, and annual plans.” Ms. Bonacic stated that she felt that Ms. Graff and Ms. Myers had been doing a great job by regularly attending our meetings and providing us with updates. Ms. Aguilar mentioned that those individuals might not have been in attendance. Ms. Bonacic mentioned that some of these topics could be incorporated into future discussions.

#### V. Summer Meeting Dates

Ms. Bonacic stated that the committee had talked about consolidating our meetings into two or three meetings over the summer and setting up those dates in advance so folks could schedule their calendars accordingly in order to be in attendance. She stated that one of the things that needed to be done was Felipe Lopez would look at deadlines when information will be available from the state.

Mr. Lopez stated that it depends on the Chancellor’s Office and their Budget workshops, particularly the one held in the summer around August. He stated that he could work around some of the dates. He was not sure what the faculty had planned on, but knew that meeting twice a month was too much for them. Dr. Murray indicated that ECC did not have meeting during the summer and Ms. Perez indicated that they did and was supposed to meet every week. Ms. Bonacic stated that the subject had been brought up a couple of times since the initial discussion and it was placed on the agenda. Mr. Lopez mentioned that he was concerned with consolidating the meetings and having less time for discussion. It places pressure on the committee if we do not have a quorum. He preferred holding the meetings twice a month to have multiple discussions and having participating at each of those meetings. Ms. Bonacic stated that there were discussions of alternates, however, the request was denied by Dr. Keith Curry. Dr. Murray and Ms. Aguilar confirmed that the committee will meet twice a month during the summer.

Mr. Lopez indicated that the problem was with the participation from committee members. Mr. Lopez mentioned that the approval of the Tentative Budget must be by June 30<sup>th</sup> and the Final Budget by September. These are the critical times and we do not

want to consolidate the meetings. Ms. Perez stated that there is very little interaction with the planning portion of the PBC during the fall and the focus should be on planning in the spring. Mr. Lopez mentioned that as we go through the Self Study and the Accreditation process, the District must do a good job at linking our planning to the budget. He stated that we need to begin to discuss the program plans, looking at what the priorities are going to be, and discuss planning between now and February; and from February to June. That is perhaps what question number one was referring to. Mr. Lopez stated that the committee should discuss the planning document again and really follow the document, starting with the priorities, departmental programs, and follow through. Ms. Bonacic asked who would present the information. Mr. Lopez replied the planning documents starts with overarching priorities from the CEO and Vice President. Then those feed into the actual Program Plans. Ms. Bonacic stated that we begin with the Program Reviews and then move into the unit and area levels. The area level is where the prioritization begins. Dr. Murray stated it then goes to the CEO and Consultative Council. Mr. Lopez mentioned that the committee should follow the actual planning process because this is how we will link planning to the budget. Ms. Bonacic indicated that the information for this year is there because the plans for Plan Builder have been submitted. Ms. Perez stated that the next one will be in TracDat.

Mr. Lee asked if the document that Mr. Lopez had was available online. Mr. Lopez responded no. Mr. Lee asked if the PBC Calendar was still in existence and where could he obtain a copy. Mr. Lopez replied yes, and it was available on the website along with previous Board Agendas.

Ms. Bonacic stated that consolidating the meeting during the summer would be problematic for the decision making process. Mr. Lopez stated that it will limit the dialog. Ms. Bonacic indicated that the people have to attend the meeting and replace those individuals who miss a certain number of meetings. Dr. Villalobos asked about the outcome of having alternates. Dr. Murray stated that unless the committee member kept the alternate up to date, the alternate would not be knowledgeable unless he/she attended every meeting. Ms. Aguilar suggested finding faculty members who could attend the meetings during the regular semesters and summer. Ms. Bonacic asked Ms. Aguilar to take the matter back to her group for discussion. She also stated again that Dr. Curry did not approve having alternates.

## VI. Annual Program Planning

Ms. Graff stated that a new tool will be used for annual planning. The first group will be the Program Plans, which are due December 15<sup>th</sup> and may be extended through December 31<sup>st</sup>, 2014, to allow people some additional time. The new tool is a little different from the old tool. It combines program review and planning. The online environment is called TracDat and the system is called PRP, which is Program Review and Planning. It is a total integration of Program Review and Annual Planning. When you build a program review or copy and paste the program review into the different text boxes online, that will become your Program Review, which can be edited and modified at any time. You will then have a list of recommendations, which is normal in Program Review. These recommendations will become your annual planning objectives.

Ms. Graff stated there is one page where all of the recommendations will be listed, which will become the Annual Plan. For example, you may have six

recommendations, but only want to implement three this year and three in subsequent years. She indicated that by placing a mark next to the annual plan that you want to implement for that year you can prioritize, and place them in order by moving them up or down using the arrows. Once you are done you can inform the area plan leader and that person will prioritize by copying and pasting into the unit plan. Some folks might have Program Review and it can archive into a PDF document.

Dr. Murray asked when the training will begin. Dr. Subramanian indicated that training is scheduled for next week and then there will be six additional sessions, starting November 12, 2014. The Planning Review and Planning 101 (PRP) is the annual planning software. The committee wants to blend program review and planning to make it easier for people to make the connections and we will show you how to cut and paste. We will work with the folks who have completed their Program Reviews in the last two years. Ms. Bonacic asked if the Program Review is two years old, will we have the ability to add updates or disregard parts at this point and be able to add something from two years ago. Dr. Subramanian stated that if it has not been accomplished thus far, it should be brought into TracDat. Then if you have an idea that has come up and it cannot go into the Program Review, it will be a part of your next cycle. Ms. Bonacic mentioned that the Program Review cycle is four years. Dr. Murray asked if the Program Reviews were already in TracDat. Dr. Subramanian replied, no, and that he had to bring his own electronic copy.

Ms. Graff stated that what they are hoping for with the new system is that you will do your four year Program Review and then it could be updated annually. For example, you might have recommendation number 2 that no longer applies so you remove that, archive the old one, and update the new review. Ms. Graff mentioned that all of the recommendations will have to be linked to Strategic Initiatives. There are other priorities like safety, accreditation, external mandates, and additional priorities that can be added to the plan. Once completed you will be able to print out what was funded. Dr. Subramanian indicated that they are waiting for the leads for the different programs and once they are identified she will send out the agenda for the workshops.

## VII. Board Policy 6200 Budget Preparation Review

Mr. Lopez stated that Board Policy 6200 was emailed to the committee. He stated that as we are going through the process of submitting our application for accreditation, he listened in on two conference calls with the Commission on Finances. It is the consensus that they are looking to scrutinize the reserve balances in the future. He stated that the District has to ensure we can sustain ourselves for a long period of time, beyond ten years. Mr. Lopez stated that Proposition 2 seeks to provide a rainy day fund for long – term sustainability of reserves. In case we have a bad year we must avoid being stuck in a corner and having to make drastic decisions. Mr. Lopez stated that the statewide average for reserve is 19.8 percent. He stated that half of the Districts are in the 20 plus range. At 10 percent and below are a minority of institution, around half a dozen. Everyone else is in the teens, twenties, and a handful are in the thirty percent range. Mr. Lopez stated that it is not just single campuses but some multi campus districts he is referencing. Dr. Murray asked about San Francisco and Mr. Lopez indicated that their data had not been submitted and was excluded. He stated that there are 12 Districts

whose CCFS 311's were not certified at the time the data was collected. The statewide average over the last three years has been around 19 percent.

Dr. Murray asked if the reserve will go from 5 to 10 percent gradually or will we go straight to 10 percent. Mr. Lopez stated that it all goes back to planning. He stated that there is a best practice for community college budgeting; it is called the GFOA and their recommendation is 10 percent. Mr. Lopez stated that our percentage changed dramatically because of our size and it is not necessarily a big jump. The way the reserves are calculated is the ending balance is divided by current year expenditures, less any designators that you actually make. He stated that it is not an exact science because there are other components like the ending fund balance and available reserve balance. Mr. Lopez wanted to discuss what it will look like if we increase our reserves from 5 to 10 percent. It places us in a healthier position as we are unsure of the extension of Proposition 30. The Commission is only providing us a cursory review. They are going to come down and scrutinize ending balances to determine if we can sustain ourselves. This goes into our five year planning document which allows us to make adjustments and we need to stay within the 10 percent. Mr. Lopez stated that five years from now the District will be around an 8 percent reserve level. It might require us to slow down on hiring staff.

Dr. Murray asked if he is going to bring the proposed budget back with a 10 percent reserve and have it go out five years. Mr. Lopez responded it will take some time to recover if we drop below 10 percent. Dr. Murray asked if it will affect the unit plans. Mr. Lopez replied, yes, because of funding. Dr. Murray asked what the District's ending fund balance was after the books were closed. Mr. Lopez responded 27 percent as of today, with cosmetology still a liability. If the \$4 million for cosmetology is taken away from the reserve, it will take us down to 12 percent.

Ms. Bonacic mentioned the importance of the reserve as we move towards accreditation and our eligibility application. We will have to build a certain infrastructure and be able to sustain that to achieve the goal. Mr. Lopez stated that we have a number of services that are being performed by El Camino and we are going to have to bring those in-house and those services will cost dollars.

#### VIII. 2013-2014 Budget to Actual Report

Mr. Lopez provided a handout of the Budget to Actual as of June 30, 2014, in which he has incorporated some explanations for reasons why it went up or down.

- 2013-2014 Working Budget of \$32.9 M
- 2013-2014 Unaudited Actual Expenses \$31.7 M
- Surplus \$1.2 M
- Academic Salaries & Capital Outlay were on target
- Classified Salaries – there were four actual positions budgeted for and one position was actually filled four months into the year, so eight months of salary was included
- Contract Services was down \$300K, student insurance down \$30K, other services down \$80K, printing costs down \$80K, postage down \$20K. The election was budgeted for all five seats, but two seats were uncontested so we only had to cost out for three seats. We budgeted for \$500K in elections costs, but the actual cost was \$275K

Mr. Lopez mentioned that the budget is on target. He mentioned that we had a little more money in the parking fund than anticipated, so we were able to pay some of the Police Services budget, which was over budget this year. However, if we fill all of the positions that we are in the process of doing the \$1.1 million in surplus goes away. That is why he cautions everyone that the percentage and surplus reserve can change very quickly.

Ms. Graff suggested that on Board Policy 6200, bullet number 1, where it says “The annual budget shall support the District’s master and educational plans,” we are suggesting the modification on the El Camino side to “the District’s mission and strategic plan,” because it meets the accreditation requirement. Bullet 2, change “Budget and Planning” to “Planning and Budget.”

IX. Adjournment - The meeting adjourned at 3:21 pm.