



PLANNING & BUDGET COMMITTEE (PBC) MEETING
Compton Community College District
November 24, 2015 – 2:00 pm – 3:30 pm
Board Room

MEMBERS PRESENT

Dr. Rodney Murray Dr. Billie Moore LaVetta Johnson Christian Sanchez
 Dr. Abiodun Osanyinpeju Miguel Ornelas David Simmons
 Carmela Aguilar Dr. Jose Villalobos

OTHERS ATTENDING: Felipe Lopez, Barbara Perez, and Irene Graff.

Handouts

- CCCD PERS/STRS Funding Schedule /District Funding Plan
- CCCD/El Camino College Compton Center 2015-2016 Planning and Budget Calendar
- El Camino College Planning Process Employee Feedback Survey
- Strategic Plan (Board Policy 1200) - Implementation

I. Call to Order

The meeting was called to order at 2:07 p.m. by Dr. Abiodun Osanyinpeju.

II. Approval of Minutes

The minutes of October 27, 2015 were approved. Mr. Simmons, Mr. Sanchez (moved/seconded). The motion passed unanimously.

III. STRS/PERS Funding Schedule

Mr. Lopez stated that similar to the OPEB funding schedule, his office has come up with a tentative PERS/ STRS funding schedule. He indicated that he would send out a revised version of the PERS/STRS funding schedule, as some of the tick marks did not print out. He stated that as everyone is aware the District is facing an increase in PERS and STRS. It is based on what STRS has set their rates on through 2020-2021. He mentioned that there were two articles in the Los Angeles Times regarding PERS. One had to do with what the state Treasurer is advocating and what the PERS system is actually looking at.

Mr. Lopez stated that this article talked about the fund and ways to safeguard investments in times of financial distress. PESRS is looking to start moving funds to a more conservative or stable investment strategy. So, when we do have an economic downturn we are not impacted as much. However, this will mean that investment income is not going to be as great as it once was and this will dramatically impact the rate. Currently, the fund is set at 7.5 percent. Mr. Lopez stated that a second article discussed how PERS recently approved the reduction in projected income from 7.5 percent to 6.5 percent. He stated that the rate only went down 1 percent.

He mentioned that he would prepare something that summarizes the two articles and the potential impact on the pension pool that he sees coming in the future.

Mr. Lopez stated that there were some new regulations that came out from the accounting side, GASB 67 and GASB 68. He indicated that on our financial report from the end of the year June 30, 2015, we are now required to include the actual proportional share of PERS/STRS liability. What this is doing is forcing the pension plans to audit their own assumptions. One can say STRS/PERS assumptions of the rate of return at 7.5 percent have consistently fallen short.

Within the next several years you will start hearing about the rate of return and these assumptions that the pension plans use because it is a big driver. So, when they go into a new year and set their rates, if the actuarial is based on getting a return of 7.5 percent and they come in at 4 percent that will be a big hit to the actual fund and the actual unfunded liability will start growing. Mr. Lopez stated that PERS is the one that he is nervous about and that we might begin to see some impact on that fund in the near future. He indicated that what we know for sure is the STRS rate is set through 2020-2021.

Mr. Lopez stated that PERS/STRS increases, based on the amount of people we currently have now, is \$2.95 million. These numbers come directly from a mock funding schedule beginning with fiscal year 2016, which would have its first site fund of \$200,000 adopted in final 2016. The next column calculates the cumulative increase the fund collected plus an interest investment percentage, based on the county pools, because all of monies are invested in the county treasury pools. The fourth column shows the actual PERS/STRS increases and any shortfalls in column number 5. Mr. Lopez stated that going forward from fiscal year 2017, he has set aside dollar amounts of \$400,000 through fiscal year 2021. He stated that the chart is broken down as to how we are going to fund the \$400,000 on an on-going basis. He indicated that there were two options. The first is eliminating the \$200,000 payment we are currently making to the Line of Credit and redirect the \$200,000 to pay the pension cost. The other is a reduction of \$200,000 in one-time approved expenditures.

Dr. Moore inquired about the \$200,000 additional money that is earmarked for the loan payment. She wanted to know what would happen to the loan repayment if the

monies are diverted. Mr. Lopez stated that it will push the final repayment off to a later date. He stated that our budget cannot withstand additional allocations and we are going to have to cut back and rearrange where funds are going. Dr. Moore asked if additional sums were previously paid to the line of credit. Mr. Lopez replied “no.”

Mr. Lopez stated that the handout provided was only a draft and a starter for discussion. The committee might say that it is too much. He indicated that once he sends out the actual document with the notes on it, he would like to receive comments and questions so the document can be set in stone so that as we begin to enter the new budget it could be taken care of and established as to what we are doing. This is something on the annual financial reporting that he has to incorporate in separate schedules for STRS and PERS and the Chancellor’s Office is asking Districts what they are doing to fund on-going costs. Mr. Lopez stated that he would like to respond back to them when our plan is more concrete.

Dr. Moore stated that the workforce is significantly younger than it was and we will have fewer people retiring and we can look at it and decrease the amount based on the assumption that we have 15 to 20 people who will be retiring within the next five years because they have 20 years or more of service. Mr. Simmons inquired if this was similar to the OPEB fund, were once we reach the goal we do not have to place additional money into that fund. Mr. Lopez stated that the logic behind it is similar. Mr. Lopez stated that it would be better if the older faculty retired and we were to hire new faculty because the rate is based on salary. The rate that is being paid out is impacted by the population of the group. He stated that it is not just faculty it is everyone, and we have to look at staff collectively. He indicated that Governor Brown set the STRS rate to go up to 19 percent so we are waiting to see what PERS is going to do. Mr. Lopez stated that if nothing changes we will be paying close to \$3 million in addition to our current pension costs.

Dr. Osanyinpeju asked Mr. Lopez, of the two options that he provided us, which one would be better? Mr. Lopez replied that he would recommend a combination of both because he has to come up with an additional \$400,000 and the other \$200,000 would need to come from reducing potential one-time funds in programs, for example, Enrollment Management and site improvements.. Dr. Osanyinpeju asked how soon the committee could receive the full entire document. Mr. Lopez replied, that day, and that he needed the committee to provide feedback and adopt some type of plan prior to the next meeting.

IV. 2016-2017 Planning and Budget Calendar

Mr. Lopez stated that we are looking at having the calendar updated and adopted so we can move forward on our next budget cycle before 2016-2017. He mentioned that the calendar is fine for the approval process. However, one of the things that he would like to fix or improve is the Planning and Budget Committee’s participation during the summer. He indicated that he knows it is difficult during

summer but is when the budget process undergoes the most changes. We have to adopt the tentative budget by June 30th and the final budget by September 10th. Mr. Lopez stated that the summer months are very critical getting from tentative to final, especially during July and August to review any changes to the final budget. We would like to ensure that the committee has a full quorum.

Mr. Lopez stated that from a calendar standpoint there is not much that we need to change. The format in the processes that we need to be at a certain time will be the same. He stated that if everyone was in agreement with that he would like to move forward with adopting the calendar for the 2016-2017 budget year. Ms. Graff stated that she had a couple of suggestions based on what was used in Plan Builder and now that we have TracDat and the names have changed. She would send the information to Mr. Lopez. Ms. Graff stated that on page 1, under October, change 2008 Accreditation, page 2, under January, item D, she stated that ECC did not see the need to conduct evaluations twice a year. She asked that it be deleted and evaluations to be done once a year in July.

Ms. Perez mentioned that the (Check activity of Program Plans) could be added. Ms. Graff clarified that Ms. Perez wanted to include "Check progress of Plans by January 31st". Ms. Perez indicated it is more for the Program Leader than anyone else. Ms. Graff indicated that February had a date for Unit Plans to be submitted, however, November did not and stated that ECCD Unit Plans were due November 15th. She stated that Compton Center could have a different due date and it depends on the Unit Managers and what they want. Ms. Graff made the correction and stated that the submittal for Program Plans was under December. Mr. Lopez stated that since it is in December the due date will be December 1st and this will allow everyone to complete the plan prior to leaving for the winter session.

V. 2015-2016 Enrollment Management Funding

Dr. Phillip Humphreys was unavailable.

VI. 2014-2015 PBC Evaluation/Employee Feedback Survey

Ms. Graff stated that an Employee Feedback Survey was provided by Ms. Edwards. The survey was used in 2011 and is being repeated this year for continued improvement and accreditation. She stated that essentially it will have people provide feedback on the annual planning process and the different experiences people had who participated in the annual planning process. What do they think of TracDat? How do they see their role in the annual process, program review, and campus planning committees? Ms. Graff indicated that the survey will go out next week via email and she welcomed any thoughts on the survey itself.

Ms. Graff mentioned that the handout provided mock changes in red from the previous survey based on results from the previous survey and general feedback. Ms. Perez stated that the Program Plans submittal date should be changed to

November 15th. Ms. Graff indicated that there is an indicator of where the employee is based, for example Compton Center. However, the survey could be split into two and have different types of questions. She mentioned that items 20 and 21 were lined out because the Torrance campus did not have an Enrollment Management Committee active last year. There is an active Enrollment Management Committee here at Compton and we might want to include these questions in our survey. Dr. Osanyinpeju stated that he feels that we should have it since it is part of our planning process. Mr. Lopez agreed because it is linked to our one-time funds. Dr. Osanyinpeju stated that if anyone has any questions, they should contact Ms. Graff by the end of the week.

VII. Annual Planning Update

Ms. Graff stated that as we saw in the Budget Calendar we are working on Program Plan and Dr. Subramaniam is hosting training so that all faculty and group leaders are well trained. Ms. Graff indicated that Dr. Subramaniam will be hosting a few more trainings so everyone can get their Program Plans into TracDat. She stated that there is a new version of TracDat so it is slightly different and we added some information. We wanted to ensure that each program recommendation would match all the way up to the Provost's set of planning priorities, so we will have staffing and equipment categories so the Vice President and the Provost will have a different way of categorizing. TracDat will allow all program leaders to rank all of their requests so if they have five equipment requests they can write them one through five, which is one of the improvements that was made. It has a new interface to be more useable. However, TracDat has some limitations on Student Learning Outcomes and we might want to explore a different software program for planning in the future.

VIII. Process Improvement Plan Consultation & Decision-Making

Ms. Graff requested that this item be tabled for a future meeting.

IX. Making Decisions Guidelines for Consultation Committees

Ms. Graff requested that this item be tabled for a future meeting.

X. Strategic Plan Implementation

Ms. Graff stated that the Strategic Plan Implementation review elicited criticism of by ourselves and accreditation that we have lots of plans but they are not implementable. They do not have any action plans or funding associated with them; the smaller plans such as SSSP and SEP, Enrollment Management, or global plans, do not have any implementation. She stated that the document that was distributed in advance is a starting place for implementation, looking at how we spread the word about the Strategic Plan so that all collegial consultation groups are aware of it and what it is: our Mission, Vision, and Strategic Initiatives. Ms. Graff

stated that she understood that Compton was developing its own Mission, Vision, and Strategic Initiatives, but in the meantime it is her understanding we are all sharing the same Strategic Initiatives for the next year or two.

Ms. Graff stated that looking at what the Foundations are, Measurement, Evaluation, and Improvement are on page 2, and we will be looking at Progress on Strategic Initiatives on page 3. The idea being proposed in this draft is that existing consultation groups be responsible for reviewing progress. She stated that the PBC is listed under item "E" on page 3, under Institutional Effectiveness will be Planning and Budgeting Committees, and Consultation will be an Institutional Effectiveness Committee and Assessment of Learning Committee that will be a joint committee. Ms. Graff indicated that the Facilities Steering Committees at both locations, Technology Committee and Academic Technology Committee, would monitor Modernization. She stated that, as Ms. Perez stated, are we monitoring progress in the mid-year and the annual, this would be on an annual basis. These groups would be responsible for answering if progress was made and how we did on the objectives of the associated plan. The ongoing Evaluation of the Planning and Decision Making process would be conducted and we will have Planning Summits where we would also evaluate. Ms. Graff requested feedback so that the plan could be finalized at the next PBC meeting. She stated that the emphasis is on closing the loop and how well are we doing what we said we would do.

Mr. Lopez asked when the next PBC is meeting. Ms. Edwards replied December 22, 2015.

XI. Adjournment - The meeting adjourned at 2:52 pm.