



**PLANNING & BUDGET COMMITTEE (PBC) MEETING  
MINUTES,**

**Facilitator:** Dr. Abiodun Osanyinpeju

**Recorder:** C. Edwards

**Date of Meeting Recorded:** February 28, 2023, 1:00 pm – 2:00 pm

**Location:** Zoom

<p><b>Vision</b> Compton College will be the leading institution of student learning and success in higher education.</p>
<p><b>Mission Statement</b> Compton College is a welcoming and inclusive community where diverse students are supported to pursue and attain student success. Compton College provides solutions to challenges, utilizes the latest techniques for preparing the workforce and provides clear pathways for completion of programs of study, transition to a university, and securing living-wage employment.</p>

<b><u>PRESENT</u></b>		
<input type="checkbox"/> Jose Bernaudo	<input checked="" type="checkbox"/> Amber Gillis	<input checked="" type="checkbox"/> Dr. Abiodun Osanyinpeju
<input checked="" type="checkbox"/> Keith Cobb	<input checked="" type="checkbox"/> LaVetta Johnson	<input type="checkbox"/> Eboni Trapp
<input checked="" type="checkbox"/> Lorena Fonseca	<input type="checkbox"/> Janette Morales	<input checked="" type="checkbox"/> Dr. Jose Villalobos

**OTHERS ATTENDING:** Dr. Abdul Nasser, Dr. Lauren Sosenko, Dorrett Lambey, and Owen Yu

**Shared Documents**

- 2023-2024 Tentative Budget Assumptions

**Meeting Minutes**

I. Call to Order

The meeting was called to order at 1:07 pm by Dr. Abiodun Osanyinpeju.

II. Review of Minutes

- The minutes of January 24, 2023, was approved with the following changes by Ms. Gillis, Dr. Villalobos (moved/seconded). The vote was 8 in favor, 0 opposed, and 0 abstention. The motion passed.
  - ❖ Page 3, third paragraph, change “Dr. Sosenko indicated that if we continue to go down, we will have core success rates. We disaggregate that, by in-person and distance education.” to “We also disaggregate success rates for in-person and online enrollments.”
  - ❖ Page 3, fourth paragraph, line 3, change “want” to “wanted”
  - ❖ Page 4, under item IV, last paragraph, line 2, change “SAAM” to “SEM”

### III. 2023-2024 Tentative Budget Assumptions

Dr. Nasser provided a presentation of the 2023-2024 Tentative Budget Assumptions. A question-and-answer session followed.

The following 2023-2024 Tentative Budget Assumptions are recommended by the President/Chief Executive Officer.

#### I. **Organization**

The 2023-2024 Compton Community College District Tentative Budget Assumptions reflects information available at this time from the California Community Colleges Chancellor's Office, Governor's Proposed Budget, and District Management.

#### II. **Unrestricted General Fund Budget Guidelines**

- A. Estimated beginning balance: **\$19,771,223** (2023 Estimated Ending Balance)
- B. Estimated revenue including state and local sources: **\$51,482,153**
- C. Budget the General State Apportionment based on generation of **5,980** FTES (Hold Harmless)
- D. Offering **1,474** sections for the 2022-2023 year.
- E. Cost of Living Adjustment (COLA) increase: 8.13% (Governors Budget Proposal)
- F. Budget for the GASB "pay as you go" costs for Retiree Benefits: **\$600,000** (Estimate based on annualized 2022 actual costs)
- G. Pension contributions: Public Employee Retirement System (PERS) employer contributions at 27.0% and State Teachers Employee Retirement System (STRS) at 19.1% (Chancellor's Office Analysis of January).
- H. Unemployment Insurance at 0.2% (LACOE)
- I. Budget for projected utility increases of 12% (subject to change)
- J. Budget to fill the following full-time faculty positions:
  - 1. Women's/Men's Soccer Coach
  - 2. Medical Terminology
- K. Budget for the following one-time Augmentations/Enhancements (\$900,000):
  - 1. Enrollment Management Plan (\$100,000)
  - 2. Budget Augmentations and Enhancements (\$250,000)
  - 3. Summer Enrichment Activities (\$100,000)
- L. Budget \$200,000 for Student Meal Program.
- M. Budget for Line of Credit debt expense of \$1,681,841, which includes a one-time augmentation of \$500,000.
- N. Budget for Other Postemployment Benefit (OPEB) contribution of \$250,000.
- O. Budget for the California Public Entity Pension Stabilization Fund (PERS/STRS) contribution of \$200,000.
- P. Reserve the following expenditures from the ending balance (\$4,450,000):
  - 1. Compton College Enterprise Resource Planning System (\$3,700,000)
  - 2. Compton Community College District Personnel Commission (\$400,000)
  - 3. One-time augmentations for future Compton College Fire Academy equipment (\$350,000).
- Q. Budget for an inter-fund transfer out:
  - 1. Transfer \$400,000 to the Property & Liability Fund to pay the cost of property and liability insurance.

2. Transfer \$150,000 to the Child Development Fund to support the operational costs for the Child Development Center
3. Transfer \$150,000 for Student Technology
4. Transfer \$400,000 to the Capital Outlay Fund to pay anticipated additional cost for the Student Housing Project
5. Transfer \$1,500,000 to the Capital Outlay Fund to pay anticipated additional cost for the Physical Education Complex Replacement Project
6. Transfer \$500,000 to the Capital Outlay Fund to pay anticipated additional cost for the Visual & Performing Arts Replacement Project.

Mr. Bernaudo wanted to know the total amount that we have in our reserves. Dr. Nasser responded that the current reserves are slightly above \$20 million. Mr. Bernaudo then asked if the state requires at least two million or less. Dr. Nasser replied that we need enough reserves to support two months of operations i.e, two months of payroll. The calculation of payroll is a little convoluted because it is not just unrestricted funds we must take into account but also some of our restricted funds because if the restricted funds run out we still have to pay the staff.

Mr. Bernaudo asked what would that be for us? Dr. Nasser said that if he wanted to know percentage-wise, it would be around 16.6% of expenditures.

Mr. Bernaudo mentioned that Ms. Morales wrote the reserve needed to be \$10,000,000 and he wanted to know if that was correct or in the ballpark. Dr. Nasser pointed out that we had an \$11 million dollar grant from the State Chancellor's Office to help us with accreditation and those funds are gone. We need to look at the future and how we are going to support the institution based on funds and expenditures at a given time.

Ms. Morales asked Dr. Nasser approximately what our monthly expenses are. Dr. Nasser indicated that he would like to reiterate that because the State requires us to look at both restricted and unrestricted funds and see how much two months expenses would be, and this fluctuates from year to year, he was not prepared to provide a number at this point. Mr. Bernaudo asked if he could provide this information by the next meeting?

Mr. Bernaudo wanted to know how much was spent on salaries and payroll last year. Dr. Nasser indicated that this figure is not relevant because it would not reflect the impact of ongoing collective bargaining negotiations and will change this year. Mr. Bernaudo asked how much that would be? Dr. Nasser stated that he could not tell you the number, because he does not know what the number is going to be until after we have gone through the negotiations process. Mr. Bernaudo thanked Dr. Nasser for going along with his tongue in cheek question.

Dr. Villalobos commented that it should not matter how much money we have or might have but that there must be a specific percentage of funds required for reserve. He asked what that figure is supposed to be. Dr. Nasser responded that each district has its own plan and targeted reserve and indicated that some were struggling to maintain a 5% reserve. The minimum needed --again-- was a sum sufficient for two months of operation.

Dr. Villalobos stated that if we have \$20 million in reserve, we are looking at 40% , which is considered a healthy reserve. Dr. Sosenko stated that a 40% calculation was too high since in 2021 our core expenses, according to IPADS data, was \$72 million dollars but we only receive around \$40 million per annum. Dr. Nasser added that core expenses include costs from unrestricted funds. Dr. Sosenko added that we have a lot of salaries linked to unrestricted funds. Dr. Nasser added that typically 85 to 90% of expenditures at the college are linked to salary and benefits.

#### IV. Adjournment

The meeting adjourned at 1:34 pm. Dr. Osanyinpeju thanked everyone joining the meeting and indicated that he will see them next month