



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

Facilitator: Dr. Abiodun Osanyinpeju

Recorder: C. Edwards

Date of Meeting Recorded: August 23, 2022, 1:00 pm – 2:00 pm

Location: Zoom

Vision
Compton College will be the leading institution of student learning and success in higher education.
Mission Statement
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.

<u>PRESENT</u>		
<u>X</u> Jose Bernaudo	<u>X</u> Amber Gillis	<u>X</u> Dr. Abiodun Osanyinpeju
<u>X</u> Keith Cobb	<u>X</u> LaVetta Johnson	<u> </u> Eboni Trapp
<u>X</u> Lorena Fonseca	<u> </u> Janette Morales	<u>X</u> Dr. Jose Villalobos

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

Shared Documents

- 2022-2023 Compton District Final Budget Assumptions
- 2022-2023 Final Budget

Meeting Minutes

I. Call to Order

The meeting was called to order at 1:03 pm by Dr. Abiodun Osanyinpeju.

II. Review of Minutes

- The minutes of August 23, 2022, was approved by Mr. Cobb, Ms. Gillis, (moved/seconded). The vote was 6 in favor, 0 opposed, and 1 abstention. The motion passed.

III. 2022-2023 Final Budget Assumptions

Dr. Nasser provided an overview of the 2022-2023 Final Budget which will be presented at the Board Meeting on Monday, September 12, 2022, and the contents of the presentation, the Assumptions and Restricted General Fund, and other fund budgets. Dr. Nasser indicated that the final budget assumptions have not changed since we last discussed them. A question-and-answer session followed.

- I. The 2022-2023 Compton Community College District Final Budget Assumptions reflect 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: \$25,809,893 (2022 Estimated Ending Balance)
 - B. Estimated revenue including state and local sources: \$48,393,750
 - C. Budget the General State Apportionment based on generation of 5,980 FTES
 - D. Offering 1,431 sections for the 2022-2023 year.
 - E. Cost of Living Adjustment (COLA) increase: 6.56%
 - 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 from 22.91% to 25.37% and State Teachers Employee Retirement System (STRS) from 16.92% to 19.10%.
 - H. Unemployment Insurance at 0.5% (LACOE)
 - I. Budget for projected utility increases of 18%.
 - J. Budget to fill the following full-time faculty positions:
 - 1. American Sign Language
 - 2. Anatomy/Biology
 - 3. Art
 - 4. History/Ethnic Studies
 - 5. Sociology
 - 6. Spanish
 - 7. Theater Arts
 - K. Budget to fill the following vacant full-time faculty positions:
 - 1. Guided Pathways Counselor
 - 2. Guided Pathways Counselor - CalWorks (Restricted Fund)
 - 3. Heating Ventilation, and Air Conditioning (HVAC) and Refrigeration
 - 4. History/Ethnic Studies
 - 5. Nursing
 - L. Budget to transfer the following full-time staff positions in Information Technology Department from the Compton Recovery Fund to the Unrestricted Fund (\$185,000).
 - 1. Data & Reporting Analyst
 - 2. Helpdesk Supervisor
 - M. Budget for the following one-time Augmentations/Enhancements (\$1,005,000):
 - 1. Enrollment Management Plan (\$600,000)
 - 2. Budget Augmentations and Enhancements (\$350,000)
 - 3. Summer Enrichment Activities (\$55,000)
 - N. Budget for Line of Credit debt expense of \$1,681,841
 - O. Budget for Other Postemployment Benefit (OPEB) contribution of \$850,000, which includes one-time augmentation of \$600,000.
 - P. Budget for the California Public Entity Pension Stabilization Fund (PERS/STRS) contribution of \$200,000.
 - Q. 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).
 - R. Budget for an inter-fund transfer out:

1. Transfer \$400,000 to the Property & Liability Fund to pay 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 \$1,300,000 to the Capital Outlay Fund to pay for Computer Equipment Replacement.
4. Transfer \$300,000 to the Capital Outlay Fund to pay anticipated additional cost for the Visual & Performing Arts Replacement Project.
5. Transfer \$3,000,000 to the Capital Outlay Fund to pay anticipated additional cost for the Physical Education Complex Replacement Project.
6. Transfer \$215,000 to the Capital Outlay Fund for Student Housing California Environmental Quality Act (CEQA) Study.
7. Transfer \$40,000 to the Capital Outlay Fund for Biotechnology Laboratory Classroom Renovation Project.

General Fund - Unrestricted Summary

Beginning Fund Balance - \$25,809,893. Dr. Nasser mentioned that a fund balance expected at the end of the fiscal year would be \$19.7 million dollars.

Revenues

State - \$39,713,310
 Local - \$8,680,440
 Total - \$48,393,750

Expenditures

Academic Salaries - \$15,062,040
 Classified Salaries - \$9,882,730
 Benefits - \$14,109,860
 Supplies - \$773,420
 Contracts and Operating - \$7,045,070
 Capital Outlay - \$372,450
 Other Outgo - \$7,186,850
 Total - \$54,432,420

Change in Fund Balance (\$6,038,670)

Ending Fund Balance \$19,771,223

General Fund - Restricted Summary

Beginning Fund Balance - \$3,304,838

Revenues

Federal - \$11,449,384
 State - \$17,973,626
 Local - \$2,263,460
 Total - \$31,686,470

Expenditures

Academic Salaries - \$2,865,512
 Classified Salaries - \$3,471,751
 Benefits - \$2,765,362

Supplies - \$1,449,444
 Contracts and Operating - \$9,463,501
 Capital Outlay - \$1,197,734
 Other Outgo - \$9,317,886
 Total - \$30,531,170

Change in Fund Balance \$1,155,300

Ending Fund Balance \$4,460,138

General Obligations Bond - Summary

	Measure C Series A	Measure CC Series D	Measure CC Series E
Beginning Fund Balance	7,332,757	349,549	2,425,172
Revenues			
Local	20,000	500	0
Expenditures			
Capital Outlay	7,241,041	349,965	2,425,172
Change in Fund Balance	(7,221,041)	(349,465)	(2,425,172)
Ending Fund Balance	111,716	84	

Dr. Nasser commented that we envision that by the end of this year, we will totally be depleted in all the bond funds. He indicated that we have authority to issue more bonds. We will have to go out there and issue bonds based on our projects. However, the current series will be spent, by the end of this school year.

Financial Aid Fund

Beginning Fund Balance - \$180,055

Revenues

Federal - \$11,560,000
 State - \$2,810,451
 Local - \$5,000
 Total - \$14,375,451

Expenditures - \$14,370,451

Change in Fund Balance \$5,000

Ending Fund Balance \$185,055

Dr. Villalobos asked Dr. Nasser to explain the protection that give us \$100 for 100 classes, but we only offer 30 classes. That means we did spend \$30 of the \$100 dollars. What happens to those \$70 dollars that is our funds? He clarified that this is our fund balance. So, let us take an overly simplistic example. The State gave \$100 dollars because we are guaranteed \$100 dollars. We only spend \$30 dollars, then our fund balance will be \$70 dollars. The money from the past two years we have been spending approximately \$30 dollars instead of \$70. Dr. Villalobos

inquired if all that money in the fund balance and is there a line where we can see where that money is or not? Dr. Nasser indicated that the fund balance can be seen right here.

Dr. Villalobos stated that he would like to approach it a little differently. He mentioned that he is going to generalize the \$100 dollars in a unique way. Let us go through, the \$100 dollars is our revenue for the entire year, correct? Dr. Nasser indicated that our expense for the entirety is only \$30 dollars. Then our fund balance at the end of the year will be \$70 dollars.

Dr. Villalobos said okay. Now, that makes sense and is straight forward. My point is that money is flagged, specifically a way that we know next year, or in three years, how much money were given for classes. But we have not spent. Do you see what I mean? Dr. Nasser indicated that he would be in the summation of these numbers. Dr. Sosenko wanted to clarify that we are not paid by the class, we are paid by the FTES. So, the lens is a little different and then there is a new student-centered funding formula.

Dr. Villalobos indicated that we are still getting that money, which is his point. Dr. Sosenko repeated that we are paid by FTES, and we are also paid by the student-centered funding formula that is based on student outcomes. She stated that she was a little confused about the question regarding classes being offered. Dr. Sosenko commented that we are going to say FTES. So, every year money, for let us say, one hundred FTES, we get money guaranteed by the State. That is what we have because of the protection. So, we get money from the FTES. We only get to thirty FTES. Dr. Nasser agreed that it is the same analogy. However, we are guaranteed 5,980 at this point, as you can see.

Dr. Villalobos inquired if there is a way in four years from now to know how much money we received and did not spend. It was not spent, and that the money is still there. It was not used for something else. Do you see what I mean? Dr. Nasser stated that would be a difficult analysis to do because it gets mixed up. Dr. Nasser suggested that he try something a little different to see if this helps. We are starting the year with a \$25 million dollars as a fund balance.

Dr. Villalobos responded “yes,” those are our revenues. He mentioned that those are the estimated expenses at this point. Correct? At the end of the year, we will have \$19 million dollars. Now, I would say that \$19 million of that is attributed to this factor or would that be the humongous job? We are not exactly sure how much money we get from the FTES. The money that is supposed to be spent on classes, and the money that is supposed to be spent on something else. Those two things should be separated. Dr. Nasser replied “no.” The State gives us the funding, and we are supposed to run our operations using those funds. For example, the State has no idea what CalPERS and CalSTRS will be when they give us the funding. Dr. Villalobos wanted to ensure that he understood Dr. Nasser and mentioned that the State is not sure, but the State does give us money for 100 FTES. So, we know that we know we spend money on this and that. He indicated that his problem is figuring out how much money we have specifically for the FTES right then. Dr. Nasser stated that he is going to go back a separate way now. The State says we have so many dollars statewide.

Dr. Villalobos clarified that these are the number of FTES statewide, right? This is the amount of funding we have for FTES. That is the simple calculation that they have. So, the State is out that amount of money for students, is that true? He indicated that he does not want to be complicated. There are two of the components. One is enrollment, the other one is student success and financial aid. Those represent 30% of the funding, the remaining 70 % of the funding. He confirmed that all this is coming, right? Dr. Nasser stated that we are told that this is the amount of money we have to run our business with and that is it. Dr. Villalobos commented that he understood and wanted to know exactly how much money we are given specifically for FTES and that is my point. Dr. Nasser indicated that we know as that is part of the total, that we know how much money we get.

Dr. Villalobos inquired if we know how much money was spent on classes and how much money was paid for 100 FTES or wherever it is. Is that something that we can find out? It should not be that hard to find out exactly how much money was spent on instruction. When I say instruction, instruction has a classroom. A classroom has lights and activities as well. Where do we account for those?

Dr. Osanyinpeju mentioned that the Fifty Percent Law ensures that. This is how much we get for instruction, for the FTES, classroom, and stuff that we are seeing on the right side, which is the good side. Dr. Villalobos indicated it gives us some confidence that we are judicious, utilizing all this support and the extra that we have.

Dr. Sosenko mentioned that we publicly report the different dollar amounts that are spent on various parts of the institution, instruction being one of the categories. When we report our financial survey for the integrated post-

secondary educational system IPAD, which is a federal mandated reporting system. Which is all publicly available information, too. So, that is another source of information you can look at if you are interested.

Dr. Osanyinpeju agreed that is a reliable source that we should be looking at, even though we are spending a lot more than we did last year. He believes the difference of the \$6 million dollars is from how much is coming in and how much we still have as balance is close to \$20 million dollars. He feels it is a good thing that the district is in an exceptionally good, solid financial standing. Dr. Osanyinpeju stated that is one of the things that this committee should be proud of, because it is by your guidance and your support, and you are monitoring that a balance is still here. Dr Nasser wanted to piggyback on what Dr. Osanyinpeju said, plus we actually received exceptionally complimentary reviews from FCMAT just because of the way we are managing our finances and our fiscal affairs. So, as a committee, you should be proud of yourselves for that.

Dr. Osanyinpeju stated that the PBC will meet again on the 27th of this month, and we have a couple of items already outlined. Dr. Villalobos inquired if we are going to be looking at our goals, if so, he would send Dr. Osanyinpeju what we had for last year.

Dr. Osanyinpeju commented that he would send the summary of the evaluation for the committee from Dr. Sosenko. He mentioned that he would be sharing that with the committee before the end of the week and then we can also take a look at it. Then we come back with some comments and some questions regarding those two. We will then decide how we are going to be working on our evaluation. Professor Gillis suggested some ideas that we can discuss when we meet on September 27, 2022.

The motion to move in support of the 2022-2023 Final Budget was approved. Ms. Gillis, Ms. Johnson (moved/seconded). The vote was 5 in favor, 0 opposed, and 2 abstentions. The motion passed.

IV. Adjournment

The meeting adjourned at 1:35 pm.