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April 13, 2022

Assemblymember Jose Medina Chair, Assembly Higher Education Committee 1020 North Street, Room 173 Sacramento, CA 95814

Re: Assembly Bill 2359 – Compton Community College District, Personnel Commission – Oppose

Dear Assemblymember Jose Medina,

On behalf of the Compton Community College District Board of Trustees, faculty, staff, and students, I would like to thank you for your ongoing support of Compton College and Compton CCD.

I am writing to share our concerns with <u>Assembly Bill 2359 – Compton Community College District, Personnel Commission</u>. It is important to note that since 2004, Compton CCD has taken part in <u>many fiscal reviews</u> conducted by the Fiscal Crisis Management Assistance Team (FCMAT).

I would like to provide a recap of the college's history for clarification. As you may know, in June 2006, the former Compton College's accreditation was revoked by the Accrediting Commission for Community and Junior Colleges (ACCJC). At that time, the college ceased to exist.

A partnership with El Camino Community College District was formed, and El Camino College Compton Center was established to serve the diverse communities within the Compton CCD. In March 2015, the ACCJC granted accreditation eligibility status to Compton Center. In January 2017, El Camino College submitted a Self-Evaluation Report for Compton Center to the ACCJC for candidacy status. In February 2017, the governing authority of the Compton CCD Board of Trustees was restored. In March 2017, an ACCJC external evaluation team reviewed the Compton Center Self-Evaluation Report and conducted a site visit. At the ACCJC meeting on June 7, 2017, Compton Center was granted initial accreditation status. That action established Compton College as an accredited college under the authority of the El Camino Community College District.

On <u>August 27, 2018</u>, Compton College received notification from the <u>ACCJC</u> that our Substantive Change Application: Change in Local Control was approved. On August 29, 2018, California Community Colleges Chancellor Eloy Ortiz Oakley issued <u>Executive Order 2018-01</u> declaring that Compton College would operate as an independent college under the authority of the Compton CCD Board of Trustees effective June 7, 2019, at 11:59 p.m. For the past two fiscal years, Compton College has been operating as an independent college under the authority of the Compton CCD Board of Trustees.

Over the past three years, Compton College has faced many challenges, including the ongoing implementation of the recommendations from the <u>Fiscal Crisis Management Assistance Team</u> (<u>FCMAT</u>) report completed on May 16, 2017, declining enrollment, the COVID-19 pandemic, and the transition from the partnership with the El Camino Community College District. Therefore, Compton CCD opposes Assembly Bill 2359 – Compton Community College District, Personnel Commission as presented.

Although we support the validity of a Personnel Commission, the legality and timing associated with Assembly Bill 2359, and most importantly, the substantial financial burden on the Compton CCD, forces us to oppose the bill as written.

First Concern:

If the Personnel Commission is reestablished as outlined in Assembly Bill 2359, will Compton CCD have to return the \$11,300,000 received in the 2017-2018 California State Budget?

The 2017- 2018 Higher Education Bills (Senate Bill 85, section 9, and Assembly Bill 101, section 8) required the Compton CCD to accept and implement recommendations contained in the Fiscal Crisis Management Assistance Team (FCMAT) report completed on May 16, 2017, to receive \$11,300,000 in restoration funding from the State of California. The California State Legislature authorized the Compton CCD Board of Trustees "shall assume those powers and duties of the Compton Community College District Personnel Commission that the board of trustees determines are necessary for the management of the personnel functions of the Compton Community College District."

On June 28, 2017, Compton CCD <u>provided notice to the Compton Community College Federation of Classified Employees</u> that the Board of Trustees would consider at its July 18, 2017 meeting, my recommendation that the Board assumes the powers and duties of the Personnel Commission. The Board of Trustees <u>adopted the resolution</u> on July 18, 2017, to comply with the 2017-2018 Higher Education Bills. Assembly Bill 2359 does not address what happens if the Personnel Commission is implemented before 2028-2029, as outlined in the <u>Fiscal Crisis Management Assistance Team (FCMAT) report completed on May 16, 2017, and whether Compton CCD would have to repay the \$11,300,000 to the state of California.</u>

Second Concern:

The second concern is the timing of Assembly Bill 2359 and the implementation of the Personnel Commission.

Compton CCD is working to address declining enrollment, the COVID-19 pandemic, and the transition from the partnership with the El Camino Community College District. Compton College is also working toward fully implementing the <u>California Community Colleges Vision for Success</u> and addressing long-term fiscal projections and outstanding fiscal liabilities. Furthermore, our <u>Institutional Self-Evaluation Report</u> will be due to ACCJC by *August 1, 2023*; the ACCJC External Evaluation Team ISER Review will take place in October 2023; and our Focused Site Visit will occur in the *spring of 2024*.

Given the urgency to address student success at Compton College and prepare for our upcoming accreditation review, we must focus our time and capacity on those areas.

Third Concern:

The third concern I would like to share is the fiscal impact Assembly Bill 2359 imposes on the Compton CCD.

Even though Compton CCD Full-Time Equivalent Students Hold-Harmless Protection was extended through 2025-2026, declining enrollment is a significant concern for the district. We are currently experiencing a 30% decline in enrollment from the 2016-2017 year to the present. The enrollment decline was highlighted in the <u>FCMAT Fiscal Health Risk Analysis (FHRA)</u> report for Compton CCD on page 17.

In the 2020-2021 year, Compton College complied with the 50% law by \$40,730. Compton CCD's 2022-2023 fiscal projections include some costs funded from the 2017-2018 California State Budget that must be assumed by Compton CCD, including additional staffing and the Enterprise Resource Planning system (ERP) cost. Six of the Compton CCD Information Technology Department staff will be included in the 2022-2023 Compton CCD Budget, which we estimate will be \$841,945. The 10-year ERP system cost for the Compton CCD will exceed \$9,900,000, of which \$6.3 million was funded from the 2017-2018 California State Budget. In the 2022-2023 year, Compton CCD anticipates spending \$220,342 on our ERP system. We expect the total annual cost for the required ERP expenditures to be approximately \$800,000 for the 2023-2024 fiscal year.

To offset some of these costs, as cited in the 2022 FCMAT FHRA report, Compton CCD implemented a hiring freeze effective on March 4, 2022, for all new positions, excluding faculty, which was included in the President/CEO Message-March 4, 2022, to the campus community.

Considering the current financial obligations listed above, and then adding the cost of Compton CCD Personnel Commission, which we <u>project</u> will be an average of over \$390,000 per year for the next three fiscal years, Compton College will have challenges complying with the 50% law for the 2022-2023 year and future years.

Fourth Concern:

The fourth concern is related to the long-term outstanding liabilities for Compton CCD.

Assembly Bill 318 - Community colleges: Compton Community College appropriated \$30 million to the Board of Governors of the California Community Colleges as an emergency apportionment to finance, among other things, activities described in Article 5 of Chapter 5, Part 46 of the Education Code for Compton CCD. As of June 30, 2021, Compton CCD has an outstanding balance of \$6,792,364, including interest for the emergency apportionment provided by the State of California. Compton CCD anticipates making the final payment to the California Department of Finance in the 2025-2026 year. Compton CCD has a plan for payment of the emergency apportionment balance.

As of <u>June 30, 2021, Compton CCD</u> also has a net pension liability of \$45.2 million, and as of our most recent actuarial report dated September 2, 2021, our total <u>Other Post-Employment</u> <u>Benefits (OPEB) liability</u> is \$14 million, and the net OPEB liability of \$1 million as of June 30, 2021. Compton CCD has a plan for our addressing our OPEB liability.

The immediate implementation of the Personnel Commission would not allow Compton CCD to carry out our aggressive plan for paying down our emergency apportionment and our long-term outstanding liabilities.

Conclusion

For the above reasons, Compton College and Compton CCD have serious concerns about Assembly Bill 2359 – Compton Community College District, Personnel Commission, including the potential repayment of the \$11.3 million that was included in the 2017-2018 California State Budget, timing for implementing the Personnel Commission, our long-term fiscal projections, and our long-term outstanding liabilities.

However, I am more than willing to meet with the author to discuss potential alternatives to the proposed language in Assembly Bill 2359, including establishing a timeline for implementation of the Personnel Commission once the emergency apportionment has been repaid. I would also suggest language allowing for the establishment of the Personnel Commission at zero cost to the district by utilizing existing Compton CCD Human Resources staff to support the Personnel Commission.

If you have any questions regarding our concerns or recommendations regarding Assembly Bill 2359 – Compton Community College District, Personnel Commission, please contact me at 310-900-1600, ext. 2000 or via email at kcurry@compton.edu.

Sincerely,

Keith Curry President/CEO Compton College

c. Senator Steven Bradford, California State Senate – 35th District Assemblymember Dr. Steven S. Choi, Vice-Chair of the Higher Education Committee

Assemblymember Mike A. Gipson, California State Assembly – District 64 Eloy Ortiz Oakley, Chancellor, California Community Colleges Lizette Navarette, Vice-Chancellor, Finance, Facilities, and Planning, California Community Colleges

Compton Community College District Board of Trustees