



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

Facilitator: Dr. Jose Villalobos for Dr. Abiodun Osanyinpeju
Date of Meeting Recorded March 28, 2023, 100 pm – 200 pm

Recorder: C. Edwards
Location: Zoom

<p>Vision Compton College will be the leading institution of student learning and success in higher education.</p>
<p align="center">Mission Statement</p> <p>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>

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

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

Shared Documents

- 2023-2024 Tentative Budget Assumptions
- Five-Year Fiscal Management Plan FY 2023
- ISER Master Draft 04-17-23

Meeting Minutes

I. Call to Order

The meeting was called to order at 103pm by Dr. Jose Villalobos.

II. Review of Minutes

- The minutes of February 28, 2022, was approved by Mr. Bernaudo, Ms. Johnson (moved/seconded). The vote was 6 in favor, 0 opposed, and 0 abstention. The motion passed.

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 0.05% (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 (\$450,000)
 - 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 \$250,000 for Open Educational Resources
- N. Budget for Line of Credit debt expense of \$1,681,841, which includes a one-time augmentation of \$500,000.
- O. Budget for Other Postemployment Benefit (OPEB) contribution of \$250,000.
- 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 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 the anticipated additional cost for the Student Housing Project

5. Transfer \$1,500,000 to the Capital Outlay Fund to pay the anticipated additional cost for the Physical Education Complex Replacement Project
6. Transfer \$500,000 to the Capital Outlay Fund to pay the anticipated additional cost for the Visual & Performing Arts Replacement Project.

Dr. Villalobos asked Dr. Nasser if the \$250,000 is going to be a yearly thing or is that just for this year? Dr. Nasser responded that it is going to be yearly, at least for the foreseeable future, until we reach that goal and the Five-Year Plan as well.

Dr. Villalobos asked Dr. Nasser how much will the tentative budget change? Dr. Nasser stated that he had no idea because the Governor publishes his revised budget in May and the Legislature approves it in June. He would be guessing and declined to answer.

Dr. Villalobos indicated that he heard we used to have a surplus, then a deficit, and now a surplus again? He wanted to clarify with Dr. Nasser which one it was because the discussion is that we have a deficit.

Ms. Morales inquired if the \$250,000 for Open Educational Resources (OER) is part of a grants that OER folks received or is it in addition? Dr. Nasser indicated that it would be an addition. Ms. Morales wanted to know the amount of the grant. Dr. Nasser replied that he did not have the information with him and would have to respond later. Dr. Nasser mentioned that this potentially could change a lot by the next meeting. He is currently unsure what changes will occur. He is putting together the tentative budget which will be approved by the Board in June and the final budget is approved by the Board in September.

Mr. Bernaudo asked Dr. Nasser if that means COLA might change? Dr. Nasser replied absolutely. Mr. Bernaudo clarified that COLA is currently 8.13%. Dr. Nasser responded correct.

Ms. Johnson commented that there were two new faculty position and wanted to know if the positions were going to be filled for the next fiscal year? How does this list grow and who decides? She also, wanted to know why certain things are submitted to this committee and others are not. How does that work? Dr. Nasser commented that the Senate Academic Senate will look at the need to fill positions and the programmatic needs. It is academic programming needs that dictate positions that we are going to be filling. Ms. Johnson inquired if it is the Director or Human Resources who submits that information? Dr. Nasser responded no, that it goes through the faculty, Academic Senate, and through the Cabinet, and then we put it into the assumptions.

Dr. Villalobos indicated that they select faculty and the administrator, then we check which department has the highest priority to hire a person, and we send it to the president to approve it. That is how they come out because I remember sitting in on the women's soccer. The Soccer course was on the top of the list and the medical terminology. He remembers clearly because he was part of that.

Ms. Johnson thanked Dr. Villalobos. Ms. Gillis mentioned that she feels like people do not know is the Faculty Prioritization Committee is co-organized by the Academic Senate in conjunction with Academic Affairs. That committee receives information or proposals from various areas. The Academic Deans will come and provide data. She wanted you to know, that folks do bring data and oftentimes there will be multiple positions in a particular area people are asking for. The committee weighs the asks, and then they prioritize based on need. They do use that data to look at enrollment. They will look at projections, labor market needs, and a variety of things before

they make their decision. Those recommendations are then submitted to Dr. Curry's office and then forwarded to the Board before they make the final decision.

IV. Five-Year Fiscal Management Plan

Dr. Nasser shared the Five-Year Fiscal Management Plan and indicated that the document was shared with the Board of Trustees at the last meeting. Every year we present to the board a picture of what the future will look like based on assumptions.

The actual 2021-22 and 2022-23 in terms of the budget. For example, COLA is based on the sensitive budget at 8.13%. There is an organization called School Services of California and they produce what it is called a dark board. It basically tells us what they predict or project for the future. We take those assumptions to start building our budget. They give us an assumption on a number of different things, and we put those assumptions into this formula that calculates the numbers in the future. We do some internal calculations i.e., election cost which is every other year. We need to budget for utilities which is another internal and independent budget. We are proposing an increase in utilities. So, basically, we take all of these assumptions into account.

Then we go to the actual expenses in 2021-22. We will look at the budget for 2022-23 then apply those assumptions and mathematical calculations that says this is the percentage increase in COLA. Those projections based on assumptions. He jumped to the bottom line and the local revenues actual for 2021-22 was \$8,409,945, this is what's budgeted and the others are the projections of revenues for the future years.

Mr. Bernaudo wanted to know the percentage at the end and would that be a percentage of the whole yearly budget. Dr. Nasser replied correct that we do calculate the percentage. The reserves are between 30-35, for on average at least. Mr. Bernaudo asked if we are looking at 4 months reserve to keep us going? Dr. Nasser replied correct, this is assuming there are no changes, and of course as we all know, changes are forthcoming as conversations are happening between the unions and the District. It is not computed at this point and will be entered into the equation, so, that will affect the reserves.

Mr. Bernaudo inquired if four months is a lot to have. Dr. Nasser said that it depends on who you talk to. Some people say two months is reasonable and others say you need more, while some says we will need less. One thing that he would caution us on, is that we came off the \$11.3 million dollars grant that ended last year what we received as a separation from El Camino. So, some of those costs are going to start filtering in. We have to pay those expenses ourselves.

Mr. Bernaudo of what percentage is a good measure. He feels that it is not speculation and believe we are going into a recession. He also thinks that our enrollment is going to go up. Dr. Nasser said when the pandemic hit, we thought enrollment was going to go up. Now, he is not so sure.

Mr. Bernaudo commented that the Federal Reserve guy wants to get a recession going. He wants 2 million people laid off to bring down inflation. Once you start a cycle like that, Dr. Nasser, it gets going. He stated that he has a feeling our enrollment is going to go up in the next few years. Dr. Nasser mentioned that he would love to see our enrollment get up there. He is not an economist, but on the other side of the equation is unemployment is low as ever. Anybody that is unemployed is being sucked right back into the market. He stated that he does not want to get into economics.

Dr. Villalobos asked Dr. Nasser if he could send the document that he shared to everyone? Dr. Nasser replied absolutely, and it is also in Board Docs, because it was presented to the Board. How did we spend more money in 2022-23 if we had less than half of the sections filled? We did not spend half of

the money we were supposed to spend on instruction. Dr. Nasser pointed out the actual number and comparing the actual budgets. The other one is, of course, if there were any staff cuts. So, salary still goes up and folks have to be paid.

Mr. Bernado they? We? You know. I think, Jose, it could be that we do have classes that end up with like less than 10 or 15 students, lots of times that are designed for 30, you know. Okay. So then, Devil's advocate. But, on the other hand, if we were to be at full FTES wherever that would need to be. What was it? 6,000 Should we need to be at, or 5? We would definitely have to hire more, adjunct a lot more.

Dr. Nasser stated that this was an information item, and it does not have to be approved.

V. Standard 3D Financial Resources

Ms. Gillis mentioned that she is under the weather and will ask for help. We have been working on our Institutional Self-Evaluation Report for the last two years and we are finally at a stage where we need some feedback. We need folks to start reading this section and providing feedback. We are actively taking edits at this time, as you may be aware, from Dr. Curry's and Dr. Sosenko's emails. We have to send this to the Accrediting Commission by August first and go to our Board of Trustees for final read and signing in July. Currently, we are in the Consultative process right now with constituencies. Ms. Gillis mentioned that she sent emails to the various institutional standing committees to ask folks to look at sections of the ISER that fall into the purview of their committee. So, for us that falls into a couple of areas, the first one falls into financial resources.

Ms. Gillis invited folks to review the document if they have not done so. She wanted to share the highlights from the document, and again asked that folks take some time to read through it and provide the Accreditation Steering Committee some feedback, and perhaps some additional recommendations for things that might have been missed. Also, we overlap a little bit with planning, so that falls into standard one. We will come back and look at the individual standards within standard, one that are applicable to our committee.

Ms. Gillis asked Dr. Nasser and Dr. Sosenko if they wanted to add anything? Dr. Sosenko responded no that she did a great job summarizing. Ms. Gillis commented that there are 13 or 14 standards in this area, and as you can see, we are already taking notations. This section is broken up into a couple of different themes and those things are related to basically checks and balances. How do we plan our budget? What do those processes look like? Are those processes transparent? How do we plan for sustainability for long-term fiscal solvency?

Ms. Gillis pointed out the headers. This first one is all about planning. The financial resources are sufficient to support and sustain student learning programs and services and improve institutional effectiveness. The distribution of resources, supports the development, maintenance, allocation and re-allocation and enhancement of programs and services. The more we plan and manage our financial affairs with integrity and in a manner that ensures financial stability. She indicated that she was not going to go through and read all of it because she physically was too sick and apologize. But, Lauren, do you want to? Or Dr. Nasser? Do you want to talk a little bit about what is in here?

Dr. Sosenko went back and reread the standard. So, what we talked about in the Standard, is starting out with creating an annual budget. The fiscal resources are demonstrating that the fiscal resources are sufficient to support and sustain programs. We are listing the Mission, Vision, and Values. Basically, we are budgeting to be able to realize that. Then it lists the operational planning, annual budget, and

the resource allocation process. The budget supports the campus-wide initiatives, educational programs, etc.

The next paragraph is an independent assessment, and the FCMAT report. The next paragraph we talk about how Compton College maintains a budget and surplus which supports its educational improvement and innovation goals. So, that is talking about our reserve and then what is stated in our Board Policy is, we are going to have at least a 10% reserve which we will exceed.

Next, we get to our Planning and Budget Committee paragraph. It recommends that the tentative budget assumptions and final budgets to be considered by the Board of Trustees for approval. Compton College's finances are managed with integrity, and in a manner which ensures financial stability through the formulation of a budget in accordance with Board Policy 6200 and Board Policy, 6250. The Budget Management Compton College continues to plan and manage its finances with integrity and in pursuit of financial stability and sustainability in the area of planning. The Strategic planning committee operates on these four mandates. Dr. Sosenko recommended that a revision that more accurately reflects the purpose of this function and of this group.

Dr. Sosenko stated that the President/Chief Executive Officer (CEO) receives recommendations and other input from Vice Presidents, the Consultative Council, the Institutional Effectiveness Committee, the PBC. The Office of Institutional Effectiveness and the PBC follows the Budget Development Calendar to Plan for the upcoming fiscal year needs, and that is accurate in this group. We review the Planning and Budget Calendar regularly. It covers both the Budget development that Dr. Nasser reviewed today, as well as the Annual Planning Cycle that Ms. Gillis and Dr. Sosenko help to facilitate across the campus.

Compton College develops a budget every year based on estimated revenues. Ms. Gillis stated that she feels we need to cite more evidence in this section. Dr. Nasser replied okay. Dr. Sosenko suggested that Dr. Nasser go through all of it and look for places to site more evidence that would be helpful. Dr. Nasser responded okay.

Dr. Sosenko commented that we are talking again about the fund balance. It seems a little repetitive and wondered if the earlier discussion of fund balance could be pulled into this section of fund balance. Dr. Nasser mentioned that he would need to review and check on those numbers to make sure they are accurate because at this time they have changed. Then, if we need to put new numbers, or whatever. Dr. Sosenko said just to give you a sense of timing Dr. Nasser the Academic Senate is reviewing their first read at the April 20th meeting. We have to have it finalized as complete and concrete as we can make it by April 14th, which is just right around the corner. She mentioned that she wants the Academic Senate to have a strong version to read for their first version, so, they have the opportunity to read something that is clean to provide feedback and before we finalize for our second read in May, that is when it will go to the Board of Trustees.

Dr. Sosenko indicated that Vice President, Burger has been providing recommendations, and feels it is coming to the same conclusion, we want to make sure that we are not being redundant and concise as possible.

At this point Ms. Gillis and Dr. Sosenko provided a Standard 3D working session. Dr. Sosenko stated that the next iteration is the institution's Mission. She asked that before we move on from Standard One is there anything that we did not talk about in standard one that is missing, or the Planning and Budget Committee members think we should highlight?

Ms. Gillis asked if we discussed the planning and allocation, and the distribution of resources that support the development. Dr. Sosenko mentioned that it is probably in other parts of the ISER. Dr. Sosenko said that Ms. Gillis should make it more concise as described in Standard One then everything will be aligned with our strategic plans. That is where the strategic plans come into play.

Dr. Sosenko moved onto Standards 2 and 3D. The institution's, Mission and goals are the foundation for financial planning and financial planning is integrated with and supports all institutional planning. The institution has policies and procedures to ensure sound financial practices and financial stability. Appropriate financial information is disseminated throughout the institution in a timely manner. In this standard we start talking about Compton Colleges, Mission, Vision, and Strategic Initiatives that is core to our planning work. Everything we do is aligned to the Mission, Vision and Strategic Initiatives that is defined in our strategic planning process. If anybody would like to be a part of the strategic planning process, we are going to be doing that again next year. So, if you want to have a voice in that, please let her know. Dr. Nasser inquired if there were any comments or questions? Dr. Villalobos replied no comments.

Ms. Gillis explained that this section is highlighting all the different types of planning documents that we have at various levels on the campus. So, we mentioned here things like program review, and how essentially what we are trying to demonstrate is that everything rolls up right through our planning process. That is how we plan for the dissemination of allocations and funds, and to make sure that all our planning documents, whether they be program reviews and things like that, are all available to the public because we are a public institution, and so that is required on our part. Also, we reference that there is a paper trail for all the things that we are doing as well. So, we can use emails as evidence. We might get emails from our program review person that says, please turn in all your stuff because it is not just that we have it because we do. We also, must be able to show that even at the programmatic levels or department levels are having discussions about financial needs within our programs.

We also talked about that in addition to the things that we said, the policies that we set. We adhere to our budget management and our policy initiative regulation. Again, this is a slightly repetitive, but this is what the Standard is asking. Our Vice President, Dr. Nasser ensures that our PBC, Consultative Council, and Board of Trustees regularly receive updates on all aspects of the budget. This section is asking us, do we widely disseminate the information? That is why we are bringing it up here that the President/CEO, through his newsletters, email messages, presentations, and even updates to the Board of Trustees that they are there, and that we receive information about that throughout the entire academic year. We also reference our budget calendar, which shows the plan of action, that the Board Trustees receive the Tentative Budget Assumptions for the next academic year in April.

Once the Board approves the tentative budget in June the Vice President under the direction of Dr. Curry, will make any minor changes to reflect updates. This is, and when we say reflective or letter updates in the State budget. This is what we are talking about when we talk about the May revise. Once the Board of Trustees makes those improvements, we get the May revise. If there was anything that we need to reconcile Dr. Nasser and his team will make those recommendations or changes, and then the Board of Trustees will receive the final budget in for the September meeting, and then we can begin announcing the results and funding requests based on that final budget. She asked Dr. Nasser if that is accurate. Dr. Nasser responded that the Governor puts out his revise in May, and then in June the Legislature acts and signs the Budget Bill.

Ms. Gillis stated that we just reviewed Standard 2. Dr. Nasser Item 2 within Standard, 3. Ms. Gillis suggested that we go on to the third one.

Dr. Sosenko commented that the institution clearly defines and follows its guidelines and processes for financial planning and budget development with all constituencies having appropriate opportunities to participate in the development of institutional plans and budgets. We start out detailing our board policies and administrative regulations for institutional planning, budget, preparation, and then the Board policies, administrative regulations, and procedures.

The budget preparation sites the Consultative Council and institutional standing committees follow the defined policies and practices to ensure effective financial planning. So, we would be the Subcommittee of Consultative Council? If you think about the hierarchy for this committee a lot of the financial planning and budget development is in this group. She mentioned to Ms. Gillis that we do not list the PBC and felt like we should because she feels it is here with constituencies to have an opportunity to participate in the development and planning of Budgets and if this group has a recommendation. This group, with the representation across the campus, would make the recommendation to Consultative Council.

Ms. Gillis indicated that she would also add an antecedent to also make sure to demonstrate that constituencies have the appropriate opportunity to develop and participate in the planning and budgeting process. She mentioned that she will add an empty space here when she adds the stuff to PBC. The other thing we talked about in our planning our annual planning process is a survey function to try and help make the prioritization a little bit more democratic. Now, as the plans roll up, the author still has for lack of a better term, veto power. However, they use the prioritization that informed people across different areas of the college as to their decision making it more democratic. Ms. Gillis stated that she will circle back to Dr. Sosenko a little bit later.

Dr. Sosenko commented that the next item is institutional planning which reflects a realistic assessment of financial resource, availability, development of financial resources, partnerships, and expenditure requirements. She asked Dr. Nasser to help her understand the sentence. College areas and departments derive their annual plans and goals from the college goals. However, then there is this -- these goals are based on the Budget Assumptions developed from the information in the Governor's January proposed State budget. The May revise is in the final state budget. Dr. Nasser indicated that was not true the statement is incorrect. He stated that we need to cross that out.

Dr. Sosenko said that we could come together and say our goal will be based on we want to increase retention over the next year. If we knew what the Governor's revise and we are expecting a deficit. The way we operationalize that goal might be different. But we are not going to change our goal away from retention. Dr. Sosenko indicated that she would create a second paragraph. Also, add another paragraph after 3, d, 4, d of 3. Ms. Gillis said that she would remove the qualifiers.

Dr. Sosenko wanted to go back to the Standard because she was not sure we answered all of it. The planning reflects a realistic, fiscal, financial resource availability, development of financial resources, partnerships, and expenditure requirements in the paragraph about the categorical and the grants we do. She mentioned that it was not really a paragraph, because it has lots of different main ideas. What she was trying to get at is that for our categorical funding, our Strong Workforce, we review those budgets annually and look at what is carried forward, and then how can those budgets integrate funds and annual planning recommendations? Dr. Sosenko said she and Dr. Nasser disagreed with the last sentence "currently, the college maintains a 30% reserve. Dr. Nasser mentioned that this may be misplaced". It is true that we have a good reserve. We wanted to let the readers know that we are funding our future retirees and will have funds to rely on. Ms. Gillis stated that she would place in the comment that we are going to revise this paragraph. Again, we need to be intentional with our wording and that connection. We have to synthesize what the standard is saying what we have to use for planning and things that need to be clearer.

Dr. Sosenko mentioned that through its system of Board and institutional governance, the institution ensures the appropriate consideration of relevant perspectives, decision making aligned with expertise and responsibility and timely action on institutional plans, policies, curricular change, and other key considerations. This section is citing planning and budget in the annual planning and budgeting cycle. So, this committee serves as the steering committee for campus-wide planning and budgeting. The PBC assures that the planning and budgeting are interlinked, and the process is driven by the institutional priorities and master plan and other plans adopted by the district. The PBC ensures that all plans are developed using data from program review and are linked to the college's mission statement and strategic initiatives. The PBC makes recommendations concerning all global college and district planning and budgeting issues.

Dr. Sosenko commented that the Planning summits sections is well worded. It captures the purpose. She asked if anyone had any concerns or questions about how that characterizes the PBC and its function. We will come back at next month's meeting and hopefully be able to finish up any references to PBC at that time.

VI. Adjournment

The meeting adjourned at 1:56 p.m. was approved by Ms. Gillis, Ms. Johnson (moved/seconded). The vote was 6 in favor, 0 opposed, and 0 abstention. The motion passed.