



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

Facilitator: Dr. Abiodun Osanyinpeju

Recorder: C. Edwards

Date of Meeting Recorded: May 26, 2020, 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.

PRESENT:

<u> </u> X Jose Bernaudo	<u> </u> X Stephanie DeWitt	<u> </u> X Dr. Abiodun Osanyinpeju
<u> </u> Jonathan Chase Butler	<u> </u> X LaVetta Johnson	<u> </u> X Dr. Jose Villalobos
<u> </u> Keith Cobb	<u> </u> X Janette Morales	

OTHERS ATTENDING: Stephen Kibui and Lauren Sosenko

Handouts

- 2020-2021 Tentative Budget Assumptions
- Line of Credit Debt Service Schedule
- Other Postemployment Benefits (OPEB) Public Entity Investment Trust Funding Schedule
- Pension (PERS/STRS) Funding Schedule

Meeting Minutes

I. Call to Order

The meeting was called to order at 1:15 p.m. by Dr. Abiodun Osanyinpeju.

II. Review of Minutes for February 25, 2020 and March 24, 2020

The minutes of February 25, 2020 and March 31, 2020 were approved. Ms. DeWitt, Mr. Bernaudo (moved/seconded). The motion passed unanimously.

III. Update on the College Plan

Ms. Sosenko provided an update on the College Plan for 2020-2021, the program and unit plans were prioritized by supervisors and through the Qualtrics surveys. A question and answer session followed.

- 196 recommendations from Academic Affairs.
- 107 recommendations from Student Services
- 12 recommendations from the President’s Office, which includes Community Relations and Institutional Effectiveness.

- 13 recommendations from Administrative Services
- 11 recommendations from Human Resources

The Cabinet then:

1. Reviewed their individual recommendations, each ranking, and provided their ranking.
2. Put the plans together and identified the top 35 recommendations across the college.
3. Repeated the voting process in Qualtrics among Cabinet members.
4. Will submit the top recommendations to Dr. Curry for review and prepare a report for the Planning and Budget Committee.

Ms. Sosenko shared an Excel file and stated that the District is hoping it will be able to fund more than just the \$150,000 of the earmarked dollars. She indicated that the items that were highlighted in yellow will be funded from the \$150,000 and the items in blue or orange are the items that will be paid out from a different fund. At the top is the ID card maintenance system for the new one-card student ID. The student ID card system is a touch system where we are able to record the students' use of specific services.

- We have upgraded the district WI FI with the new buildings that are coming online.
- Increase the budget for Admissions and Records to purchase graduation resources (i.e. diploma covers).
- Upgrading our firewall
- Investing in a data warehouse.
- Increasing our counseling budget to help provide coverage during non-primary terms
- Renewal for Turn-it In and Proctorio, for online resources that our faculty are using, which became very elevated during COVID-19.

Ms. Sosenko indicated that there were a number of others, however, she was not going through the whole list. She mentioned that these were the recommendations moving forward from Cabinet and PBC would receive a more formalized list.

Dr. Villalobos indicated that the District will receive approximately \$1 million, what is the plan for that money? Ms. Sosenko stated that a plan for those dollars is currently being created. She mentioned that the criteria are not clear. It is understood that it cannot be used for undocumented students and more information will be forthcoming about the plan. Dr. Villalobos stated that the administration has a pattern of hiding money and we want to know what is going to happen.

Mr. Kibui mentioned that it is to help schools district on the impacted health crisis, which turned out to be an economic crisis. The federal government funds are to help the students and the school move forward in its daily operations. Mr. Kibui stated that the district is not going to hide anything, and it will be very transparent with the funding. The funds will be audited as required by the federal regulations and the audit report will be presented to the Board and posted on our website. He mentioned that the funds are not to be used for paying employees, but they are for the general operations of the college.

Dr. Villalobos mentioned that from previous experiences the administration does have a pattern of hiding money. We want to know as soon as possible where we are going to use \$70million. Ms. Sosenko took a little ~~it~~ offense to that characterization. She stated that the District has been very forthright and provided the information. He indicated that administration tends to hide things until the very end. I did not say it was doing anything illegal. It tends to find money to place it somewhere else and we are supposed to know what is happening at the end of the day.

Mr. Bernaudo stated that Dr. Villalobos did not mean to offend anyone, but he has a couple of questions about the Care Act. What is the status of our application and has it been accepted? And what is the role of the Planning and Budget Committee going to be with relations to the money and is the committee going to be involved in the decision making? Mr. Kibui stated that the application was submitted, which we are going to get approximately \$2.5 million from the federal government. We have to account for each and every dollar and report to the feds on how we spent the money. Mr. Kibui indicated that we do not know what role the PBC will play. However, eventually it will come to the PBC and an account of what happened to the funds.

IV. Budget Assumptions

Mr. Kibui stated that the Governor had some good idea of how he wanted to fund the Community Colleges. However, things have changed since coronavirus. He provided an overview of the 2020-2021 Tentative Budget Assumptions for the District. A question and answer session followed.

I. Organization

The 2020-2021 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: \$12,597,000 (2020 Estimated Ending Balance)
- B. Estimated revenue including state and local sources: \$42,374,000
- C. Budget the General State Apportionment based on generation of 5,980 FTES.
- D. Offering 1,414 sections for the 2020-2021 year.
- E. Cost of Living Adjustment (COLA) increase: 2.29% (Governors Budget Proposal)
- F. Budget for the GASB "pay as you go" costs for Retiree Benefits: \$577,000 (Estimate based on annualized 2020 actual costs)
- G. Pension contributions: Public Employee Retirement System (PERS) employer contributions at 22.80% and State Teachers Employee Retirement System (STRS) at 18.40% (Chancellor's Office Analysis of the Governor's State Budget Proposal).
- H. Budget for projected utility increases of 4%.
- I. Budget to fill the following full-time faculty positions:
 - 1. Chemistry
 - 2. EOPS/CARE Guided Pathway Counselor
 - 3. Film and Video – Social Media
 - 4. Heating, Ventilation, and Air Conditioning (HVAC)
 - 5. History
 - 6. Journalism/ English –Social Media
 - 7. Nursing Instructor (3 Positions)
 - 8. Political Science
 - 9. Special Resource Center Guided Pathways Counselor
 - 10. Welding
- J. Budget to fill the following full-time classified positions:
 - 1. Police Officer (6 Positions)
- K. Budget to fill the following full-time management positions:
 - 1. Associate Dean of Nursing- Restricted General Fund
- L. Budget for the following one-time Augmentations/Enhancements (\$250,000):

1. Enrollment Management Plan (\$100,000)
2. Budget Augmentations and Enhancements (\$150,000)
- M. Budget for Line of Credit debt expense (\$1,181,841)
- N. Budget for Other Postemployment Benefit (OPEB) contribution of \$1,134,035, which includes a one-time augmentation of \$884,035.
- O. Budget for the California Public Entity Pension Stabilization Fund (PERS/STRS) contribution of \$200,000.
- P. Budget for the Compton Community College District Board of Trustees Elections (\$145,000).
- Q. Reserve the following expenditures from the ending balance (\$3,750,000):
 1. Compton College Enterprise Resource Planning System (\$3,000,000)
 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.

III. Funding Schedule for OPEB, PERS/STRS, and Lines of Credit

A. *OPEB*

Mr. Kibui stated that the District intends to fully fund the unfunded liability within 20 years. The liability for Other Postemployment Benefits are gradually increasing and that our liability is currently at \$14,103,782. He indicated that as the liability keeps expanding, so Districts has to set aside additional money. There are many variables in the economy, interest rates being one.

Dr. Villalobos asked what happens if it goes down and then up again. Ms. Sosenko stated that it goes down because the District is putting money on the books, but it could also go up because of all those other factors. She mentioned that we cannot project the future and we have an idea of what we will see in the next two to three years.

Mr. Kibui indicated that the Actuarial Study will project the next three years and will be coming up in July. He mentioned that the PBC will see the numbers in early fall.

B. *PERS/STRS*

Mr. Kibui mentioned that the District has been making contribution PERS/STRS since 2016. He stated that the annual contribution of \$500,000 funding with one-time funds. Next year in 2021 the District plan to contribute \$200,000 as the rates are increasing for PERS almost 22 percent to 23 percent. Annual contributions of \$200,000 to be funded from the following: 1) Eliminate \$200,000 transfer to the Line of Credit Fund and redirect funds to the PERS/STRS Fund. The amount represents the total earmarked with the objective of achieving a target net rate of return of one percent which is based on funds invested in the County Treasury Investment Pool. So, if we do not put funds aside when the market is good, at the end of the day we are going to be responsible.

C. *LINE OF CREDIT*

Mr. Kibui stated that the District must pay the principal and interest on the Line of Credit by year 2029 from the debt service schedule.

IV. Section Counts and Projections

Ms. Sosenko mentioned that this issue was spurred by Dr. Villalobos and Mr. Bernaudo. The five-year Compton College five-year FTES projection is where we identify the number of sections. Mr. Kibui spoke about the 1414 sections count for the 2020-2021 year in his budget assumptions. The college saw an issue with our 2019-2020 fill rate. So, the idea was to contract and then build out again over the next five years.

V. FTES Projections Update

Ms. Sosenko provided a brief presentation of the FTES and fill rates by sections. She indicated that the data used was to help identify the initial count. She mentioned that the fill rates in the Guided Pathways Divisions varied across the college but were low in some areas as 56.9 percent.

VI. Adjournment

The meeting was adjourned at 2:55 pm. Dr. Villalobos, Ms. DeWitt (moved/seconded) the motion for adjournment.