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**EL CAMINO COLLEGE**  
**Planning & Budgeting Committee**  
**Minutes**  
**Date: March 15, 2012**

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**MEMBERS PRESENT**

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| <input type="checkbox"/> DeSanto, Michael – Campus Police                 | <input checked="" type="checkbox"/> Shenefield, Cheryl – Administrative Svcs. |
| <input checked="" type="checkbox"/> Natividad, Rory – Mgmt/Supervisors    | <input checked="" type="checkbox"/> Spor, Arvid – Chair (non-voting)          |
| <input checked="" type="checkbox"/> Patel, Dipte – Academic Affairs       | <input type="checkbox"/> Tomoda, Kenji – ASO                                  |
| <input type="checkbox"/> Quinones-Perez, Margaret – ECCFT                 | <input type="checkbox"/> Turner, Gary – ECCE                                  |
| <input checked="" type="checkbox"/> Reid, Dawn – Student & Community Adv. | <input type="checkbox"/> Widman, Lance – Academic Senate                      |

**OTHERS ATTENDING:** Francisco Arce, Connie Fitzsimons, Ann Garten, Katie Gleason, Jo Ann Higdon, Kelsey Iino, Ken Key, Emily Rader, John Wagstaff

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**Handouts:** Budget Packet presented to PBC (March 15, 2012); ACCJC Rubric for Evaluating Institutional Effectiveness

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The meeting was called to order at 1:05 p.m.

The April 5<sup>th</sup> PBC meeting is cancelled so members can attend the President's Budget Forum at 1:00 p.m. on the same day. The forum will be open to all students, faculty, staff, and managers.

**Approval of March 1, 2012 Minutes**

No corrections were made to the minutes.

**DRAFT Potential 2012-13 Budget Reduction (J. Higdon)**

1. Packet will also be emailed to PBC members this afternoon to pass on to constituents.
2. Page 1 – overview of ECC's budgeted state revenues (unrestricted general fund) since 2010-11 and projections for the next year. Does not reflect cuts made to categorical programs.
  - a. Actual revenue from the state for 2010-11 is \$98,349,270. Does not include grants/contracts.
  - b. Adopted final 2011-12 budget amount is \$89,399,270.
  - c. Revenue after mid-year and trigger cuts for 2011-12 is \$91,886,232.
  - d. Revenue after mid-year, trigger and February surprise cuts is \$88,744,417. Just short of projected revenue by \$655,000 (\$89,399,270 minus \$88,744,417).
  - e. Projected revenue if Governor's tax increase proposal passes (stays flat) is \$91,886,232 or less.
  - f. Three projected revenue scenarios if tax increase proposal did not pass: \$84,586,232 (less \$7.3 million – initial budget cuts plus January trigger cuts); \$81,986,232 (less \$9.9 million – initial budget cuts plus January trigger cuts plus February mid-year surprise); \$78,886,232 (less \$12 million).
  - g. Notes:
    - i. Numbers will continually change.
    - ii. Estimates are based on Governor's budget known to be based on high revenue estimates.

- iii. Current year's hits have the potential of being deeper (an additional 3+% hit) because of redevelopment agency (RDA) language in the trailer bills.
    - iv. Already deficit budgeting for the current year at a \$6.6 million: projected total revenue (\$101 million) minus projected total expenditures (\$107.6 million) as shown on pages 4 and 6 in the 2011-12 Budget Book. Actual numbers may be half the deficit. This was explained in prior PBC meetings.
- 3. Page 2 – Current Year State Revenue Shortfalls (discussed at last meeting)
  - a. Projected total state revenue shortfall of \$9.9 million includes initial budget cuts, January trigger cuts and February mid-year surprise.
  - b. Shortfall to ECC could be close to \$12 million if the redevelopment agency additional 3+% hit occurs.
  - c. ECC's current projected budget shortfall of \$1.8 million includes:
    - i. \$655,000 unbudgeted shortfall in estimating state revenue.
    - ii. \$700,000 additional election costs above budgeted amount \$400,000 (the election bill will be brought to the next meeting).
    - iii. \$450,000 estimated pay back on the Fire Tech course.
- 4. Page 3 – Draft – Work in Progress – ECC Unrestricted General Fund FY 2012-13
  - Notes
    - a. If tax increases pass in November, currently expected budgeted state revenue would remain flat or equal to revised revenue for FY 2011-12.
    - b. Budgeted FTES for FY 2011-12 was 18,187 FTES and calculated state revenue was \$89,399,270.
    - c. This does not include additional new increases in costs for FY 2012-13. Student tuition increases go directly to the state, not the college. Unsure how BOG fee waivers are funded. BOG funds not a bottomless pit. Increases in students eligible for BOG means less money for the state. Student Success Task Force recommends capping units to 110 and meeting satisfactory academic progress for students to qualify for fee waivers.
  - Projected state revenue reduction of \$7.3 million (minimum amount if tax increase ballot does not pass).
  - Projected Savings
    - a. Tentative FTES target of 17,951 – number could vary. 236 tentative FTES target reduction (18,187 FTES minus 17,951 FTES). 57 section reductions (236 ÷ 4.11 FTES). \$285,000 section reductions (57 x \$5,000).
    - b. Reduction of 228 sections for a savings of \$1.14 million in 2011-2012.
    - c. No additional contribution from fund 15.
    - d. 2 management and 4 faculty positions would be hired as 6 month temps and, if the tax package were passed, would be converted to regular, probationary employees (retroactive for the year).
    - e. State arbitrator (Fact Finder) held harmless the part-time faculty hourly rate for the current year. State arbitrator also found that a state reduction in part-time parity in the upcoming years would have an impact on the budget.
    - f. Freeze 5 classified position at \$70,000 each.
    - g. Reduction in Force (RIF or layoff) – 1 position (add this to the 'note' column) supervisor or manager level position at \$140,000.
    - h. Vacancy savings of \$100,000
    - i. Health Insurance savings of \$240,000 – reflects six months already implemented.
    - j. Utilities net savings of \$100,000 – savings from central plant and energy savings from consolidating classes in buildings. Some community colleges are also consolidating offices.

- k. Reduce/Eliminate printed schedules – questionable if this can be done. Bulk of the printed schedules are primarily used for PR and given away to the high schools. Public Information working to determine the number of schedules that were purchased, how much was spent in current year, and how many schedules were left. Decision to cut printed schedules was discussed at various meetings on campus.
  - l. Eliminate capital expenditures – funding emergencies only through fund 15.
  - m. Difficult to reduce travel and conferences if tied to contracts.
  - n. Reduce election costs to \$0 – budgeted \$400,000 based on discussions with the County. Increased ballots contribute to increase in costs. \$400,000 was the County’s best estimate on election costs. Never budgeted over \$1 million for election costs in the past.
  - o. Reduce categorical backfill by \$150,000.
  - p. Not back-filling for late faculty retirees (faculty who retire within 45 days at the end of the semester) – estimated 3 positions for \$150,000.
  - q. Reduce Art Gallery Hours for \$20,000 savings.
  - r. Net savings from counselor hours – \$265,000 reflects increase in part-time hours and reduction in full-time hours. Counselors would change to 11-month contracts beginning July 1<sup>st</sup>.
  - s. One-time transfer of funds for \$440,000 – requires more discussion.
  - t. Negotiation-related items estimated total \$2.56 million.
  - u. Total savings of \$6.605 million. Difference between projected state budget reduction of \$7.3 million and savings of \$6.605 million is shortage of \$695,000. Not known if \$695,000 will come from reserves. \$695,000 gap is in addition to \$6.6 million deficit (page 2, top of page) plus 5-year budget assumption projection grid.
5. Page 4 – Five-Year Budget Assumption Projection Details (working draft) – required by accreditation.
- a. Input from the committee on projected *Funded COLA* (line 6) – zero for 2013-14 and 2014-15. If the state begins to slowly recover economically, .5% for 2015-16 and 1% for 2016-17.
  - b. Input from the committee on projected *FTEs State-Forced Workload Reduction* (line 7) or funding for growth – same as above.
  - c. PERS Employer Rate (line 11) – it appears this will increase by 1.2% in 2012-13.
  - d. STRS Employer Rate (line 12) – projecting no change.
  - e. Election expense (line 13) – \$400,000 may increase in 2013-14.
  - f. Health Insurance Rate (line 14) – zero at this time. Employee will bear rate increases according to the current contract.
  - g. Utilities (line 15) - \$100,000 savings.
  - h. Insurance (typo) (line 16) – waiting for estimates from Rocky Bonura. Workers’ Comp will increase between 5%-8%.
  - i. Cost Reduction from Academic Hourly (line 17) – to be determined.
  - j. Back-fill of Categorical programs and Student Success from unrestricted general fund (line 18) – zero.
  - k. PBC members were asked to bring changes/additions to next meeting.
  - l. Updated grid will be emailed to PBC members. Please share information with constituents and email concerns/comments/additions to J. Higdon.
6. Pages 5 through 12 – Information on PERS anticipated increase and PERS agenda item.
7. Page 13 – L.A. Times editorial by Steve Lopez, “It’s a race to the bottom.” Add the Long Beach City College article emailed earlier in the week to this packet.
8. Governor Brown and the California Federation of Teachers came to agreement to merge his tax proposition document with theirs, reducing sales tax increase to .25% while increasing income tax for individual filers over \$250,000 and joint filers over \$500,000.

9. President Fallo thanks PBC for their participation and advice in rolling out a budget plan. The tentative budget will go to the Board for two readings in May and June for adoption.

**ACCJC Rubric (A. Spor)**

1. Planning (page 2) and Program Review (page 1) of the rubric, the College must show sustainable levels. There are items of concern on Planning (page 2) at the proficiency level:
  - a. *The institution plans and effectively incorporates results of program review in all areas.*  
This is not evident in Plan Builder plans – plans do not show clear linkage to program review. Mandatory planning training for managers (recommended for faculty involved in planning) will discuss a standardized format showing how plans are linked to program reviews.
  - b. *The college has a well documented, ongoing process for evaluating itself in all areas of operation, analyzing and publishing the results and planning and implementing improvements.* The College needs to improve publishing the information and implementing improvements.
  - c. *The college has documented assessment results and communicated matters of quality assurance to appropriate constituencies* – PBC members are asked to share meeting information with their constituents.
2. Items of concern on Program Review (page 1) at the proficiency level:
  - a. *Dialogue about the results of all program reviews is evident throughout the institution as part of discussion of institutional effectiveness* – need to strengthen linkage between program review and planning, and communicating information about the results of program review.

The next meeting is scheduled on April 19, 2012.

The meeting ended at 2:30 p.m.