
EL CAMINO COLLEGE
Planning & Budgeting Committee
Minutes
Date: April 19, 2012

MEMBERS PRESENT

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

OTHERS ATTENDING: Babatunde Atane, Katie Gleason, Alice Grigsby, Jo Ann Higdon, Kelsey Iino, Russell Levine, Jeanie Nishime, Emily Rader, Regina Smith, Michael Trevis, John Wagstaff

Handouts: Five Year Budget Assumption & Project Details (12-15-09); Five-Year Budget Assumption Projection Details (working draft 3-14-12); Santa Monica Daily Press article; ECC- Unrestricted General Fund Early Estimate of Ending Balance; School Services Fiscal Report article on CalPERS contribution rates

The meeting was called to order at 1:00 p.m.

New ASO Commissioner of Finance, Russell Levine, was introduced as the alternate ASO representative for PBC.

Approval of March 15, 2012 Minutes

1. Page 1, #1: packets were emailed a day or two after the last meeting.
2. Page 2, #4c: J. Higdon will email Chancellor's Office the question asked about where BOG fee waiver funds come from and total funded.
3. Page 2, #4 Projected Savings letter "a": add "*for 2011-12 and into 2012-13*" after "*57 section reductions.*" Tentative FTES target of 17,951 is for 2011-12 and into 2012-13 (number may change again). #b: add "*in 2011-12*" after "*228 sections.*"
4. Page 2, #4e correction: delete "be reduced from the College budget" and add "have an impact." If interested in a copy of the Fact Finder report, email request to J. Higdon.
5. Page 3, letter "n": first sentence delete "and belief that candidates would run with little opposition."
6. Page 3, letter "r": delete last two sentences.
7. Page 3, letter "s": one-time transfer of \$440,000 still needs to be discussed.
8. Page 4, #8: change "*Teachers Association*" to "*California Federation of Teachers*"

Miscellaneous

1. Article from the Santa Monica Daily Press regarding the State Attorney General's opinion on Santa Monica's two-tier courses was handed out as a follow-up to a question asked at the last meeting.

Estimated Ending Balance – J. Higdon

1. Unrestricted General Fund original budgeted ending balance for FY11-12 was \$16.3 million. Estimated current year savings (the difference between budget and actual) is \$4 million. Mid-year deficit (portion not budgeted) \$600,000. Additional unplanned election costs of \$700,000. Estimated Fire Tech FTES payback roughly \$455,000. Current estimate ending balance is \$18.5 million (17.2%), without additional Redevelopment Authority (RDA) take-back (not materialized as projected) roughly 3% or \$2.5 million. 14.9% decrease if RDA occurs.
2. Option #1 assumes sufficient tax increase passes and avoids further cuts. Governor indicated state deficit will be more than \$10 billion.
 - a. Beginning balance \$18.5 million with no additional RDA take back.
 - b. Deficit budgeting \$6.6 million.
 - c. New expenditures – increases in PERS, workers' comp, property & liability insurance \$1.0 million to \$1.5 million
 - d. Estimated current year "savings" \$4 million (difference between budget and actual).
 - e. Tentative estimated ending balance (for FY12-13) \$14.9 million
3. Option #2 assumes tax bill will fail and estimated \$7.3 million cuts required
 - a. Same as Option #1 in addition to:
 - i. \$7.3 million loss of revenue
 - ii. \$4.1 reduction of expenditures (line 35 from 'draft grid' – negotiation related items not included)
 - b. Tentative estimated ending balance \$11.7 million. RDA take-back of \$2.5 million to \$5.0 million still possible. Importance of reserves – not just to meet minimum state requirements but to help meet cash flow requirements.
 - c. Request was made to show fund balance percentage.
 - d. Deficit budgeting of \$6.6 million would be partially covered by \$4 million 'savings.' ECC has backfilled categorical programs with Fund 15. Line 30 on 'grid' shows reduction of categorical backfill of \$150,000 (about 8% of total backfill of \$1.15 million). Page 76 in blue book shows affected categorical programs.
 - e. Is GASB contribution needed for 2012-13? J. Higdon will contact actuarial consultant for draft report.
 - f. Discussion of reduction of backfill for categorical programs, effects on students and recommendations made by PBC and collegial consultation.

5-year Budget Assumptions – J. Higdon

1. 2012-13
 - a. Line 12, Column C - there will be a small change on PERS employer rate. Have not heard of any changes on STRS employer rate.
 - b. Line 15, health insurance rate may increase a little.
 - c. Still waiting to hear about liability insurance – may be around 2%-3% increase.
 - d. Back-fill of categorical and student retention projects from Fund 15 has been reduced to \$1 million from \$1.150 million.
2. For accreditation purposes, need input from committee in filling in projections for 2013-14, 2014-15, 2015-16, and 2016-17.
3. Are there any pending lawsuits? Year-end close on June 30, 2011 included contingent liabilities (lawsuits, uncollected student accounts receivables, etc).
4. Because ECC belongs to Joint Powers Authority (JPA), Workers' Comp increases are dependent upon the JPA's claims history. J. Higdon will verify how much was taken out of general fund for Workers' Comp.
5. Suggestion was made to provide projection estimates or ranges first before the committee can discuss future projections.

Budget Forum Report Out

1. Budget forum information is posted on the ECC webpage. Click on “budget updates” icon on the main page. Encourage constituents to read the information and ask questions.
2. The draft ECC Comprehensive Master Plan will be posted today or tomorrow on the portal. Draft does not include Facilities Master Plan...waiting for information from HMC Architects. Compton’s Comprehensive Master Plan not yet ready to be posted but has gone through the collegial consultation process at Compton. Please encourage constituents to read and send comments/questions to A. Spor.
3. Request was made for an explanation of the development of FON and FTES reporting to the state at a future meeting. The next meetings will focus on the tentative budget. An additional meeting on the second Thursday in May will be scheduled in order to make a recommendation to the President before the May Board Meeting and first reading of the tentative budget.

The next meeting is scheduled on May 3, 2012.

The meeting ended at 2:14 p.m.