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**EL CAMINO COLLEGE**  
**Planning & Budgeting Committee**  
**Minutes**  
**Date: May 10, 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 type="checkbox"/> Patel, Dipte – Academic Affairs                  | <input checked="" 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 checked="" type="checkbox"/> Widman, Lance – Academic Senate           |

**OTHERS ATTENDING:** Francisco Arce, Janice Ely, Connie Fitzsimons, Christina Gold, Alice Grigsby, Jo Ann Higdon, Kelsey Iino, Ken Key, Russell Levine, Emily Rader, Gerald Sequeira

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**Handouts:** 2012-2013 Tentative Budget (May 21, 2012)

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The meeting was called to order at 1:09 p.m.

**Approval of May 3, 2012 Minutes**

1. Tax Revenue Anticipation Notes (TRANs) – short term borrowing. ECC was penalized \$25,000 for not using last year’s TRAN. Interest was earned; not done to make money. Will research amounts and report back to PBC.
2. Recommendation will be brought to the Board this month to request TRAN for up to \$10 million. In January or February, another request may be made for TRAN up to \$30 million – by far the highest amount borrowed by ECC. Request was made because of the state’s delay in issuing apportionment on time. ECC may not receive some of the \$18 million owed by the state this fiscal year until next October.
3. The minutes were approved with no changes.

**Draft 2012-2013 Tentative Budget (J. Higdon)**

1. Accounts not yet in the draft tentative budget: funds 14 and 15 allocation (will be reviewed in next week’s meeting), categorical programs (allocations not known), and the Bookstore fund (pending final numbers).
2. Still reviewing and refining the footnotes. Early stages of estimating ending balance.
3. Waiting for firm estimates for insurance (property, liability, workers’ comp, health, etc.).
4. Potential \$2.5 million Redevelopment Authority (RDA) take-back is not reflected in this tentative budget.
5. There are two Board readings of the tentative budget. State budget revise is around May 15<sup>th</sup>.
6. Pages 1 and 2: summary of all funds.
  - a. Third party administrator warned that dental account is under budgeted - usage far exceeded payments made.
  - b. \$75,000 of unrestricted general fund contributed to Child Development Center to cover shortage; contribution had reached and exceeded \$220,000-\$250,000.
  - c. Student Financial Aid issues affect Fund 11 due to Return of Title IV payback to the federal government. Asked for legal review with Chancellor’s office to see if registration can be blocked for students who received financial aid and stopped or never attended.

- ECC is held liable for unearned financial aid funds. Title IV covers administration of federal student financial aid programs.
- d. General restricted funds - categorical allocations for next year unknown.
  - e. Reductions to Fund 11 (before tax vote) include \$4 million of items shown on draft grid distributed at the March 15<sup>th</sup> meeting, and \$2.56 million negotiation related items.
7. Pages 3 and 4: unrestricted general fund revenue
    - a. Reflects \$7.3 million estimated state decrease in principal apportionment.
    - b. Account 8890 *Discovery* is the travel series that benefits the community. This account should be consistent with the previous year, so the projected revenue for 2011-2012 will be reviewed.
    - c. Page 3, d) – portion of lottery proceeds is dollar amount averaging \$300,000 – varies from year-to-year. Dollar amount is determined by a set percentage (25%-75% split).
    - d. Page 3, e) \$7.3 million is noted on line 8 of the grid.
    - e. Page 4, j) enrollment fee increase of \$10 per unit is not money the college receives but tied to state apportionment.
    - f. Account 8893 *Miscellaneous Income* – small, unbudgeted revenue. Movie filming is budgeted under 8850 *Rentals and Leases*.
    - g. Will add note regarding 8980 *Transfer from Other Funds* - \$800,000 from Fund 15 and \$440,000 from the Foundation (not regular contribution; unique legal situation).
    - h. Page 4, 889x *Indirect Cost Rate Income* – related to grants and contracts. Auditors are close to establishing rate, around 32%-40% – will inform PBC when known.
  8. Pages 5 and 6: Unrestricted General Fund – Expenditures
    - a. Page 5, l) tied to academic salary reductions and m) tied to classified salary reductions.
    - b. Page 5, n) PERS employer contribution potential 11.81% increase - will know more after PERS board meeting on May 16<sup>th</sup>.
    - c. Page 6, q) Paramedic and Fire Academy program expenses may be reduced.
    - d. Page 6, r) total contract services and operating expenses include budget reductions of \$1.37 million.
    - e. Page 6, s) proposed way to show estimated savings from budget to actual as a negative expenditure - historically \$4 million savings is a combination of underestimated revenues and expenditures.
    - f. Page 6, t) potential negotiated reductions in expenditures match \$2.56 million negotiation related items on the grid.
  9. Added reserve percentage to the budget: 14.82% assuming no \$2.5 million hit from Redevelopment Agency this year and another next year. Overestimation by Governor's office on how much Redevelopment will produce.
  10. Pages 7 and 8: Restricted general fund – revenue
    - a. Account 8199 *MESA UCLA CEED* – identifies under-represented engineering students for potential admission to UCLA. Partnership with UCLA and ECC funded by UCLA.
    - b. Account 8120 Head Start – is a grant separate from the Child Development Center.
    - c. Email J. Ely for specific questions about these accounts or if an account is no longer active.
  11. Pages 9 and 10: Restricted general fund – expenditures
  12. Page 11 - Compton Related Expenses and page 12 - Special Programs Fund (15): figures not yet available. Will review at the next meeting.
  13. Page 13 - Student Financial Aid Fund and Page 14 - Workers Compensation Fund (waiting for more accurate figures).
  14. Pages 15 and 16: Child Development Fund – will have more accurate numbers for incoming transfers listed under accounts 8895 and 8980 at the next meeting.

15. Pages 17 and 18: Capital Outlay Projects – required by law to maintain portion of capital outlay fees calculated in part from out-of-state and international student fees. Account 8890 *Redevelopment Capital Outlay* fund dwindled significantly from 2010-11 to 2011-12 – used for smaller projects. Repair of the parking structure will most likely come from the bond fund.
16. Pages 19 and 20: General Obligation Bond Fund – budget for the entire bond fund account. 2012-2013 Tentative Budget column is multi-year and shows how the remaining bond may be allocated.
17. Page 21: Property and Liability – no final numbers.
18. Page 22: Dental Self-Insurance Fund – not budgeting enough annually – usage over 100%. Deferred amount from 2012-11 dental fund on PBC’s recommendation, but transferred part of the amount directly to the Child Development Center fund. Did not take PBC’s recommendation to defer spending in Workers’ Comp fund based on past expenses.
19. Page 23: Post Employment Benefits (GASB) – retiree benefits. Will add note referring to the JPA fund, how much is in it and the grand total.

The next meeting is scheduled on May 17, 2012.

The meeting ended at 2:18 p.m.