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**EL CAMINO COLLEGE**  
**Planning & Budgeting Committee**  
**Minutes**  
**Date: June 7, 2012**

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**MEMBERS PRESENT**

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| <input checked="" 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 checked="" type="checkbox"/> Widman, Lance – Academic Senate           |

**OTHERS ATTENDING:** Francisco Arce, Janice Ely, Connie Fitzsimons, Katie Gleason, Alice Grigsby, Jo Ann Higdon, Jeanie Nishime, Will Warren

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**Handouts:** Five-Year Budget Assumption Projection Details (percentage and dollar amounts); Post Employment Benefits Fund Actuarial Obligation vs. Funds Set-Aside; ECC Actuarial Study of Retiree Health Liabilities as of March 1, 2012 (Executive Summary); ECC General Fund Restricted – Special Programs (Fund 15) as of June 6, 2012; ECC, Fund 14 as of June 6, 2012

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

**Approval of May 17, 2012 Minutes**

The minutes were approved with no changes.

**Five-Year Budget Assumption Unrestricted General Fund – working draft (J. Higdon)**

Grid in percentages:

- #9 – estimated funded FTES range slightly decreased according to new information received from Community College League of California (CCLC).
- #12 – PERS board approved .494% percentage increase in 2012-13.
- #15 – election expense best estimates decreased due to redistricting in 2013-14 and 2015-16 (confirmed with Public Information). Still possible for expenses to be much higher than estimated.
- #17 – Utilities – expected \$100,000 decrease - buildings will be connected to the Central Plant.
- #18 – Workers’ Comp insurance 10% increase - highest seen by this committee. Earlier estimated 5-8% increase.
- #20 – Liability insurance 2%-3% increase; not as high a previously anticipated. Based on Joint Powers Authority (JPA) rating and individual, rolling 3-year average district rating.
- #21 – Cost reduction from academic hourly – fact finders report State reduction of funding would automatically come from part-time parity pot (academic hourly rate).
- #22 – no additional back-fill of categorical program funding from unrestricted general fund.
- #23 – back-fill of categorical and student retention projects from Fund 15 dropped to \$1 million in 2012-13 (informational item). Correct \$1 million (column C, line #23) to \$1,040,000. Information on this line will move to ‘Notes’ because it pertains to Fund 15.
10. Same grid showing the dollar amounts was also handed out.

- a. #19 will be changed to show \$132,455 cost of workers' comp insurance increase instead of total costs. Dollar amounts on grid will be changed to show incremental changes to show additional impact to the budget.

### **Actuarial Information (J. Higdon)**

1. Actuarial obligation versus funds set-aside.
2. Post Employment Benefits funds are in two separate sources: Fund 17 and SCCCD JPA fund.
3. Four actuarial studies done between 1995 and 2012.
4. Page 4 of the ECC Actuarial Study of Retiree Health Liabilities as of March 1, 2012 (Executive Summary). Current actuarial accrued liability is \$22,355,715. Increase due to escalating health care costs. \$1,643,025 is what district should pay every year; currently paying out well below amount.
5. After draft report is reviewed, recommendation to the Board will be made to place funds in irrevocable fund; report numbers will decrease after this is done.
6. Last series of general obligation bond to sell, about \$180 million – will try to have more information on estimate of savings at next meeting.

### **Funds 14 and 15 (J. Higdon)**

Fund 15 (Special Programs) - \$3 million received from Compton partnership

1. 2012-13 proposed budget for back-fill of categorical programs and student retention projections reduced by \$110,000. Reduced emergency repairs/replacement of equipment by \$40,000. Goal was to reduce total budget by \$150,000. Total expenditure/appropriations for 2011-12 included \$530,402 equipment division allocations.
2. \$900,000 budgeted for GASB Fund 17.
3. Increased back-fill shortages in Unrestricted General Fund 11 from \$800,000 to \$950,000.
4. The May tentative budget was based on reduction of revenue estimate as high as \$7.3 million. New estimate from CCLC is a potential total hit of \$14 million: \$5 million (if tax proposal does not pass), plus \$6 million due to RDA issue, plus potential mid-year deficit of \$3 million. Department of Finance agreed to guarantee about 60% of RDA for next year to community colleges. ECC should decide by next August whether to budget a contingent liability for \$2.5 million of RDA funds.
5. What will the effects of cuts to Fund 15 be on categorical programs? Effects not yet known. Cuts will not impact full time employee salaries. General fund allocation from Counseling could be used for cuts in Project Success and Puente Project. Other sources of funds have been identified to use for Enrollment Management plans including \$25,000 for Student Ambassadors. Programs should not change much. Programs also receive funds from other sources like auxiliary services, although funds in auxiliary services have decreased due to losses in the Bookstore.
6. Balances (other than equipment) from 2011-12 may be transferred into GASB 17. \$7,000 from Enrollment Management will not be spent.

Fund 14 - \$1 million account to be spent on Compton-related activities (budgeting a little over \$1 million – estimated \$32,000 leftover from 2011-12 projected).

1. Delete *Opt 2* in lines #2 and #3.
2. #5 Research Support and #9 AA clerical support are classified hourly positions. #21 Compton Accreditation back-fill is an academic counselor position for Compton accreditation. Change #22 from 50% to 75%. Step and column increases have not been frozen.
3. Recommendation was made to add footnotes to fully clarify information.
4. Decrease in stipends because some were eliminated or employees were hired to back-fill those who were receiving stipends.

5. How will cuts to categorical programs impact students? There has been a 20% decrease in number of students since 2008 and categorical programs have not been cut by 20%. Continue to fulfill requirements legally mandated. Believe ECC is high on list of colleges providing back-fill for categorical programs. \$45,000 was used to augment the CalWORKs work study program. CalWORKs must serve all students who request CalWORKs services. State funding formula is based on the number of students served each year.
6. A discussion took place on the recommendation made to remove Retiree Health Benefits Allocation – GASB - Fund 17 from vote and place on hold and/or set aside allocation in a Fund 15 contingency account. The voting members agreed to vote on Funds 14 and 15 as is, without hold on GASB Fund 17:  
Approve – 3  
Against – 0  
Abstain – 3
7. Recommendation to Board approve Funds 14 and 15 will be made to the President.
8. Dental fund payouts have been \$10,000-\$12,000 a month higher than budgeted. Appears this significant amount will affect the 2011-12 ending balance and 2012-13 budget. Bookstore is expecting a \$500,000 loss for the year, after providing over \$300,000 to the auxiliary. Difficult balancing Police Department (Fund 12) budget which may impact Fund 11. The Child Development Center continuing deficits will impact unrestricted general Fund 11.

The committee was reminded to review the Comprehensive Master Plan on MyECC before the next meeting on June 21 for discussion and vote. Facilities Master Plan Executive Summary from HMC Architects is the only part missing which will be sent to the committee when received.

The next meeting is scheduled on June 21, 2012.

The meeting ended at 2:30 p.m.