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**EL CAMINO COLLEGE**  
**Planning & Budgeting Committee**  
**Minutes**  
**Date: August 29, 2013**

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**MEMBERS PRESENT**

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| <input checked="" type="checkbox"/> Jan Caldwell – Campus Police           | <input checked="" type="checkbox"/> Dipte Patel – Academic Affairs              |
| <input type="checkbox"/> Sean Donnell – ECCFT                              | <input checked="" type="checkbox"/> Dawn Reid – Student & Community Adv.        |
| <input checked="" type="checkbox"/> Alice Grigsby – Mgmt./Supervisors      | <input checked="" type="checkbox"/> Cheryl Shenefield – Administrative Services |
| <input type="checkbox"/> Vacant – ASO                                      | <input checked="" type="checkbox"/> Gary Turner – ECCE                          |
| <input checked="" type="checkbox"/> Rory K. Natividad – Chair (non-voting) | <input checked="" type="checkbox"/> Lance Widman – Academic Senate              |

**Other Attendees: Members** - William Garcia, Ken Key / **Support** - Francisco Arce, Janice Ely, Jo Ann Higdon, Jeanie Nishime, John Wagstaff, Will Warren / **Guests** – Octavia Hyacinth, Emily Radar, Luukia Smith

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The meeting was called to order at 1:03 P.M.

**Approval of August 22, 2013 Minutes**

The minutes were reviewed and approved with the following corrections:

1. Under final budget, #5 after available, **insert** in order to.
2. Under budget expenditures, #2 **delete** 24, and **replace** with 25.
3. Under special programs fund, #1 **delete** proposed, and **replace** with proposal.

**Final Budget 2013-14** – J. Higdon

1. The final budget was posted on line and copies were distributed to the attendees.
2. It was noted that the State's fiscal environment has improved for this budget year partially due to the passage of Proposition 30 – a temporary tax. The State general apportionment is \$5.5 million (-5.6%) below our 2008-2009 State general apportionment. It was noted that Proposition 30 is a two component tax. The sales tax component we receive from Proposition 30 expires December 31, 2016 and the income tax component expires December 31, 2018.
3. A reminder was given that we only budget the base FTES. In 2008-2009, the State funded El Camino for 19,682 FTES. By last year the State's allocation had declined to 18,130 FTES. For 2013-2014 the State will increase their allocation to approximately 18,472 FTES. This amount is still 6% below our College's 2008-2009 FTES allocation. The growth revenue will not be booked until the end of the year and until we earn the growth revenue. The College will be increasing our section offerings in order to attain the 18,472 FTES goal.
4. It was noted that Fund 15 is now only backfilling DSPS. The other categorical programs that were being backfilled by fund 15 have been restored by the State.
5. There is some money set aside funding from various sources, such as: fund 11, block grants, scheduled maintenance, fund 15, and bond funds will be used for our plan builder priorities and the computer change out of the XP machines for Microsoft.
6. Efforts are still being worked on to achieve full funding of the retiree health benefits program. The last actuarial estimated our liability at \$22,355,715. The final budget provides for \$1.9 million to be transferred to our irrevocable fund from Fund 15. It was noted that \$900,000 which is our yearly contribution, has been transferred as of this meeting. This funding, along with estimated investment

earnings, is expected to produce an ending balance of \$18,783,771. It was stated that we would only need \$3,571,944 to attain our goal of full funding.

7. As of note, the following sources of funds were noted:
  - a. Deficit factor: Instead of the 3.6% that you would see, we are bumping the deficit factor down by 0.7%.
  - b. Cash flow: This is much improved. There may be a small cash borrowing (TRANS) around the end of the year.
  - c. COLA: For the first time since 2008-2009, the State provided a COLA. Our College's share is estimated at \$1.47 million.
  - d. Growth: The state growth is 1.63%.

Uses of funds were noted:

- a. Employer pension plan increases have remained the same for STRS and increased only 0.003% for PERS.
- b. Employer paid health insurance premiums are expected to remain stable while individual coverage could vary with increases or decreases as much as 33%.
- c. The \$500,000 for the election expense has been included.
- d. To reflect expected savings between our budgeted and actual expenditures and revenue, a cost savings has been budgeted for \$3 million.
- e. For funds 14 and 15 there are budgeted funds for both sites for their auxiliary services.

Transfers were noted:

- a. A list of transfers is noted in the budget on page 58.

Ending balance:

- a. The ending balance for June 30, 2014 is projected to be \$15,875,641.

### **Budget Book Review** – J. Ely

1. The budget book was reviewed by the committee.
2. It was noted in the past that the Child Development Center fund has had its revenue supplemented by the district in order to maintain an adequate budget. This year the allocation for the center had to be raised from \$225,000 to almost \$258,000 in order to have a zero ending balance. A handout was distributed to the committee for clarity showing the center's revenue and expenditures for the past five years.
3. Money for unplanned emergencies is available in a few different funds. Fund 15/Capital Outlay/Equipment is budgeted for \$50,000 if needed.
4. It was clarified that money to be paid from some of pending legal issues with the MBA building would come out of the bond fund as bond fund money.
5. It was recommended that for this fiscal year the \$1 million additional funds not be put into the irrevocable trust for the retirement funds. It was suggested if we do put the funds into the trust, we should do it before the actuarial study because it reduces our liability. Discussion ensued regarding to what extent this account should be funded. The recommendation was seconded and further discussion ensued. Concern was expressed that if the \$1 million was utilized for the trust, it might impact other programs or educational goals which could also utilize the money. It was noted that the money to fund this trust has been solely out of fund 15. Fund 15 was never intended to be used for ongoing expenditures. The goal for this fund is \$22.3 million. It was suggested that if the issue could be looked at as El Camino trying to pay off its liability before the fund 15 money runs out, the issue may be looked at from a different point of view.

**Motion:** A recommendation was made to not allocate the remaining proposed \$1 million into the irrevocable fund for the 2013-2014 fiscal year. The monies would not be transferred at all.

**Four in favor**

**Two opposed**

**Two abstentions**

**Motion Carried.**

6. It was noted some positions have been absorbed from the Bookstore. Five employees were moved out of the Bookstore and into other positions. Three became cashiers, one moved to Purchasing, and one is in accounts receivable. A textbook rental program is also being reviewed.
7. Further discussion was called for regarding the final budget

**Motion:** A recommendation was made to move the final budget forward.

**Eight in favor**

**Zero opposed**

**Zero abstentions**

**Motion Carried.**

**Planning Calendar** – R. Natividad

The planning calendar will be sent out by email to everyone to review.

**Adjournment** – R. Natividad

The meeting adjourned at 2:35 p.m. We will now be returning to our normal meeting cycle of the first and third Thursday of the month. The next meeting will be held **Thursday, September 5, 2013 at 1:00 p.m.**, in Library 202.

RKN/lmo