



EL CAMINO COMMUNITY COLLEGE DISTRICT
16007 Crenshaw Boulevard, Torrance, California 90506-0001
Telephone (310) 532-3670 or 1-866-ELCAMINO
www.elcamino.edu

July 14, 2011

Board of Trustees
El Camino Community College District

Dear Members of the Board:

Happy New Year! I trust you all celebrated a new state budget and had a wonderful celebration of our independence on July 4th. As you know summer session, although abbreviated in its offerings, is going strong at our campus and at our center.

The July Board agenda is relatively brief as is expected in the mid-summer cycle but I would like to draw your attention to the Superintendent/President's section. As mentioned at the last Board meeting an item is included which would permit the Administration to make corrections to typographical and other inadvertent minor errors in the text of materials presented to the Board.

Your reading for this month includes attachment A, a brief explanation of the 2011-12 California state budget impact on California Community Colleges. As usual the Chancellor's Office will offer a summer seminar on the impact of state budget. Naturally we will provide you a summary of their impressions.

We have scheduled a relatively brief Closed Session. If you have any questions about details of the purchase orders or specific items, please feel free to contact Kathy or me prior to the Board meeting.

The following items are for your perusal:

1. Memo showing Middle and High School Graduations held at El Camino College;
2. Memo from the United States Department of Education, May 26, 2011;
3. E-mail from Francisco Arce, June 24, 2011, responding to Trustee questions;
4. Letter dated July 11, 2011, responding to Board questions at the June Board meeting.

Please contact Kathy or me with any questions prior to the Board meeting. I look forward to meeting with you in my office at 3 p.m. on Monday.

Sincerely,

Thomas M. Fallo
Superintendent/President

Cc: Vice Presidents, Director Community Relations



CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

June 30, 2011

Colleagues,

As you may know, the Legislature recently adopted a budget for the 2011-12 fiscal year. I'm glad that the Legislature passed a relatively timely budget that did not impose new policies on the California Community Colleges, such as the census reform proposal introduced in January. However, I am disappointed that the Governor and Legislature were unable to agree on a more balanced solution that would have provided greater support for higher education and put the state's finances on a more stable footing. While the higher than expected revenues have helped to protect the system from the worst-case scenario we had feared earlier in the spring, there is still little to cheer about in this package.

At a minimum, the California Community Colleges will absorb a net reduction of \$290 million and students will see their fees increase by \$10 per unit (a 38% increase). Also, colleges will have their cash flow management further challenged by a new interyear deferral of \$129 million, bringing total deferrals up to \$961 million – about 17% of the total apportionment. The budget states that it is the intent of the Legislature that colleges will prioritize transfer, career technical education, and basic skills courses, and I expect that colleges will heed this direction. Given the scarcity of resources, we must focus our efforts on the state's most pressing educational needs.

Additionally, the colleges may be subjected to midyear "trigger" cuts if revenues fall below estimates assumed in the budget. The potential adjustments could include an additional fee increase of \$10 per unit for the spring semester with a \$30 million cut to apportionments if revenues are more than \$1 billion below estimates, and an additional reduction of up to \$72 million if revenues are more than \$2 billion below estimates, as determined by the Director of Finance on or before December 15th. We know that midyear cuts are disruptive to college budgets and that midyear fee increases are difficult for students to pay and for colleges to implement, so we hope that such actions will not need to be invoked. We will monitor the situation closely and attempt to keep you apprised of developments during the fall.

It is my hope that the higher than expected revenues indicate that the state may finally be climbing out of the deep economic downturn that has resulted in a devastating and counterproductive underinvestment in our system of higher education. There's almost nothing the state could do to better position itself for a prosperous economic future than to fund education at adequate levels, so I hope that future budgets will enable the colleges to do what they do best – prepare students for a better future.

Sincerely,

A handwritten signature in cursive script that reads "Jack Scott".

Jack Scott, Ph.D.
Chancellor

EL CAMINO COMMUNITY COLLEGE DISTRICT

Civic Center/Facilities Planning and Services

Date: May 12, 2011
TO: Campus Police and ECC Staff
FROM: June Lynn L. Curtis, Program Specialist - Civic Center
SUBJECT: Middle and High School Graduations at El Camino College - June 2011.

Saturday, June 11, 2011 – Marsee Auditorium – Torrance Unified School District.

South High School	2 p.m. – 4 p.m.	Baccalaureate
Torrance High School	6 p.m. – 8 p.m.	Baccalaureate

Wednesday, June 15, 2011 – Marsee Auditorium – Inglewood Unified School District.

Crozier Middle School	1 p.m - 3 p.m.	Graduation
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Thursday, June 16, 2011 – Murdock Stadium – Inglewood Unified School District – 3 Graduations.

City Honors Graduation	11 a.m. – 1 p.m.	Graduation
Morningside High School	2 p.m. – 4 p.m.	Graduation
Inglewood High School	6 p.m. – 8 p.m.	Graduation

Friday, June 17, 2011 – Marsee Auditorium – Inglewood Unified School District.

Monroe Middle School	1 p.m. - 3 p.m.	Graduation
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Monday, June 20, 2011 - Marsee Auditorium – City of Lawndale.

Environmental Charter High School	5 p.m. – 7 p.m. -	Graduation
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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE CHIEF FINANCIAL OFFICER

RECEIVED

JUN 14 2011

MAY 26 2011

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Dr. Thomas M. Fallo
Superintendent
El Camino Community College District
16007 Crenshaw Boulevard
Torrance, California 90506-0001

Re: Audit Control Number: 09-10-110030
Grant Award Numbers: P031C080063, P031S040012, P031S070164

Dear Dr. Fallo:

This letter transmits the U.S. Department of Education's (ED) program determination for a finding cited in the above referenced audit report on El Camino Community College District (the District) for the year ended June 30, 2010. The audit report was prepared in compliance with the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The audit was performed by Vavrinek, Trine, Day & Company, LLP, and the report was issued on March 1, 2011, by ED's Post Audit Group (PAG), Financial Improvement and Post Audit Operations, Office of the Chief Financial Officer, in Washington, DC.

Finding Number 2010-7, Page 79, Procurement, Suspension and Debarment, Repeat Finding

The auditors cited Title 34, Education, Part 80, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Subpart C, Pre-Award Requirements, Section 80.35, Sub-awards to debarred and suspended parties,

Grantees and sub-grantees must not make any award or permit any award (sub-grant or contract) at any tier to any party, which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

The auditors also cited OMB Circular A-110, *Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, Sub-Part C, Pre-Award Requirements, Section .33, Debarment and Suspension,

Federal awarding agencies and recipients shall comply with the non-procurement debarment and suspension common rule implementing E.O s 12549 and 12689,

6-21-11

cc: Bd, JoAnn Higdon

400 MARYLAND AVE. S.W., WASHINGTON, DC 20202
www.ed.gov

“Debarment and Suspension.” This common rule restricts sub-awards and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

The auditors stated that the District does not have procedures to ensure that the District is not expensing monies to independent parties that have been determined to be suspended or debarred by the Federal Government. The auditors further stated that the District does not have within their contracts a clause or certification signed by the vendor that they are not debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs, nor are they checking the Excluded Parties List System (EPLS) for all vendors over \$25,000, as required.

Auditors' Recommendation

The auditors recommended that the District modify its procedures to verify that all vendors who are providing services to federally-funded programs in excess of \$25,000 have not been suspended, debarred, or otherwise excluded. This verification may be accomplished by checking the EPLS maintained by the General Services Administration (GSA), collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity. The auditors further stated that the District should also update contract templates for all contract types that exceed \$25,000 to avoid any noncompliance and possible return of Federal monies.

The District's Response

In its response included in the audit report, the District stated that it agreed with the audit recommendation and would implement the additional procedures required to be in full compliance with Federal guidelines.

PAG Determination

We sustain the audit finding and concur with the auditors' recommendations. At ED's request for an update on corrective actions taken, we received an email dated May 11, 2011, from Rocky Bonura, Director of Business Services. Mr. Bonura submitted to ED the District's revised policies and procedures regarding suspension and debarment. Furthermore, Mr. Bonura provided this office with the District's updated contract templates for all types of contracts and samples of a requisition with the verification information included.

Based upon our review of the information provided, we accept the District's responses to the finding, which indicate corrective actions are being taken. However, it should be noted that failure to comply with Federal regulations may adversely affect future Federal funding.

Auditors will perform audit follow-up procedures in subsequent OMB Circular A-133 audits to determine that actions have been taken to correct the finding and prevent a recurrence.

Thank you for your cooperation in response to the audit resolution process. If you have any questions, please contact Tina Le of my staff at (202) 245-8066.

Sincerely,

A handwritten signature in black ink, appearing to read 'Farrand C. Prindle', with a large, sweeping flourish at the end.

Farrand C. Prindle
Senior Audit Resolution Specialist
Post Audit Group
Financial Improvement and
Post Audit Operations

cc: Janice Ely, Business Manager
Rocky Bonura, Director of Business Services
Vavrinek, Trine, Day & Company, LLP

Oswald, Kathy

From: Arce, Francisco
Sent: Friday, June 24, 2011 1:00 PM
To: Fallo, Thomas
Cc: Oswald, Kathy
Subject: Re: Roman Serna

Yes we will put it into a memo format

Regards

Francisco Arce

On Jun 23, 2011, at 5:34 PM, "Fallo, Thomas" <tfallo@elcamino.edu> wrote:

Thank you.

I assume you are preparing a response informing all trustees based on the questions in the board meeting.

Thomas M. Fallo
El Camino Community
College District

On Jun 23, 2011, at 5:26 PM, "Arce, Francisco" <fmarce@elcamino.edu> wrote:

Below is Arturo's response to trustee Brown's question regarding the student leadership program.

Regards

Francisco Arce

Begin forwarded message:

From: "Hernandez, Arturo" <ahernandez@elcamino.edu>
Date: June 23, 2011 3:20:47 PM PDT
To: "Arce, Francisco" <fmarce@elcamino.edu>
Cc: "Goldberg, Don" <dgoldberg@elcamino.edu>
Subject: RE: Roman Serna

Dr. Arce,

The Society of Hispanic Professional Engineers (SHPE) national organization provides leadership training to SHPE student chapter executive board members through the National Institute for

Leadership Advancement (NILA). ECC SHPE is a well established club on campus and Roman Serna was elected President for the upcoming year by the SHPE members. Roman Serna as the club President will be representing ECC SHPE at NILA.

This is an opportunity for Roman Serna to develop his leadership, professional and academic skills and continue to grow with the SHPE club. Please see attached memo.

Let me know if you have any questions or if you need additional information.

Thank you,

Arturo Hernandez, Director

Mathematical Sciences Division

MESA, ASEM, S³-STEM Programs

El Camino College

16007 Crenshaw Blvd | Torrance, CA 90506

P: 310.660.3887 | F: 310.660.6354

From: Arce, Francisco
Sent: Thursday, June 23, 2011 1:20 PM
To: Hernandez, Arturo; Goldberg, Don
Subject: Ramon Serna

Please send me a memo, today if possible, explaining how students are selected to participate in National Institute for Leadership Advancement.

<Explanation - Roman Serna NILA SUMMER 2011.docx>



EL CAMINO COMMUNITY COLLEGE DISTRICT

16007 Crenshaw Boulevard, Torrance, California 90506-0001

Telephone (310) 532-3670 or 1-866-ELCAMINO

July 11, 2011

Board of Trustees
El Camino Community College District

Dear Members of the Board:

The following information is provided in response to Board Member questions at the June 20, 2011 meeting. Please remember that if you ask questions specific to purchase orders a few days prior to the meeting, we will have ample time to research your question and provide an answer at the Board meeting.

I. Board Letter Items 4-8:

- Board Letter Attachments 4-8 were sent in the electronic Board letter and may also be viewed on our website. (Susan Pickens provided the information to Trustee Combs)

II. Administrative Services, Item A – TENTATIVE BUDGET:

Please provide breakdown of Other Operating Expenses \$50,475,614.

The \$50,475,614 is the total of all funds under "other operating expenses." The majority of these are in the following funds:

- \$11 million in the unrestricted general operating fund. *See page 6 for more details.* Items to note: (1) object code 5700 includes an estimated \$1 million for election expenses and (2) object code 5100 includes \$1 million for our Paramedic and Fire Academy Program contract services agreements.
- \$2.9 million in the restricted general fund. *See page 10 for more details.* Includes Personal Services contracts of \$2.2 million.
- \$1.3 million in workers' compensation fund. *See page 16 for more details.* This represents the premium we pay to our workers' compensation joint powers authority.
- \$31 million in general obligation bond fund. These represent estimated expenditures for items such as architect fees, engineering fees, construction management, Department of State Architect (DSA) fees, DSA inspectors, testing laboratories, and soils and site studies. Although these must be budgeted as 2011-12 expenditures, they represent fees for the duration of the Series B bonds (thus covering future years as well).

- \$1 million in our property and liability self-insurance fund is the premium we pay to our joint powers authority.
- \$1 million in our dental fund is the estimated usage of our dental plan.

The tentative budget utilizes a reduced-revenue in the unrestricted general fund of \$8.575 million. The projected unrestricted general reserve contingency is 15.34% (\$16.5 million out of \$107.5 million).

What is the reserve for Contingencies 26% total? Also, which worst case scenario are we going with \$7.0 deficit spending?

- The tentative budget utilizes a reduced-revenue in the unrestricted general fund of \$8.575 million. The projected unrestricted general reserve contingency is 15.34% (\$16.5 million out of \$107.5 million).

Please explain Projected ending balance vs. Actual ending balance for the past five years:

In a typical year, it is common for a district to have a "savings" between budgeted and actual ending balances of 2 to 3%. Items contributing this "savings" include time delays in filling vacant positions and unexpected income such as state mandated reimbursements which take years to receive. Also, districts seldom budget growth. This natural "savings" is usually highlighted and reviewed with the Planning and Budget Committee.

FY 2010-11 was not a typical year. There were some unusual occurrences, none of which could have been foreseen, not budgeted. The following are examples of the unusual occurrences:

- 1) Following repeated requests for correct funding from the Chancellor's Office, President Fallo's efforts were finally accepted by the Chancellor's Office in March of 2011. The total multi-year correction was \$2.2 million. The Planning and Budget Committee was made aware of this Chancellor's Office correction.
- 2) Growth funds were not budgeted. At present, the Chancellor's Office appears to be prepared to pay a deficit growth of approximately \$1.4 million. (\$2.2 million in growth less \$800,000 deficit; please note that this number will continue to change.) The Planning and Budget Committee was made aware of our not budgeting for growth.
- 3) Due to the dire State fiscal situation, El Camino intentionally slowed expenditures which also served to improve our ending balance.

All of the above items resulted in our ending balance estimate of \$23.4 million (estimate as of June, 2011) as opposed to our previous \$16.5 million estimate in September 2010.

Reconciliation from our September estimate to a May estimate was delineated to our Planning and Budget Committee on May 23, 2011. (From May to June, the amount increased by \$200,000.)

Below is the reconciliation presented to Planning and Budget Committee this May:

Budgeted EB for FY 2010-11 per Budget Book	\$16.5
<i>Page 2 (18910 FTES)</i>	
Estimated changes during year:	
1	Increase funded FTES to 19,400 (19,400 - 18,910 * \$4,500) \$2.2
2	Expenditure savings (\$3.5 to \$4.0 estimated) \$4.0
3	Legal Settlement -\$0.9
4	Projected Deficit per P-1 -\$0.8
5	Chancellor's Office March 2011 adjustment \$1.1
6	One-year additional projected adjustment \$1.1
Projected EB for FY 2010-11	\$23.2

III. Administrative Services, Item N – Purchase Orders:

PO 402870 Insight Systems New Computer \$26,923.27: 28 Computers for the Transfer Center, Tutorial Center, Natural Sciences classrooms

PO 403459 Del Marketing New Computer \$156,563.10: One storage area network for the library upgrade

PO 403635 Dell Marketing New Computer \$183,913.25: 135 Computers—staff upgrades throughout campus

Purchase Orders 404202-404214 provide fire fighter in-service training for designated participants enrolled in the District's Emergency Technology Program (Originally Board Approved August 18, 2008)

PO 404202 – Torrance Fire Dept: Payment for Fire Tech 150, Course Section#7820; 8669 Student Contact Hours @ \$2.50

PO 404203 Santa Monica Fire Dept: Board Approved 6/19/06, Year 4 of 5, Payment for Fire Tech 150, Course Section #7823; 7604 Student Contact Hours @ \$2.50

PO 404204 City of El Segundo: Board Approved 11/17/08, Year 3 of 5; Payment for Fire Tech 150, Course Section#7860; 3457 Student Contact Hours@ \$2.50

PO 404205 Culver City Fire: Payment for Fire Tech 150, Course Section#7859, 4754 Student Contact Hours @ \$2.50

PO 404206 LA County EMS Board Approved 9/2/08, Year 3 of 5, Paramedic Training Classes Session 218 ~ Sections #7970 – 7978, 60% of the 28.91 FTES Generated

PO 404207 LA County EMS Board Approved 9/2/08, Year 3 of 5; Payment for the Paramedic Training Class Session 217 ~ Section#7969, 60% of the 19.20 FTES Generated

PO 404214 City of Hermosa Beach: Board Approved 11/17/08, Year 3 of 5; Payment for the Fire Tech 150, Course ~ Section #7863 2070 Student Contact Hours @ \$2.50

IV. Human Resources, Item A, Employment and Personnel Changes

#11 Rescind Change in Contract, President Thomas Fallo - President Thomas Fallo's salary for 2011-2012 to remain at \$276,905. President Fallo will participate equally in all management concessions approved in 2011-2012.

- Because furloughs/salary reductions and step and column 'freezes' are no longer under consideration for the 2011-12 budget proposal, the Superintendent/President's voluntary salary reduction has also been rescinded.


Item #16: Special Services Professional Re-Employment - Ms. Pauline Annarino, Special Services Professional, Range 7, Step 2, of the Special Services Professional Salary Schedule, not to exceed \$90,220, Special Resource Center/Health Sciences & Athletics Division, Academic Affairs Area, effective July 1, 2011 through June 30, 2012.

- These services are for the 2011-12 year. Pauline is the director on the sub-contract grant we have with Western Oregon University. This is the Western Regional Interpreter Education Center (WRIEC) grant – a federal grant. Mary may be familiar with it as ECC has been funded for the past 15 years at least – this is our fourth five year grant cycle. In the past the regions were split differently and ECC was funded independently as the RITC – Regional Interpreter Training Center or RITP – Regional interpreter training program.

The federal intent is to work with students post graduation to interpreter certification and interpreter educators. Pauline serves as the grant director between the two institutions which basically entails A to Z with this project including planning, budgeting, evaluation and reports. She leads regional and national project initiatives as well as participates in other initiatives identified by the national consortium. A couple examples of projects she leads are the Deaf self advocacy training and trilingual interpreting initiatives.

Please contact Kathy or me with any questions, comments or concerns.

Sincerely,



Thomas M. Fallo
Superintendent/President