

EL CAMINO COLLEGE Planning & Budgeting Committee

Minutes Date: June 11, 2020

√	Jose Anaya - Community Advancement		Ruben Sagastume - ASO, Student Rep
√	Amy Grant - Academic Affairs		Gary Robertson - Campus Police
√	Iris Ingram – Co-Chair (non-voting)	√	Jackie Sims - Management/Supervisors
√	Ken Key – ECCFT	√	Greg Toya - Student Services
	David Mussaw – ECCE	√	Josh Troesh – Academic Senate
√	Julie Bourlier – Administrative Services	√	Viviana Unda – Co-Chair (non-voting)

Alternate Members: K. Iino, A. Nasatir, D. McClelland, S. Dao

Support: J. Hinshaw, J. Shankweiler, R. Miyashiro, J. Miyashiro, A. O'Brien, B. Atane

Other Attendees: M. Arthur, J. Smotherman, C. Maldonado

The meeting was called to order at 1:07 p.m.

1. Agenda Review

a) It was noted that items #4 & #5 are to be moved to the August 6th meeting.

b) The new item #4 will be Assumptions & Tentative Budget for FY2020-21.

The committee moved and seconded the agenda as amended for today's meeting. The committee accepted the amended Agenda as presented with no objections.

2. Approval of Minutes – June 4, 2020

After review and notation of corrections requested, the committee moved to approve the June 4th minutes with no objections.

3. Guiding Principles for FY 2020-21 Budget Development Discussion

A. The committee reviewed the guiding principles and made the following changes.

1. Item #1 - replace job placement with "meaningful employment".

2. Item #2 - need to add a statement "including special funding for Professional Development".

3. Item #4 - add the word "diversity" before equity.

4. Identify the components to SCFF, Chancellor's Vision for Success and Call for Action. Iris mentioned that the final document would have links to the Chancellor's Office added to the items.

5. There would be preamble to the guiding principle that captures the social revolution occurring currently. Dean Sims will send Iris the wording of the preamble.

6. It was noted that the mission statement on the top of this document is the older version. Need to add the new version.

The committee moved and seconded the adoption of the guiding principles document with notation that the preamble would be added and sent to committee by the end of the week for their review. All members agreed with no objections.

4. Assumptions & Tentative Budget 2020-21

A. The tentative budget for FY2020-21 with assumptions would be going to the Board of Trustees meeting for their approval on Monday, June 15th. It reflects the best information available at this time from the California Community Colleges Chancellor's Office, the Governor's Proposed Budget and from the District's Management Team.

• The following are the assumption for the FYF2020-21 Tentative Budget:

i. Estimated Beginning Fund Balance = \$ 32,275,366

ii. Estimated Revenue = \$ 130,983,684

1. General Apportionment Revenue = \$ 106,877,260
 2. Federal Revenue = \$ 283,580
 3. Other State Revenue = \$ 9,161,506 d.
 4. Other Local Revenue = \$ 9,627,600
 5. Contributions into Fund 11 = \$ 5,033,738
- iii. Budget the General State Apportionment based on generation of 18,800 Credit and 30 Non-Credit FTES.
 - iv. Offering 5,084 sections for the 2020-21 Academic Year.
 - v. Cost of Living Adjustment (COLA) increase = 0.00%.
 - vi. Expected 7.690% reduction to General Apportionment Funding below prior year = \$8,903,544
 - vii. Addition of three FTE Full-Time Instructors = \$401,379
 - viii. Step and Column Movement:
 1. Certificated: 1.75% = \$ 1,034,459
 2. Classified: 1.75% = \$ 380,545
 - ix. Increase Employee benefits Costs due to item H = \$597,928
 - x. Pension Contributions:
 1. Public Employee Retirement System (PERS) Increases by .979% to 20.7% =\$913,024
 2. State Teachers Retirement System (STRS) Increases by 1.300% to 18.400% =\$761,041
 - ii. Budget for projected utility cost increases of 3% over 2019-20 projected costs (\$ 98,700)
 - iii. Budget for Interfund Transfers Out from Fund 11 (Unrestricted General Fund)
 1. \$ 935,374 to Fund 12 (Restricted General Fund)
 - a) No Change from 2019-20
 2. \$1,452,664 to Fund 62 (Property & Liability Insurance)
 - a) No Change from 2019-20
 3. \$ 200,000 to Fund 74 (Student Financial Aid-Return to Title 4)
 - a) No Change from 2019-20
 4. Budgeted Total 2020-21 Expenditures: \$ 145,668,016
 5. Projected Deficit Spending for 2020-21 Fiscal Year \$14,684,332
 6. Projected Ending Fund Balance: \$ 17,591,034

We are projecting a deficit of about \$14.68 million with a projected ending fund balance of about \$17 and a half million. A part of this is the State required reserves of 5%.

B. Tentative Budget FY2020-21

- i. The first step was the adoption of the guiding principles so that we have a way of looking at how we need to approach the budget.
- ii. The board will be reviewing and adopting the Tentative Budget for FY2020-21 on June 15th. We are going to tell the board, how much we would anticipate the furloughs and TNC's will save. We will also share a list of other areas we are looking at, but they are not decided yet because we have not gone through the whole process.
- iii. Once the state tells us what revenue projections will be, we will be bring it back to this committee. We will not know anything until late July early August.
- iv. In looking at the tentative budget summary sheet, you see the beginning fund balance, the revenue we expect to take in and the expenses we expect to make against each fund. The net change to fund balance is negative \$14.68M. Following the summary sheet are detailed separate funds sheet for all accounts at the district.
- v. Once additional reductions are identified, we will bring it back thought the collegial consultation process.

Question: The shortfall of \$14.68 million that is in the tentative budget does not include any cuts.

Answer: Correct. Right now, there is no cuts in the tentative budget.

Question: Management has been alerted to furlough that will be required. What other things have been decided?

Answer: So far, the management furlough, TNC employees, and cut in mileage stipends are effective starting July 1. There have been other suggestions, such as elimination of travel to conferences, professional memberships and subscriptions. We are costing those out. We are also looking at what would be the impact to operations if temporary classified employees were cut. Each VP's is looking at each line item in their budget to come up with suggestions for reductions based on the guiding principles.

Question: Around the elimination of travel, it will cause some faculty who are doing equity work not be able to participate in training or are trained?

Answer: The only thing that has been decided and will be implemented July 1st is the issue with the furloughs and the TNC, the other things are under discussion. It would be up to the Vice President in each area to use the guiding principles that we just adopted to decide what percentage of cuts needs to made in their areas.

Question: What is the savings that will be seen by the management furloughs?

Answer: Rough estimate of \$420,000 savings from the management position that are in position control. In addition, we are in negotiations with the bargaining units.

Question: What is the TNC estimation?

Answer: We do not know yet, because the Vice Presidents are still looking through all of their list to see the criteria that was set, who are absolutely needed to make sure that programs are delivered in accordance with the guiding principles we just adopted.

Question: What is the total dollars spent this year on TNC?

Answer: On fund 11 that is, our general operating fund, the salary portion alone is \$1.8 million. We are also looking at the separate category of TCS, which are temporary classified, so there are two groups: temporary non-classified we made the decision to cut those, but we are in the process of making decisions about temporary classified.

Question: are we looking at eliminating majority of the consulting expenses, and do we know how much money we spent a last years on consulting?

Answer: We have a report that went to the Board on how much we spent in personal services contracts; we have spent less this year. We are not eliminating all of them, because some of those consultants are needed for our health and safety and compliance requirements of the college. Some of the personal services consulting contracts have to do with the various types of software programs we have that are being utilized in various areas of the campus. If we are going to discontinue some of the contracts, we need to be careful that those do not affect certain programs that the college depends upon. The VP's have a list for their areas they will carefully examine what they absolutely need to get by and what they can eliminate.

Question: So the budget that's going to the board on Monday, is it going to be balanced, because from the cuts that were proposed so far that won't add up to enough to cover \$14.68 million deficit?

Answer: Right. What we are presenting is balanced, because we have a fund balance to cover the deficit. However, come, July 1st, we have to uncover that fund balance and expose the deficit and come up with cuts that will add up to \$14.68 million. We are not legally allowed to close the year in the red and we will not because we do have the fund balance.

If we do not make those cuts, we will end up with a \$14.68 million deficit. Therefore, between July 1st through June 30, 2021, we have to make \$14.68 million worth of cuts or all that money comes out of our funds balance.

Question: Regarding the negotiating of the potential salary cuts to the bargaining groups that depends on actually when the bargaining is settled, then, would that be retro active to help with this current deficit.

Answer: Cannot speak specifically to bargaining issues. We are working right now with the bargaining units and they are very aware of the fact that we have these budget constraints.

Question: If it is negotiated regarding salary cuts with the bargaining unit, how would that impact this current budget in terms of being retroactive?

Answer: It would depend on what is negotiated as far as an effective date. So at this point, we are not able to make any analysis in terms of its impact.

Question: Regarding the timing of negotiations when, how does that work with the negotiations time cycle in general?

Answer: All of that is negotiated.

The committee moved and seconded to approve the initial Tentative Budget FY2020-21 as presented to the Board of Trustees on Monday, June 15, 2020. All members agreed with no objection.

Meetings for the summer. We do not have the exact dates yet, but we have already made sure that we will compensate faculty for their days or hours that we meet during the summer as necessary. We will keep you informed as more information comes out from the state.

5. Other Discussion

- a. Comment was made that when this budget is presented to the board on June 15th the idea that there's going to be some additional spending related to the call to action and other things on diversity inclusion and anti-racism be put forth to the board members.
 - i. Iris mentioned that it will be emphasized, and just as a side note our Trustee Ken Brown is part of the group representing trustees around the state that are dealing with the governor's call to action.
- b. Reminder: Please do the self-evaluation survey that was sent out last week. You have until tomorrow to complete.
- c. At the meeting in August, we will be discussing PBC goal for 2020-21 and the 2019-20 goal, which were not set by the committee. We will also be discussing the results of the self-evaluation survey.

6. Adjournment

The meeting adjourned at 2:22 p.m.