

**EL CAMINO COLLEGE**  
**Planning & Budgeting Committee**  
**Minutes**  
**Date: June 2, 2016**

---

**MEMBERS PRESENT**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Connie Fitzsimons – Academic Affairs | <input checked="" type="checkbox"/> Rory K. Natividad – Chair (non-voting)    |
| <input type="checkbox"/> William Garcia– Student & Comm Adv.             | <input checked="" type="checkbox"/> Cheryl Shenefield–Administrative Services |
| <input type="checkbox"/> Ken Key - ECCFT                                 | <input checked="" type="checkbox"/> Jackie Sims -Management/Supervisors       |
| <input type="checkbox"/> Areceli – ASO, Student Rep.                     | <input type="checkbox"/> Dean Starkey – Campus Police                         |
| <input type="checkbox"/> David Mussaw – ECCE                             | <input checked="" type="checkbox"/> Lance Widman - Academic Senate            |

**Other Attendees: Members:** A. Grant, S. Prieto, A. Sala, E. Solarzano, J. Troesh  
**Support:** I. Graff, J. Higdon, J. Shankweiler  
**Guests:** J. Anaya, B. Atane, A. Leible,

---

The meeting was called to order at 1:04 p.m.

**Announcements**

1. Susanna Prieto is the new representative for the Federation.

**Approval of the May 19 Minutes**

1. Page 1, Budget Update, fourth sentence, **correct:** financially.
2. A clarification was made regarding the pension liability referenced in #3 under Budget Update. It is referencing both STRS and PERS as referenced in the handout which accompanied the hand out from the last meeting. It was noted this would be discretionary with the District (from Chancellor’s Office).
3. The minutes were approved with the one minor correction and will be posted to the portal.

**Budget Update – Tentative Budget** – J. Higdon (handout)

1. The tentative budget was distributed for review and discussion. The tentative budget handout contains the unrestricted general funds at this point. The budget is based on the college achieving 19,519 credit FTES and 20 non-credit FTES. Presently the college is projecting a shortage by 120 resident FTES. If money from this shortage does not come in by the time we have our permanent budget, revenues will decrease by \$550,000. This will also affect next year’s revenue by the same amount since we will be in stabilization at that point. This would make for a million dollar decrease over this two-year period.
2. Included in this handout are numerous items from the Governor’s projected May revise. The committee was reminded there will be no COLA for this next year. The estimated increase for the base allocation is projected to be \$1,275,000 million. The projected deficit for 2015/2016 is listed at one-half of a percent.
3. The adjusted beginning balance for July 1 was noted as including one-time funds (\$15 million) which was received from the end of last year. The revenue from the one-time expenditures came from the state paying the mandated cost claims which they have not previously paid for before (\$10,605,655 for 2015/2016). The Board designated this as a one-time expenditure.
4. It was noted pension costs are important costs to be aware of. Beginning in 2019 STRS will have the ability of increasing their costs themselves at any point during the year. PERS already possesses this ability.

5. The committee was reminded the sales tax revenue from prop 30 comes to an end this upcoming year. Instead of the Governor putting \$1.6/\$1.8 billion in his rainy-day fund, he is going to let it go into Proposition 98. In the following year 2017/2018, the Governor could change his mind depending if Proposition 30 is extended.
6. It was pointed out under contract services and operating expenses (5100) the amount of \$1,793,080 for 2016/2017 is high because it includes the Paramedic and Fire Academy Programs as contract service agreement. In order to issue checks, money must already be in these accounts. Salary amounts of contracts are transferred to the academic salary account (1110) at the end of the year.
7. There is also a large increase noted under academic salaries (1300) of \$1.7 million which is for enrollment management goals.
8. The new STRS contribution rate is slated to increase to 12.58% and PERS to 13.888%.
9. No money is set aside for elections this coming year as no Board member is due to run until the following year.
10. A separate sheet was distributed showing details of the interfund transfers (7300) for 2016/2017.
11. It was noted the retiree benefits (3900) is showing a zero as we are now paying the benefits out of the irrevocable trust.
12. It was asked if we will receive a reduction in funding once Compton becomes independent college. It was noted a vast majority of the money we receive would be gone. It is estimated the projection as to when Compton may separate from us may be approximately four years. One issue may be how we charge some of the one-time expenditures which have relied on this fund. It was pointed out some of the support programs may be vulnerable and will have to find other sources of income. What may be challenging is DSPS as they have just changed their funding formula.
13. A discussion ensued as to a clarification on the reserves for the one-time expenditures/pension liabilities. The reserves show \$4.3 million of the ending balance reserved for future pension liabilities and \$10.6 million of the ending balance reserved for one-time only expenditures. These figures were for 2015/2016 and are being proposed to roll over for 2016/2017. It was noted the chart for the increases will be updated so more specifics could be viewed year-by-year to show the incremental increases.
14. The tentative budget will be brought back to the next meeting. Any questions should be sent to J. Higdon for clarification. It was decided to set a special session of the PBC for next week on Wednesday at 2 p.m. so the committee could be prepared to approve a recommendation of the tentative budget to the President and also to give sufficient time for preparation of the board item.

#### **Work Force Development Update – J. Anaya**

1. It was reported there is a line item in the Governor's budget called Strong Workforce. This will be a \$200 million allocation to the colleges in a formula based on unemployment rate, the proportion of career technical education full-time equivalent students and the proportion of job openings. These are monies being invested by the State to address the workforce needs in the community.
2. Decisions are still being made as to how to cut the money. The Chancellor's Office is looking for a 60/40 split- 60% to the college and 40% to the regions. The Senate and Assembly proposed a 75/25 split – 75% to the college and 25% to the regions. Areas with higher unemployment will receive higher funding.
3. A plan which is data driven will have to be put together and supports the needs of jobs in the region. There needs to be a plan for the money received by the college and a plan for the money given to the region. There is still a lot of debate on this issue and it will not be solved until the legislature passes the budget. It was noted the plan the college creates will have to be approved by the Regional Consortium.
4. It was noted the Chancellor's Office will take 5% of the money which will be used for planning.

#### **VP Area Priorities – J. Nishime / J. Shankweiler (handout)**

1. A report was given on the prioritization of the area and unit plans. All plans were reviewed as they came up through the units and onto the area vice-president's plans. The requests were prioritized according to the seven categories indicated on the handout. The handout showed the five budget guidelines utilized in determining the requests.
2. Listed on the handout is a summary of the budget which is requested. We still do not know how much we have to spend at this point so it is not known how far down the list we will be able to go.
3. It was noted there will be a large amount anticipated for the instructional equipment. Non-instructional equipment and facilities is more difficult because other sources need to be found for these. It is not sure where the funding will come from for the software and hardware. Staffing will be the most difficult as it will impact general funds. Very few staffing positions which impact the general fund will be approved.
4. All of the requests are being put on TracDat under College Plan. A pdf file will be sent out to everyone so you can see the plans, the details and how it's prioritized. Anyone authorized in TracDat will be able to see this plan. By the time we know the final budget, we should know how much money we will be allocating for the requests. It was noted when requesting software/hardware you will need to have IT support behind it. IT is keeping a spreadsheet listing anything that is technology related to any of the requests. Any plans which include anything dealing with IT should contact them so they can note your information for more accuracy and continuity. This topic will be brought back at a future meeting.

**Adjournment** – R. Natividad

1. The meeting adjourned at 2:16 p.m. The next meeting will be a special meeting regarding the budget and will be held on **June 8, 2016 at 2:00 p.m.** in Library 202.

RKN/lmo