



PLANNING & BUDGETING COMMITTEE

August 18, 2016

1:00 -2:30 P.M.

Library 202

Facilitator: Rory K. Natividad

Notes: Linda M. Olsen

STATEMENT OF PURPOSE

The Planning and Budgeting Committee serves as the consultation committee for campus-wide planning and budgeting. The PBC assures that the planning and budgeting are interlinked and that the process is driven by the mission and strategic initiatives set forth in the Strategic Plan. The PBC makes recommendations to the President on all planning and budgeting issues and reports committee activities to campus constituencies.

Strategic Initiative – C – Collaboration

Advance an effective process of collaboration and collegial consultation conducted with integrity and respect to inform and strengthen decision-making.

Members

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

Alternate Members / Support

- | | | |
|--|--|--|
| <input type="checkbox"/> Linda Beam – Support | <input type="checkbox"/> Rebecca Russell - Alt., Ac. Affairs | <input type="checkbox"/> Steve. Waterhouse- Alt.Mgmt/Sup |
| <input type="checkbox"/> Janice Ely – Support | <input type="checkbox"/> Andrea Sala – Alt. SCA | <input type="checkbox"/> Alt. ASO, Student |
| <input type="checkbox"/> Irene Graff – Support | <input type="checkbox"/> Jean Shankweiler – Support | <input type="checkbox"/> Vacant – Alt. ECCE |
| <input type="checkbox"/> Jo Ann Higdon – Support | <input type="checkbox"/> Ericka Solarzano - Alt. Police | <input type="checkbox"/> Susana Prieto – Alt. ECCFT |
| <input type="checkbox"/> Kristie Daniel-DiGregorio – Support | <input type="checkbox"/> Michael Trevis – Alt. Adm. | |
| <input type="checkbox"/> Jeanie Nishime – Support | <input type="checkbox"/> Josh Troesh – Alt. Ac. Sen | |

AGENDA

- | | | |
|--|------------------------|-----------|
| 1. Draft Minutes Approval – July 7, 2016 | R. Natividad | 1:00 P.M. |
| 2. Final Budget | D. Maloney / J. Higdon | 1:10 P.M. |
| 3. Annual Planning Information | R. Natividad | 2:10 P.M. |

Next meeting – August 24th (special budget session)

Committee Funds and Financial Terms Glossary

General Unrestricted	Fund 11
General Restricted	Fund 12
Compton Center Related Activities	Fund 14
Special Programs Compton Center Partnership	Fund 15
Student Financial Aid	Fund 74
Workers Comp.	Fund 61
Capital Outlay Projects	Fund 41
General Obligation Bond	Fund 42
Property & Liability Self-Insurance	Fund 62
Dental Self-Insurance	Fund 63
Post-Employment Benefits Irrevocable Trust	Fund 69
Bookstore	Fund 51

WSCH =	Weekly Student Contact Hours
BOGFW =	Board of Governors Fee Waiver
FTES =	Full Time Equivalent Students
FTEF =	Full Time Equivalent Faculty
COLA =	Cost of Living Adjustment
OPEB =	Other Post-Employment Benefits
FON =	Faculty Obligation Number

* A complete list is available in the annual final budget book.

Planning and Budgeting Committee 2016-17 Goals

PBC Goals 2016-17 for discussion:

1. Develop an action plan utilizing the college wide evaluation of planning and budgeting process. The evaluation was conducted last year.
2. Review and approve the Comprehensive Master Plan to ensure that they are:
 - a. Supportive of the Mission and Strategic Plan,
 - b. Integrated with other college planning and budgeting,
 - c. Implementable, and
 - d. Achievable.
3. Evaluate the Strategic Plan including Institutional Effectiveness Outcomes and Strategic Initiative Objectives.
4. Review and improve upon the yearly activity calendar.
5. Provide a professional development opportunity for faculty and classified.
6. Seek evidence of constituent group PBC communications in an effort to improve the understanding of committee efforts throughout the campus.

EL CAMINO COLLEGE
Planning & Budgeting Committee
Minutes

Date: July 7, 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 checked="" type="checkbox"/> Ken Key - ECCFT | <input checked="" type="checkbox"/> Jackie Sims -Management/Supervisors |
| <input type="checkbox"/> Araceli Rodriguez – ASO, Student Rep. | <input type="checkbox"/> Dean Starkey – Campus Police |
| <input checked="" type="checkbox"/> David Mussaw – ECCE | <input checked="" type="checkbox"/> Lance Widman - Academic Senate |

Other Attendees: Members: R. Dreizler, A. Grant, A. Sala, S. Prieto

Support: J. Ely, I. Graff, J. Higdon, D. Patel, J. Shankweiler

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

Approval of the June 8 Minutes

1. Tentative Budget, #9, after the word reviewed, **insert** and. In the second sentence, **replace** know with known.
2. The minutes were approved with corrections as noted and will be posted to the portal.

Enrollment Management Handbook (handout)

1. A hard copy of the Enrollment Management handbook that was presented at the last Board meeting was distributed to the committee members. It was noted the timelines for the strategies will eventually have more developed timelines. This will assist with keeping more on track with things and keeping everyone informed.

Summer Enrollment Update – J. Shankweiler (handout)

1. It was reported the conversion of the data system has caused some issues with the way data is pulled. Some improvements are being reviewed. One of the issues is the conversion occurred on June 9 and the first eight-week session was two weeks later. The problem was the student applications were not getting processed. This created a large backlog of unprocessed applications. With the students not being processed, it may skew the numbers listed on this update.
2. The FTES earned for the first six-week and eight-week sessions is estimated to be 1,439. To make our growth goal which is 19,539 we needed to have 1,510 for the summer. We are 71 FTES short of making this goal. Our base has been reached but at this point we will not make our growth. Enrollment for this year is slightly more than last summer (150), but we have more sections this year. Compton also missed making their goal by 68 FTES. More than likely since we didn't make our growth, we will be going into stabilization next year which means we will be paid on what we are earning this year. The more we can reduce the 71 figure, the better off we will be for next year for stabilization. It was noted for next year summer there will only be two sessions; one six-week and one eight-week.

PBC Annual Planning and Budget Calendar – R. Natividad (handout)

1. The calendar was distributed to the committee for their review. Input from the committee was encouraged to see if anything needs to be shifted with the dates/activities. It was noted the February 15 due date for submitting unit plans for the next fiscal year was a little troubling. In terms of

prioritizing these program plans at the divisional level (between November 15 and February 15), there is not appropriate time to hold division council meetings to discuss prioritization with the faculty. With the addition of the winter session, most faculty may not return until spring which would be around the beginning of February. It was noted there would be a review to see if more appropriate dates could be devised. Some suggested dates will be sent to the vice-presidents to see how it impacts the tentative budget or other items.

2. It was noted on the calendar that the President will be attending the August 18 meeting (budget). August 25 is also listed as another date to tentatively review the budget. The budget would then move through and be presented to the Board of Trustees for the September 7 board meeting.
3. A suggestion was made to move the August 25 (Thursday) meeting date to the afternoon of August 24 (Wednesday) at 1 p.m. It was noted August 25 is flex day and the earliest the PBC could meet that day would be 4 p.m. in the afternoon. It was agreed the meeting would be scheduled for August 24 at 1p.m. in Library 202.

PBC Annual Activity Calendar – R. Natividad (handout)

1. The committee was asked to review the calendar to see if there were any other areas that could be included on next year's calendar. The topics on the calendar include all the main subjects covered each year with the PBC. This subject will be brought back at the next meeting for review. This calendar will be reviewed and revised every July.
2. The vice presidents have been working on the presentations and reports that go to the board. These will be quarterly enrollment management and FTES reports. It was suggested these presentations and reports be placed on the calendar for PBC also.

Review Committee Appointments – R. Natividad

1. C. Fitzsimons will be retiring in August and thus stepping down from the PBC. She was thanked for her valuable service to the committee. A. Grant will take her place and R. Russell (Library) will become the alternate for Academic Affairs. An ASO alternate will be forthcoming as well as a new alternate for classified staff.

PBC Goals 2016-2017 – R. Natividad (handout)

1. Recommendations have been made for the first three goals listed on the handout. These three did appear as the goals for 2015-2016. Components of these goals have been completed but not everything has been finalized.
2. Three items added for 2016-2017 are as follows: 1) Reviewing and improving of the yearly activity calendar, 2) Provide a professional development opportunity for faculty and classified, and 3) Seek evidence of constituent group PBC communications in an effort to improve the understanding of committee efforts throughout the campus.
3. A suggestion was also made for a budget workshop to assist in the understandings of our budgeting process.

Adjournment – R. Natividad

1. The meeting adjourned at 1:36 p.m. The next meeting will be held on – **August 18, 2016 at 1:00 p.m.** in Library 202.

COMMUNITY COLLEGES

- Access/Growth - \$114.7 million (2%)
- COLA - 0.0%
- General Operating Increase - \$75 million (1.29%)

COMMUNITY COLLEGES

- Categorical Programs:
 - \$200 million Strong Workforce Program
 - \$48 million CTE Pathways Program
 - \$30 million Basic Skills
 - \$8.7 million CalWorks
 - \$2.4 million MESA and Puente

COMMUNITY COLLEGES

- \$184.6 million for deferred maintenance, instructional equipment, and drought resistance
- \$49.2 million for Energy Efficiency Projects (Prop 39)
- No fee increase

CAUTIONS AND CONCERNS

- Proposition 30 is *temporary*
 - Sales tax increase terminates at the end of 2016 (approximately 19% of Prop 30 revenues)
 - Income tax increase terminates at end 2018
 - Current State projections includes sufficient revenues to offset these losses for FY 16-17

ECC BUDGET ASSUMPTIONS

- Stabilization
- (State Apportionment remains at FY 15-16 level)
- Zero COLA
- \$1.36 million for General Operating Increase
- \$1.17 million to increase section offerings to attain Enrollment Management Goals

ECC BUDGET ASSUMPTIONS (cont.)

- STRS Employer Rate Increase to 12.58% (from 10.73%)
- PERS Employer Rate Increase to 13.888% (from 11.847%)
- \$4.3 million reserved for future STRS & PERS liabilities (projected increase to 19.1% & 20.4% by FY 2020-21)
- \$10.6 million reserved for future one-time only expenditures

NEXT STEPS

- PBC discussion on August 18 & 24, 2016
- Board Budget Workshop on September 7th
@ 3pm
- Likely events - revisions throughout year
- Keep Board informed



THANK YOU

FINAL BUDGET

2016-2017

**El Camino Community
College District**

**Office of the Superintendent/President
September 7, 2016**

EL CAMINO COMMUNITY COLLEGE DISTRICT
2016-2017 FINAL BUDGET
GENERAL FUND UNRESTRICTED - FUND 11
REVENUE

Account Number	Description	2014-2015 Actual Revenue	2015-16 Unaudited Revenue	2016-2017 Final Budget
BEGINNING BALANCE JULY 1		17,897,294	17,710,651	34,479,690
ADJUSTMENT		0	606	0
ADJUSTED BEGINNING BALANCE JULY 1		<u>17,897,294</u>	<u>17,711,257</u>	<u>34,479,690</u>
<u>REVENUE</u>				
<u>FEDERAL REVENUE</u>				
8190	Other Federal Revenue	71,077	58,156	55,000
8199	Financial Aid Administrative Allowance	<u>91,669</u>	<u>58,180</u>	<u>60,000</u>
Total Federal Revenue		162,746	116,336	115,000
<u>STATE REVENUE</u>				
8610	Principal Apportionment	45,493,778	53,322,274 a)	51,751,769 g)
8610	Education Protection Account Funds	17,547,895	16,175,509 b)	15,643,832 h)
8610	Potential Revenue Shortfall	0	0	0
8606	Part-Time Faculty Apportionment	407,250	396,456	400,915
8612	Prior Year Apportionment Correction	847,067	506,682 c)	0
8613	Current Year Apportionment Correction	235,149	(573,008) c)	0
8614	SFAA Enrollment Fee Administration	281,422	280,778	294,489
8621	State Indirect Costs	130,612	127,287	125,000
8672	Homeowner's Property Tax Relief	187,572	183,986	184,000
8680	Lottery Funds	2,581,100	3,068,265 d)	2,896,704 i)
8690	Other State Revenue	24,050	66,834	0
8691	Mandated Cost Claims - P/Y Pay Down	0	10,605,655 e)	0
8691	Mandated Cost Claims	<u>815,643</u>	<u>536,423 f)</u>	<u>545,664 j)</u>
Total State Revenue		68,551,538	84,697,141	71,842,373

Notes to Revenue a) through j), see page 7.

EL CAMINO COMMUNITY COLLEGE DISTRICT
2016-2017 FINAL BUDGET
GENERAL FUND UNRESTRICTED - FUND 11
REVENUE

Account Number	Description	2014-2015 Actual Revenue	2015-16 Unaudited Revenue	2016-2017 Final Budget
<u>LOCAL REVENUE</u>				
8800	Administrative Oversight	50,000	50,000 k)	50,000
8800	Police Dept. Services - Compton Center	1,473,371	1,472,199 l)	1,502,986
8810	Educational Revenue Augmentation	0	1,495,413	0
8811	District Taxes - Secured Roll	24,635,336	25,904,623	29,979,694
8812	District Taxes - Supplemental	698,132	766,680	863,147
8813	District Taxes - Unsecured Roll	974,272	1,011,810	1,265,323
8816	District Taxes - Prior Years	606,815	495,652	905,402
8818	Penalties/Interest on Delinquent Taxes	323,405	280,831	356,519
8819	Redevelopment Agency Funds	250,439	604,907	0
8841	Food Services Commission	54,207	61,334	50,000
8842	Equipment Sales	1,041	12,731	0
8850	Rentals and Leases	242,082	198,771	180,000
8851	Lease Contract-Pioneer Theater	240,000	240,000	240,000
8854	Lease Contract-CDC Building	73,700	82,611	82,812
8860	Interest and Investment Income	143,753	208,343	250,000
8874	Enrollment Fees	7,465,329	7,352,889	7,474,821
8879	Transcript Fees	107,702	107,035	107,000
8880	Non-Resident Tuition	596,473	523,822	520,000
8885	Non-Resident Tuition-Foreign	3,679,942	3,695,787	3,700,000
8887	Catalogs and Class Schedules	11,913	12,583	12,000
8889	Student Fines/Fees	37,224	34,316	30,000
8890	Parking Citations	331,050	278,707	275,000
8890	Processing Fees	3,647	4,323	4,000
8890	Discovery Series	20,774	6,077	6,000
8891	Center for the Arts Performances	76,502	82,042	80,000
8893	Miscellaneous Income	154,249	64,905	30,000
8895	Community Advancement Transfer	200,000	200,000	200,000
Total Local Revenue		<u>42,451,358</u>	<u>45,248,391</u>	<u>48,164,704</u>
<u>INCOMING TRANSFERS</u>				
8980	Transfer from Other Funds	<u>696,000</u>	<u>0</u>	<u>0</u>
Total Incoming Transfers		<u>696,000</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE - ALL SOURCES		<u>111,861,642</u>	<u>130,061,868</u>	<u>120,122,077</u>
TOTAL BEGINNING BALANCE AND REVENUE		<u><u>129,758,936</u></u>	<u><u>147,773,125</u></u>	<u><u>154,601,767</u></u>

Notes to Revenue k) through l), see page 7.

EL CAMINO COMMUNITY COLLEGE DISTRICT
2016-2017 FINAL BUDGET
GENERAL FUND UNRESTRICTED - FUND 11
EXPENDITURES

Account Number	Description	2014-2015 Actual Expenditures	2015-16 Unaudited Expenditures	2016-2017 Final Budget
<u>ACADEMIC SALARIES</u>				
1100	Regular Schedule, Teaching	25,680,966	26,343,522 m)	25,922,805 q)
1200	Regular Schedule, Non-Teaching	7,527,589	7,233,065	7,943,983
1300	Other Schedule, Teaching	15,244,136	15,269,728	16,988,857 r)
1400	Other Schedule, Non-Teaching	1,235,992	1,045,815	1,242,172
Total Academic Salaries		<u>49,688,683</u>	<u>49,892,130</u> n)	<u>52,097,817</u>
<u>CLASSIFIED SALARIES</u>				
2100	Full Time	21,328,202	21,773,083	22,194,656
2200	Instructional Aides	1,740,994	1,770,266	1,787,969
2300	Student Help, Hourly and Overtime	2,606,524	2,808,630	2,927,662
Total Classified Salaries		<u>25,675,720</u>	<u>26,351,979</u> n)	<u>26,910,287</u>
<u>STAFF BENEFITS</u>				
3120	State Teachers' Retirement	3,598,736	4,411,051	4,970,132 s)
3200	Public Employees' Retirement	2,668,413	2,778,852	3,168,921 s)
3300	Social Security - OASDI/Medicare	2,574,870	2,586,832	2,670,592
3400	Health and Welfare - Medical	8,203,277	7,884,194	8,639,585
3500	Unemployment Insurance	32,798	36,479	39,273
3600	Workers' Compensation Insurance	1,361,064	1,672,460	1,676,597
3700	Cash in Lieu of Insurance	102,939	101,803	104,348
3800	Other Benefits	273,211	287,456	293,982
3900	Retiree Benefits	0	0 o)	0
Total Staff Benefits		<u>18,815,308</u>	<u>19,759,127</u>	<u>21,563,430</u>
<u>BOOKS, SUPPLIES AND MATERIALS</u>				
4200	Books	5,207	3,832	6,567
4300	Instructional Supplies	201,659	56,279 p)	781,613
4400	Other Instructional Supplies	70,471	35,248 p)	88,823
4500/4600	Non-Instructional Supplies/Gasoline	870,337	888,231	1,159,136
Total Books, Supplies and Materials		<u>1,147,674</u>	<u>983,590</u>	<u>2,036,139</u>

Notes to Expenditures m) through s), see page 8.

EL CAMINO COMMUNITY COLLEGE DISTRICT
2016-2017 FINAL BUDGET
GENERAL FUND UNRESTRICTED - FUND 11
EXPENDITURES

Account Number	Description	2014-2015 Actual Expenditures	2015-16 Unaudited Expenditures	2016-2017 Final Budget
CONTRACT SERVICES AND OPERATING EXPENSES				
5100	Contract for Personal Services	564,843	559,798	2,060,772 u)
5200	Travel, Conference and Training	345,735	410,099	565,107
5300	Dues and Memberships	160,859	186,425	226,887
5400	Insurance	923,420	1,000,000	1,154,300
5500	Utilities and Housekeeping Services	3,066,618	2,687,447	3,125,044
5600	Contracts, Rentals, and Repairs	2,100,090	2,332,812	2,705,820
5700	Legal, Elections, and Audit Expense	362,989	482,147	874,200
5800	Other Services, Postage, Advertising	1,808,226	1,811,224	2,496,832
5900	Miscellaneous	286,203	10,044	273,400
Total Contract Services and Operating Expenses		<u>9,618,983</u>	<u>9,479,996</u>	<u>13,482,362</u>
CAPITAL OUTLAY				
6300	Library Books	0	0 p)	135,200
6400	Equipment	384,174	340,426 t)	350,000
Total Capital Outlay		<u>384,174</u>	<u>340,426</u>	<u>485,200</u>
OTHER OUTGO				
7300	Interfund Transfer	6,717,743	6,486,187	6,751,725
TBD	Estimated Savings - Budget to Actual	0	0	(3,000,000)
Total Other Outgo		<u>6,717,743</u>	<u>6,486,187</u>	<u>3,751,725</u>
TOTAL EXPENDITURES / APPROPRIATIONS		<u>112,048,285</u>	<u>113,293,435</u>	<u>120,326,960</u>
RESERVE FOR FUTURE PENSION LIABILITIES		0	4,349,587	4,349,587 v)
RESERVE FOR ONE-TIME EXPENDITURES		0	10,605,655	10,605,655 w)
TOTAL COMMITTED FUND BALANCE		<u>0</u>	<u>14,955,242</u>	<u>14,955,242</u>
TOTAL UNCOMMITTED FUND BALANCE		<u>17,710,651</u>	<u>19,524,448</u>	<u>19,319,565</u>
TOTAL ENDING BALANCE		<u>17,710,651</u>	<u>34,479,690</u>	<u>34,274,807</u>
GRAND TOTAL - EXPENDITURES / ENDING BALANCE / RESERVES		<u><u>129,758,936</u></u>	<u><u>147,773,125</u></u>	<u><u>154,601,767</u></u>

Notes to Expenditures t) through w), see page 8.

EL CAMINO COMMUNITY COLLEGE DISTRICT
2016-2017 FINAL BUDGET
GENERAL FUND UNRESTRICTED - REVENUE

Notes to Unaudited Revenue 2015-16 - Page 3.

- a) General apportionment funding based on State funding of 19,469 credit FTES and 20 non-credit FTES.
Includes projected \$4.7 million increase to workload and base allocation rates.
All amounts subject to change during 2015-16 per Chancellor's Office.
- b) The Educational Protection Account portion of the State General Apportionment.
- c) Additional State Apportionment - Recalculation of the District's 2014-15 allocation.
Estimated Apportionment due back to State for 2015-16, due to loss in FTES.
- d) A portion of lottery proceeds and matching instructional supplies expenditures were transferred to the Restricted General Fund per State mandate.
- e) Additional State funding to pay down prior years' unreimbursed mandated claims.
- f) First year of FTES basis of mandated costs funding

2016-17 Final Budget Assumptions - Revenue

- g) General apportionment funding is based on State funding of 19,465 credit FTES and 23 non-credit FTES, No Cost of Living Adjustment (COLA) , and \$1.36 million estimated increase to the base allocation.
- h) The Educational Protection Account (EPA) portion of the State General Apportionment.
2016-17 EPA amount reduced by \$0.53 million due to phase out of Proposition 30 State sales tax increase.
- i) Lottery income based on \$144 per FTES.
- j) Current and future years' mandated costs to be automatically reimbursed by State at a rate of \$28 per FTES.

Notes to Unaudited Revenue 2015-16 - Page 4

- k) Administrative fee related to the Compton Center.
- l) Campus Police services for the Compton Educational Center are paid for by the Center.

EL CAMINO COMMUNITY COLLEGE DISTRICT
2016-2017 FINAL BUDGET
GENERAL FUND UNRESTRICTED - EXPENDITURES

Notes to Unaudited Expenditures 2015-16 - Page 5

- m) Includes Paramedic course instructors - \$630,000
- n) Salaries include salary increases for 2015-16.
- o) Retiree Benefits are now funded from the Post Employment Benefits Fund.
- p) A portion of Instructional Supplies expenditures was moved to the Restricted General Fund to match the restricted portion of Lottery proceeds received in 2015-16.

2016-17 Final Budget Assumptions - Expenditures

- q) Does not include \$1.2 million for paramedic course instructors.
Paramedic instructors are included in Contracted Services in the Tentative Budget.
- r) \$1.17 million included in adjunct faculty salaries to reach enrollment management goals.
- s) STRS employer contribution rate to increase to 12.58%.
- s) PERS employer contribution rate to increase to 13.888%.

Notes to Unaudited Expenditures 2015-16 - Page 6

- t) Equipment needs identified through program review and budget planning process.

2016-17 Final Budget Assumptions - Expenditures

- u) Includes Paramedic and Fire Academy Programs as contract service agreements of \$1.2 million. Salary amounts of contracts are transferred to academic salary account (Object 1110) at year-end as shown in the 2015-16 actual expenditures.

2016-17 Final Budget Assumptions - Reserves

- v) \$4.3 million of ending balance reserved for future pension liabilities.
- w) \$10.6 million of ending balance reserved for one time only expenditures.

Before getting into my questions, I want to renew a concern that I have expressed previously: I most strenuously object to the submission of a 26 page document at a PBC meeting and then expect the Committee to respond knowledgeably to the data contained therein at that very same meeting, making a recommendation to the President. Such an effort makes collegial consultation a mockery. One administrator commented that "Well, you had almost a week to review it before 6/8." My response was, "Look, fool, we finished the semester on 5/13 and started summer on 5/31, and I was a bit preoccupied doing what I think I was hired to do: TEACH. Also turn in grades, etc., minor stuff like that." If there is to be integrity to this consultation process, then it has to go beyond what is convenient for the administration and a Board meeting. An NOT be done at a Special Session of PBC, and especially with 3 voting constituencies not present. (6/8 PBC Minutes) That said...

All of these questions and responses pertain to the Tentative Budget prepared last May/June. They are not related to the Final Budget presented at the August 18, 2016 PBC meeting.

1. TB p. 1, "Reserve for Contingencies" and "Total uncommitted Fund Balance" (p. 6) is \$16.4M. What are those? Also p.1, "General Reserves" and "Total Committed Fund Balance" (p. 6) are \$14.9M. What are those? How did we get to \$32.9M Beginning Balance (p. 1, 6)?

Response: The "Reserve for Contingencies" (page 1) and the Uncommitted Fund Balance (page 6) are the Unrestricted General Fund balance of \$15,565.452 for fiscal year 2016-17. (\$17,715,960 for fiscal year 2015-16.) (Page 6)

This would be our normal Fund balances at the end of 2016-17 and 2015-16. We also received in 2015-16, one -time monies \$10.6 million to pay down previous mandated cost claims filed over several years that the State had not paid us for yet. These monies have been set aside by the Board to fund future one-time (not on-going) expenditures.

The Board also set aside \$4.3 million of the fund balance for future pension cost liabilities. These funds came from a 4% increase in our Base funding in 2015-16.

These two amounts total \$14.95 million. Since these monies have been committed for special purposes, they must be segregated on the financial statements and in the Budget document as "Committed Funds", thus the line "Total Committed Fund Balance" (page 6). The normal fund balance for 2015-16 of \$17.7 million plus the extra funds received from the State of 10.6 million plus the \$4.3 million set aside by the Board equal a total ending balance of \$32.6 million.
2. Fund 69, p. 2, 25 indicates \$550,00 in interest income. May we expect that this will reduce EC's Fund 11 funding to 69 based on the next actuarial study?

RESPONSE: Fund 11 made no contribution to the Irrevocable Trust fund in 2015-16. Each year, we must withdraw from the Trust fund an amount equal to what is owed for retiree benefits. This amount is averaging around \$600,000. If we have to withdraw from the fund below the actuarial advised amount, then Fund 11 or some other Source would need to place additional funds in the Trust fund in order to maintain a fully funded status. The last actuarial study prescribed an amount of \$20.6 million.

We currently have \$23 million in the fund.
3. P. 3 Account 8612, no Prior Year Apportionment Correction anticipated for 2016-17 which was \$1.5M for 2015-16?

RESPONSE: the prior year correction is based on a State recalculation of the available revenue for the previous fiscal year. The recalculation for 2015-16 will be processed in February 2017. We do not budget for any type of adjustment as we do not know what the State adjustment will be. It could be positive or it could be a negative adjustment.

4. P.3, Account 8691, while \$10.6M was received for Mandated Cost Claims- P/Y Pay Down for 2015-16, it is my understanding that \$105.5M has been included in the approved State budget for 2016-17. **Response:** The 105.5 million in the state budget is for the annual FTES driven mandated cost claim revenue.

The chancellor's office is now offering districts the option of opting in each year into an FTES driven mandated cost claim funding program. So rather than file mandated cost claims the State of California will never pay us for, we have the option of forgoing those formal claims and opting into a program that will pay us a generic amount per FTES each year instead of paying us for actual mandated costs .

We opted into the program in 2015-16 and again in 2016-17 and have and will receive approximately \$500,000 each year in guaranteed funding.

Why does the TB show 0?

RESPONSE: The \$10.6 million shows as income received in 2015-16. The Tentative budget for 2016-17 shows zero for the same category as we do not expect the State to allocate any further prior year mandated cost claim funds. Page 3 only shows the anticipated revenue, not any expenditure that is driven by that revenue. The \$10.6 million in one-time income has been offset in a committed reserve for future one-time expenditures.

5. P. 4, If EC receives over \$4.4 M for Accounts 8880 and 8887, why isn't a portion of this money be expended to expand EC's recruitment efforts, which I understand it is not. **RESPONSE:** All general fund income is used to fund General fund programs of which Recruitment is one. Account 8895, what is involved in Community Advancement Transfer?

RESPONSE:

The specially funded programs in the Small business Development Center utilize many district labor and facility resources. Rather than charge each program a percentage of their accounting support, their clerical support, their utilities, their phone usage, their custodial services, an agreement was negotiated between the VP of Student and Community Advancement and the VP of Administrative Services for the general amount of \$200,000 to pay the District back for services and facilities provided by the District to non-district funded programs.

Account 8980, the transfer of almost \$700,000 comes from what other funds?

RESPONSE:

A few years ago we had litigation against the district. Funds were transferred from our General Fund to our Insurance fund in order to pay any settlements from the Insurance fund that would not be covered by our regular insurance coverage. When it was determined that the settlements were fully paid out and no further claims existed, the unused funds were transferred from the insurance fund back to the General Fund.

6. P. 6, account 7300, \$6.5m transfer from what funds?

RESPONSE: these are the General Fund transfers of support to the other Funds of the District. For instance the State sends us \$1 + million and \$3+ million for our partnership with Compton College. This \$4+ million is part of the \$6 million. These funds are transferred out to other funds where the expenditures are made. In this manner we do not co-mingle special funds with our General Fund monies. A list of the Interfund Transfers can be found on page 58 of the Final Budget book.

It is my understanding that the Estimated Savings comes from budgeted positions not yet filled for \$3M. Why not? And when will "TBD" be determined? The Estimated Savings also comes from normal operating expense coming in lower than originally estimated by each division.

p. 6, Reserve for Future Pension Liabilities of \$4.3M is carried over from 2015-16, why?

Response: Each year we are showing that the \$4.3 million is still committed to pay for future pension liabilities.

It is my understanding that \$31.7M was included in the current State budget to cover lower than initially estimated 2015-16 property taxes, and the recommendation is to use these moneys to cover upcoming PERS and STRS increases. What will be EC's share? Response: The word we have is that in February 2017, each district's Total Available Revenue will be recalculated and if property tax revenues come in lower than expected these funds would be used to back fill the District's apportionment amount. Based on our year-end calculations and due to our drop in FTES in 2015-16, we potentially could owe the State back approximately \$500,000. Therefore we would not get any of the \$31.7 million. Will know more in February 2017. Need to carry that \$4.3M? yes.

p.6, When will we learn what those "One-Time Expenditures" for \$10.6M might be?

RESPONSE: The President has indicated that discussions and planning for the use of the one-time funds will be taking place this year.

7. P. 12, please explain where \$2.7M is going for Equipment in Fund 12.

Response: Final funding and expenditure levels in fund 12 are never known until well into the fiscal year. We must adopt a balanced budget in Fund 12, so any anticipated revenue must be balanced by the same dollar amount of expenditures. For purposes of estimating a reasonable expenditure budget in the salary and benefit accounts, we do not over project expenditures in those categories. Any excess revenue is balanced out by an excess placed in the equipment category. At the end of the fiscal year, excess revenues are carried over to the next year. At the time of budgeting that cannot be known, so it is considered it will be spent and we apply an excess to equipment purchases as a practice of adopting a balanced budget in Fund 12.

8. P. 13, Account 5800, "Other Services"?

RESPONSE: these are all the items outlined on pages 14 that would fall into the Other Services category, such as Accreditation Support \$50,000, Compton marketing Campaign - \$125,000, Interact - \$25,000 and the unallocated amount at the time of the Tentative budget of \$210,194. In past years, the unallocated amount has covered Nursing program accrediting and testing expenses, and additional salary and benefit amounts related to the Compton Center projects and any other unforeseen Fund 14 expenses that come up during the fiscal year.

Account 7300, Interfund Transfer to where?

RESPONSE: this is a transfer of \$250,000 to Fund 41, the Capital Outlay fund to pay LEND LEASE, our construction management firm their portion of expenses related to Compton Construction Projects.

9. P. 14, \$25,000 for Compton Marketing Program (YES) and \$210,194 for "Other Services"?

\$210,194 in Fund 14 funds had not been allocated at the time of the tentative budget.

10. P. 15, of the \$5.1M for Special Programs and Services for Compton, \$4.0M goes for Campus Technology Plan (p. 16)?

(Yes) (PlanNet recommendations, computer replacements in labs and other areas on campus,)

11. P. 18, over \$2.1M is indicated as contributions from the general and Other funds, but only \$100,000 is shown on the Interfund handout PBC was given earlier.

Response: Contributions from the General Fund are different from Interfund Transfers.

When accounting for Insurance, we are required to show an expense for Insurance in the General Fund. The expense is shown as Worker's comp insurance costs in Fund 11. This amount is "contributed" to Fund 61, the Worker's compensation fund in order to pay the Worker's compensation Bill out of the WC Fund.

Since this is a contribution to the fund, and not an Interfund transfer (per accounting guidelines) you do not see this listed on the Interfund Transfers list.

12. P. 19, Account 8987, from \$250,000 to 0? Response: it was unknown at this time if Lend Lease would need additional funds from EL Camino College to aid in Compton construction projects. Therefore we did not show a transfer in of funds to the Capital outlay fund. However funds have been set aside in our Compton Related fund in case funds are needed to pay Lend Lease.

13. P. 20, Account 5620, 0? RESPONSE: nothing was anticipated in this category at the time of the Tentative Budget.

Account 6400, from \$17,775 to \$134,247? Response: this is the projection of needs from the Fund Manager. Based on extra income to the fund from the State in 2016-17.

14. P. 22, Account 5100, from \$3M to \$40+M? Response: in the Bond Fund, the Tentative Budget includes the anticipated expenditures for the entire future life of the Bond series. So the amounts you see for the Tentative 2016-17 budgets include future year expenditures as well. The actual 2016-17 expenditure amount will be more in line with the previous year's actual expenditure amounts.

Account 5800, from \$14,702 to \$356,823? Response: Same answer as above.

It is also my understanding that \$75M in general operating expense funding was included in the adopted State budget. The recommendation I received is that this can be treated as COLA since it will function in the same way, approximate value of 1.31%. The Advance apportionment schedule received by the District in early August 2016, reflects zero % for COLA for the 2016-17 year.

The District received the \$1.3 million as an addition to its base revenue allocation.