



PLANNING & BUDGETING COMMITTEE

September 1, 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"/> Babs Atane – Support | <input type="checkbox"/> A. Leible – Support | <input type="checkbox"/> Michael Trevis – Alt. Adm. |
| <input type="checkbox"/> Linda Beam – Support | <input type="checkbox"/> Jeanie Nishime – Support | <input type="checkbox"/> Josh Troesh – Alt. Ac. Sen |
| <input type="checkbox"/> Janice Ely – Support | <input type="checkbox"/> Rebecca Russell - Alt., Ac. | <input type="checkbox"/> Steve. Waterhouse- |
| <input type="checkbox"/> Irene Graff – Support | Affairs | Alt.Mgmt/Sup |
| <input type="checkbox"/> Jo Ann Higdon – Support | <input type="checkbox"/> Andrea Sala – Alt. SCA | <input type="checkbox"/> Alt. ASO, Student |
| <input type="checkbox"/> Kristie Daniel-DiGregorio – Support | <input type="checkbox"/> Jean Shankweiler – Support | <input type="checkbox"/> Luukia Smith – Alt. ECCE |
| | <input type="checkbox"/> Ericka Solarzano - Alt. Police | <input type="checkbox"/> Susana Prieto – Alt. ECCFT |

AGENDA

- | | | |
|---|----------------|-----------|
| 1. Draft Minutes Approval – August 18, 2016 | R. Natividad | 1:00 P.M. |
| 2. Draft Minutes Approval – August 24, 2016 | R. Natividad | 1:10 P.M |
| 3. Annual Planning Information | I. Graff | 1:10 P.M. |
| 4. Enrollment Update | J. Shankweiler | 1:25 P.M. |

Next meeting – September 15, 2016

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: August 18, 2016

MEMBERS PRESENT

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

Other Attendees: A. Leible, President D. Maloney

Members: B. Mulrooney (for William Garcia), S. Prieto, R. Russell, L. Smith, J. Troesh, S. Waterhouse

Support: B. Atane, L. Beam, K. Daniel-DeGregorio, J. Ely, A. Garten, J. Higdon

The meeting was called to order at 1:02 p.m.

A welcome was given to President Maloney and the various substitutes in attendance. All members of the committee introduced themselves and specified their affiliation.

Approval of the July 7 Minutes

1. Summer Enrollment Update, #1, third sentence, after eight-week session, **insert:** was
2. The minutes were approved with the one noted correction and will be posted to the portal.

Final Budget Presentation – President D. Maloney (handout)

1. President Maloney began the discussion with an overview of the information about the process leading up to today’s discussion on the review of the final budget. In August VP Higdon provided an overview of the final budget at the board meeting. The budget will be posted to the El Camino College website on August 26. A budget workshop for the board will take place prior to the September 7th board meeting. This workshop will be open to the public.
2. The legislature made a priority towards growth of 2% which is approximately \$114 million. Many districts are not growing and this is a challenge for our system. There will be no COLA for this year. The operating increase will be \$75 million which is about a 1.29% increase. El Camino College is currently not growing and it is unlikely we will realize the benefit of these access growth dollars. A majority of our summer 2016 FTES was used towards the 2015-16 allocation. As a result our college will enter into stabilization this year with regards to FTES and enrollment.
3. The access growth money and the general operating increase are the only two areas of the state budget that are unrestricted and discretionary. The other augmentations to the state budget are in categorical programs designated for specific purposes. The \$75 million in the general operating expense fund, according to the chancellor’s office, is a way for districts to prepare for the escalating increases in CalSTRS and CalPERS. There is a big focus on the strong workforce program of \$200 million. This will be accomplished by a 40/60 split between regional consortiums and the colleges. These new and ongoing monies are to support various CTE programs. El Camino College received 1.5 million and the Compton Center’s share was \$750,000. The state budget also included \$184.6 million for deferred maintenance, instructional equipment and drought resistance. There are many aging facilities which need to be renovated and maintained. It was also noted there is \$49.2 million for energy efficiency projects to assist districts in bringing energy use to more current and efficient

standards. There will be no fee increase for our students this year. The state also allocated \$5 million dollars in zero textbook cost degree programs. El Camino has submitted a proposal to participate in this program. Compton College successfully refinanced their line of credit loan of \$30 million. The district still owes about \$13 million on that line of credit. The new loan percentage is now 2.3%.

4. It was noted that while the budget is positive the group should be aware of Prop 30, the temporary tax. It consists of two components, a sales tax increase and an income tax increase. The sales tax increase will expire at the end of 2016. This tax constitutes about 19% of Prop 30 revenues across the state. The second portion is the income tax increase which expires at the end of 2018. Prop 55 will be on the ballot in November which if passed, will extend the income tax portion for an additional 12 years. Of this revenue 11% would be allocated to community colleges. The remainder would go to K-12 and health care.
5. The budget assumptions for 2016-17 were discussed. The first item to be aware of is due to our declining enrollment and having to use summer FTES for the preceding year, the college will be in stabilization. Stabilization is a three-year process. This allows colleges time to recover their enrollment before their funding cap is reduced. The college essentially has three years to recover the FTES needed. The enrollment management plan will be implemented to help meet the FTES needs. There is no COLA for the coming year and \$1.36 million is allocated for general operating increases. It was noted that you will see increases in the expenditure portion of the budget to address the increase in sections offered as part of the implementation of the enrollment management plan. Additional budget assumptions included the rate increases of CalSTRS/CalPERS. This is about an 11% increase to employers over a seven-year period. In 2014 the CalSTRS rate was 8.25%; by 2020 the rate will be 19.01%. For our current year of 2016-17 the rate will be 12.58%. CalPERS also had a rate increase of 2.041% from 11.84% to 13%. Last year the board designated a one-time fund of \$4.3 million to address those increases stated. In addition last year the district received \$10.6 million for one-time funds for mandated costs and claims which the Board set aside as well in last year's budget.
6. Discussion ensued about the potential rate of return in STRS/CalPERS funds. The portfolio projections indicate that the fund should have a rate of return of 7.5%. It was also indicated that stabilization is something that would just happen as a result of handing in our enrollment reports to the state. The summer FTES calculations indicated that we were 71 FTES short of our goal. The enrollment management plan and other campus strategies will be implemented to boost enrollment.

Final Budget Discussion– D. Maloney / J. Higdon (handout)

1. Discussion and focus was on Fund 11, the district's unrestricted general fund. The beginning balance is \$34,479,690 which includes the 10.6 million received in one-time funds for mandated cost claims from last year. It also includes the \$4.3 million in one-time funds received from last year. That total of \$14.9 million was committed by the Board last year for one-time cost and CalSTRS/CalPERS. The remaining \$19.3 million is the total of the uncommitted fund balance. Reference was made to the state revenue (8610) of \$51 million which is our funding based on 19,488 FTES, plus the augmentation to our base revenue of \$1.3 million. The total state revenue is \$12,855,041 less in 2016-17 than in the previous year due to the infusion of one-time funds.
2. There was discussion and overview of the total revenue received by El Camino College. The makeup of local revenue varies from district to district. The property tax portion of our funding for 2016-17 is \$29,979,694. The enrollment fees for the college are \$7,474,821. The total local revenue is \$48,164,704.
3. Most of the expenditures are allocated for salaries and benefits. It was highlighted that (1300) Other Schedule, Teaching has an increase this year and has a total of \$16,988,857. This is where the funds are located (\$1.17 million) for the enrollment management plan in order to increase the enrollment. It was also noted under books and supplies there is a significant increase in the budget.

4. Contract services and operating expenses were noted as other major components of the expenditures. The 5100 account includes the Fire and Paramedics Academy costs. This cost gets shifted later in the year. The uncommitted reserve fund balance for last year is 17.2% and this year is projected to be 16%. This does not include the money reserved for CalSTRS/CalPERS and one-time expenditures.
5. A plan is being devised as to when we think we will need to tap into the reserves for CalSTRS/CalPERS. With the state wide bump in our base this year, we do not need to touch this money. If we get to the point where there is no augmentation to the base and no COLA, we will then need to tap into these reserves to meet the increases in CalSTRS/CalPERS.
Discussion ensued questioning how the money for one-time funds are planned for and utilized. One-time monies do not get added to the base revenue for the next year's budget. It can only be used for one-time expenses; not ongoing expenses. It is understood that dialogue is needed on this subject to support the idea of a plan on when and if the funds for one-time funds need to be tapped into for CalSTRS/CalPERS. It was noted this entire budget is reflective of our planning process, requests for resources and prioritizations.
6. The voting for the recommendation to approve the final budget will take place at the next meeting on August 24 at 1 p.m. This will give committee members time to review and digest the materials presented today. Any questions can be forwarded to J. Higdon or R. Natividad.
7. In moving forward it was stated we need to be more creative in how our community can be better serviced so we can provide them the opportunity to meet their needs for higher education. We need to be able to serve more people who need what the college has to offer. The State has provided funding to us and we want to be able to capitalize on this for the community.
8. It was suggested it may be helpful to have a cheat sheet of things which come up on a continual basis. This may help to solve so many repetitive questions. The committee was urged that if someone can not attend the PBC, they need to send a replacement representative. This would help with the continuity of things so repetitive issues are kept to a minimum. R. Natividad will work on this as one of the committee's goals.

Adjournment – R. Natividad

1. The meeting adjourned at 2:27 p.m. Because of Flex Day, the next meeting will be held on **Wednesday, August 24, 2016** at 1:00 p.m. in Library 202.

RKN/Imo

EL CAMINO COLLEGE
Planning & Budgeting Committee
Minutes
Date: August 24, 2016

MEMBERS PRESENT

- | | |
|---|---|
| <input checked="" type="checkbox"/> Amy Grant – Academic Affairs | <input checked="" type="checkbox"/> Rory K. Natividad – Chair (non-voting) |
| <input checked="" 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. Russell, A. Sala, J. Troesh, S. Waterhouse, S. Prieto
Support: B. Atane, L. Beam, J. Ely, I. Graff, J. Higdon, J. Nishime, J. Shankweiler
Guest: W. Warren

The meeting was called to order at 1:02 p.m.

Approval of the August 18 Minutes

1. The draft minutes from August 18 and today will be sent out for review as soon as they are completed.

Final Budget – J. Higdon (handout)

1. The final budget was distributed and reviewed as presented. Questions were asked for regarding any obligations of the listed funds. The details of these funds are presented as you go further back into the document.
2. The entire budget for the rest of the bonds is shown in the general obligation bond fund (fund 42). It was noted we are self-ensured on dental insurance. Fund 69 (Post-Employment Benefits Irrevocable Trust) pays out all of the retiree health benefits. The concept behind this fund is the monies in this account will draw enough income to fully fund the benefits of the retirees. Another actuarial study will be happening this forthcoming year. We have now moved to having the actuarial study every two years. Legally once you are fully funded and you find the benefits that need to be paid out is more, you could continue to pay this out of the irrevocable funds.
3. The funds for the Bookstore (fund 51) account is a little unknown at this point. The smoke damage from the fire next door to the Bookstore created substantial damage to the bookstore’s inventory. New inventory has to be purchased and insurance money collected.
4. J. Ely will prepare a spreadsheet for next time to better track the actual money changes to the various accounts. In June the accounts showed our “best guess” at what our anticipated figures would be. It was clarified the terms “Reserve for Contingencies” and “Total Committed Fund Balance” are terms which are one in the same. In the general fund you have to call it “Committed” but on the summary page you have to use a standard term all the way across, thus “Reserve for Contingencies”.
5. Discussion continued on the allocation given of \$28.00 per FTES in state funding for general maintenance. Footnote J on page seven shows the actual calculation. This number is contingent on our FTES allocation. Stabilization could affect this. D. Mussaw - Fund 11 - on behalf of the classified - page 6 - the reserves for potential liabilities and reserve for one-time expenditures. A question was raised as to the future use of the one-time expenditures. Those items were kept separate to show where the funds came from. Discussion will continue on the potential use of this money as it could be for future liabilities or unforeseen capital needs by the district that the bond fund cannot take

care of. It was indicated that these funds could also come out of the uncommitted funds. Page 5 - Staff benefits - discussion ensued about the funding of those increases. The slight bump in the base allowed the district to cover these increases.

6. It was noted we will be under stabilization for this year. Regarding CalSTRS/CalPERS liability, concern was expressed in looking at the large amount of funds being saved each year. The numbers are shown as annual and accumulative. It is up to the individual reading the numbers to understand it. Why hold all of the money when it can be utilized for other needed things (growth). If 2018-19 is our last year of stabilization, this would be the serious time to look at our pension and liability expenses.
7. There appears to be little money invested into programs which could help boost student enrollment. Recruiting has been done for international students. It was pointed out the cost is higher to educate an international and out-of-state student as opposed to the in-state student. If the state would revise the law and charge the out-of-state student the correct tuition rate instead of a reduced rate, then we could stay even. These students are only charged for the credit hour as opposed to the in-state student who is charged on contact hours. There is a significant difference in the amount paid for these. The out-state and international students should be recruited for the diverse cultural experience they provide our in-state students as opposed to recruiting them just for financial reasons.
8. It was mentioned that numerous items in the planning process will be funded from Instructional Equipment/Library Materials, \$2.4 million (3800).
9. First-Year Experience was increased to \$100,000 this year as well as the Emergency Equipment Replacement/Repair account also being increased from \$100,000 to \$200,000.
10. Questions regarding the budget were called for before calling for a final vote for approval. A statement was injected that it was unacceptable to receive an important document like the budget and be expected to vote on it a short time later. Before making a decision and forwarding the budget on to our governing body, members may want to read and digest the material before making a respectful decision. It was noted information on the budget is distributed as quickly as possible. Some of the information on fund 11 was distributed last week. It was pointed out the budget needs to be approved by September 15. The numbers are not received for the budget until August 4 which does create a short time span. Unfortunately the recommendation of the budget from the PBC needs to go to the President before the next board meeting which is slated for September 7. There will be a budget workshop on September 7 at 3 p.m. This workshop is open for anyone who would like to attend and provide additional information regarding the budget.

Motion: A motion was made by A. Grant recommending to approve the final budget as presented. The motion was seconded by D. Mussaw.

5 approved

2 opposed

0 abstentions

Motion Approved.

The final budget will be forwarded to President Maloney with the approval of the PBC.

Adjournment – R. Natividad

1. The meeting adjourned at 1:38p.m. The next meeting will be held on **September 8, 2016 at 1:00 p.m.** in Library 202.

2016/FA

Enrollment Trends Report Per-Term Enrollment Metrics by Site

Term: **2016/FA**
 Reporting Date: **08/29/16**
 Location: **El Camino College**

Table 1: Yearly FTES Goal

Funded FTES Cap	19,488
"Borrowed" FTES deficit	0
Academic Year FTES Goal	19,488

Table 2: Enrollment To Date

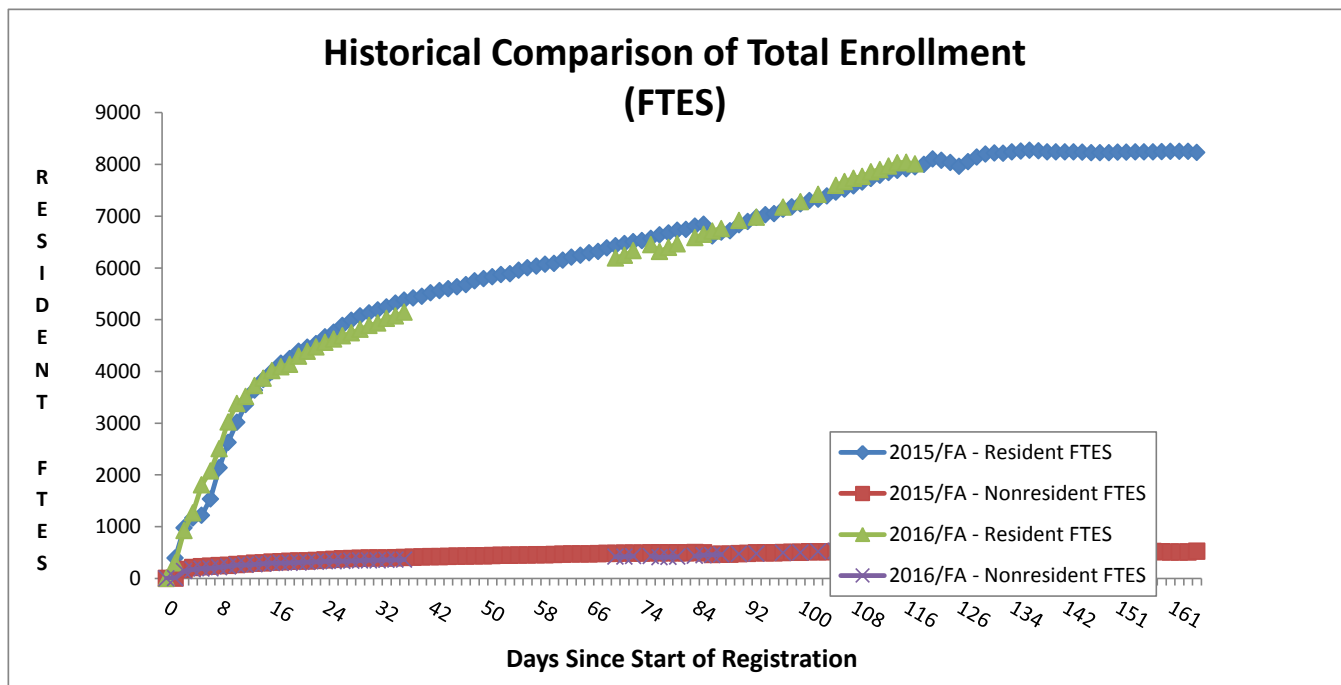
**Registration Day 119	2015/FA	2016/FA		% Change FA to FA	% From Target
	8/17/15	8/29/16	Target		
Sections	2,136	2,138	2,235	0.1%	-4.3%
Seats Filled	57,835	58,234		0.7%	
Unduplicated Headcount*	24,000	23,248		-3.1%	
Section Fill Rate	87%	86%		-0.8%	
Projected FTES (Nonresident)	544	536		-1.5%	
Projected FTES (Resident)	8,118	8,187	8,942	0.8%	-8.4%

* 2015/FA headcount taken as of term census

Table 3: Detail by Attendance Type

**Registration Day 119	2015/FA Enrollment Totals			2016/FA Enrollment Totals		
	Sections	Seats	FTES	Sections	Seats	FTES
Weekly Census	1,842	51,252	7,365	1,757	49,029	7,124
Daily Census	82	1,545	144	139	3,319	379
Positive Attendance*	81	722	168	87	812	178
Distance Education	120	4,250	441	135	4,977	504
Independent Study	0	0	0	9	17	1
CCE	5	10	0	5	6	0
Adult education/Non-credit	6	56	0	6	74	0
Totals	2,136	57,835	8,118	2,138	58,234	8,187

* Positive attendance FTES value is a projection



2016/FA

Enrollment Trends Report Per-Term Enrollment Metrics by Site

Term: **2016/FA**
 Reporting Date: **08/29/16**
 Location: **Compton Center**

Table 1: Yearly FTES Goal

Funded FTES Cap	6,060
"Borrowed" FTES deficit	0
Academic Year FTES Goal	6,060

Table 2: Enrollment To Date

**Registration Day 119	2015/FA	2016/FA		% Change FA to FA	% From Target
	8/17/15	8/29/16	Target		
Sections	654	637	688	-2.6%	-7.4%
Seats Filled	15,470	15,477		0.0%	
Unduplicated Headcount*	7,428	6,809		-8.3%	
Section Fill Rate	72%	73%		0.9%	
Projected FTES (Nonresident)	54	48		-10.9%	
Projected FTES (Resident)	2,230	2,271	2,712	1.8%	-16.2%

* 2015/FA headcount taken as of term census

Table 3: Detail by Attendance Type

**Registration Day 119	2015/FA Enrollment Totals			2016/FA Enrollment Totals		
	Sections	Seats	FTES	Sections	Seats	FTES
Weekly Census	496	12,568	1,899	461	12,057	1,883
Daily Census	61	688	68	80	983	104
Positive Attendance	32	211	60	30	252	68
Distance Education	55	1,927	202	58	2,116	216
Independent Study	0	0	0	0	0	0
CCE	0	0	0	0	0	0
Adult education/Non-credit	10	76	0	8	69	0
Totals	654	15,470	2,230	637	15,477	2,271

* Positive attendance FTES value is a projection

