



BUDGET AND RESOURCE ALLOCATION COMMITTEE PASADENA AREA COMMUNITY COLLEGE DISTRICT REGULAR MEETING

Thursday, August 1, 2019 – 2:00 p.m.
President's Conference Room C 233

MINUTES

Co-Chairs

Jeff Bajah, Social Sciences

✓ Mike Bush, Business & Administrative Services

Associated Students

- ✓ Alex Sarkassian, Student Trustee
- ✓ Dionne Shelton, ASI President

Management Association

- ✓ Dyan R. Miller
- ✓ John Gillette

Faculty

- ✓ Mary-Erin Crook
- ✓ Mark Whitworth
- Rod Foster

Classified Representatives

- ✓ Gary Potts, PCC-FCT
- ✓ Peter Dwight, Clas. Senate
- Rudy Perez, CSEA

Resources/Members

- ✓ Terry Giugni, Assistant Superintendent, VP Instruction
- Bob Blizinski, VP, Human Resources

Resources

- Robert Bell, Sr. VP Non Credit & Offsite Campuses
- ✓ Cha Mancini, Business Services
- Laconia Fennessy, Supervisor, Fiscal Services
- Crystal Kollross, Director, Inst. Effectiveness
- ✓ Chedva Weingart, Executive Director of Fiscal Services

1. **Call to Order**

Mike Bush, Ed. D., BRAC Co-Chair / Assistant Superintendent, called meeting to session at 2:05 pm.

2. **Public Comment**

No Public Comment at this time.

3. **Approval of Minutes**

M/s/p (M. Whitworth/J. Gillette). The Committee members reviewed and approved minutes for July 8, 2019. Committee members that did not participate on the July 8th meeting, refrained from voting.

4. **Budget Update**

- a. Update from State Budget Workshop. The Chancellor's Office advanced apportionments are based off of what the district earned 2018-19 Fiscal year. They are not including COLA in advance apportionment, even though it is approved in the budget. We're on a very slight growth pattern, therefore, for budget we are estimating 2019 P2 apportionment plus COLA. The funding model is starting to settle down, whereas the legislative definitions on some of the success matrix and how to calculate it is being fine-tuned. The Chancellor's Office did have one more change for us; under the old funding model for FTES, PCC received what was earned current year or the prior year, whichever is greater (sustainability). The Chancellor's Office is now calculating a

three-year average for credit FTES. This means, a drop in your FTES is going to have current year impact on revenue. Districts will be allowed to restore lost FTES in future years. The past practices were of borrowing summer FTES, to hit growth targets, is no longer advantages. Although, the State is using a three-year average for apportionment, they are using prior year FTES to calculate the Faculty Obligation Number (FON). A growing district have to hire full-time faculty before receiving the revenue to pay for them. The State indicated that next year's FON for PCC will be flat. We hired 46 Faculty member last fiscal year for this school year and they're predicting an extra four for this year. The FON is always confusing because the FON for the year is calculated based on the prior year, yet the hiring does not need to take place until the following year.

- b. On the capital facilities, we are trying to figure out how the reimbursement from the State will work. We anticipate starting construction in the latter part of late Spring of 2020. Currently, design plans are being reviewed by the Department of State Architect. We're going to have to have a district percentage share. However, the District share can be retired, if the District passes a GO bond to cover the District share. The state gives districts an allocation to construct buildings and then reimburses as funds are spent. With a building the size of the Amen Sarafian, it's possible to spend 2 million dollars a month during the construction period. This will create a significant cash flow issue.
- c. Impact of State STRS Buy Down on PCC - STRs mandated contribution rates is a moving target and will continue to change. The majority of faculty gets STRs; however, there are some faculty in PERS and many adjunct faculty participate in the Apple program. Additionally, some management are on STRs. For demonstration purposes staff used the STRs-eligible salaries in the 2019-20 budget and multiplied by the 2018-19 rate, which was 16.28%. The State adopted rate, which is 17.1%, and then the prior rate approved of 18.13%. What is that impact on the district? If there were no changes in the rate, it would've been \$11,400,000. If the previous rate was in effect, it would jump to \$12,745,000. but because of the 1% discount our STRs is going to be \$12,021,000. In essence, we had cost avoidance of \$720,000.
- d. Promise Programs - A Student Service flyer outlining the three types of promise programs offered at PCC was distributed. AB19 Promise will be offered for the second year, for first time fulltime students. The PC Promise and how the PCC promise is limited to the PACD boundaries. California Promise Grant (formally the BOG waiver) is open to anyone who financially qualifies.
- e. 2020-21 Budget Calendar - Business and Administrative Services is developing a Budget calendar/Time-line for Fiscal Year 2020-21. We plan to have it public so people know, what and when, fiscal tasks are taking place. Please review it and then share it with colleagues. The timeline is to provide an estimated date when allocated funds information will be available to Deans to allow planning- out their faculty hire and other items that impact their Departments and will be able to develop a schedule on time. Any other key dates that need to be added to or action items for the calendar, please forward to Mike Bush.

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6. Future BRAC Meetings

- Thursday, August 22, 2019
- Thursday, September 26, 2019

7. Adjournment

M.S.P to Adjourned – 3:00 pm.