



**BUDGET AND RESOURCE ALLOCATION COMMITTEE
PASADENA AREA COMMUNITY COLLEGE DISTRICT**

Thursday, October 26, 2017 – 2:30 p.m.
President's Conference Room – C233

Co-Chairs

- Danny Hamman, Social Sciences
✓ Richard Storti, Business & Administrative Services

Associated Students

- ✓ Alejandro Chavez, StdntTrst(A)
✓ Alternate, ASI President (A)

Management Association

- ✓ Todd Hampton
✓ Rebecca Cobb

Faculty

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

Classified Representatives

- ✓ Gary Potts, PCC-FCT
✓ Peter Dwight, Classified Senate
✓ Rudy Perez, CSEA (A)

Resources/Members

- ✓ Terry Giugni, Assistant Superintendent, VP Instruction
Yuri Perez, Interim-Vice President, Human Resources

Resources

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

1. Call to Order

Dr. R. Storti, Co-Chair/Assistant Superintendent-VP, called meeting to order at 2:30 pm.

2. Public Comment

None at this Time.

3. Approval of Minutes

Due to no quorum, this agenda item has been postponed/agendized for the next BRAC meeting.

4. Budget/Economic Update – Dr. R. Storti, Assistant Superintendent/VP Bus. & Admin Services

- a. **Governor's Budget - U Building Update:** The U Building replacement project was submitted by PCC to the State as an emergency replacement project due to seismic deficiencies. After passage of Proposition 51 in November 2016, the U Building replacement project was approved for State funding as a 100% State funded project. While the project was initially approved as a 100% State funded project, the Governor's Proposed budget for FY 2018/2019 released in January 2018 calls for a 50% match from the District. The change in match may or may not be included in the final budget. If the 50% match requirement becomes final, the District's match would be in excess of \$30 million. In addition, unfunded cost escalations for the project are projected at \$6-8 million.

The District has received \$2.2 million of State funding in FY 2017/2018 for architectural services. As of February 7, 2018, \$1.1 million has been expended or encumbered. According to the Chancellor's Office, if the project is pulled and canceled by the District, the District would not be required to repay the \$2.2 million of State funding received in FY 2017/2018.

Emergency replacement projects have certain restrictions that prevent increases in assignable square footage "ASF". As class offerings have increased over the last several years, this means the new building will not meet existing demand levels and a second phase will be needed when new funding is available. In addition, there are also restrictions as to the modification of plans and specifications that were submitted to the State with the project proposal.

At this point the District has two options: To Continue with the design phase of the project until the final budget is approved by the Governor. Once the final State budget is approved (expected by June 30, 2018), the match requirement will be known and the District can re-evaluate the project accordingly. Or to pull the project immediately and halt design services. The risk with this approach is that the project could remain a 100% funded project with the final budget and the District would forgo the funding opportunity.

It was recommended that the Board of Trustees continue with the design phase of the project until the match requirement included in final budget for FY 2018/2019 is known. Once the match requirement is known, the District can re-evaluate the project accordingly.

b. Spring 2018 - Fiscal Year Projections

Dr. Storti informed the Committee members as follows:

- The Committee members were updated on the California fiscal outlook for 2017-18. We anticipate the continuing expansion in the state's economy. He explained the positive effect it has on the community colleges' budgets; more taxes equals more money for the State which equals more money for the colleges and education.

Overall, if the State's economy continues as it is in on the second quarter of the fiscal year, we can expect a slight increase in funding for the community colleges at the end of the Fiscal term. Committee members were reminded that the Community Colleges should always proceed with caution and be fiscally responsible.

- Another item that impacts PCC's budget is the college enrollment growth. Currently it is 1% vs 1.2% last year. Enrollment/FTE also has a direct impact on State funds allocated to the College. Dr. Storti discussed that in the event funds are needed at the end of the Fiscal year, we do have some other alternatives; but he reiterated that so far, it is looking very optimistic for the current fiscal year.
- The Committee members had questions on the progress of the Measure "P" Project. The Committee members asked for some budget updates, construction progress, and project expected completion date. Dr. Storti provided a brief progress report and answered all members' questions. He also provided an estimated completion date. As of the end of October, Measure P is right on schedule to be completed by the end of June 2018.

5. Future BRAC - 2018 Meetings Schedule

BRAC does not meet during November & December in observance of the Holidays.

- Thursday, **January** 25th
- Thursday, **February** 22nd
- Thursday, **March** 22nd
- Thursday, **April** 26th
- Thursday, **May** 24th
- Thursday, **June** 28th
- Thursday, **July** 26th
- Thursday, **August** 23rd
- Thursday, **September** 27th
- Thursday, **October** 25th

6. Adjournment

(M/S/p) Meeting Adjourned 3:15 pm.