



BUDGET AND RESOURCE ALLOCATION COMMITTEE PASADENA AREA COMMUNITY COLLEGE DISTRICT

Thursday, March 23, 2018 – 2:30 p.m.
President's Conference Room – C233

Co-Chairs

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

Associated Students

- Alternate, StdntTrst (A)
Alternate, ASI President (A)

Management Association

- ✓ Dyan Miller
✓ Rebecca Cobb

Faculty

- ✓ Mary-Erin Crook
Mark Whitworth
✓ Rod Foster

Classified Representatives

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

Resources/Members

- Terry Giugni, Assistant Superintendent, VP Instruction
Lisa Beam, Interim VP, 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
✓ Laconia Fennessy, Fiscal Services

1. **Call to Order**

Dr. R. Storti, Co-Chair/Assistant Superintendent-VP, called meeting to order at 2:35 pm.

2. **Public Comment**

None at this Time.

3. **Approval of Minutes**

Minutes approved. Members not present at the March 23rd meeting abstain from voting.

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

Dr. Storti, briefed the Committee members on the current State's economy. California continues to recover and continues to expand government expending. The governor's office continues to increase money for schools with an increased Prop 98 minimum guarantee, it is likely to increase funding for the Local Funding Formula for K-12 in order to preserve core achievements.

The Revised Budget Summary provides an update of revenues, expenditures, and reserve estimates based upon the latest economic forecast and changes in population, caseload, or enrollment estimates.

5. **Irrevocable Trust** – *PARS - Update by Dr. R. Storti*

The Board of Trustees, authorize the award to PARS (Public Agency Retirement Services) to manage the Irrevocable Trust funds and provide the best overall value to the Pasadena City College District. PARS will be managing a portion of the OPEB benefits money putting into irrevocable trusts to diversify in equities, and in turn generated a much greater rate of return.

6. Bookstore Management Services – Follett Higher Education Group Inc. – Update by Dr. R. Storti

The Board of Trustees, authorize the award to Follett Higher Education Group, INC. based on the being the highest rated, responsive, responsible proposer and meeting all PCC requirements. Follett will be providing managing services to our bookstore and providing the best overall value to the District. This is a commission based income generating contract with a guaranteed fee in the first year of \$725K plus \$225K signing bonus.

7. U Building Replacement Project – Update by Dr. R. Storti

Dr. Storti updated the Committee Members on the Governor's modification of funding for the U Building Replacement Project. The State had original approved 100% if the funding for the replacement of the U Building. Upon replacing the Governor's Proposed budget for 2018-19 on January 2018 it required a 50% matching from the PCC District. If the 50% match requirements becomes final, the District march would be in excess of \$30 million. In addition, unfunded cost escalations for the project are projected at an additional \$6-8 Million.

The 50% funding from the Governor's Budget will still come with the restrictions that prevents increases in assignable square footage which means the new building will not meet the existing demand levels. There will also be restriction as to the modification of plans and specifications that were submitted to the State with the original project proposal. It was recommended to the Board to continue with the design phase of the project until the match requirement included in final budget for FY 2018/19 is known. Once the match requirement is known the District can re-evaluate the project accordingly.

8. New Funding Formula – Chedva Weingart, Fiscal Services Executive Director

C. Weingart, Fiscal Services Executive Director, presented the Governor's proposed New Funding Formula for FY 2018-19.

The Governor proposes a new allocation formula with \$175 million to ensure no college receives less under the new formula that it would receive under the current law.

Proposed New formula:

About one-half of apportionment funding would be allocated based on enrollment.

About one-quarter based on the number of low-income students served as measured by eligibility for fee waivers and federal Pell grants.

About one-quarter based on performance measures such as three-year degree/certificate completion rates.

Starting in fiscal year 2018-2019 the Community Colleges Chancellors Office shall annually calculate a base grant, a supplemental grant and a student success incentive grant for each community College district.

The formula used in the Department of Finance Simulation has PCC potentially receiving an extra \$200K, out of \$128 Million, essentially a break even. Not clear how this will all shake out as two different work groups are tasked with providing a recommendation of their interpretation of the formula to the State Chancellor's Office.

9. Future BRAC - 2018 Meetings Schedule

- Thursday, **April** 26th
- Thursday, **May** 24th
- Thursday, **June** 28th
- Thursday, **July** 26th
- Thursday, **August** 23rd
- Thursday, **September** 27th
- Thursday, **October** 25th
- *BRAC does not meet during November & December in observance of the Holidays.*

10. Adjournment

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