



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

Thursday, May 24, 2018 – 2:30 p.m.
President's Conference Room – C233

Co-Chairs

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

Associated Students

- Alternate, StdnTrst (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. May Revise (FY 2018-19) – Tentative Budget: Dr. R. Storti,

Dr. Storti, presented the 2018-19 Tentative Budget approved and adopted by the PCC Board of Trustees effective June 30th. The 2018-19 Budget looks very strong. At this point, it looks like it will allow us to grow our FTEs 1% that potentially can provided additional revenue.

The May Revise (2018-19) includes the COLA increase but BRAC members were alerted that it can still be removed by the Governor's Office before the Final Budget is released.

A proposal has been submitted to change the new funding formula to 60-20-20. If this comes into law, it would mean more revenue funds for PCC but it would also reduce funding for other Districts. Another item included on the May revise is funding for the new Online College. It would provide funding for start-up cost and also included ongoing funding. Also, the Tentative Budget included funding for the California Promise Program - replacing BOG Waiver Program.

Dr. Storti reviewed the funding information allocated for instructional and scheduled maintenance needs. There is a lack of sufficient resources to meet all scheduled maintenance needs; thus, we strategically complete repairs and/or maintenance projects that are most critical. The U Building Project was also discussed. PCC continues to hope the project will be fully funded by the State but we still must wait for the Final Budget to be released.

The Committee members were reminded that it is important to keep in mind the many factors that influence the California economy which have direct effect on the final budget allocated to K-12. California currently has a very strong economy but the Department of Finance recommends to use caution. As a result of political and economic uncertainties, a downward trend could be upcoming.

5. Five-Year Projections - Dr. R. Storti

Dr. Storti reviewed the Five-Year Projections with BRAC. PCC has a strong healthy Reserve Balance. The Chancellor's office/ACCJC suggests a minimum of 5%; PCC District's target is 10%. We are currently above the 10%; but for fiscal year 2021-22 we will be at 10%. This will be as a result of the increases in PERS/STRS contributions, health benefit costs, and our budget's drawing down our reserve balances. The following years, all the way to 2022-23, it goes all the way up to almost \$5 million deficit, drawing down our reserve balance. When the fund balance goes below 10%, we will transfer out interest earned from our irrevocable trust into the General Fund. This will ensure that we maintain at least our targeted 10% reserve. The primary driver for this is decreases in reserves are PERS/STRS. Although we've been very strategic setting money aside it will not be a permanent solution but it's going to buy us a few more years.

BRAC has been very proactive setting up the Irrevocable Trust which has allowed PCC to set money aside. This has allowed PCC to be in a very healthy position. It's not a total solution but we'll continue to plan, continue to analyze every expense that we can to see if we can reduce more expenses to help us end with a balanced budget for the next Five Years+.

9. Future BRAC - 2018 Meetings Schedule

- 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 3:35 pm.