

*Planning and Budgeting Council  
April 23, 2019*

## **Motions & Recommendations to PGC**

(For Consideration on April 26, 2019)

1. PBC recommends against the establishment of a \$2 million reserve contingency. *(Barringer/Moore; aye 6, no 1, abst. 1)*

Rationale: While PBC recognizes that emergencies occur and that cost centers regularly spend beyond their allotted budgets, the proposal for a reserve contingency was not accompanied by a plan to manage it; its use would not be subject to participatory governance; and, most importantly, it would force further reductions to the colleges' general funds beyond their ability to function and fulfill College/District/State educational goals.

2. PBC recommends that the \$4.5 million in "vacancy savings" be redistributed for FY20 through an informed, deliberative process. *(Shanoski/Rivas; unanimous)*

Rationale: The "vacancy savings" were arbitrarily and inequitably imposed upon PCCD's five locations by then-Chancellor Laguerre at the end of spring 2018. The decision was not made based on data or participatory governance processes. Furthermore, a number of positions were "unfrozen," most notably at the District Office, again without consultation.

3. PBC requests that the Chancellor direct the Office of Finance to conduct a detailed trend analysis of expenditures using the last three years for which actual, audited data is available. This analysis is to be presented to PBC at its October 2019 meeting. *(Moore/Rivas; unanimous)*

Rationale: The District Finance Office's long-standing practice of rolling budgets over from one year to the next has not been in the best interest of students. Furthermore, PBC cannot fulfill its charge as effectively as it should in the absence of detailed data.

5. PBC adopts the FY20 budget reductions shown in Exhibits A and B. *(Shanoski/Karas; aye 5, no 3)*

Rationale: PBC looked at the \$4.5 million and decided to unfreeze those positions in order to make the cuts in a thoughtful, deliberative fashion. (See Resolution #2.) After that evaluation, we determined that we would hold everyone accountable for the previous cuts. The additional percentage cut was made based on the fact that some locations did not make their full 2018-19 cut obligation. Percentages for the remaining \$1 million were made based on the recommendation made at the April 19, 2019 meeting of PBC, still maintaining a minimum of 10% reserve.

6. PBC recommends that budget reductions be made as far away from the student experience as possible by avoiding reductions to faculty and front-line staff at the colleges and district; this can be done, in part, by analyzing overlapping duties between contractors and administrators. (*Shanoski/Rivas; aye 9, no 1*)

Rationale: We are dedicated to improving the student experience throughout PCCD. This cannot be achieved if budget reductions affect faculty or the classified professionals who serve our students. On the other hand, there seems to be some duplication in the duties performed by contractors and an increasing number of District administrators.

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**Resolution #5, Exhibit A: FY20 Allocation of Budget Reductions**

	<b>Initial Vacancy Savings</b>	<b>Actual Vacancy Savings</b>	<b>Budget Reduction*</b>		<b>Total**</b>	
District Office	\$1,159,386	\$856,336	\$500,000	50.00%	\$1,659,386	30.28%
College of Alameda	\$414,854	\$325,140	\$92,850	9.29%	\$507,704	9.26%
Berkeley City College	\$665,661	\$665,661	\$110,150	11.02%	\$775,811	14.15%
Laney College	\$1,485,249	\$1,367,010	\$189,650	18.97%	\$1,674,899	30.56%
Merrit College	\$755,833	\$623,178	\$107,350	10.74%	\$863,183	15.75%
<b>Total</b>	<b>\$4,480,983</b>		<b>\$1,000,000</b>		<b>\$5,480,983</b>	

\* Allocation of \$500,000 in budget reductions to colleges based on current BAM percentages.

\*\* Total = Initial Vacancy Savings + Budget Reduction

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**Resolution #5, Exhibit B: Five-Year Projections**

	<b>2018-19 (revised)</b>	<b>2019-20</b>	<b>2020-21 (projected)</b>	<b>2021-22 (projected)</b>	<b>2022-23 (projected)</b>	<b>2023-24 (projected)</b>
Revenues	\$152,684,908	\$152,551,189	\$155,223,755	\$157,685,439	\$157,685,439	\$157,685,439
Expenditures	\$152,655,564	\$152,042,828	\$156,647,312	\$157,495,189	\$157,991,296	\$163,135,129
<b>Adjustments</b>						
Reduction FY20 (ongoing)		(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Reduction FY24		-	-	-	-	(\$2,400,000)
No New Faculty	(\$833,528)	-	-	-	-	-
Adjusted Expenditures	\$151,822,036	\$151,042,828	\$155,647,312	\$156,495,189	\$156,991,296	\$159,735,129
<b>Reserve</b>						
Beginning Balance	\$14,258,801	\$15,121,673	\$16,630,034	\$16,206,477	\$17,396,727	\$18,090,870
Net Increase (Decrease)	\$862,872	\$1,508,361	(\$423,557)	\$1,190,250	\$694,143	(\$2,049,690)
Ending Balance	\$15,121,673	\$16,630,034	\$16,206,477	\$17,396,727	\$18,090,870	\$16,041,180
<b>Fund Balance %</b>	<b>9.96%</b>	<b>11.01%</b>	<b>10.41%</b>	<b>11.12%</b>	<b>11.52%</b>	<b>10.04%</b>