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Sent: Monday, October 03, 2011 5:36 PM
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Cc: Hughes, Janet - District Office
Subject:

We are all aware by now of the significant effect the decreases in State funding have had on us over this past year or more. The operating budgets at the Colleges and the District have been negatively impacted and all indications are that there will be further cuts to come. Our ability to serve growing numbers of students is no longer what was planned or desired. In fact, we have already reduced class sections by 500 over the past year. Consequently, we are in the process of evaluating our ability to fund the growing cost of facilities maintenance and operation, which the State Controller's Office publicly questioned in its recent audit.

The District has already begun a study analyzing the amounts currently budgeted to maintain and operate existing facilities versus the amounts required after all the new bond program buildings and renovations are complete. At present that full build-out is expected to increase the overall size of the buildings at the Colleges by 3 million square feet or approximately 60%.

To preserve options and maintain our ability to make adjustments if necessary, I am placing a temporary moratorium on any new contracts, extensions, task orders or expenditures for any bond projects that have not started work or are already on hold. That moratorium is effective immediately and applies to the 67 projects identified as "Not Started," "TBD" or "On Hold" in the "Pending" columns on page 5 of the August Dashboard reports, which can be found at <http://www.laccdbuildsgreen.org/>. The "Project List" reports in the Dashboard identify the status designated by the CPM for all of the projects at the nine colleges. To help clarify, a detailed listing of those projects and certain other projects that may be added will be circulated shortly.

Let me be clear that this moratorium does not apply to projects that are already underway or contracts that have already been awarded, and that the intent is to permit any necessary change orders, furniture, equipment, professional services, or other directly related work required to complete and occupy those active projects to continue as planned. However, in the meantime, any new contract, task order, extension or change order adding scope for the Bond Program will temporarily require the final review and approval of the Executive Director of Facilities Planning and Development who will work closely with you and the Chief Financial Officer in determining which items are appropriate to release to the Board of Trustees for processing.

I recognize this temporary moratorium will raise a number of questions and concerns. My intent is to preserve funding on those projects that have not started while also ensuring that active projects are not adversely affected. We will have a much better indication of any further actions or decisions once the facility maintenance and operations cost study is available, which I expect within 30 days.