

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council of Administrative Services (DCAS)

Friday, May 22, 2015

NOTES

Attendees:

Dan Casey, Classified representative, Ventura College (via Lync)
Emily Day, Director, Fiscal Services
Brian Fahnestock, Vice Chancellor Business Services
Alan Hayashi, AFT Representative
Patrick Jefferson, Executive Vice President, Ventura College (via Lync)
Linda Kama'ila, Academic Senate President, Oxnard College
Alexander Kolesnik, Academic Senate President, Ventura College
Dave Keebler, Vice President, Business Services, Ventura College
Deborah La Teer, Budget Director
Mary Rees, Academic Senate President, Moorpark College
Mike Bush, Vice President, Business Services, Oxnard College
Iris Ingram, Vice President, Business Services, Moorpark College
Darlene Melby, College Business Manager, Moorpark College

Guest(s):

Lori Bennett, Executive Vice President, Moorpark College
Jamillah Moore, Chancellor

Absent:

Gianne Braza, Associated Students Ventura College
Joannamarie Kraus, Associated Students Ventura College

The meeting was called to order at 9:05 a.m. in the Thomas Lakin Board Room at the District Administrative Center, with some members utilizing the District's Lync phone conferencing capability.

APPROVAL OF NOTES

The notes from the April 16, 2015 were approved by consensus.

USE OF RESERVES

Vice Chancellor Fahnestock discussed the use of reserves for two items: 1) Information Technology Security; and 2) Chancellor transition. The technology item has two components surrounding security. The first item is the PCI compliance relative to credit card processing requirements. In order for the District to continue to accept credit or debit cards, we must be compliant with PCI DSS 3.0. The second item is to upgrade to Banner called Banner Data Defense Bundle, which incorporates advanced data encryption and firewalling. The total amount of these two IT compliance enhancements is approximately \$300,000.

The second use of reserves presented by Vice Chancellor Fahnestock was funding for the Chancellor's transition salary. This amount is estimated not to exceed \$240,000.

DCAS approved the use of reserves for both items. They will be presented to the Board for consideration in June. The reserves will be appropriated in fiscal year 2016.

GOVERNOR'S MAY REVISE – FY 16 BUDGET UPDATE

Vice Chancellor Fahnestock and Ms. La Teer provided an update on the Governor's May Revise and discussed proposed augmentations for the community college system, but specifically the District.

Mr. Fahnestock indicated that the proposed base allocation increase of \$6.1 million will help with the increase in STRS employer contributions. The base funding increase will help offset the STRS increase. The increase in base allocation funding is considered ongoing revenue.

There was also discussion about COLA funding for FY16, which is approximately \$1.4 million for the District. There is also a large, one-time payment for Mandated Claims. This amount represents a liability amount owed to Districts for several years.

Vice Chancellor Fahnestock also discussed the additional proposed \$4.9 million in student success and equity. He further stated that there has been no discussion regarding additional match requirements for student success and equity. Also included in the Governor's May Revise is approximately \$3.4 million for Scheduled Maintenance and IELM (Instructional Equipment and Library Materials).

Overall, the FY16 budget looks favorable for community colleges, according to Vice Chancellor Fahnestock.

FY16 BUDGET

Revenue Cost Schedule (dated 5/14/15)

Ms. La Teer stated that ongoing, General Fund revenue is on top of the schedule in addition to prior year revenue. There is approximately \$12.4 in new, ongoing resources. Ms. La Teer reminded DCAS that two revenue streams are being removed from the model: lottery and a portion of international student funding. Lottery is being removed as part of the Infrastructure Funding Model and a portion of the international student funding is being removed in accordance with the change made to the Model in March to fund the new international student program. Those two revenues equate to \$1.2 million which leaves \$11.2 million remaining in new/additional resources.

Ms. La Teer briefly reviewed the cost increases for FY16 including salary increases of approximately \$2 million as well as payroll driven increases such as CalPERS, STRS, and worker's compensation.

It was also noted that utilities are coming in close to last year's projection (flat). Utilities will be budgeted with no increase for FY16. In summary, there is approximately \$7.4 million more for FY16 compared to FY15.

There was a brief discussion on whether or not Ventura College should plan a contingency for not meeting the medium sized college designation. Ms. La Teer explained the designation is measured at the end of the year with a one-year waiver. The consensus of the group was that it is easier to make the transition for decline when new revenue is coming in instead of making it while revenues are tight. Vice Chancellor Fahnestock said it is something to think about now and we can finalize before the Adoption Budget if finalized. It was noted that it would be a projection for FY17 since Ventura College appears to have already made the number (medium sized college) for FY16. This item will return in December for FY17 budget.

Districtwide services

Ms. La Teer reviewed the Districtwide Services budget for FY16. She indicated nothing had changed since the last time DCAS reviewed this, but highlighted significant variances such as Board Election, Insurance Premiums, Executive Search fees, and Administrative System Software License fees.

DAC Revenue

Ms. La Teer reminded DCAS when revenue is removed from the Model, the DAC is held harmless for that revenue removal. The total of those changes results in a .1% increase. The DAC allocation percentage for FY16 will be 7.1%.

FY16 Allocation (final)

Ms. La Teer reviewed the FY16 Tentative Budget Allocation and noted it will change for FY16 Adoption Budget as numbers finalize. The General Fund revenue that flows into the Model is approximately \$144 million. Districtwide services, utilities, and DAC come off the top and the remaining \$123 million flows to campuses.

DCAS was reminded that in accordance with changes to the Allocation Model in March regarding productivity, Moorpark College received \$500,000 in the class delivery allocation and was removed from on line 13 (net effect \$0). The three-year productivity factor of 525 phase-in is holding colleges harmless for the first year.

It was also noted that with the Allocation Model change, each camps may carry over up to 2%. Moorpark is projecting 1%; Oxnard and Ventura are projecting 2%.

There was a brief discussion regarding the projected \$14 million for mandated costs. Typically, mandated costs reimbursements are not budgeted until the year after we receive it. If it falls into the budget, it will be paid to the District in November. This topic should be revisited in July for inclusion in the Adoption Budget. The way the Model is setup today, this money will be put into reserves and then be budgeted in FY17.

Auxiliary Services

There was a brief discussion about the child development centers, health center services, and parking fund services. The Child Development Center at Moorpark is projecting to break even. It is projected that Oxnard and Ventura will run a deficit. The health centers have healthy fund balances due to recent repayments of mandated costs. The Parking Services Fund reflects \$1 increase in parking permit fees.

OTHER BUSINESS

None.

Meeting adjourned 10:30 a.m.

Next meeting: Thursday, June 4, 2015 – 9:00 a.m. - FY16 Tentative Budget (final)