

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
District Council of Administrative Services (DCAS)

Thursday, May 1, 2014

NOTES

Attendees:

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

Guest:

Dr. Jamillah Moore, Chancellor

Absent:

Lucia Marquez (ASVC student representative)

The meeting was called to order at 9:06 a.m. in the Thomas G. Lakin Board Room at VCCCD, with some members utilizing the district's Lync phone conferencing capability.

APPROVAL OF NOTES

The notes from the March 20, 2014 meeting were approved by consensus.

FY15 TENTATIVE BUDGET

Mr. Fahnestock mentioned that there isn't much new information known about the FY15 Budget. More will be known shortly, after the May Revise. Mr. Fahnestock mentioned, however, that there are rumblings about the elimination of Student Equity funding that was originally included in the Governor's Initial January Proposal.

FY15 Revenue/Cost Schedule

The revenue cost schedule (dated 4/29/14) was distributed and discussed. Ms. La Teer explained that revenue/resources have not changed. However, costs such as health and welfare, payroll driven expenses, and property and liability insurance are being firmed up.

There was a discussion regarding Blue Cross premium increases. Ms. La Teer explained that premiums for the ASCC group increased 10% in the current year and the premium for faculty increased 1.5%. She further explained that the fluctuation of rates is largely in part due to claim usage and experience. The faculty and ASCC groups are rated differently. For FY15, the faculty group premium will increase 9.15%, while the ASCC group will see a decrease of 1.8%.

Payroll driven expense projections have changed as employer PERS contribution rates have increased. Ms. La Teer explained that a "smoothing method" for rate increases will be instituted next year (FY16).

Other increases include worker's compensation at a 7% increase; electricity at a 9% increase, water is yet unknown; and property and liability expected to increase approximately 5%.

It is expected the FY15 Tentative Budget will be built using these assumptions. More will be known after the May Revise and the FY15 Adoption Budget will reflect any changes.

The revenue/cost schedule estimates the District's General Fund Unrestricted (Fund 111) new revenue will be \$1.7 million less than the anticipated cost increases.

Ms. Rees asked how the projected shortfall will be covered. Mr. Fahnestock explained he has asked each vice president for their plans and he will work with the college vice presidents over the next month to finalize plans. Ms. Rees further explained that faculty at her campus is nervous and want to know how it will be handled. Mr. Fahnestock understood their concern, but explained the numbers are relatively new so plans are still developing. Dr. Moore stated that information has been shared with AFT, SEIU, the Board of Trustees, and Cabinet. As details of the May Revise are known and feedback is received from the colleges, additional information will be shared with all relative groups.

There was a lengthy discussion about the shortfall and planning for a remedy. Ms. Chavez explained that the classified staff cannot be cut any further. Ms. Chavez explained that in previous years, DCAS has developed contingency decisions to recommend to the Board of Trustees. Mr. Fahnestock stated that recommendations will be brought to the next DCAS meeting (May 15). Ms. Chavez also suggested a suspension of the lottery proceeds/transfer to Infrastructure Funding Model (IFM). Mr. Fahnestock explained that the IFM is important as we look at parking lot maintenance, etc. However, that option will be part of the discussion with the vice presidents at DOC.

There was also a discussion regarding FTES and growth goals for FY15. The schedules for summer and fall have been built. Therefore, the only flexibility is with spring. Additionally, there was concern about Ventura College keeping its "medium- sized" college status as it affects all of the colleges, not just Ventura.

A brief discussion ensued regarding productivity (goals and actuals) and how it relates to growth potential and hiring. Mr. Fahnestock stated that current productivity numbers are artificial as to hold the funding constant for FY15. He explained that productivity numbers and how they affect the Model will need to be addressed as we review the Model in the fall.

Revenue Projections – FY15

The Revenue Projection schedule (dated 5/1/14) was distributed and reviewed. There was a brief clarification on the amount of Lottery funds being transferred to the Infrastructure Funding Model.

Allocation – FY15

Ms. La Teer reviewed the FY15 Tentative Budget Allocation (dated 5/1/14). Utilities are currently still an estimate as we have not received information regarding water rates. Currently, for FY14, the District is projected to be over budget by \$453,000 for utilities. The Board voted to use \$500,000 from reserves to cover FY14 utility costs.

Districtwide Services

Ms. La Teer reviewed the Districtwide Services budget (dated 5/1/14) and highlighted line items with significant changes. It is estimated the Districtwide Services budget will increase approximately \$490,000, mostly in part to software licenses, Board of Trustee elections, which could be reduced if trustees run unopposed, and a new contingency org.

FY15 Tentative Budget

The FY15 Tentative Budget Allocation (dated 5/1/14) was distributed and discussed. Ms. La Teer explained each line of the Model and stated that some of the numbers are still moving due to full-time faculty hires and changes in productivity numbers. There won't be significant changes, but refinement.

It is projected that Moorpark and Oxnard will have a 2% carryover amount and Ventura will end the year with 1.25%.

Ms. Rees inquired about the FTES goals and plans for summer/fall/spring. She questioned whether 3% was actually attainable or whether it was closer to 2%. Ms. La Teer stated that she is projecting 3% proportionally split between three colleges. She projects the signed budget will come in at 2%. In the past, there has been discussion about one college taking more/another taking less, etc. Ms. La Teer reminded the group that growth is budgeted the year after it is earned. No current year growth revenue is included in the FY15 budget.

Mr. Fahnestock further explained there are approximately 400 unfunded FTES, which falls within our target/cushion of 300-500. The District's target could be affected based on whether or not other districts meet their goal(s).

There was a discussion on the agenda and strategy of the May 15 meeting. Mr. Hayashi questioned whether or not DCAS had adequate time to make recommendations regarding the FY15 shortfall.

Mr. Fahnestock indicated the May agenda would include the following topics:

- Final DW services for Tentative
- Final utilities for Tentative
- Options for budget shortfall (changes to Assumptions, IFM) for Adoption budget

Mr. Fahnestock confirmed with the vice presidents that FY15 Budget scenarios have been built without cutting positions.

Ms. Kama'ila expressed a desire to have DOC fully vet options and present a Tentative Budget on May 15 and the a use of reserves as a last resort.

Ms. La Teer reminded the group that this is a tentative budget and work begins the day after Board approval on the Adoption Budget. There is time to make changes prior to September.

Meeting was adjourned at approximately 10:52 a.m.

Next meeting – Thursday, May 15, 2014 - 9:00 a.m. – Moorpark College