

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

Thursday February 8, 2007

District Administrative Office Multipurpose Room

NOTES

Attendees: Ken Bailey, Jeff Baker, Dominga Chavez, Ray Di Guilio, Sue Johnson, Tom Kimberling, Mary Anne McNeil, Deborah Moreno, Karen Osher, Jeanette Redding, Kathryn Schoenrock

Absent: Connie Jenkins, Debra Cronin

The meeting began at 8:40 a.m.

Approval of minutes

The January 18, 2007 DCAS meeting notes were distributed for review. Sue Johnson informed the committee that each meeting will begin with the committee reviewing and approving the prior meeting notes. The committee was asked if January 18 notes were fairly representative of the meeting, and they concurred. A District wide committee page has been set up on the District's website, and the approved notes from these meetings will be posted.

Budget allocation

Sue Johnson began by informing the committee, as agreed upon in the prior meeting, the Vice Presidents, Sue, and district budget staff met to develop some options to begin the discussion. It was pointed out that these forthcoming slides were just concepts, and that the committee needed to further develop them to ensure a comprehensive perspective, as well as future district-wide buy-in. Sue Johnson stated that several meetings will be needed to finalize the budget allocation process.

Allocation process – why are we here?

In FY03 the existing model was perceived as broken and was set aside. At that time a report had been issued to the Board as to how that model had evolved highlighting circumstances that caused funds to shift between colleges in an uncontrolled fashion.

Although today we have a way to distribute funds, we don't have an agreed-upon model. This issue has been cited in the accreditation report and will be a major point if not resolved. This current method of distribution has evolved and no longer recognizes how the funds are received from the state.

A major point of contention that exists today, and can be anticipated in future discussions related to the model, will be the perception of “equity.” We will need to find a way to agree on a definition of equity and perhaps we can do so by identifying differences between colleges, such as program mix, educational preparedness, capacity of classrooms, etc. The current model will be designed to distribute general fund - unrestricted dollars only, so those needs intended to be met through categorical funding should not be considered in the discussion.

In addition to the differences highlighted above between the colleges, the committee identified faculty longevity, full-time/part-time ratio, contractual obligations, etc.

The committee was asked if the information provided thus far made sense to everyone in order to better achieve the definition of components of “equity” that may need to be addressed in an allocation model. The committee responded affirmatively.

Sue began a PowerPoint presentation that provided the committee with some preliminary elements to consider in the development of a new allocation model. Those elements are described in the sections below.

PROPOSED ALLOCATION – ELEMENTS TO CONSIDER

- ***Revenue***
- ***Less: Set Asides (needs to be defined)***
- ***Equals: Available for Distribution to Colleges***
 - *Instructional Allocation*
 - *Base Allocation*
 - *FTES Allocation*

Set Asides

We will need to consider what items we may want to include here for central services/costs such as District Office, Collegewide, Utilities, etc. Clearly we need to determine how we will allocate funds for the District Office (perhaps a % of revenue); college wide budget is brought to DCAS so that each item included can be reviewed. We may also want to include incentive based funding to allow colleges to apply for additional dollars, such as for program start-up costs (accountability will need to be included as a following-up in the next cycle). Again, as an incentive, we may want to retain college carryovers, as long as there is a maximum set.

Instructional Allocation

In this segment of the allocation it is important that we address some of the previously identified differences between the colleges, in an attempt to address “equity”. One way to address equity could be by providing an instructional allocation component that incorporates productivity and FTES.

Productivity Factor – What Is It?

- **State productivity benchmark**
 - Equals 525, a number derived by assuming that a full-time faculty load is equivalent to teaching five 3 unit classes with 35 students each for a full semester. 525 Weekly Student Contact Hours (WSCH) is equal to 1 FTES
- **The College Productivity Factor**
 - Actual WSCH for the college divided by actual Full Time Equivalent Faculty (FTEF).

The College Productivity Factor includes components that would reflect some of the differences in classroom capacities, mix of general education and vocational programs, as well as educational preparedness (proportion of basic education classes to college level.)

The committee discussed productivity and the factors that drive the district in this important area, and it was felt the numbers have shifted in the last five years, so we may wish to use a sliding average instead of a snapshot.

After the committee discussed the concepts of productivity, a schedule was distributed that illustrated the mechanics of the instructional allocation component.

That schedule illustrated that each college would receive an allocation for the cost of their full-time equivalent faculty (FTEF) Entitlement, which is a number derived from the college's WSCH and a Productivity Factor (as adjusted by non-teaching assignments, such as leaves, re-assigned time, etc). The allocation would include funding for current/anticipated full time instructional positions, with the balance of the FTEF entitlement converted into a Part Time entitlement that would be funded based on an average cost of an hourly faculty. By using actual cost of full-time faculty, we would be recognizing any differences in faculty longevity. By providing for full-time and hourly costs in this calculation, we would also be reflecting the existing part-time/full-time ratio at each college.

This allocation component allows the college to generate the same FTES at the same productivity level as the prior year. Increased FTES could occur through improved efficiency (productivity) or use of general operating dollars to augment instructional allocation.

Productivity is a big factor in driving this section of the allocation, but FTES also is an important factor in this segment of the model as well.

The committee discussed the advantages of this type of allocation model for some time. The risks of using productivity as an element of resource allocation were also discussed. The group agreed that we would need to be sensitive to the potential negative context that that application might have to the faculty. A possible means to mitigate discussion of potential conflicts between expected productivity and student learning outcomes tied to

resource allocation might be to ensure that we do not use projected or negotiated productivity factors, but only actual, thereby leaving the discussion of academic integrity outside the model.

This segment of the model will be the primary emphasis of the next meeting in an attempt to get full consensus and closure on the elements needed to reflect our primary objectives and budget assumptions/priorities. Specifically, consensus needs to be reached on the following: time period used for the productivity factor, time period used for the FTES, FTEF adjustments.

Base/Fixed Allocation

- *A flat dollar amount that is the same for each college that recognizes the fixed expenses associated with a college regardless of size (SB361 also has a base allocation)*

- ***The set aside allocation model***
 - *Was implemented FY 98 with a base allocation of \$3,750,000*
 - *In FY 03, the last year of use, the base allocation had increased to \$3,850,000*

- ***The new allocation model options***
 - *Fixed dollar amount – simply agreed upon*
 - *Dollar amount that represents agreed upon core services necessary to open a new college*
 - *Percentage of dollars available for distribution to colleges*
 - *Dollar amount that represents agreed upon core services necessary for a small existing college*

The committee discussed the concept of a base fixed allocation, including some discussion on the definition of “core services” or core support services.

A handout of a comparison of fiscal data between Copper Mountain CCD (the newest and smallest college) and Ventura County CCD was distributed for review.

Sue stated that using the same dollar amount at each college would recognize the similarities in college core positions and services, but the more we put in a fixed component, the more we are moving away from how we are getting our dollars from the State. We need some level of a fixed component, which would also recognize the smaller school. Using a percentage of dollars available could be volatile from year to year.

Sue Johnson asked if everyone agreed on the premise that a base or fixed allocation is needed and ought to be the same at each college. There was consensus that there should be a base/fixed allocation, and that it should be greater than the former \$3.85 million.

It was agreed that this segment of the model would most likely be the most controversial: that we should not decide on the amount for awhile as that would undoubtedly be a lengthy discussion.

FTES Allocation

This allocation component will be the remainder of the available revenue and might be allocated to colleges based on their proportionate FTES. This segment:

- *Recognizes how the District receives revenue (SB361)*
- *Allows for flexibility and differences in college priorities*

There was also discussion as to whether the bottom two components, base/fixed allocation and FTES allocation should be under a sub-heading of non-instructional or support, in contrast to the first segment of instructional.

Stability

- *A new allocation model will shift resources*
- *Must provide stability and allow a period of transition to gradually move towards full implementation of a model*

The committee discussed the need for this element. A comment was made that we should not be thinking of the need for stabilization but rather address the differences in the model and determine what is needed is an allocation model that will be flexible but yet still meets the core needs of the colleges. Fair treatment for all concerned is what is needed. It was agreed that we should probably wait until later in the discussion, once we see the overall impact, prior to discussing how we should handle stability.

Next Steps

It was asked of the committee to continue thinking about the components of a model for the next meeting and come prepared to offer and discuss the options presented today as well as others. Our goal is to have something to present to the Board for consideration at the April 2007 meeting. A tentative budget can be developed without a new model, targeting the adoption budget for implementation of the model. Staff agreed to update the slides, based on upon the agreed-upon options to be added. Sue asked that everyone stay away from the number crunching as she did not want them to lose sight of the concepts and priorities, and asked that everyone come to the next meeting as prepared as possible with a Districtwide perspective.

Next Meeting: Thursday March 8, 2007