

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

Thursday, January 21, 2010

**NOTES**

Attendees: John al-Amin, Robert Cabral, Dominga Chavez, Iris Ingram, Sue Johnson, Dave Keebler, Deborah LaTeer, Mary Anne McNeil, Paula Muñoz, Darlene Melby, Peter Sezzi

Absent: Jeff Baker, Karen Osher

The meeting began at approximately 8:38 a.m. in the Multi-purpose Room at VCCCD.

Paula Muñoz was introduced as the new AFT representative on DCAS.

**APPROVAL OF NOTES**

The notes from the December 17, 2009 meeting were approved by consensus. The notes included additions made by Steve Hall, AFT.

**MEMO FROM CHANCELLOR JACK SCOTT (dated 1/8/10)**

A memo from State Chancellor Jack Scott (dated 1/8/10) was distributed. Ms. Johnson explained that as a part of the Governor's January Initial Budget Proposal community colleges were treated much better than any other segment of the government. However, the Governor's proposal is now begin referred to as a "Blue Sky" budget proposal, as it is extremely optimistic, includes many assumptions that will not hold throughout the process, and therefore does not address the real budget deficit.

**2010-11 LEGISLATIVE ANALYST'S OFFICE BUDGET ANALYSIS**

The LAO's 2010-11 Budget Analysis (Executive Summary) was distributed and discussed. The Summary critiques the Governor's plans to balance the State budget. Again, the LAO's analysis indicates that, although the Governor's estimate of the amount of the overall deficit is reasonable, his proposed solutions are not realistic. His proposal is reliant on the receipt of significant federal funds, voter support of transfers, the legality of proposed reductions, etc. - many of which are likely not going to materialize and the legislature will be left with very difficult decisions in addition to those proposed.

There was a brief discussion regarding "flexibility" vs. "Student Success" funding. Such a change would transfer the responsibility/decision regarding the allocation of student services funds to the local districts.

Ms. Johnson explained that the consensus of many staff and analysts who spoke at the recent State Budget Workshop (including the LAO) feel it will take years to rebound from this current state deficit.

## **FY 2010-11 REVENUE/COST PROJECTION SCHEDULE (dated 1/21/10)**

The Revenue/Cost Projection Schedule dated 1/21/10 was distributed and discussed.

### Projected FY 10-11 Revenue

Ms. Johnson explained that the revenue/cost projections that were distributed and agreed upon in December showed a \$21 billion state budget shortfall, which equates to approximately a 20% state deficit. VCCCD's proportionate amount of that shortfall would be approximately \$8 million. Now, based on information contained in the Governor's January budget proposal which indicated strong support for community colleges, it is being recommended that we reduce the amount of estimated deficit to the community colleges by half, to approximately \$4 million, plus an additional shortfall of \$.6 million due to the loss of ARRA funds for FY 2010-11 (in aggregate for general fund-unrestricted and major categoricals).

Again, because of the significant budget reductions in categorical programs in FY10, the loss of ARRA in FY11, and further expected reductions, it was agreed that looking at the overall funding shortfall (general fund unrestricted and the major categoricals combined) was the best approach for the initial analysis. As allocation of those funding reductions become more clear, we will more specifically identify them. (This is a major change in considering and presenting the overall impact that we began in December).

### Costs - Salary Increase/Health & Welfare/Step Increases

These numbers are still very general estimates. For now, staff is assuming there will be no salary increase and no change in benefits. Projections reflect an estimated increase of 10% in district-paid faculty health insurance costs (Blue Cross) and negligible increase in district-paid health costs for all other employees due to the existing cap. These numbers may move significantly as we begin to receive estimates from Blue Cross and move into negotiations with AFT and SEIU.

### Payroll Driven Expenses

The STRS rate is still to be determined. PERS has adopted a "smoothing" methodology of increases, to gradually spread the losses of the market over several years, and those rates have been published and are included in the projections.

### Other

For FY11, a line item has been added to represent the amount to be absorbed by the General Fund due to additional categorical program cuts and the integration of a single student services model. The amount to be reflected is not yet determined.

The overall estimated shortfall is just under 5%. Ms. Johnson asked committee members whether or not they felt comfortable with the \$4 million deficit projection in revenue. Discussion ensued as to whether we were dropping the total estimated shortfall too quickly, knowing the overall state budget shortfall had not changed. Ms. Johnson reviewed the revenue shortfall mitigation discussion from December. At that time, it was decided if the deficit was less than 5%, the shortfall would be reflected at all 4 sites (colleges and DAC) and a recommendation to the Board for no use of reserves. Ms. Johnson further explained that the colleges and DAC had previously been working on 2%, 4% and 6% site reduction plans. They are now looking at a more-likely scenario of 3% to 5% reduction plans. Ms. Johnson pointed out that the actual projected reduction in site budgets under either scenario (\$4 million or \$8 million) was approximately the same, based on the recommendation of the committee last month that the reserves only be used if the actual budget shortfall exceeded five percent (5%).

The general consensus was that this was the “best guess” at the present time. It was suggested that we approach these figures with cautious optimism. It was also suggested that faculty and staff may be pleased to learn that we are now looking at a scenario that may not be as bad as previously projected and that should allow the maintenance of a level of reserves through FY13, instead of only FY12.

### **DISTRICT ADMINISTRATIVE CENTER HEADCOUNTS**

As promised in a previous DCAS meeting, a chart depicting employee counts at the District Administrative Center was distributed. The Chart begins with fiscal Year 2003 because that is the year Banner payroll was implemented and detail data is available.

### **NEXT MEETING**

- February 18, 2010 – 8:30 a.m.

Meeting was adjourned at approximately 9:48 a.m.