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

Thursday, March 18, 2010

NOTES

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

Absent: None

The meeting began at approximately 8:35 a.m. in the Multi-purpose Room at VCCCD.

APPROVAL OF NOTES

The notes from the February 18, 2010 meeting were approved by consensus.

REVENUE/COST PROJECTION SCHEDULE

The Preliminary Revenue/Cost Projection Schedule (as of 3/11/10) was distributed and discussed in detail. The first quarter state revenue projections came in $2 billion over what was expected by State Department of Finance. Ms. Johnson also shared that the recently announced apportionment deferral for March has been cancelled – another positive signal regarding the first quarter cash receipts by the state. April and May will be very important, as well, as it will include income and property tax payments, and should include an updated overall state-wide deficit projection.

Costs

Ms. Johnson explained that both SEIU and AFT contracts are fully open for negotiation, so salary and benefit costs are yet to be projected.

Health and welfare projections are very preliminary. Full-time faculty is currently projected by Blue Cross to be a rate reduction of 2%. The ASCC group (administrators, supervisors, classified & confidential) is currently projected by Blue Cross to increase by 22%. We will receive modified projections in mid-April. They will include two to three additional months of claims, and less trending. Both rates are expected to change. The FY10 premium for the ASCC group is only $18 from their cap. There are four options for handling the increase: 1) the plan can be modified to reduce the rate; 2) employees will pick-up the cost of the final increase (less the $18); 3) an increase in the CAP can be negotiated; or 4) a combination of all. Health premiums are based on an average of premiums paid less claim amounts, with some adjustments and reserves.

Step increases are projected to total approximately $750,000 for FY11, unless otherwise negotiated.

Payroll Driven Expenses

STRS rate hasn't changed in many years (approximately 17-18). They announced two years ago they would recommend a one-half percent increase each year until the rate approached 15 to 16%. This is due to the significant level of underfunding. The STRS rate is set by legislature. The rate did not increase last year as expected. The PERS rate is set by the PERS Governing Board. The increase reflected is due to their decision to extend smoothing last year because of the tremendous losses in investments.

Student Service Integration

The current Revenue/Cost Projection assumes a reduction of Proposition 98 funding. Once categorical fund reductions are known, the integration of services cost should also be known and moved to the expense section rather than a reduction in income. This move will be in addition to whatever reductions are made to the categoricals themselves.

RESERVE PROJECTION

A possible Reserve Scenario (dated 3/18/10) was distributed and briefly discussed. If the assumptions come in as projected, reserves will be depleted by June 30, 2013. We will continue to update assumptions as new information develops.

FY 11 BUDGET ALLOCATION SIMULATION

A budget allocation simulation (dated 3/18/10) was distributed. Ms. Johnson pointed out that the revenue includes approximately $4.6 million less than prior year. This should not be confused with the deficit figure included on the Revenue/Cost Schedule. Ms. Johnson reminded the group that the Allocation Model is used only the revenue distribution, not expenditures. The balance of the shortfall is expected due to projected increase in expenses.

Ms. Johnson explained each line of the Allocation Model and noted some important functions of the Model. The class schedule allocation is based FTES served (not funded) Also, the Productivity Factor used in Line 3 is a combination of prior year actual and goals for future year – currently assuming no change no change for goal, as those meetings have not occurred between the presidents and chancellor.

Jeff Baker stated that the increase in FTES and an expected increase in productivity is not sustainable. He explained that there is perceived pressure to reduce costs by reducing class schedules and pressure to increase productivity.

There was a brief discussion about the history behind the development of the new model. This model more closely relates to the way the state allocates money to districts; productivity was included to represent several differences in our colleges.

Ms. Johnson reminded the group that these figures are very preliminary based on assumptions previously shared and agreed upon by DCAS, as well as assumptions in the model itself.

Paula Munoz, AFT rep, asked when the DAC would be taking their share of the reductions. Ms. Johnson explained that all sites, including the District Administrative Center, are assuming a 5% reduction, and are building budgets accordingly, and that that number will be reflected in the DAC as a result of decreased revenue coming into the model and assuming whatever part of the costs are DAC's, as all sites will.

OTHER

Robert Cabral indicated that he should have brought an issue to DCAS last month and requested that the following recommendation made by Oxnard College Academic Senate be reflected in the DCAS Notes:

> The following is the consensus from the OC Academic Senate:
>
> It is recommended that the district spend $5 million from the unallocated reserve fund to offset the "projected" budget cuts for FY11.

NEXT MEETING

~~April 15, 2010 – 8:30 a.m.~~ *Meeting will be rescheduled and committee will be polled/notified via email.*

Meeting was adjourned at approximately 10:07 a.m.