

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

Thursday, May 20, 2010

NOTES

Attendees: John al-Amin, Robert Cabral, Dominga Chavez, Riley Dwyer, Alan Hayashi, Iris Ingram, Sue Johnson, Deborah LaTeer, Darlene Melby, Mary Anne McNeil, Karen Osher, Peter Sezzi (via teleconference)

Absent: Dave Keebler, Debby Talili

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

Alan Hayashi was introduced as the permanent representative for AFT. Mr. Hayashi is a full-time faculty (math) member at Oxnard College and the AFT budget officer.

APPROVAL OF NOTES

The notes from the April 8, 2010 meeting were approved by consensus.

MAY REVISE UPDATE

A PowerPoint presentation (dated 5/19/10) created by the State Chancellor's Office, which was presented at the recent ACBO Conference, was distributed and discussed. The projected statewide budget shortfall is now estimated at approximately \$19 billion, or 12% of the total state general fund budget.

The Governor proposed additional cuts to EOPS and P/T faculty compensation; each approximately \$10 million systemwide. That proposed saving would augment career and technical education (CTE). He also proposed additional flexibility to categoricals, including EOPS and Basic Skills. There are no cash apportionment deferrals proposed in the May Revise, but he stated that several months' projected cash balance is tight and might result in deferrals. He recommended an elimination of the FTO requirement. He also recommended a 2.2% growth funding for CCC that would cover some of the current unfunded students.

The Summary from the LAO's reaction to the Governor's May Revise was distributed and briefly discussed. Ms. Johnson mentioned that the complete report can be found on the LAO's website. The LAO accepted most of the Governor's proposals related to CCC and had additional recommendations including a proposed student fee increase to \$40/unit, which would pay for the growth. He also recommended cutting funding for physical education courses and placing a PE cap on each district in addition to the overall FTES cap. The proposal is approximately a 50% reduction of PE. He recommended elimination of the 50% law requirement, and a suspension of Prop 98.

Overall, in the Governor's proposal, community colleges fared better than any other segment of government. However, with the statewide shortfall still being projected in excess of \$19 billion; it is likely that there will be many movements on the part of the Governor as well as the legislature. A late budget deal is expected.

By law, the District is required to adopt a budget by June 30 in order to conduct business (issue payroll/vendor checks). That is the legal reason for a tentative budget. The prudent reason is to project where we are financially and plan for various contingencies. If we waited to adopt a budget until September or October, when the state adopts their budget, we would be too late to react to any shortfalls and the impact, therefore, would be increased.

REVENUE SCHEDULE

A Revenue Schedule (as of 5/20/10) was distributed and discussed in detail. There are no proposed changes in revenue since the schedule was presented in April.

Ms. Johnson reminded the group that the \$4.6 million shortfall that we were assuming in general fund and categorical revenues was then deducted at the bottom of the schedule, and is intended to cover revenue reductions of required integration of categorical costs.

Peter Sezzi asked if the proposal in the May Revise regarding physical education comes to fruition (mid-year), would the shortfall be covered by the Revenue Shortfall Contingency (reserves). Ms. Johnson explained that any mid-year reduction would come from the Revenue Shortfall Contingency (reserves) and unallocated reserves. The Budget Assumptions included an approval by the Board to use reserves and not go into operating budgets for mid-year reductions.

Robert Cabral asked how the District is currently handling the State apportionment deferrals. Ms. Johnson explained cash reserves are used for purposes of cash flow when the State defers revenue apportionments. If no such funds were available, we would have to borrow cash (through TRAN), which would create an added expense for the District.

Ms. Johnson asked the group whether, after seeing the continued projected statewide shortfall, the Governor's May Revise, and the LAO's reaction, they felt comfortable standing by the proposed Tentative Budget or whether they wished to change the revenue assumptions. The consensus of the group was to continue with our current revenue projections through the Tentative Budget process.

DISTRICTWIDE SERVICES BUDGET

The Districtwide Services Budget (dated 5/20/10) was distributed and reviewed. The group was reminded that funds for the Great Teacher Seminar/Academic Senate Travel will be budgeted in Districtwide then transferred to the colleges after the first of the year (July 1). It will be funded at \$15,000 (\$5,000/college).

FY 11 BUDGET ALLOCATION SIMULATION

A Budget Allocation Simulation (dated 5/20/10) was distributed. Ms. Johnson pointed out that the revenue comes from the Preliminary Revenue Schedule previously distributed, including the assumed shortfall from the state.

There was a brief discussion about the site carry-overs and the increase to "up to 2%". Ms. Johnson explained that the Board approved this exception to the Model as part of the Budget Assumptions. This was not a change in the Model itself, but could be recommended to, and approved by, the Board in subsequent years if it was believed to be appropriate.

Ms. Johnson then walked through the elements of the Model, explaining how the amounts are calculated and how many are used to support the agreed-upon principles of the Allocation Model. She also reminded the group that the Allocation Model is used only for allocation purposes, not to control expenditures.

OTHER

FTO

There was a discussion regarding FTO (full-time obligation/faculty). The May Revise contains a proposal for suspending FTO. Iris Ingram asked how the suspension, if approved, would affect the District. Ms. Johnson indicated she felt it was unlikely to pass because unions are protective of the law. The current law states that if you miss the obligation, the penalty is monetary. It equates to the average cost of faculty times the number of faculty missed. Ms. Johnson indicated that the FTO numbers are closely monitored. Our number of full-time faculty is above that required.

DCAS Participation

Ms. Johnson asked DCAS members whether they felt their participation at DCAS was adequate. She stated that her primary goal is to represent decisions and discussions at DCAS through accurate and timely notes and written documents (such as budget narrative and Board agenda items). When DCAS members take information to their constituents there are times when the DCAS reps are asked to relay information back to DCAS. Even though it was understood that it did not apply to the most recent situation, Ms. Johnson reiterated that if a decision made by DCAS is to be reconsidered, the member should clearly state so.

Several members expressed positive support for DCAS and the process and their comfort level with asking questions and/or seeking clarification, including re-consideration of an issue.

NEXT MEETING

Thursday, June 3 - 8:30 AM*

*The Tentative Budget book will be reviewed in detail at this meeting. Therefore, our meeting will conclude at approximately 11:30 a.m. Please plan accordingly.

Meeting was adjourned at approximately 10:25 a.m.