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

Thursday, September 16, 2010

NOTES

Attendees: John al-Amin (left at 10:30 a.m.), Robert Cabral, Dominga Chavez, Riley Dwyer, Alan Hayashi, Iris Ingram, Sue Johnson, Dave Keebler, Deborah LaTeer, Darlene Melby, Mary Anne McNeil, Karen Osher, Peter Sezzi (left at 10:00 a.m.)

Absent: None

The meeting began at approximately 8:31 a.m. in the Multi-purpose Room at VCCCD.

Ms. Johnson made note of the fact that as of September 16 (end of day), it will be the longest budget stalemate in California history.

APPROVAL OF NOTES

The notes from the August 19, 2010 meeting were approved by consensus.

NON-GENERAL FUND BUDGETS

Parking Fund

Parking fees have been pulled from the proposed Transportation Bill. The maximum charge allowed by the State is currently $40. It is not permissible to charge all police services to parking, as some of their efforts are outside of that area. We discussed means to enhance revenue and referred the recommendations to DOC. We continue to monitor and identify means to reduce overall expenses, while balancing that with the priority of safety and security.

Health Services Fund

Health Center fees are currently $17/semester. The District has not received any State Mandated Cost reimbursements since 2006. Operations continue to be self-supporting.

Bookstore Fund

The campus bookstores are self-sufficient except for utility payments. Ending balance figure includes inventory, which is non-cash/non-liquid, as well as reserves for capital expenditures Sales are expected to decline because of alternative sources, but staff continue to identify how to better meet student needs..

Cafeteria Fund

In 2009-10, Ventura College's cafeteria recorded a net profit. For 2010-11, Ventura and Moorpark Colleges are projecting net profits. Oxnard College is making significant changes to operational hours and working towards narrowing the loss in FY11 and breaking even in FY12.

Child Development

The Tax Bailout (ARRA) funds received in FY10 were "one-time". The FY10 *actuals* reflect a loss in all three child care centers. The District's salaries and benefits cannot be sustained by the fees charged at the centers. The centers are made up of labs for child development courses and child care. These operations will be monitored and adjusted periodically.

Internal Services
Self-Insurance (611) – This fund is for payment of deductibles for claims (@ $50,000). The amount transferred into this account is being reduced from $100K in FY10 to $75K for FY11. To date, few claims have been paid out, but expenditures are anticipated to increase in future years.

Retiree Health Payment Pool
Medicare-Part D reimbursements are being put into this fund. It is a reserve fund for future claims resulting from the lawsuit/settlement with a pool of District retirees. There is no way to assess future exposure/liability for this fund. It was suggested that interest from this fund (612) be accounted for separately beginning in FY12.

Workload Balancing:
Prior year figures are used for the 2010-11 Adoption Budget. Loadbanking procedures were reviewed – liability is for 10 years – it must be used or paid out at the rate at which it was banked.

Retiree Health Benefits
The District is required to have an actuarial study every two years. Our next one will be done in December 2010. An RFP was issued for GASB45 Investment Services/Irrevocable Trust. The Board will soon consider recommendation at its November meeting. An irrevocable trust would earn higher interest than having the funds held in the County treasury, thereby reducing the overall liability.

Financial Aid
This schedule is included to account for financial aid revenue and disbursements.

Capital Projects
The largest fund of all capital funds is Measure S, which has a remaining life of approximately three years. Other funds include state and locally funded projects as well as scheduled maintenance projects.

Ms. Johnson explained that without a State budget, the State could issue IOUs to vendors and employees. The district will not issue IOUs because the District has sufficient cash for several months because of the prudent actions of this committee and District Board. If, in a few months, the State still does not have an approved budget and it is determined that the District needs to borrow money, it will be done through a TRAN. In order to have a TRAN issued, the District must first have an Adoption Budget.

REVENUE – General Fund Unrestricted
The proposed revenue schedule (dated 9/16/10) was distributed and discussed. The General Apportionment revenue is projected at the same level as FY10 actual. At tentative budget, we assumed a reduction in revenue (both general fund restricted and unrestricted) up to $4.6 million because of the magnitude of the State structural deficit and the need to address the issue. As the issue has yet to be resolved, and the last word from the Assembly, Senate, and Governor was that CCC would be left whole, we agreed to restore revenue to the same level as prior year's actual. Because of the circumstances, lack of State approved budget, and still remaining need of the State to identify an actual and permanent solution to the structural deficit, if not this year then next, it was agreed that the restored revenue (over Tentative Budget) will be used for non-recurring expenditures (such as IELM and Scheduled Maintenance) in order to avoid reductions that may occur next fiscal

year.   This recommendation will avoid what could have resulted in see-saw exercise of increasing on-going operations only to decrease them again next year.

If the assumption of flat revenue proves inconsistent with the final State budget, the recommendation to the Board will again be that we will not reduce site budgets mid-year, but instead utilize Contingency for Revenue Shortfall reserve to cover the deficit. The Board has previously approved this position on two occasions (Budget Assumptions and Tentative Budget).

There was also concurrence that if we find that revenue does not go down in 2011-12, as is now anticipated, and a real and permanent solution is found to the state-wide structural deficit, we will consider gradually restoring on-going operational budgets

There was a brief discussion about FTES and class schedule reductions. Sue explained that it was never the District's intent to eradicate the total unfunded FTES and certainly not in a single year. It is, however, the goal to reduce that number by 1,000 to 1,500 by the end of this fiscal year, and we appear on target of meeting that goal. An FTES schedule will be brought to DCAS at the next meeting.

After a productive discussion, the proposed handling on revenue projections and expenditures were approved by consensus and the Adoption Budget will be developed using these assumptions and presented at the next meeting.

CATEGORICAL FUNDS
Projected funding for categorical remains unchanged from Tentative Budget: 5% cut with a 95% guarantee from State assumptions. Once final allocations are received from the State, which is based on MIS data, a budget adjustment will be brought to the Board and that adjustment will include the distribution of the new ARRA funds for approximately $99,000.

OTHER
Alan Hayashi distributed an Ending Balance schedule (dated 8/18/10) which was previously distributed during an AFT Negotiation meeting. Sue commented that ending balances for many of these funds are not cash/liquid, but may include such things as inventory and/or be restricted in their possible use. The chart was presented to track the historical changes.

NEXT MEETING
Thursday, September 30 - 8:30 AM

Meeting was adjourned at approximately 11:30 a.m.