

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

Thursday, March 10, 2011

NOTES

Attendees: John al-Amin, Blanca Barrios, Robert Cabral, Dominga Chavez, Alan Hayashi, Iris Ingram, Sue Johnson, Dave Keebler, Deborah LaTeer, Darlene Melby, Mary Anne McNeil, Lisa Putnam (for Riley Dwyer) Peter Sezzi

Absent: Riley Dwyer, Karen Osher, Trevor Zierhut

The meeting began at approximately 8:32 a.m. in the Board Room at VCCCD.

APPROVAL OF NOTES

The notes from the February 17, 2011 meeting were approved by consensus.

FY12 BUDGET

Revenue

The Revenue Projection for FY12 (dated 3/10/11) was distributed and discussed. Sue mentioned that there has been no significant change since this schedule was last distributed. The recent P1 figures indicate that VCCCD could expect more growth revenue, but that will not be confirmed until P2, which is in June. Some districts are late in reporting growth, which may skew the P1 reported numbers. For now, growth revenue is projected to be \$2.8 million. This growth funding was earned in FY11, but in keeping with District policy, will not be budgeted until the year after it is earned. Therefore, it will be considered new revenue for FY12.

The revenue assumptions outlined on the schedule, assume the passage of a ballot measure for the extension of tax increases. The Tentative Budget will be built using this assumption.

Districtwide Services

The Districtwide Services budget (dated 3/10/11) was distributed and discussed. Sue explained some variances between FY11 actual and FY12 Budget. The FY12 budget for Data Base Admin/Tech Implementation decreased by \$60,000. This is due in part to the reduction of the SIG consulting services contract amount. The budget for IT admin systems may increase based on the recommendation in the prior month to review the charges that are accessed to the local sites. If the decision is to move some of those costs to Districtwide, that budget will increase, but the costs will not need to be borne by the sites. The District's property and liability insurance premiums are expected to increase for FY12 due to high experience of losses in FY11. Sue clarified that the Bad Debt Exp line is for uncollected enrollment fees and is expected to decrease due to changing registration process.

The Districtwide Services Budget was approved by consensus as presented and will be included in the Tentative Budget.

Utilities

Utilities are being projected as flat for Tentative Budget. (The chart shows the amount in error and will be corrected and redistributed.) The Adoption Budget will reflect actual utility expenses.

There was a discussion regarding the variance between utility budget and actual expenses. Sue explained that if the actual expenses come in under the budget amount, the surplus amount (currently) is put into Unallocated Reserves. This could be something to keep in mind when discussing structural deficit triggers.

Allocation

The FY12 Budget Allocation schedule (dated 3/10/11) was distributed. Ms. Johnson pointed out that the revenue ties to that from the Preliminary Revenue Schedule previously distributed

Ms. Johnson then walked through each element of the Model, explaining in detail 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. (If the Districtwide budget is modified as discussed, the model will include the revised amount)

The Class Schedule Delivery Allocation has been updated to include the agreed-upon goals (between the Presidents and Chancellor) for productivity for the upcoming year. The productivity factor used in the Model is a blending of the most recent year's (FY11) actual and next year's goal.

A schedule showing historical productivity rates was distributed as supporting information for the Budget Allocation.

Budget Assumptions

A draft of the FY12 Budget Assumptions and Guidelines was distributed. DCAS thoroughly reviewed the document and offered several suggestions for clarity.

There were questions regarding language in the Budget Assumptions referencing personnel actions that will be presented to the Board in April. Sue explained that vacant positions are being considered first, but incumbents may be affected. Sue also cautioned the group about a possible second round of position reductions if the tax extension ballot fails to become a ballot measure or fails.

There was a suggestion that the assumptions should state that the elements of enrollment management (especially reductions in the class schedule) were determined at each college. There was a discussion regarding FTES at Ventura College and how dropping below the 10,000 FTES threshold may affect district funding. Peter Sezzi explained that should Ventura College drop below the 10,000 FTES, the affect would be felt at all three colleges, not only Ventura. The added revenue for small vs. medium college flows through the model. Sue clarified that the sites alone determine the specific reductions in the class schedule, not the district.

The Tentative Budget assumes a “best case” scenario. The Adoption Budget might be worse depending on the passage/failure of the ballot measure.

There was a brief discussion about the process for earning/budgeting growth. Sue reminded DCAS that if enrollment growth is earned, it is not budgeted until the subsequent year. Growth revenue (for the year it is earned) is funded in June. That funding is put into reserves. For the subsequent year (the year after the growth is earned), as the growth funding is an increase to our base funding, the revenue is included in the budget as ongoing revenue.

Sue clarified the funding of the Budget Shortfall Contingency Reserve and its uses.

There was general support for the Budget Assumption document as presented because it was stated that it is presented logically and paints a clear picture of the district’s position on building the Tentative and Adoption Budgets and allows colleges/employees to plan for stability as well as brings awareness to the budget situation. It may also dispel rumors regarding pending reductions.

Overall, there was consensus on the Budget Assumptions, but the document will be revised to include suggested changes and will be redistributed no later than Wednesday, March 16th. DCAS is asked to review the revised document and provide input, via email (copying all) no later than Friday, March 18th.

The Budget Assumptions will be presented to the Board for approval at the April meeting.

LOCAL STRUCTURAL DEFICITS

Sue briefly recapped the District’s continuing need to address local structural deficits and items that have already been agreed to:

Structural Deficit (Revenue) Resources:

- Lottery Proceeds
- Interest Income
- Enrollment Fees (Waivers & Local Share)

Structural Deficit Resource Allocation:

- Scheduled Maintenance & Capital Furniture (including admin, faculty & classroom)
 - o Assignable Square Footage
- Library Materials & Databases (previously IELM/TTIP)
 - o FTES
- Instructional and Non-Instructional Equipment
 - o FTES
- Tech Refresh (hardware & software)
 - o Number of Computers
- Other
 - (such as R&D, staff innovation, lab software, program transition costs, program accreditation, staff development (classified and faculty))
 - o 1/3, 1/3, 1/3

There are still remaining issues regarding structural deficits: (1) in what order/priority will the structural deficits be funded?; (2) what will the level of funding be?; (3) what will trigger the funding (where are we getting funds and when?) on both a temporary and/or permanent basis.

Peter explained the need to “right-size” the budget. We may need seed money to jump start the process. He suggested that long/short term objectives be identified. He also explained that the General Fund Budget is based on revenue that never should have been used to support on-going instructional operations, but instead should have been directed to special needs. It was also stressed that we cannot lose sight of eroding reserves and where future contributions to reserves may come from. Our comprehensive plan must address all these issues.

A list of possible triggers was distributed and briefly discussed. Additionally, the list of resource allocations was distributed. These lists are intended to be used as a stimulus for brainstorming only.

Triggers, priorities, and ultimate funding targets (goals) will be discussed in more detail at the April meeting. The plan is to present a long-term plan to the Board to address local structural deficit needs in May or June if we are ready.

NEXT MEETING

Thursday, April 7, 2011 – 8:30 a.m.

Meeting was adjourned at approximately 11:40 a.m.