

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council of Administrative Services (DCAS)

Thursday, February 18, 2016

NOTES

Attendees:

Sylvia Barajas, Vice President, Business Services, Moorpark College
Mike Bush, Vice President, Business Services, Oxnard College
Alan Hayashi, AFT Representative
Linda Kama'ila, Academic Senate President, Oxnard College
Alexander Kolesnik, Academic Senate President, Ventura College
Dave Keebler, Vice Chancellor, Business & Administrative Services
Darlene Melby, College Business Manager, Moorpark College
Mary Rees, Academic Senate President, Moorpark College
Cathy Bojorquez, Budget Director
Emily Day, Director, Fiscal Services
Jennifer Clark, Fiscal Services Supervisor, Oxnard College (via Lync)

Absent:

Lori Bennett, Executive Vice President, Moorpark College
Tim Harrison, Vice President, Business Services, Ventura College
Gianne Braza, Associated Students Ventura College
Joannamarie Kraus, Associated Students Ventura College

The meeting was called to order at 9:06 a.m. with some members utilizing the District's Lync/Skype phone conferencing capability.

INSTITUTIONAL EFFECTIVENESS PARTNERSHIP AGREEMENT (IEPI)

GOALS/INDICATORS

Ms. Rees asked to have this item added to the agenda. Ms. Rees distributed a form related to the Fiscal Viability and Programmatic Compliance with State and Federal Guidelines asking for the District's Indicator Rates for Fund Balance, Audit Findings, Salary and Benefits, Annual Operating Excess, and Cash Balance. Short term (1 year) and long term (6 years) goals should be set. Ms. Rees indicated there is no penalty for not making goal, it is merely a target. After much discussion, the following goals were set.

	Short Term (1 year)	Long Term (6 years)
Fund Balance	25%	25%
Salary and Benefits	88%	88%
Annual Operating Excess (Deficiency)	\$1 million	0 (breakeven)
Cash Balance	\$30 million	\$41 million
Audit Findings – Audit Opinion Financial Statement	Yes	Yes
Audit Findings – State Compliance	Yes	Yes
Audit Findings – Federal Award/Compliance	Yes	Yes

It was agreed that these are preliminary goals and will be taken to each campus for further discussion. This item will return to the March DCAS meeting for further discussion. Ms. Rees suggested that it also be presented at the Finance Capital Planning Committee for initial review.

It was further suggested that BP/AP 6200 be brought to DCAS for review.

APPROVAL OF NOTES

The notes from the January 21, 2016 were approved by consensus.

FY17 PRELIMINARY REVENUES AND EXPENSE ANALYSIS

Vice Chancellor Keebler reviewed the revenue schedule (dated 2/18/16) for FY17 based on Governor's Initial Budget proposal. He further stated no growth projected for FY16, which would've gone into base for FY17. There is \$673,739 in new revenue from COLA going into FY17.

Vice Chancellor Keebler stated he projects a \$5.5 million shortfall for FY17 for the District. Expenses are estimated to increase by \$6.2 million. Health benefit cost increases are estimated at 10% for faculty and 7% for ASCC. As actual increases are known, amounts will be revised. No growth will go into operating budgets for FY17. Additionally, projections indicate the District will be short 460 FTES, which equates to \$2.1 million. As a result, there is no new revenue from enrollment growth. Vice Chancellor Keebler explained that the medium-sized college designation earns \$567,062 more revenue over the small-sized designation. He explained there is a three-year hold harmless. This is related to Ventura College if they should fail to meet the FTES number associated with the medium-sized college. Ventura College is not expected to meet the medium-size FTES requirement, so FY16 will be the first of the three-year hold harmless period. The FTES thresholds that determine the size of the college is contingent on the system-wide growth rate. The system was funded for a 3% growth rate for FY 16 and the medium-sized college threshold also reflected a 3% growth. However, Dan Troy of the CCCCO shared that the system is growing at a much lower rate.

There was a discussion about the \$6.1 million base allocation increase in FY2016. Dr. Bush expressed concerns classifying it as one-time in the preliminary analysis based on the Governor's January budget proposal. The Governor classifies it as on-going. Vice Chancellor Keebler says these are ongoing dollars that need to be transitioned.

Vice Chancellor Keebler explained the \$6.1 million flowed through the allocation model. The intent of the increase was to cover STRS/PERS increases. In the first few years, those increases will not amount to the \$6.1 million. Therefore, and any excess would be used on one-time expenses. Mr. Hayashi questioned the \$1 million reserve designation for STRS/PERS. Vice Chancellor Keebler explained he will be asking the Board to undesignate that funding.

Ms. Kama'lia expressed serious concern about the \$5.5 million shortfall. She inquired if there was a plan in place to deal with the issue. She explained if the state does not want to fund us in a sustainable way, how are we going to operate? It may be that some of the goals we have are not achievable.

Ms. Barajas mentioned the District should be mindful of the looming expiration of Proposition 30 funding. Dr. Bush suggested adding the part-time/full-time faculty conversion in the expense schedule. That is approximately \$1.4 million, which could make the situation far worse.

Mr. Kolesnik stated there are a lot of assumptions being made. Mr. Hayashi voiced concern about releasing this document with so many assumptions.

Ms. Kama'lia explained it has been repeated several times that the District is not growing. Further, it's a perfect storm. California is not growing as we used to and Ventura College is facing challenges to meet the FTES threshold associated with a middle-sized college. It shouldn't be a surprise.

There was a suggestion of having allocation scenarios. Ms. Bojorquez explained we can project revenue now and we can closely project FTES. These scenarios will be brought to the March DCAS meeting.

Vice Chancellor Keebler asked the Vice presidents to lead discussions at their respective campuses.

Ms. Rees asked how moving/counting summer FTES could affect the FY17 Budget. Mr. Hayashi responded it is kicking the can and postponing it for one year. Next year the impact may be even greater. If the District uses summer FTES, the base of subsequent year will be larger.

Dr. Bush expressed opposition to moving all of summer FTES into FY16. FY17 base will be a do-over of FY15, i.e., same base. Mr. Kolesnik indicated fill rates are also an issue this year. Typically, fill rates at Ventura Colleges are 90%. This year they are approximately 80%.

Ms. Kama'lia stated this issue should be on DCAP agenda to show we are planning and preparing for the shortfall.

FY 17 BUDGET ASSUMPTIONS

Ms. Bojorquez highlighted the changes to the FY17 Budget Assumptions. There was a discussion on language to be included regarding a tentative agreement for AFT. Ms. Bojorquez will include language in the salary and benefits section related to tentative and non-reached agreements for all bargaining units.

This item was approved by consensus and will be presented to the Board of Trustees in March.

FY17 PROJECTED FTES

Ms. Bojorquez reviewed the Projected State Funded FY17 FTES schedule (dated 2/5/16). She explained that the District is not projecting growth for FY16. The base for next year (FY17) will continue to be the same as this year. Ventura College could be held harmless for three years if the medium sized college FTES numbers are not met. Reduced basic allocation funding will be realized in FY19.

OC ACADEMIC SENATE REQUEST FOR INFORMATION

Ms. Bojorquez explained Business Services received a request for information from Oxnard College Academic Senate (DAC budget, DAC new hires, entertainment expenses, legal expenses, board travel, IT costs/personnel – campus vs. DAC).

Vice Chancellor Keebler distributed copies of the DAC and Board of Trustees budgets. He explained that both orgs are living within their budgets.

Ms. Bojorquez explained the Information Technology personnel costs. These two positions are upgrades to managers and are included in the IT plan. Moorpark College already has the proposed model. These are not new positions.

OTHER BUSINESS

None

Meeting was adjourned at 11:23 a.m.

Next meeting is March 17, 2016 – 9:00 a.m.