

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council on Administrative Services (DCAS)

District Administrative Center, Thomas Lakin Boardroom

Thursday, February 21, 2019

NOTES

DCAS Attendees:

Silvia Barajas, Vice President, Business Services, Moorpark College
Cathy Bojorquez, Vice President, Business Services, Ventura College
Nenagh Brown, Academic Senate President, Moorpark College
Mike Bush, Vice President, Business Services, Oxnard College
Jennifer Clark, Budget Director
Emily Day, Director, Fiscal Services
Jeanine Day, Classified Senate Representative, Ventura College
Gilbert Downs, Classified Senate Representative, Moorpark College
Diane Eberhardy, Academic Senate President, Oxnard College
David El Fattal, Vice Chancellor, Business and Administrative Services
Mark Frohnauer, AFT Representative
Nubia Lopez-Villegas, Human Resources Representative – Skype
Chris Renbarger, Classified Senate Representative, Oxnard College
Julius Sokenu, Vice President, Academic Affairs, Moorpark College
Maria Urenda, SEIU Representative

Absent:

Lydia Morales, Academic Senate President, Ventura College

Recorder: Laura Galvan

Meeting called to order 9:05 a.m.

IRREVOCABLE TRUST WORKGROUP UPDATE

Dr. Bush explained that the Irrevocable Trust Workgroup has completed its work and is recommending that trust funds be accessed sooner rather than later, to help ensure funds will not be left in the trust unspent, when a liability no longer exists. The Workgroup requests this recommendation be included in the FY20 Budget documents so it will be memorialized for future readers. It was suggested that the last paragraph of the irrevocable trust recommendation be included in the Budget Narrative. Dr. Bush explained that the Workgroup would like to avoid leaving money in the Trust prior to the last retiree not being able to benefit from the funds. Dr. Bush explained that a presentation to the Board would not be appropriate at this point. He recommended a Board presentation when the time comes to access the funds. He suggested that the concept and recommendation be introduced in the Budget book. Dr. Bush credited Dr. Hall with helping the Workgroup understand that now is not the time to access the funds, but it should be considered within the next few years.

Official motion by Dr. Bush for DCAS:

The Irrevocable Trust Workgroup's recommendation be included as part of the budget document.

Ms. Bojorquez seconded the motion.

All DCAS members were in favor; there was no opposition. The motion carried. The recommendation will be included in the FY20 budget narrative.

Ms. Brown thanked the Workgroup members for their efforts on this important task.

REVENUE PROJECTIONS

Ms. (Emily) Day reminded DCAS members that there was a request at the January 2019 DCAS meeting to look at revenue projections by college. She explained the CCCCO has utilized the Fiscal Crisis & Management Assistance Team (FCMAT) to develop and manage a calculator for the Student Centered Funding Formula (SCFF) for community colleges. Ms. Day stated that the calculator was used to project revenue for the District for FY20. She explained some details of the projections as well as the assumptions used. Ms. Day stated that the three-year rolling average will affect credit FTES. The calculation contains the assumption that enrollment FTES for P1 will be the final FY19 District FTES. It also assumes credit FTES for FY20 will be flat. The data on headcounts used to calculate FY19 SCFF are from FY18; an assumption was made that headcounts will also remain flat for FY19, for the FY20 calculation. Ms. Day explained the outcomes that comprise the Student Success Allocation; outcomes are projected to be flat. The metric data is for FY18 and was obtained through Data on Demand (CCCO). The Total Computational Revenue (TCR) for FY19 is \$168 million; for FY20, the TCR is projected to be \$173 million. There was a question regarding the three-year rolling average for FTES. Ms. Day explained that data is trending downward due to the decline in enrollment.

Ms. Day explained that many of the same assumptions that were used for the District's revenue projection were also used to estimate the college revenues. She explained the footnotes related to the Student Success Allocation portion of the formula. She further explained that it was difficult to break out some data by college; therefore, there are some duplicated numbers. For example, the BOG fee waiver students total over 4,400 if added together, which is higher than the unduplicated number for the District.

Ms. Day stated that although the SCFF and the District's current Budget Allocation Model have different drivers, both models produce very similar allocation percentages by campus. Ms. Day reviewed revenue (projections) from recent fiscal years: FY18 TCR with COLA at \$163 million, FY19 TCR with SCFF \$168 million, Projected FY20 TCR with SCFF \$173 million. As previously communicated, the metrics for the SCFF are still in flux; therefore, Ms. Day recommends budgeting \$168 million for FY20 in the Tentative Budget.

There was a question regarding the perceived drop in FTES. Ms. Day explained that the FY17-18 number of 26,549 included the shifted FTES. The FY18-19 FTES number of 24,361 has the other side of the impact of the shift (the operational FTES, minus the 590 that was shifted from prior year). The actual FTES (including shift) are noted at the bottom of the simulation (page 5 of the packet). The recent shift was to maximize the District's FTES 'Hold-Harmless' guarantee. Mr. Frohnauer questioned the projected FY20 FTES decline related to the shift. It was acknowledged, that the number should include the shifted

FTES. Therefore, the simulation will be rerun adding back the 590 into FY19-20. There was also a question on living wage and transfer data, which the CCCCCO's Data on Demand currently displayed data from FY16-17. Ms. Day explained that the data is not currently available by college. An updated revenue projection will be brought back to the next DCAS meeting.

Vice Chancellor El Fattal reminded DCAS members that this simulation is provided as a way to give the Committee information to start discussions related to the FY21 Budget.

He also stated that there should be a discussion about whether Ventura College will remain the middle-sized college; they met the threshold for FY17-18 (because of the shifted FTES) and the four-year cycle begins again. Ms. Day will bring historical FTES data to DCAS at the March meeting.

For clarification: In FY17-18 Ventura College's FTES was 10,014. As of FY19 P1 it was below the 10,000 FTES threshold to qualify as a medium sized college.

UNBUDGETED FY19 REVENUE

Vice Chancellor El Fattal explained there is unbudgeted revenue of approximately \$4.6 million that was not included in the FY19 Adoption Budget. Additionally, there is an additional \$5.9 million unbudgeted revenue related to the SCFF; a total of approximately \$10.5 million for FY19. That amount will not be allocated to the colleges until final numbers are released by the State Chancellor's office. Vice Chancellor El Fattal explained that a budget amendment, to allocate the unbudgeted revenue, can be presented to the Board not sooner than April. Ms. Day presented information related to the State's budget cycle, illustrated below:

Example for FY19 Budget

Advance (budget) – Released by CCCCCO in July 2018

P1 – Released by CCCCCO in February/early March 2019

P2 – Released by CCCCCO in June 2019

Recalc – Released by CCCCCO in February 2020

Vice Chancellor El Fattal explained that he has had discussions with college business services vice presidents. It is his desire to have approximately \$1.5 million withheld from the \$10.5 million unbudgeted revenue. The balance will flow through the current budget allocation model. He explained the \$1.5 million being withheld will cover districtwide expenses such as the redesign of the District's website. Per Dr. Bush's request, Vice Chancellor El Fattal explained that Districtwide Services will be discussed in detail at the March DCAS meeting. Dr. Bush indicated there may be things currently included in Districtwide Services that properly belong elsewhere.

Vice Chancellor El Fattal stated that the \$10.5 million should be considered one-time and should be used to help mitigate expenses at the college such as STRS/PERS. The vice presidents will be further involved in the discussion related to the unbudgeted revenue.

FY20 BUDGET CALENDAR/TIMELINE

Dr. Clark introduced the revisions to the FY20 Budget Calendar/Timeline since the February DCAS meeting. The changes have been incorporated into this revised document. Dr. Clark mentioned that the document will be continuously updated to ensure accuracy.

FY20 BUDGET ASSUMPTIONS

Dr. Clark summarized DCAS's recommended changes to the FY20 Budget Assumptions. There was a discussion about the guiding principles. It was suggested that language be added to address the fact that the budget does not provide enough resources to do all the colleges need. There were some suggested additions to the revenue portion of the Assumptions.

There was also a brief discussion regarding Strong Workforce funds and the proposed change in the STRS rate, which is 17.13% in the Governor's January Budget proposal.

The revisions will be incorporated into the document and be presented to the Administrative Services Committee in February and the full Board in March.

FY20 BUDGET ALLOCATION MODEL

Dr. Clark reviewed the minor changes made to the Budget Allocation Model. The revised document will be presented to the Administrative Services Committee in February and the full Board in March.

INFRASTRUCTURE FUNDING MODEL

Dr. Clark stated that DCAS's suggested clarifying language regarding revenue not included in the Infrastructure Funding Model has been included. For example, if the District shifts FTES in the future, revenue associated with that shift will not go into the Infrastructure Funding Model. There was also a discussion about future shifts and what role it may or may not play in the SCFF. Ms. Day recalled the reasons for the shifts in the past five years (twice). One time was to capture the higher funded growth rate, and in the summer of 2018 the shift was done for the same purpose plus to elevate the District's hold harmless baseline. Ms. Day suggests a robust conversation occur each time the District shifts FTES. It was suggested that language be included in the allocation model to memorialize the handling of revenues associated with any future shift to be distributed through the allocation model.

Next meeting will be held Thursday, March 21, 2019, 9:00 a.m.

Agenda Items:

- Revenue projections
- Districtwide Services vs. District Administrative Center expenses
- Middle Sized College/Historical FTES Spreadsheet
- Revenue/Cost Projections

Ms. Bojorquez asked that the HR2/HRL percentages for FY20 be provided to the colleges as soon as possible.

Meeting adjourned 10:54 a.m.