

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
District Council on Administrative Services (DCAS)
District Administrative Center, Thomas Lakin Boardroom
Friday, February 9, 2018
NOTES

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
Jeanine Day, Classified Senate Representative, Ventura College
Diane Eberhardy, Academic Senate President, Oxnard College
David El Fattal, Vice Chancellor, Business and Administrative Services
Nubia Lopez-Villegas, Human Resources Representative
Chris Renbarger, Classified Senate Representative, Oxnard College
Peter Sezzi, AFT Representative
Maria Urenda, SEIU Representative

Absent:

Jennifer Clark, Interim Budget Director
Lydia Morales, Academic Senate President, Ventura College
Linda Resendiz, Classified Senate Representative, Moorpark College
Julius Sokenu, Vice President, Academic Affairs, Moorpark College

Recorder: Laura Galvan

Dr. Eberhardy called the meeting to order at 11:23 a.m.

APPROVAL OF MEETING NOTES

The meeting notes from January 18, 2018, were approved by consensus.

GOVERNOR'S FY19 BUDGET PROPOSAL UPDATE

Vice Chancellor El Fattal stated he and individuals from fiscal services and the colleges attended the State Budget workshop in Sacramento on Wednesday, January 17. He explained there is a lot of work and analyses being conducted by statewide constituency groups related to the new funding formula. He indicated a comprehensive report will be provided to the Board at the February meeting.

FY19 BUDGET ASSUMPTIONS

The Budget Assumptions were reviewed and discussed. Dr. Bush

recommended that an amount in excess of 2% be allowed to be carried over. This is a one-time exception to the current Allocation Model.

DCAS members were in consensus; Mr. Sezzi abstained and there was no opposition.

FY19 BUDGET ALLOCATION MODEL

The FY19 Budget Allocation Model was reviewed and discussed. There were suggestions for minor clarifications in language.

DCAS members recommended the FY19 Budget Allocation Model be forwarded to Board for approval.

FULL-TIME FACULTY OBLIGATION NUMBER (FON)

Dr. Eberhardy explained Ms. Brown is not present, but the Academic Senates would like more information about the excess FON requirement of 33. Vice Chancellor El Fattal explained that the District's FON increased to 33 over the requirement due to two things: a reduction of the obligation (5 FTE) due to declining FTES and additional hiring of full-time faculty through categorical programs (SSSP, Equity, and Strong-workforce). Vice Chancellor El Fattal explained that non-teaching positions such as counselors count towards the FON. For clarification, Mr. Sezzi inquired whether or not classified coordinator positions are included in the 440 number reported to the State. Vice Chancellor El Fattal indicated they are not counted. Dr. Eberhardy inquired about the 59.3% full-time faculty percentage. Vice Chancellor El Fattal explained that the goal of 75%/25% is to increase full-time faculty to 75%. There is no penalty for not meeting the target goal of 75%.

USE OF UNALLOCATED, UNRESTRICTED RESERVES

Enrollment Growth - \$1,000,000

Vice Chancellor El Fattal stated that a request for the use of reserves will be presented to the Board at the March Board meeting. He indicated the Chancellor will recommend the use of \$1,000,000 to boost enrollment, specifically during summer. Allocation amounts are estimated to be:

MC – \$400,000

OC – \$225,000

VC – \$370,000

Fire Academy Facilities - \$2,500,000

Vice Chancellor El Fattal reminded DCAS members that a condition of the sale of property at Camarillo airport included the replacement of program facilities on the property. He indicated that the sold property, with all its facilities, was acquired as is with the entire existing Fire Academy program facilities as part of the sale; thus, these facilities would need to be replaced. There was an estimate of nearly \$2.0 million to replace these facilities provided prior to Dr. El Fattal's arrival at the District, but a more recent approximation to replace the facilities is \$2.5 million. Vice Chancellor El Fattal stated that a working group will be established to begin the facility build-out process (specs, bid documents, architect selection, etc.). Vice Chancellor El Fattal indicated that he has been informed that program personnel at Oxnard College have put together a desired plan for placement of new facilities throughout the remaining district owned property. In response, Vice Chancellor El Fattal will schedule a meeting with Oxnard College personnel to discuss this unofficial plan as well as other options for placement on property of new program facilities that were discussed in preparation for the sale.

Moorpark College Fiscal Planning Committee Budget Proposals

- Recommendation #1 – Base Allocation
- Recommendation #6 – District Reserves
 - *Historical Use of Reserves Analysis*
- Recommendation #7 – Small/Medium College
- Recommendation #8 – New Revenue (allocation)
- Recommendation #9 – District Allocation (6.98%)

Vice Chancellor El Fattal stated that DCAS has reviewed and discussed the proposed changes to the District's Budget Allocation Model from Moorpark College's Fiscal Planning Committee. However, some recommendations were not explicitly voted on and should be reviewed again.

Recommendation #1 – Line 9 Base Allocation be reduced to either:

a. State Allocation for Medium (\$4,201,509) and Small (\$3,601,294)

or

b. 9% - \$3,984,970 per college

Ms. Barajas made a motion to accept proposal 1B; Ms. Brown seconded.

In Favor Ms. Barajas, Ms. Brown

Opposed Ms. Bojorquez, Dr. Bush, Ms. Day, Mr. Renbarger,
Dr. Eberhardy
Abstained Mr. Sezzi, Ms. Urenda

The motion failed.

Ms. Barajas made a motion to accept proposal 1A; Ms. Brown seconded.

In Favor Ms. Barajas, Ms. Brown
Opposed Ms. Bojorquez, Dr. Bush, Ms. Day, Mr. Renbarger,
Dr. Eberhardy
Abstained Mr. Sezzi, Ms. Urenda

The motion failed.

Recommendation #6 District Reserves – No additional funds should be added to the District reserve unless in response to new circumstances. The District has more than enough reserves to ensure stability for the district and our urgent need today is to serve our current students. The question for DAC is as follows: At the time of the worst fiscal crisis how much of the reserve was used? That should be our benchmark of what we need to have in reserve above the 5% state mandated amount.

Vice Chancellor El Fattal stated that voting on Recommendation #4 (FTES Recognition) dictates no further funds be deposited to reserves. He stated he is philosophically opposed to never adding to reserves.

This item will return to a future DCAS meeting. There was a request for a full analysis of reserves at said future meeting (use and deposits). In the economic downturns, how much money was used?

Mr. Sezzi distributed a schedule (source: <https://misweb.cccco.edu/ie/DistrictRates.aspx>) illustrating the District's reserves. Mr. Sezzi stated the schedule indicates VCCCD is #2 in the State for the fiscal year 2015/16. Dr. Bush indicated that the fund balance on Mr. Sezzi's schedule includes Funds 113 and 114; not only Fund 111. Dr. Bush stated the Goals on IEPI are strictly Fund 111. Further, the 311Q reports to the State are also all funds (111, 113, and 114).

Vice Chancellor El Fattal explained that in economically unstable times, most recently in 2008/2009, many Districts built reserves. Many of those funds were used for cash flow purposes when there were substantial apportionment/revenue deferrals from the state. Vice Chancellor El Fattal stated that not all districts used reserves during those times; additionally, some needed to borrow money because they didn't have adequate funds. Ms. Bojorquez stated that another reason Districts didn't use reserves was that the passage of Prop 30 alleviated the need to do so. Reserves are often held to mitigate layoffs over time and utilized on various one-time expenditures over time.

Ms. Brown stated that the reason why reserves were not used was because cuts were made; it wasn't because reserves were not needed. The discussion about what reserves the District has is important. There needs to be a plan for usage. Resources are needed now; what is the plan for usage? Ms. Brown stated that it is DCAS's job to have a recommendation for the Chancellor and Board of Trustees regardless of any potential disagreements related to the recommendations.

Recommendation #7 Small/Medium College – If a college drops below the required FTES for a medium size college the reduction of Basic Allocation shall be the responsibility of that college (4,201,509 – 3,601,294 = 600,215)

Ms. Barajas made a motion to accept recommendation #7; Ms. Brown seconded.

In Favor	Ms. Barajas, Ms. Brown
Opposed	Ms. Bojorquez, Dr. Bush, Ms. Day, Mr. Renbarger, Dr. Eberhardy, Ms. Urenda
Abstained	Mr. Sezzi

The motion failed.

Recommendation #8 Any new on-going revenue received by the District shall first be allocated to Moorpark and Ventura to bring the FTES funding closer to parity with Oxnard.

Ms. Barajas made a motion to accept recommendation #8; Ms. Brown seconded.

In Favor	Ms. Barajas, Ms. Brown, Ms. Urenda
Opposed	Ms. Bojorquez, Dr. Bush, Ms. Day, Dr. Eberhardy, Mr. Renbarger
Abstained	Mr. Sezzi

The motion failed.

Recommendation #9 District Allocation of 6.98% should be reduced to reflect the reduction in rental expenses of \$420,000. Once a year DCAS should review and approve the budget for the revenue and expenses associated with the rental and maintenance of the DAC. Fund balance in excess of \$500,000 should be distributed to the colleges as part of the infrastructure model.

Mr. Sezzi made a motion to accept recommendation #9, Dr. Eberhardy seconded.

Mr. Sezzi explained that since the District is receiving revenue and no longer paying rent for the Stanley Avenue building, the District Administrative Center (DAC) percentage should be reduced by that amount. Ms. Brown said the main issue is the \$420,000; the proposed allocation should be reduced from 6.98%. Dr. Bush explained there are needs at the district level for staffing, similar to college needs. While there is no direct student contact, the DAC supports the colleges. Ms. Brown explained there were two new positions at Consultation Council this morning. She explained that the DAC does not need to go through the same vetting process and program review as the colleges. Mr. Sezzi briefly described the historical process of setting the DAC's percentage. Ms. Bojorquez stated that a DAC has needs and she is not sure that the profit from the rental income is sufficient for large, unanticipated repairs. In the past, if the percentage was built incorporating rental payment, there would've been a build-in for building

maintenance. Perhaps it should be reduced slightly, but there are still needs of the DAC. Vice Chancellor El Fattal stated the issue was on hold last year due to the incoming of a new Chancellor and his/her review of, and possibility of changes to, DACs organizational structure. Additionally, Vice Chancellor El Fattal indicated there may be a need to utilize these funds for supplemental necessary expenditures at the DAC with an impending Business Services Department reorganization plan in addition to previous studies that have called for adding key positions at DAC as well as any positions that may become necessary due to implementation of the new funding formula. Vice Chancellor El Fattal informed the group of his discussions with the Chancellor regarding this matter. In summary, Vice Chancellor El Fattal reiterated his understanding that the Chancellor and the Board have no desire to lower the DAC percentage.

During discussion, it was suggested that DCAS review and approve the budget for the revenue and expenses associated with the rental and maintenance of the DAC. Vice Chancellor El Fattal stated he is wholly opposed to reviewing all budgets in this Committee.

In reference to the fund balance portion of Moorpark's proposal, it is difficult to set due to future, unknown needs. Vice Chancellor El Fattal explained setting a limit for fund balance would not be prudent.

Dr. Eberhardy described the colleges' program review process. She feels DCAS is the appropriate venue to evaluate the DAC's program review for transparency. She feels the motion is not reflective of what it actually should be.

Dr. Bush stated the motion on the table is not about program review it is about the DAC's allocation percentage.

In favor	Mr. Sezzi, Ms. Brown, Ms. Barajas
Opposed	Ms. Urenda, Ms. Day, Ms. Bojorquez, Dr. Bush, Dr. Eberhardy, Mr. Renbarger
Abstained	Mr. Downs

Ms. Brown made a substitute motion that the DAC allocation percentage be reduced by \$420,000 to 6.7% from 6.98%; seconded by Mr. Sezzi.

In favor	Ms. Day, Ms. Brown, Mr. Sezzi, Ms. Barajas, Ms. Urenda
Opposed	Dr. Bush
Abstained	Dr. Eberhardy, Ms. Bojorquez, Mr. Renbarger

Vice Chancellor El Fattal stated he is not in favor of the recommendation as reflected above.

AFT RECOMMENDATION TO DCAS RE: GOVERNOR'S ONLINE COLLEGE (PETER SEZZI)

Mr. Sezzi made a motion that the recommendation be forwarded to the board; Ms. Brown seconded.

Dr. Eberhardy stated that she felt this document should be reviewed by the campus Senates and return to DCAS with input from constituent groups. She does not feel that DCAS is the appropriate place for this recommendation; it falls under 10+1. Vice Chancellor El Fattal concurred this may not be the appropriate venue.

Ms. Brown stated that at the Plenary all three college senates' voted against it five times.

This item will return to the next DCAS meeting.

IEPI GOALS

This item will return to the next DCAS meeting.

NOTE: Subsequent to the February 9, 2018, DCAS meeting, the State Chancellor's Office issued a memorandum suspending the IEPI goals. This item will not return to DCAS.

Meeting adjourned 1:18 p.m.