

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council on Administrative Services (DCAS)

District Administrative Center, Thomas Lakin Boardroom

Thursday, March 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
Jennifer Clark, Budget Director
Emily Day, Director, Fiscal Services
Jeanine Day, Classified Senate Representative, Ventura College
Jenine Daly, Human Resources Representative
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
Lydia Morales, Academic Senate President, Ventura College - Skype
Chris Renbarger, Classified Senate Representative, Oxnard College
Julius Sokenu, Vice President, Academic Affairs, Moorpark College
Maria Urenda, SEIU Representative

Absent:

Mike Bush, Vice President, Business Services, Oxnard College

Guest: Chief Joel Justice

Recorder: Laura Galvan

Meeting called to order 9:03 a.m.

Change to Agenda

Dr. El Fattal added *Review of the FY20 Budget Criteria and Assumptions* to the agenda.

Approval of Meeting Notes – January 17, 2019 and February 21, 2019

The meeting notes from January 17, 2019, and February 21, 2019, were approved by consensus.

Student Centered Funding Formula and VCCCD Budget Update (presentation to Board of Trustees 3/19/2019)

Vice Chancellor El Fattal explained the presentation he delivered to the Board of Trustees on Tuesday, March 19. He explained the deficit factor of 5.06% is being applied statewide. He mentioned that things are still in flux at the state level and, hopefully, more will be known by the May Revise. Vice Chancellor El Fattal described some of the statewide events and expenses contributing to the overall revenue shortfall. Further, most, if not all, districts shifted FTES, which also resulted in greater revenues to districts, but also greater expense to the State. Additionally, income taxes are coming in lower than projected.

There was a discussion about the FY19 unbudgeted revenue. Vice Chancellor El Fattal stated that this item will be brought back at the April DCAS meeting. He also stated that he has internal meetings scheduled in the coming weeks to finalize one-time expenses that will be paid using some of the FY19 unbudgeted revenue.

Revenues by College

Ms. (Emily) Day explained that revisions were made to this document, which was first presented at the February DCAS meeting. These revisions included adding back the shifted FTES in the 3 year average of credit FTES, and the headcounts and outcomes now match FY19 P1 report. The revenue projections for revenues by college (TCR) does not include the deficit factor recently applied by the State. Ms. Day reminded DCAS members that some numbers are duplicated because robust discussions have not taken place about how to handle those metrics.

Ms. Barajas confirmed that the District's Budget Allocation Model would remain in effect for FY20. Ms. Day explained that the information is provided at a request of DCAS and for information and discussion purposes only.

FY20 Revenue/Cost Projection

Dr. Clark explained the historical purpose for this document. There was a discussion about the deficit factor as it relates to the COLA. There will be lines added to the schedule for clarification. Dr. Clark explained that the full-time faculty hiring funds are not included in the TCR; they are accounted for separately. There was a question whether COLA is included in these funds. Ms. Day suggested that the District assume no COLA on these funds as it has not been clearly defined. Ms. Brown clarified that these funds do not necessarily go to hiring full-time faculty; they flow through the allocation model.

Dr. Clark explained the projected cost of health and welfare costs for FY20. Ms. Urenda explained that SEIU has almost decided to accept the 6% blended rate from Anthem. She explained that the Health Benefits Committee was told if there is a desire to negotiate and that rate is rejected, the 6% rate will be off the table for future negotiations.

There was a discussion about the noted savings to the District for classified health and welfare. The previous one-time reduction to the benefit cap was taken from Districtwide Reserves. There was also a discussion about whether there will be a savings or increase expense because SEIU is currently in negotiations. The total difference between new revenues and increased costs will be \$4,869,954 (excluding "savings" from one-time classified benefit cap).

FY20 Districtwide Services

Dr. Clark explained the spreadsheet for Districtwide Services. She highlighted items with significant changes and variances.

There was a discussion about the additional budget for Police Services to hire three (3) additional officers. Vice Chancellor El Fattal explained that the additional funding is a result of the Borderline incident and other mass shootings at schools and colleges nationwide. He also explained that the hiring of three additional officers was established through discussions with the Chancellor and college presidents. In FY17 there was a request to add \$100,000 to the police services budget for FY18, which was not supported. The request returned in FY18, and it resulted in an additional \$80,000 for the FY19 Budget. The FY20 Budget will be increased an additional \$430,000 per year.

Vice Chancellor El Fattal provided information on an item approved by the Board on Tuesday (March 19, 2019). The board item requested that an actuarial study be done to evaluate the impacts to the District if safety personnel were reclassified from *miscellaneous classified* to *safety* for PERS retirement. The study was requested by VCCCD police officers and SEIU supported the request. Ms. Urenda stated the study may result in increased employee cost and cost to the District.

Dr. Clark explained that org 82159 (Districtwide Staff Development) is for webinars arranged by Human Resources and is being reduced by \$15,000. Org 82196 (Districtwide Leadership Academy) is receiving the surplus from 82159. The Collective Bargaining org costs are increasing by \$120,000. Vice Chancellor El Fattal stated that this increased expense might not be fully expended if bargaining units settle before end of fiscal year. If so, the amount will be revised for the Adoption Budget. Dr. Clark explained that the funding for 82169 (Distance Education Professional Development) was a two-year commitment, which will expire in FY19. Org 82177 (Database Admin Tech Implementation) is being reduced because those expenses are being moved into the IT staff budget. The districtwide expense was reduced by the amount of the employee's salary.

There was a discussion whether the expense and the budget should move from DW to DAC. Some felt that the expense should be absorbed within the 6.98% amount allocated to the DAC.

This item will return to the April DCAS meeting.

Dr. Clark stated that org 82178 (Districtwide AdminiSystem SW License Fee/HW Main) is projected to be \$1.89 million. The increase of \$102k is being partially offset by the savings of \$70,000 in org 82188 (Info Technology Equipment); the net increase is \$32,000. Overall there is an increase in Districtwide Services of \$252,090. It was suggested to check the funding for library system implementation.

Ms. Brown requested additional release time for Academic Senates. Ms. Barajas explained that expense is a college issue as it comes from the college budget. Vice Chancellor El Fattal asked whether the Academic Senate Presidents would like to address the Chancellor or if he should. It was agreed that the Senators will speak with Dr. Gillespie directly.

Utilities

Dr. Clark explained historical utility expenses. She stated that there was a concern in FY19 about water usage/billing. To date, those substantial increases have not come to fruition. Therefore, the tentative budget for FY20 utilities is being reduced slightly at this point. It was suggested that a footnote (B) be added explaining that the Teleconnect discount is expiring.

There was a discussion about revenues that flow to the Infrastructure Funding Model: Savings from DW, savings from utilities, and interest income. Ms. Bojorquez acknowledged that tightening up budgeting for utilities and Districtwide Services will reduce money flowing into IFM and will increase the flow of funds into the Allocation Model.

Medium Sized College

Ms. (Emily) Day explained the spreadsheet for historical FTES for Ventura College. She explained the change in the state's threshold for medium sized college designation. All resident FTES (credit/noncredit/CDCP or enhanced noncredit) are included in the FTES when assessing this threshold. For 2018-19, the FTES numbers noted are from P1. The other FTES numbers in FY11 to FY18, are the actual reported numbers. Total numbers were compared to the state's threshold. The reported FTES for middle sized college was met except for years FY17 and P1 FY19. The effect of the shifted FTES was also noted.

The impact of not meeting the middle-sized college threshold will be realized in the third year of not meeting the threshold, which is the end of fiscal year 2022.

Further, if the threshold is not met in FY19, that year will be the initial calculation. The impact will be felt three years after FY19, assuming we don't meet the 10,000 threshold (operationally or shift). Once the threshold is met, the three-year clock restarts.

FY20 Budget Calendar/Timeline

Dr. Clark updated the FY20 Budget Calendar/Timeline to reflect agenda items discussed at the March 2019 DCAS meeting.

FY20 Budget Criteria and Assumptions

Vice Chancellor El Fattal explained that the Board did not take action on the FY20 Budget Criteria and Assumptions item at the March meeting. The Board requested an additional bullet be added related to competitive compensation. Vice Chancellor El Fattal stated that part of the Board's discussion related to faculty, but clarified it should be for all employees.

The following bullet will be added to the FY20 Budget Criteria and Assumptions as Bullet #3:

- Provide resources to retain and attract highly qualified and effective employees

Next DCAS Meeting – April 18, 2019:

FY20 Districtwide Services
FY20 Utilities
FY19 Unbudgeted Revenue

Meeting adjourned at 11:09 a.m.