

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## District Council on Administrative Services (DCAS)

District Administrative Center, Thomas Lakin Boardroom

Thursday, May 10, 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  
Jennifer Clark, Interim Budget Director  
Diane Eberhardy, Academic Senate President, Oxnard College  
David El Fattal, Vice Chancellor, Business and Administrative Services  
Nubia Lopez-Villegas, Human Resources Representative  
Lydia Morales, Academic Senate President, Ventura College  
Chris Renbarger, Classified Senate Representative, Oxnard College  
Peter Sezzi, AFT Representative  
Julius Sokenu, Vice President, Academic Affairs, Moorpark College – Skype  
Maria Urenda, SEIU Representative

#### Absent:

Jeanine Day, Classified Senate Representative, Ventura College  
Linda Resendiz, Classified Senate Representative, Moorpark College

*Recorder: Laura Galvan via tape*

Dr. Eberhardy called the meeting to order at 11:05 a.m.

#### **APPROVAL OF MEETING NOTES**

The meeting notes from April 19, 2018, were approved by consensus with suggested changes.

There was a brief discussion about Police Services. Vice Chancellor El Fattal explained he met with Chief Justice and the two will meet again in the week to come.

A discussion regarding utilities took place, specifically regarding the status of electrical/solar for the District. Ms. Brown stated that Moorpark College discussed solar at their recent planning retreat. Vice Chancellor El Fattal explained that he and the vice presidents and facilities directors have met with representatives from a solar company and SPURR, a Joint Powers Authority that is in partnership with CCLC and represents school districts, community colleges and municipalities. Vice Chancellor El Fattal explained that the District has an approved interconnection agreement with SCE in place, which grandfathers current electricity rates for 10 years. He also stated that a contract to construct and finance solar on each campus is currently

being reviewed by legal counsel. Vice Chancellor El Fattal offered to attend any campus meetings regarding solar power initiatives.

### **FY19 TENTATIVE BUDGET NARRATIVE**

Vice Chancellor El Fattal explained this year's narrative was difficult to compile due to the uncertainty of the new funding formula; additional changes may be made after the Governor's May Revise is released.

There was a discussion regarding the Education Protection Act (Prop 30) and funds allocated in FY19 and the narrative statement stating the funds will be used for faculty salary and benefits. Dr. Bush explained that these funds are not new money. It was suggested that the language be clarified indicating these are not new funds and are included in the general apportionment.

There was a discussion regarding language included in the STRS and PERS portions of the Narrative. The paragraphs will be restructured to be similar to each other and include district-related language first and state-related information afterwards.

There was a discussion regarding the mechanics of the District's Infrastructure Funding Model (IFM). Specifically, what revenues are transferred into the IFM. It was suggested that detailed language regarding the IFM formula be included in the Narrative.

It was also suggested that language be included in the Narrative regarding the Governor's proposed plans for consolidating some categorical funds. There was a discussion regarding budgets for Student Equity, Student Success & Support Program, and Strong Workforce Programs. Dr. Clark explained that Business Services staff has spoken with representatives at the State Chancellor's Office regarding the FY19 funding for these programs. Due to the funding uncertainty for Student Equity and Student Success & Support programs and out of an abundance of caution, the District will budget 90% of the prior year funding level for these programs. This is being done in an abundance of caution for the Tentative Budget development. Once the actual funding amounts are known and allocated to the District, the funds will be included in the FY19 Adoption Budget.

A discussion ensued regarding the Medicare Part D funds received by the District that helps fund the Retiree Settlement Health Payment Fund. This fund is limited to current and future retirees covered under the settlement agreement. These funds are not used to cover retiree health care premiums; they are for excess health care expenses for people included in the settlement.

### **IRREVOCABLE TRUST WORKGROUP**

Dr. Eberhardy asked that all participants complete the recently sent Doodle poll regarding the first meeting of the Irrevocable Trust Workgroup.

## **DISTRICT RESERVE ANALYSIS AND SPENDING PLAN**

Vice Chancellor El Fattal explained the Historical use for Reserves (dated 05.10.2018). He explained that the schedule has been updated with recent SEIU bargaining agreement actions. There was a discussion on whether or not the Reserve allocations/transfers have been fully spent (i.e., emergency preparedness, fire academy facilities, etc.). Mr. Sezzi specifically questioned the emergency preparedness funds. Vice Chancellor El Fattal explained that these funds have been transferred from reserves into a specific fund and have not all been expended, but significant expenditures are expected to occur in next fiscal year as an RFP is close to being released for college wide speaker systems at each college.

The second schedule illustrating the reserves shows the ending fund balance for each of the last 9 years plus a projection for ending FY18. The estimated FY18 ending balance of approximately \$25 million is the projected adjusted balance after recent board approved use of reserves for items such as fire academy facilities, SEIU bargaining agreement, etc. There was a discussion about appropriate levels of district reserves based on various perspectives of the group. Vice Chancellor El Fattal explained the reason this information is being presented is because it was a request from DCAS. He feels setting a target for reserves is not appropriate. It may be appropriate to have a list of one-time uses for reserves (boost enrollment for summer, one-time bonuses for bargaining groups, etc.). Vice Chancellor El Fattal does not believe the Chancellor or the Board will be motivated to set a reserve target. He stated that reserves are primarily used to mitigate potential layoffs when such action becomes necessary, especially when extreme fiscal challenges require multi-year reduction plans.

There was a lengthy discussion about the appropriate time to use reserves. Mr. Sezzi restated that Oxnard College and Ventura College will be deficit spending in FY18. When is it time to use them? Why not now?

Ms. Barajas stated she believes the consensus of DCAS is that the group would like to make recommendations on using district reserves. Vice Chancellor El Fattal asked for clarification or examples on specifics of potential spending plans for current reserves. In response, an example could be to spend 2% per year until the reserves reach X amount or a list could be provided of one-time expenses that the reserves could fund. Ms. Barajas stated it could be either option or a combination of both. It is up to the group to decide. Further, Dr. Bush would like a timeline on when it would be spent. Some things are being carried over from year to year. Ms. Brown also requested that guidelines or triggers be established. The Board is presented "*randomly*" with requests. There was a question on whether the District reserves will be discussed at the Board's upcoming July planning session. Ms. Barajas explained that she feels DCAS has a responsibility to advocate for the students the District serves. DCAS can put forward recommendations to the Board and the Board can dismiss the recommendation if they deem appropriate, but DCAS can be confident in their efforts to do what is right for students. She further stated that DCAS makes recommendations to the Chancellor. Vice Chancellor El Fattal explained his perspective that the current level of reserves is not too high. Further, regardless of any conversations he has had with the Board and/or Chancellor or his advice to either related to the level of reserves, the participatory governance process is that committees discuss items of interest and consider or make recommendations.

Vice Chancellor El Fattal will put a discussion document together and solicit further input at the May 31<sup>st</sup> meeting.

**PLANNING FOR STUDENT-CENTERED FY19 FUNDING FORMULA**

Vice Chancellor El Fattal explained that any potential new money realized with the new funding formula will be distributed through the District's current allocation model. If something extraordinary happens, DCAS may choose to look at it differently given the specific circumstances.

**STATE CHANCELLOR'S OFFICE RECOMMENDATIONS ON FUNDING**

Tabled until May 31, 2018, meeting.

**OTHER BUSINESS**

Meeting adjourned 1:03 p.m.