

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Administrative Center, Thomas Lakin Boardroom

Thursday, May 11, 2017

NOTES

Attendees:

David El Fattal, Vice chancellor, Business and Administrative Services
Emily Day, Director, Fiscal Services
Cathy Bojorquez, Budget Director
Silvia Barajas, Vice President, Business Services, Moorpark College (via Skype)
Mike Bush, Vice President, Business Services, Oxnard College
Nenagh Brown, Academic Senate President, Moorpark College
Alan Hayashi, AFT Representative
Alexander Kolesnik, Academic Senate President, Ventura College
Diane Eberhardy, Academic Senate President, Oxnard College

Absent:

Julius Sokenu, Interim Executive Vice President, Moorpark College
Jennifer Clark, Fiscal Services Supervisor, Oxnard College
Dave Keebler, Vice President, Business Services, Ventura College

Recorder: Laura Galvan

The meeting was called to order at 11:42 a.m.

APPROVAL OF MEETING NOTES

The DCAS meeting notes of April 13, 2017 were reviewed and approved by consensus. Mr. Hayashi abstained as he was not in attendance at the April meeting.

MAY REVISE UPDATE

Ms. Bojorquez distributed a schedule showing the comparisons between the Governor's January FY18 budget proposal and the proposed FY18 May Revise budget. She indicated that COLA has increased slightly and growth funding has decreased. Most notably, the base allocation is increasing \$160 million (statewide) from the January proposal. Ms. Bojorquez stated that VCCCD is approximately 2.2% of the total state allocation; this equates to \$3.5 million for VCCCD. Based on this increased allocation and change in COLA, Ms. Bojorquez explained that the revenue projection and allocation model schedules have been revised.

Ms. Day explained that Guided Pathways Implementation funding and Innovation Awards Program funding have remained the same; however, clarification was provided on programmatic criteria. The May Revision also reflects the increase in COLA for certain categorical programs including EOPS, DSPS, and CalWorks. There was also an increase of \$1.9 million to the Full Time Student Success Grant including an award increase to \$350 per term to Cal Grant B and C students. Ms. Day explained that the Physical Plant and Instructional Equipment program has

increased by \$91.2 million (statewide). She explained this funding will be held as a contingency for FY18 and will not be distributed until P2 in FY19. Prop 39 is in its last year of funding, unless legislative changes are made. The May Revision includes a decrease of \$5.8 million to Prop 39 funding. The funding will be budgeted when awarded. The system-wide technology funding amount remains unchanged.

Mr. Hayashi asked for clarification regarding the additional amount of base allocation. Ms. Bojorquez explained that the base allocation will be included in the District's FY18 Tentative Budget. If the allocation is less, the adjustment will be reflected in the Adoption Budget. The total unrestricted general fund revenue increase is approximately \$3.5 million more than the revenue projections in April that were derived from the Governor's January budget proposal.

There was a discussion about credit and enhanced non-credit funding rates and how the District's funding is affected by those classes. Ms. Bojorquez was asked if enhanced non-credit FTES is included in the credit FTES line on the revenue projection. She commented that, to date, VCCCD does not have any enhanced non-credit but understood the colleges were working on establishing such programs. She went on to say that when there is enhanced non-credit FTES recorded, that category of FTES will be identified separately on revenue projections.

Ms. Bojorquez distributed the FY18 Tentative Budget Allocation. Ms. Bojorquez stated the Governor explained that *Education* has received substantial increases over the last several years and will, likely, not receive much in near future years. Ms. Bojorquez indicated that Governor Brown cautioned the State is in the longest recovery in recent history; and a recession should be anticipated. Ms. Barajas explained that ongoing costs have increased beyond the additional apportionment and the revenue increase will be easily absorbed by known expenditures. She explained that she has recommended that Moorpark College use these funds towards increased PERS/STRS expenses.

There was a discussion about fiscal year '19. It was stated that the PERS/STRS rates are known for FY19; however, the FTES numbers are not. Vice Chancellor El Fattal said that the Governor did not provide financial information for FY19, but did caution educators. Vice Chancellor El Fattal also indicated that VCCCD's growth rate has increased from .56% to .84%.

Ms. Bojorquez explained that the vice presidents had a discussion at DOC regarding carryover amounts for FY17 (into FY18). She explained that the Model stipulates the colleges can carryover up to 2%. Typically, any amount in excess of the 2% is transferred into capital or scheduled maintenance projects identified by the college. Ms. Bojorquez reminded DCAS members that any amount in excess of the 2% carryover remaining in fund 111 goes to unallocated reserves at year-end. Ms. Day also reminded the group that in FY17, that the additional revenue due to the FTES shift was put in Fund 113 (other) to be used for future shortfalls. Ms. Bojorquez said the college vice presidents are requesting the ability to set aside additional funds (beyond the 2%) to address any college budgetary concerns in FY19 and beyond. Mr. Hayashi expressed concern about carryover funds in excess of 2% as

it could be viewed as extra money that should have been spent this year. Dr. Bush explained the campuses are not going without, but rather consider it as budget savings, which can be used for instructional programs. Ms. Barajas stated that the majority of savings, at least for Moorpark College, is from salary savings in vacant positions. Since the majority of the expenses are position-related, the savings are from personnel. Dr. Bush explained the priority at Oxnard is to budget the excess of over 2% on instructional programs rather than capital projects. Ms. Brown stated that carrying over or transferring additional funds could be perceived unfavorably. Vice Chancellor El Fattal stated this is being recommended on a one-time basis. However, he acknowledged there is no expiration of funds in Fund 113 or deadline on when they must be spent.

There was a discussion about safeguards for transferred money and whether or not the transferred funds can be used for any expense. Ms. Day explained the Board approved the \$1.9 million set-aside in FY17 through the Budget Adoption process. There was a general discussion about carryover amounts and a suggestion to have unlimited amounts of carryover.

Dr. Bush proposed any unspent amount in FY17 greater than the 2% carryover be allowed to be transferred into Fund 113 for all four sites. There was consensus to allow excess carryover amounts to be transferred to Fund 113 to help the colleges and the DAC with future cost increases. It was agreed that language be included in the Budget Narrative as well as amounts included on the appropriate pages in the budget identifying the dollar amount of these transfers.

OTHER BUSINESS

Mr. Kolesnik asked for an update on the sale of the Camarillo property. Vice Chancellor El Fattal explained the District is waiting for the County Fire to respond to the District's latest offer. Vice Chancellor El Fattal explained that there currently is not a plan to seek financing as it is very expensive, around \$500,000 for a short-term bridge loan. More information will be known after the June 13 Board meeting.

Ms. Brown discussed the upcoming July Board Planning Session and the need for a budget item on the agenda. Specifically, the relationship of the DAC salary budget compared to the District as a whole. She urges the Board to look at the entire District not just DAC.

Meeting adjourned 1:01 p.m.

Next meeting – Thursday, June 1, 2017 – 9:00 a.m. – FY18 Tentative Budget