

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council of Administrative Services (DCAS)

Thursday, September 18, 2014

NOTES

Attendees:

Mike Bush, Vice President, Business Services, Oxnard College
Dan Casey, Classified representative, Ventura College
Emily Day, Director, Fiscal Services
Brian Fahnestock, Vice Chancellor Business Services
Alan Hayashi, AFT Representative
Iris Ingram, Vice President, Business Services, Moorpark College
Patrick Jefferson, Executive Vice President, Ventura College
Linda Kama'ila, Academic Senate President, Oxnard College
Dave Keebler, Vice President, Business Services, Ventura College
Deborah La Teer, Budget Director
Mary Rees, Academic Senate President, Moorpark College
Felicia Torres, Classified representative, Moorpark College (via Lync)

Absent:

Peter Sezzi, (Interim) Academic Senate President, Ventura College
Darlene Melby, College Business Manager, Moorpark College
Lucia Marquez (ASVC student representative)

The meeting was called to order at 9:05 a.m. in the Thomas Lakin Board Room at the District Administrative Center, with one member utilizing the district's Lync phone conferencing capability.

APPROVAL OF NOTES

The notes from the August 21, 2014 meeting were approved by consensus.

DCAS COMMITTEE CHARGE

DCAS Charge is reaffirmed.

DCAS MEMBERSHIP

DCAS membership is reaffirmed.

DCAS FACULTY CO-CHAIR

Linda Kama'ila volunteered to continue as DCAS co-chair for an additional term.

UNALLOCATED RESERVE ANALYSIS (returned from August 21, 2014 meeting)

As a follow-up to the August 21st meeting, the Unallocated Reserve Analysis chart was presented again to DCAS. Mary Rees asked for clarification on the reserve analysis. Conceptually, she supports the concept, but she would like additional details. Ms. Rees feels DCAS would want to wait before a vote on allocating funds (emergency plan, irrevocable trust). Ms. Rees feels it is warranted to wait until the actuarial study has been completed to decide on putting money towards the irrevocable trust. Vice Chancellor Fahnestock explained the proposed contribution amount is the District's number. For the last few years, the District has contributed \$1 million per year into the Trust. The actuary wouldn't pass judgment on the amount to invest. It is their responsibility to merely provide a liability figure.

Vice Chancellor Fahnestock commented on emergency preparedness. A list of needs exists and it far outweighs the proposed amount to be allocated. The \$2 million would be spent over a few years. The \$2 million is just a round number and hasn't been earmarked. Mr. Keebler explained the first step is to move it out of unallocated reserve into designated reserve.

Mr. Fahnestock explained this proposal is more a show of intent to do something in the future instead of a detailed plan. It would be a Board designation of funds showing the intention of using the money. It can be moved back if need be and priorities change. Ms. Rees also had a question on energy efficiency and what is the need or plan for the funds. Vice Chancellor Fahnestock explained the District can be more sustainable and energy efficient. There is a need for five times that amount. This is just a start.

Ms. Rees stated she is fine with earmarking the funds. However, her hesitation is more with asking for formal approval by DCAS. She further explained she has concerns that DCAS's "approval" could be construed as deciding the need rather than acknowledging the larger, immense need in those areas.

Mr. Fahnestock stated the need is greater in all these areas. This is only an intention and a start. The only need that is immediate is marketing. That cost is over three years (\$200,000 a year for a total of \$600,000). It is the hope that the Districtwide, targeted marketing campaign would begin immediately after Board approval.

Mr. Hayashi stated when this was discussed last month; he left thinking it was conceptual. Now he's feeling this is the intention of potential direction of the District and that these are then a comprehensive list of where these dollars are going to go. He's not ready to vote. He explained he would endorse the concept and that we should look at reserves and designate them. Is this a comprehensive list? Can it change? What's the process for change?

Mr. Fahnestock confirmed it is a conceptual plan. It's not comprehensive. Mr. Fahnestock briefly reviewed each line item and discussed thoughts behind each line item.

Mr. Casey asked whether the idea is not to go out and spend the money, but to perhaps spend down the reserves to reach the high target. He also stated that \$8.1 million seems like a large sum of money. If spent over a period of three years versus one year, it seems okay. It is important to start spending down some of the reserves.

Mr. Fahnestock indicated that is not the case.

Ms. Ingram explained by asking the Board to designate some reserves, they are saying this is not idle money. There are calls for those funds.

There was a general consensus to move forward with this item to the Board for approval. Mr. Hayashi was in opposition.

STUDENT EQUITY FUND ALLOCATION

The FY2015 Student Equity Fund Allocation was presented to DCAS for information. Mr. Fahnestock indicated this item hasn't gone to cabinet yet. The allocation numbers came out last week and there were many factors towards determining how much our district received. Mr. Fahnestock explained the rationale for allocation and said the District tried to mirror the State's allocation model.

There was a discussion of the allocation and requests were made to review the allocation methodology in advance next year (January/February-ish). There was some concern about linking the allocation of funds to the Student Equity Plans. Mr. Fahnestock explained there were time constraints for the current year as carryover will only be allowed for a few months. DCAS agreed that the equity funds will be allocated as presented, but the allocation for the FY16 year will be discussed along with the other allocation models in the next few DCAS meetings.

BUDGET ALLOCATION MODEL

Ms. La Teer explained that each year DCAS is charged with reviewing the Model. This is our chance to review the model and evaluate things that aren't working right.

Vice Chancellor Fahnestock reminded the group that artificial numbers were put into model for productivity.

Ms. La Teer reviewed the FY15 Adoption Budget Allocation Model in detail, line by line. She explained that (at least) two changes are being recommended. The current Productivity Factor mechanism rewards colleges for low productivity. Last year it was decided that DCAS should address this. When evaluating the productivity factor, it is important to avoid huge swings in money from one campus to another. The productivity factor combination of Goals + Actuals has come to an end. With the build-up of facilities, the campuses have been equalized in terms of class size.

The first change in the Allocation Model Events and Elements document is to change the productivity factor to a flat 525. Moving productivity to 525 has massive swings. Therefore, a 3-year step-down beginning with FY16 is recommended. Afterwards, it will be 1/3 every year thereafter. The model would be fully transitioned by FY2016.

The other recommended change is the carryover percentage. Ms. La Teer reminded DCAS that going from 2% to 1% is essentially a cut. This was decided last year that we'd talk about this. We have been asking for a one-year exception for the last several years through the Budget Assumptions.

The Allocation Model review will return to DCAS in October for finalization.

INFRASTRUCTURE FUNDING MODEL (IFM)

Ms. La Teer reviewed the background and foundation of the IFM. The vice presidents met regarding funding rates and consensus was they are fine for now. The model is not fully funded; therefore, it will be continually reevaluated. The recommended change is more of an accounting type change.

The recommended change is regarding Lottery funds and accounting for the 50% law. Language is added to clarify and to not jeopardize the District and any risk in not meeting the 50% law requirement. This clarifying language is a result of discussions with the auditors. Important to memorialize what we do.

Ms. La Teer explained once the IFM funds are allocated, the colleges have the discretion to spend it.

There was a discussion about International Students and the start-up costs associated with the program. Ms. Ingram indicated the committee would be reconvening soon and is focused on a districtwide concentration. There are things that can be done districtwide and things that can be done locally.

Ms. La Teer explained that there is always an option of delaying implementation of any given year based on current budget constraints. This would be done through the annual Budget Assumptions.

There were no other recommended changes to the Infrastructure Funding Model.

Meeting adjourned 11:03 a.m.

Next meeting:

October 16, 2014 – 9:00 a.m.

- DAC Allocation
- Allocation Model
- Student Equity Allocation