

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council on Administrative Services (DCAS)

District Administrative Center, Thomas Lakin Boardroom

Thursday, September 20, 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
Emily Day, Director, Fiscal Services
Jeanine Day, Classified Senate Representative, Ventura College (via Skype)
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
Nubia Lopez-Villegas, Human Resources Representative (via Skype)
Lydia Morales, Academic Senate President, Ventura College
Chris Renbarger, Classified Senate Representative, Oxnard College
Julius Sokenu, Vice President, Academic Affairs, Moorpark College (via Skype)
Maria Urenda, SEIU Representative

Absent:

Jennifer Clark, Budget Director

Recorder: Laura Galvan

Vice Chancellor El Fattal called the meeting to order at 9:08 a.m.

APPROVAL OF MEETING NOTES

The meeting notes from August 23, 2018, were approved by consensus.

DCAS COMMITTEE CHARGE/MEMBERSHIP

The committee charge and membership was reviewed by DCAS members. There were no suggested changes. There was a brief discussion about student representatives. Ms. Galvan will reach out to each college's Student Activities Directors regarding student representatives.

DCAS FACULTY CO-CHAIR ELECTION

Dr. Eberhardy was nominated and elected DCAS Faculty Co-Chair for FY2018-19.

IRREVOCABLE TRUST WORKGROUP (UPDATE)

Dr. Bush briefed DCAS members on the Irrevocable Trust Workgroup's first meeting, which was held Friday, September 14. He explained the workgroup would like to review the new, draft actuarial study. Vice Chancellor El Fattal stated that he spoke with the actuary yesterday (September 19) and more information will be submitted to the actuary for further analysis. Dr. Bush asked for the reason why the actuary is using claims and estimated claim numbers as opposed to actual rates. Dr. Bush also inquired about the pooled claims over \$250,000 and whether there is reinsurance on those claims. Vice Chancellor El Fattal asked that any additional questions from the Irrevocable Trust Workgroup be sent to him via email for forwarding to the actuary. Mr. Frohnauer asked for clarification on the actuarial study and historical information.

FON

Vice Chancellor El Fattal explained that the District's Full-Time Faculty Obligation Number (FON) for Fall 2017 was 33 over the obligation. Further, the preliminary numbers from the State indicate the District's obligation will be 416 for Fall 2018; the projection for Fall 2019 is 437. Vice Chancellor El Fattal indicated that the obligation number for Fall 2018 does not include the shifted FTES, which will affect the final obligation number. The calculation of the State's obligation number does not consider local needs, desires or interests. If a district falls below the obligation number, it will be penalized by approximately \$77,000 (statewide average cost of full-time faculty). A preliminary analysis indicates the District will continue to meet or exceed its obligation number for this year (Fall 2018). There was a discussion about the percentage of full-time faculty vs. part-time faculty in the District. Ms. Brown stated that by reading the State's memo, she learned that the District receives money specifically for hiring full-time faculty. Vice Chancellor El Fattal stated that the money identified by the State for full-time faculty hiring is included in the District's Budget Allocation Model. Ms. Barajas restated her understanding of last year's FON submission. Additionally, she asked whether the District has a plan for addressing the 75% goal for full-time faculty. Vice Chancellor El Fattal explained that the District, like all districts, is obliged to strive toward meeting that percentage as a goal. However, it will be difficult to reach that number based on our grandfathered percentage, institutional history and balance between full-time and part-time faculty. Ms. Barajas asked for a historical analysis of FON as well as the District's reported number and the history of the full-time percentage figure, etc. This item will return to a future DCAS meeting. There was a discussion about whether or not the shift of FTES affects the obligation. The current full-time faculty obligation number of 416 may increase slightly due to the shift of FTES from FY19 (summer 2018) into FY18.

STUDENT CENTER FUNDED FORMULA

Vice Chancellor El Fattal explained that the two components/metrics of the new funding formula not currently available are wage gain and transfer rates. It is expected that the data will be provided by the state in January 2019. He stated that districts are hopeful that data can be viewed on a local (district/college) level and it can be replicated. Vice Chancellor El Fattal stated that in January, the 17-18 data will be available so districts can conduct trends and analyses. Further, the State is supposed to create a file where districts can access individual district data. Vice Chancellor El Fattal explained that the Institutional Research Advisory Committee (IRAC) set a goal of submitting consistent data from college to college. He stated

that IRAC indicated the data is being reported by the colleges similarly and accurately. A taskforce group of IRAC recommended that Administrators should review the data prior to submission to the State. The group felt that at a minimum, the numbers to be reported should be approved by campus and district executive level administration.

Vice Chancellor El Fattal indicated that he recently met with John Cooney regarding the District's data and elements in the new funding formula. There was a discussion about a potential mismatch of courses, which may be related to TOP codes. Dr. Sokenu explained that this issue has been discussed in various forums and believes there is a misconception. Ms. Brown suggested that DTRW-I review this for compliance.

There was a discussion about COLA and how it relates to the three-year hold harmless clause contained in the funding formula. Vice Chancellor El Fattal stated that at the end of the three year-hold harmless period, the value of COLA received could in effect be reduced from districts' allocations. He further explained that FTES remains a large driver for the new funding formula. He reminded the group that the Chancellor is interested in hiring a consultant to help the District through the process of deciphering the funding formula and related elements. Vice Chancellor El Fattal stated that it is his interest and goal to conduct and re-establish multi-year projections. For example, in one scenario, the District would assume that the FTES, outcomes and equity data would remain the same going forward. A second scenario might show what funding would look like if the District grows 0.5% in each metric. Another scenario might include a decrease of 0.5% in each metric. These would be districtwide scenarios. In conjunction, individual college projections based on the scenarios would also need to be developed to discover how each entity might be impacted. Vice Chancellor El Fattal indicated that more informed discussions can begin in January, once the State releases the actual data.

Vice Chancellor El Fattal indicated that the Budget Allocation Model was discussed at DOC last week. He stated that DOC's consensus was that it is unrealistic to move forward with a new model when so much is unknown about the funding formula, specifically data. Vice Chancellor El Fattal indicated that the CCCCCO has stated specific numbers will be known in October/November, but the actual data will not be released to the field until January. The District should have a dollar value in October/November, but the actual numbers for transfer and wage gain will not be known until January. Ms. Bojorquez suggested that if the District has some of the numbers, DCAS can begin discussions even with limited data. She expressed a desire to begin having these conversations with her colleagues. Ms. Brown stated that this is a culture shift and information would be helpful sooner rather than later. Vice Chancellor El Fattal asked whether or not the use of a consultant would be helpful to assist DCAS in the process of evaluating the allocation model and discussing the SCFF. Ms. Brown stated that everyone will want the use of a consultant and suggested that DCAS conduct the evaluation ourselves without the use of a consultant. Vice Chancellor El Fattal hypothesized that a consultant may be able to provide us with preliminary insight for aligning our allocation model to the SCFF and also as to our best opportunities for increasing revenue based on our specific results and multi-year data trends. There was a general discussion revolving around whether districtwide research staff, DCAS and other stakeholders should work through matters related to SCFF or whether a consultant would be beneficial, at the initial stages of this work. Vice Chancellor El Fattal stated that he has used consultants on occasion but does not always advocate for using a consultant on projects.

Regarding the FY19 Adoption Budget, Vice Chancellor El Fattal explained that \$4.6M was not included in the budget. He reminded DCAS members that during the FY19 budget development process, it was agreed that COLA would be included in the Adoption Budget, but any potential additional funding would be handled some time during the FY19 fiscal year. There were comments and questions about the exact dollar figure of unbudgeted money; some mentioned it is \$7.6 million rather than \$4.6 million. Vice Chancellor El Fattal explained that \$3 million for the shifted FTES is budgeted, which is shown in the total FTES number. He explained an outstanding issue is the revenue generated by the FTES shift, which was received for FY18. The State's estimate of additional revenue was \$11.8 million, which included approximately \$4 million in COLA. Vice Chancellor El Fattal indicated that final, exact revenue numbers will not be known until January/February 2019 (final recalc). Vice Chancellor El Fattal stated that he does believe the additional revenues will be budgeted. Dr. Bush asked for clarification. Vice Chancellor El Fattal indicated that Dr. Gillespie has expressed a desire to treat the funds as one-time. He stated the funds will be budgeted, but he does not have a firm timeline. Dr. Bush asked for confirmation that it will be budgeted in FY19 and it will flow through the current allocation model. Vice Chancellor El Fattal stated the funds will be budgeted in FY19 and will be allocated through the current allocation model. He further explained that this year is an opportunity to look at issues across the district and at this time the funds are being considered as one-time in nature. The allocation model will be used as an allocation mechanism. Ms. Brown asked for clarification regarding previous statements made by Vice Chancellor El Fattal regarding salary increases, etc. Vice Chancellor El Fattal restated previous comments about the District having a rare opportunity to be able to capitalize on such an influx of money and deal with various structural deficits. He is also highly concerned that any one-time money could be eliminated after the three-year hold harmless period. If that happens, especially if many districts are negatively impacted, he feels that legislative action would probably take place to deal with that issue. Dr. Bush explained that some of the funds could be used on said salary increases, etc. Ms. Barajas asked for clarifications on the structural deficits previously mentioned and whether or not they agree. Speaking broadly, Vice Chancellor El Fattal indicated that wage issues are in the forefront. Ms. Brown said that the PRT team is scheduled to evaluate three areas and the DAC salaries. Vice Chancellor El Fattal said that he has heard Chancellor Gillespie mention districtwide salaries; he does not have a list of other structural deficits. Dr. Bush inquired about the funds from the FTES shift from the prior year. There was a discussion about the previous shift and how the revenue from shifted FTES was handled. The details will be brought back to a future DOC meeting.

BUDGET ALLOCATION MODEL

Vice Chancellor El Fattal suggested that a list of priorities and guidelines related to the Budget Allocation Model be brought back to the next DCAS meeting. Dr. Bush expressed his concerns about revamping the budget allocation model for the subsequent budget year; it will be difficult enough to have it done for 2020-21. However, the District still needs to develop a budget each year. Ms. Brown stated that last year's exercise proved that an allocation model cannot be built from scratch; DCAS should start with what is already in place. She suggested a calendar or timeline to consider alterations. Discussions can begin and some pieces can be implemented. Vice Chancellor El Fattal indicated he will draft a calendar to discuss with DOC; this will be brought back to next DCAS meeting. Ms. Brown suggested tackling each piece of the model at separate DCAS meetings. Ms. Barajas stated there is a new way of receiving money from the State; however, this has not affected how this year's money has been allocated? She stated that during the entire last year DCAS addressed the current model's attributes (equity,

small/medium sized college, etc.) and nothing changed. Vice Chancellor El Fattal suggested the possible development of a long term calendar for allocation model implementation in three years, for example. Dr. Bush explained that understanding the model and changing our behaviors should be clearly understood in order to maximize revenue from the state. How can the District earn as much revenue as possible from the state?

Ms. Brown suggested DCAS start with what's coming in and what's going out on page 42 of the FY19 Adoption Budget book. There is final deadline of February 2019 in order to begin development of the FY20 Tentative Budget.

There was a discussion whether to invite the college researchers (IRAC) to the October DCAS meeting. They may be able to help with the elements contained in the funding formula and how they relate to the District's data.

INFRASTRUCTURE FUNDING MODEL

This will be discussed at a future DCAS meeting.

OTHER BUSINESS

There was no other business.

Next meeting is October 18, 2018, 9:00 a.m.

- IRAC to attend DCAS meeting
- FON analysis – 10 years
- Analysis of two years' shift money
- Infrastructure Funding Model (review)
- Irrevocable Trust Workgroup update
- District Reserves
- Fund 693 – Retiree Health Benefits

Meeting adjourned at 11:08 a.m.