

# VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

## District Council on Administrative Services (DCAS)

District Administrative Center, Thomas Lakin Boardroom

Thursday, January 18, 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  
Emily Day, Director, Fiscal Services  
Jeanine Day, Classified Senate Representative, Ventura College  
Diane Eberhardy, Academic Senate President, Oxnard College  
David El Fattal, Vice Chancellor, Business and Administrative Services  
Janice Endo, Human Resources Representative  
Lydia Morales, Academic Senate President, Ventura College (via Skype)  
Chris Renbarger, Classified Senate Representative, Oxnard College  
Peter Sezzi, AFT Representative  
Julius Sokenu, Vice President, Academic Affairs, Moorpark College  
Maria Urenda, SEIU Representative

#### Absent:

Linda Resendiz, Classified Senate Representative, Moorpark College

*Recorder: Laura Galvan*

Dr. Eberhardy called the meeting to order at 9:11 a.m.

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

The meeting notes from January 5, 2018, were approved by consensus with one suggested change related to the Full-time Obligation Number (FON).

#### FY Budget Update – Governor's Initial Budget Proposals

Vice Chancellor El Fattal stated that he and individuals from fiscal services and the colleges attended the State Budget workshop in Sacramento on Wednesday, January 17. He summarized highlights of the Governor's Proposed FY19 Budget.

The funding formula is likely to change and is proposed to be 50% based on FTES, 25% based on low income and Pell grants, and 25% based on completion rates. The funding model proposal did not mention any differential between small/medium/large college size. Specifics are still unknown, but the model is definitely expected to change. Ms. Bojorquez indicated colleges will be held

harmless for one year through any new funding model. The \$5,072/FTES rate is expected to decrease, according to Ms. Bojorquez. There was a discussion about the hold harmless provision included in the Governor's budget proposal. Below is language from the budget proposal regarding the hold harmless provision:

"The proposed Student-Focused Funding Formula includes a hold harmless provision that ensures that no district receives less funding in 2018-19 than is allocated through the general apportionment in 2017-18. Thereafter, the hold harmless provision is determined based upon the 2017-18 per-FTES general apportionment funding multiplied by the FTES for the year for which funding is being calculated. "

Vice Chancellor El Fattal explained the Governor's proposal includes an online college: College 115 will become an accredited college. It would be run through the State Chancellor's office. It is expected that the online college would generate approximately 4,000 FTES in the first year. Mr. Sezzi officially requested that DCAS has a lengthy discussion and develop a resolution against the online college for Board consideration.

The State Chancellor explained regardless of what happens during May Revise, two things will happen: the funding formula will change and the online college will be funded. Relatedly, Moorpark College is applying for Round 2 of the Open Education Initiative (OEI), Ventura is in for Round 1, and Oxnard is working to complete its application for Round 2.

There was a discussion about AB19: California College Promise. Vice Chancellor El Fattal stated that AB19 does not replace Board of Governor's grant (BOG). Ms. Bojorquez said the funding can be spent in a way that best serves students. Vice Chancellor El Fattal explained that there is a lot of flexibility with this funding. In order to receive this funding, a college must participate in the Federal Student Loan programs; this may affect Oxnard College which does not currently offer loans due to a prior high rate of loan defaults. AB19 funding is approximately \$46 million statewide. In order to be eligible for any potential future monies, a college/district must take all of the following six actions:

- 1) Partner with K-12 to establish an Early Commitment to College program to provide K-12 students and families with information about college (e.g., campus visits, college-going initiatives, financial aid awareness, etc.);
- 2) Partner with high schools to support and improve high school student preparation and reducing the need for college-level remediation (e.g., small learning communities, concurrent enrollment, other evidence-based practices);

- 3) Utilize evidence-based assessment and placement that include multiple measures\* (e.g., overall GPA, high school GPA, other evidence-based practices to improve outcomes for underprepared students) (\*AB 705 will take effect on January 1, 2018, requiring colleges to maximize the probability that a student will enter and complete coursework in math and English within a one-year timeframe.);
- 4) Participate in the Guided Pathways Grant Program to ensure students have access-to and entry-into clear academic pathways;
- 5) Maximize student's need-based financial aid by leveraging the *California Promise Grant* (formerly the BOG fee waiver) and ensuring student complete the FAFSA (or CA Dream Act Application);
- 6) Ensuring that your college participates in the federal student loan program.

Vice Chancellor El Fattal indicated that panel speakers at the conference stated that Stability and Restoration will operate similarly to how they currently operate. COLA is included in proposal at 2.15%. He also explained that the LAO has two budget scenarios: growth and recession. The Rainy Day fund is fully funded in the governor's proposal. Vice Chancellor El Fattal explained that recessions, on average, happen every 3.7 years to varying depths. Since the late 1950s, they have occurred at least once a decade.

Ms. Brown commented on the language included in the proposal related to hiring at the State Chancellor's Office. \$2.5 million has been allocated for staffing and initiatives at the State Chancellor's office.

#### Moorpark College Fiscal Planning Committee Budget Proposals:

Dr. Eberhardy inquired how/if the Governor's proposed funding formula affects any of the proposals from Moorpark College.

#### #4 – FTES Recognition

Ms. Barajas reiterated the rationale of Moorpark College's Fiscal Planning Committee. The theory is that a college's good work in meeting its FTES targets be rewarded.

Dr. Eberhardy asked for clarification on the 2% carryover funds and whether there is a limit to the amount that can be carried over. Dr. Bush indicated that the 2% carryover is captured on June 30 and reallocated into the following year's budget on July 1. It is not compounded year over year.

Ms. Brown explained that faculty at Moorpark College feel strongly about this proposal. All employee groups are intimately familiar with enrollment management

and understand the role that increased FTES plays in the budget. They also believe that the fruits of their hard work are not being returned to Moorpark College in their entirety. Ms. Morales stated that there are other factors that can potentially result in decreased FTES, not only factors related to faculty working hard. Dr. Eberhardy concurred that all faculty work hard and that multiple factors play a role in FTES generation, including the balance of individual college program offerings.

Dr. Bush likes the idea of encouraging growth; however, the district has a low growth number. He reminded DCAS members that there have been times when FTES growth exceeded funded FTES. During those times, colleges were commonly utilizing the growth from sister colleges. He stated that discussions at Cabinet would take place regarding how the growth targets would be divided amongst the colleges. Therefore, any new proposal should include a caveat that addresses if the district growth target is exceeded; he suggested that any proposed language include wording that explains how unfunded FTES will be handled.

There was a discussion about the timing of any growth allocation funding, (i.e., census, after fall semester, etc.). Dr. Bush explained it could be dangerous to allocate growth that hasn't yet occurred. Mr. Sezzi explained the District's former allocation model worked this way; there were heavy shifts of resources. He concurs with Dr. Bush regarding the inclusion of language and governance over excess growth. Vice Chancellor El Fattal explained that the District's 0.56 growth cap will likely remain lower than other districts due to various funding factors related to our service territory in Ventura County.

Ms. Bojorquez explained that the State gives a one-year hold harmless for declines in FTES and this hold harmless should be extended in the Allocation model as well. She agrees that growth could be allocated in the year it occurs, but mid-year cuts for a college that doesn't meet its growth target would be difficult.

Mr. Sezzi suggested using fund 113 as a holding account for growth funds, possibly initially seeded from reserves. Vice Chancellor El Fattal provided distinction between holding funds back at the college level and Fund 113. He stated that reserves will not last forever; colleges need to be held accountable for their budgets rather than relying completely on reserves for shortfalls. There was also a discussion about the Board Designated Reserves subcategory called *Revenue Shortfall Contingency*. This Reserve subcategory began at \$1 million and was increased to \$3 million and \$6 million and has been at \$5 million for the last several years. The original intent of this set aside was to avoid mid-year cuts from the State as opposed to internal factors related to shortfalls.

Ms. Bojorquez reiterated Ventura's point of view; she supports allocating colleges' growth money in the year they earn it, but doesn't feel that any particular college should be penalized mid-year for declines in FTES when those resources have already been spent.

Dr. Bush concurs with Ventura – the idea of having some funding incentive for growth that gets to colleges early, and holds colleges harmless for decline. If that

means using reserves, it would be for one year at a time. A hold harmless would be in effect for one year. The subsequent year funding is based on the prior year actual FTES.

Ms. Barajas expressed concern that the college that declines doesn't feel the full brunt of not meeting FTES because of the nature of the Budget Allocation Model.

Dr. Bush explained Moorpark should be rewarded for growth; Ventura should not be hammered immediately for not growing. He stated it is his philosophical thought that all colleges are part of one district.

There was a discussion about the Base Allocation percentage of 15%. There is no desire from DCAS members, including the vice presidents at Oxnard and Ventura colleges, to change the base allocation percentage.

There was a general consensus that colleges should be rewarded for growth in the current year. Vice Chancellor El Fattal is an advocate for incentivizing growth in the current year. He reiterated his concern of funding growth from reserves, as reserves will not last forever. How do we hold colleges accountable?

Ms. J. Day stated that the discussion of mid-year cuts is worrisome for her as a Classified Representative; if colleges are forced to reduce expenses mid-year, classified staff will feel the burden. Ventura College is just now starting to recover from the reductions several years ago.

Ms. Urenda provided a historical perspective of budget cuts from SEIU's point of view. When a college is working hard and producing they should be rewarded, but cutting a struggling college mid-year is not prudent either. We are a District, but we need to remember that if one college is growing it will benefit the whole. Classified is still recovering from the last round of cuts.

Mr. Renbarger stated that the Oxnard Classified Senate prefers to use reserves to fund current year growth for growing college(s).

Ms. Brown is concerned using the word "cut." She suggested using a method similar to Contra Costa's blended approach with the current allocation model. There could be a true-up at the end of the year. She reminded the group that the college currently growing is Moorpark, but it could change in future years. This fact should be kept in mind when revising the Model. Ms. Brown said that this proposal is not about mid-year cuts, but about growth. It is not about penalizing a specific college; it is about rewarding a college for growing.

Dr. Bush posed a scenario: What happens if we're trueing up at the end of the year, Oxnard doesn't meet its FTES target and Moorpark exceeds it. How does this scenario affect your 2%? He explained that, in reality, you end up transferring money into non-operational funds. If the funds are allocated at year-end, they would not be used for their original operational intent.

Ms. Bojorquez provided a clarification on Contra Costa Community College District's allocation model. Colleges at Contra Costa receive a separate allocation for growth. That amount is held back until the college(s) know(s) if they will achieve the FTES target.

After discussion, with input from DCAS members, Dr. Bush made the following motion:

Colleges that exceed budgeted FTES should receive additional allocation to cover the cost of the additional students in the year achieved.

The growth would be limited to the State growth cap for the District.

A college will be funded for its growth up to the cap regardless of the District's overall FTES.

Any college's growth unfunded by the state, up to the cap, would be funded by Reserves.

If the growth exceeds the district's cap, any growth realized by more than one college would be split proportionally based on the increase.

There will be a reconciliation of growth funds advanced to actual growth earned.

Ms. Morales seconded the motion. There was no opposition. Mr. Sezzi abstained.

#### Recommendation #5 – Non-resident FTES (Intl and Domestic)

Ms. Barajas explained the difference between actual FTES and adjusted FTES at Moorpark College. Moorpark College's desire is to have nonresident students added in the count on line 10. This change does not affect non-credit or enhanced non-resident.

Ms. Barajas made the following motion:

Nonresident FTES should be included in Line 10 of the allocation model (adjusted FTES).

Ms. Brown seconded the motion. There was no opposition. Mr. Sezzi and Ms. Morales abstained.

#### **OTHER BUSINESS**

There was no other business.

Meeting adjourned at 12:03 p.m.