VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

District Council on Administrative Services (DCAS)

District Administrative Center, Thomas Lakin Boardroom
Thursday, October 5, 2017
NOTES

Attendees:
David El Fattal, Vice Chancellor, Business and Administrative Services
Mike Bush, Vice President, Business Services, Oxnard College
Silvia Barajas, Vice President, Business Services, Moorpark College
Diane Eberhardy, Academic Senate President, Oxnard College
Susan Royer, College Business Manager, Ventura College
Cathy Bojorquez, Budget Director
Nathan Bowen for Nenagh Brown, Academic Senate President, Moorpark College(Skype)
Lydia Morales, Academic Senate President, Ventura College
Steve Hall, AFT Representative
Jennifer Clark, Classified Senate Representative, Oxnard College
Jeanine Day for Pamela Yeagley, Classified Senate Representative, Ventura College
Maria Urenda, SEIU Representative (Skype)

Absent:
Nenagh Brown, Academic Senate President, Moorpark College
Pamela Yeagley, Classified Senate Representative, Ventura College
Julius Sokenu, Vice President, Academic Affairs, Moorpark College
Emily Day, Director, Fiscal Services

Recorder: Laura Galvan

Dr. Eberhardy called the meeting to order at 10:03 a.m.

APPROVAL OF MEETING NOTES

The DCAS meeting notes of September 21, 2017 were reviewed and approved by consensus after clarifications by Ms. Brown and Ms. Barajas.

FY19 BUDGET ALLOCATION MODEL REVIEW

Dr. El Fattal provided an overview of the Allocation Model and recapped the discussion from the September DCAS meeting regarding the Model. He stated that every action or change to the Model affects every other college, positively or negatively. He reminded the group that while the colleges are individual, we consider the overall Model and fairness to the colleges and students.

The following items were added to the list of concerns:

- Balance ongoing expenditures with ongoing revenue
- Moorpark College's priority item is equity in per FTES funding
- If changes are made, don't over-emphasize productivity. Where productivity is given a greater emphasis than growth. Example, a college doesn't have an incentive to pull back on offerings because they're saving money, but they are declining in FTES. Therefore, the District is declining in FTES and losing revenue.

- HRL/HR2 off the top (Districtwide services) as opposed to self-taxing via payroll
- Alternatives to the base allocation (For example, 9% instead of 15%, thus each college gets 3%.)
- Productivity Factor removal and/or manipulation

Ms. Bojorquez explained the FY18 Budget Allocation Model in detail beginning with the expenses that are taken off the top (Districtwide Services, Utilities, and District Administrative Center), before remaining available revenue is distributed. Districtwide Services include expenditures that are common amongst the three colleges and District Administrative Center, including software licenses, property and liability insurance, legal fees, audit service fees, Board of Trustee elections, etc. The utility expenses represent the districtwide costs for electricity, water, gas, and land line telephone service. Ms. Bojorquez indicated the utility costs associated with the Daily Drive building are not included in this line item. The allocation for the District Administrative Center represents expenditures for the operation and administration of the central office, including the chancellor's office, human resources, information technology, payroll, purchasing accounts payable, business services, etc.

Ms. Bojorquez explained the Unadjusted FTES (Line 1) in the Class Schedule Delivery Allocation represents the actual FTES generated by each college and includes credit, non-credit, resident, and non-resident. There was a question as to why we are using state money for non-resident students. Ms. Bojorquez explained the Allocation Model revenue includes more than just the state apportionment. A portion of the non-resident tuition that is equivalent to the credit FTES amount paid by the state is included in the revenue in the Allocation Model. The excess amount for international students stays with the college who generated the non-domestic student tuition and is accounted for in Fund 114. The Class Schedule Delivery component determines the number of Full Time Equivalent Faculty (FTEF) needed for a class schedule that serves resident and non-resident students.

The FTES is converted into Weekly Student Contact Hours (WSCH) and then divided by a Productivity Factor to determine the FTEF (Line 4) needed. The FTEF Adjustment (Line 5) recognizes that some faculty are not in teaching assignments (sabbaticals, AFT release, load bank leaves, department chair, and academic senate release time). The adjusted FTEF number is added to the amount of FTEF in Line 4. Line 6 represents the actual number and cost of salary and benefits for each full-time faculty. The remaining adjusted FTEF target (Line7) for each college (after deducting the full-time positions) is then funded at the average hourly part-time salary and benefit rates for teaching the equivalent of a full-time load (Hourly FTEF). For FY17 that amount was $51,467. Those components make up the Class Schedule Delivery Allocation.

The Base Allocation (Line 9) recognizes that every college, regardless of size, has basic costs and services to provide. Currently, the allocation is 15% of the revenue available for distribution; divided equally among the colleges with each receiving one-third of the total.

Line 10 of the Allocation Model reflects the adjusted FTES (prior year actual). This number is in recognition that the majority of the revenue is generated from FTES credit and non-credit for residents. This FTES number differs from Line 1 of the Model as it represents the state funded FTES number. This number represents only resident FTES. This element recognizes that noncredit FTES are funded at 60% of credit FTES; this number is adjusted for that variance (40% reduction). Enhanced noncredit FTES are funded at the higher credit funded rate. The FY18 allocation is based on actual FY17 FTES.

Dr. Bowen inquired whether or not colleges are incentivized to have noncredit classes. Ms. Bojorquez stated there was nothing in the model to incentivize offering noncredit classes and she believed the number of noncredit courses to offer was a philosophical discussion for the colleges. Vice Chancellor El Fattal stated there is a large initiative by the State for noncredit classes.

The FTES Allocation on Line 11 is derived by multiplying all remaining Revenues Available for Distribution to the Colleges (after deducting the Class Schedule Delivery Allocations and Base Allocations) by each college's proportionate share of Total FTES represented in this element of the Model.

Dr. Hall suggested revisiting the Educational Master Plan and whether it includes anything that should be considered when discussing the Model.

Ms. Bojorquez explained that an unused element in the Model is a set-aside for college initiatives. Any amount reserved for this set-aside would be deducted before revenues are available for distribution (off the top). To date, this element of the Model has not been used.

There was a brief discussion about the possibility of the establishment of a Center in Santa Paula. Ms. Bojorquez said that a center must have at least 500 FTES to apply for Center designation. Further, as a requirement, the Center must grow to at least 1,000 FTES within three years to be funded. The "center" funding would not be granted until 1,000 FTES is reached. Vice Chancellor El Fattal explained the State had not funded centers in the recent past due to budget constraints. He explained the State has the ability to turn funding on and off.

Dr. Bush would like to have a future discussion regarding equity and equality.

Ms. Bojorquez projected the current Allocation Model for FY18 on an overhead screen. The group first looked at per FTES amounts allocated to the colleges. These included and excluded the Base Allocation amount. Several scenarios were simulated to see the effects of those possible changes. Scenarios included: each college (separately) growing by 200 FTES; each college (separately) declining by 200 FTES; and changing Base Allocation to match State funding for small and medium sized colleges (as opposed to 15% of available revenues).

(These Allocation simulations were distributed to DCAS members via email for a more thorough review.

Additional Allocation Model scenarios suggested at the DCAS meeting of October 5, 2017 will be distributed prior to the October 19, 2017 meeting.)

Dr. El Fattal explained that the Fund 693 Quarterly Review will be tabled and discussed at the next DCAS meeting and will be first on the agenda. Dr. Hall also suggested the discussion also include the long-term plan for use of trust funds.

Because of the ambitious timeline for a thorough review of the Allocation Model, subsequent DCAS agendas will include time certain time limits for non-allocation model agenda items.

(Ms. Brown submitted a list of ideas via email to be considered when reviewing the Allocation Model. They are included as part of the complete list found at the end of the notes.)

Meeting adjourned 12:02 p.m.

Next meeting will be Thursday, October 19, 2017, at 9:00 a.m.

Complete list of ideas for consideration when reviewing Allocation Model (as of October 5, 2017):

- A college is growing, but the others colleges are benefiting from growth, but the expense of growth is on the growing college.
- A college is shrinking, but are they bearing the cost of shrinking?
- How much should be taken off the top for base allocation? Currently 15%. Is that the correct number?
- DAC rents - elimination of payment at Stanley Avenue and lease revenue at Daily Drive
- Ventura College potentially moving to small sized college; impact of $600,000.
- How does the level of service continue in non-instructional areas? 50% Law awareness
- Generating more revenue – how do we account for that new revenue?
- What is the individual college incentive for Growth?
- Balance ongoing expenditures with ongoing revenue
- Moorpark College's priority item is equity in per FTES funding
- If changes are made, don't over-emphasize productivity. Where productivity is given a greater emphasis than growth. Example, a college doesn't have an incentive to pull back on offerings because they're saving money, but they are declining in FTES. Therefore, the District is declining in FTES and losing revenue.
- HRL/HR2 off the top (Districtwide services) as opposed to self-taxing via payroll
- Alternatives to the base allocation (For example, 9% instead of 15%, thus each college gets 3%.)
- Productivity Factor removal and/or manipulation
- Moorpark College perceives that in the last budget downturn whilst it implemented the cuts demanded with considerable cost, other colleges were able to delay and minimize the strictness of the cuts. (Specifically, in 2011 Moorpark discontinued 9 programs: CIS, CS, Interior Design, EMT, Sign Language, Work Experience, and three Athletic teams. In 2012, Moorpark cut an additional three programs: Education, Drafting Technology, and Nutritional Science. Over these two years Moorpark laid off one full-time faculty member, had many part-time faculty not rehired for discontinued programs and reduced sections; laid off *X* number of classified staff; and had thousands of students not able to get into classes.)
- A concern not to over-react to fiscal events both within the district and at the state level. Too severe a reaction is as damaging for our students as too little reaction. At Moorpark, we have now restored almost all the programs we cut but it has taken up to eight years to rebuild what we had.
- The need to renegotiate the 6.98% rate of the DAC in light of changes in its expenses with the move to Daily Drive as well as other factors, as discussed but not completed for the FY18 Allocation Model.