

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
District Council of Administrative Services (DCAS)

Thursday May 15, 2014

NOTES

Attendees:

Mike Bush, Vice President, Business Services, Oxnard College
Dan Casey, Classified representative, Ventura College
Brian Fahnestock, Vice Chancellor Business Services
Alan Hayashi, AFT Representative
Iris Ingram, Vice President, Business Services, Moorpark College
Patrick Jefferson (via Lync), Executive Vice President, Ventura College
Linda Kama'ila, Academic Senate President, Oxnard College
Dave Keebler (via Lync), Vice President, Business Services, Ventura College
Deborah La Teer, District Budget Officer
Mary Anne McNeil, Director, Fiscal Services
Darlene Melby, College Business Manager, Moorpark College
Mary Rees, Academic Senate President, Moorpark College
Art Sandford (via Lync), Academic Senate President, Ventura College
Felicia Torres (for Dominga Chavez), Classified Representative, Moorpark College

Absent:

Dominga Chavez, Classified representative, Moorpark College
Lucia Marquez (ASVC student representative)

Guests:

Dr. Jamillah Moore (via Lync)
Dr. Greg Gillespie (via Lync)
Dr. Lori Bennett

The meeting was called to order at 9:06 a.m. in the President's Conference Room at Moorpark College, with some members utilizing the district's Lync phone conferencing capability.

APPROVAL OF NOTES

The notes from the May 1, 2014 meeting were approved by consensus.

Ms. Rees stated that Laura Galvan did a good job in these notes of synthesizing the conversation.

SPRING 2014 DCAS SELF-APPRAISAL FINDINGS

The findings of the spring 2014 DCAS Self-Appraisal were distributed and reviewed. Mr. Fahnestock encouraged committee members to speak up. Additionally, Ms. La Teer directed committee members to where the meeting notes and agendas can be found online. There is a desire for more communication and dialogue regarding the Allocation Model. Mr. Fahnestock indicated that discussion will reopen after work on the Adoption Budget has been completed.

GOVERNOR'S MAY REVISE (FY15)

Mr. Fahnestock explained that the Governor's May Revise (FY15 budget) was released earlier in the week. Mr. Fahnestock distributed a presentation that he gave to the Board of Trustees at their regular meeting Tuesday evening (May 13, 2014). He explained that the May Revise includes additional revenues, but an almost equal amount in new expenses. There were initial thoughts there would be one-time money and this is probably not the case.

FY15 BUDGET

FY15 Revenue/Cost Schedule

The FY15 Revenue/Cost Schedule (dated 5/15/14) was distributed and discussed. The COLA is down slightly at .85. The original projection was .86. There was also an in depth discussion regarding the CalSTRS rate increase. The increase is large and will be increased 10.85% over the next ten years. This is a significant increase in payroll driven expenses for the District that was not initially planned. For the FY15 budget, CalSTRS employer contributions will increase from 8.25% to 9.5%. It is projected that the District's General Fund Unrestricted (Fund 111) new revenue will be approximately \$2.27 million less than the anticipated cost increases. It was initially thought to be approximately \$1.7 million. The primary difference is due to the CalSTRS rate increase.

FY15 Cost Savings Summary

Mr. Fahnestock explained that at the May 1, DCAS meeting there were some concerns about the (then) \$1.7 million revenue shortfall and how each campus would bridge the gap in revenue. To that end, an FY15 Cost Savings Summary schedule (dated 5/15/14) has been compiled. The schedule depicts how each campus will absorb the reduction in revenue for FY15.

Infrastructure Funding Model

There was a discussion regarding the revenue reduction projection of approximately \$2.3 million. It was anticipated that the campuses could cover the original shortfall of \$1.7 million. However, now that the District deficit amount has grown by \$630,000 due to the STRS increase, how will the campuses cover that? Mr. Fahnestock suggested a proposal for dealing with the additional shortfall; a change to the infrastructure funding model.

Ms. La Teer briefly explained year 3 of the Infrastructure Funding Model (IFM). She explained that there is an escalation factor in year three that directs "if growth funding is received, reallocate an additional 25% of the lottery balance". If lottery revenue is not accelerated, as proposed, it could free up \$600,000; almost the same amount of the CalSTRS additional expense. This would allow for the infrastructure fund to receive an allocation; however, it wouldn't be as much. Ms. La Teer explained this would have to be presented to the Board for approval, as it's a deviation from the board approved budget assumptions and IFM.

The vice presidents provided some additional input. Dr. Bush stated that the District is expected to receive additional scheduled maintenance funding this year; however, it's still not definite.

Ms. La Teer cautioned that if the legislature passes the STRS proposal, the District will be hit with increased STRS expenses next year (FY16).

Ms. Rees explained she thought it was a good short-term solution, a good Band-Aid. Next year (FY16) we will have additional cuts. Ms. La Teer explained we could be funded with more growth dollars in FY16. Ms. Rees further explained that this information should be communicated to the college communities at large. It is important everyone has a good understanding of how hard the budgets will be for coming years.

There was also a discussion about including more flexibility for the use of funds.

After a lengthy discussion, the consensus of the group was to move the FY15 Tentative Budget forward as proposed, with the colleges building their budgets absorbing the \$1.7 million deficit. If the signed FY15 State Budget includes the STRS proposal but no additional revenue to the District to offset the additional expenses, a one-year exception to the IFM will be proposed for the FY15 Adoption Budget. The recommended changes will be:

- Not to reallocate an additional 25% of lottery revenue
- Increase flexibility- allow the colleges to move funds between infrastructure categories

A change to the budget assumptions with this new IFM proposal will be brought to the Board for approval.

FY15 Tentative Budget Schedules

The Revenue, Utilities, Districtwide Services, Allocation schedules were distributed and reviewed. Ms. La Teer explained that nothing has changed since the committee saw these same schedules in early May.

Productivity

Mr. Fahnestock reminded the committee that the Productivity goal numbers included are artificial. They were developed for this year so that no movement of dollars was attributed to productivity. Since the inception of the Model, we knew this was a problem and it has been closely monitored. This will be reopened in October/November.

FY15 FTES

There was some discussion as to where the FTES were derived from for the allocation. Ms. La Teer explained that projected FY14 FTES are used to develop the FY15 budget.

Other Business

There was no other business.

Meeting was adjourned at approximately 10:38 a.m.

Next meeting – Thursday, June 5, 2014 - 9:00 a.m.

Agenda Topics include:

- FY15 Tentative Budget Book