

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

Thursday, November 20, 2008

District Administrative Office Multipurpose Room

NOTES

Attendees: John al-Amin, Dominga Chavez, P. Scott Corbett, Debra Cronin, Ray Di Guilio, Connie Jenkins, Sue Johnson, David Keebler, Deborah LaTeer, Mary Anne McNeil, Darlene Melby, Karen Osher, Peter Sezzi, Margaret Tennant

Absent: None

The meeting began at approximately 8:40 a.m.

APPROVAL OF MINUTES

The notes from the September 18, 2008 meeting were approved by consensus with Connie Jenkins added to "Attendees".

MID-YEAR CUTS – FY 2008-09

Ms. Johnson provided an overview of the current budget situation. She explained that the Governor declared another Fiscal Emergency on November 6 in order to bring the legislature back into session to resolve the additional budget deficit. The Governor projects there is an additional \$11.2 billion shortfall (over the \$15.2 billion which was supposed resolved in Sept). The Governor's proposal would result in a \$332.2 million reduction to CCC, which equates to \$7.9 million for VCCCD. This includes the elimination of the partially funded COLA, a 5% general apportionment reduction system-wide (5.32% for VCCCD), and flexibility to use categorical funds to back-fill general funds. The LAO agrees in general with the estimated shortfall over a two-year period. The LAO proposed a student fee increase (January 1 to \$26/unit; July 1 to \$30/unit), which would go to the state, not the districts, but would assist to offset the overall deficit. The legislature will meet on Sunday. There must be action taken at that session or the resolution will be deferred until the new legislature is seated on December 1.

Sue mentioned that we have experienced mid-year cuts in six of the last eight years. Last year being the most significant prior to this year's. The expectation is that the midyear cuts for 2008-09 will be permanent and lower the base for future years.

After meeting with the Vice Presidents, Ms. Johnson proposed that we recommend to the Board a balanced approach to resolve our local reduction, and that we not wait until the legislature takes action.

The recommendation is to use the \$2 million in the Contingency for Revenue Shortfall that was budgeted; apply a 2% cut to the general fund-unrestricted operating budgets for all four sites plus the return of COLA, which was held in site reserves; and take the balance of the reduction from unallocated reserves. A chart was distributed showing the impacts of that recommendation. DCAS agreed, through consensus, to recommend these proposals to the Board for approval in December.

BUDGET ALLOCATION MODEL MODIFICATIONS

Ms. Johnson explained that, as we had previously identified, there are at least two problems with the current Budget Allocation Model that need modification:

- 1) How productivity is handled – monetary reward for lower productivity.
- 2) Funding of growth—the lack of a funded cap.

Proposed changes if adopted by the Board will be effective for the 2009-10 Budget Year.

Productivity - The current Allocation Model uses a 3-year actual productivity average. A few scenarios were proposed for using productivity goals and/or actuals. Significant discussion ensued. The most favored proposal of using 1 year goal/1 year actual (50/50) will be brought back to DCAS in December for further discussion. It was agreed that if the productivity goal was to become a key factor of budget allocation, then the goal setting process must have integrity. If in the final recommendation, productivity goals are included in any form, DCAS will recommend that the goal negotiating team for each college include not only the college president, but both the instructional and business vice presidents as well as the academic senate president.

Growth – Because the district is not funded for all growth, it was recommended that, in the FTES section of the allocation model, each college only be funded for their actual growth up to a maximum of district funded growth. Each college may then carry unfunded FTES (as does the district as a whole), and be entitled to use that if and when the district does. It was proposed that if one college did not attain their allowable growth, any unused growth be given to those who exceeded allowable growth for that year. Distribution would be based proportionally as a share of excess. This too will be simulated and brought back to DCAS for further discussion.

Transition - There was also a discussion regarding the Transition Funding. In the Model that was adopted, the transition funding would be eliminated in Budget Year 2010. An additional stepped-down method was proposed (i.e., \$250K to OC and VC for FY 2009-10) if simulations warranted such a modification. Both methods (no transition funding and stepped-down) will be simulated for the December DCAS meeting for further discussion.

REVENUE/EXPENSE SCHEDULE (MULTI-YEAR BUDGET SCENARIOS)

The preliminary Revenue/Expense Schedule for FY09-10 and FY10-11 (dated 11/20/08) was distributed and discussed. In general, even without a decrease to base revenue and no projected salary increases, there is a significant reduction in available resources each fiscal year. This schedule will be updated with the most current information and shared periodically.

Next Meeting

December 18, 2008, 8:30 a.m.

Meeting was adjourned at approximately 11:50 a.m.