

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

Thursday, May 19, 2011

NOTES

Attendees: Blanca Barrios, Robert Cabral, Dominga Chavez, Riley Dwyer, Steve Hall (for Alan Hayashi), Iris Ingram, Sue Johnson, Dave Keebler, Deborah LaTeer, Darlene Melby, Mary Anne McNeil, Karen Osher, Peter Sezzi

Absent: John al-Amin, Alan Hayashi, Trevor Zierhut

The meeting began at approximately 8:34 a.m. in the Board Room at VCCCD.

APPROVAL OF NOTES

The notes from the April 7, 2011 meeting were approved by consensus.

Ms. Johnson reported that she attended the Academic Senate meeting at Oxnard College on May 9. It was an opportunity to clarify facts regarding the allocation model. There was a lot of good dialog at the meeting. Sue again offered her presence/assistance at other senate meetings.

MAY REVISE

Sue provided a brief overview of the Governor's May Revise. The only significant change from the March bill relating to community colleges is the buy-down of deferrals. Additional Prop 98 funds are projected due an anticipated increase in revenue over the 14-month period in the amount of \$6.6 billion. Currently, there are approximately \$1 billion in deferrals. The Governor's May Revise proposal would buy down approximately \$350 million with the additional revenue. The Governor's May Revise continues to assume tax extensions/increases.

Sue also mentioned that the State has projected a "worst case scenario" as now being only an additional \$200 million cut to community colleges. If this holds true, the District's Tentative Budget will likely be adequate and the next layer of cuts to the sites will not be realized. If the cut to the State Budget is greater than the current scenario (\$290 million net), the deferral buy-down will likely be taken first, thus reducing the additional reductions and the District's share would be reduced to a maximum of \$4.6 million under those assumptions. Pursuant to the Board-adopted Budget Assumptions, that portion would be fully covered by reserves.

FY12 TENTATIVE BUDGET

Narrative

Sue again explained that the Tentative Budget is legally required in order for the District to conduct business (issue payroll checks, vendor checks, etc.) on July 1st. This budget must be approved annually no later than June 30. The *Background* portion of the Narrative will be more detailed for the Adoption Budget, which will likely be presented to the Board in September.

Tentative Budget book

The *draft* Tentative Budget book was distributed and discussed. Ms. Johnson stated that the General Fund – Unrestricted numbers and schedules contained in the Tentative Budget are relatively unchanged from the last time they were presented to DCAS. The District is projecting unfunded FTES of approximately 1,200 as of the end of FY11, a significant improvement from June 30, 2010.

Sue highlighted certain funds in the Tentative Budget including health services, parking, child development, cafeteria, bookstore and self-insurance.

She mentioned that the District has received state mandated cost reimbursement, primarily for health fees, but that claim is currently being audited by the State and could be reduced. Once audited, the amount remaining will be distributed to each site in the Adoption Budget.

The bookstore revenues continue to decline as more alternatives are available to students. There was a brief discussion on bookstore trends. Sue also explained that the District is exploring several options to deal with these trends and reduced sales.

She explained that Oxnard College is moving toward a total CRM - (Culinary Restaurant Management) based program in January 2012, expanding their vendor to include hot choices, and will not offer regular cafeteria services after that time.

Capital Projects

The Capital Projects fund budgets were distributed and discussed. It was stated that 25% of the bond funds remain to be spent over the next two years.

General Fund - Restricted

General Fund-Restricted funds are typically categoricals and grants. An explanation was made regarding New Information Technology funds. This fund is financed through District-wide Services and is used for start-up (one-time) cost for new district-wide technology systems and/or software, such as CurricuNet, DegreeWorks, Banner Financial Aid, etc. After the initial implementation, the maintenance costs are included in the budget for District-wide Services.

The Tentative Budget was unanimously approved by DCAS and the Committee recommends it be presented to the Board of Trustees for approval on June 21, 2011.

LOCAL STRUCTURAL DEFICITS

Sue briefly recapped the elements that have been agreed to thus far. She distributed a draft of possible funding scenarios for the Structural Deficit Model. This level was revised to be more aggressive pursuant to discussions at the April DCAS meeting.

It was the consensus of DCAS members that the first three bullets listed as possible triggers should be re-directed as resources for Structural Deficits as opposed to Unallocated Reserves, as stated in the Model. Those triggers are:

- Any increase in lottery, and/or interest, and/or enrollment fee local share above budget; and
- Any increase in General Fund revenue above budget (such as unbudgeted state mandated cost reimbursements); and

- Difference between actual and budget in District-wide Services and Utilities.

There was a brief discussion regarding the “real” number for structural deficits and ways this number can be determined/evaluated and whether it should be based on reasonable need vs. real need.

Peter suggested that this number could be construed as subjective and may be unattainable. Therefore, we must get back to the issue: Why is Lottery funding in the General Fund allocation to start with? Why is interest there? A primary objective was to remove these resources, that never should have been used for this purpose, from instructional allocation model; once that was done, how shall they be used?

This discussion will continue at the next DCAS meeting with the hope that we can deliver a final recommendation to the Board in September or October.

NEXT MEETING

Thursday, June 16, 2011 – 9:30 a.m.*

*after Consultation Council

Meeting was adjourned at approximately 11:45 a.m.