

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

Thursday, January 19, 2012

**NOTES**

Attendees: John al-Amin, Robert Cabral, Dominga Chavez, Alan Courter, Riley Dwyer, Alan Hayashi, Iris Ingram, Sue Johnson, David Keebler, Mary Anne McNeil, Darlene Melby, Peter Sezzi

Absent: Blanca Barrios, Deborah LaTeer

The meeting began at approximately 8:35 a.m. in the Dr. Thomas G. Lakin Board Room at VCCCD.

**APPROVAL OF NOTES**

The notes from the December 15, 2011 meeting were approved by consensus.

**GOVERNOR'S INITIAL BUDGET PROPOSAL – FY13**

Sue distributed a copy of the presentation given to the Board of Trustees on January 17, 2012. The Governor's initial proposal for the FY13 budget assumes full passage of proposed tax initiatives, which will be voted on in November. The proposal does not include any additional student fee increases, other than the already approved increase for summer 2012 (from \$36/unit to \$46/unit). Sue explained VCCCD's current shortfall for FY13. This scenario holds true only if revenue is flat (no increase / no decrease). Sue illustrated the proposed use of reserves.

FY12 - Adoption Budget (deficit)	(\$600,000)
FY12 - December 11, 2011 triggers	<u>(\$2,400,000)</u>
FY12 - Total Shortfall (going into FY13)	(\$3,000,000)
FY12 Estimated Enrollment Fee Shortfall (one-time) (exact number won't be known for week or two) P1	<u>(\$2,300,000)</u>
Total Use of Reserves for FY12 (projected)	(\$5,300,000)

Enrollment is down significantly for spring semester. As a result, the unfunded FTES is projected to be as low as 1,500 as opposed to the previously projected 2,400. Sue stated that 2% was a reasonable target for unfunded FTES (approximately 500).

There was a discussion regarding enrollment management and how it will drive the budget. Scenarios were discussed . . . do we add sections and then remove them or do we build the schedule and then add them as necessary. Sue used the analogy of a "boxcar strategy" for enrollment management.

Alan Hayashi suggested that an early plan for reduction amounts makes it easier to plan and anticipate future reductions with more time. Sue agreed that that was so, however, because of the use of the reserves it may have provided a false sense of security as employees may not realize the severity of the reductions.

Sue recapped the proposed budget deficit for FY13 and how we got there. She explained that the shortfall could be anywhere from \$6 million to \$12.2 million, depending on passage/failure of the Governor’s proposed tax initiatives.

**Assuming full passage of tax increases**

Revenue is flat (no increase, no decrease)	(\$3,000,000)
FY12 deficit (FY12 budgeted expenditures exceed current budgeted revenue – Adoption Budget deficit and mid-year triggers)	
Increased costs (inflationary) H&W, PERS/STRS, Unemployment, etc.	<u>(\$3,000,000)</u>
Total FY13 projected shortfall	(\$6,000,000)

**Assuming failure of tax increases (additional)**

Mid-year trigger cuts	<u>(\$6,200,000)</u>
Total potential FY13 shortfall	(\$12,200,000)

Dave Keebler suggested that the District assume the failure of the proposed initiatives and work with a proposed \$8 million deficit for FY13 and an \$8 million deficit for FY14.

Robert Cabral suggested that we stop “punting”. He said must deal with these issues is something that should have been dealt with some time ago.

**FTES**

The FTES Comparison schedule dated January 17, 2012 was distributed and discussed. Overall, there has been an approximately 5% projected reduction in FTES from last year. Sue caution the group this number could change slightly (±100) due to Ventura College’s positive attendance.

**FON**

The FON (Full-time Obligation Number) schedule dated January 3, 2012 was distributed. Sue reminded the group the reporting cycle is October 1 to September 30, not a budget or academic year.

**ANNUAL REVIEW OF ALLOCATION MODEL**

This item was brought back from the December meeting. Sue reminded the group that if the Structural Deficit Funding Model plan is approved by the Board this will change the revenue stream and the Model will change accordingly. Sue ask if there was any recommendations to modify the model. There was a brief recommendation regarding the DAC allocation. There was also a brief discussion regarding the 1% carry-over amount that is included in the Model. In the past, the 2% carry-over has been an exception approved through the Budget Assumptions. The carry-over percent for FY13 will be discussed at the February DCAS meeting.

Asked again whether they were recommendations for changes; all agreed was model was appropriate and no changes should be made at this time.

**OTHER**

None

**NEXT MEETING**

Thursday, February 16, 2012 – 8:30 a.m.

*\*An additional DCAS meeting was scheduled for February 23, 2012 at 8:30 a.m. (before DCHR) to finalize Budget Assumptions and Structural Deficit Funding Model (if necessary). That date will be confirmed at the Feb 16 meeting.*

Meeting was adjourned at approximately 11:15 a.m.