

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

Thursday, January 17, 2013

**NOTES**

Attendees: Blanca Barrios, Mike Bush, Dominga Chavez, Riley Dwyer, Erika Endrijonas, Steve Hall, Alan Hayashi, Iris Ingram, Sue Johnson, Linda Kamaila, Dave Keebler, Deborah LaTeer, Mary Anne McNeil, Darlene Melby, Peter Sezzi

Absent: Dana Boynton

The meeting was called to order at 8:35 a.m. in the Thomas G. Lakin Board Room at VCCCD.

**APPROVAL OF NOTES**

The notes from the December 13, 2012 meeting were approved by consensus.

**GOVERNOR'S BUDGET PROPOSAL**

Vice Chancellor Johnson described the Governor's FY14 Initial Budget Proposal, which was released earlier in the week. The proposal includes a projection for increased revenue; however, with the passage of Prop 30, the volatility of State revenue has also increased. Ms. Johnson distributed a "snapshot" summary of the Governor's proposal (dated 1/17/13), which includes an increase of \$196.9 million (3.6%) to base apportionment for CCC. The Governor proposes that the Board of Governors determine how to allocate those funds. The proposal also includes \$179 million for deferral buy-down. This portion will result in no new revenue to the District but is a part of Governor's multi-year plan to reduce the "wall of debt" with elimination by FY17. Based on the initial proposal, if allocated by FTES, general apportionment revenue could increase by approximately \$4.5 million for VCCCD. However, it is unknown how the increase will be allocated (COLA, Growth, Categorical Restoration/Student Success, or some combination thereof). Sue distributed rough scenarios based on two extreme allocations: 100% as growth, and one-third each growth, COLA and categorical restoration/student success dollars. Depending on how the apportionment increase is distributed, requirements to increase FTES and FON would be proportionate. Under such scenarios, mandatory expenditures would be required in order to generate the revenue.

There are also significant policy changes included in the Governor's initial proposal, specifically, funding based on multiple census dates to provide accountability for course completion, funding for a maximum number of units for each student, and a shift of adult education from high schools to community colleges.

There was dialogue about the significance of some of these recommendations and how community colleges have and will change through the priorities depicted through the budget process. Vice Chancellor Johnson emphasized that many of these policy proposals have been included in prior years, and that there is clearly an emphasis on desired change and accountability and we need to be prepared for some version of these issues to be signed into law soon.

Vice Chancellor Johnson stressed that, as in every budget year, this is the very beginning of the process and competing advocacy groups will now begin to lobby the legislature based on the Governor's proposal.

## FY14 Revenue Projections/Assumptions

Ms. Johnson distributed a preliminary Revenue Projection schedule for FY14 (dated 1/17/13). The preliminary projection indicates new revenue, which is estimated growth received in, but not budget, FY13, and the removal of revenue identified in Year 2 of the phase-in of the Infrastructure Funding Model. Any proposed revenue as part of the Governor's proposal was not included in the projection at this time. This schedule will be updated regularly as information begins to settle.

## FTES

A FTES comparison chart (dated 1/16/13) was distributed and discussed. Vice Chancellor Johnson explained that the Spring numbers were early and will change. The group was also reminded that the unfunded FTES goal for FY13 was approximately 500. Because Prop 30 included growth revenue, the District's FTES cap increased by 219, so the "cushion" of 500 was reduced to approximately 300. Although the current data base includes a coding error on a specific type of class and when corrected will increase the existing numbers, FTES appears to be lower than planned. This will be discussed at the next Cabinet meeting with the intent to develop an action plan. FTES numbers will be closely monitored by staff to ensure we do not fall below the funded cap.

## BUDGET ALLOCATION MODEL PRINCIPLES

As requested by DCAS in December, a complete review of the Model will begin. To begin that process, Vice Chancellor Johnson distributed the current Budget Allocation Model Principles (dated November 2005). Proposed changes to the existing language were suggested (e.g., introduction paragraph will be simplified, bullets will be removed, and numbers will be changed to bullets to avoid any references to priority). The changes suggested thus far will be incorporated into the document for the February DCAS meeting.

Ms. Johnson requested that DCAS members reread the Allocation Model Narrative as well as the Basic Allocation Model Principals in preparation for the next meeting. It is expected that the review process will continue for several meetings.

## OTHER BUSINESS

Ms. Johnson reminded the representatives to solicit constituent input on AP 3900 for action at our next DCAS meeting.

AFT representative Steve Hall asked Ms. Johnson for a projection for reserves as of 6/30/13. She explained that the projection will include an increase due to the estimated \$1 million from growth as a part of Prop 30, as well as the \$2 million in expenditure reductions budgeted as a contingency against the failure of Prop 30. Any estimates of P1, P2 and Recalc would be premature at this time.

Meeting was adjourned at approximately 11:08 a.m.

Next meeting – February 21, 2013

Agenda Topics:

- AP3900 – Speech: Time, Place and Manner
- Progress Toward 2012-13 Board of Trustees Goals and Objectives
- Budget Allocation Model Principles