

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

Thursday, March 21, 2013

NOTES

Attendees: Dana Boynton, Mike Bush, Dominga Chavez, Erika Endrijonas, Alan Hayashi, Sue Johnson, Linda Kamaila, Dave Keebler, Deborah LaTeer, Mary Anne McNeil, Darlene Melby, Peter Sezzi

Absent: Iris Ingram, Riley Dwyer

The meeting was called to order at 8:40 a.m. in the Thomas G. Lakin Board Room at VCCCD.

APPROVAL OF NOTES

The notes from the February 21, 2013 meeting were approved by consensus.

ADMINISTRATIVE PROCEDURES

BP 6300 – Fiscal Management

An updated version of BP 6300 was distributed and discussed. Vice Chancellor Johnson explained that the most significant addition is language related to bank accounts. There was consensus to move BP 6300 through the approval process (cabinet, Policy Committee, and Board).

AP 6300 – Fiscal Management

An updated version of AP 6300 was distributed and discussed. In order to best meet the needs of users this AP was enhanced with various categories beyond what CCLC recommends. A minor change was suggested and there was consensus to move AP 6300 through the approval process.

AP63XX – Cash Management

An AP for Cash Management (new) was presented and discussed. This AP is not included in the CCLC list however it was developed to meet user needs and fully explain cash management and cash handling procedures. With a minor change suggested, it was agreed to move this AP through the approval process.

AP 6305 – Reserves

AP 6305 was initially reviewed at the February DCAS meeting. Members requested time to present the revision to their constituencies. With the change to include language regarding 2/3 vote required to use unallocated reserves, AP 6305 will move through the approval process.

AP 6325 - Payroll

AP 6325 (new) was presented and discussed. There were suggestions to include instructions for employees to move from 10 to 12 month pay periods. Additionally, language regarding underpayment/overpayment will be clarified and language regarding the prohibition of salary advances will be included. With these changes, it was agreed to move AP 6325 through the approval process.

BP 6900 – Bookstore(s)

An updated version of BP 6900 was distributed and discussed. DCAS suggested additional language regarding the self-sufficiency of the bookstores. There was a question regarding the inclusion of the term “qualified vendor”. Vice Chancellor Johnson stated it was language from CCLC, was in the initial BP 6900, but staff will research code sections other than the one included and provide clarification. There was consensus to move this AP through the approval process.

AP 6900 – Bookstore(s)

AP 6900 (new) was presented for review. There was a brief discussion regarding consistent pricing as well as textbook buy-backs. Clarifying language will be included and AP6900 will move through the approval process. Language will also be included regarding gross profit margins for certain commodities.

BUDGET

FY14 Budget Assumptions

The FY14 Budget Assumptions were distributed and discussed. Vice Chancellor Johnson explained that we have added a section to emphasize the Budget Guidelines in order to more overtly tie budget to planning. As of this time, the Budget Assumptions assume that new revenue from the Governor’s Initial Budget Proposal (\$197 million) will be allocated to districts based on FTES. The assumptions do not address the specifics of distribution (i.e. growth, COLA, etc.), as they are unknown at this time, but states that the revenue will be allocated in accordance with BP and AP 6200. In addition, rather than assume a specific enrollment target, the assumptions include an unfunded FTES target, thereby assuming that the District will achieve whatever FTES necessary to result in the unfunded target. The Governor’s initial proposal also includes \$49.5 million for Energy Efficiency projects, which is not included in the assumptions as the District may not receive funding depending on what basis the dollars are distributed.

Vice Chancellor Johnson explained that she is recommending that the Reserve Revenue Shortfall Contingency be reduced from \$6 million last year to \$5 million for FY14.

Vice Chancellor Johnson further explained that the FY14 Budget Assumptions will be presented to the Audit & Budget Committee later this same day. Should the Committee make any changes, they will be sent to DCAS members.

DCAS members were in general consensus to move the FY14 Budget Assumptions to the Board at their April meeting.

FY14 Tentative Budget

Vice Chancellor Johnson recommends that for the Tentative Budget we assume a distribution of revenue based on preliminary statutory COLA – 1.66%, (approximately \$2 million for the District) and 2% growth (\$2.5 million). The Committee agreed that although we have not received COLA in the past 5 years, with the passage of Prop 30, it is reasonable to assume they may attempt to allocate some portion of new revenue to COLA. A 2% growth expectation is also reasonable because with the significant declines in enrollment statewide it will take some time for districts to completely restore. Any growth revenue would not be a part of the FY14 budget but would require the restoration of the FTES in FY14 (approximately 550 FTES, based on a 2% growth assumption). The increase in FON would be required in FY15, which is also when we would budget the actual growth revenue received in FY14.

There was a brief discussion regarding enrollment management as it relates to growth and unfunded FTES. FTES cap and FON increase by the same percentage of growth dollars received. Members of the Committee indicated that the enrollment goal of 300-500 unfunded FTES target was reasonable and attainable. Vice Chancellor Johnson explained that in order to achieve the 2% FTES growth, the additional costs will be approximately \$780,000 for required class sections.

Vice Chancellor Johnson distributed the FY14 Revenue Projections (dated 3/21/13) and explained the new revenue. She also highlighted the transfer of revenue out of the Budget Allocation Model to implement Phase II of the Infrastructure Funding Model.

The FY14 Preliminary Revenue and Costs schedule dated 3/18/13 was distributed and reviewed. As of this date, the health and welfare costs are assumed at a 15% increase on all plans for faculty. Rates are expected within the next couple of weeks. DCAS was reminded that full-time faculty have no cap on benefits; therefore, whatever increase occurs will result in increased costs to the District.

No general salary increase is assumed in the Tentative Budget. Step increases are actual projected costs as they are included from position control. Payroll driven costs are expected to increase slightly with PERS rates rising from 11.4% to 11.9%. STRS rates are set by legislative action and there is no projected increase at this time.

Meeting was adjourned at approximately 10:50 a.m.

Next meeting – April 11, 2013 – 8:30 a.m.

Agenda Topics include:

- Districtwide Services
- Utilities
- FY14 Allocation Model simulation
- FY 14 Revenue/Cost Schedule (updated)
- BPs/APs
- Board Goals and Objectives - Action Plans
- DCAS Survey results