

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

Thursday, January 20, 2022 – 9:00 a.m.

MEETING NOTES

DCAS Attendees:

Dan Clark, Academic Senate President, Ventura College
Jennifer Clark, Vice President, Business Services, Moorpark College
Oscar Cobian, Vice President, Student Development, Oxnard College
Emily Day, Director, Fiscal Services
Amy Edwards, Academic Senate President, Oxnard College
David El Fattal, Vice Chancellor, Business and Administrative Services
Linda Fa'asua, Classified Senate Representative, Oxnard College
Mark Frohnauer, AFT Representative
Nubia Lopez-Villegas, Human Resources Representative
Erik Reese, Academic Senate President, Moorpark College
Chris Renbarger, Vice President, Business Services, Oxnard College
Linda Resendiz, Classified Senate Representative, Moorpark College
Miguel Rodriguez Lupercio, Classified Senate Representative, DAC
Sebastian Szczebiot, Classified Senate Representative, Ventura College
Maria Urenda, SEIU Representative
James Zavas, District Budget Director

Guest(s):

Dr. Cynthia Herrera, Vice Chancellor, Institutional Effectiveness

Absent:

Cathy Bojorquez, Vice President, Business Services, Ventura College
David Munoz, Ventura College Associated Student Government

Recorder: Laura Galvan

1.01 COMMITTEE CO-CHAIR WILL CALL THE MEETING TO ORDER.

Vice Chancellor El Fattal called the meeting to order 9:32 a.m. (Meeting start time was delayed due to Consultation Council's meeting with Chancellor search firm consultant, Greenwood/Asher & Associates.)

1.02 APPROVAL OF MINUTES FOR THE DECEMBER 16, 2021, DCAS MEETING.

The December 16, 2021, DCAS Meeting notes were approved by consensus.

2.01 OLD BUSINESS

There was no old business.

3.01 District Administrative Center (DAC) Staffing Plan (update)

Vice Chancellor El Fattal introduced Chancellor Gillespie's updated staffing plan for the District Administrative Center (DAC). He explained there have been slight changes to proposed positions and titles since the last time it was reviewed by DCAS. There are a total of 15 proposed positions. It will be presented to the full Board at the special Board meeting on Saturday, January 22, 2022. The cost indicates an increase from the recent presentation(s) due to position funding being previously identified as Districtwide Services; as a reminder, Districtwide Services does not include positional salaries. Vice Chancellor El Fattal explained that the consultant handling the Administrative Unit Review (AUR)/Program Review for the DAC will begin soon, as the purchase order was Board approved on Tuesday evening. The consultant's report is scheduled to be concluded by March.

Mr. Renbarger inquired about the requested amount for FY24, which is estimated at \$2.4 million. For example, the request for FY23 is \$1.6 million. He asked what happens if the total \$2.4 million is not fully expensed in FY24. Vice Chancellor El Fattal explained he would recommend only the amount expensed would be transferred to DAC. Dr. (Dan) Clark inquired about the proposed percentage allocation for the DAC. Vice Chancellor El Fattal explained that Chancellor Gillespie combined the Districtwide Services and DAC operation budgets to come up with 14.22%. Dr. Reese inquired when DCAS will see a position prioritization; this is not a plan, but merely a list. There was a discussion about the difference between budgeted revenue and Total Computational Revenue (TCR) received. Mr. Reese stated the difference in the two are not extra resources, and should be allocated through the Budget Allocation Model.

Dr. (Dan) Clark asked for clarification on DCAS's next step. Specifically, what is DCAS doing with this information? Vice Chancellor El Fattal explained that DCAS's recommendation is related to the Budget Allocation Model, which is scheduled for a vote by DCAS in February, and for Board consideration in March.

Dr. Herrera described the upcoming program review process and how it compares to the colleges' processes.

Vice Chancellor El Fattal explained that this item will return to the February DCAS with more detailed information for a robust discussion.

3.02 Governor's Proposed Budget FY2022-23

Mr. Zavas explained that the Governor released the FY23 initial budget proposal about a week ago. The State Budget is based on a projected surplus of \$45.7 billion. The State continues to see stronger than anticipated revenues, due to retail growth and stock prices. The Governor expects significant changes in the May Revise, especially due to the Omicron surge that isn't factored into the current projections. There is \$1.8 billion in new funding for California community colleges, the majority is considered one-time funding. There is a 5.33% COLA proposed, along with part-time faculty health insurance reimbursement. There are also proposals for Student Success Completion Grants, technology infrastructure, enrollment growth efforts, and other smaller funding proposals. Proposed one-time community college investments include deferred maintenance funding, student retention and enrollment, adult education healthcare pathways, common course numbering, and technology modernization. Mr. Zavas explained that the largest component of the proposal includes changes to the Hold Harmless provision in the Student Centered Funding Formula (SCFF). Currently, the Hold Harmless provision is expected to expire in fiscal FY2024-25. Upon expiration, districts will be funded at their calculated SCFF, creating a "fiscal cliff". The proposal includes a permanent extension of the Hold

Harmless funding in a modified form, which could represent a new “floor”. Details of the implementation of this proposal are still being evaluated.

The proposed budget also includes \$3.5 billion towards a buy down of state pension liabilities.

3.03 FY23 Revenue Projections

Mr. Zavas introduced a document showing Future Revenue Scenarios for VCCCD. The assumptions take various scenarios into consideration: Total Computational Revenue, projected enrollment, changes to supplemental metrics in the SCFF, etc. Mr. Zavas provided definitions to several terms included in the projections/presentation. The District is currently in a strong financial position, an important factor to consider when looking to the future.

Revenue scenarios 1-5 were reviewed and discussed:

Scenario 1 – Assumes no change in credit FTES in future years and a 10% decrease in supplemental metrics in FY23.

Scenario 2 – Assumes FTES increase based on Oxnard College’s proposal, everything else remains the same as Scenario 1.

Scenario 3 – Assumes a 2% increase in credit FTES in FY23.

Scenario 4 – Assumes a 2% decrease in credit FTES beginning in FY23

Scenario 5 – Assumes 5% per year increase in credit FTES beginning in FY23.

All scenarios were illustrated with and without the extension of the SCFF Hold Harmless provision.

The final chart depicts the percentage change in District funding compared to COLA. The SCFF Hold Harmless provision through FY25 allows revenue to grow by the COLA amount. The proposed extension of Hold Harmless does not take into account COLA; therefore, in FY26, there is no COLA projected. There was a discussion and explanation about the COVID Emergency Condition provision, which is based on 2019-20 FTES.

Vice Chancellor El Fattal rhetorically asked, “Where do we go from here?” He stated the information provided will guide the discussion towards developing the FY23 Budget. The Stability TCR minus a 1% deficit was suggested for FY23 revenue. Mr. Renbarger agrees with the proposal; adding that if the deficit factor is not imposed, the 1% could be treated as one-time dollars. Dr. (Jennifer) Clark concurred with the proposal.

3.04 Major Initiatives Funding in Allocation Model

Mr. Zavas explained that the DCAS Workgroup for Major Initiatives in the Funding Model met one time. The consensus of the group was that any initiative(s) be funded through reserves and not by a reduction of the funds allocated through the Model. The Workgroup will meet again in February.

3.05 District Budget Allocation Model Review

Mr. Zavas introduced the Budget Allocation Model. He explained recent changes, which include the proposed revenue funding of stability TCR, minus a deficit factor. The Major Initiatives funding section was updated and includes language indicating any funding would come from reserves; which particular reserves and the dollar amount is forthcoming. The Workgroup had a discussion about a designated reserve for this initiative. There was a suggestion for minor revisions to the Major Initiatives language.

The Budget Allocation Model will return to DCAS for final review and approval.

3.06 Infrastructure Funding Model Review/Proposed Changes

Mr. Zavas reviewed the Infrastructure Funding Model and explained that the funding rates have been changed to reflect more accurate technology replacement costs.

The Infrastructure Funding Model will return to DCAS for final review and approval.

3.07 FY22/FY23 Police Services Budgets

Mr. Zavas explained that police services revenues are expected to decline for FY23 due to parking revenues. Currently, a \$1.2 million deficit is projected for FY23 as costs have increased and revenues have decreased. Dr. (Jennifer) Clark stated that revenue projections seem high due to what is being experienced at the colleges; this will increase the deficit.

This item will return to the February DCAS meeting.

3.08 HRL/HR2 Allocation Methodology

Mr. Zavas reviewed the District's current methodology in assessing the self-tax of HRL/HR2 for retiree health benefits. The Vice Presidents and fiscal teams have met often and have developed an updated funding recommendation whereby each campus and DAC will be charged their respective percentage of expenses (based on prior year actual costs). This proposed methodology will allow more accurate projections and less work on the part of each unit.

3.09 Higher Education Emergency Relief Funding (HEERF) Expenditure Analysis

Mr. Zavas reviewed the HEERF expenditures as of 12/31/2021. A more detailed presentation will be provided to the Board in February.

3.10 Other Business

There was no other business.

4.01 This item presents items to be discussed at a future DCAS Meeting.

DCAS Workgroup – DAC positions

6.01 Meeting adjournment

Meeting was adjourned at 11:43 a.m.