

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

Thursday, January 20, 2011

NOTES

Attendees: John al-Amin (via teleconference), Blanca Barrios, Dominga Chavez, Riley Dwyer, Alan Hayashi, Iris Ingram, Sue Johnson, Dave Keebler, Deborah LaTeer, Darlene Melby, Mary Anne McNeil, Karen Osher, Peter Sezzi, Trevor Zierhut

Absent: Robert Cabral

The meeting began at approximately 8:38 a.m. in the Board Room at VCCCD.

Blanca Barrios was introduced as the new classified representative from Oxnard College.

APPROVAL OF NOTES

The notes from the December 16, 2010 meeting were approved by consensus.

FY12 Budget

Sue provided a brief recap of the Governor's Initial January Proposal for FY12. The Governor has proposed to balance the budget by a combination of expenditure reductions and increases in revenue (taxes), as well as a few other solutions. The proposal includes approximately \$12 billion in reductions (\$400 mill to CCC) and a 5-year extension of the income, sales, and vehicle tax increases, approximately another \$12 billion per year, which would be determined

recommends a \$400 million reduction to community colleges (systemwide) and a \$110 million increase in enrollment growth, which equates to a net reduction of \$290 million (systemwide). VCCCD makes up approximately 2.23% of the system, so the District's proportionate reduction in apportionment would be approximately \$6.5 million, if the reduction comes in the form of workload reduction. If the cut comes from a change in census or type of classes, the impact on the District would be harder to project. **For purposes of building the budget, the workload reduction scenario will be assumed.** This will be modified if/when more concrete information is provided.

Because the District does not budget growth in the year it is earned, growth received in FY11 will be considered "new revenue" for FY12. The FY11 growth is approximately \$2.8 million, which will be included as revenue for FY12, thus offsetting the

Total

Total projected districtwide shortfall for the FY12 is projected to be approximately \$5.9 million considering all assumptions above.

Reduction Scenarios

Based on the assumption of a \$5.9 million budget shortfall or 4.27%, the VP's and budget staff met to discuss recommendations for DCAS to begin consideration for FY12. The reduction scenarios included 3%, 5% and 7% reductions, in addition to the 4.27% as well as the 7.91% that could occur should the revenue-increase ballot measure fail.

The FY12 Reduction Scenarios schedule was distributed and discussed (dated 1/20/11). Sue reminded DCAS of their recommendation for the FY11 Adoption Budget wherein the District assumed a budget reduction that did not occur at Tentative and the additional revenue between FY11 Tentative Budget and FY11 Adoption Budget (\$4.5 million) was put into one-time site expenses rather than restoring operational costs.

Under each of the scenarios, the \$4.5 million would reduce the true impact of the actual FY 12 reduction. For example, under the assumed shortfall from the revenue/cost sheet of \$5.9 million or 4.27%, the \$4.5 million would be eliminated with a net result of a true \$1.4 million reduction or 1%.

It was suggested that the sites carryover percentages be changed (e.g., unlimited or 3%), realizing it is one-time money. This would help ease the cuts and allow the colleges to make them more gradually. It was also recommended that, because last year's reduction was so difficult, we consider the use of a token amount of reserves to cover the first portion of the addition/true (FY12) reduction.

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Sue reminded DCAS that although the District has significant reserves, the State continues to issue additional deferralsraa 010 1-10(r)-8 0 Td4(on)10(Tw 2.57 0 Td Td [(al)6(he se)2()10(por)7(t)2(i)

Triggers

There was a discussion about when might we begin to move the identified streams of revenue (interest, lottery, enrollment fee waiver-admin and local share) into the agreed upon-local structural deficit categories.

Suggestions include:

- If the District receives COLA
- Receipt of growth dollars in subsequent years
- If interest goes above X (a certain percentage or dollar amount)
- FY11 Revenue in excess budget (excluding growth) be put into structural deficits for seed money

A member reminded the group that the rationale behind identifying these specific revenue line items was because of their inconsistent