2018-19 Governor's Budget Proposal

State Center Community College District

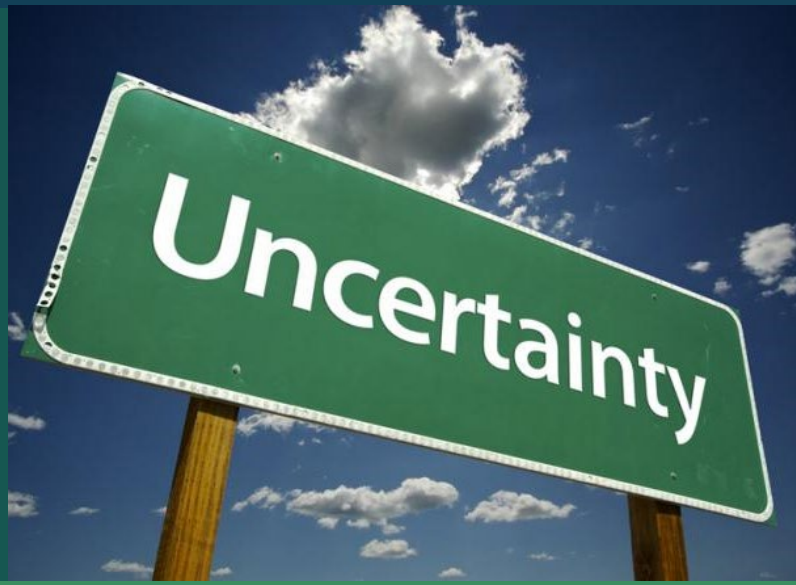
Board of Trustees Meeting
February 6, 2018

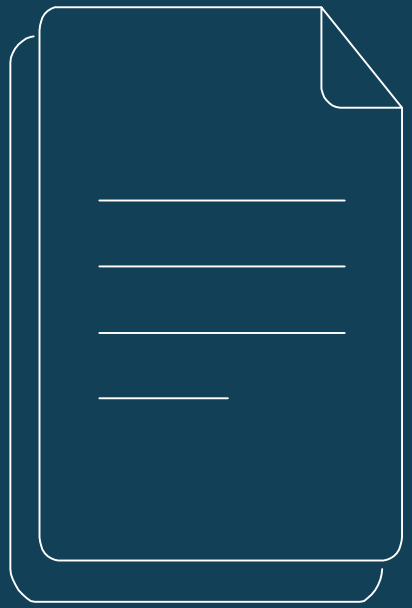
Governor's Priorities

- Building Reserves
- Minimize Costs to Students
- Promote New Technology & Innovation
- Improve Completion Rates
- Align with State Chancellor's Vision for Success Goals

Governor's Concerns

- Future California Economic Recession
- Uncertainty of Federal Funds
- Federal Tax Reform & Impact not Included in Budget Proposal



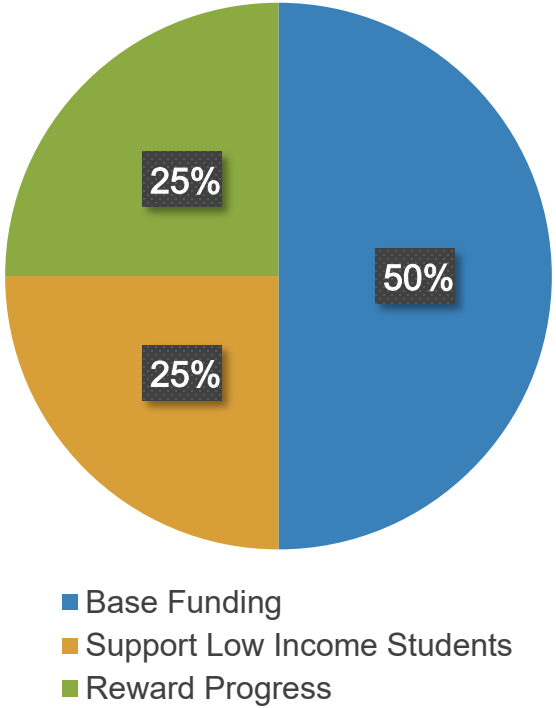


Governor's Proposed 2018-19 State Budget

On-Going Funding

	2017-18	2018-19	
	State Adopted Budget	**CCC System Request**	**Gov's Jan Budget Proposal**
Growth Funds	$57.8m or 1%	-	$60m or 1%
COLA	$102.0m or 1.56%	-	$161.2m or 2.51%
Base Funding	$183.6m	-	-
General Operating Expenses	-	$200m	-
New Student Centered Funding Formula	-	-	**$175m**
Full-Time Faculty	-	$75m	none
Part-Time Faculty	-	$25m	none
College Promise	-	$25m	$46m
Online Education	-	**TBD**	**$20m**

New Student Centered Funding Formula



50% **Base Funding** (Based on Enrollments)

25% **Support Low Income Students** – District supplemental grants for low income students with waivers and Pell Grants

25% **Reward Progress**

(1) Number of certificates and degrees awarded;

(2) Number of students who complete a degree or certificate in 3 years or less; and

(3) Each Associates Degree for transfer

HOLD HARMLESS PROVISION (1 year)

Online Education

$20m On-Going Funds

$100m One-Time Funds

- Fully online CA Community College to address underserved working students.
- Targeting 25 -34 year olds with no degree

One-Time Funding

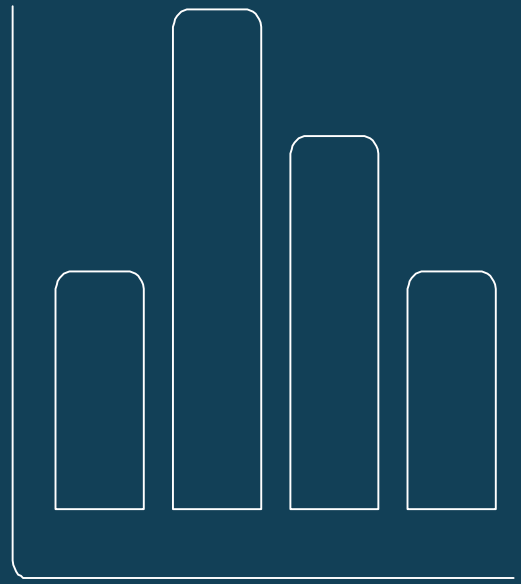
	2017-18	2018-19	
	State Adopted Budget	CCC System Request	Gov's Jan Budget Proposal
Online Education	-	TBD	$100m
Scheduled Maintenance/ Instructional Equipment	$76.8 (no match)	-	$275.2m
Prop 39 (Energy Efficiency)	$46.5m	-	-
Equal Employment Opportunity	$3.4m	$5m	-
Innovation Awards	$20m	-	$20m

Categorical Funding

	2018-19		
	State Adopted Budget	**CCC System Request**	**Gov's Jan Budget Proposal**
Guided Pathways	$150m	-	-
SSSP, Equity, Workforce	-	-	-
AEBG	-	-	$20.5m (2.51% COLA)
AEBG (Data Collection)	-	-	$5.0m
EOPS, DSPS, CalWorks & Child Care Tax Bailout	-	-	$7.3m (2.51% COLA)

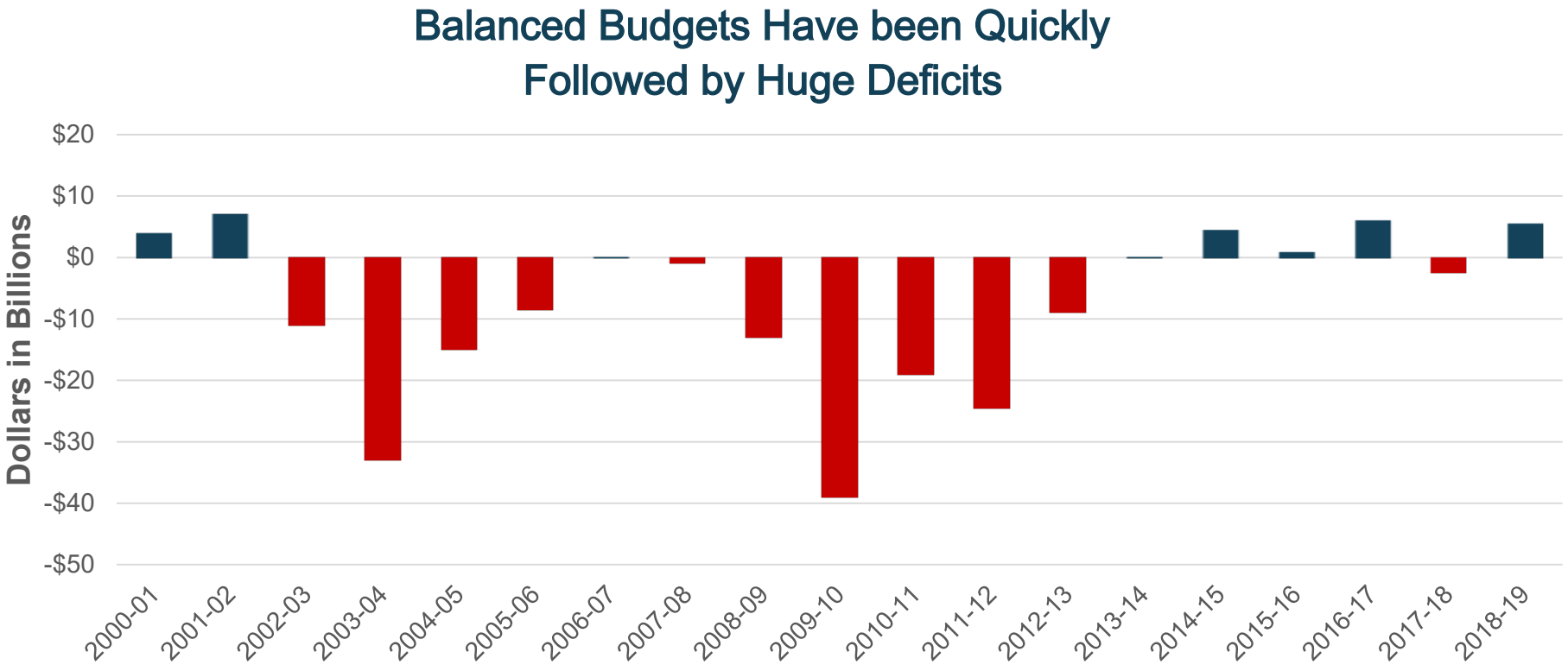
Capital Projects

	2017-18	2018-19	
	State Adopted Budget	CCC System Request	Gov's Jan Budget Proposal
Prop 51 Bonds	15 Projects Approved		5 Projects Approved ***Redwoods CCD*** *Arts Bldg. Replacement* ***Coast CCD*** *Language Arts Complex* ***Mt. San Antonio*** *New PE Complex* ***Peralta CCD (2)*** *Learning Resource Center & Child Dev. Center*



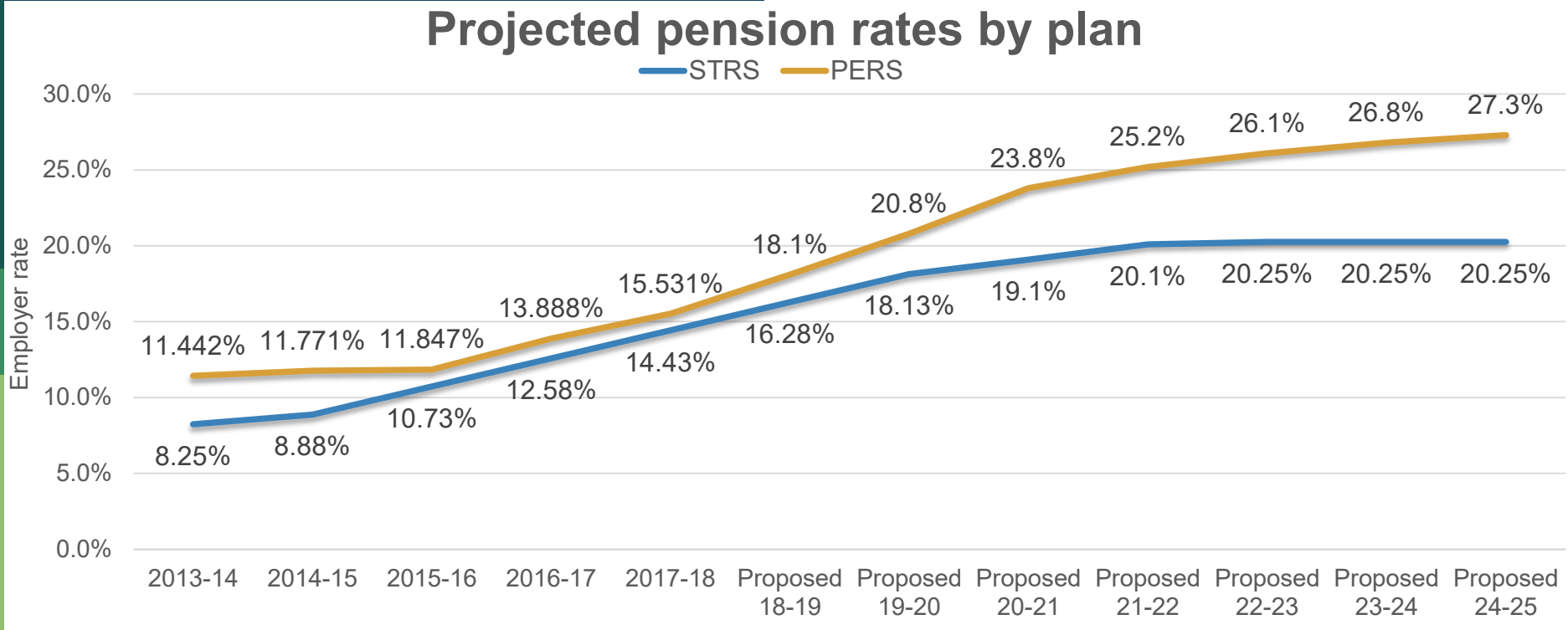
Future Considerations

Recession Looming in the Future



Source: Governor's Budget Summary, Page 2

Rising STRS & PERS Rates



Rising STRS & PERS Costs

Fiscal Year	STRS Increase*	PERS Increase*	Total Annual Increase*	Total Annual Cumulative*
Proposed 2014-15	734,779	23,956	**758,736**	758,736
Proposed 2015-16	1,441,751	181,646	**1,623,397**	2,382,133
Proposed 2016-17	1,385,834	721,897	**2,107,731**	4,489,864
Proposed 2017-18	1,363,637	528,870	**1,892,507**	6,382,370
Proposed 2018-19	1,390,049	816,843	**2,206,892**	8,589,262
Proposed 2019-20	1,416,854	872,412	**2,289,265**	10,878,527
Proposed 2020-21	817,908	981,127	**1,799,035**	12,677,562
Proposed 2021-22	854,548	505,568	**1,360,117**	14,037,679
Proposed 2022-23	253,323	358,859	**612,181**	14,649,861
Proposed 2023-24	146,981	302,195	**449,177**	15,099,037
Proposed 2024-25	148,451	243,732	**392,183**	15,491,221

*Amounts only include Fund 11 (General Fund)

Summary

- Early in the Budget Process
- New Initiatives with Details to be Worked out
- Uncertainty
  - New Funding Formula
  - Economy
  - Federal Funding
  - Federal Tax Reform Impact

Questions