

2017-18 Governor's Budget Proposal

State Center Community College District

Board of Trustees Meeting

February 7, 2017



Governor's Assumptions

- California's Progressive Tax Structure
 - Hard to Predict Revenues
- Potential Recession in the Future
- Uncertainty of Federally-Funded Programs





Governor's Proposed 2017-18 State Budget



Additional Funding

Unrestricted Funding

COLA (1.48%)

Growth Funds (1.34%)

Base Funding

\$ 94.1m

\$ 79.3m

\$ 23.6m

On-Going Funding

2017-2018



Additional Funding

One-Time Funding

2017-2018

Restricted Funding

Guided Pathways	\$ 150.0m
Scheduled Maintenance & Instructional Equipment	\$ 43.7m
Energy Efficiency Programs (Prop 39)	\$ 52.3m
Innovation Awards Program	\$ 20.0m
COLA (1.48%) for Apprenticeship, EOPS, DSPS, CalWORKS, and Child Care Tax Bailout Programs	\$ 5.4m
Enrollment Growth in the Full-Time Student Success Grant Program	\$ 3.1m



Additional Funding

State Bond

2017-2018

Capital Projects

5 of 29 projects funded with an emphasis on health and safety

Approved Projects:

Pasadena's Armen Sarafain Building Seismic Replacement

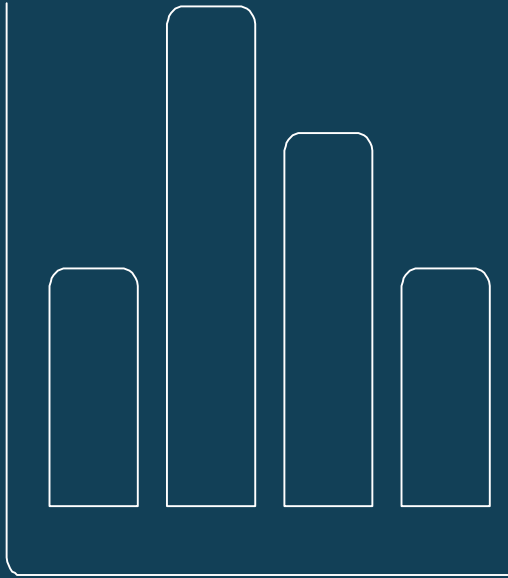
San Francisco's Alemany Center Seismic Upgrade

San Francisco's Ocean Campus Utility Replacement

Fullerton's Business and Humanities Building Modernization

Compton's Instructional Building 2 Replacement

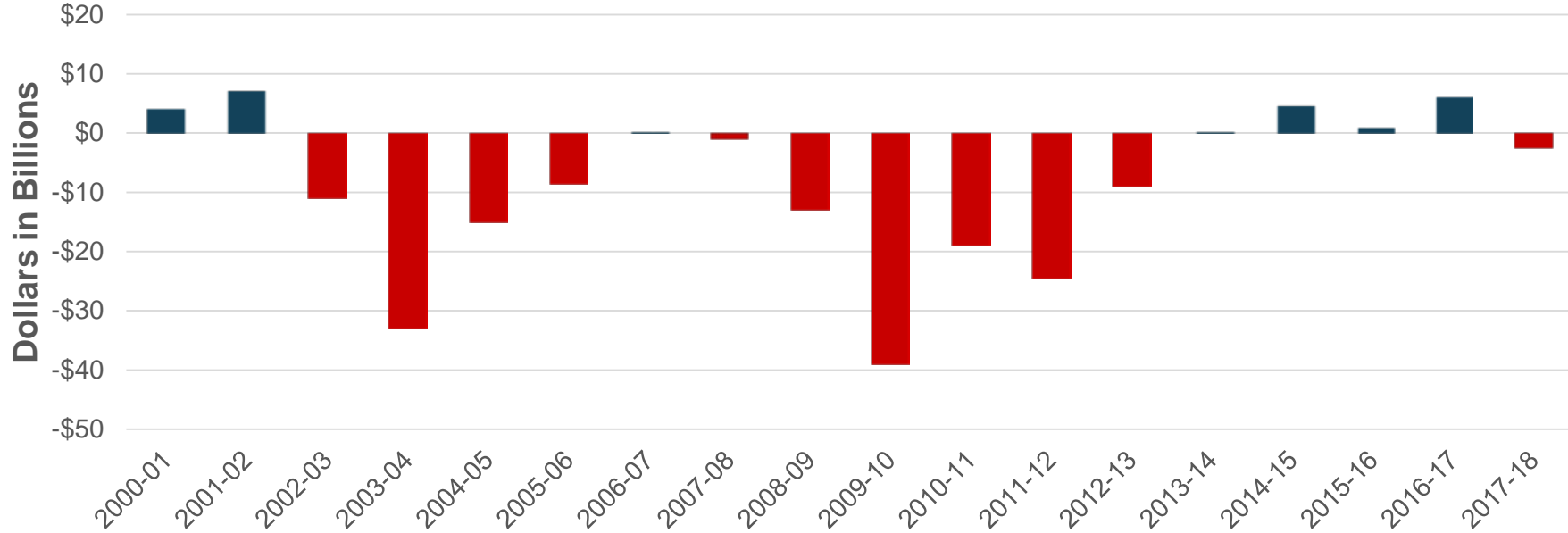
✓ Proposition 51 –
Approved by
Voters
\$9 billion in bonds
for education and
schools



Future Considerations

Recession Looming in the Future

**Balanced Budgets Have been Quickly
Followed by Huge Deficits**



Source: Governor's Budget Summary, Page 2



Proposition 55

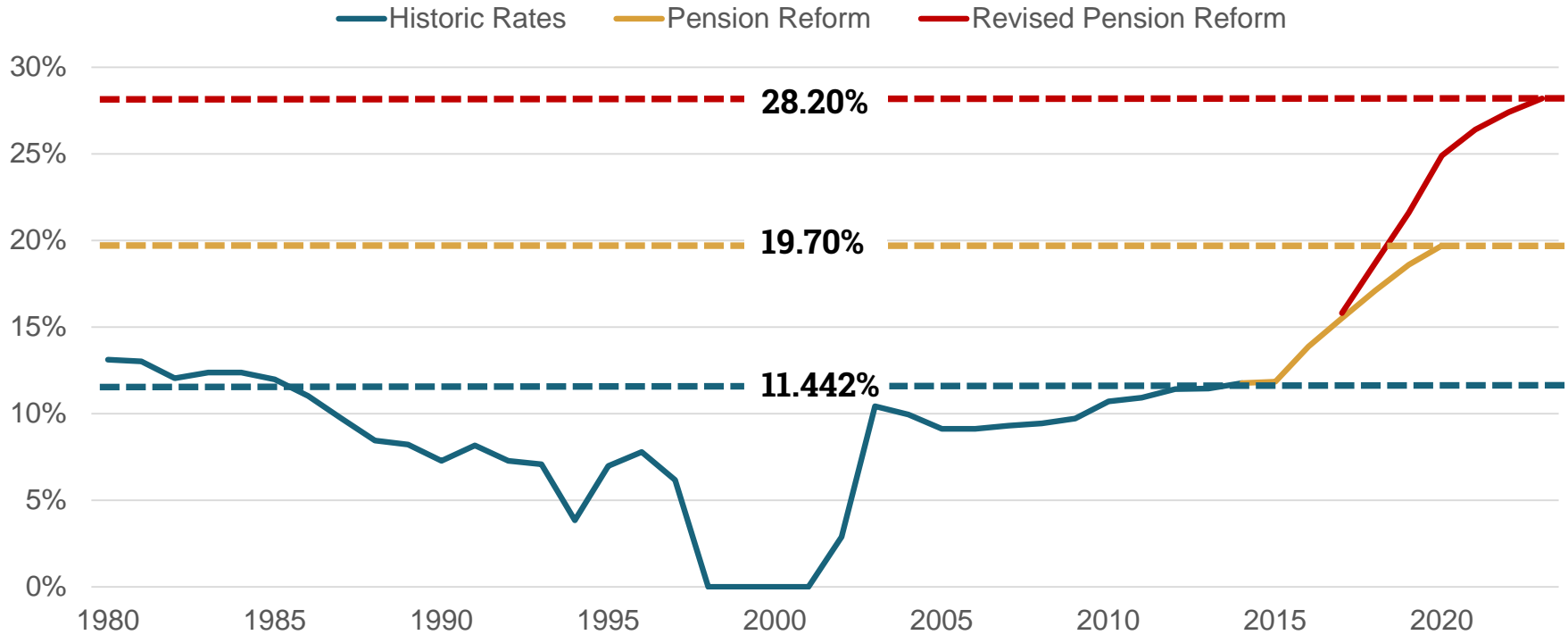
✓ Proposition 55 – Approved by Voters

Extension of higher personal income tax rates on incomes over \$250,000.

From January 1, 2019–December 31, 2030



Rising PERS Rates





Rising PERS Rates

Fiscal Year	Pension Reform Rates	Revised Pension Reform Rates
2016-17	13.888%	13.888%
2017-18	15.8%	15.8%
2018-19	17.7%	18.7%
2019-20	19.7%	21.6%
2020-21	21.1%	24.9%
2021-22	N/A	26.4%
2022-23	N/A	27.4%
2023-24	N/A	28.2%



Summary

- Some Additional Funding to CCCs
- Early in the Budget Process
- Funding is Weaker as Compared to FY15/16 and FY16/17

Questions