



Chabot-Las Positas Community College District

Board of Trustees Meeting

January 21, 2014

Fiscal Year 2014-15 Summary of Governor's January Budget Proposal

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Presentation Summary

- Proposition 98 Minimum Guarantee ; Access; Cost of Living Adjustment COLA
- Student Success
- Deferred Maintenance; Instructional Equipment
- Deferrals; Proposition 39 Funding; Redevelopment Agency (RDA)
- Flexibility in Categorical Programs ; Adult Education
- Innovation in all Segments of Higher Education; Implementing Statewide Performance Strategies
- Rainy Day Fund; Policy Changes
- Conclusion
- Questions and Comments

Budget in Brief

- On January 9, 2014, one day before its scheduled release, the Governor presented his Budget Proposal for the 2014-15 State Budget. The Budget Summary reflects an improved economic climate and continued support from Proposition 30 revenues.
- The purpose of this Budget in Brief is an overview of the Governor's proposal as it relates to the California Community Colleges and the Chabot-Las Positas Community College District.

Budget in Brief

Proposition 98 Minimum Guarantee

- The Governor estimates the minimum guarantee for K-14 at \$61.6 billion in 2014-15
- \$6.3 billion above the 2013-14 budgeted level

Access

- \$155.2 million (or 3% increase) to general purpose apportionments
- The increase is to be allocated by the Board of Governors (BOG) in a manner that gives first priority to districts “identified as having the greatest unmet need in adequately serving their community’s higher educational needs”
- The budget proposal also states that all districts will receive some additional growth funding

Cost of Living Adjustment COLA

- \$48.5 million to fund a statutory COLA of 0.86%

Budget in Brief

Student Success

- \$100 million augmentation for continued expansion of the Student Success and Support Programs (formerly Matriculation)
- \$100 million to “close achievement gaps in access and achievement in underrepresented student groups, as identified in Student Equity Plans” and “to better coordinate delivery of existing categorical programs.”

Budget in Brief

Deferred Maintenance

- \$87.5 million for scheduled maintenance (one-time funds)

Instructional Equipment

- \$87.5 million for instructional equipment purchases (one-time funds)

Budget in Brief

Deferrals

- \$592.4 million to completely eliminate the system's inter year cash deferrals
- Retirement of deferrals will improve district cash flow

Proposition 39 Funding

- \$39 million for energy efficiency program grants

Redevelopment Agency (RDA)

- \$38.4 million in 2013-14 and \$35.6 million in 2014-15 to provide for stability in apportionment.
- This should help resolve deficits prior to the end of the fiscal year rather than after the fact

Budget in Brief

Flexibility in Categorical Programs

- Districts will be provided flexibility to reallocate up to 25% of select categorical programs to support the work of the Student Success Task Force to improve completion rates while closing achievement gaps

Adult Education

- The Governor notes the work being done by the Chancellor's Office and the Department of Education to complete the adult education consortia plan
- Expressed his commitment to provide funding in the 2015-16 budget to implement the plan.

Budget in Brief

Innovation in all Segments of Higher Education

- \$50 million in one-time funding (non-Proposition 98) for incentive awards that:
 - 1) Increase the number of students earning bachelor's degrees
 - 2) Increase the number of bachelor's degrees earned within four years
 - 3) Ease transfers through the state's education system

Implementing Statewide Performance Strategies

- \$1.1 million for the Chancellor's Office to develop leading indicators of student success and to monitor districts' performance
- \$2.5 million to provide local technical assistance to support implementation of effective practices

Budget in Brief

Rainy Day Fund

- The Governor has a plan to avoid using deferrals in the future when funding levels decline
- Proposing a constitutional amendment that would mandate that a portion of state revenue growth that exceeds a minimum level be placed in a Rainy Day Fund
- As part of that proposal, a share of revenue growth diverted to reserves would also accrue to a Proposition 98 reserve
- To be used to smooth out the year-to-year fluctuations in the K-14 minimum guarantee

Policy Changes

- The Governor does not propose to increase student fees
- He does not propose to fund FTES based on completion
- He does not propose to require all students seeking fee waivers to complete a FAFSA

Conclusion

- This information from the Governor's January Budget Proposal will be used to assist the District in developing its Tentative and Adoption budgets for 2014-15 fiscal year.

Questions and Comments
