

Chabot-Las Positas Community College District
Budget in Brief
Fiscal Year 2018-19
Summary of the Governor's May Revise

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In his January State Budget proposal, Governor Jerry Brown offered two major initiatives for the California Community College (CCC) system. The first is his proposal to create a new fully online community college district and the second proposal is to change the CCC apportionment funding formula from one based almost entirely on enrollment to a new model where 50% of the funds would be based on enrollment (Base Grant), 25% of the funds would be based on the enrollment of low-income students (Supplemental Grant), and the last 25% of the funds would be based on degrees and certificates awarded (Student Success Incentive Grant).

In his May Revision released on May 11, 2018, the Governor made significant revisions to the new funding formula and clarification to the fully online community college district. This Budget in Brief focuses on the significant changes from the Governor's January Proposal.

Proposition 98 – The minimum guarantee is increased to \$78.4 billion from \$78.3 billion proposed in January. For community colleges, the Governor's 2018-19 proposal provides approximately \$800 million in new Proposition 98 resources – of which approximately \$300 million are in one-time funds. The Governor also keeps the statutory split of 10.93% for the California community college system

Cost of Living Adjustment – The proposal includes an increase to the cost of living adjustment from 2.51% in January to 2.71% in the May Revision

California Online Community College – In January, Governor Brown proposed \$120 million (\$20 million ongoing) for the creation of the California Online Community College. The May Revision makes the following clarifications to the January proposal:

- **Governance** - The Board of Governors would serve as the Governing Board of the college and would, along with the Chancellor, choose the president of the college who would then establish an advisory council to advise him or her on issues related to the college

- **Collective Bargaining** - The faculty and classified employees would be represented for the purposes of collective bargaining by partnering with an existing district to establish a collective bargaining agreement
- **Student Success** - The college would report on outcome measures similar to all other community colleges and, to provide greater accountability, would provide a comprehensive status report in its third year of operation regarding student outcomes and the college's progress on reaching working adults
- **Accreditation** - The president of the college would be responsible for commencing the accreditation process upon enrollment of the college's first cohort of students
- **Curriculum** - The curriculum developed by the college and its faculty would have the same academic protections granted to all curricula developed by other community college faculty

New Funding Formula - In January, Governor Brown proposed \$175 million to support the transition to a new Student-Focused Funding Formula. The Governor has made some significant adjustments to the components of the formula in the May Revision:

- **Base Grant**
 - The base grant would compose of 60% of the formula
 - Enrollment would be based on a three-year rolling average of full-time equivalent students (FTES)
 - Noncredit FTES, including career development and college preparation FTES, would be funded using the existing structure and would not be included within the formula-rather, it would be treated as an add-on
 - Consistently counts summer session
- **Supplemental Grant**
 - The supplemental grant would consist of 20% of the formula
 - Would be based on head counts: the number of low-income students over the age of 25 receiving a College Promise Grant fee waiver, the number of AB 540 students, and the number of students receiving a Pell grant
- **Student Success Incentive Grant**
 - The student success incentive grant would cover the last 20% of the formula
 - Would be based upon head counts of the completion of associate degrees and certificates over 18 units, Associates Degrees for Transfer (ADTs), successful transfers to four-year institutions, completion of transfer-level math and English courses in the first year, obtaining a regional living wage within 12 months of completing a degree or certificate program, and successfully completing nine credit units of Career Technical Education (CTE) courses
 - Additionally, districts will receive additional funding within this grant upon the successful outcomes of economically disadvantaged students

- **Hold Harmless**
 - The revised "hold harmless" provision ensures that no district will receive less in both 2018-19 and 2019-20 than the marginal rate of funding it received in 2017-18.
 - Proposes additional \$104 million in one-time funding to provide discretionary resources to districts whose year over-year increase in general purpose apportionment funding would be less than the cost-of-living adjustment (COLA) of 2.71% in 2018-19
 - Since this is a one-time augmentation there is no additional protection proposed at this time for 2019-20 or beyond to ensure that the funding increases in each year provide at least the statutory COLA

- **Summer Enrollment**
 - Maintains the proposal to end the ability of local college districts to shift summer FTES to either year - the requirement would be that summer FTES, starting in 2019, count toward the year that follows
 - FTES for summer terms that end before June 30 would be counted in that year, but if the term ends after June 30 the FTES would be required to count in the year in which it ends.
 - The proposal also would end stability funding that is currently provided for declining FTES because of the three-year rolling average FTES that is proposed to be used for the new funding formula.

Enrollment Growth – \$60 million to allow the system to serve around 25,000 more students

College Promise Programs - \$46 million to implement AB 19 (Chpt. 735/Statues of 2017)

Deferred Maintenance and Instructional Equipment - \$143.5 million to fund deferred maintenance and instructional equipment with no matching funds

Block Grant – The Governor proposes to integrate the Student Success and Support Program, Student Equity Program, and the Basic Skills Program into a block grant program

This information from the Governor’s May Revise will be utilized in developing the Chabot-Las Positas Community College District (CLPCCD) Tentative Budgets for the fiscal year of 2018-19.

Sources of Information:
California Community Colleges System Office
Community College League of California School
Services of California (SSC)
Office of the Governor