



2019-2020 Governor's Budget Release



Opening Day, February 1, 2019
Diana Keelen, Executive Director of
Business Services



Governor's Budget Themes

- Promoting Effective Government
- Addressing Affordability and Opportunity
- Focusing on Justice and Dignity

Governor's Budget Themes

- \$13.6 Billion to “build resiliency and pay down unfunded liabilities”
 - \$4 billion to eliminate debts and reserve deferrals
 - \$4.8 billion to build reserves
 - \$4.8 billion to pay down unfunded liabilities (STRS & OPEB)

Governor's Budget Release

Community Colleges

Table 6: California Community Colleges Funding by Program (in Millions)	2018-19	2019-20	CHANGE	
	REVISED	PROPOSED	AMOUNT	PERCENT
Student Centered Funding Formula	\$7,156	\$7,504	\$348	4.86%
Student Equity and Achievement Program	475	475	-	-
Strong Workforce Program	255	248	(7)	-2.75%
Student Success Completion Grant	132	143	11	8.30%
Adult Education Program	131	135	4	3.33%
Disabled Students Programs and Services (DSPS)	120	125	4	3.46%
Extended Opportunity Programs and Services (EOPS)	112	116	4	3.46%
California College Promise (AB 19)	46	80	34	73.74%
Financial aid administration	92	77	(15)	-16.21%
Full-time faculty hiring	50	50	-	-
CalWORKs student services	45	47	2	3.46%
Apprenticeship (CCC districts)	53	44	(9)	-16.96%
Integrated technology	42	42	-	-
Mandates Block Grant and reimbursements	33	34	1	2.90%
Institutional effectiveness initiative	29	28	(1)	-4.78%
Part-time faculty compensation	25	25	-	-
Online education initiative	58	23	(35)	-60.34%
Economic and Workforce Development	23	23	-	-
NextUp (foster youth program)	20	20	-	-
California Online Community College	120	20	(100)	-83.33%
Cooperative Agencies Resources for Education (CARE)	16	17	1	3.46%
Lease revenue bond payments	32	16	(16)	-49.00%
Nursing grants	13	13	-	-
Part-time faculty office hours	62	12	(50)	-80.42%

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Table 6: California Community Colleges Funding by Program (in Millions)	2018-19 REVISED	2019-20 PROPOSED	CHANGE	
			AMOUNT	PERCENT
Legal services	10	10	-	-
Fund for Student Success	9	9	(1)	-7.85%
Foster Parent Education Program	5	5	-	-
Veterans Resource Centers	13	5	(8)	-62.93%
Childcare tax bailout	4	4	0	3.46%
Other ^b	3	3	-	-
Equal Employment Opportunity Program	5	3	(2)	-43.39%
One-time program funding ^c	31	-	(31)	-100%
Deferred maintenance and instructional equipment (one time)	28	-	(28)	-100%
College-specific allocations	16	-	(16)	-100%
K-12 passthroughs (adult ed, K-12 apprenticeship, workforce)	621	609	(12)	-1.96%
Totals	\$9,888	\$9,964	\$77	1%

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Table 7: Planning Factors for Proposed 2019-20	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Cost-of-living adjustment (COLA)	1.56%	2.71%	3.46%	2.86%	2.92%	2.90%
State Lottery funding per FTES	\$205.60	\$223.23	\$222.37	\$222.37	\$222.37	\$222.37
Mandates Block Grant funding per FTES	28.44	29.21	30.22	31.08	31.99	32.92
RSI reimbursement per hour	5.90	6.26	6.48	6.66	6.86	7.06
Financial aid administration per College Promise Grant	0.91	0.91	0.91	0.91	0.91	0.91
Employer pension contribution rates						
Public Employees' Retirement System (CalPERS)	15.53%	18.06%	20.80%	23.50%	24.60%	25.30%
State Teachers' Retirement System (CalSTRS)	14.43%	16.28%	17.10%	18.10%	17.90%	17.90%



Student-Centered Funding Formula (SCFF) Planned Implementation vs. **Governor's Proposal**

Year 1: 2018-2019

70% Base (Enrollment) 3 year average FTES

20% Supplemental Grant

10% Student Success Initiative Grant

Year 2: Planned 2019-2020

65% Base (Enrollment)

20% Supplemental Grant

15% Student Success Initiative Grant

**(Governor's Proposal to keep distribution
at 18-19 levels plus COLA pending further analysis)**

Year 3: 2020-2021

60% Base (Enrollment)

20% Supplemental Grant

20% Student Success Initiative Grant

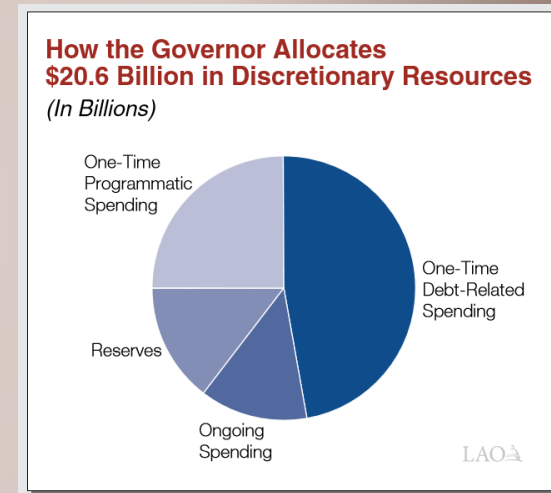
- Hold Harmless held to 2017-2018 levels plus COLA for 3 years
- Noncredit & CDCP separate
- SCFF Oversight Committee has been formed with making recommendations to the DoF by 1/1/20 related to first-generation college-going, financial need given differences in costs across regions, and academic proficiency of incoming students.
- **(Governor's Proposal caps student success overall to 10% from year-to-year growth)**

Student-Centered Funding Formula (SCFF)

Table 5: Student Centered Funding Formula Factors and Rates	2018-19	2019-20	2020-21	2021-22	2022-23
Base Allocation (per FTES)					
Credit FTES ^a	\$3,727	\$3,856	\$3,133	\$3,225	\$3,318
Credit FTES of special admits	5,457	5,646	5,807	5,977	6,150
Credit FTES of inmates in correctional facilities	5,457	5,646	5,807	5,977	6,150
Noncredit FTES	3,347	3,463	3,562	3,666	3,772
CDCP noncredit FTES	5,457	5,646	5,807	5,977	6,150
Basic Allocation (by category)					
Single college district, fewer than 10,000 FTES	3,917,752	4,053,306	4,169,231	4,290,972	4,415,411
Single college district, 10,000-19,999 FTES	5,223,670	5,404,409	5,558,975	5,721,297	5,887,215
Single college district, 20,000 or more FTES	6,529,588	6,755,512	6,948,719	7,151,622	7,359,019
Multi-college district, fewer than 10,000 FTES	3,917,752	4,053,306	4,169,231	4,290,972	4,415,411
Multi-college district, 10,000-19,999 FTES	4,570,712	4,728,859	4,864,104	5,006,136	5,151,314
Multi-college district, 20,000 or more FTES	5,223,670	5,404,409	5,558,975	5,721,297	5,887,215
Rural college designation	1,246,086	1,289,201	1,326,072	1,364,793	1,404,372
State approved centers	1,305,918	1,351,103	1,389,744	1,430,325	1,471,804
Grandparented centers, 100-249 FTES	163,241	168,889	173,719	178,792	183,977
Grandparented centers, 250-499 FTES	326,479	337,775	347,436	357,581	367,951
Grandparented centers, 500-749 FTES	652,958	675,550	694,871	715,161	735,901
Grandparented centers, 750-999 FTES	979,437	1,013,326	1,042,307	1,072,742	1,103,852
Grandparented centers, more than 1,000 FTES	1,305,918	1,351,103	1,389,744	1,430,325	1,471,804
Supplemental Allocation (per headcount)					
Pell Grant recipient	919	951	978	1,007	1,036
California College Promise Grant recipient	919	951	978	1,007	1,036
AB 540 Fee Waiver recipient	919	951	978	1,007	1,036
Student Success Allocation (per outcome)					
All Students					
Associate degree for transfer	1,760	1,821	3,621	3,726	3,834
Associate degree	1,320	1,366	2,716	2,795	2,876
Baccalaureate degree	1,320	1,366	2,716	2,795	2,876
Credit certificate requiring 16 or more units	880	910	1,810	1,863	1,917
Transfer-level math and English courses completed within the student's first academic year of enrollment	880	910	1,810	1,863	1,917
Transfer to an accredited four-year university	660	683	1,358	1,397	1,438
9 or more career technical education units completed	440	455	905	932	959
Regional living wage obtained within one year of community college completion	440	455	905	932	959

Legislative Analyst's Office (LAO) Summary on Governor's Budget

- LAO estimate revenue \$100 million less than what is being proposed
- No deposit is being made into Schools' Constitutional Reserve-Prop 2, which increases funding risk to K-14 when a recession hits
- Prop 98 minimum guarantee is down between 2017-2018 through 2019-2020 mainly due to student attendance coming in lower than the June estimates, along with the maintenance factor obligation being revised downward.
- \$687 million provided to settle up the minimum guarantee for years prior to 2017-2018
- Majority of discretionary resources are tied to one-time funding

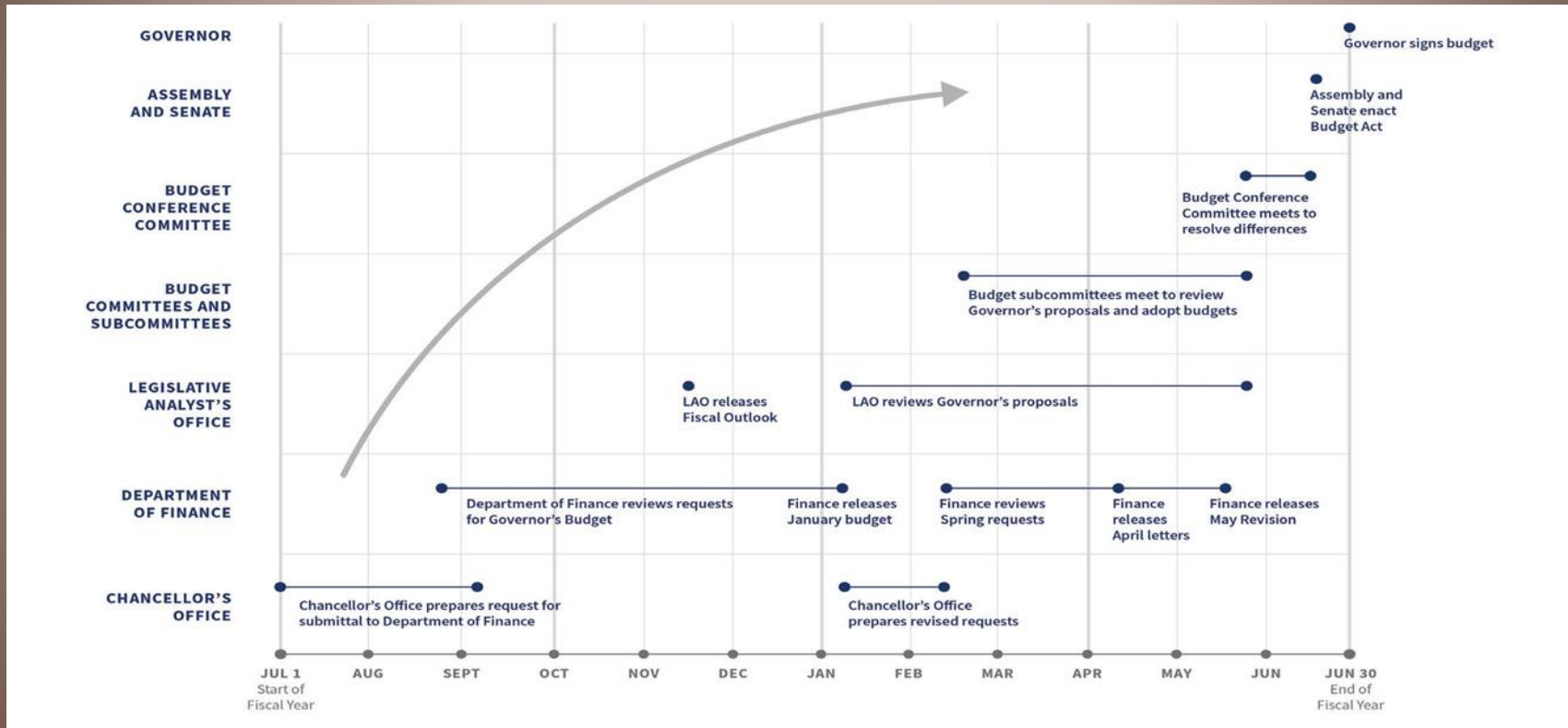


History of COLAs

California Community Colleges
History of Cost of Living Adjustment 1991-2019

Fiscal Year	CCC COLA	Statutory COLA
1991-92	0%	5.11%
1992-93	0	2.18
1993-94	0	2.05
1994-95	0	1.99
1995-96	3.0	3.07
1996-97	3.06	3.06
1997-98	2.97	2.97
1998-99	2.26	2.26
1999-00	1.41	1.41
2000-01	4.17	3.17
2001-02	3.87	3.87
2002-03	2.00	1.66
2003-04	0	1.8
2004-05	2.41	2.41
2005-06	4.23	4.23
2006-07	5.92	5.92
2007-08	4.53	4.53
2008-09	0	4.94
2009-10	0	4.25
2010-11	0	-0.39
2011-12	0	2.24
2012-13	0	3.24
2013-14	1.57	1.57
2014-15	.85	.85
2015-16	1.02	1.02
2016-17	0	0
2017-18	1.56	1.56
2018-19	2.71	2.71

Legislative Analyst's Office (LAO) Summary on Governor's Budget



2017-2018 District Audited Financial Statements Long-Term Liabilities

•Other Post Employment Benefits (Retiree Health & Welfare)	\$6,139,627
•Net Pension (Employer Obligation PERS/STRS)	\$72,726,520
•Compensated Balances (Vacation Accruals)	\$1,848,406

Stability Status

