

**CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE**

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Colleagues,

While final votes will not likely be cast until Friday, we can now share most of the detail of what will likely constitute the final 2015-16 budget for the California Community Colleges.

As mentioned in earlier messages, the Conference Committee agreed to a budget that reflected the priorities of the Assembly and Senate and utilized revenues estimates from the Legislative Analyst's Office (LAO) that were higher than those estimated at May Revision by the Department of Finance (DOF). Yesterday, the Governor held a press conference with the Speaker and Pro Tem announcing an agreement that would modify the Conference version enough to secure the Governor's signature. AB 93 details the Conference Committee proposal, while AB 123 will modify certain details of AB 93 to bring the final budget into alignment with yesterday's announced agreement.

The final agreement brings revenue estimates back into line with DOF's May Revision estimates. Given this, it is not surprising then much of the budget details for the California Community Colleges are similar to what was proposed at the May Revision. The budget includes funding to increase access by 3%, larger increases for SSSP and Student Equity Plans, a 1.02% COLA, rate equalization for CDCP, significant funding for mandate reimbursement and for deferred maintenance/instructional equipment, fully eliminates year-over-year deferrals, and funding for hiring more full-time faculty. In some cases, the totals for these items have altered a bit and some new items have been included, such as funding to restore EOPS to pre-recession levels, \$39M in financial aid grants for full-time students who receive Cal Grant B awards, and \$6M to fund startup costs for the BA degree pilot programs.

Attached is a table highlighting most of the final budget detail as we understand it at this point in time. The table outlines the amounts requested in the 15-16 System Budget Request, if any, the incremental changes funded in the budget, and the total funding amount for the item, where relevant. We hope you find this helpful. Of course, this should be considered unofficial until the Legislature approves AB 123 and the Governor signs that bill along with AB 93, but we thought the table would aid district planning for the coming fiscal year.

As districts plan their budgets, we do hope you will keep earlier cautions in mind. Scheduled increases in PERS and STRS contributions will claim a growing share of local operating funds in the coming years, plus Proposition 30 revenues will begin to phase out at the end of the 2016 calendar year. We are not long removed from sharp reductions to Community College funding, and the inherent volatility of Proposition

98 should not be forgotten. Times are good, today, but it is unlikely that we have seen our last recession.

I will provide more updates throughout the process as needed.

Regards,

Dan Troy
Vice Chancellor, California Community Colleges Chancellor's Office

2015-16 California Community College Funding

Item	2015-16 System Budget Request	2015-16 Augmentation	Total Item
Ongoing Funds			
Enrollment Growth	\$120,000,000	\$156,457,000 (3%)	\$2,523,473,000 (CCC Apportionments, GF only)
Cost of Living Adjustment	\$125,000,000 (2.10% Stat. COLA, estimated)	\$61,022,000 (1.02% Statutory COLA)	Included in CCC Apportionments budget line
Base Allocation Funding/ Rate Increase	\$55,000,000 (requested in COLA BCP)	\$266,692,000	Included in CCC Apportionments budget line
Student Success and Support Program (SSSP)	\$100,000,000	\$100,000,000	\$285,183,000
Implementation of Student Equity Plans	\$100,000,000	\$85,000,000	\$155,000,000
Career Development and College Preparation (CDCP) Rate Equalization	\$49,000,000	\$49,000,000	\$49,000,000
Apprenticeship Programs	\$7,500,000 (Included under the Categorical Restoration BCP)	\$29,100,000	\$51,924,000
EOPS	\$33,680,000 (Included under the Categorical Restoration BCP)	\$33,680,000	\$123,189,000
Professional Development	\$25,000,000	\$0	\$0
Funding for Full-Time Faculty	\$70,000,000	\$62,320,000	\$62,320,000
Deferred Maintenance/Instructional Equipment	Funding based on available one-time resources	\$148,000,000 (\$48,000,000 is one-time)	\$148,000,000 (\$48,000,000 is one-time)
Institutional Effectiveness Partnership Initiative	N/A	\$15,000,000	\$17,500,000 (Included in SSSP item)
COLA for EOPS, DSPS, CalWORKs, and the Childcare Tax Bailout programs	N/A	\$2,500,000	\$2,500,000
Supplemental financial aid assistance for Cal Grant B recipients	N/A	\$39,000,000	\$39,000,000
Proposition 39	N/A	\$38,700,000	\$38,700,000
One-Time Funds			
Mandate Backlogs (Including: Maintenance, Instructional Equipment)	Funding based on available one-time resources	\$603,700,000 (\$117,000,000 in budget year funds)	\$603,700,000
Remaining Apportionment	\$94,500,000 (would	\$94,500,000	\$94,500,000

Deferrals	eliminate system deferrals)		
CTE (SB 1070)	N/A	\$48,000,000	\$48,000,000
Basic Skills and Student Outcomes Transformation Program	N/A	\$60,000,000	\$60,000,000
CCC/CSU/High Schools Pilot Program for Basic Skills Instruction	N/A	\$10,000,000	\$10,000,000
BA Pilot Programs- funding for implementation, start-up costs and professional development	N/A	\$6,000,000	\$6,000,000
Financial Aid Administration	N/A	\$3,000,000 (for local implementation of Cal Grant B supplemental financial aid assistance)	\$3,000,000
Adult Education			
Adult Education Block Grant Program	\$500,000,000	\$500,000,000	\$500,000,000
Adult Education Data Systems	N/A	\$25,000,000 (not counted against the P98 split)	\$25,000,000