

California Community Colleges

Background Information

2005-06 Recalculation

State general revenue for 2005-06 apportionments is calculated pursuant to the Program-Based Funding regulations in Title 5 of the California Code of Regulations, Sections 58770 ff, and provisions of Item 6870-101-0001 of the Budget Act of 2005. Although delayed, this recalculation is being issued separately from the 2006-07 First Principal Apportionment (P1). This separate issuance of the recalculation will be standard practice in the future. Despite being issued separately, the associated revenue adjustments detailed on the Exhibit D will still be incorporated into the upcoming P1 apportionment at the end of February.

A. 2005-06 Recalculation

Fiscal year corrections/adjustments are shown on Exhibits D (2005-06 Fiscal Year Corrections & Adjustments) and E (2005-06 Recalculation).

The 2005-06 apportionment included no Basic Skills funding since all system workload was funded as regular growth. \$29,974,000 of the 2005-06 basic skills appropriation was subsequently reappropriated in 2006-07 as one-time funds for the enhancement of basic skills and immigrant education programs pursuant to Item 6870-493 of the 2006-07 State Budget Act.

Actual statewide FTES for the 2005-06 fiscal year decreased 19,776 (Credit decreased 20,164 while non-credit increased 388) when compared with the 2004-05 Recalculation. Overall, total system FTES decreased by 1.96 percent as 40 of 72 districts were in decline and received stability funding. With 55 percent of all districts experiencing declines in FTES, the system experienced funded growth of only 1.09 percent of base revenue; the system-wide results were negatively skewed by 40 declining districts reporting a combined FTES decline of 41,422 FTES.

For the fiscal year, all growth was fully funded utilizing \$49.2 million of the \$136.7 million appropriated for regular growth. **The system returned \$85 million of the original growth appropriation that was subsequently reappropriated to meet other needs.**

Actual property tax revenues (including ERAF) reported by districts amounted to \$1,818.4 million (excluding excess tax revenue), which was \$14.7 million more than the amount projected by the Department of Finance for the 2005-06 Budget Act. In contrast, enrollment fee revenues were \$11.2 million below the Department of Finance's budget projection but this shortfall was offset by surplus property tax receipts. As a result, we did not apply any deficit factors to general apportionment this year.