
CALIFORNIA COMMUNITY COLLEGES

CHANCELLOR'S OFFICE

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BACKGROUND MEMO/INFORMATION

2009-10 First Principal Apportionment - February 26, 2010

SYNOPSIS: The 2009-10 First Principal Apportionment for community college districts has been certified and the detailed information is available on the Chancellor's Office Fiscal Services Unit web site:

<http://www.cccco.edu/SystemOffice/Divisions/FinanceFacilities/FiscalServices/AllocationsSection/AppportionmentReports/tabid/329/Default.aspx>

The following exhibits are available for viewing.

Exhibit "A":	District Apportionments and Payments by Program
Exhibit "B-1":	Summary of General and Grand Total Apportionments
Exhibit "B-2A":	Categorical Apportionments - Part 1
Exhibit "B-2B":	Categorical Apportionments - Part 2
Exhibit "B-2C":	Categorical Apportionments - Part 3
Exhibit "B-3":	Categorical and One-time Apportionments
Exhibit "B-4":	Monthly Payment Schedule
Exhibit "C"	First Principal Apportionment

Attached is additional background information for both the general apportionment and the categorical programs, along with program contact information.

General Apportionment

First Principal Apportionment Allocations

Total and monthly certified program apportionment allocations are included within Exhibit A. State general apportionment and other general supplemental funds are summarized by county on Exhibit B-1. State categorical allowances are displayed on Exhibits B-2A through B-3. Exhibit B-4 provides the payment schedule by county for February 2010 through May 2010.

The 2009-10 First Principal Apportionment (P1) allocations for February through May 2010 are based on each district's certified January 15th P1 Full Time Equivalent Student (FTES) along with each county's November 15th estimate of current year district property tax and each district's January 15th estimate of annual enrollment fee revenue for the current year.

NOTE: The February P1 Apportionment allocation is based on the *2009-10 Budget Act (Chapter 1, Statutes of 2009)*, which was enacted on July 28, 2009.

General Issues:

The total ACTUAL statewide FTES for the first period of 2009-10 declined by 9,328 FTES going from 1,260,497 in 2008-09 to 1,251,169 FTES, for a year-to-year decrease of 0.7 percent. FUNDED statewide FTES at the P1 equals 1,161,738, which equals over 89,000 unfunded FTES in the system. Given the state's decision to cut general fund revenues by \$190 million (3.34%) in the current year, the Chancellor's Office was required to adjust each district's workload downward by a statewide equivalent of 43,500 FTES. These workload adjustments are shown in the workload measures area on each district's Exhibit C.

Districts restoring prior year declines represented roughly 3,000 FTES or \$13.9 million in restoration funding. Remaining outstanding restoration funding equals \$8.1 million.

Revenues:

There is no general deficit coefficient as of the P1. Revenues from the state general fund, property taxes and student fees are sufficient to meet the funded workload levels assumed in the 2009-10 budget. In fact, while property taxes were slightly up by \$24 million as of the November county reports, student fee revenues were down by a roughly equivalent amount, negating any shortfall in local revenues.

Payment Deferrals

The July 2009 district payment included a newly established intra-fiscal year deferral of \$200 million with the funds scheduled for repayment to districts as part of the October 2009 apportionment allocation. In addition, AB 37, enacted in late September 2009, required an additional intra-fiscal year deferral of \$100 million from March 2010 with repayment occurring in May 2010.

The 2009-10 Budget agreement also contains inter-fiscal year deferrals for community colleges totaling \$703 million that will begin deferring monthly payments to districts on the following schedule with the repayment of the deferred amounts occurring in July, 2010:

January	\$115 million
February	\$115 million
March	\$55 million
April	\$136.5 million
May	\$81.5 million
<u>June</u>	<u>\$200 million</u>
Total Deferral =	\$703 million

ABX8 5, which contains funding deferrals for the California Community Colleges, University of California, California State University, K-12 schools, and other state and local agencies, has recently passed out of the Legislature and is currently on its way to the Governor. We anticipate that the Governor will sign this bill into law. For the community colleges, the bill includes a new deferral of all but \$12 million of the March 2010 monthly cash payment until as late as May 1. However staff from the State Controller, State Treasurer, and Department of Finance have indicated the repayment will occur in early April. Given that ABX8 5 has not yet been enacted into law, the new deferral is not built into the posted apportionment information. Additional guidance on the pending March deferral will be provided in the near future.

Categorical Apportionment

The July 2009 Budget Act, ABX4 1, made substantial cuts to most of the CCC categorical programs. It exempts two programs from cuts (Financial Aid and Foster Care), fully eliminates one program (Physical Plant/Instructional Equipment), and makes a range of cuts from 32% to 51% to the other categorical programs. Eleven categorical programs fall under flexibility provisions embodied in the Education Trailer Bill, ABX4 2, which provides districts with the authority to move funds from these 11 categorical programs to any other categorical program. In addition, the funding for these 11 categorical programs (Academic Senate, Childcare Tax Bailout, Equal Employment Opportunity, Economic Development, Apprenticeship, Part-Time Faculty Office Hours, Part-Time Faculty Health Benefits, Part-Time Faculty Compensation, Transfer Education and Articulation, Matriculation, and Physical Plant and Instructional Support) is locked-in at the 2008-09 district allocation level, less the level of the 2009-10 cut. Below are narrative descriptions for some of the categorical programs funded through the P1 Apportionment.

Apprenticeship Allowance 2009-10 P1: The P1 Apportionment allocates the entire \$7,174,000 funded for 2009-10 Apprenticeship Related and Supplemental Instruction (RSI). The hourly rate is \$5.06. The P1 is based on a proportionate 49% share of the FY 2008-2009 R1 funding which was \$14,641,000. It is not anticipated that the P1 figure for each district will be changed for the rest of this fiscal year unless the legislature decides to reduce the RSI funding.

California Work Opportunities and Responsibility to Kids (CalWORKs): The First Principal Apportionment reflects the final allocations of CalWORKs funds for the District's CalWORKs programs based on the established allocation formula and adjusted by the approved request for allocation

adjustments made by the districts. There is a 1:1 dollar match required for funds allocated to the district for the CalWORKs program with the exception of funds for the CalWORKs child care services. The full allocation and adjustments for CalWORKs will be posted on the CalWORKs portion of the state Chancellor's Office website, Student Services Division, CalWORKs at this URL:

<http://www.cccco.edu/SystemOffice/Divisions/StudentServices/CalWORKs/tabid/583/Default.aspx>

Temporary Assistance for Needy Families (TANF): The First Principal Apportionment reflects the final allocations of TANF funds for the District's CalWORKs programs based on the established allocation formula and adjusted by the approved request for allocation adjustments made by the districts. The full allocation and adjustments for TANF will be posted on the CalWORKs portion of the state Chancellor's Office website, Student Services Division, TANF at this URL:

<http://www.cccco.edu/SystemOffice/Divisions/StudentServices/CalWORKs/tabid/583/Default.aspx>

Disabled Student Programs and Services (DSPS): The First Principal Apportionment reflects the final allocations of \$69.2 million for college DSPS programs based on the established allocation formula. This includes \$8.1 million for hearing impaired expenses, which require a 1:4 (district: state) dollar match. This also includes an additional \$1.0 million for state developmental center programs at two colleges. Finally, an additional \$3.4 million for DSPS grant programs at four districts, and \$50,000 for DSPS' funding contribution to student services special projects are also included in the apportionment. The full allocation for DSPS is posted on the state Chancellor's Office website, Student Services Division, DSPS at this URL:

<http://www.cccco.edu/SystemOffice/Divisions/StudentServices/DSPS/tabid/616/Default.aspx>

Equal Employment Opportunity (EEO): The 2009-10 First Principal Apportionment allocates \$575,250 of the \$767,000 included in the final Budget Act. The P1 apportionment amount reflects the same relative proportion or across the board reduction of 56.09% from the 2008-09 allocation as specified by the Budget Act. The balance of \$191,750 is authorized to be withheld by the Board of Governors pursuant to Education Code section 87108(b) for technical assistance, service, monitoring, and compliance functions.

Extended Opportunity Programs and Services (EOPS): The First Principal Apportionment allocates \$64.206 million and is slightly less than the \$64.273 million included in the final State Budget Act. The P1 apportionment reflects the actual current year allocations for the EOPS programs based on an across the board reduction of 39.66%. The remaining funds are being held for statewide activities.

Cooperative Agencies Resources for Education (CARE): The First Principal Apportionment allocates \$9.332 million to fund 111 college CARE programs. In accordance with Assembly Bill 318, Statutes of 2006 (Dymally), El Camino College Compton Center has been awarded categorical funds to operate a full-service CARE program, independent and separate from El Camino College, each fiscal year. The 2009-2010 CARE Final Allocations for all colleges are posted on the California Community Colleges Student Services Division/CARE webpage at

<http://www.cccco.edu/ChancellorsOffice/Divisions/StudentServices/CARE/CAREReportForms/tabid/632/Default.aspx>

Credit / Noncredit Matriculation: The First Principal Apportionment reflects the final allocations of Matriculation funds for the Districts' Matriculation programs based on the established allocation formula specified in ABX4 2.

Part-Time Faculty Compensation: Funding for this program falls under the "flexibility" provisions embodied in ABX4 2. The P1 allocations remain unchanged from the allocations made at the 2009-10

Advance Apportionment. Therefore, we are providing districts that received allocations under these programs in 2008-09, with the same allocation amounts, less the amount of the 2009-10 cuts to these two programs, which equaled 51 percent. These P1 allocations will not change at the P2 or the final Recalculation, unless a mid-year correction is made to these programs through the budget process.

Part-Time Faculty Office Hours and Health Benefits: Funding for these two programs falls under the “flexibility” provisions embodied in ABX4 2. Therefore, we are providing districts that received allocations under these programs in 2008-09, with the same allocation amounts, less the amount of the 2009-10 cuts to these two programs, which equaled 51 percent. These P1 allocations will not change at the P2 or the final Recalculation, unless a mid-year correction is made to these programs through the budget process.

All questions regarding the general apportionment for the Advance may be addressed to Ed Monroe at (916) 327-6226, email at emonroe@cccco.edu and all questions regarding the categorical apportionments for P1 may be addressed to Randy Fong at 916-327-6238, email at rfong@cccco.edu

Any additional questions regarding categorical apportionments should be referred to the following individuals:

Apprenticeship – Barry Noonan (916) 445-8026

Basic Skills - Juan Cruz (916) 327-2987

California Work Opportunities and Responsibility to Kids (CalWORKs) and Temporary Assistance for Needy Families (TANF) - Patricia Servin (916) 327-5890

Career Technical Education - Ron Selge (916) 322-1677

Disabled Students Program and Services (DSPS) and State Hospital Developmental Centers - Scott Berenson (916) 322-3234 or Scott Valverde (916) 445-5809

Economic Development - Anita Rios (916) 324-3791

Equal Employment Opportunity (EEO) - Tosh Shikasho (916) 323-4990

Extended Opportunity Programs and Services - Barbara Kwoka (916) 323-5953

Cooperative Agencies Resources for Education (CARE) - Cheryl Fong (916) 323-5954

Instructional Equipment & Library Materials - Lan Yuan (916) 323-5957

Scheduled Maintenance and Repair - Lan Yuan (916) 323-5957

Credit / Non Credit Matriculation - Arnold Bojorquez (916) 323-0799

Student Financial Aid Administration - Patty Falero (916) 323-6877

Telecommunications Allocations - Catherine McKenzie (916) 322-0833

Vocational & Applied Technology & Education Act (VATEA) - Robin Harrington (916) 322-6810