





# The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS  
DATE: July 8-9, 2013

SUBJECT: 2014-15 System Budget Request		Item Number: 4.6	
		Attachment: No	
CATEGORY:	Fiscal	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Dan Troy, Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Brice W. Harris, Chancellor	Action	
		Information	X

**ISSUE:** This item presents an update on the status of the development of the California Community Colleges 2014-15 system budget request.

**BACKGROUND:** The budget workgroup met on June 7 to begin planning the California Community Colleges 2014-15 system budget request. The budget workgroup is comprised of various California community college stakeholders, approximating the diversity of the Consultation Council.

The initial discussion allowed participants in the workgroup to present their priorities and highlight those areas in need of funding. The workgroup agreed that the system should consider a balanced approach as we start to rebuild after the severe cuts to our system over the last several years. Participants in the workgroup expressed the need to focus on the quality of services provided to students and not just the quantity, to ensure that students are more likely to be successful.

The workgroup discussed the importance of recognizing the governor’s priorities, and to the extent possible, consider those priorities in order to achieve the best possible budget outcome. To the extent the system request includes funding not aligned with the governor’s priorities, a careful argument will be need to articulated.

**RECOMMENDATION:** This item is presented for information and discussion.

**ANALYSIS:** Participants acknowledged that the passage of Proposition 30 and the state's more hopeful economic outlook has put the system in a different position than in previous years, and that we should use this opportunity to address long-term priorities.

Support for the following items was voiced:

- Continuous appropriation - The lack of a continuous appropriation means that districts are sometimes left with a hole in their budget when estimates of property taxes, fees, or Proposition 30 funding fall short of budget estimates. While our budget would be far worse without Proposition 30, its passage has added to the unpredictability of revenues as the revenue generated by the increase in sales tax and income tax is hard to gauge. Having a continuous appropriation would provide stability and predictability that is vital to allow community colleges to plan their spending for the year.
- COLA – By forgoing cost-of-living-adjustments from 2008-09 through 2012-13, colleges have lost over 16 percent in purchasing power as operational costs have continued to increase. Many participants agreed that COLAs give districts maximum flexibility, allowing them to backfill categorical and other programs as needed in their district. Given this, some advocated for requesting an adjustment well above the statutory COLA, so that colleges can make progress toward regaining the purchasing power lost in recent years.
- Restoring access – The workgroup was reminded that restoring access to college courses was one of the primary arguments for the passage Proposition 30, and should remain a primary focus as long as Proposition 30 revenues are available. While a modest increase was provided for access in the California State Budget for 2012-13, system enrollment is far below the 2.9 million level of the 2008-09 year.
- Professional Development – Professional development for faculty and staff was supported as necessary for providing quality services to students and for carrying out the recommendations of the Student Success Task Force.
- Instructional and library equipment/Deferred maintenance - This item have not been funded in the budget for several years. Libraries and teaching labs are vital in assisting students in completing their courses and working toward a degree or transfer to a four-year college. Funding for deferred maintenance was also identified as a priority. Many districts have been forced to put off maintenance, in the effort to focus limited dollars on higher system priorities. These items were also identified as good targets for one-time funding.
- Categorical Programs - Participants cited the need to support categorical programs that have seen major cuts over the last five years. Some of the categorical programs specifically mentioned included EOPS, DSPS, CARE, the academic senate, part-time faculty office hours and health insurance, and the Fund for Student Success. Some voiced a preference for across the board restoration so that categorical programs are not competing with each other for funding.

- Student Success and Support Program - The Administration and the Legislature seem to be supportive of funding student success and it will remain a priority for the system going forward. It may be prudent to seek gains in this item while the Student Success Task Force recommendations remain priorities for the Legislature and Governor Brown.

The workgroup also discussed some strategic points. While there are many priorities and needs throughout the system for increased funding to make up for cuts seen in recent years, it is important to be realistic in our request to the Department of Finance. When we put forth a request for an unrealistic amount of funding, we are failing to communicate a true sense of our priorities. Also, arguments for funding are best described in terms of how the funds serve the needs of students today. Asking for a certain level of funding simply because a program was funded at the level in the past is not an effective argument given the reductions faced by virtually all programs in recent years.

### **Next Steps**

This information was scheduled for presentation to the Consultation Council in June. With time to absorb input from both the Consultation Council and the Board of Governors, the budget workgroup will meet again to finalize funding priorities for the California Community Colleges 2014-15 system budget request. The final request will be presented to the board for approval at the September 2013 meeting.