

California Community Colleges

Board of Governors

2016-17 CCC System Budget Request

September 2015



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**CALIFORNIA COMMUNITY COLLEGES
2016-17 SYSTEM BUDGET REQUEST**



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PREPARED BY

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INTRODUCTION

This document presents the California Community Colleges' System Budget Request for fiscal year 2016-17. The proposal describes the funding needed for the 113-college system to meet the wide variety of student educational needs that exist in this diverse state.

The California Community College (CCC) system is the largest higher education system in the country and the largest workforce provider in California. More than two million students attend California Community Colleges each year to receive educational services including general education courses toward a degree, certificate, or transfer to a 4-year institution, career training, basic skills and remedial education, and adult education. Over 50 percent of all students attaining bachelor's degrees at the California State University (CSU)—and nearly 30 percent at the University of California (UC)—start their four-year studies at a California community college. California Community Colleges train 70 percent of California's nurses and 80 percent of the state's firefighters, law enforcement personnel, and emergency medical technicians.

The California Community Colleges focus on three principal missions:

- Degree and Transfer: Courses leading to an associate's degree and/or transfer to a four-year university
- Career Technical Education: Career Technical (vocational training) courses typically leading to an industry recognized certificate
- Basic Skills and Remedial Courses: Remedial courses for students unprepared for college instruction, as well as instruction in English language and citizenship

The California Community College system is the most cost-effective system of education in California. The state revenue needed to support one community college full-time student is slightly more than \$6,400 per year, which is less than half the cost of funding a student at CSU and approximately 1/4th the cost at a UC campus. Given that, funding provided by the state to the community colleges represents a smart investment.

The Great Recession Led to Reductions in College Budgets

During the years 2008-09 through 2011-12, state funding for the CCCs declined dramatically, as the state experienced significant declines in revenues due to the recession. Colleges struggled with reduced budgets, and were forced to cut course sections and lay off staff. Students were unable to get the classes they needed, and waiting lists for courses ballooned.

By the end of the 2011-12 year, the system had been cut by more than \$800 million, and the year ended with an unanticipated deficit of approximately \$90 million. During that time, the system's enrollment declined by nearly 500,000 students.

Proposition 30 and the Improving Economy Bring Reinvestment in Education

On November 6, 2012, California voters passed *The Schools and Local Public Safety Protection Act* (Proposition 30), which provided for enhanced support of education as a result of temporary sales and income tax increases. This support has allowed colleges to engage in the process of rebuilding what had been lost over the previous four years. Passage of Proposition 30 made some additional funding available for increased access in the 2012-13 year, but it was difficult for many colleges to take advantage of the new funding after starting the fiscal year with the uncertainty of not knowing whether their budgets would be augmented or reduced mid-year. Colleges have since had an opportunity to increase course sections to better serve the needs of California's students.

Funding for the California Community College system began to significantly rebound in the 2013-14 year, and that recovery has continued strongly through the 2014-15 and 2015-16 budgets. Significant new funding has been provided for the Student Success & Support Program (SSSP) and Student Equity Plans (SEP) in both 2014-15 and 2015-16. Additionally, the 2015-16 budget included a base increase and funding to increase the number of full-time faculty. Other funds have been provided to restore key categorical programs such as EOPS and DSPS, retire deferrals, fund deferred maintenance, and reimburse districts for prior year mandate costs. The increased funding over the past three budgets is a promising step toward enabling the colleges to rebuild crucial services and take an active role in the state's recovery. The colleges are increasing the number of courses being offered and focusing on services that improve student success and the quality of education provided at the colleges.

Caution Ahead

Revenues from Proposition 30 are Temporary

While we are grateful for the revenues being generated as a result of the passage of Proposition 30, it is important to keep in mind that these revenues are not permanent. Proposition 30 established the Education Protection Account (EPA), which receives funding from increased taxes approved by the initiative. The sales tax rate increase will last through 2016, and the income tax increase will last through 2018. So, unless the tax rate increases are extended at some later date, the state will begin to experience the loss of EPA revenues in the 2016-17 fiscal year, and those revenues will be completely gone as of the 2019-20 fiscal year. Community college districts need to keep in mind the short-term nature of the Proposition 30 funding and exercise appropriate caution when making budgetary commitments.

Lack of Funding Stability is a Continuing Problem

The downturn in the economy forced the Legislature and the Governor to identify sources of revenue other than state general fund dollars to fund K14 education. These alternate revenue sources, such as funds generated by Proposition 30 and the dissolution of Redevelopment Agencies (RDAs), are less reliable than general fund revenues appropriated in the budget. In 2008-09, 66 percent of the California Community College system's general apportionment was made up of state general fund appropriated in the annual budget. In 2015-16, that figure has

shrunk to 35 percent, meaning that 65 percent of the system’s budget is based on *estimated* revenues, including student fees and property taxes, as well as EPA and RDA revenues.

Figures 1 and 2 below show the sources of community college funding in 2008-09 and 2015-16. The blue shaded area shows the portion of community college funding from state general fund dollars. This is the only stable source of funding, as the other sources rely on estimates of amounts that are expected to be realized throughout the year. If revenues do not come in at the level expected, the colleges are left with shortfalls in their budgets, which in turn requires colleges to make painful reductions to course sections or services that affect students.

The lack of a continuously appropriated general apportionment, such as is provided for K-12 districts, is becoming increasingly problematic as our system’s exposure to deficits has grown substantially in recent years.

Figure 1

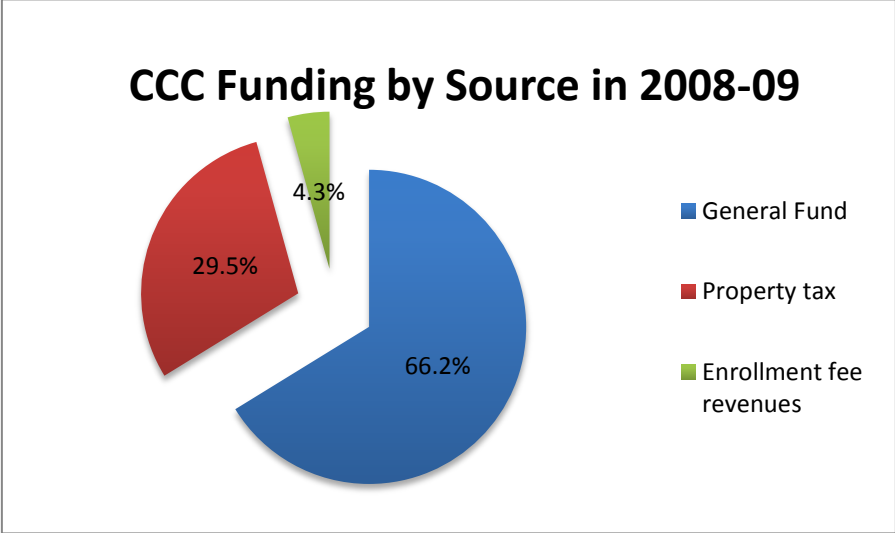
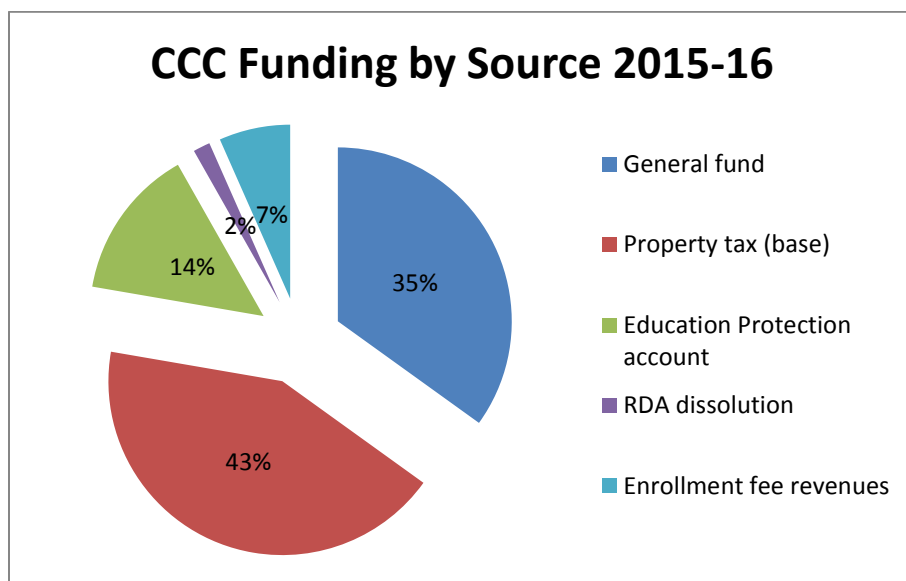


Figure 2



Increasing Employer Contribution Rates for CalSTRS and CalPERS

Recently passed legislation, AB 1469 (2014), set in place a plan to close the \$74 billion gap in unfunded CalSTRS liabilities over the next 30 years. The CalSTRS funding plan stipulates that the costs will be shared, with the state paying approximately 20 percent toward the amount unfunded, teachers paying 10 percent, and the remaining 70 percent is the responsibility of schools and community colleges.

Under AB 1469, the CalSTRS employer contribution rate for 2014-15 was 8.88 percent (an increase of 0.63 percent over 2013-14), resulting in an increased statewide cost to colleges of approximately \$14 million. The additional cost to districts in 2015-16 will be over \$40 million (1.85 percent increase) and will continue to grow. From the 2015-16 through the 2019-20 fiscal years, the rate will grow by an additional 1.85 percent, annually. In 2020-21, it will further grow by 0.97 percent, resulting in an employer contribution rate of 19.1 percent. This represents an unfunded expense of district general funds of \$250 million (likely more as the employee compensation base increases by growth and COLA over the years) in annual costs for districts.

Relatedly, the CalPERS fund also faces a long-term deficit. While employer rates are set by the CalPERS Board rather than in statute (as detailed in CalPERS Circulars Letters), colleges are scheduled to face significant increases in contributions in the coming years. From the 2013-14 year to the 2020-21 year, employer rates are scheduled to increase from 11.44% to 20.40%. When fully implemented, we estimate these increased obligations to total over \$150 million annually.

While we understand the need to address the actuarial shortfalls of these important retirement systems, the rate increases will significantly impact district budgets. We need to ensure that district budgets are structured with this increased funding obligation in mind. As the CalSTRS

and CalPERS contribution rates continue to rise, districts will need sufficient flexibility in their budgets to fund this increasing cost.

Summary

The California Community College system is moving forward with cautious optimism. The last three budgets demonstrate a renewed commitment in California to reinvest in education after years of devastating cuts. However, given the temporary nature of the revenues generated by Proposition 30, and the increasing annual costs to districts as CalSTRS and CalPERS employer contribution rates grow over time, we must think long term about the future of the system and CCC students as we rebuild.

The *System Budget Request* for 2016-17 proposes to increase the state's investment in education to improve the colleges' ability to meet California's education and training needs. The request is built around two key principles: improving student success and ensuring access. The request also points toward the difficulty of accomplishing these core elements without sufficient funding stability. The next section, 2016-17 Budget Overview, describes the key pieces of the request in greater detail, while the last section contains the specific priorities for funding and the recommended funding increases for 2016-17.

CALIFORNIA COMMUNITY COLLEGES

2016-17 BUDGET REQUEST OVERVIEW

Each year, the Board of Governors is required to prepare and adopt an annual system budget request, using the Consultation Process established under state law. To meet this requirement, a Budget Workgroup, comprised of members and designees of the Consultation Council, other college stakeholders, and Chancellor's Office staff, first convened in June to identify the top budget priorities and begin planning for the CCC system's 2016-17 budget request. Initial discussions from the Workgroup were presented to the Consultation Council and to the Board of Governors in July. The Workgroup reconvened in later in July to finalize recommendations. The proposed 2016-17 System Budget Request reflects a general consensus of the process. The request is set for Board consideration in September.

Thanks to the increased revenues generated by Proposition 30, and a state economy that is continuing to improve, the California Community College system is growing after years of reductions. The 2015-16 Budget Act provided the system with historic increases well balanced among access, student success and equity, institutional effectiveness, increases for general operating expenses, funding to hire additional full-time faculty, EOPS, maintenance and instructional equipment, basic skills, and the elimination of system deferrals. While Budget Workgroup participants supported a balanced approach (including additional discretionary funds) that would support the needs of 21st century institutions of higher education, the

particular importance of pursuing funds that would support recommendations from the Task Force on Workforce, Job Creation, and a Strong Economy was acknowledged.

To reflect an emphasis on funding needs for access, educational quality and student success in a modern educational setting, the 2016-17 budget request identifies the following priorities:

- Increasing access to community college;
- Support for Workforce needs;
- Increased funding for general operating and information technology expenses;
- Funding to hire more full-time faculty; and
- Support for student success and equity.

The system budget request for 2016-17 totals approximately \$968 million, and the specific recommended funding increases are described in further detail in the next section, 2016-17 Budget Narrative.

2016-17 BUDGET REQUEST NARRATIVE

The California Community Colleges budget request identifies the resources necessary for colleges to provide high-quality educational services that meet the state's core priorities. The CCC system has been fortunate to receive increased funding in the past three budget cycles, and the increased revenue, combined with flexibility to address local needs, has gone a long way toward ensuring that the colleges can meet the challenges of meeting the state's workforce and educational needs for the 21st century.

This *2016-17 System Budget Proposal* has been developed by the Chancellor's Office to ensure that colleges can function at maximum effectiveness to ensure the success of all students to meet their educational goals. The proposal identifies core priorities for funding, including increasing access for community college students; supporting regional infrastructures and planning to support 21st Century workforce demands; funding for student success and equity; an increase in base apportionment funding to ensure educational quality, including technology; and funding to hire more full-time faculty. Details on each of these areas are provided below.

Access/Enrollment

(\$175,000,000)

Restoring access to higher education for those who need it remains a major system priority. Both the 2014-15 and 2015-16 budgets included large increases for access (2.75% and 3%, respectively), which was enough funding to add approximately 60,000 students (headcount) to the system in 2014-15 and 70,000 in 2015-16. Still, the need for community college access remains strong based on a number of factors. Students displaced from UC and CSU due to diminished state funding and an increasing cost of attendance, veterans returning from Iraq and Afghanistan, and the closure of several for-profit institutions (e.g., the Corinthian colleges) all suggest a need for more access to CCCs.

For 2016-17, we are requesting \$175 million (approximately 3%) for increased access so that colleges can provide affordable higher education course offerings to students who need it. Our expectation is that colleges will focus on adding courses that align with the system's primary missions of transfer, career technical education, and basic skills. Since districts in some areas of the state are growing while other areas are having trouble increasing enrollments, it is important that the request for access funding be balanced with other funding requests to ensure that all districts gain new resources to improve educational quality and increase student success. \$175 million would restore access for approximately 70,000 students.

Task Force on Workforce, Job Creation & a Strong Economy (\$200,000,000)

To address a projected shortfall in middle-skill workers, the Board of Governors commissioned the Task Force on Workforce, Job Creation & a Strong Economy in November 2014. The task force met over a period of nine months, receiving input from over 1,200 stakeholders, and

developed a series of recommended strategies, policies and practices to meet the state's anticipated shortage of one million industry-valued, middle skill credentials.

In November of 2015, the 25 recommendations of the Task Force will be put forth to the Board for adoption. The recommendations target actions that can be taken to provide policy guidance, regulatory review, and legislative and budgetary actions with the goal of increasing the number of students obtaining CTE degrees, certificates, and credentials crucial for closing California's skills gap. These recommendations build upon current system efforts on student success and aim to close the gap in 1 million more industry-valued middle skill credentials. The Task Force recommendations are grouped into these issue areas: Student Success; Career Pathways; Workforce Data & Outcomes; Curriculum; CTE Faculty; Regional Coordination; and Funding.

\$200 million of new funds is being requested in the 2016-17 budget to support the implementation of these recommendations. The funds will be used as specified by recommendations #22 and 23:

22. Establish a sustained, supplemental funding source to increase community colleges' capacity to create, adapt, and maintain quality CTE courses and programs that are responsive to regional labor market needs.
 - a. Target funding to offset the high cost of CTE programs and other courses that lead to CTE programs.
 - b. Provide additional fiscal incentives to support high-value outcomes and continuously evaluate the results to determine effectiveness.
 - c. Develop and support a sustainable and adequate equipment and facilities funding stream.
23. Create a separate, predictable, targeted, and sustained funding stream that leverages multiple local, state, and federal CTE and workforce funds to support an infrastructure for collaboration at the state, regional and local levels; establish regional funding of program start-up and innovation; and develop other coordination activities.

If wisely implemented, we believe this augmentation will help ensure that the billions the state expends on career technical education will properly aligned with the state's workforce needs.

Student Success/Categorical Funding **(\$105,000,000)**

Many important categorical programs that were cut in 2009-10 have not been restored to their former levels of funding. These programs are critical to student success and to increasing the quality of education provided to community college students. For many students, especially those from disadvantaged backgrounds, these services—or the lack thereof—can represent the difference between educational success and failure.

The 2015-16 budget provided support in some key areas. The EOPS program was augmented by \$33 million, restoring funding back to pre-recession levels. The Student Success and Support Program (SSSP) was increased by \$100 million, bringing total annual funding for this program to nearly \$300 million. The SSSP provides support to students through services such as

orientation, assessment, placement, educational planning, counseling, and tutoring. For many community college students, these support services are the difference between an efficient pathway to an educational objective (such as a certificate, degree, transfer, or desired skill) and an unproductive pathway to a delayed or inconclusive end.

In addition, the 2015-16 budget provided \$85 million in new funding to be used to provide increased support for underrepresented students based on districts' student equity plans. The purpose of the student equity funds are to allow districts to close gaps in access and achievement for underrepresented student groups, as identified in district Student Equity Plans (SEPs). Based on an allocation formula, districts with a greater proportion of disadvantaged students will receive a larger funding allocation than comparably sized districts with a smaller proportion of disadvantaged students.

For 2016-17, the system is requesting \$105 million to enhance student success including \$55 million to restore categorical programs to pre-recession levels and a \$50 million increase for SSSP/SEP. Restoring categorical funding would aid students in important ways such as increasing office hours for part-time faculty and by providing CalWORKs students with enhanced support necessary to complete their programs and enter the workforce. An augmentation to SSSP/SEP would be targeted at supporting local training and professional development for all staff. Given the many initiatives undertaken by the system in recent years (Student Success, distance education, impacts of Common Core, to name a few), finding resources for professional development may be more critical at this time than ever.

Cost of Living Adjustment (COLA) (\$100,000,000)

Historically, the community colleges have received annual Cost-of-Living-Adjustment (COLA) increases. However, due to California's economic situation, the state did not provide COLAs to the colleges for many years beginning with the fiscal year 2008-09. The price index specified by law for the community college COLA calculation is identical to that specified for K-12 education, the state and local government price deflator published by the federal government.

The statutory COLA for 2016-17 is currently estimated by School Services of California to be 1.6% which equates to approximately \$100 million in funding for the CCCs. The system is requesting that the state fund the statutory COLA in 2016-17 at whatever value the final factor is determined to be. This request includes funding for categorical programs, as well as the general apportionment.

General Operating Expenses (\$250,000,000)

In 2015-16, the CCC system received \$267 million as an augmentation to base funding, partly in recognition of increasing costs and a decline in purchasing power due to non-payment of COLAs between 2007-08 and 2012-13. We estimate the cumulative purchasing power lost over those years at nearly \$1 billion. Colleges have experienced rising expenses in the form of information technology to reflect 21st Century instructional needs, higher utility bills and health care costs,

campus security, and other expenses, without corresponding funds to keep pace with those costs. Further, colleges face rapidly increasing contributions to the CalSTRS and CalPERS systems. Without additional resources, these rate increases would absorb district general fund resources. When funding fails to keep pace with expenditure increases, the quality of education will be diminished over time.

For 2016-17, the system is requesting an increase in base funding of \$250 million to help address core operating expenses. This increase will help restore some of the purchasing power lost in years when no COLA was received, fund the increase in CalSTRS and CalPERS obligations, and provide colleges with the discretionary resources needed to address local concerns and priorities.

Full-Time Faculty Hiring **(\$80,000,000)**

Full-time faculty benefit students and colleges by providing critical services such as academic advising during faculty office hours, ongoing curriculum development, and by participating in institutional planning and shared governance. For districts, though, hiring additional full-time faculty represents a substantial ongoing cost commitment.

The 2015-16 budget included \$62.3 million to support increased hiring of full-time faculty. For 2016-17, we are requesting an additional \$80 million to be used by the districts to hire additional full-time faculty and make further progress toward the 75 percent goal. Funding allocated for full-time faculty hiring would be included in the general apportionment, and districts would have varying requirements for full-time faculty hiring depending on their status in relation to the current level of commitment toward employing full-time faculty. Those with a lower ratio of instruction being provided by full-time faculty would be required to hire a greater number full-time faculty than districts that already have a high percentage of instruction being provided by full time faculty.

Technology **(\$22,000,000)**

Technology is an increasingly important component of higher education in the 21st century. Reflecting this reality, the system request includes \$22 million in additional resources for the Telecommunications and Technology Infrastructure Program (TTIP) program (\$7 million for one-time activities).

These funds would accomplish several objectives. 1) Enhance the existing network and boost the infrastructure of the services provided to the entire system given the recent state investment in CCC technology initiatives. This effort would further strengthen the network connections, ensure appropriate back-up, and augment the network bandwidth to respond to increased demand. 2) Add a centralized security center to promote risk assessment, training, and dissemination of best practices related to network security. 3) Further, these funds would support an integrated library system, help to meet greater demand for CCC Apply help-desk services, and provide additional investment in video conferencing services offered throughout the system.

We note that the budget request also assumes the state will continue to support ongoing centralized technology projects, such as the Online Education Initiative, Common Assessment, and Ed Planning, among other projects.

Institutional Effectiveness **(\$15,000,000)**

The Institutional Effectiveness Division oversees the development and operation of a comprehensive technical assistance program to further student success. The goal of Institutional Effectiveness is to work closely with the Board of Governors, internally within the Chancellor's Office, and with colleges/districts to develop, monitor, measure, and implement a framework of data analysis and standards that will support all community college districts. Ultimately, the colleges will benefit from technical assistance and training, supported by subject matter experts, to address the issues associated with accreditation sanctions and other challenges, and students will benefit from attending more effective institutions. This effort is currently funded at \$17.5 million.

An augmentation of \$15 million is requested to further develop and expand on the existing subject matter expert model and to provide more specialized training to support continuous improvement activities. This funding will increase the number of grants, expand on the community of practice model, and develop a more formalized training infrastructure for the partnership resource teams. The specialized training program requests additional resources to expand the number of training activities in response to demand from the system. In addition, the program requests additional resources to incentivize and support the implementation of transformational activities with dedicated support to implement best practices.

Basic Skills **(\$20,000,000)**

The 2015-16 budget recognized the importance of basic skills by funding \$70 million in one-time initiatives, including \$60 million to help districts implement research-based practices, and an additional \$10 million to enhance collaboration among community colleges, high schools, and CSU to ensure CSU freshmen are prepared for college-level work. While these funds should improve the quality and effectiveness of offerings throughout the state, basic skills is an ongoing effort that merits ongoing attention. The Chancellor's Office recommends that an additional \$20 million be provided in the budget to ensure that the momentum provided through the one-time funds is sustained.

Public Outreach **(\$1,500,000)**

The "I Can Afford College" outreach and marketing campaign works to inform residents that community colleges are affordable and accessible and that financial aid is available to help with the costs associated with attendance. The target audience is low to middle-income high school

juniors and seniors, recent high school graduates, their parents and influencers, and re-entry students. All of the outreach campaign's activities drive people to the heart of the campaign, which is the icanaffordcollege.com website. The bilingual English/Spanish website provides information on the types of financial aid available, online applications, and contact information for local financial aid offices.

Since its inception in 2004-05, funding for the "I Can Afford College" campaign has remained at \$2.8 million per year. Since funding for the campaign has remained stagnant, eroding the purchasing power for advertising and outreach efforts to inform students of available financial aid during a time when student fees have increased. As the Governor and Legislature have placed a high priority on expanding access to college and increasing transfers to the other higher education segments, this campaign is critical to informing students of resources available to allow them to attend and succeed in college.

For 2016-17, we are requesting a \$1.5 million increase for the "I Can Afford College" campaign; this would bring the total annual funding to \$4.3 million. This increased funding would restore the purchasing power to its original level and allow the campaign to resume outreach in markets that had to be cut from the campaign because of cost, as well as to resume Spanish-language marketing.

One-Time Funding Request

The 2016-17 request suggests funding in the following areas should one-time funds become available.

- **Deferred Maintenance and Instructional Equipment** - The colleges have identified in their 5-year capital outlay plans submitted to the Chancellor's Office over \$200 million in deferred maintenance costs per year. The purpose of the deferred maintenance program is to keep the existing community college physical plant in operational condition and to prevent any degradation in instructional services caused by facility conditions. By properly maintaining our facilities and replacing major building components at their scheduled time - roofs, utilities, windows, etc. - we will extend the useful life of our buildings and we can focus more of our scarce capital outlay bond funds on meeting the system's growth needs.

In addition, community colleges cannot adequately fund instructional equipment, library materials, technology, or workforce development upgrades. Funds for these vital programs have become scarce since 2008-09 due to the state eliminating ongoing funding for the Instructional Equipment program. While we believe deferred maintenance and instructional equipment is worthy of ongoing funding in the budget, we estimate there is likely to be significant one-time funds available during the fiscal year and would be content to use a share of those funds for this purpose.

- **Discretionary Block Grant** – The two most recent budgets have provided block grants to districts on a per-FTES basis to retire prior year mandate obligations. While most of

those obligations have now been paid down, colleges can still benefit by receiving discretionary funds to address local priorities, including professional development, capital needs, paying down retirement health benefit liabilities, or information technology.

Restore Cal Grants to Better Serve Community College Students

While Cal Grant funding is not part of the California Community Colleges' budget, it is clear that recent reductions in the amounts of Cal Grant funds available had a negative impact on our students. Two-thirds of California's higher education students are attending a California Community College, however only six percent of the total funding awarded by the Cal Grant program goes to community college students. This funding disparity reduces the ability of community college students to take more classes, increasing the time it takes to obtain a degree.

To help our students achieve their educational goals and ultimately increase the number of bachelor's degrees in this state, we encourage the state to accelerate the reinvestment in Cal Grant B and C awards. Cal Grant B awards help students with costs necessary to go to college other than tuition, such as transportation, books, supplies, housing costs or food. These "access" costs are becoming an increasingly larger share of a community college student's budget and the current award is inadequate to cover them. Cal Grant C awards are competitive grants that go to very low-income students who were not able to obtain an entitlement Cal Grant.

While the 2015-16 budget increased the amount of competitive awards from 22,500 to 25,750, this is just a small step. Given the importance of the state's need to support equity and access, we urge an increase in Cal Grant funding in the 2016-17 budget.

Request for Guaranteed Revenue Backfill

While not a request for a specific funding augmentation, the need for guaranteed revenue backfill is as important to the stability of funding for the California Community Colleges as any item. Our general apportionment is now predominantly based on estimated revenues at the time the annual budget is approved rather than on the general fund appropriation in the budget. In the 2008-09 fiscal year, about 2/3rds of our funds were appropriated in the annual budget act. That amount has shrunk over the years due to an increased reliance on property taxes, the Educational Protection Account revenues (Proposition 30), and funds owing to the dissolution of RDAs. To the extent estimated revenues do not materialize at the level anticipated, the colleges face a funding deficit at the end of the year with no time to adequately adjust to the shortfall, and the exposure to this risk has never been higher.

While we have gained the promise of statutory backfills for RDA and EPA revenues, colleges continue to face uncertainty from property tax and fee revenue shortfalls. Additionally, our system is not always adequately funded to meet the statutory and regulatory funding provisions that apply to our 72 districts. Projecting how many districts will make use of 3-year restoration

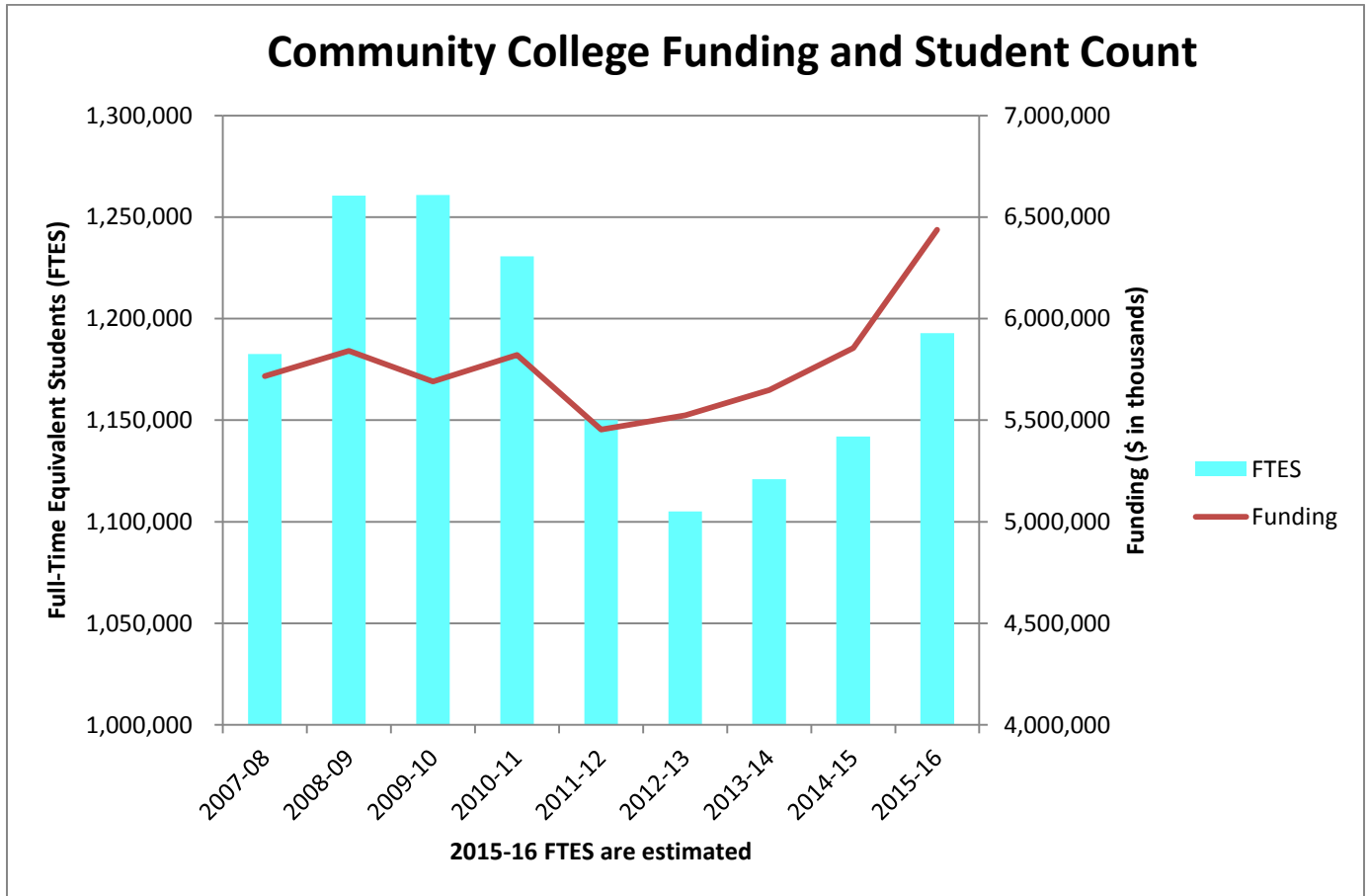
provisions and to what extent, for example, is not perfectly predictable. With no room provided in our budget for these circumstances, we can face deficits even if there are no revenue shortfalls.

Colleges should know how much money they have to spend, and currently, this is not the case due to the factors discussed above. For this reason, we believe the state should provide colleges with a guaranteed backfill to assure the certainty of district budgets and provide increased truth in state budgeting.

2016-17 BUDGET REQUEST SUMMARY

| | |
|--|----------------------|
| Access/Enrollment Growth | \$175,000,000 |
| Task Force on Workforce, Job Creation & a Strong Economy | \$200,000,000 |
| Student Success and Categorical Programs | \$105,000,000 |
| Cost of Living Adjustment (COLA) | \$100,000,000 |
| General Operating Expenses | \$250,000,000 |
| Full-Time Faculty Hiring | \$80,000,000 |
| Technology | \$22,000,000 |
| Institutional Effectiveness | \$15,000,000 |
| Basic Skills | \$20,000,000 |
| Public Outreach | \$1,500,000 |
| Total On-Going Funding Request | \$986,500,000 |

Appendix 1 – Historical Funding and Student Counts



Appendix 2 – Categorical Program Funding Request

California Community Colleges Categorical Programs

Dollars in thousands

| | 2008-09 Funding | 2015-16 Funding | Currently Unrestored | 2016-17 Request |
|-------------------------------------|--------------------|--------------------|-------------------------|--------------------|
| Categorical Programs | | | | |
| CalWORKs | 43,580 | 34,897 | (8,683) | 8,683 |
| Fund for Student Success | 6,158 | 3,792 | (2,366) | 2,366 |
| Nursing Support | 22,100 | 13,378 | (8,722) | 8,722 |
| Academic Senate | 467 | 468 | 1 | 200 |
| Childcare Tax Bail Out | 6,836 | 3,384 | (3,452) | 3,452 |
| Equal Employment Opportunity | 1,747 | 767 | (980) | 980 |
| Part-time Faculty Office Hours | 7,172 | 3,514 | (3,658) | 3,658 |
| Part-time Faculty Health Insurance | 1,000 | 490 | (510) | 510 |
| Part-time Faculty Compensation | 50,828 | 24,907 | (25,921) | 25,921 |
| Transfer Education and Articulation | 1,424 | 698 | (726) | 726 |
| Student Senate | 0 | 0 | 0 | 200 |
| Total | 141,312 | 86,295 | (55,017) | 55,418 |