Date: August 16, 2012

Title: 2013-14 System Budget Request

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Background

The Board of Governors is required to adopt a System Budget Request annually. To help meet this statutory obligation, the Chancellor’s Office convenes a budget workgroup, comprised of members and designees of the Consultation Council, other college representatives, and system office staff to work on principles and a blueprint of a budget request to present to the Governor in early September.

Information

The budget workgroup first met in June to discuss the System Budget Request for 2013-14. Topics discussed included the need to formulate a proposal that would more closely match the funds likely to be available and the merit of preparing two requests - one that assumes successful passage of Proposition 30 and a second narrower request assuming the initiative fails.

Strong support was voiced both in the workgroup and at Consultation Council to make categorical funding restoration and COLA the top priorities. There was also support voiced for enrollment growth/restoration and for instructional equipment and library materials funding. Another suggestion was to acknowledge the Governor’s desire to buy down deferrals but to do so over a more extended period (e.g., 10 years). Additionally, there were two specific requests from the Chancellor’s Office: 1) Competitive grants to identify and promote retention within distance education offerings, and 2) Development of centralized technology that would support aims of the Student Success Task Force. Further workgroup discussion centered on the need to document the cumulative impact of the funding reductions the California community colleges have sustained during the state’s fiscal crisis. At the July meeting, the Board of Governors generally expressed agreement with the workgroup’s approach.

A second meeting of the workgroup reached consensus on a system request. The group agreed to identify categorical restoration as priority 1a and COLA as 1b (similar to the 2012-13 prioritizations). Assuming passage of Proposition 30, the total amount requested would be about $600 million, as follows:

- $200 million requested for categorical restoration, including a significant boost for matriculation (would also include $200,000 for the Student Senate)
- $200 million for COLA
- $120 million for growth/restoration
- $80 million for deferral buy down (assumes 10-year repayment)
These figures are rounded, for now. The negative option would be scaled down to $150 million to $200 million, and would limit the major requests to categorical restoration and COLA. The budget workgroup also recommended that we prepare proposals to spend any one-time funding that may be available. We will propose to use any one-time funding on deferred maintenance and instructional equipment and/or to buy down outstanding mandate claims. The group also favored the Chancellor’s Office proposals concerning centralized technology and distance education (amounts to be determined as proposals are more fully developed).