Title: 2015-16 Budget Request

Date: September 18, 2014

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Background

By law, the Board of Governors must submit a request to the Department of Finance in September for use in the development of the Governor’s January budget proposal. To assist the Board in this request, the Chancellor’s Office annually convenes a Budget Workgroup to formulate a recommendation. The Budget Workgroup is composed of various CCC stakeholders, approximating the diversity of the Consultation Council.

The 2015-16 Budget Workgroup’s efforts led to a system request for the 2015-16 that was adopted by the Board at the September meeting.

Highlights of the Request:

- **COLA/Base Funding Increase ($180 million)** – With no cost of living adjustment received from the 2008-09 through the 2012-13 fiscal years, the colleges lost over 16 percent in purchasing power as costs continued to increase. COLAs give districts maximum flexibility, allowing them to backfill categorical and other programs as needed in their district. While we are pleased to see the statutory COLAs funded in the 2013 and 2014 Budget Acts, districts have not been able to replenish their earlier losses. Given this, the BOG requested funding above the statutory COLA, so that colleges can begin restoring some of the purchasing power lost in recent years. Additionally, providing COLA for workload categoricals will be requested.

- **Access ($120 million)** – Restoring access to higher education for those who need it remains a major system priority. As the 14-15 budget features a robust growth percentage (2.75 percent), we should examine the data during the fiscal year and adjust as needed. It was noted during workgroup discussions that certain areas of the state are not growing and thus do not benefit from funding provided in this area. While improving the quality of instruction is also crucial, the BOG wants to offer access where it is needed.

- **Student Success and Support Program/Student Equity Plans ($200 million)** – The 2014-15 budget included $170 million in new funds for these programs, and the BOG’s request indicates a desire to continue the momentum. The SSSP provides support to students through services such as orientation, assessment, placement educational planning, counseling, and tutoring. 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. Funding in these programs provided relatively flexible resources for districts to address student success.

- **Faculty Support ($70 million)** – The BOG demonstrated support for increasing the number of full-time faculty by requesting funds dedicated to this purpose. This request would increase the base apportionment and increase each district’s FON, weighted by consideration of each district’s number of FT hires and/or percentage of credit instruction provided by FT faculty.

- **Professional development ($25 million)** – The BOG requested funding for professional development, noting major changes that are occurring in the system, such as distance education, adult education, students success activities, and SB 1440 degrees.

- **Categorical Program Restoration ($115 million)** – The BOG showed support for the system’s traditional categorical programs by requesting full restoration of the reductions absorbed in the 2009-10 fiscal year.

- **Economic and Workforce Development ($25 million)** – The 2014-15 budget provided a $50 million one-time increase for this program, which should help implement regional plans that have been formulated in recent years. The BOG requested $25 million in ongoing support.

- **I Can Afford College Campaign ($1.5 million)** – The CCCCO communications team proposed an augmentation for the I Can Afford College Campaign, citing the erosion in purchasing power over the 10 years in which the program funding has not been increased. An increase of $1.5 million would increase ad buying reach by about 35 percent and allow for Spanish language outreach and more community outreach.

- **Technical Assistance ($2.5 million)** – The 2014-15 budget provided $2.5 million for technical assistance to support institutional effectiveness. The BOG request would double the amount available for this assistance to $5 million.

Additionally, the 2015-16 System Budget Request suggested items of expenditure for one-time funds (maintenance/instructional equipment and mandates) and noted the need for funds to begin implementation of the AB 86 Adult Education Consortia plans. The Request further highlighted the need to increase Cal Grant support for CCC students and to stabilize the general apportionment by providing automatic backfills for revenue shortfalls.