

# **Governor's May Revision** **2019-2020**

**Board of Trustees meeting**  
**May 13, 2019**



# May Revise

- Governor Newsom presented May Revise on May 9
  - Revises Governor's January Budget Proposal with current revenue/expenditure estimates
  - State revenues projected for 2019-2020 are estimated slightly higher than in January Proposal
    - \$3.2 billion higher over three year period (17/18, 18/19, 19/20)
  - Small share of new revenues for Prop 98 minimum funding guarantee
    - Only \$746 million available for K-14 education
    - Constraints of Prop 98 formulas

# May Revise – Proposition 98

- Of the \$746 million for K-14
  - \$389 million placed into Prop 2 Reserve Account for first time under Prop 2 (2014)
    - Primarily due to increase in Capital Gains revenues
  - Remaining net share at 10.93% for the community colleges
  - Plus offsetting savings from COLA reduction
  - Plus additional cost to State of lower projected property tax revenues in 19/20
    - No backfill for current fiscal year shortfall for CC's

# May Revise – Prop 98 - Community Colleges

- Community Colleges allocation largely unchanged from January Proposal
  - Approximately \$68 million net increase
  - Mostly technical adjustments
- COLA – decreased from 3.46% to 3.26%
  - RSCCD = approximately \$360k decrease
- Scheduled Maintenance/Instructional Equipment Program
  - One time funding of \$39 million for CC's
  - RSCCD = approximately \$900k

# May Revise – Prop 98 - Community Colleges

- Governor does not provide additional funding to address large funding shortfall for implementation of SCFF for the current year (18/19) and budget year (19/20)
  - Current year - \$182 million shortfall in funding
  - Budget year – only 3.26% COLA provided for formula
- Governor and State Chancellor’s Office propose to modify the formula to existing levels of funding
  - Some changes in current 18/19 budget year
  - Several changes in 19/20 budget year
- Requests another year of implementation to 4 years



# May Revise - Community Colleges Student Centered Funding Formula

- In current budget year, 2018-2019, the new SCFF at Advanced Apportionment projected RSCCD additional revenues in excess of COLA (2.71%) at approximately \$7.4 million
- At P1 March, the SCFF estimated RSCCD would not even receive full funding of COLA
  - RSCCD = \$8.9 million deficit to Advanced formula
- At P1 April, the SCFF estimated RSCCD would receive full funding of COLA and \$345k
- The new SCFF is underfunded, unstable and unpredictable

# May Revise - Community Colleges Student Centered Funding Formula

- Governor and State Chancellor's Office is recommending various changes to the SCFF in order to accommodate data metrics to existing funding
  - Used poor data for implementation
  - Cleaner data required additional funding
  - Proposing to reduce/condensing number of data metrics currently funded
- 2019-2020 simulation predicts RSCCD will only receive 2017-2018 prior year funding plus 2.71% 18/19 COLA and 3.26% 19/20 COLA
  - RSCCD now a “held harmless” district

## May Revise - Community Colleges Student Centered Funding Formula

- RSCCD – 2018-2019 current year budget
  - Campuses were allocated \$5 million of expected \$7.4 million in additional revenue from SCFF last fall after Adopted Budget
  - District not informed until P1 March these funds may not materialize
    - Confirmed in P1 April
    - Too late to recapture at this point in time
      - 10 months into the fiscal year
  - \$5 million allocation from 18/19 will be removed for 19/20 Tentative and Adopted Budgets