



2015-2016 Budget Update

Governor's 2016-2017 May Revision

Board of Trustees Meeting
May 16, 2016

State Budget Update Governor's May Revision

- Governor presented May Revision on May 13th
- State economy shows signs of slowing down
- Governor Brown
 - “The next recession is getting closer – even if we cannot tell exactly when it will hit.”
 - “Right now, the surging tide of revenue is beginning to turn”
 - Aesop’s Fable – The Ant and the Grasshopper
 - “It is best to prepare for the days of necessity”
- Governor still assumes Prop 30 temporary taxes expire
- Prop 98 – slight increase for K-14 education in 2016/2017
 - Ongoing and one-time funding
 - Slight decrease in current budget year 2015/2016

State Budget Update
Governor's May Revision
Community Colleges Impact

■ Ongoing Funding

- No increase to student enrollment fees proposed
 - Remains at \$46 per credit unit
- COLA (Cost of Living Allowance) – zero COLA proposed
 - Was estimated at 0.47% in January Proposal
 - Calculated number came in lower at 0.0029%
 - Rounded down to zero
- Growth/Access – 2.0% statewide
 - SAC and SCC project no FTES growth in 2016/2017
 - No growth funding budgeted in the RSCCD Tentative Budget
 - Possibly in stabilization in 2016/2017
 - Second year of new state prescribed growth formula
 - RSCCD maximum fundable growth in 2016-2017 is 0.65% at 2.0% statewide

State Budget Update
Governor's May Revision
Community Colleges Impact

■ Ongoing Funding

- \$75 million increase to Base Apportionment funding
 - “For increased operating expenses, such as employee benefits, facilities, professional development, and converting faculty from part-time to full-time and other general expenses”
 - Partially restore purchasing power lost during the recession
 - Assist with increasing campus safety and technology costs
 - RSCCD = approximately \$1.8 million
- Strong Workforce Program - \$200 million to establish new program
 - Expand access to additional CTE courses
 - Regional accountability structure
 - 60%/40% split – 60% direct allocation to colleges, 40% allocated to regions
- Zero Textbook Cost degree - \$5 million
 - Maximum grants reduced to \$200,000 from \$500,000
 - Optional program
 - Implementation target of 2018-2019

State Budget Update
Governor's May Revision
Community Colleges Impact

■ One-Time Funding

- **Mandate Claims Block Grant – \$105.5 million**
 - \$29.2 million increase from the January proposal
 - Allocated on per FTES basis – unrestricted funds
 - RSCCD = approximately \$2.7 million
 - Retire outstanding mandate claims to the extent district has any such obligations on the books
 - RSCCD no longer has any outstanding mandate reimbursements
- **Adult Education Block Grant - \$5 million increase**
- **Scheduled Maintenance/Instructional Equipment - \$70.1 million decrease from amount proposed in January**
 - \$219.4 million statewide total
 - No match requirement
 - RSCCD = approximately \$5.5 million

State Budget Update
Governor's May Revision
Community Colleges Impact

- Proposition 39 Energy Efficiency program - \$49.3 million
 - Fourth year out of a five year program
 - Increase of \$4.1 million statewide
 - RSCCD = approximately \$1 million
 - Slightly higher than current year allocation
 - RSCCD Fourth year projects already defined and submitted

RSCCD Tentative Budget

- May Revision changes to proposed state revenues, will be included in RSCCD Tentative Budget
- Tentative Budget is considered a “placeholder” budget
- Proposed RSCCD 2016-2017 Tentative Budget presented at June 13, 2016 Board meeting
- Ed Code requires Tentative Budget approved by June 30th in order to continue operations on July 1st

State Budget Process

- Legislature has a June 15th deadline to enact a state budget to forward to Governor for signature by July 1st
 - Or they don't get paid...
- Chancellor's Office Budget Workshop held generally by the end of July
 - Provide detail apportionments and categorical entitlements to districts (Blue Book)
 - Last minute changes to RSCCD proposed Adopted Budget, state revenues based on these numbers
- Proposed RSCCD 2016-2017 Adopted Budget presented at September 12th Board meeting