

RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting

Friday, January 18, 2019 – CAADO, Conference Room 309A

8:00 a.m. - 10:00 a.m.

AGENDA

- I. Welcome and Call to Order
- II. Approval of Minutes
 - A. December 14, 2018
- III. Governor's 2019-20 State Budget Update
- IV. BAM Revision Project Update
- V. Other
- VI. Next Meeting – Friday, February 22, 2019, CAADO 309A, 10am to 12pm

RIVERSIDE COMMUNITY COLLEGE DISTRICT
District Budget Advisory Council Meeting

December 14, 2018
CAADO – Conference Room 309
10:00 a.m. - 12:00 p.m.

MEETING MINUTES

Members Present

Aaron Brown (District)
Majd Askar (District)
Nathaniel Jones (Moreno Valley College)
Michael Collins (Norco College)
Chip West (Riverside City College)
Michael McQuead (Moreno Valley College)
Peggy Campo (Norco College)
Asatar Bair (Riverside City College)
Mark Sellick (District)
Misty Cheatham (Norco College)
Jennifer Lawson (Riverside City College)
William Diehl (District)
Rachelle Arispe (Recorder)

Members Not Present

Nate Finney (Moreno Valley College)
Jacquelyn Smith (District wide – Student)

I. CALLED TO ORDER

A. By Aaron Brown

II. APPROVAL OF MINUTES

A. Once a quorum was achieved, Asatar moved and Collins seconded approval of the minutes for October 19, 2018.

III. BUDGET

A. State Update

1. Brown indicated that the Governor's Budget proposal will be issued the second week of January. Therefore, at the next meeting more information will be provided at the next meeting.

B. Budget Allocation Model (BAM) Revision Project Update

1. Askar reviewed the FTES Model by Discipline spreadsheets and explained how the costs were derived by the DBAC Subgroup. An FTES Model by Discipline

document was provided that included a description of the categories and the calculations.

- a. 2016-17 and 2017-18 data was used from each of the colleges.
 - b. The data was separated in two categories: Instructional and Academic Affairs and Non-Instructional.
 - c. Instructional and Academic Affairs includes Direct Instructional Cost and Academic Affairs (non-instructional).
 - d. Non-Instructional includes Student Services, Business Services and Other
2. Brown briefly explained further on the categories and the areas that the Chancellor wanted the subgroup to focus on. He explained that the low-cost programs (Liberal Arts), high cost programs (STEM), CTE (general) and CTE (special) are easily identified. However, the “Other” or “unique” categories are isolated and the cost per discipline need to be calculated differently. Example: Ben Clark Training Center include costs for a dean, administrative support, payments to the County for coordinators, and rent as opposed to Political Science where there is only instructor costs.
 3. Asatar commented that he noticed the changes in costs (high and lows). Brown explained that the variability will be “smoothed out” by averaging over 3 years. More years may be added as time goes on.
 4. Askar reviewed the 2016-2017 Revenue Calculation handout. The calculation is derived by taking the cost per FTES applying the rates for each category against the total to get a weighted ratio to apply to the total district wide instruction cost per FTES. The total amount of the Direct Instructional Costs and Academic Affairs is taken from the district wide spreadsheet for 2016-17. The resulting rate is then multiplied by the college’s annual fees.
 5. Brown reminded the members that the model is a “work in progress”. Over the last several months the subgroup has been trying to align data and deal with known quantities first using 2016-17 and 2017-18 information to derive a Cost per Discipline. The subgroup will fold in 2018-19 to see how it will model for budget purposes. Once members approve the model then the 2019-20 budget can be developed.
 6. The goal for the next subgroup meeting is to add in (on the revenue side), the “Other” category and take into consideration the beginning balance.
 7. Brown added that the subgroup will be adding 2015-16 data to get a 3-year average to roll into the revenue calculation.
 8. Asatar inquired on the growth rate year-to-year on the spreadsheets (11%). Brown responded that the subgroup has not looked at the data from that standpoint. However, he reminded the members that the data is actual cost, not budget. Actual cost is dependent on spending and reflects differently.

9. Brown inquired from members on their thoughts and comments on the model presented. Asatar responded that he is a little concerned about the costs for each discipline and the faculty's response, however, he thought the information was good. Collins added that they have found coding errors but the model will allow the college to get more accurate information, lead to more efficiency, and assist in the planning at the colleges. West commented that it is a good tool for new faculty hires. It provides full-time/part-time ratios, shows the programs we are bringing on, and the cost and the balance of curriculum. However, although Academic Affairs is clean, Student Services is a rough average, Business Services is okay on auxiliary, technology, but facilities is a concern. West suggested to look at the square footage cost as he thinks there is a flaw with the cost per discipline for technology and facilities.
10. Discussions ensued that administrators need to consider all courses when wanting to add a high cost program since the low cost programs seem to be paying for the high cost programs.
11. Members discussed the "Other" category further and reviewed the courses at each college.
 - a. Jones explained that MVC "Other" or "unique" courses are costs from acquired instruction (personnel) as it is a separate contract with the County.
 - b. Collins explained that at NC "Other" or "unique" courses are accredited. They have specific course sequencing, capstone courses, specialized advisory boards, specialized instruction (which include higher costs for student/teacher ratio), they run a smaller course through a sequence, and they offer capstone regardless of number of students.
 - c. West explained that RCC "Other" or "unique" courses are accredited. They have additional standards, capstones courses, specialized instruction (which also include higher costs like NC). Cosmetology and Culinary Arts are a unique programs with their own facility and operations. Journalism has a different expectation since RCC prints a newspaper; however, the course could be optional. Kinesiology is unique because Athletic costs are embedded.
12. Brown requested the Vice President's of Business Services provide the following at the next subgroup meeting:
 - a. Descriptions for their "Other" courses by the next subgroup meeting. It will be helpful for documentation and to explain to constituencies.
 - b. Comments or changes to the BAM Principles.
13. Brown requested Bobbitt to update the Common Course list to include 3 years and email it to the subgroup. It could be reviewed at the next subgroup meeting.

IV. NEXT MEETING

- A. Friday, January 18, 2019 – 8:00 a.m. to 10:00 a.m. at the District Office Building – Executive Conference Room 309A.

V. MEETING ADJOURNED AT 11:15 A.M.

From: "Osmena, Christian" <cosmena@CCCCO.EDU>
Date: January 10, 2019 at 3:37:20 PM PST
To: <CBO-ALL@LISTSERV.CCCCCO.EDU>
Subject: [EXTERNAL SENDER] FW: Governor Newsom Releases 2019-20 State Budget
Reply-To: "Osmena, Christian" <cosmena@CCCCO.EDU>

Colleagues,

Below, you will find Chancellor Oakley's note regarding Governor Newsom's proposed budget for the 2019-20 fiscal year.

Thank you again to our partners at the Association of California Community College Administrators, the Association of Chief Business Officials, and the Community College League of California for their work in producing the attached joint analysis of the state budget. Please also note the webinar our office will host on Friday, January 18, from 10:00 am to 11:00 am. You may sign up to participate here: https://cccconfer.zoom.us/webinar/register/WN_U3kFlw-JTKCo_bB8aSKuzQ.

Best,

Christian Osmeña
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California Community Colleges Chancellor's Office
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cosmena@cccoco.edu

From: Oakley, Eloy <eoakley@CCCCO.edu>
Sent: Thursday, January 10, 2019 3:02 PM
To: ceo-all <ceo-all@listserv.cccoco.edu>
Subject: Governor Newsom Releases 2019-20 State Budget

Dear Colleagues:

This morning, Governor Newsom released his first budget as California's governor. The budget implements many of the commitments the Governor made during the campaign—in health care, housing, and programs from “cradle to career,” with a clear interest in making sure state programs work better for Californians. In this proposal, he continues the state's recent focus on making the budget more resilient given the potential for economic downturns and emergencies, with expenditures to reduce pension liabilities, pay off budgetary debts, and increase the Rainy Day Fund. Without question, in his budget, the Governor has demonstrated a strong commitment to the California Community Colleges. It is fitting that his “California For All” state budget focuses attention on the higher education segment that serves the “top 100 percent” of students.

The budget furthers a key priority included in the Board of Governors' budget request: addressing affordability to give more Californians the opportunity to attend the community colleges to gain the skills and credentials needed to succeed in today's economy. The proposed expansion of the California College Promise—which builds on the framework created under Assembly Bill 19 of 2017—complements California's historic commitment to free tuition for low-income students by supporting

colleges in providing free tuition to full-time, first-time students for the amount of time needed to complete a college credential. I am especially heartened by the Governor's proposals to significantly expand financial aid through the Cal Grant program for the students who rely on the community colleges the most, including students raising children and adults returning to school. These proposals recognize that too many community college students lack the resources needed to support the non-tuition costs of college.

Moving forward, we must be mindful of the constraints created by more limited growth in the Proposition 98 minimum guarantee than we have experienced in recent years. The Governor's Budget continues implementation of the Student Centered Funding Formula, a key component of the state's strategy to achieve the *Vision for Success*, while making adjustments to use the 2018-19 funding rates again for 2019-20 (with full implementation, as scheduled, in 2020-21). Last month, I shared with the chief executive officers my concerns about the swings we saw in the data submitted for the student success allocation of the formula. The Governor has asked for further review of this data, and I have asked Vice Chancellor Christian Osmeña to work with the Advisory Group on Fiscal Affairs to conduct this review.

Although our perspectives on the policies included in the state budget may sometimes differ, we should all be able to rely on the same set of facts about how the budget will affect the California Community Colleges and the students we serve. With that goal in mind, the Chancellor's Office has partnered with the Association of California Community College Administrators, the Association of Chief Business Officials, and the Community College League of California to produce a joint analysis of the state budget. You can find that document here:

<http://extranet.cccco.edu/Portals/1/CFFP/Fiscal/Budget%20News/2019-20/UpdateGovBudget-011019-Final.pdf>. I appreciate the work of our partners, and I look forward to continuing to work with them throughout this budget process to provide clear information about the impacts of the state budget on the colleges.

To continue to build awareness of the budget's impact on the community colleges and to provide additional details on budget provisions, the Chancellor's Office will host a webinar on **Friday, January 18, from 10:00 am to 11:00 am**. You may sign up to participate here: https://cccconfer.zoom.us/webinar/register/WN_U3kFlw-JTKCo_bB8aSKuzQ.

As I have committed previously, I will do everything I can to make sure our system receives the support it needs in the 2019-20 budget. I hope you will join me in that work!

Eloy

Eloy Ortiz Oakley

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Joint Analysis of the State Budget: Immediate Update on Governor's Budget

BACKGROUND

This analysis was developed jointly by:

- Association of California Community College Administrators (ACCCA)
- Association of Chief Business Officials (ACBO)
- California Community Colleges Chancellor's Office (CCCCO)
- Community College League of California (League)

Its purpose is to provide factual information about the Governor's budget proposal as a common starting point for each organization's further analyses and advocacy efforts. Over the next several months, updated analyses will describe the proposed budget in greater detail, the proposed trailer bills, the Governor's May Revision, and the enacted budget.

INTRODUCTION

This morning, Governor Newsom released his budget proposal for the 2019-20 fiscal year. Under the proposal, the overall state budget would increase 4.5% from the enacted 2018-19 budget, to \$209.1 billion. General Fund spending would increase 4.0%, to \$144.2 billion. Although we will receive additional details in the coming days and weeks, below are selected highlights.

In his first budget, the Governor has included funding for several education priorities, including some proposals he emphasized during the gubernatorial campaign. Major proposals would:

- Expand kindergarten and pre-kindergarten availability, support workforce development and capacity-building for subsidized childcare, and expand health screening for infants, toddlers, and expectant parents.
- Increase funding by the amount needed to extend the California College Promise to a second year of tuition-free college for first-time, full-time California Community Colleges (CCC) students.
- Expand the Cal Grant program to include a new grant for student parents and increase the number of competitive Cal Grants.
- Make a \$3 billion, one-time state contribution to the State Teachers' Retirement System (STRS), thereby lowering employer contribution rates in 2019-20 and 2020-21.
- Start development of a statewide longitudinal student data system.

OVERVIEW OF CALIFORNIA COMMUNITY COLLEGES BUDGET

Proposition 98 Estimates

Minimum Guarantee. Each year, the state calculates a "minimum guarantee" for school and community college funding based on a set of formulas established by Proposition 98, which was approved by voters in 1988. The state very rarely provides funding above the estimated minimum guarantee for a budget year. As a result, the minimum guarantee determines the total amount of funding for schools and community colleges. Though total funding is determined by these formulas, the distribution of funding is not prescribed. The Governor and legislature have significant discretion in allocating funding to various programs and services.



Estimates of the Guarantee. The Legislative Analyst’s Office (LAO) estimates the minimum guarantee each November, and the Department of Finance (DOF) provides its estimates as part of the Governor’s budget proposal. The table below compares the LAO and DOF estimates for the minimum guarantee in the prior, current, and budget years. The DOF estimates have been used to build the final state budget in recent history. These estimates are adjusted periodically; the minimum guarantee for a given fiscal year is not finalized until about 18 months after the end of that fiscal year.

Table 1: Estimates of the Proposition 98 Minimum Guarantee (Dollars in Millions)

	PRIOR YEAR (2017-18)			CURRENT YEAR (2018-19)			BUDGET YEAR (2019-20)		
	LAO	DOF	DIFFERENCE	LAO	DOF	DIFFERENCE	LAO	DOF	DIFFERENCE
Minimum Guarantee	\$75,391	\$75,453	\$62	\$77,932	\$77,867	(\$65)	\$80,765	\$80,680	(\$85)
Funding									
General Fund	52,911	52,887	(24)	54,230	54,028	(202)	55,447	55,295	(152)
Local property tax	22,556	22,610	54	24,096	23,839	(257)	25,318	25,384	66
Total Funding	\$75,467	\$75,497	\$30	\$78,326	\$77,867	(\$459)	\$80,765	\$80,680	(\$85)
Funding Above Guarantee	76	44	(32)	394	0	(394)	0	0	0

Lower Guarantee for Current and Prior Years. Both LAO and DOF estimate that the minimum guarantee declined compared to the projections when the 2018-19 budget was enacted in June of last year. Such a decline can occur if school enrollment, economic growth, or state revenues turn out to be lower than expected. The funding above the guarantee indicated in Table 1 reflects this decline for 2017-18 and 2018-19. Because estimates were higher in the enacted budget, the amount of funding provided for 2017-18 exceeds the current estimates of the minimum guarantee in that year. (The administration adjusted funding for 2018-19 to match the revised guarantee in that year.) Under a new process implemented as part of the 2018-19 budget, funding above the guarantee is credited to future obligations (thereby lowering new spending in those years).

CCC Funding Levels

Table 2 shows the Governor’s proposed Proposition 98 funding levels for CCC in the prior, current, and budget years, based on DOF’s estimates of the minimum guarantee in each year. For each of these years, CCC’s share of total Proposition 98 funding is 10.93% (the traditional share).

Table 2: California Community Colleges Proposition 98 Funding by Source (Dollars in Millions)

CCC PROPOSITION 98 FUNDING	2017-18	2018-19	2019-20	CHANGE FROM 2018-19	
	REVISED	REVISED	PROPOSED	AMOUNT	PERCENT
General Fund	\$5,257	\$5,364	\$5,408	\$44	1%
Local Property Tax	2,963	3,119	3,321	202	6%
Totals	\$8,220	\$8,484	\$8,729	\$246	7%

Note: Prior to calculating the CCC share of Proposition 98 funding, funding for the Adult Education, Adults in Correctional Facilities, and K-12 Strong Workforce programs (\$515 million, \$706 million, and \$724 million in the prior, current, and budget years, respectively) is excluded from the total.

GOVERNOR’S PROPOSED CCC ADJUSTMENTS

The Governor’s proposal provides \$246 million in new spending for CCC in 2019-20 compared to the revised 2018-19 level. Table 3 lists the Governor’s proposed funding changes for CCC. These include a cost-of-living adjustment (COLA) of 3.46%.



Changes in Funding

Table 3: 2019-20 Changes in California Community Colleges Proposition 98 Funding (Dollars in Millions)

2018-19 REVISED BUDGET	\$8,484
Technical Adjustments	
Remove one-time spending	(\$109.7)
Student Centered Funding Formula base adjustments	111.6
Use settle-up and reappropriation funds for CCC Strong Workforce program	(76.6)
Workload adjustment to Student Success Completion Grant	10.9
Other technical adjustments	(28.3)
Subtotal	(\$92.1)
Policy Adjustments	
Provide 3.46% COLA for apportionments	\$248.3
Expand California College Promise Program	40.0
Fund 0.55% enrollment growth	26.0
Provide 3.46% COLA for certain categorical programs ^a	\$13.5
Make legal services to undocumented immigrants ongoing	10.0
Subtotal	\$337.8
Total Changes	\$245.7
2019-20 Proposed Budget	\$8,729

^a Applies to CalWORKs, Campus Childcare, DSPS, EOPS, and Mandates Block Grant programs.

Below, we highlight two of the Governor’s CCC proposals—expanding the California College Promise and continuing implementation of the Student Centered Funding Formula. We also detail local support by program area, capital outlay, and state operations funding in the proposed budget.

Expansion of College Promise

Additional Funding. The Governor proposes \$40 million in new funding to expand the California College Promise (Assembly Bill 19 of 2017). The additional funds are estimated to be the amount needed to cover students’ second year of attendance.

Use of Funds. Although this initiative is associated with “free college,” the structure of the initiative allows districts to decide how best to use the dollars. Under current law, districts can use funds to waive or buy out enrollment fees for any first-time, full-time California students for up to one year. Districts also can decide to use the funds for other purposes, such as providing grants to students to pay non-fee expenses, working with local education agencies to promote college preparedness and attendance, or providing other services to foster better outcomes for students. Under the Governor’s proposal, districts would be authorized to waive fees for up to two years.

District Eligibility. The requirements for districts to participate in the California College Promise remain unchanged from the original AB 19 implementation. Colleges must partner with local education agencies to establish an Early Commitment to College program, improve college readiness, reduce the need for remediation, use “multiple measures” for assessment and placement, participate in the Guided Pathways program, ensure that students complete the federal or state financial aid application, and participate in the federal student loan program.



Implementation of Student Centered Funding Formula

Planned Implementation. The Student Centered Funding Formula, which was implemented beginning in 2018-19, apportions funding to districts using a base allocation linked to enrollment, a supplemental allocation designed primarily to benefit low-income students, and a student success allocation based on each district’s student outcomes. Under the planned three-year phase-in of new formula factors, the base allocation would decline from about 70% of total funding to 65% in 2019-20 and 60% in 2020-21. The student success allocation, conversely, would increase from about 10% to 15% and 20% in the three years, respectively. The supplemental allocation would constitute about 20% of total funding in each year of the phase-in. This implementation would occur through changes in the funding rates for the base allocation and student success allocation.

Adjusts Implementation to Use 2018-19 Rates, Adjusted for COLA, in 2019-20. The Governor’s budget proposal continues the Student Centered Funding Formula but adjusts the implementation provisions, pending further data analysis. Specifically, funding rates for 2019-20 would instead reflect the 2018-19 rates plus a COLA. (The funding rates for 2020-21 and beyond would remain unchanged from current law.) As under current law, in 2019-20, a district would receive the highest of the following calculations: (1) the amount calculated pursuant to the Student Centered Funding Formula for 2019-20, (2) the amount calculated pursuant to the Student Centered Funding Formula for 2018-19, or (3) the amount the district received in 2017-18, adjusted by the COLAs in 2018-19 and 2019-20.

Additional Changes. The proposed budget limits year-to-year growth in the total amount of funds calculated for the student success allocation to 10%. In addition, proposed trailer bill language would modify the definition of the number of students who transfer to four-year universities.

Tables 4 shows the 2018-19 and proposed 2019-20 funding rates under the Student Centered Funding Formula.

Table 4: Student Centered Funding Formula Factors and Rates

FACTORS	2018-19	2019-20
Base Allocation (per FTES)		
Credit FTES ^a	\$3,727	\$3,856
Credit FTES of special admits	5,457	5,646
Credit FTES of inmates in correctional facilities	5,457	5,646
Noncredit FTES	3,347	3,463
CDCP noncredit FTES	5,457	5,646
Basic Allocation (by category)		
Single college district, fewer than 10,000 FTES	3,917,752	4,053,306
Single college district, 10,000-19,999 FTES	5,223,670	5,404,409
Single college district, 20,000 or more FTES	6,529,588	6,755,512
Multi-college district, fewer than 10,000 FTES	3,917,752	4,053,306
Multi-college district, 10,000-19,999 FTES	4,570,712	4,728,859
Multi-college district, 20,000 or more FTES	5,223,670	5,404,409
Rural college designation	1,246,086	1,289,201
State approved centers	1,305,918	1,351,103
Grandparented centers, more than 1,000 FTES	1,305,918	1,351,103
Grandparented centers, 750-999 FTES	979,437	1,013,326
Grandparented centers, 500-749 FTES	652,958	675,550
Grandparented centers, 250-499 FTES	326,479	337,775
Grandparented centers, 100-249 FTES	163,241	168,889



FACTORS	2018-19	2019-20
Supplemental Allocation (per headcount)		
Pell Grant recipient	919	951
California College Promise Grant recipient	919	951
AB 540 Fee Waiver recipient	919	951
Student Success Allocation (per outcome)		
All Students		
Associate degree for transfer	1,760	1,821
Associate degree	1,320	1,366
Baccalaureate degree	1,320	1,366
Credit certificate requiring 18 or more units	880	910
Transfer-level math and English courses completed within the student's first academic year of enrollment	880	910
Transfer to a four-year university	660	683
9 or more career technical education units completed	440	455
Regional living wage obtained within one year of community college completion	440	455
Additional for Pell Grant recipients		
Associate degree for transfer	666	689
Associate degree	500	517
Baccalaureate degree	500	517
Credit certificate requiring 18 or more units	333	345
Transfer-level math and English courses completed within the student's first academic year of enrollment	333	345
Transfer to a four-year university	250	259
9 or more career technical education units completed	167	173
Regional living wage obtained within one year of community college completion	167	173
Additional for California College Promise Grant recipients		
Associate degree for transfer	444	459
Associate degree	333	345
Baccalaureate degree	333	345
Credit certificate requiring 18 or more units	222	230
Transfer-level math and English courses completed within the student's first academic year of enrollment	222	230
Transfer to a four-year university	167	173
9 or more career technical education units completed	111	115
Regional living wage obtained within one year of community college completion	111	115

^a For some districts, existing law supersedes these rates with district-specific rates.



Local Support Funding by Program

Table 5 shows proposed local assistance funding by program for the current and budget years. As the table shows, most categorical programs received level or workload funding in the Governor’s proposal.

Table 5: California Community Colleges Funding by Program^a (Dollars in Millions)

	2018-19	2019-20	CHANGE FROM 2018-19	
	REVISED	PROPOSED	AMOUNT	PERCENT
Student Centered Funding Formula	\$7,156	\$7,504	\$348	5%
Student Equity and Achievement Program	475	475	0	0%
Strong Workforce Program	255	171	-84	-33%
Student Success Completion Grant	132	143	11	8%
Adult Education Program	131	135	4	3%
Disabled Students Programs and Services (DSPS)	120	125	4	3%
Extended Opportunity Programs and Services (EOPS)	112	116	4	3%
California College Promise (AB 19)	46	80	34	74%
Financial aid administration	92	77	-15	-16%
Full-time faculty hiring	50	50	0	0%
CalWORKs student services	45	47	2	3%
Apprenticeship (CCC districts)	53	44	-9	-17%
Integrated technology	42	42	0	0%
Mandates Block Grant and reimbursements	33	34	1	3%
Institutional effectiveness initiative	29	28	-1	-5%
Part-time faculty compensation	25	25	0	0%
Online education initiative	58	23	-35	-60%
Economic and Workforce Development	23	23	0	0%
NextUp (foster youth program)	20	20	0	0%
California Online Community College	120	20	-100	-83%
Cooperative Agencies Resources for Education (CARE)	16	17	1	3%
Lease revenue bond payments	32	16	-16	-49%
Nursing grants	13	13	0	0%
Part-time faculty office hours	62	12	-50	-80%
Legal services	10	10	0	0%
Fund for Student Success	9	9	-1	-8%
Foster Parent Education Program	5	5	0	0%
Veterans Resource Centers	13	5	-8	-63%
Childcare tax bailout	4	4	0	3%
Other ^b	3	3	0	0%
Equal Employment Opportunity Program	5	3	-2	-43%
One-time program funding ^c	31	-	-31	-100%
Deferred maintenance and instructional equipment (one time)	28	-	-28	-100%
College-specific allocations	16	-	-16	-100%



	2018-19	2019-20	CHANGE FROM 2018-19	
	REVISED	PROPOSED	AMOUNT	PERCENT
K-12 passthroughs (adult ed, K-12 apprenticeship, workforce)	621	609	-12	-2%
Totals	\$9,888	\$9,888	\$0	0%

^a Table reflects total programmatic funding for CCC, including amounts from prior years available for use in the years displayed.

^b Other programs include Academic Senate, transfer, FCMAT, and part-time faculty health insurance.

^c Includes one-time allocations for hunger-free campus, mental health services and training, re-entry grant program, and open educational resources.

In developing the Governor’s budget proposal, DOF used the information shown in Table 6.

Table 6: Planning Factors for Proposed 2019-20 Budget

FACTOR	2017-18	2018-19	2019-20
Cost-of-living adjustment (COLA)	1.56%	2.71%	3.46%
State Lottery funding per FTE	\$205.60	\$223.23	\$222.37
Mandates Block Grant funding per FTE	\$28.44	\$29.21	\$30.22
RSI reimbursement per hour	\$5.90	\$6.26	\$6.48
Financial aid administration per College Promise Grant	\$0.91	\$0.91	\$0.91
Employer pension contribution rates			
Public Employee Retirement System (PERS)	15.53%	18.06%	20.80%
State Teachers Retirement System (STRS)	14.43%	16.28%	17.10%

We are not aware of any changes in allocation methods or match requirements for local support programs, other than the funding formula adjustments described above.

Capital Outlay

The Governor’s budget proposal provides \$358.7 million in capital outlay funding from Proposition 51, approved by voters in 2016. The funding is to support 15 continuing projects and 12 new projects, as listed in Table 7.

Table 7: Governor’s Proposed CCC Capital Outlay Projects

COLLEGE	PROJECT	PHASE	2019-20		ALL YEARS	
			STATE COST	TOTAL COST	STATE COST	TOTAL COST
Continuing Projects						
Santa Monica College	Math/Science Addition	C	\$37,031,000	\$72,934,000	\$39,615,000	\$78,102,000
Laney College	Learning Resource Center	C	22,812,000	70,556,000	24,417,000	75,686,000
Mt. San Antonio College	New Physical Education Complex	C	53,993,000	67,768,000	57,541,000	72,238,000
Santa Rosa Junior College	Science and Mathematics Replacement Building	C	30,882,000	61,200,000	33,076,000	65,589,000
Orange Coast College	Language Arts and Social Sciences Building	C	28,305,000	55,706,000	30,353,000	59,803,000
Allan Hancock College	Fine Arts Complex	C	22,873,000	45,012,000	24,526,000	48,318,000
Golden West College	Language Arts Complex	C	21,925,000	43,248,000	23,540,000	46,478,000
North District Center	Center Expansion	C	40,275,000	40,275,000	42,403,000	43,285,000



			2019-20		ALL YEARS	
COLLEGE	PROJECT	PHASE	STATE COST	TOTAL COST	STATE COST	TOTAL COST
Santa Ana College	Russell Hall Replacement	C	19,192,000	37,875,000	20,729,000	40,948,000
Solano College	Library Building 100 Replacement	C	17,396,000	36,987,000	20,148,000	39,739,000
Compton College	Instructional Building 2 Replacement	C	14,891,000	23,050,000	16,167,000	24,995,000
Mission College	MT Portables Replacement Building	C	10,073,000	20,019,000	10,814,000	21,500,000
Merritt College	Child Development Center	C	5,692,000	18,593,000	6,128,000	20,013,000
Imperial College	Academic Buildings Modernization	C	8,647,000	16,949,000	9,043,000	17,741,000
Long Beach City College	Construction Trades Phase 1	C	6,712,000	12,032,000	7,304,000	13,107,000
New Projects						
San Bernardino Valley College	Technical Building Replacement	PW	2,313,000	5,174,000	34,411,000	75,647,000
College of the Redwoods	Phys Ed Replacement	PW	5,379,000	5,379,000	60,648,000	60,648,000
American River College	Technical Building Modernization	PW	1,258,000	4,191,000	29,959,000	57,966,000
Saddleback College	Gateway Building	PW	1,719,000	3,501,000	26,080,000	52,338,000
College of Alameda	Replacement of Buildings B and E (Auto and Diesel Technologies)	PW	1,278,000	2,555,000	17,044,000	33,650,000
Los Angeles City College	Theater Arts Replacement	PW	1,112,000	2,245,000	15,140,000	30,095,000
Merced College	Agriculture Science and Industrial Technologies Complex	PW	431,000	2,153,000	12,974,000	25,629,000
Santa Monica College	Art Complex Replacement	PW	793,000	1,585,000	10,901,000	21,526,000
Rio Hondo College	Music/Wray Theater Renovation	PW	847,000	1,959,000	9,873,000	20,486,000
College of the Sequoias	Basic Skills Center	PW	1,365,000	1,365,000	15,635,000	17,350,000
Fresno City College	New Child Development Center	PW	1,036,000	1,295,000	13,520,000	16,850,000
Butte College	Technology Remodel	PW	518,000	1,034,000	8,088,000	10,722,000
Totals			\$358,748,000	\$654,640,000	\$620,077,000	\$1,090,449,000

Note: P = preliminary plans. W = working drawings. D = design. C = construction.

State Operations

The proposed budget includes three substantive changes for state operations:

- \$5 million one time for outreach related to the California College Promise
- \$435,000 one time to support the work of the Student Centered Funding Formula Implementation Oversight Committee
- \$135,000 ongoing for an information security officer

The proposal would result in total budgeted resources for the Chancellor's Office of \$34.7 million in 2019-20 (including \$23.7 million General Fund).



BEYOND THE CCC BUDGET

In addition to the Governor’s CCC proposals, the budget includes several efforts that would affect our students and colleges.

Cal Grant Expansion

The Governor includes \$121.6 million to provide additional financial aid for Cal Grant recipients who are enrolled in one of the public higher education segments and who have dependent children. For students receiving the Cal Grant A, the proposal creates a new access award that could provide up to \$6,000 annually. For students receiving the Cal Grant B, the maximum access award would increase to \$6,000 annually (from \$1,648). For students receiving the Cal Grant C (for students enrolled in career-technical education programs), the maximum book and supplies award would increase to \$4,000 (from \$1,094).

In addition, the Governor proposes to increase the number of competitive Cal Grant awards. These awards are for students who meet general Cal Grant eligibility requirements but do not qualify for the entitlement programs, primarily because of the amount of time they have been out of school. As a result, these awards generally serve older adults. The budget includes \$9.6 million to fund 4,250 new competitive Cal Grant awards, bringing the new total to 30,000 awards in 2019-20. The new awards are distributed evenly between those awarded following the March deadline (open to all students) and those awarded following the September deadline (for CCC students only).

Relief on STRS Costs

The Governor’s budget includes a \$3 billion STRS payment that would reduce the unfunded liability for teacher pensions. A portion of this reduction in the liability would reduce the statutory employer contributions in 2019-20 and 2020-21. Table 8 compares the projected employer contribution rates to contribution rates under the current funding plan for these two years.

Table 8: California Teachers’ Retirement System Employer Contribution Rates

YEAR	CURRENT FUNDING PLAN	GOVERNOR’S BUDGET PROPOSED RATES	CHANGE
2019-20	18.13%	17.10%	-1.03%
2020-21	19.10%	18.10%	-1.00%

New Longitudinal Student Data System

The Governor’s proposed budget includes \$10 million one time to begin planning, and support the initial costs of, a new statewide longitudinal student data system. The California Department of Education will serve as the fiscal agent for these funds, with the education segments expected to participate in the planning and implementation of the new system.

In about a week, as additional details become available, the ACBO, ACCCA, CCCCO, and the League will provide a more complete joint analysis of the Governor’s budget proposal.

