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 Revise 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
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
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 15\textsuperscript{th} deadline to enact a state budget to forward to Governor for signature by July 1\textsuperscript{st}
  – 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 12\textsuperscript{th} Board meeting