



2013-2014
Budget Update
Governor's 2014-2015 Proposed
Budget

Board of Trustees Meeting
January 13, 2014

State Budget Update Governor's Proposed Budget

- Proposed Budget “leaked” evening of January 8th
 - Was scheduled for January 10th
- State economy slowly rebounding from recession
 - Additional revenues from improving economy, employment, capital gains and consumer confidence
 - Prop 30 temporary taxes revenues
- Additional combined revenues project state budget surpluses in near future
 - One time revenues (capital gains taxes) vs. ongoing projected revenues
- Governor urges “wisdom and prudence should be the order of the day”

State Budget Update
Governor's Proposed Budget
Community Colleges Impact

- No increase to student enrollment fees proposed
- \$155.2 million (3.0%) in growth/access/restoration funding
 - RSCCD = approximately \$3.9 million?
 - Subject to BOG adopting a growth formula that “gives first priority to districts identified as having the greatest unmet need in adequately serving their community’s higher educational needs. All districts will receive some additional growth funding, and over time will be fully restored to pre-recession apportionment levels.”
 - No clarity yet on what this means and how funds would be earned

State Budget Update
Governor's Proposed Budget
Community Colleges Impact

- COLA (Cost of Living Allowance) - \$48.5 million
 - Governor proposes a 0.86% statutory COLA for general purpose apportionments
 - No COLA proposed for categorical programs
 - RSCCD = approximately \$1.2 million
- Apportionment Deferrals - \$592.4 million
 - Eliminates (buys back) all community college's apportionment deferrals (IOU's)
 - \$235.6 million from one time Prop 98 prior year settle up funds
 - \$356.8 million from 2014-2015 budget year
 - RSCCD = \$15.4 million
 - Largest allocation, but does not provide any additional funds to districts (no new money)
 - pays off entirely the state's apportionment deferrals "wall of debt" to the community colleges (and K-12 education)

State Budget Update
Governor's Proposed Budget
Community Colleges Impact

- Student Success and Support Program - \$100 million expansion
 - Formerly Matriculation program
 - RSCCD = approximately \$2.5 million
- Plus an additional \$100 million to establish a new program within the Student Success and Support Program for “Student Equity”
 - “to close achievement gaps in access and achievement in underrepresented student groups, as identified in local Student Equity Plans” and “to better coordinate delivery of existing categorical programs.”
 - RSCCD = \$2.5 million?
 - No clarity on how funds are to be distributed to districts

State Budget Update
Governor's Proposed Budget
Community Colleges Impact

- Prop 39 energy efficiency program - \$39 million
 - slightly less than 2013-2014
 - RSCCD = approximately \$999,000
 - Second year of funding the program
- Redevelopment Agency funding shortfalls - partial backfill
 - Shortfall caused larger overall apportionment deficits for districts
 - \$38.4 million for 2013-2014
 - RSCCD = approximately \$980,000
 - \$35.6 million for 2014-2015
 - RSCCD = approximately \$911,000
 - Not new funds – partial “property tax” backfill
 - Reduces apportionment deficit

State Budget Update
Governor's Proposed Budget
Community Colleges Impact

- **Scheduled Maintenance - \$87.5 million**
 - One time prior year Prop 98 settle-up funds
 - RSCCD = approximately \$2.2 million
 - Match = 1:1
- **Instructional Equipment - \$87.5 million**
 - One time prior year Prop 98 settle-up funds
 - RSCCD = approximately \$2.2 million
 - Match = 1:3
- **Overall, only about 42% of these funding proposals are for additional funds to districts with the remainder buying apportionment down deferrals**

State Budget Process

- Governor's Proposed Budget just starts state budget discussions for 2014-2015
 - Not much happens until after April 15
 - Legislative sub committee hearings
- May Revise (expected May 15) updates state revenues and expenditures
 - This is generally when serious budget discussions start
- Legislature has a June 15th deadline to enact a state budget to forward to Governor for signature by July 1

From: Scott Lay [scottlay@cleague.org]
Sent: Thursday, January 09, 2014 11:57 AM
To: O'Connor, Adam
Subject: 2014-15 Budget Talking Points



January 9, 2014

Sent to CEOs, PIOs, Trustees, and CBOs

2014-15 Budget Talking Points

Restoring Access, With an Eye on Participation Equity

The governor's budget proposal sets aside \$155.2 million for "growth in general-purpose apportionments," while recognizing that particular attention needs to be paid to populations that are currently underserved but critical to the state's need for an educated workforce. Additionally, by funding the statutory 0.86% cost-of-living adjustment and providing funding to eliminate an "apportionment shortfall," the plan ensures that colleges can count on actual funding being present to serve students.

Fulfilling the Promise of Institutional Support Leading to Success . . .

The governor's spending plan continues the modernization of student support in community colleges by proposing an additional \$100 million for the Student Success and Support Program (SSSP). This would nearly double the pre-recession funding level for student orientation, assessment, placement, and guidance, enabling colleges to implement best-practice student support mechanisms and interventions to reduce the time-to-degree and increase success rates.

. . . With a Focus on Equity in Student Success.

Across the country, colleges and universities are working to increase success rates for all students, while closing access and achievement gaps among underrepresented students. The governor's budget plan would provide \$100 million to close access and achievement gaps as identified in Student Equity Plans, which are developed by local faculty, staff, and students and adopted by community college governing boards.

Addressing Critical Infrastructure Needs

During the recession, California's community colleges prioritized instruction and student support, and essential maintenance and equipment purchases were often postponed. This particularly hurt career-technical education programs, which require current equipment to ensure students are adequately prepared for the workforce. The governor proposes \$87.5 million each for maintenance and instructional equipment, which can be used locally to address priority needs.

Promoting and Recognizing Innovation

The proposed budget recognizes that faculty and staff locally in California's community colleges and our four-year campuses are leaders in innovation. The budget sets aside \$50 million to

recognize effective practices to accelerate higher education completion and intersegmental coordination.

Thanks,

A handwritten signature in cursive script, appearing to read "Scott Lay".

Scott Lay
President and Chief Executive Officer
Orange Coast College '94

Community College League of California
2017 O Street, Sacramento, California 95811
916.444.8641 . www.ccleague.org

From: Scott Lay [scottlay@cleague.org]
Sent: Wednesday, January 08, 2014 8:47 PM
To: O'Connor, Adam
Subject: Corrected link: 2014-15 Budget Summary released



January 8, 2014

The [link to the PDF](#) of the budget broke on the first distribution of this message.

Dear Adam,

The summary of the governor's proposed 2014-15 state budget was leaked this evening, and is making the rounds with the media and policy circles. Thus, we wanted to share with you some summary information in a very good proposed budget for community colleges.

The document [is available here](#).

In short, the proposed budget for community colleges would fund:

- a 0.86% cost-of-living adjustment (\$48.5 million)
- 3% enrollment growth/restoration (\$155.2 million), with a direction to the Board of Governors to adopt a growth formula that "gives first priority to districts identified as having the greatest unmet need in adequately serving their community's higher educational needs. All districts will receive some additional growth funding, and over time will be fully restored to pre-recession apportionment levels."
- \$100 million augmentation for continued expansion of the Student Success and Support Program (formerly matriculation)
- \$100 million for "to close achievement gaps in access and achievement in underrepresented student groups, as identified in local Student Equity Plans" and "to better coordinate delivery of existing categorical programs"
- \$87.5 million for scheduled maintenance (one-time funds)
- \$87.5 million for instructional equipment (one-time funds)
- \$592.4 million to eliminate all cash deferrals
- \$1.1 million for additional staffing for the Chancellor's Office for development and monitoring of district success indicators and \$2.5 million for local technical assistance to "support implementation of effective practices across all districts, with a focus on underperforming districts"
- \$50 million for a higher education innovations incentive award program for UC, CSU, and CCC: "These incentive awards will recognize models of innovation in higher education that: (1) significantly increase the number of individuals in the state who earn bachelor's degrees, (2) allow students to earn bachelor's degrees that can be completed within four years of enrollment in higher education, and (3) ease transfer through the state's education system, including by recognizing learning that has occurred across the state's education segments or elsewhere."

We'll be diving more deeply into the details, but for now we are grateful that the proposed budget invests in *student access, success, and equity*--core priorities of the League--and continues the path to rebuilding our colleges following the deep recession cuts.

Thanks,



Scott Lay
President and Chief Executive Officer
Orange Coast College '94

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Huegli, Gina

From: Troy, Dan [dtroy@CCCCO.EDU]
Sent: Thursday, January 09, 2014 9:03 AM
To: SO2CBO@LISTSERV.CCCNEXT.NET
Subject: 2014-15 Governor's Budget Highlights

Colleagues,

An improved economic climate and continued support from Proposition 30 revenues has created a much brighter revenue outlook for public education in general and for the California Community Colleges, more specifically. While there are still many details to be examined in the coming days and weeks, I wanted to share with you some of the key highlights of the Governor's budget proposal for the 2014-15 fiscal year.

Strong growth in the Proposition 98 minimum guarantee - The approved budget for 2013-14 set the K-14 minimum guarantee at \$55.3 billion. For 2014-15, that Governor estimates the guarantee at \$61.6 billion - a year over year increase of about 11.4%. Additionally, the Governor's estimate finds that the guarantee for the current and prior years was underfunded, providing about \$3.3 billion in additional one-time K-14 resources. As noted below, the Governor primarily proposes to use these one-time resources to pay down deferral obligations.

California Community Colleges - The chief budget highlights as they pertain to the CCCs include:

- **Access** - \$155.2 million to fund a 3% restoration of access. The budget proposes that the Board of Governors adopt a formula for local growth allocations that gives priority to districts "identified as having the greatest unmet need in adequately serving their community's higher educational needs." The budget summary states that all districts will be eligible for expanded access and that districts will eventually be restored to pre-recession levels.
- **COLA** - \$48.5 million to fund a statutory COLA of 0.86%.
- **Student Success** - \$200 million to support student success programs and strengthen support for underrepresented students. This includes \$100 million for the Student Success and Support Program and \$100 million to close gaps in access and achievement for underrepresented students groups, as identified in Student Equity Plans.
- **Deferred Maintenance and Instructional Equipment** - \$175 million to be evenly split between deferred maintenance and instructional equipment.
- **Deferrals** - \$235.6 million in budget year funding to pay down deferrals. Combined with \$356.8 million proposed in one-time funds for this purpose, this would completely eliminate the system's inter-year deferrals.
- **Proposition 39** - \$39 million in funds owing to Proposition 39 to address energy efficiency projects and workforce development.
- **Improving Statewide Performance** - \$2.5 million is provided to provide local technical assistance to support implementation of effective practices in all districts, with priority placed on underperforming districts. Additionally, the Chancellor's Office, will receive \$1.1 million and 9 new positions aid this effort by developing indicators of student success and to monitor performance.
- **Flexibility** - The Governor proposes to allow districts to reallocate up to 25% of funds from select categorical programs to other federal, state, or local programs to meet the needs of underrepresented student groups as identified in Student Equity Plans.
- **RDAs** - The Governor proposes to improve the stability of the base apportionment by moving up the deadline for determining the amount of backfill funding necessary to resolve shortfalls stemming from RDA funds. This should help to resolve deficits prior to the end of the fiscal year rather than after the fact. The Governor proposes to initiate this change in the current year, and he provides \$38.4 million for 2013-14 and \$35.6 million for 2014-15 to account for the shift.

- **Apportionment stabilization** - As you may know, Proposition 30 requires that each district receive at least \$100 per FTES from the Education Protection Account created by the ballot initiative. This resulted in additional unfunded obligations to districts that would not have otherwise received state General Fund. The administration proposes to fund these obligations not only for 2014-15 and subsequent years, but also to backfill obligations from 2012-13 and 2013-14. The Governor attempts to further stabilize the base apportionment by estimating local obligations for FTES stability and restoration costs provided in statute. Broadly, these changes are intended to mitigate structural deficits that have plagued the system in recent years.
- **Adult Education** - The Governor reiterates his commitment to provide funding in the 2015-16 budget to implement to plans being developed by regional adult education consortia.
- **Innovative Models of Higher Education** – \$50 million in one-time funding (non-Proposition 98) is proposed for incentive awards that recognize models of innovation in higher education that 1) increase the number of students earning bachelor’s degrees, 2) increase the number of bachelor’s degrees earned within four years, and 3) ease transfer the state’s education system.

The Governor does not propose to raise student fees, nor does he propose to fund FTES on completion or to require all students seeking fee waivers to complete a FAFSA. Further, the Governor states the intent to devise a plan in the 2015-16 fiscal year that will resolve the CalSTRS fund shortfall within 30 years.

UC and CSU - The Governor continues the four-year investment plan begun in 2013-14 by funding 5% increases in general fund support for UC and CSU. This equates to an increase of \$142.2 million each for the UC Regents and the CSU Board of Trustees. The universities are expected to adopt three-year sustainability plans that set targets for key measures. Further, the Administration reiterates its expectation that current tuition and fee levels are maintained through 2016-17.

K-12 - The Governor proposes to continue making progress toward implementing the newly instituted Local Control Funding Formula. Ongoing K-12 per pupil funds rates expenditures increase to \$9,194 in 2014-15, up from \$8,469 in the current year. The Governor proposes to eliminate year over year deferrals in K-12 just as he does for the Colleges.

Constitutional Amendment - The K-12 section is further notable for a reference to state’s chronic revenue volatility, and states the intent to pursue a constitutional amendment that will “smooth year-to-year school spending to prevent damage caused by cuts.” The section further states that the amendment would not change the overall guaranteed level of funding for education.

There are many details to review in the coming days, but these are the major highlights. Keep in mind that we remain several steps removed from an enacted budget. The next steps include the release of budget bills, trailer legislation, review by the Legislative Analyst’s Office and by legislative committees. Revenues will be revised in May, which sets the table for the passage and approval of a final budget by the end of June. The Chancellor’s Office will keep you updated on all major developments.

Regards,
Dan Troy

Vice Chancellor, College Finance and Facilities Planning
California Community Colleges Chancellor’s Office

COMMUNITY COLLEGE UPDATE

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Volume 27

For Publication Date: January 10, 2014

No. 1

Governor's Budget Summary Provides a Preview of Key Proposals for 2014-15

The 2014-15 State Budget plan became public ahead of schedule, leaked out to a watchful Capitol community on the evening of January 8, 2014, and leading Governor Jerry Brown to move up his scheduled January 10 Budget press conference by one day, now set for tomorrow, January 9.

The Budget Summary points to a state economic outlook showing a slow but consistently growing economic recovery. Recently, less uncertainty at the federal level has resulted in a positive impact on consumer and producer confidence, and unemployment both in the state and nationally continues to drop while job creation and housing prices are improving. The improving economy results in healthy projected 2014-15 state General Fund revenue growth, and, for education, an estimated increase in Proposition 98 spending to \$61.6 billion in 2014-15, \$6.3 billion above the 2013-14 budgeted level.

Community College Apportionments and Fees

For community colleges, Governor Brown's 2014-15 State Budget proposes an increase of \$155.2 million (or 3% increase) to general-purpose apportionments, to be allocated by the Board of Governors (BOG) in a manner that gives first priority to districts identified as having the greatest unmet need; all districts will receive some additional growth funding. Governor Brown proposes no changes to current fee levels.

Deferrals

In addition, Proposition 98 revenues are estimated to rise, respectively, by \$1.8 billion and \$1.5 billion above 2012-13 and 2013-14 budgeted funding. The additional revenues from the past and current year Proposition 98 increases are available for one-time purposes, and are used along with a portion of the 2014-15 increase to fully retire remaining K-14 deferrals at a cost of \$6.1 billion, \$592.4 million to community colleges. If adopted by the Legislature, retirement of the remaining deferrals will improve district cash flow and free other local resources that have otherwise been used in past years to subsidize state "borrowing" from education through the deferral process.

Other Funding and Policy Proposals

Governor Brown's Budget proposes a variety of new funding streams that would affect how community colleges operate:

- Investing in Student Success—\$200 million to improve and expand student success programs and to strengthen efforts to assist underrepresented students with services such as orientation, assessment, placement, and counseling, and closing achievement gaps in access and achievement
- Cost-of-Living Adjustment (COLA)—\$48.5 million for a statutory COLA of 0.86%

- Financial Stability for Apportionments—\$38.4 million in 2013-14 and \$35.6 million in 2014-15 by shifting a portion of the redevelopment agency (RDA) revenues that are scheduled to be received in the final months of the fiscal year to the following fiscal year
- Deferred Maintenance and Instructional Equipment—\$175 million in one-time funds split between deferred maintenance and instructional equipment purchases
- Proposition 39 Funding—\$39 million for energy efficiency program grants
- Implementing Statewide Performance Strategies—\$1.1 million for the Chancellor's Office to develop leading indicators of student success and to monitor districts' performance and \$2.5 million to provide local technical assistance to support implementation of effective practices

Governor Brown cites the continued work of the Student Success Task Force, which he expects to improve completion rates while closing achievement gaps and proposes additional investment in this area (see above). Without any detail, Governor Brown's proposal states districts will be provided flexibility to reallocate up to 25% of select categorical programs to other federal, state, or local student support programs to better meet the needs of their underrepresented student groups.

To promote innovation in all segments of higher education, Governor Brown proposes \$50 million in one-time funds for an "Awards for Innovation in Higher Education" program. Higher education institutions will propose innovative models that advance state priorities, have statewide impact, and are likely to be implemented effectively.

Regarding Adult Education, Governor Brown notes the work being done by the Chancellor's Office and the California Department of Education to complete the adult education consortia plans, but does not make any additional proposals, asserting the intention to make an investment in the 2015-16 State Budget for adult education.

The Budget includes \$175 million for community college facilities projects. Governor Brown throws water on the idea of introducing a 2014 facilities bond, by proposing to continue a dialogue on the future of school facilities funding, including consideration of "what role, if any, the state should play in the future of school facilities funding."

Rainy Day Fund

Governor Brown has a plan to avoid using deferrals again if current funding levels decline during the next revenue downturn; seeking to avoid a continuation of the boom and bust cycle of state revenues and budgeting, he is proposing a constitutional amendment that would mandate that a portion of state revenue growth that exceeds a minimum level, especially from taxes on volatile capital gains, be dedicated to a special reserve fund. While making the first deposit to the constitutionally established state "rainy day" fund since 2007, he also is proposing through the amendment to strengthen that fund to better prepare for future decreases in state revenues and the demands of long-term state liabilities.

As part of that proposal, a share of revenue growth diverted to reserves would also accrue to a Proposition 98 reserve, to be used to smooth out the year-to-year fluctuations in the K-14 minimum guarantee.

The California State Teachers Retirement System

The Governor's Budget notes that the California State Teachers' Retirement System (CalSTRS) faces a growing unfunded liability of \$80.4 billion and may exhaust its assets within 30 years. Stabilizing

the system could cost more than \$4.5 billion per year. While not proposing a solution as part of this budget, Governor Brown is committing his administration to working with stakeholders on a "plan of shared responsibility" to achieve a fully funded system within 30 years, which will be included in the 2015-16 Budget proposal.

The Budget Summary of the CalSTRS funding issue closes with the following: "A new funding strategy should phase-in contribution increases for employees, employers, and the state to allow parties to prepare for cost increases. Because retirement benefits are part of total compensation costs, school districts and community colleges should anticipate absorbing much of any new CalSTRS funding requirement. The state's long-term role as a direct contributor to the plan should be evaluated."

More to Come . . .

This very broad extract of the Governor's 2014-15 State Budget Proposal is provided to keep you informed. Many of the proposals are being provided for the first time and without any detail. Over the next few days, we will be working to distill the information and make it actionable for community colleges in local budget planning.

—*SSC Staff*

posted 01/08/2014

COMMUNITY COLLEGE UPDATE

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Volume 27

For Publication Date: January 10, 2014

No. 1

Governor's Proposals for the 2014-15 State Budget and Education

What a difference a year makes! Just 13 months ago education was faced with a very tough situation; either Proposition 30 passes or education takes another deep cut. This year due to an improving economy the increases proposed for K-14 local educational agencies are the most significant that we've seen since before the recession. While the Governor dedicates a significant amount of these increased resources to fund the K-12 Local Control Funding Formula (LCFF), community colleges are proposed to receive much more than the meager 0.86% estimated cost-of-living adjustment (COLA) projected by the state.

Those who follow our analyses of Proposition 98 know that we believe that under current law education would be entitled to about 90% of any year-to-year revenue growth experienced by the state. The results of that calculation as reflected in the Governor's projection produce a remarkable result. While the California economy as a whole improves at a very moderate rate, and tax revenues increase at a somewhat better rate, education's Proposition 98 entitlement skyrockets. This creates a window of opportunity unlike any we have had before.

Remembering that most of the state's past financial problems have stemmed from over-exuberance in good times, not just the onset of bad times, it is important for us to look at the prospects for stability that underpin the Governor's proposals. A rollercoaster that can take us up quickly can take us down just as quickly unless there is a safety net. The Governor acknowledges that in some future year there will be another downturn. To protect education in that eventuality, the Governor creates two rainy day funds: one for education and one for the rest of the budget. We think this is reasonable and prudent, though we expect the Governor to get push-back from those who would prefer to spend more now.

In addition to the increase in projected revenues for 2014-15, Governor Brown recognizes higher revenues and higher Proposition 98 obligations for both 2012-13 and 2013-14. These one-time resources enable the state to buy out the remaining \$6.1 billion in K-14 cash deferrals. We detail these and other financial and policy impacts of the Governor's proposals below.

Overview of the Governor's Budget Proposals

Governor Jerry Brown released his proposal for state revenues and spending for 2014-15 one day earlier than expected, holding a press conference on Thursday, January 9, 2014, rather than Friday. His proposal projects \$106.1 billion in new state revenues in the Budget year, plus \$4.2 billion in carryover funds, to pay for \$106.8 billion in state expenditures.

His top Budget priorities for the coming year are education and paying down prior-year debts, including the K-14 apportionment deferrals. His Budget allocates \$1.6 billion to the Budget Stabilization Account (BSA) and \$1 billion to the reserve.

At his press conference, the Governor stressed the need for the "wise allocation of public funds." He also indicated that he would not pursue an extension of the higher tax rates enacted under Proposition 30, stating that "we must live within our means." In turn, his Budget proposes modifications to the Proposition 58 BSA and the establishment of a Proposition 98 reserve to smooth out education spending.

"Wisdom and prudence should be the order of the day," Governor Brown wrote in his note to the Legislature proposing his Budget for next year.

The Economy and Revenues

The Economy

The Governor's Budget Proposal paints a picture of the overall economy that is in line with what others have been saying—"the slow economic recovery continues." This is the same assessment that was offered by the Legislative Analyst's Office (LAO) in November and the UCLA Anderson Forecast the following month.

As evidence that the economy is improving, the Governor's Department of Finance (DOF) points to falling unemployment rates for both the nation and California and an improving housing market. At the national level, the DOF projects real gross domestic product (GDP) to pick up in 2014 to about 2.5% and increase to over 3% in 2015 and 2016. GDP is expected to rise over the next year and a half as pent up consumer demand stimulates purchases of durable goods. This increase, however, is expected to ease as the pent up demand trails off. DOF economists see near term GDP growth peaking in the third quarter of 2015 at 3.4% and then dropping slightly in the following quarter to 3.1%.

Similarly, the U.S. job market continues to improve, with the U.S. unemployment rate falling to 7.0% in November 2013, down from 7.8% a year earlier. While it has been 4½ years since the recovery began, the nation has yet to recover all of the jobs lost; currently about 94% of the job loss has been recovered. Because of the new entrants coming into the job market, wages have remained relatively low, which in turn has kept the overall price increase below 2%.

Unfortunately, weak economic growth worldwide will keep net exports down, acting as a drag on the economy. The DOF expects import growth to outpace export growth during the near term. This will have a significant impact on California because of the state's dominant role in the export market, especially to Pacific Rim countries.

The California economy, which has lagged the recovery of the nation as a whole, may be showing signs of growing strength. The DOF notes that the state's unemployment rate fell more quickly than the nation's, falling from 9.8% at the end of 2012 to 8.5% one year later. Unfortunately, California's unemployment rate is still 1.5% higher than the nation's, and is not expected to fall below 7.0%—the U.S. rate today—until the middle of 2016.

The California housing market, which took the biggest fall among the states during the recession, is now recovering briskly. As of October 2013, prices of existing single-family homes are up 25% from a year earlier. The DOF points out that, with the run up in prices, new home buyers will face higher down payments, which in turn could keep these potential buyers in the rental market for a little longer.

State Revenues

The Governor's Budget acknowledges a significant improvement in the state revenue outlook when compared to the assumptions contained in the 2013-14 Budget Act. For 2012-13, the Administration has identified an additional \$1.7 billion in General Fund revenue and an additional \$2.9 billion in the current year. The revenue outlook for the Budget year is very encouraging. The Governor's Budget reflects a 5.9% increase in revenues, equal to an additional \$5.9 billion above the revised current-year level.

Underlying these welcome revenue estimates are factors that argue for the cautious approach to 2014-15 spending that the Governor has put forth. The DOF has identified the strong performance of the stock market as the primary factor generating the unexpected new revenues for both the current year and 2014-15. The Budget notes that the S&P index was projected to reach 1600 by the end of 2013; by early December 2013 the index was 1800. Capital gains revenue generated from the rising stock market, however, are very volatile and difficult to forecast. Moreover, the Governor's Budget reflects downward revisions in expected tax collections from the sales and use tax and the corporation tax, thus placing even greater reliance on the income tax.

The DOF's long-term revenue forecast is strikingly similar to the LAO's forecast released two months ago. By 2017-18, the DOF forecasts General Fund revenues of \$118 billion from the three major taxes (the income tax, the sales and use tax, and the corporation tax). The LAO forecasts \$119.6 billion, just 1.4% more than the DOF's forecast.

Proposition 98

Proposition 98 sets, in the State Constitution, a series of complex formulas that establish the minimum funding level for K-12 education and the community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee, plus (1) workload changes as measured by the change in average daily attendance (ADA) and (2) inflation adjustments as measured by the change in either per-capita personal income or per-capita state General Fund revenues, whichever is less. Under certain circumstances, the minimum level is set by a fixed percentage of General Fund revenues, called "Test 1," and it is this percentage that determined the Proposition 98 funding level for 2012-13 and for the 2014-15 Budget year. In 2013-14, the minimum guarantee is set by Test 3, which adjusts the guarantee based on the change in per-capita state General Fund revenues.

An improving economy has lifted the minimum funding required for K-14 education, increasing 2012-13 and 2013-14 by \$1.8 billion and \$1.5 billion, respectively. The two-year total (rounds to \$3.4 billion) is available for one-time spending, and the Governor's 2014-15 Budget proposes to combine this revenue with \$2.7 billion from 2014-15 to completely retire K-14 deferrals—a one-time cost totaling \$6.1 billion.

For 2014-15, the Budget projects that the Proposition 98 guarantee will grow to \$61.6 billion, a \$6.3 billion increase above the 2013-14 budgeted level.

Seeking to avoid a continuation of the boom and bust cycle of state revenues and budgeting, Governor Brown is proposing a constitutional amendment that would revise the existing constitutional requirement to set aside a share of state revenue growth into a "rainy day" fund. While this budget makes the first deposit to the rainy day fund since 2007, he also is proposing through the amendment to strengthen the allocation of revenue growth by earmarking capital gains tax revenues

that exceed 6.5% of state revenues in any year for the fund, and broadening the use of those reserve funds to include meeting the demands of long-term state liabilities.

As part of that proposal, a share of revenue growth diverted to reserves would also accrue to a Proposition 98 reserve to be used to smooth out the year-to-year fluctuations in the K-14 minimum guarantee.

Redevelopment Agencies

In 2001, approximately 400 redevelopment agencies (RDAs) were eliminated, releasing \$5.0 billion in local property tax revenues to retire pre-existing obligations of RDAs and fund local government services, including school and community college districts. Any property tax revenue remaining after the pre-existing obligations are paid is distributed to the affected taxing entities based on their property tax share. In those areas that contained RDAs, the Governor's Budget estimates that in the current year and budget year, approximately \$1.6 billion will be distributed back to counties, \$1.2 billion will be distributed back to cities, and \$400 million will be distributed back to special districts. The additional property tax revenue received by K-14 schools generally offsets the state's Proposition 98 General Fund costs on a dollar-for-dollar basis.

Schools and community colleges received approximately \$2.2 billion of additional property tax revenues, a savings for the state, in 2011-12 and 2012-13, and the Budget anticipates Proposition 98 state General Fund savings of \$1.1 billion in 2013-14 as a result of the RDA dissolution. For 2014-15, state savings are expected to be \$785 million, with ongoing savings in future years of about \$1 billion annually.

Starting with the current year, for community colleges the Governor proposes to move the date for determining the amount necessary to backfill any shortage caused by RDA funds forward to April 15 of each year, minimizing any impact to local apportionments after the year is over. To fund this, increases of \$38.4 million in the current year and \$35.6 in 2014-15 are proposed to backfill the amount of RDA revenues expected after April 15 of each year.

Multiyear Stable Funding Plan for Higher Education

The Governor proposes to continue his multi-year stable funding plan for the University of California (UC), the California State University (CSU), and the California Community College systems to prevent further tuition increases and improve sustainability. The Governor's long-term plan is to move the funding of higher education away from being based on enrollment to instead be based on critical outcomes, such as affordability, timely completion rates, and quality programs. He emphasizes that the three segments ". . . must work together to develop innovative and ambitious approaches so students can successfully complete their degrees . . ."

The Proposed Budget includes a 5% increase each to the CSU and UC systems for 2014-15, the second year of the Governor's four-year investment plan. He is proposing that they each receive 4% in the following two years. The caveat is that the systems hold to the current fee levels during these four years and adopt sustainability plans that set targets for key measures, within resource assumptions provided by the DOF.

Community College Apportionments

For community colleges, Governor Brown's Budget first proposes to fund the statutory COLA at 0.86%. Further, the Governor proposes to provide \$155.2 million—an augmentation of 3%—for enrollment growth/workload restoration. The Governor goes on to propose that the Board of Governors develop a formula to prioritize the use of these funds toward the districts with the greatest unmet need in their communities for basic skills and remedial education, workforce development and training, and preparing students to transfer to four-year universities. The goal is that all districts receive some growth/restoration funding, and that ultimately, over time, all districts be restored to their pre-recession funding levels.

The Governor's Budget proposes \$592.4 million to completely eliminate the rest of the statutory cash deferrals. To be clear, while dollars used to buy back deferrals count toward Proposition 98 expenditures for the state's purposes, they do not provide more spending authority to colleges, but they can reduce borrowing costs.

In keeping with his expectations of the higher education segments to keep tuition and fees at their current level, the Governor makes no proposal to increase community college student fees.

The Governor's Budget proposes to increase Education Protection Account funds allocated to California Community Colleges to eliminate the shortfall due to the requirement that each district receive at least \$100 per full-time equivalent student. His proposal would fund the shortfalls for 2012-13 and the current year, as well as the budget year and forward.

Categorical Programs

The Governor proposes to provide an additional \$200 million for student success: \$100 million for the Student Success and Support Program and \$100 million for supporting underrepresented student groups as identified in local Student Equity Plans.

Further, the Governor's Budget proposes to allow districts to transfer up to 25% of certain categorical programs to any other state, federal, or local programs to better meet the needs of underrepresented student groups. More detail is needed in order to determine to which programs this would apply and whether this would replace the current flexibility options that have been in place and are slated to be available through 2014-15.

A one-time increase of \$175 million is proposed, half to fund deferred maintenance and half to fund instructional equipment.

The Budget Proposal includes a new grant program, the Awards for Innovation in Higher Education program, which would be funded at \$50 million on a one-time basis for 2014-15. These awards can be earned by any of the UC, CSU, or community college campuses, or a consortium, that make a proposal to advance these state priorities:

- Significantly increase the number of individuals in the state who hold bachelor's degrees
- Allow students to earn bachelor's degrees that can be completed within four years of enrollment in higher education
- Ease transfer through the state's education system, including by recognizing learning that occurs across the state's education segments and elsewhere

The process to apply and receive awards is proposed to be completed by Spring 2015 and is proposed to be administered by a committee chaired by the DOF and including representatives from the

Legislature and each of the public education segments. The Governor's expectation is that the UC, CSU, and community colleges will continue to invest in technology to lower costs and allow students to complete degrees sooner.

Child Care

A Parent/Child Engagement Demonstration pilot program is proposed for 2014-15. This pilot program would support vulnerable low-income families who face multiple barriers of entry into the workforce without access to licensed child care, or who fall into California Work Opportunity and Responsibility to Kids (CalWORKs) sanction status. A six-county pilot comprising 2,000 families is proposed to be conducted over three years at a cost of \$9.9 million in 2014-15 from non-Proposition 98 funds (assuming a March 2015 enrollment of the first cohort of families), and \$115.4 million over the three years. The objectives of the pilot are to:

- Connect children with stable licensed child care
- Engage parents with their children in the child care setting
- Enhance parenting and life skills
- Provide parents with work readiness activities that will move the family to self-sufficiency

The changes to CalWORKs child care funding are the result of the following:

- Stage 2 programs will increase by \$6.3 million in 2014-15 to reflect an increase in the cost-per-case of eligible CalWORKs Stage 2 beneficiaries and a slight decrease in the number of cases. The base cost for Stage 2 is \$364.1 million.
- Stage 3 programs will increase by \$2.8 million in 2014-15 to reflect an increase in the cost-per-case of eligible CalWORKs Stage 3 beneficiaries and a slight decrease in the number of cases. The base cost for Stage 3 is \$185.8 million.
- Child Care and Development Funds will see a net decrease of \$9.1 million in federal funds in 2014-15 to reflect a reduction of available carryover funds (\$3.2 million) and a decrease of \$5.9 million to the base grant. Total federal funding is \$555.6 million.

State Mandate Reimbursements

The Governor's Budget Proposal contains no changes to the total state funding level of the Mandate Block Grant (MBG), which keeps the funding amount at \$28 per full-time equivalent student (FTES). The MBG is specifically intended to fund the costs of mandated programs and activities identified in Government Code Section 17581.6(e). Each year community colleges have the option to select the MBG funding or to continue to file claims for reimbursement of the state mandates that are included in the MBG. Election of the MBG in any given year does not affect the claims filed for reimbursement for any prior years.

The Governor proposes to shift the Public Contracts mandate into the MGB, with no increase in the MBG because the Public Contracts mandate has virtually been unfunded. The Governor's Budget proposes to eliminate the Construction Mandate completely.

The Budget continues the long-term plan outlined in last year's May Revision to pay down the \$5.4 billion debt owed to schools, community colleges, and local governments for prior mandates over several years in the future, to be completed by the end of 2017-18. However, no further details are provided on this repayment plan, and no funds are included for this purpose in 2014-15, leaving the payoff for future years. The reason given for not funding this particular debt in 2014-15 was to give

priority to eliminating the cash deferrals and paying down the Economic Recovery Bonds that were issued in 2004.

Proposition 39

The California Clean Energy Jobs Act was approved by voters in 2012 to support energy efficiency. Proposition 39 funding can be used by school and community college districts to undertake energy efficient measures, including the construction or modernization of buildings in a manner that uses less energy, purchasing energy efficient equipment, and undertaking renewable energy projects.

Governor Brown proposes to allocate \$363 million of energy efficiency funds in 2014-15 as follows:

- \$316 million to K-12 school districts for energy efficiency project grants
- \$39 million to community colleges for energy efficiency project grants
- \$5 million to the California Conservation Corp for continued technical assistance to K-12 school districts
- \$3 million to the Workforce Investment Board for continued implementation of the job-training program

Adult Education

The Governor states his "intention" in 2015-16 to make an investment in adult education programs (including programs provided in county jails) through a "single categorical program." Adult education consortia plans will be completed by early 2015, and the Administration intends to make an investment in the 2015-16 Budget for adult education, noting his office will continue to work jointly with the California Department of Education and the Chancellor's Office to "complete the adult education consortia plans, while working with the Legislature to ensure that any legislation pertaining to adult education aligns with and supports the planning process currently underway, and provides consistent guidance to the K-12 and community college districts."

Other Policy Proposals

In addition to the policy changes embedded in the funding proposals above, Governor Brown's Budget proposes to provide the Chancellor's Office with an additional \$1.1 million and nine staff positions to develop leading indicators of student success and monitor each district's performance, and an additional \$2.5 million to provide technical assistance to districts with a focus on those that are underperforming.

Lottery Funding

The California Lottery has contributed more than \$1 billion to LEAs annually for each of the past 13 years, and has been a welcome source of continued revenue for local educational agencies to use toward their cost of operations.

The 2013-14 Lottery funding has been estimated at \$1.3 billion for education. We are projecting the per-FTES rates for the 2013-14 fiscal year at \$126 per-annual FTES (unrestricted) and \$30 per-annual FTES (restricted).

We anticipate that the Lottery Commission will release its sales projections in June 2014 for the 2014-15 fiscal year. Until such information is known, we are recommending that district LEAs use the same projected per-FTES rates for 2013-14 for the 2014-15 fiscal year.

Federal Programs

A recent agreement reached in Congress on the federal budget will provide relief from sequestration cuts to education and other federally funded programs that are in Washington's "discretionary" budget—at least in the short term.

This means, at a minimum, there should be no additional cuts to federal education programs below current funding levels. The House and Senate Appropriations Committee will negotiate spending levels for 2015. Since federal education programs are forward funded, any changes would impact education budgets in California during the 2015-16 and 2016-17 years.

One of the major unresolved federal issues is the debt ceiling limitation that will have to be increased in February to allow additional federal borrowing necessary to fund the higher spending levels authorized in this compromise. Absent a deal on the debt ceiling, federal spending could not be sustained and any budget compromise would, at that point, become moot.

Highlights for K-12 Education

The Governor prioritizes additional funding for the K-12 LCFF (see previous issues of the *Community College Update* for more detail on the formula) by providing an additional \$4.5 billion to move K-12 schools toward their target level of funding. This equates to an approximate 10.9% increase in funding, on average, although there will be significant variation in the actual increases received by individual districts based on their student demographics. The Governor further proposes to create a continuous appropriation for the LCFF funding in order to ensure that the formula continues to be implemented on schedule in future years. The implementation plan for LCFF has assumed that it will be fully funded by 2020-21.

The few remaining K-12 categorical programs are proposed to receive the 0.86% COLA.

Consistent with the proposal for community colleges, the Governor proposes to buy out all of the remaining K-12 cash deferrals.

Initiatives

Governor Brown proposes a constitutional amendment to strengthen the state's Rainy Day fund. Voters in 2004 approved Proposition 58, which, among other things, required a balanced Budget and directed 3% of the state's revenues into a Rainy Day fund. However, the economic challenges that have faced the state over the past several years have highlighted its deficiencies. A proposed constitutional amendment to modify the Proposition 58 Rainy Day fund (Assembly Constitutional Amendment 4 [ACA 4]) is set to be on the ballot in November, but Governor Brown in his morning press conference calls that proposal "extremely complicated with limited flexibility."

While details are not yet available, Governor Brown's proposed constitutional amendment would base deposits into the reserve account when capital gains revenues make up more than 6.5% of the state's General Fund revenues and double the size of the reserve from 5% to 10% of state revenues. In addition, the proposal would allow the state to make supplemental payments to reduce the state's Wall of Debt or other long-term liabilities.

The proposal would also create a Proposition 98 reserve to help smooth out Proposition 98 revenues to prevent the severe cuts that have been imposed in years past. Funding for this reserve would come

from spikes in Proposition 98 funding and would be held in reserve for future years when revenues are in decline. The proposal would make no changes to the Proposition 98 guarantee.

If approved by two-thirds of the Legislature, the proposal would replace ACA 4 on the November 2014 ballot.

The California State Teachers' Retirement System

The Governor's Budget Proposal notes that the California State Teachers' Retirement System (CalSTRS) faces a growing unfunded liability of \$80.4 billion and may exhaust its assets within 30 years. Stabilizing the system could cost more than \$4.5 billion per year. In February 2013, CalSTRS presented a report to the Legislature with many options for improving the funded status of the basic retirement plan, all of which would require increases in the contributions from employees, employers, and the state (see "[CalSTRS Report Presents Options for Funding Stability](#)" in the February 8, 2013, *Community College Update*).

The contribution rates for CalSTRS are set in statute, so unlike the California Public Employees' Retirement System Board, the Teachers' Retirement Board does not have authority to change the rates. The current contribution rates are as follows:

- Members: 8% since 1972 (new members starting January 1, 2013, also contribute 8%, which can be adjusted by CalSTRS)
- Employers: 8.25% since 1990

The state's contribution fluctuates, but is currently 5.291%. It will take legislative action to change the contribution rates, and the Governor's Budget Proposal states that his administration will work with stakeholders on a "plan of shared responsibility" to achieve a fully funded system within 30 years.

The CalSTRS report states that the maximum contribution increase that can be assessed on members (hired before January 1, 2013) is 2.6% and pegs the maximum increase to the state's contribution as 1.085%, with employers picking up the lion's share. The Governor's Budget also states that school districts and community colleges should anticipate absorbing much of any new CalSTRS funding requirement, as the state's role as a contributor to the plan should be evaluated. The CalSTRS funding plan will be included in the Governor's 2015-16 Budget Proposal, so school and community college employers should be prepared for increases in the contribution rate for CalSTRS employees starting in that year.

Close

As we remind readers each year, the Governor's Budget Proposals do not mark the end of the Budget cycle—they mark the beginning. The Legislature will have a lot to say about the Governor's priorities and whether or not they agree with him. This would be the second year in a row that the Governor proposes that the lion's share of new revenues be committed to education, to the exclusion of other major segments of the State Budget. After more than five years of Budget reductions, we predict the Legislature will push for improvements in other areas of the Budget, as they did last year. The Governor will again be tested, but last year he stood his ground.

Our economy is still fragile and we need to be careful as we develop our financial plans for the next few years. We will be updating our multiyear financial planning factors in the School Services of California, Inc., (SSC) Dartboard for 2014-15 and beyond, which will be posted next. Stay tuned . . .

—*SSC Staff*

posted 01/09/2014

**MID YEAR EXPENDITURE FOR FUND 11 & 13
COMPARISON BY LOCATION - 12/31/XX**

	FY 2012-2013					FY 2013-2014				
	Adopted Budget	YTD Budget	YTD Actual	Available	% Avail	Adopted Budget	YTD Budget	YTD Actual	Available	% Avail
Aca Salaries (excl. 1300's)	24,309,788.00	24,152,322.00	11,874,476.21	12,277,845.79	50.84%	24,528,462.00	24,541,916.00	12,225,063.10	12,316,852.90	50.19%
1300's	13,018,366.00	12,991,081.00	6,699,094.70	6,291,986.30	48.43%	14,200,578.00	14,223,986.00	7,508,941.80	6,715,044.20	47.21%
2 Classified Salaries	12,489,647.00	12,552,279.00	5,757,676.86	6,794,602.14	54.13%	12,435,668.00	12,426,244.00	5,773,310.75	6,652,933.25	53.54%
3 Employee Benefits	15,310,350.00	15,335,049.00	7,372,644.05	7,962,404.95	51.92%	15,668,902.00	15,623,003.00	7,234,379.36	8,388,623.64	53.69%
4 Supplies & Materials	637,864.00	596,871.00	223,852.28	373,018.72	62.50%	638,016.00	626,387.00	177,696.00	448,691.00	71.63%
5 Other Operating Exp	8,173,435.00	8,377,646.00	2,160,517.06	6,217,128.94	74.21%	6,842,819.00	6,804,778.00	2,535,975.64	4,268,802.36	62.73%
6 Capital Outlay	91,690.00	118,290.00	53,215.50	65,074.50	55.01%	170,610.00	311,816.00	37,275.52	274,540.48	88.05%
7 Other Outgo	-	-	-	-	0.00%	709,286.00	699,286.00	-	699,286.00	100.00%
Santa Ana College	74,031,140.00	74,123,538.00	34,141,476.66	39,982,061.34	53.94%	75,194,341.00	75,257,416.00	35,492,642.17	39,764,773.83	52.84%
Aca Salaries (excl. 1300's)	11,926,305.00	11,945,239.00	5,940,762.84	6,004,476.16	50.27%	12,494,360.00	12,480,075.00	6,226,856.41	6,253,218.59	50.11%
1300's	3,503,206.00	3,504,184.00	2,358,178.95	1,146,005.05	32.70%	3,458,860.00	3,484,671.00	2,853,907.57	630,763.43	18.10%
2 Classified Salaries	5,921,712.00	5,982,187.00	2,733,770.01	3,248,416.99	54.30%	6,077,536.00	6,228,774.00	2,830,322.45	3,398,451.55	54.56%
3 Employee Benefits	7,132,092.00	7,133,941.00	3,487,641.23	3,646,299.77	51.11%	7,262,508.00	7,364,521.00	3,502,273.97	3,862,247.03	52.44%
4 Supplies & Materials	158,639.00	171,088.00	70,102.26	100,985.74	59.03%	156,008.00	168,282.00	59,999.31	108,282.69	64.35%
5 Other Operating Exp	4,080,931.00	4,141,705.00	1,228,221.78	2,913,483.22	70.35%	3,960,517.00	3,961,533.00	1,330,065.02	2,631,467.98	66.43%
6 Capital Outlay	28,710.00	26,760.00	13,803.30	12,956.70	48.42%	57,688.00	70,114.00	12,466.94	57,647.06	82.22%
7 Other Outgo	946,599.00	946,599.00	59.93	946,539.07	99.99%	236,858.00	57,067.00	-	57,067.00	100.00%
Santiago Canyon College	33,698,194.00	33,851,703.00	15,832,540.30	18,019,162.70	53.23%	33,704,335.00	33,815,037.00	16,815,891.67	16,999,145.33	50.27%
1 Academic Salaries	836,336.00	836,336.00	411,399.85	424,936.15	50.81%	822,802.00	822,802.00	419,967.39	402,834.61	48.96%
2 Classified Salaries	11,704,384.00	11,743,110.00	5,216,339.07	6,526,770.93	55.58%	11,884,885.00	11,937,360.00	5,490,571.35	6,446,788.65	54.01%
3 Employee Benefits	5,683,404.00	5,683,404.00	2,566,077.23	3,117,326.77	54.85%	5,819,532.00	5,821,200.00	2,585,339.42	3,235,860.58	55.59%
4 Supplies & Materials	264,278.00	255,678.00	40,650.35	215,027.65	84.10%	255,641.00	253,175.00	54,566.85	198,608.15	78.45%
5 Other Operating Exp	6,798,871.00	7,000,421.00	2,813,448.32	4,186,972.68	59.81%	5,942,519.00	6,308,703.00	2,890,529.98	3,418,173.02	54.18%
6 Capital Outlay	1,243,248.00	1,160,298.00	100,274.91	1,060,023.09	91.36%	1,196,850.00	1,088,489.00	38,432.14	1,050,056.86	96.47%
7 Other Outgo	310,922.00	180,922.00	-	180,922.00	100.00%	316,121.00	121.00	-	121.00	100.00%
District Operations	26,841,443.00	26,860,169.00	11,148,189.73	15,711,979.27	58.50%	26,238,350.00	26,231,850.00	11,479,407.13	14,752,442.87	56.24%
TOTAL FUND 11 and FUND 13	134,570,777.00	134,835,410.00	61,122,206.69	73,713,203.31	54.67%	135,137,026.00	135,304,303.00	63,787,940.97	71,516,362.03	52.86%

**RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
2013-14 FTES TARGET COMPARISON TO ACTUAL**

Final
1-08-2014 for P1 Reporting

	2012-2013 Annual (7-17-2013) <small>with Summer 2013 Borrowing</small>			2013-2014			2013-2014			2013-2014		
	Annual Reporting			Campus Determined Targets			Actuals as of 1-08-2014 for P1 Reporting			Better (Worse) Target vs. Actual as of 10-15-2013		
	TOTAL	SAC ¹	SCC	TOTAL	SAC ²	SCC	TOTAL	SAC	SCC	TOTAL	SAC	SCC
SUMMER												
NC	463.49	297.55	165.94	405.08	306.58	98.50	612.38	446.86	165.52	207.30	140.28	67.02
CR	1,420.18	1,015.56	404.62	1,641.28	1,101.28	540.00	1,678.14	1,136.72	541.42	36.86	35.44	1.42
SUMMER TOTALS	1,883.67	1,313.11	570.56	2,046.36	1,407.86	638.50	2,290.52	1,583.58	706.94	244.16	175.72	68.44
FALL												
NC	F 2,444.52	1,688.28	756.24	2,363.00	1,703.00	660.00	2,342.62	1,760.90	581.72	(20.38)	57.90	(78.28)
CR												
IS, DSCH	191.08	60.34	130.74	174.00	67.00	107.00	189.82	80.09	109.73	15.82	13.09	2.73
IS, WSCH	471.54	369.88	101.66	439.00	311.00	128.00	428.90	291.61	137.29	(10.10)	(19.39)	9.29
DSCH	366.59	207.55	159.04	418.00	273.00	145.00	432.70	271.76	160.94	14.70	(1.24)	15.94
Positive	F 1,793.26	1,738.69	54.57	1,825.00	1,775.00	50.00	1,454.46	1,417.73	36.73	(370.54)	(357.27)	(13.27)
WSCH	7,380.03	4,872.49	2,507.54	7,447.00	4,977.00	2,470.00	7,372.21	4,778.16	2,594.05	(74.79)	(198.84)	124.05
TOTAL CR	10,202.50	7,248.95	2,953.55	10,303.00	7,403.00	2,900.00	9,878.09	6,839.35	3,038.74	(424.91)	(563.65)	138.74
FALL TOTALS	12,647.02	8,937.23	3,709.79	12,666.00	9,106.00	3,560.00	12,220.71	8,600.25	3,620.46	(445.29)	(505.75)	60.46
SPRING												
NC	F 3,380.47	2,466.68	913.79	3,597.00	2,545.00	1,052.00	3,599.18	2,546.26	1,052.92	2.18	1.26	0.92
CR												
Jan. intersession	F 0.00	0.00	0.00	436.00	316.00	120.00	541.10	375.06	166.04	105.10	59.06	46.04
IS, DSCH	217.37	65.74	151.63	176.00	52.00	124.00	154.34	43.09	111.25	(21.66)	(8.91)	(12.75)
IS, WSCH	367.10	259.13	107.97	449.00	319.00	130.00	453.55	318.99	134.56	4.55	(0.01)	4.56
DSCH	F 372.61	222.23	150.38	403.00	278.00	125.00	339.00	201.09	137.91	(64.00)	(76.91)	12.91
Positive	F 1,891.98	1,836.71	55.27	1,887.00	1,837.00	50.00	1,943.06	1,886.37	56.69	56.06	49.37	6.69
WSCH	7,099.37	4,563.66	2,535.71	7,065.00	4,475.00	2,590.00	7,024.12	4,475.22	2,548.90	(40.88)	0.22	(41.10)
TOTAL CR	9,948.43	6,947.47	3,000.96	10,416.00	7,277.00	3,139.00	10,455.17	7,299.82	3,155.35	39.17	22.82	16.35
SPRING TOTALS	13,328.90	9,414.15	3,914.75	14,013.00	9,822.00	4,191.00	14,054.35	9,846.08	4,208.27	41.35	24.08	17.27
SUMMER												
NC	161.92	105.42	56.50	161.92	105.42	56.50	161.92	105.42	56.50	0.00	0.00	0.00
CR	38.72	38.72	0.00	38.72	38.72	0.00	38.72	38.72	0.00	0.00	0.00	0.00
Borrowed	124.81	124.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUMMER TOTALS	325.45	268.95	56.50	200.64	144.14	56.50	200.64	144.14	56.50	0.00	0.00	0.00
COMBINED												
NC	6,450.40	4,557.93	1,892.47	6,527.00	4,660.00	1,867.00	6,716.10	4,859.44	1,856.66	189.10	199.44	(10.34)
CREDIT	21,734.64	15,375.51	6,359.13	22,399.00	15,820.00	6,579.00	22,050.12	15,314.61	6,735.51	(348.88)	(505.39)	156.51
TOTAL	28,185.04	19,933.44	8,251.60	28,926.00	20,480.00	8,446.00	28,766.22	20,174.05	8,592.17	(159.78)	(305.95)	146.17
	Non-Credit	70.66%	29.34%	Non-Credit	71.40%	28.60%	Non-Credit	72.36%	27.64%			
	Credit	70.74%	29.26%	Credit	70.63%	29.37%	Credit	69.45%	30.55%			
	Total	70.72%	29.28%	Total	70.80%	29.20%	Total	70.13%	29.87%			

Abbreviations:

NC=noncredit students

CR=credit students

IS=independent study/work study

F = total faculty contact hours of instruction released for flex-time activities

NOTE: ¹ Summer 2013 FTES with census date prior to July 1, 2013 were borrowed from Credit for 2012-13 Annual report

¹ Summer 2013 FTES with census date prior to July 1, 2013 were borrowed from Credit for 2012-13 Annual report

² SAC revised target 10-24-2013

	2.63% growth		
	28,926.00	20,480.00	8,446.00
		70.80%	29.20%
	1.63% growth		
	28,644.00	20,280.00	8,364.00
		70.80%	29.20%

Estimated Factors *Updated at P3	(F)
SAC CEC	1.0388
SAC-DSCH	1.0240
SAC-Positive	1.0195
SCC-OEC	1.0367
SCC-DSCH	1.0181
SCC-Positive	1.0355

Actuals
Est. actuals
Updated projections